

Marketing: Looking back to see ahead

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Yes, we're in the midst of a communications revolution. Undeniably the Internet is having a far-reaching impact on our culture, commerce and marketing. The personal use of digital tools by people in every walk of life has grown beyond belief.

I often ask myself, "How can we make sense of it all?" Looking back provides perspective.

Advertising has been around for about 150 years. The first ad agencies were founded in the 1860s: N. W. Ayer & Son in Philadelphia and J. Walter Thompson in New York City. They mostly placed newspaper advertisements.

During the '20s and '30s, New York City's budding ad agencies thrived in that city's rapidly growing mass communications environment. Agencies played a dynamic role developing new communications expertise in both publishing and broadcasting. They created programming and commercials for radio, then television. Following World War II, effective use of mass media gave mass marketing its sales power.

Chicago's advertising leadership was forged from the city's unparalleled success in personalized mail-order catalogs and response-driven advertising. Mail-order pioneers Montgomery Ward and Richard Warren Sears produced the first great catalog copywriters.

Albert Lasker, one of advertising's greatest pioneers, formed Lord & Thomas in Chicago in 1873. During its heyday, 1910 to 1930, Lasker and Claude Hopkins turned Lord & Thomas into the world's biggest and most influential ad agency. Hopkins believed advertising's only purpose was to sell something; that advertising must be measurable to justify its results.

NEW TOOLS

Two separate and powerful marketing tools evolved: brand advertising and direct marketing. Both strive to deliver the best possible selling message to the greatest possible number of prospects at the lowest possible cost. Brand advertising uses print and broadcast mass media. Direct marketing targets specific consumer groups and delivers a sales message through selective media that seeks a measurable response.

As international business expanded during the '70s, five multinational multiagency conglomerates were formed through acquisition: WPP Group, Omnicom Group, Publicis, Interpublic Group of Cos. and Hava. Each group provides a complete assortment of marketing services worldwide. WPP, headquartered in London, is now owner of J. Walter Thompson and Y&R, along with some 200 other companies. They employ 100,000 people worldwide working in more than 2,000 offices in 106 countries.

But as organizations grow, they change in character. Innovative new agencies often grow complacent as they mature, which can lead to problems that eventually cause their demise.

LOOKING AHEAD

Mass media and mass marketing are being replaced by personalized, interactive digital media, which develop ongoing relationships with consumers and offer the advantage of step-by-step measurement of their effectiveness. The use of digital devices just keeps growing. Where this eventually will lead is anyone's guess.

In 1989 Stan Rapp first predicted the transition from mass marketing to one-to-one marketing in his seminal book *MaxiMarketing*. Rapp is a marketing guru, agency CEO, a hall of fame member of the Direct Marketing Association and co-author of six marketing books.

Rapp's latest work, *Reinventing Interactive and Direct Marketing*, was published in association with the DMA and introduced during the DMA's recent annual conference. An anthology, the book includes the ideas of 14 digital marketing experts who share their perspectives on this revolutionary digital era.

Rapp offers the following prediction for our evolving interactive world: "Agencies that begin and end their planning with creative use of the Internet experience move to the front. The most valued agency skills now become interactive engagement with the consumer, analytic prowess with the flood of data generated, potent insights gained from the toe-to-toe relationships and all the data monetization schemes that build customer lifetime value for the client."

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