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Advertising and Promotion

An Integrated Marketing Communications Perspective

**Mc
Graw
Hill**

twelfth edition

George E. Belch | Michael A. Belch

ADVERTISING AND PROMOTION

AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE

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AN INTEGRATED MARKETING COMMUNICATIONS
PERSPECTIVE 12e

**George E. Belch & Michael A.
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ADVERTISING AND PROMOTION

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To my brothers. (MAB)

*Ditto and to the lovable little clowns,
Preston and Aiden. (GEB)*

About the Authors

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Dr. Belch's research interests are in the area of consumer processing of advertising information as well as managerial aspects of integrated marketing communications. He has authored or coauthored more than 40 articles in leading academic journals and proceedings, including the *Journal of Marketing Research*, *Journal of Consumer Research*, *International Journal of Advertising*, *Journal of Promotion Management*, *Journal of Advertising*, and *Journal of Business Research*. He also serves on the editorial review boards of the *Journal of Advertising Research* and the *Journal of Marketing Education*. In 2000, he was selected as Marketing Educator of the Year by the Marketing Educators' Association for his career achievements in teaching and research. He also received the Distinguished Faculty Member Award for the College of Business Administration at San Diego State University in 1994 and 2003.

Dr. Belch has taught in executive education and development programs for various universities around the world. He has also conducted seminars on integrated marketing communications as well as marketing planning and strategy for a number of multinational companies, including Sprint, Microsoft, Qualcomm, Arbitron, Square D Corporation, Armstrong World Industries, and Texas Industries.

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Preface

THE CHANGING WORLD OF ADVERTISING AND PROMOTION

Nearly everyone is influenced to some degree by advertising and other forms of promotion. Organizations in both the private and public sectors have learned that the ability to communicate effectively and efficiently with their target audiences is critical to their success. Advertising and other types of promotional messages are used to sell products and services as well as to promote causes, market political candidates, and deal with societal problems such as alcohol and drug abuse. Consumers are finding it increasingly difficult to avoid the efforts of marketers, who are constantly searching for new ways to communicate with them.

Most of the people involved in advertising and promotion will tell you that there is no more dynamic and fascinating field to either practice or study. However, they will also tell you that the field is undergoing dramatic transformations that are changing the ways marketers communicate with consumers forever. We are experiencing perhaps the most dynamic and revolutionary changes of any era in the history of marketing, as well as advertising and promotion. These changes are being driven by advances in technology and developments that have led to the rapid growth of communications through digital and social media, with much of this taking place on mobile devices such as smartphones and tablets. The rapid growth of smartphones has given rise to an entirely new type of marketing, known as *mobile marketing*, which involves promotional activities designed for delivery to these devices. The average consumer spends nearly five hours online each day, and marketers are allocating more of their promotional budgets to digital media. Advertising spending on digital media has

surpassed traditional media, including television, print, radio, and outdoor in the United States as well as globally. However, while a myriad of companies have been involved in the digital revolution, digital marketing and advertising is being dominated by three major technology companies: Google, Facebook, and Amazon.

While digital technology has dramatically changed the world of advertising, changes are occurring in a number of other areas. Consumers are less responsive to advertising, and many are looking for ways to avoid advertising messages from both traditional as well as digital media. Social media platforms such as Facebook, Instagram, Twitter, and Snapchat have become just as powerful, if not more so, as traditional media, as have the influencers who promote products and brands on them. Marketers are demanding better results from the monies they spend on advertising and promotion and are using a variety of analytics to track performance and measure outcomes, particularly for digital ads. Changes are also occurring among the companies that create and disseminate advertising and other forms of marketing communication as traditional full-service advertising agencies must now compete with digital agencies as well as global accounting and consulting firms that have opened digital divisions and offer a vast array of strategic and data analytic solutions to marketers. The traditional full-service agency model is also being challenged as more marketers bring their advertising in-house and use agency services on a limited basis. Many advertising agencies have acquired, started, or become affiliated with direct-marketing, digital, sales promotion, public relations agencies, and analytics companies to better serve clients who have become “media-neutral” and are looking for whatever form of marketing communication works best to reach their target audiences.

