

GLOBAL
EDITION



Advertising & IMC

Principles & Practice

ELEVENTH EDITION

Sandra Moriarty • Nancy Mitchell
Charles Wood • William Wells



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Global Edition

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The Eleventh Edition is dedicated to all the students who have inspired us with their questions and ideas and all the colleagues who have challenged us with new thoughts and new findings. Most of all we dedicate this book to all our many contributors—the students, graduates, professors, and professionals who have contributed their thoughts, creative work, and professional experience to this edition.

Sandra Moriarty, Nancy Mitchell, and Charles Wood

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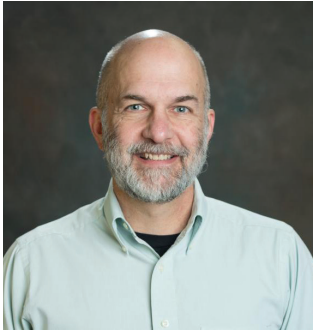
Sandra Moriarty is the cofounder of the Integrated Marketing Communication (IMC) graduate program at the University of Colorado. Now retired, she has also taught at Michigan State University, the University of Kansas, and Kansas State University, where she earned her Ph.D. in education. She specialized in teaching the campaign course and courses on the creative side—both writing and design. She has worked in government public relations, owned an advertising and public relations agency, directed a university publications program, and edited a university alumni magazine. She has been a consultant on IMC with agencies such as BBDO and Dentsu, the largest advertising agency in the world, and with their clients in the United States, Europe, and Asia. She has published widely in scholarly journals on marketing communication and visual communication topics and has authored 12 books on advertising, IMC, marketing, visual communication, and typography. A classic book on integrated marketing, *Driving Brand Value*, was written with coauthor Tom Duncan. Most recently she has authored the *Science and Art of Branding* with Giep Franzen, University of Amsterdam. International versions of her books include Spanish, Chinese, Taiwanese, Korean, Japanese, and an English-language version for India. She has spoken to groups and presented seminars in most European countries as well as Mexico, Japan, Korea, India, New Zealand, and Turkey.



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Nancy Mitchell is professor of advertising in the College of Journalism and Mass Communications at the University of Nebraska–Lincoln, where she has taught since 1990. She served as chair of the advertising department for 11 years before heading the graduate program in her college. Prior to her tenure at the University of Nebraska, she taught at West Texas A&M University. She has taught a variety of courses, including advertising principles, design, copywriting, research and strategy, and campaigns and media ethics. She worked as an advertising professional for 15 years before entering academe. She gained experience as a copywriter, designer, editor, fund-raiser, and magazine editor in an array of businesses, including a large department store, a publishing company, an advertising agency, a newspaper, and a Public Broadcasting System affiliate. Her research focuses on creating effective advertising messages to underrepresented groups, ethical issues, and assessment of student learning. Nationally, she served as Advertising Division Head for the Association for Education in Journalism and Mass Communications. She serves on the editorial boards for *Journal of Advertising Education* and *Journalism and Mass Communication Educator*.





Charles Wood, Ph.D., Professor, University of Tulsa

Charles M. Wood is an associate professor of marketing at the University of Tulsa. He has academic degrees in engineering, journalism, and business, worked for a dozen years in industry as an engineer for a Fortune 10 firm, and started up a successful stage production company and creative agency. He previously served as faculty at Mississippi State University and the University of Missouri, where he earned his Ph.D. in marketing. His scholarly work has been published in leading journals such as the *Journal of Advertising*, *Journal of Retailing*, *Journal of Business Ethics*, *Business Horizons*, and *Journal of Marketing Education*. His research and teaching have received national and international recognition, including a Fulbright Scholar Award. He has taught courses at universities in Austria, India, Ireland, and Italy; traveled across Cuba before it was open to U.S. tourism; and had the unique experience of conducting business in the former Soviet Union. He enjoys developing and implementing fresh approaches to higher education and helping students work on a variety of creative and applied projects for small businesses and nonprofit organizations. He is a reviewer for numerous marketing conferences and journals and serves on the editorial review boards of the *Journal of Marketing Education* and *Journal of Business Market Management*.



William Wells, Ph.D., Professor Emeritus, University of Minnesota, and former Executive Vice President, DDB, Chicago

One of the industry's leading market and research authorities, William Wells is a retired professor of advertising at the University of Minnesota's School of Journalism and Mass Communication. Formerly executive vice president and director of marketing services at DDB Needham Chicago, he is the only representative of the advertising business elected to the Attitude Research Hall of Fame. He earned a Ph.D. from Stanford University and was formerly professor of psychology and marketing at the University of Chicago. He joined Needham, Harper, Chicago as director of corporate research. He is author of the Needham Harper Lifestyle study as well as more than 60 books and articles, including *Planning for ROI: Effective Advertising Strategy* (Prentice Hall, 1989).

PREFACE

A Wrinkle in Time: Reimagining Intelligence and Insights

When you take a foreign language class, you find yourself not only struggling with words, but also with how you think and how you live your life and relate to other people. Your experience studying marketing communication may be similar in some ways to studying a foreign language. A course or text in marketing communication where you study advertising, public relations, direct marketing, and promotions opens a new world of language. There are new words for old ideas, new terms for hard-to-explain concepts, new phrases for behind-the-scenes practices, and new words for world-shaking theories.

Today's marketing communication is more than just a new language. There also are new ways of talking: to yourself, to your mother, to your best friend, in class, on the phone, or in a text message. Because of the new shapes of media and forms of interaction—and the opportunities they open up—the heart of marketing communication also is being reshaped and reimagined both as a profession and as an academic area. This 11th edition of *Advertising & IMC: Principles & Practice* will help you acquire this new language and the intelligence and insights driving these changes.

But we're not just reimagining new ways of conversing, using new media and old media in new ways. We're also adjusting our ways of thinking and behaving based on computers, online devices, and information systems that extend, connect, and reshape our talking as well as our thinking. When you speak on the telephone or send a tweet on Twitter, don't you shape each conversation differently? And aren't your thoughts either condensed or expanded to fit the form of the medium?

Behind those patterns of talking, however, is additional intelligence you bring to the conversation: what you know about the people you are talking to and with. More important, however, are the insights you have into these people's beliefs and behavior.

This computer-driven transformation of our communication patterns is occurring in marketing communication. Hot topics such as artificial intelligence (AI), virtual reality (VR), and the Internet of Things (IoT) are being used to create conversational interactions that are more personalized and more personally relevant. They have the potential to reshape how we study, work, travel, and play as well as organize and manage the world around us.

AI is the mechanism that mines data and searches for patterns that drive consumer relevance. VR is a graphic system, also based on compilation of massive numbers of data points, to provide real-life images and experiences. Imagine driving a new car without leaving the showroom—just by putting on a set of glasses. The IoT refers to all the communication and connections between tiny computers that are embedded in things we wear and in our homes, cars, offices, and shops, like a Fitbit, Siri, your in-home climate control system, or the GPS device in your car.

The Amazon Echo placed in your room is a personal hands-free, voice-activated “digital assistant,” like an electronic concierge. It can help you find the best restaurant and make your reservation, call a friend and leave a message, find sports scores, control the room temperature, or play your favorite music.

These systems accumulate data as they provide information and feedback. For the consumer, it simplifies tasks. Ask Alexa to order your Starbucks coffee, for example, and Alexa remembers what you like and places the order based on where you are, what time it is, and whether it is the same thing you ordered the last time. For the organization, these information-driven experiences make it easier to deliver a product or service that customers want—the way they want it.

The term *big data* describes the practice of compiling these massive databases of consumer information, interactions, preferences, and experiences that can be used to create or deepen brand relationships. Mining the data to see patterns is how information is turned into insights and insights into relevant messages and responses. You do that intuitively as you navigate conversations and personal experiences based on your own set of insights.

On the commercial level these tools and practices are used to talk to and with customers, prospective customers, and other important people in a brand's corporate life. The goal is to increase the relevancy of each contact and each conversation. Although these new tools open up new opportunities, it's important to remember that there are enduring principles that also drive effective communication. This 11th edition continues to focus on principles as well as practices of effective marketing communication.

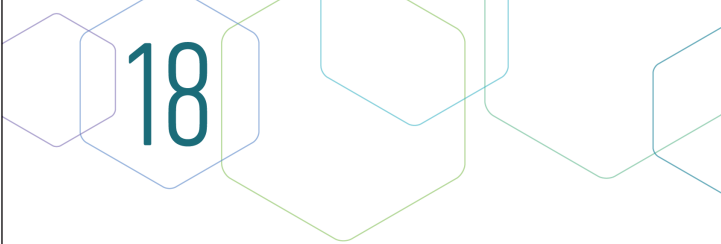
So reimagine your idea of advertising or public relations or other areas of marketing communication. These professional areas teem with possibilities as their practitioners learn how to reshape their practices and the principles of their professions. It's a wrinkle in time, but it's a marvelous time to get involved in this reimagining.

What's New in the 11th Edition

1. ***A New Author Added to the Team*** As you may have noticed when you read the “About the Authors” section, a new team member has been added to this 11th edition. Charles Wood, an associate professor of marketing in the Collins College of Business at the University of Tulsa, brings his business and marketing insights to this edition.
2. ***A Greater Emphasis on IMC*** This 11th edition provides an even stronger focus on integrated marketing communication (IMC), which is accomplished by substantial revisions in chapter order, chapter revisions, and updated material. All the marketing communication chapters have been grouped with advertising at the front of the text to provide more comprehensive presentations of the professional areas and functions of IMC. This change has involved a major reorganization of the chapters, which reflects feedback that students need to know what these professional areas are and how they work (public relations, direct response, promotion, and advertising) before moving into the Part 2 discussion of strategy and planning how these areas work together.
3. ***Strategic Brand Communication*** In previous editions the book led off with an advertising chapter followed by a marketing chapter. The basics of marketing chapter had been revised some editions ago to function as an introduction to the field of marketing communication (also referred to as *strategic communication*). In the 11th edition this chapter now becomes Chapter 1, the introductory chapter to the book. It focuses on brands and the marketing practices that provide the communication foundation of branding. Included in this chapter is an introduction to the marketing mix and how the marketing mix sends messages. Additional concepts include an introduction to the concept and practice of IMC and an explanation of how branding is shaped by communication.
4. ***Advertising*** Previously Chapter 1, advertising now becomes Chapter 2, the first of three chapters detailing the basics of the most important functional areas of marketing communication. The chapter introduces the basic functions, components, and roles of advertising. It also explains the evolution of current practices through advertising's eras and ages as well as the contemporary world of advertising's key players, types of agencies, and agency jobs.
5. ***Public Relations*** Previously Chapter 15, in this edition public relations is moved to Chapter 3, emphasizing the integral role it plays in IMC and that many of our student readers are enrolled in strategic communication programs that combine public relations with advertising. The

chapter introduces public relations' basic roles, functions, and tools as well as different types of public relations programs.

6. **Direct Response and Promotion** The decision to start with the marketing communication professional areas, specifically advertising and public relations, also meant that the other two areas covered in previous editions needed to move forward as well. We recognize that both direct response and promotions (previously Chapters 16 and 17), although important, are not typically majors (or a curriculum of courses) in our adopters' schools. Therefore, we decided to combine these two topics into one chapter. The merger is anchored by an emphasis on action and interaction, both being characteristics and objectives of direct-response and promotion efforts. This new Chapter 4 introduces the elements and media of direct-response communication and provides an introduction to both consumer and trade promotions. In addition, this chapter includes an explanation of various types of multiplatform promotions and explains the important role of databases in both direct-response communication and promotions.
7. **Social Impact, Responsibility, and Ethics: Is It Right?** Chapter 3 in the previous edition was titled "Brand Communication and Society." This edition revises what is now Chapter 18 to increase the focus on the ethical and social responsibilities of all IMC professionals. The emphasis on social responsibility and ethics makes a strong conclusion for the book, particularly because it is paired with the evaluation and effectiveness discussion ("Does It Work?") in Chapter 17. Chapter 18 focuses on the ethical and social responsibility issues across all areas of marketing communication, broadening the focus from advertising in previous editions.
8. **New Topics, New Media** Every time this book is revised, we have to acknowledge the changes brought about by new media. Since the last edition, managers are confronting new ways of communicating centered on AI, VR, and the IoT. Other new terms popping up in the professional press include *native advertising*, *programmatic buying*, and *beacons*. All these innovations are driven by new ways of collecting, manipulating, and using data, and all are discussed in this 11th edition.
9. **New Examples of Award-Winning Brand Communication Campaigns from Around the World** Part of the added value of this textbook lies in the cohesive story it tells about effective brand communication. New and updated case studies open each chapter in the 11th edition to illustrate basic principles and best practices and show students how professionals design and execute effective strategies that work.
10. **A Wealth of Contributions from Experts** The philosophy of this textbook is to invite contributions from many people—academics and professionals from around the world. These contributions aren't just quotes from speeches or articles; rather, they are pieces written specifically for this book, with experts sharing stories about campaigns they've worked on as well as research they've conducted. This book was guided by the insights and direction of the professionals on the book's Advisory Board. In addition, stories, essays, and examples of the work of a group of young professionals who were nominated by their professors are featured in this textbook.



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Social Impact, Responsibility, and Ethics: Is It Right?

KEY OBJECTIVES

- 18.1 Name and discuss the key debates related to the social impact of brand communication.
- 18.2 Describe the ethical responsibilities that brand communicators bear.
- 18.3 Discuss how advertising is regulated.

With a huge potential to make a significant impact on society, brand communicators should consider the responsibility for choosing what products and ideas they want to advertise, what messages they communicate, and how they want to communicate them. In this chapter, you'll explore the impact of brand communication on society, study ongoing debates about the power of communication, and examine issues related to social and ethical responsibility. Finally, you will learn about some key legal and regulatory processes that ensure that harmful communication is minimized.

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A MATTER OF PRACTICE

Branding Billings

John Brewer, President and CEO, Billings
(Montana) Chamber of Commerce
and Visitors Bureau



What do you think of it right? That's incredibly successful campaign for Billings. So this is a story of our first brand identity campaign for t .brandbillings.com. In addition to t the first thing you may notice on t with the slogan "Billings—Montana's how the city arrived at that theme line The campaign began with research than a thousand online surveys, comr

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A MATTER OF PRINCIPLE

Ivory: It's Pure and It Floats

Soap is soap, right?

A basic principle of branding is that a brand takes on meaning when it makes its product category. Procter & Gamble realized that by creating its brand Ivory before anyone else, soap a distinctive product system also called attention to the product. Here's the background: Ivory came to be one of the brands of all time.

Before the Civil War, hard soap from lye, fats (cooking oil). It was a soft, jelly-like, yellow thing adequately, but if it dissolved into mush. In Victorian times quality soap was the highest pure white soap imported from made from the finest olive oil.



There's a big difference between working agency, where the focus is on promoting it and becoming an individual company's long professional, where the focus is on promoting company that signs your paycheck.

The most obvious changes, such as fine marketing plan instead of juggling several, more subtle and important differences. When agency title of art director and creative director position as marketing and communication for an industrial printing company, I went first with a group of people dedicated to practicing marketing communications to working with a dedicated to printing good decor paper for its clients in the laminate industry.

