

Chapter 13

Promotion I: Advertising and Sales Promotion

I. CHAPTER OVERVIEW

Marketing communication can take many forms from creative slogans printed on t-shirts, to chalk art printed on university sidewalks, to newspaper advertisements. The list can go on and on and is limited only by imagination. Chapter 13 focuses on the process of integrated marketing communication designed to influence target markets and create successful marketing. Students are introduced to the communication model. Many students enrolled in this course probably believed that the entire term would be spent on advertising—believing that marketing communications (or promotions) and advertising is the same thing. In this chapter, the difference becomes apparent. This chapter teaches the basics of advertising and consumer sales promotion. Students learn about creating advertising campaigns and the basics of consumer sales promotion. This information, combined with the remaining elements of promotion, discussed in Chapter 14, give students a great foundation for truly understanding how an integrated marketing communication process works.

II. CHAPTER OBJECTIVES

1. Understand the communication process and the traditional promotion mix
2. Describe the steps in traditional and multichannel promotional planning.
3. Tell what advertising is, describe the major types of advertising, discuss some of the major criticisms of advertising, and describe the process of developing an advertising campaign and how marketers evaluate advertising.
4. Explain what sales promotion is and describe the different types of consumer and B2B sales promotion activities.

III. CHAPTER OUTLINE

► MARKETING MOMENT INTRODUCTION

Recall a “negative moment” for a company (such as the finger in chili for Wendy’s [later proved false] or Martha Stewart and K-Mart). How might this negative publicity impact a consumer’s perception of a company?

p. 397

Real People, Real Choices—Here’s My Problem at Brownstein Group Brand Communication

In the first quarter of 2010, one of Marc’s clients (a large consumer communications company) was under siege. Its primary competitor was relentlessly attacking the company with clever advertising in major markets across the U.S.A. that took direct aim at a new product the client had launched. Marc’s agency took exception to these unfair attacks and his account team proactively

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	<p>approached the client with three possible responses. Each of these solutions was based on a strategic direction the agency formulated. The group proposed a multi-pronged counterattack on multiple platforms including TV spots, outdoor billboards, print ads, online banner ads and a landing page for the client’s website. The decision to develop these options was a risky one since the client had not requested the work and there was no budget provided to lay out these solutions. If the client did not approve the work, Marc’s agency would have invested over \$200,000 worth of services for which it would not be compensated. Still, Marc felt the competitor’s campaign demanded an aggressive response. He created three integrated teams within the agency; each included creatives, PR specialists, strategists and account managers. He gave each team 24 hours to propose an idea. Each team then presented its idea:</p> <ol style="list-style-type: none"> 1. Clearly, define the new product. 2. Fire back. 3. Launch a guerrilla marketing strategy that attacked the rival more subtly than a major ad campaign. <p>The vignette ends by asking the student which option he/she would choose.</p> <ul style="list-style-type: none"> • Marc selected option #1. 	
<p>p. 398</p>	<p>1. COMMUNICATION MODELS IN A WEB 2.0 WORLD Promotion is the coordination of marketing communication efforts to influence attitudes or behavior. This function is the last of the famous <i>four Ps</i> of the marketing mix, and it plays a vital role. Of course, virtually <i>everything</i> an organization says and does is a form of marketing communication</p> <p>1.1 Marketing communication performs one or more of four roles:</p> <ul style="list-style-type: none"> • It <i>informs</i> consumers about new goods and services. • It <i>reminds</i> consumers to continue using certain brands. • It <i>persuades</i> consumers to choose one brand over others. • It <i>builds</i> relationships with customers 	
<p>p. 398</p>	<p>Integrated marketing communication (IMC) is the process that marketers use “to plan, develop, execute, and evaluate coordinated, measurable, persuasive brand communication programs over time to targeted audiences</p>	
<p>p. 399</p>	<p>To achieve marketing communication goals, marketers use a multichannel promotional strategy where they combine traditional marketing communications (advertising, sales promotion, public relations, and direct marketing) activities with</p>	<p>Figure 13.1 Three Models of Marketing Communication</p>