In addition to redefining the role and nature of their advertising agencies, marketers are changing the way they communicate with their target audiences. They recognize they are operating in an environment where consumers get much of their news, information, and entertainment online and are cutting the cord from cable in favor of streaming shows on Netflix, Amazon Prime, Apple TV+, Hulu, and Disney+. New-age advertisers are redefining the notion of what an ad is and where it runs. Companies are using branded entertainment as a way of reaching consumers by creating short films that can

be viewed online, arranging product placements, and integrating their brands into movies and television shows to promote their products and services. Marketers are also spending more of their monies in other ways such as event and experiential marketing, sponsorships, cause-related promotions and viral campaigns.

A number of other factors are affecting the way marketers communicate with consumers in this new environment. Advertising and promotional efforts have become more targeted and are often delivered to target audiences through media that have been purchased programmatically using software that automates the buying, placement, and optimization of media through a bidding system rather than through traditional media analysis and purchasing. The growth of e-commerce is changing the retail industry as traditional brick-and-mortar retailers struggle to compete against Amazon and other online platforms. Many will not survive, while those that remain have become larger and more powerful, forcing marketers to shift money from advertising budgets to sales promotion. Both retailers and marketers often expect their promotional dollars to generate immediate sales and will quickly change the allocation of their budgets if they fail to do so. The digital revolution is in full force, and new ways to communicate with consumers are page viii
constantly being developed. Marketers have little choice but to embrace these changes and view them as an opportunity rather than a threat.

This text introduces students to this fast-changing field of marketing communications. While advertising is its primary focus, it is more than just an introductory advertising text because there is more to most organizations' promotional programs than just advertising. The changes discussed here have led marketers and their agencies to approach advertising and promotion from an integrated marketing communications (IMC) perspective, which calls for a "big picture" approach to planning marketing and promotion programs and coordinating the various communication functions. To understand the role of advertising and promotion in today's business world, one must recognize how a firm can use all of the available promotional tools to communicate with its customers. The twelfth edition of this text addresses the many changes taking place in the world of advertising and promotion and continues to do so by taking this IMC perspective. This new edition also places a

heavy emphasis on digital and social media by integrating discussion of these topics throughout the text.

ORGANIZATION OF THIS TEXT

This book is divided into seven major parts. In Part One we examine the role of advertising and promotion in marketing and introduce the concept of integrated marketing communications. Chapter 1 provides an overview of advertising and promotion and its role in modern marketing. The concept of IMC and the factors that have led to its growth are discussed. Each of the promotional-mix elements is defined, and an IMC planning model shows the various steps in the promotional planning process. This model provides a framework for developing the integrated marketing communications program and is followed throughout the text. Chapter 2 examines the role of advertising and promotion in the overall marketing program, with attention to the various elements of the marketing mix and how they interact with advertising and promotional strategy. We have also included coverage of market segmentation, target marketing, and positioning in this chapter so that students can understand how these concepts fit into the overall marketing programs as well as their role in the development of an advertising and promotional program.

In Part Two we cover the promotional program situation analysis. Chapter 3 describes how firms organize for advertising and promotion and examines the role of ad agencies and other firms that provide marketing and promotional services. We discuss how ad agencies are selected, evaluated, and compensated as well as the changes occurring in the agency business. Attention is also given to other types of marketing communication organizations such as direct marketing, sales promotion, and digital interactive agencies as well as public relations firms. We also consider whether responsibility for integrating the various communication functions lies with the client or the agency. Chapter 4 covers consumer behavior and examines the stages of the consumer decision-making process and both the internal psychological factors and the external factors that influence consumer behavior. The focus of this chapter is on how advertisers can use

an understanding of buyer behavior to develop effective advertising and other forms of promotion.

Part Three analyzes the communication process. Chapter 5 examines various communication theories and models of how consumers respond to advertising messages and other forms of marketing communications. This chapter also covers word-of-mouth communication and its role in the viral marketing process. Chapter 6 provides a detailed discussion of source, message, and channel factors.

In Part Four we consider how firms develop goals and objectives for their integrated marketing communications programs and determine how much money to spend and where to spend it in trying to achieve them. Chapter 7 stresses the importance of knowing what to expect from advertising and promotion, the differences between marketing and communication objectives, characteristics of good objectives, and problems in setting objectives. Various methods for determining and allocating the promotional budget are also discussed in this chapter. These first four sections of the text provide students with a solid background in the areas of marketing, consumer behavior, communications, planning, objective setting, and budgeting. This background lays the foundation for the next section, where we discuss the development of the integrated marketing communications program.

