

15 The Internet: Digital and Social Media



Source: *Marketing Technology Media, LLC*

Learning Objectives

- LO 15-1** | Describe the role of the Internet and digital and social media in an IMC program.
- LO 15-2** | Discuss the use of Web 1.0 and Web 2.0 media platforms in the IMC process.
- LO 15-3** | Explain how to evaluate the effectiveness of communications through the Internet and digital and social media.
- LO 15-4** | Compare the advantages and disadvantages of the Internet and digital and social media.
- LO 15-5** | Discuss the social and ethical issues associated with the Internet and digital and social media.

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The Ever-Changing World of Social Media

Imagine a world in which there is no such thing as social media. You probably can't—just as the majority (if not all) of you reading this have never experienced a world without the Internet. Of the 4.388 billion Internet users worldwide, 3.484 billion (about 80 percent) are on social media. Facebook was founded in 2004, and YouTube in 2005.

Instagram, Pinterest, and Snapchat came around in 2010–2011. If you are old enough to remember when these platforms first started, you no doubt realize that they are very different today, as a variety of factors have led to evolution and adaptation. Maturity, consolidation, and negative publicity have had an impact, as have innovations, advancing technologies, and positioning changes. The question is, where will they go from here, and what will they look like a decade from now?

Some things haven't changed, of course. Facebook continues to be the most popular social media platform and also continues to grow. At the same time, Facebook has seen a decline in the 18–24 and 25–34 demographic segments, where Instagram and Snapchat have made significant gains. Growth in social networks overall has begun to level off, with the over-65 age segment now the growth leader. Instagram dominates when it comes to interactions per 1,000 followers. So clearly, changes in the social media landscape are occurring, and while no one can predict for sure where things will be 10 years from now, there is a lot of consistency as to what short-term trends are likely to be.

As with a lot of successful products, adoption is quick in the beginning but eventually levels off. The incredible growth of social networks and the very high level of penetration among Internet users clearly could not be sustained forever. So it was inevitable that maturity in the product life cycle would come. What concerns the networks and marketers now is warding off decline. As reported by Robert Passikoff, founder and president of *Brand Keys*, who—among other marketing activities—tracks social media sites, there are signs that decline may not be that far off. Engagement and loyalty rankings are dropping. Facebook, Pinterest, Twitter, and Snapchat are all losing users. The signs of saturation are there.

A number of reasons have been offered. Internet security issues, hacking, privacy issues, misuse of consumer data, and misinformation are likely contributing. Facebook, for example, has been in the news constantly. Security breaches, collaboration with Cambridge Analytics, and other missteps have led to government investigation, fines, and a loss of consumer confidence. Snapchat's poorly received redesign of its platform led to a loss of 2 million daily users. Of course, loss of users equates to loss of advertising revenue. But what needs to be done to turn this around?

Sam Meenasian, vice president of operations, *USA Business Insurance*, says to be successful marketers will need to leverage these key trends; (1) *more effective ad spending*—establishing a strategy to ensure they are getting a good ROI; (2) *better content*—as organic reach declines, posting higher-quality, engaging content that the audience loves and increasing engagement will improve rankings; (3) *chatbots*—using chat robots that simulate human conversations to directly communicate with users to obtain information; (4) *ephemeral content*—provide content that contains images and video, then disappears quickly because combining this with storytelling is particularly appealing to younger audiences, expanding the site's reach; (5) *subscription services*—Netflix and Hulu have set fees that must be paid to reach their content, and Meenasian sees strong potential for social network sites doing the same in the future.

Nichole DeMere adds a few suggestions of her own—again based on hundreds of marketer's answers to the question as to what's in store for social media: (1) *focus on micro-influencers*—as sites tend to move to smaller, niche audiences, micro-influencers will become more effective than macro-influencers; (2) *regain consumer trust in social media*—one of the most common requirements, said DeMere, was to

regain consumer trust through more relevant, authentic, and genuine ways to relate to customers—for example, trust, transparency, and authenticity; (3) *leverage community*—building community instead of individuality around the brand (this has become a very common thought as to where social media sites are likely to go); and (4) *video*—as studies show the increasing effectiveness of video, DeMere argues that social sites will have more and more of it. Just so long as it is trustworthy and relevant.

Only time will tell if these recommendations will benefit social media sites. It is interesting that marketers even need to consider these as well as other _____ page 480 strategies, given the market growth and penetration of social media networks. It is also interesting to examine how the sites themselves have led the market to this place and the consistency in the recommendations.

Check back in about another decade to see what happens!

Sources: Dave Chaffey, “Global Social Media Research Summary 2019,” February 12, 2019, www.smartinsightgs.com; Robert Passikoff, “Can Social Networks Regain Momentum in 2019?” January 29, 2019, www.smartbrief.com; Nichole Elizabeth DeMere, “2019 Marketing Trends Guaranteed to Shake Up Social Media,” February 25, 2019; Sam Meenasian, “6 Social Media Trends Revamping Digital Advertising,” December 6, 2018, www.smartbrief.com; “Social Media Marketing for Everybody,” October 2018, www.sysomos.com.

As you can see from the lead-in to this chapter as well as previous chapters, the Internet has changed how we use media in ways unlike any medium has in the past. The incredibly rapid growth has been spurred by a number of factors, including the changing media habits of younger generations and the capabilities of digital media themselves. Social media has contributed to this growth in a very large way because the vast majority of Internet users are also on social media. But, as seen in the lead-in, things have changed, and the astronomical growth of social media has leveled off. Does this mean that advertisers will again return to placing their monies in traditional media instead of digital? Probably not.

This chapter will examine the role of the Internet and digital media in the IMC program. We will examine the growth of the Internet, how companies use the various platforms therein, its role in an IMC program, and the advantages and disadvantages associated with this medium. We will also discuss some of the various new media options that have resulted from the development of the Internet and their roles in an IMC program. The chapter will conclude with a discussion of the measurement of these media.

THE GROWTH OF THE INTERNET

Why the Rapid Adoption of the Internet?

The unprecedented growth of the Internet—the digital revolution—has led to changes in the marketing environment that have forced marketers to rethink almost everything they do. As the World Wide Web evolves, so too do marketing communications programs. There are now close to 4 billion Internet users worldwide, and the growth since the year 2000 is staggering. Usage in some areas of the world—like northern Europe, western Europe, and North America—has reached 95 percent of the population.¹ A number of reasons can be cited as to why this growth has been so rapid. One is consumers' increased desire for information that they are now able to obtain easily. The speed and convenience of acquiring this information, as well as the ability to control what and how much is received, has had great appeal. The ability to conduct e-commerce through one's personal computer, tablet, or smartphone is also very attractive; it now seems there is almost nothing that one can't find or buy on the Web. It is as though the Internet has no bounds; every day one can find something new there.

Like the consumers', marketers' adoption of this medium has also soared. The ability to target customers effectively through the Net is attractive to marketers. The increased attention for accountability on the part of businesses has led to a view of the Internet as a medium that would provide more direct feedback on the value of marketing expenditures, customer satisfaction, trends, and the competition. As was true of direct marketing, companies liked the fact that, unlike traditional media, it was often easier to account for the ROI of their expenditures. In fact, in its earliest stages a number of marketing companies perceived the Internet as a direct-response medium. While a large component of the Web is still that of e-commerce, today's marketers now employ the medium for numerous other communications and marketing objectives (as shown in Figure 15–1).

FIGURE 15–1

Marketers' Use of the Internet



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Today's World Wide Web has evolved into a different medium than anyone could have expected upon its inception. Unlike other media, which are essentially unidirectional and responsible for the content provided and products and services offered for sale, the Internet is interactive, allowing for a two-way flow. Consumers not only control when and which messages and content they are exposed to, but also now provide their own content, offer their own goods and services for sale, and provide feedback on the same as provided by others. As you will see, marketers are involving consumers in a way never seen before, through a variety of platforms that didn't exist just a few decades ago.

Web Objectives

When major corporations first began to conduct business on the Internet, they put up websites primarily for information purposes, and a one-way flow of information resulted. Companies like Kmart and Maytag had sites that were really not much more than online catalogs, while those of other companies were designed for information purposes only. The role of the website quickly changed, however, as sites are now designed to accomplish a number of objectives and have become much more creative by promoting brand images, positioning, and offering promotions, product information, and products and services for sale. In addition, these sites allow for consumers' feedback and input that can be directly used by marketers to keep their customers engaged. This resulted in marketers utilizing the Internet in an entirely new way, moving beyond the purely informational role. As you will see, the objective of disseminating information and selling products remains, but additional communications and sales objectives are also being pursued. The changes in the Internet have been so dynamic and so rapidly evolving that by the time you read this, it will probably be old news.

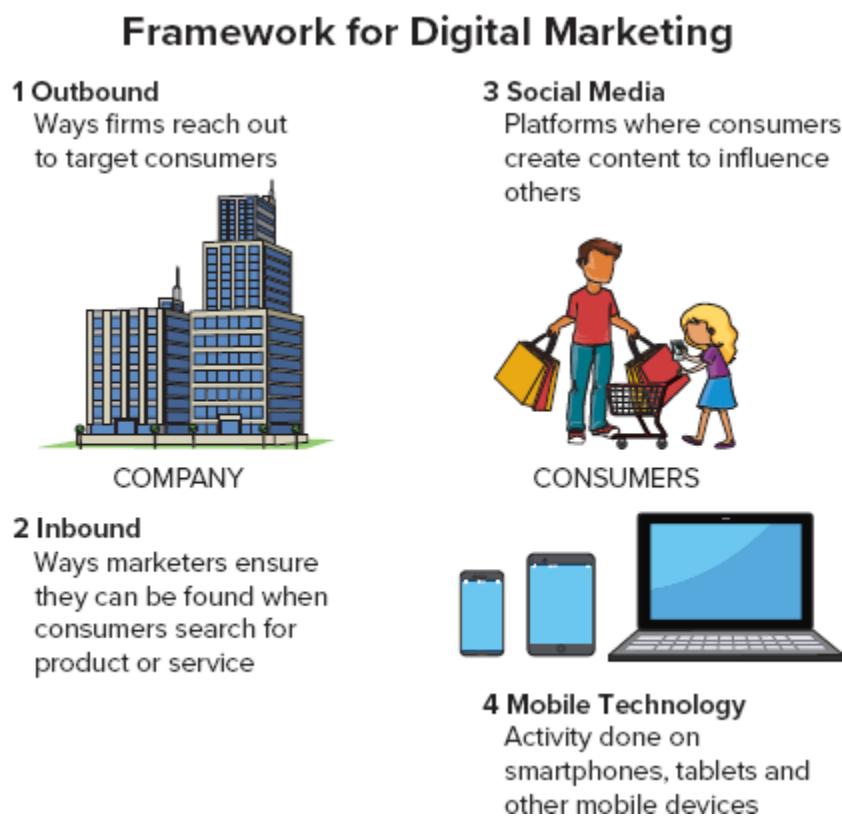
Unlike other media discussed thus far in the text, the Internet is actually a hybrid of media. In part, it is a communications medium, allowing companies to create awareness, provide information, and influence attitudes, as well as pursue other communications objectives. Videos, display ads, [page 482](#) and commercials—some of which may also appear on television—are commonly used for this purpose. For others, it is also a direct-response medium, allowing the user to both purchase and sell products through e-commerce, like Amazon and eBay. With the advent of social media, marketers have increasingly pursued other objectives of building brand image and developing a more direct and involved relationship with customers through engagement with the brand as well as selling through these social media sites.

Figure 15–2 shows the many ways that marketers now use the Internet to reach out to consumers. As you can see, these efforts include outbound activities—those directed from the company to specific target markets—as well as inbound activities—such as listening to gain feedback, interacting with customers, and so on. Note that this framework is circular in nature,

reflecting the interactivity between companies and consumers. In addition to the firms making marketing efforts to be sure prospective consumers can find them when searching for a product or service, they also conduct activities to engage with consumers to better satisfy their needs. As is also shown, social media have now become an important component of this mix as consumers interact with others in their spheres, influencing them in both positive and negative ways. As you will see, these social media networks have become a valuable marketing tool for marketers. The figure also shows some of the tools used to foster this communication process.

FIGURE 15–2

New Framework for Digital Marketing



Let's now examine some of the objectives marketers may try to achieve in this process.

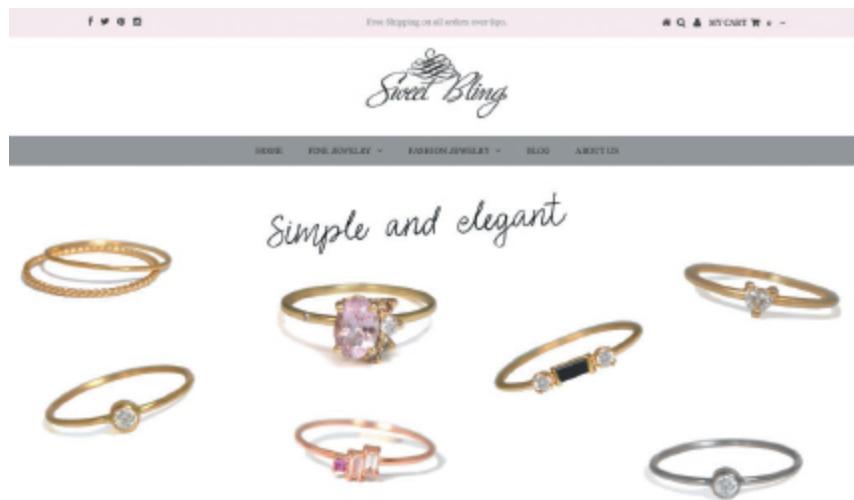
LO 15-1

Create Awareness Advertising on the Web can be useful in creating awareness of an organization as well as its specific product and service offerings. For small companies with limited budgets, the Web offers the opportunity to create awareness well beyond what might be achieved through traditional media. For example, a start-up company like the one shown in Exhibit 15–1 can almost immediately gain worldwide exposure at a reasonable cost—something that was not possible before the Internet. Although a valuable tool for creating awareness—particularly for smaller companies that may have limited advertising budgets—the Internet is not likely to be the most effective of the IMC elements for achieving this objective for larger companies. Mass-media advertising may be more useful for this purpose, given its larger reach and lower cost per exposure [page 483](#) (as the TV people will be glad to remind you!). Studies have demonstrated the effectiveness of TV to drive visitors to websites. Nevertheless, even larger well-established companies have the creation of and increase in awareness as a primary objective.

XHIBIT 15–1

Start-up company SweetBling.com has benefited from the use of the Internet.

Source: Sweet Bling



Generate Interest A visit to RedBull.com will quickly demonstrate how a site can be used to generate interest. The site provides news, live streams, videos, and more from the “World of Red Bull” (Exhibit 15–2). The

objectives of this site and many others like it are simple: Create interest that will bring visitors back to learn more about the products—and, of course, to sell stuff.

XHIBIT 15–2

As shown in this image for the Red Bull Cliff Diving World Series, Red Bull has used its website to generate interest and create a powerful brand image.

Source: Red Bull GmbH



Disseminate Information One of the primary objectives for using the Web is to provide in-depth information about a company's products and services. Having a website has become a necessity, as more and more buyers expect that a company will have a site providing them with detailed information about its offerings, warranties, store locations, and so on. Think about the last time you tried to find information on a company on the Internet and it didn't have a website. It is extremely rare for this to happen, and if it did, you would likely be hesitant to pursue a relationship with the company. In the government sector, contracts are often put out to bid on the Internet. Information regarding requirements, specifications, submission dates, and so forth is disseminated more quickly, to more potential candidates, and at a much lower cost via the Net than it is through other media. Want information on filing federal income taxes? The first place you would look would likely be www.irs.gov. Websites serve as a means of communicating information

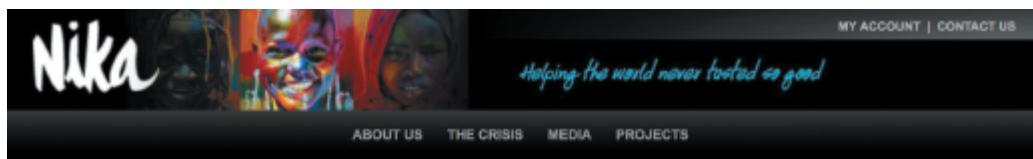
about a company's products and services, philanthropic efforts, contact information, and the company itself.

