



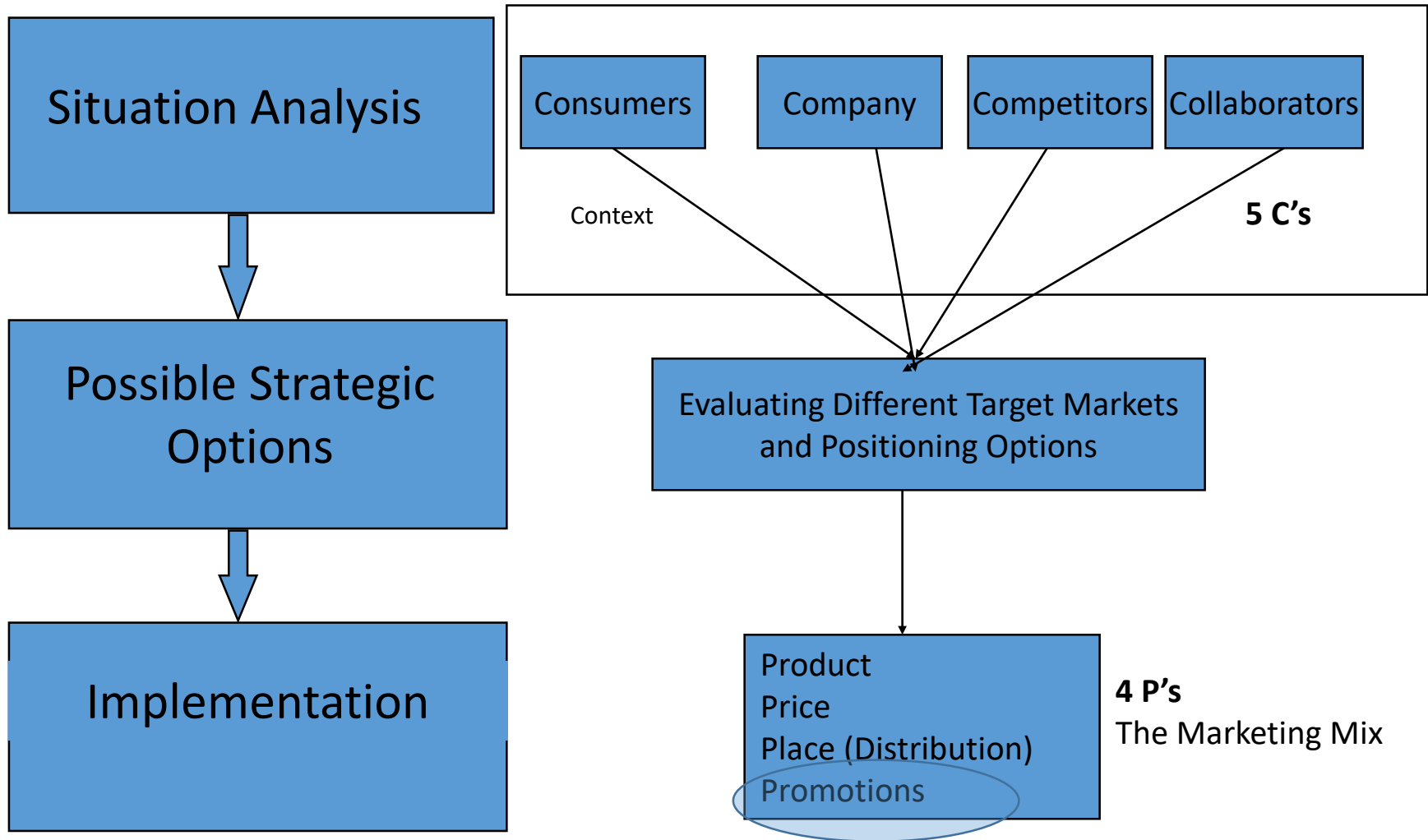
Designing a Communications Campaign

Professor Jagmohan S. Raju

Joseph J. Aresty Professor

The Wharton School

Go To Market Plan



Promotions Strategy

- **Communication**
 - Advertising
 - Product Placement
 - Public Relations
 - Personal and interpersonal means
 - Sales force
 - Word of Mouth (off-line, on-line)
- Point of Purchase/In-Store
- **Non-Communications**
 - Price discounts
 - Coupons

Classifying Advertising

- Digital vs Traditional
- Mass Media vs Targeted Media
- Broadcasting vs Narrowcasting
- Outbound vs Inbound (Search)
- **Demand Creation vs Demand Harvesting**
 - Video Ad on YouTube or Prime Video before a movie or a program begins and Video AD on TV before a Baseball game are not that different.
 - Audio Ad in a Podcast or a Radio Ad in Local News are not that different.
 - All these fall primarily under “Demand Creation”.
 - Search falls primarily under “Demand Harvesting”.
 - Today’s focus more on “Demand Creation”

Session Overview

- **Role of communications in marketing strategy**
 - How to get the best out of your advertising/communications agency
- **Creative aspects of communications**
 - Message Design
- **Media planning and budgeting**
 - Reach and Frequency
 - Budgeting
- **Measuring the effects**
- **Summary**

Developing a Communication Plan: An Example

In 2009, the US Navy Recruiting Command headquartered in Memphis contacted Professor Raju for help with improving communications strategy for the US Navy's recruitment efforts ...

Objective: Maintain a strong force; best in the world.

What decisions need to be made?



