[[CN]]6

[[CT]]The Marketing Mix: Promotion

{{Comp: Insert Image 6.0. NEW photo of iPhone box.}}

[[CO\_CRD]]Thomas Trutschel / Contributor

[[ALT]]iPhone sleek packaging.

{{End photo}}

[[CO\_LO]]Learning Outcomes

[[CO\_TX]]After reading this chapter, you should be able to

[[CO\_BLF]]• Discuss the contributions of consumers and marketers to branding.

[[CO\_BL]]• Classify message channels in terms of their control.

• Recall three aspects of promotions requiring decisions as part of the promotions mix.

• Discuss marketing messages in terms of strategy, structure, and creative approach.

• Demonstrate understanding of three issues affecting promotions decisions in today’s marketplace.

[[CO\_BLL]]• Recall three communication strategies that can be deployed in a global marketing program.

# [[H1\_Intro]]Introduction

[[TX]]Promotional activity roams far and wide across the landscape. This aspect of marketing can take the form of traditional advertising, personal selling, social media conversations, and much more. It can include immersive experiences and social experiments, like the Knorr Love at First Taste case study in Chapter 2. It reflects consumers’ decisions and actions as much as those of strategic planners in the marketing function.

In this chapter, we begin exploring promotions with the core concept of developing and communicating branding. Then we move to how promotional strategies are evolving under the influence of media convergence and increasing capacities for one-to-one conversations with customers and prospects. The chapter closes with a look at the implications of humanity-centric Marketing 3.0 and access to global markets for the promotion aspect of the marketing mix.

Promotion joins product, place, and price as a P in the marketing mix. Promotional strategy affects three decision areas:

[[NLF]]1. determining marketing mix strategies

[[NL]]2. achieving effective market segmentation, targeting, and positioning

[[NLL]]3. enhancing revenues and profitability

[[TX]]The need for organization-wide coordination and for integration of consumers into the process is fundamental to understanding promotion’s role in the marketing mix. As you learn about the role of promotions in marketing, keep in mind this need for cross-functional coordination, the approach introduced in Chapter 2 known as [[$i]]integrated marketing communications (IMC)[[$]].

# [[H1]]6.1^Branding: The DNA of Promotions

[[TX]][[$kti]]Promotion[[$]] is defined as the function of informing, persuading, and influencing consumers’ purchase decisions. With that in mind, our discussion of promotion must begin with how consumers experience being recipients of all that communication. Receiving attention from a marketing organization is a lot like being pursued by somebody who wants to get to know you. Promotions trigger social cues deeply embedded in human psychology. Branding is the result.

As individuals, we quickly sense the personalities of others we meet based on the social cues they send us, such as posture, appearance, and style. A [[$kt]]brand[[$]] does for a company what a personality does for an individual—it presents a unique (differentiated) identity that hopefully attracts and retains social relationships. A flawed personality repels rather than attracts; so does poor branding. Keep this idea of brand as personality in mind as we delve into how a brand is created and communicated.

In the marketing era born out of the postwar proliferation of products and services in the 1950s, marketers began focusing on positioning their products and services. They hoped to make their offerings stand out from competitors. Branding—putting a unique identity on an offering (like branding cattle, the source of this term)—was their best hope for competitive differentiation. Just as DNA is the carrier of genetic information, branding carries the personality information consumers use to recognize the branded product, product line, organization, or concept. Branding is the DNA of promotions. Branding is critical if a company wants its products to stand out among all the other products in an increasingly crowded marketplace.

First, let’s consider [[$kt]]brand architecture[[$]]—the structure within a company that determines how its portfolio of brands relate to and are differentiated from one another. The particular brand architecture chosen by a company guides development of new products and line extensions, provides a road map for marketing messages, and reinforces the value proposition of the entire family of brands. Three types of brand architecture are most common.

[[NLF]]1. [[$kt]]Master brand[[$]]: All products and services the company offers bear the organization’s brand name. Example: FedEx. Whether you are shipping a package by air or ground or making photocopies at a local storefront FedEx Office, the overarching brand is always present. This strategy creates a strong association between a company’s products and its overarching brand.

[[NL]]2. [[$kt]]House of brands[[$]]: A company’s products and services bear a wide variety of brand names; consumers may not be aware of the relationship to the parent brand. Example: Procter & Gamble. It owns the brands Crest (toothpaste), Joy (dish detergent), and Vicks (cold remedy) but doesn’t usually promote that P&G ownership. This strategy is typically used to target unique and separate niches of buyers. It distances the brands from the company selling them and creates an impression of more product choices.

[[NLL]]3. [[$kt]]Hybrid brand[[$]]: Brands are given separate identities or not, depending on context. Example: Marriott International. The hotel brand consists of subbrands that target different segments of the travel market. The Ritz–Carlton brand is owned by Marriott, but that relationship does not appear in marketing. On the other hand, the Courtyard and Residence Inn brands are both owned by Marriott and are marketed with the Marriott name attached. This strategy is useful when the organizational context demands flexibility.

[[TX]]Why would a company choose one architectural structure over another? The business value of brand architecture comes from its impact on brand equity, individually and together. Stronger brands can lift weaker ones, spreading their perceived value in a halo effect. The right brand architecture can make it easier for companies to expand into new categories or geographies or reposition themselves strategically. When Procter & Gamble sold off more than half of its brands in 2014, it increased its focus on the consumer categories in which it had the most expertise: household and personal care. By pruning outliers (Eukanuba pet food, Pringles snacks), it enhanced its ability to support its strongest performers and invest in new product innovation (BrandingBusiness, 2014). Deciding the right structure for a company’s brand depends on its marketing mix decisions and its understanding of its customers—in other words, its marketing orientation.

But brand architecture is primarily an internal strategy. For the external market—the all-important community of customers and prospects—companies need to set themselves apart from the herd. Brands need to tell a story. This story, termed the [[$kt]]brand narrative[[$]], emerges from the ongoing dialogue that connects company and customer. While companies can choose a brand architecture, implement a well-crafted brand strategy, and maintain consistent brand communications, it is customers who create the brand narrative. Consumers interact with the brand through transactions and exposures, and they comment about their experiences through social networking and rating sites. Consumers ultimately control the brand narrative, using the information available to them in the marketplace.

Within the brand’s narrative lies its [[$kt]]brand promise[[$]]: the message that connects emotionally with consumers to differentiate the brand. The brand promise is closely linked to a company’s value proposition in that it promises a specific benefit (value) from aligning with the brand (not just buying its products or services, but buying into its promise of value). The brand promise phrases the message of the value proposition in an emotionally compelling way that harmonizes with the company’s overarching positioning and strategic vision. An effective brand promise will focus on only one or two benefits—attributes that are unique to the brand, are relevant to the consumer, and can be expressed in a compelling way. The BMW slogan “the ultimate driving machine” leaves no room for doubt about its promise of high-performance engineering. The most effective statements of a brand’s promise come from its customers—what they are saying about what a particular brand does for them.

Recall from Chapter 1 that positioning refers to the creation of a meaningful, unique identity in the minds of the target market, and from Chapter 2 that a value proposition is a statement that describes to potential customers why they should buy or use an offering from a specific company. These concepts, plus the new terms we’ve introduced—brand architecture, narrative, and promise—overlap and interact, like spiraling strands of DNA, to hold a unique place for a brand in the minds of consumers.

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[[BX1\_H1]]Field Trip 6.1: Brand Narratives

[[BX\_TX]]Branding is only effective when it connects with consumers emotionally via believable, persuasive stories. Follow the link to read (and view) six examples that one marketing expert labeled “genius brand storytelling.”

[[$hyperlink]]<https://marketinginsidergroup.com/content-marketing/6-examples-genius-brand-storytelling-see>[[$]]

The companies profiled include the following:

[[BX\_BLF]]• Marriott

[[BX\_BL]]• Warby Parker

• Zendesk

• Mouth

• Nike

[[BX\_BLL]]• SoulCycle

[[BX\_TX]]Pick one and explain why it does—or doesn’t—engage you emotionally. Would you interact with this brand—for example, by talking about it in your social channels?

{{Comp: End feature box}}

## [[H2]]Positioning Strategy

[[TX]]Customers may determine the brand narrative, but marketing communicators can influence them as they do so. This influential activity consists of positioning products and services. A company’s positioning is central to how its brand narrative, brand promise, and value proposition are communicated.

{{Comp: Insert Image 6.1. PU photo of BMW.}}

[[P\_CT]]Brand positioning targets a specific value proposition. What market niche is BMW vying for with its “ultimate driving machine” slogan?

[[P\_CRD]]Bloomberg /Getty Images

[[ALT]]BMW 650i coupe driving on a road.

{{End photo}}

[[TX]]Positioning helps a company’s campaigns stake a claim to a specific value proposition. Branding is the related task of presenting the positioning and value proposition through aspects of style—selecting specific images, phrases, colors, typefaces, music, and so on to convey a specific attitude consistently across all campaigns and message channels. Branding even extends to company cars, staff uniforms, and headquarters decor, because a brand is essentially a personality. You express your personality through what you drive, what you wear, and how you decorate your home; so do brands.

In January 2012 carmaker BMW of North America introduced new advertising that reinforced its positioning as “the ultimate driving machine.” The advertising tagline had been used continuously by BMW since 1975. The new campaign promoted the tagline to a company-wide slogan. As a value proposition, the phrase promises the joy and passion for driving pleasure that BMW has become known for (Levere, 2012).

Positioning requires sacrifice, since differentiated offerings have specific value for specific market niches. Certain aspects are going to be more important than others to any given market segment. Some differentiating aspects on which positioning strategy can be built include the following:

[[BLF]]• image

[[BL]]• innovation

• customer service

• functional performance

[[BLL]]• selection

[[TX]]Marriott International’s Westin Hotels and Resorts brand launched a new campaign in early 2017 that responded to a pain point experienced by many travelers—maintaining their regular routines when on the road. Westin’s marketers chose a specific positioning strategy for the marketing campaign, captured in the slogan “Will You Get Up, or Will You Rise?” Since 2011 (the last time Westin had released a global brand campaign), the company had been upgrading its properties with a focus on well-being (Paquarelli, 2017). Elements of the Let’s Rise campaign, which included TV, radio, print, digital, and outdoor ads, showed travelers taking control of their well-being. Examples included getting up early to go for a run, eating a healthy breakfast, and experiencing a good night’s sleep. “Because morning is the first and best opportunity to take control of the day ahead, the campaign uses morning light as a consistent creative device to speak to the potential that the morning holds” (Marriott International, 2017, para. 5), stated a Westin press release about the campaign, illustrating the extent to which elements of style support a brand’s positioning.

The goal of positioning, as shown by these examples, is to move individuals to action—to recognize a need, consider options, buy, join, or recommend.

## [[H2]]Marketers Position, but Customers Determine the Brand

[[TX]]In his book [[$i]]Differentiate or Die[[$]], published in 2000, Jack Trout recognized that differentiation takes place in the mind of the consumer, writing, “If you understand how the mind works, you’ll understand positioning” (as cited in Garment, 2011, p. 2). The consumer is the prime focus.

Organizations do what they can through marketing communications to position a brand, but it is customers who determine whether the brand comes to life. Marketers are learning to adapt to this new environment in which they do not control the message but collaborate with the many voices of their customers to construct a brand narrative. Social media provides the tools, accelerating the many conversations taking place between the brand and its consumers, as well as among consumer communities—including dissenters (Wong, 2011).

Experiential marketing is another approach that, like social media, draws the voice of customers into the conversation about a brand, in real-time, face-to-face encounters (events). This strategy directly involves consumers by inviting them to participate in some kind of experience. The Knorr Love at First Taste campaign profiled in Chapter 2 is an example. These experiences are designed to take advantage of the humanity-centric urge to connect with like-minded people in meaningful ways.

