

All Consumers Are Not Created Equal

by Garth Hallberg

(320 pages, John Wiley & Sons, \$27.95)

Reviewed by [Sam I. Hill](#)

All consumers are not created equal, as the title of Garth Hallberg's newly published book says, but neither are all business books.

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Far too often, such books fall into one of three camps: 1. No ideas at all. These books tend to be collections of amusing anecdotes heard around the water coolers of corporate America. 2. Small ideas on steroids. These are books filled with truths that are both trivial and obvious, the kind of insights that deserve a paragraph on an expensive nature calendar. But instead of spending their life between a magnet and the refrigerator door, they are pumped up by a business writer to fill 300 pages of print. What a terrible waste of trees. 3. Ideas for true believers. These are the self-help blueprints that promise seven easy, risk-free steps to doing absolutely anything.

Armed with these prejudices, it was with genuine skepticism that I approached the 30-odd linear feet of shelf devoted to marketing books at my local Barnes & Noble. To my relief, "All Consumers Are Not Created Equal" falls into none of those camps. It is a real book, with real ideas, supported with real data. And it is written by a real writer. In another departure from the norm, it even appears to have been written by the named author, Mr. Hallberg himself, who is worldwide director of differential marketing at Ogilvy & Mather in New York. The result is an interesting and provocative perspective on the rapidly changing nature of marketing and a plausible solution for marketers wrestling with the effects of those changes.

The message of the book is straightforward, albeit radical. Mr. Hallberg argues that within any product or service's customer base is a core group of heavy users that contributes virtually all of the profit to the brand, a point to which most marketers would agree. However, this benign beginning is deceptive, for from this point Mr. Hallberg slowly builds an argument that most traditional marketers would find heretical and would balk at putting into practice. He contends that marketers need only serve this small group to be successful and, moreover, that it is almost impossible to do that through conventional shotgun-style marketing communication.

To prove his case, Mr. Hallberg relies on data and analysis on packaged goods companies. He argues, persuasively, that fast-moving consumer product purchases are the "white mice" of marketing. They are simple, we know a great deal about them and they breed fast, thus making them ideal for experimentation.

Using data from previously published sources, such as the seminal Information Resources Inc. studies, as well as specifically commissioned research by MRCA Information Services Inc. on a cross section of categories, he carefully builds his case. He supplements this analysis with interviews and commentary by a range of thoughtful marketers, including even his competition on occasion. For the most part, these are concrete arguments, avoiding the classic temptation to substitute anecdote for analysis under the guise of "case studies."

Would-be differential marketers must begin by accepting that one of the automatic assumptions of most brand plans is wrong. Heavy users and loyal users are not synonymous. Indeed, the contrary is true--heavy users are particularly promiscuous, and prone to floating between brands. The bottom line is that the most comforting of marketing truisms--that a group of good, faithful customers exists that are ours and are a safe base on which to build--is completely untrue. As my teen-ager would say, "Oh, grow up."

So the classic approach of marketing, increasing share by attracting more users, becomes instead a task of increasing the share of each individual user. This sounds simple enough, but it has a dramatic implication. Mass advertising is almost always designed to encourage trial by new users, not build loyalty. So the key marketing tool is inappropriate. Mr. Hallberg submits instead that the way to build loyalty is seldom through broadcast media, but more often through "information-driven, direct mail-delivered, brand loyalty programs."

There are a number of obvious and immediate challenges that traditional marketers will raise against this argument. Two of the most cogent involve the far higher per unit cost of direct mail and the need to avoid the junk mail syndrome. The book does not simply gloss over these, but considers them thoughtfully and usefully. All in all, it is a well structured and provocative argument for what might well be a major component of the marketing of the future.

One of the more interesting features of this book is that it is designed to be skimmed in an airport lounge, with summaries at the start of each chapter and key points highlighted in bold throughout the text. Footnotes and calculations are hidden away at the end so as not to break the rhythm of the speed reader.

Skimming would be a mistake, however, for it would mean missing Mr. Hallberg's acerbic wit and delightful phrasing. For example, he quickly and efficiently dismisses promotions as "competitive bribery" and poorly thought through marketing solutions as "thinking du jour." My favorite is the observation that while most brand managers speak of the brand-consumer relationship as a marriage, the data on brand switching suggest that it is at best a "marriage of the most permissive kind." Others may prefer his argument against the averaging created by many market research methodologies, in which he reminds readers that "on average, everyone in the world has one testicle." While this writing does not make the message any more significant, it does prove that there is no legal reason that business books have to be dreadful.

Nonetheless, this book is not without flaws. First, the analytic support is much stronger in diagnosing the problem than in proving the solution. And while the book makes an obvious and seemingly genuine attempt to be even handed, the author has spent his entire career on Madison Avenue and inevitably has picked up a few biases along the way. Mr. Hallberg is a reformed advertising

man. His chapter on the future role of advertising shows all the reasonableness of an ex-smoker who bends his house prohibition against smoking by letting his 80-year-old mother-in-law have a puff on the porch during a 20-below night in Chicago. His treatment smells suspiciously like damning with faint praise and it does not disguise very well Mr. Hallberg's strong bent toward direct marketing approaches.

Still, its flaws are overwhelmed by its virtues. Its proposed solutions are at least plausible, and serious thought has been given to implementation. This is not bland advice to globalize or add value through service; rather, the book is a practical guide for the pragmatic practitioner. It is not intended to impress marketing students, but to help those who do battle each day with antagonistic retailers and unsympathetic accountants. Nor does it simply parrot conventional industry wisdom. Many on Madison Avenue will disagree strongly with its support of disciplined, analytical marketing. (Admittedly, the idea of disciplined marketing takes some getting used to. Marketing as a science has always been regarded somewhat skeptically--higher than astrology, but certainly not as high as phrenology.)

Indeed, at another level, this book is even more interesting not for what it says, but because of where it comes from. There was a time when advertising agencies were the world's de facto marketing experts, valued counselors of senior marketers at major manufacturers. However, somewhere along the way the two began to diverge. In-house marketers began to spend more and more time with analysis and the science of marketing and agencies came to be more and more dominated by the creatives. The left brain stopped talking to the right brain.

Great admen like David Ogilvy, who argued in such classics as "Ogilvy on Advertising" for disciplined, thinking marketing, were overwhelmed. And account managers, once well-rounded experts in marketing, became instead what one of my colleagues has termed the "eunuchs to the creative harem." Now with companies like Coca-Cola turning to talent agencies and Disney for their creative input, even that role is at risk. The result, however bullish the talk at the bar about this past record year for ad spending, is that many advertising executives are quietly worrying about the continued relevance of the industry and its long-term future.

In a way, this thoughtful book, with its clarion call for disciplined scientific marketing, reliance on analysis and rigor and open claim to the Ogilvy heritage, is trying to do a bit more than provide advice to marketers. It is trying to make a case for the relevance of agencies as more than just commodity suppliers of storyboards. It is intended as a manifesto for the agency revolution, a map to bring advertising back to its lofty past.

This is a tall order, and it remains to be seen if one small book can pull it off, but it should be interesting to watch.