Create an Image Many websites are designed to reflect the image a company wants to portray. For example, check out the site www.nikawater.org (Exhibit 15–3). The site is an excellent example of a website used for image building. Visitors get a good feeling about the water company's concern for humanity. Interestingly, one of the difficulties traditional marketers have experienced is that of creating a brand image on the Internet. While some of these companies have been successful, others have not fared as well and have come to realize that branding and image-creating strategies must be specifically adapted to this medium.

XHIBIT 15–3

Nikawater.org creates a favorable brand image.

Source: Nika Water Company, LLC



Create a Strong Brand The Internet—as part of an integrated marketing communications program—can be a useful tool for branding. While originally many companies had difficulty using the Internet to establish their brand, this is no longer the case. Red Bull has used its site (shown earlier) as an integral part of its IMC campaign focusing on the “Red Bull Gives You Wings” image, positioning itself as a brand dedicated to excitement and daring through its motorsports, biking, surfing, and snowboarding news and

videos as well as music and event sponsorships. Red Bull is one of the many companies that have “figured it out” in regard to successful branding.

Stimulate Trial Many marketers have found the Internet to be an effective medium for stimulating trial of their products or services. Often websites offer electronic coupons in an attempt to stimulate trial of their products. Others offer samples, promotions, and sweepstakes designed to encourage trial. Music sites, like iTunes.com, allow for a “sampling” of songs [page 484](#) before you purchase, while some business-to-business sites allow you to test their software online before purchasing.

Create Buzz One of the many advantages of the Web is the ability to create buzz. The viral nature of social networking and other sites makes them attractive to marketers intending to spread the word and use word of mouth. In a very successful effort to go viral, Burger King’s net neutrality video was designed to explain the issue of net neutrality. The video generated 1.5 million views on Twitter, 4.6 million views on YouTube, 15 million views on Facebook, and resulted in more than 206,000 conversations. *Stranger Things* star David Harbour encouraged his fans to give him 200,000 retweets so he could go on an expedition with Greenpeace. His tweet generated 376,000 retweets and more than 580,000 conversations. He went on the expedition.²

Gain Consideration Many marketers believe that the Internet is an effective medium for achieving communications objectives such as consideration and/or evaluation. Blogs and discussion boards are considered particularly effective for providing information useful in evaluating products and brands. As seen earlier in this text, the use of influencers has become a very common strategy for marketers for this purpose and, as seen in the lead-in, is expected to continue into the foreseeable future.

E-Commerce

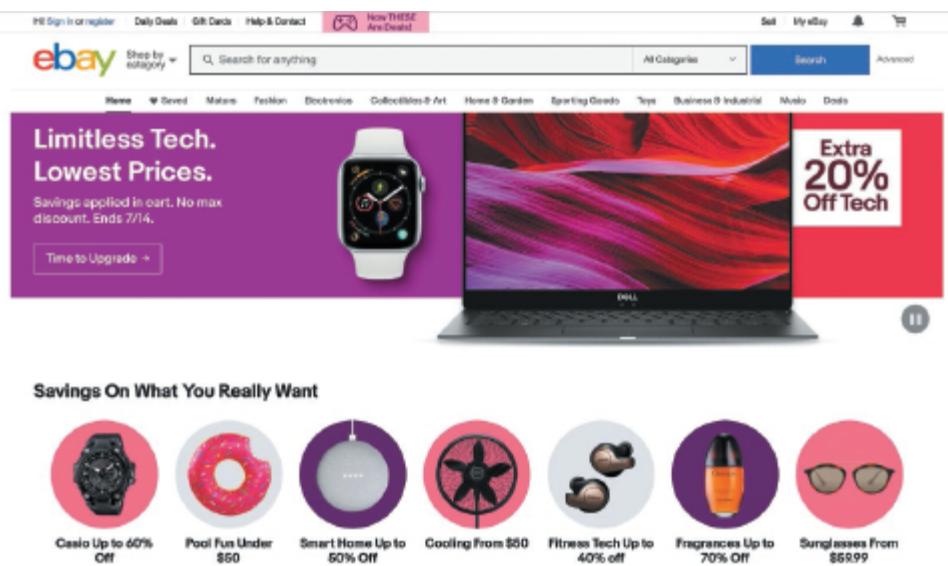
The Internet also offers the opportunity to sell directly to customers in both the consumer market and the business-to-business market. This direct selling

of goods and services has been labeled **e-commerce**. Sales through e-commerce reached over \$517 billion in 2018, constituting 14.3 percent of all U.S. retail sales³ (Exhibit 15–4). Many of the sites already mentioned in this chapter have a sales component—as either a primary or secondary goal.

XHIBIT 15–4

eBay is one of the most popular e-commerce sites.

Source: eBay Inc.



Many companies maintain their existing “brick-and-mortar” stores while also selling through the Internet. Ann Taylor, Macy’s, and Nordstrom are placing more emphasis on online sales; Samsung, and Apple have added kiosks inside their stores where consumers can order online.

We discussed e-commerce and strategies employed in this area in Chapter 14. Let’s have a look at how the Internet can be used as part of an IMC program.

THE INTERNET AND INTEGRATED MARKETING COMMUNICATIONS

LO 15-2

Up to this point, we have mentioned the need for using the Internet as part of an IMC program and the objectives sought. In this section, we discuss how the Web can be used with other program elements.

The most revolutionary change in the Internet came when it moved from what is referred to as Web 1.0 to Web 2.0. For the most part, Web 1.0 consisted mainly of static sites resulting in a one-way flow of communication. Web 2.0 has led to dramatic changes in the World Wide Web, primarily as a result of decentralization of communications and interactivity, with information provided by users as contributors of content such as user-generated ads content and so on. Everything we have discussed to this point still constitutes the way marketers use the Web; however, Web 2.0 has had a drastic impact on how the Internet is used in an IMC program.

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Advertising on the Internet

Like broadcast or print, the Internet is an advertising medium. Companies and organizations working to promote their products and services must consider this medium as they would television, magazines, outdoor, and so on. Advertising on the Internet employs a variety of forms, display ads (including banners), sponsorships, pop-ups and pop-unders, interstitials, paid searches, behavioral targeting, and contextual ads.

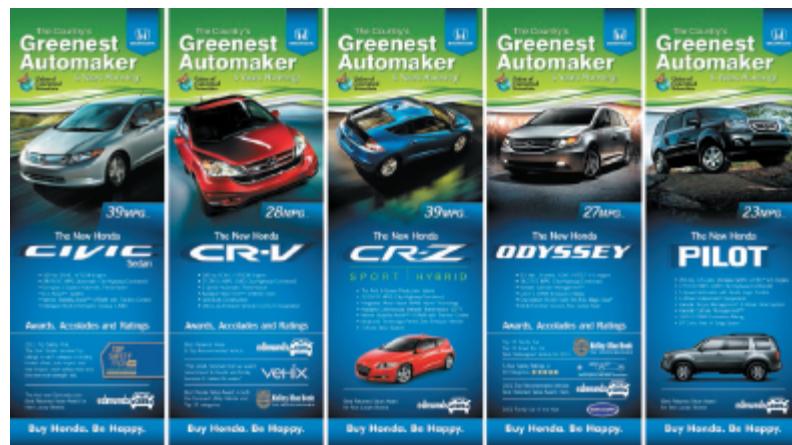
Banners The most common form of advertising on the Web is **banner ads**. It has been estimated that the average Internet user sees over 1,700 banner ads per month; those in the age group 25–34 see over 2,000.⁴ Banner ads may be used for creating awareness or recognition, entering viewers into contests and sweepstakes, or direct-marketing objectives. Banner ads may take on a variety of forms, as shown in Exhibit 15–5, as well as a number of names such as *leader boards*, *rectangles*, *side panels*, *skyscrapers*, or *verticals*. They can also be static, animated, or in flash. Initially banner ads constituted the vast majority of advertising on the Net, but studies indicating their questionable effectiveness have led some companies to reduce their usage. Reports on click-through rates vary, but most studies indicate a less

than 1 percent response rate.⁵ At the same time, a number of studies have shown that although viewers may not click through the banners, they can still be effective in driving consumers to search or visit the ad's website. A study reported in the *Journal of Consumer Research* showed evidence that even with low click-through rates, banner ads may still create a favorable attitude toward the ads through repeated exposures.⁶ However, many consumers find banner ads annoying, leading many companies to avoid this advertising format.

XHIBIT 15–5

An example of a vertical banner format.

Source: American Honda Motor Co., Inc.



Sponsorships Another common form of advertising is **sponsorships**. There are two types of sponsorships. *Regular sponsorships* occur when a company pays to sponsor a section of a site—for example, a *House Beautiful* magazine or *Cosmopolitan* magazine sponsorship on Design.com or a corporate sponsorship of a page on [Forbes.com](#). A more involved agreement is the **content sponsorship**, in which the sponsor not only provides dollars in return for name association but also participates in providing the content itself. In some cases, the site is responsible for providing content and having it approved by the sponsor; in other instances, the sponsor may contribute all or part of the content. The organizers of the Dynamic Women's Conference in Chicago, Illinois, successfully sold sponsorships on their

conference announcement website. The sponsorship allowed companies to get their message in front of successful women and show their support.

Pop-Ups/Pop-Unders When you access the Internet, you no doubt have seen a window or a creature of some sort appear on your screen in an attempt to get your attention. These advertisements are known as **pop-ups**, and they often appear when you access certain sites. Pop-ups are usually larger than banner ads but smaller than a full screen. Instagram now accepts pop-up ads, to the dismay of many of its visitors.

Pop-unders are ads that appear underneath the Web page and become visible only when the user leaves the site. As noted by Bartosz Bielecki, pop-under ads can be very effective: “The travel ecommerce giant [Booking.com](#) can serve as a good example of the thoughtful use of pop-under advertising. When you select and proceed with a hotel reservation, but ultimately don’t make the booking, a new window may appear beneath your main browser screen with accommodation offers for the exact same dates and a similar pricing range you were interested in with your original search.”⁷

While some companies believe that pop-ups and pop-unders are effective forms of advertising, others disagree. Consumer complaints have led some sites to no longer accept these advertising forms. A study conducted by TNS revealed that 93 percent of respondents found pop-up ads page 486 annoying or very annoying.⁸ The frequency and effectiveness of pop-ups and pop-unders have been greatly reduced given the advent of pop-up screeners, which will block the ads before they appear on your screen.

Interstitials **Interstitials** are full-page ads that appear on your screen while you are waiting for a site’s content to download. Unlike banner ads, interstitials require the viewer to click off the ad to continue to the site they want to go to. Pinterest and Airbnb are just two of the many companies finding them to be effective. Because consumers have complained that mobile interstitials are irritating, in 2015 Google put into place a new policy to discourage their use by declaring the sites that use mobile interstitial apps as “mobile unfriendly.”⁹ Unfortunately for advertisers who may want to employ this medium, interstitials can also be blocked by pop-up blockers.

Searches Exhibit 15–6 shows the results of a **search** on Google. In general, the higher a site appears on a search page, the more visitors it will receive. (Studies suggest that 90 percent of searchers will not go past the first page of results.) **Organic search results** are those that appear because of their relevance to the search terms, not advertisements. In other words, consumers click on the site because their search request took them there. Organic search success is built by a combination of quality content and keyword optimization. Advertisers will also attempt to reach consumers through **nonorganic (paid) search results** such as **pay-per-click** advertising by placing their ads on web pages that display results from search engine queries.

XHIBIT 15–6

Results of a Google search for jeans.

Source: Alphabet Inc.

Google jeans

All Shopping Images News Maps More Settings Tools

About 2,670,000,000 results (0.79 seconds)

See Jeans

Good Legs Blue 265 High... \$99.00 Good American 4.5★ (22)	7 For All Mankind Mia Light Wash... \$189.00 7 For All Mankind Free shipping	Eunice J Blue jeans \$54.00 Luus Free shipping	Women's High-Rise Skinny... \$68.00 Everlane 4.5★ (815)	FRAME Women's Jean... \$219.00 FRAME Free shipping
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Sponsored

See results about

- Jeans (Cloth)**
Jeans are a type of pants or trousers, typically made from denim or ...
- Denim (Textile)**
Denim is a sturdy cotton warp-faced textile in which the weft passes ...

Map data ©2019 Google

Soto & Co.
5.0 ★★★★★ (54) · Men's clothing store
Fashion Truck Park
1911 Aldrich St · (512) 688-0922
Closed · Opens 11AM Thu

Bonobos
4.3 ★★★★★ (36) · Men's clothing store
2nd Street District
436 W 2nd St · (512) 243-8206
Open · Closes 7PM
Stylish menswear with in-store fittings

More places

Jeans for Women: Curvy, Jegging, Skinny & More - American Eagle

<https://www.ae.com/us/en/c/women/bottoms/jeans/catB430042>
Shop American Eagle for Women's Jeans that look as good as they feel. Find high-waisted, skinny, curvy, cropped & jegging fits in different denim washes and ...
Mom Jeans · Bootcut Jeans · Flare Jeans · Tomgirl Jeans

Women's Jeans & Denim | Nordstrom

<https://shop.nordstrom.com/c/womens-jeans-shop> ▾
Free shipping & returns on jeans for women at Nordstrom.com. Browse for designer denim, high-waisted, rippled, boyfriend, flares and more. Check out our entire ...
BDG · Distressed Jeans · Hudson Jeans · Boyish Jeans

Men's Jeans - Skinny, Ripped, & Black Jeans for Men - Express

<https://www.express.com/mens-clothing/jeans/cat400003> ▾
Hyper Stretch Jeans ... Express View skinny dark wash hyper stretch jeans \$88.00 Buy 1, Get 1 50% Off ... Express's collection of men's denim includes styles like skinny jeans, bootcut jeans, and ripped jeans, so you can have a pair for every occasion!
Tough Jeans · Slim Straight Jeans · Classic Straight Jeans · Stretch + Jeans

Jeans | Abercrombie & Fitch

<https://www.abercrombie.com/shop/us/jeans> ▾
Casual. All-American clothing with laidback sophistication. Shop Jeans. Tees. Dresses. Skirts.

While there are a number of search engines offering their services, Google is by far the dominant provider, accounting for 80 percent of all search ad revenues.¹⁰ In an effort to more specifically target customers who

may be interested in their offerings, advertisers employ **search engine optimization (SEO)**. SEO is the process of improving the volume of traffic driven to one's site by a search engine through unpaid (organic) results as opposed to paid inclusions. SEO considers how search engines work and edits its HTML and coding to increase its relevance to keywords and to remove barriers to the indexing activities of search engines. SEO content includes three types of media: (1) *owned media*—the content the company places on the website; (2) *earned media*—media the company does not create that directs readers back to its content through others including bloggers, publicity, and social media; and (3) *paid media*—media the company pays for in the form of ads. SEO has now become an integral part of the Internet marketing strategy of companies and organizations of all sizes.

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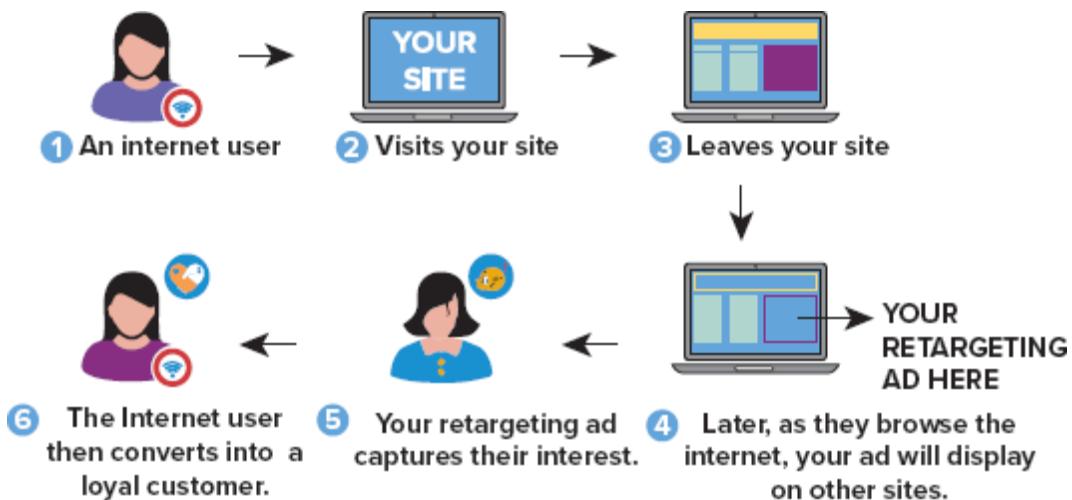
Behavioral Targeting Another Internet advertising strategy that has seen rapid growth is **behavioral targeting**. Behavioral targeting is based on advertisers' targeting consumers by tracking their website surfing behaviors, such as which websites they have visited and/or searches they have made. By compiling clickstream data and Internet protocol (IP) information, segments of potential buyers can be identified and ads directed specifically to them. For example, by tracking an individual's visits to a number of automobile websites, an ad for cars or a dealership could be served to that individual in real time. As will be seen later in this chapter, behavioral targeting has been shown to be an effective, albeit controversial, strategy.

