

PRINCIPLES of MARKETING

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Engaging Consumers and Communicating Customer Value Integrated Marketing Communications Strategy

OBJECTIVES OUTLINE

OBJECTIVE 14-1 Define the four promotion mix tools for communicating customer value.

OBJECTIVE 14-2 Discuss the changing communications landscape and the need for integrated marketing communications.

OBJECTIVE 14-3 Outline the communication process and the steps in developing effective marketing communications.

OBJECTIVE 14-4 Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

CHAPTER PREVIEW

In this and the next two chapters, we'll examine the last of the marketing mix tools—promotion. Beyond just creating customer value, marketers must clearly and persuasively communicate that value. Promotion is not a single tool but rather a portfolio of several tools. Ideally, under the concept of *integrated marketing communications*, a company will carefully coordinate these promotion tools to engage customers and clearly and consistently deliver information about itself and the customer value it creates.

We'll begin by introducing the various promotion mix tools. Next, we'll examine the rapidly changing communications environment—especially the addition of digital, mobile, and social media—and the need for integrated marketing communications. Finally, we'll discuss the steps in developing marketing communications and the promotion budgeting process. In the next two

chapters, we'll present the specific marketing communications tools: advertising and public relations (Chapter 15) and personal selling and sales promotion (Chapter 16).

Let's start by looking at a one of the most successful integrated marketing communications campaigns of the past 20 years. In the fiercely competitive financial services industry, where well-established brands are fighting for survival, the inspired-yet-durable Capital One “What’s in your wallet?” campaign has taken the once-startup credit card issuer to its position today as the seventh-largest full-service bank in the nation. No matter where you see the message—on TV, on a mobile screen, in a friend's post, in a social media ad or post, or in your mailbox—the imaginative campaign clearly and consistently drives home the brand's positioning in an engaging and memorable way.

Author | The promotion mix is the marketer's bag of tools for engaging and communicating with customers and other stakeholders. To deliver a clear and compelling message, each tool must be carefully coordinated with others under the concept of integrated marketing communications (IMC).

Promotion mix (marketing communications mix)

The specific blend of promotion tools that the company uses to persuasively communicate customer value and build customer relationships.

Advertising

Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.

Sales promotion

Short-term incentives to encourage the purchase or sale of a product or a service.

Personal selling

Personal presentation by the firm's sales force for the purpose of engaging customers, making sales, and building customer relationships.

Public relations (PR)

Activities designed to engage the company's various publics and build good relations with them.

BUILDING GOOD CUSTOMER RELATIONSHIPS calls for more than just developing a good product, pricing it attractively, and making it available to customers. Companies must also strategically engage with and communicate their value propositions to customers. All the company's communications must be blended into carefully integrated marketing communications programs.

The Promotion Mix

OBJECTIVE 14-1 Define the four promotion mix tools for communicating customer value.

A company's total **promotion mix**—also called its **marketing communications mix**—consists of the specific blend of advertising, sales promotion, personal selling, and public relations tools that the company uses to engage consumers, persuasively communicate customer value, and build customer relationships. The four major promotion tools are defined as follows:²

- **Advertising.** Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.
- **Sales promotion.** Short-term incentives to encourage the purchase or sale of a product or service.
- **Personal selling.** Personal customer interactions by the firm's sales force to engage customers, make sales, and build customer relationships.
- **Public relations (PR).** Activities designed to engage the company's various publics and build good relations with them.

Each category involves specific promotional tools. For example, *advertising* includes digital, broadcast, print, outdoor, and other forms. *Sales promotion* includes discounts, coupons, displays, demonstrations, and events. *Personal selling* includes sales presentations, trade shows, and incentive programs. *Public relations* includes news updates, stories, sponsorships, events, and webpages.

At the same time, marketing communication goes beyond these specific promotion tools. The product design, price, package, and the stores that sell it—all communicate something to buyers. Thus, although the promotion mix is the company's primary engagement and communications activity, the entire marketing mix—promotion *and* product, price, and place—must be coordinated for greatest impact.

Author Comment Integrated marketing communications—IMC—is changing quickly and profoundly today. A big reason is the huge surge in customer engagement through digital media—online, mobile, and social media marketing.

Integrated Marketing Communications

OBJECTIVE 14-2 Discuss the changing communications landscape and the need for integrated marketing communications.

In past decades, marketers perfected the art of mass marketing: using mass-media communication techniques to sell highly standardized products to masses of consumers. Even now, large companies routinely invest millions or even billions of dollars in television, magazine, or other mass-media advertising, reaching tens of millions of customers with a single ad. Today, however, marketing managers increasingly face some new realities. Perhaps no other area of marketing is changing so profoundly as marketing communications, creating both exciting and challenging times for marketers.

The New Marketing Communications Model

Today's marketing communications environment is rapidly evolving. First, *marketing strategies* are changing. As mass markets have fragmented, marketers are shifting away from mass marketing and toward more focused marketing aimed at narrower micromarkets. Second, in this digitally connected, mobile age, *consumers* are better informed and more communications-empowered. Instead of relying only on marketer-supplied information, they use the internet, social media, and other technologies to find information on their own. They connect easily with other consumers to exchange brand-related information or even create and communicate their own brand messages and experiences.

Finally, advances in *digital technology* have remarkably transformed caused remarkable changes in the ways how companies and customers communicate with each other. The digital age has spawned a host of new communication tools and platforms, from smartphones and IoT devices to the many faces of the internet—brand websites, social media, email, the mobile web, streamed content, online communities, and now the metaverse. Just as mass marketing once gave rise to a new generation of mass-media communication models, digital and social media have now given birth to a range of more targeted, social, and engaging marketing communication models.

In recent years, although TV remains a potent advertising medium, TV ad spending growth has flattened or declined. Ad spending in magazines, newspapers, and radio has also lost significant ground. Meanwhile, spending in digital media has surged. Total digital ad spending now captures more than 62 percent of all U.S. ad spending and will grow to an estimated 75 percent of total ad spending by 2024. Advertising on mobile devices now accounts for more than three-quarters of all digital ad spending and by itself exceeds the amount spent on TV advertising.³

Large advertisers are increasingly moving toward a “digital-first” approach. For example, last year L’Oreal, Hershey, and Unilever increased their digital advertising more than 100 percent over the previous year. In fact, consumer package goods brands are expected to increase their digital advertising spending by more than 50 percent over the next five years. ● Consider Unilever, one of the world’s largest advertisers and a leader in the digital advertising and communications revolution.⁴

Unilever has built in-house digital marketing skills clustered around 40 digital hubs within the company and now spends as much as 45 percent of its more than \$9 billion global marketing budget on digital media. For example, Unilever has shifted ad resources from television advertising to digital streaming and gaming platforms. It now partners with the hugely popular Fortnite and Animal Crossing gaming platforms to engage younger consumers. Unilever’s Hellmann’s brand created its own Hellmann’s Island on Nintendo’s Animal Crossing: New Horizon. Each time a player donated a virtual vegetable within the game, Hellmann’s made a donation to FareShare, a UK charity fighting hunger



● Many large advertisers are moving toward a “digital-first” approach to build their brands. Marketing powerhouse Unilever now spends as much as 45 percent of its huge global marketing budget on digital media, making it a leader in the digital advertising revolution.

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and food waste. And Unilever holds monthly gaming “master classes” where leading professional gamers keep Unilever’s marketing teams attuned to the latest developments and trends in gaming and virtual role playing.

Traditional marketing approaches often interrupt customers and force-feed them mass messages. Today’s new digital media formats let marketers reach smaller communities of consumers in more engaging ways. For example, consumers can now watch their favorite television programs on just about any screen—on televisions but also tablets, smartphones, or laptops. And they can choose to watch programs whenever and wherever they wish, often without commercials. Increasingly, programs, ads, and videos are being produced only for online viewing.

Despite this shift toward digital, traditional mass media remain important. Thus, rather than the old-media model collapsing completely, most marketers foresee a shifting mix of both traditional mass and digital media that engages more-targeted consumer communities in a more personalized way. In the end, the key is to integrate all these communications channels and media to best engage customers, communicate brand messages, and enhance customer experiences.

The roles and skill sets of marketing communicators are also evolving. Rather than just creating and placing “TV ads” or “print ads” or “Instagram stories,” many marketers now view themselves more broadly as **content marketing** managers. As such, they create, inspire, and share brand messages and conversations with and among customers across a fluid mix of *paid*, *owned*, *earned*, and *shared* communication channels and media. These channels include media that are both traditional and new as well as controlled and not controlled. As one ad agency executive notes: “It’s about [communications] context and channels now, rather than just the message itself. It’s about mapping the customer journey to start a conversation with consumers, one that leads to engagement, purchase, loyalty, and advocacy at different touchpoints against this integrated journey” (see Real Marketing 14.1).⁵

Content marketing

Creating, inspiring, and sharing brand messages and conversations with and among consumers across a fluid mix of paid, owned, earned, and shared communications channels and media.

Integrated marketing communications (IMC)

Carefully integrating and coordinating the company’s communications channels to deliver a clear, consistent, and compelling brand and company message.

The Need for *Integrated Marketing Communications*

The shift toward a richer mix of media and content poses a problem for marketers. Consumers are now bombarded by brand messages from numerous sources. But companies often fail to integrate their various communication channels. A company’s mass-media ads may say one thing, but its website, social media pages and posts, videos, or emails may say something different.

One problem is that marketing content may come from different parts of the company. Advertising messages are prepared by the marketing department or an ad agency. Other departments or agencies prepare public relations messages, sales promotion events, and online, mobile, or social media content. In the consumer’s mind, such brand-related content from different sources—whether it’s a Super Bowl ad, in-store display, mobile app, or friend’s social media post—all

merge into a single message about the brand or company. As a result, conflicting content can result in confused company images and fuzzy brand positionings.

Thus, the explosion of digital marketing media presents tremendous opportunities but also big challenges. It gives marketers rich new tools for understanding and engaging customers. At the same time, it complicates and fragments overall communications. The challenge is to bring it all together in an organized way. To that end, most companies practice the concept of **integrated marketing communications (IMC)**. Under this concept, as illustrated in **Figure 14.1**, the

FIGURE 14.1
Integrated Marketing Communications



Today’s customers are bombarded by brand content from all directions. For example, think about all the ways you interact with companies such as Nike, Apple, or Coca-Cola. Integrated marketing communications means that companies must carefully coordinate all of these customer touch points to ensure clear brand messages.

company carefully integrates its communication channels to deliver a clear, consistent, and compelling brand and company message.

Different media can play unique roles in engaging, informing, and persuading consumers. For example, a recent study showed that more than two-thirds of marketers now plan video ad campaigns that stretch across viewing platforms such as traditional TV and digital, mobile, and social media. Such *cross-platform* campaigns combine TV's core strength—vast reach—with digital's superior targeting, interaction, and engagement. These varied media and roles must be carefully coordinated under the integrated marketing communications plan. This coordination is becoming critically important as customers themselves are now navigating across channels and media in the purchase process.

One good example of a well-integrated marketing communications effort is automaker Land Rover's "Above & Beyond" integrated marketing communications campaign, which combines the clout and reach of traditional media with the power of digital media to create deep customer engagement:⁷

The 75-year-old Land Rover brand uses plenty of good old traditional media advertising to drive home its luxury performance and outdoor adventure positioning. It runs Super Bowl spots, big-budget television ads, more targeted broadcast ads on AMC, ESPN, Food Network, and NFL Network, and print ads in *Architectural Digest*, *GQ*, *Wired*, *Vogue*, *The Wall Street Journal*, and other print media. But the Land Rover campaigns also integrate web and social media content that enriches the customer experience in ways that traditional media can't.

