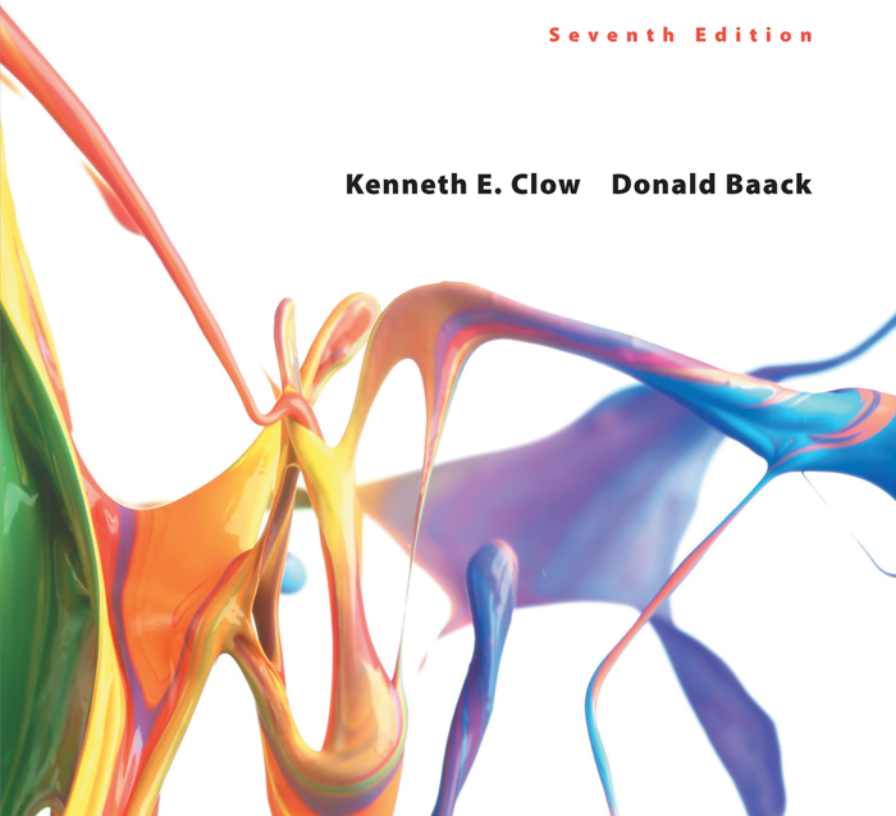# Integrated Advertising, Promotion, and Marketing Communications
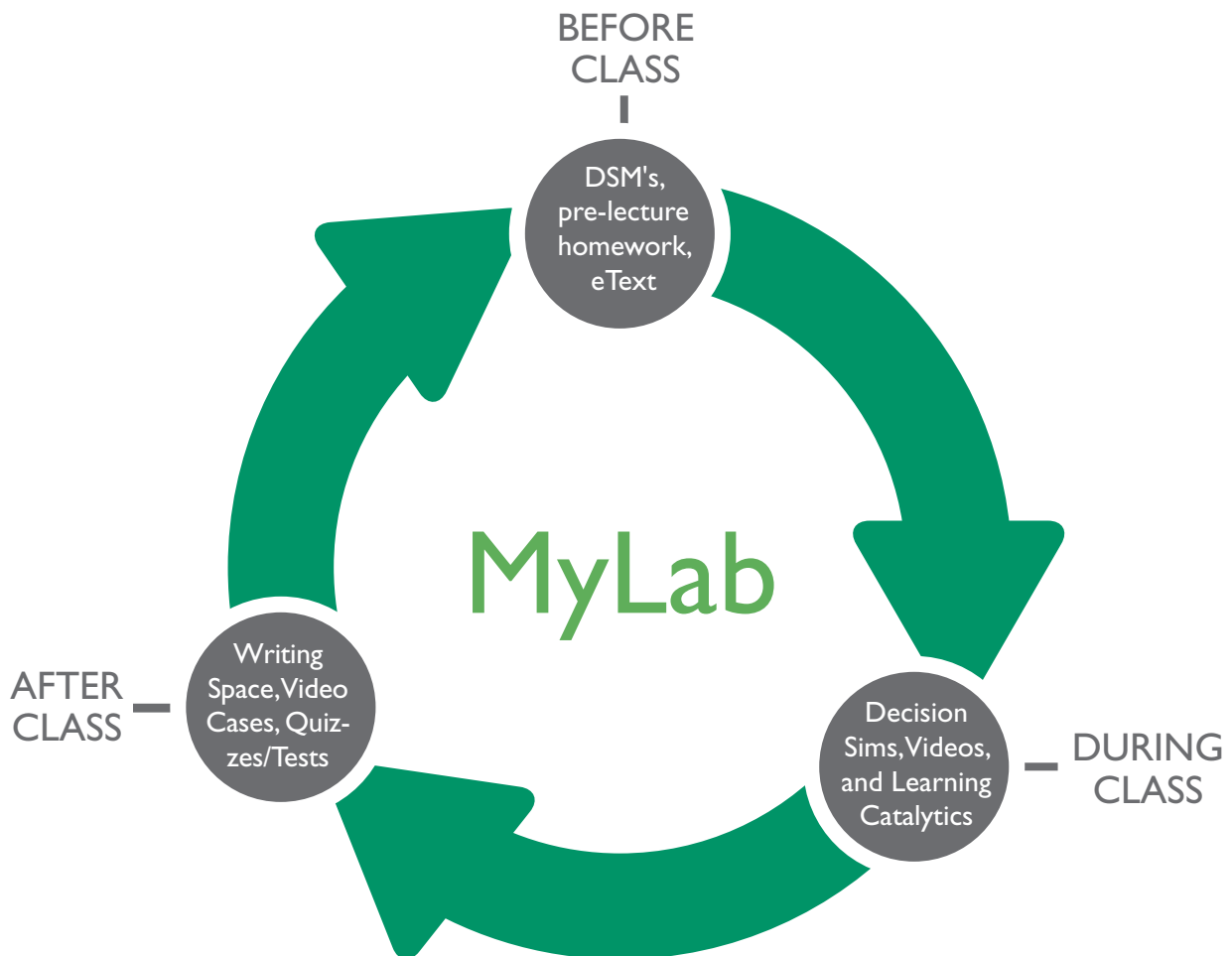
Seventh Edition

