



MARKETING WHITE PAPER



**brainfood**

Converging business strategy, creative  
thinking, and new technology

## **BRAND MAPPING YOUR WAY TO THE MARKETPLACE**



**fabcom**  
integrated strategic marketing

## STRATEGY OR TRAGEDY?

No matter the technology or methodology, an **intelligent marketing strategy**, based on comprehensive research, is the single most important key to successful, high ROI marketing and advertising. That's why I've always been surprised at the amount of marketing that gets done with little or no thought given to first developing a clearly articulated guiding strategy. In my experience, this is the main reason those with marketing responsibilities have been disappointed in the results achieved by marketing initiatives. Nine out of ten unsuccessful campaigns could have been successful if the strategy had been on target in the first place.

The typical marketing plan begins with a sales increase amount or tactics that are mandated by upper management. The sales increase figure is almost always based on "what we need this year to make our overall numbers," not on an objective look at what could be available or possible, given the current dynamics of the marketplace. Since it's an internal company opinion—"wish" might be a better term—who knows if it's too high or, as is often the case, too low, impossible to achieve or easy to achieve? It's simply a number picked out of the air because "That's what we need from marketing and sales."

If a marketing plan is formally written, it usually consists of simple narratives that describe generally the end results of efforts needed to meet the mandated goal: "We need to increase awareness," "We must connect better with our customers," "We need to develop an online presence."

Some or all of these could be true in terms of increasing results, but there is usually minimal thinking regarding the specifics of how these goals will

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*Marketing without a strategy is like prospecting without a map, you could lose your ass. It's a strategic tragedy—a stragedy.*

”

be achieved.

So, let's see, unsuccessful campaigns start with an arbitrary goal, list a few hopeful achievements that may help in meeting the goal, don't develop an overall, synergistic plan to accomplish those achievements and, finally, don't create any meaningful embedded, organic metrics instruments for the achievements that drive progress and profitability. Campaigns that don't meet their objectives do not provide the real-time data required to make week-to-week pivots, to empower the staff in fine-tuning the strategy to achieve the goals, regardless of the conditions or obstacles confronted.

Is it any wonder that business owners and CEOs are often disappointed in the results of marketing and advertising, and the whole field seems to be some sort of esoteric and expensive art form rather than a measurable, projectable, ROI-positive function of the business?

## Strategic Plan

On-target, insightful strategic thinking, first and foremost, is the only methodology that can reliably and consistently produce lasting, positive results from marketing activity, regardless of industry or target audiences.

Furthermore, a strategic plan enables you to continually know where you are in the process of achieving your goals so that you can make intelligent, ongoing fine-tuning adjustments to optimize results. If we are not working from a detailed, comprehensive, coherent plan, we have no "stake in the ground" from which to evaluate progress and make needed changes. When things aren't going right, without a plan, a company may be willing to try anything different in hopes of improvement. With a **strategic marketing plan**, you can make informed, precise course corrections, as needed. Without a plan, you're reduced to guessing which next tactic might be helpful in overcoming challenges and generating positive results. Without a plan, even good ideas may be sidetracked, restrained or unable to make a positive contribution.

Comprehensive strategic marketing plan is a road map to achieving specific marketing goals over a given period of time. And just like a road map, the more pertinent details that are left out, the less likely you are to arrive at your destination—on time and on budget. Marketing plan is often confused with an overall corporate strategic business plan. The marketing plan is only one part of the business plan. The objectives and goals of the corporate business plan

drive the strategy of the marketing plan. Both plans must be in alignment and synergistic in order to succeed.

A strategic marketing plan brings together the insights of brand positioning, research and analysis to inform a set of actionable tactics that will drive achievement of its goals, based on creating differentiation and competitive advantage in the perceptions of specific target audiences. Keeping in mind, of course, that marketing is only a promise—a promise to all stakeholders. If your interactions do not live up to the perceptions your brand messaging and positioning create, you really don't have the brand you desire and will sooner, rather than later, create negative and deteriorating results.

Every business needs a strategic marketing plan, no matter how large or small the business. For the small business entrepreneur, a plan can harness and focus seat-of-the-pants entrepreneurial drive and energy to more reliably achieve meaningful goals. Fortune 100 corporations could not efficiently, effectively or profitably deploy their huge marketing resources without a synergistic strategic plan.

