GLOBAL EDITION

Integrated Advertising, Promotion, and Marketing Communications

NINTH EDITION

Kenneth E. Clow

Donald Baack

Integrated Advertising, Promotion, and Marketing Communications

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Ninth Edition
Global Edition

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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 friend, Kenneth E. Clow, and his wife, Susan. Thanks for everything, Ken.

Donald Baack

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Every box is bursting with fun.

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Preface

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

If your students are not marketing majors, consider the role of marketing communications around them. Any company or organization they work for will be involved in marketing its products or services. Knowing how organizations develop marketing communications constitutes valuable knowledge. It helps students recognize the methods used by people in the marketing departments where they will work and provides them with better information to function as consumers.

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, most marketing communication textbooks focused primarily on advertising. As your students know from their everyday experiences and the courses they have taken in college, marketing communications incorporates much more. It includes promotions, such as coupons, price discounts, and contests. Marketing has expanded to extensive use of mobile marketing, social media, internet programs, customer product reviews, instant messaging, and other programs, such as buzz marketing and stealth marketing. These venues create vital links to effectively reach consumers. These should be carefully integrated into one clear message and voice for customers to hear and see. We created this textbook and the additional materials in ways that will best help your students to understand integrated marketing communications.

What's New in the Ninth Edition?

The ninth edition of *Integrated Advertising, Promotion, and Marketing Communications* offers several new features.

- **Emphasis on social media.** One of the most rapidly evolving aspects of advertising and promotion has been the increased use of social media. This edition expands coverage of the ways companies currently use social media for marketing purposes and how it is integrated with other communication strategies.
- **Updated digital media chapter.** Digital media and especially mobile devices have changed the ways companies market products. The digital media chapter has been updated with information about the most current industry practices.
- **Updated mobile marketing content.** Digital media channels and especially mobile devices have changed. The sections on mobile marketing have been expanded to coincide with a shift of marketing dollars to those activities.
- **New opening vignettes and cases.** Many of the chapter opening vignettes and cases are new to this edition. We have new vignettes that feature issues such as incidents of racism and company responses, the growth of influencer marketing, co-marketing programs, programmatic advertising, chatbots, and the role of marketing communications in holiday celebrations.
- **New advertisements.** Throughout the text, more than 100 new advertisements have been incorporated into the chapters, including many brands such as Walgreens, Starburst, Interstate Batteries, V8, GEICO, Home Depot, and Dick's Sporting Goods, along with ads for smaller, independent businesses.
- **Updated examples.** New examples of marketing communications principles have been incorporated to provide relevant information about companies.

- **Active blog.** We continue to maintain the book blog at **blogclowbaack.net**. It provides information and examples from current events that relate to the materials in each chapter. Instructors can use these blog entries to enhance classroom presentations or as assignments for individual students or even small groups.

Additional Chapter-by-Chapter Changes in This Edition

All Chapters	New blog exercises
	Updated examples of concepts regarding newer companies and programs
	Notation of preliminary effects of the coronavirus outbreak on marketing communications (also found in authors' blog)
	New advertisements
Chapter 1	New "Lending Tree" opening vignette
	Update on models of communication
	New materials regarding emerging trends in marketing communications (convenience, cause-related programs)
	New Introduction to "Your Career"
	New case: "KFC Changes Spokespersons"
Chapter 2	New "Michelin" opening vignette
	Updates on brands and logos
	New "Your Career: A Personal Brand"
	New case: "Creating a Company Name"
Chapter 3	Notation of the role of influencers in marketing programs
	New "Your Career: Buyer Behaviors and Career Choices"
	New case: "Electric, Hybrid, or Fossil Fuel?"
Chapter 4	New "Co-marketing and IMC" opening vignette
	Updated segmentation by consumer groups presentation
	Refinement of marketing communications objectives section
	New "Your Career: Planning Process"
	New case: "Landscape Designs and Moore"
Chapter 5	Update on crowdsourcing
	Additional content on roles of advertising personnel, including specialist positions
	Expanded section regarding the creative brief
	New "Your Career: Advertising Theory and a Job Search"
	New "Creative Corner" for preparing a creative brief
	New case: "YouWearz"
Chapter 6	Analysis of a key source/spokesperson characteristic: Personal character
	New "Your Career: Resume and Application Letter Design"
	New case: "Home Security Marketing"
Chapter 7	New "Mother's Day Marketing" opening vignette
	Continued importance of traditional media advertising, noted in introduction
	Cites cord cutting as a key new issue
	Identifies provider fragmentation in television
	Discusses connection between YouTube and television
	Spells out role of local radio
	New "Your Career: Your First Job"
	New case: "RadinPlay"

Chapter 8	New "Artificial Intelligence, Programmatic Advertising, and Chatbots" opening vignette
	Additional mobile marketing emphasis in chapter content
	Updates to consumer shopping patterns presentation
	Describes offline marketing integration systems
	Notes consumer-to-consumer (C2C) marketing
	New "Your Career: Digital Marketing"
	New case: "Koro to Majin"
	New case: "The Hyena's Den"
Chapter 9	Additional discussion of popular social media sites
	Added material to social media marketing section, including a caution
	New section regarding influencer marketing
	New "Your Career: Social Media"
	New case: "L'Oréal"
Chapter 10	New "The Country Music Awards" opening vignette
	Section regarding buzz marketing and fund raising
	Expansion of video game marketing discussion
	New "Your Career: Alternative Marketing"
	New case: "Alternative Marketing: Ethnic Holidays"
Chapter 11	Current examples throughout the chapter
	New "Your Career: Selling Yourself"
	New case: "Turkbit"
Chapter 12	New "Mentos: Gumming Up an IMC Program" opening vignette
	Addition of materials about how consumer promotions also apply to services
	New "Your Career: Sales Promotions"
	New case: "Marketing Sports Equipment"
Chapter 13	New "Racism Incidents and Public Relations" opening vignette
	Update on greenwashing
	Special section on coronavirus
	New "Your Career: Public Relations"
	New case: "Esports: Creating New Sponsorship Opportunities"
	New case: "Coconuts: A Picking Problem"
Chapter 14	New "Lumosity Pays $2 Million Settlement" opening vignette
	Update on comparison advertising
	Changes to ethics sections
	New "Your Career: Ethics and Social Responsibility"
	New case: "Herbal Remedies, Oils, and Alternative Medicine"
Chapter 15	New "Closing the Loop: Interstate Batteries" opening vignette
	New content on emotional advertising evaluation
	Evaluation of combination approaches to marketing communications
	New "Your Career: Evaluating a Job Search Process"
	New case: "Home Repair Referrals: Two Levels of Evaluation"

Solving Teaching and Learning Challenges

In each edition of this textbook, we have created and updated devices to help students learn the materials being presented. For many students, advertising and marketing communications are already interesting and enjoyable subjects. These materials were developed to make learning interactive and fun.

- **Lead-in Vignettes.** Each chapter begins with a short vignette related to the topic to be presented. The majority of these updated vignettes revolve around success stories in companies and about products most students will recognize. They help introduce your students to the concepts presented throughout the chapter.
- **International Marketing Issues.** A section called "International Implications" appears at the end of every chapter.
- **Cases.** A new case appears in each chapter. These cases provide plausible scenarios that require careful consideration and review of chapter materials.
- **Your Career.** At the conclusion of each chapter, the subject matter is applied to individual students and their efforts to succeed in the coming years. These features were written to offer career advice while also integrating materials from the chapter in a new and different way.
- **Critical Thinking Exercises and Discussion Questions.** The end-of-chapter materials include a variety of exercises designed to help 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 verify that your students have truly learned a concept or theory is to see them apply it to a different situation.
- **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.
- **Blog Exercises.** This edition offers a set of exercises from the authors' blog. These exercises can be fun for students and can be used for individual or group assignments. Some are ideal for classroom instruction or to gain the interest of students at the beginning of class.
- **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 intended to help students realize they are more creative than they might think.

Instructor Resources For more information and resources, visit **www .pearsonglobaleditions.com**.

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Final Note As some of you may know, Ken Clow had become ill when preparations for this ninth edition began. After some thought, he enthusiastically decided to continue work on it, even as his health failed. He passed away in late 2018, with one of his final wishes being that this work would come to life. Ken will be sorely missed by all who knew him and especially those of us who had the great privilege of working with him on this and other projects. His personable, friendly, easygoing temperament, plus his love of learning and teaching, provide wonderful life lessons.

In past editions of this textbook, Ken thanked the University of Louisiana at Monroe for providing a positive environment in which to work on this text. He especially appreciated the school chair, Dr. Henry Cole, and the Dean, Dr. Ron Berry, for their understanding of the time involved in working on a textbook and their willingness to offer support. He was thankful to his sons Dallas, Wes, Tim, and Roy, who always provided encouragement and support.