Recently, advertisers have increased their use of **retargeting** (Figure 15–3). Once a user visits a website either on his or her desktop or mobile and leaves without purchasing the product, a specifically targeted ad will display on participating subsequent websites the user visits. Purchasing the space, however, is not a fixed transaction, but a bid process. Since each site has only so much space set aside for display ads, brands must bid against competitors for the space. The brand that puts in the highest bid is the one whose ads you will see. For example, let's say you were shopping for a pair of shoes at Nordstrom online, but didn't purchase. The next time you visited a website such as Yahoo! or Microsoft, an ad for Nordstrom shoes would

appear. Because advertisers find retargeting more successful than banner or display ads, their use is increasing. One blog estimates that such ads are 76 percent more likely to be clicked on than a regular display ad. The vast majority of over 1,000 marketers surveyed are already retargeting on mobile—and 87 percent plan to increase this investment in the future.¹¹ Due to their rapid adoption, many advertisers are concerned that the ads may become as irritating as pop-up ads.

FIGURE 15–3

Advertisers attempt to reach Internet users who have seen an ad through the process of retargeting



Contextual Ads Advertisers who target their ads based on the content of the web page are using **contextual advertising**. Whereas behavioral advertising tracks surfing behaviors, contextual ad placements are determined by the content on the web page. For example, an advertiser may place an airline ad on a travel site, or a golf club ad on a golf site, or even in or near a story about golf on another site. As another example, Google's AdSense targets ads to match the content of a publisher's site. The ads come in a variety of formats including images and video ads and can be targeted to geographic or local markets.

Recently, some marketers and policymakers have become concerned due to the increased popularity of native advertising. **Native advertising** is a

form of paid media where the *ad* experience follows the natural form and function of the user experience in which it is placed.¹²

The goal of native ads is to be less intrusive while catching the attention of the reader who is likely interested in the content matter he or she is reading. While these native ads have been shown to outperform the traditional banner ad, concern has been expressed over the fact that the ads sometimes appear as content, and not ads, leading the consumer to be misled (IMC Ethical Perspective 15–1).

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Ethical Perspective 15–1 >>>

Native Advertising: Still Growing, Still Interesting, Still Deceptive?

One of the fastest-growing trends in digital advertising is the use of native advertising. Defined as “any paid advertising that takes the specific form and appearance of editorial content from the publisher,” advertisers love native ads because they allow advertisers to cut through the clutter of display ads, and have been found to be much more effective in receptivity and engagement. Users say the effectiveness of native ads is a result of the fact that readers find them less obtrusive and often interesting given the fact that they blend in with the content in which they appear. Some advertisers believe that native ads actually enhance the viewer’s experience. *The Atlantic* website claims that the use of native ads has led to an increased audience that spent twice as much time as the industry average on the ads (viewing for as long as 4 to 5 minutes), that click-through rates have tripled, and that the format had contributed 60 percent of *The Atlantic*’s ad revenue—and was expected to continue to grow. Jimmy Maymann, CEO of the *Huffington Post*, went so far as to suggest that native advertising “was the potential solution to many of the problems facing publishers.” Land Rover’s *Dragon Challenge* video shows the world’s first attempt to scale the stairs leading to the Heaven’s Gate landmark in China—in a vehicle! The video shows a specially equipped Range Rover driving up the 999 steps at a 45-degree angle. The native video fits in well with Range Rover’s traditional ads designed to position the vehicles as daring, adventurist, and successful.

Mercedes also has an interesting native video, called *The Rise of the Superhuman*. The campaign focuses on new technologies that are helping to turn people into “superhumans.” Examples show robotic exoskeleton suits, the use of virtual reality in medical settings, and Mercedes’ new intelligent drive system as examples. The travel magazine *Afar* has found native ads to be effective in engaging readers in its *Afar Collection*, which includes hotels and resorts such as the Ritz-Carlton, the Fairmont Olympic Hotel, the Loews Regency New York, and the Peninsula in Hong Kong—each of which has paid *Afar* \$25,000 to become part of the collection of 19 lodges.

The fact that native ads may be effective because viewers are less likely to perceive them as ads is also a problem. In a study by the Reuters Institute for the Study of Journalism, 43 percent of readers said they felt disappointed or deceived after reading content they didn’t realize was sponsored. In another study of 2,000 consumers conducted by Civic Science, 61 percent thought that the ads hurt a publication’s credibility. Considering native ads as the digital equivalent of the traditional advertorials (advertising material placed under the guise of editorial material) that appear in magazines and newspapers, the Federal Trade Commission (FTC) opened an investigation into their use and whether they might be deceptive. In 2015 the FTC issued a strong “policy statement” in which the conclusion was that “native ads may not be interpreted as such, and therefore, may be deceptive.” The commission also concluded that:



Jaguar Land Rover North America, LLC

- “Misleading representations or omissions about an advertisement’s true nature or source, including that a party other than the sponsoring advertiser is the source of the advertising, are likely to affect consumers’ behavior with regard to the advertised product or the advertisement.”
- “The Commission views as material any misrepresentations that advertising content is a news or feature article, independent product review, investigative report, or scientific research or other information from a scientific or other organization.”

The policy statement also provided advertisers with examples of native ads and what advertisers should do to prevent deception, noting that the ads needed to make clear disclosures. The FTC provided guidelines for doing so. An updated statement and

guidelines by the Interactive Advertising Bureau, “The IAB Native Advertising Playbook 2.0” was released in May 2019.

Despite the FTC’s guidelines and threats, a study conducted by Media Radar in which thousands of native ads were reviewed, found that four months after the policy statement was released, 70 percent of the ads still did not comply with the FTC regulations. Only 5 percent labeled the content as an “ad,” while 12 percent used “promoted.” A number of the ads still had no labeling at all, even though the FTC had already taken action against some advertisers for failing to do so. Many believe that the use of this form of advertising will continue unabated in the short run, or until the FTC starts to crack down harder. In the meantime, the appeal of not revealing that they are truly ads and not content seems to be just too hard to resist for many advertisers.

Sources: Bartosz W. Wojdynski and Nathaniel J. Evans, “Going Native: Effects of Disclosure Position and Language on the Recognition and Evaluation of Online Native Advertising,” *Journal of Advertising*, May 3, 2016, pp. 157–168; David Rodnitzky, “Now That the FTC Has Spoken on Native Advertising, What’s Next?” January 12, 2016, www.marketingland.com; Marty Swant, “Publishers Are Largely Not Following the FTC’s Native Ad Guidelines,” April 8, 2016, www.adweek.com; “Less Is More, *The Atlantic* Finds,” October 16, 2015, www.warc.com; Laura Kloot, “9 Native Advertising Examples People Actually Enjoyed Reading,” June 11, 2018, www.bloghubspot.com; Susan Borst, “Let’s Not Lose Sight of the Aspiration of Native Ads,” May 9, 2019, www.marketingdive.com.

Rich Media The increased penetration of broadband into households has increased the attention given to streaming video. **Rich media** is defined as “a broad range of interactive digital media that exhibit dynamic motion, taking advantage of enhanced sensory features such as video, audio and animation.”¹³ Others state that rich media include all content that is created in flash.¹⁴ The successful adoption of music videos, sports clips, news, and more has led advertisers to create a variety of forms of streaming video advertising content.

Types of rich media include the following:

Online Commercials The equivalent of traditional television commercials, **online commercials** are appearing more often on the Net. Some of these commercials appear before the content that the user is seeking. These ads, called **pre-rolls**, are becoming more commonly employed by online advertisers, with some requiring that you watch the ad prior to receiving the content. Some companies have created their own web

commercials to be shown only on the Internet, while others run the same spots they show on TV. A number of commercials were released online prior to their being shown on the Super Bowl—a break from tradition in which the TV commercials always appeared first. Another trend has been to have consumers develop their own commercials to be shown online or on TV—or both. The Super Bowl has taken full advantage of this strategy. A number of companies have been successful in blending the two media, showing the commercial on TV and then directing interested viewers to the Web if they wish to see it again or to view longer versions. Online advertising spending continues to rise, and consumer acceptance of these ads is increasing.

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Video on Demand As described in Chapter 13, **video on demand (VOD)** consists of video clips of various entertainment activities (which include ads or are sponsored) that are also available through the Internet. College basketball games, FIFA World Cup highlights, and demonstrations on how to use the Apple iPhone are just a few of the many options available.

Webisodes Short featured films created by the advertiser, such as those created by Jaguar and BMW, are examples of **webisodes**, in which companies create their own content to advertise their products. *The Walking Dead* is an example of a series that is now a webisode. IKEA, Target, Sara Lee, and Honda are just a few of the companies that have employed webisodes, but the range of these efforts also includes small jewelers, baking companies, cereal producers, and others. YouTube also carries a number of such webisodes.

Other Forms of Rich Media Advertising Advertising interactive banner ads, expandable ads, and rich media ads placed in video games, instant messaging, podcasts, and video ads within blogs are additional ways that rich media are currently employed.

IMC Using Social and Other Media—Web 2.0

As noted earlier in the chapter, at the turn of the century the World Wide Web underwent significant changes. These changes led to the adoption of and the referral to the new Web as “Web 2.0.” The birth of Web 2.0 has led to the development of many **new media**. As shown in Figure 15–4, these [page 490](#) new media are designed for a number of purposes and contain a wide variety of materials for consumer use. While it is beyond the scope of this text to cover all of these new media, we will discuss many of them and their relevance to an IMC program. We will start our discussion with social networking sites, as the growth in this area has been literally astounding, and marketers have adopted these sites as an integral and critical part of their IMC programs.

FIGURE 15–4

Types of New Media

Types of New Media	Primary Purpose	Material	Examples
Forums and Chat Rooms	Discussion on topics, interest group sharing of information	Forums, discussion boards	Automobile forums
E-mail	Sending of electronic mail with file attachments	Web-based and non-Web-based e-mail platforms	Hotmail, Gmail, Yahoo! Mail
Social Networking Sites	Peer networking	Fan sites, alumni networks, personal news updates	Facebook, Twitter, LinkedIn
Content Aggregators	Hosting of content for information and entertainment	Informative content, podcasts, videos, channels	YouTube, Hulu
Virtual Reality	3-D experience, alternate space	Simulated environments, experiences	Lowe's Holoroom How To
Online Gaming	Alternate fantasy, entertainment, gaming	MMORPG (massively multiplayer online role-playing games), multiplayer online games	World of Warcraft, StarCraft II
Blogs	Opinions, information, viewpoints	Helpdesk, viewpoints, opinions	Hubspot.com
Portals	Aggregating news, communication tools	News studies, sponsored pages, ads	Asiaone.com, Yahoo!
Social News Sites	Peer-ranked news stories	News stories, popular blog content	Digg.com, Reddit.com
Augmented reality	An interactive experience of a real-world environment where the objects that reside in the real world are enhanced by computer-generated perceptual information	Multiple sensory modalities	Pokemon Go, Harry Potter

Social media have been defined in numerous ways. Using the simplest definition from the *Merriam-Webster* dictionary, social media is defined as:

“Forms of electronic communication (such as Web sites) through which people create online communities to share information, ideas, personal messages, etc.”¹⁵ As can be seen in Figure 15–5 there are numerous ways for consumers to access these sites (desktops, laptops, tablets, smartphones, and connected devices), as well as a variety of reasons for using them, including sharing information, networking, and so forth.¹⁶ The most popular of these are **social networking sites**, which are platforms for networks or social relations among people who share interests, activities, backgrounds, or real-life connections. While there are hundreds of social networks in existence, a small number of these dominate in terms of membership (see the lead-in to this chapter). Prior to discussing each of them and how marketers have used them, let’s first examine the characteristics of the platforms.

FIGURE 15–5

Social Media Landscape



Who Uses Social Media and Why As you read in the lead-in to this chapter, about 80 percent of people who are on the Internet worldwide are on social media. It has been estimated that by 2023 there will be 799.6 million social network users in China.¹⁷ Many of the top user sites are in China (where Facebook is not allowed). China is the most socially engaged social media market. As you will see when we discuss social networks, the demographics of the users of these sites vary, as do the reasons for using them. Let's start off by examining why users of these sites do so, and who they are.

Although a number of motivations for using social media have been identified (sharing ideas, activities, and events with others; community involvement, etc.), marketers are most interested in why individuals use these platforms from a consumer behavior perspective. In a series of studies, Muntinga examined the motivations for using social media in a brand-related context¹⁸ (Consumers Online Brand-Related Activities—COBRAs). Specifically, the studies focused on why consumers (1) consume, (2) contribute to, and/or (3) create brand-related content. His results indicated that these COBRAs are driven by three primary motivations: (1) to gain information, (2) entertainment, and (3) remuneration. Gaining information included gathering prepurchase information, knowledge about brands, and new ideas. Entertainment involved enjoyment, relaxation, and passing time. Remuneration involved the potential to get something in return—for example, money, job-related benefits, or other rewards (social attraction, etc.). As will be seen throughout our further discussions, the ability for marketers to satisfy these motivations directly reflects their potential for success.

Although the networks are appealing to a range of demographics, they are particularly appealing to those between the ages of 18 and 29, and some are more appealing to women. As one might expect, the older age groups are less likely to engage in social media, particularly networks, though usage is on the increase in these segments as well. Overall growth and time spent on social media has slowed in the past few years, perhaps indicating maturity.

Prior to examining these social media, let's examine how and why marketers use them in an IMC program. Again, the examples provided are but

a sampling of the many ways marketers have used these media.

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How Marketers Use Social Media In a study of 3,000 marketers conducted by Social Media Examiner, an amazing 97 percent said they now include social media in their marketing plans, with 92 percent stating that social media are important to their marketing success.¹⁹ The primary reasons for using social media are to (1) drive traffic to one's site, (2) communicate with customers, and (3) gain brand exposure. The most important benefit these marketers believe they derive from the use of social media is increased exposure (89 percent). Figure 15–6 shows that consumers use social media networks for a variety of reasons. As a result, marketers find different media more effective for achieving specific objectives. For example, Twitter is considered the best channel for direct communication with consumers, while LinkedIn may be better for connecting with specific groups (like professionals). At the same time, LinkedIn may be the least effective for driving traffic. Each site contributes in more than one way.

FIGURE 15–6

How Consumers Use Social Networks

Social Media Networks	Examples	Primary Use
Social	Facebook, Twitter, LinkedIn	Connect with others
Media Sharing	Instagram, Snapchat, YouTube	Share photos, videos, live videos, etc.
Discussion Forums	reddit, Quora, Digg	Share and discuss news, opinions, etc
Content Curation	Pinterest, Flipboard	Share and discuss news, trends, content
Consumer Review	Yelp, Trip Advisor, CNet	Review and share information about

		brands, products, services, etc.
Blogging and Publishing	Tumblr, Medium	Discover, comment, and publish
Social Shopping	Etsy, Fancy	Find and share trends, follow brands, purchase
Interest Based	Goodreads, Last.fm	Share interests, hobbies, etc.
Sharing Economy	Uber, Lyft, Airbnb	Advertise, find, share, sell, trade, services among peers

Source: Curtis Foreman, "10 types of Social Media and How Each Can Benefit Your Business," www.hootsuite.com. June 20 2017.