Kenneth E. Clow   **Donald Baack**

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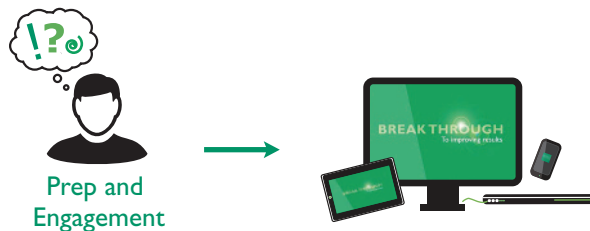
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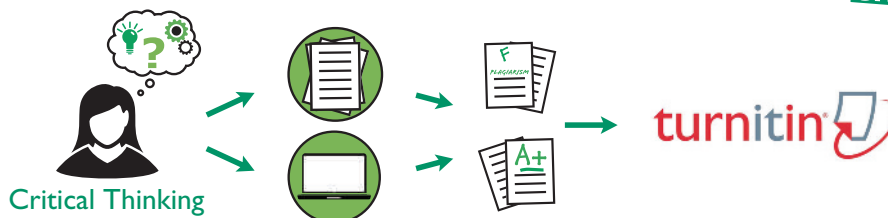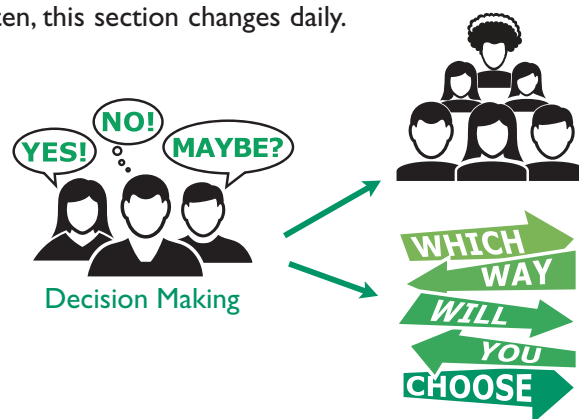
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PEARSON

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Integrated Advertising, Promotion, and Marketing Communications

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Integrated Advertising, Promotion, and Marketing Communications

Seventh Edition

Kenneth E. Clow
University of Louisiana at Monroe

Donald Baack
Pittsburg State University

PEARSON

PEARSON

To my sons Dallas, Wes, Tim, and Roy, who provided encouragement, and especially to my wife, Susan, whose sacrifice and love made this textbook possible.

Kenneth E. Clow

I would like to dedicate my efforts and contributions to this edition to my wife Pam.