Without a plan, how will you ever determine which of the 10,000 available marketing tactics are right for your business and your situation? How can you sort the 107 initiatives you must marshal in the next year to drive success out of the 10,000 available tactics? And how will you select tactics to create synergy among them, so they work together to optimize progress toward the plan's goals?

### **Good Plan—But Can it be Implemented?**

One thing I have discovered in my two-and-a-half decades working in the industry is that many companies that profess to have an internal marketing planning process more often than not are unable to implement their plan completely and effectively, let alone fully achieve the goals as stated.

Here's my friendly warning to business owners and CEOs about strategic planning, based on consistent experience over the years. Even if you are smart and lucky enough to finally have an intelligent plan in hand, you will have a strong tendency to want to cherry pick the tactics that comprise the plan. You will have pet tactics you want to implement for personal or political reasons rather than strategic considerations. Often, decision makers will want to drop certain tactics simply on the basis of cost reduction, without considering the strategic implications, in terms of meeting or exceeding overall goals.

Remember what Sun Tzu said in his famous book, *The Art of War*: strategy

without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat. A successful plan—a plan that is likely to achieve its goals—needs a depth of research, analysis and thought from its creators that generates confidence and commitment on the part of those who will be managing and implementing it. A well-crafted plan is an interlocking, mutually nurturing set of tactics assembled to achieve specific goals. When the dynamics of the tactics are changed, it should be clear that there is potential to reduce the odds of achieving the strategy's goals.

## A Successful Strategic Plan

Consistency and commitment are vital to the success of a strategic marketing plan. Successful plans not only have well-researched and thought-out tactics, they also get all stakeholders on the same page for implementation. This ability to prompt everyone moving in the same direction is a powerful aspect of strategic planning. The consensus commitment to a strategy is as much a factor in its ultimate success as is the quality of the individual tactics; neither can be achieved without the other.

Keep in mind that creating a plan and implementing a plan call for very different skill sets. Plan creators are thinkers who can see a future vision and lay out a road map—the strategy—to get there. They can explain the intricacies of the plan in order to bring everyone together and moving in the same direction. Plan implementers need to be enthusiastic, persistent, operationally savvy self-starters who will not only get behind the plan and buy into its goals but will also take ownership of their areas of responsibility in the strategy to ensure effective, efficient implementation.

Your SWOT, competition, and your target audience(s) determine the supporting mechanics behind your marketing strategy, just as their perceptions and actions dictate how you can best position your product/service to fill a hole in the market and begin making your way into your audience(s)'mind space. Without competition, there would be no need for strategy.

At **our firm**, we use a hybrid strategy process that is completed and implemented within 60 days. It begins, with extensive research (sometimes referred to as a "deep dive" analysis) that allows us to validate the current state of the market, as well as our client's place within it. We first look externally at competition, target audience(s), the cost to communicate with those audiences on their preferred platform and the current and near-term (3 years) economic environment. Then, we look internally at any restraining forces that might hinder or delay the success of the strategy. I'll give you an overview of

some of the ways in which we conduct competitive research to uncover the brand attributes that we can map into granular, relevant, one to one messaging that will be effective.

We first look at the scope of the market and, depending on the current evolutionary stage of the market for a particular product, it may not necessarily be easy to determine its total size with specificity. In those cases, we compile information from several sources and are then able to calculate a confident, reasonable estimate. Once we have a market size we feel is solid, we begin to dissect the various competitors to calculate market share as well as their product specifications, positioning and claims.

## Competitive Research

We construct our competitive research on the foundation of the Five Basic Forces of Competition, first modeled by Michael Porter of the Harvard Business School:

- The threat of substitute products
- The threat of the entry of new competitors
- The intensity of competitive rivalry
- The bargaining power of customers
- The bargaining power of suppliers

By researching and analyzing these forces, we can determine not only what a strategy will have to accomplish in order to be successful, but also the relative degree of difficulty in pursuing those accomplishments. Some markets are more difficult than others. For example, many competitors give customers bargaining power they can use against you. If the barrier to entry in your market segment is low, competitors can easily multiply against you. Porter's framework is just that: a starting-off point upon which to assemble detailed information from many sources. As I've said before, you can't rely on one or a few data points in building a successful strategy.