Interestingly, while social media have grown in usage over the years and have certainly become an integral part of most Internet users' lives, they have also evolved in a more paradoxical fashion. A poll of more than 1,000 people conducted by *The Wall Street Journal* and *NBC News* indicated that while social media networks are considered divisive and a threat to privacy, people continue to use them—most use them every day. There also appears to be an increase in users regarding the need for government influence, with more and more people beginning to be favorable to increased government legislation.²⁰

Let's examine some of the more frequented social media, and how marketers use them in their IMC programs. We start our discussion with the most popular sites used by marketers. As can be seen in Figure 15–7, there is a lot of cross-usage among these sites.

FIGURE 15–7

Social Media Usage in the U.S. in 2019 | Pew Research Center

Note: Respondents who did not give an answer are not shown. Whites and blacks include only non-Hispanics. Hispanics are of any race.

Source: Survey conducted Jan. 8-Feb. 7, 2019. Pew Research Center.

	Use of different online platforms by demographic groups									
	% of U.S. adults who say they ever use the following online platforms or messaging apps									
	YouTube	Facebook	Instagram	Pinterest	LinkedIn	Snapchat	Twitter	WhatsApp	Reddit	
U.S. adults	73%	69%	37%	28%	27%	24%	22%	20%	11%	
Men	78	63	31	15	29	24	24	21	15	
Women	68	75	43	42	24	24	21	19	8	
White	71	70	33	33	28	22	21	13	12	
Black	77	70	40	27	24	28	24	24	4	
Hispanic	78	69	51	22	16	29	25	42	14	
Ages 18–29	91	79	67	34	28	62	38	23	22	
18–24	90	76	75	38	17	73	44	20	21	
25–29	93	84	57	28	44	47	31	28	23	
30–49	87	79	47	35	37	25	26	31	14	
50–64	70	68	23	27	24	9	17	16	6	
65+	38	46	8	15	11	3	7	3	1	
<\$30,000	68	69	35	18	10	27	20	19	9	
\$30,000–\$74,999	75	72	39	27	26	26	20	16	10	
\$75,000+	83	74	42	41	49	22	31	25	15	
High school or less	64	61	33	19	9	22	13	18	6	
Some college	79	75	37	32	26	29	24	14	14	
College+	80	74	43	38	51	20	32	28	15	
Urban	77	73	46	30	33	29	26	24	11	
Suburban	74	69	35	30	30	20	22	19	13	
Rural	64	66	21	26	10	20	13	10	8	

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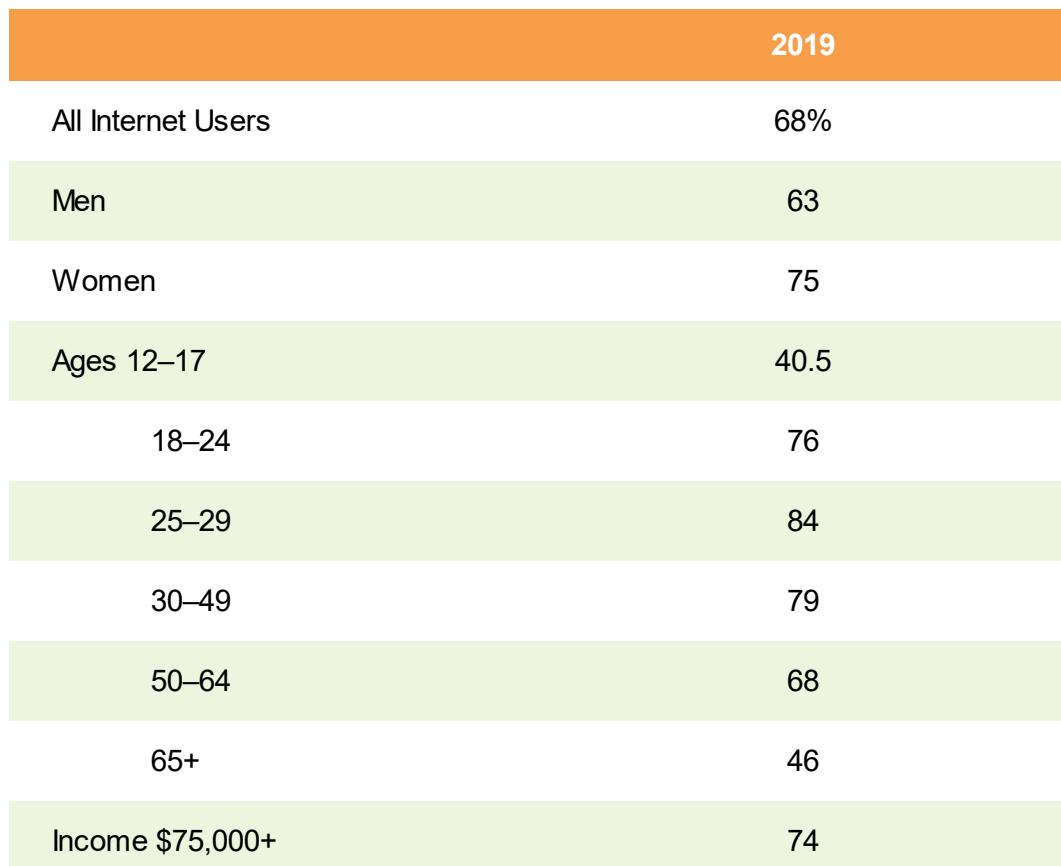
The Most Popular Social Media

Facebook The largest of all social networks, Facebook has over 2.3 billion subscribers worldwide, covering six continents and 100 countries, who say they are on the site monthly. Facebook is the second most widely used social media website; only YouTube has more visitors. Site usage is just about equal across age groups, with approximately 75 percent saying they visit the site daily and more than 50 percent saying they visit more than once a day. While use of Facebook has, for the most part, stayed constant, a number of those in the Pew survey have stated that they are trying to spend less time on the site, and use in the younger demographics is not as strong.²¹ Interestingly, while teens tend to use Facebook less, they often find it hard to avoid, partly

because those (like their parents) who tend to still use the platform make it necessary if they want to communicate with each other.²² While the site has been somewhat controversial over the years as a result of frequently changing its privacy agreements, and other privacy-related issues, [page 494](#) businesses have found Facebook to be a valuable communications medium. (Even though Facebook has had a lot of negative publicity over the use of their users' data and other privacy matters—and some in both the government and private sectors have called for the company to be broken up—businesses have seemingly not been affected, as ad revenues have actually increased.) A profile of Facebook users is shown in Figure 15–8. Based on advertising revenues, marketers consider Facebook to be the most important social platform for advertising; the site accounted for approximately 21 percent of all digital ad revenues, with revenues of \$55 billion.²³ Facebook leads all other social media in display advertising revenues.

FIGURE 15–8

Facebook Users: Among Online Adults, the Percentage Who Use Facebook



Time per day spent on Facebook	38 minutes
--------------------------------	------------

Source: Paige Cooper, "33 Facebook Stats That Matter to Marketers in 2020," Nov. 4, 2019. www.hootsuite.com.

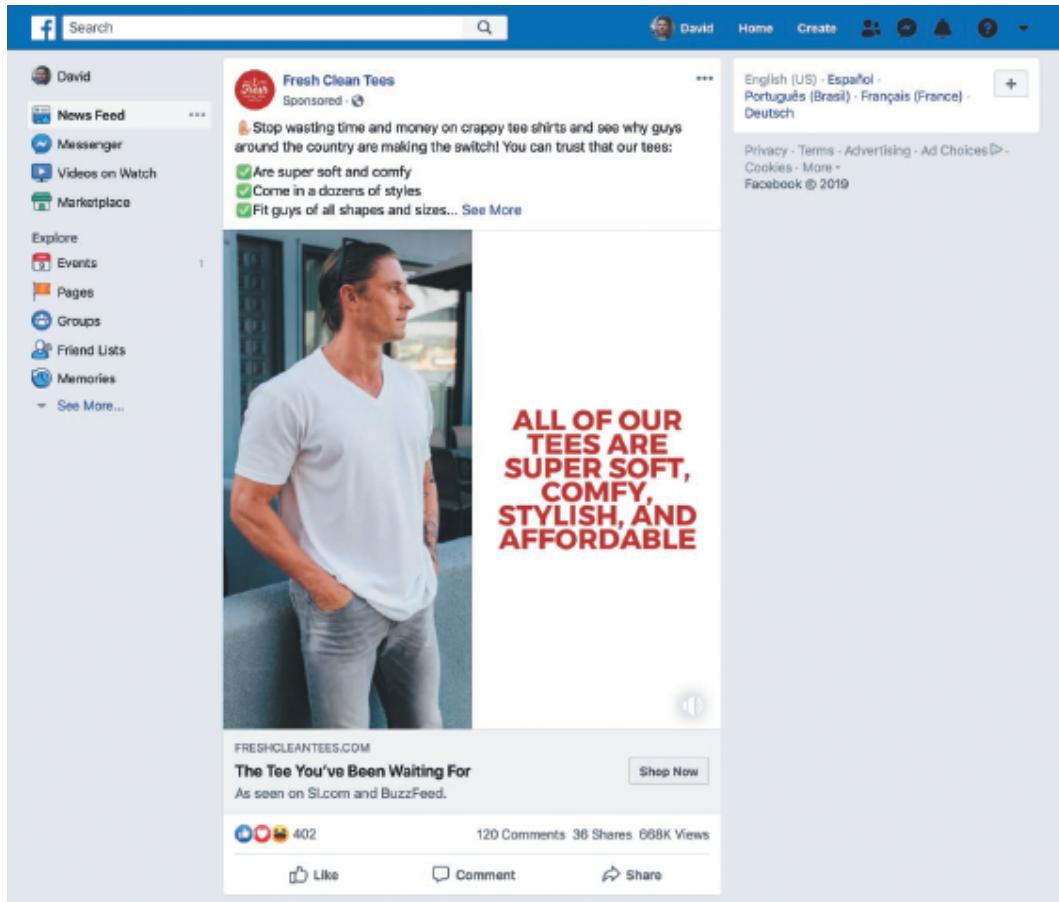
Just as individuals can exchange information by posting on the site, companies can also post information about the company and/or its products, photos, promotions, events, news, and so on. Facebook also allows advertising that can be targeted to subsets of Facebook users based on demographic and geographic data and interests and activities. In addition, because Facebook knows what pages its members like and visit, what their interests are, and even who is in their social network, targeting can become even more precise—and, as you might expect, create even more privacy concerns. Due to market place challenges, Facebook itself has evolved in an attempt to become an even more attractive medium for marketers by adding a number of new marketing tools such as sponsored stories, more targeted ads, and mobile video formats, including Facebook Live. The increased time being spent on mobile and engagement with video have led Facebook to continue to develop new programs and attract new advertisers.

Facebook has become a "must have" medium for many marketers who have used the site in a variety of ways. Throughout this text we have shown numerous examples of how companies use Facebook. Exhibit 15–7 is just one example of the many ways companies use Facebook ads.

XHIBIT 15–7

An example of a Facebook advertisement.

Source: Fresh Clean Tees/Facebook

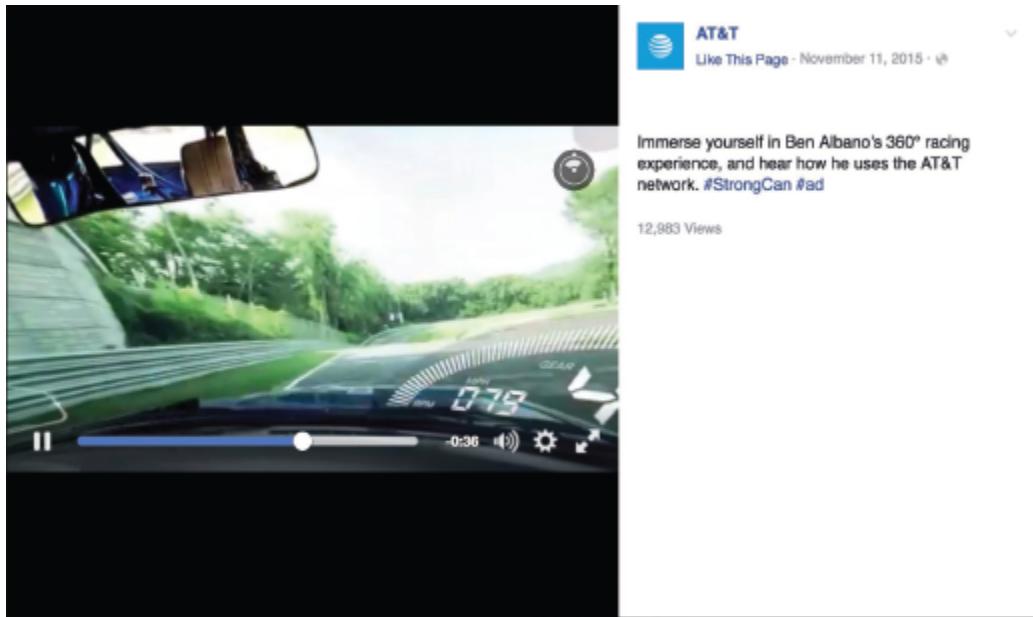


Now the site offers advertisers the opportunity to employ virtual reality-style ads that appear as sponsored posts in news feeds. Mountain Dew, Vice, and Mondelēz have already placed such ads, along with Samsung and AT & T (Exhibit 15–8). As Facebook continues to move into the video arena, you can expect its ad revenues to continue to grow into the future. A major revision of the site in 2019 was also favorably received.

XHIBIT 15–8

In this AT&T Facebook virtual reality ad, viewers are able to get in the driver's seat, enjoy the 360° view, and hear how race car driver Ben Albano uses the AT&T network.

Source: AT&T Inc.



Twitter Twitter is an online social network microblogging network that enables users to send and receive text-based messages (tweets) up to 280 characters. Twitter has about 274 million active users worldwide. Despite being made more popular by President Trump—for whom it is a primary form of communication—and an increase of allowable characters to 280 from 140, Twitter has experienced challenges in regard to growth.²⁴ [page 495](#)

As with Facebook, many marketers have found Twitter a useful tool for communicating with their customers and potential customers and, as shown earlier (Figure 15-6), may be the very best tool for establishing connections with customers. A number of companies have found Twitter to be useful in promoting their brands, including Netflix, Greenhouse, and Close—a sales CRM for small businesses. The ASPCA used Twitter to send pictures of animals that had been mistreated, finding it more effective than words in generating responses. Converse made wise use of the Chinese social influencer and entertainer Zhang Yi Xing. Just by mentioning his name and showing him in a pair of Converse shoes, this tweet was successful in increasing engagement.

When Mercedes-Benz introduced its new A-Class automobile, a commercial was run on the popular TV show *X Factor* integrating the cast into a chase scene. Viewers were in control of the action in the scene and by tweeting #evade or #hide they determined the action in the 30-second spot.

The “commercial you drive” was viewed by hundreds of thousands of viewers, and was considered a contributor to the product’s launch success.

The City of St. Louis also found Twitter to be an effective medium for reaching its market. In this case, the medium was used in a nonprofit effort to find ways to improve the city, titled “Tweet Me in St. Louis.” After establishing a community-based website (www.rallystl.org), the organization used Facebook and Twitter to crowdsource ideas on how to improve the city as well as crowdfunding to raise money to support the ideas generated. The public was asked to tweet ideas in regard to cultural arts, education, housing, or virtually anything else that they thought needed improvement. After the period for submitting ideas was closed, participants were asked to vote on the best ones—again by tweeting their vote. Those involved believed that the simplicity of the ability to tweet a response was a major factor contributing to the campaign’s success. Virgin America, Sephora, and Starbucks, among others, have all used Twitter’s enhanced promoted tweets program, which ensures that tweets from their brands will appear at the top of the timeline for those who follow the brand. Other companies have found that Twitter can be used to respond to customer complaints and/or inquiries, retweeting important information and monitoring the market to watch for opportunities or threats. Exhibit 15–9 shows a Twitter ad Hostess ran to celebrate the beginning of baseball season.

XHIBIT 15–9

Hostess ran this Twitter ad to celebrate the start of baseball season and with its mixed-sport message, it gained added attention.

