

Tenth Edition

Advertising, Promotion,  
and other aspects of

# INTEGRATED MARKETING COMMUNICATIONS



Andrews & Shimp

Advertising, Promotion, and other aspects of

# Integrated Marketing Communications

10th Edition

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Marquette University

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Australia • Brazil • Mexico • Singapore • United Kingdom • United States

**Advertising, Promotion and other aspects  
of Integrated Marketing Communications,  
Tenth Edition**

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## Dedication

This 10th edition of *Advertising, Promotion, and other aspects of Integrated Marketing Communications* is dedicated to my wife Maura, and children Colleen, Patrick, and Brendan, as well as to my mother and father, and brothers and sister. Special thanks goes to the memory of my late mother Dorothy, who served as a tremendous inspiration for our research in marketing and public health, but also as a role model to the value of hard work and persistence in completing this edition. I also appreciate the keen insights, never-ending motivation, and creative ideas on IMC issues from my many colleagues, Marquette students, and guest speakers over the years. As with the previous edition, I wish to offer a sincere thank you to my long-time friend and mentor, Terry Shimp, for continuing to provide me with this wonderful opportunity to be involved with the text. (JCA)

I dedicate this 10th edition of *Advertising, Promotion, and other aspects of Integrated Marketing Communications* to my wife, Judy, who is my life partner and best friend. She endured long periods of my absence while I was involved in an active career as a teacher, researcher, and author. Fortunately, the burden of effort for this 10th edition has been undertaken by my greatly respected friend and colleague, Craig Andrews. I owe him an immeasurable debt and wish him great success in the future as the sole author of subsequent editions. Finally, I dedicate this edition to the many professors around the world who have given me the greatest compliment possible when choosing to adopt various editions of my text. I dearly hope that I have not disappointed you. (TAS)

# Brief Contents

- Part 1** The Practice and Environment of Integrated Marketing Communications (IMC) 3
- 1 An Overview of Integrated Marketing Communications 5
  - 2 Enhancing Brand Equity and Accountability 25
  - 3 Brand Adoption, Brand Naming, and Intellectual Property Issues 41
  - 4 Environmental, Regulatory, and Ethical Issues 59
- Part 2** Fundamental IMC Planning and Decisions 85
- 5 Segmentation, Targeting, and Positioning 87
  - 6 The Communications Process and Consumer Behavior 114
  - 7 The Role of Persuasion in Integrated Marketing Communications 138
  - 8 Objective Setting and Budgeting 160
- Part 3** Advertising Management and Media Choices 179
- 9 Overview of Advertising Management 181
  - 10 Effective and Creative Ad Messages 200
  - 11 Endorsers and Message Appeals in Advertising 226
  - 12 Traditional Advertising Media 245
  - 13 Digital Media: Online, Mobile, and App Advertising 270
  - 14 Social Media 291
  - 15 Direct Marketing, CRM, and Other Media 316
  - 16 Media Planning and Analysis 340
  - 17 Measuring Ad Message Effectiveness 369
- Part 4** Sales Promotion Management 399
- 18 Sales Promotion Overview and the Role of Trade Promotion 401
  - 19 Consumer Sales Promotion: Sampling and Couponing 427
  - 20 Consumer Sales Promotion: Premiums and Other Promotions 449
- Part 5** Other IMC Tools 473
- 21 Public Relations, Content Marketing, Viral Marketing, and Sponsorships 475
  - 22 Packaging, Point-of-Purchase Communications, and Signage 501
  - 23 Personal Selling 530

