

Trailride into the Wild West of OTC Marketing

The “mavericks” of OTC and personal care marketing, left to freely roam the range, may lead the industry into exploring new marketing opportunities.

BY TOM HAYES AND MICHAEL KISER

» In the monographed and monotone OTC world, sandwiched between regulatory issues and powerful retailers, it is increasingly difficult to be “different.” Yet, try we must. Among the 50 winners of the PMAs REGGIE Awards to recognize creative marketing, only one was an OTC drug. We need more “maverick marketers!”

Perhaps in no arena have the traditional OTC players been forced to emulate the “mavericks” as on the “new frontier” of innovative marketing, including new messaging, new products and new distribution options. It is a lonely and scary experience venturing off the beaten path into truly unexplored territory. Many in the competitive world of OTC marketing believe that an innovation or new product assignment is as dangerous and potentially fatal as a buffalo charge. The failure rate is high and compounded by an equal degree of visibility, both inside and outside the company.

Yet, innovation is the oxygen for any company as it multiplies, expands, and attempts to adapt to a rapidly changing environment. The wagon wheels of innovation can become mired in the mud of today’s problems of regulatory restraints, fragmenting consumer base, budget reductions and restrictive shelving, rather than focusing on tomorrow’s opportunities and creating a substantial competitive advantage.

CATTLE WANDERLINGS

One of the main issues is the corporate or traditional approach to innovation and new product development, which tends to be militarily linear as if in a march. The approach of OTC “mavericks” is better represented as a cavalry charge. Like hunters on The Great Plains, “maverick” marketers rarely move in a straight line. Number one, it is dangerous. Secondly, moving in a straight line traps your vision into the same perspective throughout the process.

One of the very best “maverick” OTC marketers, creative director and member of the prestigious Advertising Hall of Fame, Janet Wolff, explained “Traditional marketers want to believe that we develop innovative programs like this.



And in reality, this is the path we take.”



Yup! A “maverick’s” wanderings are more likely to find the gold mine.

POW WOW

Talking to others outside your own teepee is often a catalyst to simulat-

ing learning and new ideas.

Alas, the more traditional and established marketers have been forced to follow their “maverick” counterparts out onto the open range. Some of the larger OTC companies have obliterated many of the organizational silos and legal handcuffs that restricted their innovation and new product development progress.

The “who’s who” of OTC marketing have recognized that they must often go outside their own organization and comfort zone in “open range innovation” to increase both the rate and magnitude of new product development as well as new marketing approaches.

CIRCLE THE WAGONS

When any outside threat appeared on the horizon, the pioneers would circle the wagons into a moveable fort to repel any intruders.

A case in point is Procter & Gamble, which at one time had among the more draconian and deliberate set of exclusionary and isolationist policies. Later, in a push toward technological innovation, the gates to Procter & Gamble’s insular fortress were flung open to the outside by chief executive A.G. Lafley.

This new “open range” attitude is manifested in the company’s “Connect and Develop” Open Innovation program, which proactively solicits outside technologies to supplement its own. A number of OTC opportu-

nities for in-licensing and out-licensing are posted on www.pgconnect-develop.com. Plumb loco! Plumb “maverick!”

IN SEARCH OF JOHN WAYNE

Never underestimate the power of a single “John Wayne” or select group of scouts to rally the troops in innovative marketing. Someone has to believe, defend, guard, shepherd and feed both the process as well as the idea itself in order to move through to commercialization.

The OTC “John Waynes” are much more decisive than traditionalists... noisier, nosier, and more visible. And whether within a large or small company, “maverick” marketers have a vested interest in and live with their successes and failures. “Mavericks” tend to be more tenacious and are not typically bounced to the next corporate job in six months.

With virtually all OTC marketers in an intense pursuit of the broadest possible geographical and distribution footprint, there are some “mavericks” leaving this herd mentality. The intense competition for maximizing distribution has become draining and counterproductive. It’s time to find new grazing land!

The new business model for some “maverick” marketers is focused on granting exclusive retail distribution. By striking an arrangement with a single or limited number of retailers, a brand or company can gain many competitive advantages:

- Eliminating or reducing the excessive costs of competing for distribution.
- Garnering greater control of brand imagery, enhanced by more exclusive distribution.
- Achieving higher margins.

