

Removing all incentive

By  Chris Brewer

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When you think about it, advertising is all about offering incentives.

Why should customers buy your product or why should they visit your store or site? It's quite simple, really – you have to incentivise them.



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Let's take a supermarket, for example.

Pricing would be fairly high on the list, I would think, but perhaps quality (as Woolworths has proven) is just as important.

Friendliness and knowledge of the staff?

Well laid-out store? Plenty of parking?

Product range? Opening hours?

They're all incentives.

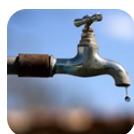
So, what happens when you remove the incentive? Again, that's fairly easy to answer – the chance of failure increases exponentially.

I've never liked committees very much. In my experience they inevitably make the wrong decisions and really do waste an enormous amount of time and sandwiches.

As anyone living in the Western Cape will tell you, we're experiencing a dreadful drought. Okay, there is some rain falling every now and then and the dams are filling – but it's far from enough and the CCC (Cape Town City Council and whatever sub-committee makes the rules) has tried hard to get consumers to keep their water usage down.

They set the bar for usage at 100 litres per person per day – and certainly all my friends do their best to use below that limit (my household stays below the bar every month). And those keeping to less than 100 litres are rewarded by getting a zero water usage bill at the end of the month. Those who use more pay very high tariffs and are liable for hefty fines.

This was why I was totally gobsmacked to hear that they've now decided to do away with the free 100 litres and consumers will have to pay a consumption fee – no matter how much water they use.



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Are they completely nuts?

Much of the incentive to save water has now been (excuse the pun) flushed away.

It was a typical bloody committee decision – but hopefully the consumer backlash will swell this week when the news gets around.

In his 1963 autobiography, *Confessions of an Advertising Man*, legendary advertising pioneer David Ogilvy, tells how he was once invited to the “Rayon Manufacturers Association” to pitch for their advertising account.

When he entered the company board room, the chairman said, “Mr Ogilvy, we are interviewing several agencies. You have exactly fifteen minutes to plead your case. Then I will ring this bell and the next agency waiting outside will follow you.”

Ogilvy quickly asked: “How many people will be involved in approving the advertising my agency will produce?”

“The twelve members of the Committee here today,” replied the chairman.

“Ring the bell!” Ogilvy said, and walked out.

David Ogilvy understood the perils of decision by committee. He knew that this approach to decision-making often failed.

In behavioural science, there is a well-documented propensity for small committees to drift toward “extreme” decisions – that is, a group of individuals acting as a committee often makes a decision that none of the individuals acting alone would make, given the same information. Yet, even with this insight, decisions are made this way every day.

“Search your parks in all your cities. You’ll find no statues of committees.”

Ogilvy said that, too.

So, well done CCC. True to form, your committee has made a stupid decision and my guess is that you've successfully prolonged extreme water usage measures by a good many years.

By the way, it's quite possible that I misinterpreted the information I was given – it's rather complicated and one “translation” equates to an allowance of 87 litres per person per day, with the tariff being introduced over time, so really it seems to me like an exercise in obfuscation. But watch the press and social media this week. There are loads of incentives for citizens to complain.

Note that Bizcommunity staff and management do not necessarily share the views of its contributors – the opinions and statements expressed herein are solely those of the author.

ABOUT CHRIS BREWER

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