Decisions

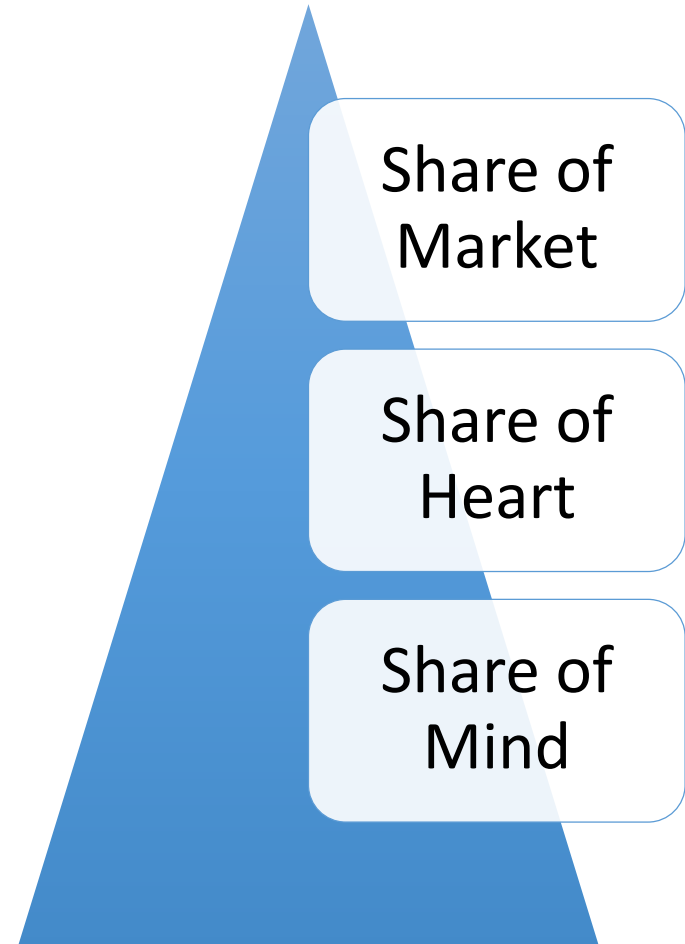
- Money
 - Sufficient dollars
- Markets
 - High school students
 - College students
 - Parents? Teachers?
 - Currently in service
 - (Un)employed
- Message Content
 - Join
 - Stay
- Message Design
 - Rational: Education, career
 - Emotional: Pride, patriotism
- Mission
 - Recruit
 - Retain
 - Diversity (incl. geography)
- Media
 - TV, Events, Outdoors
 - Recruiters
 - Community
- Measurement
 - Awareness “Inform”
 - Attitude Change “Inspire”
 - Behavior “Hire”
 - How to assess, what to measure

Developing a Communication Plan

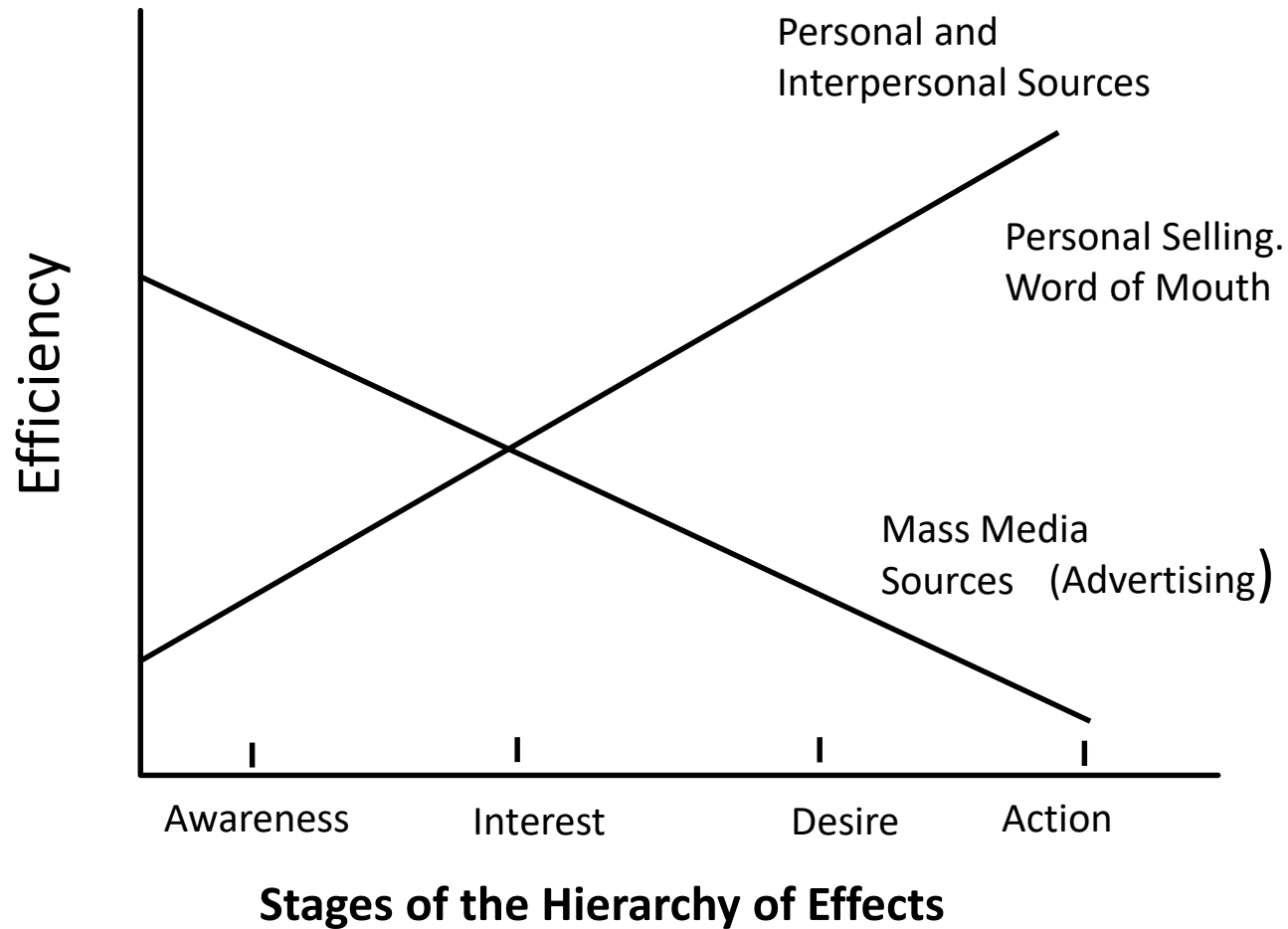
- **Markets** (Who should I talk to? Target Segment?)
 - **Message content** (What should I tell them? Key Benefit/Positioning)
 - **Mission** (What do we intend to achieve? Awareness, Knowledge, Interest, Trial)
 - **Message design** (How should I say it? Creative strategy)
 - **Media strategy** (How do I reach them?)
 - **Money** (How much do I need to spend?)
 - **Measurement** (Was it worth it?)
-
- The diagram uses two large curly braces on the right side of the slide to group the list items. The first brace groups 'Markets' and 'Message content' under the label 'Targeting & Positioning'. The second brace groups 'Mission', 'Message design', 'Media strategy', 'Money', and 'Measurement' under the label 'Communications Decisions'.
- Targeting & Positioning
- Communications Decisions