PAUSE FOR THE CAUSE: Boosting Brand Value with Cause Marketing

Scott Hamula, Ithaca College



Things are really tough out there for brands: lots of competition, savvy consumers, media messages that just don't break through the clutter like they used to, and occasional pieces of bad publicity. Today, though, some brands are turning to corporate social responsibility not only because it is the right thing to do, but also as a way for brands to more clearly differentiate themselves in this dynamic marketplace.

A View from the Marcom Front Line

Peter Stasiowski, Director of Communications,
Interprint USA, Pittsfield, MA

A PRINCIPLED PRACTICE

vehicles to an earthquake-ravaged disaster area in China, brands act as good corporate citizens.

This socially responsible promotional strategy occurs when a brand or company aligns itself with a nonprofit organization to generate both sales and charitable donations at the same time. Simply put, it's "buy my product, and I'll donate to your cause." This approach tends to make a lot of sense. Surveys continue to show that, given two very similar products, consumers are more likely to purchase the brand that is associated with a cause they care about.

American Express Company is often credited with starting cause-related marketing in the early 1980s when it pledged to donate 5 cents to the arts in San Francisco whenever a member used their American Express card to make a purchase, and \$2 for each new card member.

To launch and sustain a successful cause-related marketing program, a brand must first know what issues are important to its customers so as to align itself with a cause that's a good match. An example is Yoplait yogurt's "Save Lids to Save Lives" campaign. Because this brand's primary target market is women, Yoplait linked itself with the Susan G. Komen

The Central Themes

Although the introduction to this preface highlighted changes, the important thing in a textbook project of this size and scale is that there are central threads that weave key ideas across the chapters and throughout the book. So let's consider the foundational themes that make this book different from other introductory textbooks in advertising and marketing communication.

Brand Communication and IMC

This book started out many years ago as an introduction to advertising textbook, although it acknowledged the role of other areas. Over the years the scope of advertising has changed. Now we use the phrase *brand communication* (or *marketing communication*) because what used to be known as *advertising* has expanded beyond the familiar ads in print media and commercials on radio and television to include public relations, direct marketing, and other forms of promotion. The emphasis then shifts to the brand and the communication activities that surround it.

Electronic and social media have opened up new ways to communicate online with consumers about a brand. Alternative and nontraditional forms, such as *guerilla marketing* that reaches people in surprising ways in unexpected places, have opened up new opportunities to engage people with brand messages through memorable experiences.

Creating buzz and dialogue now accompany the practice of targeting messages at consumers. A new goal is to enlist word-of-mouth conversations to reinforce and extend the power of the more traditional marketing communication forms.

This wider view of *brand communication* includes an array of communication tools used by a variety of organizations—nonprofit as well as for-profit—promoting their brands, consumer as

well as business-to-business products and services. We mention public relations, direct marketing, and sales promotion, but those are just a few of the tools in the brand communication tool kit.

We describe the use of these various forms of brand communication as *integrated marketing communication* (IMC), which refers to the strategic use of multiple forms of communication to engage different types of consumers who have an interest in or connection to a brand. The key word is integration, which means the various tools are strategically employed to work together. The title of this book changed in the previous edition to recognize the importance of IMC in modern brand communication.

Effectiveness

During a Super Bowl some years ago, an ad for Anheuser-Busch called “Applause” showed people in an airport spontaneously applauding a group of American troops returning home. Even the audience watching from their living rooms was inclined to join in with applause as part of this graceful display of respect and appreciation. It was touching and memorable, and it might have nudged a few viewers to think well of Anheuser-Busch.

But was it an effective ad? What was it trying to accomplish? Did the viewers remember it as an Anheuser-Busch ad? If so, did it affect their opinions of that company and its brands?

What is effective? Is it marketing communication that gets talked about? Is it a message like the Anheuser-Busch commercial that touches your emotions and inspires you to applaud? What, exactly, does it mean to say that a brand message “works”?

Our answer is that brand communication is effective if it creates a desired response in the audience. A brand message that *works* is one that affects people; it gets intended results that can be measured.

Effective messages move people to like, love, laugh, dance, squirm in their seats, or even shed tears. But they can also cause you to stop and watch or even to stop and think. Commercial communication can’t make you do something you don’t want to do, but it can inspire you to read about a new product or remember a favorite brand when you’re walking down the aisle in a supermarket or applaud a service member or first responder.

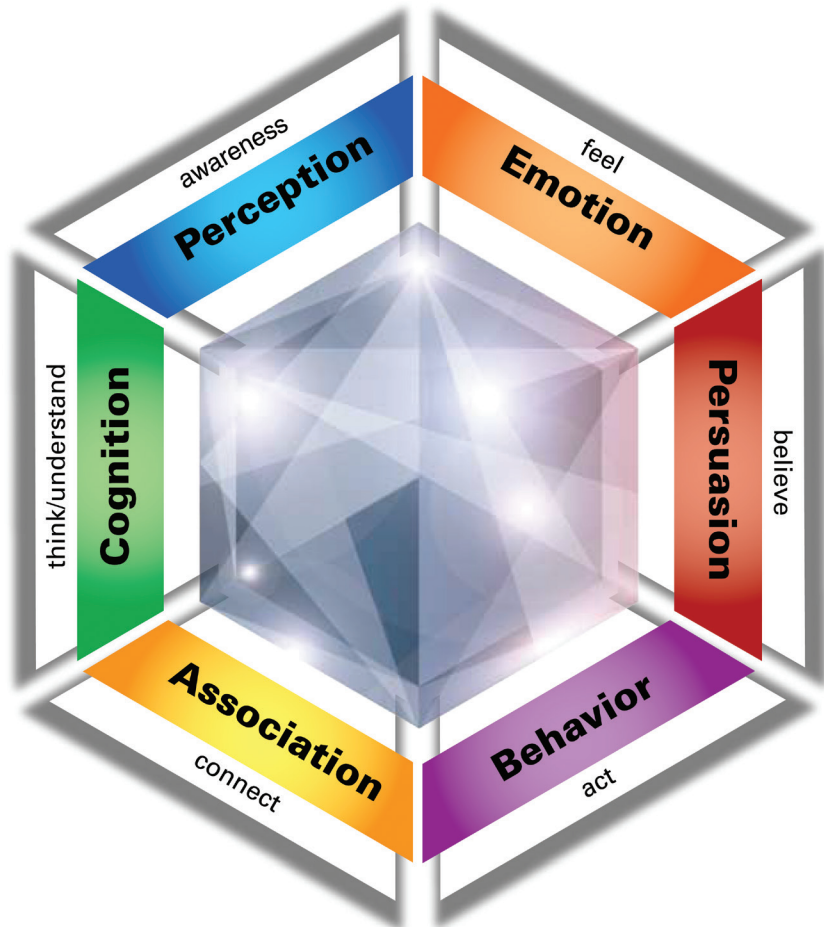
Advertising & IMC: Principles & Practice uses the *Facets Model of Effects* to better explain brand communication strategies, consumer responses, and effectiveness. The facets model is like a diamond or a crystal whose surfaces represent the different types of responses generated by a brand message. This model and the ideas it represents are used throughout the book to help explain such things as how objectives are decided on, what strategies deliver what kind of effects, and how an advertisement and other forms of marketing communication are evaluated based on their objectives.

That’s why this textbook, *Advertising & IMC: Principles & Practice*, is dedicated not only to explaining advertising and other areas of brand communication—such as public relations, direct marketing, and sales promotion—but also to make you think about what works in all commercial communication efforts.

Enduring Principles and Best Practices

To help you better understand how effective communication is created, this textbook will highlight the principles and practices of the industry.

The Facets Model of Effects



Marketing communication messages are part inspiration and part hard work, but they are also a product of clear and logical thinking. In most cases, consumers have little idea what the objectives are because that information generally isn't made public—and sometimes you can't tell from the communication itself. But think about the “Applause” ad. From what we've told you, what do you think the ad's objectives were? To sell beer? To get viewers to run out and buy the brand? Actually, the ad seems to be a bit removed from a straight sales pitch.

An educated guess—and that's what you will be better able to make after reading this book—is that perhaps its objective is simply to make people feel good—to see the goodness in a simple patriotic gesture and ultimately associate that feeling of goodness and warmth with the brand. Does it work? How did you feel when you read over the description of the ad?

This book presents both principles and practices of effective brand communication. You will find principles in the margins of the text in every chapter. In addition, boxes and other features elaborate on both the principles and practices related to the topic of each chapter.

In this 11th edition, we take you behind the scenes of many award-winning campaigns, such as the “Gatorade,” “#LikeAGirl,” “REI,” “Old Spice,” “TOMS,” and “Fearless Girl” campaigns, to uncover the hard work and explain the objectives, the inspiration, and the creative ideas behind them. You'll see how the ideas come together, you'll analyze the decision making, and you'll understand the risks the message creators faced.

We also have contributions from highly experienced professionals as well as our Ad Stars, graduates from advertising, public relations, and marketing communication programs around the United States who were nominated by their professors to be featured in this book. We showcase their work throughout the book. These Ad Stars have also written “Inside Stories” that explain strategies and what they have learned on the job as well as “A Day in the Life” features that provide insight into various career opportunities in marketing communication.

The Proof It Works

Advertisers and marketers want proof their marketing communication is effective and efficient. Likewise, you should want proof about the value of your textbooks. You will learn in this book that all claims in messages need to be supported. That's why we make the claim—and, yes, this is an advertisement—that *Advertising & IMC: Principles & Practice* is the book to read to learn about effective brand communication. We are making a bold claim, but here is how we back it up.

Advertising & IMC: Principles & Practice is time-tested. It has continued as one of the market leaders since 1989. It continues to be in touch with the most current practices in the industry, but it also presents the fundamental principles in ways that will give you a competitive edge. That's why students keep this textbook on their shelves as an important reference book as they move through their major. One thing we hear from our young professional Ad Stars is that they continue to rely on this book as they make their transition to professional life. The principles in this book are enduring, and your understanding of the language and effective practices of the field can jump-start your career.

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Supplements available to instructors at www.pearsonglobaleditions.com	Features of the supplement
Instructor's Manual authored by Stephanie Bibb from Chicago State University	<ul style="list-style-type: none"> • Chapter-by-chapter summaries • Examples and activities not in the main book • Teaching outlines • Teaching tips • Solutions to all questions and problems in the book
Test Bank authored by Bonnie Flaherty	2000 multiple-choice, true/false, short-answer, and graphing questions with these annotations: <ul style="list-style-type: none"> • Difficulty level (1 for straight recall, 2 for some analysis, 3 for complex analysis) • Type (multiple-choice, true/false, short-answer, essay) • Topic (the term or concept the question supports) • Learning outcome • AACSB learning standard (Written and Oral Communication; Ethical Understanding and Reasoning; Analytical Thinking; Information Technology; Interpersonal Relations and Teamwork; Diverse and Multicultural Work; Reflective Thinking; Application of Knowledge)
Computerized TestGen	TestGen allows instructors to: <ul style="list-style-type: none"> • Customize, save, and generate classroom tests • Edit, add, or delete questions from the Test Item Files • Analyze test results • Organize a database of tests and student results.
PowerPoints authored by James Andrew Lingwall from Clarion University of Pennsylvania	Slides include all the graphs, tables, and equations in the textbook. PowerPoints meet accessibility standards for students with disabilities. Features include, but not limited to: <ul style="list-style-type: none"> • Keyboard and Screen Reader access • Alternative text for images • High color contrast between background and foreground colors

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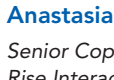
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Advertising & IMC

PRINCIPLES & PRACTICE

11e

1

PRINCIPLE All Communications One Voice

- 1 | Strategic Brand Communication
- 2 | Advertising
- 3 | Public Relations
- 4 | Action and Interaction: Direct Response and Promotions



▲ ED CHAMBLISS
is CEO of Phelps.

“People crave consistency. Predictability. To know what’s going to happen before it does so they can minimize risk,” said Ed Chambliss, CEO of IMC agency Phelps and a member of this book’s Advisory Board. He explained: “That’s one reason why McDonald’s remains the world’s largest hamburger chain. Not because they have the *best* burger you’ve ever had, but because you can depend on them to deliver a burger that is consistently *good enough*.”

Chambliss explains that his agency is a leader in “defining our clients’ brands and aligning their communications.” That’s summarized in the agency’s slogan: “All Communications. One Voice.”

To accomplish consistency, today’s companies intend that the experiences and communications you have with them are aligned. Whether it’s in advertising, public relations, direct marketing, sales marketing, special events, sports marketing, digital marketing, loyalty programs, customer service, or personal selling, they want to ensure that you have a consistent brand experience.

These experiences involve communication about a brand with a customer—or potential customer. Sometimes it’s a river or even torrent of communication, usually from a company to a customer or prospective customer, but sometimes the communication involves a brand conversation to and from a customer. The customer may receive a message or may send it; likewise, the brand may send a message or may receive it.

Fractured Communication

The problem is that all these areas that deliver and receive messages about the brand may not be on the same page. Ideally, there’s some corporate concept of what the brand is and stands for, but sometimes a special promotion or some other communication program may not reflect that brand vision. The brand’s communication landscape becomes fractured.

In the old days, these specialist areas operated like silos, and managers rarely talked with one another. Today, though, there's pressure from the brand client that there be more coordination among these communication areas. The solution is a process called integrated marketing communication (IMC), which is a major theme of this textbook.

What Do You Call It?

There's also a blurring among the tools these communication areas use. Public relations, for example, may use advertising, and an advertising campaign may use public relations techniques such as publicity or special promotions.

The promise, and now reality, of interactivity (brand conversations) through social media, mobile media, and real-time online communication is shutting some doors and opening others. When someone makes a brand contact, mentions a brand to a friend online, or searches for information related to a brand, how does the brand or company respond? Is it an ad? A press release? A direct-response piece? Customer service? A website? Who's involved in this customer interaction, and how is it aligned with other messages about the brand? Who's in charge?

In the past, all these platforms and tools were often called advertising, and in many cases, advertising had the biggest budget and led the communication effort. Coming from that viewpoint, Rance Crain, publisher of industry magazine *Advertising Age*, explained that "everything a brand does, really, is advertising."¹ Northwestern professor Don Schultz, a leader in the development of IMC, believes, however, that "we're no longer in the advertising business (or whatever you want to call it)."²

In this textbook we call it strategic communication or integrated marketing communication.

The challenge to a student of strategic communication is pointed out by Maurice Levy, CEO of communication giant Publicis, who calls for a system of services that "is seamless and fully integrated in one single platform."³

Chambliss summarized the rationale for the Phelps IMC system of "All Communications. One Voice." He said, "IMC delivers far more impact and effectiveness from every precious marketing communication dollar because it ties together everything you do into ONE consistent, cohesive message that is much more noticeable and memorable."

1

Strategic Brand Communication

KEY OBJECTIVES

- 1.1 What is the marketing mix, and how does it send messages?
- 1.2 What is integrated marketing communication?
- 1.3 Understand how this text will prepare you for your career.

In today's marketplace, new forms of communication and promotion are changing all areas of marketing and strategic communication. Intensive competition for the minds and money of people who buy products and support organizations has brought us so many choices that a text like this one is constantly challenged to have a focus. We believe the focus should be on the brand, the one constant in the shifting sands of strategic communication. By strategic communication we mean the principles and practices used in advertising, public relations, direct response communication, sales promotion, online communication, and other areas of promotion.

