

ADVERTISING — AND — PROMOTION

An Integrated Marketing
Communications Perspective

GEORGE E. BELCH MICHAEL A. BELCH

eleventh edition

ADVERTISING AND PROMOTION

AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE

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Both of San Diego State University

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ADVERTISING & PROMOTION: AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE, ELEVENTH EDITION

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To Jessica and Milos—thanks for making me so proud! (MAB)

To Gayle and all those who S↑2C—Keep up the fight! (GEB)

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Dr. Belch's research interests are in the area of consumer processing of advertising information as well as managerial aspects of integrated marketing communications. He has authored or coauthored more than 30 articles in leading academic journals and proceedings, including the *Journal of Marketing Research*, *Journal of Consumer Research*, *International Journal of Advertising*, *Journal of Promotion Management*, *Journal of Advertising*, and *Journal of Business Research*. In 2000, he was selected as Marketing Educator of the Year by the Marketing Educators' Association for his career achievements in teaching and research. He also received the Distinguished Faculty Member Award for the College of Business Administration at San Diego State University in 1994 and 2003.

Dr. Belch has taught in executive education and development programs for various universities around the world. He has also conducted seminars on integrated marketing communications as well as marketing planning and strategy for a number of multinational companies including Sprint, Microsoft, Qualcomm, Arbitron, Square D Corporation, Armstrong World Industries, and Texas Industries.



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PREFACE

THE CHANGING WORLD OF ADVERTISING AND PROMOTION

Nearly everyone in the modern world is influenced to some degree by advertising and other forms of promotion. Organizations in both the private and public sectors have learned that the ability to communicate effectively and efficiently with their target audiences is critical to their success. Advertising and other types of promotional messages are used to sell products and services as well as to promote causes, market political candidates, and deal with societal problems such as alcohol and drug abuse. Consumers are finding it increasingly difficult to avoid the efforts of marketers, who are constantly searching for new ways to communicate with them.

Most of the people involved in advertising and promotion will tell you that there is no more dynamic and fascinating field to either practice or study. However, they will also tell you that the field is undergoing dramatic transformations that are changing the ways marketers communicate with consumers forever. The changes are coming from all sides—clients demanding better results from their advertising and promotional dollars; lean but highly creative smaller ad agencies; sales promotion and direct-marketing firms, as well as interactive agencies, that want a larger share of the billions of dollars companies spend each year promoting their products and services; consumers who have changed the ways they respond to traditional forms of advertising; new media and new technologies that are reshaping the ways marketers communicate with consumers. We are experiencing perhaps the most dynamic and revolutionary changes of any era in the history of marketing, as well as advertising and promotion. These changes are being driven by advances in technology and developments that have led to the rapid growth of communications through digital media, particularly the Internet, social media, and mobile devices.

Companies from outside the traditional advertising industry are rapidly changing the process of making and delivering advertising messages to consumers. Marketers are looking beyond traditional mass-media advertising to find new and more effective ways to communicate with their target audiences. They recognize there are numerous ways to reach their current and prospective customers and bring them into contact with their products and services. Many marketers view digital ads as a more cost-effective way to reach specific target markets and measure the results of their marketing efforts. Major changes are taking place in the way marketers are using the Internet for marketing communications, including new applications that facilitate

interactive information sharing and collaboration and bilateral, as opposed to unilateral, communication. Web 2.0 developments mean that digital users are no longer limited to the passive viewing of information and can interact with one another as well as companies and/or organizations. These applications have led to the development of social networking sites, video sharing sites, blogs, and online communities which have all experienced explosive growth. A little more than a decade ago Facebook, Twitter, YouTube, Instagram, and LinkedIn did not even exist. Facebook now has more than 1.6 billion users around the world, Twitter boasts over 300 million, and nearly 5 billion videos are viewed each day on YouTube, including many of the TV commercials and other promotional videos created by marketers. Nearly all companies or organizations have a Facebook, Instagram, and Twitter page that they use to keep in constant contact with their customers while many marketers are also beginning to use Snapchat to reach younger consumers. These tools, along with other types of social media, have become an integral part of most marketers' marketing communications programs. However, the increased use of the Internet and social media is only the latest in a number of fundamental changes that have been occurring in the way companies plan, develop, and execute their marketing communications programs.

For decades the advertising business was dominated by large, full-service Madison Avenue-type agencies. The advertising strategy for a national brand involved creating one or two commercials that could be run on network television, a few print ads that would run in general-interest magazines, and some sales promotion support such as coupons or premium offers. However, in today's world there are a myriad of media outlets—print, radio, cable and satellite TV, and mobile to mention a few—competing for consumers' attention. Marketers are looking beyond traditional media to find new and better ways to communicate with their customers because they no longer accept on faith the value of conventional advertising placed in traditional media. Major marketers have moved away from a reliance just on mass-media advertising and are spending more of their marketing communications budgets in specialized media that target specific markets. Companies are also spending more of their monies in other ways such as event marketing, sponsorships, cause-related promotions, and viral marketing. Advertising agencies are recognizing that they must change the way they do business.

In addition to redefining the role and nature of their advertising agencies, marketers are changing the way they communicate with consumers. They know

they are operating in an environment where advertising messages are everywhere, consumers channel-surf past most TV commercials, and brands promoted in traditional ways often fail. New-age advertisers are redefining the notion of what an ad is and where it runs. Stealth messages are being woven into the culture and embedded into movies and TV shows or made into their own form of entertainment. Many experts argue that “branded content” is the wave of the future, and there is a growing movement to reinvent advertising and other forms of marketing communication to be more akin to entertainment. Companies are using branded entertainment as a way of reaching consumers by creating short films that can be viewed online, arranging product placements, and integrating their brands into movies and television shows to promote their products and services.

A number of factors are impacting the way marketers communicate with consumers. The audiences that marketers seek, along with the media and methods for reaching them, have become increasingly fragmented. Advertising and promotional efforts have become more targeted and are often retargeted to specific audiences over the Internet. Retailers have become larger and more powerful, forcing marketers to shift money from advertising budgets to sales promotion. Marketers often expect their promotional dollars to generate immediate sales and are demanding more accountability from their agencies. The digital revolution is in full force, and new ways to communicate with consumers are constantly being developed. Many companies are coordinating all their communications efforts so that they can send cohesive messages to their customers. Some companies are building brands with little or no use of traditional media advertising, relying instead on digital and social media. Many advertising agencies have acquired, started, or become affiliated with sales promotion, direct-marketing, interactive agencies, and public relations companies to better serve their clients’ marketing communications needs. Their clients have become “media-neutral” and are asking that they consider whatever form of marketing communication works best to target market segments and build long-term reputations and short-term sales.

This text introduces students to this fast-changing field of marketing communications. While advertising is its primary focus, it is more than just an introductory advertising text because there is more to most organizations’ promotional programs than just advertising. As marketers now have changed the mix of traditional media and new media in their communications strategies, the focus of this text has changed as well, placing additional emphasis on new media. The changes discussed previously are leading marketers and their agencies to approach advertising and promotion from an integrated marketing communications

(IMC) perspective, which calls for a “big picture” approach to planning marketing and promotion programs and coordinating the various communication functions. To understand the role of advertising and promotion in today’s business world, one must recognize how a firm can use all the promotional tools to communicate with its customers. The eleventh edition of this text has addressed this issue, and more than any previous edition now offers a much broader IMC perspective.

TO THE STUDENT: PREPARING YOU FOR THE NEW WORLD OF ADVERTISING AND PROMOTION

Some of you are taking this course to learn more about this fascinating field; many of you hope to work in advertising, digital/social media, or some other promotional area. The changes in the industry have profound implications for the way today’s student is trained and educated. You will not be working for the same kind of marketing communication agencies that existed a few years ago. If you work on the client side of the business, you will find that the way clients approach advertising and promotion is changing dramatically.

Today’s student is expected to understand all the major marketing communication tools: advertising, direct marketing, sales promotion, public relations, personal selling, and of course the Internet and the rapidly growing areas of social media and mobile marketing. You will also be expected to know how to research and evaluate a company’s marketing and promotional situation and how to use various tools to develop effective communication strategies and programs. Marketers are also giving more attention to the determination of return on investment (ROI) of various IMC tools as well as the challenges they face in making this evaluation. This book will help prepare you for these challenges.

As professors we were, of course, once students ourselves. In many ways we are perpetual students as we are constantly striving to learn more about the constantly changing field of IMC. We share many of your interests and concerns and are often excited (and bored) by the same things. Having taught in the advertising and promotion area for a combined 80-plus years, we have developed an understanding of what makes a book in this field interesting to students. In writing this book, we have tried to remember how we felt about the various texts we used throughout the years and to incorporate the good things and minimize those we felt were of little use. We have tried not to overburden you with definitions, although we do call out those that are especially important to your understanding of the material.

We also remember that as students we were not always excited about theory. But to fully understand how integrated marketing communications works, it is necessary to establish some theoretical basis. The more you understand about how things are supposed to work, the easier it will be for you to understand why they do or do not turn out as planned.

Perhaps the question students ask most often is, How do I use this in the real world? In response we provide numerous examples of how the various theories and concepts in the text can be used in practice. A particular strength of this text is the integration of theory with practical application. Nearly every day an example of advertising and promotion in practice is reported in the media. We have used many sources, such as *Advertising Age*, *Adweek*, *The Wall Street Journal*, *Bloomberg Businessweek*, *The Economist*, *Fortune*, *Forbes*, *Sales & Marketing Management*, *Fast Company*, and numerous online sites such as eMarketer, Mashable, MediaPost.com, ClickZ News, and many, many more to find practical examples that are discussed throughout the text. We have spoken with marketing and agency personnel about the strategies and rationale behind the ads and other types of promotions we use as examples. Each chapter begins with a vignette that presents an example of an advertising or promotional campaign or other interesting insights. Every chapter also contains several **IMC Perspectives** that present in-depth discussions of particular issues related to the chapter material and show how companies are using integrated marketing communications. **Global Perspectives** are presented throughout the text in recognition of the increasing importance of international marketing and the challenges of advertising and promotion and the role they play in the marketing programs of multinational marketers. **Ethical Perspectives** focus attention on important social issues and show how advertisers must take ethical considerations into account when planning and implementing advertising and promotional programs. **Digital and Social Media Perspectives** focus on how changes and/or advances in the use of social media are impacting the field of integrated marketing communications.