- Creating greater ability to synchronize manufacturing and marketing.
- Greater focus and cooperation from the more limited channel.

The venerable CVS drugstore chain is particularly cooperative and aggressive in being open to exclusive distribution agreements. Boots Cosmetics, Lumene (French Skin Care), Life Fitness VSM and, of course, Nuprin are a few examples.

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HUNGRY GRIZZLY

Individual traditionalists tend to develop an engrained attitude of “not invented here” that severely constricts and slows the flow of innovative marketing. It is not only the inbred policies and procedures, but also the reward structures that encourage exclusive utilization of existing internal assets... at the high price of failure.

In contrast, the “maverick” spirits are like a hungry grizzly in springtime marauding across the landscape.

They actively seek and network with outside stimulus for innovation. “Mavericks” are inclined to “beg, steal, or borrow” superlative ideas, techniques or technologies from any source. A “maverick” neither is punished nor does she punish other “mavericks” in her organization for searching off their ranch for magnifying ideas. “Maverick” marketers are less focused or preoccupied with a process and likely view ADHD as a competitive advantage.

“Maverick” marketers are themselves hostile predators and more aggressive than the traditionalists in pursuing new approaches. They are aroused by the smell of blood and follow any lead with a genetic programming. They are not distracted by consideration of the next job move, the latest corporate fad-of-the-month, or internal corporate politics. As a result, “maverick” marketers tend to have a maniacal focus. “Mavericks” are omnivorous marketers less chained to process, and agnostic regarding technologies and sourcing of ideas.

CAMPFIRE ASHES

From the ashes of many campfires and marketing failures, “mavericks” press onward across the desert on a horse-with-no-name. Products often lead into dead-end canyons and failures along the developmental trail. “Mavericks,” either on their own or within a large organization, are superior at learning from their mistakes.

Mavericks, due to their persistency and commitment, are acclimated to being bucked off by mistakes... but get right back up on the horse. A “failure” of a cough syrup morphed into Coca-Cola. DuPont’s pursuit of a superior pantyhose resulted in

KEVLAR. And a niche hand cream for African-Americans became the enormous Vaseline Intensive Care brand.

Much of today's discussion regarding "maverick" marketing gravitates to advertising and promotion due to the ready visibility. The creative component of advertising and promotional activities has remained relatively constant for some time. However, the major change in the Wild West of New OTC Marketing has occurred in media and the ability to execute a promotional or CRM program more immediately and efficiently.

and shop and buy at a Walmart retail store than even click on Google... ditto, Microsoft sites... every week.

Reflective of the more integrated approach to marketing is the action by major advertisers such as Johnson & Johnson and others to forge the function of strategic planning, creative and media together into single-account dedicated teams. This reduces the spurious "either traditional OR digital" debate, which is highly counter productive. New media and traditional media work best in a complementary role.

Many large OTC advertisers and advocates with a vested interest in promoting digital media are

clouding the issue. These pundits have made much of Johnson & Johnson's double-digit decline in annual, traditional media advertising, while increasing its investment online by 38 percent. Cause and effect, right? Wrong! The real news is that J&J decreased its total advertising by 20 percent and the Internet receives less than 3 percent of the total budget.

Is Procter & Gamble, as a company, a "maverick" marketing company? Absolutely not! Are some of its divisions more innovative than others? Definitely. Are some of their personnel "renegade" in their marketing approach? Absolutely, and sometimes "way off the reservation."

Many marketing decisions have become bureaucratized and elevated higher and higher within the OTC

organizations. Today, marketing decisions are made much slower by a chain-link series of the sheer number of people involved. Yet, the fates of today's companies are being placed in the hands of fewer and fewer decision-makers.

At least some of the dismal failure rate of new products in CPG, food, beverage and OTC is the result of over-centralized and standardized approaches. The very skills and insights that lead to new product homeruns can be killed by corporate leaders and their dictates of process and bureaucracies.

Sponsoring "new thinking" and regarding learning-from-mistakes as valuable can pay compounding dividends for the future of your company.

GUERRILLA RAIDS

The Arapahoe, Comanche, Sioux and Apache were highly mobile and could select their point of attack at will and do so with no warning.

