

21

Managing Digital Communications: Online, Social Media, and Mobile

In the face of the Internet revolution, marketing communications today increasingly occur as a kind of personal dialogue between the company and its customers. Companies must ask not only “How should we reach our customers?” but also “How should our customers reach us?” and “How can our customers reach each other?” New technologies have encouraged companies to move from mass communication to more targeted, two-way communications. As a result, consumers can now play a much more participatory role in the marketing process. Consider how PepsiCo has engaged the consumer in marketing communications for its various brands.¹



PepsiCo has been an early champion of digital marketing. For its Mountain Dew soft drink, its first “Dewmocracy” contest had consumers go online to determine the flavor, color, packaging, and name of a new Mountain Dew product. The winning flavor, Voltage, generated several hundred million dollars in revenue for the company in its first year. The second contest, Dewmocracy 2, expanded voting through Facebook, Twitter, and a private online Dew Labs Community and crowned White Out as the winner. For its Doritos brand, PepsiCo runs the “Crash the Super Bowl” contest every year, giving contestants a chance to develop an ad to be run during the game broadcast and receive \$1 million in the process. In 2014, anyone from Dorito’s 35 global markets was allowed to enter the competition, resulting in more than 3,000 submissions. The winning ad, “Time Machine,” had a man humor a small kid by taking a ride in the kid’s cardboard time machine—with unexpected results. It cost only \$200 to make and one day to film, but it was one of the most positively received Super Bowl ads by viewers that year. During the contest, Doritos always enjoys a healthy uptick in Twitter, Facebook, and other social media activity.

The newest and fastest-growing channels for communicating and selling directly to customers are digital. The Internet provides marketers and consumers with opportunities for much greater interaction and individualization. Very few marketing programs can be considered complete without a meaningful digital component. In this chapter, we consider how marketers can use online marketing, social media, and mobile marketing to create loyal customers, build strong brands, and generate profits. We also consider the broader topic of word-of-mouth marketing.

Online Marketing

As described in Chapter 1, marketers distinguish paid and owned media from earned (or free) media. *Paid media* includes company-generated advertising, publicity, and other promotional efforts. *Earned media* is all the PR and word-of-mouth benefits a firm receives without having directly paid for anything—all the news stories, blogs, and social network conversations that deal with a brand.² Social media play a key role in earned media. A large part of *owned media* consists of online marketing communications, which we review next.



Source: Weng lei/Imaginechina

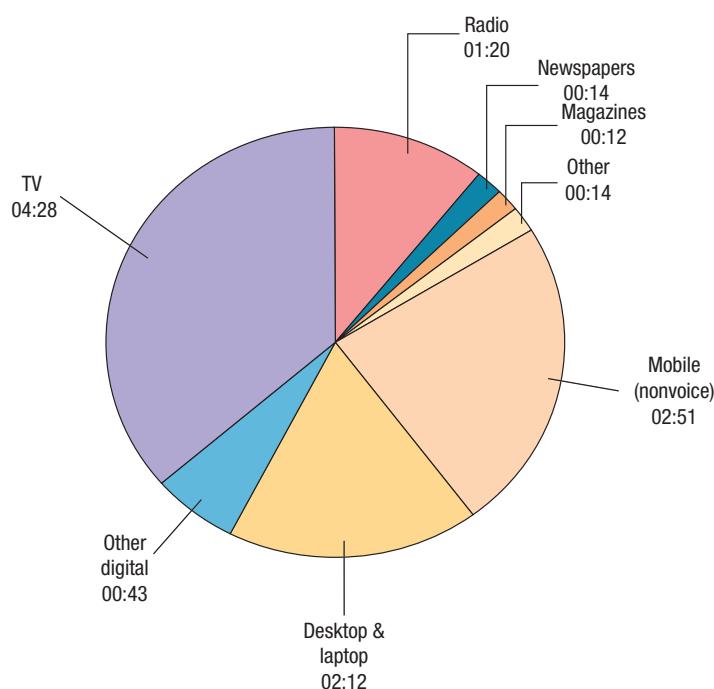
Estee Lauder has always relied on word of mouth to build its brands but now has added a sizable digital component.

ment, however, and insulate themselves with the help of agents and intermediaries if they so choose. They define what information they need, what offerings they're interested in, and what they're willing to pay.⁶

| Fig. 21.1 |

Share of Time
Spent per Day with
Major Media by
U.S. Adults, 2014
(hrs:mins)

Source: eMarketer, April 2014, accessed at <http://www.emarketer.com/Article/Digital-Set-Surpass-TV-Time-Spent-with-US-Media/1010096>.



ADVANTAGES AND DISADVANTAGES OF ONLINE MARKETING COMMUNICATIONS

Four of the main categories of online marketing communications, which we discuss here, are: (1) Web sites, (2) search ads, (3) display ads, and (4) e-mail. The variety of online communication options means companies can offer or send tailored information or messages that engage consumers by reflecting their special interests and behavior.

Online marketing communications have other advantages. Marketers can easily trace their effects by noting how many unique visitors or "UVs" click on a page or ad, how long they spend with it, what they do on it, and where they go afterward.³ The Internet also offers the advantage of *contextual placement*, which means marketers can buy ads on sites related to their own offerings. They can also place advertising based on keywords customers type into search engines to reach people when they've actually started the buying process.

Going online has disadvantages too. Consumers can effectively screen out most messages. Marketers may think their ads are more effective than they really are if bogus clicks are generated by software-powered Web sites.⁴ Advertisers also lose some control over their online messages, which can be hacked or vandalized.

But the pros clearly can outweigh the cons, and the Internet is attracting marketers of all kinds. Beauty pioneer Estée Lauder, who, in a reflection of times gone by, famously said she relied on three means of communication to build her multimillion-dollar cosmetics business—"telephone, telegraph, and tell a woman"—would now have to add the Internet, where the company's official site describes new and old products, announces special offers and promotions, and helps customers locate stores where they can buy Estée Lauder products.

Marketers must go where the customers are, and increasingly that's online. Of the time U.S. consumers spend with all media, almost half is spent online (see Figure 21.1).⁵ Customers define the rules of engagement,

however, and insulate themselves with the help of agents and intermediaries if they so choose. They define what information they need, what offerings they're interested in, and what they're willing to pay.⁶



Source: © David Buzzard/Alamy

Tough Mudder used only Facebook advertising and word of mouth to launch its brand.

Digital advertising continues to show much more rapid growth than traditional media. In fact, total digital ad spending in 2013 was estimated to have grown to \$42.8 billion, which meant it surpassed TV advertising (at \$40.1 billion) for the first time. Search ads made up 43 percent of the total at \$18.4 billion; display-related advertising was 30 percent with \$12.8 billion; mobile 17 percent with \$7.1 billion; and digital video 7 percent with \$2.8 billion.⁷ More brands are being built by online means. Consider Tough Mudder.⁸

TOUGH MUDDER Tough Mudder is a challenging obstacle race for teams, designed in the spirit of British Special Forces, that features 29 different obstacles with such creative names as the Devil's Beard, Shocks on the Rocks, and Funky Monkey. Competitors encounter hazards such as walls, 15-foot planks, ice baths, nightmare monkey bars, greased halfpipes, and electrified army crawls. Funded with \$20,000 in seed capital in 2010, Tough Mudder spent its entire \$8,000 communication budget at launch on Facebook advertising, which generated plenty of word of mouth. The first race was a hit, and word quickly spread. By 2013, more than 750,000 competitors were participating in 53 scheduled events. With entry fees of about \$155 per person, the company's margin is about 48 percent.

ONLINE MARKETING COMMUNICATION OPTIONS

A company chooses which forms of online marketing will be most cost-effective in achieving communication and sales objectives.⁹ The options include Web sites, search ads, display ads, and e-mail.