Each chapter features beautiful four-color illustrations showing examples from many of the most current and best-integrated marketing communication campaigns being used around the world. We have included more than 350 advertisements and examples of numerous other types of promotion, all of which were carefully chosen to illustrate a particular concept, theory, or practical application. Please take time to read the opening vignettes to each chapter, the IMC, Global, Ethical, and Digital and Social Media Perspectives, and study the diverse ads and illustrations. We think they will stimulate your interest and relate to your daily life as a consumer and a target of advertising and promotion.

TO THE INSTRUCTOR: A TEXT THAT REFLECTS THE CHANGES IN THE WORLD OF ADVERTISING AND PROMOTION

Our major goal in writing the eleventh edition of *Advertising and Promotion* was to continue to provide you with the most comprehensive and current text on the market for teaching advertising and promotion from an IMC perspective. This new edition focuses on the many changes that are occurring in areas of marketing communications and how they influence advertising and promotional strategies and tactics. We have done this by continuing with the *integrated marketing communications perspective*. Most companies now approach advertising and promotion from an IMC perspective, coordinating the various promotional-mix elements with other marketing activities that communicate with a firm's customers. Many advertising agencies are also developing expertise in direct marketing, sales promotion, event sponsorship, the Internet, social media, and mobile and other areas so that they can meet all their clients' integrated marketing communications needs—and, of course, survive.

The book is built around an integrated marketing communications planning model and recognizes the importance of coordinating all of the promotional-mix elements to develop an effective communications program. Although traditional and new media advertising is often the most visible part of a firm's promotional program, attention must also be given to direct marketing, sales promotion, public relations, support media, and personal selling. The text also integrates theory with practice. To effectively plan, implement, and evaluate IMC programs, one must understand the overall marketing process, consumer behavior, and communications theory. We draw from the extensive research in advertising, consumer behavior, communications, marketing, sales promotion, and other fields to give students a basis for understanding the marketing communications process, how it influences consumer decision making, and how to develop promotional strategies.

While this is an introductory text, we do treat each topic in some depth. We believe the marketing and advertising student of today needs a text that provides more than just an introduction to terms and topics. The book is positioned primarily for the introductory advertising, marketing communications, or promotions course as taught in the business/marketing curriculum. It can also be used in journalism/communications courses that take an integrated marketing communications perspective. Many schools also use the text at the graduate level. In addition to its thorough coverage of advertising, this text has chapters on sales promotion, direct marketing, the Internet including social

media and mobile marketing, support media such as outdoor advertising, product placement and integration, and publicity/public relations. These chapters stress the integration of advertising with other promotional-mix elements and the need to understand their role and the contribution they make to the overall marketing program.

ORGANIZATION OF THIS TEXT

This book is divided into seven major parts. In Part One we examine the role of advertising and promotion in marketing and introduce the concept of integrated marketing communications. Chapter 1 provides an overview of advertising and promotion and its role in modern marketing. The concept of IMC and the factors that have led to its growth are discussed. Each of the promotional-mix elements is defined, and an IMC planning model shows the various steps in the promotional planning process. This model provides a framework for developing the integrated marketing communications program and is followed throughout the text. Chapter 2 examines the role of advertising and promotion in the overall marketing program, with attention to the various elements of the marketing mix and how they interact with advertising and promotional strategy. We have also included coverage of market segmentation, target marketing, and positioning in this chapter so that students can understand how these concepts fit into the overall marketing programs as well as their role in the development of an advertising and promotional program.

In Part Two we cover the promotional program situation analysis. Chapter 3 describes how firms organize for advertising and promotion and examines the role of ad agencies and other firms that provide marketing and promotional services. We discuss how ad agencies are selected, evaluated, and compensated as well as the changes occurring in the agency business. Attention is also given to other types of marketing communication organizations such as direct marketing, sales promotion, and digital interactive agencies as well as public relations firms. We also consider whether responsibility for integrating the various communication functions lies with the client or the agency. Chapter 4 covers the stages of the consumer decision-making process and both the internal psychological factors and the external factors that influence consumer behavior. The focus of this chapter is on how advertisers can use an understanding of buyer behavior to develop effective advertising and other forms of promotion.

Part Three analyzes the communication process. Chapter 5 examines various communication theories and models of how consumers respond to advertising messages and other forms of marketing communications. Chapter 6 provides a detailed discussion of source, message, and channel factors.

In Part Four we consider how firms develop goals and objectives for their integrated marketing communications programs and determine how much money to spend and where to spend it in trying to achieve them. Chapter 7 stresses the importance of knowing what to expect from advertising and promotion, the differences between advertising and communication objectives, characteristics of good objectives, and problems in setting objectives. We have also integrated the discussion of various methods for determining and allocating the promotional budget into this chapter. These first four sections of the text provide students with a solid background in the areas of marketing, consumer behavior, communications, planning, objective setting, and budgeting. This background lays the foundation for the next section, where we discuss the development of the integrated marketing communications program.

Part Five examines the various promotional-mix elements that form the basis of the integrated marketing communications program. Chapter 8 discusses the planning and development of the creative strategy and advertising campaign and examines the creative process. In Chapter 9 we turn our attention to ways to execute the creative strategy and some criteria for evaluating creative work. Chapters 10 through 13 cover media strategy and planning and the various advertising media. Chapter 10 introduces the key principles of media planning and strategy and examines how a media plan is developed. Chapter 11 discusses the advantages and disadvantages of the broadcast media (TV and radio) as well as issues regarding the purchase of radio and TV time and audience measurement. Chapter 12 considers the same issues for the print media (magazines and newspapers). Chapter 13 examines the role of traditional support media such as outdoor and transit advertising, advertising in movie theaters, as well as the tremendous increase in the use of nontraditional branded entertainment strategies such as product placements, product integration, and in-game advertising.

In Chapters 14 through 17 we continue the IMC emphasis by examining other promotional tools that are used in the integrated marketing communications process. Chapter 14 explores the role of direct marketing. This chapter examines the ways companies communicate directly with target customers through various direct-response media, including direct mail, infomercials, direct-response TV commercials, and e-commerce. Chapter 15 provides a detailed discussion of marketers' use of the Internet and digital and social media. We examine the increasing use of display ads, blogs, mobile, paid search, and social media. We also give more attention to how the Internet is used to implement various IMC activities including both Web 1.0 and 2.0 strategies, as well as mobile marketing. Chapter 16 examines the area of sales promotion, including both

consumer-oriented promotions and programs targeted to the trade (retailers, wholesalers, and other intermediaries). Chapter 17 covers the role of publicity and public relations in IMC as well as corporate advertising and cause-related marketing. Basic issues regarding personal selling and its role in promotion strategy are presented in Chapter 22, which is available online in this edition.

Part Six of the text consists of Chapter 18, where we discuss ways to measure the effectiveness of various elements of the integrated marketing communications program, including methods for pretesting and post-testing advertising messages and campaigns, in both traditional and new media. In Part Seven we turn our attention to special markets, topics, and perspectives that are becoming increasingly important in contemporary marketing. In Chapter 19 we examine the global marketplace and the role of advertising and other promotional-mix variables such as sales promotion, public relations, and the Internet in international marketing.

The text concludes with a discussion of the regulatory, social, and economic environments in which advertising and promotion operate. Chapter 20 examines industry self-regulation and regulation of advertising by governmental agencies such as the Federal Trade Commission, as well as rules and regulations governing sales promotion, direct marketing, and marketing on the Internet. Because advertising's role in society is constantly changing, our discussion would not be complete without a look at the criticisms frequently levied, so in Chapter 21 we consider the social, ethical, and economic aspects of advertising and promotion.

CHAPTER FEATURES

The following features in each chapter enhance students' understanding of the material as well as their reading enjoyment.

Learning Objectives

Learning objectives are provided at the beginning of each chapter to identify the major areas and points covered in the chapter and guide the learning effort. We also indicate where specific learning objectives are covered within the chapter and how the discussion questions are keyed to the objectives.

Chapter Opening Vignettes

Each chapter begins with a vignette that shows the effective use of integrated marketing communications by a company or ad agency or discusses an interesting issue that is relevant to the chapter. These opening vignettes are designed to draw the students into the chapter by presenting an interesting example, development, or issue that relates to the material covered in the chapter. Companies, brands, and/or campaigns featured in

the opening vignettes include Charmin, Under Armour, Buick, Always, TurboTax, Dasani, Hershey, and Coca-Cola. Some of the chapter openers discuss current topics and issues impacting integrated marketing communications such as the rapid growth and popularity of programmatic media buying; the impact of the digital revolution on advertising agencies, measurement of the effectiveness of advertising and promotional messaging and media; changes occurring in traditional media including television, magazines, and newspapers and how they are impacting their use by advertisers; programs supported by marketers such as World Water Day; and public relations problems and opportunities faced by companies as well as movements such as the empowerment of women.

IMC Perspectives

These boxed items feature in-depth discussions of interesting issues related to the chapter material and the practical application of integrated marketing communications. Each chapter contains several of these insights into the world of integrated marketing communications. Some of the companies/brands discussed in the IMC Perspectives include Abercrombie & Fitch, American Apparel, 7UP, Taco Bell, GEICO, MTV, Playboy, and the Detroit Pistons. Issues discussed in The IMC Perspectives include the increasing use of in-house advertising agencies; the role of neuroscience in studying the processing of advertising messages; changes in the measurement of viewing audiences for television commercials; the increasing use of attack ads in political campaigns; how companies use the purchase funnel to manage and guide their IMC programs; the growing popularity of college sports and how they are impacted by television; theories on why infomercials are effective; and sports teams' use of direct marketing to market their teams.

Global Perspectives

These boxed items provide information similar to that in the IMC Perspectives, with a focus on international aspects of advertising and promotion. Some of the companies/brands whose international advertising programs are covered in the Global Perspectives include Procter & Gamble, PepsiCo, and Facebook. The Global Perspectives also discuss topics such as the challenges of developing marketing communication programs in China; celebrities who appear in commercials abroad while protecting their image in the United States; and communication problems in international advertising.

Ethical Perspectives

These boxed items discuss the moral and/or ethical issues regarding practices engaged in by marketers and are also tied to the material presented in the particular

chapter. Issues covered in the Ethical Perspectives include subliminal advertising; programs designed to empower women; the debate over the advertising practices in the depiction of women; issues related to native advertising; unethical practices by Internet marketers; and whether direct-to-consumer advertising of pharmaceutical products should be permitted.