1. Mission

What Are We Trying to Influence?



The Relative Importance of Information Sources



2. Message Design

Message Design

- **Rational Appeals Examples**

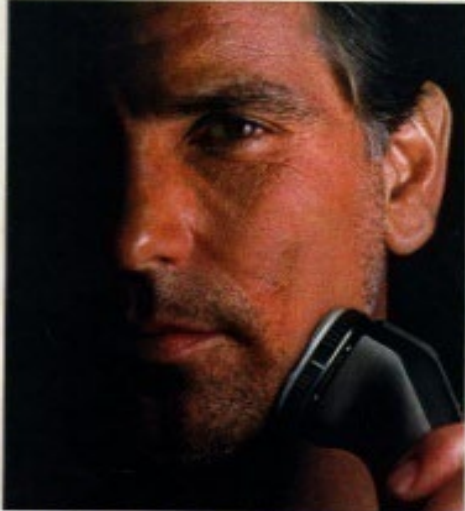
- Product demonstration
- Use of a spokesperson
- Testimonials
- Product comparison

- **Emotional Appeals Examples**


- Use of negative emotions
 - Fear
- Use of positive emotions
 - Affection
 - Humor
- Sexual/Subliminal Appeals

Product Demonstration

ONLY NORELCO SHAVES BELOW THE SKIN WHILE FLOATING OVER YOUR FACE.




Shaving with a Norelco® is extraordinary. The moment you start, the razor heads begin to float. They adjust on the outside to every contour of your face, while inside another technological feat is taking place.



Floating heads move up and down to hug the contours of your face.


Here, Norelco's patented "Lift and Cut" system is engineered with a precision lifter in front of the blade that notches into the hair and lifts it up. Then, after the blade cuts it, the hair shaft can actually drop *below* skin level.



Hair enters the chamber. Lifter raises the hair. Blade cuts hair which drops below skin level.

The result is an incredibly close shave. But you're also rewarded with exceptional comfort since the blades don't even touch your face.

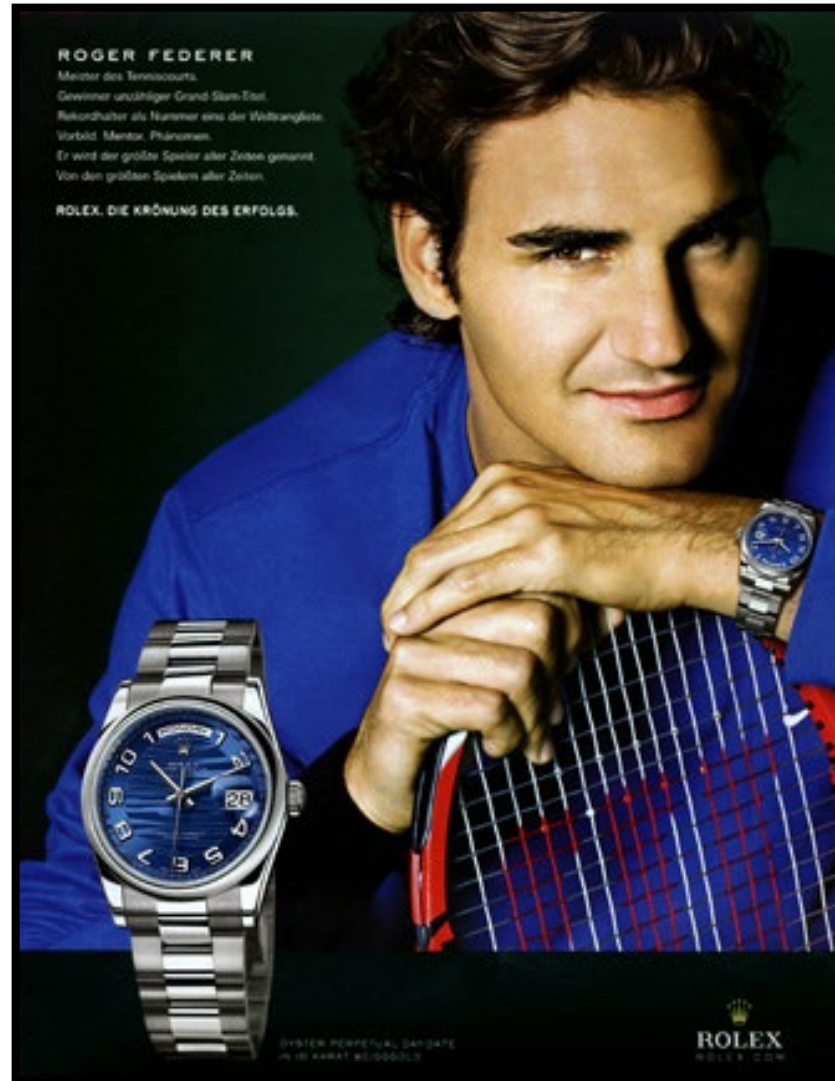
Experience the Norelco. Inside and out, it lives up to everything you want in a razor.



