

SHARP GETS TO THE POINT

MARKETING ACADEMIC AND CRITIC BYRON SHARP BELIEVES MARKETERS ARE OPERATING IN A BUBBLE OF MYTHS AND OUTDATED TECHNIQUES. HE TELLS PAUL MCINTYRE WHY MASS MARKETING IS STILL THE MOST POTENT TOOL FOR BRAND GROWTH.

If you're in marketing, management consulting, agency land or media and you've not heard of Professor Byron Sharp, he's about to rock your world.

Sharp is the New Zealand-born marketing academic behind the Ehrenberg-Bass Institute for Marketing Science at the University of South Australia and is one of the more outspoken marketing critics in the world. He contests with great rigour that marketing professionals are operating in a bubble of marketing myths and fantasies which are "bleeding" their corporate employers. Sharp says marketers are using hopelessly misguided, outdated and unscientific marketing techniques.

Armed with at least two decades of research co-sponsored by the head offices of some of the biggest brand owners in the world - Procter & Gamble, Unilever, Kraft, Coca-Cola and Mars, to name a few - Sharp and his team of 70 marketing scientists are ripping conventional marketing theory to bits.

Sharp has just published a book, *Why Brands Grow, What Marketers Don't Know*, which documents empirical evidence that assigns targeted marketing to a "fantasy". It asserts, among many more points, that mass media and mass marketing remain the most potent tool for brand growth and will for years to come; and that the marketing stampede to social media is completely misguided.

It's hard to know where to start with Sharp. He destroys just about every point of marketing convention with hard research. He admits it is "emotionally confronting" for marketers but as they interrogate their own data to disprove the Ehrenberg-Bass Institute's plethora of "law-like patterns" in marketing, they're forced to abandon the pursuit.

Sharp particularly relishes his punch-ups with management consultants - Bain & Co, McKinsey and even Michael Porter, the international mouthpiece for product and brand differentiation.

"The people who get most upset are the management consultants who are making a living selling a particular angle," Sharp says.

"I see Michael Porter is coming [to Australia] soon. I'm sure he'll tell you 'thou shalt differentiate'. [Management consultants] actually capitulate pretty fast. Every time I've come across someone from Bain or any of those groups they huff

and puff a bit at the start but the fact is they don't have any real data. They then go back and look at some and go 'oh, he's right'. Anyone can check. Once they know what to look for, it's pretty persuasive."

The critical "false assumptions" that Sharp says marketers operate under include: differentiating a brand is a central task of marketing; customer retention is cheaper than acquisition; the heaviest 20% of a brand's customers generate 80% of its sales; mass marketing is dead and no longer competitive; consumers of a particular brand are a distinct type of person; and price promotions win new customers and boost penetration, not loyalty.

Sharp says other common marketing mistakes include: "Burning" media budgets in "advertising bursts" and then stopping communications while customers are still buying; paying premiums for low-reach media; and treating "light buyers" in any category as less important than heavy buyers.

What may surprise many who investigate the work at the Ehrenberg-Bass Institute is the overt support it has for mass

marketing, mass media and conventional TV advertising. But social media is viewed with great reservation.