Digital and Social Media Perspectives

These boxed items provide a detailed discussion of how changes and advances in digital and social media are impacting the practice of integrated marketing communications. Some of the topics and issues covered in the Digital and Social Media Perspectives include the various ways the digital revolution and developments in technology are impacting the practice of IMC; the increasing use of digital billboards; the measurement of advertising effectiveness using digital techniques; various ways marketers are using virtual reality to communicate with consumers; the role of social media in dealing with publicity; how digital media are impacting traditional print media such as newspapers and magazines; how many marketers are developing creative campaigns for their brands that can go viral through social media; the impact of social media on television viewing behavior; and how marketers are increasingly using digital and social media as part of their IMC programs, often at the expense of traditional media.

Key Terms

Important terms are highlighted in boldface throughout the text and listed at the end of each chapter with a page reference. These terms help call students' attention to important ideas, concepts, and definitions and help them review their learning progress.

Chapter Summaries

These synopses serve as a quick review of important topics covered and a very helpful study guide.

Discussion Questions

Questions at the end of each chapter give students an opportunity to test their understanding of the material and to apply it. The questions can also serve as a basis for class discussion or assignments. The discussion questions are also keyed to the learning objectives for the chapter.

Four-Color Visuals

Print ads, display ads, billboards, and other examples appear throughout the book. More than 400 ads, charts, graphs, and other types of illustrations are included in the text.

Changes in the Eleventh Edition

We have made a number of changes in the eleventh edition to make it as relevant and current as possible, as well as more interesting to students:

- **Updated Coverage of the Emerging Field of Integrated Marketing Communications** The eleventh edition continues to place a strong emphasis on studying advertising and promotion from an integrated marketing communications perspective. We examine contemporary perspectives of integrated marketing communications that have been developed by those doing research and theory development in the area. We also consider developments that are impacting the way marketers communicate with consumers, particularly through the use of digital and social media. Innovative social media-based campaigns for a variety of brands that rely heavily on user-generated content are featured, and attention is given throughout this edition to ways marketers are utilizing Facebook, Twitter, Instagram, Snapchat, and other social media tools. Technologies such as the convergence of television, computers, and mobile devices with the Internet are changing the way companies are using advertising along with other marketing tools to communicate with their customers. In this new edition we examine how these cutting-edge developments are impacting the IMC program of marketers.
- **Expanded Emphasis on Digital and Social Media** The eleventh edition includes up-to-date information on the Internet and other forms of interactive media and how they are being used by marketers. As the business world has expanded its use of digital and social media, and decreased its emphasis on traditional media, we have made significant changes to reflect this movement. The Internet chapter has been revised to reflect the impact of developments related to Web 2.0 while updating information regarding Web 1.0 from the last edition; the title has been changed to "The Internet: Digital and Social Media" to better reflect the content therein. We discuss the use of various Web 2.0 tools that facilitate interactive information sharing and collaboration, including social media and user-generated content such as videos (YouTube), blogs, and podcasts. The discussion on the use of mobile has been expanded to reflect this important development. Specific examples of how companies are using these tools in their IMC programs are provided. We discuss a number of digital-based tools and strategies used by marketers, including display advertising, paid search, behavioral targeting, retargeting, and the use of mobile media. This chapter discusses the latest developments in areas such as audience measurement and methods for determining the effectiveness of digital advertising as well as social media. Discussion of the role of

digital and social media as important integrated marketing communications tools and of the ways they are being used by marketers is integrated throughout the eleventh edition.

- **Digital and Social Media Perspectives** In this edition we continue the feature called *Digital and Social Media Perspectives*. These boxed items are designed to focus attention on changes and advances in digital and social media and how they are impacting the practice of integrated marketing communications. There have been significant advances in technology over the past decade and most consumers now have a third screen in their lives either in the form of some type of mobile device such as a smartphone or a tablet. Mobile devices have become an integral part of the lives of many consumers, and traditional media such as magazines and newspapers have developed digital versions of their publications to retain readers as well as to survive. For most marketers, social media tools such as Facebook, Instagram and Twitter have become a basic part of their IMC programs. The various digital and social media perspectives provide students with insight into how advances in digital technology are impacting marketing.
- **New Chapter Opening Vignettes** All of the chapter opening vignettes in the eleventh edition are new and were chosen for their currency and relevance to students. They demonstrate how various companies and advertising agencies use advertising and other IMC tools. They also provide interesting insights into some of the current trends and developments that are taking place in the advertising world.
- **New and Updated IMC Perspectives** All of the boxed items focusing on specific examples of how companies and their communications agencies are using integrated marketing communications are new or have been updated, and they provide insight into many of the most current and popular advertising and promotional campaigns being used by marketers. The IMC Perspectives also address interesting issues related to advertising, sales promotion, direct marketing, marketing on the Internet, and personal selling.
- **New and Updated Global and Ethical Perspectives** Nearly all of the boxed items focusing on global and ethical issues of advertising and promotion are new; those retained from the tenth edition have been updated. The Global Perspectives boxes examine the role of advertising and other promotional areas in international markets. The Ethical Perspectives features discuss specific issues, developments, and problems that call into question the ethics of marketers and their decisions as they develop and implement their advertising and promotional programs.
- **Contemporary Examples** The field of advertising and promotion changes very rapidly, and we

continue to keep pace with it. Wherever possible we updated the statistical information presented in tables, charts, and figures throughout the text. We reviewed the most current academic and trade literature to ensure that this text reflects the most current perspectives and theories on advertising, promotion, and the rapidly evolving area of integrated marketing communications. We also updated most of the examples and ads throughout the book. *Advertising and Promotion* continues to be the most contemporary text on the market, offering students as timely a perspective as possible.

Chapter-by-Chapter Changes

Chapter 1: New chapter opener focuses Charmin toilet tissue and how Procter & Gamble has added social media to traditional media to the IMC program for the brand. Also discusses how Charmin is one of the most creative brands on social media. **Charmin is one of the brands being featured in the new video cases being produced for 11e.**

- New Digital and Social Media Perspective: “A World without Digital Advertising: Be Careful What You Wish For” discusses how consumers are using technology to avoid traditional as well as digital ads, and the long-run implications of this for the advertising industry
- Updated Digital and Social Media Perspective on how the digital revolution is impacting IMC
- Updated figures on top advertisers
- Added discussion on concept of Paid, Owned, and Earned Media
- New ads throughout the chapter

Chapter 2: New chapter opener focuses on “Creating a New Image for Buick” and discusses Buick’s attempt to reposition the 100+-year-old auto to appeal to a younger market.

- Updated IMC Perspective on targeting Millennials
- Updated discussion of marketers’ attempts to reach the Hispanic market
- Updated charts and graphs
- New ads throughout the chapter

Chapter 3: New chapter opener focuses on “Can Advertising Agencies Survive the Digital Revolution?”

- New Digital and Social Media Perspective on how many companies are bringing advertising in-house rather than relying on outside agencies.
- New IMC Perspective on Droga5 agency, which has been widely recognized for its outstanding creative work and has been recognized as Agency of the Year by *Advertising Age* and *Adweek* in recent years
- Updated IMC Perspective on agency compensation issues and the ongoing controversy over agencies receiving rebates from the media

- Emphasis on the changing role of advertising agencies and how they must adapt to survive these changes
- Updated figures on top agencies
- Update ads throughout the chapter

Chapter 4: New chapter opener focuses on “Is Successful Branding Just about Emotions, Color, and Emojis?”

- New IMC Perspective “Subliminal Advertising—Maybe It Does Work After All!”
- Additional new IMC Perspective “Neuromarketing: Gaining Valuable Insights into the Consumer’s Brain, or Overstepping the Bounds?”
- Updated charts and graphs
- New ads throughout the chapter

Chapter 5: New chapter opener focuses on award-winning “Like a Girl” viral campaign for Procter & Gamble’s Always feminine protection product.

- Updated Digital and Social Media Perspective “Consumer Packaged-Goods Marketers Turn to Digital Media” discusses role of digital and social media for low-involvement products
- Updated perspective on Elaboration Likelihood Model and research challenging its findings
- New ads throughout chapter

Chapter 6: New chapter opener on how Under Armour has been able to compete against larger competitors such as Nike and Adidas in the battle to sign athletes to endorsement deals. Discusses UA endorsers such as NBA basketball star Stephen Curry, golfer Jordan Spieth, MLB baseball star Bryce Harper, and ballerina Misty Copeland. Under Armour was featured in a video case study for the 10e that focused on its IMC program for targeting women as well as its entry into the market for basketball shoes; this video is available for use with the 11e as well.

- New IMC Perspective “Marketers Run into Problems with Athlete Endorsers” discusses problems Nike has had with some of its high-profile endorsers such as Maria Sharapova, Tiger Woods, Lance Armstrong, and others
- New Digital and Social Media Perspective “YouTube Stars Are the New Celebrities to Teens” discusses implications for marketers
- Updated ads throughout the chapter

Chapter 7: New chapter opener reviews “Changing Media Habits Means Changing Budget Allocations. Is Digital the New King?” and discusses whether the rush to digital media is the best strategy using examples of how traditional companies like Hershey are changing their media strategies.

- New Digital and Social Media Perspective “Are Social, Digital, and Mobile Media Changing the Ways Marketers Use Consumer Funnels—Or Are

These Funnels Even Relevant?” examines how some companies no longer feel consumer funnels are relevant

- New IMC Perspective “Companies Like Coca-Cola, Kraft, P&G, and 7UP Believe That Advertising Works” discusses how during periods of decreasing sales or economic downturns many successful companies increase, rather than decrease, media expenditures
- Updated figure on advertising to sales ratios by industry sector
- Updated charts and graphs
- New ads throughout the chapter

Chapter 8: New chapter opener focuses on IMC program used by Intuit’s TurboTax tax preparation software and creative advertising developed for the brands such as the “It Doesn’t Take a Genius to Do Your Taxes” campaign. **TurboTax is one of the companies/brands being featured in the new video cases for 11e.**

- New Digital and Social Media Perspective that discusses the top ad campaigns of the 21st century and how they are moving beyond traditional media and using social media
- Additional new Digital and Social Media Perspective that focuses on how the move toward digital advertising is creating a need for speed and challenging the pretesting of creative work
- Updated ads throughout the chapter

Chapter 9: New chapter opener focuses on the Coca-Cola Company’s DASANI brand of bottled water, and how creative advertising has helped the brand become the market leader and led to several new line extensions, such as DASANI Drops® and DASANI Sparkling water. **DASANI is one of the companies/brands being featured in the new video cases for 11e.**

- New Digital and Social Media perspective “Marketers Use Virtual Reality to Create Immersive Experiences for Consumers” focuses on how AT&T has used VR to help deter texting and driving, and how retailers and professional sports teams are using the technology for creative experiences for customers and fans
- Updated IMC Perspective on IMC program for fast-food chain Taco Bell and its “Live Más” campaign which led to company being selected as Marketer of the Year by *Advertising Age* in 2013. Taco Bell was featured in a video case study for the 10e and this video is available for use with the 11e as well.
- New section added to the 11e on Creative Tactics for Online Advertising that includes discussion of tactics for online display advertising as well as online video
- New Digital and Social Media Perspective on award-winning “Unstoppable” campaign created by the

Martin Agency for GEICO insurance; this campaign won all of the major creative awards in 2016

- New ads throughout the chapter

Chapter 10: New chapter opener “Programmatic: Advertising’s Newer, Better Mousetrap—Is Buying Better with Robots?” describes and examines the hottest new means of purchasing media today and the pros and cons of programmatic media buying

- Updated figure on leading national advertisers
- New explanation of how to read an MRI+ report, written and provided by GfK-MRI
- New figure on media usage by snowboarders reflecting more digital media usage
- New IMC Perspective “Being Social, Cosmopolitan, and Other Factors May Determine Which Media You Use”
- Updated charts and graphs
- New ads throughout the chapter

Chapter 11: New chapter opener discusses “The Future of Television and How It Will Impact Advertising.”