Source: Hostess Brands LLC



Like Facebook, Twitter has made substantial changes to the site in an effort to gain advertising revenues. Twitter now offers advertisers a “tailored audiences program” in which users who visit a website and also use Twitter could be found later for retargeting purposes. Brands can also share their e-mail lists with Twitter and deliver ads to their customers. The idea is that companies can create tailored audiences using lists of Twitter IDs to build a more potentially interested database.²⁵ Database marketing companies Acxiom, Merkle, and Mailchimp, among others are assisting brands in this endeavor.

Instagram By far the fastest-growing social network is Instagram (now formally referred to as Instagram from Facebook), particularly among those in younger demographic segments. Since its acquisition by Facebook in 2012, Instagram has continued to be successful with this younger [page 496](#) audience (particularly female millennials) and those advertisers targeting them, to the point where the site now accounts for about 27 percent of Facebook’s ad revenue. While continuing to attract new companies, most of the growth has come from loyal advertisers who have continued—and increased—their advertising expenditures on the site. Instagram Stories has become a very attractive component to members and marketers and has accounted for much of Instagram’s success. Instagram has proven to be an effective site for micro-influencers due to their closer personal networks and perceived authenticity and loyalty.²⁶ Marketers in numerous industries worldwide have found Instagram useful for a variety of communications activities. Instagram’s visual content allows companies to post pictures and

video news, events, new product introductions, and other company- or brand-related activities to increase exposure, showcase products in a creative way, establish visual brand identity, and more (Exhibit 15–10). Many marketers consider Instagram to be the most engaging of all social networks. Companies have initiated very successful contests in which they engage consumers by having them post pictures related to their brands. In its #SonyLove contest, Sony asked people to first follow the company on Instagram and then post pictures of anything that represented “love” to them. One entry was chosen every day to win a \$50 Sony Store gift card or other Sony merchandise based on their entry. Virgin America frequently surprises flyers with a gift and posts them in a picture on Instagram, or encourages its followers to do the same. Given the ability to post pictures to garner engagement, the variety of uses of this site for marketers seem almost endless (Figure 15–9).

XHIBIT 15–10

Nike is considered one of the most successful users of Instagram.

source: Nike, Inc./Instagram

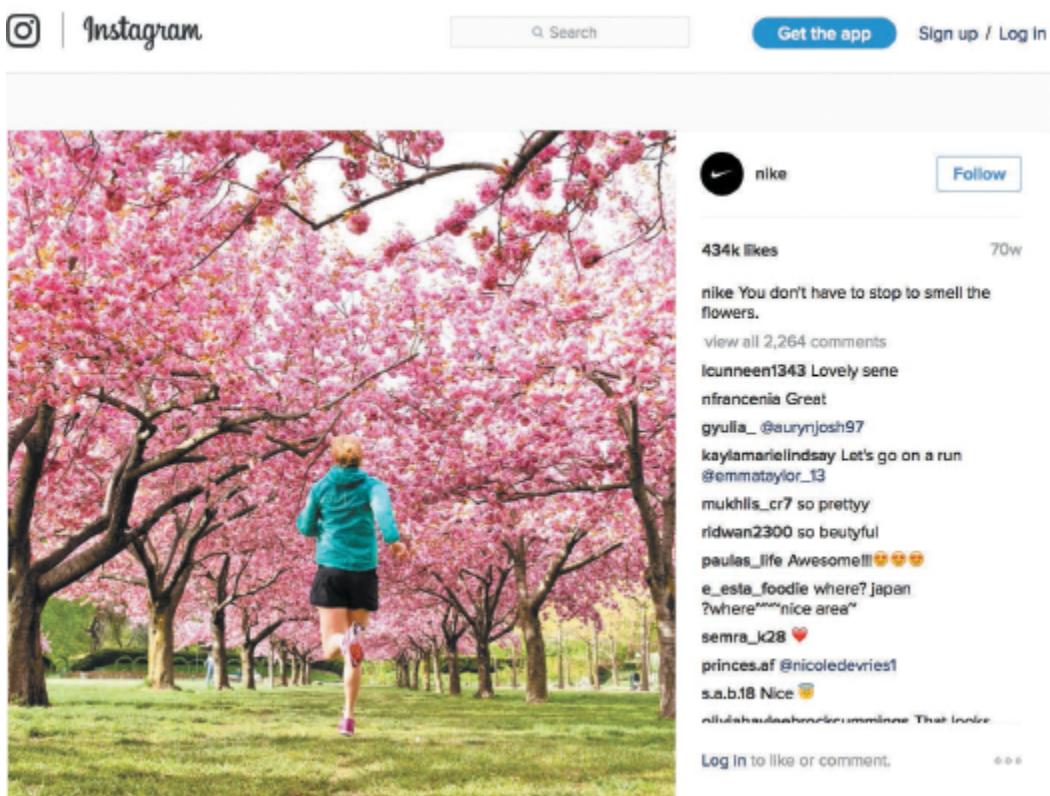


FIGURE 15–9

How Brands Use Instagram

Nike—The most followed brand on Instagram, Nike keeps it simple. For example, one photo shows a woman jogging through a beautiful row of cherry blossom trees with the caption “You don’t have to stop and smell the flowers.” Simple, but eye-catching and interesting. Nike also uses influencers such as soccer star Cristiano Ronaldo and other athletes.

Reebok—Taking a different approach from Nike, ReebokWomen inspires women to be better, stronger, and more determined. Visual content focuses on effort, action, and sweat with an emphasis on action images and sports while striking a balance between athletes and everyday women.

Chanel—Keeping it plain and simple like Nike, the product is always front and center. One series included Gisele Bundchen talking about her makeup secrets.

Staples—Attention-getting vivid colors exaggerated by a white background that appear hypnotic. Over 8 percent of Staples customers say they view the posts.

Saks Fifth Avenue—With a Like2tobuy platform, the Saks posts are shoppable. The attractiveness and diversity of its photos including store windows, Gucci shoe displays, and Louis Vuitton shots lure consumers into the photos.

Snapchat Originally developed as an app that had disappearing pictures, Snapchat, developed by Snap, Inc., has now evolved into a mix of private messaging and public content, including brand networks, [page 497](#) publications, and live events such as sports and music. Snapchat is a popular messaging app that lets users exchange pictures and videos (called snaps) that are meant to disappear after they’re viewed. It is primarily this feature that makes the app particularly interesting and appealing to a younger audience—90 percent are 13 to 24 years old.²⁷ Nevertheless, studies have shown that the personal-oriented messaging was still being accessed by users more than the publicly offered content that was being presented. Seventy-one percent of users surveyed said that they preferred the app for its chat, messaging, and imaging services, versus 5 percent who almost exclusively chose the various events, brand features, and celebrity content on a daily

basis. Twenty-four percent responded that they accessed all features equally. Nevertheless, Snapchat decided to do a major overhaul to the app. Unfortunately, the new app was met with very strong dissatisfaction, causing major problems. After introducing the new design, consumer sentiment fell by 73 percent, and over a million people signed a petition to try to have the original design return.²⁸ As users declined, so too did advertising revenue, leading the company to lose value and the stock to plummet. Once an attractive medium to advertisers, many have departed and have yet to return. Amazon, Hollister, Macy's, Samsung, and Universal Pictures have all run Snapchat campaigns, and McDonald's, in particular, placed a lot of emphasis on marketing through snaps. Luxury brand Michael Kors used Snapchat's "Stories" feature at New York's Fashion Week showing content from runway pictures, backstage shots, and front-row pictures. Exhibit 15–11 shows an ad for Guess.

By mid-2019, Snapchat was showing a sign of resurgence after further design changes.

XHIBIT 15–11

Guess also runs ads on Snapchat.

Source: GUESS?, Inc./Snapchat



Pinterest Pinterest is a pinboard-style photo-sharing website that allows users to create and manage theme-based image collections such as events, interests, and hobbies. Users can browse other pinboards for images, “repin” images to their own pinboards, or “like” photos. Pinterest is most attractive to females, with approximately 81 percent being younger women.²⁹ As with Instagram, Sony has found this site to be quite useful in its marketing efforts, as have numerous others such as Whole Foods, Southwest Airlines, and Banana Republic (Exhibit 15–12). Nordstrom has used Pinterest to post pictures of new product offerings, to make its blog more appealing, and to sponsor a bridal contest in which brides-to-be could win prizes including cash, a bridal consultant, and a hotel stay at a J.W. Marriott Resort. Many other marketers targeting women have found Pinterest to be an effective medium. As opposed to Facebook, Instagram, and Twitter, Pinterest offers the opportunity to see pinners’ product preferences, plans, and aspirations. There were over 125 million active users of Pinterest in 2019.³⁰

XHIBIT 15–12

A number of companies have found Pinterest to be useful in their IMC programs.

Source: (phone): SPF/Shutterstock; (background): The Gap, Inc/Pinterest, Inc.



As Pinterest readied itself for an IPO, the company took steps to differentiate itself from social media. Noting that Pinterest users have a

direct line to consumers looking for something to buy, CEO Ben Silbermann wants people (and investors) to think of the site in a more virtuous, less competitive vision than Facebook, Twitter, and Snapchat. Given the heightened global scrutiny of Facebook, YouTube, and Twitter and their struggles to remove hate speech, violent content, and misinformation from their platforms, public sentiment has shifted against those platforms, perhaps making Pinterest more attractive, according to analyst Andrew Lipsman, at eMarketer.com.³¹

LinkedIn Another social networking site but with a different audience, LinkedIn now has over 260 million members who log in once a month or more.³² While site is primarily used by professionals to network, businesses have used banner ads on the site in an attempt to reach this professional audience to promote their products and services. LinkedIn offers marketers the opportunity to connect to customers with specific interests that may be related to their brand.

YouTube Another powerful social medium, YouTube is a content aggregator, hosting content for information and entertainment and, although it is a social network, is not a traditional one like Facebook or Snapchat. Users can upload and share their own videos, as well as those placed by others (including companies). Along with Facebook, YouTube dominates page 498 the social media domain. In fact, in a Pew Research study, 73 percent of U.S. citizens say that they use YouTube (Facebook is at 68 percent). To put that into perspective, Instagram is third at 35 percent. Most millennials prefer YouTube to traditional television. At the same time, more than 80 percent of users come from outside the United States.³³

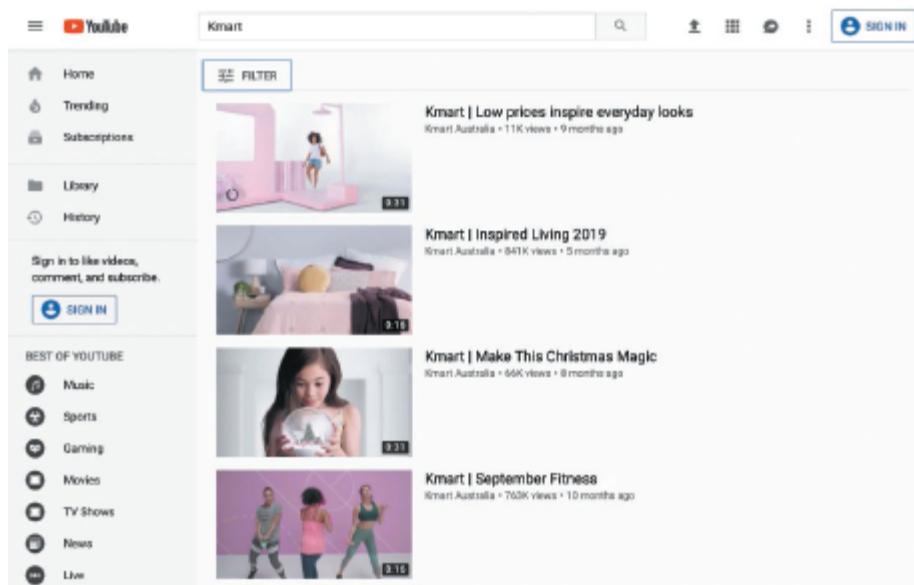
What makes YouTube so effective for marketers is the ability to use the site as an advertising medium or as a search platform (Exhibit 15–13). Marketers can post videos of their products or brands that can be informational (how to build an IKEA bookcase) or entertaining (as noted, companies posted TV commercials on the YouTube site prior to showing them on the Super Bowl). The site is particularly engaging to millennials, the segment much sought after by many marketers—so much so that YouTube has its own stars and vloggers and is now competing with advertising dollars that

previously were targeted to broadcast television. However, there are some who are worried that the platform is abandoning what has led to their success in favor of more traditional content.³⁴ Many companies have now established their own YouTube channels, which allows them to have a specifically branded URL and fully customized content. Among the top 10 advertisers on YouTube are Walmart, Target, Lowe's, Amazon, and Walgreens.³⁵

XHIBIT 15–13

YouTube has become attractive to advertisers like Kmart.

Source: YouTube



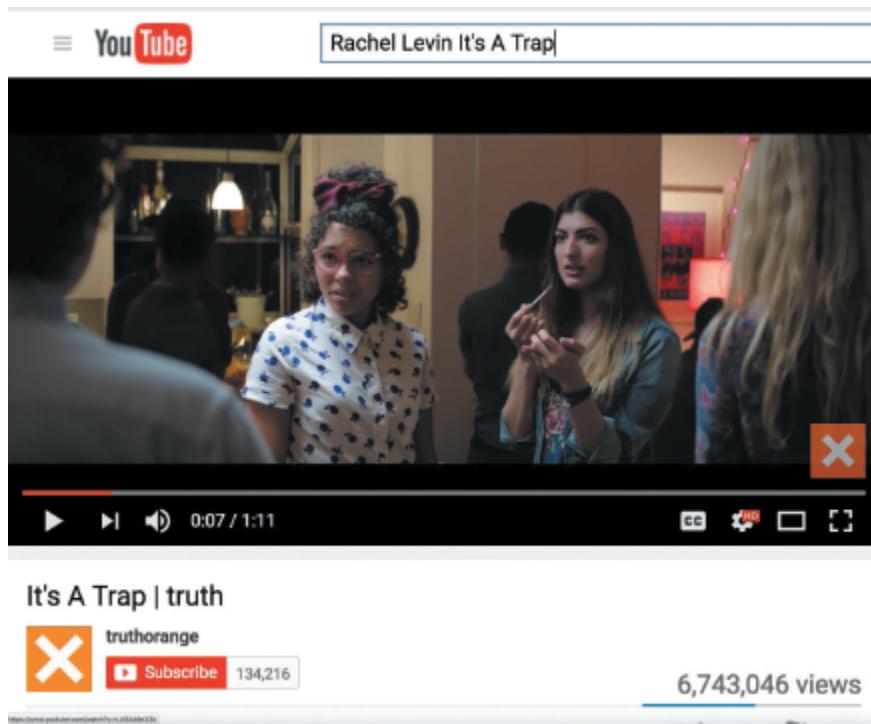
The potential for exposure on YouTube is one of the major attractions for marketers large and small. For example, Rachel Levin, a beauty vlogger sometimes referred to as “YouTubes’s Cover Girl,” has had her antismoking commercial “It’s A Trap” viewed 6.5 million times, while overall Levin’s videos have been viewed over a billion times. Others, including makeup tutorialist Michelle Phan, has 7.9 million subscribers, Bethany Mota—a teen vlogger—has 9.3 million, and the spoof video Smosh has 21 million (Exhibit 15–14).³⁶ At the same time, a small brand, Orabrush, which had no sales online or offline, was able to successfully pull its product into large retail stores like Walmart as a result of its successful YouTube video. In less than two years the Orabrush channel garnered over 45 million views, and

consumers' demands for the tongue cleaner led to retail distribution. A study conducted by Defy Media showed that for teens, YouTube stars were much more influential on their purchase decisions than were either TV or movie stars, and were fine with the fact that their stars were pushing products and trying to sell them things.³⁷ In 2019, YouTube announced an editing tool that it claimed would help advertisers optimize their content for mobile audiences. The “Bumper Machine” would edit relevant content from longer ads down to 6 seconds (or help create a 6-second ad from scratch) to be more attractive to mobile video ad users, the main driver in the growing digital ad market, which is dominated by YouTube.³⁸

XHIBIT 15–14

YouTube has its own celebrities like Rachel Levin shown here in her antismoking commerical “It's A Trap.”