Norelco®
We make close comfortable.

© 1991 Norelco Consumer Products Company, A Division of North American Philips Corporation, Stamford, CT 06904

Use of a Spokesperson







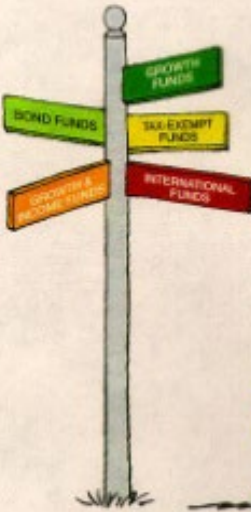
Spokesperson

PRODUCTS OF United Mutual Securities, Inc.

CONFUSED ABOUT FINDING THE RIGHT MUTUAL FUNDS? FOR STARTERS, TAKE THIS METLIFE QUIZ.

With nearly 10,000 mutual funds to choose from, how do you look for the one that meets your needs and resources best? Answering these questions will help you identify what you have to consider when choosing mutual funds, and in deciding what to discuss with your MetLife financial professional.

	YES	NO
1. Do you know how to diversify your investments to take advantage of the ups and downs in the market?	_____	_____
2. Do you have the time, experience and resources to manage your investments?	_____	_____
3. Do you know how to get the most return on your investments for the least amount of risk?	_____	_____
4. Will your investments provide you with enough money to meet all your goals?	_____	_____



If you answered "No" to any of these questions, talk to a MetLife financial professional. We'll meet with you to help work out a plan that gives you the control and results you want for your financial future. Call us at 1-800-MetLife for our free brochure, *Investing in Mutual Funds*. Or visit our website at www.metlife.com.

1-800-MetLife
GET MET. IT PAYS.™

www.metlife.com

© 1999 MetLife Insurance Co., NY, NY 06020/SP-1500-US Mutual Funds offered by MetLife Securities, Inc., One Madison Ave., NY, NY 10017

Testimonial



I'M FAIRLY NEW TO ETSY.COM
BUT EVER SINCE OPENING MY
SHOP I'VE FELT RIGHT AT HOME.
I CAN TALK TO OTHER WOODWORKERS
FROM AROUND THE WORLD ABOUT
MY FURNITURE AND GET ADVICE
AS I DEVELOP AND EXPAND MY
BUSINESS. JOHN DODD




FROM OUR HANDS TO YOURS

Etsy

Product Comparison


Go figure.



\$3
ANYWHERE

What's Your Priority?™

Now that FedEx® and UPS® have moved to zone-based pricing, Priority Mail™ makes more sense than ever.

1-800-THE-USA-PS ext. 2003 <http://www.usps.gov>  UNITED STATES POSTAL SERVICE®

Priority Mail average delivery of 2nd day. Price comparisons based on Priority Mail go to 4 lbs. vs. 3 lb. guaranteed rates for FedEx® and UPS®. Rates for FedEx® and UPS® are \$7.25 to \$10.25 and \$7.25 to \$10.50. New York City from \$7.25 to \$10.25 and \$7.25 to \$10.50. New York City from \$7.25 to \$10.25 and \$7.25 to \$10.50. New York City from \$7.25 to \$10.25 and \$7.25 to \$10.50.

Do “more people prefer Burger King to McDonalds”?

- **Burger King survey**
- How do you prefer your hamburgers?
 - Fried 25%
 - Flame-broiled 75%
- Another survey
- How do you prefer your hamburgers?
 - Cooked on a hot stainless steel grill 53%
 - Cooked by passing raw meat through an open flame 47%

Comparative Advertising

- Merit versus Triumph: “An amazing 60% said that 3mg Triumph tastes as good or better than 8mg Merit”
- Triumph is ...