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IT'S A WINNER

Category	Brand	Agency	Awards
Long-Term Brand Development	New Pig	In-house	Since 2005: Telly Award for Christmas video; Automotive Communications Award (Direct Mail, Campaign, Newsletter); Multichannel Merchant Gold Award for Pigalog, three times); Multichannel Merchant "Catalog of the Year" award for UK Pigalog (twice); Multichannel Silver International award for BV Pigalog; Catalog Age Gold Industrial Supplies Category for Pigalog; Catalog Age Gold International Category for UK Pigalog; WebAward Standard of Excellence

New Pig: Partners in Grime



Photo: Courtesy New Pig Corporation, www.newpig.com



Photo: Courtesy New Pig Corporation, www.newpig.com

New Pig Corporation, an international business-to-business (B2B) company, has built a unique brand position in the often-dull niche markets of industrial absorbent products and workplace safety. New Pig reaches its markets through its award-winning Pigalog® catalog, direct marketing program, and distributors. The company is also recognized for its innovative product line and legendary customer service.

Its fun brand personality has transformed the dirty world of the factory into a clean, pig-focused theme park. The “pig” theme is integrated throughout the company. Here are a few examples:

- Catalog name: **Pigalog®**
- Employees are **Piggers**
- Address: **One Pork Avenue**
- Phone: **1-800-HOT HOGS®**
- Fax: **1-800-621-PIGS**
- Intranet: **OINKX** (Online **IN**formation & Knowledge **X**change)
- Cafeteria: **Pig Trough**
- Promotional item: **PIG® Snout Hat, PIG® Pen, PIG® Note Pad, etc.**
- The founder is **Chairman of the Boar . . . d**
- The president/chief executive officer (CEO) is the **Head Hog**
- Vocabulary: **Swine-cerely, Boarhday, Hamiversary, ThOINKs, Boar-B-Q, etc.**

Historically, oil spills, as well as other liquids, were absorbed by spreading around dirt or clay. The process may have soaked up most of the spill, but it created its own mess. The solution was an invention: the Original PIG® Absorbent Sock, the first contained absorbent sock that changed leak and spill management forever.

All the products project the light-hearted pig brand image. For example, a mat commonly used around machinery to soak up spills has been marketed as the PIG® Ham-O® Mat with a colorful piggy pattern as well as slogans that carry the brand theme, such as “Scuff-resistant top layer is tough as a pig’s hide!” (New Pig Corporation). A scratchy sketch of a friendly pig face (“Mr. Pig”) pops up from time to time in the Pigalog, on the website, or on special promotions to add surprise and fun to its pig-themed personality.

Although the company avoided industrial distribution in the early stages of its growth, the demand for PIG® products was such that select distributors like Grainger, Caterpillar, Safety-Kleen, Motion Industries, and NAPA are now “partners in grime.” Today the company is a multichannel, multibrand manufacturer and merchandiser offering the world’s largest selection of absorbent products and other industrial maintenance products to help workplaces maintain a clean, safe environment.

It all began in the corner of a warehouse in Altoona, Pennsylvania, aptly nicknamed the *Pig Pen*. With rounds of experimentation and product testing in constant progress, it was always messy. As the sausage-sized socks wallowed in pools of dirty oil, it’s easy to understand why the founders started calling them *Pigs*.

When it came time to register an official name, it made perfect sense to name the world’s first contained absorbent, the PIG® Absorbent Sock, in honor of its birthplace, the *Pig Pen*. However, a top ad agency warned that the “Pig” name would never do as a commercial name because it conjured up too many negative connotations. For example, angry protestors called police “pigs,” overeaters are called “pigs,” and some religions have strong precepts about pigs.

The founders nevertheless realized that many “pig” references are positive as well: think of Porky Pig, piggy banks, and hog heaven, for example. “Pigs are really a lot of fun,” said the company’s public relations director, Carl DeCaspers.

The founders also chose *Pig Corporation* as the company's new name, but company chairman and cofounder Ben Stapelfeld discovered that *Pig Corporation* had already been registered. Undaunted, Stapelfeld simply added the word *new* at the beginning to create *New Pig Corporation*, and the company with the funny name was born. His compromise name, New Pig, was a stroke of genius because it reflected the nature of the product as well as the innovativeness of the company.

Because customers had so much fun with the name and remembered it so easily, the founders decided to stick with it as the corporate name, despite the experts' advice. The success of the company has proved the power of the brand vision. The leak and spill experts serve more than 200,000 industrial, commercial, utility, institutional, military, and government facilities in more than seventy countries. Headquartered in Tipton, Pennsylvania, the company employs 570 people worldwide.

New Pig has kept its sense of fun intact while continuing to expand its reach globally. Listed as the sixty-fourth-fastest-growing private company in the United States by *Inc.* magazine in 1990, New Pig's growth has continued uninterrupted. It currently maintains ten facilities in the United States consisting of manufacturing, warehousing, and sales operations. International development continues as New Pig has expanded operations with headquarters in the United Kingdom and Holland to serve continental Europe. In 2007, New Pig continued its Asia growth by founding Shanghai-based New Pig China. Its most recent foreign subsidiary, New Pig India, opened its doors in March 2015 with headquarters in New Delhi and warehousing and sales operations in Mumbai.

New Pig's sales are driven by direct marketing and rely heavily on its award-winning catalogs. The Big Pigalog® (annual January edition) is a colorful 450-page catalog showcasing more than 3,100 industrial maintenance solutions for a clean and safe workplace.

New Pig's customer service is legendary. Customers contact the company by phone, by Internet, and in person through sales representatives. Every interaction reflects the personality of the company's corporate culture.

New Pig has successfully branded what some might think is the unbrandable by selling mundane industrial absorbents and workplace safety products with a pig theme and pig-related product and promotion paraphernalia.

This chapter will give you a foundation for thinking about marketing and the role of communication. The New Pig story demonstrates how imaginative strategic communication can help establish a brand and bring a product to life. This chapter starts with an explanation of the basic principles of marketing and relates marketing to strategic communication and integrated marketing communication. We explain the concept of branding and why it is so heavily dependent on strategic communication.

The brand is the anchor for our thoughts, feelings, and experiences with a product or organization. It's the name we use, the image we have in our minds, and the way we organize and perceive the marketplace. To understand brands and how they work, however, we first need an understanding of marketing, which is the corporate function most likely to manage an organization's brand or brands.

1.1 What is the marketing mix, and how does it send messages?

The Marketing Foundation

Because many advertising, public relations, and marketing communication majors are expected to take an introductory course in marketing, we won't try to present Marketing 101 here. Instead, we will review some of marketing's basic concepts in terms of how they affect or give direction to strategic communication.



Photo: Courtesy Urban Decay Cosmetics. Used with permission.



SHOWCASE

The Urban Decay line of cosmetics projects is designed to lead the market with edgy product designs and formulations that appeal to fashion-conscious young women. Its street-smart attitude is embodied in its packaging and product names.

Wende Zomnir, co-founder, Urban Decay, Costa Mesa, California, is a graduate of the University of North Texas advertising program. She was nominated to be featured here by Professor Sheri Broyles.

Marketing is designed to build brand and customer relationships that generate sales and profits or, in the case of non-profit organizations, memberships, volunteers, and donations. Traditionally, the goal of most marketing programs has been to sell products, defined as *goods*, *services*, or *ideas*. Marketing's sales goals respond to the marketplace, ideally matching a product's availability—and the company's production capabilities—to the consumer's need, desire, or demand for the product.

Sometimes the challenge is to build demand for a product, as the Showcase feature illustrates. Urban Decay is a line of cosmetics with a street-smart attitude that markets to fashionable young women. The *Wall Street Journal* says Urban Decay caught its market's attention with its edgy packaging and product names, such as "Perversion" and "Stray Dog."¹

The Marketing Mix

Marketing accomplishes its goal by managing a set of operations and strategic decisions referred to as the **marketing mix** (or the **Four Ps**). They are the design and performance of the *product*, its *place* (where it's available, distribution), its *pricing* strategies, and its *promotion*. These Four Ps all deliver messages about the brand. In other words, what do the design and construction of the product say about the brand; what does the price suggest about the quality of the product; what does the store or online site contribute to the brand image; and what do the more formal marketing communication messages (such as advertising, public relations, direct communication, events and sponsorships, packaging, sales promotion, and other planned messages) say about the brand?

Marketing also focuses on managing customer relationships to benefit a brand's **stakeholders**. By stakeholders, we mean all the individuals and groups who have a stake in the success of the brand, including employees, investors, the community, media, business partners, as well as customers. As we'll explain later in the section on branding, positive stakeholder relationships create value for a brand.

Marketing and Messages

What we call **marketing communication** (marcom for short) involves the use of a variety of tools and functions, such as advertising, public relations, sales promotion, direct response, events and sponsorships, point of sale, digital media, and the communication aspects of packaging as well as personal sales and new forms of online communication that are constantly being developed. They are pieces of a planned effort that strategically delivers specific messages to promote a brand or organization, such as New Pig.

On a more general level, **brand communication** includes all the various marketing communication messages from marketing communication. It also includes personal experiences that create and maintain a coherent brand image.

For example, consider the Puma brand. The same creative spirit that drives Puma's cutting-edge product design also drives its marketing communication, which includes advertising. Puma also uses nontraditional ways to connect with customers, such as **word of mouth**; the Internet; eye-catching in-store merchandising displays; and other marcom programs that promote the

brand on the street and on the feet of its devotees. Clever brand communication ideas include promotions, such as one during the World Cup held in Japan and South Korea that featured a special Puma sushi roll served in select Japanese restaurants in cities around the world. These restaurants also discretely announced the sponsorship through Puma-branded chopsticks, sake cups, and napkins. At the same time, Puma partnered with a UK-based design shop to sell an exclusive version of its World Cup soccer boot. It also held weekend sushi-making events at a home furnishings store. In other words, Puma's brand communication extends well beyond advertising and traditional media.

The management challenge, then, is to plan and monitor all the messages delivered by all the various types of marketing communication so that they work together to present the brand in a coherent and consistent way² as a coordinated basket of messages.

Principle

The challenge is to manage all the messages delivered by all aspects of marketing communication so that they work together to present the brand in a coherent and consistent way.

Who Are the Key Players?

The marketing industry is a complex network of professionals, all of whom are involved in creating, producing, delivering, and promoting something to customers. They are involved both as audiences for marcom messages and as partners in delivering brand messages. The four categories of key players are (1) marketers; (2) marketing partners, such as advertising and public relations agencies; (3) suppliers and vendors; and (4) distributors and retailers. These positions represent jobs, so this review also describes careers should you be interested in working in marketing.

The marketer is any company or organization behind the brand—that is, the organization or company producing the product or service and offering it for sale—or promoting a good cause or nonprofit organization to its supporters. To marketing communication partners (advertising agencies and other marketing communication firms), the company or firm behind the brand is referred to as the *client*. The product or brand manager is the key contact within the market organization for marketing communication partners. This person gives direction to the agencies about the brand strategy, budget, and schedule. As one brand manager explained, the effective manager is one who lets his or her market communications experts do the work: “I finally figured out that I never had to solve the problems. I just gave them my problems to solve.”³

As a *Wall Street Journal* article explained, the relationship between marketers and their agencies can be a complicated one because of pressures to cut costs as well as changing strategies and technologies, particularly in the digital arena.⁴ Achieving an effective “partner” relationship between agency and client is sometimes challenging, as the Inside Story explains.

The materials and ingredients used in producing a product or managing a nonprofit organization are obtained from other companies, referred to as *suppliers* or *vendors*. The phrase **supply chain** is used to refer to this complex network of suppliers who produce components and ingredients that are then sold to the manufacturer. The **distribution chain** or **channel of distribution** refers to the various companies involved in moving a product from its manufacturer to its buyers. Suppliers and distributors may also be used in nonprofit organizations, where they are also partners in the communication process.

What Are the Most Common Types of Markets?

The word **market** originally meant the place where the exchange between seller and buyer took place. Today, we speak of a market not only as a place (for example, the New England market), but also as a particular type of buyer (for example, the youth market or the motorcycle market). The phrase **share of market** refers to the percentage of the total sales in a product category belonging to a particular brand.

As Figure 1.1 shows, the four main market types are (1) consumer, (2) business-to-business (industrial), (3) institutional, and (4) channel markets. We can further divide each of these markets by size or geography (local, regional, national, or international).

- **Consumer markets** (business-to-consumer or B2C) refer to businesses selling to consumers who buy goods and services for personal or household use. As a student, you are considered a member of the consumer market for companies that sell jeans, athletic shoes, sweatshirts,

Dos and Don'ts of an Insatiable Client

Anthony Morrison, Owner and CEO, MYP Training, Houston, Texas

Advertising is a very exciting, fast-paced, and rewarding industry. Many look at advertising as a way to deliver client needs and wants and develop tangible materials out of intangible concepts and ideas. All that is true, and for a young advertiser, there are so many columns, stories, mentors, and examples of how to succeed in the advertising industry.

A good skill to pick up as a young advertiser is how to deal with a client who is not ideal. A client might have a strong personality but not the industry knowledge to develop the concept. I like to call them "Good but not good enough" clients. Handled the wrong way, this type of client can make or break a young advertiser's career. This client can even have a young advertiser thinking of a career change. Before that happens, here are some important "Dos" and "Don'ts" to dealing with this type of client.

Do

- **Do understand the full scope of the deliverable.** Never start a project without knowing the end result.
- **Do keep the client abreast at every step in the process.** Doing so makes the client feel involved.
- **Do stay within the budget and time line initially scoped out.** If you are in danger of going over budget or falling behind, say something immediately. If not, the client will lose trust in you.
- **Do reach out for help from colleagues.** Coworkers may have had some of the same experiences.

Don't

- **Don't deliver a product that is out of scope.** Even if the product is better than originally scoped, it needs to be discussed first.
- **Don't get frustrated with the client.** The client is just as passionate about the product as you are. Everyone just wants the best deliverable product.
- **Don't talk to the client when you are upset.** Some communications may come off as angry and will hurt the relationship.

Note: A graduate of the University of Houston, Morrison was nominated to be featured here by Professor Larry Kelley, a member of this book's advisory board.

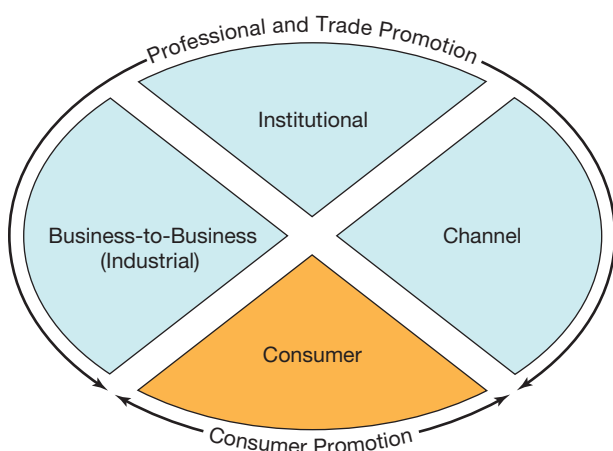


FIGURE 1.1

Four Types of Markets

The consumer market, which is the target of consumer advertising, public relations, and promotion, is important, but it is only one of the four types of markets. The other three are reached through professional and trade marketing communication.

agencies, and museums. Universities, for example, are in the market for furniture, cleaning supplies, computers, office supplies, groceries, audiovisual material, paper towels, and toilet paper. Such ads are similar to B2B ads in that they are generally heavy on facts.