WEB SITES Companies must design Web sites that embody or express their purpose, history, products, and vision and that are attractive on first viewing and interesting enough to encourage repeat visits.¹⁰ Jeffrey Rayport and Bernard Jaworski propose that effective sites feature seven design elements they call the 7Cs (see Figure 21.2).¹¹ To encourage repeat visits, companies must pay special attention to context and content factors and embrace another “C”—constant change.¹²

Visitors will judge a site’s performance on ease of use and physical attractiveness.¹³ *Ease of use* means: (1) The site downloads quickly, (2) the first page is easy to understand, and (3) it is easy to navigate to other pages that open quickly. *Physical attractiveness* is ensured when: (1) Individual pages are clean and not crammed with content, (2) typefaces and font sizes are very readable, and (3) the site makes good use of color (and sound). J. D. Power found that consumers who were “delighted” with an automotive manufacturer’s Web site were more likely to test drive one of its vehicles as a result.¹⁴

As we describe in more detail below, firms such as comScore and Nielsen Online track where consumers go online through measures like number of page views, number of unique visitors, length of visit, and so on.¹⁵

| Fig. 21.2 |

Seven Key Design Elements of an Effective Web Site

Source: Jeffrey F. Rayport and Bernard J. Jaworski, *e-commerce* (New York: McGraw-Hill, 2001), p. 116.

- *Context.* Layout and design
- *Content.* Text, pictures, sound, and video the site contains
- *Community.* How the site enables user-to-user communication
- *Customization.* Site's ability to tailor itself to different users or to allow users to personalize the site
- *Communication.* How the site enables site-to-user, user-to-site, or two-way communication
- *Connection.* Degree that the site is linked to other sites
- *Commerce.* Site's capabilities to enable commercial transactions

Companies must also be sensitive to online security and privacy-protection issues. One set of researchers recommends transforming various “touch points” related to privacy on the Web site into a positive customer experience by: (1) developing user-centric privacy controls to give customer control, (2) avoiding multiple intrusions, and (3) preventing human intrusion by using automation whenever possible.¹⁶

Besides their Web sites, companies may employ **microsites**, individual Web pages or clusters of pages that function as supplements to a primary site. They’re particularly relevant for companies selling low-interest products. People rarely visit an insurance company’s Web site, for example, but the company can create a microsite on used-car sites that offers advice for buyers of used cars and a good insurance deal at the same time.

SEARCH ADS An important component of online marketing is **paid search** or **pay-per-click ads**. Thirty-five percent of all searches are reportedly for products or services.

In paid search, marketers bid in a continuous auction on search terms that serve as a proxy for the consumer’s product or consumption interests. When a consumer searches for any of the words with Google, Yahoo!, or Bing, the marketer’s ad may appear above or next to the results, depending on the amount the company bids and an algorithm the search engines use to determine an ad’s relevance to a particular search.¹⁷

Advertisers pay only if people click on the links, but marketers believe consumers who have already expressed interest by engaging in search are prime prospects. Average click-through in terms of the percentage of consumers who click on a link is about 2 percent, much more than for comparable online display ads, which range from .08 for standard banner ads with graphics and images to .14 for rich media (expandable banners) ads that incorporate audio and/or video.¹⁸

The cost per click depends on how highly the link is ranked on the page and the popularity of the keyword. The ever-increasing popularity of paid search has increased competition among keyword bidders, significantly raising search ad prices and putting a premium on choosing the best possible keywords, bidding on them strategically, and monitoring the results for effectiveness and efficiency.

Search engine optimization (SEO) describes activities designed to improve the likelihood that a link for a brand is as high as possible in the rank order of all nonpaid links when consumers search for relevant terms. SEO is a crucial part of marketing given the large amount of money marketers are spending on search. A number of guidelines have been suggested as part of SEO as well as paid search.¹⁹

- Broader search terms (“MP3 player” or “iPod”) are useful for general brand building; more specific ones identifying a particular product model or service (“Apple iPod classic 160GB”) are useful for generating and converting sales leads.
- Search terms need to be spotlighted on the appropriate pages of the marketer’s Web site so search engines can easily identify them.
- Any one product can usually be identified by means of multiple keywords, but marketers must bid on each keyword according to its likely return on revenue. It also helps to have popular sites link back to the marketer’s Web site.
- Data can be collected to track the effects of paid search.

Any size business can benefit from a well-executed search strategy. The owner of River Pools and Spas in Virginia and Maryland turned around his floundering business by posting question-and-answer articles that were picked up easily by search engines and drove traffic to the company’s Web site.²⁰

Consumers are also influenced by the online opinions and recommendations of other consumers. The informal social networks that arise among consumers complement the product networks set up by the company.²¹ Online “influentials” who are one of a few or maybe even the only person to influence certain consumers are particularly important and valuable to companies.²²

DISPLAY ADS **Display ads** or **banner ads** are small, rectangular boxes containing text and perhaps a picture that companies pay to place on relevant Web sites.²³ The larger the audience, the higher the cost. In the early days

of the Internet, viewers clicked on 2 percent to 3 percent of the banner ads they saw, but as noted previously, that percentage has quickly plummeted, and advertisers have explored other forms of communication.

Given that Internet users spend only 5 percent of their time online actually searching for information, display ads still hold great promise compared to popular search ads. But ads need to be more attention-getting and influential, better targeted, and more closely tracked.²⁴

Interstitials are advertisements, often with video or animation, that pop up between page changes within a Web site or across Web sites. For example, ads for Johnson & Johnson's Tylenol headache reliever would pop up on brokers' Web sites whenever the stock market fell by 100 points or more. Because consumers find such pop-up ads intrusive and distracting, many use software to block them.

E-MAIL E-mail allows marketers to inform and communicate with customers at a fraction of the cost of a d-mail, or direct mail, campaign. E-mails can be very productive selling tools. The rate at which they prompt purchase has been estimated to be at least three times that of social media ads, and the average order value is thought to be 17 percent higher.²⁵ Firms such as Kellogg, Whirlpool, and Nissan are emphasizing both e-mail and search marketing.²⁶

Consumers are besieged by e-mails, though, and many employ spam filters to halt the flow. Privacy concerns are also growing—almost half of British survey respondents said they would refuse to share any personal details with brands even if doing so would bring them better-targeted offers and discounts.²⁷ Some firms are asking consumers to say whether and when they would like to receive e-mails. FTD, the flower retailer, allows customers to choose whether to receive e-mail reminders to send flowers for virtually any holiday as well as specific birthdays and anniversaries.²⁸

E-mails must be timely, targeted, and relevant. The Gilt Groupe sends more than 3,000 variations of its daily e-mail for its flash-sale site based on recipient's past click-throughs, browsing history, and purchase history.²⁹ "Marketing Memo: How to Maximize the Marketing Value of E-mails" provides some important guidelines for launching productive e-mail campaigns.



With a customer's permission, flower retailer FTD sends email reminders for important events.

marketing memo

How to Maximize the Marketing Value of E-mails

- **Give the customer a reason to respond.** Offer powerful incentives for reading e-mail pitches and online ads, such as trivia games, scavenger hunts, and instant-win sweepstakes.
- **Personalize the content of your e-mails.** Williams-Sonoma reported a tenfold increase in response rates when it adopted personalized e-mail offerings based on individuals' on-site and catalog shopping behavior. An engaging subject line is especially critical. One expert notes, "You really have about five seconds to grab them or they are clicking out."
- **Offer something the customer can't get via direct mail.** Because e-mail campaigns can be carried out quickly, they can offer time-sensitive information. Travelocity sends frequent e-mails pitching last-minute cheap airfares, and Club Med pitches unsold vacation packages at a discount.
- **Make it easy for customers to opt in as well as unsubscribe.** Run controlled split tests to explore how location, color, and other factors affect "Sign Up Now" messages. Controlled split tests assemble online matched samples of consumers with one sample given a test message that manipulates one factor and the other being a status quo control. Online customers also demand a positive exit experience. Dissatisfied customers leaving on a sour note are more likely to spread their displeasure to others.
- **Combine e-mail with other communications such as social media.** Southwest Airlines found the highest number of reservations occurred after an e-mail campaign followed by a social media campaign. Papa John's was able to add 45,000 fans to its Facebook page through an e-mail campaign inviting customers to participate in a "March Madness" NCAA basketball tournament contest.