Brands must behave like people in order to connect with consumers. People have friends; the parallel in marketing is a brand’s advocates. These brand-loyal consumers lead the discussion around the products and services that stir their passions. Marketers collaborate with these opinion leaders to evaluate new product ideas, marketing messages, and even cocreate new products. Godiva Chocolatier taps the “chocoholic” female community to drive product development—leading in one case during the economic downturn to the creation of chocolate lollipops as an answer to the need for little luxuries at easy-to-splurge-on prices (O’Malley, 2011). Some companies hire opinion leaders (for example, bloggers) to be ambassadors for their brands to specific customer communities. However, the use of compensation such as free merchandise, advertising support, or actual payment doesn’t guarantee that brand ambassadors will return the favor with positive brand communications.

Marketing communications has fundamentally changed under the impact of these customer communities. This coauthoring of the brand narrative tends to make traditional marketers nervous as they lose control of brand messaging. It shouldn’t, though. Rather, this collaboration should be celebrated, because it helps achieve marketing’s primary objective: customer orientation.

{{Comp: Insert Image 6.2 and Image 6.3. PU photo of Harley and Dyson.}}

[[P\_CT]]Authenticity will differ from brand to brand. What is considered true to Harley–Davidson’s image will not serve for Dyson. Can you think of any other brands with differing values?

[[P\_CRD]]Mags Out/TV Out/Associated Press

[[ALT]]Harley–Davidson owner posing with his motorcycle.

{{End photo}}

[[P\_CRD]]Dyson Associated Press

[[ALT]]Dyson vacuum cleaner.

{{End photo}}

[[TX]]Authenticity must be part of a brand’s DNA. The brands consumers trust are those that consistently live by their values, communicating an essence that is consistent, believable, and appealing. That means something very different for Harley-Davidson, where the brand community expects an archetypal outlaw, and Dyson, with its promise of “better living through better engineering” (Smith, 2011). Given the vibrant, always-on conversation among consumers, losing credibility means losing a whole network of consumers.

For an example of a brand built on authenticity, consider the story of a young British entrepreneur who became a YouTube phenomenon by teaching women how to create specific looks with makeup. As a teen, Lauren Luke experimented with makeup to counter her lack of trendy clothes and bolster her self-confidence. She began selling makeup on eBay. Luke soon discovered that photographing the makeup applied to her face rather than in containers increased sales dramatically. But responding to customer queries became so time consuming that she decided to make a video showing people how she used her products. Luke posted her first video under the name Panacea81 (on how to achieve the smoky-eye makeup look) on YouTube in 2007. The video went viral, quickly passing 1 million hits. Other makeup-tutorial videos followed, and within months she began making money from YouTube’s sponsored advertising model. Within a year, Sephora offered Luke her own private label line of makeup. The authenticity of Luke’s story was essential to the success of her personal brand (Wong, 2011).

When companies fail to live up to their brand’s DNA, the fallout can be public and damaging. New York–based State Street Global Advisors, a financial services firm, commissioned a bronze statue titled [[$i]]Fearless Girl[[$]] that was installed on Wall Street in 2017. Its placement made it appear to be staring down the famous [[$i]]Charging Bull[[$]] statue with its defiant posture of hands on hips, ponytail and skirt blowing. It was installed on International Women’s Day—March 7—to celebrate the first anniversary of the firm’s Gender Diversity Index, an investment fund made up of companies with a higher percentage of women among senior leaders. This sounds noble—but less than a year later, the firm was revealed to be underpaying its own female employees. State Street Global Advisors agreed to pay $5 million to settle the claim (Stevens, 2017). The disconnect between the firm’s publicly promoted belief in women’s potential and its own internal compensation and hiring practices garnered negative press and damaged the company’s perception of authenticity.

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[[BX1\_H1]]Field Trip 6.2: Ruby Coffee Roasters

[[BX\_TDX]]Jared Linzmeier launched Ruby Coffee Roasters to share the coffees from around the world that had become his passion as a Seattle barista. He builds his company’s brand through a lively presence on social media, especially Instagram. Linzmeier writes the posts and takes the photographs himself, seamlessly merging his own personality with the brand personality of the company he founded.

Follow this link to view Ruby Coffee Roasters’ Instagram feed:

[[$hyperlink]][https://www.instagram.com/explore/tags/rubycoffeeroasters](https://www.instagram.com/explore/tags/rubycoffeeroasters/)[[$]]

{{Comp: End feature box}}

## [[H2]]Managing the Brand

[[TX]]The point of coordinated marketing communications is to generate interaction between brand advertising in traditional message channels and the ongoing consumer conversation about the brand in social media. Today “managing the brand” means marketers are participating in consumer conversations, not just producing traditional advertising.

Also important is consistently delivering an excellent consumer experience. Rose Cameron, chief strategy officer with Euro RSGC Chicago, said in an interview with Megan O’Malley (2011) of the [[$i]]Journal of Integrated Marketing Communications[[$]]:

[[EXT]]If what you design only lives in your outbound communications, but customers don’t experience it in your customer service level or product level or retail level, etc., you’re dead. If, on the other hand, your brand vision lives across all levels, you flourish. You can see this manifested by Apple . . . they’ve incorporated it in the DNA of the brand. (p. 14)

[[TX]]We recognize that now, customers create the brand through their experiences and conversations. What, then, can organizations do to manage brands over which they do not have ultimate control? Marketers can help consumers have positive experiences by satisfying their expectations of authenticity, transparency, consistency, and commitment to trustworthiness. The most effective brand conversations help consumers see that they share beliefs and passions with the companies that serve them. Brand narratives nurture that feeling of shared values.

## [[H2]]Measuring Brand Performance

[[TX]]Ideally, every promotion has performance measures built into its design. [[$i]]Pretesting[[$]] before launching the promotion provides feedback that allows marketers to make modifications to improve the campaign’s effectiveness. [[$i]]Posttesting[[$]] measures the impact of the promotion and gives insight into its contribution toward achieving marketing objectives. Marketing metrics such as pre- and posttesting, which can measure either communication effect or sales effect, are discussed in Chapter 9. Listening to the consumer conversation provides additional information that answers questions research may have failed to ask.

Tracking performance over time is an essential component of marketing management. By comparing how each iteration or evolution of the promotional program affects the brand narrative, marketers identify the most effective appeals, message channels, and consumer communities. Marketers should gather and aggregate data in a manner that allows them to compare the relative impact of various mixes of promotional tools, execution choices, and situational factors.

Carrying out promotional campaigns is expensive and time consuming. Measuring return on that investment is crucial not just to justify that investment but also to gain top leaders’ support for the cross-functional organizational collaboration required to execute promotional campaigns.

In summary, the implications of branding for marketers are many, but they can be understood in two main categories: the aspects under consumers’ control and those under marketers’ control. Customers experience the brand through many diverse points of contact, ranging from traditional advertising messages to conversations in which everyone from advocates to dissenters have their say. Marketers’ positioning strategy creates the identity consumers experience. Marketers’ measurement of brand performance (including listening to consumer conversations) provides the feedback necessary to keep the brand narrative alive and aligned with its target market.

{{Comp: Insert feature box}}

[[BX2\_H1]]Questions to Consider

[[BX\_TX]]“The chief function of Marketing Communications is the creation and perpetuation of deep meaning through narrative,” proposed Terry Smith (2011, p. 26) in the [[$i]]Marketing Review[[$]].

Do you agree?

Call to mind a brand about which you feel passionate. Describe its brand narrative and what it means to you.

{{Comp: End feature box}}

# [[H1]]6.2^Using Promotions to Strengthen Brands

[[TX]]Consumers are receiving messages constantly; some are welcome, but most are easy to tune out. Marketers must break through all those messages if they are to achieve their communication objectives. Positioning strategy is the chief method by which marketers attempt to penetrate all that noise. Effective promotions position brands in ways that trigger emotional connection, stimulate conversation, and ultimately lead to a loyal bond between company and customer.

Therefore, it follows that the ultimate mission of promotions is to strengthen brands in order to draw consumers into the brand narrative with companies that share their passions. Under that broad mission, there are usually more specific promotional objectives to be served.

## [[H2]]Objectives of a Promotion

[[TX]]Promotions strengthen brands by conveying messages to consumers, directly or indirectly, via marketing communications. Messages that are specific and highly focused are more effective than general statements. Marketers should choose a specific task to accomplish with each promotional campaign. Some common objectives, with examples, are included in Table 6.1.

{{Comp: Insert Table 6.1}}

[[TB\_N]]Table 6.1: Promotional objectives

|  |  |
| --- | --- |
| [[TB\_C\_H]]Promotional objective | Example |
| [[TB\_TX]]Provide information | Auto advertisement featuring fuel efficiency |
| Increase demand | Product category advertising by an industry’s trade association |
| Differentiate a product | Advertising by a company illustrating its brand promise |
| Highlight a product’s value | Advertising favorably comparing a company’s product to a competitor’s product |
| Stabilize sales | Tourist destinations running ads to increase visits during off-peak seasons |
| Position | Advertising by a company emphasizing its value proposition |

[[TB\_FN]][[$i]]Note[[$]]. Marketers target a promotional objective for every marketing campaign.

{{Comp: End table 6.1}}

[[TX]]Consider how the objectives in Table 6.1 differ. Once, providing information was all advertising was expected to do. Messages let consumers know what was available, supported with details about how to take possession of it. The directness of this approach is still useful when the authentic personality of a brand demands an atmosphere free of “advertising hype.”

Increasing demand is the objective of most promotions. The aim can be to stimulate [[$kt]]primary demand[[$]] for a general product category, such as when members of the Self Storage Association advertise to encourage the public to “Declutterfy!” Or it can be to encourage [[$kt]]selective demand[[$]] (also referred to as secondary demand) by increasing the appeal of a specific brand, as in the PODS company’s ads that feature the slogan “PODS: moving and storage, solved.”

Creating primary demand works on consumer interest in an entire class of offerings, while selective demand leverages the differentiation of a product or service to make it stand out from others in its category. It is a common marketing practice for groups of advertisers to pool funds to increase primary demand for a product category in which they share a common interest. The California Milk Marketing Board’s Got Milk? campaign presents an example.

Compare the ad from the Wisconsin Milk Marketing Board promoting cheese consumption with the ad for Perdue Farms’ chicken. The cheese ad is designed to create primary demand for the general category of cheese, with the hope that cheese purchased will come from Wisconsin producers (whose efforts are supported by a state check-off program whereby Wisconsin dairy farmers contribute funds to promote Wisconsin-produced dairy products through the Wisconsin Milk Marketing Board, an organization overseen by a 25-member board of Wisconsin dairy farmers). The Perdue Farms ad is designed to create selective demand for Perdue Farms’ brand of chicken products.

{{Comp: Insert Image 6.4. PU photo of Wisconsin Cheese ad.}}

[[P\_CT]]The Wisconsin Milk Marketing Board’s ad for cheese focuses on creating demand for a general product category. Can you name other ads that work to stimulate primary demand?

[[P\_CRD]]Wisconsin Milk Marketing Board

[[ALT]]Wisconsin Milk Marketing Board ad showing a triangle of cheese next to a piece of pomegranate.

{{End photo}}

[[TX]]Differentiating a product requires finding the value proposition that makes an emotional connection with potential customers. The advertiser must promise a specific benefit that no competitor can claim, in a way that compels potential customers to take action. The Avis We Try Harder campaign is credited with causing the company’s market share to grow from 11% in 1962 to 35% in 1966 and was so effective that the slogan became the company’s motto and remained in use until 2012—50 years later (Parekh, 2012). Differentiation can be conveyed in many ways besides advertising slogans and jingles, of course. Design elements such as fleet vehicles, retail ambience, and website design all contribute to differentiating a product or service. Highlighting a product’s value differentiates it on the dimension of price, emphasizing the greater service utility provided when compared to competitors charging the same price.

{{Comp: Insert Image 6.5. PU photo of Perdue’s Farm ad.}}

[[P\_CT]]Perdue Farms’ ad for chicken emphasizes its superiority over competing chicken products. How does this differ from the Wisconsin Milk Marketing Board ad?