<p>p. 400</p>	<p>social media and other online buzz-building activities.</p> <p>1.2 Models of Marketing Communication</p> <ul style="list-style-type: none"> • The traditional communication model, is a “one-to-many” view in which a marketer sends messages to many consumers through <i>advertising</i>, including mass media; <i>out-of-home</i>, such as billboards; and Internet advertising, • The importance of the <i>updated</i> “many-to-many” model of marketing communication has increased because of social media and its use in word-of-mouth communication, whereby consumers look to each other for information and recommendations. • Marketers also talk one to one with consumers and business customers. 	
	<p>► Marketing Moment In-Class Activity Identify examples of ads that serve a reminder purpose (e.g., Coke, Pepsi, Got Milk? etc.). Do you see a tendency to use reminder advertising in a particular stage of the product life cycle (i.e., maturity)?</p>	
<p>p. 400</p>	<p>1.3 The Communication Model Promotional strategies can succeed only if customers understand what we’re trying to say. The communication model is a good way to understand the basics of how any kind of message works. In this perspective, a <i>source</i> transmits a <i>message</i> through some <i>medium</i> to a <i>receiver</i> who (we hope) listens and understands the message.</p>	<p>Figure 13.2 Communication Model</p>
<p>p. 401</p>	<p>1.3.1 The Source Encodes A person or organization, the source has an idea to communicate to a receiver. Encoding means we can translate our idea into different forms to convey the desired meaning.</p>	<p>Exhibit 13. 1 Campbell’s</p>
<p>p. 401</p>	<p>1.3.2 The Message The message is the actual content of that physically perceivable form of communication that goes from the source to a receiver.</p>	<p>Exhibit 13. 2 V8</p>
<p>p. 401</p>	<p>1.3.3 The Medium No matter how the source encodes the message, it must then transmit that message via a medium, a communication vehicle that reaches members of a target audience.</p>	

p. 401	<p>1.3.4 The Receiver Decodes</p> <p>A receiver is there to get the message. Decoding is the process whereby a receiver assigns meaning to a message; that is, she translates the message she sees or hears back into an idea that makes sense to her.</p>	
p. 402	<p>1.3.5 Noise</p> <p>The communication model also acknowledges that noise—anything that interferes with effective communication—can block messages. To complete the communication loop, the source gets feedback from receivers.</p> <p>Activity: As you were going through your day you were exposed to many forms of marketing communication. However, noise probably interfered with most of the exposures. List five different instances where noise interrupted your ability to decode a message. Explain what, if anything, a marketer could have done to help limit some of the noise.</p>	<p>Exhibit 13. 3 Clorox</p>
p. 402-403	<p>1.4 The Traditional Promotion Mix</p> <p>Marketers use the term promotion mix to refer to the communication elements that the marketer controls.</p> <ul style="list-style-type: none"> • Advertising • Sales promotion • Public relations • Personal selling • Direct marketing <p>The challenge is to be sure that the promotion mix works in harmony with the overall <i>marketing mix</i> to combine elements of promotion with place, price, and product to position the firm’s offering in people’s minds.</p> <p>Marketers have a lot more control over some kinds of marketing communication messages than they do others. As Figure 13.3 shows, <i>mass-media advertising</i> and <i>sales promotion</i> are at one end of the continuum, where the marketer has total control over the message she delivers. At the other end is <i>word-of-mouth (WOM) communication</i>, where everyday people rather than the company run the show. WOM is a vitally important component of the brand attitudes consumers’ form and of their decisions about what and what not to buy. Sandwiched between the ends we find <i>personal selling</i> and <i>direct marketing</i>, where marketers have some but not total control over the message they deliver, and <i>public relations</i>, where marketers have even less control.</p>	<p>Exhibit 13. 4 Gillette</p> <p>Table 13.1 A Comparison of Elements of the Traditional Promotion Mix</p> <p>Figure 13.3 Control Continuum</p>

<p>p. 404</p>	<p>1.4.1 Mass Communication: The One-to-Many Model Mass communications elements of the promotion mix include messages intended to reach many prospective customers at the same time.</p> <p><i>Advertising</i> is, for many, the most familiar and visible element of the promotion mix. It is non-personal communication from an identified sponsor using the mass media. The most important advantage of advertising is that it reaches large numbers of consumers at one time.</p> <p><i>Consumer sales promotion</i> includes programs such as contests, coupons, or other incentives that marketers design to build interest in or encourage purchase of a product during a specified period. Unlike other forms of promotion, sales promotion intends to stimulate immediate action (often in the form of a purchase) rather than build long-term loyalty.</p> <p><i>Public relations</i> describes a variety of communication activities that seek to create and maintain a positive image of an organization and its products among various <i>publics</i>, including customers, government officials, and shareholders.</p>	<p>Exhibit 13. 5 McDonald’s Player Escort Program</p>
<p>p. 404</p>	<p>1.4.2 Personal Communication: One-to-One Model Sometimes marketers want to communicate with consumers on a personal, one-on-one level. The immediate way for a marketer to make contact with customers is simply to tell them how wonderful the product is. This is part of the <i>personal selling</i> element of the promotion mix mentioned previously. It is the direct interaction between a company representative and a customer. The interaction can occur in person, by phone, or even over an interactive computer link.</p> <p>Salespeople are a valuable source of communication because customers can ask questions and the salesperson can immediately address objections and describe product benefits. Marketers also use direct mail, telemarketing, and other <i>direct marketing</i> activities to create personal appeals. Like personal selling, direct marketing provides direct communication with a consumer or business customer.</p>	
<p>p. 404-405</p>	<p>2. OVERVIEW OF PROMOTIONAL PLANNING Just as with any other strategic decision-making process, the development of this plan includes several steps</p>	<p>Figure 13.4 Steps to Develop the Promotional Plan</p>