For example, the Land Rover Stories section of the brand's website features travelogs in which adventure photographers relate their personal experiences riding Land Rovers through rugged and picturesque landscapes, each story illustrated with stunning visuals. The brand recently produced and posted a video series capturing the adventures of a couple and their young child during a trip across Europe in a Land Rover Discovery.  And in another social media campaign, the company sought nominations from Land Rover owners and brand fans for its Defender Above & Beyond Service Awards, given to not-for-profit service organizations in categories such as First Responders, Animal Welfare, and Coastal and Marine Conservation. Winning organizations in each category were awarded new-model Land Rover Defenders equipped to their specific needs. Videos highlighting the award



DEFENDER ABOVE AND BEYOND SERVICE AWARDS

7 NONPROFITS THAT DEFEND THEIR COMMUNITIES WILL EACH BE AWARDED A CUSTOMIZED DEFENDER. JOIN US BY NOMINATING A NONPROFIT MAKING A POSITIVE IMPACT IN OUR LOCAL COMMUNITY.

NOMINATIONS OPEN NOW

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● **Integrated marketing communications:** Land Rover's "Above & Beyond" marketing campaign integrates the clout and reach of traditional media with the power of digital and social media to create deep and personal customer engagement.

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winners and their vehicles drew views and reactions across a wide range of social media platforms.

Thus, beyond the broad reach of its mass media advertising, Land Rover's digital integrations have earned it a host of engaged owners and fans. The brand boasts 16 million Facebook followers, 813,000 YouTube subscribers, 900,000 Twitter followers, and 8.8 million Instagram faithful who engage by the thousands with every post. By comparison, competitor Toyota's Landcruiser attracts only a paltry 115,500 Facebook followers and 88,000 Instagram fans.

To implement integrated marketing communications, many companies now appoint a marketing communications director who is responsible for coordinating the various promotion tools and the promotion mix. This increases communications consistency and sales impact. The communications director must unify the company and brand images as they are shaped across ever-expanding cross-platform communications activities.

Author Comment To develop effective marketing communications, you must first understand the general communication process.

Developing Effective Marketing Communication

OBJECTIVE 14-3 Outline the communication process and the steps in developing effective marketing communications.

A View of the Communication Process

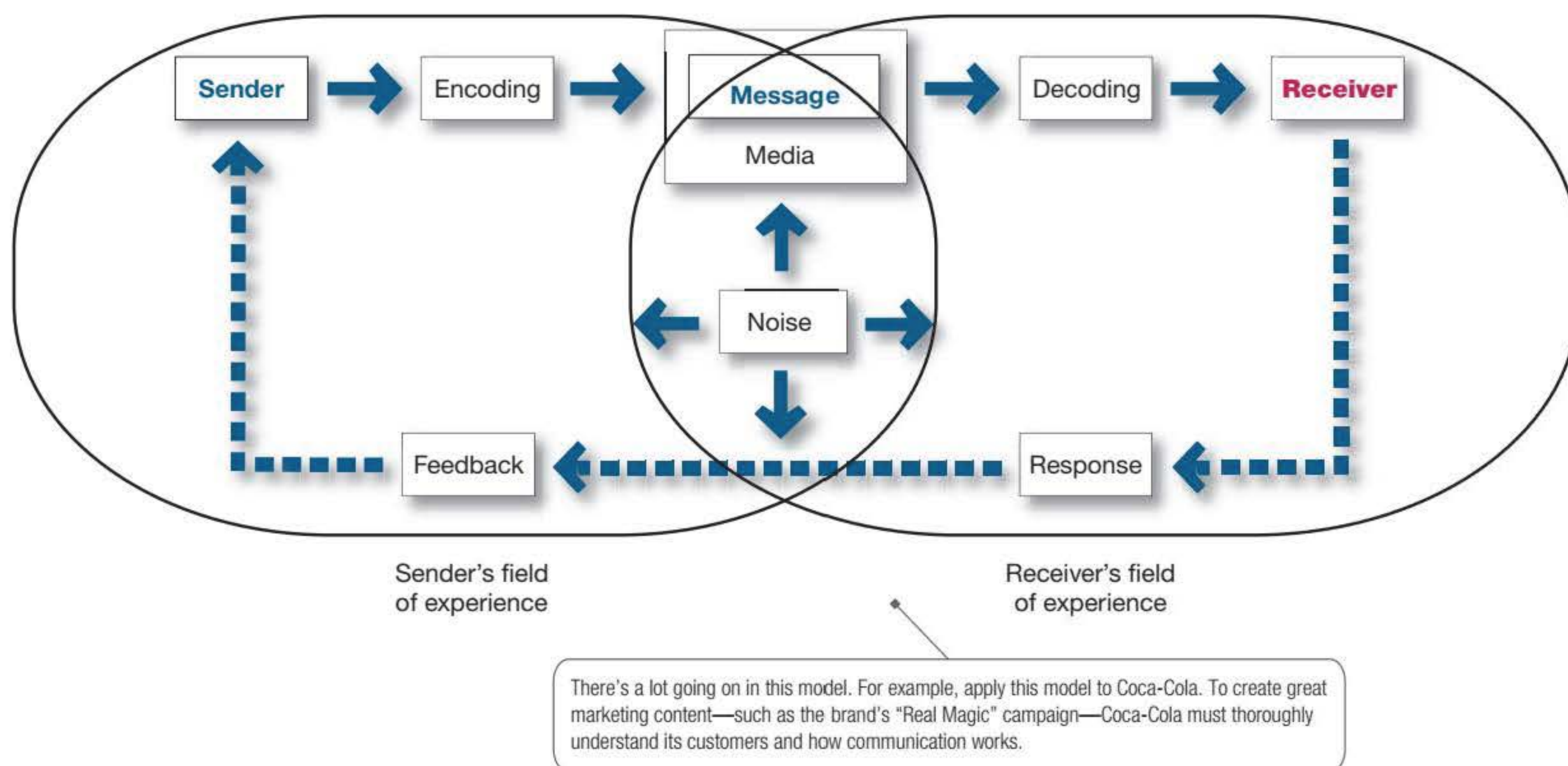
Too often, marketing communications focus on immediate and narrow goals related to brand awareness, perception, or preferences in the target market. But this approach is shortsighted. In contrast, integrated marketing communications involves identifying the target audience and shaping a well-coordinated promotional program across media and channels to obtain the desired audience response. Today, marketers are moving toward viewing IMC as an integral part of managing ongoing customer engagement and relationships with the company and its brands.

Customers differ. Therefore, communications programs must be developed for specific segments and even individuals. Further, today's communications technologies are increasingly two-way and interactive. Therefore, companies must ask not only "How can we engage our customers?" but also "How can we let our customers engage with us and with each other?"

Thus, the communications process should start with an audit of all the potential touch points between target customers and the company. For example, someone purchasing a new phone plan may talk to others, see television or magazine ads, visit online sites for prices and reviews, and check out plans at Best Buy, Walmart, or a wireless provider's kiosk or store. Marketers need to assess what influence each communication experience will have at different stages of the buying process. Based on this understanding, marketers can effectively allocate their communications budget.

To communicate effectively, marketers also need to understand how communication works. Communication involves the nine elements shown in **Figure 14.2**. Two elements are the major parties in a communication—the *sender* and the *receiver*. Two are the major communication tools—the *message* and the *media*. Four more are major communication functions—*encoding*, *decoding*, *response*, and *feedback*. The last element is *noise* in the system. These elements are now defined and applied to a Coca-Cola "Real Magic" commercial or other brand content.

● FIGURE 14.2
Elements in the Communication Process



- **Sender.** The party sending the message to another party—here, Coca-Cola.
- **Encoding.** The process of putting thought into symbolic form—for example, Coca-Cola's ad agency assembles words, sounds, and illustrations into a TV ad or social media video that will convey the intended message.
- **Message.** The set of symbols that the sender transmits—the actual Coca-Cola ad or video.
- **Media.** The communication channels through which the message moves from the sender to the receiver—in this case, specific television programs or social media platforms that Coca-Cola's selects.
- **Decoding.** The process by which the receiver assigns meaning to the symbols encoded by the sender—a consumer watches and interprets the words and images in the Coca-Cola commercial or video.
- **Receiver.** The party receiving the message sent—the customer who watches the Coca-Cola content.
- **Response.** The reactions of the receiver after being exposed to the message—any of hundreds of possible responses, such as the consumer likes Coca-Cola better, is more likely to drink Coca-Cola next time, advocates Coca-Cola to a friend, or does nothing.
- **Feedback.** The part of the receiver's response communicated back to the sender—Coca-Cola's research shows that consumers notice and remember the ad, post messages to Coca-Cola on its social media sites praising or criticizing the ad, or refer to the content on their own social media pages.
- **Noise.** The unplanned static or distortion during the communication process, which results in the receiver getting a weaker or different message than the one sent—the consumer could be distracted and miss the key points, a high-profile news event could overshadow the ad or video, or a breaking story about the negative health effects of carbonated drinks could blunt Coca-Cola's message.

For a message to be effective, the sender's encoding process and the receiver's decoding process must align. The best messages consist of words and symbols that are familiar to the receiver. The more the sender's field of experience overlaps with that of the receiver, the more effective the message is likely to be. Marketing communicators may not always share the customer's field of experience. For example, an advertising copywriter from one socioeconomic level might create content for customers from another level—say, wealthy business owners. To communicate effectively, the copywriter must nevertheless understand the business owner's field of experience.

Author Comment In this section, we'll look at how marketers blend the various marketing communication tools into a smooth-functioning, integrated, and engaging promotion mix.

Shaping the Overall Promotion Mix

The concept of integrated marketing communications suggests that the company must blend the promotion tools carefully into a coordinated *promotion mix*. But how does it determine what mix of promotion tools to use? Companies within the same industry differ greatly in their promotion mixes. For example, direct-to-consumer mattress maker Casper promotes its products primarily through its website and social media pages. By contrast, competitor Sleep Number uses a broad mix of promotional tools, from television ads and digital content to in-store personal selling and promotions. We now look at factors that influence the marketer's choice of promotion tools.

The Nature of Each Promotion Tool

Each promotion tool has unique characteristics and costs. Marketers must understand these characteristics in shaping the promotion mix.

Advertising. Advertising can reach large masses of dispersed buyers at a low cost per exposure. ● For example, 208 million Americans watched the most recent Super Bowl on TV and streaming media; the most recent Oscars telecast pulled in 16.6 million viewers.¹⁷



● **TV has vast reach:** More than 96 million Americans watched the most recent Super Bowl on TV, and 42 percent of football fans watched Super Bowl ads on YouTube before, during, and after the game.

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A TV ad's reach can now be extended through online and social media. A recent survey revealed that 20 percent of viewers tune in to the Super Bowl only to watch commercials, and 70 percent of them viewed commercials as entertainment. According to a Kantar survey, excluding those who had no interest in the Super Bowl, 72 percent of people rewatched at least some commercials before or after the game. In fact, YouTube launched a dedicated site—AdBlitz—that collected all Super Bowl LVI ads in categories including most comedic, dramatic, action-packed, and inspirational. In addition to the 200 million-plus TV viewers watching during the game, Amazon's Super Bowl "Mind Reader," which featured its Alexa interactive platform creating chaos in the lives of Scarlett Johansson and her spouse Colin Jost, gathered 69 million views on AdBlitz.¹⁸ Thus, TV is still the place to be to reach a mass audience.

Beyond its reach, large-scale advertising sends positive signals about the seller's size, popularity, and success. Consumers view widely advertised products as being more legitimate. Advertising is also expressive; it allows the company to dramatize its products through the artful use of visuals, print, sound, and color. On the one hand, advertising can help build a long-term image for

a product (such as Coca-Cola ads). Or advertising can trigger quick sales (as when Kohl's advertises local weekend specials).