- **Channel markets** include members of the distribution chain, which is made up of businesses we call **resellers** or intermediaries. **Channel marketing**, the process of targeting messages to the distribution channel, is more important now that manufacturers consider their distributors to be partners in their marketing programs.

pizza, music, textbooks, backpacks, computers, education, checking accounts, bicycles, and a multitude of other products.

- **Business-to-business (B2B) markets** consist of companies, such as New Pig, that buy products or services to use in their own businesses or in making other products. General Electric, for example, buys computers to use in billing and inventory control, steel and wiring to use in the manufacture of its products, and cleaning supplies to use in maintaining its buildings. In 2016, the three biggest B2B marketers were Microsoft, IBM, and Wells Fargo.⁵ Promotion in this category tends to be heavy on factual content and information.
- **Institutional markets** include a wide variety of nonprofit organizations, such as hospitals, government

Most marketing communication dollars are spent on consumer markets, although B2B marketing is becoming almost as strong. What's important, however, is that marketing communication is used to reach customers in all four types of markets. The type of marketing communication and the way it is directed to the audience might differ, but strategic communication is essential to all four types of marketing.

How Does the Marketing Mix Send Messages?

Marketing managers construct the *marketing mix*, the Four Ps, to accomplish marketing objectives. As shown in Figure 1.2, these marketing mix decisions are key elements of marketing strategy. To a marketing manager, marketing communication is just one part of the marketing mix, but to a marcom manager, all these marketing mix elements send messages that can sometimes contradict planned marcom messages or even confuse consumers. The following sections explain these three other components of the marketing mix as providers of communication cues.

Product Design, performance, and quality are key elements of a product's success. When a product performs well, its performance sends a positive message that this brand is okay to repurchase or revisit. (The opposite is also true: poor performance sends a negative message.) A positive brand experience also motivates the buyer to recommend the brand to others, extending the reach of the positive experience through word of mouth.

Some brands, such as Apple, are known for their design, which becomes a major **point of differentiation** from competitors. When this point of difference is also of significant importance to customers, it becomes a **competitive advantage**. Apple's personal digital products, such as the iPod, iPhone, and iPad, have built a fanatical following because of their innovativeness. The iPhone, for example, was characterized in the *Wall Street Journal* as "the defining consumer item of its age."⁶

A *product launch* for a new brand such as Apple's iWatch depends on announcements in the media usually involving publicity and advertising as well as trade promotion. The communication is designed to build awareness of the new brand and to explain how this new product works and how it differs from competitors. Performance is important for launching innovative and technical products, such as the iWatch, that are introduced to the market through ads and publicity that explain how to use this new technology.

Principle

Every part of the marketing mix—not just marketing communication—sends a message.



Photo: Justin Sullivan/Getty Images

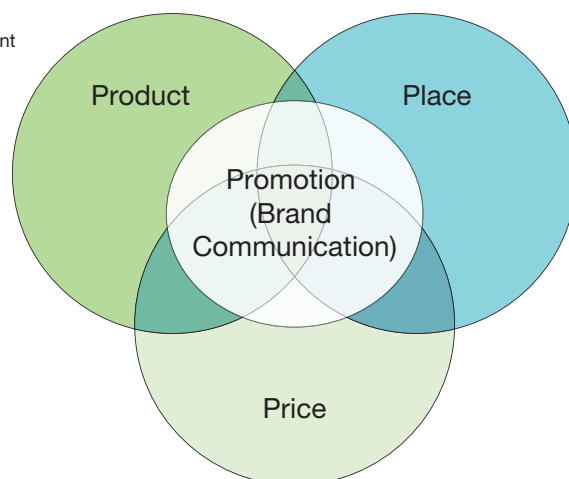
The Apple Watch launched in 2015 has a clean design and is a well-constructed smartwatch with hundreds of apps and the ability to send and receive calls, similar to an iPhone. It's also like a super iPod combined with a fitness device that's worn on the wrist.

Product

- Design and development
- Performance
- Branding
- Packaging

Price

- Psychological pricing
- Sales
- Price/value



Place (Distribution)

- Channels
- Market coverage
- Push-pull
- Co-op advertising

Promotion (Brand Communication)

- Personal selling
- Advertising
- Sales promotion
- Point of purchase
- Customer service
- Public relations
- Direct marketing
- Merchandising
- Packaging
- Events, sponsorships

FIGURE 1.2

The Marketing Mix

The four marketing mix elements and their related tools and marketing communication techniques are basic components of marketing. Brand communication is shown in the middle and overlaps the other three Ps—product, place/distribution, and price—because all have communication effects.

Principle

Product performance sends the loudest message about a product or brand and determines whether it will be purchased again.

Product performance—how it handles or is used—sends the loudest messages about a product or brand and determines whether the product is purchased again or whether the buyer recommends it to others. Buyers of computers, for example, will assess performance by asking the following: Is the computer easy to use? Does it crash? How big is its memory? Quality is another product feature that is often linked to upscale brands, such as Mercedes and Rolex. The idea is that if the product is well engineered and its manufacturer maintains a high standard of quality, the brand will perform at a high level.

Related to product performance is product adaptation, particularly when innovation is driven by consumer needs. An example comes from Avon's bath oil, Skin So Soft, which has long been used as a bug repellent. Avon figured that out and launched Skin So Soft Bug Guard.

Principle

The treatment of the price in marketing communication cues a meaning that puts the price/value proposition in perspective.

Pricing The price that a seller sets for a product sends a “quality” or “status” message. The higher the price relative to the competition, the higher—supposedly—the quality or status will be. The price is based not only on the cost of making and marketing the product, but also on the seller's expected margin of profit as well as the effect of the price on the brand image. Ultimately, the price of a product is based on what the market will bear, the competition, the relative value of the product, and the consumer's ability to gauge that value, which is referred to as the *price/value proposition*. **Psychological pricing** strategies use marketing communication to affect the customer's judgment of value. For example, ads showing *prestige pricing* in which a high price seems to make the product worthy or valuable may be illustrated by photographs of the “exceptional product” in luxury settings or by ad copy explaining the reasons for a high price. The meaning of the price is often dependent on the context provided by the marketing communication, which puts the price in perspective.

With the exception of price information delivered at the point of sale, marketing communication is often the primary vehicle for telling the consumer about price. The term **price copy**, which is the focus of much retail advertising, refers to copy devoted primarily to the price and its relation to value. During the Great Recession, fast-food chains as well as Walmart and, of course, discount and dollar stores depended on a *value pricing* strategy using the \$1 price to signal money-saving offers. *Promotional pricing* is used to communicate a dramatic or temporary price reduction through terms such as *sale*, *special*, and *today only*.

Place/Distribution It does little good to offer a good or service that will meet customers' needs unless you have a mechanism for making the product or service available and handling the exchange of payment. Where or how a brand is made available also sends a message. The image of a watch, like Swatch, can be quite different if it's sold in Walmart as opposed to Nordstrom. The objective is to match the distribution to the product quality, brand personality, and price.

Puma, for example, is growing the market for its shoes and athletic apparel because of its unusual approach to distribution. Its channel marketing strategy delivers Puma products both to exclusive and mass-market audiences, selling its edgy designs to trendy retailers and then placing its more mainstream products in mall stores. In recent years, Puma has expanded its distribution program to include its own stores, which greet customers with a unique shopping environment that reflects the personality of the Puma brand.

A common distribution strategy involves the use of *intermediaries* such as retailers. Apple, for example, sells not only through other retailers but also in its very popular Apple stores. “Clicks or bricks” is a phrase used to describe whether a product is sold online (clicks) or in a traditional store (bricks). **Direct marketing (DM)** companies, such as Lands' End and Dell, distribute their products directly without the use of a reseller. The sale is totally dependent on the effectiveness of catalogs and direct-response advertising. New Pig has some resellers, but it depends primarily on direct marketing.

Another distribution-related strategy involves the distinction between push and pull strategies. A **push strategy** offers promotional incentives, such as discounts and money for advertising, to retailers. Distribution success depends on the ability of these intermediaries to promote

the product, which they often do with their own advertising. In contrast, a **pull strategy** directs marketing communication efforts at the consumer and attempts to pull the product through the channel by intensifying consumer demand.

Other Functions in the Mix The Four Ps concept is useful in identifying the key marketing strategy decisions that support communication about a brand. Other areas, such as personal sales and customer service, are also important in the brand's communication mix.

Personal sales rely on face-to-face contact between the marketer and a prospective customer rather than contact through media. It's particularly important in B2B marketing and high-end retail. In contrast, self-service retailers (grocery stores, drugstores, and big-box stores like Costco) rely on customers to know what they want and where in the store to find it.

In contrast to most advertising, whose effects are often delayed, marketers use *personal selling* to create immediate sales to people who are shopping for a product. The different types of personal selling include sales calls at the place of business by a field representative (field sales), assistance at an outlet by a sales clerk (retail selling), and calls by a representative who goes to customers' offices. Marketing communication supports sales programs to develop **leads**, the identification of potential customers, or **prospects**. **Lead generation** is a common objective for trade promotion and advertising. Personal sales are even more important in B2B marketing for reaching key decision makers within a company who can authorize a purchase.

Customer service refers to the help provided to a customer before, during, and after a purchase. It also refers to the company's willingness to provide such help. Most manufacturers have a customer service operation that provides follow-up services for many goods and also answers questions and deals with complaints about products. It's more than just traditional face-to-face customer service, though. Many companies now provide more assistance to customers through online connections than through face-to-face communication.

What Is the Added Value of Marcom?

Information from the marketing mix and marketing communication can add value to a product both for consumers and for marketers. **Added value** refers to a strategy or activity that makes the product more useful or appealing to the consumer as well as to distribution partners. The three Ps of product, price, and place add more tangible value. For example, the more convenient the product is to buy, the more valuable it is to the customer. Likewise, the lower the price, the more useful features a product has, or the higher its quality, the more a customer may value it.

Marketing communication adds psychological value by creating a brand that people remember, by delivering useful information, and by making a product appealing, as in the "Classic" ad for Lydia Pinkham's Vegetable Compound. With no added value, why pay more for one brand over the competition? A motorcycle is a motorcycle, but a Harley-Davidson is a highly coveted bike because of the brand image created by its marketing communication and relationship with its customers. Advertising and other marketing communication not only showcase the product's inherent



Photo: National Library of Medicine

CLASSIC

Ads for Lydia Pinkham's Vegetable Compound appeared in newspapers in the 1870s with claims that the product "goes to the very root of all female complaints." Other turn-of-the-century concoctions made even more dramatic and extreme claims. How do products and advertising like this one compare with modern-day pharmaceutical advertising?

value but also may add value by making the product more attractive and getting the attention of potential customers, members, or donors.

On the other hand, not all marketing mix decisions send positive messages and add value to products. Netflix found that a clumsy plan that split its streaming video service and DVD-via-mail services so that it could add a more expensive alternative system called Quickster enraged its customers and drove its share price down. Nothing in the proposal was seen as adding value for Netflix customers, who instead saw the move as a way for Netflix to get more money for a more inconvenient form of the video service.

1.2 What is integrated marketing communication?

Principle

IMC is like a musical score that helps various instruments play together. The song is the meaning of the brand.

What Is Integrated Marketing Communication?

The form of strategic communication called **integrated marketing communication (IMC)** is the practice of coordinating messages from all marketing communication tools as well as the messages from the marketing mix decisions. One important IMC goal is to send a consistent message about the brand. IMC is like a musical score that helps all the various instruments play together, but before you decide what tune each individual instrument will play, you have to decide what the song is all about. We say that the song is the brand: it is its strategy and meaning. This concept will be developed in more detail in Chapter 16, where we explain the challenge of managing IMC campaigns and programs.

IMC is still evolving, and both professionals and professors are engaged in defining the field and explaining how it works. *Integration* is a key; it means that every message is focused and that all messages work together to create a coherent and attractive brand image, as the Day in the Life feature about the varied marketing communication program of a B2B company explains. Coordination creates *synergy*, which is expressed in the common saying that “2 plus 2 equals 5.” In other words, when the pieces are effectively coordinated, the whole has more effect than the sum of its parts. A simple example is McDonald’s brand identity, where the “M” in the name is reflected in the shape of McDonald’s iconic arches. A name, a logo, a building design, and signage all work together to create the face of this familiar and highly successful brand.

How Does New Pig Use IMC?

New Pig’s marketing has been successful because of an unforgettable brand image supported by a highly creative approach to marketing communication. New Pig operates a sophisticated IMC program using multiple marketing communication tools. Its award-winning B2B direct marketing program incorporates not only its flagship Big Pigalog® January edition but also product-focused monthly “mini-catalogs” ranging from 52 to 148 pages. The program includes daily customer and prospect mailers, email and fax blasts, and Internet and telesales efforts as well as advertising in trade publications (print and digital) and directories. New Pig also produces a series of videos that tell the company’s story and serve as video catalogs and employee and sales training materials.

Interactive face-to-face contact is also important, so New Pig not only boasts an outstanding customer service operation, but it also attends several major trade shows each year. Customers respond to the quirky “pig personality” and have come to expect a certain level of fun in their dealings with the company. New Pig soon discovered that the name also appealed to customers who were testing the product in research and development. Not only did the *Pig* name tickle them pink, but they also enjoyed adding a “piggy” comment or joke when talking about the product. Frequently, they would “oink” or ask about Miss Piggy or Boss Hog in conversations. These kinds of responses, unusual in typical buyer/seller relationships, made the product development process a lot more fun.

In addition, a proactive public relations/media program—corporate and technical articles, press releases, and awards, for example—strengthens New Pig’s brand. It also helps reinforce the company’s reputation as the world’s leading expert and resource for keeping



A DAY IN THE LIFE

A View from the Marcom Front Line

Peter Stasiowski, *Director of Communications, Interprint USA, Pittsfield, MA*

There's a big difference between working for an ad agency, where the focus is on promoting many clients, and becoming an individual company's lone marketing professional, where the focus is on promoting the company that signs your paycheck.

The most obvious changes, such as fine-tuning one marketing plan instead of juggling several, give way to more subtle and important differences. When I traded my agency title of art director and creative director for my current position as marketing and communications manager for an industrial printing company, I went from working with a group of people dedicated to practicing good marketing communications to working with a group dedicated to printing good decor paper for its customers in the laminate industry.

In my case, the opportunities to expand my marketing skills beyond commercial art into areas like copywriting and financial planning came with the responsibility to make good marketing decisions without the security of an ad agency's team behind me.

At its core, a day in my life as the marketing and communications manager for Interprint is spent communicating clear messages to the right markets as efficiently as

possible. For example, to the broad laminate market, I write 90 percent of the articles for Interprint's promotional magazine about everything from our latest printing technologies to our environmental stewardship programs.

I'm also responsible for speaking with newspaper reporters, either to answer their questions or to promote a press release. Then there's coordinating the construction of trade show exhibits, planning press conferences, and, yes, designing print advertising. It's all meant to get the good word out to the right eyes and ears.

