

Brands, Buzz and MIRP

Challenge your agency to stop wasting your money.

*The future of marketing effectiveness in a budget constrained, ROI
focused environment*

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published book, “Buzzmarketing” endorsed by Steve Forbes (Editor in-Chief
of Forbes Magazine), Ben Cohen (Co-founder of Ben & Jerry’s Ice Cream),
Brian Swette (former Chief Marketing Officer of Pepsi and COO of eBay),
and Warren Phillips (former editor of The Wall Street Journal and CEO of
Dow Jones, Inc).*



I was the number two ad man for a U.S. based retailer five years ago. At the time, we had just hired a well-known ad agency owned by one of the top 3 conglomerates.

We increased our budget to \$40 million dollars. We committed to 5 new creative executions costing \$1.2 million dollars in production. We followed the yellow brick road that was supposed to lead to a new destination for our brand and increased market share that would surely follow.

Sound familiar?

Next the TV ads began to run. Before long, the tens of millions of dollars expended buying reach in the form of Gross Rating Points (GRP) proved a total loss. It failed to move the needle. The \$1.2 million dollars in production cost also was wasted, not to mention the time lost in failing to make an impression on the marketplace over many months.

Fast forward a year: I become the number one ad man for this U.S. based retailer.

First thing we did was scrap the TV commercials and begin a total transformation of how to gain impact. In a hallway conversation, I told the agency's media director that 30 seconds of blank white space with our logo could create a better result than the ads we ran.

What the agency had presented with much fanfare and we had dutifully approved screamed of mediocrity. We had run a campaign that followed the creative fad of the moment, ads that didn't create a stir, and didn't stand out.

Quite simply, our ads looked like ads. And thus, they came and went and were little remembered.

Nobody talked about the ads. Nobody wrote about what the ads said or did. They were just one more piece of the prevailing advertising clutter, fading from sight and comment along with the \$1.2 million dollars spent to produce them and the millions of dollars that disappeared buying the media Gross Rating Points (GRP) to expose them.

You might say we picked the wrong agency. But you'd be wrong. It is not so much a matter of picking the wrong agency as it is about following the wrong belief system. It is a costly fact of life that most brand-building agencies put their creativity to the wrong use. They go down the GRP blind alley that equates success with delivering the right number of rating points to reach the right target audience for admiration of their hopefully award-winning brilliance.

John Wanamaker wondered a century ago about which 50% of his advertising was wasted. Today's Johns and Janes wonder all too often about the waste in 90% of their advertising budget.

We see evidence of it in the trade press all the time. Advertising Age magazine recently reported Miller Beer's sad experience. "Despite spending hundreds of millions of dollars during the last decade on advertising featuring a host of ex-jocks, a quirky guy named Dick and a bevy of brawling babes, Miller has accepted that its name means little to the average beer drinker." Bob Mikulay, EVP-marketing, was quoted as commenting "We found ourselves more focused on form than substance."

The Financial Times chimed in with a story headlined "*TV ads 'a waste' for car groups.*" It seems that according to a survey run by Cap Gemini Ernst & Young only 18% of U.S. consumers believe TV advertising influences their buying decisions while 57% of carmakers and 76% of dealers believe it did so. (Guess what 100% of ad agencies believe?) It's a bit of misperception that can get expensive for automotive marketers worldwide when General Motors alone spends billions a year trying to influence car buyers on TV.

Service companies fare no better than the product advertisers. AT&T Wireless' 2002 "M-Life" campaign puzzled and annoyed millions of consumers while costing AT&T Wireless millions of dollars in production and media expense.

Millions of dollars wasted here. A billion or two wasted there. And, before you know it, you're talking real money.

Countless examples of advertising mediocrity litter the airwaves. So, next time you meet with your agency, you want to ask them if they speak MGRP.

What's MGRP?

Media Impressions beyond Rating Points ("beyond" has a silent "b").