Advertising also has some drawbacks. Mass-media advertising is impersonal and lacks the direct persuasiveness of company salespeople. For the most part, advertising can only ferry messages *to* an audience rather than support an interactive exchange. Advertising can also be very costly. Focused newspaper, radio, or online advertising can be done on smaller budgets, but network TV advertising requires very large budgets. For example, the Amazon Alexa 90-second "Mind Reader" ad during Super Bowl LVI cost \$19.5 million for media time alone—or more than \$216,000 per second—not counting the costs of producing the ad and paying for Johansson and Jost to feature in the ad.¹⁹

Personal Selling. Personal selling is very effective at certain stages of the buying process, particularly in building up buyers' preferences, convictions, and actions. It involves personal interaction between a seller and one or more customers. Firms with business customers often rely much more on personal selling than on advertising. The parties can gauge each other's needs, emotions, and reactions and respond accordingly. Personal selling allows all kinds of customer relationships to spring up, ranging from matter-of-fact selling relationships to personal friendships. An effective salesperson keeps customers' interests at heart to build long-term relationships by solving their problems. Finally, the buyer usually feels compelled to listen and respond, even if the response is a polite "No, thank you."

These unique qualities come at a cost, however. A sales force requires a longer-term commitment than does advertising—advertising can be turned up or down, but the size of a sales force is harder to change.

Sales Promotion. Sales promotion includes a wide assortment of tools—coupons, contests, discounts, premiums, and others. They attract consumer attention, engage consumers, offer strong incentives to engage, and can be used to dramatize product offers and boost sagging sales. Sales promotions invite and reward quick response. Whereas advertising says, "Buy our product," sales promotion says, "Buy it now." Sales promotion effects can be short lived, however, and often are not as effective as advertising or personal selling in building long-run brand preferences and customer relationships. In fact, poorly planned sales promotions can be unprofitable because, instead of attracting and retaining competitors' customers, they end up attracting existing customers who simply stock up at a lower price. To be successful, sales promotions must be tightly targeted at competitors' customers and new customers.

Public Relations. Customers often see well-designed public relations (PR) communications—whether news stories, features, sponsorships, or events—as more real and believable than ads. PR that is framed as "news and events" can also reach prospects who avoid sales-directed approaches such as the personal selling and advertisements. And, as with advertising, public relations can dramatize a company or product. While marketers tend to underuse public relations, a well-thought-out public relations campaign can be very effective when used in coordination with other promotion mix elements.

Promotion Mix Strategies

There are two basic promotion mix strategies: *push* promotion and *pull* promotion.  **Figure 14.3** contrasts the strategies. A **push strategy** involves "pushing" the product through marketing channels to final consumers. The producer directs its marketing activities (primarily personal selling and trade promotion) toward channel members to induce them to carry the product and promote it to final consumers. For example, John Deere does very little promoting of its lawn mowers and garden tractors to final residential consumers. Instead, John Deere's sales force works with Lowe's, Home Depot, independent dealers, and other channel members, who in turn push the products to final consumers.

Using a **pull strategy**, the producer directs its marketing activities (primarily advertising content and consumer promotions) toward final consumers to induce them to engage with and buy the product. For example, P&G promotes its Tide laundry products directly to consumers using TV and print ads, websites and social media, and other channels. If the pull strategy is effective, consumers will then demand the brand from retailers such as Walmart, Target, Kroger, Walgreens, or Amazon, which will in turn demand it from P&G. Thus, under a pull strategy, consumer demand "pulls" the product through the channels.

Push strategy

A promotion strategy that calls for using the sales force and trade promotion to push the product through channels. The producer promotes the product to channel members who in turn promote it to final consumers.

Pull strategy

A promotion strategy that calls for targeting consumer advertising, promotion, and other content at final consumers to induce them to engage with and buy the product, creating a demand vacuum that "pulls" the product through the channel.

● FIGURE 14.3

Push versus Pull Promotion Strategy



The importance of different promotion tools varies between consumer and business markets. Business-to-consumer companies usually pull more, putting more of their funds into advertising, followed by sales promotion, personal selling, and then public relations. In contrast, business-to-business marketers tend to push more, putting more of their funds into personal selling, followed by sales promotion, advertising, and public relations. However, most companies use both. For example, P&G spends in the range of \$8.6 billion each year on U.S. consumer advertising to create brand preferences and pull customers into stores that carry its products.²⁰ At the same time, it uses its sales force and trade promotions to push its brands through the channels so that they are in stock when consumers come calling.

Integrating the Promotion Mix

Having set the promotion budget and mix, the company must now ensure that each promotion mix element is smoothly integrated. Guided by the company's overall communications strategy, the promotion elements should work together to convey the firm's unique brand messages and selling points. Integrating the promotion mix starts with customers. Communications at each customer touch point must deliver consistent marketing content and positioning across the promotion mix elements. An integrated promotion mix ensures that communications efforts occur when, where, and how *customers* need them.

To achieve an integrated promotion mix, all of the firm's functions must jointly plan communications efforts. Many companies include customers, suppliers, and other stakeholders at various stages of the planning. Scattered or disjointed promotional activities can result in customer confusion. In contrast, an integrated promotion mix maximizes the combined effects of all a firm's promotional efforts.

15

Advertising and Public Relations

OBJECTIVES OUTLINE

OBJECTIVE 15-1 Define the role of advertising in the promotion mix.

OBJECTIVE 15-2 Describe the major decisions involved in developing an advertising program.

OBJECTIVE 15-3 Define the role of public relations in the promotion mix.

OBJECTIVE 15-4 Explain how companies use PR to communicate with relevant publics.

CHAPTER PREVIEW

After analyzing integrated marketing communications (IMC) planning, we now dive into specific marketing communication tools. In this chapter, we explore advertising and public relations (PR). Advertising involves communicating the company or brand value proposition by using paid media to inform, persuade, and remind consumers. PR involves building good relations with various relevant company publics—from consumers, the general public, media, investors, donors, and government organizations. As with all the promotion mix tools, advertising and PR must be blended into the IMC program. In Chapter 16, we will discuss

the remaining promotion mix tools: personal selling and sales promotion.

Let's start by looking at Kraft Heinz, a veteran company with a newly transformed advertising strategy that's breathing new life into its familiar brands. In an age when shifting consumer preferences and increased challenges from brands focused on fresh, gourmet, and organic offerings, Kraft Heinz has dug deep to understand how customers connect with its brands. Armed with the new customer insights and a boost in its advertising budget, the company has shifted its advertising focus to the emotional impact that its brands have on people's lives.

KRAFT HEINZ: From Brand Attributes to Brand Love, an Advertising Revolution

Founded more than 150 years ago, Kraft Heinz and its brands are an American institution. You'll now find at least one Kraft Heinz product in 97 percent of U.S. households—Jell-O, Philadelphia cream cheese, Oscar Mayer deli meats, Kool-Aid, and ever-present brands like Kraft Macaroni & Cheese and Heinz Ketchup, to name only a few. Over the years, Kraft Heinz has faced many challenges, including changing consumption habits and increasing competition from challenger brands and private labels. Today, however, Heinz Kraft's brands are again gaining momentum.

The company's current success is due in part to a recent and substantial companywide rebranding and advertising makeover. After years of cost cutting and reductions in advertising expenditures, Kraft Heinz has breathed new life into

its brands with an infusion of new advertising investment—a \$100 million increase in ad spending this past year alone. And signaling its new advertising direction, two-thirds of the increase is earmarked for digital marketing channels.

Kraft Heinz's renewed advertising commitment has produced some winning campaigns. But good ads and marketing content don't just appear out of thin air, especially across so many brands. Rather, repeated advertising success begins with an understanding of what brands mean to people. So it isn't just the increased advertising spending that's made the difference. It's what Kraft Heinz did with the increased dollars. And what Kraft Heinz did was to transform from a "ruthless cost cutting" strategy to one of "customer obsession." In recent years, Kraft Heinz has poured more passion into listening to customers to understand why they buy and how they interact

with its brands. Armed with the new customer insights, Kraft Heinz has shifted its advertising focus from brand attributes to the emotional impact of its brands on people's lives.

Kraft Heinz now urges its brands to define themselves around core emotional connections. They then identify "big ideas" or "creative concepts" for campaigns that strengthen those connections and create brand engagement through advertising, promotional activities, and other content.

Take the most recent campaign for Velveeta, the processed cheese that for years suffered from perceptions of processed unhealthiness. In the past, ads for Velveeta would have featured the product in a table setting or a recipe and cooking format. But Kraft Heinz discovered that, at a deeper level, Velveeta fans—like those of many of its signature brands—turn to the shelf-stable, meltable cheese as a comfort food, especially during hard times. So in developing a new ad campaign for Velveeta, the brand built on the concept that Velveeta customers "are the radical people who show up at a party with a dish that everybody loves and they don't apologize for it."

Thus was born the "La Dolce Velveeta" campaign, a play on the phrase "la dolce vita"—meaning the sweet life or a life of self-indulgence. This campaign jumps out of screens by turning Velveeta into a lifestyle brand, one celebrating indulgence rather than apologizing for it. It centers on a short film showing people enjoying life with Velveeta—an elderly suburbanite on a riding mower, martini glass filled with Velveeta-covered pasta shells in hand; a tea party with attendees sipping Velveeta sauce from fine china cups; a hipster biting into a bacon-covered Velveeta cone purchased from an ice cream truck.

At every turn, to the triumphant strains of Puccini's "O Mio Babbino Caro," characters are featured with creamy Velveeta dripping from and into their mouths. "It takes a special breed of person to truly appreciate the never-ending opportunities for pleasure that life affords us," says the voice-over. "With a bit of Velveeta and the right attitude, any day can feel like yours for the taking." The video ends with the full-screen caption, "That's La Dolce Velveeta," complete with a new logo that delivers a look that is simpler, bolder, creamier, and more expressive. Another ad delivers the Velveeta message more succinctly: "Respect the drip."

Kraft Heinz uses a similar lifestyle approach for Kraft Mac & Cheese. Previous ad messages positioned the brand as a convenient meal solution for families. But a new "Help Yourself" campaign switches the brand message from one of feeding kids to one of feeding spirits. The campaign kicked off with a video featuring "Skip," a young man who breaks free from the monotony of life by enjoying a bowl of microwaved Mac & Cheese. Skipping through the streets of the city, his attitude and actions inspire others as he passes by. Executed with whimsical artwork, computer-generated imagery, and upbeat music, the ad concludes, "So that's why it's called a 'helping.'"

Like other recent Kraft Heinz campaigns, "Help Yourself" is part



Kraft Heinz's new lifestyle positioning and advertising for Velveeta and its other brands celebrates indulgence rather than apologizing for it. "Respect the drip," advises Velveeta.

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of what the company calls a "digital revolution marketing pilot." That is, with "Help Yourself," Kraft Heinz is running tests with different audiences and media platforms to improve the relevance and efficiency of its ads to each different audience. For example, the Kraft Mac & Cheese brand asked TikTok users to "duet" the "Skip" spot through a #SkipChallenge. The #SkipChallenge is just one example of how Kraft Heinz is now turning brands loose to create excitement by stimulating consumer conversations and engagement.

Managers for the Heinz Ketchup brand have taken full advantage of this new freedom with their own flurry of creative content. In one Heinz Ketchup campaign, a series of consumers from around the world were given a simple instruction—"draw ketchup." Nearly all of the participants drew some form of a Heinz Ketchup bottle. Selected consumer drawings were featured in outdoor ads. The concept also served as the basis for an involvement-inspiring contest—submit your ketchup drawing and win a custom bottle with your drawing on the label.

In other creative executions, last Halloween season, Heinz Ketchup relabeled bottles "Tomato Blood," an effort that urged shoppers to think of the product as an affordable costume accessory. And in response to a pandemic-triggered ketchup packet shortage, the brand unveiled a kitschy keychain "packet roller" for \$5.70. With the promise of "100% sauce extraction for 100% sauce satisfaction," the ketchup bottle-shaped gadget squeezed out every last drop from ketchup packets. The packet rollers sold out quickly and found their way into sketches on *The Late Show with Stephen Colbert* and *The Tonight Show Starring Jimmy Fallon*.

Kraft Heinz is breathing new life into its iconic brands with an infusion of new advertising that focuses on "brand love" rather than "brand attributes." It starts with listening to customers to understand how they interact with the company's brands.