Part Five examines the various promotional-mix elements that form the basis of the integrated marketing communications program. Chapter 8 discusses advertising creativity and focuses on the creative process and the planning and development of the creative strategy. In Chapter 9 we turn our attention to ways to execute the creative strategy and discuss various options for execution of the message as well as creative tactics for print, television, and digital advertising. We also discuss criteria for evaluating creative work. Chapters 10 through 13 cover media strategy and planning and the various advertising media. Chapter 10 introduces the key principles of media planning and strategy and examines how a media plan is developed. Chapter 11 discusses the advantages and disadvantages of the television and radio as media vehicles as well as issues regarding the purchase of radio and TV time and audience measurement. Chapter 12 considers the same issues for the print media (magazines and newspapers). Chapter 13 examines the role of

traditional support media such as outdoor and transit advertising, advertising in movie theaters, as well as the tremendous increase in the use of nontraditional branded entertainment strategies such as product placements, product integration, and in-game advertising.

In Chapters 14 through 17 we continue the IMC emphasis by examining other promotional tools that are used in the integrated marketing communications process. Chapter 14 explores the role of direct marketing and examines the ways companies communicate directly with target customers through various media, including direct mail, infomercials, direct-response TV commercials, and digital media. Chapter 15 provides a detailed discussion of marketers' use of the Internet and digital and social media. We examine the increasing use of display ads, blogs, mobile, paid search, and social media. We also give more attention to how the Internet is used to implement various IMC activities as well as mobile marketing. Chapter 16 examines the area of sales promotion, including both consumer-oriented promotions and programs targeted to the trade (retailers, wholesalers, and other intermediaries). Chapter 17 covers the role of publicity and public relations in IMC as well as corporate advertising sponsorships and cause-related marketing.

Part Six of the text consists of Chapter 18, where we discuss ways to measure the effectiveness of various elements of the integrated marketing communications program, including methods for pretesting and post-testing advertising messages and campaigns, in both traditional and new media. In Part Seven we turn our attention to special markets, topics, and perspectives that are becoming increasingly important in contemporary marketing. In Chapter 19 we examine the global marketplace and the role of advertising and other promotional-mix variables such as sales promotion, public relations, and the Internet in international marketing.

The text concludes with a discussion of the regulatory, social, and economic environments in which advertising and promotion operate. Chapter 20 examines industry self-regulation and regulation of advertising by governmental agencies such as the Federal Trade Commission, as well as

rules and regulations governing sales promotion, direct marketing, and marketing on the Internet. Because advertising's role in society is constantly changing, our discussion would not be complete without a look at the criticisms frequently levied, so in Chapter 21 we consider the social, ethical, and economic aspects of advertising and promotion. Personal selling and its role in the IMC process is discussed in Chapter 22, which is available online only via the eBook.

CHAPTER FEATURES

The following features in each chapter enhance students' understanding of the material as well as their reading enjoyment.

Chapter-Opening Vignettes

Each chapter begins with a vignette that shows the effective use of integrated marketing communications by a company or ad agency or discusses an interesting issue that is relevant to the chapter. These vignettes engage students by presenting an interesting example, development, or issue that relates to the material covered in the chapter.

IMC Perspectives

These features offer in-depth discussions of interesting issues related to the chapter material and the practical application of integrated marketing communications. Each chapter contains several of these insights into the world of integrated marketing communications.

Global Perspectives

These features provide information similar to that in the IMC Perspectives, with a focus on international aspects of advertising and promotion.

Ethical Perspectives

These features discuss the moral and/or ethical issues regarding practices engaged in by marketers and are also tied to the material presented in the particular chapter.

Digital and Social Media Perspectives

These features provide a detailed discussion of how changes and advances in digital and social media are impacting the practice of integrated marketing communications.

Changes in the Twelfth Edition

Our goal in writing the twelfth edition was to continue to provide you with the most comprehensive and current text on the market for teaching advertising and promotion from an IMC perspective. We have made a number of changes in this edition to continue to make it as relevant and current as possible, as well as interesting to students. This new edition focuses on the many changes that are occurring in various areas of marketing communications and how they influence advertising and promotional strategies and tactics. We have updated and made changes to every chapter with a particular focus on digital and social media and how they are being used by marketers. This edition also includes all new chapter-opening vignettes that were chosen for their currency and relevancy to IMC. All of the features—including the IMC Perspectives, Digital and Social Media Perspectives, Global Perspectives, and Ethical Perspectives—are also new or have been updated. The chapter-opening vignettes and in-text features provide current examples of how marketers are using various IMC tools as well as insights into many of the current trends and developments taking place in the world of advertising and promotion. The new edition also includes contemporary examples and ads throughout the text as well as updated figures, statistics, and other relevant information.