Donald Baack

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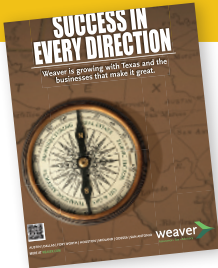
Part Two

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HERE WHEN
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NEED US

When it comes to your health, you deserve a
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needs. With over 50 specialties ranging from
Allergy and Cardiology to Oncology and Vascular
Surgery, that's just the kind of whole-body care
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Preface

Advertising, promotions, and communications constitute integral components of marketing. For marketing majors, understanding how companies effectively communicate and interact with customers and po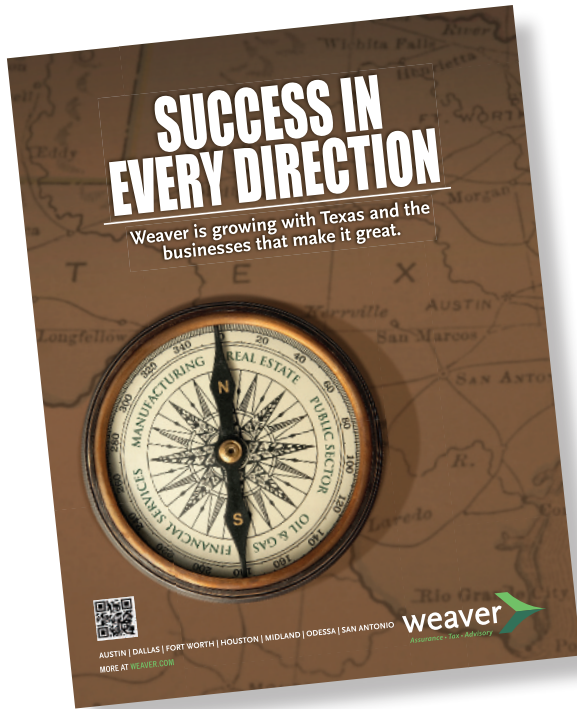tential customers creates the foundation they need to develop effective marketing skills. This will help them succeed in their marketing careers.

If your students are not marketing majors, consider all of the marketing communications around them. Any company or organization they work for will be involved in marketing its products or services. Understanding how marketing communications are developed and why is valuable knowledge. It helps them comprehend the methods used by the people in the marketing departments where they will work and provides them with better information to function as a consumer.

We continue to refine *Integrated Advertising, Promotion, and Marketing Communications,* in part, to help students understand the importance of integrating all marketing communications (IMC) and how they are produced and transmitted. When the first edition was written, almost all marketing communication textbooks focused exclusively on advertising. As your students know from their everyday experiences and the courses they have taken in college, marketing communications incorporates much more than that. It includes promotions, such as coupons, price discounts, and contests. Marketing has expanded to extensive use of social media, blogs on the internet, customer reviews of products, messages delivered to mobile phones, and other programs, such as buzz marketing and stealth marketing. These venues are vital ingredients in effectively reaching consumers. These must also be carefully integrated into one clear message and voice for customers to hear.

We prepared this textbook and the additional materials in ways that will best help your students to understand integrated marketing communications. Students need opportunities to apply concepts to real-life situations. This helps them clearly understand and retain the ideas. As a result, we have composed a variety of end-of-chapter materials designed to help them practice using the concepts. These materials now include and ongoing blog, integrated campaigns in action, integrated learning exercises, discussion and critical-thinking exercises, creative exercises, blog exercises, and updated cases.

What's New in the Seventh Edition?

The seventh edition of *Integrated Advertising, Promotion, and Marketing Communications* offers several new features. The most exciting may be the addition of a blog devoted to supporting this textbook for both professors and students. The blog may be found at: blogclowbaack.net, but is also incorporated into the text in end-of-chapter exercises. These exercises have links to news articles, YouTube videos, social media networks and other web sites presenting interesting and engaging marketing communications ideas and tactics.

- **Campaigns in Action.** Professors who adopt this text receive access to the MyLab resource that was developed to support classroom teaching. Each section contains an advertising and communications campaign, complete with power point slides, advertisements, collaterals, and other pieces of media that are designed to more fully explore the entire promotional process. Campaigns include Progressive Bank, The Snoring Center, Interstate Batteries and Wayport. Each of these *Integrated Campaigns in Action* is mentioned at the close of the chapter text to draw student attention to them. Additional Campaigns in Action are included through the authors' blog (blogclowbaack.net).

- **Increased emphasis on social media.** One of the most rapidly evolving aspects of advertising and promotion has been the demand for increased usage of social media. This edition presents an entire chapter devoted to these important changes. Coverage of social media has also been added throughout the text to illustrate how brands are integrating social media with other communication strategies.

- **Interviews with advertising professionals.** At various points throughout the text, interviews and quotes from advertising professionals have been integrated into the chapters. A full description of the development of the Motel 6 advertising program by Stan Richards, founder of The Richards Groups is provided. Marketing professionals from the mcgarrybowen agency, Zehnder Communications, Wholly Guacamole, The Richards Group, Spych Market Analytics, and Pink Jacket Creative add commentary and perspective on various marketing and promotions topics and will give your students an important perspective on real-world applications.

- **New opening vignettes and cases.** Many of the chapter opening vignettes and cases are new to this edition. These materials keep the book fresh and current.