The results of Kraft Heinz's advertising transformation have been encouraging. The company earned a spot on *Ad Age's* "Marketer of the Year" list. But more important, Kraft Heinz advertising and content campaigns are accomplishing important goals for each brand. Internal Kraft Heinz measures of "brand love" and purchase intent doubled

this past year over the previous year for every brand that launched a new campaign. Especially notable, and proof that advertising matters, these increases came without any changes to the products themselves.

For Kraft Heinz overall, last year's revenues held steady over the previous year's. That's a substantial accomplishment in a year marked by debilitating supply chain problems and rising retail prices. And despite flat revenues, Kraft Heinz profits

shot up 187 percent. Pleased with the results of its new advertising and rebranding efforts, the company is gathering still more consumer insights that will lead to brand "renovations" of 90 percent of its 18-brand portfolio. "This is not about discarding things, or about starting fresh," says Kraft Heinz's chief growth officer. "It's about taking what is powerful and iconic about these brands—their DNA—and putting it out to the world in a fresh and creative way."¹

COMPANIES MUST DO MORE than simply create customer value. They must also engage target customers and clearly and persuasively communicate that value to them. In this chapter, we take a closer look at two marketing communications tools: advertising and public relations.

Author Comment You already know a lot about advertising—you are exposed to it every day. But here we'll look behind the scenes at how companies make advertising decisions.

Advertising

Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.

Advertising

OBJECTIVE 15-1 Define the role of advertising in the promotion mix.

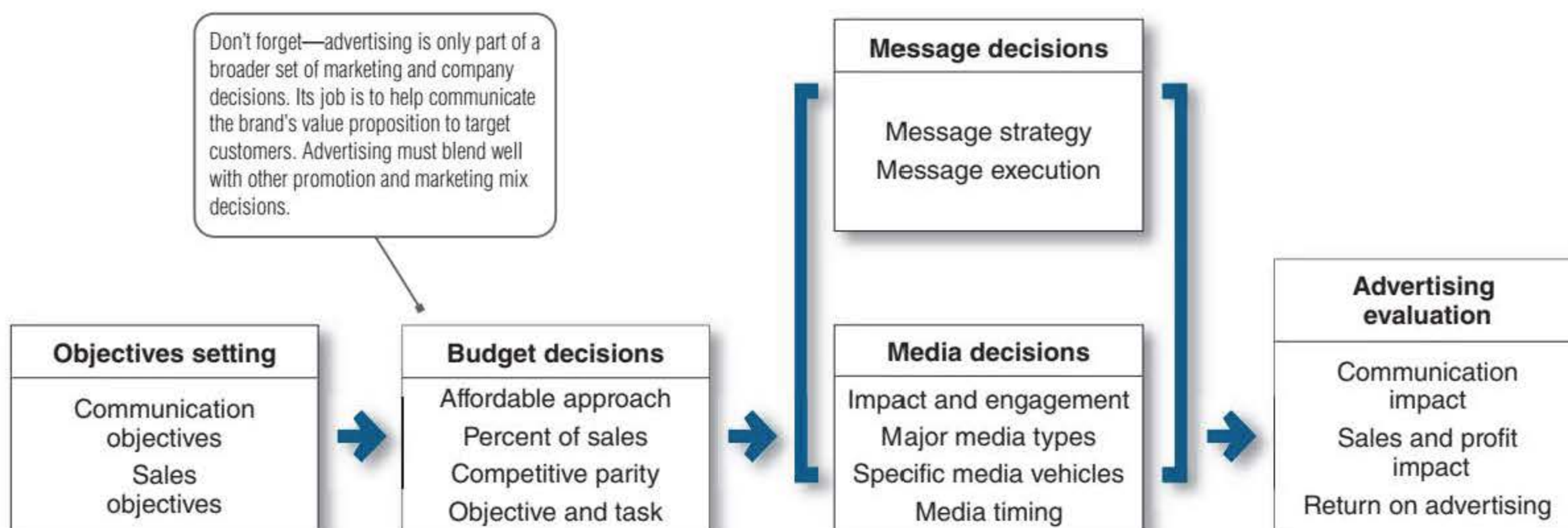
Advertising can be traced back to the very beginnings of recorded history. Archaeologists working in countries around the Mediterranean Sea have dug up signs announcing various events and offers. The Romans painted walls to announce gladiator fights, and the Phoenicians painted pictures on large rocks to promote their wares along parade routes. During the golden age in Greece, town criers announced the sale of cattle, crafted items, and even cosmetics. An early "singing commercial" went as follows: "For eyes that are shining, for cheeks like the dawn/For beauty that lasts after girlhood is gone/For prices in reason, the woman who knows/Will buy her cosmetics from Aesclyptos."

Modern advertising, however, is a far cry from these early efforts. U.S. advertisers now spend more than \$285 billion on measured advertising media; worldwide, the spending is an estimated \$763 billion. Amazon, the world's largest advertiser last year, spent \$10.4 billion on U.S. advertising and promotion alone.²

Apart from business firms, many not-for-profit organizations, professionals, and social agencies use advertising to promote their causes. In fact, the U.S. government is the 47th-largest U.S. advertising spender. The U.S. Army alone spends some \$400 million a year to attract new recruits.³ Advertising is a good way to engage, inform, and persuade, whether the purpose is to sell Coca-Cola, attract recruits to the armed forces, or educate people on how to lead healthier lives.

Marketing management must make four important decisions when developing an advertising program (see **Figure 15.1**): *setting advertising objectives, setting the advertising budget, developing advertising strategy (message decisions and media decisions), and evaluating advertising effectiveness.*

FIGURE 15.1
Major Advertising Decisions



Major Advertising Decisions

OBJECTIVE 15-2 Describe the major advertising decisions involved in developing an advertising plan.

Setting Advertising Objectives

Advertising objective

A specific communication *task* to be accomplished with a specific *target* audience during a specific period of *time*.

The first step is to set *advertising objectives*. These should be based on decisions about the target market, positioning, and the marketing mix, which define the job that advertising must do in the context of the overall marketing strategy. Here, we discuss specific advertising objectives that build toward the overall goal of engaging customers and building customer relationships by communicating customer value. An **advertising objective** is a specific communication *task* to be accomplished with a specific *target* audience during a specific period of *time*. Advertising objectives can be classified by their primary purpose—to *inform*, *persuade*, or *remind*. ● Table 15.1 provides examples of these specific objectives.

Informative advertising is used heavily when introducing a new product category. In this case, the objective is to build primary demand. Thus, early producers of all-electric vehicles (EVs) have to inform consumers of the economic and performance benefits of EVs. *Persuasive advertising* becomes more important as competition increases. For example, as EVs catch on, GM is now trying to persuade consumers that its Chevy Bolt offers more value for the price than the Tesla Model 3 or Nissan Leaf. Such advertising aims to engage customers and create brand preference. The Chevy Bolt offers “Technology: Limitless. Seamless.” and “Affordable electric for everyone.” Nissan’s Leaf promises “Electric power, instant thrill.”

Some persuasive advertising can become *comparative advertising* (or *attack advertising*), in which a company directly or indirectly compares its brand with competitors. Comparative advertising now occurs in almost every product category. ● For example, Microsoft and Apple have taken aim at each other time and again over the years. It started years ago with Apple’s “Get a Mac” campaign, in which Apple ads portrayed Mac users as young, hip, and laid-back, whereas Windows-based PC users were stodgy, befuddled, error-prone, middle-aged nerds. Microsoft responded with comparative ads portraying Apple as too expensive, “too cool,” and out of touch with mainstream consumers. Since introducing its own line of Surface computers, Microsoft has unleashed an almost constant barrage of ads directly (and favorably) comparing features of its Surface Pro laptops to those of various Apple devices. In a recent Super Bowl LV ad, a young user compares the Surface Pro 7 laptop

● **Table 15.1** | Possible Advertising Objectives

Informative Advertising

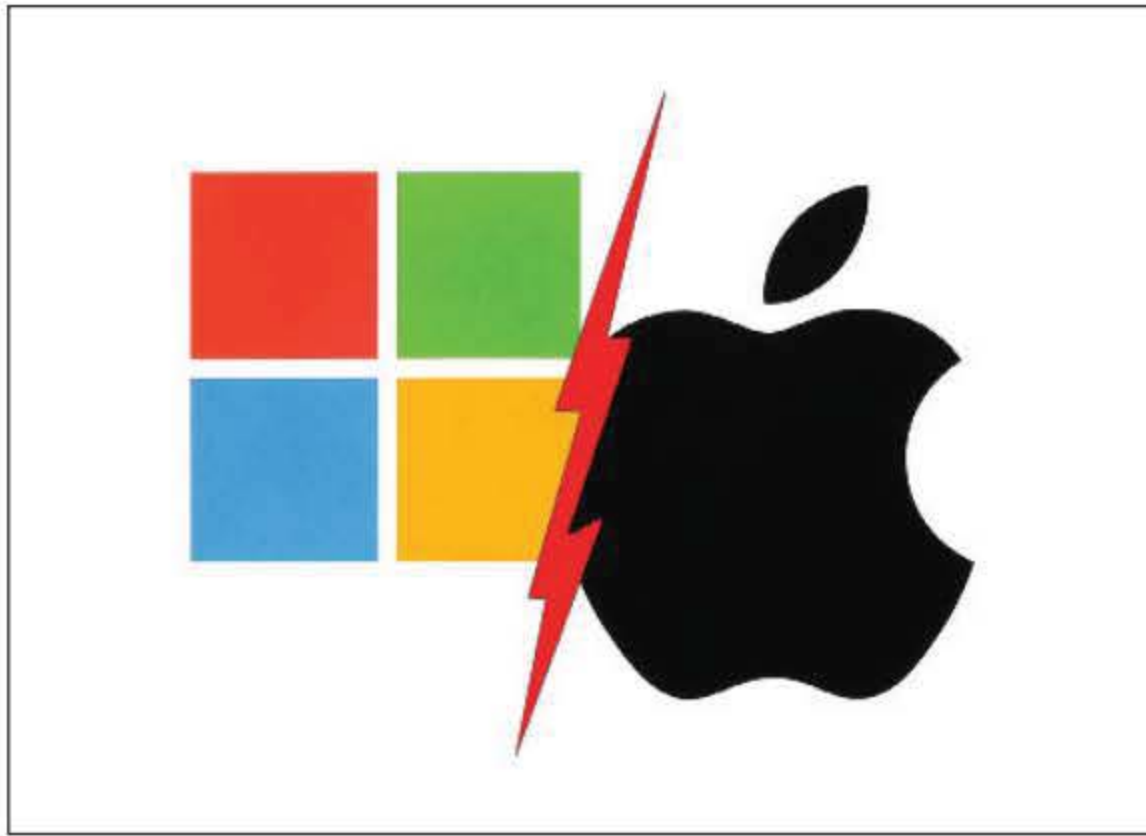
Communicating customer value	Suggesting new uses for a product
Building a brand and company image	Informing the market of a price or design change
Telling the market about a new product	Describing available services and support
Explaining how a product works	Correcting false impressions

Persuasive Advertising

Building brand preference	Persuading customers to purchase now
Encouraging switching to a brand	Creating customer engagement
Changing customer perceptions of product value	Building brand community

Reminder Advertising

Maintaining customer relationships	Reminding consumers where to buy the product
Reminding consumers that the product may be needed in the near future	Keeping the brand in a customer’s mind during off-seasons



● **Comparative advertising:** Microsoft and Apple have taken direct aim at each other in their advertising time and again over the years.

rvlsoft/Shutterstock

to Apple's MacBook Pro, poking fun at the MacBook's unloved "touch bar." "Mac gave me this little bar, but why can't they just give me a whole touchscreen?" he asks. "Then there's the price (MacBook Pro \$1,299; Microsoft Surface Pro, \$890)."⁴

Comparative advertising often creates controversy. This can work well for challengers who want to shake things up, inject their brands into the conversation, and put themselves on equal footing with the leader. But such ads can invite competitor responses, resulting in a mutually destructive advertising war. Upset competitors might also file complaints with the self-regulatory National Advertising Division of the Council of Better Business Bureaus or even file false-advertising lawsuits.