**That's why we also often mystery shop competitors in the market to deepen our understanding before drafting a strategy.**

Once we reach definitive conclusions based on our analysis of the target audiences and competitors, we know who we want to talk to and what we need to say. We can then begin to determine the cost associated with an effective marketing communications campaign. According to the conventional wisdoms of marketing, you have to invest separately for brand development,

awareness and lead generation. This is because one to many messaging requires brand marketing to be generalized in an attempt to attract the most attention without dropping the most number of prospects.

The purpose of conventionally coveted awareness marketing is to drive the idea that this particular company or product is good to do business with. And then the lead generation is focused on particular offers that hit a particular target to drive them to action.

### Cross-channel, Cross-media Marketing

Under our new methodology of fully dynamic and integrated one to one marketing, you can accomplish all the missions of the previously mentioned marketing processes without having to invest separately and incrementally to achieve the initial result you are looking for. If integrated dynamic cross-channel, cross-media, one-to-one marketing campaigns are built properly, then as the customer moves through the cycles, from awareness to consideration to purchase and then finally loyalty, the campaigns offer message progression.

Based on the interactivity with the campaign, the marketing platform can tell what messages have been received, what messages must be communicated next, exactly what kind of call to action would be motivating and just the right time to present it. The additional costs of brand mapping and strategic setup are more than offset by the integrated approach to dynamic cross-channel marketing that lowers overall costs per new customer and increases the bottom line return. Finally, audience research will tell us where to reach the right eyes and/or ears with our message—late night TV, Internet, social media, newspaper or magazine, mobile communication, display, whatever the audience preference, competitors and targets dictate.

### Don't Forget to Add the Rule of Thumb

Most of us have been lucky enough to have had a mentor at some point in our business careers. Mine was an older gentleman in the publishing business whom I worked for very early in my career. He was a successful businessman and had been so for some time. I figured out that if I watched and listened carefully, I could perhaps pick up knowledge and habits that would help put me on the road to success. One of the powerful things I learned was that a rule of thumb proven over years of experience could be a great time and resource-saving tool. My colleagues and I would spend hours working through



a complex calculation to determine the best approach to a problem's solution. When we took it to our seasoned boss to show him how smart we were to figure it out, before we could even begin our self congratulatory presentation, he would say: "You know, whenever I've faced a challenge like this in my career, I would just apply this rule of thumb." The next words out of his mouth would be a quick summary of the solution we had come up with after hours of mental and mathematical gymnastics. It was not only correct, but often it was a more sufficient solution than we had been able to come up with. In the right hands, with the right experience and perspective, a rule of thumb can be an excellent problem-solving shortcut.

You will hear many rules of thumb about how many times you need to get your message in front of members of the target audience so that it reaches critical mass, which is when the audience sees or hears it enough times that those who are actively considering a purchase in the category at the time of the communication begin to make measurable inquiries. Two rules of thumb that I've found to be realistic over the years are:

1. Over the long term, on average, based on conventional marketing process, you need to touch the prospect with your message 23 times to move him or her from "never heard of Acme Brand," to, "I need to get some Acme." Not every one of the 23 touches is necessarily communication in paid media. Word of mouth about your brand, interaction with an online channel, or a billing inquiry, for example, is a touch that you don't pay for directly. This all adds up if the messaging is mapped to the audience and sequenced properly within the funnel of communications.
2. In the near term, assuming your message is the right one for the consumer you're targeting, and it's delivered at the right time, reach and frequency can provide some foresight into how extensive your campaign needs to be in order to generate increased inquiries. Reach is a measure of the portion of your target audience who are exposed to your message in a defined time period. Frequency is a measure of the average number of times each member of the audience hears or sees the message in that period of time. Conventional experience says that a reach of 20% with a frequency of three or four within a few weeks can, on average, generate **measurable results**. If 20% of your target audience currently considering a purchase in the category hears or sees your message three or four times in three or four weeks, you should see some action—or something is wrong. The target audience may be all female golfers in a metro market or all retirement-aged adults in the western U.S.—average ratios apply



regardless of the size of the audience.

While these rules of thumb are helpful, you must also always look at category-specific economic and other quantifiable data as well as industry-specific projections in researching a strategic marketing plan.

Recent years have taught us to make economic projections a higher priority in developing a plan. There will always be ups and downs in the economy, but in those periods in which highs may be particularly high or lows may be at their lowest, a successful plan will help predict and prepare for those possibilities and will certainly allow for more intelligent, less costly, faster reactions when challenges arise.