MGRP can be simply diagrammed with these two different illustrations:

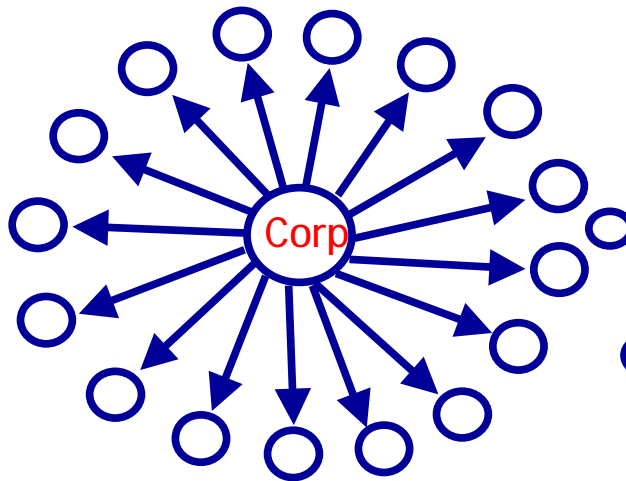
Traditional Model

Figure 1

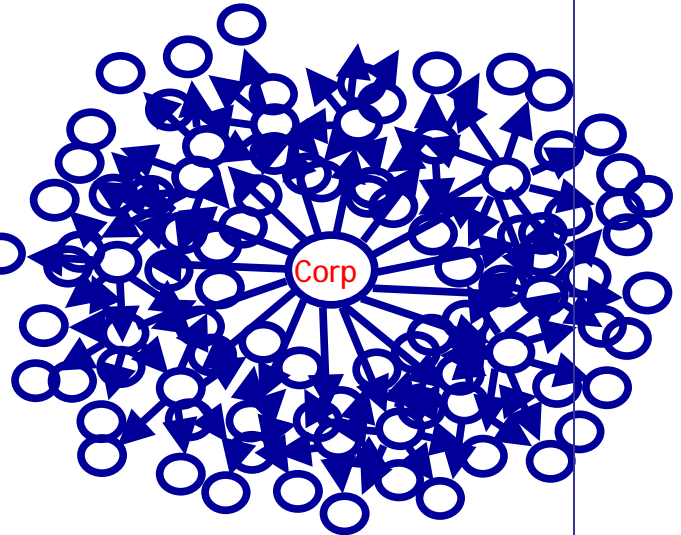
MIRP Model

Figure 2

Almost all awareness advertising is designed based on the traditional model. The corporate marketer sits in the middle and spends money to aim brand-positioning messages at targeted prospects. And that's where it stops.

Agency creates message, client approves message, agency delivers GRP. The end.

Speaking MIRP, however, operates on a different premise. Speaking MIRP is like speaking a different language. MIRP begins in the same way as the traditional model by sending the brand messages to consumers. However, MIRP does not stop with delivering the necessary number of Rating Points (the RP in MIRP), it goes beyond the 30-second TV commercial to create Media Impressions (the MI in MIRP) far beyond any impact of the GRPs purchased.

Here is a recent example illustrating the power of MIRP.

Every year, MTV puts on their Video Music Awards in the US. The aim is to get more viewers and more people talking about their brand of entertainment than the year before. For months preceding the event, viewers are bombarded with promotional commercials. Nevertheless, despite MTV's best efforts in 2003, the show's ratings actually went down. The year before 12 million U.S. viewers watched the Video Music Awards...in 2003 only 10.7 million people tuned in.

Using this one metric (rating points to measure size of the audience), you would judge the 2003 program as falling short in building the brand. But wait, there's more.

Anyone tracking U.S. media coverage of the 2003 event certainly recalls the open-mouth kiss between Madonna and Britney Spears that got the whole country talking. In addition to the buzz generated by water cooler conversations, the news media writing about what happened created a GMI (gusher of media impressions) for the MTV Music Awards far beyond the reduced GRP total.

Over 100 million news media impressions were generated for MTV as a result of that one tantalizing tongue-tying moment!!!!

M *easuring MIRP*

It's easy to tabulate the buzz factor.

Rating Points (RP)= 10.7 million viewers

Media Impressions beyond RP (MI)= 100+ million impressions

MIRP Ratio: (MI) / (RP)

$MI/RP = 100 \text{ mm} / 10.7\text{mm} = 934\%$

Using the traditional metric of rating points, the marketing of MTV's Video Music Awards was a disappointment. But when measured in MIRP (934% MIRP factor) you see the phenomenal total impact on the MTV brand (110+ million impressions vs. 10.7 million viewers).