To increase the effectiveness of e-mails, some researchers are employing "heat mapping," which tracks eye movements with cameras to measure what people read on a computer screen. One study showed that clickable graphic icons and buttons that linked to more details of a marketing offer increased click-through rates by 60 percent over links that used just an Internet address.

Sources: Nora Auffreiter, Julien Boudet, and Vivien Weng, "Why Marketers Keep Sending You E-Mails," *McKinsey Quarterly*, January 2014; "Email Marketing Central for U.S. Retailers," www.warc.com, December 20, 2012; Richard Westlund, "Success Stories in eMail Marketing," *Adweek Special Advertising Section*, February 16, 2010; Suzanne Vranica, "Marketers Give E-mail Another Look," *Wall Street Journal*, July 17, 2006.

Social Media

An important component of digital marketing is social media. **Social media** are a means for consumers to share text, images, audio, and video information with each other and with companies, and vice versa.

Social media allow marketers to establish a public voice and presence online. They can cost-effectively reinforce other communication activities. Because of their day-to-day immediacy, they can also encourage companies to stay innovative and relevant. Marketers can build or tap into online communities, inviting participation from consumers and creating a long-term marketing asset in the process.

After reviewing the different social media platforms, we consider how to use social media and how social media can promote the flow of word of mouth. We then delve into more detail on how word of mouth is formed and travels. To start our discussion, consider how one company cleverly used social media to build its brand.³⁰

DOLLAR SHAVE CLUB E-commerce startup Dollar Shave Club sells a low-priced monthly supply of razors and blades online according to three different plans. The key to the company's launch was an online video. Dubbed the "best startup video ever" by some and the winner of multiple awards, the 90-second Dollar Shave Club video garnered millions of views on YouTube and gained thousands of social media followers in the process. In the quirky, irreverent video, CEO Michael Dubin rides a forklift, plays tennis, and dances with a fuzzy bear while touting the quality, convenience, and price of the company's razors and blades. Dubin has observed, "We are presenting a new business, a good idea, a funny video and tapped the pain point for a lot of consumers." While it was securing several hundred thousand customers, the company was also able to raise more than \$20 million in venture capital.



Source: Dollar Shave Club

CEO Michael Dubin's online video to launch Dollar Shave Club was an Internet sensation.

SOCIAL MEDIA PLATFORMS

There are three main platforms for social media: (1) online communities and forums, (2) blogs (individual blogs and blog networks such as Sugar and Gawker), and (3) social networks (like Facebook, Twitter, and YouTube).

ONLINE COMMUNITIES AND FORUMS Online communities and forums come in all shapes and sizes. Many are created by consumers or groups of consumers with no commercial interests or company affiliations. Others are sponsored by companies whose members communicate with the company and with each other through postings, text messaging, and chat discussions about special interests related to the company's products and brands. These online communities and forums can be a valuable resource for companies and fill multiple functions by both collecting and conveying key information.

A key for success in online communities is to create individual and group activities that help form bonds among community members. Apple hosts a large number of discussion groups organized by product lines and type of user (consumer or professional). These groups are customers' primary source of product information after warranties expire.

Information flow in online communities and forums is two-way and can provide companies with useful, hard-to-get customer information and insights. When GlaxoSmithKline prepared to launch its first weight-loss drug, Alli, it sponsored a weight-loss community. The firm felt the feedback it gained was more valuable than what it could have received from traditional focus groups.

Research has shown, however, that firms should avoid too much democratization of innovation. One risk is that groundbreaking ideas can be replaced by lowest-common-denominator solutions.³¹

BLOGS Blogs, regularly updated online journals or diaries, have become an important outlet for word of mouth. There are millions in existence, and they vary widely, some personal for close friends and families, others designed to reach and influence a vast audience. One obvious appeal of blogs is that they bring together people with common interests.

Blog networks such as Gawker Media offer marketers a portfolio of choices. Online celebrity gossip blog PopSugar has spawned a family of breezy blogs on fashion (FabSugar), beauty (BellaSugar), and romance and culture (TresSugar), attracting women ages 18 to 49.

Corporations are creating their own blogs and carefully monitoring those of others.³² Popular blogs are creating influential opinion leaders. At the TreeHugger site—"the leading media outlet dedicated to driving sustainability mainstream"—a team of bloggers tracks green consumer products for 5 million unique visitors per month, offering an up-to-the minute blog, weekly and daily newsletters, and regularly updated Twitter and Facebook pages.³³

Because many consumers examine product information and reviews contained in blogs, the Federal Trade Commission has also taken steps to require bloggers to disclose their relationship with marketers whose products they endorse. At the other extreme, some consumers use blogs and videos as a means of getting retribution for a company's bad service or faulty products. Some customer retaliations are legendary.

Dell's customer-service shortcomings were splashed all over the Internet through a series of blistering "Dell Hell" postings. AOL took some heat when a frustrated customer recorded and broadcast online a service representative's emphatic resistance to his wish to cancel his service. Comcast was embarrassed when a video surfaced of one of its technicians sleeping on a customer's couch.³⁴

SOCIAL NETWORKS Social networks have become an important force in both business-to-consumer and business-to-business marketing.³⁵ Major ones include Facebook, one of the world's biggest; LinkedIn, which focuses on career-minded professionals; and Twitter, with its 140-character messages or "tweets." Different networks offer different benefits to firms. For example, Twitter can be an early warning system that permits rapid response, whereas Facebook allows deeper dives to engage consumers in more meaningful ways.³⁶

Marketers are still learning how to best tap into social networks and their huge, well-defined audiences.³⁷ Given networks' noncommercial nature—users are generally there looking to connect with others—attracting attention and persuading are more challenging. Also, given that users generate their own content, ads may find themselves appearing beside inappropriate or even offensive material.³⁸

Advertising is only one avenue, however. Like any individual, companies can also join social groups and actively participate. Having a Facebook page has become a virtual prerequisite for many companies.³⁹ Twitter can benefit even the smallest firm. To create interest in its products and the events it hosted, small San Francisco bakery Mission Pie began to send tweet alerts, quickly gaining 1,000 followers and a sizable uptick in business. "Follow Me on Twitter" signs are appearing on doors and windows of more small shops.⁴⁰

And although major social networks offer the most exposure, niche networks provide a more targeted market that may be more likely to spread the brand message, as CafeMom did for Playskool.⁴¹

CAFEMOM Started in 2006, CafeMom has 20 million users across its flagship CafeMom site and other properties such as The Stir (an "all-day, every day content destination for Moms") and Mamás Latinas (the first bilingual site for Latina moms). Users can participate in 70,000 different group forums for moms. When the site started a forum for discussing developmentally appropriate play activities, toymaker Playskool sent toy kits to more than 5,000 members and encouraged them to share their experiences with each other, resulting in 11,600 posts at Playskool Preschool Playgroup. "The great thing is you get direct feedback from actual moms," says the director of media at Hasbro, Playskool's parent company. This kind of feedback can be invaluable in the product-development process as well. The site's sweet spot is young, middle-class women with kids who love the opportunity to make friends and seek support, spending an average of 44 minutes a day on the site.