• Much better tasting	14%
• Somewhat better tasting	22%
• About the same	24%
• Somewhat worse tasting	29%
• Much worse tasting	11%
- The claim is literally true: $14 + 22 + 24 = 60\%$

Comparative Advertising

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- Triumph is ...
 - Much better tasting 14%
 - Somewhat better tasting 22%
 - About the same 24%
 - Somewhat worse tasting 29%
 - Much worse tasting 11%
- The claim is literally true: $14 + 22 + 24 = 60\%$
- But also the other way: $24 + 29 + 11 = 64\%$

A Theory of Combative Advertising

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In mature markets with competing firms, a common role for advertising is to shift consumer preferences towards the advertiser in a tug-of-war, with no effect on category demand. In this paper, we analyze the effect of such “combative” advertising on market power. We show that, depending on the nature of consumer response, combative advertising can reduce price competition to benefit competing firms. However, it can also lead to a procompetitive outcome where individual firms advertise to increase their own profitability, but collectively become worse off. This is because combative advertising can intensify price competition such that an “advertising war” leads to a “price war.” Similar to price competition, advertising competition can result in a prisoner’s dilemma where all competing firms make less profit even when the effect of each firm’s advertising is to enhance consumer preferences in its favor. Given such procompetitive effects, we further show that cost of combative advertising could be a blessing in disguise—higher unit cost of advertising resulting in lower equilibrium levels of advertising, leading to higher prices and profits. We conduct a laboratory experiment to investigate how combative advertising by competing brands influences consumer preferences. Our experimental analysis offers strong support for our conclusions.

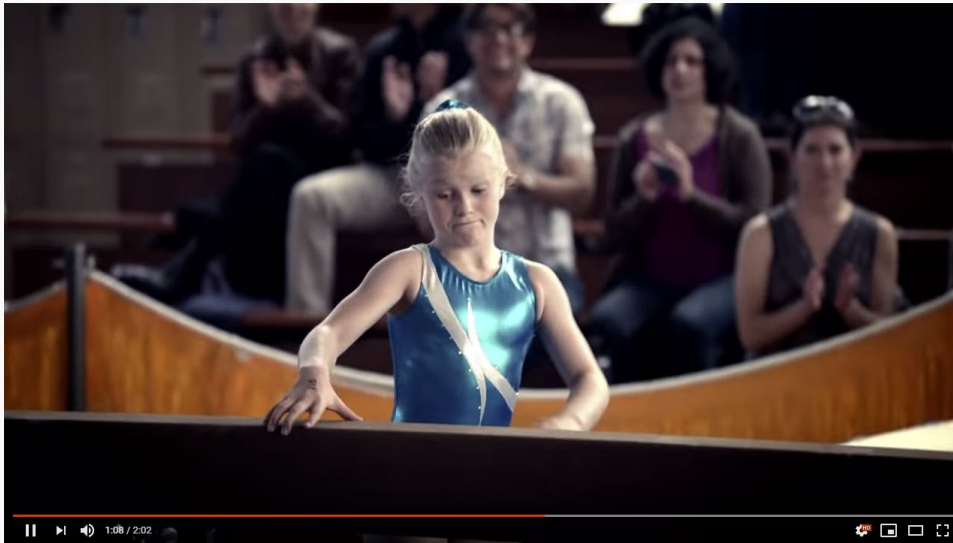
Key words: advertising; persuasion; game theory; competitive strategy; prisoner’s dilemma; preference shifts

History: Received: November 14, 2006; accepted: December 5, 2007; processed by James Hess. Published online in *Articles in Advance* July 3, 2008.

Use of Emotions

Positive Emotions

https://www.youtube.com/watch?time_continue=16&v=0ruHOaHrGnQ



P&G - Thank You Mama - Rest .lnh 2012 HD 2M





A Note on the Relationship between Firm Diversification and Corporate Advertising Expenditures

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Abstract

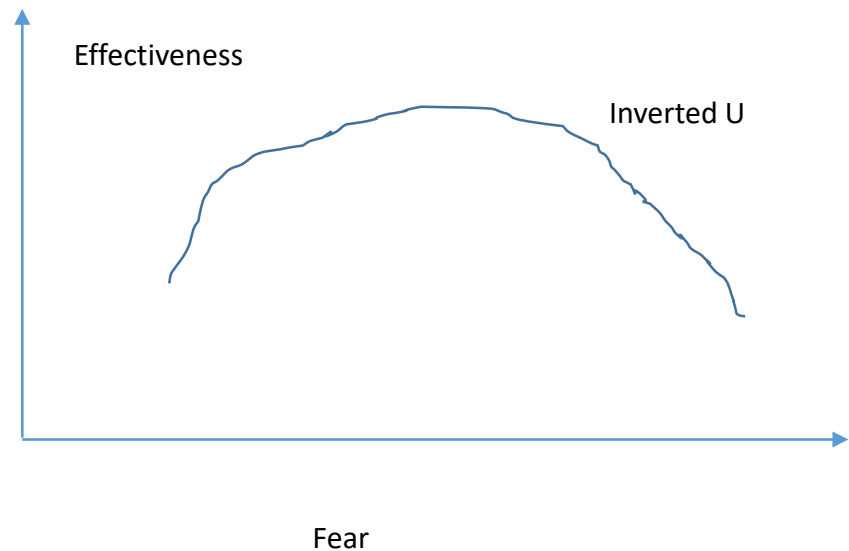
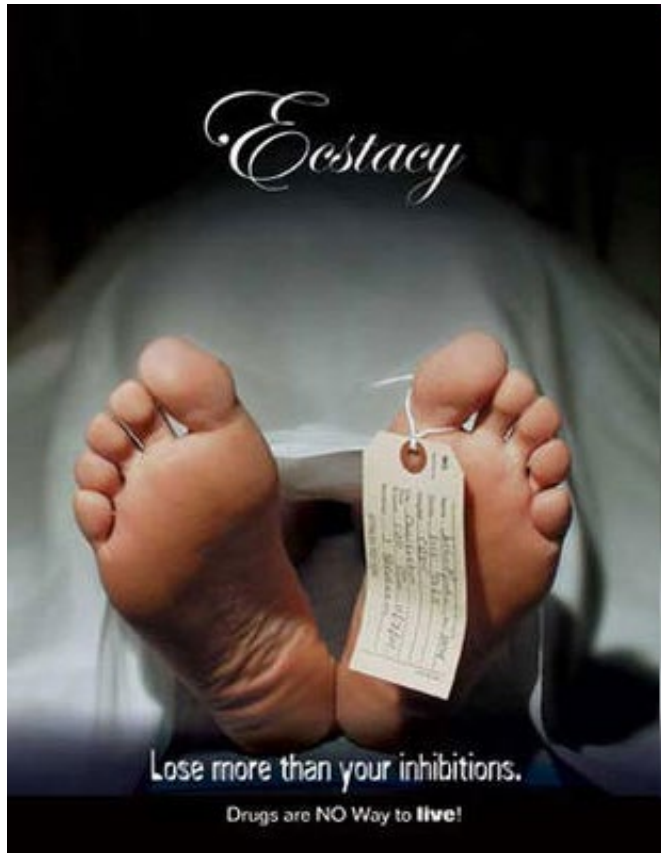
Using data on 200 major U.S. advertisers, our empirical analysis examines the relationship between the degree of firm diversification and corporate advertising expenditures, while controlling for competing explanations. Data on corporate advertising expenditures are obtained from Leading National Advertisers (1989). Compustat line of business data and Hoover's Handbook are used to construct measures of firm diversification, and other firm/industry characteristics included as covariates in our empirical analysis to account for possible alternative explanations. Our results suggest that less diversified firms spend more on corporate advertising.