Source: *Rachel Levin, YouTube*



Other Social Sites As noted earlier, there are many more social media sites that are useful to marketers in their IMC programs. These sites have been used by marketers for marketing research, public relations, promotions, and a

variety of other strategies. As you can imagine, there are too many to discuss here.

Podcasting **Podcasting** is a medium that uses the Internet to distribute audio or video files for downloading onto desktops as well as iPods, iPads, tablets, and other portable devices, though smartphones are the [page 499](#) most commonly used. As the market for these devices grows, the attractiveness of this medium does as well. Spotify and radio stations, including Clear Channel Communications and National Public Radio, and television programs, such as *60 Minutes*, now podcast entire programs or video clips. Traditional advertisers like Ford, Dunkin' Donuts, Wendy's, Allstate, and P&G are just a few of the many companies running ads or sponsorships in the medium, while others are finding it useful as well (Exhibit 15–15). For example, Durex, a condom manufacturer, has purchased product placements in podcasts—in part to reach young listeners with risque marketing messages while skirting FCC decency rules. The typical podcast listener tends to be more upscale in income and education, and thus is an attractive target market for advertisers.³⁹

XHIBIT 15–15

Podcasts have become popular with a number of advertisers.

n Dagnall/Alamy Stock Photo



Blogs A **blog** (or weblog) is a web-based publication consisting primarily of periodic articles, normally presented in reverse chronological order. As noted, blogs may reflect the writings of an individual, a community, a political organization, or a corporation, and they offer advertisers a new way to reach their target audiences. Alamo, Bacardi, Home Depot, and Coach are just a few companies who promote their products through blogs. For example, there are blogs about beer, current events, sports, raising children, and so on. In 2018, there were an estimated 505 million active blogs on the Internet.⁴⁰ Fashion, food, sewing, and travel are the most popular blog topics. Some marketers are excited about the potential of blogs to reach large or targeted audiences at a small cost. Besides banner ads, companies can buy pay per click ads and/or become an affiliate. As a result, these marketers attempt to keep the bloggers happy by feeding them exclusives, releasing product news to them before it hits the mainstream, and so on. Others are a bit more skeptical, noting that there are a number of problems with the use of blogs, including the potential for deception and limited reach. These critics cite the use of mommy bloggers and teen bloggers who may support brands and promote them for compensation to unsuspecting audiences. Whether bloggers are full-time professionals or just hobbyists, many of them write about brands they love or hate (or love to

hate!), and their influence on consumers is on the increase, as the consumers often use the information they obtain from blogs in their purchase decisions.

Other 2.0 Media Forms There are numerous other 2.0 media forms also available to marketers, including the use of virtual and augmented reality and QR codes.

Virtual/Augmented Reality While it may seem like something out of the future, **virtual and augmented reality** are very much here (Exhibit 15–16). There are now thousands of augmented reality apps currently being used by marketers and consumers alike, and the future promises much more. For example, Wikitude World Browser is widely regarded as one of the best of all augmented reality (AR) browsers. As one travels around an area, Wikitude will provide just about any geographically relevant information needed, including *Wikipedia* articles for landmarks, ATM locations, YouTube videos, tweets, Foursquare locations, and so on. Macy's has used AR to help sell cosmetics. Rather than carry an enormous stock of lipsticks, potential buyers can see what they would look like with a thousand variety of colors. Ford used Snapchat to promote its Eco Sport mini SUV by taking the viewer into the AR version of the car to examine its interior and page 500 exterior. Lowe's and IKEA have both employed the technology to help those decorating their homes view the possibilities available to them, changing in and out the products to see how they look together. The use of AR is on a steady increase, with more and more companies exploring its capabilities. Google recently announced that it is adding augmented reality to its search results.⁴¹

XHIBIT 15–16

Virtual and augmented reality apps are used by marketers and consumers alike.

Source: *Wikitude GmbH*



Virtual reality (VR) has met with less success at this point. While a number of companies like National Geographic and Coca-Cola have used VR for marketing purposes, Walmart has employed the technology for training, and other fields like sports and the medical field have recognized the advantages and capabilities of VR, the application of the concept has yet to gain traction. Facebook's recent acquisition of VR company Oculus is a strong indication that increased use of VR is not far away.

QR Codes While **QR codes** (machine readable optical labels) may not have reached the potential expected, many marketers have used them effectively. A large percentage of print ads now carry the bar codes, but consumers have not used them as frequently as expected. An example of a successful application of this technology was a joint effort between Disney and Cargill (Honeysuckle White and Shady Brook Farms meats) that used mobile bar codes to entice consumers to buy through a "Wreck-It Ralph" Blu-ray combo pack promotion. Cargill placed QR bar codes on 7 million packages of turkey products that, when scanned, took consumers to a website where they could get a \$5 mail-in rebate over their mobile device. The very popular app Shazam is another good example of the use of a form of QR code, in which radio listeners can immediately identify a song, artist, and album title through their cell phones. Just as it seems that QR codes may be beginning to grow in popularity, they are being threatened by a new

technology, near field communication (NFC). NFC enables marketers to deliver content through an embedded chip that allows wireless communications just by touching the material or being in close proximity to the NFC tag. Essentially, the NFC tag performs the same function as a QR code but with much less effort required on the part of the consumer. Interestingly, and sadly, the famed 120-year-old Cracker Jack replaced its toy surprise that was in each and every box with a QR code that buyers could scan to see if they won anything. (Have we gone too far with digital?)

Sales Promotion on the Internet

Companies have found the Internet to be a very effective medium for disseminating sales promotions. Numerous companies tie in sales promotions to their websites, and/or through other forms of digital and social media. Ghirardelli engages in the use of sales promotions with its website, as do many others (Exhibit 15–17). Numerous companies now print online coupons. Other examples include the use of trivia games, contests, sweepstakes, instant win promotions, and so on.

XHIBIT 15–17

Sales promotions are common on websites.

Source: *The Ghirardelli Chocolate Company*

The screenshot shows the homepage of the Ghirardelli website, featuring a dark background with colorful squares. At the top, there's a navigation bar with links for "Share Your Moment", "View Moments", "Rich Prizes", "Follow The Tour", "SQUARES™ To Savor", and "Times Square". A digital counter displays "Moments Shared: 0,086,312". Below the navigation, a large banner reads "Share your Moment & win" and "a Grand Prize trip to St. Marks Square". There are buttons for "SHARE TODAY" and "SHARE YOUR MOMENT". At the bottom, there are three sections: "Savings to Make You Melt" (with a "SAVE TODAY" button), "Winning Moments" (with a "SEE WINNERS" button), and "Your Moment to Shine" (with a "SHARE YOUR MOMENT" button). The footer contains links for "About Ghirardelli", "Terms & Conditions", "Official Rules", and "Privacy Policy".

Personal Selling on the Internet

The Internet has been both a benefit and a detriment to many of those involved in personal selling—particularly those in the business-to-business market. For some, the Internet has been a threat that might take away job opportunities. Companies have found that they can remain effective, or even increase effectiveness, by building a strong online presence. The high-cost and poor-reach disadvantages of personal selling are allowing these companies to reduce new hires and even cut back on their existing sales forces.

On the positive side, websites have been used quite effectively to enhance and support the selling effort. As noted earlier, digital ^{page 501} and social media have become primary sources of information for millions of customers in the consumer and business-to-business markets. Visitors to websites can gain volumes of information about a company's products and services. In return, the visitors become a valuable resource for leads that internal as well as external salespersons can follow up, and they become part of a prospect database. Not only can potential customers learn about the company's offerings, but the selling organization can serve and qualify prospects more cost-effectively.

The Web can also be used to stimulate trial. For many companies, personal salespersons can reach only a fraction of the potential customer base. Through trial demonstrations or samples offered online, customers can determine if the offering satisfies their needs and, if so, request a personal sales call. In such cases both parties benefit from time and cost savings.

Companies have used the Internet to improve their one-on-one relationships with customers. By providing more information in a more timely and efficient manner, a company enables customers to learn more about what it has to offer. This increases the opportunity for cross-selling and customer retention. Twitter has become a powerful tool for consumers to voice their opinions of companies or complaints, while also allowing the involved company to respond quickly.

In a well-designed IMC program, the Internet and personal selling are designed to be complementary tools, working together to increase sales. It appears that more and more companies are coming to this realization.

Public Relations on the Internet

The Internet is a useful medium for conducting public relations activities. Many sites devote a portion of their content to public relations activities, including the provision of information about the company, its philanthropic activities, annual reports, and more.

Companies, nonprofit organizations, and political parties have become quite adept at using the Internet for public relations purposes. An excellent example of the use of public relations on the Internet is provided by Chrysler (Exhibit 15–18). The site provides up-to-date news stories and [page 502](#) other forms of content, photo images, and cross-references to other sites or media as well as press kits and a calendar of upcoming events. It also provides information about Chrysler automobiles and the corporation itself and allows for customer feedback and registration for updates. In addition, Chrysler’s homepage contains many of the articles written about the corporation, including awards won and philanthropic efforts achieved, such as its concern for the environment and support for numerous causes.

XHIBIT 15–18

Chrysler uses its website for public relations purposes as seen in this promotion for its Drive For the Kids School Fundraiser.

Source: DoLightful, Inc.

Kango is Proud to Partner with Chrysler

CHRYSLER

Since 2017, Kango has proudly partnered with the Chrysler Brand, with select drivers driving America's first-ever hybrid minivan, the Chrysler Pacifica Hybrid. Kango drivers enjoy its seating for 7, a 32 mile all-electric range, and a total driving range of 520 miles. Parents love knowing their children are riding in a minivan with over 100 standard and available safety features.

[Learn More About Pacifica Hybrid](#)

How Kango Works

- Schedule a ride, childcare, or both!
One-time or ongoing requests.
Booster or car seats available if needed.
- See who can help
Background-checked, fingerprinted caregivers who are trained to transport kids.
- Follow the ride
Real-time updates and tracking of driver location. Talk to driver or sitter directly.

Other examples of the effective use of public relations activities on the Internet are also available, as you will see in the chapter on public relations. The Web is a useful medium for conducting public relations activities, and its use for this function is on the increase.

At the same time, many philanthropic and nonprofit organizations have found the Internet to be a useful way to generate funds. As noted earlier, charitable organizations have also formed sites to handle public relations activities, provide information regarding the causes the charity supports, collect contributions, and so on. In an example of integrating the Internet with public relations and television, companies have found the Internet to be extremely useful for providing information in times of a crisis and for gathering feedback about their products and services and about themselves.

Direct Marketing on the Internet

Our discussion of direct marketing and the Internet approached the topic from two perspectives: the use of direct-marketing tools for communications

objectives and e-commerce (as discussed in Chapter 14). As we stated previously, many direct-marketing tools like direct mail, infomercials, and the like have been adapted to the Internet. At the same time, e-commerce—selling directly to the consumer via the Internet—has become an industry all its own.

MOBILE

As dramatic an impact that the Internet has had on companies' IMC programs, it almost pales in comparison to the changes brought about by **mobile**. Spawned by the rapid adoption of smartphones and tablets, mobile is now receiving strong attention from marketers, and ad revenues continue to climb, primarily through applications (apps). A study by Statistica reported that by 2020, smartphone penetration in the United States had reached 72 percent, or 258 million persons.⁴² While all digital advertising revenues were expected to continue to grow slightly, mobile is increasing at a very steep rate and is expected to account for 72 percent of all digital spending by 2020.⁴³ As adoption of these phones and tablets increases, content consumption will grow right along with it, and so too will advertising spending to reach these users. Marketers see mobile as offering very strong potential and will continue to move monies from traditional media to mobile.

While more dollars are being moved from traditional media to mobile, a number of studies have shown that tablets have led to increases in search behavior and online purchasing and have dramatically changed the way we view television. One might think tablets may be responsible for decreasing TV watching, but this is not the case; more than half of those tablet owners surveyed indicated it had no impact, and many respondents under the age of 50 said it actually *increased* their TV viewing.⁴⁴ The amount of TV watching may not be changing much, but the way that it is being watched has. Younger consumers are much more likely to report that they watch TV with their tablet with them, posting, e-mailing, and texting friends as well as seeking information about program content and commercials while viewing.

The appeal of mobile stems in part from the fact that the younger generations' media usage habits have changed. As we have seen throughout

this text, their use of print media is down, much of their former television viewing is now taking place on tablets, and sales of desktops and laptops are being replaced by sales of smartphones and tablets. In fact, page 503 some studies show that many sales of smartphone owners use their devices to make phone calls less than they do for other activities. Being in constant touch is critical for many millennials, which opens up the opportunity for marketers to reach potential consumers at almost any time and any place—even at the point of purchase. (Next time you are in a public place, take a minute to look around at how many people are on their cell phones—although it might actually be easier to count the ones who are not!)

The Role of Mobile in the IMC Process

As you read in the previous sections of this chapter, mobile has already been integrated with other media. We have discussed mobile ads and provided examples of sales promotions and direct marketing and even product placements through the phones. We have also pointed out that marketing influencers can now reach consumers through their smartphones, and when users access Facebook and/or other social networks on their phones, marketers are provided with even more opportunities to reach them. The use of native ads on smartphones and tablets has been deemed to be quite effective and on the increase.

Let's look at some specific examples of successful mobile marketing tactics:

- The automobile industry has found that marketing through mobile is effective throughout the purchase funnel. At the top of the funnel, mobile, tablet, and video ads have all been shown to contribute to encouraging potential buyers to begin to look for a new car (exceeded only by direct mail). One study indicated that the automobile industry led all global industries in the number of video completions of mobile banner ads.⁴⁵
- Advertising dollars being allocated to mobile search will continue to increase as marketers recognize that search on smartphone and tablet devices is on the increase. A study by FordDirect showed that 81 percent of auto shoppers used smartphones to research different autos. Twenty-

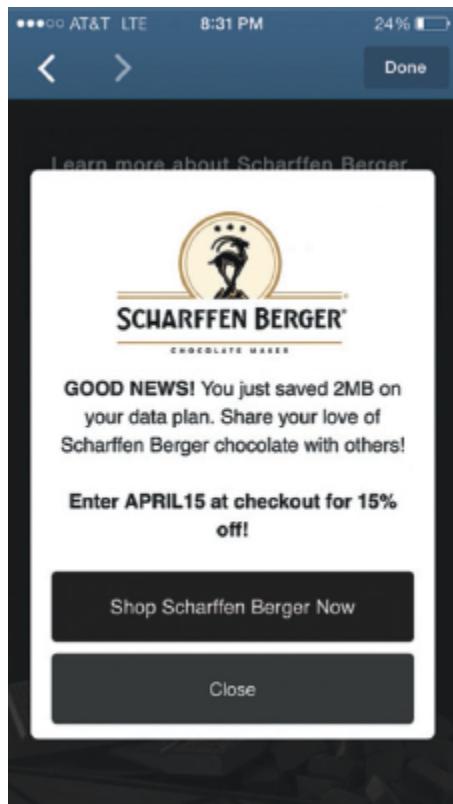
five percent of these used smartphones exclusively, and once on the lot, 25 percent used their phones to access more sources of information.⁴⁶ Shoppers were also using their phones to arrange for financing options.

- In other examples, Burger King delivered mobile coupons to consumers within a geofence (virtual perimeter); Hershey's offered to sponsor data costs for consumers who watched a video for its Scharffen Berger chocolate brand (Exhibit 15–19); JetBlue sent different messages to tablet and smartphone users, and offered a video game to the tablet users as they might have more time to watch; McDonald's used native ads touting the nature of their coffee. As you can see, mobile is integrating other promotional components into their campaigns while itself becoming more integrated into IMC programs.

XHIBIT 15–19

Scharffen Berger effectively uses mobile to advertise its brand.