p. 405	<p>2.1 Step 1: Identify the Target Audience(s) An important part of overall marketing planning is to identify the target audience(s). Remember, IMC marketers recognize that we must communicate with a variety of stakeholders who influence the target market. Of course, the intended customer is the most important target audience and the one that marketers focus on the most.</p>	
p. 405	<p>2.2 Step 2: Establish the Communication Objectives The whole point of communicating with customers and prospective customers is to let them know in a timely and affordable way that the organization has a product to meet their needs. In most cases, it takes a series of messages that move the consumer through several stages.</p> <p>The marketer “pushes” the consumer through a series of steps, or a hierarchy of effects, from initial awareness of a product to brand loyalty. The task of moving the consumer up the hierarchy becomes more difficult at each step. The steps are as follows:</p> <ul style="list-style-type: none"> • Create awareness • Inform the market • Create desire • Encourage purchase and trial • Build loyalty 	<p>Figure 13.5 The Hierarchy of Effects</p>
	<p>► Marketing Moment In-Class Activity Ask students to imagine they are responsible for launching new fitness water. Then ask how they would design an IMC plan to take a potential customer through each stage of the hierarchy of effects (e.g., to create awareness, sponsor a tennis match and show tennis players drinking the water, etc.).</p>	
p. 407	<p>2.3 Step 3: Determine and Allocate the Marketing Communication Budget While setting a budget for marketing communication might seem easy—you just calculate how much you need to accomplish your objectives—in reality it’s not that simple. We need to make three distinct decisions to set a budget:</p>	
p. 407	<p>2.3.1 Determine the Total Promotion Budget Most firms rely on two budgeting techniques: top-down and bottom-up. Top-down budgeting techniques require top management to establish the overall amount that the organization allocates for promotion activities. The most common top-down technique is the percentage-of-sales method in which the</p>	

p. 408	<p>promotion budget is based on last year's sales or on estimates for the present year's sales. The percentage may be an industry average provided by trade associations that collect objective information on behalf of member companies. The advantage of this method is that it ties spending on promotion to sales and profits. Unfortunately, this method can imply that sales cause promotional spending rather than viewing sales as the <i>outcome</i> of promotional efforts.</p> <p>The competitive-parity method is a fancy way of saying "keep up with the Joneses." This method assumes that the same dollars spent on promotion by two different firms will yield the same results, but spending a lot of money does not guarantee a successful promotion. Firms certainly need to monitor their competitors' promotion activities, but they must combine this information with their own objectives and capacities.</p> <p>The problem with top-down techniques is that budget decisions are based more on established practices than on promotion objectives. Another approach is to begin at the beginning: identify promotion goals and allocate enough money to accomplish them.</p> <p>That is what bottom-up budgeting techniques attempt.</p> <p>This bottom-up logic is at the heart of the objective-task method, which is gaining in popularity. Using this approach, the firm first defines the specific communication goals it hopes to achieve, such as increasing by 20 percent the number of consumers who are aware of the brand. It then tries to figure out what kind of promotional efforts—how much advertising, sales promotion, buzz marketing etc. -- it will take to meet that goal.</p> <p>2.3.2 Decide on a Push or a Pull Strategy</p> <p>A push strategy means that the company wants to move its products by convincing channel members to offer them and entice their customers to select these items – it pushes them through the channel. This approach assumes that if consumers see the product on store shelves, they will be enticed to make a trial purchase. In this case, promotion efforts will "push" the products from producer to consumers by focusing on personal selling, trade advertising, and trade sales promotion activities such as exhibits at trade shows.</p> <p>In contrast, a company that relies on a pull strategy is counting on consumers to demand its products. This popularity will then convince retailers to respond by stocking these items. In this case,</p>	
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	<p>efforts focus on media advertising and consumer sales promotion to stimulate interest among end consumers who will “pull” the product onto store shelves and then into their shopping carts.</p> <p>In contrast, a company that relies on a pull strategy is counting on consumers to demand its products. This popularity will then convince retailers to respond by stocking these items. In this case, efforts focus on media advertising and consumer sales promotion to stimulate interest among end consumers who will “pull” the product onto store shelves and then into their shopping carts.</p>	
	<p>► Marketing Moment In-Class Activity Ask students to think about how the pharmaceutical industry might implement a push or a pull strategy. What would each strategy “look” like (e.g., a “push” sells to doctors while a “pull” advertises to customers)? How would the promotion mix differ using the two strategies?</p>	
<p>p. 408</p>	<p>2.3.3 Allocate the Budget to a Specific Promotion Mix Once the organization decides how much to spend on promotion and whether to use a push or a pull strategy, it must divide its budget among the elements in the promotion mix. Although advertising used to get the lion’s share of the promotion budget, today sales promotion and digital marketing such as buzz building and the use of social media we talked about earlier in this chapter are playing a bigger role in marketing strategies.</p>	
<p>p. 408</p>	<p>2.4 Step 4: Design the Promotion Mix Designing the promotion mix is the most complicated step in marketing communication planning. It includes determining the specific communication tools that will be used, what message is to be communicated, and the communication channel(s) to be employed.</p> <p>The message should ideally accomplish four objectives (though a single message can rarely do all of these): It should get attention, hold interest, create desire, and produce action. These communication goals are known as the AIDA model.</p> <p>Activity: Illustrate how the AIDA model works using an example. Explain your answer.</p>	
<p>p. 409</p>	<p>2.5 Step 5: Evaluate the Effectiveness of the Communication Program The final step to manage marketing communications is to decide whether the plan is working. It is not so easy. There are many</p>	<p>Exhibit 13. 6 Land Rover</p>