Prior to his passing, Ken wished to especially recognize his wife, Susan Clow. I also am very thankful to mine, Pam Baack. Both ladies were patient and supportive during those times when we were swamped by the work involved in completing this edition. They have been enthusiastic and understanding throughout this entire journey.

Donald Baack

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CHAPTER **1**

Integrated Marketing Communications

OVERVIEW Advertising and marketing face a rapidly shifting landscape. A new order has emerged from the decline in traditional media viewership, combined with a dramatic rise in internet and social media usage. The variety of available media means that effective advertising and marketing promotions require more than just one well-made commercial. Advertising and marketing venues range from simple standalone billboard advertisements to complex, multilingual global websites, and social media posts. The number of ways to reach potential customers continues to increase while alternative methods expand and become increasingly popular. Connectivity and interaction with consumers through methods such as mobile marketing have changed much of marketing communications to real-time conversations as consumers make purchasing decisions.

In the face of these cluttered conditions, firms continue to seek to be heard. In response, some advertisers and companies have moved to innovative new approaches to reach ongoing and potential new customers.

LEARNING 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 Which trends are affecting marketing communications?

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

1.5 What is meant by *GIMC*?

The Nature of Communication

OBJECTIVE 1.1   How does communication take place?

Communication involves transmitting, receiving, and processing information. As a person, group, or organization sends an idea or message, communication occurs when the receiver (another person or group) comprehends the information. The communication model shown in Figure 1.1 displays the pathway a message takes from one person to another or others.[1]

Advertising and marketing messaging programs rely on effective communication. Consider a person planning to dine at a quick-serve chicken restaurant. In the communications model (Figure 1.1), the **senders** include

Lending Tree

Nꟷew product ideas come from a variety of sources, one of which is frustration. **Zappos.com** arose out of a buyer's irritation with shopping for, but not finding, shoes in a variety of stores. UNTUCKit originated from a person's desire to wear a shirt out rather than in, and not being able to find one that fit correctly. The Head Blade began when a bald man decided the world needed a curved razor for those who wished to shave their domes.

In 1996, Doug Lebda experienced a similar problem when seeking to obtain a mortgage for a townhouse. Roaming from lender to lender, filling out loan applications, and seeking an approval from just one company led to an innovation: Why not put lenders and borrowers together on a common site, where borrowers could shop for the ideal loan and lenders would be able to track ideal candidates for mortgages? As a result, Lending Tree was born.

The marketing communications challenges for Lending Tree evolved quickly over the past two decades. At first, capturing the attention of home buyers took precedence, as did convincing lending institutions they should buy into the Lending Tree approach. Then, persuading those individuals that Lending Tree offered a better, more efficient solution to the challenge of obtaining a mortgage became vital.

Two issues emerged. First, in the 1990s, distrust of internet shopping remained a significant concern. Second, many consumers continued to think first of contacting a local savings and loan or bank rather than an internet company with no known reputation.

As consumer acceptance of the internet rose, competition entered. Most recently, fast-track mortgage providers such as Quicken Loans/Rocket Mortgage have captured consumer interest. Although the program offered by Lending Tree differs, the primary benefits of convenience and speed are available from both types of companies.

One recent Lending Tree messaging program featured an animated spokescharacter, a green Muppet-like persona that appears in company advertising and across social media platforms. The system sought to direct potential borrowers to the organization's site, where a variety of services, including home loans, business loans, credit card offers, and student loans, appear. These services accompany a link to obtain an individual's personal credit score, along with mortgage calculators to help the customer understand what her monthly payment would be for a loan, and ratings and reviews of various lending institutions.

Results have been impressive. Lending Tree ranks among the top 100 in a recent *Fortune* 500 list of the fastest-growing companies. Consumer awareness of the company has grown, and confidence in the firm continues to rise. The organization's success story demonstrates many of the principles regarding the need for quality communication and consumer engagement described in this chapter.[2]

the chains KFC, Chick-fil-A, Popeyes, Church's Chicken, Bojangles, and Raising Cane's Chicken Fingers. These companies try to capture the customer's attention. They hire advertising agencies or utilize in-house teams to produce the messages to be sent.

Encoding is forming verbal and nonverbal cues. In marketing, the person in charge of designing an advertisement transforms an idea into an attention-getting message.

```
Sender  —//→  Encoding  —//→  Transmission   —//→  Decoding  —//→  Receiver
                               Device

                        —//—      Feedback      ←—//—

        // = Noise
```
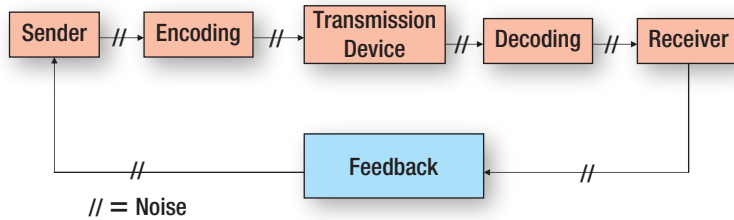
A commercial consists of cues placed in various media, such as the internet, television, magazines, and billboards. The message will be encoded on every venue.

Messages travel to audiences through **transmission devices**. Marketing communications move through various channels or media. The channel may be a television station carrying an advertisement, a Twitter post, a Sunday paper with a coupon placed inside, a website, or a Facebook page.

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. An individual can even smell a message. A well-placed perfume sample might entice a buyer to purchase 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 bare advertisement on this page, effective marketing communications depend on receivers encountering the right message and responding in the desired fashion, such as by seeking out the company and purchasing its products.

Chick-fil-A's approach to social media provides an example of a successful communication approach that integrates the web with both online and offline advertising to build customer loyalty.[3] Engaging consumers constitutes the primary goal for Chick-fil-A. According to John Keehler, director of interactive strategy at ClickHere, "One of the mistakes we've seen is brands would gather a lot of friends, but wouldn't get people to interact with them." With Chick-fil-A, people interact through its various social media platforms including Facebook, Twitter, Instagram, Tumblr, and YouTube. When a new store opens, marketers make an announcement on social media outlets, which invites fans to participate in grand-opening festivities.

Companies combine social media messages with offline advertising and promotions. For many years, Chick-fil-A hosted a "Cow Appreciation Day" each July. The event encouraged customers to dress as cows and post their photos on Facebook and Instagram and videos on YouTube. Television and billboard advertising features cows urging people to

▼ This advertisement for Bare by Solo seeks to communicate that the product is better for the environment.

▲ A Chick-fil-A contest winner.

"Eat Mor Chikin." Using the same tagline and theme on all channels transmits a universal message to consumers. A stronger brand presence becomes 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 occurs during any stage in the communication process. **Clutter** remains the most common form of noise affecting marketing communications. Figure 1.2 provides examples of noise that affects advertising messages.

Recent Developments   Several new iterations of the communications model displayed in Figure 1.2 have evolved. At present, many view communication in a manner that more closely resembles a "dance" between a sender and receiver, each transmitting and receiving verbal and nonverbal cues interactively. Just as a partner responds in real time to the eye contact, movement, and the subtle press of personal touch transmitted along with words by the other person, companies are required to react and reply to messages received from consumers, all the while seeking to continue to transmit consistent, memorable, and persuasive messages. Both partners (companies and customers) deal with the challenge of noise and clutter as the interaction progresses. In essence, Figure 1.2 has become faster and more interactive than ever before. At the same time, the fundamentals of preparing and presenting effective marketing messages remain largely the same.

► **FIGURE 1.2**
Examples of Communication Noise

- 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

► A billboard serves as the transmission device for the St. Francis Medical Center with a consistent theme that appears in other marketing messages.

Because you matter to so many...
the latest in breast cancer detection.

StFran.com | (318) 812-PINK (7465)

ST. FRANCIS MEDICAL CENTER

Consequently, the marketing professionals involved in the communication process pay attention to each aspect of the communications model to ensure that every audience member encounters a consistent message. They make sure it cuts through noise and clutter. Common objectives marketing teams seek to achieve include an increase in market share, sales, and brand loyalty. As noted, communicating with consumers and other businesses requires more than creating attractive advertisements. An effective program integrates all marketing activities and develops high speed interactions with consumers through a variety of mobile devices. The upcoming section describes the nature of integrated marketing communications.
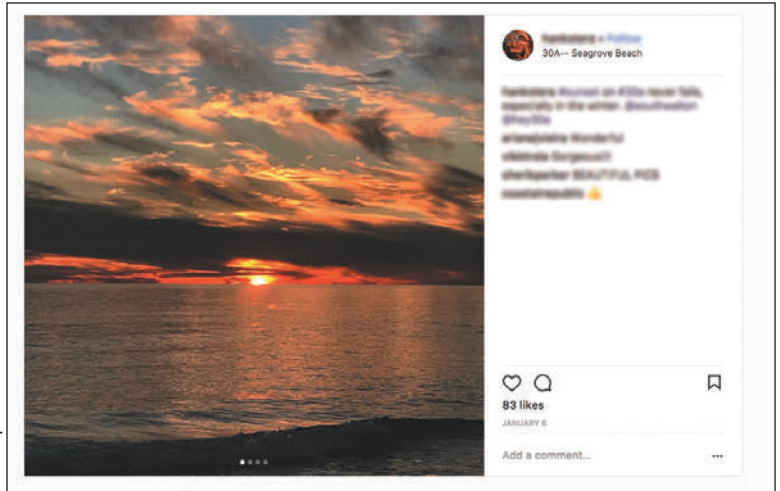
▲ This social media post is a transmission device promoting Seagrove Beach in Florida.