MIRP...generating word-of-mouth buzz is a far more critical indication of the likelihood of hitting a jackpot ROI than plain old rating points.

This was never more evident than in the experience of our marketing launch of Half.com, an Internet discount retail shopping site.

We did not have the money to run a brand-building advertising campaign. So, we decided to get America talking about Half.com in a most bizarre fashion. We set out to get a town in the state of Oregon to change its name to Half.com.

Early in the unlikely conversation with the town's leading citizens, the national media picked up the story and ran with it. Suddenly a town in the process of deciding to change its name from Halfway, Oregon to Half.com, Oregon was on all three national TV network news programs night after night. Along with the town, the Half.com brand was becoming famous without a single dollar spent on Gross Rating Points for advertising.

The pay-off was a check in the mail for \$300 million dollars when e-Bay acquired the company six months later.

W*hy MIRP?*

Why does MIRP prove to be more important for marketing effectiveness than just buying rating points for a TV campaign?

It has to do with the relative cost of gaining attention and awareness that adds up to creating awe and genuine impact. What does research on impact tell us? David Ogilvy over 20 years ago discovered that six times as many people read an average article vs. an average ad. Face it, when we buy The New York Times or The Economist, we're buying it for the news not the ads.

When we get together for coffee in the morning, we'll talk about TV shows, not TV ads. When we read a newspaper or a magazine, we are far more likely to recall and talk about articles of interest than ads with cleverly irrelevant headlines and squint-size type dropped out in reverse on colorful backgrounds.

I experienced the Ogilvy multiplier effect while serving as VP of Marketing for eBay's Half.com. Our use of very non-traditional media resulted in The Boston Globe writing a news story about our maverick approach, which generated 800,000 media impressions. Within days, we saw Internet coded coupon redemptions increase six-fold without spending a dime more on media advertising.

MIRP can be critical to your future marketing success for these reasons:

1. It captures attention because people don't have advertising defense mechanisms up when listening to or reading the news
2. It can raise awareness of your brand as much as 600% more than plain vanilla advertising.
3. It affirms that your brand is newsworthy... furthering word-of-mouth conversation that keeps your brand top of mind.

Stop the waste of your money. Tell your agency "creatives" to start designing campaigns with a primary goal in mind: Maximize MIRP. Give them a reasonable amount of time to get with it. Then, if nothing really new and productive happens, you know what to do next.

MIRP and the Internet

TV ratings in prime time continue to decline in the US, while Internet usage has soared to two out of three households.

We've become a click-button, on-demand society. If it is not convenient to watch the Academy Awards on television, we don't have to miss out on the excitement. The Internet will capture the highlights, the photos, the analysis --whatever we want to know. We don't have to wait for the CNN 30 minute headline news cycle to check the highlights. It's all online. We can click-on instantly on our personal timetable. It's an interconnected world, ready and waiting for our participation on our terms..

TV and the Internet will increasingly blend into one another. A week after the US based NBC television network aired the TV premiere of the popular Friends and West Wing shows, traffic to NBC's website grew 77% to 767,000 unique visitors per week (up from 433,000)¹.

According to Teenage Research Unlimited and Harris Interactive, American youths aged 13-24 spends more time online, than they do watching TV (17 hours online vs. 14 watching TV). Entertainment and news are no longer the strong domain of TV alone. We can get our sports scores, our highlights, and our gossip online without having to be ready at 7.30 pm to watch a particular show.

With message boards, chat rooms, and Instant Messenger, the Internet now becomes the ideal launch pad for of word-of-mouth marketing. Harvard and Yale professors David Godes and Dina Mayzlin quantified that nearly 1/3 of TV ratings were attributed to Internet message boards²...the Internet's trusted form of word-of-mouth referral.

Most important, the Internet now serves as a *permanent placeholder* for MIRP. Once you are able to get media coverage for your brand, the story finds a permanent place in the vast library of information stored on the Internet. There it sits, immortal, waiting to reemerge when the right key words are typed into the mighty search engines of Google, Yahoo and the rest..