<p>p. 409</p>	<p>random factors in the marketing environment.</p> <p>As a rule, various types of sales promotion are the easiest to evaluate because they occur over a fixed, usually short period, making it easier to link to sales volume. Advertising researchers measure brand awareness, recall of product benefits communicated through advertising and even the image of the brand before and after an advertising campaign. The firm can analyze and compare the performance of salespeople in different territories, although again it is difficult to rule out other factors that make one salesperson more effective than another does. Public relations activities are more difficult to assess because their objectives relate more often to image building than sales volume.</p> <p>2.6 Multi-channel Promotional Strategies Many marketers opt for multi-channel promotional strategies where they combine traditional advertising, sales promotion and public relations activities with online buzz building activities. Multi-channel strategies boost the effectiveness of either online or offline strategies used alone. In addition, multi-channel strategies allow marketers to repeat their messages across various channels; this lets them strengthen brand awareness and it provides more opportunities to convert customers.</p>	
<p>p. 410</p>	<p>3 ADVERTISING Advertising is so much a part of marketing that many people think of the two as the same thing. Remember, product, price, and distribution strategies are just as important as marketing communications.</p> <p>Advertising is non-personal communication an identified sponsor pays for that uses mass media to persuade or inform an audience.</p> <p>Authenticated streaming is a term that describes using your Internet-enabled device, like a tablet or smart phone, to stream content from your cable or satellite provider</p>	
<p>p. 410-411</p>	<p>3.1 Types of Advertising The advertisements an organization runs can take many forms.</p>	<p>Figure 13.6 Types of Advertising</p>
<p>p. 411</p>	<p>3.1.1 Product Advertising With product advertising, the message focuses on a specific good or service. Most of the advertising we see or hear is product advertising.</p>	
<p>p. 411</p>	<p>3.1.2 Institutional Advertising</p>	

<p>p. 411</p>	<p>Institutional advertising promotes the activities, personality, or point of view of an organization or company. Corporate advertising promotes the company as a whole instead of the firm’s individual products.</p> <p>Some institutional messages state an organization’s position on an issue to sway public opinion, a strategy we call advocacy advertising.</p> <p>Public service advertisements (PSAs) are advertisements the media runs free of charge. These messages promote not-for-profit organizations that serve society in some way, or they champion an issue such as increasing literacy or discouraging drunk driving.</p> <p>3.1.3 Retail and Local Advertising Both major retailers and small, local businesses advertise to encourage customers to shop at a specific store or use a local service.</p>	
<p>p. 411</p> <p>p. 412</p>	<p>3.2 Who Creates Advertising? An advertising campaign is a coordinated, comprehensive plan that carries out promotion objectives and results in a series of advertisements placed in various media over a period. Although a campaign may be based around a single ad idea, most use multiple messages with all ads in the campaign having the same look-and-feel.</p> <p>Although some firms create their own advertising in-house, in many cases several specialized companies work together to develop an advertising campaign. Typically, the firm retains one or more outside <i>advertising agencies</i> to oversee this process. A limited-service agency provides one or more specialized services, such as media buying or creative development. In contrast, a full-service agency supplies most or all of the services a campaign requires, including research, creation of ad copy and art, media selection, and production of the final messages.</p> <p>Big or small, an advertising agency hires a range of specialists to craft a message and make the communication concept a reality:</p> <p>Account management: The account executive, or account manager, is the “soul” of the operation. This person supervises the day-to-day activities on the account, and is the primary liaison between the agency and the client. The account executive has to ensure that the client is happy while he verifies that people within the agency execute the desired strategy. The account planner combines research and account strategy to act as the voice of the</p>	