Reminder advertising helps mature products maintain customer relationships and keep consumers thinking about them. For example, a recent ad for Silk soy milk tells consumers to "Fall back in love with Soymilk," reminding them of how "Silk helps you bloom." And Coca-Cola television ads help build and maintain the brand relationship rather than inform consumers or persuade them to buy it in the short run.

Advertising helps move consumers through the buying process. Some advertising aims to move people to immediate action. For example, a direct-response television ad by Weight Watchers urges consumers to go online and sign up right away, and a Walgreens mobile ad promoting weekend specials encourages immediate store visits. However, many ads focus on building or strengthening long-term customer relationships. For example, a Nike video clip in which everyday athletes work through extreme challenges in their Nike gear never directly pitches products or asks for a sale. Instead, the goal is to engage customers and change how they think or feel about Nike.

Setting the Advertising Budget

After determining its advertising objectives, the company next sets its **advertising budget** for each product. Four commonly used methods for setting promotion budgets are discussed in Chapter 14. Here we discuss some specific factors that should be considered when setting the advertising budget.

A brand's advertising budget often depends on its stage in the product life cycle. New products typically need large budgets to build awareness and to gain trial. In contrast, mature brands may require relatively low budgets. Also, brands in markets with many competitors and high advertising clutter must be advertised more heavily. Undifferentiated brands—those that closely resemble their competitors—may require heavy advertising to set them apart. When brands are well differentiated from competitors, advertising can highlight those differences to consumers.

Setting the advertising budget is no easy task. How does a company know if it is spending the right amount, or spending it on the right content and media? Within the overall budget, specific media buys can be difficult to assess. For example, dozens of advertisers spend lavishly on high-profile Super Bowl ads each year. Although they sense that the returns are worthwhile, that is often difficult to measure and prove (see Real Marketing 15.1).

As a result of such thinking, the advertising budget is one of the first to be cut in tough economic times. Cuts in brand-building advertising appear to do little short-term harm to sales. In the long run, however, slashing ad spending often damages a brand's image and market share. In fact, companies that maintain or even increase their advertising spending while competitors are decreasing theirs can gain a competitive advantage.

For example, during the Great Recession, car maker Audi increased its marketing and advertising spending. Audi "kept its foot on the pedal while everyone else [was] pulling back," said an Audi ad executive. "Why would we go backwards now when the industry is generally locking the brakes and cutting spending?" As a result, Audi's brand awareness and buyer consideration reached record levels during the recession, outstripping competitors and positioning Audi strongly for the post-recession era. Audi is now neck and neck with BMW and Mercedes in global luxury car sales.⁵

Advertising budget

The dollars and other resources allocated to a product or a company advertising program.

Real Marketing 15.1

The Super Bowl: The Mother of All Advertising Events—But Is It Worth It?

The Super Bowl is the mother of all advertising events. Each year, dozens of blue-chip advertisers showcase some of their best work to huge audiences around the world. But all this doesn't come cheap. Last year, major advertisers plunked down an average of \$6.5 million per 30-second spot—that's \$216,667 per second! Throw in ad production costs—which can run millions more per ad—and running even a single Super Bowl ad becomes a super-expensive proposition.

So each year, up pops the big debate: Is Super Bowl advertising worth all that money? Super Bowl stalwarts such as Anheuser-Busch and PepsiCo must think it's a good investment—they come back year after year. But for every big brand that invests in the Super Bowl, there are lots of others that just don't think the returns justify the costs.

The naysayers make some pretty good arguments. Super Bowl advertising is outrageously expensive. And beyond the costs, the competition for attention during the Super Bowl is fierce. Every single ad represents the best efforts of a major marketer trying to design a knock-your-socks-off spectacular. Many advertisers feel they can get more for their dollar in venues that aren't so crowded with bigger-than-life commercials.

Still, the Super Bowl has much to offer advertisers. It plays to a huge and receptive audience. Of the top 30 most-watched television broadcasts ever, 29 are Super Bowl games. Eleven of those games, including the most recent one, drew more than 100 million U.S. TV viewers. What's more, during a typical Super Bowl, the ads draw as much viewership as or more viewership than the game. As a result, according to one study, the return on investment for one Super Bowl ad can equal that of as many as 250 regular TV ads.

More important these days, a Super Bowl ad itself usually is only the centerpiece of something much, much bigger. Long before the game begins and long after it ends, consumers, ad critics, media pundits, and advertisers are previewing, reviewing, discussing, rating, and rehashing the commercials. "What used to be a one-day event, with some post-game water-cooler chat, is now an eight- to 13-week experience," says one Super Bowl marketer.

In this digital age, rather than surprising viewers with their blockbuster ads during the game, most sponsors begin weeks in advance to build anticipation for their Super Bowl moments. They flood online and social media channels with related promotions,

teasers, or even the entire ads themselves. For example, prior to the day of Super Bowl LVI, 40 percent of all brands that advertised during the game had already posted their complete ads online.

Pregame previews can generate millions of views before kickoff. For example, Nissan's "Thrill Driver," a star-studded blockbuster ad that transformed former *Schitt's Creek* star Eugene Levy into an action film star after he hopped behind the wheel of the new Nissan Z sports car, claimed more than 53 million pregame social media views. Amazon's "Mind Reader" ad, an endearing peek into the married life of Scarlett Johansson and Colin Jost with a mind-reading Alexa mixing things up, reaped more than 38 million pregame views. Rather than stealing thunder from the super-spendy game day ads, the previews seem to make them even more effective. According to one survey-based ranking, eight of the ten "most-loved" ads during the Super Bowl LVI broadcast were posted online before the game.

Many companies go well beyond simply placing and previewing ads; they build promotional spectacles around the entire Super Bowl event. For example, during Super Bowl LVI, PepsiCo—an NFL sponsor for more than 35 straight years—aired ads featuring its Pepsi, Mountain Dew, Bubly, Doritos, Cheetos, Tostitos, and Lays brands. And like many other advertisers, it posted the ads before the game to build hype. But more, for the 11th year in a row, PepsiCo paid tens of millions of dollars to serve as title sponsor

of the much-watched Pepsi Halftime Show. With such a huge in-game investment each year, PepsiCo pours plenty of additional resources into social media posts and other promotional tactics surrounding actual game day.

Super Bowl advertisers also work hard to create ads that themselves engage consumers interactively during the game. Ads increasingly incorporate hashtags, prompts, codes, and incentives that spark online brand conversations and draw viewers to a brand's web, mobile, and social media sites. For example, cryptocurrency exchange platform Coinbase's clever ad won last year's battle for tweets. The 60-second low-tech ad, featuring only a color-changing QR code bouncing around a black screen, generated 79,000 tweets during the game.

But viewers weren't just tweeting about the ads during the game. They were actually visiting brand websites. All the Super Bowl LVI ads increased brand website traffic and most drove big spikes. For example, when Booking.com's ad showcasing the travel adventures of actor Idris Elba aired, the brand's website traffic increased a seemingly impressive 60 percent. But Coinbase's bouncing QR code ad drove a 1,300 percent spike in site traffic, and Nissan's "Thrill Driver" caused a 2,900 percent surge. Wallbox's first-ever Super Bowl ad for its electric car chargers increased site visits by 250,000 percent, and incredibly, a Cue Health ad featuring a connected COVID-19 testing device drove site traffic up by an astronomical 1,000,000 percent.



Advertising budgets: Each year, dozens of advertisers spend lavishly to showcase their ads during the Super Bowl. But do the returns justify the outrageous costs?

Photoraizd/Shutterstock; CharacterFamily/Shutterstock; h_f_a/Shutterstock; 360b/Shutterstock

Even after the big game ends, most Super Bowl advertisers still have their marketing content machines cranked up. Next-day “water cooler” discussions about Super Bowl ads have been going on for decades. But digital media have taken the post-game buzz into the stratosphere. For days or even weeks following the game, online social channels hum with ad views and reviews, likes, shares, and comments. Being part of that online conversation and sharing can greatly extend game-day return on the investment.

Viewer impressions, online buzz, and ad popularity can reflect meaningful brand engagements resulting from a Super Bowl ad. However, marketers must also look beyond those numbers and assess the nature of the buzz behind the numbers. Every advertiser wants to create ads that are both popular and effective, but the two don’t necessarily go hand in hand. A popular ad that is much

discussed for its own sake but is soon forgotten may contribute little to a brand’s message and positioning. In contrast, an ad that is less popular and less discussed might still be very effective if it gets the right people buzzing about the right message.

For example, in Super Bowl LVI, Amazon’s “Mind Reader” ad did both: It placed high on numerous “best ad” lists, including the number-two spot in the *USA Today* ad meter popularity ratings. And even after the buzz dwindled, the ad’s brand impact score—measured by post-game lift in ad recall, search, and site visits—was second highest of all Super Bowl ads. In contrast, Turbo Tax’s “Matchmaker” ad, featuring a face-shifting character who emerges as *Ted Lasso* star Jason Sudeikis, received only fair-to-middling ad meter ratings. But it resonated with targeted viewers in other ways, resulting in the highest brand impact score of any ad. Thus,

to be worth the cost, Super Bowl ads must do more than just build buzz. They must drive behaviors that matter to brands.

So—back to the original question. Is Super Bowl advertising really worth the huge investment? The Super Bowl is certainly not for every brand. But for the right brands and the brands that do it right, the answer is a resounding “yes.” It’s not just about running an ad or two during the big game. Instead, it’s about consumers by the millions watching, streaming, sharing, commenting, debating, and buzzing about ads and brands before the game, in the moment, and after the main event. “The Super Bowl isn’t an ad platform—it’s a theater,” says one advertising executive. “The Super Bowl is a one-of-a-kind moment with a massive, engaged audience and enormous value,” says another. “The cost is not the issue that holds people back—it’s nailing the content that matters the most.”⁶

Developing Advertising Strategy

Advertising strategy

The strategy by which the company accomplishes its advertising objectives. It consists of two key elements: creating advertising messages and selecting advertising media.

Advertising strategy consists of two key elements: creating advertising *messages* and selecting advertising *media*. In the past, many companies viewed media planning as secondary to message creation. After the creative department created advertisements, the media department purchased the best media for carrying them to target audiences. This often caused friction between creatives and media planners.

Today, however, soaring media costs, focused target marketing strategies, and the blizzard of new digital media have made media planning more important. The decision about which media to use—television, newspapers, magazines, video, a website, social media, mobile devices, or email—is now as critical as the creative elements. Also, brand content is now often co-created with consumers. As a result, most advertisers orchestrate a close harmony between messages and media. As discussed in the previous chapter, in this omni-channel world, the goal is to create and manage brand content across a full range of media, whether they are paid, owned, earned, or shared.

Creating the Advertising Message and Brand Content

No matter how big the budget, advertising can succeed only if it engages consumers and communicates well. Good advertising is especially important in today’s costly and cluttered advertising environment.

Today, the average U.S. household receives more than 175 TV channels and accesses more than seven screens across devices. Consumers can choose from more than 7,400 print magazines and a wealth of digital ones. Add in the countless radio stations and a continuous barrage of catalogs, direct mail, out-of-home media, email, and online, mobile, and social media exposures, and consumers are being bombarded with ad content at home, work, and all points in between. For example, Americans are exposed to an estimated 5.3 trillion online ad impressions each year and a daily diet of 500 million tweets, 720,000 hours of new YouTube videos, 95 million Instagram photos, 5 million Pinterest article pins, and 4.75 billion pieces of shared content on Facebook.⁷

Breaking Through the Clutter. If all this clutter bothers consumers, it also causes huge headaches for marketers. Take the situation facing network television advertisers. They pay anywhere from \$20,000 to \$1 million to produce a single 30-second commercial. Then each time they show it, they pay an average of \$105,000 for 30 seconds of advertising time on a national network. They pay even more if it’s an especially popular program, such as *Sunday Night Football* (\$811,579), *This Is Us* (\$317,981), or a mega-event such as the Super Bowl (averaging \$6.5 million per 30 seconds!). Then their ads are sandwiched in with a clutter of other commercials, network promotions, and other nonprogram material totaling



● **Advertising clutter:** Today's cord-cutting consumers have a rich new set of information and entertainment options. Advertisers can no longer force-feed the same old cookie-cutter messages and content to captive consumers through traditional media.