- **New advertisements.** Throughout the text, a significant number of new advertisements have been added. Many of these resulted from interactions with advertising agencies. Philadelphia Cream Cheese, Wholly Guacamole, Scott Equipment, and other new advertisements are

included, all helping to keep the content as fresh and current as possible.

- **Updated examples.** New examples of marketing communications principles have been incorporated to provide up-to-date information about companies students can relate to. New discussion and critical-thinking exercises have been created to help students understand and apply the materials presented in each chapter.

- **Blog exercises.** End-of-chapter exercises have been added that incorporate the authors' blog. These exercises have students accessing YouTube videos, web sites, social media sites, and other online resources. The blog then poses a series of questions that require students to utilize concepts in the chapter as they relate to the resources provided on the blog.

- **Active blog.** The authors have created and maintain a blog at blogclowbaack.net. The authors post weekly news articles, videos, and items of interest to individuals using this text. The goal of the blog is to provide information about current events that relate to the book. Textbook adopters can use these blog entries to enhance classroom presentations or as assignments for individual students or even small groups.

Integrated Learning Package

We have created several devices that are designed to help students learn the materials in this text. Advertising and marketing communications are interesting and enjoyable subjects, and these materials have been developed to make learning interactive and fun!

- **Integrated Campaigns in Action.** One unique new feature in this textbook is a series of presentations about actual marketing programs, as created and designed by professional agencies, provided in the MyLab resource center. These features are noted at the end of each section and in the instructor's PowerPoint materials. Additional Integrated Campaigns in Action can be found at the authors' blogclowbaack.net.

- **Lead-in vignettes.** Each chapter begins with a short vignette related to the topic to be presented. The majority of the vignettes revolve around success stories in companies and about products most students will recognize, such as Oreo cookies. In this edition, new vignettes have been introduced, including stories about Wholly Guacamole, Zehnder Communications, Hebrew Hot Dogs, and Huggies Pull-up. These accompany vignettes featured in the sixth edition regarding Miracle Whip, Applebee's, the mcgarrybowen agency, and Interstate Batteries. The vignettes introduce your students to the concepts presented throughout the chapter.

- **International marketing issues.** Some of you have traveled to other countries. Most of you interact with students from around the globe. This book features international concerns that match the presented materials. Also, a section called "International Implications" is found at the end of every chapter.

- **Critical-thinking exercises and discussion questions.** The end-of-chapter materials include a variety of exercises designed to help your students comprehend and apply the chapter concepts. These exercises are designed to challenge students' thinking and encourage them to dig deeper. The best way to know that your students have truly learned a concept or theory is when they can apply it to a different situation. These critical-thinking and discussion exercises require them to apply knowledge to a wide array of marketing situations.

- **Integrated learning exercises.** At the end of each chapter, a set of questions guides students to the Internet to access information that ties into the subject matter covered. These exercises provide students an opportunity to look up various companies and organizations to see how they utilize the concepts presented in the chapter.

- **Blog exercises.** A new feature with this edition is a set of exercises from the authors' blog. These exercises can be fun for students to do and can be used for individual assignments or group assignments.

- **Creative Corner exercises.** Most students enjoy the opportunity to use their creative abilities. As a result, we feature a new exercise called the "Creative Corner," which asks students to design advertisements and other marketing-related materials. The exercises are designed to help students realize that they are more creative than they might think. Ken Clow has taught students who said they had zero creative ability. Yet these same students were able to produce ads that won ADDY awards in student competitions sponsored by the American Advertising Federation (AAF). If you are not familiar with the AAF student competition, go the organization's web site at **www.aaf.org**. Entering the annual competition is exciting, and participating looks great on a student's resume.

- **Cases.** At the conclusion of each chapter, two cases are provided. These were written to help students learn by providing plausible scenarios that require thought and review of chapter materials. Many of the new cases relate to aspects of the food and restaurant industries, including Eight O'Clock Coffee, Pepsi Hispanic, the Japanese Steakhouse, Dannon Yogurt, and Taco Bell. The short cases should help students conceptually understand chapter components and the larger, more general marketing issues.

Instructor Resources

At the Instructor Resource Center, www.pearsonhighered. com/irc, instructors can easily register to gain access to a variety of instructor resources available with this text in

downloadable format. If assistance is needed, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit http://247.pearsoned.com for answers to frequently asked questions and toll-free user support phone numbers.

