

Can You Teach a New Dog Old Tricks?

A marketing lesson from Pets.com

By Ed Ziegler

The recent demise of e-tailer Pets.com holds an important marketing lesson for all of us in higher education: Superior tactics cannot overcome a poor strategy.

Pets.com had one of the most memorable product launches in recent memory, featuring the lovable sock puppet mascot. According to an article in the December 11, 2001 issue of *Brandweek*, the company spent close to \$20 million on advertising and seemed to get its money's worth. The Pets.com ad that aired during the 1999 Super Bowl scored the No. 1 recall ranking for the lowest media investment. The company received a gold mine of free coverage when its mascot appeared on *Nightline* and *Access Hollywood*, and in *Entertainment Weekly*, *Time*, and *People*. Its Web site attracted twice as many visitors as its closest rival.

Less than two years after its debut, however, the company was out of business. Its stock slid from a high of \$14 in February 1999 to just 22 cents when it disbanded in December 2000. What happened?

The company's advertising plan was brilliant, but its business plan wasn't. The company's plan to use the Internet to sell expensive pet toys to indulgent pet owners backfired; pet owners were using the Web site mostly to order pet food, and the company

eventually realized it couldn't make money shipping 50-pound bags of dog food.

What can those of us in higher education marketing learn from this example? The important lesson that we should heed is that an emphasis only on promotion, no matter how creative and attention-getting, does not guarantee results. This is part of the reason so many institutions' "marketing campaigns" fail. Campuses will spend hundreds of thousands of dollars on an ad campaign, but they won't spend the necessary time or money to determine whom they want to target and what messages they should use.

Most college administrators, when they use the term *marketing*, really mean *promotion*--brochures, direct mail, advertising, and so on. They often want to skip all the market research, planning, and strategy that make marketing so powerful. They think that just getting the word out will draw students. Would more advertising have helped Pets.com?

A simple case study

Some people refer to marketing as "research-based decision making." Knowing that solid data is a valuable tool for making decisions, Rowan University conducted basic research to help us use our advertising dollars more effectively and identify where we should concentrate our efforts.

Several area newspapers periodically publish education supplements, which contain dozens of ads from nearby institutions in surrounding states. Many of Rowan's faculty members advised us

to advertise in these supplements because "everybody else does." That may be true, but do students read them?

To find out, we conducted several focus groups with freshmen and asked them where they received information about colleges and universities. Not a single student had looked at the supplements, and most students didn't even know they existed.

When I explained this to the faculty members, they responded by saying, "but their parents read them." We later asked the students about their parents; the answer was the same--not a single student recalled if his or her parents had read the supplements, and if they had, they didn't mention it. Clearly, without the proper research, an ad in these publications may have been a waste of money for Rowan.

An important distinction

Much of the confusion about promotion, public relations, and marketing lies in the distinction among them. The three are interrelated, not interchangeable, even though I constantly hear one term substituted for another. Hardly a week goes by without a call from a campus department head saying that he wants to market his department or a special event, but what he really wants is an ad or a brochure.

Marketing is more than "getting the word out." Marketing is a way of thinking that focuses on understanding and meeting customer needs. It is not based on what an organization wants to sell (inside-out) but on what customers want to buy (outside-in).

According to Philip Kotler, author of the groundbreaking book *Marketing for Nonprofit Organizations*, marketing is a "market-oriented institutional planning process." Made up of several parts—planning, conducting research, segmenting target audiences, positioning the institution, and developing communications. You must understand and think strategically about each part. Certainly, promotion and public relations are essential elements in a marketing strategy, but just because an institution is spending money on promotion and PR does not mean it is practicing marketing.

The elements of a marketing plan depend on both the complexity of the market and the needs of the organization. Its value comes not from the plan's elements, but from the quality of the analysis and decisions on which it is based.

If an institution's reputation is bad, no amount of promotion will make people think differently. A recent article in the *Wall Street Journal* about a corporate reputation survey showed that while advertising can be effective in getting a message across, it doesn't necessarily change opinions. Despite spending more than \$100 million on a corporate advertising campaign, Philip Morris still receives low marks on trust, respect, and admiration. ExxonMobil still receives poor grades for environmental responsibility--more than a decade after the Alaskan oil spill.

A clairvoyant spokesdog?

One popular Pets.com television commercial featured a sock puppet singing the Chicago tune "Please Don't Go," as a variety of pets ruefully watched their owners pull out of the driveway. At the end of the commercial, the company claimed to have "everything they need." Pets.com may have had everything that pet owners needed, but the company didn't have everything *it* needed to be successful in the new marketplace. As marketing becomes more entrenched in higher education, we need to be sure that we do more than just promise to offer everything our students need--we need to know what we really can offer and do it well.