- Emphasis throughout the chapter on the changing role of television and how it is being impacted by factors such as cord-cutting, multitasking, growth of online viewing, and other factors
- Updated IMC Perspective on how television rights play a major role in funding college sports
- New IMC Perspective discusses MTV and how the cable channel is trying to return to its roots of music and entertainment to connect with young viewers
- Updated discussion of radio advertising
- Updated photos throughout the chapter

Chapter 12: New chapter opener discusses challenges facing the magazine industry and the goal of a program developed by the Association of Magazine Media to guarantee advertisers that print ads work.

- New IMC Perspective “*Playboy* Magazine Tries to Rebrand Itself”
- New Digital and Social Media Perspective “Can Newspapers Survive the Digital Revolution?”
- Updated discussion of how both magazines and newspapers are being impacted by the Internet and digital media
- Updated images throughout the chapter

Chapter 13: New chapter opener reviews “The Brandchannel Product Placement Awards: Product Placements, Integrations, and Branded Entertainment Remain Popular.”

- Extended discussion of out of home (OOH) advertising
- New Digital and Social Media Perspective “Billboards Come into the Digital Age” discusses the new technologies being employed by digital

OOH advertisers and some of the issues involving privacy, etc.

- Discussion on the declining state of usage of the Yellow Pages
- Updated charts and graphs
- New ads throughout the the chapter

Chapter 14: New chapter opener focuses on “SkyMall—Will Flying Ever Be the Same?” SkyMall, once a fixture on airlines, has gone out of business so far as hard copies on planes but is hoping to make a comeback.

- Updated examples of how sports teams use direct marketing to increase fan attendance and enjoyment
- New IMC Perspective “Infomercials: Shopping at 3 a.m.?” discusses the continued success of infomercials
- Updated charts and graphs
- New ads throughout the chapter

Chapter 15: A more in-depth perspective of digital and social media and the pros and cons of using these media. New chapter opener reviews “The Mad Rush to Digital: Smart Management or Lemmings?” and examines how media budgets are being shifted from traditional media to digital, and whether this is a result of sound marketing decisions or “me too” strategies.

- New Ethical Perspective “Native Advertising: Are We Giving Customers What They Want or Deceiving Them?” explains and examines the role of native advertising, and also examines the ethical and legal issues regarding the use of native ads
- The most current discussion of digital and social media of any text on the market
- New section IMC: Using Social and Other Media—Web 2.0 is updated discussion of social media (such as Facebook, Twitter, and Instagram) and how Instagram is increasing its share of the advertising buy
- Additional new Ethical Perspective “Influencer Marketing: Using Social Media Celebrities to Market Brands” discusses the use of “influencers” or opinion leaders, including celebrities, to market products
- Expanded discussion of augmented and virtual reality by advertisers
- Updated discussion of measuring digital effectiveness
- Updated charts and graphs
- Increased and updated discussion of the use of mobile
- New ads throughout the chapter

Chapter 16: New chapter opener discusses how marketers are falling into the discounting trap and how there may be no way out.

- New IMC Perspective on retailer JCPenney and how a new strategy to wean its customers off discounts and coupons failed

- New Digital and Social Media Perspective discusses how mobile coupons are becoming very popular
- Updated discussion of changes impacting the sales promotion industry and ways marketers use promotions including both consumer and trade promotions
- Updated examples of promotions throughout the chapter

Chapter 17: New chapter opener focuses on “Marketers Find That Doing Good Has Its Rewards” and discusses that advertisers who support causes often reap both financial and emotional rewards.

- New Digital and Social Media Perspective “Using Social Media Often Leads to Good Results—for Someone!” discusses the use of social and digital media to improve and/or repair the effects of publicity through digital and social media
- New IMC Perspective “Holding on to a Good Reputation Is Not as Easy as It Seems” explains how achieving a good reputation requires a high degree of effort by marketers and public relations practitioners and examines the causes and results that occur when a company suffers from negative publicity
- Updated charts and graphs
- New ads throughout the chapter

Chapter 18: Much more integration of measuring the effectiveness of digital and social media. New chapter opener “The 2016 Ogilvy Award Winners” discusses the Ogilvy Award winners for 2016 and examines how the awards have shifted from a focus on creativity to an IMC perspective.

- New Digital and Social Media “The Advertising Effectiveness Metrics of the Future—Testing Emotions?” examines how advertisers are measuring the effectiveness of their ads using new metrics including impact on emotions, facial expressions, physiological measures, etc.
- Additional new Digital and Social Media Perspective “Physiological Methods, Eye Tracking, and Mouse Hovering Lead to More Effective Testing”
- Expanded discussion of measurement in the digital and social arena
- Updated charts and graphs
- New ads throughout the chapter

Chapter 19: New chapter opener focuses on global advertising campaign developed for Coca-Cola using the “Taste the Feeling” tagline. Discusses reasons for the global campaign as well.

- New Global Perspective focusing on how marketers are looking to China for growth and the challenges they face in developing IMC programs for the world’s largest consumer market
- New Global Perspective that focuses on the IMC program used by the country of Qatar to help win the rights to host the 2022 FIFA World Cup; two video cases were developed on Qatar’s efforts to win the FIFA World Cup for 10e and are also available for use with 11e
- Updated Digital and Social Media Perspective on how Facebook wants to dominate social media in countries around the world and what it is doing to achieve this goal
- Updated discussion of global advertising campaigns used by marketers
- New photos throughout the chapter

Chapter 20: New chapter opener discusses new rules and regulations developed by the Federal Trade Commission for online endorsers.

- New Ethical Perspective discussing whether direct-to-consumer drug advertising should be banned
- Updated discussion of changes in rules and regulations impacting all forms of IMC including advertising, sales promotion, and digital media
- New and revised photos throughout the chapter

Chapter 21: New chapter opener discusses the empowerment of women in advertising.

- Ethical Perspective “Abercrombie and American Apparel (NSFW) Shock Consumers into Their Ads—but Apparently Not into Their Stores” discusses the effectiveness (or lack thereof) of using shock advertising and how it has not worked for some companies that have employed this form of advertising
- New Digital and Social Media Perspective “How Far Have We Come on Racial Equality?” examines the use of minorities in advertising and the increasing use of interracial couples and families in ads; also examines whether these ads have become more acceptable to viewers
- Updated charts and graphs
- New ads throughout the chapter

Chapter 22: Online chapter.

- New Digital and Social Media Perspective “Is Technology Disrupting the CRM Process?”
- Additional new Digital and Social Media Perspective “How the Internet Revolutionized Personal Selling”
- Updated charts and graphs
- New ads throughout the chapter

SUPPORT MATERIAL

A high-quality package of instructional supplements supports the eleventh edition. Nearly all of the supplements have been developed by the authors to ensure their coordination with the text. We offer instructors a support package that facilitates the use of our text and enhances the learning experience of the student.

Instructor's Manual

The instructor's manual is a valuable teaching resource that includes learning objectives, chapter and lecture outlines, answers to all end-of-chapter discussion questions, and further insights and teaching suggestions. Additional discussion questions are also presented for each chapter. These questions can be used for class discussion or as short-answer essay questions for exams.

Manual of Tests

A test bank of more than 1,500 multiple-choice questions has been developed to accompany the text. The questions provide thorough coverage of the chapter material, including opening vignettes and IMC, Global, Ethical, and Digital and Social Media Perspectives.

Computerized Test Bank

A computerized version of the test bank is available to adopters of the text.

Video Supplements

A video supplement package has been developed specifically for classroom use with this text. It includes 10 video cases that provide a detailed examination of the IMC strategies and programs for various companies and brands. All of the videos include interviews with key executives from the various companies and/or their advertising agencies and were produced in cooperation with each company.

Three new video cases have been produced for the eleventh edition. The first new video focuses on Charmin, and shows how the iconic brand from Procter & Gamble has continued to adapt with the times and integrates traditional media with digital/social media and mobile marketing. The video covers the history of the brand, including a long-running and successful campaign featuring the popular Mr. Whipple character—an icon in the advertising world—to the current day. It shows how P&G and its advertising agency Publicis continue to develop creative marketing campaigns using digital and social media for a consumer staple product like toilet tissue. The second video examines the integrated marketing program for TurboTax which is the leading brand of tax preparation software and a division of Intuit. The video focuses on the company's introduction of TurboTax Absolute

Zero[®] which disrupted the tax preparation category by offering federal and state tax preparation free of charge. It examines a big idea-led campaign titled “It doesn't take a genius to do your taxes” developed by the Wieden+Kennedy agency. The campaign includes TV spots featuring some of the world's greatest minds appearing in amusing commercials showing that TurboTax is so simple and intuitive that even real-life geniuses can't make it any easier to use or understand. The video also discusses how TurboTax leveraged its Super Bowl commercial featuring legendary actor Sir Anthony Hopkins through the use of social media. The third new video case is on DASANI, which is owned by the Coca-Cola Company, and examines how the Lambesis agency used creative advertising and digital marketing to make DASANI the leading brand of bottled water. It also focuses on the IMC strategy used to launch two line extensions for the brand, DASANI Drops[®] and Dasani Sparkling water.