In the past, a news story on CNN may have been current for hours, a Der Spiegel article may have been news for a week and an International Herald Tribune story may have been news for a day. But once online, a story stays online. You never are cut off from anything anyone wants to forward or anything you want to access at any time of the day or night. With the Internet, nothing vanishes. The buzz is always there just a click away,

¹ Nielsen NetRatings, 2003

² 44 page Harvard Business School/Yale Study performed by professors David Godes and Dina Mayzlin compared the volume of Internet message board posts and Nielsen ratings of new television shows in the 1999-2000 season. Shows included both low and high rated shows such as: "Judging Amy," "Stark Raving Mad," "Once and Again," "Malcolm in the Middle" and "The West Wing.

ready to pass along with a second click to family and friends anywhere from coast to coast or around the world.

The Internet may not have changed everything, but it has totally transformed how we consume what the media has to offer. It is yet another reason why “MI beyond RP” is so much more effective than past reliance mainly on 30-second commercials that self-destruct before making a connection to a wider audience.

You and ***MIRP***

MIRP certainly involves a bit of risk. Was it risky and controversial for MTV to air the open-mouth kiss between Madonna and Britney Spears. Yes, it was. Was it risky for Apple to run the 1984 commercial (especially when its Board of Directors tried to stop it.) Yes, it was.

Former PepsiCo CEO, Roger Enrico, often said “advertisers get the advertising they deserve³” You can play it safe and get what you deserve. Or you can step outside the normal bounds of mediocrity, take some bold risks and opt for MIRP. If you do decide to go for the buzz, you may upset 10% or 20% of folks who hear about what you pulled off. Just make sure they fall into your light users/non-users segment rather than the heavy users target group.

The Secret Behind ***MIRP***

Of course, MIRP doesn’t have to be as outrageous as open-mouth celebrity kisses. US based hamburger chain Wendy’s showed the power of MIRP with a series of ads in 1984/1985 built around the catch phrase “Where’s the Beef?” Wendy’s made fun of the competition with the Golden Arches, got everyone talking about it and more than doubled its annual growth rate in same store sales from 6% to 14%⁴.

The secret behind MIRP is knowing what gets people talking and what gets the media writing. Six things do it: the taboo; the unusual, the outrageous, the hilarious, the remarkable, and the secret. Start with any of these tried and true attention-grabbers.

³ Roger Enrico, *The Other Guy Blinked: How Pepsi Won the Cola Wars* (Bantam Books, 1986)

⁴ Source: Wendy’s Investor Relations

Then ask: ‘How might I break a taboo, do the unusual, be hilarious, act outrageous, seem remarkable or reveal a secret – in order to focus the market on my brand.

Did you just get a scary idea? Go for it.

MIRP or *The Alternative*

What’s the alternative to MIRP? The simple answer: Lots of money.

Motorola, Microsoft, McDonalds, Mentos, MasterCard, Mazda, Minolta, M&M’s, Mercedes, Merrill Lynch, Michelob, Maybelline, Mitsubishi, Marlboro, Maxwell House, Mobil, Merck, MCI, MTV, Mizuno, Morgan Stanley, Marriott, Mattel, Milky Way, Maxim, Minute Maid, Maytag, and many other brands...are all fighting for your attention.

And those are just the brands beginning with “M”!

We have limited time, and a rapidly growing intolerance for intrusive, mediocre advertising. Advertising your way into the minds and hearts of consumers with rating point impressions alone is an expensive proposition. The impression stops when the next commercial starts. At best, only 12-13% can recall an ad seen that same night⁵.

As noted earlier, MIRP represents a strange new language for your agency.

Only you, the advertiser who pays the bill, can direct the agency “creatives” to design campaigns that don’t wind-up at a dead-end measured just by rating points.

To stop the waste, it’s time to create buzz beyond rating points. It’s time to get people talking about what you are doing with your brand. It’s time to connect your paid advertising to your word-of-mouth advertising on the Internet. It’s time to risk breaking through the clutter.

Can your agency learn the new MIRP language?

Ask them to consider the alternative.

⁵ Nielsen Media Research 2000 Study: “Unaided Recall of Broadcast and Cable Viewers.” n=5,792

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