Integrated Marketing Communications

OBJECTIVE 1.2   What is an integrated marketing communications program?

The communications model provides the foundation for advertising and marketing programs. **Integrated marketing communications (IMC)** is the coordination and integration of all marketing communications 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]

Before further examining an IMC program, consider the traditional framework of marketing promotions. The **marketing mix**, which consists of products, prices, distribution systems, and promotions, is the starting point. Traditional promotional activities include advertising, sales promotions, and personal selling activities. Now, however, companies incorporate digital and mobile marketing, social media, and alternative methods of communication into the program. The marketing mix requires additional activities including database marketing, direct response marketing, personal selling tactics, sponsorships, and public relations programs (see Figure 1.3).
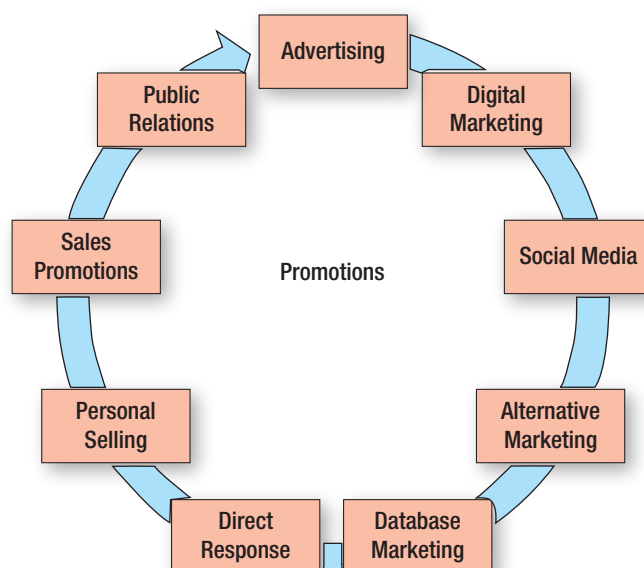
◄ **FIGURE 1.3**
Components of Promotion

Promotions: Advertising, Digital Marketing, Social Media, Alternative Marketing, Database Marketing, Direct Response, Personal Selling, Sales Promotions, Public Relations

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

A complete IMC plan combines the elements 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 will be blended into the program.

An Integrated Marketing Communications Plan

A strategic marketing plan forms the basis for integrated marketing communications. The plan coordinates the components of the marketing mix 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* involves an examination of the firm's present 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 including visiting the store and making purchases. Marketing objectives are assigned to key target markets. Understanding both helps company leaders prepare an effective integrated marketing communications program.

Based on the marketing objectives and target market, the team develops *marketing strategies*. These strategies apply to the ingredients in the marketing mix and include all positioning, differentiation, and branding 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 pull together all company activities into one consistent effort. They provide guidance to company leaders and marketing experts as they coordinate the firm's overall communications package.

Emerging Trends in Marketing Communications

OBJECTIVE 1.3   Which trends are affecting marketing communications?

Many forces impact marketing communications. Financial pressures have caused the company leaders who hire advertising agencies to conclude that they cannot pay unlimited dollars for marketing programs. Competition, both domestic and global, forces managers to examine their communications plans to ensure maximum effectiveness. Figure 1.5 highlights the current trends affecting marketing communications.

Emphasis on Accountability and Measurable Results

Company leaders expect advertising agencies to produce tangible outcomes. Any coupon promotion, contest, social media program, or advertising campaign should yield measurable gains in sales, market share, brand awareness, customer loyalty, or other observable results.

- Emphasis on accountability and measurable results
- Mobile marketing
- Integration of media platforms
- Shift in channel power
- Increase in global competition
- Increase in brand parity
- Emphasis on customer engagement
- Focus on convenience
- Cause-related marketing and advertising

▼ The integration of digital media and mobile marketing techniques has affected a wide variety of industries, including banking in rural areas.

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, former chief strategy officer of the advertising agency BBDO Worldwide, corporate executives and business owners are less willing to "funnel cash into TV commercials and glossy ads" that keep increasing in cost while appearing to achieve less and less.

Many companies have replaced 30-second television spots with digital, social, and alternative communication advertisements. They connect marketing messages with special events in which names, profiles, and addresses of prospective customers can be 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]

Mobile Marketing

Over the past decade, internet-based marketing communications were created as individual web advertisements along with interactive websites, blogs, and social media messages. Currently, smartphones, tablets, and text-messaging systems have created a new landscape and nearly a new language. Ingenious digital mobile marketing techniques create experiences with a brand rather than mere purchases with little or no emotional attachment.

Many companies have cut traditional media expenditures, moving the dollars to digital media. Procter & Gamble (P&G), AT&T, Johnson & Johnson, Kraft Foods, and Toyota have reduced company television advertising budgets while expanding funds for digital and social media. Campbell's Soup doubled digital spending to 40 percent of the total media budget.[6] 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 other products.

Social media and digital channels provide consumers with access to a wealth of information about companies, products, and brands, many times as they begin the process of shopping or seeking a product or service. Individuals communicate with each other, sending favorable or unfavorable ratings and information. Consequently, digital and mobile marketing programs have evolved into a mandatory ingredient rather than an option. When P&G introduced its Star Wars limited edition of

If your phone or computer is within reach, so are we.

LBT's mobile app and online banking mean you don't have to be in Lamar to bank here.

For more on our full range of remote banking services, jump on your phone or computer and check out LBT.com

LBT
LAMAR BANK AND TRUST COMPANY

Discover **the better way to bank.**
555.555.5555 | lbt.com | 1000 Broadway, Lamar, MO 64759
Member FDIC

CoverGirl, the company utilized Snapchat and geo-targeted advertising to drive in-store sales. With Snapchat, P&G set up geofilters around its 868 Ulta stores throughout the United States. As individuals posted photos or videos to Snapchat within the designated boundaries around the Ulta stores, a branded overlay, or filter, was placed at the top of the post. Anyone who viewed the photo or video would also see the CoverGirl Star Wars cosmetic line and the location of a nearby Ulta store. This mobile marketing approach allowed P&G to focus on consumers who were near Ulta stores and most likely to be interested in the Star Wars CoverGirl cosmetics.[8]

Integration of Media Platforms

Consumers spend more than five hours each day in front of a screen that does not involve television. When combined with television (which consumers watch for an additional four-plus hours per day), the total becomes as much as 10 hours every day examining some kind of screen, whether it is a computer, tablet, mobile device, or television.[9] Understanding how consumers include multiple devices into their daily lives assists marketers in devising methods to reach them. Recent research by Flamingo Research and Ipsos OTX identified four venues in which consumers interact across multiple media formats (see Figure 1.6).[10]

Content grazing involves looking at two or more screens simultaneously to access content which is not related. For instance, someone watching TV and texting a friend at the same time is grazing. *Investigative spider-webbing* occurs when a consumer pursues or investigates specific content across multiple platforms, such as a person watching a football game and accessing stats for various players on a PC or mobile device. *Quantum 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 and then texting friends to go check them out is an example.