# Contents

## Part 1 The Practice and Environment of Integrated Marketing Communications (IMC) 3

### Chapter 1 An Overview of Integrated Marketing Communications 5

#### **MARCOM INSIGHT: Checking in with Mobile Apps: The Creative Use of Geo-Fencing and Geo-Conquesting 5**

#### **Introduction 6**

#### **Marketing Communications Objectives and Terminology 8**

#### **Promotional Mix Elements 8**

#### **The Primary Tools of Marketing Communications 10**

#### **The Integration of Marketing Communications 11**

#### Why Integrate? 12

#### IMC Practices and Synergy 12

#### Definition of IMC 12

#### **Key IMC Features 12**

#### Key Feature #1: IMC Should Begin with the Customer or Prospect 12

#### Key Feature #2: Use Any Form of Relevant Contact 13

#### Key Feature #3: Speak with a Single Voice 15

#### Key Feature #4: Build Relationships Rather Than Engage in Flings 15

#### Key Element #5: Don't Lose Focus of the Ultimate Objective: Affect Behavior 16

#### Obstacles to Implementing the Key IMC Features 17

#### **The Marketing Communications Decision-Making Process 17**

#### Fundamental Marcom Decisions 18

#### Marcom Implementation Decisions 19

#### Marcom Outcomes 20

#### Program Evaluation 21

#### **Summary 22**

#### **Appendix 22**

#### **Discussion Questions 23**

### Chapter 2 Enhancing Brand Equity and Accountability 25

#### **MARCOM INSIGHT: Are There Too Many Social Media Brands? 25**

#### **Introduction 26**

#### **Brand Equity 26**

#### A Firm-Based Perspective on Brand Equity 27

#### Brand Equity Models 28

#### Relationships among Brand Concepts, Brand Equity, and Brand Loyalty 31

#### Strategies to Enhance Brand Equity 33

#### What Benefits Result from Enhancing Brand Equity? 35

#### Characteristics of World-Class Brands 36

#### **Affecting Behavior and Achieving Marcom Accountability 37**

#### Difficulty of Measuring Marcom Effectiveness 37

#### Assessing Effects with Marketing Mix Modeling 39

#### **Summary 40**

#### **Discussion Questions 40**

### Chapter 3 Brand Adoption, Brand Naming, and Intellectual Property Issues 41

#### **MARCOM INSIGHT: Goodwill Boutiques: Thrifty Brand Takes Off 41**

#### **Introduction 42**

#### **Marcom and Brand Adoption 42**

#### Brand Characteristics That Facilitate Adoption 44

#### Quantifying the Adoption-Influencing Characteristics 48

#### **Brand Naming 49**

#### What Constitutes a Good Brand Name? 49

#### The Brand-Naming Process 53

#### The Role of Logos 54

#### **Intellectual Property 55**

#### Patents 55

#### Copyrights 56

#### Trademarks 56

#### **Summary 57**

#### **Discussion Questions 57**

## Chapter 4 Environmental, Regulatory, and Ethical Issues 59

### MARCOM INSIGHT: Graphic Visual Tobacco Warnings in the United States 59

#### Introduction 60

#### Environmental Marketing Communications 61

Green Marketing Initiatives 61

Social Media Campaigns 65

Guidelines for Green Marketing 65

#### Regulation of Marketing Communications 66

When Is Regulation Justified? 66

Regulation by Federal Agencies 68

False Advertising and Lanham Act Cases in Federal Court 73

Regulation by State Agencies 73

Advertising Self-Regulation 73

#### Ethical Issues in Marketing Communications 74

The Ethics of Targeting 75

Ethical Issues in Advertising 77

Ethical Issues in Public Relations and Product Placement 79

Ethical Issues in Packaging and Branding 79

Ethical Issues in Sales Promotions 80

Ethical Issues in Online and Social Media Marketing 80

Fostering Ethical Marketing Communications 80

#### Summary 82

#### Discussion Questions 82

## Part 2 Fundamental IMC Planning and Decisions 85

### Chapter 5 Segmentation, Targeting, and Positioning 87

#### MARCOM INSIGHT: Positioning and “McBucks”: Should McDonald’s Try to Become Starbucks? 87

#### Introduction 88

#### Segments and the Market Segmentation Process 89

#### Segmentation Bases: Behavioral Segmentation 90

Online Behavioral Targeting 90

Privacy Concerns 91

#### Psychographic Segmentation 92

Customized Psychographic Profiles 92

General Purpose Psychographic Profiles 92

#### Geodemographic Segmentation 96

#### Demographic Segmentation 96

The Changing Age Structure 98

The Ever-Changing American Household 102

Ethnic Population Developments 102

#### Market Targeting 106

#### Market Positioning in Practice: The Fundamentals 107

Benefit Positioning 108

Attribute Positioning 109

Repositioning a Brand 110

Marketing Mix Development 111

#### Summary 112

#### Discussion Questions 112

### Chapter 6 The Communications Process and Consumer Behavior 114

#### MARCOM INSIGHT: Everyday Consumer Habits Helping the World 114

#### The Communications Process 115

Elements in the Communication Process 115

#### Marketing Communication and Meaning 117

The Meaning of Meaning 118

The Dimensions of Meaning 118

Meaning Transfer: From Culture to Object to Consumer 118

The Use of Figurative Language in Marketing Communications 120

#### Behavioral Foundations of Marketing Communications 122

The Consumer Processing Model (CPM) 123

The Hedonic, Experiential Model (HEM) 133

#### Summary 136

#### Discussion Questions 136

### Chapter 7 The Role of Persuasion in Integrated Marketing Communications 138

#### MARCOM INSIGHT: Can We Be Persuaded to Overcome Bad Habits? The Cell-Free Club 138

#### The Nature and Role of Attitudes 139

What Is an Attitude? 139

Using Attitudes to Predict Behavior 140

#### Persuasion in Marketing Communications 141

The Ethics of Persuasion 141

#### Tools of Influence: The Persuader’s Perspective 141

Reciprocation 141

Commitment and Consistency 142

Social Proof 142

Liking 142

Authority 142

Scarcity 143

**The Influence Process: The Persuadee's Perspective 143**

Message Arguments 145  
 Peripheral Cues 146  
 Communication Modality 146  
 Receiver Involvement 146  
 Receiver's Initial Position 146

**An Integrated Model of Persuasion 146**

The Central Route 148  
 The Peripheral Route 149  
 Dual Routes 149

**Enhancing Consumers' Motivation, Ability, and Opportunity to Process Advertisements 149**

Motivation to Attend to Messages 150

Motivation to Process Messages 152  
 Opportunity to Encode Information 153  
 Opportunity to Reduce Processing Time 153  
 Ability to Access Knowledge Structures 153  
 Ability to Create Knowledge Structures 154  
 Section Summary 155

**The Theory of Reasoned Action (TORA) 155**

Attitude Change Strategies 156

**Changing Preferences and Behavioral Modification Strategies 157**

Summary 158

Discussion Questions 158

**Chapter 8 Objective Setting and Budgeting 160****MARCOM INSIGHT: The Gecko, Flo, Mayhem, Magic Jingles, and the Insurance Industry Ad Brawl 160****Introduction 161**

Setting Marcom Objectives 161  
 The Hierarchy of Marcom Effects 162  
 The Integrated Information Response Model 165  
 Section Summary 166  
 Requirements for Setting Suitable Marcom Objectives 166  
 Should Marcom Objectives Be Stated in Terms of Sales? 168

**Marcom Budgeting 169**

Budgeting in Theory 169  
 Budgeting in Practice 171  
 Section Summary 175

Summary 176

Discussion Questions 176

**Part 3****Advertising Management and Media Choices 179****Chapter 9 Overview of Advertising Management 181****MARCOM INSIGHT: The Story of "Mad Man," the "Elvis of Advertising" 181****Introduction 182****The Magnitude of Advertising 183**

Advertising-to-Sales Ratios 185  
 Advertising Effects Are Uncertain 185

**Advertising's Effect on the Economy 185**

Advertising = Market Power 187  
 Advertising = Information 187  
 A Synthesis 187

**Advertising Functions 188**

Informing 188  
 Influencing 188  
 Reminding and Increasing Salience 188

Adding Value 189  
 Assisting Other Company Efforts 189

**The Advertising Management Process 190**

Managing the Advertising Process: The Client Perspective 190  
 The Role of Advertising Agencies 191  
 Agency Compensation 193

**Ad-Investment Considerations 193**

The Case for Investing in Advertising 194  
 The Case for Disinvesting 194  
 Which Position Is More Acceptable? 194

Summary 199

Discussion Questions 199

**Chapter 10 Effective and Creative Ad Messages 200****MARCOM INSIGHT: Perhaps the Greatest TV Commercial of All Time 200****Introduction 201****Suggestions for Creating Effective Advertising 201****Qualities of Successful Advertising 202****What Exactly Does Being "Creative" and "Effective" Mean? 203**

Creativity: The CAN Elements 204



Getting Messages to “Stick” 204  
 Illustrations of Creative and Sticky Advertising Executions 205

### **Making an Impression 207**

#### **Advertising Plans and Strategy 208**

A Five-Step Program 208

#### **Constructing a Creative Brief 210**

Advertising Objectives 210

Target Audience 210

Motivations, Thoughts, and Feelings 210

Brand Positioning and Personality 211

Primary Outcome or “Take Away” 211

Other Details and Mandatories 211

#### **Means-End Chaining and Laddering 211**

The Nature of Values 212

Which Values Are Most Relevant to Advertising? 212

Advertising Applications of Means-End Chains:

The MECCAS Model 213

Identifying Means-End Chains: The Method of Laddering 215

Practical Issues in Identifying Means-End Chains 216

### **Alternative Styles of Creative Advertising 217**

Generic Creative Style 218

Preemptive Creative Style 218

Unique Selling Proposition Creative Style 219

Brand Image Creative Style 219

Resonance Creative Style 220

Emotional Creative Style 220

Section Summary 221

### **Corporate Image and Corporate Issue Advertising 222**

Corporate Image Advertising 222

Corporate Issue (Advocacy) Advertising 223

#### **Summary 224**

#### **Discussion Questions 224**

## **Chapter 11 Endorsers and Message Appeals in Advertising 226**

### **MARCOM INSIGHT: When Celebrity Endorsers Go Bad 226**

#### **Introduction 227**

#### **The Role of Celebrity Endorsers in Advertising 227**

#### **Source Attributes and Receiver Processing Modes 228**

Credibility: The Process of Internalization 228

Attractiveness: The Process of Identification 230

Power: The Process of Compliance 230

Practical Issues in Selecting Celebrity Endorsers 230

The Role of Q Scores 232

#### **The Role of Humor in Advertising 233**

#### **Appeals to Consumer Fears 235**

Fear Appeal Logic 235

Appropriate Intensity 235

The Related Case of Appeals to Scarcity 236

#### **Appeals to Consumer Guilt 236**

#### **The Use of Sex in Advertising 236**

What Role Does Sex Play in Advertising? 237

The Potential Downside of Sex Appeals in Advertising 237

#### **Subliminal Messages and Symbolic Embeds 238**

Why It Is Unlikely That Subliminal Advertising Works 239

#### **The Functions of Music In Advertising 240**

#### **The Role of Comparative Advertising 240**

Is Comparative Advertising More Effective? 241

Considerations Dictating the Use of Comparative Advertising 242

#### **Summary 243**

#### **Discussion Questions 243**

## **Chapter 12 Traditional Advertising Media 245**

### **MARCOM INSIGHT: Has Traditional Advertising Media Lost Its Effectiveness? The Rise of Cord Cutting, Ad Blocking, and the Video Streaming Revolution 245**

#### **Introduction 246**

Some Preliminary Comments 247

#### **Newspapers 247**

Buying Newspaper Space 248

Newspaper Advertising's Strengths and Limitations 248

#### **Magazines 249**

Buying Magazine Space 250

Magazine Advertising's Strengths and Limitations 252

Magazine Audience Measurement 253

Using Simmons and MRI Reports 253

Customized Magazines 256

#### **Radio 256**

Buying Radio Time 257

Radio Advertising's Strengths and Limitations 257

Radio Audience Measurement 258

#### **Television 259**

Television Programming Dayparts 259

Network, Spot, Syndicated, Cable, and Local Advertising 260

Television Advertising's Strengths and Limitations 261

Infomercials 264

Brand Placements in Television Programs 265

Recent Developments in TV Advertising 265

Television Audience Measurement 265

#### **Summary 268**

#### **Discussion Questions 268**

## **Chapter 13 Digital Media: Online, Mobile, and App Advertising 270**

### **MARCOM INSIGHT: Mobile Headache? The Excitement and Challenges of Mobile Advertising 270**

#### **Introduction 271**

Online Advertising: Benefits and Costs 272

The Online Advertising Process	273
Online Advertising Formats	274
<b>Search Engine Advertising</b>	<b>274</b>
Purchasing Keywords and Selecting Content-Oriented Websites	275
SEA Problems and Suggestions	277
<b>Display Advertising</b>	<b>277</b>
Static Banner Ads	277
Click-Through Rates	277
Standardization of Display Ad Sizes	278
<b>Rich Media: Pop-Ups, Interstitials, Superstitials, and Online Video Ads</b>	<b>278</b>
Online Video Ads	279
Mobile Advertising and Apps	280
App Advertising	281
<b>Websites and Sponsored Sites</b>	<b>282</b>