At the end of the day, my reward is knowing that as I dive deeper into the fabric of one company and learn what messages and media resonate with its customers, I gain both a broader skill set and the unfiltered feedback that ensures increasingly successful marketing efforts into the future.

For more about Interprint, check out the company's fact sheet at <https://www.interprint.com/interprint/facts#facts>.

Note: Peter Stasiowski is a graduate of the advertising program at the University of West Florida. He started his career as an art director at Gargan Communications in Massachusetts before moving to the client side. He and his work were nominated to be featured here by Professor Tom Groth.



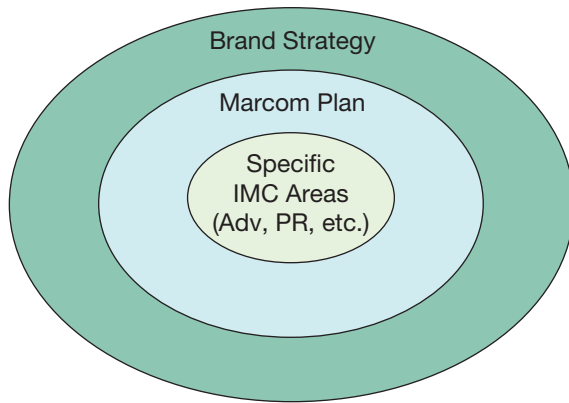
Photo: Courtesy Interprint, Inc. Used with permission.



Photo: Courtesy Interprint, Inc. Used with permission.

workplace environments clean, safe, more productive, and in compliance with safety practices and regulations.

Marketing communication is at the center of brand communication and marketing planning. Those relationships are depicted in Figure 1.3. The problem arises when the marcom tools are not aligned with other marketing mix communication messages that deliver

**FIGURE 1.3****The Hierarchy of Brand Communication**

Brand communication begins with a brand strategy that is outlined in a marketing plan. Then specific plans are developed for the relevant marcom areas that are needed to implement the marketing and brand strategy.

Principle

An organization cannot not communicate. People form brand impressions whether or not the branding process is managed by the organization.

brand communication. For example, how well do the activities of a function such as sales promotion reflect the brand image? Does it distract from the pricing strategy and the relationship of price to value? A high-priced status product, such as a Lexus or Tiffany jewelry, can be undercut by poorly created sales promotions. Likewise, direct-response messages, whether by mail or online, can raise issues of privacy that can make a brand seem insensitive to its customers.

One thing that makes the practice of IMC different from traditional advertising or public relations is its focus on branding and the totality of brand communication, including experiences. Tom Duncan and Frank Mulhern, authors of a symposium report on IMC, explain that “IMC is, among other things, a process for doing advertising and promotion better and more effectively in the process of building brands.”⁷ Through

IMC that considers all possible brand messages, marketing communication managers are able to ensure that the perception of their brand is clear and sharp rather than confused and mushy.

Why Focus on Brands?

We’ve mentioned brands throughout this chapter, so let’s take a minute to explain the importance of that concept. A brand is more than a product or an organization. Hamburgers are products, but the Big Mac and Whopper are brands. Toothpaste is a product (also the *product category*), but Colgate and Crest are brands of toothpaste. Branding applies to organizations (McDonald’s) and products (the Big Mac) as well as to services (State Farm and the US Postal Service). Branding is also important to nonprofit organizations, such as United Way and Habitat for Humanity.

Organization brands may or may not be distinct from product brands, as in the New Pig example. International branding expert Giep Franzen and his team of Dutch researchers found that “organizations should be aware that simply by existing and interacting with others, an organization is branding itself. So branding the organization is inevitable. It is going to happen whether the process is managed or not.”⁸ In other words, an organization cannot not communicate.

Branding is a management function that uses communication to create the intangible aspects of a brand that make it memorable and meaningful to a consumer. Effective marketing communication establishes the unique identity by which the brand engages the hearts and minds of consumers. Here’s how we would define a **brand**: *a perception, often imbued with emotion, that results from experiences with and information about a company, an organization, or a line of products*. Other definitions include the identity elements, such as the brand name and the trademark, that stand for the brand.

A brand is a complex bundle of feelings, promises, and experiences. In other words, a brand lives in the heads and hearts of consumers and other stakeholders. Their heads hold brand information (promises), and their hearts hold brand emotions and feelings (like or dislike, high or low status, sexy or boring, and so forth).

In fact, all organizations with a name can be considered brands. For many brands, specifically smaller ones like cosmetic company Urban Decay, the communication decisions lie with the owner, founder, or partners in the business. Wende Zomnir is not only a founding partner and creative director of the street-smart Urban Decay brand of cosmetics, but also an advertising graduate and a marketing communication professional who used her creativity to shape a distinctive brand presence in the highly competitive cosmetics market.

Branding Differentiates Products and Organizations

Branding also differentiates similar products and organizations from one another. Sometimes the difference between brands in the same product category lies in product features—the quality of the meat in the hamburger or the chemistry of the toothpaste—but

often we choose one brand over another because of a difference in the brand impressions we carry. Companies make products, but they promote brands. A brand differentiates a product from its competitors and makes a promise to its customers, as the Keds ad demonstrates.

Product brands are not just about “goods” for sale; they apply to services and nonprofit organizations as well. You may have heard of a hospice program in your community, but did you know that there are many different for-profit and nonprofit hospice programs sometimes competing in the same community? That’s why many of these programs are trying to develop distinctive brand identities.

How Does a Brand Acquire Meaning?

A brand is more than a name or logo; in fact, it is a perception: an identification or impression that we assign to the products we know and use. In their book on the science and art of branding, Giep Franzen and Sandra Moriarty explain that the meaning of a brand is “an integrated perception that is derived from experiences with and messages about the brand.”⁹ What do we mean by that?

Why does one brand sell twice the number of products as another when there is no basic difference in product attributes or performance and when both brands sell for the same price? The answer is that there is a difference in the brand meaning. Meaning-making cues and images are what marketing communication delivers to brands. This *brand meaning* is the one thing a brand has that can’t be copied. Competitors can make a similar product, but it’s difficult for them to make the same brand because brand meaning is built on a collection of personal experiences.

A brand, then, is a perception, an impression loaded with emotions and feelings (intangible elements) as well as tangible elements, such as a trademark or package design. Tangible features are things you can observe or touch, such as a product’s design, ingredients, components, size, shape, and performance. Intangibles include the product’s perceived value, its brand image, positive and negative impressions and feelings, and experiences customers have with the brand, product, or company. Intangibles are just as important as the tangible features because they create the emotional bonds people have with their favorite brands.

An example of a campaign that attempts to imbue a city with a distinctive brand meaning comes from Billings, Montana, a story that is showcased in the Matter of Practice feature.

The meaning of a brand, then, is an aggregation of everything a customer (or other stakeholder) sees, hears, reads, or experiences about an organization or a product brand. This meaning cannot be totally controlled by management, however. A company can *own* a **brand name** and brand symbol and *influence* to some degree what people think about the brand, but it can’t dictate brand impressions because those exist in people’s minds and are derived from their personal experiences.

Brand meaning affects more than just customers or consumers. Employees often say that they are searching for meaningful work. Sometimes that involves the job description—what they do—but more likely it comes from the mission of the organization, that is, what the company does and what it stands for. Even Harley-Davidson’s marketing chief admitted at an investor event that “there is a higher purpose to the Harley-Davidson brand that is more than motorcycles.”¹⁰

carson pirie scott . keds.com



freewheeling in keds stretch™

Photo: Ilan Rubin/Art Department

There are many different types of tennis shoes, and the advertising challenge is to create a distinctive brand image for the product. What do you think this ad says about the Keds brand?

Principle

A brand is an integrated perception derived from personal experiences with and messages about the brand.

Branding Billings

John Brewer, President and CEO, Billings (Montana) Chamber of Commerce/Convention and Visitors Bureau



What do you think of when you think of Montana? Big Sky, right? That's an example of an incredibly successful branding campaign for a place.

What do you think of when you think of Billings, Montana? Probably not much, right?

That's the problem I faced when our steering committee took on the problem of brand-

ing Billings. So this is a story of our two-year effort to create a brand identity campaign for the city.

You can check out the results of this plan at www.brandbillings.com. In addition to beautiful scenery, the first thing you may notice on the site is a logo with the slogan "Billings—Montana's Trailhead." Here's how the city arrived at that theme line.

The campaign began with research, including more than a thousand online surveys, community workshops, and presentations to clubs and service groups, followed by countless hours of strategic envisioning sessions. The research and analysis determined that Billings is a very special place that merges its location with an attitude, a position that combines "open space" and "western pace."

The important brand characteristics begin with its location, which is shaped by the Yellowstone River and sheltered by the Rims geographic formation. The community is progressive and a regional center for finance, health care, transportation, arts and culture, and diverse educational opportunities. Its hardworking citizens have a unique Montana perspective that combines warmth with an appreciation of scenery and history, but what defines them most is a lifestyle that loves the adventure of an untamed wilderness right outside the door.

Those characteristics translated into a statement of Billings brand essence as "Montana's city connects you to the authentic historical West." The "trailhead" idea springs from the recognition that Billings is a starting point for business growth and development as well as a gateway for opportunities to explore the wonders of Montana. The starting point idea was supported in the "trail" graphic with its "X marks the spot" symbol. The "Where Ya Headin'?" tagline expresses the idea that Billings is the gateway for adventure.

The campaign's objective was to create a position that expresses this brand essence. In addition, the campaign aimed to create a consistent and cohesive brand message that unifies the city's efforts to encourage business and workforce development, individual and family relocation, tourism, and community pride.

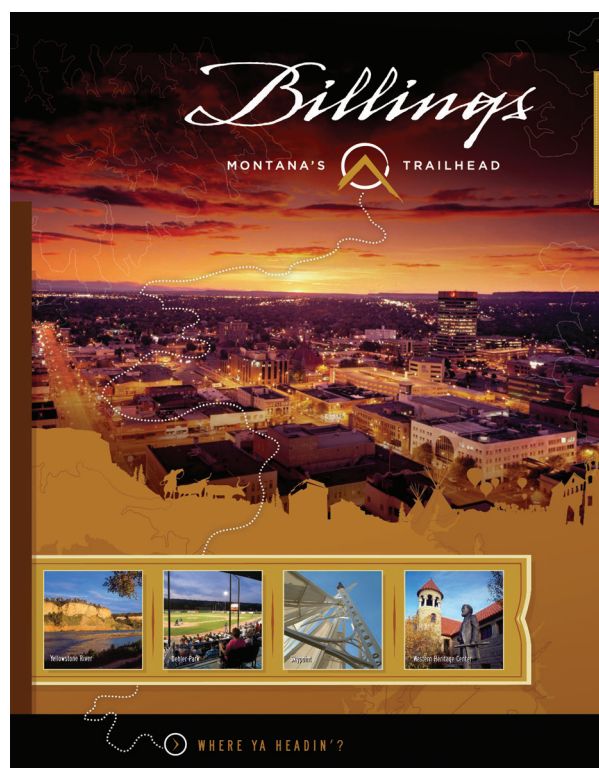


Photo: Billings Chamber of Commerce/Convention and Visitors' Bureau

The Travel Planner is the primary piece sent to visitors by the Billings Chamber of Commerce/Convention and Visitors Bureau. Its cover uses an appealing photo of Billings, the new logo and Trailhead slogan, and the "trail" graphics.

An ongoing identity development project, the campaign is spreading out to local businesses and community events. For example, the airport etched the brand logo into its five main terminal entryways. Newspaper ads by local merchants proclaimed Billings as the trailhead for great shopping. The local Walmart carries Trailhead apparel with the new logo. Pepsi branded half a million Pepsi cans with a picture of Trailhead hats for a joint promotion with the chamber of commerce.

To sustain the campaign, a Trailhead Marketing Committee meets regularly. Using the brand standards website and tool kit as a guide, this committee encourages

1. Businesses to adopt the brand.
2. General local awareness.
3. Individual and family relocation.
4. Community pride through public relations and other marketing opportunities.

Success will be determined on an annual basis from media clips and the increased number of businesses that are using the brand in their messaging and the frequency of that use. In terms of results, in the first eight months of the campaign following the brand launch, the site www.brandbillings.com had 7,913 visitors and a daily average total of 33 per day.

Note: John Brewer graduated from the University of West Florida. He was nominated to be featured here by Professor Tom Groth.

How Does Brand Transformation Work?

A basic principle of branding is that brand communication transforms a product—goods as well as services—into something more meaningful than the product itself. A brand adds personality and creates a brand identity that separates similar products and makes them unique. That simplifies shopping and adds value for the consumer. A Tiffany watch is more than a timepiece; it is also different from a Swatch even if both have the same basic components, and both are different from a generic Kmart watch with an unknown brand name. **Brand transformation** creates this difference by enriching the brand meaning through symbolic brand cues. The Tiffany brand symbolizes quality, sophistication, and luxury; a Swatch brand is fun and fashionable; and a generic watch from Walmart is inexpensive and utilitarian.

There are many elements in branding, but for our discussion here, we will focus on four: identity, position and promise, image and personality, and reputation.

Brand Identity A critical function of branding is to create a separate **brand identity** for a product within a product category, and that starts with the name we use. Analyze the language you use when talking about things you buy: chips or Doritos? A soft drink or a Pepsi? Tennis shoes or Nikes? And do you call it a discount store or Walmart? If branding works, you refer to a specific brand by name rather than its generic category.

The choice of a brand name for new products is tested for memorability and relevance. The idea is that the easier it is to recognize, the easier it will be to create awareness of the brand. That also makes it easy to find and repurchase a brand, which is an important factor in brand loyalty. Successful brand names have several characteristics.

- **Distinctive** A common name that is unrelated to a product category, such as Apple for a computer, ensures there will be no similar names creating confusion. It can also be provocative, as in the Virgin line.
- **Association** Subaru, for example, chose Outback as the name for its rugged SUV, hoping the name would evoke the adventure of the Australian wilderness.
- **Benefit** Some brand names relate to the brand promise, such as Slim-Fast for weight loss and Head & Shoulders for dandruff control shampoo.
- **Heritage** Some brand names reflect the maker, such as H&R Block, Kellogg's, and Dr. Scholl's. The idea is that there is credibility in a product when makers are proud to put their names on it, particularly in some international markets, such as Japan, where the company behind the brand is an important part of the brand image.
- **Simplicity** To make a brand name easy to recognize and remember, they are often short and easy to pronounce, such as Tide, Bic, and Nike. Because of the increase in multinational marketing, it is also important that names properly translate into other languages.

When Coke moved into the Chinese market in the late 1970s, it faced the immediate problem of translating its well-known brand name into Chinese. There are no equivalent Chinese words for *Coca* and *Cola*, and phonetic-based translations were meaningless. The ingenious solution was to use a group of four characters—可口 可乐—the first half meaning “tasty” or “delicious” and the next two characters together meaning “really happy.” Although it has come to stand as a generic phrase for cola, the name for Coke in Chinese is roughly “tasty happy” cola. So Coke owns the category. The effectiveness of the Chinese trademark has been an important factor in making Coca-Cola the leading soft drink in China.