Source: *Scharffen Berger Chocolate Maker*



Disadvantages of Mobile

Lest you be misled into believing that mobile is the be all and end all of media, this medium is not without its disadvantages:

- *Creative challenges*—While we have provided some excellent examples of the creative use of mobile, it is still a medium that challenges creative directors. The small screens limit what advertisers can do as compared to what they can do on the larger screens of TVs and even desktops. The JetBlue example provided earlier is one interesting approach to this challenge.
- *Time*—The very nature of being mobile means viewers may be on the move, thus providing less time to get attention and limiting message capabilities. Unlike the desktop and some traditional media, the viewer is not settled in to use the medium. Thus, it is more difficult to get, and hold, attention, and the message may have to be limited and short.
- *Sharing*—Maybe we should say *not sharing*. One study found that 99 percent of mobile users do not like to share what they see. Thus, one of the key objectives of digital advertisers is to get engagement, [page 504](#) responding to the brand, providing feedback and extending the reach to make the message viral. Desktop users are 35 percent more likely to click on a sharing button than are mobile users.⁴⁷
- *Irritation*—As more and more monies go into advertising on mobile, there will be more and more ads sent to smartphones and other mobile devices. The result is likely to be that consumers will become irritated with these ads—as with spam on computer desktops. The result could be the development of negative attitudes toward the sender, ad blockers, and so on. It is now possible to get ad blockers for mobile devices, and marketers have already perceived this as a threat.

Despite its potential weaknesses, mobile will continue to be adopted and is expected to constitute a large share of the digital ad budget.

SOCIAL MEDIA MANAGEMENT PROGRAMS

As you read through all of the options for digital advertising, social media networks, and so on, you may feel overwhelmed by trying to figure out how to manage this whole process. Fortunately, there are a number of companies that provide **social media management** tools. Companies like Hootsuite, Hubspot, SocialPilot, and others provide management services for small, medium, and large companies. They offer media management, content development, publishing, monitoring the environment, and more. Typically, these companies will provide a dashboard to assist clients in the management of services to integrate with the major social networks.

INTERNET METRICS

LO 15-3

Companies measuring the effectiveness of digital and social media employ a variety of methods, most of which are done electronically. A number of companies provide Internet measures as part of a package; that is, they provide audience measurement information (demographics, psychographics, etc.) as “up-front” information as well as some of the effectiveness measures described below. First, we will discuss some of the measures used to determine the effectiveness of a website. Then we will discuss some of the companies providing these measures.

Audience Measures and Measures of Effectiveness

When the Internet industry first developed its own measures of effectiveness, problems with these measures led to a slower rate of adoption by traditional media buyers. In an attempt to respond to criticism of the audience metrics employed, as well as to standardize some of the measures used to gauge effectiveness of the Internet, the Interactive Advertising Bureau (IAB)—the largest and most influential trade group—formed a task force in November

2004 consisting of major global corporations involved in advertising and research. The task force was created to examine and create standardized measures to measure advertising impact that could be used to assess the impact of ads and to eliminate confusion. The three key points of the new recommendations are detailed in a 20-page report available from [IAB.net](#). Industry experts believe that the adoption of these guidelines, along with objective auditing, would make the Internet a more attractive medium for many of those who advertise in traditional media. The guidelines have the support of major online publishers, as well as the nearly 40 major proprietary online ad-server technologies and major associations worldwide.⁴⁸

Internet-Specific Measures One of the perceived advantages of the Internet is a company's ability to measure commercial effectiveness, due in part to its ability to measure activity in real time. Google and [page 505](#) Facebook both offer analytical tools that allow you to monitor your performance. **Facebook Analytics** “allows users to understand and optimize your complete customer journey across mobile, web, bots, offline, and more....”; **Google Analytics** “is a web analytics service offered by Google that tracks and reports website traffic, currently as a platform inside the Google Marketing Platform brand” (Exhibit 15–20). Both of these programs offer a variety of valuable insights into how the product or brand is performing. In addition to these analytics, advertisers can determine effectiveness through a variety of measures. Figure 15–10 shows a comprehensive list suggested by Sonia Gregory, founder of [freshsparks.com](#). These measures include audience measures specific to the Internet and interactive industry. (For a detailed explanation of each of these terms, visit [www.IAB.net](#).)

XHIBIT 15–20

An example of Goggle analytics output.

ource: Alphabet Inc.

Google Analytics Website Overview

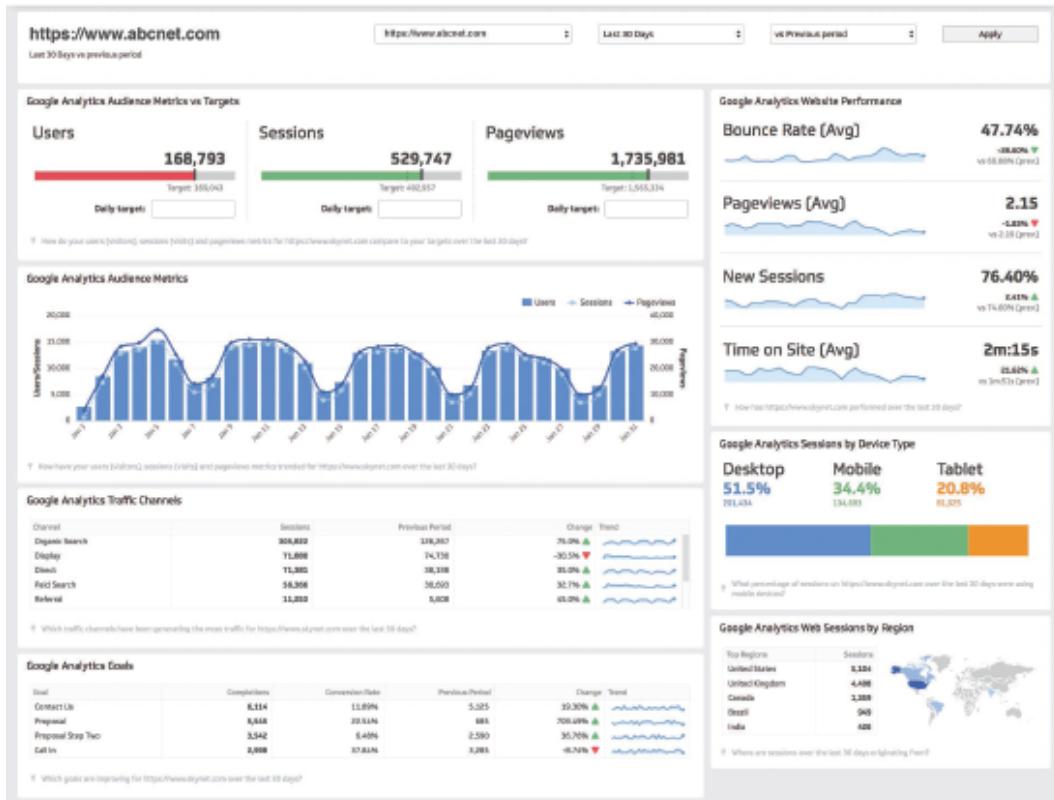


FIGURE 15–10

Digital Marketing Metrics Measures

1. Overall website traffic

2. Traffic by source

3. New visitors vs. returning visitors

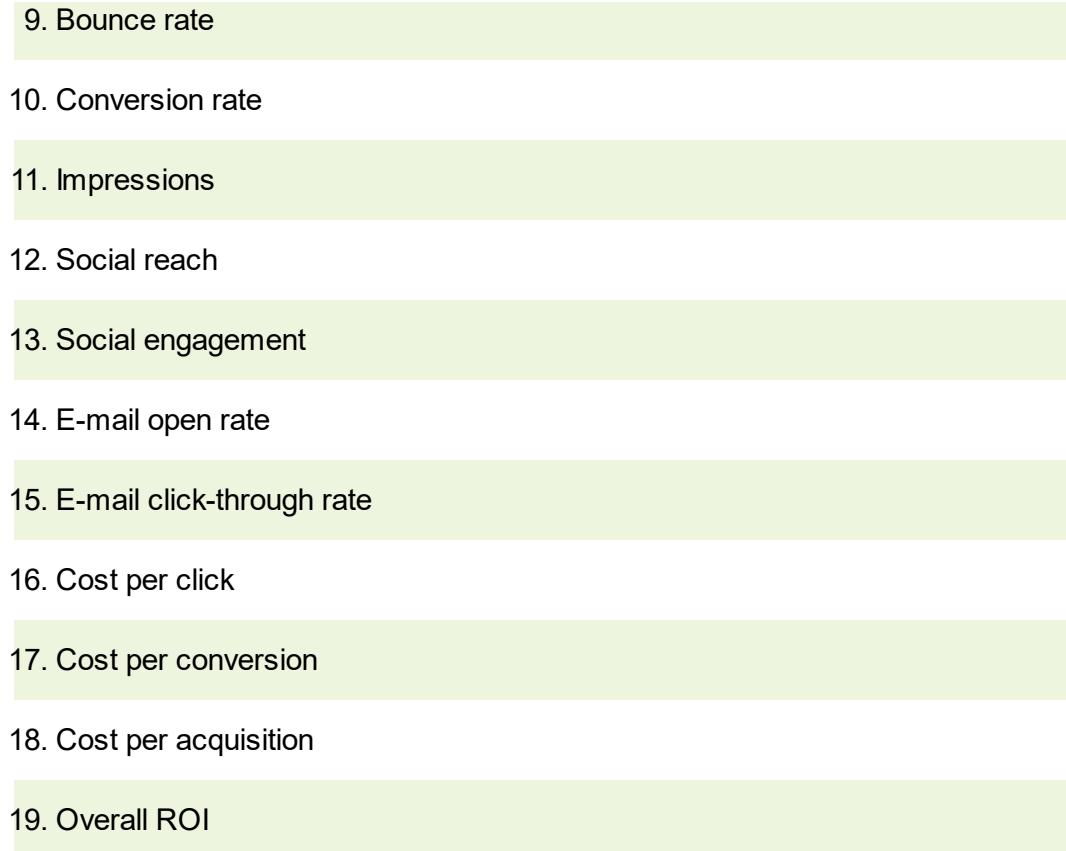
4. Sessions

5. Average session duration

6. Page views

7. Most visited pages

8. Exit rate



source: <https://freshsparks.com/digital-marketing-success/>.

Traditional Measures In addition to the Internet-specific measures, companies employ a number of traditional marketing and communications measures, including the following:

- *Recall and retention.* A number of companies use traditional measures of recall and retention to test their Internet ads. These same measures have been used to pretest online commercials as well.
- *Surveys.* Survey research, conducted both online and through traditional methods, is employed to determine everything from site usage to attitudes toward a site.
- *Sales.* For the e-commerce marketers, a prime indicator of effectiveness is the volume of sales generated. Adding information regarding demographics, user behaviors, and so on can increase the effectiveness of this measure.
- *Tracking.* Some companies now offer more traditional tracking measures such as brand awareness, ad recall, message association, and purchase

intent.

- *ROI*. A study conducted by comScore, MySpace, and dunnhumby measured the ROI of online sales generated by a \$1 million campaign on MySpace.⁴⁹

page 506

The previously mentioned measures reveal that digital media have their own set of criteria for measuring effectiveness and are also borrowing from traditional measures; for example, brand recall has become a major area of focus. The American Association of Advertising Agencies and the Association of National Advertisers use a system called Advertising Digital Identification (Ad-Id). Ad-Id assigns advertising across all media a specific media code to facilitate cross-media buys. In 2008 Ad-Id became the official media coding standard.⁵⁰ The goal of the coalition is to develop cross-media standards employing impression comparisons that include the Internet. Many of the companies that provide research information in traditional media (Nielsen, Ipsos-ASI) are now extending their reach into the Internet world. Others (Insights.com, Forrester) have developed measures specifically for online users. Two of the commonly used Internet advertising effectiveness measurement companies used are comScore and Media Metrix. These companies offer a combination of effectiveness measures for marketers to use. Academics are also beginning to publish articles related to measuring effectiveness of digital and social media. Studies on consumers' attitudes toward a site, response variations in e-mail surveys, and similarities between brick-and-mortar retailing and e-commerce are just a few of the many articles being published in academic journals to advance the measurement of Internet use.

In addition to the metrics provided here, there are numerous methods that have been suggested for measuring the effectiveness of social media. Note that the metrics shown in Figure 15–11 are not a complete list of effectiveness measures used, but they do provide an illustration of just some of the ways that marketers attempt to determine if they are accomplishing their goals when employing these media. Also keep in mind that many marketers are not enthralled with these measures, which has led to their

reluctance to invest more monies in these new media, or to attempt to employ effectiveness measures at all.

FIGURE 15–11

Relevant Metrics for Social Media Applications Organized by Key Social Media Objectives

Source: *MIT Sloan Management Review*, Fall 2010.

Social Media Application	Brand Awareness	Brand Engagement	Word of Mouth
Blogs	<ul style="list-style-type: none"> ■ Number of unique visits ■ Number of return visits ■ Number of times bookmarked ■ Search ranking 	<ul style="list-style-type: none"> ■ Number of members ■ Number of RSS feed subscribers ■ Number of comments ■ Amount of user-generated content ■ Average length of time on site ■ Number of responses to polls, contests, surveys 	<ul style="list-style-type: none"> ■ Number of references to blog in other media (online/offline) ■ Number of reblogs ■ Number of times badge displayed on other sites ■ Number of “likes”
Microblogging (e.g., Twitter)	<ul style="list-style-type: none"> ■ Number of tweets about the brand ■ Valence of tweets +/– ■ Number of followers 	<ul style="list-style-type: none"> ■ Number of followers ■ Number of @replies 	<ul style="list-style-type: none"> ■ Number of retweets
Cocreation (e.g., NIKEiD)	<ul style="list-style-type: none"> ■ Number of visits 	<ul style="list-style-type: none"> ■ Number of creation attempts 	<ul style="list-style-type: none"> ■ Number of references to project in other media (online/offline)
Social bookmarking (e.g., StumbleUpon)	<ul style="list-style-type: none"> ■ Number of tags 	<ul style="list-style-type: none"> ■ Number of followers 	<ul style="list-style-type: none"> ■ Number of additional taggers
Forums and Discussion Boards (e.g., Google Groups)	<ul style="list-style-type: none"> ■ Number of page views ■ Number of visits ■ Valence of posted content +/– 	<ul style="list-style-type: none"> ■ Number of relevant topics/threads ■ Number of individual replies ■ Number of sign-ups 	<ul style="list-style-type: none"> ■ Incoming links ■ Citations in other sites ■ Tagging in social bookmarking ■ Offline references to the forum or its members ■ In private communities: number of pieces of content (photos, discussions, videos); chatter pointing to the community outside of its gates ■ Number of “likes”
Product Reviews (e.g., Amazon)	<ul style="list-style-type: none"> ■ Number of reviews posted ■ Valence of reviews ■ Number and valence of other users' responses to reviews (+/–) ■ Number of wish list adds ■ Number of times product included in users' lists (i.e., Listmania! on Amazon.com) 	<ul style="list-style-type: none"> ■ Length of reviews ■ Relevance of reviews ■ Valence of other users' ratings of reviews (i.e., how many found particular review helpful) ■ Number of wish list adds ■ Overall number of reviewer rating scores entered ■ Average reviewer rating score 	<ul style="list-style-type: none"> ■ Number of reviews posted ■ Valence of reviews ■ Number and valence of other users' responses to reviews (+/–) ■ Number of references to reviews in other sites ■ Number of visits to review site page ■ Number of times product included in users' lists (i.e., Listmania! on Amazon.com)
Social Networks (e.g., Facebook, LinkedIn)	<ul style="list-style-type: none"> ■ Number of members/fans ■ Number of installs of applications ■ Number of impressions ■ Number of bookmarks ■ Number of reviews/ratings and valence +/– 	<ul style="list-style-type: none"> ■ Number of comments ■ Number of active users ■ Number of “likes” on friends' feeds ■ Number of user-generated items (photos, threads, replies) ■ Usage metrics of applications/widgets ■ Impressions-to-interactions ratio ■ Rate of activity (how often members personalize profiles, bios, links, etc.) 	<ul style="list-style-type: none"> ■ Frequency of appearances in timeline of friends ■ Number of posts on wall ■ Number of reposts/shares ■ Number of responses to friend referral invites
Video and Photosharing (e.g., Flickr, YouTube)	<ul style="list-style-type: none"> ■ Number of views of video/photo ■ Valence of video/photo ratings +/– 	<ul style="list-style-type: none"> ■ Number of replies ■ Number of page views ■ Number of comments ■ Number of subscribers 	<ul style="list-style-type: none"> ■ Number of embeds ■ Number of incoming links ■ Number of references in mock-ups or derived work ■ Number of times republished in other social media and offline ■ Number of “likes”

Unfortunately, not all of the methods used to measure Internet activity and effectiveness are accurate. We discuss some of these problems next.