Chapter-by-Chapter Changes

Chapter 1: A new chapter opener, “Nike Just Keeps Doing It, But in Different Ways,” focuses on how the company has shifted its advertising and

promotion from traditional to digital media over the past decade or so. The chapter opener also discusses the “Dream Crazy” campaign created to celebrate the 30th anniversary of Nike’s “Just Do It” slogan that included the controversial ad featuring former NFL quarterback Colin Kaepernick and led to Nike being named the “Marketer of the Year” for 2018 by *Advertising Age* based on the company’s willingness to take risks and find new ways to connect with consumers.

New Ethical Perspective, “Marketers Focus on Sustainability,” discusses how companies are integrating sustainability into their business strategy and marketing as consumers factor social and environmental actions of consumers into their evaluations of companies and decision processes.

New Digital and Social Media Perspective, “Google, Facebook, and Amazon Reshape the Advertising World,” focuses on the three technology companies and how they have come to dominate the world of digital marketing and advertising.

Updated overview of the promotional mix and the various IMC tools, including advertising, direct marketing, digital/Internet marketing, sales promotion, and publicity/public relations. Major focus on the growth of digital and social media and how they have surpassed traditional media in terms of media spending and use by marketers.

Chapter 2: A new chapter opener discusses the growth of online dating and how it has led to the development of market segmentation and target marketing in the industry. An examination of a few of the target markets being addressed and the various positioning strategies employed by the dating sites to reach these markets is also discussed.

Updated IMC Perspective on Buick’s success in repositioning itself as a car for younger consumers and how it continues to be successful. The opening vignette from the last edition has been updated to reflect the progress of a highly successful campaign, with new sales figures and an update on Buick’s current advertising campaign.

New IMC Perspective, “Millennials to Generation Z.” For years marketers have focused their attention on attempting to understand millennials. Now that they are feeling more comfortable in developing marketing strategies for

this age cohort, along comes gen Z. The perspective examines the characteristics of each cohort as well as the differences between them and the implications for marketers.

Chapter 3: A new chapter opener, “The Math Men Are Overtaking the Mad Men,” focuses on the disruptions taking place in the advertising industry as a result of the rapid growth of digital media and other emerging technologies marketers are using to communicate with their target audiences. The opener discusses the impact this is having on traditional advertising agencies and how they are responding.

New IMC Perspective, “Wieden + Kennedy Uses Its Independence to Become a Creative Powerhouse,” discusses W+K, which is one of the few remaining major independent advertising agencies and known for its outstanding creative work for clients such as Nike, KFC, Bud Light, Turbo Tax, and many other brands. W+K has been named agency of the year numerous times in recent years by *Advertising Age* and *Adweek*.

New Digital and Social Media Perspective, “Consultancies Shake Up the Ad Industry,” focuses on how accounting and management consulting firms such as Accenture, PwC, Deloitte, and IBM have opened divisions that use their digital and analytic capabilities to compete with traditional advertising agencies.

Discussion throughout the chapter on changes occurring in the advertising industry and how they are affecting the role of traditional advertising and media agencies.

Chapter 4: In the new chapter opener, “The Yankees (among Others) Have a Story to Tell,” marketers are constantly exploring new research methods in their efforts to better understand consumers and market to them more effectively. The latest trend involves the use of storytelling to gain deeper insights into consumers’ motivations. The perspective describes this research method and how a number of companies—including the New York Yankees baseball team, Spotify, and Huggies—have used it to develop marketing campaigns.

New Digital and Social Media Perspective, “A World without Digital Advertising,” explores the impact on consumers if advertising in digital media were no longer possible. As consumers take effort to avoid ads and/or block them, the perspective cautions readers to be careful what they wish for as the elimination of advertising on digital media could have negative consequences.

Updated Digital and Social Media Perspective on the investigation of how appealing to emotions, use of colors, and emojis in marketing affect consumers’ motivations. The perspective also discusses how successful companies like Pepsi and Coke, as well as Facebook, have successfully employed emojis to market their products.