USING SOCIAL MEDIA

Social media allow consumers to become engaged with a brand at perhaps a deeper and broader level than ever before. Marketers should do everything they can to encourage willing consumers to engage productively. But as useful as they may be, social media are rarely the sole source of marketing communications for a brand.⁴²

- Social media may not be as effective in attracting new users and driving brand penetration.
- Research by DDB suggests that brands and products vary widely in how social they are online. Consumers are most likely to engage with media, charities, and fashion and least likely to engage with consumer goods.⁴³
- Although consumers may use social media to get useful information or deals and promotions or to enjoy interesting or entertaining brand-created content, a much smaller percentage want use social media to engage in two-way "conversations" with brands.

In short, marketers must recognize that when it comes to social media, only *some* consumers want to engage with *some* brands, and, even then, only *some* of the time.

Embracing social media, harnessing word of mouth, and creating buzz also require companies to take the good with the bad. When Frito-Lay's "Do Us a Flavor" contest invited U.S. fans to suggest new potato chip flavors for a chance to win a huge cash prize, the Facebook app for submissions crashed the first day due to high traffic. The promotion got back on track, though, with the winner, Cheesy Garlic Bread-flavored chips, joining earlier winners from other countries such as Caesar salad-flavored chips in Australia and shrimp chips in Egypt.⁴⁴

The Frito-Lay example shows the power and speed of social media, but also the challenges they pose to companies. The reality, however, is that whether a company chooses to engage in social media or not, the Internet will always permit scrutiny, criticism, and even "cheap shots" from consumers and organizations.

By using social media and the Internet in a constructive, thoughtful way, firms at least have a means to create a strong online presence and to better offer credible alternative points of view if negative feedback occurs.⁴⁵ And if the firm has built a strong online community, members of that community will often rush to defend the brand and play a policing role over inaccurate or unfair characterizations.



Source: Invasion for Frito-Lay

Frito-Lay used a social media campaign for new consumer-created flavors it introduced.

Word of Mouth

Social media are one example of online word of mouth. Word of mouth (WOM) is a powerful marketing tool. AT&T found it was one of the most effective drivers of its sales, along with unaided advertising awareness. Some brands have been built almost exclusively by word of mouth.⁴⁶

I SODASTREAM SodaStream, a product that allows consumers to carbonate regular tap water at home to replace store-bought sodas, was built with minimal media spend due to the power of word of mouth. To help promote conversations about the brand, the company has sampled liberally, used product placement, and engaged with affinity groups that might be interested in home carbonation because of its environmental advantages, including various “green” organizations, or because it offers the convenience of not having to store bottles and cans, which appeals to boat and RV owners. CEO Daniel Birnbaum notes, “I would much rather invest in PR than in advertising, because with PR it’s not me talking—it’s someone else.” One of SodaStream’s most successful marketing activities is “The Cage.” The company calculates the average number of cans and bottles thrown away by a family in a year in a given country and then fills a giant cage-like box to hold them, placing it in high-traffic locations like airports to draw attention to it. After deciding to target Coke and Pepsi head on, SodaStream did purchase advertising time in the 2013 and 2014 Super Bowls. Ironically, with this decision the company still benefited from PR and word of mouth because the networks banned its initial ads for being too aggressive. The banned ads received more attention than the ones that actually ran, racking up millions of views online and a barrage of media coverage. Purchased for \$6 million in 2007, SodaStream had a 2014 market cap of more than \$1 billion.



Source: Photo courtesy of SodaStream

SodaStream benefited from PR and word of mouth in launching its brand.

FORMS OF WORD OF MOUTH

Contrary to popular opinion, most word of mouth is *not* generated online. In fact, research and consulting firm Keller Fay notes that 90 percent occurs offline, specifically 75 percent face to face and 15 percent over the phone. Keller Fay also notes how advertising and WOM are inextricably linked: “WOM has proven to be highly credible and linked to sales; advertising has proven to help spark conversation.”⁴⁷ Others note how well offline word of mouth works with social media. Consumers “start conversations in one channel, continue them in a second and finish them in a third. When the communication is happening in so many channels, it becomes almost impossible to separate online and offline.”⁴⁸

Viral marketing is a form of online word of mouth, or “word of mouse,” that encourages consumers to pass along company-developed products and services or audio, video, or written information to others online.⁴⁹ With user-generated content sites such as YouTube, Vimeo, and Google Video, consumers and advertisers can upload ads and videos to be shared by millions of people.⁵⁰ Online videos can be cost-effective—they can be made for as little as \$50,000 to \$200,000—and marketers can take more freedom with them, as Blendtec has done.⁵¹

BLENDTEC

Utah-based Blendtec used to be known primarily for its commercial blenders and food mills. The company wasn’t really familiar to the general public until it launched a hilarious series of “Will It Blend?” online videos to promote some of its commercial products for home use. The videos feature founder and CEO Tom Dickson wearing a white lab coat and pulverizing objects ranging from golf balls and pens to beer bottles, all in a genial but deadpan manner. The genius of the videos (www.willitblend.com) is that they tie into current events. As soon as the iPhone was launched with huge media fanfare, Blendtec aired a video in which Dickson smiled and said, “I love my iPhone. It does everything. But will it blend?” After the blender crushed the iPhone to bits, Dickson lifted the lid on the small pile of black dust and said simply, “iSmoke.” The clip drew more than 3.5 million views on YouTube. Dickson has appeared on *Today* and other network television shows and has had a cameo in a Weezer video. One of the few items *not* to blend: A crowbar!

Outrageousness is a two-edged sword. The Blendtec Web site clearly puts its comic videos in the “*Don’t* try this at home” category and developed another set showing how to grind up vegetables for soup, for instance, in the “*Do* try this at home” category.

CREATING WORD-OF-MOUTH BUZZ

Products don’t have to be outrageous or edgy to generate word-of-mouth buzz. Although more interesting brands are more likely to be talked about online, whether a brand is seen as novel, exciting, or surprising has little effect on whether it is discussed in face-to-face, oral communications.⁵² Brands discussed offline are often those that are salient and visible and come easily to mind.⁵³

Blendtec built its consumer brand in part with a series of clever “Will It Blend” online videos.



Source: Blendtec

Research has shown that consumers tend to generate positive WOM themselves and share information about their *own* positive consumption experiences. They tend to only transmit negative WOM and pass on information they heard about *others'* negative consumption experiences.⁵⁴

It's worth remembering that much online content is not necessarily naturally shared and does not go viral. One study found that only 4 percent of content "cascaded" to more than one person beyond the initial recipient.⁵⁵ In deciding whether to contribute to social media, consumers can be motivated by intrinsic factors such as whether they are having fun or learning, but more often they are swayed by extrinsic factors such as social and self-image considerations.⁵⁶

Harvard Business School viral video expert Thales Teixeira offers this advice for getting a viral ad shared: Utilize brand pulsing so the brand is not too intrusive within the video; open with joy or surprise to hook those fickle viewers who are easily bored; build an emotional roller coaster within the ad to keep viewers engaged throughout; and surprise but don't shock—if an ad makes viewers too uncomfortable, they are unlikely to share it.⁵⁷

Companies can help create buzz for their products or services, and media and advertising are not always necessary for it to occur. Proctor & Gamble (P&G) has enrolled more than half a million mothers in Vocalpoint, a group built on the premise that certain highly engaged individuals want to learn about products, receive samples and coupons, share their opinions with companies, and, of course, talk up their experiences with others. P&G chooses well-connected people—the Vocalpoint moms have big social networks and generally speak to 25 to 30 other women during the day, compared to an average of five for other moms—and their messages carry a strong reason to share product information with a friend. A campaign for P&G's Secret Clinical Strength Deodorant resulted in 42,000 click-throughs to an opt-in coupon redemption and 50,000 strong product reviews on the brand's Web site.