### Accumulating Key Insights

Once we have compiled and analyzed the data from as many different sources and perspectives as possible, we can then form preliminary ideas about the nature of the market and the strategy required to advance a client's interests in that environment. We then sit down with key stakeholders within the organization to gather their perceptions, insights and reactions to key target audiences, competition, past activity and other internal issues that may bear on the structure of the strategy or specific tactics. This is a wide-ranging, very targeted and prepared discussion that typically lasts 6 hours or more as we move back and forth from big picture to detail view in order to gain a clear and actionable view of the company, all its leaders' beliefs and the company's place in the market.

Here is another rule of thumb that has proven to be true for company after company, regardless of size or industry: In a well-run company, 80% of everything a company's leaders believe to be true about their company, its products, services, and people is absolutely true—20% is 180°opposite.

It is within this 20% of mis-perception that the golden nuggets of truth and great corporate gains are found with outside-in thinking. With a poorly run company, one that is losing money or market share consistently, the figure of what they believe is solid and true is 50%. Fifty percent of their beliefs and resulting actions are accurate, and 50% of their beliefs are inaccurate and more than 90% off on the reality of the market and their company's place within the minds of the target audience.

Now that we have all the quantitative and qualitative data, the analysis becomes the critical starting point for strategic thinking. It is imperative that a good marketer separate events, trends, challenges, opportunities and

projections into their component parts so that we can determine the precise significance of each of the components. Then we re-assemble them in a way calculated to maximize the competitive advantage.

### **"Only Then" Messaging**

At this point, we begin to develop the goals and objectives for the strategy in conjunction with the client's team. Goals must be realistic, specific, measurable and relevant. Objectives in the strategy are similar except they are designed as intermediate accomplishments to the goals. Along with an analysis of the market and target audiences, these strategic elements comprise the spine of the strategy.

We then begin to develop messaging and creative to build an implementable, accountable, successful overall strategy. Innovative strategy, complemented by experience and science, is used to optimize communication and delivery of messaging to very specific target audiences. Our team's ability to consistently produce improved marketing results for our clients is grounded in a strategic culture, innovation and creativity. The methodology is enhanced with a scientific approach to data and a unique depth of experience.

Over the years, we have developed and refined an optimization equation to express our strategic thinking and methodology to optimize the content and individual messaging, imagery and call to action for dynamic one to one marketing.

The specific Strategic Methodology for optimized content grows out of the larger Strategic Workflow we utilize to uncover and scrutinize any information that may be useful in developing a client's comprehensive marketing plan.

### **The Science of Brand Mapping**

How exactly do we execute the proliferation of additional research, image, message, and call-to-action variable nature of dialogic micro-marketing in real time with real-world objectives and real outcomes? By laying it all out in a reproducible formula that configures a mapping for every honestly appearing natural brand element that also connects to your target audiences' behaviors, psychographic and demographics attributes, combined with place in the buying cycle.

This not so-simple equation distills all the moving parts into a single, unified system for brand mapping, which, when followed correctly and without compromise, will deliver the exponential returns of Neuromarketology™. All the pieces of the puzzle are accounted for, from planning, organizational goals and research, to target profiling, target messaging and real-time accountability.

Note how deep into the process we go before we even start creative development? This is what it means to be strategic in the new marketing paradigm in which we find ourselves.