Chapter 5: A new chapter opener, “Influencer Marketer Explodes,” discusses the rapid growth in the use of influencers by marketers to promote their companies and brands. Reasons underlying the use of influencers are discussed along with factors marketers consider when deciding to use both macro and micro influencers.

New Digital and Social Media Perspective, “Logos in the Digital Age,” discusses the importance of logos and how the way marketers think about them has changed, particularly for digital technology companies whose services are accessed primarily through apps and mobile devices.

New Digital and Social Media Perspective, “Charmin: The Sassiest Brand on Social Media,” discusses how a low-involvement brand such as toilet tissue uses social media as an integral part of its IMC program. A video case study on Charmin is also available and includes assignable content for students in Connect.

This chapter has been updated to include expanded coverage of word-of-mouth communication and viral marketing. The section on response hierarchy models has also been rewritten to streamline the discussion and coverage of the various communication models.

Chapter 6: A new chapter opener, “Tiger and Maria Rebuild Their Images,” focuses on the issues marketers face when a high-profile athlete or celebrity engages in behaviors that result in controversy and negative publicity. Tiger Woods and Maria Sharapova were two of the most highly paid endorsers in the sports world, but both ran into problems that led some companies to drop them while Nike and others stayed with the star athletes. Both Woods and Sharapova have recovered some of their endorsement deals.

Updated Digital and Social Media Perspective, “YouTubers—New Celebrities to Gen Z and Millennials,” discusses how YouTube personalities such as Dude Perfect, PewDiePie, and Smosh have become more popular and influential than traditional celebrities to gen Z and many millennials.

New IMC Perspective, “The Beer Wars: Bud Light and MillerCoors Battle over Corn Syrup,” discusses the comparative advertising battle involving Anheuser Busch’s Bud Light brand and MillerCoors’ two light beer brands, Miller Lite and Coors Light.

A video case study on Under Armour is available for use with this chapter and includes assignable content for students in Connect.

Chapter 7: A new chapter opener discusses the problems now facing corporations such as Kraft Heinz, K-Mart, Sears, and others. These once highly successful companies are finding it difficult to compete in today’s marketplace due in large part to changing market conditions, including the purchasing behaviors of millennials and gen Z. However, some experts wonder if their downward spiral might also be due to their own marketing mistakes.

Revised Digital and Social Media Perspective, “As Digital Gains in Popularity, Budget Allocations Change,” updates figures from the last edition regarding how companies are moving their monies from traditional media to digital, including companies such as Hershey. It also explores some of the long-term implications of the shift to digital media for traditional media such as television and newspapers.

Updated Digital and Social Media Perspective exploring the use of consumer decision making funnels. As expenditures in digital media grow,

so too does the belief that traditional consumer funnels are outdated. However, the use of these funnels has continued and adapted to the new digital environment, and show little sign of going away.

Chapter 8: A new chapter opener, “The Best Geico Advertising of the Past 25 Years,” discusses the various campaigns for the company, which use a variety of creative strategies and tactics. The opener includes a discussion of how Geico ran a “Best of Geico Sweepstakes” that allowed consumers to vote for their favorite commercial from the insurance company over the past two decades, with the winner having the opportunity to appear in a Geico commercial.

A new Digital and Social Media Perspective, “The Need for Pretesting of Online Advertising,” discusses the importance of pretesting advertising messages as well as the reasons many marketers are less likely to pretest digital advertising versus a TV commercial or print message.

An updated IMC Perspective, “TurboTax Shows Consumers a Better Way to Do Their Taxes,” focuses on the IMC program used by Intuit’s TurboTax tax preparation software and creative advertising developed for the brand. A video case study on TurboTax is available and includes assignable content for students in Connect.

Chapter 9: A new chapter opener, “Creating Advertising Personality Symbols: Flo, The Colonel, and the Most Interesting Man in the World,” discusses how Progressive Insurance, KFC, and Dos Equis have created popular personality symbol characters to promote their companies and brands. The focus is on the strategy behind the development of the personality symbols and why they have been so effective.

A new IMC Perspective, “How the ‘Love’ Campaign Turned around Subaru,” discusses how Carmichael Lynch, the ad agency for Subaru of America, developed an emotion-based advertising campaign that has become among the most recognizable, enduring, and effective in the automotive industry. The “Love” campaign has resulted in record-breaking sales increases for the company for 10 consecutive years and is an excellent

example of creative advertising that has struck a responsive chord among consumers.