[[P\_CRD]]Perdue Farms

[[ALT]]Perdue Farms ad featuring a happy farmer.

{{End photo}}

[[TX]]Stabilizing sales is a helpful goal when demand for a good or service fluctuates. Seasons, usage cycles, and even weather events can cause changes in demand. Tourist destinations like Las Vegas run ads to fill hotel rooms during off-peak times of year.

In Chapter 2 you learned about a method of business portfolio analysis called the BCG Matrix. This tool, which visualizes the relative market share of products and the growth of their market by assigning them to quadrants labeled stars, cash cows, dogs, and question marks, can also be applied to assess how a company might match different promotional objectives to different offerings, using the same vectors of market share and market growth. A promotional objective of providing information might be all a company’s cash cows need, while its fast-growing stars might justify strategic investment in differentiating a product/service, thereby anticipating competitors’ countermoves, such as introducing “me too” offerings.

These promotional objectives are not mutually exclusive. For example, a campaign can be primarily about increasing demand but also accomplish product differentiation. Nor is this list of possible objectives complete. A look back at Ansoff’s Matrix (also in Chapter 2) might suggest more promotional objectives, like launching a product in a new geographic market or to a new customer segment.

## [[H2]]Components of the Promotional Mix

[[TX]]Message channels carry marketing communications. The choice of message channels to be used is a key component of the promotions aspect of the marketing mix.

Promotional strategies will typically emphasize either [[$kt]]personal selling[[$]] (which can be face-to-face or via technology) or [[$kt]]nonpersonal selling[[$]] (through advertising, direct marketing, and other channels that lack the interactive person-to-person experience). Promotional strategies will use either push or pull techniques, stimulating end users or channel intermediaries, as was discussed in Chapter 4.

Message channels are proliferating rapidly. Marketing organizations are starting to look at their promotional mix in terms of ownership, control, and desired outcome. The [[$kt]]POES model[[$]] (derived from “paid, owned, earned, shared”) was originally developed to describe online media but has proved applicable to offline media as well. This framework (depicted in Table 6.2) assigns each message channel to one of four quadrants based on whether it is controlled by the company/brand or by others over whom the company has no control—stakeholders including consumers, commentators, and others.

{{Comp: Insert Table 6.2}}

[[TB\_N]]Table 6.2: POES model of message channels

|  |  |  |
| --- | --- | --- |
|  | [[TB\_C\_H]]Message channels | |
| [[TB\_TX]][[$b]]Brand controlled[[$]] | [[TB\_TX]]PAID  [[TB\_BLF]]• Advertising media  [[TB\_BL]]• Direct marketing  • Experiential marketing  • Sales promotions  • Trade allowances  • Product placement  • Sponsorships  • Public relations  • Brand ambassadors  • Guerilla marketing  [[TB\_BLL]]• Search engine optimization | [[TB\_TX]]OWNED  [[TB\_BLF]]• Company website  [[TB\_BL]]• Company blog  • In-store marketing  [[TB\_BLL]]• Personal selling |
| [[TB\_TX]][[$b]]Stakeholder controlled[[$]] | [[TB\_TX]]EARNED  [[TB\_BLF]]• Media coverage  [[TB\_BLL]]• Review sites | [[TB\_TX]]SHARED  [[TB\_BLF]]• Buzz (word of mouth)  [[TB\_BL]]• Social network platforms (Facebook, Twitter, Instagram, Pinterest, etc.)  [[TB\_BLL]]• Blogs |

[[TB\_FN]][[$i]]Note[[$]]. Some of the categories in the POES model need more explanation than others. Brief definitions are provided in the following list; some message channels are discussed in more detail later in this chapter.

{{Comp: End table 6.2}}

[[TX]][[$i]]Paid[[$]] message channels require investment, regardless of whether the content is created in-house or purchased from advertising agencies or other marketing service providers.

[[BLF]]• [[$kt]]Advertising media[[$]]: Traditional paid vehicles by which promotional messages are communicated to the public, such as newspaper, radio, and television.

[[BL]]• [[$i]]Direct marketing[[$]]: Promotional techniques that use impersonal media to persuade consumers to take direct action.

• [[$i]]Experiential marketing[[$]]: Planned encounters that engage consumers’ senses to create lasting impressions. Most frequently used in real-time, face-to-face encounters but can be online as well.

• [[$i]]Sales promotions[[$]]: Short-term offers using paid media to stimulate consumer purchases by offering reasons to buy in addition to service utility and price.

• [[$i]]Trade allowances[[$]]: Like sales promotions but directed to channel partners rather than end consumers.

• [[$kt]]Product placement[[$]]: An advertising technique to subtly promote products through appearances in film, television, or other media.

• [[$kt]]Sponsorships[[$]]: Cash and/or in-kind fee paid to a property (typically a celebrity) in return for endorsements and other exploitable commercial potential associated with that property.

• [[$kt]]Public relations[[$]]: Building good relations with an organization’s various publics (customers, employees, investors, suppliers, etc.) through seeking favorable publicity and other nonpaid forms of communication such as support of arts, charitable causes, and so forth. Companies pay for public relations activity on their behalf, not to be confused with the resulting media coverage, which cannot be purchased.

• [[$kt]]Brand ambassadors[[$]]: Individuals who serve as the face of their client company at promotional events.

• [[$kt]]Guerilla marketing[[$]]: Unconventional marketing intended to get maximum results from minimal resources. The term [[$i]]Guerilla Marketing[[$]] is a registered trademark of author Jay Levinson, who popularized it through his several [[$i]]Guerilla[[$]] books.

[[BLL]]• [[$kt]]Search engine optimization[[$]]: Increasing the number of visitors to a website by obtaining higher placement in the search results page of a search engine.

[[TX]][[$i]]Owned[[$]] message channels are distinguished from paid message channels by the likelihood they would exist even if not called for as a component of a specific marketing plan. The distinction between paid and owned media is somewhat fluid.

[[BLF]]• [[$i]]Company website[[$]]: The company’s online home for information about its offerings, organization, career opportunities, and more.

[[BL]]• [[$i]]Company blog[[$]]: The company’s online journal consisting of chronological entries that typically include short articles and links to further resources.

• [[$kt]]In-store marketing[[$]]: Marketing dollars spent inside a retail store in the form of store design, merchandising, visual displays, or promotions.

[[BLL]]• [[$i]]Personal selling[[$]]: Personal contact by members of a company’s sales force intended to make sales or build customer relationships.

[[TX]][[$i]]Earned[[$]] message channels are similar to paid channels in that they exist for the purpose of communicating with consumers; however, coverage in earned channels cannot be purchased.

[[BLF]]• [[$kt]]Media coverage[[$]]: Information presented in mass media about a company by reporters; may result from public relations activity.

[[BLL]]• [[$i]]Review sites[[$]]: Websites on which reviews can be posted about people, businesses, products, or services, such as Yelp and Angie’s List.

[[TX]][[$i]]Shared[[$]] message channels arise from consumers’ interest in engagement through dialogue in online communities.

[[BLF]]• [[$kt]]Buzz[[$]] ([[$kt]]word of mouth[[$]]): Anything that creates excitement or stimulus, such as a recommendation by a satisfied customer; leverages consumers’ interest to generate marketing messages.

[[BL]]• [[$i]]Social network platforms[[$]]: Applications that allow users to post content, create profiles, and share information, ideas, and personal messages (Boyd & Ellison, 2007).

[[BL]]• [[$i]]Blogs[[$]]: Online journals consisting of chronological entries on which an individual or group of users regularly post their opinions, information, photos, and so on.

[[TX]]The categories in the POES model provide a useful framework for integrating marketing communication strategies across corporate functions such as sales, marketing, and public relations. A marketing plan can specify investment in paid and owned message channels. It can specify effort and investment to be directed toward earned and shared message channels, including paying individuals to pursue coverage. But a marketing plan cannot guarantee those messages will appear—stakeholders, not advertisers, control these channels.

Each message channel in the promotional mix represents a potential consumer [[$kt]]touchpoint[[$]]—the basic building block of brand experience. The quality of the consumer experience at each touchpoint will influence consumers’ relationship with the brand, affecting subsequent actions. This fact challenges marketers to deliver compelling, consistent experiences through all message channels. Even an advertisement printed in a newspaper attempts to create an experience compelling enough that readers will remember its message.

Just as the BCG Matrix can be an input to strategic decisions about product strategy or promotional objectives, it can be used to evaluate levels of investment in various message channels. Here, the axis of market growth would be replaced with channel growth, and market share would be replaced by return on investment of current channel. Thus, a company could judge its current promotional mix on which specific channels are growing in effectiveness and which are declining, leading to insights into how the promotions strategy should evolve. For an example, consider the decline of Vine, the short-form video app, as competitors like Twitter’s Periscope and Facebook Live added similar features. Meanwhile, search engine optimization is rising as a brand-controlled means of increasing traffic to its website. Using the BCG Matrix could reveal a need to shift away from channels where return on investment is declining toward those that with stable or growing returns.

Developing the optimal promotional mix to serve a specific objective is discussed a little later in this chapter; first we must examine trends influencing how various message channels perform. Effective promotions require that the promotional mix be coordinated with the entire marketing mix—and vice versa.

## [[H2]]Coordinating the Message Channels in the Promotional Mix

[[TX]]A few short decades ago, making decisions about which message channels to use meant deciding how to apportion the budget between what was called “mass-media” and “collateral” channels. Mass media meant print, television, and radio advertising, and “collateral” meant everything else—direct mail, out-of-home (outdoor and transit ads), and point-of-purchase materials. Then came the Internet. Digital media channels proliferated quickly. Today, in addition to mass media and collateral, marketers can budget advertising dollars for digital advertising, social media platforms, and search results, with more options emerging with every spin of the planet. Even when the promotional objective is clear, choosing among all those options is not easy. That’s why specialists called [[$i]]media buyers[[$]] (whose role is discussed in Chapter 9) typically perform this task.

As a message channel, many marketers feel that traditional paid mass-media advertising is losing its relevance. Its nonpersonal nature, the difficulty of tracking results, and its high cost are all working against the “old-school” advertising channels such as broadcast and cable television, radio, and magazines and newspapers. The rise of streaming channels like Netflix and Hulu compete for the time people used to spend watching broadcast television with its commercials. But don’t turn off the TV budget just yet—a study funded by Turner Broadcasting and Horizon Media in 2015 found that TV is still an effective advertising medium. In fact, the study concluded that TV averaged 4 times the sales impact of digital media channels, given similar spending levels (Lunch, 2015). The importance of IMC was acknowledged in the study’s conclusion that optimizing a mix of personal and nonpersonal channels improves TV advertising’s effectiveness. Large brands that market to mass audiences and can afford broadcast television’s high production and placement costs will probably always air commercials on television, just as they have since the medium’s birth.

But there are reasons to shift the budget away from television, even if a company fits the qualifier “large brand, mass audience.” The impersonal nature of mass media (and even targeted media, to some extent) detracts from its ability to engage the message recipient. It is less effective at stimulating action than more personal message channels. Technology that allows consumers to avoid advertising has proliferated, such as digital video recorders and advertising-free cable and satellite media.

Traditional advertising was never a very effective option for businesses to reach other business buyers. Only limited advertising media options exist to reach businesspeople in even the largest industries. Personal selling has traditionally been the relied-on approach for B2B marketing. Personal selling allows relationships to build in which the seller becomes knowledgeable about the buyer’s preferences, budget, and decision process. Personal selling is no less expensive than advertising media, however; both require significant investment. In the age of social media conversations, personal selling maintains its relevance, since salespeople are individuals who can credibly participate in social media. Traditional advertising has not held on to its relevance so well.

