

# News From Terre Haute, Indiana

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## **Business Cents: So does your advertising plan pass the sniff test?**

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TERRE HAUTE — Having been a business consultant for more than a decade now, there are some things that never fail to catch my attention, one of which is negative advertising. I see it, although not often, in the Wabash Valley, I still see it and the impact it has both on the company or person, as well as on their competitor, which is where the advertising is aimed.

This week, Modell's Sporting Goods was in the news because the CEO tried to go undercover into their competitor's store, Dick's Sporting Goods, in an effort to learn more about the company. It just goes to show you the depths to which people will go, and no doubt there are many types of negative advertising that could have legal implications.

Typically, negative advertising is associated with political agendas, but we see it in everyday life as well with local businesses. I truly have never understood why someone or some company decides to run such a dirty marketing strategy.

It just doesn't make sense to offend your customers or stakeholders by promoting your competitors' weaknesses and pointing out things that may or may not be true. Isn't it up to the stakeholder or customer to make that decision?

If you are considering a negative marketing strategy to attack your competitor, please consider the following points that may impact your business.

- n Negative advertising alienates current and potential customers and stakeholders.

- n Negative advertising can produce a backlash.

- n The Journal of Advertising found that negative advertising makes the body want to turn away physically, but the mind remembers negative messages and remembers who initiated the advertising, thereby causing the person to turn towards who the advertising was aimed at because they were disappointed with the person or organization who decided to implement the negative marketing campaign.

Now that we have discussed a few of the effects of negative advertising, let's focus on more positive aspects of what marketing is really supposed to be about.

Marketing is the process of communicating the value of your product, service or person to your

customers and stake holders for the purpose of selling that product, service or gaining support and market share.

There are distinct ways to leverage your company and your position, versus what your competition is doing. Be sure to embrace a different technique when comparing yourself to your competition. Anyone in business should have a marketing strategy. As you begin to either adjust or develop yours, here are a few points to keep in mind.

n Does it pass the sniff test? Is the marketing strategy positive and feasible?

n Know your customers (demographics, buying behavior patterns, etc...)

n Do you have social cause or issue? If the answer is yes, then consider linking your company and relating the company to the cause. This is called Cause-Related Marketing.

n How important is customer/stake holder retention and satisfaction when it comes to enhancing your relationships with existing customers to increase their loyalty?

n Scarcity marketing creates a perception of a shortage, which seeks to entice customers to purchase out of fear that they may not be able to get it in the future.

n Stealth marketing involves appealing to customers in such a way that they do not realize that you are marketing to them.

Regardless of what technique you take to market your company or image, be sure you embrace a more positive marketing strategy to be sure you avoid alienating current customers, decrease customer loyalty or cause consumer backlash.

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