## Chapter 14 Social Media 291

<b>MARCOM INSIGHT: Is Facebook Becoming Passé? Or Are We Hopelessly Addicted?</b>	<b>291</b>
<b>Introduction</b>	<b>292</b>
<b>Social Media Background and Landscape</b>	<b>292</b>
Comparisons with Traditional Media	294
<b>Social Media Advantages and Disadvantages</b>	<b>295</b>
<b>Social Media Categories and Brands</b>	<b>296</b>
<b>Social Networking</b>	<b>299</b>
Facebook	299
Twitter	300
Instagram	301
Snapchat	303

## Chapter 15 Direct Marketing, CRM, and Other Media 316

<b>MARCOM INSIGHT: During Tough Times, Flex Seal and ShamWow March On</b>	<b>316</b>
<b>Introduction</b>	<b>317</b>
<b>Direct Marketing</b>	<b>317</b>
Direct Marketing's Phenomenal Growth	319
<b>Direct-Response Advertising</b>	<b>320</b>
<b>Direct Mail</b>	<b>322</b>
Illustrations of Successful Direct-Mail Campaigns	322
Direct Mail's Distinctive Features	324
Who Uses Direct Mail and What Functions Does It Accomplish?	325
The Special Case of Catalogs and Video Media	325
CRM and the Use of Databases	326
<b>Outbound and Inbound Telemarketing</b>	<b>329</b>
Outbound Telemarketing	329

## Chapter 16 Media Planning and Analysis 340

<b>MARCOM INSIGHT: Is Super Bowl Advertising Worth the Expense?</b>	<b>340</b>
<b>Introduction</b>	<b>341</b>

<b>Blogs and Podcasts</b>	<b>282</b>
Blogs	282
Podcasts	283
<b>E-Mail Advertising</b>	<b>283</b>
Opt-in E-Mailing versus Spam	284
E-Mail Magazines (E-zines)	284
<b>Behavioral Targeting, Programmatic Advertising, and Privacy Issues</b>	<b>285</b>
Behavioral Targeting	285
Programmatic Ads	285
Consumer Privacy	286
<b>Measuring Online Ad Effectiveness</b>	<b>287</b>
Metrics for Measuring Online Ad Performance	287
<b>Summary</b>	<b>289</b>
<b>Discussion Questions</b>	<b>289</b>

<b>Successful Social Media Campaigns</b>	<b>303</b>
Common Objectives and Themes for These Successful Social Media Campaigns	308
Factors That "Work" in Social Media Campaigns and Why	309
<b>Organizing Social Media Efforts</b>	<b>310</b>
<b>How to Advertise on Social Networks</b>	<b>310</b>
<b>Privacy and Other Concerns</b>	<b>311</b>
Other Social Media Network Concerns	312
<b>Measurement of Social Media Campaigns</b>	<b>312</b>
<b>Summary</b>	<b>315</b>
<b>Discussion Questions</b>	<b>315</b>

Inbound Telemarketing	330
Major Telemarketing Regulation	330
<b>Other Media</b>	<b>331</b>
<b>Brand Placements</b>	<b>331</b>
Brand Placements in Movies	332
Brand Placements in TV Programs	333
<b>Yellow-Pages Advertising</b>	<b>333</b>
<b>Video-Game Advertising</b>	<b>334</b>
Measuring Video-Game Audiences	335
<b>Cinema Advertising</b>	<b>335</b>
<b>Alternative Advertising Media</b>	<b>335</b>
<b>Summary</b>	<b>338</b>
<b>Discussion Questions</b>	<b>338</b>

Some Useful Terminology: Media versus Vehicles	341
Messages and Media: A Hand-in-Glove Relation	342
Programmatic Ad Buying	342

Cross-Media Platforms	342
Selecting and Buying Media and Vehicles	343
<b>The Media-Planning Process</b>	<b>343</b>
<b>Selecting the Target Audience</b>	<b>345</b>
<b>Specifying Media Objectives</b>	<b>345</b>
Reach	345
Frequency	346
Weight	347
Continuity	353
Recency Planning (a.k.a. the Shelf-Space Model)	353
Cost Considerations	356
The Necessity of Making Trade-Offs	357
<b>Media-Scheduling Software</b>	<b>357</b>
Hypothetical Illustration: A One-Month Magazine Schedule for the Esuvee Safety Campaign	358
<b>Review of Media Plans</b>	<b>362</b>
The Diet Dr Pepper Plan	362
The FDA's "The Real Cost" Campaign	365
<b>Summary</b>	<b>367</b>
<b>Discussion Questions</b>	<b>367</b>

## Chapter 17 Measuring Ad Message Effectiveness 369

<b>MARCOM INSIGHT: Lessons in Ad Copy Testing and Tracking: The National Youth Anti-Drug Media Campaign</b>	<b>369</b>
<b>Introduction to Advertising Research</b>	<b>371</b>
It Is Not Easy or Inexpensive	372
Testing TV Commercials in Prefinished (Rough) Form	372
What Does Advertising Research Involve?	373
Industry Standards for Message Research	373
What Do Brand Managers and Ad Agencies Want to Learn from Message Research?	374
<b>Two General Forms of Message Research</b>	<b>375</b>
Qualitative Message Research	375
Quantitative Message Research	376
<b>Measures of Recognition and Recall</b>	<b>377</b>
Starch Ad Readership Studies	377
Bruzzone Tests	379
Day-After Recall Testing	381
<b>Measurement of Emotional Reactions</b>	<b>383</b>
BBDO's Emotional Measurement System	383
Facial Imaging Technology	383
Neuroscience and Brain Imaging	384
Self-Report Measurement	384
Physiological Testing and Biometrics	384
<b>Measures of Persuasion</b>	<b>385</b>
The Ipsos ASI: Connect® Method	386
The Ipsos ASI Next*TV® Method	386
The MSW*ARS Brand Preference Method	386
<b>Measures of Sales Response (Single-Source Systems)</b>	<b>388</b>
Nielsen Catalina's Advantics on Demand	388
<b>Some Major Conclusions about Television Advertising</b>	<b>390</b>
Conclusion 1—All Commercials Are Not Created Equal: Ad Copy Must Be Distinctive	390
Conclusion 2—More Is Not Necessarily Better: Weight Is Not Enough	390
Conclusion 3—All Good Things Must End: Advertising Eventually Wears Out	394
Conclusion 4—Do Not Be Stubborn: Advertising Works Quickly or Not at All	394
<b>Summary</b>	<b>396</b>
<b>Discussion Questions</b>	<b>396</b>

## Part 4 Sales Promotion Management 399

### Chapter 18 Sales Promotion Overview and the Role of Trade Promotion 401

<b>MARCOM INSIGHT: The Latest in Trade Promotions: New Thinking and Old Ways</b>	<b>401</b>
<b>Introduction</b>	<b>402</b>
The Nature of Sales Promotion	402
Promotion Targets	403
<b>Increased Budgetary Allocations to Promotions</b>	<b>403</b>
Factors Accounting for the Shift	404
A Consequence of the Increase: A Shift in Accounting Rules	406
<b>What Are Sales Promotions' Capabilities and Limitations?</b>	<b>407</b>
What Promotions Can Accomplish	407
What Promotions Cannot Accomplish	410
Problems with an Excessive Emphasis on Sales Promotion	410
<b>The Role of Trade Promotions</b>	<b>410</b>
Trade Promotions' Scope and Objectives	411
Ingredients for a Successful Trade Promotion Program	411
<b>Trade Allowances</b>	<b>411</b>
Major Forms of Trade Allowances	412
Undesirable Consequences of Off-Invoice Allowances: Forward Buying and Diverting	414
<b>Efforts to Rectify Trade Allowance Problems</b>	<b>416</b>
Category Management	416
Everyday Low Pricing (EDLP)	417
Pay-for-Performance Programs	418
Customizing Promotions: Account-Specific Marketing	419
Other Forms of Trade Promotions	420
<b>Generalizations about Promotions</b>	<b>422</b>
Generalization 1: Temporary Retail Price Reductions Substantially Increase Sales—But Only in the Short Term	422
Generalization 2: The Greater the Frequency of Deals, the Lower the Height of the Deal Spike	423

