

TOMORROW'S CMOs: ESCHEW YESTERDAY'S MARKETING MODELS



This new model is less about messaging and more about understanding your profitable segments of customers in order to design the experiences that are right for them.



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That sound you're hearing is the death rattle of an aging icon taking its last breath after a long and honored run: the "classic" marketing model as epitomized by consumer-package-goods companies.

If there was any doubt that this model—based around one-size-fits-all advertising and promotional efforts—is no longer able to move the masses, consider how some of the biggest brands are shifting away.

Dell lets other manufacturers fight for retail shelf space (and eat its dust) while it markets and sells more computers and consumer-electronic equipment on dell.com.

McDonald's now assigns just a third of its marketing budget to TV, compared to two-thirds five years ago.

A more powerful model for marketing has been emerging in recent years, and it's shaking up the way traditional marketing departments are organized and how Madison Avenue markets itself.

Forged by the service sector's experiential-marketing approach, this new model is all about establishing and maintaining a sustainable relationship with, and loyalty from, customers at every nuanced point of interaction. It's less about the messaging and more about understanding your profitable segments of customers in order to design the experiences that are right for *them*, not necessarily everyone.

While few could state, for example, what Tide's advertising message is today, loyal Tide customers can easily talk about Tide's Fabric Care Network Web site that shares tips and tactics going far beyond detergent usage.

It's why Coca-Cola Co. reinforces its lifestyle connections through such vehicles as a Web site featuring "fantasy" Nascar racing teams and music

downloads and its opening of Red Lounge teen-hangout centers.

You also see it in Starbucks' move to mix more than just mochas with its pilot Hear Music media bars that allow patrons to listen to music, create custom mixes and burn their own CDs. It shows once again that the coffeehouse giant is as much about the experience as it is about the brew.

Too many, however, struggle to find ways to compete and re-establish their relevance—all the while watching their margins decline as they fail to

break out of the old marketing paradigms. They continue on the noble yet dated search for the message du jour—such as KFC's oxymoronic attempt to jump on the low-carb bandwagon—or for the silver-bullet fixes to deeper problems. Swiss Air's failure to bring to life a promising message of "Attention to Detail" stemmed from a culture that couldn't follow through.

For others, it's been too little, too late, like Geoffrey: A Toys 'R' Us Experience stores. Toys 'R' Us once had the muscle to pull this concept off, but today has been out-Wal-Marted and is now considering the sale of its toy operations.

Ultimately, it's about creating relevance and meaning in a highly fragmented and commoditized world.

It's about knowing how your most profitable customers think *and* act.

It's about ensuring that the totality of your brand and marketing delivers the experience for them.

It's about effective partnering with operations, technology, merchandising, billing and the call center to truly go beyond the traditional marketing model.

You may call it "taking a risk" to throw out your old Marketing 101 textbook.

I call it "survival" and the opportunity to write a new bestseller. ■



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