Rasulov/Shutterstock

as much as 20 minutes per primetime hour, with long commercial breaks coming every six minutes on average. Such clutter has created an increasingly hostile advertising environment.⁸

Today's viewers are no longer captive audiences. ● They have a rich new set of information and entertainment options—the internet, content streaming, social and mobile media, tablets and smartphones, and others. Consumers are increasingly becoming “cord cutters”—skirting cable and satellite subscriptions in favor of often ad-free internet-based or wireless streaming. Today's consumers can easily skip, mute, block, or avoid TV and digital content they don't want to watch. And, increasingly, they are choosing not to watch ads. Simply interrupting or disrupting consumers with cookie-cutter messages no longer works. Unless ads provide content that is engaging, useful, or entertaining, many consumers will simply ignore or skip them.

Merging Advertising and Entertainment. To break through the clutter, marketers are now merging advertising and entertainment to reach consumers with more engaging content. This merging takes one of two forms: *advertainment* or brand integrations. The goal of *advertainment* is to make ads and brand content so entertaining or so useful that people *want* to watch them. There's no chance that you'd watch ads

on purpose, you say? Think again. For example, the Super Bowl has become an annual advertainment showcase. In fact, according to one study, 42 percent of Super Bowl viewers tune in just to watch the advertisements.⁹ And ads and related content posted online before, during, and after the big game draw hundreds of millions of views. These days, it's common to see and share an entertaining ad on YouTube long before it is on TV.

Advertisers are also creating content forms that look less like ads and more like short films or shows. A range of messaging platforms—from webisodes and blogs to long-form online videos and social media posts—now blur the line between ads and other consumer content. For example, a recent Google video documentary, titled “Forward Rhythm,” related the emotional story of how Google-developed machine learning and AI technologies empowered a musician to overcome a debilitating injury and return to his lifelong passion of playing the drums:¹⁰

As the six-and-a-half-minute video begins, Jason Barnes's mother recounts how Jason loved playing drums even as a little boy. While still in diapers and a highchair, Jason would tap on the table to keep the beat with music. This passion for music didn't change when Jason lost his right hand and lower arm in an electrical accident at age 22. Within three weeks of returning home, he attached a drumstick to his residual limb and began drumming again. But he was limited in how fast and how well he could play.

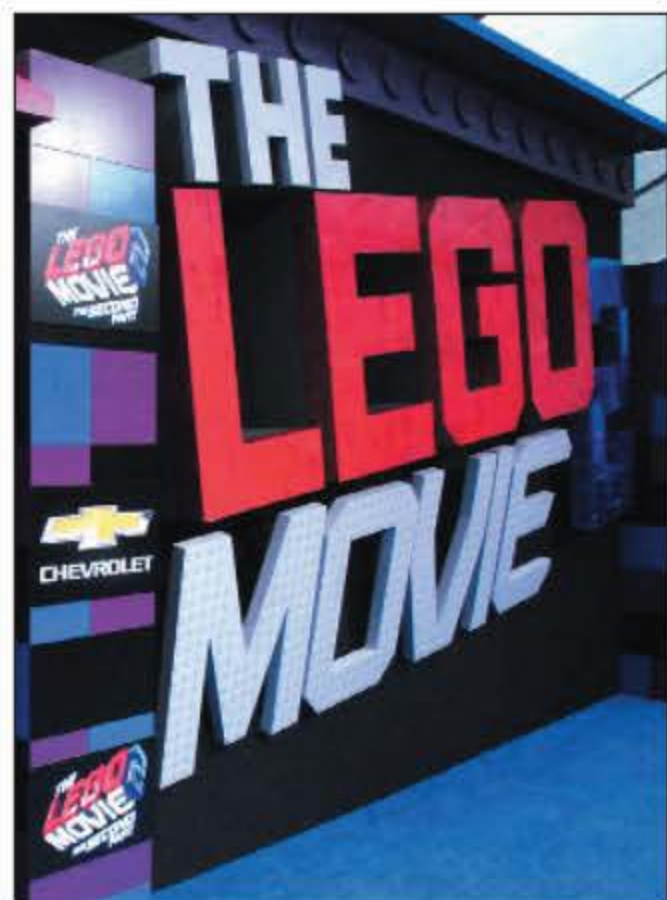
That's when Georgia Tech roboticists and experts from Google's TensorFlow machine learning and AI team stepped in. The video documents how Jason and the Google and Georgia Tech teams worked together to co-develop the world's most advanced robotic drumming arm. Sensors in the artificial hand pick up electrical signals from Jason's arm and map them into complex drumstick movements. “It feels as close to a real hand as it can get without being a real hand,” says Jason. The video ends on an emotional high with Jason drumming with confidence and precision. The inspiring “Forward Rhythm” video never “sells” anything Google. Instead, it engages viewers and effectively relates the Google TensorFlow team's mission to help “to make everyone's dreams more accessible.”

Marketers use all kinds of novel ways to break through the clutter and engage consumers. For example, JCPenney once posted incoherent tweets, grabbing widespread attention and leading to speculation that the retailer's social media person was either drunk or had been hacked. Instead, says JCPenney, the person was tweeting with mittens on to promote its winter merchandise. When a viewer recently tweeted a photo of a supermarket aisle bursting with Old Spice deodorant sticks with the caption “Old Spice has 50 million anti-perspirants to choose from 😊,” the brand tweeted back: “That's because there are 15 billion armpits in the world. Try GentleMan's Blend.”¹¹

Brand integrations (or *branded entertainment*) involve making the brand an inseparable part of some other form of entertainment or content. The most common form of brand integration is product placements—embedding brands as props within other programming.

It might be characters using Skype in an episode of *Grey's Anatomy*, Jimmy Dean sausage appearing in a scene on *Young Sheldon*, or celebrity chef Rachael Ray plugging Old El Paso Taco Shells on her daily TV show. Or product placement might be scripted into a movie or episodes of TV shows, as when several episodes of *This Is Us* were built around integrations highlighting the special relationship between State Farm insurance agents and their customers. And some of the most iconic of all product placements relate to the automobile brands ranging from Aston Martin and Lotus Esprit to Land Rover and Rolls-Royce that star in the James Bond movie series.

Brand integration has now spread beyond TV and movies into other media such as video games, comic books, Broadway musicals, and even pop music. In fact, brand integration has played a central role in some productions. ● For example, the acclaimed film *The LEGO Movie* was pretty much a 100-minute product placement for iconic LEGO



● The highly acclaimed film *The LEGO Movie* was pretty much a 100-minute product placement for iconic LEGO construction bricks. The sequel offered product placement opportunities for other brands, such as a LEGO version of the Chevy Silverado.

Barry King/Alamy Stock Photo; WENN Rights Ltd/Alamy Stock Photo

construction bricks. According to one writer, “The audience happily sits through a cinematic sales pitch...that shows off the immense versatility of the product while placing it in a deeply personal context....This film [is] product placement perfection.” *The LEGO Movie* boosted LEGO sales by 13 percent the year after it opened. A follow-up movie, *The LEGO Movie 2: The Second Part*, even offered product placement opportunities for other brands. For example, it featured a LEGO version of the new Chevrolet Silverado. Chevrolet launched tie-in ads on Facebook, Twitter, and Instagram showing characters from the movie, Emmet and Lucy, riding in a LEGO-sized Silverado.¹²

As with everything else in marketing, technology is playing an increasing role in product placements. For example, Amazon recently announced an Amazon Virtual Product Placement tool that it can use to integrate brand ads directly into its Amazon Originals shows after the fact. Global product placement spending by marketers grew 13.9 percent last year to \$23.3 billion.¹³

A related form of brand integration is **native advertising** (also called *sponsored content*), advertising content that appears to be “native to” the web or social media site in which it is placed. The brand content looks in form and function like the other natural content surrounding it. It might be an article on a website such as *The Huffington Post*, *BuzzFeed*, *Mashable*, or even *The New York Times* or *The Wall Street Journal* that is paid for, written by, and placed by an advertiser but uses the same format as articles written by the editorial staff. Or it might be brand-prepared videos, pictures, posts, or pages integrated into social media such as Facebook, YouTube, Instagram, Pinterest, or Twitter that match the form and feel of native content on those media. Examples include Twitter’s promoted tweets, Facebook Stories ads, *BuzzFeed*’s sponsored posts, or Instagram Stories ads.

Native advertising blurs the line between editorial and brand content, and this can be a concern. That said, it is an increasingly popular form of advertising. It lets advertisers create relevant associations between brand and consumer content. Thus, it draws reader attention, often bypasses ad blockers, and seems less intrusive than pop-up ads or banners. As a result, native advertising grew more than 45 percent last year and now accounts for more about two-thirds of all digital display advertising spending.¹⁴

By blending of advertising and entertainment, today’s marketers aim to make brand messages a part of the broader flow of consumer content and conversation rather than an intrusion or interruption of it. As an ad from advertising agency JWT puts it, “We believe advertising needs to stop *interrupting* what people are interested in and *be* what people are interested in.” However, advertisers must ensure that the new content forms themselves

Native advertising

Advertising or other brand-produced online content that looks in form and function like the other natural content surrounding it on a web or social media platform.

don't become too cluttered. With all the new brand content formats, the merging of advertising and entertainment might create even more of the clutter that it was designed to break through.

Message and Content Strategy. The first step in creating effective advertising content is to plan a message strategy—the general message that will be communicated to consumers. Customers will engage and react only if they believe they will benefit from doing so. Thus, advertisers must begin by identifying customer *benefits* that can be used as content appeals. Ideally, the message strategy will follow directly from the company's broader positioning and customer value-creation strategies.

Message strategy statements tend to be plain, straightforward outlines of benefits and positioning points that the advertiser wants to stress. The advertiser must next develop a compelling **creative concept**—or *big idea*—that will bring the message strategy to life in a distinctive and memorable way. At this stage, simple message ideas become great ad campaigns. The creative concept may emerge as a visualization, a phrase, or a combination of the two.

The creative concept will guide the choice of specific appeals to be used in the campaign. *Advertising appeals* should have three characteristics. First, they should be *meaningful*, pointing out customer benefits that make the product more desirable or interesting. Second, appeals must be *believable*. Consumers must believe that the product or service will deliver the promised benefits. However, the most meaningful and believable benefits may not be the best ones to feature. Appeals should also be *distinctive*. They should highlight how the product is better than competing brands. For example, the most meaningful benefit of owning a wristwatch is that it keeps accurate time, yet few watch ads feature this benefit. In contrast, for years, Timex has been the affordable watch that “takes a licking and keeps on ticking.” Rolex ads talk about the brand's “obsession with perfection” and the fact that “Rolex has been the preeminent symbol of performance and prestige for more than a century.” And Geneva-based Patek Philippe stresses the timeless value and heritage of its watches with the striking claim: “You never actually own a Patek Philippe. You merely look after it for the next generation.”