Generalization 3: The Frequency of Deals Changes the Consumer's Reference Price 423  
 Generalization 4: Retailers Pass through Less Than 100 Percent of Trade Deals 423  
 Generalization 5: Higher-Market-Share Brands Are Less Deal Elastic 423  
 Generalization 6: Advertised Promotions Can Result in Increased Store Traffic 423

Generalization 7: Feature Advertising and Displays Operate Synergistically to Influence Sales of Discounted Brands 423  
 Generalization 8: Promotions in One Product Category Affect Sales of Brands in Complementary and Competitive Categories 424  
 Generalization 9: The Effects of Promoting Higher- and Lower-Quality Brands Are Asymmetric 424  
**Summary 425**  
**Discussion Questions 426**

## Chapter 19 Consumer Sales Promotion: Sampling and Couponing 427

**MARCOM INSIGHT: Groupon: Is the “New” Model for Couponing Still Working? 427**

### Introduction 428

Why Use Consumer Promotions? 428  
 Brand Management Objectives and Consumer Rewards 429  
 Classification of Promotion Methods 430

### Sampling 431

Major Sampling Practices 433  
 When Should Sampling Be Used? 435  
 Sampling Problems 436

### Couponing 437

Couponing Background 437  
 Point-of-Purchase Couponing 438  
 Mail- and Media-Delivered Coupons 442  
 In- and On-Pack Coupons 442  
 Online and Social Group Couponing 443  
 The Coupon Redemption Process and Misredemption 444

### The Role of Promotion Agencies 445

The Rise of the Online Promotion Agency 446

### Summary 447

**Discussion Questions 447**

## Chapter 20 Consumer Sales Promotion: Premiums and Other Promotions 449

**MARCOM INSIGHT: Whopper Sacrifice: Is an Online Premium Offer Worth 10 Friends? 449**

### Introduction 450

### Premiums 451

Free-with-Purchase Premiums 451  
 Mail-In and Online Offers 452  
 In-, On-, and Near-Pack Premiums 453  
 Self-Liquidating Offers 453  
 What Makes a Good Premium Offer? 454

### Price-Offs 454

Federal Trade Commission Price-Off Regulations 455

### Bonus Packs 455

### Games 456

Avoiding Snafus 456

### Refunds and Rebates 457

Phantom Discounts 457  
 Rebate Fraud 458

### Sweepstakes and Contests 458

Sweepstakes 458  
 Contests 459  
 Online Sweeps and Contests 461

### Continuity Promotions 462

### Overlay and Tie-In Promotions 463

Overlay Programs 463  
 Tie-In Promotions 463

### Retailer Promotions 464

Retail Coupons 464  
 Frequent-Shopper (Loyalty) Programs 464  
 Special Price Deals 466  
 Samples, Premiums, and Games 466

### Evaluating Sales Promotion Ideas 466

A Procedure for Evaluating Promotion Ideas 466  
 Postmortem Analysis 468

### Summary 470

**Discussion Questions 471**

## Part 5 Other IMC Tools 473

## Chapter 21 Public Relations, Content Marketing, Viral Marketing, and Sponsorships 475

**MARCOM INSIGHT: Rats and False Eight-Legged Chicken Rumors: KFC/Taco Bell Restaurants 475**

### Introduction 476

Marketing Public Relations (MPR) versus Advertising 477

**Proactive versus Reactive MPR 477**

Proactive MPR 478

Content Marketing 479

Reactive MPR 480

Crisis Management 482

**The Special Case of Rumors and Urban Legends 483**

What Is the Best Way to Handle a Rumor? 484

**Word-of-Mouth Influence 485**

Strong and Weak Ties 485

The Role of Opinion Leaders in WOM Dissemination 485

Prevent Negative WOM 486

**Viral Marketing 486**

Viral Marketing Is Akin to Creating an Epidemic 486

Some Anecdotal Evidence 488

Formal Perspectives on Buzz Creation 489

Igniting Explosive Self-Generating Demand 490

Summing Up 491

**Sponsorship Marketing 491****Event Sponsorships 492**

Selecting Sponsorship Events 492

Sponsorship Agreements 494

Creating Customized Events 494

Ambushing Events 495

Measuring Success 495

**Cause Sponsorships 495**

The Benefits of Cause-Related Marketing 497

The Importance of Fit and Community-Driven CRM Efforts 497

Accountability Is Critical 498

**Summary 499****Discussion Questions 499****Chapter 22 Packaging, Point-of-Purchase Communications, and Signage 501****MARCOM INSIGHT: The “Appification” of Grocery Shopping 501****Introduction 502****Packaging 502**

Packaging Structure 503

Evaluating the Package: The VIEW Model 505

Quantifying the VIEW Components 508

Designing a Package 509

**Point-of-Purchase (POP) Communications 510**

The Spectrum of POP Materials 510

What Does POP Accomplish? 511

POP's Influence on Consumer Behavior 512

Evidence of In-Store Decision Making 514

Evidence of Display Effectiveness 516

Latest POPAI Research 519

The Use and Nonuse of POP Materials 519

Measuring In-Store Advertising's Audience 520

**On-Premise Business Signage 520**

Types of On-Premise Signs 520

The ABCs of On-Premise Signs 520

Seek Expert Assistance 521

**Out-of-Home (OOH, Off-Premise) Advertising 521**

Forms of Billboard Ads 522

Buying Billboard Advertising 523

Billboard Advertising's Strengths and Limitations 524

Measuring Billboard Audience Size and Characteristics:

OAAA's Geopath Ratings 525

A Case Study of Billboard Effectiveness 526

Other Forms of OOH Advertising 527

**Summary 528****Discussion Questions 528****Chapter 23 Personal Selling 530****MARCOM INSIGHT: What Qualities Are Liked and Disliked in a Salesperson? 530****Introduction 531****Personal Selling 532**

Personal Selling's Role in the Promotion Mix and IMC 532

Attitudes Toward Selling 532

Attractive Features of Personal Selling 532

**Modern Selling Philosophy 533****Selling Activities and Types of Personal-Selling Jobs 534**

Selling Activities 534

Types of Sales Jobs 535

**The Basic Steps in Personal Selling 536**

Step 1: Prospecting and Qualifying 537

Step 2: Preapproach 537

Step 3: Approach 537

Step 4: The Sales Presentation 537

Step 5: Handling Objections 538

Step 6: The Close 539

Step 7: The Follow-Up 540

In Summary 540

**Salesperson Performance and Effectiveness 540**

Specific Determinants of Salesperson Performance 541

**Excellence in Selling 543**

Specific Characteristics of High-Performers 544

**Summary 546****Discussion Questions 546****Glossary 549****End Notes 559****Name Index 609****Subject Index 618**

# Preface

## Responding to an Ever-Changing World

If one thing is certain, it's that the field of marketing communications is constantly changing. Marketing communications, or marcom for short, represents the collection of all elements in a company's marketing mix that facilitate exchange by establishing shared meaning with its customers. Promotion is just one element of the marketing mix, but its advertising, sales promotions, public relations, direct marketing, personal selling, and social media/digital marketing tools are performing increasingly important and ever-changing roles in achieving a firm's goals. Since our last edition, much has changed, with the appearance of programmatic ad buying based on online behavior, subsequent ad-blocking reactions, ever-changing digital media choices (e.g., online, mobile, apps), the growth of "big data" from devices and wearables, pressure to justify social media effectiveness, the use of customer relationship management (CRM) software in personal selling, major intellectual property and online privacy issues, and the blurring of content and advertising. For marcom managers, it's now a delicate balance navigating such changes, as well as doing the best job in successfully integrating these marcom and promotional elements to connect and solve problems for target audiences.