Key words: Corporate advertising, diversification, advertising

Introduction

U.S. corporations spend over a billion dollars on corporate advertising (Alvarez 1991). Industry-wide surveys project that for firms that use corporate advertising, nearly 27% of the company's advertising budget is spent on corporate advertising (Patti and McDonald

Use of Negative Emotions: Fear





(piperacillin/tazobactam)*

TAZOCIN

Pas de répit pour les bactéries !
Geen rust voor de bacteriën !

Wyeth*
www.wyeth.be

Sexual Appeals/Subliminal Advertising

Subliminal Advertising

Martina
Hingis' Choice



Speedmaster
Automatic chronograph.
OMEGA — Swiss made since 1848.

Ω OMEGA
The sign of excellence

 **daniele trissi** Ltd.
Master of the Family and World Time
14-16 Spencer Place, Scarsdale, New York 10583
914 723-4500 / 1 800 969-9228

The advertisement features a black and white photograph of tennis player Martina Hingis. She is wearing a dark vest over a white shirt with a 'CORBIL WTA' patch on the sleeve. In the foreground, a large Omega Speedmaster watch with a red dial and a red leather strap is prominently displayed. The watch has a date window at 12 o'clock and a small seconds sub-dial at 6 o'clock. The background is a plain, light color.

Subliminal Advertising



DRINK COKE

Subliminal Advertising



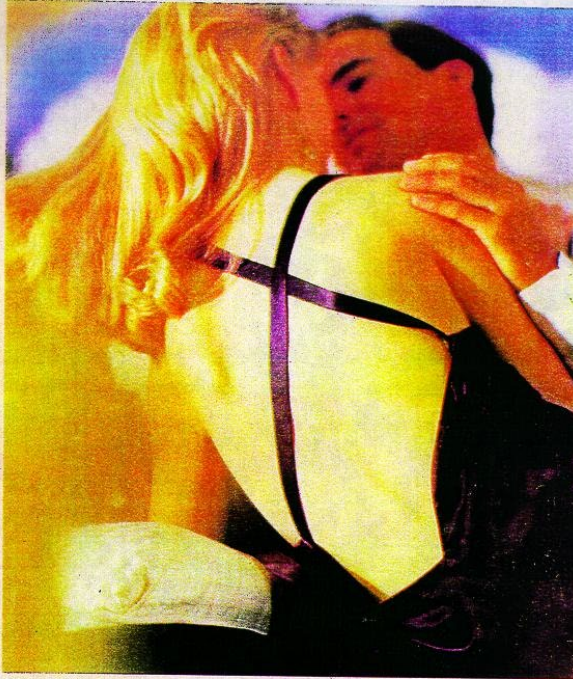
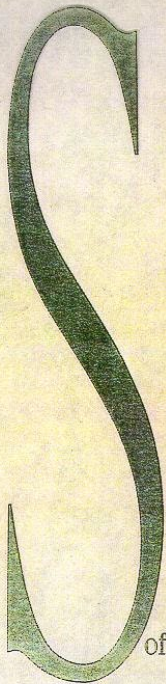
DRINK COKE

Subliminal Advertising



DRINK COKE


Subliminal Advertising



oft light. Soft colors. Soft kisses...

And the softest skin.