In addition, four videos have been kept from the last edition as they are still very relevant and interesting. The first video focuses on Taco Bell's “Live Más” IMC campaign that is designed to make the brand attractive and relevant to young, hip, and cross-cultural consumers by focusing on food as an experience and lifestyle. This video also examines Taco Bell's introduction of the Doritos Locos Tacos (DLT) which emerged as a co-branding initiative with snack food giant Frito-Lay and has been one of the most successful new product introductions in the history of the fast-food industry. The IMC program used for the launch of the Nacho Cheese and Cool Ranch versions of the DLT is covered in the video. The second video focuses on Under Armour which has become the fastest-growing brand in the athletic shoe and apparel market and is now second only to Nike in most product/market segments. The video focuses on the IMC program used by Under Armour including the role of athletes as endorsers and digital/social media. It also covers two major strategic initiatives for Under Armour—its efforts to increase its share of the female market and its launch of a line of basketball shoes. The video examines the campaign developed by Under Armour to target women, which relies heavily on social media as well as traditional media. It also focuses on the “Are You From Here?” campaign that was used to market its line of new basketball shoes.

The third video focuses on the IMC efforts used by the Middle Eastern country of Qatar to support its bid to become the host nation for the 2022 FIFA World Cup football (soccer) tournament. The video examines the strategy used by the Qatar Supreme Committee to compete against other countries for the rights to host the World Cup and the IMC program that was used in support of this effort. A second shorter Qatar video is also included which focuses on the legacy that the country hopes to achieve by hosting the World Cup including the diversification of its economy, improvements in

infrastructure and to create a better understanding of the Middle East region.

The video supplement package also includes three videos produced for previous editions of the book, two of which focus on innovative social media campaigns. These include a video on a social media campaign called the “Fiesta Movement” which was used by the Ford Motor Co. to introduce the new Fiesta subcompact automobile to the U.S. market in 2010. The “Fiesta Movement” was very successful and a second generation of the social media campaign was used again in 2013. Another video is for PepsiCo’s Mountain Dew soft-drink brand and examines the “Dewmocracy” campaign which is another social media–driven initiative that the company used to add a new flavor of the product line for the popular soft drink. The video focuses on how collective intelligence and user-generated content from loyal Mountain Dew drinkers was used to develop the flavor, packaging, and name as well as the advertising to launch the latest addition to the brand franchise. A new Dewmocracy campaign is currently running. A second Under Armour video is also included in the supplement package that was produced in 2008 and focuses on the advertising, digital media, sponsorships, and other IMC tools used to build the brand during its first decade. This video can be used along with the more recent Under Armour video to show how far the company has come in less than two decades and the role IMC has played in its tremendous success.

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- PowerPoint files
- TestBank
- Videos
- eBook

ASSURANCE OF LEARNING READY

Many educational institutions today are focused on the notion of *assurance of learning*, an important element of some accreditation standards. *Advertising and Promotion: An Integrated Marketing Communications Perspective* is designed specifically to support your assurance of learning initiatives with a simple, yet powerful solution.

Each test bank question for *Advertising and Promotion: An Integrated Marketing Communications Perspective* maps to a specific chapter learning outcome/objective listed in the text. You can use our test bank software, or *Connect Marketing* to easily query for the learning outcomes/objectives that directly relate to the learning objectives for your course. Connect's AACSB-tagged quiz and test banks provide an easy testing solution, with reports like the Category Analysis Report, saving time by providing a one-click solution for displaying mastery of objectives at the individual, section, and course levels.

AACSB Statement

The McGraw-Hill Companies is a proud corporate member of AACSB International. Understanding the importance and value of AACSB accreditation, *Advertising and Promotion: An Integrated Marketing*

Communications Perspective, 11e, recognizes the curricula guidelines detailed in the AACSB standards for business accreditation by connecting selected questions (in the text and/or the test bank) to the six general knowledge and skill guidelines in the AACSB standards.

The statements contained in *Advertising and Promotion: An Integrated Marketing Communications Perspective*, 11e, are provided only as a guide for the users of this textbook. The AACSB leaves content coverage and assessment within the purview of individual schools, the mission of the school, and the faculty. While *Advertising and Promotion: An Integrated Marketing Communications Perspective*, 11e, and the teaching package make no claim of any specific AACSB qualification or evaluation, we have within *Advertising and Promotion: An Integrated Marketing Communications Perspective*, 11e, labeled selected questions according to the six general knowledge and skills areas.

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George E. Belch
Michael A. Belch

Your guide through the exciting world


Why It's a Powerful Learning Tool

The eleventh edition continues to provide you with the most comprehensive and current text on the market in the area of advertising and promotion from an integrated marketing communications perspective. The following features in each chapter enhance students' understanding of the material as well as their reading enjoyment.

CHAPTER OPENERS

Learning Objectives are provided at the beginning of each chapter to identify the major areas and points covered in the chapter and guide the learning effort. Each chapter also begins with a **Chapter Opening Vignette** that shows the effective use of integrated marketing communications by a company or ad agency or discusses an interesting issue that is relevant to the chapter. Some of the companies and brands profiled in the opening vignettes include Procter and Gamble, Buick, Under Armour, TurboTax (Intuit), and the Coca-Cola Company.

3 Organizing for Advertising and Promotion: The Role of Ad Agencies and Other Marketing Communication Organizations



LEARNING OBJECTIVES

- 1. Describe how companies organize for advertising and integrated marketing communications functions.
- 2. Compare the advantages and disadvantages of different ways to organize for advertising and promotion.
- 3. Identify the types of advertising agencies and the roles they play.
- 4. Explain how to select, compensate, and evaluate advertising agencies.
- 5. Identify the role and functions of specialized marketing communication organizations.
- 6. Compare the pros and cons of using an integrated marketing services agency.

CAN ADVERTISING AGENCIES SURVIVE THE DIGITAL REVOLUTION?

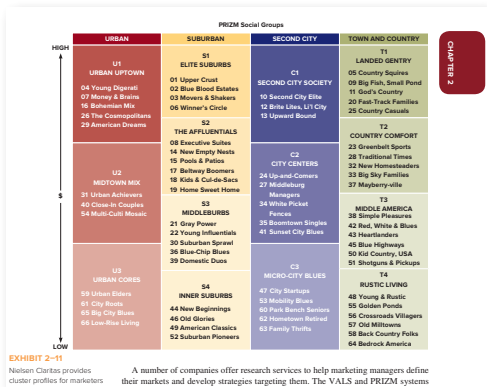
In July 2007, the cable network AMC aired the first episode of a new drama series called "Mad Men" that was set in the 1960s and focused on the lives of men and women working in the fictional Sterling Cooper advertising agency on Madison Avenue in New York City. The lead character in the show was Don Draper, who was the talented creative director at the agency and then became one of the founding partners at a new agency after he and his partners left the previous agency in advance of an unwanted acquisition. The Don Draper character was inspired by Draper Daniels, the creative director at the Leo Burnett agency in Chicago who helped create the legendary Marlboro "Mad" campaign that made the iconic brand the leading brand of cigarettes in the world. "Mad Men" ran for seven seasons and received 16 Emmys and five Golden Globe Awards as well as critical acclaim for its writing, acting, and depiction of the inner workings of Madison Avenue during a time period that many called the glory years of the advertising industry.

Much has changed since the "Mad Men" era of advertising when the primary focus of agencies was on developing big ideas for creative ad campaigns that would be executed through television commercial or print ads in magazines and newspapers. During the 1980s and 1990s many of the changes that reshaped the agency business occurred on the business and management side. One of the most significant developments was the merger of three major agencies BBDO, Doyle Dane Bernbach, and Needham Harper into a new holding company called the Omnicom Group. Advertising Age termed the merger the "Big Bang" as it served as the catalyst for a flurry of mergers and acquisitions that led to consolidation of the agency business and the formation of the four major agency holding companies that dominate the industry today. The holding companies recognized that the advertising business was changing and many of the services that were traditionally provided by large full-service agencies were becoming unbundled such as media, research, and public relations. They responded by forming large media specialist companies as part of their agency networks that could use their size and clout to extract better media prices and cost savings for their clients. They also began acquiring many of the leading public relations, direct-marketing, sales promotion, and event marketing firms so they could tout their ability to serve all other clients' integrated marketing communication needs under one roof.

During the first decade of the new millennium, agencies recognized that the Internet and digital media were becoming an increasingly important part of the IMC program for their clients. Many agencies responded by expanding their in-house capabilities as well as by acquiring companies with expertise in digital and social media. However, many agencies are finding that the marketing communications industry is changing too fast to keep pace just by expanding their digital capabilities or making acquisitions. The advertising and marketing services landscape has changed dramatically over the past five years and continues to become more complex. Much of this is due to the complexities and challenges associated with digital media and other emerging technologies that are impacting the way marketers communicate with consumers. Marketers are looking for new and better ways to connect with their customers and many are utilizing the detailed analytics that come from digital media and other tools to evaluate the effectiveness of their efforts to do so.

The disruptions being created by the digital revolution are squeezing agencies from all sides. Media buying is becoming automated and done by software, particularly for digital and social messages, and big data are driving the planning and evaluation of the advertising strategies and tactics used by marketers. Companies that provide digital advertising platforms, such as Google and Facebook are becoming very powerful players in the marketing communications ecosystem as are data/customer relationship marketing companies such as IBM, Accura, Avacast, and Experian. Marketing information technology service companies are also providing advertising and media-related services for marketers, in addition to their advertising agencies, marketers are using a multitude of vendors and technology providers. One report

of advertising and promotion.



CHAPTER PEDAGOGY

Four-Color Visuals throughout the book consist of photoboards, commercial shots, charts, graphs, and over 400 print ads. **Key Terms** are highlighted in boldface throughout the text and listed at the end of each chapter with a page reference. **Chapter Summaries** serve as a quick review of important topics covered and as a study guide. **Discussion Questions** tagged to learning objectives at the end of each chapter give students an opportunity to test their understanding of the material and to apply it. These questions can also serve as a basis for class discussion or assignments.

EXHIBIT 2-7 Characters in more popular in a specific geographic region. Source: © Chevrolet is a registered trademark of the General Motors Corporation.

attitudes toward foreign products, and the like. For example, many companies consider California a very different market from the rest of the United States and have developed specific marketing programs targeted to the consumers in that state. Other companies have developed programs targeted at specific regions. Exhibit 2-7 shows an ad for Chevrolet, just one of the regional soft-drink "cult brands"—along with Jackson Hole Huckleberry (Wyoming), Vernon (Michigan), and Moxie (New England)—that have found success by marketing in regional areas in this case. The South. One company—Older Brooklyn Beverage Company—even went so far as to promote a brand based on a specific section of New York City, differentiating it from bigger brands by promoting the product's "Brooklyn Attitude."

