

DISPATCHES™

Insights On Brand Development From The Marketing Front

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KNOWLEDGE IS POWER

Knowledge is power. Not facts. Not information. It is knowledge that is power. There is a lot of confusion regarding this point. Many believe that the person with all the facts at his or her disposal is the most knowledgeable. Facts, as important as they may be, are nothing but data points. Information takes us another rung up the ladder. Information gets at the meaning of the data. We have to sift through copious amounts of data, or the right data, to make meaning of it. Two people analyzing the same data could conceivably come away with different interpretations, as is often the case. But even information is not enough. Our quest should be for one of knowledge, which gets at what we must do with the information, or how might we apply it, to achieve our objectives. Knowledge is the top rung of the ladder. We need to build knowledge (what to do) from information (our conclusions) that is consistent with the facts (data) about our brand, business, customers, etc.

Many managers believe they are knowledgeable about their category and business. However, a review of marketing plans, from these same managers, reveals that the majority are nothing but data, with some, albeit little, information. The authors of these plans lack knowledge. They spew out facts, demonstrate circular reasoning, and then fall back to the same tactics, executed in the same manner. This, in turn, perpetuates *organizational ignorance* and puts a drain on the productivity of the enterprise. At minimum, marketers need to make meaning out of the data. This would be a good start. We then have to take it to the next level, knowledge, and use it to drive growth.

In order to progress to information and then knowledge, marketers need first to mine the data exhaustively. This might commence with some hypotheses followed by a review of specific data. It progresses to the call for additional data, based upon new hypotheses or questions, which we sift through to make valuable connections. What we are talking about is gathering the right data. Situation analyses of many marketing plans are nothing more than data dumps. The data is being reviewed and shared indiscriminately as if more is better. While some managers may be impressed with the quantity, there is a lack of quality. This part about making “valuable connections” is really about turning the data into information. It is essential in progressing toward becoming knowledgeable. It is dependent upon our analytical skills (ability to assess causality), coupled with our integrity to challenge how everyone else, or at least our senior management, may see things in our organization.

Without progressing from data to information to knowledge, marketers continue doing the same-old, same-old (meaning what has been done in the previous year, and from time immemorial). In

other words, the lack of intellectual curiosity and rigor leads to perpetuating the “conventional wisdom” (that which is generally accepted as true) of the category. What's worse is that managers expect to achieve better results by doing the same things they've always done. If your company is like most, you are doing the same kind of things you've always done, with fewer resources. And, you are still expecting different results? Hmm, how curious.

Taking the Next Step to Creating Knowledge

It is essential to create knowledge. We cannot continue managing according to the conventional wisdom of the category, or company for that matter. Not if we are expecting to generate different results.

Friday's issue of the International Herald Tribune (20 May 2011) carried a commentary by Nicholas D. Kristof, "Getting smart on aid," which underscores the need for intellectual rigor in becoming knowledgeable. One of the issues he writes about is how to make an impact on children's education and development in underdeveloped countries to break the endless cycle of poverty. He claims that economists are providing us with better answers (as in leading to the achievement of goals) than educators. These answers are the result of rigorously field-tested propositions; akin to the way pharmaceuticals are tested in randomized controlled studies. The studies, in this instance, debunk the myth of building more schools, or requiring and providing the children with uniforms, which have long been championed as improving education. Instead, they proved that something as simple, and inexpensive, as de-worming the children, helps to better generate the desired outcome. The place where education takes place, or what they wear, is less important than the ability to ensure the children's ability to be present to learning.

Another issue successfully addressed with knowledge deals with the most cost-effective way to prevent H.I.V. transmission in Africa. The conventional wisdom differs by camp. Liberals advocate providing people access to free condoms, while conservatives demand abstinence. The program that proved cost-effective in Kenya, as revealed by randomized field-testing, was to warn teen girls against sleeping with "sugar daddies." Older men, according to prevalence surveys, were found to be more likely to have H.I.V. than teenage boys. The cost of the program is less than \$1 per girl reached.

Knowledge is power. With knowledge we address the appropriate problem or opportunity and resolve it with the most effective solution. Now this isn't to say that the conclusions that work in one environment, at one point in time, will work in another environment, or at another time. We need to apply our analytical skills to sorting out what works and doesn't work for our brands, in our markets, given our competition, and our corporate capabilities, in our times. It is as simple, yet difficult, as that! MBAs, who are believed to possess strong analytical skills (which some say to the detriment of important “soft skills), are not playing to their strength. Use it!

Falling back on the conventional wisdom, without thoughtful analysis, and field-testing is the easy way to nowhere. It's mindless marketing. It's mindless management. It undermines our ability to learn and respond appropriately to exploit opportunities and resolve our problems.