Brand identity cues are generally the brand name, but they can also be visual symbols—think of the “swoosh” graphic that symbolizes Nike and the leaping cat for Puma. A number of elements contribute to the visual identity: logos, trademarks, characters, and other visual cues such as color and distinctive typefaces. For organizations, such things as building design, delivery trucks, packaging, shopping bags, and even the clothing worn by employees are also part of the brand identity. A **logo** is similar to a cattle brand in that it stands for the product's source.

Principle

A brand transforms a product into something more meaningful than the product itself.

Principle

If branding is successful, you refer to a specific brand by name rather than its general category label.



Photo: Michele and Tom Grimm/Alamy Stock photo

Although the distinctive logo is known around the world, Coca-Cola's brand name needed to be represented in Chinese characters that had meaning for the Chinese market.



If a trademark is misused it could come undone.

If you didn't know zipper was a trademark, don't worry, it's not. But it used to be. It was lost because people misused the name. And the same could happen to ours, Xerox. Please help us ensure it doesn't. Use Xerox only as an adjective to identify our products and services, such as Xerox copiers, not a verb, "to Xerox" or a noun, "Xeroxes." Something to keep in mind that will help us keep it together.

xerox.com

Ready For Real Business **xerox**

Photo: Xerox Corporation

Xerox has a long-running campaign that seeks to protect its name as a brand. Ads such as this one warn against using Xerox as a general term for a copy machine or as a verb for making a copy. The zipper is a reminder that the Zipper brand lost the rights to its name when the term became used as a category label.

A **trademark** is a legal sign that indicates ownership. Originally, trademarks were simple symbols or initials that silversmiths etched into their products, the “mark of the trade.” Today, trademarks include logos, other graphic symbols, and even unusual renderings of the brand name, such as the distinctive Coca-Cola script. A trademark is registered with the government, and the company has exclusive use of its trademark as long as it is used consistently for that product alone.

Problems can arise when a brand name dominates a product category, such as Kleenex and Xerox. In such situations, the brand name becomes a substitute label for the category label. Refrigerator, laundromat, zipper, and aspirin lost the legal right to their names when they became generic category names. Band-Aid and Q-tips, although legally registered as indicated by their use of the registration symbol ®, have also crept into common usage as generic names—“It’s a band-aid for the budget”—so they, too, are in danger of having their brand names become generic category labels.

Brand names and logos are important to brand identity, but some brands have anchored their identity in association with

an iconic figure. The Pillsbury Doughboy, the Keebler Elves, McDonald’s Ronald McDonald, Procter & Gamble’s Mr. Clean, among many others, also lend personality to a brand.

Sounds, too, can be strong brand cues, such as Apple computer’s start-up noise, which sound expert Joel Beckerman calls a “sonic signature.”¹¹ He also points to Intel’s four-note audio logo ad something customers on four continents now recognize. The most common audio identity element, of course, is a jingle.

We use the word *cues* in talking about branding because a brand name is essentially a reminder of a product or organization that is familiar; it brings to mind some information, an impression, or an experience. Brand cues also set up expectations about what we get when we buy or affiliate with that brand. As Charles Young, president of the Ameritest research firm and a member of this book’s advisory board, explained, “A brand memory is about the future not the past—consumers buy future memories.”¹²

Brand Position and Promise Beyond the basic identification elements, another strategic decision in brand development involves deciding on an authentic **brand position**. *Positioning* is a way to identify the location a product or brand occupies in consumers’ minds relative to its competitors, such as higher, lower, bigger, or more expensive. It’s authentic to the degree that it represents the way people actually see the brand, not the desired position the brand manager hopes it might achieve.

Related to position is the **brand promise**. From a consumer viewpoint, the value of a brand lies in the promise it makes. In other words, the brand through its communication sets expectations for what customers believe will happen when the product is used. The development of the Ivory Soap brand by Procter & Gamble in 1879 represented a major advance in branding because of the way its makers built a meaningful brand concept to transform a **parity product** (a product with few distinguishing characteristics)—soap—into a powerful brand—Ivory. Its two slogans, “It floats” and “99 and 44/100 percent pure,” are promises that identify key selling points for Ivory Soap, as explained in the Matter of Principle feature. Ivory represents one of the all-time great marketing and branding stories.

Consistency is the backbone of a promise. The promise needs to be delivered at all points of contact with a brand. Furthermore, the brand has to deliver on the promise. Many weak brands suffer from overpromising. Using hype and exaggeration, they promise more than they can deliver, and consumers end up disappointed. If a cough drop promises relief from throat irritation, it better deliver that relief. If it also promises good taste, it better not disappoint with a bitter medicinal flavor.

Brand Image Another aspect of brand meaning is brand image, which refers to something more complex than a brand impression. More specifically, a **brand image** is a mental picture or

Ivory: It's Pure and It Floats

Soap is soap, right?

A basic principle of branding is that a brand takes on meaning when it makes a product distinctive within its product category. Procter & Gamble (P&G) accomplished that by creating identity elements for its soap brand Ivory before anyone had thought of making soap a distinctive product. The Ivory brand identity system also called attention to innovative features of the product. Here's the background story about how Ivory came to be one of the first and most successful brands of all time.

Before the Civil War, homemakers made their own soap from lye, fats (cooking grease), and fireplace ashes. It was a soft, jelly-like, yellowish soap that would clean things adequately, but if it fell to the bottom of a pail, it dissolved into mush. In Victorian times, the benchmark for quality soap was the highly expensive castile bar, a pure white soap imported from the Mediterranean and made from the finest olive oil.

William Procter and James Gamble, who were partners in a candle-making operation, discovered a formula that produced a uniform, predictable bar soap, which they provided in wooden boxes to both armies during the Civil War. They introduced the concept of mass production and opened up a huge market when



Photo: Courtesy The Procter & Gamble Company. Used with permission.



Photo: Courtesy The Procter & Gamble Company. Used with permission.

the soldiers returned to their homes with a demand for the bars of soap. Back at home, though, the bars of soap were still yellow and sunk to the bottom.

P&G hired a chemist to create a white-bar equivalent to the legendary castile bar. The chemist's work represented the first time that scientific-based research and development was used to design a product. In 1878, P&G white soap was invented. It was only a modest success until the company began getting requests for the "soap that floats." One legend is that a worker in 1879 accidentally left the soap-mixing machine operating during lunch, resulting in an unusually frothy mixture. Recent research, however, has found that James Gamble may have always intended for Ivory to float. Whether accident or intention, it led to one of the world's greatest statements of a product benefit: "It floats."

Other decisions also helped make it a branding breakthrough. In 1879, one of the P&G family was in church listening to a scripture about ivory palaces and proposed that the white bar be renamed Ivory Soap. Now the great product had a great name as well as a great product benefit. Rather than asking for soap—soap was soap—and taking a bar from the barrel, customers could now ask for a specific product they liked by name.

That wasn't the end of P&G's branding innovations. A grandson who was determined to match the quality of the legendary castile soap again turned to chemists and independent laboratories to determine the purity of both castile and Ivory. In 1882, the research found that the total impurities in Ivory added up to only 0.56 percent, which was actually lower than that of the castile bars. By turning that into a positive, Harley Procter wrote the legendary slogan that Ivory is "99 and 44/100 percent pure." Thus was born a pledge of quality that became one of the most famous brand slogans in marketing history.

For more about the history of this famous brand, check out <http://news.pg.com> and search on "Birth of an icon: Ivory."

Sources: Charles Goodrum and Helen Dalrymple, *Advertising in America* (New York: Harry N. Abrams, 1990); Laurie Freeman, "The House That Ivory Built: 150 Years of Procter & Gamble," *Advertising Age*, August 20, 1987, 4–18, 164–220; "P&G History: History of Ivory," June 2004.



Photo: Courtesy Celestial Seasonings. Used with permission.

Celestial Seasonings uses its distinctive packages to send messages to consumers about its brand image. In what way do packages like this one reinforce the brand personality?

Principle

Brands speak to us through their distinctive images and personalities.

describe it? Partly it's the people who you associate with the brand, people you may think of as black-leather, devil-may-care individuals who are a little on the outlaw side. It doesn't matter that in their real lives Harley owners may be doctors, lawyers, or professors. When they put on that black jacket and climb on the bike, they are renegades of the road. The Harley brand personality reflects the people who ride it, and the people who ride it reflect—or aspire to—the Harley brand personality. Brands speak to us through their distinctive images and personalities.

Reputation and Integrity A brand takes on a distinctive meaning as the branding elements—identity, position, promise, image, and personality—come together to create a coherent and unified perception.¹³ Most of the brand identity elements are managed by the organization, but it's important to know that, ultimately, a brand is an impression in a consumer's mind. It's what and how people think of the brand based on what the brand does, how it performs, and how it lives up to its brand promises. It's also what people say about the brand, and that's the measure of its reputation.

Effective communication across the brand's communication spectrum builds a brand's reputation to the degree that it reflects the brand's integrity. Integrity means that the brand stands for something, has a coherent presence, and has a brand reputation that honestly reflects the promise that the brand signals to stakeholders. Effective strategic communication programs deliver cohesive images and coordinated messages that lead to measurable brand integrity as well as equity.

Brand Value and Brand Equity

Brand value comes in two forms: the brand's value to a consumer and its value to the corporation. The first is a result of the experiences a customer has had with a brand, and the second is a financial measure, which we call brand equity.

Consumer Brand Value On the customer side, the decision to buy or use a product or affiliate with an organization is made easier by the familiar face of a known brand. There is less risk in committing to a known brand, particularly if you have previous experience with it, you liked it, and it is highly promoted. The impression of convenience and confidence from familiarity are derived from past experience and marketing communication.

Another type of added value comes from associating the brand with a good cause, a practice called **cause marketing** as explained by Scott Hamula (Ithaca College). The primary goals, he said, are "to help communities and nonprofit organizations while generating goodwill, positive word of mouth, and the hope that people will look more favorably on these brands when making their next purchase decision." Customers feel good about themselves because they support a company or brand that is aligned with a good cause. Hamula explains how cause marketing contributes to the value of a brand in the eyes of its customers in the Principled Practice feature.

The added value that comes from brand communication and goodwill-building activities, such as cause marketing, makes a brand more valuable to a consumer. Brands also carry financial value, however.

idea about a brand that contains visual associations and cues for such qualities as luxury, durability, or cheapness as well as emotions and past experiences with the brand. These associations and feelings result primarily from the content of advertising and other marketing communication, as Ivory illustrates. For other examples, what comes to your mind when you think of the Marines, Ben & Jerry's ice cream, the Chicago Cubs, or Celestial Seasonings teas?

Part of the image is **brand personality**, which humanizes an organization or a brand. It symbolizes the personal qualities of people you know: bold, fun, exciting, studious, geeky, daring, boring, and so on. Probably the greatest brand personality ever created was for Harley-Davidson. How do you

PAUSE FOR THE CAUSE: Boosting Brand Value with Cause Marketing

Scott Hamula, *Ithaca College*



Things are really tough out there for brands: lots of competition, savvy consumers, media messages that just don't break through the clutter like they used to, and occasional pieces of bad publicity. Today, though, some brands are turning to corporate social responsibility not only because it is the right thing to do, but also as a way for brands

to more clearly differentiate themselves in this dynamic marketplace.

"Values-driven marketing is the next generation of business and an evolution of society," states Liz Brenna, founder of Socially Good Business. "Business practices that companies are implementing under the corporate responsibility or 'values-led business' umbrella are becoming more important to consumers, especially younger ones, and by adopting 'values-driven' strategies, like responsible sourcing initiatives and 'buy one, give one' (to an underserved population or charity), brands can connect with consumers' core values and create unparalleled brand loyalty."

An increasingly popular form of customer engagement is called cause-related marketing. From a local pizzeria donating money to pay for a neighborhood Little League team's baseball shirts to Ford Motor Company donating

vehicles to an earthquake-ravaged disaster area in China, brands act as good corporate citizens.

This socially responsible promotional strategy occurs when a brand or company aligns itself with a nonprofit organization to generate both sales and charitable donations at the same time. Simply put, it's "buy my product, and I'll donate to your cause." This approach tends to make a lot of sense. Surveys continue to show that, given two very similar products, consumers are more likely to purchase the brand that is associated with a cause they care about.

American Express Company is often credited with starting cause-related marketing in the early 1980s when it pledged to donate 5 cents to the arts in San Francisco whenever a member used their American Express card to make a purchase, and \$2 for each new card member.

To launch and sustain a successful cause-related marketing program, a brand must first know what issues are important to its customers so as to align itself with a cause that's a good match. An example is Yoplait yogurt's "Save Lids to Save Lives" campaign. Because this brand's primary target market is women, Yoplait linked itself with the Susan G. Komen Fight for the Cure organization, which is dedicated to fighting against breast cancer worldwide and is often recognized by its pink ribbon symbol. During Yoplait's annual drive, for every pink lid sent in, the brand donated 10 cents, up to \$1.5 million. Some brands, like Pier 1 Imports, go as far as creating specific products for its annual partnership with Komen, including a candle whose design is remodeled every August, a pink jewelry box, and a pink shawl. For more information on these and other cause-related marketing programs, visit the Cause Marketing Forum at www.engageforgood.com.

What do you think? Is cause marketing limited to certain types of industries, or is it a strategy with more universal appeal for brands in a variety of categories?

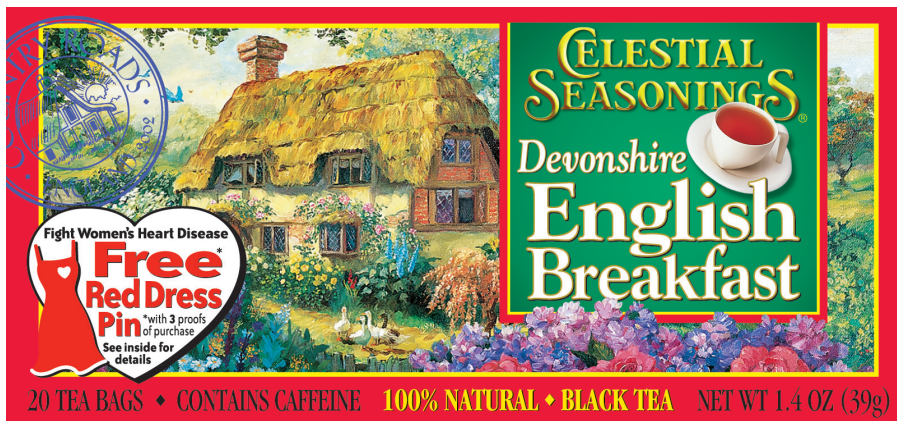


Photo: Courtesy of Celestial Seasonings

Celestial Seasonings supports the "Red Dress" campaign for women's heart health, which is part of the bigger American Heart Association's "Go Red for Women" campaign. The herbal tea company links its brand to the "Go Red" campaign using the symbol of the dress on its tea packages.

Brand Equity On the corporate financial side, a brand and what it symbolizes can affect how much people are willing to pay for it. That's true for computers as well as cars, cornflakes, and colleges. Brand studies consistently find that in blind taste tests, people perceive the recognizable brand as tasting better than an unknown brand, even when the sample is identical. When identical products carry different labels, people will pay more for the recognizable brand.