On the brand-controlled side of the promotional mix, [[$kt]]media convergence[[$]] now characterizes many message channels. The messages delivered in the past through newspapers, magazines, books, radio, and television are increasingly delivered to consumers through one digital delivery system—the Internet. At the same time media are converging onto the Internet, the screens on which those media are viewed are multiplying. Marketers are struggling to keep up with the latest menu of media channels, technology for accessing them, and consumers’ behaviors and preferences regarding the brand messages they receive through them.

The [[$kt]]best available screen theory[[$]] explains consumer behavior in a media-convergent world. ESPN began to research cross-media behavior in 2002 with a study on consumption of ESPN media platforms. In 2010 published results of ESPN’s research revealed that sports fans might watch ESPN on TV while preparing for work, listen to an ESPN radio program in the car on the way in, use ESPN.com online to keep up with sports news while at work, and bring up ESPN Mobile on a smartphone while out and about—choosing the best available screen depending on their location at any time. The advertiser who wants to reach those sports fans will need to follow them throughout the day, offering relevant messaging and building on each touchpoint (Enoch & Johnson, 2010). The lesson for marketers designing a promotional mix strategy? Be where targeted consumers are throughout the day—to the extent that budgets allow.

Advertisers with deep pockets like those who buy spots on ESPN aren’t leaving traditional advertising media behind—they’re following their target market from screen to screen. But companies with fewer resources or narrower target markets cannot do so. These companies must turn to other tactics—like direct marketing or greater collaboration with consumers.

As media convergence has left marketers uncertain how to best use mass-media channels, they have been turning their attention to direct marketing and consumer-generated marketing. In Chapter 2 the shift from mass-market toward one-to-one campaigns was discussed. This shift is bringing marketers back to the time-tested methodology of [[$i]]direct marketing[[$]]. In Chapter 4 direct marketing was discussed in its sense as a form of nonstore retailing. Here we shift the focus to the other definition of [[$i]]direct marketing[[$]]: a promotional technique that focuses on getting customers to take direct action, with measurable results.

Direct marketing can take many forms, including direct mail, telephone sales, and e-mails. Like personal selling, direct marketing offers the potential for interaction between seller and prospective buyer. It can be easily customized to specific market niches and even individual recipients. The return on marketing investment (ROMI) is easier to judge, since direct marketing campaigns trigger specific responses that can be measured. Direct marketing requires sophisticated database technology to provide the customer or prospect data to address the campaign and to gather response data after they are delivered.

Direct marketing has remained an effective promotional approach because a mix of methods helps marketers get more out of their campaigns. As e-mail has proliferated, direct mail has become a less cluttered media channel by comparison, resulting in response rates 10 to 30 times higher than e-mail (Pulcinella, 2017). Sellers appreciate that direct marketing is more directly tied to sales results and provides more data for analysis, leading to better targeting of prospective customers over time.

{{Comp: Insert Image 6.6. New social media image.}}

[[P\_CT]]Social media outlets are popular marketing and communication channels.

[[P\_CRD]]Phanie/SuperStock

[[ALT]]Social networking apps.

{{End photo}}

[[TX]]Also drawing marketers’ attention are the social media in which consumers generate the message, through word of mouth and social media. The term [[$i]]social media[[$]] was coined in 2007 to refer to social networking sites. Since then, social media (meaning web applications that encourage user-generated content) has become a respected marketing and communications channel (Wong, 2011). Consumers’ decisions have become increasingly influenced by their peers. Through review sites like Yelp, brand advocates enthuse about their favorites, and disgruntled consumers share their peeves. Consumers are more likely to trust these voices than to trust advertisers, even as companies become more active on social networks.

In contrast to the era when a brand relied on paid advertising and its owned and earned message channels, today marketers have available a much fuller array of communication tools and the ability to use them more flexibly. A brand can use mass or targeted Facebook advertising and display ads on websites and its own website. It can deploy search engine optimization and hire bloggers to contribute to its brand narrative. It can offer short-term sales promotions through tweets and targeted e-mail. It can encourage brand communities to form on social network platforms. And perhaps most significantly, a brand can draw on constantly accumulating user data to fuel its segmentation and targeting strategies. Marketers can change and adapt their campaigns on the fly as they learn what does and does not work. They can summon the distinctive strengths of each message channel and sequence them in the most effective way to move consumers to take action (Batra & Keller, 2016).

How are marketers responding to this new era of integrated marketing communications? Consider the following example from the travel industry, in which hotels are turning to social media to connect with travelers. Their customers have increasingly moved to booking flights through online travel agencies. Once on those sites purchasing a flight, it becomes irresistibly easy to book hotel rooms that the travel sites suggest as add-ons. Hotels are attempting to capture those travelers’ bookings, catching up with them at the point where a recommendation turns into booking a reservation.

Facebook pages for companies like Kimpton Hotels present a way to start a conversation with potential guests. By reaching out through social media, hotels make sure their booking engines are available where the customers are, rather than hoping the customer will look for them. The richness of social media lets hotels do more than just book a reservation—they can engage in dialogue to find out the guest’s preference (for example, what to stock in the minibar). That kind of personal service helps hotels give customers more reasons to stay, thus building customer loyalty.

{{Comp: Insert feature box}}

[[BX1\_H1]]Field Trip 6.3: Social Media Encourages Dialogue

[[BX\_TX]]Visit Facebook to explore how hotels are using social media to lure travelers by catching them where they get recommendations from friends. As you browse, note how many posts and links come from individuals eager to get or give recommendations for travel accommodations, as opposed to companies promoting their own offerings.

Kimpton Hotels and Restaurants:

[[$hyperlink]]<http://www.facebook.com/Kimpton?sk=wall>[[$]]

Renaissance Hotels:

[[$hyperlink]]<http://www.facebook.com/RenaissanceHotels?sk=wall>[[$]]

{{Comp: End feature box}}

[[TX]]Social media platforms like Facebook, Instagram, and LinkedIn are now used by 37% of the global population, or 2.8 billion people, according to a 2017 report from Business Insider. In the United States, according to that report, demographic factors like gender, income, and education have little impact on adoption of social media. What does impact adoption is age, with younger people gravitating to different platforms than older people and using them for different reasons. For example, people aged 45 to 54 spend more time on Facebook than any other age group, while people under 24 prefer to spend time in “digital hangouts”—platforms that enable users to video chat with several friends at the same time (Gallagher, 2017). WhatsApp and WeChat are two examples. Chapter 7 will take a closer look at the concept of generational behavior patterns. For now, the point is that the promotional mix should feature the channels used by the target market (Gallagher, 2017).

Social media must be seen as more than just an increasingly important message channel: It’s a new genre of social communication. Consumers’ friends, peers, and even total strangers’ postings now influence consumers more than advertisers (Wong, 2011). The consumer-generated marketing content of these conversations is the latest twist in the message channel word of mouth. When people start sharing brand messages for their entertainment value, the buzz goes viral. Word of mouth is as old as the back fence and the corner store, wherever neighbors meet and talk. What’s different today is that social media now amplifies word of mouth so that it reaches peer communities—and beyond—instantly.

Buzz marketing is popular among marketers as a message channel strategy, especially when young people are the target audience—the teens and 20-somethings who tend to be most skeptical of mass-media advertising (Kotler & Armstrong, 2006). To be “buzzable,” a company’s offerings need to be

[[BLF]]• exciting or innovative—real news gets buzz that advertising promises seldom attract;

[[BL]]• a personal experience—like travel or entertainment—that moves an individual emotionally; and

[[BLL]]• best of class—or the buzz will be negative.

[[TX]]The first campaign acknowledged in the marketing community as intentionally viral was Burger King’s use of the Subservient Chicken to promote its TenderCrisp chicken strips. The website featured a costumed chicken character responding to typed commands. The idea was to connect viewers’ actions to Burger King’s tagline, “Have it your way.” A “tell a friend” button on the site encouraged sharing. According to Burger King, the site received more than 46 million hits in the week following its launch in April 2004 (Kotler & Armstrong, 2006).

{{Comp: Insert Image 6.7. PU subservient chicken image.}}

[[P\_CT]]The first viral marketing campaign was Burger King’s Subservient Chicken. The campaign transformed Burger King’s tagline “Have it your way” into an engaging activity.

[[P\_CRD]]FilmMagic/Getty Images

[[ALT]]Burger King’s Subservient Chicken sitting down with a Burger King employee.

{{End photo}}

[[TX]]While some viral campaigns are carefully planned and executed by marketers, like Burger King’s Subservient Chicken, others arise from serendipitous moments. At a Portland, Oregon, rally during Bernie Sanders’s presidential campaign in 2016, an unexpected interaction between a small bird and Sanders was caught on camera and posted to social media. It generated a $3.7 million windfall in small-dollar donations as hashtags like #BernieBird, #BirdieSanders, and #BirdsForBernie quickly spread (Corasaniti, 2016).

The stories of Burger King’s Subservient Chicken and #BirdieSanders are reminders that in the world of social media, it’s not about marketers communicating messages—it’s about providing value through entertainment (DeBiase, 2011).

{{Comp: Insert feature box}}

[[BX1\_H1]]Field Trip 6.4: Top Viral Memes

[[BX\_TX]]Every year brings its viral memes that cause a commotion on the Internet—even causing sites to crash because traffic overwhelms their servers.

Follow this link to view [[$i]]Time[[$]] magazine’s list of “The Top 10 Things the Internet Couldn’t Stop Talking About” for 2016.

[[$hyperlink]]<http://time.com/collection-post/4566823/top-10-things-the-internet-couldnt-stop-talking-about>[[$]]

{{Comp: End feature box}}

[[TX]]In the bigger picture of promotional mix strategies, what value does an uncontrollable message channel like buzz marketing have? Not only are marketers asking, “Where’s the ROMI?,” they’re worrying about what’s at stake when the public takes a message and runs with it.

The consensus is that buzz campaigns should tie the entertaining message to something of value that produces a measurable result, like use of a coupon. For example, Groupon often requires a minimum number of customers for the daily deals to be offered, a strategy intended to encourage people to share the offers with their friends through social media, and that produces tracking data when each groupon is redeemed.

Promotions strengthen brands while aiming at a specific tactical objective, such as providing information, increasing demand, differentiating a product, highlighting its value, or stabilizing sales. Promotional strategies (which may be personal or nonpersonal and may employ a push or pull tactic) require selecting a promotional mix, choosing from message channels in four categories. The paid and owned categories are brand controlled, while the earned and shared categories are stakeholder controlled. As marketers adjust to a world in which consumers trust their peers more than advertisers, their promotional mix selections are trending toward direct marketing and social media, while depending less on traditional advertising media. However, they are wrestling with two issues: how to measure results and how to manage the loss of control inherent in the consumer-generated conversations in earned and shared media channels.

{{Comp: Insert feature box}}

[[BX2\_H1]]Questions to Consider

[[BX\_TX]]The #BirdieSanders episode, while it provided comic relief and clear differentiation of the candidate, highlights marketers’ concern about lack of control over buzz marketing. Are marketers better off using brand-controlled (paid or owned channels) to avoid the loss of control associated with stakeholder-controlled (earned or shared) channels?

{{Comp: end feature box}}

# [[H1]]6.3^Promotional Mix Decisions

[[TX]]Promotional mix decisions involve (a) choosing the right message channel to reach target customers and (b) developing the right message to send them. To do this, marketers need an understanding of communications—how messages get from a sender to a receiver and what occurs as a result.

## [[H2]]Frameworks for Understanding Communications

[[TX]]In the communication process, senders encode messages in language, media carry the messages, and receivers decode the language of the messages. Consider the following text message exchange:

[[EXT]]Joe: 2b,cafe 9.

Selena: I b l8.

Joe: NP.

[[TX]]Joe is telling Selena he’ll be at the café at 9; she responds that she’ll be tardy in joining him, and he replies “no problem.” The exchange has been encoded in the shorthand of text messaging and sent through the medium of wireless cell phone communications.