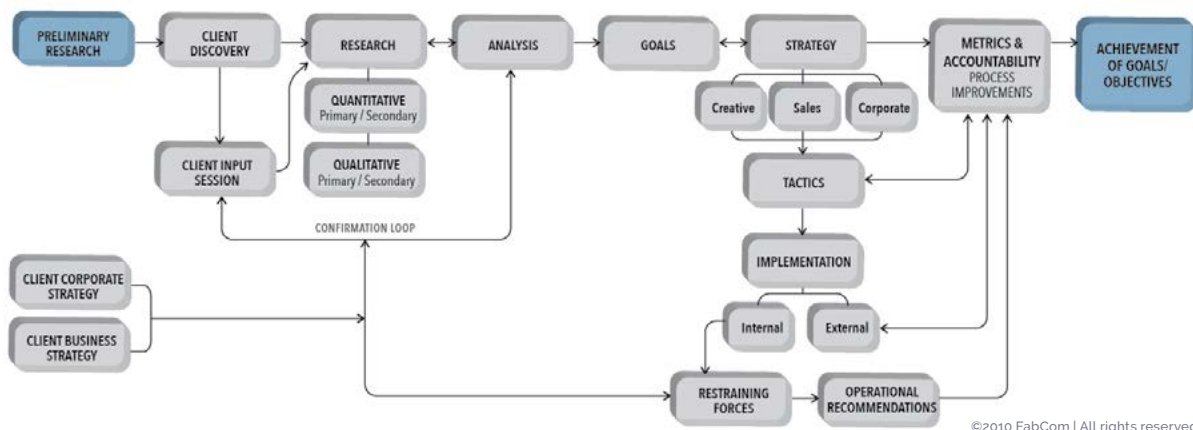
Strategic is one of the most overused terms in advertising. It generally means some thought on some level is given to the outcomes desired before the creatives cut loose and do their thing. In the new world of Neuromarketology™, being strategic means shaping every piece of creative and messaging to each segment, targeted and defined to the nth degree (the N of course standing for Neuromarketology™). The result is optimized messaging, another overused piece of ad lingo, which in our world means real, measurable hyper-relevance. This is the equation that delivers that lucrative one in ten response, instead of the rather dismal two out of hundred.

The accompanying work-flow strategy shows precisely how we can execute this on behalf of our clients in just 60 days. It's a thing of beauty, not just to our team who developed it, but to all marketers seeking to step up to this new, more relevant and productive paradigm. In a successful strategic planning process:

- Goals are specific, measurable, achievable, relevant, and tangible business objectives
- Strategies are the ideas and approaches that are developed to achieve the goals
- Tactics are the specific actions, details and activities that must occur in order for the strategy to succeed

Note that the strategic work-flow is a complete loop that uses metrics and accountability to ensure ongoing process improvement and fine-tuning of tactics. You can also see that a successful marketing plan addresses corporate and business strategies to ensure that we consider all the business and operational implications of the strategy and tactics developed. We must be certain that the strategic marketing plan converges with and augments the company operations and administrative functions or it will never be fully or properly implemented.

In this regard, we look for restraining forces within the client company that may hinder the implementation of the strategy. When we identify restraining forces, we make operational recommendations to resolve the restraining challenges. Many times these restraining forces and countering recommendations lie outside the scope of what would normally be considered marketing functions. It is critical to have a depth of business management experience in addition to specific operational and/or



The strategic work-flow is a loop where tracking metrics and making enhancements and improvements to the campaign is an ongoing process.

administrative business issues that may have the potential to derail the strategy. It is also critical to address them upfront in the creation of the strategy, well before the implementation.

## How Much to Invest?

The question that I am most often asked regarding strategic marketing is also the most basic question about the topic: How much should I spend on marketing? Over the years, any number of general estimates on the correct amount to invest in marketing have been developed. You will hear that in your type of business you should spend 5% of gross revenues or 10% of your net or some such general percentage. While I have found these general rules to be useful in helping a client estimate their marketing budget, like all general rules they are just, well, general. I prefer to look at the specifics of a client's situation and make a budget calculation that can tie back to return on investment, so that we have a foundation upon which we can build metrics for monitoring the progress of strategic implementation.

Let me describe the calculation I go through in marketing budgeting and then I'll show you an example of the calculation in action. Again, keep in mind this is a useful rule of thumb, not a scientific formula that can be applied to all situations. You need to start with two pieces of data: "Where are you now?" (What is current gross margin on revenue or sales?), and "Where do you want to be one year from now?" (What would you like the gross margin to be as a result of growing sales?). We usually ask clients: "Where would you like to be in one year?" "Where do you think you might be in one year if you do nothing

different from what you are doing now?" Consistently, clients project that, although their business is not currently performing the way they would like, the business will grow 10% or more in the next year. I guess the poet was right when he said, "...hope springs eternal."

When we question clients about how their business could grow 10% in a year if they continue to do exactly what they are doing now, they always have some kind of hopeful justification for why it will get better. We have to tell them that their results are extremely unlikely to change if they don't change anything in their business. Psychiatrists have a term for people who do the same things over and over expecting to get different results each time—crazy. Occasionally, however, there is some real-world reason why your company might grow if you do nothing new (change in government regulations, a competitor going out of business, etc.). In that case, the growth should be factored into your scenario.