Effective branding brings in the dollars. CNN's Fareed Zakaria wrote in a *Washington Post* column that "you can make a sneaker equally well in any part of the world, but you can't sell it for \$300 unless you've built a story around it." He explained, "The value added is in the brand—how it is imagined, presented, sold, and sustained."¹⁴

Successful brands have loyal users who purchase the brand repeatedly. **Brand relationship** programs leading to *loyalty* are important brand strategies and indicators of financial performance. A MediaPost.com article reported that 48 percent of people between 18 and 44 say that their brand loyalty is determined by the types of experiences brands create for them. How do brands do that? They do so by being transparent and considerate, creating content that's actually needed and wanted by the audience, investing empathy in each message, and creating special moments.¹⁵ **Brand loyalty** programs can also offer rewards for repeat business. The frequent-flyer and frequent-buyer programs, for example, provide incentives to loyal customers to keep them coming back.

Principle

Brand relationships drive brand value.

Another principle, then, is that *brand relationships drive brand value*. Positive brand experiences and truthful brand communication lead to a positive reputation, which is the focus of many public relations programs. The part of brand equity that is based on relationships is also referred to as **goodwill**. It lies in the accumulation of positive brand relationships, which can be measured as a level of personal attachment to the brand that can be analyzed as revenue-producing potential.

An example of a marketing effort designed to drive positive customer relationships comes from Volvo, which promises that it will provide a personal service technician for every customer. The senior marketing vice president explained that "when customers buy a Volvo they are buying a relationship—the personal service technician is like your butler."¹⁶

To summarize, **brand equity** is the intangible value of the brand based on the strength of its relationships with stakeholders, the effectiveness of its identity elements, its reputation and perceived performance, and its intellectual property, such as product formulations.

Google was the first \$100 billion brand and has been in one of the top positions for years. Now there are many brands valued in the billions. The managing director of Landor, a branding firm, explains that brand value "is about how much would a consumer pay for a caramel-colored soda versus how much they would pay for a Coke."¹⁷ Here is the 2016 BrandZ Top 10 list by Millward Brown, a brand consulting firm that calculates the value of global brands.¹⁸

Most Valuable Global Brands

- | | |
|---------------------------------|---------------------------------|
| 1. Google, \$229,198 billion | 6. Visa, \$100,800 billion |
| 2. Apple, \$228,460 billion | 7. Amazon, \$98,988 billion |
| 3. Microsoft, \$121,824 billion | 8. Verizon, \$93,220 billion |
| 4. AT&T, \$107,387 billion | 9. McDonald's, \$88,654 billion |
| 5. Facebook, \$102,551 billion | 10. IBM, \$86,206 billion |

What you don't see on this list are any Chinese brands. Consider that three of the top five smartphone makers globally are Chinese (Huawei, Lenovo, Xiaomi), but few Western consumers know these brands other than maybe Lenovo for laptops. Alibaba, a giant e-commerce site, also has low awareness outside China.¹⁹ Many of these huge companies do business outside China, so it's only a matter of time before their brands begin to crack the Top 20 and Top 10 brand value lists. First, though, they have to use the techniques of brand communication to build global brand awareness.

Leveraging Brand Equity Brand marketing and communication managers, who we call **brand stewards**, will sometimes leverage brand equity through a **brand extension** strategy, which is the use of an established brand name on a related line of products. In effect, they

launch new products with a recognized and respected brand name. Because the brand is known and has a good reputation, it carries with it associations and feelings as well as a certain level of trust. The disadvantage is that the extension may dilute the meaning of the brand or may even boomerang negatively if the extension performance is not comparable to the original brand.

Another practice is **cobranding**, which is a strategy that uses two brand names owned by two separate companies to create a partnership offering. Cobranding is a common practice for credit cards, such as Visa and United Airlines on their cobranded Mileage Plus card. The Doritos Locos Taco, which paired Taco Bell and Frito-Lay's research and development teams, has been praised as one of the most successful product launches in the fast-food industry.²⁰ The idea is that the partnership provides customers with value from both brands.

A strong brand may also be attractive to other business partners through a practice called **brand licensing**. In effect, a partner company rents the brand name and transfers some of its brand equity to another product. For example, California's Milk Industry licenses the use of its famous "Got Milk?" slogan to other brands, including Oreo, Wheaties, and Pillsbury, as well as cookies, granola, and other products.²¹ The most common example comes from sports teams whose names and logos are licensed to makers of all kinds of goods: shirts, caps, mugs, and other memorabilia. You may also be aware of the practice of brand licensing for your own school. Universities and colleges generate revenue by licensing their names, logos, and mascots to apparel makers, among many others.

Another way to leverage a brand is through **ingredient branding**, which refers to the use of a brand name of a manufacturing component in another product's advertising and promotion. The most well-known example is the "Intel Inside" phrase and logo used by other computer makers to call attention to the quality of the chips they use in manufacturing their own products. Other examples of promoting the quality of components are found in advertising for outdoor wear that announces the use of Gore-Tex, a lightweight, warm, and water-resistant fabric, and in food advertising that promotes the use of NutraSweet or Hershey's chocolate. For ingredient branding to be successful, the ingredient must have a high level of awareness and be known as a premium product.

The point of this review of branding practices is that the way a product is made or how it performs its services may not be the primary differentiating point. Marketing strategy isn't as much about promoting product features as it is about creating brand meanings. It isn't about gaining new customers but rather about building strong brand relationships. Ultimately, the stronger a brand is, the more value it has to all its stakeholders. Most of the added value that comes from an effective brand strategy is driven by marketing communication. In other words, advertising, public relations, and other marketing communication tools are the drivers of strong brands and create marketing success stories.

Brand Communication in a Time of Change

Marketing and integrated marketing communication are dynamic fields and are subject to challenges and change. The new digital technologies, as well as consumer-generated brand messages, and shared brand experiences through social media have opened up new worlds of communication possibilities. Let's consider ways in which the practice of marketing is changing, particularly in this new social media period.

Accountability Marketing managers are challenged by senior management to prove that their decisions lead to the most effective marketing strategies and their programs are accountable. Business results are traditionally measured in terms of sales increases, the percentage share of the market the brand holds, and **return on investment (ROI)**. The calculation of ROI determines how much money the brand made compared to its expenses. In other words, what did the marketing program cost, and what did it deliver in revenue?

Brand managers today are moving away from some of these standard measures and employing metrics that study the effect of brand communication in terms of such factors as engagement. One theorist developed an ROE² model, which stands for return on experience \times engagement. He sees as a longer-term, more holistic measure of brand relationships.²²

Another writer pointed out that marketing is messy and numbers may not tell the whole story. A mediapost.com columnist noted, "Marketing is all about trying to decipher the mangled



Photo: TP/Alamy Stock Photo

Intel Inside is an example of ingredient branding, in which a computer manufacturer advertises that it is using Intel chips as a testimony to the product's quality. On what brands have you seen this Intel Inside logo exhibited?

Principle

Most of the added value that comes from an effective brand strategy is driven by marketing communication.

mess of living just long enough to shoehorn in a message that maybe, just maybe, will catch the right person at the right time.”²³ He called marketing an “ill-defined problem,” which is a problem because if you can’t define it, you can’t measure it. That’s the messiness in modern marketing.

Brand Relationship Strategies Relationship-building communication programs have strategic implications because they shift the marketing strategy from focusing on one-time purchases to emphasizing repeat purchases and the maintenance of long-term brand loyalty. It depends on the category, but many areas, particularly in the services, have become much more concerned about strong relationships than about quarterly sales. You can see the results in the repeat business New Pig enjoys from its loyal customers.

Brand relationship programs involve all the brand’s critical stakeholders, such as employees, shareholders, distributors and suppliers, the community, and, of course, customers. All stakeholders are communicators who send personal messages—either positive or negative—about a brand. Therefore, it is important to plan for multiaudience interactions and encourage fans of a brand to talk to their friends. In social media, this advocacy strategy means using a network of fans to create a lot of “likes” for a brand.

Word-of-Mouth Marketing A powerful new force in marketing communication, **word-of-mouth communication**, is a partner to relationship programs. Word-of-mouth strategies have emerged because of its inherent persuasiveness—you tend to believe what you hear from a friend, family member, or other important person in your life. In addition, comments from influential friends and family are more believable than most planned marketing communication messages, such as advertising, which is often seen by consumers as self-serving. The goal is to get the right people talking about the brand and having them say things in support of the brand strategy.

The power and reach of personal communication has been driven in the 21st century by the emergence of social media. Today, marketing messages are spread not only in face-to-face conversations but also online. If the messages are spread quickly on the Internet through a wide network of contacts, the phenomenon is referred to as **viral marketing**. Brands can instigate the viral process but can’t control it.

Global Marketing Marketers have moved into global markets. In some cases, it is a deliberate strategy; in other cases, they found themselves involved in global marketing because international competitors have moved into their own markets. Even a B2B marketer such as New Pig is a strong global marketer selling its products in more than 40 countries.

What makes global marketing different from national marketing? In most countries, markets are composed of local, regional, international, and global brands. A *local brand* is one marketed in a single country. A *regional brand* is one marketed throughout a region (e.g., North America, Europe, Asia). An *international brand* is available in a number of different countries in various parts of the world. A *global brand* is available virtually everywhere in the world, such as Coke.

The communication strategy for international marketing depends in part on whether the brand’s messages are *standardized* across all markets or *localized* to accommodate cultural differences. If the company wants to take a highly standardized approach in international markets, it is likely to favor international agencies that can handle marketing communication for the product in both domestic and international markets. A localized effort, in contrast, favors use of local agencies for planning and implementation in all the countries where the product is distributed. We’ll discuss the role of various types of communication agencies in the following chapters.

Convergence Another trend that is affecting marketing and particularly marketing communication is convergence. As the CEO of global marcom agency Publicis said, “Convergence of business models, convergence of digital, convergence of tools, everything is changing quite radically the way we are doing business.”²⁴ Consumers are empowered and engage in both sending and receiving messages. Media forms are becoming blurred, and it’s hard to know what a newspaper is when its content appears not only in print, but also on television, online, on cell



Photo: Andy Kropa/Redux Pictures



Photo: imageBROKER/Alamy Stock photo



Photo: Jim Wileman/Alamy Stock Photo

Here are a few brands that represent different types of geographical marketing strategies. Sainsbury's, an example of regional marketing, is the largest grocery retailer in the United Kingdom, with stores in Great Britain, Wales, Scotland, and Northern Ireland. IKEA furniture stores are found in various countries, but the company keeps its base and image firmly anchored in Sweden and represents Scandinavian functional design and craftsmanship. McDonald's, of course, is one of the best-known brands in the world, and its logo is recognized everywhere.

phones, and now on our watches. Advertising, public relations, and other marcom areas are blurring their functions as well as integrating their programs. Agencies that used to be identified as advertising, or public relations, or media shops are taking on different kinds of responsibilities, and they all promise to do many of the same things, including digital communication.

Diversity Marketing programs and marketing communication are becoming more complicated as they are challenged to be more socially inclusive. Lisa Donohue, CEO of the Starcom Mediavest agency, pointed to diversity as a key trend in the submissions to the annual Cannes Lions International Festival of Creativity.²⁵ In particular, she mentioned marketing to young women with heartfelt advertising such as the “Like a Girl” campaign for Always. The gender issue is the focus of the 3% Conference, a San Francisco and New York event dedicated to assisting women who work in advertising, whose numbers are particularly low in management.

Ethnicity is also important. Toy maker Mattel announced in 2015 a new Barbie Fashionistas line with 23 dolls featuring eight skin tones, among many other variations. The Advertising Educational Foundation launched a Race & Ethnicity project in 2014 that explores the history of diverse populations in the United States from 1890 to current times (see aef.com). A study by Google in 2015 concludes that data from Google and YouTube show that messages about diversity and equality, particularly for the lesbian, gay, bisexual, and transgender (LGBT) community, have widespread impact. It reports that “brands are held accountable not only for the quality of their products and services but, increasingly, for their stance on political and social issues.” That is especially true when it comes to LGBT marketing.²⁶

The traditional blond Barbie has become more culturally diverse after Mattel launched its Fashionista line with 23 dolls in 8 skin tones, 14 different facial styles, 18 eye colors, 22 hairstyles, and 23 hair colors, along with a variety of different fashions.



Photo: Sam Simmonds/Polaris/Newscom

Looking Ahead

Marketing and marketing communication begin with coordination across a variety of communication functions and tools, but that coordination is complicated by changes in the industry. We will continue to track these changes in the next three chapters, which will present the basic functions of advertising and public relations as well as supporting marcom areas, such as direct response and promotion.

1.3 Understand how this text will prepare you for your career.

Developing Skills for Your Career

If you're not an advertising, public relations, or marketing major, you may be thinking that this section isn't relevant to you. Whether or not you plan on a career in some field of integrated marketing communication, the lessons you learn in this course will help you in your chosen profession and in your life. In this course, you will have the opportunity to acquire many of the skills that employers have identified as critical to success in the workplace. This text will help you develop and practice these skills, which will contribute to your employability.

Think about some of the skills you'll gain. You'll sharpen your ability to be a *creative problem solver*. You'll think about how creativity can contribute to brand communication in any form. You'll develop your ability to be a *critical thinker*. In other words, you'll be asked to think about all sorts of issues related to brands and apply what you know to contemporary issues facing strategic marketing so that you can come up with opinions based on substantial evidence. You'll be more *analytical* as you look at components of complex issues and problems.

How will you demonstrate what you know? We assume that your professors will share in the goal of improving your *written, oral, and visual communication skills* by assigning meaningful assignments so that you have opportunities to practice communicating effectively. By dedicating yourself to this work, you will also develop a good work ethic and earn a reputation as someone who is a *dependable* and *professional team member*. Above all, you'll have the opportunity to see examples of brands that define what it means to be *socially responsible* in a business context and to develop strategies to accomplish those ends. These skills and abilities are characteristics that employers across many disciplines value highly in the workplace.

IT'S A WRAP



Kiss a Pig and Hug a Sock

Innovation may be an overused word, but it's part of New Pig's DNA. When it comes to marketing and product innovation, New Pig has excelled. New Pig has won the coveted *Plant Engineering* Magazine's Product of the Year Award 29 times, more than any other company. Recognized for its entrepreneurial successes as well as one of the best places to work in Pennsylvania, Pig's marketing team has been delighting customers with award-winning catalogs, advertisements, videos, and other communications for 30 years.

In terms of marketing communication, the New Pig catalog (Pigalog) has been the recipient of numerous *MultiChannel Merchant* Gold Awards, including the 2006 Catalog of the Year Award, beating out such household names as LL Bean and Victoria's Secret. The UK version earned that same recognition in 2009. In a 1995 MCM article titled "The Ten Best Catalog Covers," catalog/direct marketing guru Glenda Shasho Jones cited New Pig's Pigalog cover among the best ever.

In the end, the accountability of marketing and marketing communication is obvious from the success of the brand. New Pig now fights grime all over the world. And it does so with a clever marketing communication strategy designed to make dull products fun.

