

By Richard D. Czerniawski

STACK YOUR MARKETING INITIATIVES TO GENERATE SYNERGISTIC GROWTH

Synergy (noun) the interaction ... of two or more... agents to produce a combined effect greater than the sum of their separate parts.

I learned about synergy in B-School. It's combining two or more things to get a more significant effect than the sum of each entity. Companies' stock prices that create synergy tend to rise as they produce more than the sum of each.

However, in business, synergy often seems confined to cutting costs to boost profitability without increasing topline sales. For example, two companies merge, and restructuring follows. They streamline operations and cut personnel, reducing costs and generating incremental profit growth without increasing sales.

They generate synergy through more efficient use of resources. The company gets the same bang for less. While I recognize the value of this on the business, I believe we should strive to get more bang from available resources. As I'm a lifelong 50-year career brand marketer and my MARKETING MATTERS blog is about making marketing matter more, I'm obsessed with creating synergistic growth in topline sales and market share.

Stacking (verb) combining multiple initiatives to achieve synergy. RDC

There's another related concept that's important in creating synergistic growth. It's called stacking. While I picked up the term from books and articles on developing and maximizing the effects of habits, I've practiced it throughout my marketing career to drive incremental growth (i.e., above category and projected brand growth). But first, the impact of stacking on creating good habits to improve my health.

Years ago, my MD diagnosed me as pre-diabetic. My A1C had risen to 6.1. No surprise, as my mother is a type 2 diabetic, and so were her parents and grandparents, which makes me fourth-generation, high-risk for type 2 diabetes. I undertook a strict, low-carb diet. How strict? Well, for example, pizza is my favorite food, yet I cut my partaking in it from a few times per month to only once yearly, on my birthday. I also gave up my favorite "P" foods—pasta, potatoes, pane (bread), and pretzels. My A1C lowered slightly.

Encouraged by favorable results, I doubled down on cardio to burn glucose. I reduced my A1C further. Then I learned the importance of adequate sleep to manage the condition better. So, I've made sleep a priority. Finally, I added metformin to go and stay lower.

While I can't tell you whether combining these practices created synergy where the result was more significant than the sum of each, I did achieve incremental improvements to reach my goal. I am no longer pre-diabetic as my BSL lowered to 5.3 - 5.5.

Now, let's create marketing synergy to grow topline sales and market share—generating more bang for the buck. I'm currently reviewing P&G: THE GLOBALIZATION YEARS - An Oral History by Former P&G Chairman and CEO Ed Artzt. While he doesn't use the term "stacking," he cites a few examples of creating synergy by what amounts to stacking initiatives.

Perhaps, the most notable case is for Charmin Toilet Tissue. P&G developed a new technology that gave Charmin a competitive advantage in product softness and cost per use. Internally, they referred to the product as CPF. He states, "... we ran single-variable tests with CPF tissue only, poly packaging only and Whipple advertising only. When we combined all three, the synergy effect literally catapulted the business to new highs."

I experienced synergy for the first time in my career while on sales training for P&G's Folger Coffee Division. Yes, I learned from the same type of testing conducted for Charmin that combining select marketing elements would generate synergistic sales gains for Folger's. I knew it, but I hadn't experienced it personally.

My sales territory was in Los Angeles. We were selling off a planned newspaper coupon. Please note that contrary to popular belief, coupon redemptions are low, and newspaper coupons are among the lowest. I'm talking about 1% here. However, based upon a coupon drop and the retail trade's expectation of redemptions, we were able to sell deep-cut feature pricing (below the trade's cost) in conjunction with trade allowances. At the time, the price stimulating high demand was 99 cents for one pound of Folger's Coffee. Three elements are in play: coupon drop, trade allowance for a temporary price reduction, and a loss-leader price of 99 cents for the one-pound size. These initiatives were stacked onto the brand's Mrs. Olsen advertising campaign.

As the legendary pitchman Ron Popeil would say in his infomercials, "But wait, there's more." Given the deep price cut on Folger's, we sold trade headquarter to prominently feature our brand in their weekly circular. We, in sales, would capitalize on the aforementioned by reminding individual store managers of the need for (massive) displays to satisfy anticipated demand. I recall selling in and building 200, 300 case displays and even more in the "A" stores I serviced. Sales and market share gains went through the roof from the synergy of the combined elements.

I utilized stacking marketing elements (well before I heard the term) throughout my career on the client side at P&G, Johnson & Johnson, Richardson-Vicks, and Coca-Cola, with great success in generating synergistic growth.

I want to add one more example from my personal experience on REACH Toothbrush. The Brand Promotion Manager initiated National Dental Hygiene Month (October), which Congress passed. We added a rebate program when consumers demonstrated proof of purchase for three brushes. Additionally, we partnered at the local level with sales personnel from other companies who marketed toothpaste and mouthwash brands (which we, at the time, did not market) to sell features

and build displays. To top it off, we launched a display contest, awarding prizes and recognition for most displays, largest displays, and most creative displays, backed by sales incentives and a Polaroid camera to capture the displays. The incremental growth was well beyond expectations from any single-element program.

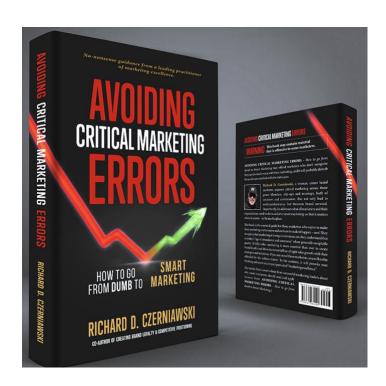
Now, if you think your business is different, think again. You can generate synergies by combining the right elements in the right ways. It takes two things: 1) understanding business dynamics and how different elements such as advertising and promotion combine (sort of like ingredients to cook up a more flavorful meal); and 2) innovation (i.e., BIG Ideas such as National Dental Hygiene Month) that raises target customers' expectations and demand.

What might you do to create synergistic sales and market share growth by combining marketing initiatives behind big ideas to make your marketing matter? It's marketing's job to get more bang from available resources in creating brand loyalty. Let's get to it!

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Peace and best wishes in making your marketing and you matter even more,





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