To reach consumers, marketers recognize that today's consumers use multiple devices in several ways. Many individual television and banner ads go unnoticed. Advertisers look for ways to engage consumers with a brand through mobile portals. That same ad or message delivered across all platforms in various formats increases the chances it will

► **FIGURE 1.6**

Pathways Consumers Use to Interact across Media Devices
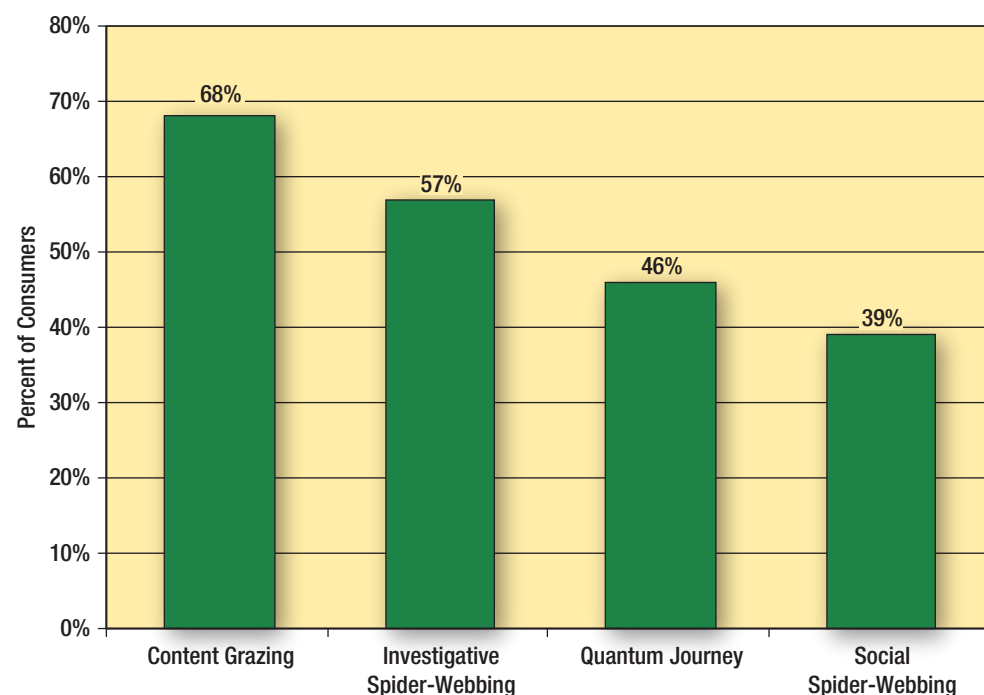
be viewed and assimilated by consumers. For example, a recent print ad for Jimmy's Egg restaurants placed in newspaper inserts promoted a new loyalty app that offered a "First Reward" coupon for consumers who downloaded the app.

Changes in Channel Power

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

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 shelves remain well stocked. The size and power of mega-retailers mean manufacturers and suppliers have no choice but to follow their dictates.

At the same time, the growth of the internet along with other methods of communication has shifted some channel power to consumers.[11] Individuals obtain information about goods and services and purchase them using the internet. Forrester Research, U.S. notes that internet-driven sales have risen tremendously.[12]

Consumer relationships with brands have transformed. Individuals wield greater power. Social media enables dissatisfied customers to instantly vent about bad experiences to large audiences, where little forgiveness takes place. Fifty-seven percent of consumers say they will not buy a particular brand after one negative experience and 40 percent are likely to tell others not to purchase that brand.[13] Previously held positive feelings about a company may be quickly forgotten.

The same principles apply to business-to-business purchasing activities. Buyers who shop on behalf of organizations and other company members seeking business-to-business products are also quick to visit social media sites to complain about brands that did not deliver as promised. Consequently, a similar shift in channel power has taken place in the business-to-business sector.

Fortunately, the environment is not completely negative. Approximately 50 percent of consumers share positive brand experiences. Consumers routinely seek the opinions of friends and relatives concerning products. As a result, about 70 percent of consumers say friends and families are a primary source of information regarding various brands.[14]

It will take some time to understand how the 2020 coronavirus outbreak will affect channel power dynamics. Many shopping patterns shifted and retailer methods, including pick-up lanes, online ordering, contactless delivery, and other tactics will undoubtedly affect the ways in which consumers and businesses obtain items in future years, which will in turn affect the nature of channel power.

Increases in Global Competition

Advances in information technology and communication mean competition no longer takes place with just the company down the street. It may also come from a firm 10,000 miles away. Consumers desire convenience and high quality along with low prices. The company that delivers these features makes the sale, often regardless of location. Advancements in delivery systems make it possible for purchases to arrive in a matter of days from anywhere in the world.

Doritos' marketing team recognized how new communication technologies and social media make the world smaller. Consumers travel and communicate with each other. In response, Doritos launched its first global campaign by updating packaging and the company's logo to give a consistent look across 37 countries. Before this global effort, Doritos offered 25 different package designs and utilized numerous marketing approaches in various countries. In the new global campaign called "For the Bold," Doritos featured digital and TV spots in the United States, Mexico, England, Canada, Spain, and Turkey, as well

▲ Advances in information and communication technologies enable shoppers to purchase products from other countries as well as from local firms.

imtmphoto/Shutterstock

as social media initiatives. The campaign provided a venue to connect fans worldwide, a consistent storyline, and the same look and feel for the Doritos brand across multiple countries. Today, Doritos remains the largest tortilla/corn chip brand in the world with a 39-percent market share.[15]

Increases in Brand Parity

Many currently available products offer nearly identical benefits. When consumers believe that various items provide the same set of attributes, **brand parity** results. When it occurs, shoppers select from a group of brands rather than one specific brand.[16] Brand parity means quality becomes less of a concern because consumers perceive only minor differences between companies and products. Consequently, other criteria such as price, availability, or a specific promotional deal affect purchase decisions. The net effect becomes a steady decline in brand loyalty.[17] When consumers do not perceive a specific brand to be superior, they more readily switch to another. In response, marketers work to convince consumers that their company's brand stands out and projects an image of superiority or a meaningful difference.

Emphasis on Customer Engagement

The expanding number of available brands perceived to be roughly equivalent requires an additional response. To build loyalty, marketers seek to engage customers with the brand at every **contact point**; that is, any place where customers interact with or acquire additional information about a firm. Customer engagement programs utilize digital and social media and have become part of the total integrated marketing approach.

An effective contact establishes two-way communication. Firms build levels of engagement by offering incentives and reasons for the consumer to interact with them. For customers to take advantage of these initiatives, however, they must develop emotional commitments to the brand and experience feelings of confidence, integrity, pride, and passion toward it.[18] The brand, in turn, must deliver on promises and provide reasons for consumers to continue to interact with the company.

Focus on Convenience

Many of today's consumers value time in new and important ways. The term *convenience marketing* notes the increasing emphasis on making purchases simple and time-saving. Home delivery systems and store pick-up programs continue to rise. Cars can be purchased online via Carvana, CarGurus, and other sites. Many services, including insurance, banking, home loans, stock purchases, and college courses are made from a consumer's smartphone or tablet. Advertisers note the importance of featuring convenience as part of messages that are transmitted to consumers.

Cause-related Marketing and Advertising

As the newest generation of purchases increases in levels of spending, many organizations have noted a rise in interest in buying products attached to socially responsible efforts and causes. As long as the advertisement connects logically with the cause involved, individuals respond with positive feelings toward the brand. Walgreens, for example, has supported Red Nose Day USA for the last 6 years. Red Nose Day is a program that helps to end

◄ Customer engagement remains important in times of disaster.

childhood poverty in the United States and globally. The image on the next page provides an example of how they communicate this impact to their customers during the program timeframe in store. Grubhub also received favorable responses to a program in which consumers can "round up" purchase payments, with the extra money being donated to the No Kid Hungry program. This trend greatly increased during the coronavirus outbreak.

► **FIGURE 1.7**

Five Reasons Integrated
Marketing Works

- Unifies strategy and message across channels
- Streamlines timing
- Connects with multiple audiences
- Creates meaningful insights
- Maximizes impact

Courtesy of Walgreen Co.

▲ This advertisement for Walgreens Red Nose Day creates a positive bond with consumers by connecting the store with helping children.

The Role of Integrated Marketing Communications

The trends described in this section have led to a shift in the mindsets of marketing executives. They realize that integrating all marketing communication efforts will be vital to success. Zehnder Communications, an advertising agency that created a number of ads in this textbook, posted five reasons on the company's blog why integrated marketing works and why it is essential (see Figure 1.7).

According to Zehnder, "integrated marketing combines multiple types of outreach tactics to most effectively reach a brand's key audiences at every phase of the customer journey."[19]

Effective integrated marketing communications ensure a brand's target audiences hear the same message across all traditional and alternative media channels. A single strategy should guide the creative development process for each campaign piece. An integrated approach sequences the release of individual campaign components in a manner that maximizes a customer's journey from awareness to purchase as it connects a brand with each audience. Integrated marketing communications produce meaningful insights across multiple channels. The marketing team measures the impact of the individual components of a campaign and the various channels that are featured, although these elements should be analyzed within the context of the entire campaign. This makes it possible for a brand manager to identify the channels that work best and the components that resonate with the target audience to help maximize the impact of a promotional effort.

