

That Ad is So Entertaining...But Can It Sell? Who Knows

An entertaining commercial on a prime-time television show might be a good way to build a brand's image, but a straightforward spot with a prominent toll-free phone number is the best way for a company to move inventory fast, according to Ron Bliwas, chief executive of ad agency A. Eicoff & Co., who spoke last month at Wharton.

The agency, headquartered in Chicago, pioneered direct response television advertising in the 1960s with pitches for cosmetics and fishing kits, said Bliwas, adding that A. Eicoff worked with AT&T to create the first 800 (toll-free) number for client Columbia Records. A division of Ogilvy & Mather since 1981, the agency has evolved from promoting \$19.95 gadgets to making commercials for a growing roster of Fortune 500 companies, including United Airlines, Visa, Sears, and Motorola – all of which use direct response ads with 800 numbers to reach customers.

According to a study by the Electronic Retail Association, 136.2 million viewers, or about 63% of the total American adult population, watch some form of direct response television. In addition, the study found that direct response – which includes infomercials and home shopping – drives retail buying in traditional stores. A third of those surveyed said they had purchased a product in a store that they had first learned about through direct response television.

Not all commercials with an 800 number are direct response ads, said Bliwas. Many companies now routinely slap an 800 number or Internet address to the end of their commercials, but it is not an essential part of the selling process.

By contrast, direct response commercials are integrated with the clients' entire sales strategy and their impact is easily measured by calls to operators standing by. "If a spot runs at 10 p.m., we know by 9 a.m. the next day exactly how many people responded to the commercial. We can't hide. They either call or they don't," said Bliwas.

Prime-Time Blues

Adding to the pressures on advertisers are recent changes in network television viewing habits. "Network ratings have been going down and cable ratings are going way up, but the price of network advertising continues to go up," Bliwas pointed out. "At some point advertisers will start saying 'It's not worth it anymore.'"

Meanwhile, the nation's major broadcasters are questioning the methodology of Nielsen Media Research after the ratings agency reported a 7% drop-off in prime-time television viewing this fall among men ages 18 to 34. Nielsen reported that men in this age range are watching 56.2 minutes of prime-time television a day.

Bliwas downplayed the value of a rating point, which represents 1% of all households in a television viewing area. Nielsen tracks the viewing habits of 5,100 U.S. households and its ratings are a major force in determining how \$17 billion in television advertising dollars are spent. "If you look at the back of a Nielsen report at the standard deviation, it will boggle your mind as to how much money is being spent with such a small sample. I've always thought that rating points were a form of executive job protection."

Bliwas explained that a typical product manager for a consumer company orders a commercial to be made, then buys enough air time to hit a targeted number of exposures to viewers based on the ratings. "They do that and they feel they have done their job. But that's not their job. Their job is to sell. Most people forget that. They think they're in the entertainment business."

Ego, he said, too often seeps into advertising decisions. "What happens is that you are a product manager for Colgate-Palmolive and you live in Greenwich, Conn., and you want your friends to

see your commercial on The Bachelor, How to Marry a Millionaire or The Super Bowl. But the job of advertising is to sell. That's how you should measure it, not by how many people laugh at your commercials."

Bliwas said it is very difficult to gauge what effect entertainment-style commercials have on sales. They are valuable devices to build general brand awareness, but not solid, measurable sales. The worst examples of entertainment-driven advertising prevailed in the dot-com era, he noted, describing those years as "22- and 23-year-olds playing with billions of dollars."

Relaxed and Ready to Buy

A. Eicoff, according to Bliwas, has looked for a correlation between ratings and sales results, but cannot make a link. Company researchers discovered that shows with a 2-rating, for example, were more effective in selling products than shows scoring 10 or 12 ratings points. Researchers also measured similar shows against one another, for example a movie against a movie or a sitcom against another sitcom, and the pattern continued. Finally, the firm studied sales results on the basis of the time of day and day of the week a commercial aired.

"What we found was there were certain times of day when it was easier to motivate somebody to buy something. We call it our theory of sales resistance. It's actually better to reach 50,000 people at a time of least sales resistance than 500,000 at a time of maximum sales resistance," said Bliwas. The best time to get results is on weekend afternoons, when people are relaxed and have time to focus on advertising. The same theory applies to Sunday newspapers, which are filled with ads.

The quality of a television show also has an effect on sales results, Bliwas noted, again debunking conventional wisdom. "The better the show, the worse the results."

People, he noted, watch television for two reasons – to be entertained or because they are bored. "We try to run our commercials during shows people are watching when they're bored because they will pay as much attention to a commercial as they do to a Hogan's Heroes rerun they have seen 100 times." His agency once aired a local commercial in Chicago five minutes before the kickoff of a Bears game. The same advertisement had previously been successful, but this time not a single person called.

