

The Commitment Model

Part One of Four

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I have worked in marketing for over 23 years across a range of sectors – from fast moving consumer goods to retail, industrial to pharmaceutical, and more recently, large scale social and behavioural change campaigns for the public sector. I've been lucky enough to be involved in a whole gamut of marketing 'outputs' – from some of Australia's best loved TV campaigns to the printing of 1.7 million fridge magnets, to the development of countless marketing plans with no advertising campaigns whatsoever.

And I've noticed over the years there's a real tendency to make marketing much more complex than it really should be. I have talked before about the three 'rules' of marketing to maintain simplicity from my point of view:

1. Work out what you're famous for – What are you best at? What really differentiates you from your competition? What do your customers say you are famous for? Not just the functional stuff - but how you make your customers feel emotionally.

2. Deliver it consistently – Once you know what you're famous for, the critical next step is making sure you 'own' that position every way possible. The best products services and companies are not those that come from nowhere in a short space of time – they are organisations that consistently deliver every time, so that customers know in their heart and their soul exactly what they are buying. Consistency wins the race every time.

3. Leverage your point of difference – You need to find the one key point of difference, and hammer the point home over and over and over in every way you can to your customer base.

So underpinning these three factors is a broader concept that is really the focus of this e-book and three more to come – and that is the subject of commitment. What do I mean by commitment?

Just imagine for a minute that customers of your service or business were in fact willing to pay a significant premium over your competitors, not just because they like the sound of your product or what it is you are offering, but because they are genuinely engaged and committed to what it is that you are selling. Imagine if they preferred to wait until your product was available rather than take a cheaper, more available option. Imagine what it would be like if they actually forgave

you the occasional indiscretion of short supply, or any other problem you might have, because they are truly committed to you and know you won't let them down.

That imaginary set of scenarios becomes a reality when you have a truly committed set of customers.

So I have developed a bit of a model - because there is a process of moving people to that point, from buying functional features to appreciating emotional benefits; from buying rational attributes to being truly bonded to the brand and its outcomes. And that is what I want to share with you in this series of e-books.

So let's spend one more minute understanding why Commitment – particularly emotional commitment to a product or service – is critical. A few years ago I was working with one of Australia's leading publishers of women's magazines. At the time, their leading magazine circulated about 525,000 every week of magazine sales. Pretty impressive, huh?!

They decided to run a competition - you had to write in, and in 25 words or less, describe 'your greatest achievement of the week'. That was all you needed to do, not a complicated set of criteria, no fiddly SMS-ing, just 25 words, and the cost of a postage stamp.

Now normally these publications aim for around 1% redemption to competitions like this. In this case, they were offering \$100,000 in prize money – now that's a pretty good prize! So 1% on 525,000 is a fairly large number of entries. So how many do you reckon they got?

They got 387 replies.

That's it. 387!! So they asked me to do some research to try and understand what was going on. It was truly fascinating research, conducted in both Melbourne and Sydney. The audience is skewed to blue collared socio-economic readership, and on one particularly freezing cold night in August I found myself in Hoppers Crossing, in Melbourne.

(I tend to do my focus groups in homes, especially when you are talking about magazines, you don't want fluoro lights, stale chips and an unrealistic atmosphere. If you are trying to understand how people behave and why, you kind of have to understand what is really in their hearts. And that's hard in a formal group room with a one way mirror!).

So we are sitting in this lady's lounge room and I was really struck by how much these women were bonded to their weekly magazine. I couldn't believe it, they were all chatting about articles - did you see that one about Lady Di that was in between the Home and Away and Lleyton Hewitt story, etc!?

They had this incredible identification and engagement with every page in the magazine. So when we started talking about the competition and I asked if they had seen it and they all said 'Oh yes, we saw that', and they had entered lots of other competitions, the obvious question was; did anyone enter this one? There was lots of shifting in seats and people were looking uncomfortable. Finally I nailed this Italian girl, married with three children, working part time in a doctor's surgery. It was fairly clear that she was doing life pretty tough - and for her this weekly magazine was just a fabulous piece of escapism, an opportunity to forget about the hassles of her life for a while.

And she confessed that NO, she did not enter the competition, She saw it - she had even entered other competitions - but not this one. When I asked why, she quite vaguely said she didn't know really, she just didn't.

So why do we think that she didn't enter the competition?

Well, it was the saddest research I had ever done - she didn't think she had any achievements. Certainly not any that she would write into a national magazine to talk about. 25 words? She couldn't even write 10!

Now, ask her to write about her children's achievements, and that would have been a different story, she could have written a bible length tome.

