

# DISPATCHES™

Insights On Brand Development From The Marketing Front

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Sunday, October 11, 2009

## CONVERSION

**Con-ver-sion *n* an adoption of new opinions or beliefs leading to an abiding change in practice or behavior**

Marketing Objectives are the specific target-customer behaviors we expect and need to achieve in order to deliver against the Business Objectives of sales, market share and profits. We do not generate sales unless we first stimulate behaviors. And, in order to achieve a specific behavior we must first convince the target-customer to adopt an appropriate attitude or belief regarding our offering. Identifying appropriate strategic Marketing Objectives are, therefore, essential to managing the achievement of the sales forecast.

The key Marketing Objectives being:

- **Penetration** – Get naive target-customers (i.e., those who have not used the category of products) to adopt its use or, in the case of health care professionals, begin prescribing medication for a particular patient condition when they had not done so in the past;
- **Switching or Conversion** – This is, perhaps, the most frequent objective. It is to get the target-customer to *switch* from using (or prescribing) a competitive product to our brand;
- **Frequency of Usage** – This is about getting the target-customer to use our product more frequently or, again, in the case of health care professionals, to get them to diagnose and treat (with our pharmaceutical brand) more frequently for a given condition or with patients to comply (i.e., the Marketing Objective is *compliance*) with the prescription schedule;
- **Persistency or Loyalty** – *Persistency* is a term used in pharmaceutical marketing. It's about keeping the consumer-patient on the pharmaceutical product for a given duration as in perpetuity for those afflicted with diabetes. It can be referred to as *loyalty* in other sectors where the marketer's goal is for the target-customer to stick with the brand on an exclusive basis;
- **Transaction Size** – The behavior being sought is to get the target-customer to purchase a larger size or quantity (e.g., as in months supply) for a given transaction;
- **Trade-Up** – A *trade-up* is accomplished when we get the target-customer to go from purchasing or prescribing one of our products to another, typically, premium product *in our portfolio*; and

- **Additional Requirements** – This is about getting target-customers to purchase more of the services and/or products you offer to fulfill a specific role (such as in different soaps for various cleaning needs around the house or purchasing and using all components for conducting an artificial knee implant procedure).

While one may argue that there are additional Marketing Objectives they are all really part of the aforementioned seven. It is important that we are clear on the use of our terminology since it will impact our thinking and subsequent choice of Key Business Drivers, tactics and ideas we select as well as our communications.

### **Use and Misuse of Marketing Objective Terminology**

Marketing Objectives for a given brand often go unstated in marketing planning and, as such, unattended. We refer to this omission as resulting in “the Performance Gap” which we wrote about in a recent DISPATCHES article and you can access by clicking here ([The Performance Gap](#)). But that’s not the only sin. There’s also the sin of commission in dealing with Marketing Objectives. The terminology is misused. What’s the big deal? Afterall, it is only a word. Actually, it is quite a big deal. Marketing Objectives state our intension as it relates to creating specific target-customer behaviors. And as we’ve stated the choices we make from among available marketing mix elements, tactics and ideas depend upon our intent to create specific behaviors. A change in behavior objectives will most always require our making different choices.

Marketing research will often measure “household penetration” and marketers will chase this as a goal. Is this really *penetration* or *switching*? If a household has never used this category of products then the Marketing Objective is really *penetration*. On the other hand if the household has been using a competitive product then the Marketing Objective is not *penetration* but *switching*. For example, when mobile phones were first emerging the Marketing Objective was one of *penetration*. Target-customers did not at the time use, since they didn’t have, mobile phones available when they were out of the home. Marketers were building the market one customer at a time. Communications strove to convince target-customers of the merit of having a mobile phone. Today just about everyone in developed areas has a mobile phone and a key Marketing Objective is to get the target-customer to *switch* from a competitive brand to the marketer’s brand. The messaging requires convincing the target-customer that the advertiser’s brand is a better choice.

Just this past week during a marketing plan workshop a participant inquired if the Marketing Objective for medical residents was *penetration* or *switching*. It depends. If the resident had no intention of prescribing medication for a particular condition then the Marketing Objective would be *penetration*. One would have to convince that resident of the importance of treating the specific patient-condition and doing so with pharmaceutical products. But, if the resident intended to treat and prescribe for the condition with a competitive pharmaceutical product then the Marketing Objective is clearly *switching*. Messaging will be different based upon the specific Marketing Objective chosen.

*Trade-up* is also frequently confused and improperly used by marketers. These marketers use the term “*trade-up*” to describe the target-customer going from a competitive brand to their brand, which they claim is a “superior” choice, hence “*trade-up*.” But this is not a *trade-up*. This is

*switching*. *Trade-up* occurs within your family, or portfolio, of brands and/or products. So when a mobile phone marketer attempts to get you to discard their old mobile phone with a more advanced model their Marketing Objective is to get you to *trade-up* to this new model, which usually (but not always!) involves premium pricing.