With the growth of interactive media channels, almost everyone has the ability to create as well as to receive messages. Thus, we interact in a [[$kt]]transactional communication model[[$]]. The transaction occurs when the receiver responds by encoding another message and sending it through media, and the original sender decodes its language, as in Joe and Selena’s exchange. This process is shown in Figure 6.1.

{{Comp: Insert Figure 6.1}}

[[F\_N]]Figure 6.1: Transactional communications process

[[F\_CT]]The growth of interactive media channels has given almost everyone the ability to create as well as receive messages, a feature of the transactional communication model.

[[F\_SRC]]Adapted from [[$i]]Marketing: The Core[[$]] (p. 337), by R. Kerin, W. Hartley, and W. Rudelius, 2009, New York: McGraw-Hill Irwin. Reprinted by permission of The McGraw-Hill Companies, Inc.

[[ALT]]Figure showing the flow of messages in the transactional communication model.

{{End figure}}

[[TX]]Several factors can keep the transaction from being as clearly understood as Joe and Selena’s text conversation. Extraneous [[$kt]]noise[[$]] factors can distort or block the message. Noise could be a typo in a text message or a badly printed page in a newspaper that makes an advertisement difficult to read. In spoken communication, noise can be actual background sounds or an individual’s accent or use of slang that make it difficult for the hearer to decode what was said. Noise results in the receiver getting a different message from the one the sender intended—or receiving no message at all.

In addition to the unplanned distortion caused by noise, a lack of shared experience can hamper communication transactions. Marketing communicators must understand their target consumers’ [[$kt]]field of experience[[$]]. Each of us has a field of experience, made up of the attitudes, knowledge, perceptions, and values that we bring to a situation. Effective communication can only take place when sender and receiver share a field of experience that allows each to understand what the other is talking about. When an American mentions wearing knickers to ski, a Briton will picture the skier wearing only underpants—an example of miscommunication through a lack of shared field of experience regarding the meaning of the word [[$i]]knickers[[$]]. If Joe and Selena did not share the same field of experience regarding text message abbreviations, they could have unintentionally blown their date.

For marketers to craft effective messages and place them in effective channels, they must understand the importance of the transactional communication model. In a Marketing 3.0 world, customers expect to have conversations with the companies they buy from. And with the increasing globalization of that 3.0 world, attention to the target audience’s field of experience grows more important.

## [[H2]]Plans, Schedules, and Budgets

[[TX]]With an understanding of the target audience’s field of experience and the transactional communication model, marketers have the information on which to base effective promotional mix decisions. Now we turn our attention to exactly what those decisions involve: plans, schedules, and budgets.

[[$i]]Plans[[$]] are essential for effective action. Factors affecting the plan for the promotional mix include the following:

[[BLF]]• [[$i]]Type of market[[$]]: Small audience concentrated in one geographic area, or large market, scattered over large or distributed geographic area(s).

[[BL]]• [[$i]]Type of product offering[[$]]: Convenience, shopping, specialty, or unsought (defined in Chapter 3).

• [[$i]]Seasonality[[$]]: Offerings that experience cyclical changes in demand.

• [[$i]]Stage in the product life cycle[[$]] (defined in Chapter 3): Introduction acquaints consumers or intermediaries with a new offering; growth calls for advertising to increase interest; maturity requires messages that stress differentiating attributes; decline sees a shift to sales promotions or reduced spending.

• [[$i]]Business model/channel strategy[[$]]: B2C organizations tend to use pull strategies, while B2B tend to use push strategies (defined in Chapter 4).

• [[$i]]Budget[[$]]: The cost of paid and owned channels, plus the cost of monitoring and participating in shared and earned channels.

[[BLL]]• [[$i]]Competitors[[$]]: Businesses facing new or aggressive competitors respond by increasing promotional activity.

[[TX]]These factors will lead marketing decision makers toward either a personal approach or a nonpersonal one. Personal selling tends to dominate when the number of buyers is small, their geography is reasonably concentrated, and the offering is complex or requires customization. Nonpersonal selling dominates when a large number of buyers are so widely dispersed that they are difficult to service personally and/or when the offering is standardized, with minimal need for service during or after the sale (Kurtz, 2010). Table 6.3 highlights unique features of several message channels.

{{Comp: Insert Table 6.3}}

[[TB\_N]]Table 6.3: Message channel advantages

|  |  |  |
| --- | --- | --- |
| [[TB\_C\_H]]Message channel | Advantages | Disadvantages |
| [[TB\_TX]]Advertising | Expressive, dramatic, persuasive | One way, costly |
| Direct marketing | Person to person, immediate, customizable | One way, costly, may be perceived as environmentally unfriendly |
| Guerilla marketing | Reaches people who avoid sales and advertising; entertaining | Difficult to execute on a large scale |
| Personal selling | Builds relationships | More effective at later stages in buying process |
| Product placement | Reaches people who avoid sales and advertising; believable | One way, costly |
| Public relations | Relies on reporters’ interpretation; believable | Difficult to control timing or message |
| Sales and trade promotion | Adds interest to message; rewards quick response | Costly |

[[TB\_FN]][[$i]]Note[[$]]. Each message channel has its advantages and disadvantages; marketers make their selection based on promotional objectives.

{{Comp: End table 6.3}}

[[TX]]A promotional objective can be achieved with many combinations of message channels. Planning a successful promotional mix schedule requires creativity and insight into the target market’s interest and purchasing behavior (Kerin, Hartley, & Rudelius, 2009).

[[$i]]Schedules[[$]] must be developed for every activity in the promotional plan. A [[$i]]media plan[[$]] is developed for all paid advertising; this topic is discussed in more detail in Chapter 9. The media plan details the when, where, how much, and what (message content) intended for each media outlet. More schedules cover personal selling and public relations activities, sales promotions, and direct marketing campaigns, if called for, in the promotional mix.

An organization can only execute what it can pay for, so [[$i]]budgets[[$]] come into play for each activity in the promotional mix. A number of methods of budgeting have their proponents; the task-objective approach is one that emphasizes measurement of the productivity of each promotional dollar (Kurtz, 2010). In this method (discussed in more detail in Chapter 9), marketers determine specific promotional objectives and then determine the amount and type of spending needed to achieve them. Computer-based modeling helps planners explore what-if scenarios to estimate the effect of various levels of spending.

Measurement of results quantifies the program’s contribution to profitability, or ROMI. Typical measures include cost per impression, cost per response or click-through, and conversion rate (how many receivers of the message convert from prospect to customer). Calculating ROMI is also described in Chapter 9.

In the hyperengaged world of Marketing 3.0, marketers must analyze and measure both outgoing and incoming communication. Campaigns that integrate some form of direct response make it much easier to quantify results, but marketers are still seeking ways to measure the contribution to profits from brand narratives generated in social media conversations. Budgets are easier to justify when the effect of the spending can be quantified.

The promotional mix, when strategically designed, brings news of goods and services that improve lives to the people most likely to benefit from them. Accurate targeting keeps that news from cluttering the worlds of those who are not interested, and creativity in designing the message delivers the value of entertainment, as evidenced by campaigns that go viral.

None of this would take place without an understanding of communications applied to the promotional mix—or without marketers’ plans, schedules, and budgets.

{{Comp: Insert feature box}}

[[BX2\_H1]]Questions to Consider

[[BX\_TX]]With the increasing use of message channels controlled by stakeholders, including consumers and commentators, conventional measurement methodology becomes less and less relevant. How do you think stakeholders’ impact on the brand narrative through social media might be effectively measured?

{{Comp: End feature box}}

# [[H1]]6.4^Crafting Marketing Messages

[[TX]]An effective marketing message does more than simply reach a receiver. It must gain the receiver’s attention, achieve an understanding shared by both sender and receiver, call the receiver’s attention to felt needs and desires, and suggest how these might be satisfied. That’s a tall order, one that requires focus on first selecting an appropriate creative approach, then following up with excellent technical execution of the content that will fill message channels.

The promotional mix will indicate whether a push or pull tactic will be emphasized, with a goal of creating a flow of demand either through messages directed to intermediaries or by advertising to consumers to stimulate them to seek out retailers selling the product or service. When push is the tactic, there may be little or no advertising to create. The marketing messages will likely take the form of talking points for salespeople to use in face-to-face conversation. When pull is the tactic, advertising more often carries the marketing message. It’s time to take a closer look at that process.

Marketing messages may be created in-house by an organization’s marketing department or developed by the organization’s advertising agency. The roles and processes in creating advertising messages will be much the same in either work flow.

Each message channel specified in the promotional mix requires content to fill it—and therefore planning, implementation, and evaluation. In Chapter 2 you learned about the campaign development process. Essential to that process is the [[$kt]]creative brief[[$]]—a document prepared by marketing planners that sets out the communication objective, profiles the target audience, and conveys instructions for work to be done by the creative team. Market research results will be included in the brief, or in its absence, a description of research needed. The brief includes a schedule and deadlines for each step in the creative process. The brief puts a framework around the process that gives direction and supports an approvals process as creative work is completed.

Who are the people on the creative team? Roles are shifting dramatically under the influence of media convergence and consumer collaboration. Traditional roles of account manager and account planner may evolve to new roles with titles like idea architect, data miner, and delivery wizard (Cassel, Gross, Mahoney, & Monahan, 2011). Working under these leaders’ direction, content producers such as writers, artists, videographers, and web designers collaborate to produce messages.

In addition to the creative team, a marketing department or ad agency will include strategic planners, media planners, and a traffic controller whose responsibility is to assign work, monitor progress, and ensure that all the components of a marketing campaign come together as planned. Researchers may be on staff, dedicated to profiling target markets, evaluating marketing campaigns’ effects, and feeding that information back to managers and planners.

It’s time for a closer look at the components that drive advertising strategy, the subset of the promotional mix that deals with paid media.

## [[H2]]Advertising Strategies

[[TX]]The creative brief includes a statement of advertising strategy that sums up [[$i]]who[[$]] is targeted, [[$i]]what[[$]] benefit will lead the pitch, and [[$i]]why[[$]]—the rationale that supports the claimed benefit. The advertising strategy gets its direction from the brand’s positioning and the value proposition marketing decision makers have developed. The brief also specifies whether the marketing message will include a specific call to action—termed [[$kt]]direct response advertising[[$]]—or will focus on creating generalized goodwill for a product, service, idea, or organization—termed [[$kt]]image advertising[[$]]. Image advertising evokes a scene that associates pleasure with the offering. Image advertising works slowly over time, building brand equity. Campaigns like General Electric’s “We bring good things to life” or Intel Corporation’s “Intel Inside” are examples of image advertising.

{{Comp: Insert feature box}}

[[BX1\_H1]]Field Trip 6.5: Crafting Direct Response Advertising

[[BX\_TX]]In the advertising community, writing direct response advertising copy is considered a specialized craft.

Follow this link to read tips direct response advertising copywriters should heed.

[[$hyperlink]][https://www.crazyegg.com/blog/direct-response-copywriting](https://www.crazyegg.com/blog/direct-response-copywriting/)[[$]]

{{Comp: End feature box}}

[[TX]]Companies seeking measurable short-term results deploy direct response advertising, which asks for the order with phrases like “Vote on Tuesday” or “Call in the next hour to receive an extra bonus.” Direct response advertising often makes use of sales promotional techniques, as described in Chapter 5. These techniques, which add short-term incentives to buy that are not part of the value proposition of the service rendered, give urgency to the call to action in direct response ads.

## [[H2]]Developing the Creative Approach

[[TX]]Ads sell by dramatizing a value proposition. Words and images bring the offering to life in a manner consistent with a company’s brand. With an audience and a value proposition in mind, the creative team approaches the task of finding a “big idea”—a memorable narrative that dramatizes the value proposition.

As advertising professionals adapt to the Marketing 3.0 world of consumers engaged in creating their own brand narratives, more big ideas are coming from customers who relate the stories of their experiences with a brand. A creative revolution is taking place as marketers seek creative responses that keep their brands at the center of consumers’ hearts and minds. The fundamentals of developing a creative approach remain in place, but what creative advertising minds build on that foundation is taking bold new directions (Hackley, 2010).

