

Gus Priemer was *Right!*

BY SPENCER HAPOIENU

Gus Priemer was responsible for advertising and media placement at SC Johnson & Co. in the '70s. His understanding of the way media and advertising worked was way ahead of its time.

As so often happens to those who travel a different path, Gus was considered to be a weirdo by his media peers, the brand groups, marketing departments, the cleaning staff and certainly the SC Johnson agencies.

Gus's presentations approximated an advanced placement math course. He had many theories about advertising but his main premise went like this: Based on the number of households who bought most packaged-goods brands, it was likely that only three-percent or four-percent of the households who bought Glade or Johnson's Wax (his brands) were in the audience of the television shows that were purchasing for advertising.

Why then, Gus challenged, was buying advertising time on television a good idea?

To Gus's way of thinking, if we took the money spent on producing the advertising, together with the cost of the time on network television, local television and the cost of space in general interest magazines, we could personally visit the home of every Glade user and provide a customized offer to buy Glade forever, (customer "lifetime value" in its earliest form).

Gus also figured there would be enough money left over to distribute free samples in public places to create new users.

Obviously, Gus was right.

Concealed deep in their guts, most marketers, retailers and advertising people do not believe in the 20/80 rule, (20 percent of the brand's or business' customers produce 80 percent of the volume or profit). Gus knew the 20/80 rule was one of the simple truths about business. For example, knowing that Glade users at that time were smokers, Gus wanted to advertise in matchbooks—they had a much better CPM than prime time television.

Now, the dirty little secret is out and the decrepitude of mass

text messages about toilet tissue?

The problem with all of the recalibration of where to spend the marketing budget is that there's no "book" on what else works. The dirty little secret covered up the disingenuousness of reach and frequency, impressions and cost-per-thousands that ricocheted billions of dollars back-and-forth between the agencies and the networks.

While we now can say many of those billions went down the drain, the marketing industry seems at a loss to know how to proceed. Advertisers and their agencies often overlook the only person who knows what works—the customer.

If Gus were around today, he'd have transactional and behavioral data from every retailer where

SC Johnson has distribution. He'd know who his consumers are, where they shop, what they buy and how often. He'd be using every targeted media and marketing approach to reward and thank his current customers and stimulate increased purchases.

He'd know what his penetration of customers is in every zip code and carrier route and which prospects to market to. He'd be emailing, direct mailing and locally marketing and promoting to each consumer segment in his franchise.

Gus Priemer would *be* Mr. One-to-One. He wouldn't just be talking about it. ■

Gus Priemer of SC Johnson envisioned the future of targeted media more than 30 years ago.

marketing has never been so legitimized. As recently as the August 6, 2006 edition of *Advertising Age*, news of two research studies further proved Gus's theories. The first study, from McKinsey, said that viewing in prime time declined by 50 percent during the last decade, (while costs rose significantly).

The second study involved 36 of the nation's top advertisers and concluded that 37 percent of all advertising is wasted. The PowerPoint chart looks like this: $A+B=-37$ percent. Some may think this is startling; it isn't. The startling part is that *only* 37 percent is wasted.

As we all know, television and other mass-media budgets are being cut such that advertising bagmen are roaming the internet and searching out guerrilla-marketing hideouts. There's so much money chasing new media that Wall Street has become apoplectic about text messaging. Do we really want



SPENCER L. HAPOIENU is president and co-founder of **Insight Out of Chaos**, a database and direct marketing company. He can be reached at spencer@iooc.com or (212) 935-0044.