	<p>consumer in creating effective advertising.</p> <p>Creative services: <i>Creatives</i> are the “heart” of the communication effort. These people actually dream up and produce the ads.</p> <p>Research and marketing services: <i>Researchers</i> are the “brains” of the campaign. They collect and analyze information that will help account executives develop a sensible strategy.</p> <p>Media planning: The media planner is the “legs” of the campaign. He helps to determine which communication vehicles are the most effective, and recommends the most efficient means to deliver the ad by deciding where, when, and how often it will appear.</p>	
p. 412	<p>3.3 User-Generated Advertising Content</p> <p>The latest promotional craze is to let your customers actually create your advertising for you. User-Generated Content (UGC), also known as Consumer-generated media (CGM), includes the millions of online consumer comments, opinions, advice, consumer-to-consumer discussions, reviews, photos, images, videos, podcasts and webcasts and product-related stories available to other consumers through digital technology. Marketers that embrace this strategy understand that it is OK to let people have fun with their products.</p>	<p>www.youtube.com/watch?v=hKoB0MHVBvM</p>
p. 413	<p>Some marketers encourage consumers to contribute their own Do-It-Yourself (DIY) ads.</p> <p>Crowdsourcing is a practice in which firms outsource marketing activities (such as selecting an ad) to a community of users, i.e., a crowd. The idea behind crowdsourcing is that if you want to know what consumers think and what they like, the most logical thing to do is to ask them.</p>	
p. 413	<p>3.4 Ethical Issues in Advertising</p> <ul style="list-style-type: none"> • Advertising is manipulative • Advertising is deceptive and untruthful-- in addition to fining firms for deceptive advertising, the FTC also has the power to require firms to run corrective advertising; messages that clarify or qualify previous claims. Other ads, although not illegal, may create a biased impression of products when they use puffery—claims of superiority that 	

p. 414	<p>neither sponsors nor critics of the ads can prove are true or untrue. Many consumers today are concerned about greenwashing, a practice in which companies promote their products as environmentally friendly when in truth the brand provides little ecological benefit.</p> <ul style="list-style-type: none"> • Advertising is offensive and in bad taste • Advertising creates and perpetuates stereotypes • Advertising causes people to buy things they don't really need 	
p. 414 p. 414-415	<p>3.5. Develop the Advertising Campaign The following is a description of the steps in creating an advertising campaign:</p> <p>3.5.1 Step 1: Understand the Target Audience The best way to communicate with an audience is to understand as much as possible about them and what turns them on and off. Marketers often identify the target audience for an advertising campaign from research.</p>	<p>Figure 13.7 Steps to Develop an Advertising Campaign</p> <p>The Cutting Edge Pay-Per-Gaze</p>
p. 415	<p>3.5.2 Step 2: Establish Message and Budget Objectives Advertising objectives should be consistent with the overall communications plan. Advertising objectives will generally include objectives for both the message and the budget.</p>	<p>Exhibit 13. 7 SciFi Channel</p>
p. 415-416	<p>3.5.3 Set Message Objectives Advertising can inform, persuade, and remind.</p>	<p>Exhibit 13. 8 Harley-Davidson</p>
p. 415	<p>3.5.4 Set Budget Objectives Advertising is expensive. An objective of many firms is to allocate a percentage of the overall communication budget to advertising.</p>	
<p>Use Websites Here: www.abercrombie.com www.hydroxycut.com Examples of Sex Appeal</p>		
p. 416	<p>3.5.5 Step 3: Create the Ads The creation of the advertising begins when an agency formulates a creative strategy, which gives the advertising "creatives" (art directors, copywriters, photographers and others) the direction and inspiration they need to begin the creative process. The strategy is summarized in a written document known as a creative brief; a rough blueprint that guides but does not restrict the creative process. It provides only the most relevant information and insights about the marketing situation, the advertising objective, the competition, the advertising target and, most importantly, the message that the advertising must deliver.</p>	<p>Figure 13.8 Creative Elements of Advertising</p>

<p>p. 416</p>	<p>3.5.5.1 Advertising Appeals</p> <p>An advertising appeal is the central idea of the ad and the basis of the advertising messages. It is the approach used to influence the consumer. Informational appeals are based on a unique selling proposition (USP) that gives consumers a clear, single-minded reason why the product is better at solving a problem.</p>	<p>Exhibit 13. 9 Cybermentors</p>
<p>p. 417</p>	<p>Generally, we think of appeals as informational or emotional. Of course, not all ads fit into these two appeal categories. Well-established brands often use reminder advertising just to keep their name in people’s minds or be sure that consumers repurchase the product as necessary. Sometimes advertisers use teaser or mystery ads to generate curiosity and interest in a to-be-introduced product.</p>	
<p>p. 417</p>	<p>3.3.2 Execution Formats</p> <p>Execution format describes the basic structure of the message. Some of the more common formats, sometimes used in combination, include:</p> <ul style="list-style-type: none"> • Comparison: A comparative advertisement explicitly names one or more competitors. • Demonstration: The ad shows a product “in action” to prove that it performs as claimed: “It slices, it dices!” • Storytelling: Modern storytelling commercials are like 30-second movies with a plots that involve the product in a peripheral way. • Testimonial: A celebrity, an expert, or a “man in the street” states the product’s effectiveness. The use of <i>celebrity endorser</i> is a common but expensive strategy. • Slice of life: A <i>slice-of-life</i> format presents a (dramatized) scene from everyday life. • Lifestyle: A <i>lifestyle</i> format shows a person or persons attractive to the target market in an appealing setting. The advertised product is “part of the scene,” implying that the person who buys it will attain the lifestyle. 	<p>Exhibit 13.10 Fresh Step</p>
<p>p. 418-419</p>	<p>3.3.3 Tonality</p> <p>Tonality refers to the mood or attitude the message conveys. Some common tonalities include:</p> <ul style="list-style-type: none"> • Straightforward: Straightforward ads simply present the information to the audience in a clear manner. • Humor: Humorous, witty or outrageous ads can be an 	<p>Exhibit 13. 11 King of Shaves</p>

