

The Flip Side of Fear: Marketing to the Empowered Consumer

By Tim Armstrong

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"All advertising should...connect an individual person's needs to a business that can offer that individual value." David Ogilvy's words from 50 years ago ring truer than ever today. The advertising and marketing industry is undergoing tremendous change – part of a transformation of the media world as fundamental as society's evolution from feudalism to democracy.

At the center of this change, then as now, stands the individual. In the half-century since Ogilvy's day, publishing and advertising have become an industry defined by specialization – branding, direct response, affiliate marketing, and other narrow disciplines, but advertising itself has remained a non-measurable activity aimed at the pre-empowered consumer. Just a few years ago we lived on the media industry's clock, our information consumption dictated by TV schedules, magazine pub dates and newspaper deadlines. Warner Brothers told us what records to buy, Walter Cronkite gave us the news we needed, and GE sold us the refrigerator we wanted.

Now, with each passing month, consumers enjoy more control over what media we receive and when and where we receive it. We can also leverage the opinions of millions of other consumers into more informed media and commerce decisions. Music fans build and share their own CD tastes via iTunes downloads; news junkies create their own news experience from customized sources, regions and sections; homeowners surf through endless pages' worth of consumer reviews on CNET and BizRate before deciding on a fridge.

Consider Verizon's 3G cell phone. Last year, if I wanted highlights of the latest Red Sox game, I'd have sit through an hour of ESPN SportsCenter in order to see the two minutes that mattered to me. Now I can get my SportsCenter Red Sox clips on my 3G phone - and watch them whenever and wherever I want.

Alternatively, consider the blogging revolution. Free blog software and RSS feeds let us create our own content and sift through millions of sites to create our own media portals. It isn't Yahoo! or AOL or Google deciding what's important; it's us. We're all becoming media companies of one.

What does this mean to marketers? The fearful conventional wisdom says the advertising world cannot help but shrink in the era of the empowered consumer. But what's the flip side of this fear? When advertising took place on media companies' schedules, a marketer's job was to deliver one-way messages designed to build strong brands. Coke showed us emotional commercials, and if we wanted more data about its products than an image of people singing on a hill, we were out of luck.

Learning to sell to empowered consumers means moving from "the brand is the product" to "the product is the brand." In a TiVo universe whose inhabitants can turn off unwanted messages at any moment, marketers must understand and communicate product benefits and attributes in a way that earns potential customers' trust and meets their needs. This means marketers should answer three questions:

- 1) Why would somebody buy this product?
- 2) How do I honestly translate those benefits?

3) How do I reach the consumers who need to know?

The third step is the hardest, the most interesting and the most rewarding. How, where and when do marketers reach the empowered consumer? While he's doing product research? Cruising discussion forums? Reading feedback from other users? Walking down the street getting live local info on where to eat or shop from recommendations of people who share her tastes? Most importantly, what data does that consumer send back about his or her experience?

I don't have all the answers, but I'm pretty sure these are the right questions. Finding ways to honestly connect marketing messages with interactive media creates openings for the sort of two-way, real-time relationships that marketers dream of, but a lot of these messages won't look much like 20th century marketing. Media pundits still claim that Internet ads won't work until you can make someone laugh or cry. They're at least half wrong. Laughing and crying are fine – the Digital Age hasn't repealed all human emotional triggers – but in an info-rich empowered consumer world, creativity will require not just an emotional message, but a useful and informative one.

The best news, though, is that in this new world, profitability can take center stage. "I know half of my advertising is wasted," John Wanamaker famously said; "I just don't know which half." That sentiment will finally be obsolete in a digital media world where return on investment (ROI) is transparent and advertising is a profit center that's "always on." Knowing their margins on each consumer they reach will let advertisers break through the ceiling of the non-empowered world. Today's marketing industry spends \$250 billion a year. How much will it spend once advertisers are sure that neither half is wasted, that they can do twice as much marketing that's twice as effective? The answer starts with the empowered consumer, includes search advertising, and ends with an industry that's growing larger, not smaller. The flip side of fear is opportunity.

Google AdWords is one method of empowering consumers. Google AdWords is currently used by thousands of businesses worldwide to gain new customers in a cost-effective way. AdWords use keywords to target precisely ad delivery to Web users seeking information about a particular product or service. The program is based on cost-per-click (CPC) pricing, so advertisers only pay when an ad is clicked on. Advertisers can take advantage of an extremely broad distribution network, and choose the level of support and spending appropriate for their business. For more information on Google AdWords or getting expert help, visit <http://adwords.google.com>.