

# Branding Strategy Insider

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## Advertising: Lead With Facts Not Opinions



Do you ever find yourself confused by a TV commercial? We don't mean you watched and didn't understand what they were saying. And we don't mean that it was advertising something in which you had no interest, or that you found the commercial mindbogglingly awful.

No, we mean that the commercial was telling you a "fact" that seemed suspect, where the advertiser seemed to expect you to throw out your belief system and cede all truth to the pretty spokeswoman in the clingy, wraparound dress.

### Tech Ads Lack Facts

This seems especially true in technology areas, where a good deal of what brands discuss are things about which consumers probably have opinions, but almost certainly don't have the facts at hand, which is a problem if you want your advertising to engage and be believable. Take the wireless category, for example. Statements like "we have more coverage" or "we have fewer dropped calls" or "they have more dropped calls." You know the kind. How does one discern opinion from fact?

There's a difference between opinion and fact, at least according to the Oxford English Dictionary. "Opinion" is defined as "a view or judgement formed about something not necessarily based on fact or knowledge." "Fact," on the other hand, is "a thing known or proved to be true," the operative phrase being "proved to be true." You know, facts. Or as Daniel Patrick Moynihan observed, "You're entitled to your own opinions, but not your own facts," and in any category, but perhaps more so in the complex world of technology it's probably a bad idea to confuse opinion with reality.

### Just the Facts, Mam

We like dealing with facts. Ours are generalizable at the 95% confidence level and they're 100% customer-driven. Most of the factual brand rankings and statements we make about them come from our Customer Loyalty Engagement Index (CLEI), this January's being our 15th Index. We talked to 46,000 men and women, 18-65 years of age, drawn from the 9 US Census Regions. These are true measures of how customers see their brands versus the category Ideal. We ask the right questions - a combination of psychological inquiry and direct assessments, and use a battery of higher order statistical analyses - where the results consistently are shown to line up with what happens in the marketplace and are predictive of consumer behavior 12-18 months before they show up on traditional research radar screens. And waaaaay ahead of

statements based on questionable research or just plain opinions. So when we look at a category or a brand we go with the loyalty ratings because they're category facts and not subjective opinion.

### **Consumer Reports, All Wrong on AT&T**

That said, we were amazed to see a Consumer Reports statement to the effect that AT&T was the worst wireless carrier scoring lowest in virtually every respect. We were amazed because this was at odds with the CLEI findings; which showed AT&T as rated #1, with the national wireless brands ranked as follows:

1. ATT Wireless
2. Verizon Wireless
3. Sprint PCS
4. T-Mobile

The fact is that if you were to correlate the CLEI rankings with churn numbers - the wireless industry's term for customer disloyalty - you'd find a 1:1 relationship. For those of you without a statistical app on your phone, that's a 100% correlation! It's nice to have facts that reflect real consumer behavior.

Also there's been a lot of talk about the power of the hardware driving wireless carrier selection and loyalty. The iPhone being made available on the Verizon network was supposed to create a massive and long-anticipated "anti-loyalty" paradigm shift, with AT&T folks, unwilling to give up their phones, now free to run to another carrier. What happened?

According to Boy Genius Report, Verizon sales underperformed and certainly didn't mirror the predicted avalanche of iPhone loving-AT&T hating customers shifting their accounts to Verizon. 30% ended up being android users and 25% were BlackBerry owners, and only 14% were AT&T customers, so how desperately dissatisfied could they have really been? Not much according to the facts, so how did Consumer Reports come to opine as they did?

### **Satisfaction Ain't Loyalty**

Well, first they're only talking about satisfaction and not loyalty. There's lots of satisfaction measures out there. Consumer Reports isn't the only one, but they all suffer from the same limitations: to be reflective of the real marketplace you need to measure the degree of consonance - or alternatively, the gap - between expectations and performance. Satisfaction metrics usually don't measure expectations the way real loyalty measures do because it's difficult to translate real consumer expectations to a 1-to-7 scale. So we do it by fusing emotional and rational aspects of the category via a psychological questionnaire (with a test/re-test reliability of 0.93, used in 30 countries in B2B and B2C categories) that tell us how consumers are going to behave. Satisfaction measures tell you what happened last time. They're lagging-indicators. And sticking within the category, it's worth remembering that there are an awful lot of iPhone users out there who used to be some other brand's "satisfied" customer.

Also, Consumer Reports relied only on their own subscribers' overall satisfaction, so to be fair you have to call it a lagging-indicator among a really limited group of customers. And the survey was conducted in September 2010, 7 months ago, so to be really accurate you'd have to call it a limited, lagging, lagging-indicator study. The voice and texting scores were based on the week previous to the survey being conducted so add another "lagging" to the list.

To be fair, at the very, very end of the article, in very, very tiny type, Consumer Reports states, "respondents might not reflect the general U.S. population." You think? So basically it's some group's opinion of the wireless services that you really can't generalize to wireless customers - unless you're a subscriber to Consumer Reports.

Author Aldous Huxley astutely wrote, "Facts do not cease to exist because they are ignored." We would add or because they get printed in a magazine or advertised on TV.

And a word of warning to those competitive brands that may feel a touch of complacency as they read Consumer Reports rankings: AT&T Wireless was #1 in the 2010 CLEI too. Beware of misleading metrics that simply don't connect!

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