The following supplements are available with this text:

- **Instructor's Resource Manual**
- **Test Bank**
- **TestGen® Computerized Test Bank**
- **PowerPoint Presentation**

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Integrated Advertising, Promotion, and Marketing Communications

Buzz Marketing

Communications

Social Media

Advertising

Promotions

Digital

Branding

Mobile Marketing

Part 1

THE IMC FOUNDATION

Chapter 1

Integrated Marketing Communications

Chapter Objectives

After reading this chapter, you should be able to answer the following questions:

1.1 How does communication take place?

1.2 What is an integrated marketing communications program?

1.3 What trends are affecting marketing communications?

1.4 What are the components of an integrated marketing communications program?

1.5 What does the term *GIMC* mean?

Overview

Advertising and promotion face a rapidly shifting landscape. A decline in traditional media viewing combined with the rise in internet usage and the use of social media have created a new order. The wide variety of available media means that an effective advertising and marketing campaign now requires more than just one well-made commercial. Current advertising and marketing methods range from simple stand-alone billboard advertisements to complex, multilingual global websites. As a result, the number of ways to reach potential customers continually increases while alternative methods expand and become increasingly popular.

In the face of these sophisticated and cluttered market conditions, firms seek to be heard. Marketing experts know that a company's communications should speak with a clear voice. Customers must understand the essence of a business along with the benefits of its goods and services. The new variety of advertising and promotional venues combined with a multitude of companies bombarding potential customers with messages makes the task challenging. In response, some advertisers and companies have moved to innovative new approaches that utilize the concepts presented in this chapter.

Recent advertising promoted Miracle Whip in a surprising new way. Consumers were asked if they "loved" or "hated" the product. The advertising agency mcgarrybowen directed the entire advertising and social media campaign featuring the concept, "We're not for everyone." The campaign acknowledged the inherent polarization of the product by inviting consumers to say whether they love or hate Miracle Whip.

Advertisements premiered as major primetime placements on *Glee* and *American Idol*. The work included a cast of celebrities and everyday people. Pundit James Carville proclaimed "Miracle Whip is America" alongside an unknown actor stating it "tastes like spreadable disappointment." Jersey Shore's Pauly D reported, "I'd never eat it. I'd never put it in my hair. It's just wrong." Comic actor Amy Sedaris offered, "It's always great in the bedroom." Soon, full-page ads were used in major newspapers to support the launch with the tagline "Are You Miracle Whip?"

Next, the marketing team established social media channels for people who both love and hate Miracle Whip. The campaign urged the public to "Take a Side." A YouTube consumer contest asked consumers to declare their feelings in an effort to win a prize of $25,000. The site tallied the numbers of "lovers" and "haters," creating a huge buzz. In an attempt to reach a target market of nonusers and lapsed users, the site included a form for ordering a free sample, suggesting that, "It's okay if you don't like us, but give us a try." In all, 500,000 sample packets were sent out, quickly exhausting the supply.

The company's marketers took to the streets asking people to talk about their relationships, even reaching out to some just married in Las Vegas. Buzz grew quickly, as did a wave of

Jason Stitt/Fotolia

▲ The "Are You Miracle Whip" campaign featured an innovative approach to presenting a marketing communications message.

disapproval. Critics suggested the approach trivialized both marriage and divorce; however, none of these efforts impeded the campaign. Instead, Miracle Whip continued the conversation, tying the themes of either loving or hating the condiment. The campaign's buzz lasted for more than six months.[1]

The Miracle Whip program highlights many of the themes present in this chapter, including how to use the communications process to reach consumers and break through advertising clutter. It illustrates the importance of integrating all communications and how company leaders must understand the current trends sweeping the advertising and marketing world in order to succeed.

The Nature of Communication

Communication involves transmitting, receiving, and processing information. As a person, group, or organization attempts to transfer an idea or message, communication occurs when the receiver (another person or group) comprehends the information. The model of communication shown in Figure 1.1 displays the pathway a message takes from one person to another or others.[2]

Communication plays a key role in any advertising or marketing program. Consider a person planning to dine at a quick-serve chicken restaurant. In the communications model (Figure 1.1), the **senders** include the chains KFC, Chick-fil-A, Popeye's, Church's

objective 1.1
How does communication take place?

▶ **FIGURE 1.1**
The Communication Process
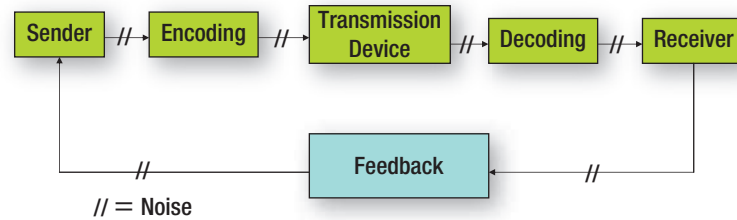
Chicken, Bojangles, and Raising Cain's Chicken Fingers. Each one tries to capture the customer's attention. Most of these firms hire advertising agencies, although some utilize in-house teams.

Encoding is forming verbal and nonverbal cues. In marketing, the person in charge of designing an advertisement takes an idea and transforms it into an attention-getting message. The commercial consists of cues being placed in various media, such as television, magazines, and billboards. The message may also be encoded on the firm's website, a social media page, or on a Twitter account.