ADVANTAGES AND DISADVANTAGES OF THE INTERNET AND DIGITAL AND SOCIAL MEDIA

LO 15-4

A number of advantages of the Internet and social media can be cited:

1. *Target marketing.* A major advantage of the Internet and digital and social media is the ability to target very specific groups of individuals with a minimum of waste coverage. For those in the business-to-business market, the Internet resembles a combination trade magazine and trade show, as only those most interested in the products and/or services a site has to offer will visit the site (others have little or no reason to do so). In the consumer market, through personalization, retargeting, and other techniques, sites are becoming more tailored to meet one's needs and wants.
2. *Message tailoring.* As a result of precise targeting, messages can be designed to appeal to the specific needs and wants of the target audience, much of which comes from behavior tracking. The interactive capabilities of social media make it possible to carry on one-to-one marketing with increased success in both the business and the consumer markets.
3. *Interactive capabilities.* Because these media are interactive, they provide strong potential for increasing customer involvement, engagement, satisfaction, and almost immediate feedback for buyers and sellers.
4. *Information access.* Perhaps the greatest advantage of the Internet is its availability as an information source. Internet users can find a plethora of information about almost any topic of their choosing merely by conducting a search. Once they have visited a particular site, users can garner a wealth of information regarding product specifications, costs, purchase information, and so on. Links will direct them to even [page 507](#)

more information if it is desired. Google and YouTube also offer a search function.

5. *Sales potential.* The sales numbers generated by Amazon and eBay alone (not to mention many, many more) demonstrate the incredible sales numbers being generated in both the business-to-business and the consumer segments. Forecasts are for continued growth in the future. In addition, the number of persons who shop online and then purchase offline has continued to increase.
6. *Creativity.* Creatively designed sites can enhance a company's image, lead to repeat visits, and positively position the company or organization in the consumer's mind. Visit some of the sites mentioned earlier to see what we mean. Consumer-generated social media lead to even more creativity.
7. *Exposure.* For many smaller companies with limited budgets, the World Wide Web enables them to gain exposure to potential customers that in the past would have been impossible (recall the example of the tongue cleaner). For a fraction of the investment that would be required using traditional media, companies can gain national and even international exposure in a timely manner.
8. *Speed.* For those requesting information on a company, its products, and/or its service offerings, the Internet is the quickest means of acquiring and providing this information. Well-designed sites keep this information current, and search allows for additional sources.
9. *Complement to IMC.* The Internet and digital and social media complement and are complemented by other IMC media. As such, they serve as vital links in the integrative process. Marketers understand that these media support and are supported by traditional media.
10. *Timeliness.* The ability to communicate quickly and currently offer an advantage that no other media can match. Using social media and mobile, companies can keep consumers up to date with pretty much anything and everything—for example, think about product recalls.

IMC Perspective 15–1 >>>

The Mad Rush to Digital: Smart Management or Lemmings?

Throughout this text you have seen examples of marketers changing their media allocations from traditional media to digital, arguing that millennials don't watch television, read the newspapers, or listen to the radio anymore. Advertising expenditures in digital are already exceeding television's, with predictions that by 2020 digital expenditures will be 70 percent larger than for TV. Nielsen research indicated that from 2018 to 2019, 82 percent of marketers expected big boosts in their digital media budgets while cutting those in traditional areas. Advertising in magazines and newspapers will go down, and radio advertising will remain flat. You would be hard pressed to find anyone optimistic about traditional advertising. The fact that so many advertisers are allocating so much of their budgets to digital must reflect the collective wisdom of the industry, right? Well, not necessarily.

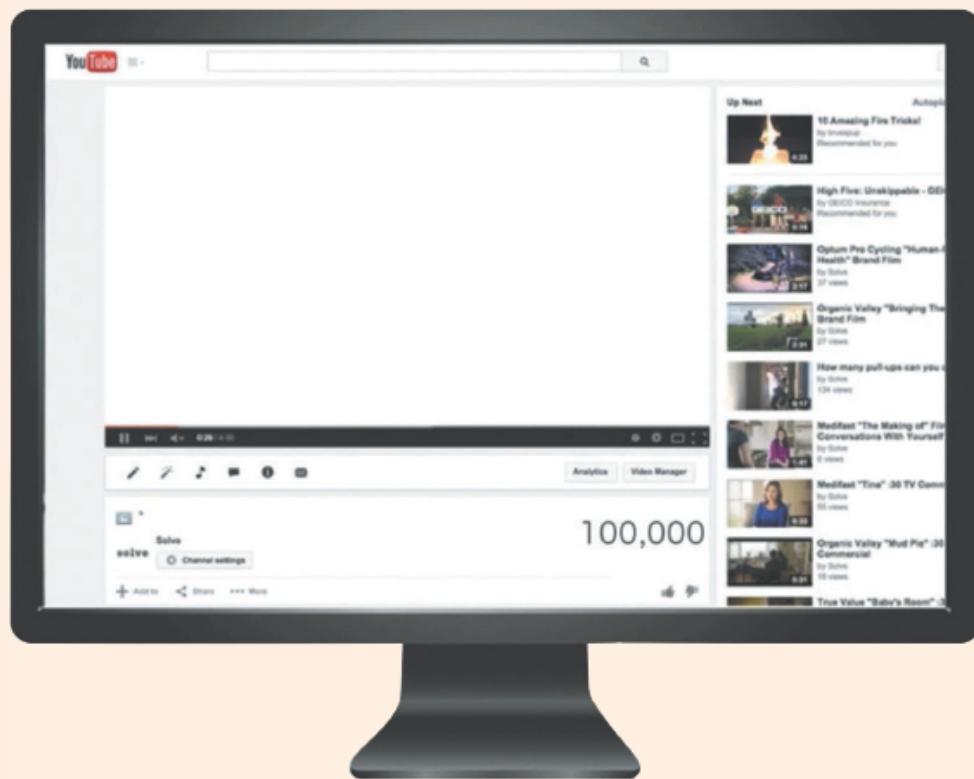
Advertisers cite a number of reasons for the shift. As already noted, many believe that the declining ratings and print readership among millennials is because of their fascination with digital, making it a much more effective medium in attaining reach while also being more cost-effective. For example, Ilyse Liffreing described what advertisers could get if they took the cost of one 30-second ad in the 2019 Super Bowl and spent the \$5 million online instead: (1) 6.3 million paid clicks on sponsored Amazon ads, (2) 2.5 million paid clicks on Amazon search ads, (3) 1.7 billion impressions on either Instagram or Facebook, (4) 2.5 billion impressions on Snapchat, or (5) 172, 414 Shopify storefronts. The CPM for the Super Bowl ad would also be higher than those of Facebook, Instagram, Twitter, LinkedIn, or Pinterest. Digital ads are also touted for their accountability and effectiveness and the ability to buy through programmatic targeting, which significantly reduces the time and effort of the media buying process.

Not everyone is so enamored, however. Numerous articles have demonstrated the problems with the advertising on the Internet obsession, including problems with fraud, viewability, deception, and bots (web-surfing algorithms meant to mimic human traffic created by botnets and distributed by millions illegally hijacking web browsers), among other issues. Some managers consider programmatic a "lazy-man's excuse for media buying."

Malicious bots are now estimated to constitute as much as 61.5 percent of all website traffic, according to a report by Igal Zeifman, and the more desirable the audience the higher the likelihood the ad may be seen only by a bot, thus leading advertisers to think they are reaching (and paying for) more than is true. A number of studies have also indicated that as many as half of online display ads are nonviewable due to technical issues or never appear on the screen at all! The hottest topic of all—programmatic—attracts an estimated 14 percent more bots than do display ads, while programmatic video attracts an estimated 73 percent more bot traffic, costing advertisers about \$7.6 billion a year. Some advertisers still feel uncertain as to where their ads are placed on programmatic, and ad blocking is on the increase.

One very interesting study, *The Blank Video Project*, conducted by Minneapolis agency Solve, specifically looked at the validity of views on YouTube. The website estimates that 300 hours of content are uploaded to its platform every minute, and has become very attractive to many managers. In the study, Solve created a 4-minute blank video with no motion, sound, title, or description. “It consisted of nothing but a blank white slate,” with a click-through URL that took the viewer to the solve-ideas.com website. The video was promoted through YouTube TrueView Advertising and the agency was charged only for viewers who watched at least 30 seconds. Viewers could opt out to skip the video after 5 seconds. Over 100,000 views were generated with the ad shown 227,819 times; thus, 46 percent of the time the viewer threshold was reached. On average, viewers made it through 2 minutes and 26 seconds of the video before leaving, and 22 percent made it to the end—of a blank video!

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Source: Solve Advertising & Branding

Solve explains that it had no intent to attack or denigrate YouTube.com, having used the platform itself many times, but rather the agency wanted to demonstrate to advertisers that they need to find a better way to evaluate the quality and performance of their content and recognize that what is being promised may not always hold true. The agency suggests that better metrics than “likes” or “thumbs up” are necessary to get a true picture of effectiveness.

An online study of 600 brand marketers, retailers, and shoppers is also very interesting. When shoppers were asked which type of advertising was most effective in affecting their levels of awareness and influencing their purchase decisions, digital was ranked last, behind trade promotion, shopper marketing, consumer promotions, and traditional advertising. Brand marketers and retailers expressed similar views, placing the least faith in digital.

The question is: are advertisers going to take the time and effort to make this commitment, or will they keep on following the trend and continue to move monies to digital media in spite of its shortcomings?

Sources: Illyse Liffreing, "What a \$5m Super Bowl Ad Can Buy in Digital Media in 2019," January 30, 2019, www.digiday.com; Steven Cook, "Nielsen: 82% of Marketers Expect Big Boosts in 2019 Digital Media Budgets," July 26, 2018, www.CMO.com; "CPG Now Spends More on Digital than Traditional Ads, But Shoppers Doubt They Work," February 23, 2017, www.adage.com.

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LO 15-5

While potentially effective, the Internet and digital and social media also have disadvantages, including the following:

1. *Measurement problems.* One of the greatest disadvantages of the Internet and new media is the lack of reliability of the research numbers generated. A quick review of forecasts and other statistics offered by research providers will demonstrate a great deal of variance—leading to a serious lack of validity and reliability. One company mentioned earlier, eMarketer, has attempted to reconcile such differences and explain the reasoning for the discrepancies (differences in methodologies employed), but the problem still exists. The actions taken by the IAB to standardize metrics will help in reducing some of this problem. But due to difficulties involved in both measuring and forecasting in this medium, it remains necessary to proceed with caution when using these numbers. In a study of 410 marketing executives published by McKinsey, the primary reason cited for not investing more online was the lack of sufficient metrics.⁵¹ As noted earlier, more recent studies indicate that this concern still

exists, as companies like AT&T still consider measurement a major problem.⁵²

2. *Clutter.* As the number of ads proliferates, the likelihood of one's ad being noticed drops accordingly. The result is that some ads may not get noticed, and some consumers may become irritated by the clutter. Studies show that banner ads have lost effectiveness for this very reason, and that interstitials are irritating as well.⁵³ Many ads others show consistently declining click-through rates.
3. *Potential for deception.* The Center for Media Education has referred to the Web as “a web of deceit” in regard to advertisers’ attempts to target children with subtle advertising messages. The center, among others, has asked the government to regulate the Internet. In addition, data collection without consumers’ knowledge and permission, hacking, and credit card theft are among the problems confronting Internet users. Bloggers, marketing influencers who endorse brands without revealing that they are being compensated to do so, and native ads can also be misleading. The problem with native ads may be particularly true on smartphones, where proper labeling of the ads as sponsored may be difficult to see.
4. *Privacy.* One of the many issues of concern for Internet users is that of privacy. Perhaps of most concern is the collection of personal data, which are subsequently provided to marketers, sometimes without the users’ knowledge. While many younger users seem to be less worried, actions taken by websites like Facebook, among others, had to deal with a number of issues regarding privacy, leading to legislation and bad public relations. The IAB has issued a policy on privacy to which it asks companies to adhere (see www.iab.net).
5. *Irritation.* Numerous studies have reported on the irritating aspects of some Web tactics. These studies have shown consumers’ discontent with clutter, e-mail spam, and pop-ups and pop-unders. There is also a growing sense of irritation with retargeting ads and pre-rolls. These irritating aspects can deter visitors from coming to or returning to the sites, or result in negative attributes toward the advertiser.

Overall, the Internet and digital and social media offer marketers some very definite advantages over traditional media. At the same time, disadvantages and limitations render this medium as less than a one-stop

solution. However, as part of an IMC program, these media are very valuable tools.

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Summary

This chapter introduced you to the Internet and a variety of digital and social media. It explained some of the objectives for these media and how they can be used in an IMC program.

The discussion of the Internet focused on understanding the growth of the Internet, the objectives sought when using the Internet, and Internet communications strategies. In addition, we discussed the role of the Internet in an IMC program, explaining how all the IMC program elements can be used with the Internet.

The chapter discussed a number of online tools including paid search, behavioral targeting, contextual ads, rich media, and a number of Web 2.0 platforms including social media, social networks, user-generated content, blogs, and podcasting. We noted advantages of the Web 2.0 including targeting markets, using interactive capabilities, and building relationships. In addition, we reviewed disadvantages—including high costs, unreliable measurements and statistics, and relatively low reach (compared to that of some traditional media), and the potential for deception.

The Internet has been the most rapidly adopted medium of our time (until mobile). The growth of mobile, due to the adoption of smartphones and portable devices, and millions of apps has led to very rapid growth in advertising expenditures in this area. Mobile holds great potential for business-to-business and consumer marketers. However, contrary to popular belief, digital media, like the Internet, social media, and mobile, are not stand-alone media. Their role in an integrated marketing communications program strengthens the overall promotional program as well as the effectiveness of these media themselves.

Key Terms

- e-commerce** 484
- banner ads** 485
- sponsorships** 485
- content sponsorship** 485
- pop-ups** 485
- pop-unders** 485
- interstitials** 486
- search** 486
- organic search results** 486
- nonorganic (paid) search results** 486
- pay-per-click** 486
- search engine optimization (SEO)** 486
- behavioral targeting** 487
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- Facebook analytics** 505
- Google analytics** 505

Discussion Questions

- 1.** In this chapter Muntinga discusses motivations for using social media using the acronym COBRAs. Explain what these motivations are and discuss their meanings. Provide examples of each. (LO 15-1)
- 2.** The appeal of Facebook is universal. However, in recent years growth in new members has leveled off. Give some of the reasons for this apparent maturing of the market. Where is the new growth coming from? Where will future growth come from? (LO 15-2)
- 3.** With all of its appeal, there are many who feel that social media are having negative consequences for society. Explain some of the reasons that people feel this way, citing examples. Take a position as to whether you believe their concerns have, or do not have merit. (LO 15-4)
- 4.** Explain some of the ways digital marketers attempt to measure the effectiveness of their programs. Discuss both digital and traditional measures and when each might be more appropriate to use. (LO 15-3)

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- 5.** Discuss some of the advantages and disadvantages of digital media. Give examples of each. (LO 15-4)
- 6.** What is native advertising? Why do some believe that this form of advertising is deceptive? Explain what you think. (LO 15-5)
- 7.** Marketers seem to be increasing their use of bloggers, vloggers, and influencers. Explain what these terms mean. Why do some consider the use of these as potentially deceptive? (LO 15-5)
- 8.** Explain why some companies seem to be fascinated by digital and social media. What are some of the factors that might support this thinking? What are some that might lead to considering it misdirected? (LO 15-4)
- 9.** In the chapter we said that social media and mobile are both part of an IMC program, and also that they use other media in their own programs. Explain what this means and give examples. (LO 15-1)

10. Explain the differences between Web 1.0 and Web 2.0. Give examples of how marketers use both. (LO 15-1)



Available only through your Connect course, help make key advertising and IMC concepts more meaningful and applicable:

- SmartBook 2.0
- Connect exercises, which may include: click-draggs, video cases, and case analyses.

16 Sales Promotion



Source: Burger King Corporation

Learning Objectives

LO 16-1 | Describe the role of sales promotion in the IMC program.

LO 16-2 | Identify the objectives of sales promotion programs.