<p>p. 419</p>	<p>effective way to break through advertising clutter.</p> <ul style="list-style-type: none"> • Dramatic: A dramatization, like a play, presents a problem and a solution in a manner that is often exciting and suspenseful—a difficult challenge in 30 or 60 seconds. • Romantic: Ads that present a romantic situation can be especially effective at getting consumers’ attention and at selling products people associate with dating and mating. • Sexy: Some ads appear to sell sex rather than products. <i>Sex appeal</i> ads are more likely to be effective when there is a connection between the product and sex (or at least romance). • Apprehension/Fear: Some ads highlight the negative consequences of <i>not</i> using a product. In general, fear appeals can be successful if the audience perceives there to be an appropriate level of intensity in the fear appeal. <p>3.3.4 Creative Tactics and Techniques</p> <ul style="list-style-type: none"> • Animation and Art: Not all ads are executed with film or photography. • Celebrities • Music, jingles and slogans. Jingles are original words and music written specifically for advertising executions. Slogans link the brand to a simple linguistic device that is memorable (<i>jingles</i> do the same but set the slogan to music). <p>Activity: Describe some of the different advertising appeals used in campaigns.</p>	
<p>► Marketing Moment In-Class Activity Ask students to recall an advertisement that used sex appeal. Can students also recall the product category and brand? Have students notice how many could recall the sex appeal but may not be able to recall the brand.</p>		
<p>Use Website Here: www.ihop.com IHOP slogan—come hungry, leave happy</p>		
<p>p. 419</p>	<p>3.4 Step 4: Pretest What the Ads Will Say Advertisers try to minimize mistakes by getting reactions to ad messages before they actually place them. Much of this pre-testing, the research that goes on in the early stages of a campaign, centers on gathering basic information that will help planners be sure they’ve accurately defined the product’s market, consumers, and competitors.</p>	
<p>p. 419</p>	<p>3.5 Step 5: Choose the Media Type(s) and Media Schedule Media planning is a problem-solving process for getting a</p>	

	<p>message to a target audience in the most effective way. Planning decisions include audience selection and where, when, and how frequent the exposure should be. Thus, the first task for a media planner is to find out when and where people in the target market are most likely to be exposed to the communication.</p> <p>There is no such thing as one perfect medium for advertising.</p>	
p. 420	<p>3.5.1 Where to Say It: Traditional Mass Media The following is a list of the major categories of media. Table 13.2 summarizes some of the pros and cons of each type.</p> <ul style="list-style-type: none"> • Television • Radio • Newspapers • Magazines • Directories • Out-of-home media • Internet websites • Place-based media • Branded entertainment • Advergaming • Mobile Phones 	
p. 420-421	<p>3.5.2 Where to Say It: Digital Media The term digital media refers to any media that are digital rather than analog. The more popular types of digital media advertisers use today include websites, mobile or cellular phones, and digital video such as <i>YouTube</i>.</p> <p>Website advertising: Online advertising offers several advantages over other media platforms. First, the Internet provides new ways to finely target customers. Web user registrations and <i>cookies</i> allow sites to track user preferences and deliver ads based on previous Internet behavior. In addition, because the Website can track how many times an ad is “clicked,” advertisers can measure in real time how people respond to specific online messages.</p>	Table 13.2 Pros and Cons of Media Vehicles
p. 423	<p>The following is a description of forms of Internet advertising:</p> <ul style="list-style-type: none"> • Banners, rectangular graphics at the top or bottom of web pages, were the first form of web advertising. • Buttons are small banner-type advertisements that a company can place anywhere on a page. • A pop-up ad is an advertisement that appears on the screen while a web page loads or after it has loaded. • Search engines and directory listings are ways for people to find web pages of interest to them. A web 	Exhibit 13.12 Alaska Airlines Photo

