

Social Relevance - the Role of Marketing and Advertising.

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Products such as the Sony Walkman and Apple iPod represent the phenomenon in which a product redefined a consumer “need” by creating a highly functional object that was socially invaluable. In both cases, competitive products quickly met or exceeded the same functionality, but the social relevance of the item allowed the companies to dominate market share.

As with the Walkman and iPod, the need for a product to be useful can be actual or subjective. Millions of little children think that a Barbie doll is an absolute necessity. Millions more are equally interested in Hot Wheels. Neither toy is essential to the child’s immediate health needs, but both product lines are highly relevant to the happiness of the children and the social norms of gift-giving for birthdays, Christmas, or Chanukah.

Many other dolls, cars and other toys are less desired because they have not captured the children’s imagination – or at least the attention of purchasing agents, parents or those who make the buying decision for toys. As such, these products are less socially relevant because children want the “real” present, not a generic substitute. The subjective benefits of Barbie and Hot Wheels may come from the advertising which shapes the attitudes of the children and the buyers who purchase for them.

In this way, marketing and advertising play an important but limited role in a product or service’s success. As a general matter, neither marketing nor advertising can make a useless product useful. Promises of usefulness can be made, but if the promises are lies, the public will eventually uncover the truth.

Marketing and advertising serve two functions. First, they provide product promotion to inform the public that new products and services are available. The world may beat a path to find the better mousetrap, but the public must first know about the new device and where to find it. Marketing and advertising identify attributes of the new product, provide specifications and assist purchasers in finding the product. Product promotion is essential to build a market for an audience.

Second, marketing and advertising highlight the social and subjective relevance of a product or service. Barbie, Coke and Aquafina are “hot” because of the extensive investment in advertising to make those products seem part of our culture. Coke focuses on a hip style, so Dr. Pepper has targeted the country market. Each can be more socially relevant to a segment within the consuming public. Wrangler Jeans hopes to build market share by associating its blue jeans with NASCAR drivers.

All of these ads ignore the properties of the products themselves. Instead, they focus on the emotional or subjective impression of the relevance of the product. The ads cannot make the soda taste different than it actually tastes, but they can change the consumer’s attitude towards the product.

¹ This is part of a series of book excerpts from *OWN IT, The Law & Business Guide™ to Launching a New Business through Innovation, Exclusivity and Relevance*, which provides a step-by-step guide to developing successful start-up companies using concepts of intellectual property in all aspects of business planning and financing (lawbizbooks.com).

Because so much of human perception is based on expectation, however, the marketing and advertising can play a significant role in creating social relevance for products. If the product is objectively relevant, then advertising needs to do less of the work. The subjective relevance applies both to the product category – such as water – or to the particular brand in a product category that is already relevant – such as Perrier.

In the bottled water example, the water itself is essential. Advertising and marketing serve to make bottled water subjectively relevant by emphasizing the purity of the bottled water and the potential problems with tap water. Each company's marketing also serves to make that company's product stand out as more socially relevant than its competitors. Trademarks allow the companies to have exclusive control over their brands.

As a category, toys are always socially or subjectively relevant. Within the broad category of toys, however, popularity and subjective relevance varies from season to season for different classes of toys. Some years feature classic board games while others feature electronic gadgetry. The trends are caused by the popularity of new toys and the over-exposure or staleness of older toys.

Within the vortex of these broader trends, each particular new toy struggles to gain a foothold into the market because all efforts to introduce a new toy must come from the marketing and advertising. Since no particular toy has objective relevance, a new toy's success must depend on subjective relevance.

To improve a particular toy's subjective relevance, toy manufacturers can tie a toy's social relevance to other products, particularly those from films, television shows, books, sports, or famous events. The underlying reference product creates the social context and relevance for the toy that has the potential to impact the public more profoundly than mere advertising or promotion. Toys based on these underlying products are far more likely to be perceived as “must haves” than toys based solely on the advertising of the new product, or worse, just the product itself.

For toys, of course, there are two different audiences that must be motivated by social relevance. The manufacturer must please both the purchaser of the product and the ultimate user or consumer of the product – the parents who purchase the toys and the children who play with them. As a result, the manufacturer must meet the subjective needs of both the adults and the children. The Parker Bros. advertising for “family game night” was geared at the adults, appealing to a general desire among adults to encourage family togetherness built over the shared experience of a classic board game, rather than the silent isolation engendered by television. The games should also have been marketed to the age-appropriate children and teens to make the campaign more effective.

Products for children, pets and aged seniors are the most obvious examples of products with split audiences. Perhaps the largest provider of services to a split audience is a college or university. The user is the student, but the parent is an essential participating consumer. At the most mundane level, most households have a primary shopper, who buys goods for herself (most typically) as well as the rest of the household.

Historically, the marketing of medicine was subject to this split audience. Former Federal Drug Administration policies prohibited pharmaceutical companies from marketing to consumers and limited marketing to the doctors who prescribed the medications. When these rules changed, sales increased dramatically. As a result, the pharmaceutical industry now spends more on advertising than on research and development. The experience of the pharmaceutical industry suggests that markets with split audiences may not do as well as those with a single audience. An alternative lesson is that the pharmaceutical companies now market to both the doctors and the patients whereas they had previously been barred from half of the split audience.

To effectively design products, the market segments and the social relevance should be incorporated into the product design itself. In addition to the marketing of the product, there are many production decisions that will enhance relevance and these should be identified by market segment as the product is being created and re-assessed as the product is marketed and branded.

A split audience is different from a product which has multiple markets. A manufacturer of small digital audio players may have one market in electronic devices and a second market when selling these to toy makers. These are two separate markets that both use the same product but are otherwise unrelated, so that the marketing and distribution is distinct.

A similar experience occurs in the field of pharmaceutical advertising. Advertising focuses on the lifestyle of the users rather than the details of the heavily marketed drug. Given the complexity of drugs, patients are encouraged to seek doctor assistance. But this process is slow and expensive. As a result, the advertising has a strong impact on patient behavior.

The worst aspect of the marketing phenomenon was highlighted by the failure of the Merck pharmaceutical drug, Vioxx. In addition to increasing the risk of heart attack for regular users, the drug had roughly the same effectiveness as Ibuprofen, a safer, inexpensive, over-the-counter pain killer. Vioxx should have been marketed for the small segment of the public that cannot handle the stomach upset of Ibuprofen, not as a replacement for the over-the-counter drug. However, the heavy advertising of Vioxx created a social relevance for the drug that the readily available Ibuprofen did not have, allowing Vioxx to gain market share.

The conclusion of the Vioxx story is a strong reminder to the entrepreneur regarding the long-term strategy needed by manufacturers. Despite the initial success of Vioxx, the risks associated with the creation of an advertising campaign that exceeds the product are very high. In accord with the premise that you cannot fool all the people all the time, an advertising campaign which ignores the realities of the product will inevitably fail, often creating far more harm for the business than the temporary benefit received.