So let's think about what this is really saying about this woman's commitment to the 'offer' to win \$100,000. All the publication really wanted her to do was to commit to 25 words and a postage stamp - and in return they would give her a chance of \$100,000. And they weren't able to get one woman in that room across the line.

Now, if you think about your customers, I am tipping you would want them to commit to more than 25 words. And in return, you are probably not giving them \$100,000! So if those big publications with lots of money and research can't get them to commit to something they

already love, how much harder is it for us?

This is not to depress or dismay you with the enormity of the task - I am just proposing to you that it is important to understand not just what people are buying functionally, but what they are really buying emotionally. It is not just about saying we have a great offer - we are offering them \$100,000, so therefore they will all respond won't they, because it is a great offer?! At the end of the day, people commit to brands and purchases on the basis of how those purchases make them feel. As marketers, you cannot allow customers just to engage with your product at a functional level or you miss a massive opportunity. Your customer won't be truly loyal - they will just be habitual, which is not what you need.

Let me give you another example.

I have been condom shopping! I know, it's hard to believe, because I am a happily married woman! Now after extensive search efforts and lots of bought packs (all sealed I might add!) I have found a very curious thing.

Do you know that there is no such thing as size SMALL condoms?

Nope, you can't buy 'em! The nearest I could get was ULTRA THIN or SLIM, that's the best I could do! Interestingly, there's no problem at the other end of the scale, you can get large, maxi, super, even JUMBO size! But not SMALL.

So what's the point? Well, I am quite sure that there are people out there who require small condoms. But the manufacturers understand how to engage with their customers. They know there aren't many girlfriends who are going to be happy to buy their boyfriends size SMALL condoms ('Hi honey, all set for a big night', and here they are with SMALL plastered across the front). And I'm not sure how many boys would feel comfortable about it buying size SMALL FOR THEMSELVES either. Imagine the price check over the microphone in the supermarket - "PRICE CHECK ON AISLE 7, SMALL CONDOMS - PACK OF 12".....

So anyway, obviously there is a functional need out there for size small condoms. The reality is there – but the commitment question is how do you market it? How you make people bond and engage with the product is completely different to its functional purpose. It is not just a

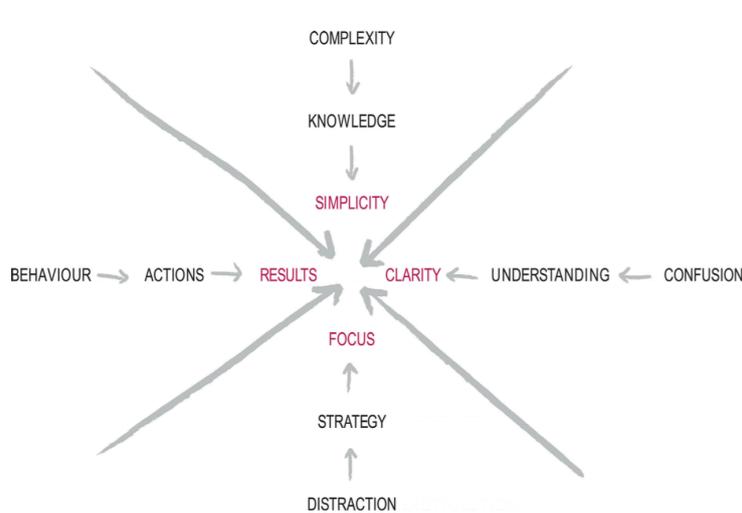
matter of saying right, functionally we've got x therefore we can market on that basis, it is a completely different ball game these days. That might have been the case post war, not any more.

Some recent Research Centre out of the US asked consumers to rate items they consider to be a necessity. 91% of Americans rated a car as a necessity. 70% of them rated a home air conditioner as a necessity of life. 90% said a clothes washer. 68% a microwave. 59% of Americans say a car air conditioner is a necessity of life. This is just unbelievable. Both an IPOD and a flat screen TV scored higher than 10% of Americans who unprompted felt that these items were necessities of life, they can't get by without them.

So what has happened over time is that consumer expectations have changed - think about this yourself. I can remember when I was at Myer, or David Jones buying a VCR years ago, probably a BETA or whatever it was called back then, and I was asking a salesperson what the differences were between two models. It was a \$20 difference in price, so please explain the differences. So after waiting 20 minutes for a sales person to come by I finally found one who of course said 'Sorry I am from the sock department, couldn't tell you the difference in VCRs'. Now back then we were inclined to say no worries, we will just try and sort this out ourselves, that's OK. That might have been the way 20 years ago but NOW we are going to say 'get your arse into gear, find someone who can help me with this video or I shall go somewhere else'.