IMC Components and the Design of this Text

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

Figure 1.8 presents an overview of the IMC approach featured in this textbook. As shown, the foundation of an IMC program consists of a careful review of the company's image, the buyers to be served, and the markets in which the buyers are located. Marketers build advertising programs on this foundation along with the other elements of the promotional mix. The integration tools located at the peak of the pyramid help the company's marketing team make certain all of the elements of the plan remain consistent and effective.
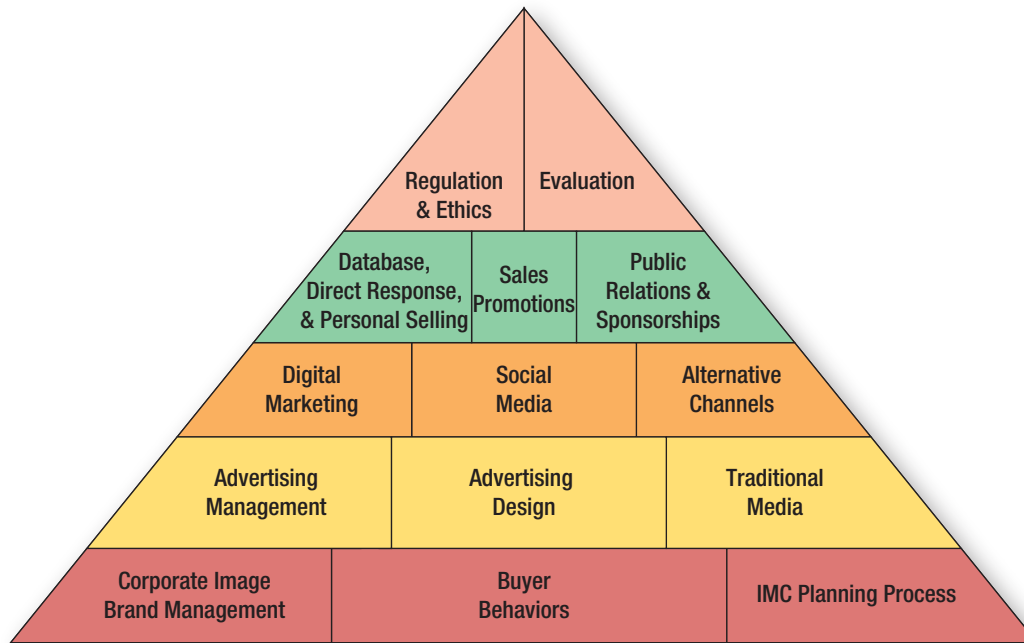
IMC Foundation

The first section of this text builds the foundation for an IMC program. Chapter 2 "Brand Management" examines the elements of corporate image and brand management. Strengthening the firm's image and brand answers the question, "Who are we, and what message are we trying to send?" Branding includes the development of packages and labels that speak with the same voice as other marketing messages and pieces.

Chapter 3 "Buyer Behaviors" describes buyer behaviors. The steps of the consumer purchasing process explain how individuals make choices. Marketers identify the motives leading to purchases and factors affecting those decisions. Then, they design the IMC program to influence consumer thinking. The chapter examines business-to-business (B2B) buyer behaviors. Discovering viable business-to-business marketing opportunities by reaching purchasing managers and other decision makers in the target business often plays a vital role in achieving success.

Chapter 4 "The IMC Planning Process" explains the IMC planning program. This includes identifying all target markets, most notably consumer and business-to-business market segments. Then quality communications objectives can be set. The plan becomes complete when communications budgets have been developed and all appropriate media have been identified.

Advertising

Advertising issues are described in the second section of this text. Chapter 5 "IMC Advertising Tools" describes advertising campaign management and addresses the major advertising activities, including the selection of an advertising agency. Campaign management identifies the general direction the company will take. The chapter also explains various advertising theories along with the principles of advertising effectiveness. Advertising theories form the background used to design advertisements.

Chapter 6 "Advertising Design" begins with an analysis of the ingredients involved in creating effective message strategies. Then, various advertising appeals can be featured, including those oriented toward fear, humor, sex, music, and rational methods. Next, the chapter discusses the types of executional frameworks used in advertising. Executional

▶ Advertising is an important component of the Interstate Batteries integrated marketing communications program.

Courtesy of Felicai Cruz/Interstate Batteries

frameworks provide the means to construct the actual commercial or advertisement. Finally, the chapter examines the employment of sources or spokespersons as part of an advertising program.

The traditional media channels, including television, radio, outdoor, magazines, and newspapers, are described in Chapter 7 "Traditional Media Channels," along with the advantages and disadvantages of each one. The chapter explains the roles provided by media planners and media buyers.

Digital, Mobile, and Alternative

The third section of this text contains information about the growing use of innovative methods of reaching potential customers. Chapter 8 "Digital and Mobile Marketing" examines digital and mobile marketing efforts designed to integrate e-commerce programs with recent trends in interactive marketing. Online advertising approaches are presented. Many online activities begin with a search. As a result, concepts regarding search engine optimization (SEO) are discussed in the chapter. Due to the rise in smartphone use, the chapter explores new trends in mobile advertising.

Social media has exploded in usage in recent years and is the topic of Chapter 9. While Facebook remains the leading platform, others have created an impact on both consumer and business markets. The chapter examines current trends in social media and how businesses employ these venues to encourage brand engagement.

Many communication channels are available beyond the traditional networks, the internet, and social media. Chapter 10 "Alternative Marketing" describes methods such as buzz marketing, guerrilla marketing, product placements, branded entertainment, and lifestyle marketing. The chapter also investigates brand communities.

Selling Components

The next level of the IMC pyramid adds database and direct response marketing programs, personal selling, trade promotions, consumer promotions, public relations efforts, and sponsorship programs. Each of these efforts helps to stimulate sales. When marketing

managers carefully design all of the steps taken up to this point, the firm can integrate these activities. Messages presented in the advertising campaign can be reinforced through a variety of communication promotions.

Chapter 11 "IMC Promotional Tools" explains database programs, direct response marketing efforts, and personal selling tactics. It first describes effective data collection and analysis. Then, the information gained can be used to develop data-driven marketing programs, including permission marketing, frequency programs, and customer relationship management (CRM) systems as well as personal selling activities. Personal selling involves contacts with retail customers and other businesses.

Chapter 12 "Sales Promotions" describes consumer and trade promotions. Trade promotions include trade incentives, cooperative advertising, slotting fees, and other promotions and discounts that help the manufacturer or channel member to push the product through the distribution channel. Consumer promotions are directed at end users and include coupons, contests, premiums, refunds, rebates, free samples, and price-off offers.

Chapter 13 "Public Relations and Sponsorship Programs" explores public relations programs that connect with consumers in positive ways. This involves emphasizing positive events and dealing with negative publicity. The marketing team utilizes public relations efforts to help a sponsorship program achieve the greatest impact.

Integration

The final level of an IMC program adds the integration tools needed to make sure the company effectively serves all customers. Chapter 14 "IMC Ethics, Regulation, and Evaluation" begins with a presentation of the legal and regulatory issues that are part of the advertising and promotions environment. The chapter discusses several ethical issues that have emerged in marketing communications.

Finally, Chapter 15 "Evaluating an Integrated Marketing Program" explains the evaluation of integrated marketing communications (IMC) programs. Evaluations often begin prior to any promotional campaign and continue during the campaign to post-campaign evaluations. They generate valuable information to alter campaigns before they are commercially introduced, as well as provide input to modify programs that have already run. A promotions evaluation process holds everything together and drives the entire IMC process. Fully integrated marketing requires a well-defined linkage between planning and evaluation processes.

◄ Companies often utilize the expertise of marketing research firms such as ReRez to evaluate IMC programs.

Photocreo Bednarek/Fotolia

▲ When developing communications campaigns, company leaders in a country such as France will choose the best approach—standardization or adaptation.

International Implications

OBJECTIVE 1.5   What is meant by *GIMC*?

The same trends that exist among advertising agencies in the United States occur in the international arena. Instead of IMC, international programs are called *GIMC*, or *globally integrated marketing communications* programs.[20] The goal remains the same: to coordinate marketing efforts across all platforms. The challenges become greater due to larger national and cultural differences in target markets.

Marketers can employ two different strategies for global companies. **Standardization**, in which a company features a uniform product and message across countries, offers one option. The approach involves generating economies of scale in production while creating a global product using a more universal promotional theme. The language may be different, but the basic marketing message stays the same.

The second approach, **adaptation**, results in the creation of products and marketing messages designed for and adapted to individual countries. The manner in which a company markets a product in Mexico differs from the methods used in Italy, India, or Australia.

The standardization method may be easier to apply; however, GIMC principles can and should be used with either adaptation or standardization.[21] To reduce costs, careful coordination of marketing efforts should occur across countries. Even when a firm uses the adaptation strategy, marketers from various countries learn from each other. Synergies take place between countries and regions. More important, learning can occur.

