

BY DON E. SCHULTZ

SLAYING MARKETING'S DRAGONS

IN THE WEST, dragons are generally monsters. To protect humanity, St. George spent most of his time slaying them. In the East, dragons are good and a sign of auspicious power.

This column is about a Western dragon. One that needs to be slain or at least locked up somewhere to prevent further harm.

These first two paragraphs may seem like a dumb way of introducing a marketing column, but let's see.

The dragon at issue is one of those traditional, hide-bound marketing concepts that needs to go away as we plummet and plunge through what are proving to be the most difficult economic times anyone can remember. Some liken today's situation to the 1930s Great Depression. But if you remember that, you're probably too old to be very active in marketing.

The current recession/depression/downturn/economic adjustment has caused many to wonder what this means for marketing as it has been known and practiced for the past couple of generations.

Unfortunately, there are few answers. Some say marketing and communication will emerge stronger and more vital than ever, pointing to the shift to digital and

online. Others claim it will force the questioning of many of the concepts and approaches we held dear during the salad days of growth and prosperity. Still others simply shake their heads and look for a hiding place until it is all over.

At a recent "current marketing malaise reviews in a down economy" encounter, the leader did an audience survey: How is your business? What's the outlook for the next quarter? And so forth.

One question was on marketing spending levels. Were organizations cutting back, holding steady or (gasp!) actually increasing budgets?

The question is a major issue for marketers, not to mention the media and supplier organizations, in these tough times. At this meeting, budgets were a big discussion point. From the tenor of the ensuing conversation, holding onto an old budget or expenditure level was a critical issue for marketing managers. Regardless of the conditions when the previous budget was set, in these radically different economic times, one of the marketing manager's most important tasks is to hold onto a previous spending level. Maintaining what has always been, or at least what has been for the past several years. Investment continuity, holding the door against the bean counters, etc. All were legitimate marketing responses.

The question of budgeting and spending goes to the heart of my issue. The continuing focus of marketing, if not management, on spending as a way of valuing what marketing does. For example, what if, because of or in spite of the economic downturn, as a marketing manager, I find a way to improve my returns? I get more results at less cost, whether that be through digital, more synergistic media forms or whatever? I actually improve the value of the organizational marketing spend. I spend less and get more. Simple enough, right?

Wrong! Given how the industry evaluates marketing and marketing value, if we become more efficient and spend less to get the job done, we're not good marketers. Spending is glorified. Protecting marketing budgets is key. Holding onto the past. All seem to be the focus of marketing management.

You've heard the argument. If we become more efficient and do more with less, management will start to expect that. They'll never restore our budgets to past levels. There will be fewer dollars to play with when times get better.

What kind of an incentive is that for marketing managers? Get more efficient and then get fewer resources in return. To marketing managers that means less respect and fewer accolades in the trade press. Not to mention fewer free lunches from the few

remaining media sales reps still left.

I have raised this issue in some past columns: Marketing is really not just a dismal science à la economics, it's a dumb way to do business. In what other field is spending considered to be a mark of excellence, except perhaps information technology? Yet praise continues to be heaped on companies and CMOs that spend, spend, spend. Big budgets equal big titles and big offices. Just look at the U.S. auto industry. It couldn't sell cars, but it sure could spend money.

Our "spend is good" mantra has put us on the track to oblivion. Glorify the spending but ignore returns. It sounds like the marketing equivalent of the sub-prime mortgage scam. If the sub-primes are not worth anything, bundle them up and hang a big price tag on them—some idiot is surely going to buy them. It kind of sounds like a pitch for a Super Bowl spot or maybe the upfront TV market.

If the marketing effort is expensive enough, people will think it's worth something. Dismal science indeed. More like a con game.

Measuring the value of marketing or the importance of marketing, or even the criteria of marketing skills on the basis of spending is really off base. Yet we continue to ask the question about marketing budgets. Are you spending more or less? If you're spending less, that's bad. If you're spending more, in today's economic climate, you're doing a great job. As we used to say in Oklahoma, what a way to run a railroad!

Coming out of this economic mess, if marketing is to be considered anything more than an interesting conversation at the water cooler, we've got to move away from glorifying spending and find a way to value returns to demonstrate if marketing really does add anything of value to the organization or add any value for customers. We have to demonstrate that marketing can do more than fill the "hot" restaurants and watering holes with expense account-laden hot shots whose primary concern is "getting my budget back."

Somehow, in the midst of all this doom and gloom, there must be a few kernels of knowledge that say marketing has to provide a return. But more than a return to the guys who do it: a return to the firm and the customer. Maybe somewhere in all this mess, there really is a pony. I sure hope so, for all our sakes. **m**



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