

## **Bob Hoffman – Marketers are from Mars, consumers are from New Jersey.**

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*Article by Jonas Rits of 4P square*

There's something wrong with marketing, and Bob Hoffman can't really put his finger on it. We're in a state of confusion, he says. Marketers have lost touch with reality and with the average consumer, or as they are also called, people.

We're being told that if we can harness social media, we don't have to pay for advertising anymore. But in reality, things aren't as they seem. The reality is dubious. And, sometimes, what we're told is just plain wrong. The digital revolution of ads was going to be amazing. The ability to start conversations about companies, social media marketing and going viral were highly anticipated.

The actual result is that tens of billions of dollars are wasted on ads that never reach the target audience. Consider ad blocking, privacy nightmares, social media moguls keeping secret files of everyone, fake news and this all adds up to something not so interesting anymore.

Bob Hoffman states that for the past 15 years, the ad-industry has been living in a fantasy land in which consumers want to interact with companies, which he believes they don't. Looking back at the last years, he identified 3 delusions: the digital delusion, the brand delusion and the age delusion.

### **The digital delusion**

We were told that the web is a way of working that would change everything, advertising included. The digital age promised that traditional advertising was going to end. However, according to eMARKETER, the amount of money spent on advertising is continually rising. Up from \$481 billion in 2011 to an estimated \$636 billion in 2017.

Another expectation was that technology would change the way consumers act. In reality, every digital player is scrambling to get a part of tv. About 94% of the total time spent consuming video across screens, is still fulfilled by the regular television. That is why Thinkbox claims TV isn't dying, but rather just having babies.

Another delusion is that the digital age brings forth interactivity. But, the one thing consumers avoid interacting with is ads. In general, we can count on 5 clicks per 10.000 display ads served. So, it's more likely to complete navy seal training than to click on a banner ad. We've spent a lot of money on social media, but where are the conversations? Facebook became the largest paid ad service, which it was supposed to replace.

Furthermore, only 52% of web traffic is human. The rest are bots, trackers, click farms and so on. As a result, there's about 30 billion fraudulent ad impressions a minute. Jupiter Research claims that the online ad fraud is a \$19 billion market. And, by 2025, ad fraud could become the second largest source of criminal income in the world, after drug trafficking.

### **The brand delusion**

The second delusion that Bob Hoffman defines is the misunderstanding that customers love brands. Having a strong brand is very important, but most consumers don't want to interact with it. Havas Media claims that in Europe and the US, people would not care if 81% of brands disappeared. Naturally,

people do have brand preferences, however, this is a far cry from brand love. For instance, most Pepsi Coke drinkers would simply switch to Coca-Cola if Pepsi suddenly disappears from the market.

Bob Hoffman summarizes this delusion into: “Our brands are very important to us, and not very important to most consumers”.

### **The age delusion**

The third and final delusion is the fact that we don’t specifically attend to consumers over 50. However, Nielsen defines people over 50 to be the most valuable generation in the history of marketing. They are responsible for 51% of all consumer spending, outspend in nearly every major category, outspend other adults online 2:1 and control 70% of the US wealth. If Americans over 50 were to be categorized as a separate economy, they would be the third world’s largest one.

Still, people over 50 only remain a target audience for 5% of marketing activity, which is absurd. We have mountains of data, yet we ignore everything that goes against our assumptions. Forbes calls people over 50 the most ignored wealthy people in the history of marketing.

### **To summarize**

Advertisers are alarmingly misinformed, and we spend half a trillion dollars on advertising. However, very often, our assumptions are not in line with reality and the facts. But how can we be so misinformed? Because we live in a different world than that of our customers.