Recently, Adrian Hallmark, former global brand director of Jaguar, commented that "for too many luxury consumers, there is awareness of the Jaguar brand, but not consideration and modern relevance." To restore its iconic status, Jaguar's marketing group launched a multinational ad campaign created by Spark 44, a London ad agency. The campaign debuted on websites **JaguarUSA.com**, Facebook, and YouTube with a 45-second version of a 30-second TV ad. Jaguar then introduced print, digital, and outdoor advertising in the United States, Austria, Spain, France, Germany, Italy, Russia, Korea, Japan, Australia, and South Africa. The campaign included an 18-city roadshow in the United States to encourage prospective buyers to try the new Jaguar. The ads were adapted to individual markets in each country using the central theme of the campaign "How alive are you?" which was featured in every print, digital, outdoor, television, and video ad.[22]

Your Career

At the conclusion of each chapter in this textbook, ideas regarding ways to incorporate the various concepts are presented as methods to help manage your career. The field of advertising and marketing communications is rich with opportunities, both in the ad agency side of the business as well as in work with individual companies.

Most new graduates start at the entry level, regardless of the type of firm. In a retail, business-to-business, nonprofit, or market channel company, this will probably mean the job will not be directly involved in creating marketing communications programs, but rather responding to them and helping the organization portray itself in the most favorable light. It makes good career sense to fully understand how a company presents itself in all marketing messages prior to applying for a job and then again following acceptance as a new employee.

Those who find jobs in the advertising agency side should first understand the scope of the company. Some firms are boutiques that deal with one specific aspect, such as public

relations, media purchasing, or creative endeavors. Other full-service agencies deliver the entire range of activities and functions. Knowing the difference will help in making choices of which companies to pursue and in eliminating those that are outside of your primary interests.

In every instance, part of career management can be viewed as a marketing communications activity. A personal image that emphasizes your strengths will help in finding the right fit as a career begins.

SUMMARY

Communication consists of transmitting, receiving, and processing information. It is a two-way street in which a sender establishes a connection with a receiver. Effective communication forms the basis for a solid and successful marketing program. In the marketing arena, senders are companies seeking to transmit ideas to consumers, employees, other companies, retail outlets, and others. Encoding devices provide the means of transmitting information and include advertisements, public relations efforts, press releases, sales activities, promotions, and a wide variety of additional verbal and nonverbal cues sent to receivers. Transmission devices include the media and spokespersons that carry the message. Decoding occurs when the receivers (customers or retailers) encounter the message. Noise takes many forms in marketing, most notably the clutter of an abundance of messages in every available channel.

Integrated marketing communications (IMC) takes advantage of the effective management of the communication channels. Within the marketing mix of products, prices, distribution systems, and promotions, firms that speak with one clear voice are able to coordinate and integrate all marketing tools.

The fields of advertising, promotions, and marketing communications have experienced several new trends. Marketing departments and advertising agencies, as well as individual account managers, brand managers, and creatives, encounter strong pressures. They are held accountable for expenditures of marketing communications dollars. Company leaders expect tangible results from promotional campaigns and marketing programs.

IMC plans are vital to achieving success. The explosion of digital media, new information technologies, and social media strongly influence IMC programs through the use of channels such as mobile marketing. Marketing professionals seek to find ways to integrate all media platforms together to present a consistent message.

Channel power has shifted in many ways. Company leaders adjust in order to maintain a strong market standing, and IMC programs can assist in this effort. New levels of global competition drive marketers to better understand customers and be certain that those end users hear a clear and consistent message from the firm.

As consumers develop a stronger sense of brand parity, wherein consumers perceive no real differences in product or service quality, marketers seek to create situations in which a company or brand develops a distinct advantage. This may be difficult because consumers collect and integrate information about products from a wide variety of sources, including the internet and social media. Quality IMC programs help maintain the strong voice a company needs to ensure customers hear its message through an emphasis on customer engagement in all marketing activities. An increased emphasis on convenience combined with consumer preferences for firms featuring cause-related programs generates additional complications for marketing professionals.

When a firm conducts business internationally, a GIMC, or globally integrated marketing communications system, can be of great value. By developing one strong theme and then adapting it to individual countries, the firm conveys a message that integrates international operations into a more coherent marketing package. The successful development of an IMC program helps firms remain profitable and vibrant, even when the complexities of the marketplace make these goals more difficult to attain.

KEY TERMS

communication Transmitting, receiving, and processing information

senders The person(s) attempting to deliver a message or idea

encoding The verbal (words, sounds) and nonverbal (gestures, facial expressions, posture) cues that the sender utilizes in dispatching a message

transmission devices All items that carry a message from the sender to the receiver

decoding What occurs when the receiver employs any of his or her senses (hearing, seeing, feeling) in an attempt to capture a message

receivers The intended audience for a message

feedback The information the sender obtains from the receiver regarding the receiver's perception or interpretation of a message

noise Anything that distorts or disrupts a message

clutter What exists when consumers are exposed to hundreds of marketing messages per day and most are tuned out

integrated marketing communications (IMC) The coordination and integration of all marketing communications tools, avenues, and sources in a company into a seamless program designed to maximize the impact on customers and other stakeholders

marketing mix The elements of a marketing program, including products, prices, places (the distribution system), and promotions

brand parity What occurs when there is the perception that most goods and services are essentially the same

contact point Any place where customers interact with or acquire additional information about a firm

standardization A program in which a firm features uniform products and market offerings across countries with the goal of generating economies of scale in production while using the same promotional theme

adaptation What takes place when products and marketing messages are designed for and adapted to individual countries

REVIEW QUESTIONS

1-1. Define communication. How does it play a crucial role in marketing and business?

1-2. What are the parts of an individual communications model?

1-3. Who are the typical senders in marketing communications? Who are the receivers?

1-4. Name the transmission devices, both human and non-human, that carry marketing messages.

1-5. Define clutter. Name some of the forms of clutter in marketing communications.

1-6. Why are different marketing objectives assigned to different key markets?

1-7. What are the foundations of marketing strategies?

1-8. What are the key purposes of a SWOT analysis?

1-9. What trends were given to explain the growth in importance of IMC plans in this chapter?

1-10. How has the use of digital media impacted marketing communications?

1-11. Identify and describe four ways consumers can interact with multiple media formats.

1-12. Why is it vital for marketing professionals to check the marketing messages they send?

1-13. What is meant by the term "quality marketing communication?"

1-14. Identify the role of integrated marketing in relation to new marketing trends.

1-15. In the marketing process, what does an advertiser hope for in customer feedback?

1-16. What are the components of an integrated marketing communications program, as outlined in this textbook?

1-17. What is a GIMC? Why is it important for multinational firms?

1-18. What is the difference between standardization and adaptation in GIMC programs?

CRITICAL THINKING EXERCISES

1-19. The Lean Cuisine effort to shift consumer perceptions of frozen products included a multi-faceted approach. Access the firm's website and evaluate the marketing messages presented. Do they convince you to reconsider your views of various products? Is the effort working, or do you still perceive Lean Cuisine to just be "diet" food? Explain your answer.

1-20. Amara is a clothes designer in West Bengal, India. She sells her jute product range, Hooghly Modes, direct to her customers using Facebook advertising as her primary channel. Her products are marketed as being handmade, limited edition, green, and of superior quality. Discuss the problems she is likely to encounter in the communication process. Explain how noise or clutter interferes with the communication process when using social media advertising.

1-21. How many different forms of advertising are you exposed to over the course of a normal day? Do you recall any specific advertising that had relevance and resonance with you? Compare your observations with those of the other members of the class.

1-22. Why do advertisers ensure that they feature their marketing messages across multiple forms of media?

1-23. In 2018 and 2019, Facebook and Twitter came under governmental and consumer scrutiny due to privacy concerns and other issues. Discuss your personal use of the two sites. Has your opinion changed regarding them? Do you use the same or different social media platforms? Why did you select those particular ones? How do you use social media?

1-24. Explain how advances in information technology and communication have increased global competition for goods and services. How has the growth of global competition, in turn, impacted brand parity, the need for customer engagement, and changes in channel power? Be specific by identifying examples to illustrate your thoughts.

1-25. Brand parity has become a major issue for companies. Identify three product categories in which the brand you purchase is not very important. Why is the brand not important? Identify three product categories in which the brand is important. What brand or brands do you typically purchase in each category? Why?

1-26. The marketing director for a manufacturer of automobile tires has been asked to integrate the company's global marketing program. Should the director use a standardization or adaptation approach? How could the company be certain that its marketing program will effectively be integrated among the different countries in which it sells tires?

INTEGRATED LEARNING EXERCISES

1-27. Access the website of Yum Brands at www.yum .com. Access the website of Yum Brands' competitors, McDonalds (**corporate.mcdonalds.com/mcd.html**), Starbucks (**www.starbucks.com**), Subway (**www .subway.com**), and Domino's Pizza (**www.dominos .com**). Identify the social media being used by each brand. Compare and contrast the information available and the design of each company's website. Which website did you like best? Why? Which one did you like least? Why?