Some agencies exist solely to help clients create buzz. BzzAgent is one.⁵⁸

BZZAGENT

Boston-based BzzAgent has assembled an international word-of-mouth media network powered by 1 million demographically diverse—but essentially ordinary—people who volunteer to talk up products they deem worth promoting. The company pairs consumers with its clients' products, information, and digital tools to activate widespread opinion-sharing throughout its own social media site, called BzzScapes, and within each member's personal social circles. BzzAgent believes this unique combination of people and platform accelerates measurable word of mouth and fosters sustained brand advocacy. As one senior executive at the firm notes: "The bar is pretty low to be a fan and pretty high to be an advocate." The company claims the buzz is honest because being in the network requires just enough work that few people enroll solely for freebies, and members don't talk up products they don't like. Members are also supposed to disclose they're connected to BzzAgent. After being acquired by Dunhumby, BzzAgent launched its analytics dashboard Pulse, which combines social media information with actual sales data to trace the impact of word-of-mouth buzz. The company has completed hundreds of projects. For Hasbro, it helped launch the Nerf FireVision toys—which appear to glow in the dark when viewed with special glasses—by sampling the product among members of its panel who have younger children. For Green Mountain Coffee, it sent samples and information to 10,000 carefully chosen members to spread the word about the client's commitment to Fair Trade Coffee as one component of a bigger marketing program. More than 1.8 million messages were shared about Green Mountain's Fair Trade program, increasing customers' understanding of Fair Trade certification by 61 percent and sales of the coffee by 14 percent.

Viral marketing tries to create a splash in the marketplace to showcase a brand and its noteworthy features. Some believe viral marketing efforts are driven more by the rules of entertainment than by the rules of selling. Consider these examples: Quicksilver puts out surfing videos and surf-culture books for teens, Johnson & Johnson and Pampers both have popular Web sites with parenting advice; Walmart places videos with money-saving tips on YouTube; Grey Goose vodka has an entire entertainment division; Mountain Dew has a record label; and Hasbro is joining forces with Discovery to create a TV channel.⁵⁹

Ultimately, however, the success of any viral or word-of-mouth buzz campaign depends on the willingness of consumers to talk to other consumers.⁶⁰ Customer reviews can be especially influential.⁶¹ A recent Nielsen survey found that online customer reviews were the second-most trusted source of brand information (after recommendations from friends and family).⁶² Many review sites are now using a Facebook login that attaches a review posted by someone to their Facebook profile. By attaching their review to their Facebook page, users can find out what friends or noteworthy celebrities deem positive or negative about a brand.⁶³

As Chapter 5 noted, however, online reviews can be biased or just plain fake.⁶⁴ Research has shown that social influence can lead to disproportionately positive online ratings, and subsequent raters are more likely to be influenced by previous positive ratings than negative ones. Consumers posting reviews are susceptible to conformity pressures and adopting norms of others.⁶⁵ On the other hand, positive online reviews or ratings are often not as influential or valued as much as negative ones.⁶⁶

Companies can try to stimulate personal influence channels to work on their behalf. U.S. women's specialty retailer Chico's increased its revenue per visitor and average order value for its three brands after adding ratings, reviews, questions, and answers to the brands' sites.⁶⁷ "Marketing Memo: How to Start a Buzz Fire" describes some techniques to increase word of mouth.

A customer's value to a company depends in part on his or her ability and likelihood of making referrals and engaging in positive word of mouth.⁶⁹ As useful as earning positive word of mouth from a consumer can be, though, getting consumers to directly engage with the company and provide it with feedback and suggestions can

marketing memo

How to Start a Buzz Fire

In analyzing the online success of different songs, media researcher Duncan Watts found their popularity was "incredibly unpredictable." The key to setting a song on the path to popularity was to achieve some early downloads—a phenomenon Watts dubs "cumulative advantage." Although many word-of-mouth effects are beyond marketers' control—as Watts' work suggests—certain steps can improve the likelihood of starting positive buzz:

- *Identify influential individuals and companies and devote extra effort to them.* In technology, influencers might be large corporate customers, industry analysts and journalists, selected policy makers, and early adopters. Companies can trace online activity to identify more influential users who may function as opinion leaders.
- *Supply key people with product samples.* Chevrolet selected about 900 people with a Klout online influence score of more than 50 (of a possible 100) and gave them a free three-day rental of the Chevy Volt, resulting in 46,000 tweets and more than 20.7 million largely positive blog posts about the electric car.
- *Work through community influentials.* Ford's prelaunch "Fiesta Movement" campaign invited 100 handpicked young Millennials to live with the Fiesta car for six months. Drivers were chosen based on their online experience with blogging and size and quality of their online social network as well as a video they submitted about their desire for adventure. After the six months of trial usage, the campaign had drawn 4.3 million YouTube views, more than 500,000 Flickr views, more than 3 million Twitter impressions (the number of times a tweet is read), and 50,000 potential customers, 97 percent of whom were not already Ford owners.⁶⁸
- *Develop word-of-mouth referral channels to build business.* Professionals will often encourage clients to recommend their services. Weight Watchers found that word-of-mouth referrals from someone in the program had a huge impact on business.
- *Provide compelling information that customers want to pass along.* Companies shouldn't communicate with customers in terms better suited for a press release. Make it easy and desirable for a customer to borrow elements from an e-mail message or blog. Information should be original and useful. Originality increases the amount of word of mouth, but usefulness determines whether it will be positive or negative.



Source: Bloomberg via Getty Images

To fuel buzz for its Chevy Volt electric car, Chevrolet gave 900 influential consumers a free three-day rental.

Sources: Beth Saulnier, "It's Complicated," *Cornell Alumni Magazine*, September/October 2013, pp. 45-49; Olga Kharif, "Finding a Haystack's Most Influential Needles," *Bloomberg Businessweek*, October 22, 2012; Michael Trusov, Anand V. Bodapati, and Randolph E. Bucklin, "Determining Influential Users in Internet Social Networks," *Journal of Marketing Research* 47 (August 2010), pp. 643–58; Matthew Dolan, "Ford Takes Online Gamble with New Fiesta," *Wall Street Journal*, April 8, 2009; Sarit Moldovan, Jacob Goldenberg, and Amitava Chattopadhyay, "What Drives Word of Mouth? The Roles of Product Originality and Usefulness," *MSI Report No. 06-111* (Cambridge, MA: Marketing Science Institute, 2006); Karen J. Bannan, "Online Chat Is a Grapevine That Yields Precious Fruit," *New York Times*, December 25, 2006.

marketing insight

Tracking Online Buzz

Marketers have to decide *what* they are going to track online as well as *how* they are going to track it.

What to track. DuPont employs measures of online word of mouth such as scale (how far the campaign reached), speed (how fast it spread), share of voice in that space, share of voice in that speed, whether it achieved positive lift in sentiment, whether the message was understood, whether it was relevant, whether it had sustainability (and was not a one-shot deal), and how far it moved from its source.

Other researchers focus more on characterizing the source of word of mouth. For example, one group seeks to evaluate blogs according to three dimensions: relevance, sentiment, and authority. Academic researchers Hoffman and Fodor advocate measuring the various types of investments customers make in engaging with brands in terms of their activity with blogs, microblogging (e.g., Twitter), cocreation (e.g., NIKEiD), forums and discussion boards, product reviews, social networks, and video and photo sharing.

How to track it. More firms are setting up technologically advanced central locations to direct their online tracking efforts. To monitor the Gatorade brand on social networks around the clock, Gatorade created a "Mission Control Center"—set up like a broadcast television control room—in the middle of the marketing department in its Chicago headquarters. Mission Control is staffed 24/7 by a cross-function of Gatorade digital, media, and social agencies, with six big monitors providing data visualizations and dashboards.