	<p>search engine is a program that searches for documents with specified keywords. Unlike search engines, a web directory does not display lists of web pages based on key words but instead lists sites by categories and subcategories.</p> <ul style="list-style-type: none"> • E-mail advertising that transmits messages to very large numbers of inboxes simultaneously is one of the easiest ways to communicate with consumers – it is the same price whether you send ten messages or ten thousand. One downside to this platform is the explosion of spam. The industry defines this practice as sending unsolicited e-mail to five or more people not personally known to the sender. Many websites that offer e-mail give surfers the opportunity to refuse unsolicited e-mail via junk e-mail blockers. This permission marketing strategy gives the consumer the power to <i>opt in</i> or <i>opt out</i>. 	
p. 424	<p>► ETHICS CHECK Is it ethical for marketers to pay for links on websites in order to obtain higher rankings on search engines?</p>	Ripped from the Headlines Ethical/Sustainable Decisions in the Real World
p. 424	<p>3.5.3 Mobile Advertising: The Mobile Marketing Association defines mobile advertising as “a form of advertising that is communicated to the consumer via a handset.</p>	
p. 424	<p>3.5.4 Video Sharing: Check It Out on YouTube Video sharing describes the strategy of uploading video recordings or vlogs (pronounced vee-logs) to Internet sites such as YouTube so that thousands or even millions of other Internet users can check them out. For marketers, YouTube provides vast opportunities to build relationships with consumers.</p> <p>Augmented reality (AR) is a form of technology where a view of a real-world environment joins a layer of virtual computer-generated imagery to create a mixed reality.</p>	
p. 425	<p>3.5.5 Where to Say It: Branded Entertainment As we noted earlier, more and more marketers rely on paid <i>product placements</i> in TV shows and movies to grab the attention of consumers who tune out traditional ad messages as fast as they see them. These placements are an important form of branded entertainment; a strategy where marketers integrate products into all sorts of venues including movies, television shows,</p>	

<p>p. 424</p>	<p>videogames, novels and even retail settings. Beyond movies and television shows, what better way to promote to the video generation than through brand placements in video games? The industry calls this technique advergaming. Native advertising has marketing material that mimics or resembles the content of the website that it is posted on</p> <p>3.5.6 Where to Say It: Support Media Support media reach people who may not have been reached by mass media advertising and these platforms support the messages traditional media delivers.</p> <ul style="list-style-type: none"> • Directories • Out-of-home media. In recent years, outdoor advertising has pushed the technology envelope with digital signage that enables the source to change the message at will. • Place-based media • <i>RFID</i> technology (radio frequency identification) 	
<p>p. 426</p>	<p>3.5.7 When and How Often to Say It: Media Scheduling After she chooses the advertising media, the planner then creates a media schedule that specifies the exact media the campaign will use as well as when and how often the message should appear. The media schedule outlines the planner's best estimate of which media will be most effective to attain the advertising objective(s) and which specific media vehicles will do the most effective job.</p> <hr/> <p>► METRICS MOMENT Media planners use a number of quantitative factors to develop the media schedule.</p> <ul style="list-style-type: none"> • Reach is the percentage of the target market that will be exposed to the media vehicle at least once during a given period of time, usually four weeks • Frequency is simply the average number of times that an individual or a household will be exposed to the message. • Frequency is simply the average number of times that an individual or a household will be exposed to the message. • Gross rating points (GRPs) are a measure of the quantity of media included in the media plan. • To compare the <i>relative</i> cost-effectiveness of different media, planners use cost per thousand CPM., which reflects the cost to deliver a message to 1,000 people 	<p>Figure 13.9 Media Schedule for a Video Game</p>
	<p>Applying the Metrics You have a choice of commercials during <i>NCIS</i> or ads in the <i>Wall Street Journal</i>. <i>NCIS</i> reaches 30 million members of the target audience, while <i>WSJ</i> reaches 15 million members. CBS is quoting</p>	

	<p>you \$500,000 per 30-second spot; <i>WSJ</i> charges \$200,000 for a full-page four-color ad.</p> <ul style="list-style-type: none"> • Calculate the CPM for each option. • Which one is the better financial deal? 	
	<p>A continuous schedule maintains a steady stream of advertising throughout the year. This is most appropriate for products that we buy on a regular basis.</p> <p>A pulsing schedule varies the amount of advertising throughout the year based on when the product is likely to be in demand.</p> <p>Flighting is an extreme form of pulsing in which advertising appears in short, intense bursts alternating with periods of little to no activity. It can produce as much brand awareness as a steady dose of advertising at a much lower cost if the messages from the previous flight were noticed and made an impact.</p>	
p. 427	<p>3.6 Step 6: Evaluate The Advertising</p> <p>With so many messages competing for the attention of frazzled customers, it is especially important for firms to evaluate their efforts to increase the impact of their messages.</p>	
p. 428	<p>Post-testing means conducting research on consumers' responses to advertising messages they have seen or heard as opposed to <i>pre-testing</i>, which as we have seen collects reactions to messages <i>before</i> they are actually placed in "the real world."</p> <p>Unaided recall tests by telephone survey or personal interview whether a person remembers seeing an ad during a specified period without giving the person the name of the brand.</p> <p>An aided recall test uses the name of the brand and sometimes other clues to prompt answers.</p> <p>Attitudinal measures probe a bit more deeply by testing consumers' beliefs or feelings about a product before and after they are exposed to messages about it.</p>	Exhibit 13. 13 Potato Goodness
p. 428-429	<p>4. SALES PROMOTION</p> <p>Sales promotions are programs that marketers design to build interest in or encourage purchase of a good or service during a specified time. Marketers today place an increasing amount of their total marketing communication budget into sales promotion due to growth of channels power and declining brand loyalty. Marketers target sales promotion activities either to ultimate consumers or to members of the channel such as retailers that sell their products. Thus, we divide sales promotion into two major</p>	Table 13.3 Consumer Sales Promotion Techniques: A Sampler

