E3 Errors are killing agencies

Say for example there is a drug on the market that enhances creativity. Just say. We call that Drug A...

By Sid Peimer 26 Sep 2013

Then we develop a new drug to compete with Drug A, which we call Drug B. If we do clinical trials and find that Drug B is better than Drug A, but actually A is better, then we have made an E1 error. If we conclude t Drug B is no better, but it actually is, we have made an E2 error.

An E4 error (we'll get to E3 in a second), is when you intentionally focus on the wrong issue (such as sayin Drug B is better for headaches), and you are doing it for personal gain, because it just happens to be a larger market.

The E3 error

I leave E1 and E2 errors to the statisticians and E4 errors to the politicians. What concerns us here, and is killing agencies, is the E3 error, which simply stated is: solving the wrong problem precisely, or as I like to say, "There are many ways of solving the right problem; there are no ways of solving the wrong problem".

To find out more on E3 errors, attend Sid Peimer's course in Durban, Cape Town and Johannesburg: Essential Strategic Planning Skills for Client Service Creative and Non-Planners in October 2013.

Mitroff and Silvers (1) in their book Dirty Rotten Strategies, lambaste our education system for blinding us the difference between exercises and problems. "I need a campaign for brand X" is not a problem unless we uncover all the reasons that have led to that need. We are usually quite capable of producing a campaign, which is more of an exercise than a problem solving process. We soldier straight on, thinking tl the problem stated is the problem to be solved. But that is seldom the case. If the client then accepts the exercise you've produced, are you really adding value?

We are not technicians

If you want to see yourself as a technician, then by all means focus on E1 and E2 errors. However, if you want to be seen as a strategic partner, your radar should constantly be scanning for the E3's: solving the wrong problem precisely. Coca-Cola learnt it the hard way with their CEO, Ken Ivester, being fired as a result. The crisis began in 1999, when Belgian schoolchildren complained that the Coke tasted 'funny'. Thi was no laughing matter, because soon afterwards they began suffering headaches, nausea, and vomiting (although the fact that just attending school can actually produce these symptoms was overlooked). Coke engineers quickly found that the difference in taste was due to a new carbon dioxide being used in the carbonation process.

Problem solved. Not!

There was nothing unhealthy in the Coke, so Coke was quick to provide a 'rational' explanation and get on with whatever Coke executives do on a day to day basis. Here's the E3 error: they saw the problem as a technical one, requiring everyone (especially the hysterical parents of the sick children) to accept their explanation and carry on with their lives.

Coca-Cola saw the quality engineers as the relevant experts - actually they saw them as the only experts ir the solution. It was an E3 error - the primary and expert resource was actually the PR department. Parents expected empathy for their plight, except they got an explanation. The huge outcry that followed resulted ir the largest recall in the company's 113-year history: 30 million bottles and cans, accompanied by a total ba on Coke products in Belgium. Ouch.

E3 errors in agencies

By the time we get the brief, client has made a number of assumptions based mainly on the desired (and most frequent) outcome: sales. The primary assumption is that they assume consumers will respond to th message in a rational way. We know that we're often speaking to the same consumer who will travel an ext 10 km to save R1 on a tub of margarine. So we can safely exclude the word 'rational' from our analysis.

But just taking the brief is a dangerous way to go - after all, you carry the bulk of the outcome on your shoulders. Or stated more explicitly - if it doesn't work it's your fault.

Is Mummy right?

Let's take a fictitious margarine, 'Mummy's Marge' as an example. You have been briefed to place an ad ir health magazine, because the point of difference is that it contains less fat. But why are you being briefed' Is it because sales are flagging? Why are sales flagging? If competitor spend is not the reason, then what is? Is it being displayed prominently in-store, or do retailers see it as a niche product and don't see that 'ey level is buy level' should apply? If that's the case, then surely the retailers are our target market? Should w not be convincing them to display this product (which gives a higher margin than ordinary margarine) more prominently? Should we not be looking at on-shelf promotion? Should we not be looking at researching ne packaging? Actually we don't really know at this stage, but you, together with the client, need to find out. Otherwise you'll be joining the litany of E3 wrecks that clutter up the highway. Just ask Coke.

How to save yourself from E3 errors

To find out more on E3 errors, attend Sid Peimer's course Essential Strategic Planning Skills for Client Service Creative and Non-Planners in October. It will be held in Durban Joburg and Cape Town. [Book now don't lose your space - there are only 200 seats available nationwide].

Ref 1: I Mitroff, A Silvers. Dirty Rotten Strategies. Stanford University Press 2010.

ABOUT SID PEIMER

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