*Additional Requirements* could be one of the most productive Marketing Objectives but it often goes overlooked. It is an attempt to capitalize on the relationship the marketer enjoys with the target-customer. Based upon this relationship whether it is built upon mutual trust, high levels of satisfaction, knowledge, whatever, the marketer is able to sell more services and products. For example, in the case of the immensely popular iPod the Apple Corporation is selling the music and videos that may be played on it.

Most brands will have more than one Marketing Objective. Each will require different choices in Key Business Drivers and tactics. It is rare that a Key Business Driver and tactic can handle more than one Marketing Objective. The two that seem to coexist more often than not are *switching* and *trade-up*. They are both about establishing superiority or a meaningful benefit for abandoning current behavior for another choice.

### ***Switching versus Conversion***

So it really is a big deal regarding what term you select for your Marketing Objective. So much so that we have been thinking about the difference in meaning between *switching* and *conversion*. We think they're different. We prefer to drive *conversion* although *switching* can be quite beneficial too particularly if you are looking to prevent competition from gaining it at the expense of your brand.

A group of us old-salts (i.e., marketers with significant experience) were talking about cigarette advertising of the 1950's and 1960's. They employed highly memorable key copy words. "Winston tastes good like a (knock, knock) cigarette should." "L.S.M.F.T. – Lucky Strike Means Fine Tobacco." "I'd Walk a Mile for a Camel." At that time a brand of cigarettes, Tarryton, had a campaign of which the key copy words were "Tarryton smokers rather fight than switch." The benefit they were implying was that Tarryton cigarettes taste so good their users would fight not to give-up their brand (and therefore you should *switch* to Tarryton). It was a torture test statement attesting to their great tasting cigarette. The advertising was dramatized by a close-up visual of the Tarryton smoker holding the cigarette up to a face that was highlighted by a black eye (from taking an obvious punch) and lit-up by a grin of self-satisfaction. *Switching* could be a permanent behavior or it may be a mere dalliance. Obviously to prevent one's target-customer from dallying with another brand is extremely important in preserving loyalty and protecting against *switching* to a competitive brand. And it could suggest, as in the case of Tarryton, that, perhaps, you should switch from your brand to it.

But there is something special with this word "*conversion*." It suggests a thoughtful and permanent change. It's not a mere dalliance but a commitment charged with almost a religious fervor. It's almost like being "born again." It results in creating evangelists who are not only loyal to the brand but want to spread the good news to others and establish it as "the (only) way." The Apple Corporation has been able not just to *switch* people from personal computers but also to *convert* them to Macs. To purchase a Mac is to experience an epiphany. It borders on the divine. Does this sound fanatical? That's what we are after with our target-customers - fanatical allegiance to our brand. Apple users are not just satisfied with their purchase but may even feel superior as a result of their decision and commitment. They evangelize the brand with PC users.

They may even make PC users feel, unintentionally of course, that they are not only *not* among the elite if they own a PC but they could be categorized as flat earth thinker. Oh yeah, its' that deep. It's called "commitment" as in "I love and believe in you."

## BOATS & HELICOPTERS:

Okay, so what do we do today and this week? Here are some thoughts:

1. **Bridge the Performance Gap.** If you don't know what we are talking about it's about time to click here to read [The Performance Gap](#).
2. **Identify strategically appropriate Marketing Objectives.** How do you know that they are strategically appropriate? If you do the math it will prove your Business Objectives of sales and market share. If it doesn't then either your Marketing Objectives are not strategically appropriate and/or your sales forecast is not realistic (being either too high or low).
3. **Make'em SMART.** Your Marketing Objectives should be Specific, Measurable, Achievable, Relevant (to achieving the sales forecast) and Time Bound. By the way, make it a practice to inspect (i.e., measure) what you expect. It's the only way to build a learning organization and measure ROI.
4. **Don't just think switching, go for conversion.** Our role as marketers should be to Create Brand Loyalty. *Create* means bring the customer into existence. *Brand* denotes a special relationship. And *loyalty* denotes an unswerving devotion going well beyond a mere sales transaction for the day. It seems to us that those who are converted are much more devoted. And, many of those who are converted serve as evangelists for your brand.
5. **Animate the brand.** Telling isn't selling. And selling isn't compelling. Get your target-customers so excited about your brand that they feel compelled to *convert* themselves and others to it. This will necessitate you finding ways to animate the brand with BIG Idea tactics with all your Key Business Drivers.

Richard Czerniawski and Mike Maloney

### Richard Czerniawski

.....  
430 Abbotsford Road  
Kenilworth, Illinois 60043  
tel 847.256.8820  
fax 847.256.8847  
.....

reply to Richard:  
[rdczerniawski@cs.com](mailto:rdczerniawski@cs.com) or  
[richardcz@bdn-intl.com](mailto:richardcz@bdn-intl.com)

### Mike Maloney

.....  
1506 West 13th Street, #17  
Austin, Texas 78703  
tel 512.236.0971  
fax 512.236.0972  
.....

reply to Mike:  
[mikewmaloney@gmail.com](mailto:mikewmaloney@gmail.com) or  
[mwm@bdn-intl.com](mailto:mwm@bdn-intl.com)

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