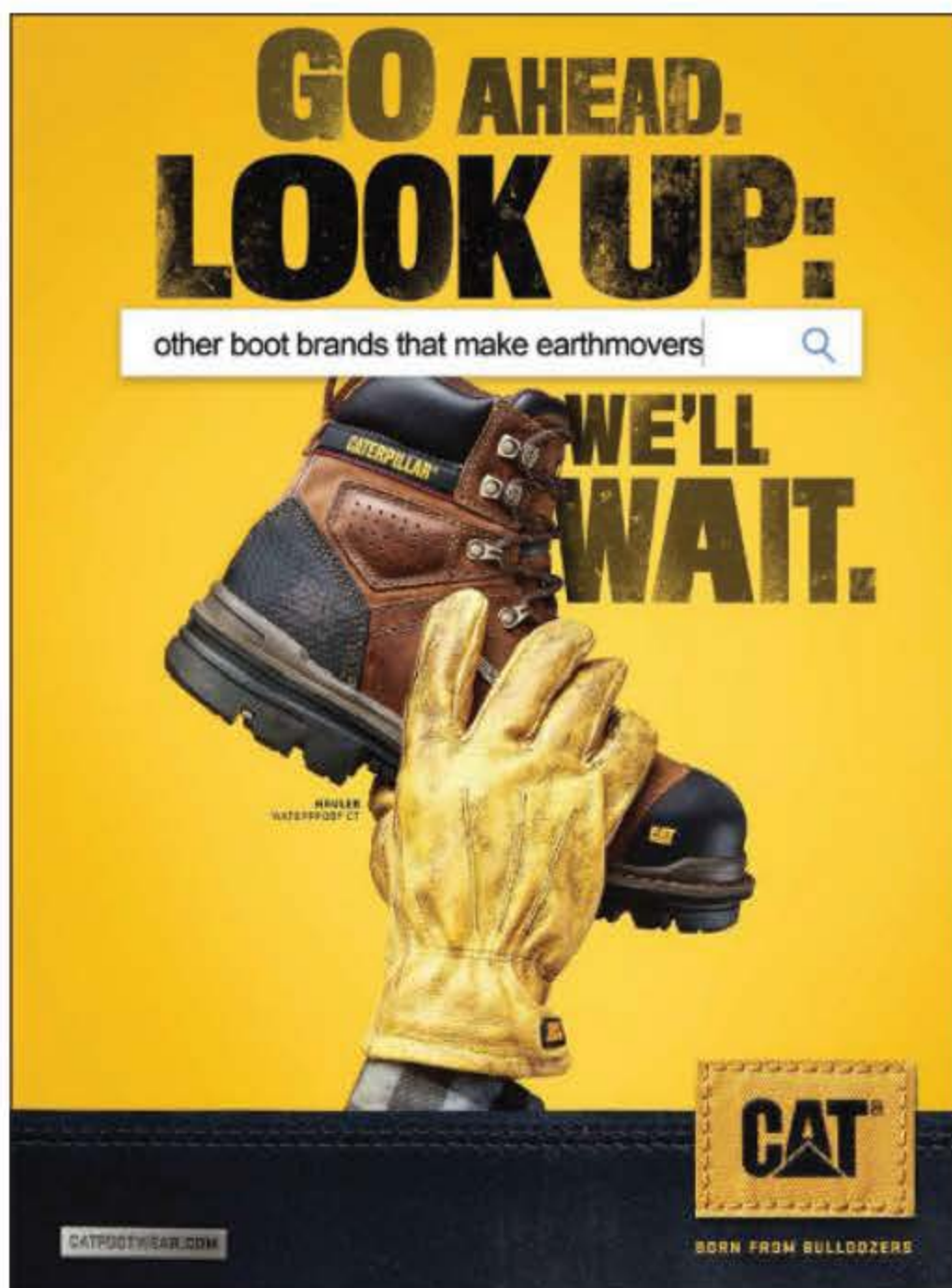
Similarly, the most meaningful benefits of high-quality work boots are ruggedness and durability. But Wolverine sets its Cat Earthmovers footwear apart through its association with the well-respected Caterpillar construction equipment brand. Cat Earthmovers boots are “born from bulldozers.” “Cat Footwear comes from a world of industry and action,” says the brand. “A world where you can build anything. Where effort is everything. Where hard work pays off. Where others see obstacles, we see opportunity. We are Earthmovers.”

Message Execution. The advertiser must now turn the big idea into actual content executions that will capture the target market's attention and interest. The creative team must find the best approach, style, tone, words, and format for message executing. The team can choose from various **execution styles**:

- *Slice of life.* This style shows “typical” people using the product in a normal setting. For example, IKEA content—from microsites and Instagram posts to print ads, digital catalogs, and television commercials—features people living in rooms furnished with IKEA furniture and household goods.
- *Lifestyle.* This style shows how a product fits in with a particular lifestyle. For example, an ad for Athleta activewear shows a woman in a complex yoga pose and states: “If your body is your temple, build it one piece at a time.”
- *Fantasy.* This style creates a fantasy around the product or its use. For example, an ad for Nestlé Pure Life water shows a young girl diving into a water-filled fantasy land where children blow soap bubbles high on a gondola lift and paddle a boat through the clouds, suggesting “a future full of possibilities starts by drinking pure bottled water now.”
- *Mood or image.* This style builds a mood or image—such as beauty, love, intrigue, serenity, or pride—around the product. Few product claims are made except through

Creative concept

The compelling “big idea” that will bring an advertising message strategy to life in a distinctive and memorable way.



● **Distinctive advertising appeals:** Wolverine sets its Cat Earthmovers footwear apart through its association with the well-respected Caterpillar brand. Cat Earthmovers boots are “born from bulldozers.”

Courtesy Young & Laramore and Cat Footwear

Execution style

The approach, style, tone, words, and format used for executing an advertising message.

suggestion. For example, a warm, soul-stirring three-minute “Little Moments” ad for HP’s phone-sized Sprocket printer uses printed images to capture the evolving relationship between a father and his moody 12-year-old daughter as she starts sixth grade. “Hold onto the ones you love,” the ad urges. “Reinvent memories.”

- **Musical.** This style employs music or dance to engage viewers. For example, Apple introduced its Siri-powered HomePod with a captivating four-minute musical short in which English singer-dancer FKA Twigs revives body and soul after arriving home at the end of a hard day’s work by dancing to inspirational music selected for her by Siri.
- **Personality symbol.** This style creates a character that represents the product. The character might be animated (Mr. Clean, the GEICO Gecko, or the Travelocity Gnome) or real (perky Progressive Insurance spokesperson Flo, KFC’s Colonel Sanders, or Ronald McDonald).
- **Technical expertise.** This style shows the company’s expertise in making the product. Thus, Jim Koch of the Boston Beer Company highlights his years of experience in brewing Samuel Adams beer.
- **Scientific evidence.** This style presents survey or scientific evidence that the brand is better or better liked than competitors. For years, Crest toothpaste has used scientific evidence to convince buyers that Crest is better than other brands at fighting cavities.
- **Testimonial evidence or endorsement.** This style features a highly believable or likable source endorsing the product. It could be ordinary people saying how much they like a given product. For example, in its “It’s Free” marketing campaign, Angi features a variety of real customers endorsing the service. Or it might be a celebrity presenting the product, such as Dwayne “The Rock” Johnson for Under Armour or Steve Carrell and Cardi B in a Super Bowl ad for Pepsi.



● **Novel formats can make an advertisement stand out. This Rocket Mortgage by Quicken Loans ad compels readers to flip the ad, where they get the brand’s “Go Waitless” message.**

Quicken Loans

The advertiser also must choose a *tone* for the ad. For example, P&G always uses a positive tone. Other advertisers, like Doritos, Burger King, and Bud Light, use edgy humor to break through the clutter. The advertiser must also use memorable and attention-getting *words* in the ad. For example, rather than just saying that its prescription sunglass lenses protect your eyes and look good at the same time, a LensCrafters ad announces, “Sunblock Never Looked So Good.” Rather than claiming that “a BMW is a well-engineered automobile,” BMW uses more creative and higher-impact phrasing: “The ultimate driving machine.” And instead of stating plainly that it delivers inexpensive shaving products direct to your door, Dollar Shave Club invites you to “Shave Time. Shave Money.”

Finally, *format* elements make a difference in an ad’s impact as well as in its cost. A small change in an ad’s design can make a big difference in its effect. In a print or display ad, the *illustration* is the first thing the reader notices—it must be strong enough to draw attention. Next, the *headline* must effectively entice the right people to read the copy. Finally, the *copy*—the main block of text in the ad—must be simple but strong and convincing. Moreover, these elements must effectively work *together* to engage customers and persuasively present customer value. ● For example, in one Quicken Loans Rocket Mortgage ad, the headline and subhead are upside down, suggesting that the person in the ad is floating weightlessly above the ground. Curious readers are compelled to flip the ad and the headline becomes clear: “Go Waitless—Don’t get held down by an outdated mortgage process. Go completely online for a fast, convenient approval.” And EyeHealth1st, Australia’s largest optometry booking service, ran an ad called “Eyesberg.” It shows an eyeball as a floating iceberg. All seems fine above the surface, but things are deteriorating below the waterline. The headline—“Eye disease. There’s a lot you don’t see. But your

optometrist will.”—confirms the problem and suggests the solution. In all, the striking visual and headline make viewers stop, take notice, think about eye health, and consider scheduling a visit to the eye doctor using EyeHealth1st.

Consumer-Generated Content. Taking advantage of today’s digital and social media, companies are now tapping consumers for marketing content, message ideas, or even

actual ads and videos. Sometimes the results are outstanding; sometimes they are forgettable. If done well, user-generated content can incorporate the voice of the customer into brand messages and generate greater customer engagement.

For example, carmaker Tesla held a fan-made ad contest, with three winning “charmingly low-budget” commercials selected from 10 finalists by public voting (via Twitter likes). Tesla posted the finalist ads online simultaneously with the launch of its Model 3 sedan, drawing millions of views and sparking interactions among dedicated Tesla fans. One top-three winner: “Sonja’s Super Quick Tesla Fan Video” by YouTuber Sonja Jasansky of Minnesota, a super-quick and ultra-quirky video highlighting Tesla specifications and debunking common misconceptions. More broadly, although Tesla does no advertising of its own, its loyal, techy customer base generates a constant stream of fan-made content, from testimonials to action videos, that amounts to free advertising for the brand. In fact, Tesla founder Elon Musk has been known to reply to good fan-made ads with a thumbs-up emoji on Twitter, passing them along to his more than 55 million Twitter followers.¹⁵

Not all consumer-generated content efforts, however, are successful. As many big companies have learned, amateur-generated ads and other content can be... well, pretty amateurish. If done well, however, consumer-generated content efforts can yield new creative ideas and fresh brand perspectives. Such campaigns can boost consumer engagement and get customers talking about a brand.

Advertising media

The vehicles through which advertising messages are delivered to their intended audiences.

Selecting Advertising Media

The major steps in **advertising media** selection are (1) determining *reach*, *frequency*, *impact*, and *engagement*; (2) choosing among major *media types*; (3) selecting specific *media vehicles*; and (4) choosing *media timing*.



● **Engaging the right consumers with the right media:** The adidas “Here to Create Legend” Boston Marathon campaign created ultrapersonalized highlight videos for each of 30,000 marathon participants, identified by RFID chips on their adidas bibs, and made available online within hours.

Marcio Jose Bastos Silva/Shutterstock

Determining Reach, Frequency, Impact, and Engagement. To select media, the advertiser must determine the reach and frequency needed to achieve the advertising objectives. *Reach* is the *percentage* of people in the target market who are exposed to an ad campaign in a given period of time. For example, the advertiser might try to reach 70 percent of the target market during the first three months of a campaign. *Frequency* is a measure of how many *times* the average person in the target market is exposed to a message. For example, the advertiser might want an average exposure frequency of three.

Beyond reach and frequency, the advertiser must determine the desired *media impact*—the *qualitative value* of message exposure through a given medium. For example, the same message in one magazine (say, *Travel+Leisure*) may be more believable than in another (say, the *National Enquirer*). For products that need to be demonstrated, television ads or online video content may have more impact than print or radio messages because they use sight, motion, and sound. Products for which consumers provide input on design might be better promoted at a website or social media page than in a direct mailing.

More generally, an advertiser must choose media that will *engage* consumers rather than simply reach them.