1-28. According to Interbrand, the four brands in the list below are the top rising global brands. Identify the social media that is listed on each brand's website, then access the pages. Go to YouTube and locate a TV ad of the brand. Discuss how well the website, social media sites, and ad you located on YouTube are integrated. (Provide the URLs for the website, social media sites, and TV ads.)

  a. PayPal (**www.paypal.com**)
  b. Mini (**www.mini.com**)
  c. Moet & Chandon (**www.moet.com**)
  d. Lenovo (**www.lenovo.com**)

1-29. Information is one of the key ingredients for developing a successful integrated marketing communications program. Access each of the following websites. Describe the type of information and news available on each site. How would this information help in developing an integrated marketing campaign?

  a. Juwai (**list.juwai.com**): Chinese marketing trends
  b. Marketing Malaysia (**www.marketingmagazine .com.my**): Malaysian trends
  c. Gulf Marketing (**gulfmarketingreview.com**): Middle East trends
  d. Marketing Mag (**www.marketingmag.com.au**): Australian trends

BLOG EXERCISES

Access the authors' blog for this textbook at the URLs provided to complete these exercises. Answer the questions posed on the blog.

1-30. Gas Station Advertising, **blogclowbaack.net/ 2018/08/13/gas-station-advertising-chapter-1-chapter-10/**

1-31. Facebook, **blogclowbaack.net/2018/08/13/ facebook-chapter-1-chapter-9/**

1-32. Communication patterns, **blogclowbaack.net/ 2019/08/06/communication-patterns-chapter-1/**

STUDENT PROJECT

CREATIVE CORNER

Northwestern University in Qatar, in partnership with the Doha Film Institute, examines trends in social media across the Middle East each year. The 2019 study found that Twitter use had declined from 45 percent of all social media users in 2013 to 22 percent in 2019. Facebook had dropped from 88 percent to 71 percent, but Instagram and Snapchat had grown in popularity. WhatsApp was virtually unchanged.

The study also revealed that Middle Eastern readers were also increasingly turning to online newspapers for their news. These findings suggest that advertisers need to reassess their spending patterns. Write a report that discusses each of the social media used by individuals in your own country and how effective advertising is in reaching the target audiences. Cite specific examples of advertisers' social media pages using screenshots.

CASE 1 ▸ KFC CHANGES SPOKESPERSONS

Any longstanding product or brand runs the risk of becoming stale in the eyes of consumers. At times the messages being sent may be altered; at others, the message stays the same, and some other factor will be changed. For many years, a company known as Kentucky Fried Chicken relied on two standard features: the presence of the actual Colonel Harlan Sanders as spokesperson and the reliance on the phrase "secret blend of eleven herbs and spices" in company advertisements. The approach led to great success and a massive expansion over several decades.

As a new era of competition took place, the organization was forced to respond. One method included the inclusion of new food items, including pot pies and variations on the original recipe to include a crispy version, bar-b-que flavors, and other items. Many units opened buffet services for customers.

In 1991, the company changed its name to KFC. In part, the move appeared to modernize and renovate the brand. The new name also took place in response to trademark challenges issued by the Commonwealth of Kentucky.[23] The new brand provided marketing opportunities to refresh and renew the company's image and messaging.

Three decades later, the organization once again sought to capture consumer attention through a new approach. Colonel Sanders evolved from an animated version to a real person portrayed by a series of actors and comedians, including Rob Lowe, Rob Riggle, Jim Gaffigan, Billy Zane, and Darrell Hammond.

In 2018, a more dramatic innovation took place. KFC introduced a female, country music star Reba McIntire, to play the Colonel. The lighthearted approach captured a great deal of attention and even a small amount of backlash from some males, who believed the Colonel should remain a character only played by a man.[24]

KFC, which is part of the Yum! Brands family, continues to enjoy popularity. The organization has a strong market share in the United States as well as in other countries.[25] Continual

Darryl Brooks/Shutterstock

▲ KFC changed spokespersons in company commercials to help keep the brand fresh in the perceptions of consumers.

invigoration of the firm's integrated market communications program helps explain the level of success.

1-33. Use the model of communication presented in this chapter to demonstrate the transmission of KFC's message to consumers.

1-34. Which of the emerging trends in marketing communications, especially those related to social media, might affect KFC?

1-35. What is the basic message KFC should transmit to customers and potential customers? Do the changes in individuals portraying Colonel Sanders help to send a clear and consistent theme to the public? Defend your answer.

1-36. Should KFC employ a standardization or adaptation approach to its GIMC program? Explain how you would utilize one strategy or the other if you were in charge of the marketing communications division of KFC.

CASE 2 ▸ MIKE'S OLD-TIME ICE CREAM AND CHOCOLATE SHOP

Mike Swann was excited to open his new business venture in the springtime. Mike's Old-Time Ice Cream and Chocolate Shop was established to take advantage of several opportunities and reach multiple audiences, all in one location. In the summertime, ice cream should sell best. In the winter and spring, chocolate products may be given as Christmas, Valentine's, Easter, and Mother's Day presents. Mike also decided to sell fast food throughout the year, including hamburgers, hot dogs, grilled cheese sandwiches, pretzels, fries, and other items.

To make his store stand out, Mike chose to locate on the outskirts of town, where parking would be readily available, and the store would be surrounded by a more natural environment

including a nearby forest. Then, he was able to obtain a passenger car and caboose from a now-defunct railroad company that could be set up as a place to enjoy ice cream in a unique seating arrangement in addition to the regular tables inside the shop. Outside of the rail cars, Mike placed a swing set and other items for children.

The biggest challenge Mike faced was getting the word out. He contacted a local advertising and promotions agency to help him get started. The first question the account executive asked was, "Well, what is going to make your store stand out?"

Mike responded, "Several things. First, I am re-opening a company that served this area for years, called 'Stevenson's Ice

▲ Mike's biggest challenge was getting the word out about his "Old-Time Ice Cream and Chocolate Shop."

Cream.' I plan to generate publicity letting everyone know that we will be selling the same kind of great-tasting ice cream that used to be offered by that company. Second, I have a partnership with a local chocolatier that is on the far side of town. We'll be selling their products in our store. And third, we are appealing to that old-fashioned, old-time relaxation that people enjoy in the summer. Families should love that."

Next, the executive asked, "Who are your major competitors?"

Mike answered, "For ice cream, I suppose it is Baskin-Robbins and Dairy Queen. For chocolate, it's probably Nestlé and Hershey's. But we are set up in such a unique way we should be able to attract people differently."

The executive and Mike agreed that the company's launch was a key time to communicate this difference. They also believed the target audience would be pretty large, including families with children, grandparents with grandkids, and other people looking to enjoy high-quality chocolate and ice cream in a unique atmosphere, possibly after enjoying a quick meal. The executive pointed out that getting people to visit for the first time would be one factor but that generating return business throughout the year was the real key to long-term success. It was time to get started.

1-37. Mike's store will be a local business that competes with large national companies. What communication challenges does that present? What opportunities does it offer?

1-38. Which of the emerging trends in marketing communications can Mike use to promote his new business? Explain how it can be used.

1-39. What should be the first message that Mike should try to communicate to all potential customers? Should he emphasize price, value, or some other element of his business?

1-40. Will Mike be able to use social media and mobile marketing techniques as part of his marketing communications efforts? If so, how? If not, why not?

CHAPTER 2 · Brand Management

LEARNING OBJECTIVES

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

2.1 How does a brand's image affect consumers, other businesses, and the company itself?

2.2 What types of brands and brand names do companies use?

2.3 What characteristics do effective logos exhibit?

2.4 How do marketers identify, create, rejuvenate, or change a brand's image?

2.5 How can a company develop, build, and sustain a brand in order to enhance brand equity and fend off perceptions of brand parity?

2.6 What current trends affect private brands?

2.7 How can packaging and labels support an IMC program domestically and in foreign settings?

2.8 How do firms manage brands in international markets?

OVERVIEW

A **brand** is the word, term, or phrase featured as the name of a product, product line, or company. Managing an organization's brand image constitutes a critical element in the successful maintenance of an integrated marketing communications plan. A corporation's **brand image** reflects the feelings consumers and businesses hold regarding the overall organization as well as its individual products or product lines. Advertising, consumer promotions, trade promotions, personal selling, the company's website, and other marketing activities affect consumer perceptions. A strong brand generates major advantages for any good or service. Conversely, when the image of an organization or one of its brands becomes tarnished, sales revenues and profits often plummet. Rebuilding or revitalizing the brand's image then becomes difficult.

The marketing team works to understand the firm's overall image and the strengths of individual product brands in order to establish solid connections with consumers and business-to-business customers. A sturdy integrated marketing communications (IMC) foundation combines an analysis of the firm's image and brands with assessments of consumer and business buyer behaviors. Marketing professionals prepare consistent messages designed to reach any individual who might purchase a firm's products. At times, such a process involves rejuvenating or adjusting the image a brand conveys.