Expectations are now so much greater. And it is not just about what you are going to give me in terms of the functional need your product is going to fill, it is what benefit is that product in terms of how I am going to feel. It is the emotional pay-off that drives marketers, not just the functional ones.

So, the Commitment Model I have developed demonstrates my understanding of the above issues, and shows how you can build greater commitment for your products or services. Here it is, below:



The outer areas are the hard bits, the bad things - complexity, confusion, distraction, behaviours. They are the things that get in the way of commitment.

The inner bit is what you want - simplicity, clarity, focus, results - those things will give you greater emotional commitment for your product and your customers.

And the bit in the middle - knowledge, understanding, strategy - they are the kind of mechanisms which I find you can help you navigate your way to greater simplicity. I have written an e-book about each quadrant - in this e-book we are talking about the first quadrant of the model – from Complexity to Simplicity.

Complexity is a pretty major issue nowadays. There are 540,000 words in the English language - that is five times as many as what was around in Shakespeare's time. In fact, a week of words in the New York Times now has more information in it than what one person in Shakespeare's time would have come across in their entire life.

Just think about media - now we have 55 TV stations - 20 years ago we had four. 20 years ago we had 390 magazines, now we have 780 magazines as well as 500 million websites, and 28,000 blogs a day. We are completely overloaded with information. So when I sit down and

talk to a client about what it is that we can do to help navigate towards greater simplicity and greater emotional engagement, the first thing they say to me is Penny you don't understand how complex our business is, it is just so complicated.

But in terms of having greater clarity, complexity is one of the things that gets in the way. And it is actually your job to work that stuff out - not the customers job. Yes, the business environment may be very complex, yes there generally is massive and aggressive competition in most markets. Is it hard sometimes to explain in absolute clear terms what we sell? Yes. Do we have problems with intermediaries or agents, are we not necessarily in control of the final products we sell and is that a problem? Yes. We might have issues of legalities in terms of how much we can advise or provide guidance to clients. Is that problematic?

Yes! But guys, suck it up! That's how it is. To use the complexity that exists in every business market these days as an excuse to say that consumers need to find their own way through is just lazy thinking. You are the ones who need to make it simple for consumers to navigate their way through.

Quite often I find that part of the issue is that we just don't know enough about what exactly our customers are buying. We are completely immersed in the 'every day', but do we actually understand what exactly it is about our product that customers really want? That's the bit we are not sure about.

One of the best ways to fill that gap is just basic knowledge. You need to get the knowledge to find out what's going on for you and your markets – and you may be surprised that what customers say they are buying is not actually what you think! This knowledge I think best takes the form of customer surveys – they can be quite basic, doesn't need to be someone like me running around doing research groups for you, you can get that sort of information yourself. But you may be surprised at the dissonance between your views of what makes you famous, and your customer's views.

Let me give you an example. I once worked with an industry peak body who were suffering declining membership. They felt rightly or wrongly that part of the reason their membership was dropping was because they had the word 'Royal' in their name. They thought that perhaps their potential members saw them as a bit pompous, and not

for them so they didn't join. Others thought it might be because the organisation wasn't going in the direction they wanted, and as a consultant from the outside coming in, I thought that sounded like a reasonable hypothesis.

It wasn't until I did some interviews with some of their members that I found out that this particular peak body had been pontificating over their name for five years, including various conversations with their membership about whether they should or should not be called Royal. So of course it had got to the point where the members were saying, 'you know what, suck it up - we don't really care if it is Royal, call yourself pink with purple spots for all we care -what we want you to do is advocate for the profession.'

So finding out what your customers really think, getting that basic knowledge is the first step in understanding commitment. The really interesting thing about this is that when we talk about case studies like the above example, we all think 'well that's pretty obvious, isn't it?'

But sometimes when you are in the business, you don't see it the same way. A couple of years ago I was asked to work on a Ministerial Review into improving retention in the Australian Defence Force for the then Minister Nelson. So that was very interesting because they were suffering a drop in numbers of people who were signing up to enter any of the Forces. And I was sitting there thinking to myself surely that's pretty obvious?! You want Gen Y's to sign up for six years of their life (for them, an eternity), float around on a tin box and go to war???

What could be the problem!?

So it is easy sometimes with those kinds of blinkers to get temporarily blinded and not see what it is you need to see. So I would encourage you to get the basic knowledge you need to understand what it is that people really want. And there is a big difference between what they are buying in their head, to what they are actually buying in their heart.

Because if you ask them up front what are you buying, they will say it is the functional aspect – a drill, a magazine, a membership. But they can get that all over town. What is it that you are providing them that others can't provide? And that is the bit that allows you to hike up your prices and get better margins. That is the first key to greater commitment.