● For example, when adidas wanted to connect personally with avid runners and influencers, it launched a “Here to Create Legend” Boston Marathon campaign that created personalized highlight videos for each of 30,000 marathon participants.¹⁶

Using data generated by RFID chips on bibs worn by runners and video footage captured by eight cameras along the 26.2-mile course, adidas blended personal highlights with general race day scenes and inspirational music, creating 30,000 unique videos for 30,000 runners—giving every runner “a legend of their own.” Participants could retrieve their videos at an adidas “Here to Create Legend” website within hours of the race and share them via Facebook, Twitter, Instagram, and other social media. Although the campaign didn’t deliver the big audience numbers of a TV ad

campaign, such ultrapersonalization and engagement could be achieved only with digital media. More than 57 percent of runners who completed the race viewed their videos, and more than one-quarter shared the video on Facebook. Across all social media, the content drew hundreds of thousands of views, resulting in a nearly 1,200 percent spike in online sales.

Although marketing insights giant Nielsen is beginning to measure *media engagement* levels for some television, radio, and social media, such measures are still hard to find in most cases. Current media measures include such things such as ratings, readership, listenership, and click-through rates. However, engagement primarily happens inside the head of the consumer. It’s hard enough to measure how many people are exposed to a given television ad, online video, or social media post, let alone measure the depth of engagement with that content. Still, marketers need to know how customers connect with an ad and brand idea as a part of the broader brand relationship.

Engaged consumers are more likely to act upon brand messages and even share them with others. Thus, rather than simply tracking consumer *impressions* for a media placement—how many people see, hear, or read an ad—Coca-Cola also tracks the consumer *expressions* that result, such as a comment, a “Like,” uploading a photo or video, or sharing brand content on social networks. Today’s empowered consumers often generate more messages about a brand than a company can.

Choosing among Major Media Types. As summarized in ● Table 15.2, the major media types are digital, mobile, and social media; television; newspapers; direct mail; magazines; radio; and outdoor. Each medium has its pros and cons. Media planners must choose a media mix that will present the advertising message well. Thus, they must consider each medium’s impact, effectiveness, and cost.

As discussed earlier in the chapter, traditional mass media remain important. However, in recent years, companies have shifted spending toward digital media that target more effectively and engage consumers more immediately, personally, and fully. Today’s marketers now employ a full mix of *paid, owned, earned, and shared media* that create and deliver engaging brand content to target consumers.

In addition to the explosion of online, mobile, and social media, cable and satellite television systems are still thriving. Such systems allow narrow programming channels, such as all sports, all news, nutrition, arts, home improvement and gardening, cooking, travel, history, finance, and others that target select groups. Cable operators are even testing

● **Table 15.2** | Profiles of Major Media Types

Medium	Advantages	Limitations
Digital, mobile, and social media	High selectivity; low cost; immediacy; engagement capabilities	Potentially low impact; high audience control of content and exposure
Television	Good mass-marketing coverage; low cost per exposure; combines sight, sound, and motion; appealing to the senses	High total costs; high clutter; fleeting exposure; less audience selectivity
Newspapers	Flexibility; timeliness; good local market coverage; high believability	Short life; poor reproduction quality; small pass-along audience
Direct mail	High audience selectivity; flexibility; no ad competition within the same medium; allows personalization	Relatively high cost per exposure; “junk mail” image
Magazines	High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life and good pass-along readership	Long ad purchase lead time; high cost; no guarantee of position
Radio	Good local acceptance; high geographic and demographic selectivity; low cost	Audio only; fleeting exposure; low attention (“the half-heard” medium); fragmented audiences
Outdoor	Flexibility; high repeat exposure; low cost; good positional selectivity	Little audience selectivity; creative limitations

systems that will let them target specific types of ads to TVs in specific neighborhoods or to specific customers. For example, ads for a Spanish-language channel would run in only Hispanic neighborhoods, or only pet owners would see ads from pet food companies.

Finally, in their quest for less costly and more highly targeted ways to reach consumers, advertisers have discovered a dazzling collection of *alternative media*. These days, no matter where you go or what you do, you will probably run into some new form of advertising:

Tiny billboards attached to shopping carts urge you to buy Pampers, while ads roll by on the store's checkout conveyor touting your local Chevy dealer. Step outside, and there goes a city trash truck sporting an ad for Glad trash bags or a school bus displaying a Little Caesar's pizza ad. A nearby fire hydrant is emblazoned with advertising for KFC's "fiery" chicken

wings. You escape to the ballpark, only to find billboard-size video screens running Budweiser ads. On a rainy day, as thunder booms and the rain begins, groundskeepers cover the infield with a colorful Skittles-branded "Taste the Rainbow" tarp.

These days, you're likely to find ads—well—anywhere. Taxicabs sport electronic messaging signs tied to GPS location sensors that can pitch local stores and restaurants wherever they roam. Ad space is being sold on parking-lot tickets, subway turnstiles, gas pumps, ATMs, municipal garbage cans, and even police cars, doctors' examining tables, and church bulletins. In its clever, long-running "Use Only What You Need" campaign urging city residents to use less water, Denver Water plastered its logo and slogan on everything from bus tails and sandwich-board-wearing conservation ambassadors to barrel-shaped sculptures and abbreviated park benches. One company even sells space on toilet paper furnished free to restaurants, stadiums, and malls—the paper carries advertiser logos, coupons, and codes you can scan with your smartphone to download digital coupons or link to advertisers' social media pages. Now that's a captive audience.



● Marketers have discovered a dazzling array of alternative media, like this clever "Use Only What You Need" park bench campaign urging Denver city residents to use less water.

Courtesy of Denver Water, 2021

Such alternative media sometimes irritate consumers who resent it all as "ad nauseam." But these media can save money and provide a way to reach selected consumers where they live, shop, work, and play.

Another important trend affecting media selection is the rapid growth in the number of *media multitaskers*, people who absorb more than one medium at a time. For example, it's not uncommon to find someone watching TV with a smartphone in hand, tweeting, Instagramming friends, and chasing down product information on Google. One recent survey found that 88 percent of consumers use another digital device while watching TV. Another study found that millennials and Gen X consumers engage in an average of three additional media activities while watching television, including online browsing, text messaging, and reading email. Although some of this multitasking is related to TV viewing—such as looking up related product and program information—most multitasking involves unrelated tasks. Marketers need to take such media interactions into account when selecting the media mix they will use.¹⁷

Selecting Specific Media Vehicles. Media planners must also choose the best media vehicles—specific media within each general media type. For example, television vehicles include *Young Sheldon* and *ABC World News Tonight*. Magazine vehicles include *People*, *Better Homes and Gardens*, and *ESPN The Magazine*. Online and mobile vehicles include Twitter, Facebook, Instagram, TikTok, and YouTube.

Media planners must compute the cost per 1,000 persons reached by a vehicle. If a full-page, four-color ad in the national edition of *Fortune* costs \$165,000 and its readership is 3.6 million people, the cost of reaching each group of 1,000 persons is about \$45. The same ad in *People* costs \$445,600 but reaches 28.6 million people—at a cost per 1,000 of about \$15.58.¹⁸ The media planner may favor magazines with the lower cost per 1,000 if their readers are similar. But if targeting business managers, *Fortune* would

likely be the more cost-effective buy, even at lower overall readership and a higher cost per thousand.

Media planners must also consider the costs of producing ads for different media. Newspaper ads may cost little to produce, but high-quality television ads can be very costly. Likewise, many online and social media ads may cost little to produce, but made-for-the-web or mobile video ad series can be costly.

In selecting specific media vehicles, media planners must balance media costs against several media effectiveness factors. First, the planner should evaluate the media vehicle's audience quality. For a Huggies disposable diapers ad, for example, *Parents* magazine would have a high exposure value. Second, the media planner should consider audience engagement. Readers of *Vogue*, for example, typically pay more attention to ads than do *People* readers. Third, the planner should assess the vehicle's credibility. *People* and *The Wall Street Journal* are more believable than *Star* or the *National Enquirer*.

Deciding on Media Timing. An advertiser must also decide how to schedule the advertising over time. Suppose sales of a product peak in December and drop in March (for winter outdoor gear, for instance). The firm can vary its advertising to follow the seasonal pattern, oppose the seasonal pattern, or be steady all year. Most firms do some

seasonal advertising. For example, weight-loss marketers invest more in advertising after the first of the year, targeting consumers who let their appetites get the better of them over the holiday season and whose New Year's resolutions are focused on healthier lifestyles. Weight Watchers, for instance, spends more than a quarter of its annual advertising budget in January. Similarly, although online flower companies like 1-800-Flowers or Teleflora advertise all year long, they boost spending substantially during the winter holidays and other special occasions such as Mother's Day. "Christmas/Hanukkah, Valentine's Day, and Mother's Day are the holy trinity for the floral industry," notes one analyst.¹⁹ Some marketers do *only*



Media timing: 1-800-Flowers.com and other online flower companies advertise all year long but boost spending substantially during winter holidays and other special occasions.

1-800-Flowers.com

seasonal advertising: For instance, P&G advertises its Vicks NyQuil mostly during the cold and flu season.

Today's online and social media let advertisers create content that responds to events in real time. In a classic example, Oreos reacted in a timely way to a power outage during Super Bowl XLVII with an outage-related "Power out? No problem. You can still dunk in the dark" tweet ad. The fast-reaction ad was retweeted and shared tens of thousands of times in only 15 minutes, attracting more attention for Oreo than the brand's big-budget first-quarter advertisement. In today's digital and social media environment, however, effective real-time marketing involves much more than only spontaneous, one-off tweets. Instead, it requires well-planned, equity-building campaigns and a steady flow of content that engages consumers in the moment.

Brands large and small can take advantage of real-time marketing's immediacy and targeting qualities. For example, Red Roof Inn regularly links airline flight data from flight tracking service FlightAware with Google's online search ads to beam real-time ads to stranded travelers facing flight cancellations. For example, when Chicago's O'Hare Airport once experienced a major bout of flight cancellations, Red Roof managed to secure the top ad spot in three-quarters of the Google search results for "hotels near O'Hare," resulting in a 60 percent jump in bookings from those searches.²⁰

Evaluating Advertising Effectiveness and the Return on Advertising Investment

Return on advertising investment

The net return on advertising investment divided by the costs of the advertising investment.

Measuring advertising effectiveness and the **return on advertising investment** has become a hot issue for most companies. Top management at many companies is asking marketing managers, “How do we know that we’re spending the right amount on advertising?” and “What return are we getting on our advertising investment?”

Advertisers should evaluate two types of outcomes: the communication effects and the sales and profit effects. Measuring *communication effects* indicates whether the ads and media are communicating the intended message well. Individual ads can be tested before or after they are run. Before an ad is placed, the advertiser can show it to consumers, ask how they like it, and measure resulting message recall or attitude changes. After an ad is run, the advertiser can measure how the ad affected consumer recall or product awareness, engagement, knowledge, and preference. Pre- and post-communication effects can be measured for entire advertising campaigns as well. The research tools from Chapter 4 can be useful in this context.

Compared to communication effects, the *sales and profit* effects of advertising and other content are often more difficult to measure. For example, what sales and profits are produced by an ad campaign that increases brand awareness by 20 percent and brand preference by 10 percent? Sales and profits are affected by many factors other than advertising—such as product features, price, and availability.

One way to measure the sales and profit effects of advertising is to statistically model how sales and profits move with advertising spending over time. Another way is through experiments. For example, to test the effects of different advertising spending levels, Coca-Cola could vary the amount it spends on advertising in different, randomly selected market areas and measure the differences in the resulting sales and profit levels. More complex experiments could be designed to include variables such as differences in the ads or media used.

Sales effects are often easier to measure with digital advertising. The digital environment is very friendly to experimentation. With online and mobile media, marketers can quickly and easily manipulate content across customer groups with readily measurable results. They can run multiple experiments in the digital space—also called A/B testing—to identify and refine which content works best.

Still, because so many factors affect advertising effectiveness, some controllable and others not, pretesting ads and measuring the results of advertising spending remains an inexact science. Managers often must rely on large doses of judgment along with quantitative analysis when assessing advertising performance. That’s especially true in this content-hungry digital age, where large quantities of ads and other content are produced and run on a real-time basis. Thus, while companies carefully pretest traditional big-budget media ads before running them, digital content is often refined on the fly.