The Gatorade team reviews blog conversations and tracks sentiment and feedback. The team also has to decide when it is appropriate

to intervene in an online conversation and when it is not. Any post that includes a query directly about the brand or that reflects a misunderstanding is usually an opportunity for the team to weigh in, but as one team member notes, "If they want to talk about working out, we let them have that conversation."

Gatorade is just one of many firms that recognize the importance of keeping a finger on the digital pulse of the brand. Consider these efforts.

- Nestlé's Digital Acceleration Team is a 24/7 monitoring center that tracks real-time sentiment about its 2,000 brands.
- Dell's social media ground control and command center in Round Rock, Texas, has 70 employees and processes 25,000 daily social media events in 11 different languages, responding to most queries and complaints within 24 hours.
- Wells Fargo's social media command center tracks 2,000 to 4,000 mentions a day. The team monitors and posts to social media channels such as Facebook, Twitter, LinkedIn, Pinterest, and YouTube. When a rumor started that the bank was going to institute a new \$5 fee on domestic direct deposits, the command center was able to quickly squash it.

Sources: Wendy W. Moe and David A. Schweidel, *Social Media Intelligence* (New York: Cambridge University Press, 2014); Cotton Dello, "Wells Fargo Command Center to Handle Surge of Social Content," *Advertising Age*, April 8, 2014; Ryan Holmes, "NASA-Style Mission Control Centers for Social Media Are Taking Off," www.tech.fortune.com, October 25, 2012; Lionel Menchaca, "Dell's Next Step: The Social Media Listening Command Center," www.en.community.dell.com/dell-blogs, December 8, 2010; Donna L. Hoffman and Marek Fodor, "Can You Measure the ROI of Your Social Media Marketing," *MIT Sloan Management Review*, Fall 2010, pp. 41–49; "Valerie Bauerlin, "Gatorade's 'Mission': Sell More Drinks," *Wall Street Journal*, September 13, 2010; Adam Ostrow, "Inside Gatorade's Social Media Command Center," www.mashable.com, June 15, 2010; Rick Lawrence, Prem Melville, Claudia Perlich, Vikas Sindhwani, Steve Meliksetian, Pei-Yun Hsueh, and Yan Liu, "Social Media Analytics," *OR/MS Today*, February 2010, pp. 26–30; "Is There a Reliable Way to Measure Word-of-Mouth Marketing?" *Marketing NPV* 3 (2006), www.marketingnpv.com, pp. 3–9.



Gatorade's HQ-based Mission Control Center tracks brand buzz 24/7.

lead to even greater loyalty and sales.⁷⁰ Huba and McConnell describe the following rungs on the customer loyalty ladder (in ascending order):⁷¹

1. **Satisfaction**—Sticks with your organization as long as expectations are met.
2. **Repeat purchase**—Returns to your company to buy again.
3. **Word of mouth/buzz**—Puts his or her reputation on the line to tell others about you.
4. **Evangelism**—Convinces others to purchase/join.
5. **Ownership**—Feels responsible for the continued success of your organization.

MEASURING THE EFFECTS OF WORD OF MOUTH

Many marketers concentrate on the online effects of word of mouth, given the ease of tracking them through advertising, PR, and digital agencies. Through demographic information or proxies for that information and cookies, firms can monitor when customers blog, comment, post, share, link, upload, friend, stream, write on a wall, or update a profile. With these tracking tools it is possible, for example, for movie advertisers to target “1 million American women between the ages of 14 and 24 who had uploaded, blogged, rated, shared, or commented on entertainment in the previous 24 hours.”⁷² “Marketing Insight: Tracking Online Buzz” describes some company efforts there.

Mobile Marketing

Given the presence of smart phones and tablets everywhere and marketers’ ability to personalize messages based on demographics and other consumer behavior characteristics, the appeal of mobile marketing as a communication tool is obvious.

THE SCOPE OF MOBILE MARKETING

Wharton’s David Bell notes four distinctive characteristics of a mobile device: (1) It is uniquely tied to one user; (2) it is virtually always “on” given it is typically carried everywhere; (3) it allows for immediate consumption because it is in effect a channel of distribution with a payment system; and (4) it is highly interactive given it allows for geotracking and picture and video taking.⁷³

Six of every 10 U.S. consumers owned a smart phone in 2014, creating a major opportunity for advertisers to reach consumers on the “third screen” (TV and the computer are the first and second).⁷⁴ Perhaps not surprisingly, U.S. consumers spend a considerable amount of time on mobile—more than on radio, magazines, and newspapers combined (an average of two hours and 51 minutes versus one hour and 46 minutes).⁷⁵

Mobile ad spending was almost \$18 billion worldwide in 2013. With the increased capabilities of smart phones, however, mobile ads can be more than just a display medium using static “mini-billboards.” Much recent interest has been generated in **mobile apps**—bite-sized software programs that can be downloaded to smart phones. Apps can perform useful functions—adding convenience, social value, incentives, and entertainment and making consumers’ lives a little or a lot better.⁷⁶

In a short period of time, thousands of apps have been introduced by companies large and small. Many companies are adding apps to their marketing toolkit. VW chose to launch its GTI in the United States with an iPhone app, which was downloaded 2 million times in three weeks. In Europe, it launched the VW Tiguan with a mobile app as well as text messages and an interstitial Web site.⁷⁷ A mobile app became an important part of a Bank of America campaign for one of its Merrill Lynch products.⁷⁸

MERRILL EDGE’S “FACE RETIREMENT” APP One challenge for many financial services firms is to motivate younger customers to think about their financial needs, especially in terms of retirement. A recent academic study found that aged-progressed renderings of themselves helped younger people better imagine their future selves and adopt a longer-term financial planning perspective. Based in part on this research, Bank of America developed the “Face Retirement” program for its Merrill Edge low-cost financial planning platform. Initially using the brand’s Web site and later an app, the Face Retirement tool allowed users to snap pictures of themselves and, with the use of 3D “virtual makeover” imaging technology, see what they might look like when they were 47, 57, or even 107! Accompanying the photos was information about the expected prices of different items in those future years (bread, a gallon of gas, utilities) to provide additional context and motivation. Also present was a link to more information about investing for retirement. Almost 1 million individuals used the app, with 60 percent seeking more information. Many found the photos so intriguing they posted them on Facebook or shared them on Twitter.



Source: Bank of America Corporation

To motivate younger consumers to consider investing in retirement, Merrill Edge's "Face Retirement" program created a virtual makeover of consumers to show how they might look at progressively older ages.

Smart phones are also conducive to boosting loyalty programs in which customers can track their visits to and purchases from a merchant and receive rewards. By tracking the whereabouts of receptive customers who opt in to receive communications, retailers can send them location-specific promotions when they are near shops or outlets.⁷⁹ Sonic Corp. used GPS data and proximity to cell towers in Atlanta to identify when those customers who had signed up for company communications were near one of roughly 50 Sonic restaurants in the area. When that was the case, the company sent customers a text message with a discount offer or an ad to entice them to visit the restaurant.⁸⁰

Because traditional coupon redemption rates have been declining for years, the ability of mobile to make more relevant and timely offers to consumers at or near the point of purchase has piqued the interest of many marketers. These new coupons can take all forms, and digital in-store signs can dispense them to smart phones.⁸¹

Although the cookies that allow firms to track online activity don't typically work in wireless applications, technological advances are making it easier to track users across their smart phones and tablets too. With user privacy safeguards in place, marketers' greater knowledge of cross-screen identities (online and mobile) can permit more relevant, targeted ads.⁸²

New measurement techniques are also aiding the adoption of mobile marketing. Nielsen has added consumers' viewing of television programming on mobile devices to its Live+3 TV ratings system, which combines average live commercial ratings with three days of time-shifted viewing.⁸³

DEVELOPING EFFECTIVE MOBILE MARKETING PROGRAMS

Even with newer-generation smart phones, the Web experience can be very different for users given smaller screen sizes, longer download times, and the lack of some software capabilities. Marketers are wise to design simple, clear, and clean sites, paying even greater attention than usual to user experience and navigation.⁸⁴

Experts point out that being concise is critical with mobile messaging, offering the following advice:⁸⁵

- Mobile ad copy should occupy only 50 percent of the screen, avoiding complex viewing experiences that may take a toll on consumers' battery and data availability as well as on their time.
- Brands should limit their ads to a pair of phrases—the offer and the tagline.
- Brands should place their logo in the corner of the mobile ad frame.
- Ads should use at least one bright color, but no more than two. Calls to action should be highlighted with a bright color.