Messages travel to audiences through various **transmission devices**. Marketing communications move through various channels or media. The channel may be a television station carrying an advertisement, a Sunday paper with a coupon placed in it, the internet, or a billboard placed along the interstate.

▼ Decoding occurs when a consumer sees this advertisement and understands JD Bank is a viable option for a home loan.

Decoding occurs when the message reaches one or more of the receiver's senses. Consumers both hear and see television ads. Other consumers handle (touch) and read (see) a coupon offer. It is even possible to "smell" a message. A well-placed perfume sample might entice a buyer to purchase both the magazine containing the sample and the perfume being advertised. Hungry people tend to pay closer attention to advertisements and other information about food.

Quality marketing communication takes place when customers (the **receivers**) decode or understand the message as it was intended by the sender. In the case of the JD Bank advertisement shown in this section, effective marketing communications depend on receivers encountering the right message and responding in the desired fashion, such as obtaining a home loan or refinancing a home's current mortgage.

Chick-fil-A's approach to social media provides an example of a successful communication strategy that integrates the web with both online and offline advertising to build a loyal customer base.[3] Before launching a social media site, Chick-fil-A's third-party digital agency discovered that more than 500 Facebook profiles mentioned Chick-fil-A and that one particular fan page had 25,000 "fans." Engaging consumers constituted the social media program's goal. John Keehler, director of interactive strategy at ClickHere, noted that, "One of the mistakes we'd seen is brands would gather a lot of friends but wouldn't get people to interact with them."

The Facebook page allows fans to network with Chick-fil-A. The company holds a "Cow Appreciation Day" each July that encourages

- Talking on the phone during a commercial on television
- Driving while listening to the radio
- Looking at a sexy model in a magazine ad and ignoring the message and brand
- Scanning a newspaper for articles to read
- Talking to a passenger as the car passes billboards
- Scrolling past internet ads without looking at them
- Becoming annoyed by ads appearing on a social media site
- Ignoring tweets on Twitter because they are not relevant
- Being offended by the message on a flyer for a local business

customers to dress like cows and post their photos on Facebook. To build the base of members, coupons have been offered as part of a "Chicken Wave" during the kickoff of the college football season. Other promotions through Twitter and Facebook resulted in a Facebook community with more than 1 million members. Currently, the company announces any new Chick-fil-A store opening on Facebook first, and customers are invited to visit the restaurant and participate in grand-opening festivities.

A compatible offline program represents one key to the social media utilization. Successfully-integrated communications employ multiple channels providing a consistent message. Many Chick-fil-A commercials feature cows urging people to "Eat Mor Chikin." All advertising and promotional venues present the same tagline and theme, thereby increasing the chances that consumers will encounter and perceive the same message. A stronger brand presence has been the result.

In the communication process, **feedback** takes the form of the receiver's response to the sender. In marketing communications, feedback includes purchases, inquiries, complaints, questions, store visits, blogs, and website hits.

Noise consists of anything that distorts or disrupts a message, including marketing communications. It might occur at any stage in the communication process, as shown in Figure 1.1. **Clutter** remains the most common form of noise affecting marketing communications. Figure 1.2 provides examples of noise that can affect the advertising messages.

The marketing professionals involved in the communication process pay attention to each aspect of the communications model to ensure that all audiences encounter a consistent message. They try to make sure the message can cut through noise and clutter. In the case of quick-serve chicken restaurants, common objectives marketing teams seek to achieve include an increase in market share, sales, and brand loyalty.

Communicating with consumers and other businesses requires more than creating attractive advertisements. The upcoming section describes the nature of integrated marketing communications. An effective program integrates all marketing activities into a complete package.

▲ A Chick-fil-A contest winner.

Donald E. Baack

Integrated Marketing Communications

The communications model provides the foundation for an advertising and marketing program. **Integrated marketing communications (IMC)** is the coordination and integration of all marketing communication tools, avenues, and sources in a company into a seamless program designed to maximize the impact on customers and other stakeholders. The program covers all of a firm's business-to-business, market channel, customer-focused, and internally-directed communications.[4]

objective 1.2
What is an integrated marketing communications program?

Before further examining an IMC program, consider the traditional framework of marketing promotions. The **marketing mix**—price, product, distribution, and promotions—provides the starting point. For years, the view was that promotional activities included advertising, sales promotions, and personal selling activities. This approach has expanded to incorporate digital marketing, social media, and alternative methods of communication. It also includes activities such as database marketing, direct response marketing, personal selling tactics, sponsorships, and public relations programs (see Figure 1.3).

A complete IMC plan combines every element of the marketing mix: products, prices, distribution methods, and promotions. While this textbook primarily deals with the promotions component, note that, in order to present a unified message, the other elements of the marketing mix should be blended into the program.