Also, marketing communicators realize now more than ever that they must be held financially accountable for their advertising, promotion, and other marcom investments. As companies seek ways of communicating more effectively and efficiently with their targeted audiences, marketing communicators are continually challenged. They should use communication methods that will break through the clutter, reach audiences with interesting and persuasive messages that enhance brand equity and drive sales, and assure firms that marcom investments yield an adequate return on investment. In meeting these challenges, companies increasingly embrace a strategy of integrated marketing communications whereby all marcom elements must be held accountable and "speak with one voice" in delivering consistent messages and influencing action.

## Focus of the Text

Whether students are taking this course to learn more about the dynamic nature of this field or as part of planning a career in advertising, sales promotion, or other

aspects of marketing, *Advertising, Promotion, and other aspects of Integrated Marketing Communications* will provide them with a current, rigorous and well-researched view of the role and importance of marketing communications. The text emphasizes the importance of integrated marketing communications (IMC) in enhancing the equity of brands and provides thorough coverage of all aspects of an IMC program: advertising, sales promotion, packaging and branding strategies, digital media (online, mobile, and app advertising), social media, direct marketing, point-of-purchase communications, public relations, word-of-mouth buzz creation, content marketing, event- and cause-oriented sponsorships, and personal selling. These topics are made even more accessible in this edition through expanded use of examples and applications. And, of course, the text covers appropriate academic theories and research to provide formal structure and support for the illustrations and examples.

*Advertising, Promotion, and other aspects of Integrated Marketing Communications* is intended for use in undergraduate or graduate courses in marketing communications, advertising, promotion strategy, promotion management, or other courses with similar concentrations. Professors and students alike should find this book substantive, but highly readable, eminently current but also appreciative of the evolution of the field. Above all, this 10th edition blends marketing communications practice in its varied forms with the rigors of research and theory. Throughout its previous nine editions, the attempt has been made to balance coverage in examining marketing communications from both the consumer's and the marketer's vantage points. This edition focuses more than ever not only on managerial and business-to-business aspects of marketing communications but also on the latest developments in digital advertising and social media.

## Changes and Improvements in the Tenth Edition

The 10th edition of *Advertising, Promotion, and other aspects of Integrated Marketing Communications* reflects many changes beyond those just described. The textbook has been thoroughly updated to reflect the following:

- State-of-the-art coverage of major academic literature, marcom databases, and practitioner writings on all aspects of marketing communications. This

information is presented at an accessible level to students and illustrated with examples and special inserts— e.g., Marcom Insight features in the text, and Insights Online that appear in MindTap.

- **Marcom Insight**—Each chapter opens with a Marcom Insight that corresponds to the coverage of the chapter, and illustrates an important and current issue in the chapter with the intention of engaging students’ interest in the material. Many of these are new to this edition.
  - **Insights Online**—Each chapter includes features that illustrate key IMC concepts by using real-company situations showcasing how various aspects of marketing communications are put into practice. Many of these are global in nature, and all are placed online in MindTap. This also allows the pairing with other online features, such as commercials.
- Most of the 23 chapters in this edition have been substantially rewritten to incorporate the latest material coverage and research. The following updates and improvements are reflected in this new edition:
- Chapter 1 updates its coverage of IMC examples and fundamentals and continues to provide a model of the marcom process. The Marcom Insight begins the chapter with new IMC technology—geo-fencing and geo-conquesting examples of location-based mobile advertising. Earned, paid, and owned media are now explained, as well as a new brand touchpoint matrix.
  - Marcom’s role in enhancing brand equity and influencing behavior receives updated treatment in Chapter 2, including social media brand issues. The chapter emphasizes the importance of achieving marcom accountability and includes discussion of return on marketing investment and efforts to measure marcom effectiveness.
  - Chapter 3 focuses on marcom’s role in facilitating the success of new brands. The chapter devotes substantial coverage to the role of brand adoption/evolution, brand naming, brand equity, and intellectual property issues (e.g., patents, copyrights, and trademarks). The Marcom Insight now discusses the brand evolution story of Goodwill Boutiques, and updates brand equity and intellectual property examples.
  - Chapter 4 provides in-depth coverage of environmental (green) marketing, marcom-related regulatory issues, and ethical issues in marketing communications. Updates to green marketing and third-party certifications, FTC deception and unfairness cases, FDA and Supreme Court labeling cases, and ethics examples are made.
  - Chapters 5 through 8 focus on the fundamental marcom decisions that are based on the marcom-process model introduced in Chapter 1. These chapters include detailed coverage of marcom segmentation, targeting, and positioning (Chapter 5), the communications process and consumer behavior (Chapter 6), the role of persuasion in IMC (Chapter 7), and objective setting and budgeting (Chapter 8). Chapter 5 includes new material on online behavioral segmentation and a thorough update of census data facts and figures, Chapter 6 provides new examples and research in marcom communication and consumer processing, Chapter 7 updates examples and research for major routes to persuasion from IMC, and Chapter 8 examines challenging decisions in objective setting and marcom budgeting.
  - Chapter 9, in its overview of advertising management, examines the role of messages, media, and measurement. The chapter now includes all new advertising industry statistics and examples.
  - Chapter 10 describes the fundamentals and importance of advertising creativity. Changes include new examples and research on the qualities of successful advertising, means-ends-chaining, and alternative creative strategies.
  - Chapter 11 examines (1) endorser (“source”) factors that influence the persuasiveness of messages and (2) specific forms of creative messages (e.g., appeals to fear and guilt, humor, sex) and what determines their effectiveness. New insights and research on celebrities, endorsers, and emotions in persuasion are provided.
  - Chapter 12 analyzes traditional ad media (newspapers, magazines, radio, and TV) and updates this coverage in comparison to digital media, and examines some threats to traditional options (e.g., cord cutting, ad blocking, video streaming). New statistics and the latest in Nielsen measurement also are included.
  - Chapter 13 covers digital media (e.g., online, mobile, and app advertising)—a major overhaul of the previous chapter on just online advertising. This chapter now includes the major aspects of mobile ad growth, changes in search engine advertising, the online ad process, online video advertising and streaming, mobile and app advertising, behavioral targeting, online consumer privacy choices, the programmatic ad process, and online ad measurement.
  - Chapter 14 provides a major update to the role of social media in IMC programs. This chapter now includes new demographic statistics for

major social media outlets; updates to Facebook and Twitter, with new sections on Instagram and Snapchat advertising and revenue models; examples of social media landscapes in other countries (e.g., China); 20 of the most successful social media campaigns of all time; and detail on social media measurement and effectiveness.

- Chapter 15 investigates direct marketing and other ad media, including direct response advertising, direct mail and database marketing, video- game advertising (advergaming), brand placements in movies and TV programs, cinema advertising, and a collection of alternative ad media. A major update includes CRM's use of databases, direct marketing regulation, and new examples of brand placements and advergaming.
- Chapter 16 treats media planning and analysis in detail and provides a common set of concepts, terms, and metrics for describing the specific media that are covered in Chapters 12 through 15. Updates include programmatic ad buying and cross-platform media choices, as well as a new media plan (FDA's "The Real Cost" Campaign).
- Chapter 17 provides an updated, expanded, and improved coverage of measures of advertising effectiveness. This includes updated database examples (e.g., Starch, MSW\*ARS persuasion scores, Nielsen Catalina Advantics). Also, included is the latest in neuroimaging and biometrics tied to ad campaigns.
- Chapter 18 introduces sales promotions and explores in detail trade-oriented promotions. New to this chapter is a discussion of retailer digital media exchanges. Information on slotting fees and category management is updated.
- Chapters 19 and 20 explore consumer-oriented forms of sales promotions and provide a framework to categorize such promotions. Chapter 19 covers sampling and couponing. Updates to coupon distribution and redemption rates are included, as well as mobile coupon apps. Chapter 20 examines all remaining forms of consumer promotions—premiums, price-offs, bonus packs, games, rebates and refunds, sweepstakes and contests, continuity promotions, overlay and tie-in promotions, and retailer promotions with new examples.
- Chapter 21 examines public relations (especially marketing-oriented PR), word-of-mouth (viral) influence, rumor control, and sponsorships. Content marketing (sponsored content) and native advertising concepts now are introduced and contrasted. New negative PR and reactive marketing examples include VW, Subway, Samsung, and Wells Fargo. The material on sponsorships

examines event sponsorships and cause-related marketing.