MOBILE MARKETING ACROSS MARKETS

Although a growing population segment uses smart phones and tablets for everything from entertainment to banking, different people have different attitudes toward and experiences with mobile technology. U.S. marketers can learn much about mobile marketing by looking overseas.

Marketers like Coca-Cola are learning much about mobile marketing in China and other Asian countries given the high smart phone penetration and usage there.



Source: Weng lei-imaginechina

In developed Asian markets such as Hong Kong, Japan, Singapore, and South Korea, mobile marketing is fast becoming a central component of customer experiences.⁸⁶ In developing markets, high smart-phone penetration also makes mobile marketing attractive. A pioneer in China, Coca-Cola created a national campaign asking Beijing residents to send text messages guessing the high temperature in the city every day for just over a month for a chance to win a one-year supply of Coke products. The campaign attracted more than 4 million messages over the course of 35 days.⁸⁷

As marketers learn more about effective mobile campaigns from all over the world, they are figuring out how to adapt these programs to work in their markets. There is no question that successful marketing in the coming years will involve a healthy dose of mobile marketing.

Summary

1. Online marketing provides marketers with opportunities for much greater interaction and individualization through well-designed and executed Web sites, search ads, display ads, and e-mails.
2. Social media come in many forms: online communities and forums, blogs, and social networks such as Facebook, Twitter, and YouTube.
3. Social media offer marketers the opportunity to have a public voice and presence online for their brands and reinforce other communications. Marketers can build or tap into online communities, inviting participation from consumers and creating a long-term marketing asset in the process. Social media are rarely the sole source of marketing communications for a brand.
4. Word-of-mouth marketing finds ways to engage customers so they will choose to talk positively with others about products, services, and brands. Viral marketing encourages people to exchange online information related to a product or service.
5. Mobile marketing is an increasingly important form of interactive marketing by which marketers can use text messages, software apps, and ads to connect with consumers via their smart phones and tablets.

MyMarketingLab

Go to mymktlab.com to complete the problems marked with this icon  as well as for additional Assisted-graded writing questions.

Applications

Marketing Debate

What Is the Value of Buzz?

One of the classic debates in the popular press is whether all buzz or word of mouth—positive *and* negative—is good for a brand. Some feel that “any press is good press” and that as long as people are talking, that is a good thing. Others challenge that notion and say the content of the dialogue is what really matters.

Take a position: “All news is good news” and any buzz is helpful for a brand *versus* The content of buzz can make or break a brand.

Marketing Discussion

Corporate Web Sites

 Pick one of your favorite brands and go to its Web site. How would you evaluate the Web site? How well does it score on the 7Cs of design elements: context, content, community, customization, communication, connection, and commerce?

Marketing Excellence

>> Facebook

Facebook was founded in 2004 by Mark Zuckerberg, a Harvard University student at the time. Zuckerberg recalls, “I just thought that being able to have access to different people’s profiles would be interesting. Obviously, there’s no way you can get access to that stuff unless people are throwing up profiles, so I wanted to make an application that would allow people to do that, to share as much information as they wanted while having control over what they put up.”

Within 24 hours of its launch, nearly 1,500 Harvard students had registered on the site. A month later, half the campus had joined. Initially, only Harvard students could view and use the site, which had relatively simple profile and navigation tools at first. The early momentum was tremendous, though, and Facebook soon expanded to include students throughout the Ivy League and then other colleges. The initial decision to keep the site exclusive to college students was critical to its early success. It gave Facebook a sense of privacy, unity, and exclusivity that social media competitors like MySpace did not offer. In 2006, the site opened its doors to everyone.

Today, Facebook is the most popular social networking Web site in the world, with more than 1.3 billion active

users. It allows users to create customized personal profiles with information such as their hometown, work experience, educational background, and relationship status as well as an unlimited number of photos and albums. To interact with each other, users send messages, “poke” each other, and “tag” or label people in their photos. They can post comments on friends’ “walls,” join groups, upload and view albums, plan group events, and create status updates viewable by everyone. In summary, Facebook is on its way to fulfilling its mission: *Give people the power to share and make the world more open and connected*.

Facebook is not only an important part of many people’s lives but also a critical marketing component for just about any brand and company. Its pages provide a way to personally interact and communicate with consumers no matter the size of the company. In fact, Facebook is a great way for smaller companies to build strong, long-lasting one-to-one relationships with their initial consumer base and listen to consumer feedback. Even politicians use the site to push their campaigns and communicate with supporters on a local, personal level.

Facebook provides companies a place to expand their personalities in an inviting and nonthreatening environment where they can show a softer side than they might in traditional marketing media. Marketers can launch videos and trailers, unveil promotions, run contests, upload images, and post news. Some companies

tie into charitable causes through Facebook. Pacific Bioscience Laboratories, maker of Clarisonic face brushes, pledged to donate \$1 to charity each time a Facebook user clicked the “Like” button on its page and raised \$30,000 for women suffering from cancer. Burt’s Bee’s uses Facebook to introduce new products to its loyal consumer base first and hear their immediate feedback. Old Spice has successfully used the site to take its humorous commercials viral. The brand has millions of fans and believes Facebook was one of the key factors in revitalizing a 70-plus-year-old product among young consumers.

Facebook also offers highly targeted advertising opportunities with personalized messages. Ads—the company’s major source of income—can target individuals by demographic or keywords based on the demographic and interest information they have placed in their profiles. Many ads include an interactive element such as polls or opportunities to comment or invite friends to an event. Facebook can include “social context” with the advertiser’s marketing message, which highlights a friend’s connection with that particular brand.

In one survey, college students named Facebook the second-most popular thing in their undergraduate world,

tied only with beer. The site offers a unique opportunity to engage consumers on a personal, meaningful level and even reach new ones through its targeted advertising options.

Questions

1. Why is Facebook unique in the world of personal marketing? What are Facebook’s greatest strengths?
2. Who are Facebook’s biggest competitors? What are the greatest risks it faces in the future?
3. What does a company gain by having a Facebook page or advertising through Facebook? What would you think if a brand or company were not on Facebook?

Sources: John Cassidy, “Me Media,” *New Yorker*, May 15, 2006; “Survey: College Kids Like iPods Better than Beer,” *Associated Press*, June 8, 2006; Peter Corbett, “Facebook Demographics and Statistics Report 2010,” I Strategy Labs, www.istrategylabs.com; Brian Womack, “Facebook Sees Fourfold Jump in Number of Advertisers since 2009,” *BusinessWeek*, June 2, 2010; Kermit Pattison, “How to Market Your Business with Facebook,” *New York Times*, November 11, 2009; Allen Adamson, “No Contest: Twitter and Facebook Both Play a Role in Branding,” *Forbes*, May 6, 2009; Eilene Zimmerman, “Small Retailers Open Up Storefronts on Facebook Pages,” *New York Times*, July 26, 2012; Andrew Adam Newman, “Online a Cereal Maker Takes an Inclusive Approach,” *New York Times*, July 24, 2013; “20 Best Company Facebook Pages,” *Inc.com*; www.facebook.com; Facebook 2012 Annual Report.