<p>p. 429</p>	<p>categories: consumer-oriented sales promotion and trade-oriented sales promotion.</p> <p>4.1 Sales Promotion Directed toward Consumers For consumer sales promotion, the major reason for this is that most promotions temporarily change the price/value relationships.</p>	
<p>p. 429-430</p>	<p>4.2.1 Price-Based Consumer Sales Promotion Many sales promotions emphasize short-term price reductions or rebates that encourage people to choose a brand, during the deal period. If used too frequently, consumers become conditioned to purchase only when the product is at a low promotional price.</p> <p>Coupons are certificates redeemable for money off on a purchase and are the most common price promotion.</p> <p>Price deals, refunds, and rebates are temporary price reductions to stimulate sales. This price deal may be printed on the package itself, or it may be a price-off flag or banner on the store shelf. Alternatively, companies may offer rebates that allow the consumer to recover part of the purchase price via mail-ins to the manufacturer.</p> <p>Frequency programs, also called <i>loyalty</i> or <i>continuity programs</i>, offer a consumer a discount or a free product for multiple purchases over time.</p> <p>Special/bonus packs involve giving the shopper more products instead of lowering the price. A special pack also can be in the form of a unique package such as a reusable decorator dispenser for hand soap.</p>	<p>Figure 13.10: Types of Consumer Sales Promotion</p>
<p>p. 430</p>	<p>4.2.2 Attention-Getting Consumer Sales Promotions Attention-getting consumer promotions stimulate interest in a company's products. Some typical types of attention-getting promotions include the following:</p> <p>Contests and sweepstakes: a contest is a test of skill, while a sweepstake is based on chance.</p> <p>Premiums are items offered free to people who have bought a product.</p> <p>Product sampling encourages people to try a product by distributing trial-size and sometimes regular-size versions in stores, in public places such as student unions, or through the mail. Many marketers now distribute free samples through sites</p>	

	<p>on the Internet</p> <hr/> <p>Use Websites Here: On-line coupon consolidators: coupons.smartsource.com</p> <p>Student Project: Discuss some of your favorite sales promotions. Did the sales promotion actually cause you to buy the product being promoted? Explain how the promotion worked. Why did it work? What has been the impact on your future buying behavior?</p>	
p. 431-432	<p>4.3 Trade Sales Promotion: Targeting the B2B Customer Sales promotions target the B2B customer—located somewhere within the supply chain. Such entities are traditionally referred to as “the trade.”</p> <p>4.3.1 Discount Promotions Discount promotions (deals) reduce the cost of the product to the distributor or retailer or help defray its advertising expenses.</p> <p>4.3.2 Co-Op Advertising Another type of trade allowance is co-op advertising. These programs offer to pay a portion, usually 50 percent, of the cost of any retailer advertising that features the manufacturer’s product.</p>	<p>Figure 13.11 Trade Sales Promotions</p> <p>Table 13.4 Characteristics of Trade Sales Promotion Approaches</p>
p. 433	<p>4.3.3 Sales Promotion Designed to Increase Industry Visibility Other types of trade sales promotions increase the visibility of a manufacturer’s products to channel partners within the industry.</p> <p>Forms of sales promotion include the following:</p> <ul style="list-style-type: none"> • <i>Trade shows</i> • <i>Promotional products</i> • <i>Point-of-purchase displays</i> • <i>Incentive programs</i> 	
p. 434	<p>Real People, Real Choices: Here’s My Choice at Brownstein Group</p> <ul style="list-style-type: none"> • Marc selected option #1. <p>Brand You: Create an award-winning advertising campaign for your personal brand. Think of your cover letter and resume as your advertising...the award is landing the job you want. Learn simple tips that can make your cover letter and resume more powerful and stand out in the crowd. Check out the cover letter and resume examples in Chapter 13 of <i>Brand You</i>.</p>	

Comment [ITS1]: Key term

Part 4: Deliver and Communicate the Value Proposition

WEB RESOURCES

Pearson Education Inc.: www.mymktlab.com

Examples of Sex Appeal: www.abercrombie.com Abercrombie & Fitch - sex appeal
www.hydroxycut.com

Brownstein Group (Real People, Real Choices): www.brownsteingroup.com

IHOP slogan—come hungry, leave happy: www.ihop.com

T-Mobile Liverpool station pedestrian dance:
www.youtube.com/watch?v=VQ3d3KigPQM&feature=player_embedded#at=30

Coupons for brand-name products: www.print.coupons.com

Product samples: www.freesamples.com and www.startsampling.com

On-line coupon consolidators: www.coupons.smartsource.com

LG opened a tie-in internet site for the movie, Iron Man: www.insidethesuit.com

Leo Burnett advertising agency: www.leoburnett.com

The Martin Agency: www.martinagency.com

Fallon Worldwide: www.fallon.com

J. Walter Thompson advertising agency: www.jwt.com