An Integrated Marketing Communications Plan

A strategic marketing plan forms the basis for integrated marketing communications. The plan coordinates every component of the marketing mix in order to achieve harmony in the messages and promotions relayed to customers and others. Figure 1.4 lists the steps required to complete a marketing plan.

A *current situational analysis* process involves examination of the firm's ongoing market situation. Next, marketers conduct a *SWOT analysis* by studying the factors in the organization's internal and external environments. SWOT identifies internal company strengths and weaknesses along with the marketing opportunities and threats present in the external environment.

Defining primary *marketing objectives* establishes targets such as higher sales, an increase in market share, a new competitive position, or desired customer actions, such

- Current situational analysis
- SWOT analysis
- Marketing objectives
- Target market
- Marketing strategies
- Marketing tactics
- Implementation
- Evaluation of performance

◀ Matching marketing objectives with the key target market is an important step in developing the "Visit South Walton (Florida)" campaign.

as visiting the store and making purchases. Marketing objectives are paired with key target markets. A comprehensive understanding of these markets helps the marketing team prepare an effective integrated marketing communications program.

Based on the marketing objectives and target market, the team develops *marketing strategies*. These strategies apply to every ingredient in the marketing mix and include all positioning, differentiation, and branding strategies. Based on the strategies, *marketing tactics* guide the day-by-day activities necessary to support marketing strategies. The final two steps in the marketing plan consist of stating how to *implement* the plan and specifying methods to *evaluate performance*.

The steps of the strategic marketing plan help pull together all company activities into one consistent effort. The steps provide guidance to company leaders and marketing experts as they coordinate the firm's overall communications package.

Emerging Trends in Marketing Communications

Many forces impact the field of marketing communications. Financial pressures have caused the company leaders who hire advertising agencies to conclude that they cannot pay out unlimited dollars for marketing programs. Competition, both domestically and globally, forces company leaders to examine their communications plans to ensure maximum effectiveness. The internet and emerging social trends impact marketing messages and means of communicating with consumers and businesses. Figure 1.5 highlights the current trends that have an impact on marketing communications.

Emphasis on Accountability and Measurable Results

Company leaders expect advertising agencies to produce tangible outcomes. They spend promotional dollars carefully. Any coupon promotion,

objective 1.3

What trends are affecting marketing communications?

- Emphasis on accountability and measurable results
- Explosion of the digital arena
- Integration of media platforms
- Shift in channel power
- Increase in global competition
- Increase in brand parity
- Emphasis on customer engagement

▲ **FIGURE 1.5**

Trends Affecting Marketing Communications

Gulf Coast Seafood

▲ This app for Gulf Coast Seafood illustrates the rapid explosion of digital media.

contest, rebate program, or advertising campaign should yield measurable gains in sales, market share, brand awareness, customer loyalty, or other observable results to be considered successful.

The increasing emphasis on accountability and measurable results has been driven by chief executive officers (CEOs), chief financial officers (CFOs), and chief marketing officers (CMOs). According to Martyn Straw, chief strategy officer of the advertising agency BBDO Worldwide, corporate executives and business owners are tired of "funneling cash into TV commercials and glossy ads" that keep increasing in cost while appearing to do less and less.

Many companies rely less on 30-second television spots and instead pursue digital and alternative communication venues. Marketing messages can be tied to special events in which names, profiles, and addresses of prospective customers are collected and tracked. Straw suggests that marketing should not be viewed as an expense, but rather as an investment in which promotional dollars generate sales and profits.[5]

Explosion of Digital Media

Internet-based marketing communications have evolved from individual web advertisements to interactive websites, blogs, and social networks. Smartphones, tablets, and text-messaging systems have created a new landscape and, in some cases, nearly a new language. Ingenious digital marketing techniques seek to create experiences with a brand rather than mere purchases with little or no emotional attachment. Notice the advertisement for the smartphone app in this section. The app was created for Gulf Coast Seafood. It offers a recipe along with a GPS function that assists consumers in locating the nearest Wild Gulf Seafood.

Many companies have cut traditional media expenditures, moving the dollars to digital media. Procter & Gamble (P&G), AT&T, Johnson & Johnson, Kraft Foods, Verizon, and Toyota are a few of the many companies that have reduced company television advertising budgets to expand use of various forms of digital media. Unilever recently increased its digital spending by 15 percent.[6] As a General Motors executive noted, "Some 70 percent of consumers who shop for a new car or truck do web research."[7] The same holds true for many other products.

With social media and the internet, consumers enjoy access to a wealth of information about companies, products, and brands. They can communicate with each other, sending favorable or unfavorable ratings and information. Messages travel almost instantaneously. Digital marketing cannot be considered as an option for companies but rather as a mandatory ingredient. Marketers now seek to engage a brand with all current and prospective customers in order to achieve success.