Marketing Excellence

>> Unilever (Axe and Dove)

Unilever—manufacturer of several home care, food, and personal care brands—uses personal marketing communications strategies to target specific age groups, demographics, and lifestyles. The company has developed some of the most successful brands in the world, including Axe, a male grooming brand, and Dove, a personal care brand aimed at women.

The Axe brand launched in 1983, was introduced in the United States in 2002, and is now the most popular male grooming brand in the world, sold in more than 70 different countries. It offers young male consumers a wide range of personal care products such as body sprays, body gel, deodorant, and shampoo in a variety of scents. It effectively broke through the clutter by finding the right target group and delivering personal marketing messages that touched home.

The biggest opportunity existed with males who might have felt a need for help in attracting the opposite sex and could easily be persuaded to buy products to help their appearance. Most Axe ads use humor and sex, often featuring skinny, average guys attracting beautiful

girls by the dozen, hundreds, or even thousands after dousing themselves with Axe. The result: The brand is aspirational and approachable, and the lighthearted tone appeals to young men.

Axe has won numerous advertising awards not only for its creativity but also for its effective use of unconventional media channels. From edgy online videos to video games, mating game tool kits, chat rooms, and mobile apps, the Axe brand engages young adult males at relevant times, locations, and environments. In Colombia, for example, a female Axe Patrol scopes out the bar and club scene and sprays men with Axe body sprays. Unilever Marketing Director Kevin George explained, “This is all about going beyond the 30-second TV commercial to create a deeper bond with our guy.”

Axe knows where to reach its consumers. It advertises only on male-dominated networks such as MTV, ESPN, Spike, and Comedy Central. It partners with the NBA and NCAA, which draw young male audiences, and runs ads during big sporting events. After Axe’s Super Bowl commercial ran in February 2014, it was viewed on YouTube.com more than 100 million times. Print ads appear in *Playboy*, *Rolling Stone*, *GQ*, and *Maxim*. Axe’s online efforts via Facebook and Twitter help drive consumers back to its Web site, TheAxeEffect.com.

Unilever understands that it must keep the brand fresh, relevant, and cool in order to stay current with its fickle young audience. As a result, the company launches a new fragrance every year and refreshes its online and advertising communications constantly, realizing that new young males enter and exit the target market each year. Axe's success in personal marketing has lifted the brand to become the leader in what many had thought was the mature deodorant category.

On the other side of the personal marketing spectrum, Unilever's Dove brand speaks to women with a different tone and message. In 2003, Dove shifted away from its historical advertising, which touted the brand's benefit of one-quarter moisturizing cream, and launched the "Real Beauty" campaign. "Real Beauty" celebrated "real" women and spoke personally to the target market about the notion that beauty comes in all shapes, sizes, ages, and colors. The campaign arose from research revealing that only 4 percent of women worldwide think they are beautiful.

The first phase of the "Real Beauty" campaign featured nontraditional female models and asked viewers to judge their looks online and decide whether they were "Wrinkled or Wonderful" or "Oversized or Outstanding." The personal questions shocked many but created such a large PR buzz that Dove continued the campaign. The second phase featured candid and confident images of curvy, full-bodied women. Again, the brand smashed stereotypes about what should appear in advertising and touched many women worldwide. The third phase, "Pro-Age," featured older, nude women and asked questions like, "Does beauty have an age limit?" Immediately, the company heard positive feedback from its older consumers. Dove also started a Self-Esteem Fund, aimed at helping women feel better about their looks.

In addition, Dove released a series of short Dove Films, one of which, *Evolution*, won both a Cyber and a film Grand Prix at the International Advertising Festival in Cannes in 2007. The film shows a rapid-motion view of an ordinary-looking woman transformed by makeup artists, hairdressers, lighting, and digital retouching to end up looking like a billboard supermodel. The end tagline is: "No wonder our perception of beauty is distorted." The film became an instant viral hit.

Dove followed up with *Onslaught*, a short film that showed a fresh-faced young girl being bombarded with images of sexy, half-dressed women and promises of products to make her look "smaller," "softer," "firmer," and "better." Dove's 2013 film called *Sketches* featured a police sketch artist who drew two pictures of the same woman. For one, the woman described herself to the sketch artist from behind a curtain, and for the other, a total stranger

described her. The difference in language and descriptions revealed how women are often their harshest beauty critics. The ad ended with the tagline "You are more beautiful than you think." The *Sketches* film has become the most watched video advertisement of all time and had more than 175 million views in its first year alone.

Dove's latest effort to change the attitudes of women and promote positive self-esteem was called the Ad Makeover. The campaign appeared only on Facebook and gave women the power to replace negative ads (such as for plastic surgery or weight-loss products) on their friends' Facebook pages with positive messages from Dove like "Hello Beautiful" and "The Perfect Bum Is the One You Are Sitting On." Unilever in effect bought the ad space from Facebook for the positive ads to appear on the friend's site, effectively squeezing out the negative ads. During the first week the Ad Makeover app was launched, 171 million banners with negative messages were replaced.

Although the Axe and the Dove campaigns have both sparked much controversy and debate, they couldn't be more different. Yet both have effectively targeting their consumer base with personal marketing strategies and spot-on messages. In fact, in the 10 years that Dove has focused on changing women's attitudes and promoting positive self-esteem, sales have jumped from \$2.5 billion to \$4 billion. Axe is not only the most popular male grooming brand in the world, but also Unilever's best-selling brand.

Questions

1. What makes personal marketing work? Why are Dove and Axe so successful at it?
2. Can a company take personal marketing too far? Explain.
3. Is there a conflict of interests in the way Unilever markets to women and young men? Is it undoing all the good that might be done in the "Campaign for Real Beauty" by making women sex symbols in Axe ads? Discuss.

Sources: Jack Neff, "Dove's 'Real Beauty' Pics Could Be Big Phonies," *Advertising Age*, May 7, 2008; Catherine Holahan, "Raising the Bar on Viral Web Ads," *BusinessWeek*, July 23, 2006; Randall Rothenberg, "Dove Effort Gives Packaged-Goods Marketers Lessons for the Future," *Advertising Age*, March 5, 2007; Laura Petrecca, "Amusing or Offensive, Axe Ads Show That Sexism Sells," *USA Today*, April 18, 2007; Kim Bhasin, "How Axe Became the Top-Selling Deodorant by Targeting Nerdy Losers," *Business Insider*, October 10, 2011; <https://blogs.monash.edu/presto/2013/04/07/dove-flies-high-with-social-media-ii/>; Jonathan Salem Baskin, "The Opportunity for Dove to Get Real with Its Branding," *Forbes*, March 7, 2013; Danielle Kurtzleben, "Unilever Faces Criticism for Real Beauty Ad Campaign," *U.S. News*, April 18, 2013; Jack Neff, "Campaign Has Won Lots of Awards, Sold Heap of Product. But Has It Changed Perceptions?" *Ad Age*, January 22, 2014; Dove, www.campaignforrealbeauty.com; www.unilever.com; Unilever 2013 Annual Report.



In This Chapter, We Will Address the Following **Questions**

1. How can companies conduct direct marketing for competitive advantage? (p. 657)
2. What are the pros and cons of database marketing? (p. 662)
3. What decisions do companies face in designing a sales force? (p. 664)
4. What are the challenges of managing a sales force? (p. 669)
5. How can salespeople improve their selling, negotiating, and relationship marketing skills? (p. 673)

Breaking new ground with database marketing helped propel President Barack Obama to re-election in 2012.

Source: © epa european pressphoto agency b.v./Alamy

MyMarketingLab™

★ Improve Your Grade!

Over 10 million students improved their results using the Pearson MyLabs. Visit mymktlab.com for simulations, tutorials, and end-of-chapter problems.