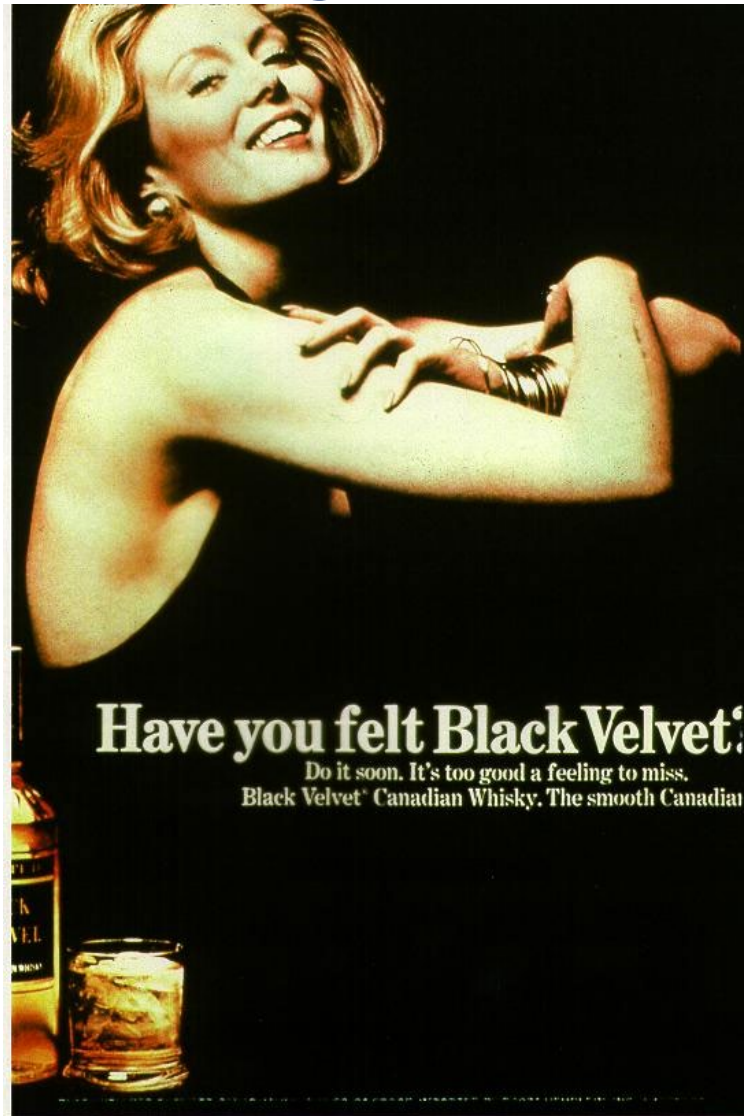
Caress. The body bar with bath oil.
It leaves skin softer than soap can.
Caress. For your softest moments.



SKIN FEELS BEST WHEN IT'S CARESSED.

© 1989 LEVER BROTHERS COMPANY

Subliminal Advertising



Subliminal Advertising

- No evidence that it works!
- Advertising agencies continue to use it.
- There are ethical issues ...
 - Many feel that, as a rule, they are entitled to know when they're being subjected to persuasion appeals

Media Planning

Media Types

- Paid
- Earned
- Owned

Media Planning Process

WHO?

Targeting

Target Market
tied back to
media
Consumption

WHAT?

Media Channels



WHERE?

Media Vehicles



WHEN?

Scheduling

- Time of year
- Time of month
- Time of day
- Continuity
- Flighting
- Pulsing

HOW MUCH?

Delivery

GRPs

Reach X Frequency

Money

Measuring Advertising Quantity

- **Reach** The percentage of population that has been exposed to the message at least once
- **Frequency** The average number of times that a reached individual has been exposed to the advertisement
- **Gross Rating Points (GRPs)** $\text{Reach} \times \text{Frequency}$
 - For example, an advertisement viewed by 20% of all US homes, an average of 3 times during a campaign, is said to have delivered 60 GRPs

Setting the Advertising Budget

- Percentage of sales !!
- Match (or better) competition !!!
- Objectives and Tasks methods
 - Parfitt-Collins Model

Parfitt-Collins Model

$$[\% \text{ Aware}] \times [\% \text{ Try}] \times [\% \text{ Repeat}] = \% \text{ Market Share}$$

- Say that a break-even market share required for Coors is 6%.
- Based on market research I conclude that 30% of those who are aware try the product.
- Furthermore, only 40% of those who try become repeat buyers.
- How much awareness do I need?
 - $[\% \text{ aware}] \times [\% \text{ try}] \times [\% \text{ repeat}] = \% \text{ market share}$
 - $[\text{Awareness}] \times [0.30 = \text{Trial Rate}] \times [0.40 = \text{Repeat Rate}] = 0.06$
 - $[A] \times .12 = 0.06$
 - $[A] = 0.50$
 - **50% must become aware!**
 - How do you get there?
 - Reach, Frequency, GRP

Measurement

***“I know that about half of my advertising works —
I just don’t know which half it is.”
(John Wannamaker, attributed)***

Measurement Methods

- Pre-launch test of creative strategy
- Starch Scores for print advertising
- Day after recall for TV advertising
- Physiological Response measures
 - Galvanic skin response
 - Eye-tracking
 - fMRI
- Cross-Market tests; increase GRP's in one market and measure response.
- Split-cable tests
- Google Analytics

Starch Examples

For More Information
1-800-WHY-MILK

STARCH™ AD-AS-A-WHOLE		
Noted %	Associated %	Read Most %
49	46	23

Beauty is not only skin deep. That's why I drink ice cold milk with my meals. It has calcium to help prevent osteoporosis. And when I'm not doing movies, albums or theater, I make time for my biggest fans: X-ray technicians.

got milk?