Michelin

Olaf Naami/Shutterstock

When consumers consistently connect a product's name with a specific meaning, concept, or idea, the term **brand association** applies. One such brand has held such a distinction over several decades. The Michelin Tire company, based in France, developed and maintained a consistent linkage between its products and beliefs about safety and security in the minds of many consumers in the United States and around the world.

For years, the Michelin Tire Man has portrayed a consistent image from which the organization built and maintained consumer brand recall. Concepts associated with the tires include product durability, reliability, quality, and most important, protection and safety. The secret to keeping the company's strong reputation has been a high-quality marketing communications program. Michelin Tire Man advertisements show the character protecting people in their vehicles and babies surrounded by the tires, safe and secure. Such a brand image only succeeds when the product matches the promotions. The organization has been a consistent innovator in the areas of tire safety and quality, beginning with the development of radial passenger tires in the 1950s.

Carefully selected product names accompany the overall Michelin brand. Tire labels include Defender, Protector, Pilot, Premier, and Energy. Each reinforces the consistent themes of quality and safety. In addition, a strong warranty program remains in place. A program entitled "3 Year Flat Tire Assistance" enables consumers who experience unexpected problems to get help. These activities reside under the banner of the Michelin Promise Plan.

More recently, the Michelin executive team introduced an emphasis on sustainability. Used, worn out tires are notorious sources of environmental damage. In response, the company developed systems to build tires using the most sustainable processes.

An additional feature appears on the company's website. Michelin devotes an entire section to safe driving, from the perspective of product advantages but also with hints about how to keep tires in the best and safest condition as well as how to drive in a safe and responsible manner. The result of these efforts has been a stable, growing, profitable company that created and maintained a consistent image in the United States and many other countries. The firm's success illustrates many of the principles regarding brand and image development described in this chapter.[1]

Corporate and Brand Image

OBJECTIVE 2.1   How does a brand's image affect consumers, other businesses, and the company itself?

A corporate or brand image expresses what the company and its products stand for as well as how it is to be known in the marketplace. Whether it is the "good hands" of Allstate Insurance or the "good neighbors" at State Farm Insurance, creating a specific impression in the minds of clients and customers will be the goal of image management. Insurance companies often accomplish this by stressing helpfulness, safety, and security as elements of a powerful image.

Consumer beliefs about a firm are more important than how company officials perceive the image. Corporate brand names such as Bank of America, Toyota, Kraft Heinz, and Wells Fargo create impressions, some favorable and some not, in the minds of clients and customers.

▶ This advertisement for Rev Select creates a new element for the company's image that incorporates the digital age into modern farming.

▼ Lee is a well established brand in the market for jeans.

Although the actual version of the image varies from consumer to consumer or for each business-to-business buyer, the combined views of all publics determine the overall corporate image, which can be positive or negative.

The same holds true for individual brands. Some companies, such as Kraft Heinz, sell a number of different brands. The corporate name Kraft Heinz projects an image and identity along with the individual product brands the company offers, including Oscar Mayer, Maxwell House, Planters, and Velveeta. Other firms feature only one brand for the entire organization, which means the corporation's and brand's image coincide. Therefore, with regard to the various concepts presented in this chapter, the ideas refer to various brands sold by a company, such as Kraft Heinz, or to an overall corporate brand, such as State Farm, Allstate, or Walmart.

Components of Brand Image

Brand images contain invisible and intangible elements (see Figure 2.1). Consumers encounter these elements as they interact with a company or brand. A recent study of the restaurant industry indicated that the quality of a company's goods and services ranked as the most important component of brand image. The willingness of a firm to stand behind its goods and services when something went wrong placed second. The third set of perceptions focused on whether the firm dealt with customers by being pleasant, helpful, or professional.[2]

Tangible elements
- Goods or services sold
- Retail outlets where the product is sold
- Advertising
- Marketing communications
- Name and logo
- Package and labels
- Employees

Intangible elements
- Corporate personnel
  - Ideals
  - Beliefs
  - Conduct
- Environmental policies
- Corporate culture
- Country location
- Media reports

Courtesy of Christopher Harbin/Miller Transporters

▲ This advertisement for Miller Transporters emphasizes a strong record of safety in order to promote a positive brand image.

Negative publicity often stains or injures consumer perceptions of a corporation's or brand's image. Examples include the damage to reputations of financial institutions, such as Bank of America when it faced charges of misleading investors, Toyota following quality control problems, United Airlines when a video showed a passenger being physically removed from an airplane and injured in the process due to an overbooking problem, and

▲ A mechanic at a local Chevrolet dealer can impact the image a customer has of General Motors and the Chevrolet brand.

more recently Facebook's issues with sharing information to a politically-driven group without users being fully aware of the process.[3] Each organization undertook efforts to restore a more positive image.

An image consists of a unique set of features. The corporate brand image of an automobile manufacturer such as Kia, Porsche, Mazda, Toyota, Ford, or General Motors results from: evaluations of its vehicles; whether the company is foreign or domestic; customer views of each company's advertisements; and reactions to the local dealership. A corporation's image includes consumer assessments of company employees. In fact, the mechanic repairing a vehicle at a local Chevrolet dealership garage might become the dominant factor that shapes a customer's perception of General Motors.

In the past, Walmart encountered criticisms regarding employee discontent, conditions at foreign factories, and bribery allegations in other countries. To boost the brand's image, Walmart's marketing team launched a multimillion dollar "American Success Story" campaign. The national effort featured customers, store employees, and truck drivers sharing personal stories and warm feelings about the organization.[4] The campaign sought to show the public a positive side of the company.

A strong brand image provides tangible and intangible benefits. Organizational leaders devote considerable time and energy to constructing and maintaining a favorable brand image. Client companies expect advertising agencies to design marketing programs that take advantage of the benefits of a strong brand image.

The Role of Brand Image—Consumer Perspective

From a consumer's perspective (or business customer's perspective), brand image serves several functions, including those displayed in Figure 2.2. A well-known brand provides customers with assurance about what to expect. A can of Coke or Pepsi purchased in Santa Cruz, California, tastes like one purchased in Liverpool, England, or Kuala Lumpur, Malaysia. Products ordered online from Target are the same as those purchased in retail stores in California or New Jersey.

Positive assurance produces value when customers purchase goods or services with which they have little experience. Consider families on vacation. A family visiting Brazil might normally not stay at the Holiday Inn, but the familiar name makes it seem like a lower risk option. Consumers often believe that purchasing from a familiar corporation will be a "safer" option than buying something from an unknown company. Taking a room at an unfamiliar hotel might feel riskier.

Purchasing from a familiar firm reduces search time and saves effort. An individual or company loyal to Ford spends fewer hours searching for a new car than someone without such loyalty. The same may be true when buying low cost items such as groceries or office products.

Purchasing from a highly recognized company often provides psychological reinforcement and social acceptance. Psychological reinforcement comes when a consumer concludes that she made a wise choice, resulting in confidence that the good or service will perform well. Social acceptance comes from believing that other individuals including

► **FIGURE 2.2**
Brand Image: Benefits to Consumers

- Provides confidence regarding purchase decisions
- Gives assurance about the purchase when the buyer has little or no previous experience
- Reduces search time in a purchase decision
- Provides psychological reinforcement and social acceptance of the purchase

family and friends who purchased the same brand will approve of the choice. Each year, Interbrand produces a list of the top 100 brands (for example, go to **www.interbrand.com/best-brands/best-global-brands/2018/ranking/**).

The Role of Brand Image—Company Perspective

From the firm's point of view, a highly reputable image generates benefits, as noted in Figure 2.3. A quality image offers the basis for the development of new goods and services. The introduction of a product becomes easier when potential customers recognize the brand name and image. Long-term patrons become more willing to try new items and transfer trust in and beliefs about the brand to those products. A **brand alliance**, in which two companies use brand strength to develop and co-market a new product featuring both names (such as Old Spice and Head & Shoulders) has recently begun to emerge.

Many customers believe they "get what they pay for." Consumers often associate better quality with a higher price. A solid brand image allows a company to charge more for goods and services, which can lead to improved markup margins and profits.

Firms with well-developed brand images enjoy customer loyalty, which leads to more frequent purchases. Dedicated customers are less inclined to make substitute purchases when competing brands offer discounts, sales, and similar enticements.

Heightened levels of customer loyalty often lead to positive word-of-mouth endorsements, in person or digitally. Favorable comments

Monkey Business/Fotolia

▲ Social acceptance can be one benefit of purchasing a well-known brand.

Courtesy of Felicia Cruz/Interstate Batteries

◄ Interstate Batteries has accrued benefits from a strong corporate brand image.

- Extension of positive customer feelings to new products
- Ability to charge a higher price or fee
- Consumer loyalty leading to more frequent purchases
- Positive word-of-mouth endorsements
- Higher level of channel power
- Ability to attract quality employees
- More favorable ratings by financial observers and analysts

◄ **FIGURE 2.3**
Brand Image: Benefits to Companies