Managing Growth

Growth is not an entitlement. With markets becoming saturated, customer “value consciousness” rising, and demand for GAQ (Generally Accepted Quality) growing, we need to become more

knowledgeable if we are to be successful. It's not about product facts, or producing voluminous statistics about the market, but knowing what it will take to generate growth – doing the right things for the right reasons.

Nor is all growth equal. We must consider the adoption rate (i.e., the slope of the growth curve). The conventional wisdom is unlikely to contribute to rapid growth rates, particularly when our competitors are ingrained in following the conventional wisdom (in other words doing the same things as everyone else in the category and in the same ways), and/or where it hasn't generated what we've been expecting, and/or doesn't appear to be maximizing our brand's potential. Marketers need to accept responsibility for managing the adoption rate. But you can't do it if you haven't done your analytical homework, complete with field-testing.

We need knowledge. Another article in the same newspaper, "Asia's flying geese need to come back to earth," addresses the critically important concept of return on investment (ROI). Asia's "flying geese" is a term used to refer to investment for growth. It notes that while China's growth has been fueled by investment into new fixed assets, current investments are yielding about 1/3rd less than they formerly did. Yes, it is continuing to generate growth. In fact it is generating \$2.20 in economic output for every \$1 invested. But this is down from \$3.40. (In contrast, the US generates \$6.50.) This is not to suggest that China no longer invest in fixed assets. No, that would be foolish. Instead it suggests that what has worked in the past is not working as effectively. It suggests that a reallocation of investment may be needed to continue producing future growth equal to, or greater than, the past.

What has worked in the past will not always work, or work as effectively. Things change. And, so do we need to change. It's time our flying geese need to come back to earth. We need to get beyond mindless data, and the resultant conventional wisdom, and create knowledge. Knowledge is our power to achieving our growth objectives.

Case in Point

Recently we participated in a management board to review marketing plans for products in the health care industry. Despite the facts, and the information it generated, the marketing team stuck with the conventional wisdom. They missed some critical issues (and success factors) by focusing on what they've always done in the past – use KOLs (i.e., Key Opinion Leaders), conduct meetings, publishing, etc; the same-old, same-old. That's what they know how to do. That's what everyone expects. But, if your country has vacant sales positions that need to be filled, and you are not certain if your sales people are calling on the right prospects, or if you are not on the formulary, focusing on your KOLs is not going to be your (incremental) growth driver – especially when all your competitors have and are using KOLs in the same manner.

BOATS & HELICOPTERS:

- 1) ***Challenge the conventional wisdom*** – If it's generally accepted as true it has probably lost its impact. We see these in all categories: you must use recognized celebrities to be successful in skin care; doctors don't respond to emotional messaging; clinical data is the only thing that is important (which, by the way, every competitor seems to have the same clinical data); traditional media is dead; social media is the end all; you shouldn't admit

faults or problems with your product; and so forth. As Seth Godin encourages marketers, go out and slay a sacred cow.

- 2) ***Become a seeker of wisdom*** – Get at the right data. Don't have it? Figure out a way to get it. If you don't get it, all you will have are opinions, which is not the same thing as measured judgment. Then use your analytical skills to get beyond the data to uncover what it means. Look for connections, or the absence of connections. Then use it to build knowledge.
- 3) ***Learn how to learn*** – Okay, you probably think you already know how to learn. But learning to learn is learning *how* to think, not *what* to think. Organizations appear to be focusing on training their managers in how to do a task, or manage a project, such as conducting peer influence meetings, or developing merchandising materials. These are important learnings about how to execute a plan. But if we are executing the wrong things, no matter how flawlessly, they will not have the impact for which we are striving. We need to learn how to think so we will do the right things. And, yes, we need to learn to execute the right things in the right way.
- 4) ***Test hypotheses*** – Field-test what you believe you have learned to enhance organizational intelligence and productivity. Be rigorous in your testing. Every marketing plan should contain field-testing. It's the way we learn, and can really determine ROI. It's most unfortunate that many organizations cut these resources, categorizing these activities as "non-working." While they may not generate the sales in this calendar or fiscal year, they are critical to appropriate resource allocation to manage the achievement of business objectives. By the way, what is non-working is more likely to be sticking to the conventional wisdom and blindly crediting it for any growth that occurs.
- 5) ***Activate your brand*** - Learn how to bridge "the performance gap." (For more on this subject, go to www.bdn-intl.com/BridgingThePerformanceGap.php). Inquire about our Brand Activation Workshop. It will help you become more knowledgeable, with the data you actually have, to create growth plans that have a better chance of succeeding. If you are interested, just contact Richard Czerniawski (richardcz@bdn-intl.com) regarding this article of DISPATCHES and he will get back to you.

Learn, and strive, to generate knowledge and power-up your brand's growth.

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