YANESSA WILLIAMS © 1998 NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD

Over the years, the Insurance Institute has crashed dozens of vehicles. Luxury cars. Minivans. Trucks. SUVs. else. Ever. Something to the

STARCH™ AD-AS-A-WHOLE		
Noted %	Associated %	Read Most %
49	46	23

Toyota Sienna tested better than anything shopping. Even if you don't have kids.

the Toyota Sienna did better in Insurance Institute crash tests than any other vehicle, ever, yes, you read that correctly.

TOYOTA everyday

Based on 40-mph frontal offset crash tests done by the Insurance Institute for Highway Safety. 1-800-GO-TOYOTA (www.toyota.com)
© 1998 Toyota Motor Sales, U.S.A., Inc. Buckle Up! Do it for those who love you.

Recognition and Recall:

Starch scores for magazines

- More than 75,000 ads annually
- Interviews with more than 100,000 consumers and 140+ publications
- **Noted:** % of people interviewed who remember having seen the ad in the issue of the magazine being studied
- **Associated:** % of people interviewed who not only noted the ad but saw or read some part of it that clearly indicated name of the advertiser
- **Read Some:** % who read some part of the ad's copy
- **Read Most:** % who read half or more of the copy

Measures of Physiological Response

- Galvanic Skin Response
 - Indicator of amount of warmth generated by an ad
 - Predictor of ability to motivate consumer purchase behavior
 - Also called the Motivational Response Method (MRM)
- Eye tracking
- fMRI

Finally....

- Keep it Simple
- Winning awards on Madison Avenue is very often not correlated with the marketplace outcomes.

An Example

One more time

- Show the product
- Mention the brand name
- State the positives
- Show the product in use
- Avoid unpleasant connections with your product
- Tell people where and how they can buy it

It may not win awards But it will do the job.

Takeaways

- Align your communication strategy with your positioning and all elements of the marketing mix.
- A great communications campaign is a key element of your marketing plan but it is not all of it.
 - It may, once in a while, help you sell what you can make;
 - But it can do wonders if you make what you can sell.
- Define mission and metrics before spending even a penny on advertising/communication.

ANNEXURES

TV: Day After Recall

- Interviews with sample of 150 consumers who watched vehicle and were present when commercial was aired.
- Given a product or brand cue
- Did you see it? What do you recall about it?

Measures of Sales Response

- IRI BehaviorScan/Nielsen's ScanTrack)
 - Panel households in 7 cities
 - Split cable systems
 - Members given ID cards used at purchase
 - Provide household level:
 - Demographic data
 - Media exposure
 - Purchase behavior
- Offer copy tests and weight tests of commercials

Decisions

- Money
 - Sufficient dollars
- Markets
 - High school students
 - College students
 - Parents? Teachers?
 - Currently in service
 - (Un)employed
- Message Content
 - Join
 - Stay
- Message Design
 - Rational: Education, career
 - Emotional: Pride, patriotism
- Mission
 - Recruit
 - Retain
 - Diversity (incl. geography)
- Media
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 - Awareness “Inform”
 - Attitude Change “Inspire”
 - Behavior “Hire”
 - How to assess, what to measure

PAID: Superbowl 2014 (\$4 million/30 seconds)

\$133,333 a Second

More than 30 marketers are buying commercial time on Sunday night during the Super Bowl on Fox, at rates in the neighborhood of \$4 million for each 30 seconds of airtime.

Super Bowl XLVIII advertisers *Subject to change based on factors like the flow of the game and overtime.*

FIRST QUARTER

Anheuser-Busch	Cheerios (or second)	Chevrolet (2 spots)	GoDaddy
Hyundai	M&M's (or second)	Paramount Pictures (or second)	

THIRD

Anheuser-Busch	Audi	Axe	Beats Music
Butterfiner (or fourth)	Chobani	Coca-Cola (or fourth)	Intuit
Jaguar	Kia	T-Mobile	

Quarter to be determined:

Chrysler	Walt Disney (2 spots)	Doritos (2 spots)	Sony Pictures
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SECOND

Anheuser-Busch	Carmax	Coca-Cola	H&M
Bank of America	Pepsi*	T-mobile	Toyota
Volkswagen	Weather-Tech	Wonderful Pistachios (2 spots)	Turbo Tax

FOURTH

Anheuser-Busch	Dannon Oikos	GoDaddy	Heinz ketchup
Hyundai	Radio Shack	Soda-Stream	T-mobile

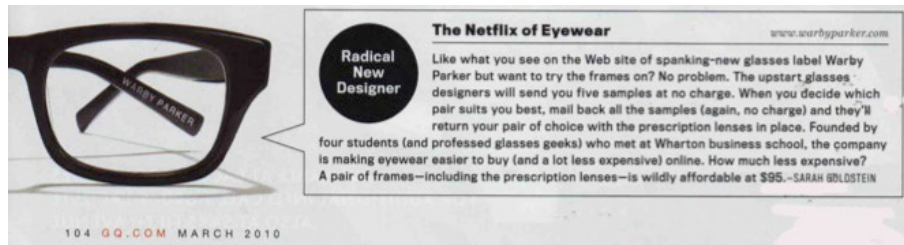
Floater:

Square-space

*Also sponsoring the halftime show.

Sources: Company reports, Advertising Age, Adweek, USA Today

Earned Much Cheaper: But Requires Work



VOGUE

DAILY CANDY



InStyle

BAZAAR
marie claire

VANITY FAIR

ELLE



Entrepreneur
MAGAZINE

Esquire

People

TIME



GLAMOUR

Bloomberg
Businessweek

Forbes

WWD

DETAILS

REAL SIMPLE

NEW YORK

WALL STREET JOURNAL

FAST COMPANY

The New York Times