Even so, certain fundamentals of effective advertising remain. Advertising copy follows a precise structure, as formulaic as a sonnet or haiku. The structure is termed the [[$kt]]AIDA formula[[$]], an acronym that describes four common requirements to sell a product or service. The seller must

[[NLF]]1. get [[$b]]A[[$]]ttention,

[[NL]]2. arouse [[$i]]I[[$]]nterest,

3. create [[$i]]D[[$]]esire, and

[[NLL]]4. motivate [[$i]]A[[$]]ction.

[[TX]]Advertising copywriters generally begin by developing a concept, represented by either an image or a headline that will command the attention of a target market. They then write copy that includes points designed to provoke the four requirements of AIDA in the correct sequence.

Most ads contain both informational and persuasive elements. Common advertising creative approaches include the following:

[[BLF]]• [[$i]]Storytelling[[$]]: Describes the experience of the product in use.

[[BL]]• [[$i]]Number of reasons why[[$]]: Presents the value proposition as a series of feature/benefit statements, typically ranked in order of priority.

• [[$i]]Question and answer[[$]]: Similar to number of reasons why; presents the value proposition in a series of questions and answers, often scripted as a conversation.

• [[$i]]Humor[[$]]: Uses exaggerations or incongruities to blend entertainment with the selling message.

• [[$i]]Fear[[$]]: Suggests negative consequences that can be avoided through the value proposition.

[[BLL]]• [[$i]]Sex appeal[[$]]: Suggests increased attractiveness will be achieved through the value proposition.

{{Comp: Insert feature box}}

[[BX1\_H1]]Field Trip 6.6: Crafting Image Advertising

[[BX\_TX]]While the objective of a direct response ad is to trigger an action that leads to a sale, the objective of image advertising is to slowly build a specific brand identity and narrative.

Follow this link to read tips for creating effective image advertising.

[[$hyperlink]][https://designschool.canva.com/blog/advertisement-design-tips](https://designschool.canva.com/blog/advertisement-design-tips/)[[$]]

{{Comp: End feature box}}

[[TX]]When advertising copy is destined for one-to-one marketing, opportunities for customization are woven in. Data should drive increased relevancy in the copy and imagery for each recipient. Developing ads destined for multiple versions is a demanding specialty.

It is not uncommon for creative professionals to push the boundaries of the creative brief. A big idea might bubble up that dramatizes a different benefit than specified by the brief. A fresh idea for imagery or a headline might feel so promising that the creative team goes back to the planners to suggest that the creative brief be altered to fit the idea. Like any creative process, developing great advertising must leave room for discovery.

The goal of every advertising message is [[$kt]]engagement[[$]]. Ads that entertain earn that engagement by delivering a small, pleasurable experience. [[$kti]]Advertainment[[$]] is a term coined for ads that entertain by relating a dramatic narrative or by engaging consumers in an interaction, such as a game. The goal with this type of content is to become widely talked about, shared, and viewed. Advertainment merges the marketing brand-controlled channels of advertising and sponsorship with the stakeholder-controlled channels of social media. Advertainment can be achieved with “old-style” advertisements that entertain so well that people want to share them, like commercials for Levi’s 501 jeans, or by interactive techniques like Burger King’s Subservient Chicken.

Ads that simply help people feel a human connection can generate engagement just as effectively as advertainment can. Betting that tears can feel as good as a laugh in the right situation, Kimberly-Clark launched an ad campaign with the tagline “someone needs one” in 2015. It featured people helping others in emotional distress. In one television commercial, a boy offers a Kleenex to a girl on the school bus who appears to have been bullied. The ads are part of a larger campaign that includes Facebook ads targeted to specific demographics. The initiative, designed to use heightened emotions to raise the product above commodity status, were measured based on iSpot.tv effectiveness rating, a measure of the ratio of social media mentions to estimated dollars spent. During the first 4 days of its run, the campaign earned a 9.2 rating, well above the 5.4 average for the personal care products industry (Neff, 2015).

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[[BX1\_H1]]Field Trip 6.7: Advertising that Entertains

[[BX\_TX]]Engaging with advertising online—for example, by clicking a “share” button—is easy. But interacting with traditional print media is possible too, as proved by an innovative 2015 Neutrogena campaign.

Follow this link to read about interactive Neutrogena skin care campaigns.

[[$hyperlink]]<http://www.trendhunter.com/trends/handson-ad>[[$]]

{{Comp: End feature box}}

[[TX]]As you have learned, marketing messages more often support a pull strategy than a push strategy. The messages follow the AIDA structure designed to move recipients from unawareness to a measurable action. Any of several creative approaches may be used to communicate the value proposition. The goal is to achieve engagement with potential buyers in the target market, in a manner consistent with the seller’s brand.

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[[BX2\_H1]]Questions to Consider

[[BX\_TX]]Leaf through a magazine looking at the ads, or watch commercials online, where you can pause them for closer study. Can you identify the creative approach in each ad? Can you identify components of the AIDA formula in use?

{{Comp: End feature box}}

# [[H1]]6.5^Global Marketing Programs

[[TX]]Strategic decisions about the promotional mix are complex and mission critical for even the smallest start-up firm and the decades-old mom-and-pop business. But now the Marketing 3.0 landscape invites businesses to increase their reach into international markets, as discussed in Chapter 1. Global marketing puts a new spin on every aspect of the marketing mix, not to mention the socioeconomic and legal requirements of all the countries and markets involved. Let’s examine strategies for global markets.

{{Comp: Insert Image 6.8. NEW Coke image.}}

[[P\_CT]]How does Coca-Cola market its products abroad, such as here in Kathmandu, Nepal?

[[P\_CRD]]Ingo Wagner/picture-alliance/dpa/AP Images

[[ALT]]Coca-Cola sign in Kathmandu, Nepal.

{{End photo}}

[[TX]]Developing a global marketing program begins with choosing a communication strategy, which may involve extension, adaptation, or innovation.

[[BLF]]• Extension: With the extension strategy, brand communications are introduced into new markets around the world by extending a promotional strategy used in the home market. This affords deep cost savings in creating marketing campaigns and leads to greater coherence in the brand narrative. Products like Coca-Cola’s family of beverages and Unilever’s Organics shampoo line have had success with this strategy. However, many brands have found that consumers’ tastes are not the same around the world, limiting the utility of this approach (Hollensen, 2007).

[[BL]]• Adaptation: In this strategy, the brand keeps the offering(s) for the new market fundamentally unchanged but alters the promotional program to reflect cultural differences in foreign markets. Sometimes, however, the product as well must be altered to maintain its functionality in different locales. For example, gauges must reflect the system of measures used (metric or English), and electrical appliances must be modified to work with the different electrical voltages in different countries.

[[BLL]]• Innovation: Sometimes a company’s existing products are not an ideal fit for the target country, in which case a strategic decision to enter a foreign market brings with it a need not just for a promotional strategy but for product innovation as well. In such a case, a company should look for a product idea that fits within its existing brand narrative. After Vicks successfully entered the Indian market with its existing products, it created additional all-natural herbal products, developed with the aid of ancient Sanskrit texts (Das, 2008).

## [[H2]]Viewing Global Strategy Through the Lens of the Four Ps

[[TX]]The strategies driving all four of the Ps of the marketing mix should be evaluated when a company plans to market its products and services around the world.

Product/service offerings are not created equally in terms of their promise for a global marketing program. Theoretically, the same fundamental consumer segments exist worldwide and therefore can be met by a company with a global orientation. In practice, the promise of worldwide consumer appeal is directly related to how [[$kt]]culturally bound[[$]] a product is. The more culturally unbound a product is, the more likely it can be marketed worldwide, as the global popularity of Coca-Cola and Pepsi demonstrate. On the other hand, until the explosion of interest in quinoa as a health food in the United States, the Andean seed would have been considered a culturally bound product, for which little demand existed outside its home country. Products used in the home, like soups and frozen foods, are frequently more culturally bound than products used outside the home, like cars or credit cards. Consumer technology products like personal computers and tablets are among the more culturally unbound, because their performance benefits remain the same all over the world (Aliber & Click, 1993).

Pricing strategy reflects the value customers place on an offering, which naturally differs in every marketplace and consumer segment. The cost structure that determines an offering’s breakeven point is affected by the strategy chosen to enter a foreign market—a joint venture will have different implications than a simple export agreement, for example. International pricing decisions are made within a framework of internal and external factors. Internal factors include corporate and marketing objectives, market entry modes, and product factors like stage in the product life cycle and fit of the current brand narrative to the chosen foreign market. External factors include governmental constraints; currency fluctuations; degree of development of the chosen market (industrialized, emerging, or preindustrial); and market factors such as customers’ perceptions, ability to pay, and the presence of competitors.

From these internal and external factors, the price level for introductory pricing, the decision whether to standardize prices across countries or allow differentiation, and the terms of sale and payment can be determined (Hollensen, 2007). When Vicks entered the market in rural India, it created new sizes and price points for its products adapted to the buying power of the Indian poor. The company cultivated native distribution networks rather than building its own (Das, 2008).

Which brings us to distribution strategies for global markets, which were touched on in Chapter 4. Pursuing global strategies adds complexity to supply chains. Design of those supply chains should be made with the final consumer in mind, the keystone of all marketing decisions. Thus, marketers must consider the shopping habits, usage patterns, and geographic density of consumers in the chosen market. These factors vary from country to country and reflect sociocultural factors (Hollensen, 2007). Many companies find that they need to delegate distribution activities to local subsidiaries but struggle with giving up control. When going global, marketers have a broad range of alternatives for selecting and developing international distribution channels, which are beyond the scope of this discussion.

Promotional strategy in international markets must reflect an offering’s stage in the product life cycle, just as it must in the home market. As you learned in Chapter 3, every product has a life span, progressing through the four phases of introduction, growth, maturity, and decline. The product’s stage impacts (but does not dictate) selection of a promotional strategy. Complicating that decision process, many firms offer multiple product or service lines, some of which are “older” and some “younger” in terms of their life cycles. The time it takes for a product to pass through a stage likely varies from market to market internationally (Hollensen, 2007). Both the product and the promotion strategy likely need to be adapted to suit the product’s life cycle stage in each target country.

But perhaps the biggest challenge in promotional strategy is the imperative to develop flexible campaigns in which marketing assets can be deployed many times, across different markets—exponentially increasing the challenge of IMC (Freedman, 2014). At minimum, campaign materials must be translated into each foreign market language. Reaching customers in a way that creates true engagement, and not just a transactional communication loop, is the goal of global promotional strategy.

In sum, what do we see when we view global marketing programs through the lens of the four Ps? A need to adapt the marketing mix, especially where culturally bound products are concerned.

## [[H2]]A Global Marketing Program in Action: Oreos in China

[[TX]]The experience of Kraft Foods in marketing Oreos in China reveals how these marketing mix factors come together in a global marketing program. When Kraft Foods tried to introduce Oreos in China in 1996, it extended its U.S. communications strategy and product into the new foreign marketplace, where it turned out to have little appeal. Then in 2005 the company shifted to an adaptation strategy. Chinese consumers thought the U.S. version of the Oreo was too sweet, so Kraft developed a new flavor profile. Chinese consumers also objected to the shape of the cookie. The Chinese love wafer cookies, so in 2006 Kraft launched a rectangular Oreo wafer cookie with the familiar crème filling but coated in chocolate. It subsequently earned 30% of the wafer cookie market. “More than anything else, it’s been Oreo’s willingness to alter its size, shape and flavor that led to its dominance of the Chinese cookie market,” writes Jeff Beier (2012, para. 13) in [[$i]]Canadian Business[[$]].

Kraft (renamed Mondelez International in 2011) also found that the traditional Oreo package was too big for Chinese pocketbooks and distribution channels. A smaller size worked better in small mom-and-pop groceries and could be priced to suit consumers with less disposable income.