Logo: Courtesy New Pig Corporation, www.newpig.com

KEY OBJECTIVES SUMMARY

- 1.1. What is the marketing mix, and how does it send messages?** The *marketing mix*, also known as the Four Ps, are the product, its pricing, its place/distribution, and the marketing communication, all of which send messages. In other words, what do the design and construction of the product say about the brand; what does the price suggest about the quality of the product; what does the store or online site contribute to the brand image; and what do the more formal marketing communication messages (such as advertising, public relations, direct communication, events and sponsorships, packaging, sales promotion, and other planned messages) say about the brand?
- 1.2. What is integrated marketing communication (IMC)?** IMC can be described as total communication, which

means that everything that sends a message is monitored for its impact on the brand image. Central to IMC is the practice of unifying all marketing communication messages and tools, as well as the marketing mix messages, to send a consistent brand message. Doing so not only maximizes consistency, but it also creates *synergy* such that a group of coordinated messages has more impact than marketing communications that are independent of one another. IMC recognizes a variety of *stakeholders* who contribute to the brand conversation as well as a multitude of *touch points* where messages are delivered, including marketing mix messages and more formal planned marketing communication.

KEY TERMS

added value, p. 43
brand, p. 46
brand communication, p. 38
brand equity, p. 54
brand extension, p. 54
brand identity, p. 49
brand image, p. 50
brand licensing, p. 55
brand loyalty, p. 54

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MyLab Marketing

Go to www.pearson.com/mylab/marketing for MyLab discussion questions (★) as well as the following assisted-graded writing questions:

- 1-1. This chapter stressed integration of advertising with other components of the marketing mix. A classmate argues that advertising is a small part of the marketing process and relatively unimportant; another says advertising is the most important communication activity and needs to get the bulk of the budget. If you were in marketing management for Kellogg's cereals, how would you see advertising supporting the marketing mix? Does advertising add value to each of these functions for Kellogg's? Do you think it is a major responsibility for the marketing manager? What would you say either in support of or in opposition to your classmates' views?
- 1-2. Explain why two brands in the same category—such as Pepsi and Coke—that are essentially the same can have customers that are fanatically loyal to one or the other.

REVIEW QUESTIONS

- 1-3. What is meant by branding, and why does it depend on marketing communication?
- 1-4. What is the definition of a market, and what are the four main types of markets? Do marketing communication programs vary with each type of market?
- 1-5. Define brand transformation.
- 1-6. Explain how marketing communication relates to the four key marketing concepts and to the marketing mix.
- 1-7. Define integrated marketing communication and explain what integration contributes to brand communication.
- ★ 1-8. Explain how brand meaning and brand value are created and how they relate to brand equity.

DISCUSSION QUESTIONS

- ★ 1-9. Apple is one of the most recognized brands in the world. How did the company achieve this distinction? What has the company done in its marketing mix in terms of product, price, distribution, and marketing communications that has created such tremendous brand equity and loyalty? How have advertising and other forms of marketing communication aided in building the brand?
- 1-10. Discuss the relation between marketing communication and pricing. Illustrate this with an example.
- 1-11. List your favorite brands and, from that list, do the following analyses:
 - a. Think about the categories where it is important to you to buy your favorite brand. For which categories does the brand not make a difference? Why is that so?
 - b. In those categories where you have a favorite brand, what does that brand represent to you? Is it something that you've used and liked? Is it comfortable familiarity—you know it will be the same every time? Is it a promise—if you use this brand, something good will happen? Is it something you have always dreamed about owning? Why are you loyal to this brand?

TAKE-HOME PROJECTS

- ★ **1-12. Portfolio Project:** Look through the ads in this book or in other publications and find an example of an advertisement that you think is strongly focused on building a strong brand and another ad that you think does not effectively focus on the brand. Compare the two and explain why you evaluated them as you did. Copy both ads and mount them and your analysis in your portfolio.

- 1-13. Mini-Case Analysis:** Explain how New Pig's marketing communication helps support and build the brand image. In what ways do the other elements of the marketing mix communicate messages about the New Pig brand?

TRACE North America Case

Multicultural Millennials

Read the TRACE case in the Appendix before coming to class.

- 1-14.** What aspects of the marketing mix are relevant to a campaign to Multicultural Millennials (ages 18–29)?

- 1-15.** Why do you think TRACE would want a campaign directed to Multicultural Millennials?

- 1-16.** Prepare a one-page statement explaining how the “Hard to Explain, Easy to Experience” campaign will actually help TRACE sales among Multicultural Millennials.

2

Advertising

KEY OBJECTIVES

- 2.1 Describe the practice of advertising.
- 2.2 Explain the evolution of the key concepts of advertising.
- 2.3 Identify the key players and jobs within agencies.
- 2.4 Discuss changes in the practice of advertising.

In this chapter, we will define advertising and its role in marketing communication. We'll also explain how advertising's basic concepts and practices evolved. Then we'll describe the agency world. We'll conclude by analyzing the changes facing the larger area of marketing communication.

MyLab Marketing

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IT'S A WINNER

Campaign	Company	Agency	Awards
"Sweat it to get it"	Gatorade	TBWA\Chiat\Day\ Los Angeles	Gold Clio Sports 2015, USA Today Sports Best Commercial, 2015 D&D Wood Pencil (British Design and Art Direction); Number 2 on Adweek's Top 10 Advertising Stories of 2014; 2015 Cannes Awards: Silver Lion for Promo & Activation, Bronze Lion for Branded Entertainment, Bronze Lion for Promo & Activation

Burn Some to Earn Some



Photo: Courtesy of The Gatorade Company and TBWA\Chiat\Day. Used with permission.

No sweat. You just don't make the cut.

That's the reason customers who don't reek of athleticism are cut from the Gatorade team and denied the privilege of downing their favorite drink.

So says the guy behind the counter at the convenience store, Rob Belushi (a son of Jim). And when he calls his uber-athlete boss, Peyton Manning appears and confirms the "sweat it to get it" policy.

The dumbfounded customers were caught on hidden-camera style videos that recorded this exchange as Belushi and a deadpan Manning deny sales of the sports beverage to people who obviously aren't sweating. Instead of walking away empty-handed, customers perform jumping jacks, push-ups, and even a little yoga to break a sweat and earn their Gatorade.

The "C-Store" campaign by TBWA\Chiat\Day was written by one of this book's featured Ad Stars, senior copywriter Nick Ciffone, and his partner, senior art director Dave Estrada. Ciffone observed, "Dave and I got to sit with director Jody Hill and

write lines that went right into Peyton Manning's earpiece during filming. Definitely a career highlight."

When your body is working hard and burning carbs, it's obvious: you sweat. That's the idea. Sweat. You sweat it, you get it. You don't sweat it, you don't get it. It's simple.

Gatorade was invented as a replacement for the fluids and electrolytes that athletes sweat out in tough workouts and competitions. According to the executive creative director, "The intent of the campaign is to cause someone who reaches for a Gatorade to think, 'Hold on. Have I earned this?'" In other words, it's not for everyone. The humorous "sweat it to get it" campaign reinforces Gatorade's long-time reputation as the brand for serious athletes as it drives understanding of the functional benefit among athletes, committed exercisers, and sports fans, making the drink a prestige badge of athletic prowess.

The eight episodes in this campaign were shot on location at an actual convenience store. In six of the spots, the prank campaign features well-known pitchman Manning as the immovable manager who says you have to earn it to get it. But in an unexpected hand-off, Cam Newton, quarterback with the Carolina Panthers and a rising spokesperson star, appears in two commercials as a fellow customer who also repeats the theme of "sweat it to get it" to surprised folks in line with him at the counter. You can view them all at Gatorade.com/sweat-it-get-it.

The campaign was launched as a web campaign, which means that the content had to be entertaining enough to capture attention of internet-savvy consumers and drive viewing as well as sharing. The focus was on creating a real experience for unsuspecting customers from all walks of life. The idea was to catch them by surprise and capture their honest reactions.

The honest reactions and hilarious interactions reached the target audience of athletes, exercisers, and fans who are interested in sports and comedy. The on-screen interactions lured in millions of people on YouTube and Facebook who shared the convenience store moments. MTV created a three-minute behind-the-scenes vignette on the filming of the C-Store campaign, which was broadcast as an MTV News Hit at the launch. Comedy Central also featured a behind-the-scenes look at Cam Newton's shoot. The social media encouraged binge-viewing of all eight episodes.

Most viewers loved the series of ads, but the deprivation strategy is not without risk. Do you really want to tell your best customers that they don't qualify to buy the product? The strategy worked for Burger King some years ago when the fast-food chain announced to passionate fans that the famous Whopper had been removed from the menu. The burger's fans were videotaped at the drive-in windows as they reacted with disbelief. The "freakout" campaign for the Whopper's 50th anniversary demonstrated both the power of consumer demand and the loyalty strength of a carefully crafted brand identity.

In this case, the "sweat it" angle works once Peyton Manning is on camera. Most viewers, and the surprised customers, recognize the football superstar. Their reactions are classic: amazed, a little befuddled, and a bit awkward. In your role as a viewer, you can't help wonder if you, too, would qualify for a Gatorade in the eyes of such a superstar athlete.

The commercials are the heart of the campaign, but the "sweat it to get it" theme is supported in signage in most convenience stores selling Gatorade. The campaign's playbook also employs earned media through public relations and social media viral

video as well as the more traditional purchased media for the advertising campaign, all working together seamlessly.

Did it work? At the end of this chapter, the “It’s a Wrap” section will report the results.

Sources: Nick Ciffone, personal correspondence, March 10 and 11, 2015; Marc Johns, personal correspondence, March 27, 2015, March 31, 2015, and April 13, 2015; Kim Ashby MacColeman, “No Sweat, Gatorade Gets It. New Branding Campaign with Peyton Manning Leads to Publicity Gold,” August 20, 2014, Hope-Beckham newsletter; Jarvis Holliday, “Gatorade Debuts ‘Sweat It to Get It’ Commercials with Peyton Manning and Cam Newton . . . and ‘Customers,’” August 19, 2014, www.Grownpeople.talking.com; Tim Nudd, “Adweek.com’s Top 10 Advertising Stories of 2014,” August 18, 2014, www.adweek.com; and Josh Sanchez, “Gatorade Unveils ‘Sweat It. Get It.’ Campaign with Lionel Messi, David Luiz, and Usain Bolt,” June 12, 2014, Fansided blog on www.SI.com.

The Practice of Advertising

2.1 Describe the practice of advertising.

Jerry Della Femina, one of the great advertising icons who was known for his colorful witticisms, answered the question “What is advertising?” by saying, “Advertising is the most fun you can have with your clothes on.”¹ Della Femina, who lived the *Mad Men* life and inspired the television series of that name, was at the height of his creativity in the 1960s. Advertising in the 21st century is a lot more focused on strategy and business results than it was in his time, but it’s still an exciting area.

You’ve seen thousands, maybe millions, of commercial messages. Some of them are advertising. Others are different types of promotional messages, such as the design of a package or a sporting event sponsorship, but the heavyweight promotional tool in terms of dollars and impact is advertising. It’s also the most visible of all the forms of marketing communication, and that’s why we will start this series of chapters with advertising.

At its most basic, the purpose of advertising has always been to sell a **product**, which can be *goods*, *services*, or *ideas*. Although there have been major changes in recent years, the basic premises of advertising remain unchanged even in the face of economic downturns and media convulsions. How do we define it now, realizing that advertising is dynamic and its forms are constantly changing to meet the demands of society and the marketplace? We can summarize a modern view of advertising with the following definition:

Advertising is a paid form of persuasive communication that uses mass and interactive media to reach broad audiences so as to connect an identified sponsor with buyers (a target audience), provide information about products (goods, services, and ideas), and interpret the product features in terms of the customer’s needs and wants.

This definition has a number of elements, and as we review them, we will also point out where the definition is changing because of new technology, media shifts, and cultural changes.

Advertising is usually *paid* for by the advertiser (e.g., Gatorade) who has a product to *sell*, although some forms of advertising, such as public service announcements, use donated space and time. Not only is the message paid for, but the sponsor is identified. The Inside Story explains how the “paid” characteristic affects regulation.

Advertising began as *one-way* communication, from an advertiser to a targeted audience. It generally reaches a *broad audience* of *potential customers*, either as a *mass audience* or in smaller *targeted* groups. However, *direct-response* advertising, particularly those practices that involve digital communication, has the ability to address individual members of the audience. So, some advertising can deliver *one-to-one* communication, but with a large group of people.

In traditional advertising, the message is conveyed through different kinds of **mass media**, which are largely *nonpersonal* messages. This nonpersonal characteristic, however, is changing with the introduction of more *interactive* types of media, as the buzz around Gatorade’s “sweat it” campaign illustrates. Digital, interactive media, such as word-of-mouth conversations on social media or consumer-generated messages sent to a company, have opened the door to interesting new forms of *two-way* and *multiple-way* brand-related communication.

The Importance of a Definition

Herbert Jack Rotfeld, *Auburn University*



In the beginning, there is a definition.

Modern language often uses *advertising* to describe any communications that might influence consumer purchase decisions. Business planning often places all mass communications under the advertising budget. However, the American Marketing Association

definition below makes an important statement about financial relations between different businesses and provides a distinction that implicitly guides US communications laws:

"Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor."^{*}

The key is that advertising is "paid" media content: the advertiser pays the vehicle for the time or space in which the message is run. This practice would also apply to sponsored journalism or paid product placements or any other business-funded messages. Publicity is the content generated or purchased by the media vehicle without any payments to it from the marketing

company; examples are news, opinions, or entertainment. If the advertiser does not pay the vehicle for the message to appear, it is publicity.

The distinction is not trivial.

Although no laws or regulations say it directly, government regulations implicitly use this distinction. The focus has been on paid messages to assert sales efforts as having limited free speech rights under the United States Constitution. Only paid commercial messages have been regulated to limit potential consumer deception. And regulatory efforts have not tried to limit consumers being misled by bona fide news stories or other publicity.

The validity for regulating sponsor-paid messages and not publicity might seem strained at times. From a marketing point of view, thinking in terms of consumer effects, it matters not if a product placement is the result of advertisers paying the broadcaster or movie-makers for the brand mention.

But it should be said for the start of the class that even though every textbook starts with a definition, it is not just an academic exercise (although it can be on your tests).

**The trade magazine Advertising Age once ran a reader contest to come up with a definition of advertising, and a judge then combined what he considered the best elements of the submissions. Charles Sandage's first advertising textbook in 1936 was combined with the first efforts of definitions that the National Association of Marketing Teachers reported in their NATMA Bulletin. A final form of the definition was then published in the Journal of Marketing as the American Marketing Association's 1948 Report of Definitions Committee. (Yes, the largest trade association for marketing had a definitions committee. It still does.)*

Most advertising has a defined strategy and seeks to *inform* consumers or make them *aware* of a brand, company, or organization. In many cases, it also tries to *persuade* or influence consumers to do something, such as buy a product or check out a brand's website. Persuasion may involve *emotional* messages as well as information. The "sweat it to get it" strategy was designed to associate the brand's athletic credentials with the aspirations of everyday fans.

Keep in mind that a *product* can be a *good*, a *service*, or an *idea*. Some nonprofit organizations, for example, use ads to "sell" memberships, inform about a cause and its need for donations and volunteers, or advocate on behalf of a position or point of view.

What Are Advertising's Basic Functions?

To summarize the key parts of the definition and to better understand advertising's development as a commercial form of communication, it helps to see how advertising's definition has evolved in terms of three critical functions.

1. **Identification** Advertising identifies a product, the store where the product is sold, or both the product and the store. In its earliest years, advertising focused on identifying a product and where you could buy it. Some of the earliest ads were simply signs with the name or graphic image of the type of store, such as cobbler, grocer, or blacksmith.