Demographic Segmentation Dividing the market on the basis of demographic variables such as age, sex, family size, education, income, and social class is called **demographic segmentation**. Secret deodorant and the Lady Salsick share are products that have met with a great deal of success by using the demographic variable of sex as a basis for segmentation. WomenHealth.com, a website targeting women, may be one of the most successful websites on the Internet (Exhibit 2-8). It is interesting to note that the top 10 websites for women are further segmented by age, lifestyle, and so forth.

Although market segmentation on the basis of demographics may seem obvious, companies discover that they need to focus more attention on a specific demographic group. For example, **IKLEA**—noting that more than 70 percent of its shoppers are women—has enhanced its store environment to be more "women friendly," as have Home Depot and Wal-Mart. Dell Computers and Verizon (among others) have discovered that this may not be as easy as it seems, since recent efforts by both companies have achieved less than favorable results.¹³ As seen in IMC Perspective 2-1, companies are also finding it difficult to reach the millennial age segment. As a result, a number of companies have begun to focus more attention on the baby boomer market—those 76 million Americans born between 1946 and 1964. Given their huge spending power, this age segment has become more attractive to a number of companies including travel agencies and pharmaceutical companies among others.

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4 Perspectives on Consumer Behavior

LEARNING OBJECTIVES

- 101 Discuss why an understanding of consumer behavior is valuable in developing advertising and promotional programs.
- 102 Describe the steps in the consumer decision-making process.
- 103 Explain the influence on consumer behavior of psychological processes like perception and motivation.
- 104 Discuss behavioral learning theory and cognitive learning theory.
- 105 Explain the influence of external factors like culture and demographic variables.
- 106 Identify new ways to study consumer behavior.

Summary

This chapter introduced you to the field of consumer behavior and examined its relevance to promotional strategy. Consumer behavior is best viewed as the process and activities that people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services to satisfy their needs and wants. A five-stage model of the consumer decision-making process consists of problem recognition, information search, alternative evaluation, purchase, and postpurchase evaluation. Internal psychological processes that influence the consumer decision-making process include motivation, perception, attitude formation and change, and integrative processes.

The decision process model views consumer behavior primarily from a cognitive orientation. The chapter could read other perspectives by examining various approaches to consumer learning and their implications for advertising and promotion. Behavioral learning theories such as classical conditioning and operant (instrumental) conditioning were discussed. Problems with behavioral learning theories were noted, and the alternative perspective of cognitive learning was discussed. New techniques, such as the use of neuroscience to determine what you buy and why you buy, were covered as well.

The chapter also examined relevant external factors that influence consumer decision making. Culture, subculture, social class, reference groups, and situational determinants were discussed, along with their implications for the development of promotional strategies and programs. The chapter concluded with an introduction to alternative perspectives on the study of consumer behavior.

Key Terms

consumer behavior 103	selective comprehension 122	stigmatized behavior 130
problem recognition 104	selective retention 122	classical conditioning 109
need 104	inattention 122	operant (instrumental) conditioning 109
hierarchy of needs 105	selective perception 122	reinforcement 109
information search 109	selective attention 121	alternative evaluation 110
information search 109	selective attention 121	alternative evaluation 110
perception 120	selective attention 121	alternative evaluation 110
attention 120	selective attention 121	alternative evaluation 110
selective perception 121	selective attention 121	alternative evaluation 110
selective attention 121	selective attention 121	alternative evaluation 110
selective attention 121	selective attention 121	alternative evaluation 110

Discussion Questions

1. Neuroscience has been attacked by many as an invasion of privacy. Describe how marketers are using neuroscience research and discuss the pros and cons of this ethical argument. (LO 2-4)
2. The chapter discusses marketers' use of multithreshold attitude models. Explain what a multithreshold model is and how a marketer might use it in an attempt to reach the consumer. (LO 2-3)
3. Explain what is meant by cognitive dissonance. Why is this concept important to marketers? (LO 2-3)
4. In attempting to segment the market, marketers often will segment on the basis of subcultures.

140 Chapter 4 PERSPECTIVES ON CONSUMER BEHAVIOR

INSTRUCTOR RESOURCES

The resources available online for instructors include downloadable versions of the Instructor's Manual, Video Instructor's Manual, PowerPoint Presentations, Cases and case teaching notes. Instructors can access Advertising Target Practice, and the video clips through



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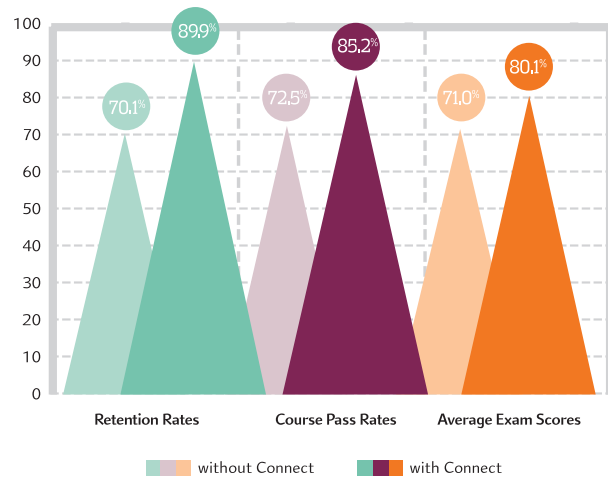
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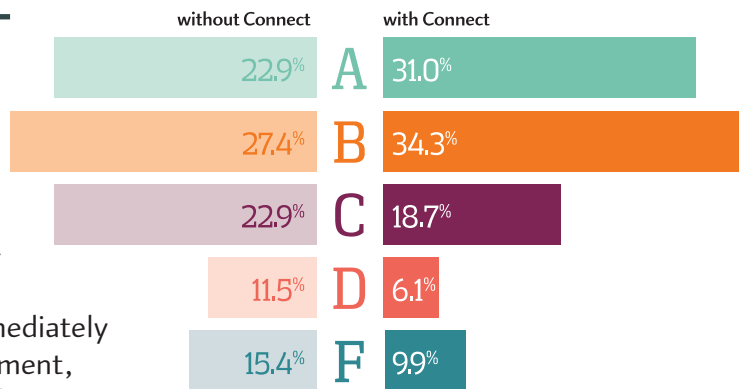
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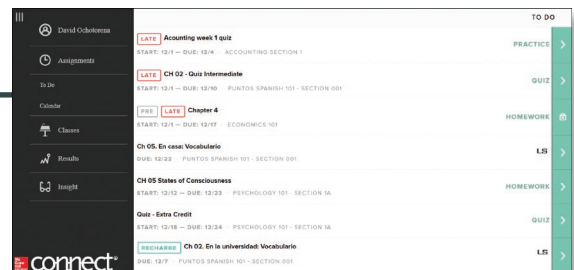
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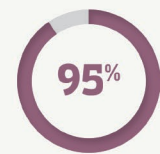
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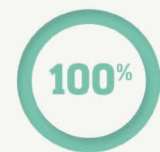
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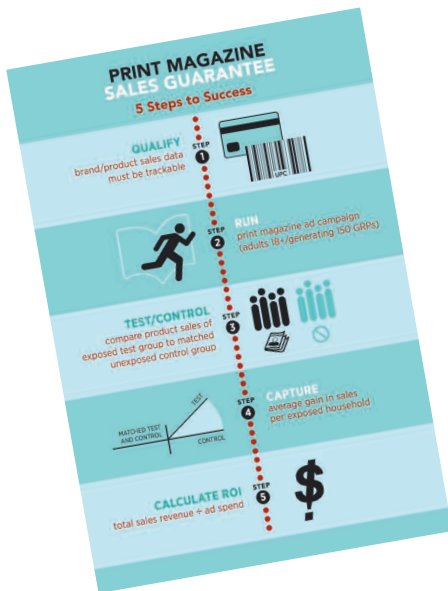




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ADVERTISING AND PROMOTION

AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE

1

An Introduction to Integrated Marketing Communications



Source: Charmin by Procter & Gamble and Publicis Worldwide

LEARNING OBJECTIVES

- LO1 Describe the role of advertising and other promotional elements in marketing.
- LO2 Discuss the evolution of the integrated marketing communications (IMC) concept.
- LO3 Explain the increasing value of the IMC perspective in advertising and promotional programs.
- LO4 Identify the elements of the promotional mix.
- LO5 Identify the contact points between marketers and their target audiences.
- LO6 Describe the steps in the IMC planning process.

CHARMIN: THE SASSIEST BRAND ON SOCIAL MEDIA

If you were to ask consumers to name one of the most creative and engaging brands on social media, it is unlikely they would name Charmin toilet tissue. Many consumers might still associate Charmin with the iconic Mr. Whipple and the “Please don’t squeeze the Charmin” advertising campaign that ran for more than two decades and has been recognized as one of the best ads campaigns of the 20th century. Creating interest and excitement is very challenging for marketers when they are selling a product that is not exactly glamorous and is associated with one of life’s less savory necessities, not to mention one that is often joked about and/or is not at the top of the list of most social conversations. Nonetheless, consumers spend more than \$9 billion a year on toilet paper and Charmin has become the market leader in product category by using an IMC strategy that is anything but seat-of-the-pants, so to speak.

The story of Charmin goes back nearly a hundred years when the toilet tissue was first manufactured in 1928 at the Hoberg Paper Company in Wisconsin. The product was designed to reflect feminine fashions of the day and was described as “charming” by an employee and from there the name “Charmin” was born. The company changed its name to the Charmin Paper Company in 1950 and a few years later added a baby graphic to its packaging to symbolize gentle softness and quality. Procter & Gamble (P&G) acquired the company in 1957 as it saw Charmin as a great opportunity to compete against Scott Paper, Kimberly-Clark, and other companies that were dominating the paper products markets.