- Chapter 22 is a unique chapter that explores topics often neglected or receiving minimal coverage in most advertising and marcom texts: packaging, point-of-purchase communications, on-premise business signage, and out-of-home (off-premise) advertising. Updates to the POPAI study are included, as well as digital signage.
- Chapter 23 discusses personal selling's role as an important part of the promotional mix and IMC, different types of personal selling jobs and activities, current technological aids for those in personal selling, the basic steps in personal selling as applied to a case, and factors accounting for salesperson performance and effectiveness. New to this chapter is the inclusion of Salesforce.com's CRM platform to aid personal selling relationships with customers.

## A Premier Instructional Resource Package

The resource package provided with *Advertising, Promotion, and other aspects of Integrated Marketing Communications*, 10th edition, is specifically designed to meet the needs of instructors facing a variety of teaching conditions and to enhance students' experience with the subject. We have addressed both the traditional and the innovative classroom environments by providing an array of high quality and technologically advanced items to bring a contemporary, real-world feel to the study of advertising, promotion, and integrated marketing communications.

- Harvard Business Publishing Case Map. A new Harvard Business Publishing Case map ties over 90 Harvard cases to the 23 chapters in the text. This case map provides the full case identification on the HBP site, a case abstract, and its fit into specific chapters in the text. These cases represent some of the most recent applied issues and problems experienced in the many areas of marcom. The IMC Case Map is posted to the instructor companion site: [www.cengage.com/login](http://www.cengage.com/login).
- Instructor's Manual. This comprehensive and valuable teaching aid includes the Resource Integration Guide, a list of chapter objectives, chapter summaries, detailed chapter outlines, teaching tips, and answers to discussion questions.
- Test Bank. The test bank provides testing items for instructors' reference and use. The test bank contains over 2,500 true/false, multiple-choice, and essay



questions in varying levels of difficulty. Cognero software makes test preparation, scoring, and grading easy. Featuring automatic grading, Cognero® allows you to create, deliver, and customize tests and study guides (both print and online) in minutes.

- PowerPoint® Presentations. The PowerPoint® package, revised by Craig Andrews and Jenna Fanduzzi of Marquette University, covers all of the material found in the textbook in addition to outside supplemental examples and materials, including embedded commercials.
- Bring the experience of advertising to your classroom with Ad Age on Campus. Student access to Ad Age on Campus can be packaged with new copies of this book free of charge, which will provide students with access to the following:
  - Ad Age weekly edition online
  - Ad Age data center
  - Creativity-online.com

Ad Age has been the leading source of news, analysis, research, and data on the advertising, marketing, and media industry for 80 years. With its daily news feed, columns from the brightest thinkers in the industry, exclusive industry statistics in the datacenter, and breakthrough work selected by the editors of Creativity, Ad Age on Campus offers students a way to enhance their classroom experience with real-world knowledge.

- MindTap: Empower Your Students. MindTap is a platform that propels students from memorization to mastery. It gives you complete control of your course, so you can provide engaging content, challenge every learner, and build student confidence. You can customize interactive syllabi to emphasize priority topics, then add your own material or notes to the eBook as desired. This outcomes-driven application gives you the tools needed to empower students and boost both understanding and performance. One can access everything you need in one place. It now also includes the important Insights Online, with commercials and other media available to students.
  - Cut down on prep with the preloaded and organized MindTap course materials. Teach more efficiently with interactive multimedia, assignments, quizzes, and more. Give your students the power to read, listen, and study on their phones, so they can learn on their terms.
  - Empower Students to Reach their Potential. Twelve distinct metrics give you actionable insights into student engagement. Identify topics troubling your entire class and instantly communicate with those struggling. Students can track

their scores to stay motivated towards their goals. Together, you can be unstoppable.

- Control Your Course—and Your Content. Get the flexibility to reorder textbook chapters, add your own notes, and embed a variety of content including Open Educational Resources (OER). Personalize course content to your students' needs. They can even read your notes, add their own, and highlight key text to aid their learning.
- Get a Dedicated Team, Whenever You Need Them. MindTap isn't just a tool, it's backed by a personalized team eager to support you. We can help set up your course and tailor it to your specific objectives, so you'll be ready to make an impact from day one. Know we'll be standing by to help you and your students until the final day of the term.

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 April 2017*

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## Terence A. Shimp

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Shimp is past president of the Association for Consumer Research and past president of the Journal of Consumer Research policy board. For many years, he served on the editorial policy boards of premier journals such as the *Journal of Consumer Research*, *Journal of Consumer Psychology*, *Journal of Marketing*, *Marketing Letters*, *Journal of Public Policy & Marketing*, and the *Journal of Advertising*. He has represented the Federal Trade Commission and various state agencies as an expert witness in issues concerning advertising deception and unfairness.

## The Practice and Environment of Integrated Marketing Communications (IMC)

- 1 An Overview of Integrated Marketing Communications
- 2 Enhancing Brand Equity and Accountability
- 3 Brand Adoption, Brand Naming, and Intellectual Property Issues
- 4 Environmental, Regulatory, and Ethical Issues

## Fundamental IMC Planning and Decisions

- 5 Segmentation, Targeting, and Positioning
- 6 The Communications Process and Consumer Behavior
- 7 The Role of Persuasion in IMC
- 8 IMC Objective Setting and Budgeting

## Advertising Management and Media Choices

- 9 Overview of Advertising Management
- 10 Effective and Creative Ad Messages
- 11 Endorsers and Message Appeals in Advertising
- 12 Traditional Advertising Media
- 13 Digital Media: Online, Mobile, and App Advertising
- 14 Social Media
- 15 Direct Marketing, CRM, and Other Media
- 16 Media Planning and Analysis
- 17 Measuring Ad Message Effectiveness

## Sales Promotion Management

- 18 Sales Promotion Overview and the Role of Trade Promotion
- 19 Consumer Sales Promotion: Sampling and Couponing
- 20 Consumer Sales Promotion: Premiums and Other Promotions

## Other IMC Tools

- 21 Public Relations, Content Marketing, Viral Marketing, and Sponsorships
- 22 Packaging, Point-of-Purchase (POP) Communications, and Signage
- 23 Personal Selling

# Part 1

## The Practice and Environment of Integrated Marketing Communications (IMC)

- 1 An Overview of Integrated Marketing Communications 005**
- 2 Enhancing Brand Equity and Accountability 025**
- 3 Brand Adoption, Brand Naming, and Intellectual Property Issues 041**
- 4 Environmental, Regulatory, and Ethical Issues 059**

**P**art 1 introduces the fundamentals of integrated marketing communications (IMC). *Chapter 1* overviews IMC, what is meant by “marketing,” and discusses the importance of marketing communications (marcom). Specifically, IMC emphasizes the need for integrating the promotional mix elements (advertising, sales promotions, personal selling, public relations, direct marketing, and digital marketing/social media) with each other and with the brand’s marketing mix such that all speak with one voice. The chapter describes five key IMC features and presents a model of the marcom decision-making process.

*Chapter 2* explains how IMC enhances brand equity, influences behavior, and achieves accountability. Brand equity is then defined and the Brand Asset Valuator (with differentiation, relevance, esteem, and knowledge elements) is discussed in providing a measure of brand equity. The chapter also presents the relationships among brand concept (and how it is developed), brand equity, and brand loyalty.

*Chapter 3* examines marcom’s role in achieving acceptance for new products and how marketing communicators facilitate product adoption and diffusion. Chapter 3 also provides detailed descriptions of the

brand development process, including the requirements for a good brand name, the steps involved in arriving at a good name, and the role of logos. Important aspects of intellectual property (patents, copyrights, and trademarks) affecting brands and marketing communications are then discussed.