For its promotions, the company switched from simply subtitling its American commercials to a creative approach designed specifically for the Chinese market. Commercials focused on children (in Chinese culture, the center of the family) and used locally popular spokespeople like former NBA star Yao Ming. These shifts in the marketing mix helped Oreo grow its market share by 10 times over the next 5 years (Beier, 2012).

It should be clear from this example how the four Ps of the marketing mix interact in global marketing programs.

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[[BX1\_H1]]Field Trip 6.8: Globalization

[[BX\_TX]]To read about more businesses with successful global marketing strategies, follow this link.

13 Businesses With Brilliant Global Marketing Strategies

[[$hyperlink]]<http://blog.hubspot.com/blog/tabid/6307/bid/33857/10-Businesses-We-Admire-for-Brilliant-Global-Marketing.aspx>[[$]]

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# [[H1]]6.6^Promotional Mix Issues in a Marketing 3.0 World

[[TX]]In the consumer-empowered world of Marketing 3.0, marketers no longer control all aspects of the promotional mix—only the paid and owned channels. Stakeholders—especially customers—control the earned and shared channels. They expect to be partners, turning their urge for meaningful engagement into collaboration with the companies they buy from (Prahad & Krishnan, 2008). This shift has affected the promotions aspect of the marketing mix, demanding tighter cross-functional control, strategic use of consumer data, attention to social responsibility, and care in addressing foreign markets.

## [[H2]]Tighter Cross-Functional Control

[[TX]]As should now be clear, the topic of promotions represents a complex web of activities that include selecting, managing, and measuring a brand strategy; bringing customers into conversation with the brand via the four types of message channels; and coordinating marketing messages for each channel so that members of the target audience receive a coherent, consistent impression across all message channels. Therefore, it is essential to have cross-functional coordination, both internal to the organization and with external partners such as ad agencies, media buying firms, and data providers. This coordination requires a market orientation, which by now you know means an unwavering focus on the consumer’s experience. Because managing this complexity is so essential, marketers increasingly work within a framework IMC to integrate all management initiatives related to brand communications. We’ll examine the IMC approach in Chapter 9.

## [[H2]]Practicing One-to-One Direct Marketing

[[TX]]The growth of direct marketing parallels the move toward IMC: Both respond to changes in media channels, growth in customized products, and increasing use of database technology to target campaigns to niche markets (Kotler & Armstrong, 2006).

Increasing technological power for data-driven marketing has given rise to the use of analytics to understand customer behavior, with the goal of reaching the right people with the right offer at just the right moment. Whether the promotional technique involves direct mail, e-mail, or some other channel, the advantage of one-to-one marketing is the ability to track what happens after asking for the sale, which provides data that can lead to improved strategies and better results with every cycle. This technology has given rise to the field of [[$kt]]customer analytics[[$]]—a specialized decision-support approach that influences market segmentation and makes possible [[$kt]]predictive analytics[[$]], the use of current and historical facts to make predictions about future events. But the need to acquire and track huge amounts of data poses a new challenge: developing effective [[$kt]]data mining[[$]] techniques to analyze and make predictions about consumer behavior, feed new product development, and create ongoing relationships with individuals. How to mine the data so it produces useful information and insights? Marketers are still working toward an effective answer. More on this topic appears in Chapter 7.

## [[H2]]Social Responsibility

[[TX]]As marketers increase their reliance on information technology, issues of social responsibility come into play. Privacy advocates suggest that devious marketers are intent on learning about consumers without their knowledge. They question the ethics of [[$kt]]behavioral targeting[[$]], by which marketers capture consumers’ communication behaviors and then market to them based on those observations. Many marketing practitioners see this as merely the latest evolution of the database marketing that has been common practice for half a century. Professor emeritus Don Schultz (2011a) characterized the two prevailing views of this ethical question in his article “The Bugaboo of Behaviors” in the summer 2011 issue of [[$i]]Marketing Management[[$]]:

[[EXT]]“It’s insidious snooping and invasion of personal activities,” say the privacy advocates.

“It’s useful and helpful analysis to provide better coordinated and more relevant marketing for consumers,” say the practitioners.

The problem is that both are likely right. (p. 10)

[[TX]]Schultz (2011a) concludes that there is no need for surreptitious use of electronic data—that simple statistical analysis of reliable data that consumers willingly provide is enough to improve marketing returns. Industry-developed guidelines call for adherence to a set of consumer privacy rules that includes honoring consumer requests to opt out of receiving marketing messages and/or dissemination of their contact information to other marketers (Kotler & Armstrong, 2006).

Marketers must accept responsibility for observing laws against false and deceptive promotional practices. Reebok claimed its EasyToneTM shoe line would tone and strengthen customers’ legs 11% better and sculpt bottoms 28% better than regular walking shoes. The Federal Trade Commission’s (FTC) Bureau of Consumer Protection disagreed. Reebok settled with the FTC to avoid a protracted legal battle (Elliott, 2011e). Customers who bought the shoes and filed their claims by the deadline of April 10, 2012, received up to $25 million in refunds (Bumgardner, 2016).

{{Comp: Insert Image 6.9. NEW photo of Reebok EasyTone.}}

[[P\_CT]]The FTC disagreed with Reebok’s claims that EasyToneTM shoes would improve the appearance of walkers’ legs and rears more than ordinary sneakers. Should marketers be held responsible for their claims?

[[P\_CRD]]Bloomberg / Contributor

[[ALT]]Reebok’s EasyToneTM sneaker.

{{End photo}}

[[TX]]Consumers’ concerns about intrusive advertising, invasion of privacy, and the nuisance of spam are all valid. Marketers who engage in such practices risk damage to their brands, if not actual legal sanctions. Socially responsible marketing builds bonds of loyalty, not mistrust. More on socially responsible marketing appears in Chapter 10.

## [[H2]]Issues in Global Promotions

[[TX]]Globalization is widely viewed as an imperative driving business strategy today (Douglas & Craig, 2011). But the trend toward direct and consumer-generated marketing techniques meets difficulty when exported beyond developed countries where a consumer culture dominates. These techniques, so effective with Marketing 3.0 consumers, are not well supported globally. Delivering messages by Internet, mail, or phone is not as reliable in developing countries. International mailing lists are increasingly hard to come by, due to international magazines ceasing print distribution, which reduces the number of subscriber lists available. Some countries require mandatory opt-in to marketing messages. Systems for secure payment are not equally available around the globe (Kerin et al., 2009). Advertising messages, websites, and so on must be translated into the languages of each country entered or leave significant revenue on the table. More than 50% of online consumers across three continents surveyed by Common Sense Advisory in 2006 indicated they were willing to pay a higher price if given information in their own language (Kelly, 2006). In light of these factors, going global loses its luster.

The possibility of cultural missteps rises as the common ground between sellers and buyers is reduced. The lack of shared language and heritage makes it difficult for a creative team from one culture to create pitches that resonate with consumers in another culture. For example, the “OK” sign made with thumb and first finger in the United States translates in Mediterranean countries as “zero” or “the worst” and in Tunisia as “I’ll kill you” (Kurtz, 2010). An ad featuring that familiar image would send a very different message in different countries. Furthermore, ethical issues like the quinoa conundrum discussed in Chapter 1 fuel consumer anxiety about the cultural effects of globalization. A backlash against brands may result.

Consider the experience of Starbucks in China, where the Seattle-born coffee giant declared its intentions to open 500 stores a year. Like Kraft Foods in the Oreos example, Starbucks was drawn by the sheer size of the consumer population in China. Starbucks built its relationships with Chinese consumers through the “owned” channel of its own socially responsible operations. Starbucks invested in high wages and generous benefits, including ownership options, housing allowances, and health care benefits for its Chinese workforce—expecting the ROI to come in the form of authentically positive word of mouth.

The company also invested in producing coffee in China’s Yunnan Province, creating hundreds of jobs in the process. The parent company operates Starbucks China as an autonomous business unit managed by a team of both Chinese and U.S. executives, headed by a Chinese CEO. Together, these moves brought it closer to its customers, minimizing globalization concerns and the potential for cultural missteps.

So, what is the bottom line? When it comes to global promotional strategies, applying a one-size-fits-all creative approach is seldom effective. Leading strategists recommend integrating marketing communications activity in all parts of the world but respecting the different strategic directions required in different parts of the globe (Douglas & Craig, 2011).

As this discussion has shown, if foreign markets are involved, the complexity of the promotions P of the marketing mix in the Marketing 3.0 world demands greater integration of the marketing function, more sophisticated use of consumer data, greater attention to social responsibility, and adaptation of communication strategy, rather than a one-size-fits-all approach.

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[[BX2\_H1]]Questions to Consider

[[BX\_TX]]Of the issues raised regarding developing promotions in a Marketing 3.0 world, does one issue strike you as more important than the others? If yes, why?

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# [[H1]]Case Study: Barilla’s “Share the Table”

[[TX]]Italian food company Barilla entered the U.S. market in 1996 and just 3 years later stood first in sales among leading brands. When the Atkins diet counseled dieters to radically cut their intake of carbohydrate-laden pasta, Barilla fought back by cosponsoring a conference in 2003 that brought the world’s top food and nutrition scientists to Rome to discuss (and publicize) the benefits of the Mediterranean diet (Cox, 2003). Sales continued to improve year-over-year despite the Atkins trend.

{{Comp: Insert Image 6.10. PU Barilla image.}}

[[P\_CT]]Chef Edmondo Sarti from Academia Barilla demonstrates how to prepare an authentic Italian dish at Casa Barilla.

[[P\_CRD]]Getty Images Entertainment/Getty Images

[[ALT]]Chef Edmondo Sarti from Academia Barilla demonstrates Italian cooking.

{{End photo}}

[[TX]]In 2004 the company launched Academia Barilla, an international project devoted to preserving and promoting regional Italian gastronomic culture, and in 2009 added the Barilla Center for Food and Nutrition, a multidisciplinary research program with a mission to better understand and share knowledge about sustainability of its food chain (Barilla Group, 2018). These developments give evidence of Barilla’s bona fides as a socially responsible company.

In 2009 Barilla began to build an integrated marketing campaign designed to link the benefits of the Mediterranean diet to a cause-related marketing approach. The company partnered with StrategyOne, the research unit of its public relations firm, the Edelman Company, to commission a study on the benefits of families dining together. The result was a white paper authored by Dr. William Doherty, director of the Marriage and Family Therapy Program at the University of Minnesota and professor in the Department of Family Medicine and Community Health. Doherty described the study’s conclusion: “These findings tell us that something as simple as everyone sitting down together and talking about their day over a good meal can strengthen the bonds between parents and kids” (as cited in Barilla Group, 2011, para. 5).

In 2010 Barilla was ready to make that good news the centerpiece of an initiative it named Share the Table: The Family Dinner Project. With a goal of building brand equity, the company rolled out a public relations campaign and a website, SharetheTable.com. Its strategy to achieve that goal was simply to make a strong emotional connection with its consumers. Barilla set out to become the brand consumers turned to at family dinnertime. The positioning was a good fit for the brand’s DNA. “We’re also Italian—we don’t believe that food is just functional, but that food is about togetherness” (Bucci, 2011, para. 7), said Prita Wadhwani, marketing manager, integrated marketing at Barilla, in a 2011 interview.

The integrated marketing campaign featured celebrity spokespeople, including chef Mario Batali plus actress Julianne Moore and country singer Martina McBride (who were moms). The website offered recipes, tips for enhancing the family dinner experience, and a downloadable cookbook. [[$i]]Family Circle[[$]] magazine signed on as the campaign’s media sponsor, having been a partner in the original research project. Over 1,000 paid ad placements supported the public relations and digital elements of the campaign. The integrated effort earned 187 (unpaid) media mentions, including national radio, TV, and print coverage, plus publicity in 3 of the top 20 food blogs at the time. What made the campaign successful, according to Wadhwani, was its 360-degree approach: blending all the tools in the marketers toolbox, teaming with a media partner, and providing tools and tips that supported its cause-related message of family well-being. In 2011 the campaign received the Grand Prize from the Bulldog Awards for Excellence in Media Relations and Publicity (Bucci, 2011).