While gentleness and softness have always been key product attributes for toilet tissue, P&G’s advertising agency, Benton and Bowles, initially struggled to find a way to convince consumers that Charmin was gentler and softer than competing brands that were making similar claims. However, in 1964 the agency came up with the creative idea of developing an advertising campaign around a prissy supermarket manager who would become upset at his customers for squeezing packages of Charmin so they could feel the softness. A character named Mr. Whipple was created to promote Charmin’s “squeezeable softness” and the TV commercials featured him scolding shoppers for squeezing packages of Charmin, but then sneaking a pleasure-filled

squeeze himself. The “Please Don’t Squeeze the Charmin” campaign ran for more than 20 years and Mr. Whipple appeared in more than 500 TV commercials as well as magazine and newspaper ads. Mr. Whipple became one of the most successful icons in advertising history and during the 1970s was named the third best-known American, trailing only then-President Richard Nixon and the Reverend Billy Graham. None of the leading brands had ever come up with a better way to communicate the “softness” of toilet paper, and the campaign helped make Charmin the market leader and sell a lot of toilet paper.

P&G has continued to innovate around the Charmin brand, introducing line extensions such as unscented Charmin and Charmin Free products which are free of inks, dyes, and perfumes. In 1999, after a 14-year hiatus, P&G brought back Mr. Whipple for a campaign promoting a major improvement in the brand. However, at the beginning of the new millennium P&G and its advertising agency, Publicis New York, took the advertising for Charmin in a new direction by launching a new animated campaign called “Call of Nature” featuring a bear in the woods experiencing the comfortable feeling of Charmin. The campaign originated in the United Kingdom but was brought to the United States; a year later the Charmin animated bears welcomed three cubs to the family.

While the cute and clumsy animated bears have been the advertising symbol for Charmin for the past two decades, the IMC campaign for the brand has evolved in new directions that might make anyone raised in the Mr. Whipple era a little uncomfortable. Publicis New York created an integrated campaign using the tagline “Enjoy the go” that included ads featuring the animated bears as well as a microsite, mobile apps, social media, branded bathroom breaks, and charitable/cause marketing components. As part of the campaign, P&G brought Charmin-branded public bathrooms to Times Square in New York City for the holiday season. The website included a countdown to New Year’s and let consumers interact with the “Charmin Go Team,” a group of actors who entertained people at the restrooms, which featured a giant toilet for photo opportunities, a digital graffiti wall, a video “can-fessional” booth, as well as themed toilet seat covers ranging from boxing to disco.

The charity component of the campaign let consumers “Go for Good” as Charmin donated \$1 for every visitor to the toilets to select charities such as Boys & Girls Club of America, The Harlem Children’s Zone, and Angels in Waiting. P&G has also created a cause marketing program called the Charmin Relief Project which has supported causes such as asking consumers to nominate and help select 100 firehouses across the country that received a year’s supply of toilet paper.

Charmin has become one of the most active brands on social media with more than 1 million fans on Facebook and over 70,000 Twitter followers; it also has a presence on video platforms such as YouTube and Vine. The Charmin social media team, which includes five members from the P&G brand management team as well as eight from the agency side, continually monitors fan feedback across the various platforms to assess consumer sentiment and fine-tune its messaging. The social media strategy for Charmin has evolved along with the social media landscape and has created one of the most engaged brand communities by using content that is both relevant and entertaining and relies on humor as its key ingredient. Charmin engages consumers on social media by not just focusing on toilet paper, but rather on the human experience of everything bathroom related. A key component of Charmin’s “Enjoy the Go” campaign is the popular hashtag #tweetfromtheseat where followers can contribute potty protocol thoughts. With regard to Charmin’s move into social media, Dan Cohen, senior vice president and creative director at Publicis, notes: “We believed that Charmin had a right to start a bigger more public conversation about going to the bathroom . . . and the timing was right with brands becoming active in social media.”

Another example of how Charmin has pushed the envelope in its use of social media and beyond is a series of Charmin Intermissions created by Publicis New York. The Charmin Intermissions are 60- and 30-second television commercials that invite consumers to use the bathroom and “enjoy the go”

instead of watching a traditional commercial. Each Charmin Intermission is tagged and boosted in social to the surprise and delight of millions of relieved consumers throughout the country. To date, the brand has run these cheeky branded units during specific events including the Olympics, on Christmas Eve and New Year’s Eve, and on Saturday Movie Night.

Charmin has also moved into mobile marketing by sponsoring and then acquiring the SitOrSquat app that helps consumers find the cleanest public restrooms worldwide and also provides user-generated listings of bathroom locations, ratings, hours of operation, and other details. Nearly a million consumers have downloaded the app and it has generated a tremendous amount of earned media from bloggers on social media and news stories in traditional media.

Charmin’s brand team and Publicis New York understand the importance of having entertaining as well as relevant content to connect with consumers on social media. They continue to utilize a variety of channels to develop an IMC program that creates interest in the Charmin brand and helps differentiate what could easily be a highly commoditized product. Their work has not gone without notice; *Time* magazine selected Charmin as “the sassiest brand on Twitter” in 2014 based on recommendations from a panel of social media and marketing experts who rated brands that tweet the best quips, digs, and smackdowns. Developing creative campaigns to sell toilet paper may not be one of the most coveted jobs in marketing for many people. However, don’t tell that to those who market Charmin and continue to find creative ways to get consumers to “enjoy the go.”

Sources: Charmin Story, www.charmin.com/en-us/about-us/charmin-history; Chris Syme, “How Charmin Became the Sassiest Brand on Twitter,” *SocialMediaToday*, March 4, 2014, www.socialmediatoday.com/content/how-charmin-became-sassiest-brand-twitter; Allan Ripp, “Charmin ‘Rolls Out’ Bold New Native Ad Campaign,” *Adweek*, February 28, 2014, www.adweek.com/news/advertising-branding/charmin-rolls-out-bold-new-native-ad-campaign-156016.

The opening vignette illustrates how Procter & Gamble (P&G) has adapted its marketing strategy for Charmin to respond to changes taking place in the way marketers communicate with consumers. It provides an excellent example of how the roles of advertising and other forms of marketing communication are changing in the modern world of marketing. In the past, advertising was a relatively simple process as most companies relied primarily on ads run in the mass media to deliver their marketing messages to large numbers of consumers who watched television, listened to radio, and read magazines and newspapers. However, today’s marketers recognize that the rapidly changing media environment is making it increasingly difficult to reach their target audiences and communicate effectively with them.

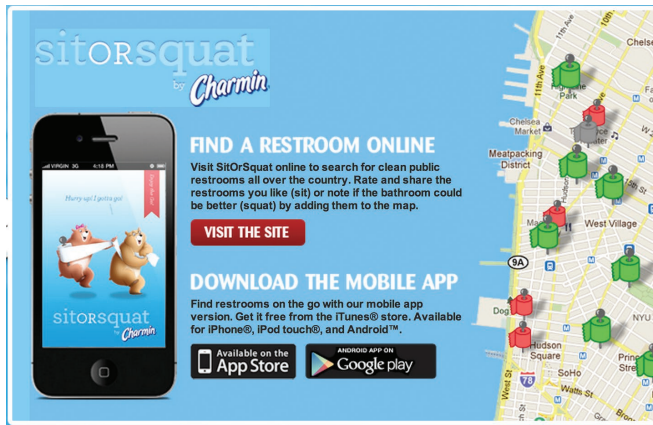


EXHIBIT 1-1

Mobile marketing is part of the integrated marketing communications program for Charmin

Source: Charmin by Procter & Gamble and Publicis Worldwide

magazines, and newspapers as well as out-of-home media to drive awareness, communicate information, and drive sales for the Charmin product line. P&G also uses these offline channels to influence online behavior by driving consumers to its website (www.charmin.com), which provides information about the various Charmin products, coupons, and other promotional offers, tips, and articles, and information on various causes supported by the brand through the Charmin Relief Project. Charmin is also promoted by through various social media platforms that have become an increasingly important part of the digital marketing campaigns of many companies. Consumers are encouraged to connect with Charmin through Facebook and Twitter while commercials and other entertaining videos for the brand are available on YouTube as well as Vine. Charmin is also using mobile marketing to connect with consumers on their smartphones by sponsoring the SitOrSquat app (Exhibit 1–1). Publicity for Charmin and its various marketing communication campaigns is generated through social media as well as public relations activities. Promotional efforts for Charmin are extended to retail stores where point-of-purchase displays and other tactics are used to encourage retailers to stock and promote the various brands in the product line.

Procter & Gamble, along with thousands of other companies, recognizes that the way it communicates with consumers and other relevant audiences to promote its products and services is changing rapidly and it must keep pace by integrating a variety of communication tools into its marketing programs.

The fragmentation of mass markets, the rapid growth of the Internet and other new digital media, the emergence of global markets, economic uncertainties, and changing lifestyles and media consumption habits of consumers are all changing the way companies develop their marketing programs—particularly advertising and promotion.¹ Developing marketing communication programs that are responsive to these changes is critical to the success of every company.

THE GROWTH OF ADVERTISING AND PROMOTION

LO1-1

Advertising and promotion are an integral part of our social and economic systems. In our complex society, advertising has evolved into a vital communications system for both consumers and businesses. The ability of advertising and other promotional methods to deliver carefully prepared messages to target audiences has given them a major role in the marketing programs of most organizations. Companies ranging from large multinational corporations to small retailers increasingly rely on advertising and promotion to help them market products and services. In market-based economies, consumers have learned to rely on advertising and other forms of promotion for information they can use in making purchase decisions.

In 1980, advertising and sales promotion were the dominant forms of marketing communication used by most companies, and total expenditures in the United

States across the two were just over \$100 billion. Media advertising accounted for \$53 billion, while \$49 billion was spent on sales promotion techniques such as product samples, coupons, contests, sweepstakes, premiums, and rebates as well as trade allowances and discounts to retailers. By 2016, total marketing communications expenditures in the United States were estimated to be nearly \$571 billion, with \$127 billion being spent on traditional media advertising (television, radio, magazines, newspapers outdoor, cinema), \$68 billion going to digital/online advertising, \$51 billion going to direct mail and other forms of direct marketing such as e-mail marketing, \$25 billion spent on sponsorships and experiential/event marketing, and the remaining \$300 billion being spent on consumer and trade promotion.²

It is particularly interesting to note the amount of advertising spending being shifted from traditional media such as broadcast and print to online digital advertising formats including search, display, and video ads as well as social media. Total spending on digital advertising by U.S. marketers is expected to reach \$100 billion by 2020 and represent 45 percent of all media advertising spending.³ The largest category of Internet advertising is paid search on search engines such as Google, Yahoo!, and Bing, which accounts for nearly half of all online ad expenditures. Online display advertising follows close behind and is being driven by the growth in video ads being shown online. Spending on social media platforms such as Facebook, Twitter, Instagram, and Snapchat will be the fastest-growing digital channel over the next several years. Much of the growth in digital advertising is being driven by mobile marketing whereby ads, text messages, and promotional offers are sent directly to mobile devices such as smartphones and tablets. The shift to mobile marketing is occurring as consumers spend more time on their mobile devices and less time with traditional media. It is estimated that adults in the United States spend nearly three hours a day on mobile devices, with more than half of that time spent on smartphones.⁴ Thus, while the traditional media and sales promotion still account for the majority of companies' marketing communications expenditures, more monies are being allocated to nontraditional media and the amount is expected to continue to increase rapidly, particularly for digital-originated advertising. Much of the growth in marketing communications investments will come from the shift of traditional "below-the-line" promotional spending in areas such as coupons, contests and sweepstakes, loyalty programs, and trade-directed marketing to digital solutions that provide marketers with more efficiency and measurable results.