"What annoys me is when you see the entire marketing community bolting

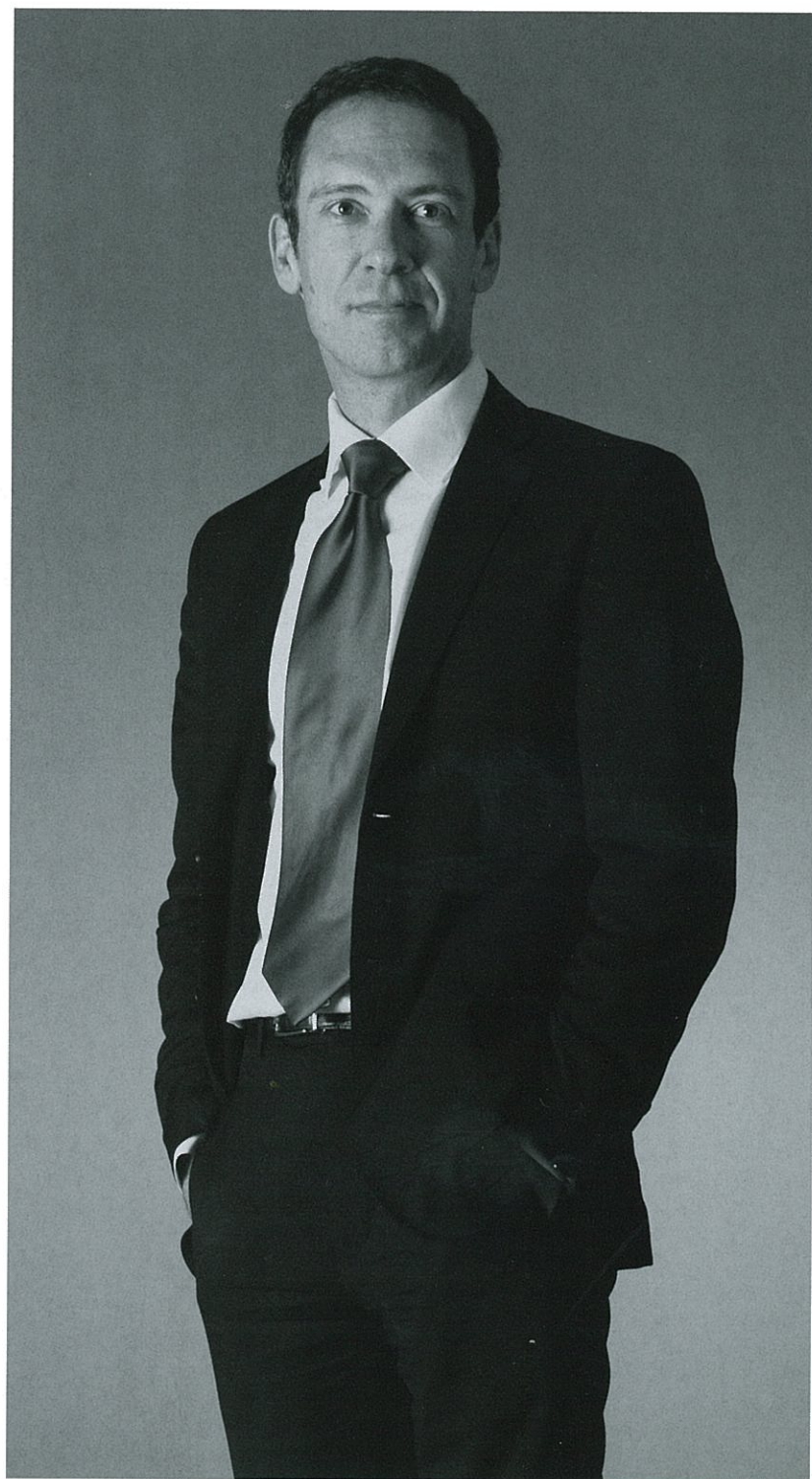
for online - even toothpaste brands," Sharp says.

"They need to be thinking about how to be sophisticated mass market marketers.

"I'm just amazed when anyone goes through a marketing degree in Australia they learn nothing and they're taught nothing about TV advertising other than it has sound, pictures, wide reach and can be quite expensive.

"Big traditional media are still absolutely dominant.

"It's amazing that people have missed the point of what the hottest selling electronic product in the last decade apart from the iPod has been - big-screen TVs. People are watching TV and it is an advertising medium.



"The [marketing] textbooks have been saying for 40 years mass marketing is dead. It's rubbish. It's just not true.

"When businesses schools started, classes had to have something to be taught so people started to develop theories about how customers behave and the way brands grow and needless to say they got stuff wrong because it was arm-chair theorising."

They're fighting words but Sharp is unrepentant. Underpinning his pro-mass marketing and mass media premise is

that for any brand to grow, it has to target every buyer in any given category.

Despite the widespread belief that a particular product or brand needs to skew to certain types of buyers, scores of studies for brand owners the world over, says Sharp, shows consumers will move between competing brands regularly and predictably.

Indeed, brand image and positioning and aligning a brand with particular consumer types is one of marketing's sacred cows Sharp wants to kill. <

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SOCIAL MEDIA IS A 'FASHION TREND'

Professor Byron Sharp is scathing of the corporate bull rush to social media. "It's just another fashion trend," says the provocative academic and brainchild behind the Ehrenberg-Bass Institute for Marketing Science at the University of South Australia. "It just shows when you don't understand how the world works it is easy to be distracted. At the moment marketing people are terribly distracted by things like Twitter and Facebook. I'm skeptical that social media does something for a brand that other media doesn't. I would hope marketers would crunch the numbers to see what sort of reach they get and they would instantly see it is tiny. It shouldn't be taking up any of the marketing department's time at the moment. I say this all round the world. New media should be part of your research budget. Don't do it to build your brand. Do it to learn something. So if you don't have a controlled experiment in place, you aren't going to learn something.