Similarly in business, the "maverick" marketers in OTC have significant opportunities for competitive advantage. "Maverick" marketers are more flexible and can address an issue from any direction.

A "maverick" company has a competitive mobility advantage over a traditional company... a "maverick" division or business sector has an advantage over traditional division within a traditional company. A "maverick" individual, even within a traditional corporation, possesses substantial advantages of staging lightning guerrilla raids rather than large-pitched battles.

Agility is one of the key factors that separate an OTC "maverick" from the herd. He or she possesses the quality of legerity, or being mentally

Figure 1: Internet traffic to consumers

	NBC's Sunday Night Football	Google	Walmart Retail Stores
Average Number of "Unique Visitors" Per Week	22.4 Million	25.7 Million	111 Million

Some OTC companies continue to stick their head in the proverbial gopher hole. They may make a small foray into new media, but the traditionalist marketing attitude remains dominant and counter-productive.

The Internet has become so powerful so quickly that its aura and buzz have yet to intersect with reality. As fact-based business people, we must also consider the issue that much of the data, information, opinion, anecdotes, case histories and metrics originate with "sellers" ... "sellers" with a vested interest in the Internet.

As in any comprehensive analysis, it is absolutely essential to consider Internet traffic in context and relations to other pathways to the consumer (see Fig. 1).

In other words, four times as many people get in their car or board a bus

or physically quick. When confronted with an obstacle or impediment, the “maverick” can and will change directions more quickly than the traditionalist person or organization.

AN INDIAN CURSE

The rich culture of many Indian tribes included a substantial component of mysticism with the Earth and the Spirit worlds being an uninterrupted continuum.

Gaurav Kapoor, one of the smartest people on the planet, describes a curse that haunts many companies in their quest for innovation... the Curse of Convergence. He says “The curse of convergence forces the operation of a category, and sometimes even an entire industry, down to a state of No-Innovation. It is a one of the worst situations to affect a category, and can often take years, if not decades to correct.”

The good news is that when the current players in a category have converged, this leaves empty grasslands or “white space” for the “mavericks” to exploit. A great example and raging success is Mucinex.



THE LAST ROUND-UP

It is time to hang our trophies on the teepee, gather around the campfire, pour two fingers of rotgut whiskey and ruminate on the concept of “maverick” marketing in the OTC Wild West. A key factor is how to ride this “horse” without hobbling the

very characteristics that make it so powerful and dynamic.

Should we tame all the mustangs? This is the wrong question. With enough technique and deprivation, one can almost assuredly do so. But should a manager or company break the spirit out of a “maverick?”

It is easier to break a “maverick” than to create one. True “mavericks” are a rare and valued asset. In order to maximize their value to the corporation, we should be asking how do we tolerate, stimulate, reward, incentivize, protect, leverage and develop “mavericks” within a traditional organization? How can you assist in creating more new “mavericks” in OTC?

Good hunting and “Happy Trails to You.” <<

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OTC Maverick Marketers

<p>Alli (Messaging, Packaging)</p>	<ul style="list-style-type: none"> • The alli advertising campaign is a unique game-changer in that the users featured do not define success simply as pounds lost ... but rather a change in their life. • And, ditto the package which is the epitome of an entire “pill plus” program to enhance weight loss.
<p>K-Y (Positioning, Messaging)</p>	<ul style="list-style-type: none"> • To broaden awareness of the franchise’s newer and much sexier products, K-Y positioned the brand as “The Intimacy Expert.” • The commercials for the new product offerings push the pure sexual boundaries in a manner which forces reconsideration of the Brand’s “jelly” heritage.
<p>Tylenol (New Products)</p>	<ul style="list-style-type: none"> • In order to develop a younger “hipper” image, Tylenol had girls in fur skirts hand out free samples of the new Cool Caplets. • Tylenol utilizes the campaign as an opportunity to reclaim the title of innovator, and the first pain medicine to harness flavorings.
<p>Zicam (New forms)</p>	<ul style="list-style-type: none"> • Matrixx takes Zicam where other fear to trend...gel swabs. • The line is further expanded by multiple innovative forms such as nasal gels, rapid melts, oral mists, liquids, and caplets.