Global marketing communications expenditures have grown as well over the past several decades. Advertising expenditures outside North America increased from \$55 billion in 1980 to an estimated \$382 billion in 2017.⁵ While the United States still accounts for nearly a third of the world's advertising expenditures, nearly half of global ad expenditures are now occurring in Western Europe and the Asia-Pacific region followed by Latin America. After the United States, the top countries in advertising spending are China, Japan, the United Kingdom, Germany, and Brazil. Both foreign and domestic companies spend billions more on sales promotion, direct marketing, event sponsorship, and public relations as well as various forms of nontraditional media, all of which have become important components of their marketing communication programs. As is the case in the United States, Internet ad spending—which includes mobile, social, display, and search ads—is growing rapidly around the globe and is expected to increase its share of the total ad market to 41 percent by 2019.⁶

Advertising and promotion spending is expected to continue to increase as marketers around the world recognize the value and importance of advertising and other forms of marketing communication. Integrated marketing communications play an important role in the marketing programs of companies in their efforts to communicate with and sell their products and services to consumers. To understand the role integrated marketing communications play in the marketing process, let us first examine the marketing function.

THE ROLE OF MARKETING

Marketing has never been more important or more pervasive than it is today. Organizations ranging from large multinational corporations to small entrepreneurial companies and local businesses recognize that marketing is an important business function and plays a critical role in their ability to compete in the marketplace. For nearly two decades, the American Marketing Association (AMA), the organization that represents marketing professionals in the United States and Canada, defined marketing as *the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.*⁷ This definition of marketing focused on **exchange** as a central concept in marketing and the use of the basic marketing activities to create and sustain relationships with customers.⁸ For exchange to occur there must be two or more parties with something of value to one another, a desire and ability to give up that something to the other party, and a way to communicate with each other. Advertising and promotion play an important role in the exchange process by informing customers of an organization's product or service and convincing them of its ability to satisfy their needs or wants.

Not all marketing transactions involve the exchange of money for a product or service. Nonprofit organizations such as various causes, charities, religious groups, the arts, and colleges and universities (probably including the one you are attending) receive millions of dollars in donations every year. Many nonprofit organizations use ads to solicit contributions from the public such as the one shown in Exhibit 1–2 for the American Red Cross which responds to approximately 70,000 disasters in the United States every year including floods, fires, tornadoes, hurricanes, and earthquakes that affect tens of thousands. Donors generally do not receive any material benefits for their contributions; they donate in exchange for intangible social and psychological satisfactions such as feelings of goodwill and altruism.

While many still view exchange as the core phenomenon or domain for study in marketing, there is also agreement among most academicians and practitioners that the discipline is rapidly changing. To reflect these changes, the AMA adopted a revised definition of **marketing** in 2007, which is as follows:

EXHIBIT 1–2

Nonprofit organizations use advertising to solicit contributions and support

Source: American Red Cross

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large.⁹



Every nine minutes, volunteers help the American Red Cross bring help and hope to people in need. Join us and make a difference in your community.

Be a hero. Volunteer today.



Sign up at redcross.org
#BeAHero

This revised definition is viewed as being more reflective of the role of nonmarketers to the marketing process. It also recognizes the important role marketing plays in the process of creating, communicating, and delivering value to customers, as well as society at large. Today, most markets are seeking more than just a one-time exchange or transaction with customers. The focus of market-driven companies is on developing and sustaining *relationships* with their customers. Successful companies recognize that creating, communicating, and delivering *value* to their customers is extremely important. **Value** is the customer's perception of all the benefits of a product or service weighed against all the costs of acquiring and consuming it.¹⁰ Benefits can be functional (the performance of the product), experiential (what it feels like to use the product), and/or psychological (feelings such as self-esteem or status that result from owning a particular brand). Costs include the money paid for the product or service as well as other factors such as acquiring information about the product/service, making the purchase, learning how to use it, maintaining the product, and disposing of it.

The Marketing Mix

Marketing facilitates the exchange process and the development of relationships by carefully examining the needs and wants of consumers, developing a product or service that satisfies these needs, offering it at a certain price, making it available through a particular place or channel of distribution, and developing a program of promotion or communication to create awareness and interest. These four Ps—product, price, place (distribution), and promotion—are elements of the **marketing mix**. The basic task of marketing is combining these four elements into a marketing program to facilitate the potential for exchange with consumers in the marketplace.

The proper marketing mix does not just happen. Marketers must be knowledgeable about the issues and options involved in each element of the mix. They must also be aware of how these elements can be combined to form an effective marketing program that delivers value to consumers. The market must be analyzed through consumer research, and the resulting information must be used to develop an overall marketing strategy and mix.

The primary focus of this book is on one element of the marketing mix: the promotional variable. However, the promotional program must be part of a viable marketing strategy and be coordinated with other marketing activities. A firm can spend large sums on advertising, sales promotion, or other forms of marketing communication, but it stands little chance of success if the product is of poor quality, is priced improperly, or does not have adequate distribution to consumers. Marketers have long recognized the importance of combining the elements of the marketing mix into a cohesive marketing strategy. Many companies also recognize the need to integrate their various marketing communications efforts, such as media advertising, direct marketing, sales promotion, Internet marketing, social media, event sponsorships, and public relations, to achieve more effective marketing communications.

INTEGRATED MARKETING COMMUNICATIONS

LO1-2

For many years, the promotional function in most companies was dominated by mass-media advertising. Companies relied primarily on their advertising agencies for guidance in nearly all areas of marketing communication. Most marketers did use additional promotional and marketing communication tools, but sales promotion and direct-marketing agencies as well as package design firms were generally viewed as auxiliary services and often used on a per-project basis. Public relations agencies were used to manage the organization's publicity, image, and affairs with relevant publics on an ongoing basis but were not viewed as integral participants in the marketing communications process.

Many marketers built strong barriers around the various marketing and promotional functions and planned and managed them as separate practices, with different budgets, different views of the market, and different goals and objectives. These companies failed to recognize that the wide range of marketing and promotional tools must be coordinated to communicate effectively and present a consistent image to target markets.

The Evolution of IMC

During the 1980s, many companies began taking a broader perspective of marketing communication and recognizing the need for a more strategic integration of their promotional tools. The decade was characterized by the rapid development of areas such as sales promotion, direct marketing, and public relations, which began challenging advertising's role as the dominant form of marketing communication. These firms began moving toward the process of **integrated marketing communications (IMC)**, which involves coordinating the various promotional elements and other marketing activities that communicate with a firm's customers.¹¹ As marketers

embraced the concept of integrated marketing communications, they began asking their ad agencies to coordinate the use of a variety of promotional tools rather than relying primarily on media advertising. A number of companies also began to look beyond traditional advertising agencies and use other types of promotional specialists to develop and implement various components of their promotional plans.

Many agencies responded to the call for synergy among the promotional tools by acquiring PR, sales promotion, and direct-marketing companies and touting themselves as IMC agencies that offer one-stop shopping for all their clients' promotional needs.¹² Some agencies became involved in these nonadvertising areas to gain control over their clients' promotional programs and budgets and struggled to offer any real value beyond creating advertising. However, the advertising industry soon recognized that IMC was more than just a fad. Terms such as *new advertising*, *orchestration*, and *seamless communication* were used to describe the concept of integration.¹³ A task force from the American Association of Advertising Agencies (the "4As") developed one of the first definitions of integrated marketing communications:

a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines—for example, general advertising, direct response, sales promotion, and public relations—and combines these disciplines to provide clarity, consistency, and maximum communications impact.¹⁴

EXHIBIT 1-3

Montblanc uses a variety of marketing-mix elements, including price, product design, brand name, and distribution strategy, to create a high-quality, upscale image for its watches. Does incorporating a well-known celebrity into this ad help reinforce Montblanc's image?

Source: Montblanc

MONTBLANC

TimeWalker Extreme Chronograph DLC and Hugh Jackman

Crafted for New Heights
Este cronógrafo automático, de resistentes materiales como su caja de acero con revestimiento DLC (diamond-like-carbon) y su correa de alta calidad fabricada con la innovadora piel Extreme para resistir los factores de la vida urbana, se convertirá en su compañero para toda la vida. Visit Montblanc.com

Boutique Montblanc Masaryk 52808348
Boutique Montblanc Parisur 51714985

The 4As' definition focused on the process of using all forms of promotion to achieve maximum communication impact. However, advocates of the IMC concept argued for an even broader perspective that considers *all sources of brand or company contact* that a customer or prospect has with a product or service.¹⁵ They noted that the process of integrated marketing communications calls for a "big-picture" approach to planning marketing and promotion programs and coordinating the various communication functions. It requires that firms develop a total marketing communications

strategy that recognizes how all of a firm's marketing activities, not just promotion, communicate with its customers.

Consumers' perceptions of a company and/or its various brands are a synthesis of the bundle of messages they receive or contacts they have, such as media advertisements, price, package design, direct-marketing efforts, publicity, sales promotions, websites, point-of-purchase displays, and even the type of store where a product or service is sold. The integrated marketing communications approach seeks to have all of a company's marketing and promotional activities project a consistent, unified image to the marketplace. It recognizes that every customer interaction with a company or brand across a host of contact points represents an opportunity to deliver on the brand promise, strengthen customer relationships and deepen loyalty. It calls for a centralized messaging function so that everything a company says and does communicates a common theme and positioning. For example, Montblanc uses classic design and a distinctive brand name as well as high price to position its watches as high-quality, high-status products. This upscale image is enhanced by the company's strategy of distributing its products only through boutiques, jewelry stores, and other exclusive shops, including its own stores. Montblanc also occasionally uses celebrities such as actor Hugh Jackman in its advertising as shown in the ad in Exhibit 1-3.