But that’s not the end of the story. Over the next years, Barilla turned to other campaign strategies, including its 2011 Summer of Italy campaign that combined experiential marketing with sales promotion, building its chops at integrated marketing communications (Newman, 2011d). It continued to host the Share the Table website and sponsor celebrity spokespeople on the campaign’s behalf.

Then in September 2013 Barilla’s CEO made an antigay comment on a regional Italian radio station. He said he would never feature a gay family in Barilla’s advertising, which typically showed a mother serving pasta to her family. He was quickly savaged on social media, staining the Barilla brand. Offended consumers set Facebook and Twitter afire, while rival brands posted messages about their own inclusiveness (Reuters, 2013).

Barilla responded by doubling down on its Share the Table campaign. The early 2014 iteration of the campaign featured more content on the website, including tips from Doherty (author of the original research) and activities for children; a social media–ready video featuring children sharing why mealtime is important; a customer advisory panel; partnerships with food bloggers; and a new cause-related element—a donation to Meals on Wheels for every social media post featuring a family at the dinner table and the #SharetheTable hashtag during a specified period (Barilla Group, 2014).

Importantly, the company reached out to gay bloggers. One such blogger, Brent Almond (2014), posted about his reaction to Barilla’s outreach:

[[EXT]]According to the materials I was given and my own research, Barilla has been making changes ever since the interview and subsequent boycott. They met with and received counsel from GLAAD; established a Diversity & Inclusion Board and appointed a Chief Diversity Officer. . . . If Barilla is sincere in their efforts to not just be diverse for the sake of diversity, but to truly “share their table” with any and all kinds of families, then I’m willing to hear them out and even help spread the message of communication, togetherness and family. (para. 5)

[[TX]]Barilla was on the way to recovering from its misstep. Share the Table 2014 won a Platinum Award in the Marketing Communication category from PR News in 2015 (Goldstein, 2015).

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[[BX1\_H1]]Field Trip 6.9: Barilla’s Share the Table Online

[[BX\_TX]]Visit NudgingforGood.com to read another take on Barilla’s 2014 Share the Table campaign.

[[$hyperlink]]<http://www.nudgingforgood.com/tag/barilla>[[$]]

Review the POES model of message channels shown in Table 6.2: Which of these message channels were included in the 2014 Share the Table campaign? If you were participating on the marketing team, what additional channels might you suggest?

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[[BX3\_H1]]Challenge Question

[[BX\_TX]]Branding is the DNA of promotions, this chapter has stated, but in the 2013 public relations “fail” of Barilla, we see that this “DNA” can be a liability as well as an asset, if the brand narrative created by consumers becomes out of sync with the company’s vision of its brand. Several lessons can be drawn from the Barilla CEO’s misfire, among them that no one speaking for the brand should ever go off-message, no matter how obscure the media channel, and that companies must be prepared at all times for a potential crisis in communications. What other lessons might you draw from the Barilla episode in 2013?

For some ideas, view this article: “Protecting Your CEO’s Brand: 7 Lessons From Barilla Pasta’s Crisis.”

[[$hyperlink]]<http://info.maccabee.com/blog/bid/322458/protecting-your-ceo-s-brand-7-lessons-barilla-pasta-s-crisis-teaches-communicators>[[$]]

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[[EOC\_H1]]Summary & Resources

# [[EOC\_H2]]Key Ideas to Remember

[[EOC\_BLF]]• Branding takes place through a collaboration of consumers and marketers. Consumers contribute to the brand narrative through social media conversations in which both positive and negative opinions are expressed. Marketers contribute positioning strategy expressed through promotional campaigns and measurement of brand performance, and they join the conversation with consumers in which consumers provide the feedback necessary to keep the brand narrative aligned with promotional objectives.

[[EOC\_BL]]• The message channels in the promotional mix can be classified in terms of their ownership and control. Chief among the paid, brand-controlled channels are advertising, direct marketing, and sales promotion. Owned, brand-controlled channels include company publications, such as a website and blog, and personal selling, such as in-store and experiential marketing. Earned, stakeholder-controlled channels include media coverage, buzz/word of mouth, and review sites. Shared, stakeholder-controlled channels include social media platforms like Facebook, Twitter, and blogs.

• Plans, schedules, and budgets are three aspects of promotions requiring decisions as part of the promotions mix. With these decisions in place, a creative brief can be developed, and the marketing creative team can do its work to fulfill promotional objectives.

• Marketing messages will support either a pull or push strategy; advertising tends to be used to pull, while personal selling is more commonly used to push a message. Marketing messages usually follow the AIDA structure to move recipients toward a measurable action. The creative approach conveys the value proposition identified as part of the promotional objective. Strategy, structure, and creative approach are carefully planned to achieve engagement with the target market while supporting the brand narrative.

• Tighter cross-functional control is required to deliver a consistent message to target audiences across so many message channels. Marketers increasingly use the IMC approach to coordinate all that activity related to branding and promotions.

• A firm may choose a communication strategy for its global marketing program that centers on extension of the home-market approach, adaptation of the current product and promotional strategy, or innovation (usually affecting all four Ps of the marketing mix) to make the offering a better fit for a foreign target market.

[[EOC\_BLL]]• Three issues affecting promotional decisions today are more sophisticated use of consumer data, greater attention to social responsibility, and the need for a semiglobal strategy that meaningfully integrates the brand’s narrative with the local culture when foreign markets will be approached.

# [[EOC\_H2]]Critical-Thinking Questions

[[EOC\_NLF]]1. What is the difference between a brand narrative and a brand communication?

[[EOC\_NL]]2. Choose two brands (products or services; for example, hotel chains) that you have used repeatedly. Describe how each brand attracted you, what you associate with the brand, and why you stick to it.

3. Explain how a review about a plumber posted on Angie’s List differs from a blog post about Barilla’s Summer of Italy on FeistyFoodie.com.

4. Demonstrate your understanding of the transactional communications process by writing a short script for a conversation between a seller and a buyer who is at the second stage of buyer readiness (awareness).

5. You’ve been charged with creating a strategic promotional mix targeting 20-something males and females with the goal of increasing sales of high-end portable wireless audio speakers. What would be your strategy for making message channel choices?

6. Two campaigns mentioned in this chapter have as their objective strengthening a brand. Contrast the methodology used in Barilla’s Summer of Italy (see [[$i]]Case Study[[$]]) promotion with American Eagle’s Move-in Crew (see [[$i]]Challenge Question[[$]]) promotion.

[[EOC\_NLL]]7. The adult American population can be considered in generational cohorts that include traditionalists, baby boomers, Gen Xers, and millennials. Choose a cohort: Where do you think its members stand in the transition to Marketing 3.0 characteristics? Offer evidence and examples for your position.

# [[EOC\_H2]]Key Terms

[[TX\_GLO]]advertainment^A term coined for advertising that entertains, usually by relating a dramatic narrative or by engaging consumers in an interaction, such as a game.

advertising media^Traditional paid vehicles by which promotional messages are communicated to the public, such as newspaper, radio, and television.

AIDA formula^A structure that describes four states required to sell a product or service: attention, interest, desire, and action; the name is an acronym.

behavioral targeting^Marketers’ recording of consumers’ online communication behaviors, in order to market to them based on those observations.

best available screen theory^A theory that explains consumers’ tendency in a media-convergent world to choose the best available screen for their location at the moment as they move through a day’s activities.

brand^The combination of a unique design, sign, symbol, and/or words, strategically deployed to create an image that identifies a product, service, organization, or idea and differentiates it from its competitors.

brand ambassadors^Individuals who serve as the face of their client company at promotional events.

brand architecture^The structure within an organizational entity that determines how its portfolio of brands relate to and are differentiated from one another.

brand narrative^The ongoing dialogue connecting company and customer that encodes in story the values and experiences that compose the brand’s meaning.

brand promise^A statement of the specific benefits a product or service will deliver, phrased in an emotionally compelling way that reflects a company’s positioning and value proposition.

buzz^Anything that creates excitement or stimulus; a marketing technique that leverages consumers’ interest to generate marketing messages.

creative brief^A document created by marketing planners and followed by creative professionals to guide development of creative deliverables such as advertising, websites, and so forth.

culturally bound^A product for which demand is constrained by characteristics of the local market. Demand for culturally unbound products crosses country boundaries, while demand for culturally bound products is limited by local traits, behaviors, and preferences.

customer analytics^The process by which customer data are used to inform key business decisions, influencing market segmentation and predictive analytics.

data mining^Using sophisticated data search capabilities and statistical algorithms to discover patterns and correlations in large preexisting databases; a way to discover new meaning in existing data.

direct response advertising^A form of marketing designed to solicit a direct response that is specific and quantifiable.

engagement^The state of being attracted and interested; devoting mental resources to a task; in marketing usage, the degree and depth of consumer interaction with a marketer’s message.

field of experience^The attitudes, knowledge, perceptions, and values that individuals or members of a group bring to a situation.

guerilla marketing^Unconventional marketing intended to get maximum results from minimal resources by being unexpected or unconventional; frequently includes consumer interactivity.

house of brands^A brand architecture strategy in which a company’s offerings are marketed under separate brand names in order to target unique and separate market niches for each group.

hybrid brand^A brand architecture strategy that combines the master brand and house of brands models, in which a variety of brand and subbrand relationships coexist. Useful when the organizational context demands flexibility.

image advertising^A form of marketing designed to create generalized goodwill for a product, service, idea, or organization in the minds of consumers. This image aims to associate the advertised product and/or firm with certain lifestyles or values.

in-store marketing^Marketing dollars spent inside a retail store in the form of store design, merchandising, visual displays, or promotions.

master brand^A brand architecture strategy to create a strong association between a company’s products and what the brand represents.

media convergence^The process in which several media channels come together to operate synergistically; for example, reducing the line between televisions, computers, and mobile devices.

media coverage^Information presented in mass media about a company by reporters; may result from public relations activity.

noise^In communication theory, extraneous factors that distort or block a message as it is sent or received, such as background sounds or printing errors.

nonpersonal selling^A promotional technique featuring communications through non-person-to-person channels.

personal selling^A promotional technique featuring personal contact by members of a company’s sales force (which can be face-to-face or via technology) intended to make sales or build customer relationships.

POES model^(derived from “paid, owned, earned, shared”) A framework that assigns message channels to one of four quadrants based on ownership and control.

predictive analytics^A variety of techniques from statistics, data mining, and game theory that analyze current and historical facts to make predictions about future events.

primary demand^One possible objective of promotional communications, designed to stimulate desire for a general product category.

product placement^An advertising technique used to subtly promote products through appearances in film, television, or other media or via prominent display at consumer events.

promotion^The function of informing, persuading, and influencing consumers’ purchase decisions through the use of message channels such as publicity and/or advertising; the advancement of a product, idea, or point of view through message channels.

public relations^Communication management that seeks to make use of publicity and other nonpaid forms of promotion to influence feelings, opinions, or beliefs held by buyers, prospects, or other stakeholders about the company, its products or services, and its activities.

search engine optimization^A methodology for increasing the number of visitors to a website by obtaining higher placement in the search results page of various search engines.

selective demand^One possible objective of promotional communications, designed to stimulate desire for a specific brand within a product category created through differentiation. Also called secondary demand.

sponsorships^Cash and/or in-kind fee paid to a property (typically a celebrity) in return for endorsements and other exploitable commercial potential associated with that property.

touchpoint^The moment in which a consumer experiences an interaction with a brand, the quality of which will influence relationships, perceptions, and actions.

transactional communication model^A model that sees communication as a negotiation of meaning in which two or more parties respond to their environment and each other.

word of mouth^The recommendation by a satisfied customer to prospective customers of a good or service, considered one of the most effective forms of promotion.