Back to our calculation, once you know where you are and where you want to be, you can calculate the difference between the two, or the amount your business will need to grow in the next year to achieve your estimated goal. That figure is your goal for incremental gross margin growth. We know from experience that if a client does a good job of implementing the plan we create, the tactics executed should be able to generate a 3:1 or 4:1 return on investment. That tells me that a client will need to invest between 25% and 30% of their goal for incremental revenue growth to achieve it.

Here's an example of the calculation:

1. Where you are now (relative to gross margin)? \$100
2. Where would you like to be in twelve months? \$150
3. Goal for incremental growth \$50
4. Assume a 4:1 return on marketing  $\$50/4$
5. Marketing budget to achieve gross margin goal \$12.5

In other words, if you want to grow your gross margin on sales by \$50,000 over the next year, you would need to invest \$12,500 in the marketing budget. Or, on a larger stage, if you want to grow gross margin on sales by \$50 million over the next year, you should plan on a sales and marketing budget of \$12.5 million—the calculation remains the same.

You may feel that investing 25% of the margin growth you would like to achieve

sounds expensive, but when you look at it as a 4:1 return on your investment, you can hardly complain. Where else can you get a 400% return on your money today? The example is assuming a 50% gross margin on product sales.

## A Case Study in Strategic Marketing

A university focused on leading-edge technology came to us because their enrollment numbers had plateaued and nothing they did could get them moving upward. We took a hard look at their entire marketing communications system and found two fatal flaws that were holding them back. First flaw: They were prospecting only in their own backyard, a metropolitan market that didn't have an especially high propensity for high school students to go on to a private local college. Even more detrimental to enrollment, they were only communicating with high school seniors or older.

Our strategy recommended two tactics to align the client's marketing behavior with the behavior of the market. We re-targeted marketing communications to prospects in markets or states where more high school students go on to college rather than exclusively in the university's hometown market. In addition to greatly expanding the pool of potential students, this also put our client's private university tuition in a more positive light, as out-of-state tuition, which actually compared favorably with our client's tuition.

## From Strategy to Results

We simply helped level the field with the targeting. Most importantly, we helped design and implement a new marketing communications system/enrollment funnel that began talking to high school students in their sophomore year—when they first begin to think seriously about going to college, not in their senior year when the students most serious about college have already made their college choice.

The result? Inquiries immediately shot up, followed by an increase in applications and (can you see where this is going?) enrollment for the very next semester increased 20%. Seven years and three strategic marketing plans later, the university has increased its enrollment, retention and substantially increased the tuition they are able to charge.

Needless to say, they are still happy clients of our firm. I'll wrap up with one of my favorite quotes about strategy, from Winston Churchill: "However beautiful the strategy, you should occasionally look at the results." As we discussed at the beginning of this paper, no matter the technology or methodology, an intelligent marketing strategy, based on comprehensive research, is the single most important key to successful, high ROI marketing and advertising. No amount of advanced technology or sophisticated methodologies can optimize your marketing results if they are not driven by innovative, strategic thinking

## About the Author

Brian Fabiano is the CEO and founder of FabCom, a full-service strategic integrated marketing and advertising agency with offices in Scottsdale/Phoenix, Los Angeles, Seattle and O'ahu. He is a nationally recognized innovator, advertising and marketing industry leader, author and speaker, whose insights in dynamic **cross-channel cross-media messaging**, **business intelligence**, **strategic planning**, **positioning**, **brand mapping**, and **segmentation/database marketing** are sought by corporations and trade associations alike.

He is now working on his second book on the convergence of technology and marketing strategy, after the resounding success of his first book, *Neuromarketology: How to Develop, Implement and Manage Dynamic, Real-Time, Cross-Channel Marketing Campaigns that Generate Astonishing ROI*. This is the second book in the planned trilogy and will delve deeply into the connection between Neuromarketology™ and the contemporary convergence of artificial intelligence, dynamic messaging, and Distributed Customer Experiences™, driven by Blockchain technology.

## FabCom is a full-service strategic marketing, PR, and advertising firm

Principal: Brian Fabiano  
Employees: 38  
Local Area Billings: \$42.1 Million\*

Location:  
7819 East Greenway Rd  
Suite 5  
Scottsdale, AZ 85260

Contact:  
phone (480) 478-8500  
fax (480) 478-8510  
fabcomlive.com

\*Amortized for media billings as calculated in the Phoenix Business Journal Book of Lists.