*Chapter 4* presents the related topics of environmental marketing and regulation, marcom regulation and self-regulation, and ethical issues in marcom. Environmental marcom practices and state and national environmental marketing regulation are first examined. Then, governmental regulations (e.g., deception and unfair practices under the Federal Trade Commission; the Food and Drug Administration) and industry self-regulation of marcom practices are described. Finally, ethical issues involving targeting vulnerable groups and specific unethical marcom practices conclude the chapter.

# An Overview of Integrated Marketing Communications

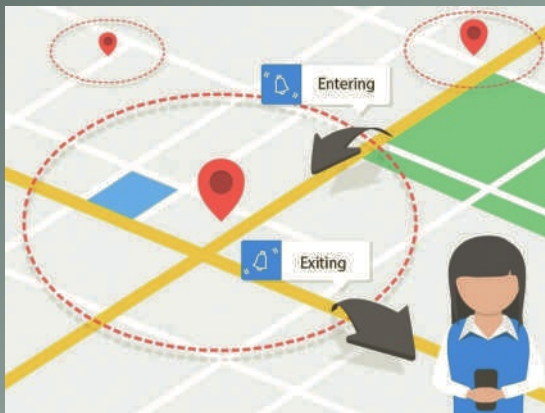
## CHAPTER OBJECTIVES

After reading this chapter, you should be able to:

- 1 Understand the practice of marketing communications and recognize the marcom tools used by practitioners.
- 2 Differentiate among the following terms: the marketing mix, *marketing*, *communications*, *marketing communications*, the *promotional mix*, and *integrated marketing communications*.
- 3 Describe the philosophy and practice of integrated marketing communications (IMC) and the five key features of IMC.
- 4 Recognize the activities involved in developing an integrated communications program.
- 5 Identify obstacles to implementing an IMC program.
- 6 Understand and appreciate the components contained in an integrative model of the marcom decision-making process.

## Marcom Insight

### Checking in with Mobile Apps: The Creative Use of Geo-Fencing and Geo-Conquesting



Have you been spending more time on your mobile phone recently? You're not alone. In the United States, consumers now average over 3 hours and 8 minutes on their mobile devices, excluding voice activities. Increasingly, marketers are able to connect with mobile phone users in real time. That means mobile ads and messaging can reach consumers when they are most receptive. For example, a Toyota dealer in Massachusetts felt they were missing opportunities to sell autos to nearby New Hampshire customers because these potential customers were unsure that they were exempt from Massachusetts sales taxes. Their solution? They used a software tool that drew a virtual fence around the state of New Hampshire for customers that downloaded their dealer-branded app and then let them know they were exempt. This locational targeting of customers within designated areas (like the New Hampshire example above, but usually near a firm's location) is known as *geo-fencing*. When companies use promotions applied to their competitor's location, it is referred to as *geo-conquesting*. This technique has been shown to be effective in generating incremental sales without cannibalization of a company's own brand. Of course, such approaches rely on the accuracy of retailer beacons using global positioning system



(GPS) or radio frequency identification (RFID) techniques. Also, consumer privacy, with *geo-tagging* involving other users' actions and postings, can be a concern.

Sources: "Time Spent Using Media," *Marketing Fact Pack 2016, Advertising Age*, December 21, 2015, 21; "Growth of Time Spent on Mobile Devices Slows," *eMarketer*, October 7, 2015, <http://www.emarketer.com/Article/Growth-of-Time-Spent-on-Mobile-Devices-Slows/1013072>; Barkholz, David, "Geofencing Identifies Shoppers' Locations," *Automotive News*, July 13, 2015, <http://www.autonews.com/article/20150713/RETAIL03/307139942/geofencing-identifies-shoppers-locations>; Fong,

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## 1-1 Introduction

As you may have noticed, the world has changed dramatically in the last few years, and so has marketing communications. All firms employ marketing communications (marcom) to one degree or another, and it doesn't matter whether their efforts are directed at consumers—i.e., people like you and me in our day-to-day consumption activities—or focused on customers of other businesses or organizations. Consider the following examples of

integrated marketing communications (IMC) programs for (1) business-to-consumer (B2C), (2) business-to-business (B2B), and (3) a partnership among a government agency, a nonprofit organization, and marcom agencies.

Some recent creative marcom efforts in B2C include the use of consumer-generated content in social media, branded apps (applications), geo-fencing (see Marcom Insight), and mining data from selfies, wearables, and devices.<sup>1</sup> For example, Procter & Gamble's CoverGirl brand's "A Look on the Dark/Light Side" Campaign is Star

Wars-themed and is using self-generated Snapchat ads to build brand awareness and drive sales in their Ulta and other retail stores.

This B2C campaign used *geo-filters* (i.e., location-based brand graphics placed over user-generated photos) so that anyone within vicinity of certain Ulta stores could place a branded CoverGirl/ Ulta filter with their cosmetics line over photos or videos posted to Snapchat. Views of these self-generated ads, and users of these filters, are then correlated with in-store sales in comparison with control stores and product lines not using the *geo-filters*.<sup>2</sup>

In B2B, gone are the days of forced and highly-technical selling presentations in favor of online product specs and storytelling via video. For example, the 2015 "Agency of the Year" BBDO developed a creative commercial for General Electric (GE) called "Child-like Imagination" that began



Source: Procter & Gamble

during the 2014 Winter Olympics and was nominated for an Emmy Award. This commercial told GE's story about B2B equipment like jet engines, turbines, and trains through the eyes of a little girl whose mom works for GE (<https://www.youtube.com/watch?v=Co0qkWRqTdM>). This powerful narrative transformed B2B machinery into a personalized story with the use of emotion.<sup>3</sup>

Marcom campaigns also can help address problems in society through partnerships among governmental agencies, nonprofits, and marcom agencies. For example,

more than 10 million youth ages 12 to 17 in the United States are either open to trying cigarettes or already experimenting with smoking. In addition, 88 percent of current smokers begin smoking before 18 years old. To address this public health problem among adolescents, the U.S. Food and Drug Administration (FDA), in conjunction with the FCB and Rescue Social Change agencies, and RTI nonprofit research organization, launched "The Real Cost Campaign." "Real Cost" is a \$115 million effort using paid media, the Web, and social media with the objectives of

**SMOKING AS A TEEN CAN STUNT LUNG GROWTH.**

**VISIT THEREALCOST.GOV**

WE GIVE IT TO YOU STRAIGHT. YOU CAN MAKE YOUR OWN DECISIONS. KNOW THE REAL COST OF TOBACCO USE.

**THE REAL COST**

BROUGHT TO YOU BY THE FDA. **FDA**

Source: FDA.gov

preventing tobacco initiation among youth ages 12 to 17 who are open to using tobacco and stopping those youth already experimenting with tobacco. At-risk youth in general, and those in specific vulnerable segments for smoking (e.g., teens identifying as “hip-hop,” “alternative,” “rural with smokeless”), are targeted in ads that convey the real cost of smoking (e.g., loss of control through addiction, dangerous chemicals inhaled, health consequences). In one print ad, a girl is clearly winded who smokes and runs track with the ad claim that “Smoking as a teen can stunt lung growth.” So far, the Real Cost Campaign earned a Gold Effie Award in their category for its insightful strategy, outstanding creative, and success in the marketplace. An ongoing assessment of knowledge, beliefs, and behaviors associated with the campaign continues with a panel of 8,000 youth followed over a two-year period.<sup>4</sup>

## 1-2 Marketing Communications Objectives and Terminology

Companies have a variety of general objectives for their B2C, B2B, or nonprofit marcom programs: (1) *informing* customers about their products, services, and terms of sale; (2) *persuading* customers to choose certain products and brands, shop in particular stores, go to certain websites, attend events, and other specific behaviors; and (3) *inducing action* (e.g., purchase behavior) from customers that is more immediate than delayed in nature. These objectives usually are accomplished sequentially, although they are pitted against one another at times (e.g., a government agency whose mission is to “just give the folks the facts” versus another with a mission affecting public health). These and other objectives can be achieved by using several marcom tools, including mobile and TV advertising, salespeople, social media (Facebook, Twitter, Instagram, Snapchat, Pinterest, and YouTube), point-of-purchase displays, interactive packages, direct mail literature, group online coupons (Groupon), free samples, publicity releases, and other communication and promotional devices.