Advances in digital technology allowed self-styled makeup maven Lauren Luke to sell cosmetics around the world. She started by offering them on eBay and then began posting videos that she recorded in her bedroom on YouTube. The videos have been viewed 50 million times. Her YouTube channel now contains more than 250,000 subscribers. It is not just entrepreneurs such as Lauren Luke who have taken advantage of the opportunities present in today's information and technology-rich environment. In just six months, Dell generated $1 million in sales from individuals who contacted the firm using Twitter.[8]

Integration of Media Platforms

Today's consumers spend an average of five hours and 16 minutes in front of a screen that does not involve television. When combined with television (which consumers watch for an additional four hours and 31 minutes per day), the total becomes more than 10 hours per day examining some kind of screen, whether it is a computer, tablet, mobile
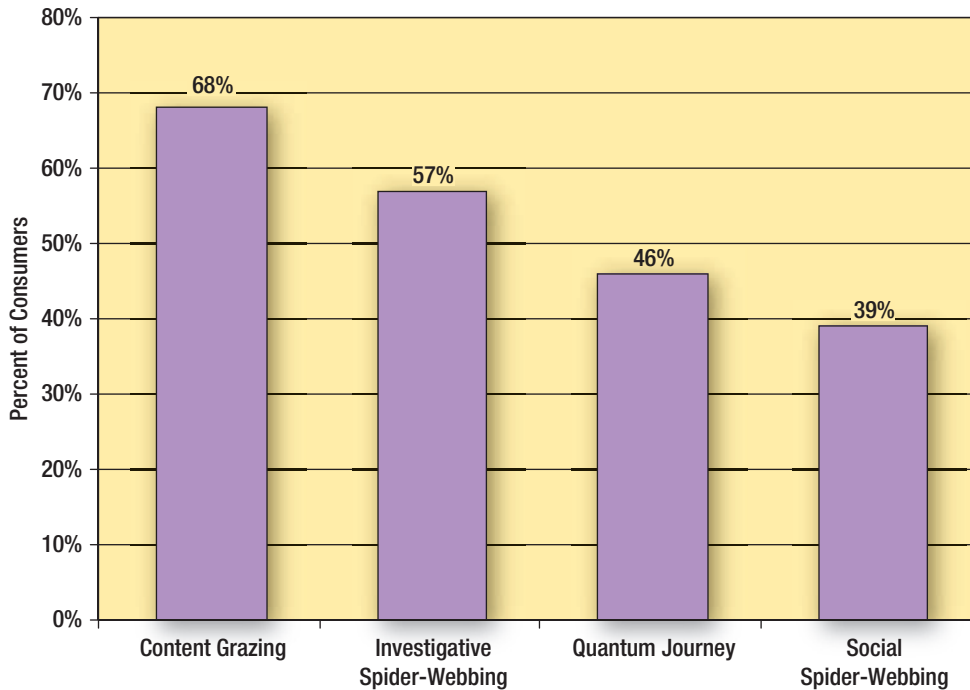
phone, or television.[9] Understanding how consumers integrate these multiple devices into their daily lives is important to marketers as they devise ways to reach these individuals. Research by Flamingo Research and Ipsos OTX indicates four ways consumers interact across these multiple media formats (see Figure 1.6).[10]

Content grazing involves looking at two or more screens simultaneously to access content that is not related. It may be someone watching TV and texting a friend at the same time or checking on football game scores on his smartphone. *Investigative spider-webbing* occurs when a consumer pursues or investigates specific content across multiple platforms. It may be someone watching a football game and accessing stats for various players on her PC or mobile phone. *Quantam journey* focuses on completing a specific task, such as when a consumer looks for a Chinese restaurant using a PC to locate one in the area, then obtains consumer reviews of the units close by on a smartphone, and finally employs a map app to locate the restaurant or to place an order. The fourth pathway, *social spider-webbing*, takes place when consumers share content or information across multiple devices. Posting pictures on Facebook from a laptop then texting friends to go check them out would be an example.

To reach consumers, marketers understand that today's consumers use multiple devices in multiple ways. An individual television ad or banner ad will likely go unnoticed. Advertisers try to find ways to engage consumers with a brand through portals such as their tablets and mobile phones. That same ad or message delivered across all of the platforms in various formats increases the chances it will be heard and assimilated by consumers.

Changes in Channel Power

A marketing channel consists of a producer or manufacturer vending goods to wholesalers or middlemen, who, in turn, sell items to retailers who offer the items to consumers. Recent technological developments alter the levels of power held by various members of the channel.

Retailers seek to maintain channel power by controlling shelf space and purchase data that allows them to determine which products and brands are placed on store shelves. Through checkout scanners, retailers know which products and brands are selling. Many retailers share the data with suppliers and require them to ensure that store