The best time to reach a stay-at-home mother, he has learned, is not in the afternoon, when they are tending to children and trying to make dinner. "You run the commercial at 10:30 or 11 p.m. when she is relaxed and will accept your message." Bliwas said he once flattered Oprah Winfrey at a Chicago dinner party when he told her he refuses to advertise on her show because people find the program too interesting.

With 100 employees, A. Eicoff specializes in creating commercials that are longer than the typical 10- to 30-second spot, but shorter than a full infomercial. The optimal length for a direct response commercial spot is two minutes, he said. "How long should a commercial be? In my view it should be as long as it takes to sell the product. Think about what we're trying to do. Somebody is sitting there watching television and the furthest thing from their mind is to get out of that chair and make a phone call. I defy you to do it in 30 seconds. What can you say in 30 seconds?"

In the future, Bliwas said, television will become increasingly more interactive and grow to resemble the Internet. "You will be sitting there and a commercial will come on and you press a button and the product will be delivered. Yes, it will happen. Is it going to happen tomorrow? No. There's still a big part of this population that's afraid of gadgets."

Advertising Impact

The public was reluctant to trust 800 numbers when they were first created in 1967, according to Bliwas. "People were petrified to call the number. They were really skeptical in the beginning." The reluctance eased, in large part, with a Sheraton hotels ad that promoted the lodging chain's 800 number and helped educate the public about toll-free calls. The entire direct response industry benefited from Sheraton's investment in advertising its 800 number, said Bliwas.

Most of A. Eicoff's spots are remarkable for their lack of flash. They usually feature a bland spokesman, off-screen narrator, or a minor celebrity appealing directly to viewers like a friend sitting in the same room. The strongest image is usually the 800 number.

That is changing, however, as direct response ramps up its production values. Bliwas showed a spot the agency developed for Sylvania to sell headlights to young, urban custom-car owners. Bliwas had his doubts about the assignment. "The toughest thing about running an ad agency is to not let your own prejudices influence your decisions."

The agency went forward and developed a direct-response commercial with a rap song devoted to headlights. The ad worked. "It really broke the stereotype," said Bliwas, crediting Sylvania for pushing him to try the idea. "Great creative takes very courageous clients."

The evolution of the direct response ad can also be seen through A. Eicoff's ads for Liberty Medical, a medical equipment supplier that markets testing equipment and other diabetes supplies directly to Medicare patients. The company's first ad for Liberty Medical featured a woman named "Marjorie" who explained how Liberty Medical sent diabetes-testing supplies directly to her home and handled her insurance paperwork. "Liberty Medical does it all for me," she said. The production quality of this commercial was terrible, said Bliwas, "but we put it on the air and it went through the roof."

Eventually the power of Marjorie began to fade and Liberty Medical began looking for a new ad. At the client's insistence, Bliwas made a commercial with Marjorie and her well-intentioned daughter who arrives at Marjorie's home with an armload of testing supplies only to learn that Liberty Medical is sending Marjorie regular shipments. "I can still take care of myself," said Marjorie. The spot ends with the daughter patting Marjorie's hand as she says: "Glad you have everything under control. We want you around for a long time."

This commercial bombed. "We found this was the wrong message. They don't want to rely on their children," said Bliwas, who added that he still winces when he sees the daughter pat Marjorie's hand.

Next, the client suggested a celebrity endorsement by the sophisticated senior citizen, Lauren Bacall, who was filmed making a pitch on an ersatz movie set. "If Marjorie's daughter was a bomb, this was a double bomb," said Bliwas. "We were perplexed. We just couldn't beat the original Marjorie."

Finally an agency staffer suggested using a celebrity who actually had diabetes. A. Eicoff went with Wilford Brimley, the portly actor who had worked in Westerns and had been a spokesman for the Quaker Oats Co. The early Brimley ads for Liberty Medical are a simple appeal by the actor urging them to watch their weight, exercise and test regularly. Later ads showed Brimley atop a horse with a scenic snow-capped mountain range in the distance.

"We have come a long way with the production quality," said Bliwas. "I'm a big believer that what you put on the screen represents your company. So many clients want to do it cheaply. You really have to push them on it."

Bliwas said the Brimley spots became so well known that they were parodied on Saturday Night Live, a popular comedy program. Heavyside John Goodman played the part of Brimley and

confessed he is hardly diligent about watching his weight. At one point, Goodman sprays whipped cream from an aerosol can directly into his mouth.

"How do you know when your advertising is making an impact?" asked Bliwas. "One way is when it shows up on Saturday Night Live."

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