We now present several marketing and marcom terms that will be useful in providing a foundation for future concepts and chapters in this text. As you may recall from your introductory marketing course, the **marketing mix** consists of the specific collection of certain levels of a brand’s “4Ps”—product, price, place (distribution),

**Marketing mix** The collection of specific elements of a brand’s 4Ps—product, place (distribution), price, and promotion—and usually aimed at a target market.

**Communication** The process whereby commonness of thought is established and meaning is shared between individuals or between organizations and individuals.

**Marketing** Human activity directed at satisfying (customer) needs and wants through exchange processes.

**Marketing communications** Collection of all elements in an organization’s marketing mix that facilitate exchange by establishing shared meaning with its customers.

**Promotional mix** The blend of advertising, public relations, personal selling, direct marketing, and digital marketing/social media elements usually aimed at a specific target market.

**Advertising** A paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.

**Public relations (PR)** An organizational activity involved with fostering goodwill between a company and its various publics (e.g., employees, suppliers, consumers, government agencies, stockholders).

and promotion—all usually aimed at a specific target market. As an example, Mountain Dew “Code Red” might be aimed at males 14 to 21, primarily using marcom tools of bright red labeling, flavored soda ingredients, a \$1.50 price in a vending machine for a 20-ounce bottle, online advertising, and snowboarding/skateboarding celebrities to generate interest.

Other important marcom terminology includes **communications**, the process whereby commonness of thought is established and meaning is shared between individuals or between organizations and individuals. This idea is illustrated in the Social Media Venn Diagram found in Figure 1.1. Although there have been numerous definitions of marketing over the years,<sup>5</sup> one that is concise and focuses directly on (customer) needs and wants is as follows: **marketing** is human activity directed at satisfying (customer) needs and wants through exchange processes.<sup>6</sup> Taken together, **marketing communications** represents the collection of all elements in an organization’s marketing mix that facilitate exchange by establishing shared meaning with its customers. Central to the definition of marketing communications is the notion that *all marketing mix variables*, and not just promotion alone, can communicate with customers. The definition permits the possibility that marketing communications can be both intentional (e.g., as with advertising and sales promotion) and unintentional (e.g., a product feature, package cue, store location, or price).

## 1-3 Promotional Mix Elements

Promotion management employs a variety of methods to meet customer needs and move them toward action. The blend of these primary promotional elements has evolved over time and is known as the promotional mix. Currently, the **promotional mix** elements include advertising, public relations, sales promotion, personal selling, direct marketing, and digital marketing/social media.

**Advertising** is any paid form of nonpersonal communication of ideas, goods, or services by an identified sponsor.<sup>7</sup> This includes mass media outlets such as television, magazines, newspapers, and out-of-home (billboards). The advertiser is an identified sponsor and it is nonpersonal because the sponsoring form is simultaneously communicating with multiple receivers (perhaps millions) rather than with a specific person or small group.

**Public relations or PR** is an organizational activity involved with fostering goodwill between a company

**Figure 1.1** ▶ Social Media Venn Diagram

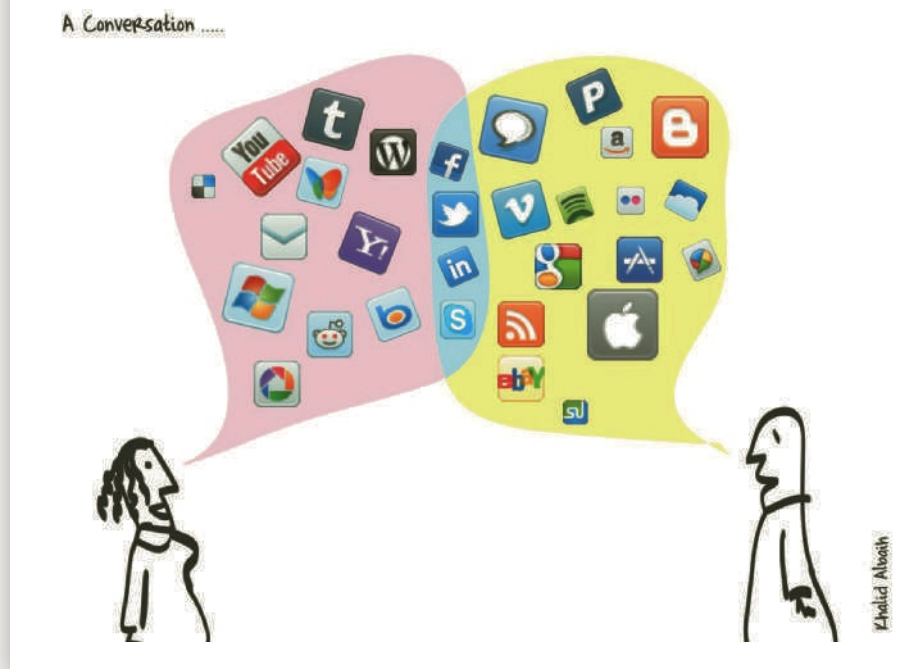


Illustration by Khalid Albaih -about.me/khalidalbaih

and its various publics (e.g., employees, suppliers, consumers, government agencies, stockholders). The primary focus of public relations in IMC is with the marketing-oriented aspects of communications with publics (e.g., publicity, product releases, handling rumors, tampering). For example, **publicity**, like advertising, is nonpersonal communication to a mass audience. Yet, unlike advertising, it is not paid for by the company and usually comes in the form of news items or editorial comments about a company's products or services.

**Sales promotion** consists of all promotional activities that attempt to stimulate short-term buyer behavior (i.e., attempt to promote immediate sales). In comparison, advertising and public relations/publicity usually are designed also to accomplish other objectives, such as developing brand awareness or influencing consumer attitudes. Sales promotions are directed at the trade (wholesalers/distributors and retailers), consumers, and at times toward the company's own sales force. *Trade sales promotion* includes using display allowances, quantity discounts, and merchandise assistance to activate wholesale and retailer responses. *Consumer sales promotion* includes the use of coupons, premiums, free samples, contests/sweepstakes, and rebates.

**Publicity** Non-personal communication to a mass audience.

**Sales promotion** Refers to all promotional activities (excluding advertising, public relations, personal selling, direct marketing, and digital marketing/social media) that stimulate short-term behavioral responses from (1) consumers, (2) the trade (e.g., distributors, wholesalers, or retailers), and/or (3) the company's sales force.

**Personal selling** A paid, person-to-person communication in which a seller determines needs and wants of prospective buyers and attempts to persuade these buyers to purchase the company's products or services.

form of direct marketing, involves the use of any of several media to transmit messages that encourage buyers to purchase directly from the advertiser. Such media might involve TV, direct mail, print, and online efforts. You may be familiar with some of the brands that have spent the most on direct response TV advertising recently in a tight economic climate: Proactiv, Rosetta Stone, Nutrisystem, Snuggie, Time Life, Cash4Gold, ShamWow, and PedEgg, among others.<sup>8</sup>

**Digital marketing** is the promotion of product and services online (e.g., search engine marketing, banner ads, mobile advertising, and location-based apps), whereas **social media marketing** represents a special form of online communication through which user-generated content (information, ideas, and videos) can be shared within the user's social network.<sup>9</sup> The use of IMC through social media networks (e.g., Facebook, Twitter, Instagram, Snapchat, Pinterest, and YouTube) has literally exploded and has changed the entire IMC industry. At this point, we expand our discussion to the consideration of all primary marketing communication tools, focusing on, but not limited to, the promotional mix elements (see Figure 1.2).

One other set of marcom distinctions that have become very popular in the digital marketing area today include the terms "earned media,"

**Personal selling** is paid, person-to-person communication in which a seller determines needs and wants of prospective buyers and attempts to persuade these buyers to purchase the company's products or services. Depending on the situation, personal selling outreach efforts can range from face-to-face communication to telephone sales to online contacts.

**Direct marketing** represents an interactive system of marketing that uses one or more advertising media to effect a measurable response and/or transaction at any location. Primary methods of direct marketing include direct response advertising, direct selling, telemarketing, and the use of database marketing techniques. *Direct-response advertising*, a major