An updated IMC Perspective, “DASANI: Designed to Make a Difference,” focuses on the Coca-Cola Company’s DASANI brand of bottled water and how creative advertising helped the brand become the market leader in the category and led to several new line extensions. A video case study on DASANI is available and includes assignable content for students in Connect.

Chapter 10: A new chapter opener, “How Much Is Too Much? When Have We Seen Enough of a Commercial?” Everyone watching television or spending time online has seen many commercials numerous times. While advertisers are aware of the excessive exposure, they struggle to determine how many times an ad is seen and at what point people become tired of seeing it. The most cited research is from 1977, but numerous other studies have been conducted over the years in an attempt to examine this issue. This lead-in examines a very important issue to marketers—determining how many exposures are effective given today’s media environment.

Updated Digital and Social Media Perspective on the use of programmatic buying of media. Now that media buyers have used programmatic for a number of years, they are learning more about it, as well as the problems and pitfalls associated with its usage. Nevertheless, the use of programmatic buying is now commonplace and continues to increase in spite of its problems.

New IMC Perspective, “*Adweek’s* Best Media Plans,” discusses the best media plans in various categories and spending levels as selected by industry trade magazine *Adweek*. The perspective discusses the award winning plans for the Google Home Assistant, IHOP’s “Flipping Burgers,” Chiquita’s “Banana Sun,” and New York City’s Animal Care Center effort to encourage people to adopt a pet campaigns.

Chapter 11: A new chapter opener, “Tough Times for Television,” discusses the many changes taking place in the world of television and how they are

affecting its use as an advertising media vehicle. Developments such as declining viewership of TV, cord-cutting, and the rapid growth of streaming services are discussed.

A new IMC Perspective, “Television Networks Vow to Reduce the Number of Commercials,” discusses how the television networks are responding to the dramatic declines in TV viewership resulting from cord-cutting and the rise in streaming services competition from ad-free viewing options, including social media. The major TV networks have announced plans to reduce commercial clutter by cutting back on the number of commercials and using new pod formats to provide a more positive viewing experience for TV viewers.

A new Digital and Social Media Perspective, “Marketers Battle for the Screen in Your Car,” discusses how the dashboard displays being put in vehicles today are loaded with technology that includes high-definition (HD) radio receivers that can deliver visual as well as audio messages to dashboard displays, which will change the way marketers use radio advertising. Automakers are also installing apps in vehicles as well as other technology that can use artificial intelligence to deliver marketing messages to drivers.

Chapter 12: A new chapter opener, “Print Is Dead—Or Is It?” discusses the challenges facing the magazine industry as more people go online to get their news, information, and entertainment. The impact of these changes on iconic magazines such as *Time*, *Fortune*, and *Sports Illustrated* are discussed along with changes magazines are making to survive and compete against digital competitors.

A new Digital and Social Media Perspective, “Magazines Shutter Print Editions and Go Digital,” discusses how many magazines are moving to a digital-first or -only strategy and reducing the number of print issues they publish or shuttering their print editions altogether in favor of digital only editions.

A new Digital and Social Media Perspective, “The News Media Alliance Promotes the Value of Newspapers,” discusses the challenge facing newspapers, which have seen their advertising revenue decline dramatically

in recent years. Factors affecting the newspaper industry are discussed along with efforts by the industry's trade association, the News Media Alliance, to promote the importance of newspapers, a valuable medium for advertisers.

Chapter 13: A new chapter opener, “Value Your Privacy? Don’t Go Down the Cooler Aisle,” discusses the many new ways marketers are invading consumers’ privacy without them being aware of it. While this is nothing new, the ways they are doing so certainly are. For example, cameras in the cooler aisles of grocery stores read facial expressions and try to determine shoppers’ age and gender, as well as their mood, then use this information to sell products or send ads or promotions by posting them on the cooler window.

A new Digital and Social Media Perspective, “This Isn’t Your Grandma’s Billboard!” discusses how traditional billboards are being transformed through the use of digital technology, augmented reality, and other techniques that have been successful in keeping the industry not only holding ground against digital media, but thriving.

An update on the use of branded entertainment, including product placements, product integrations, and video.

Chapter 14: A new chapter opener details the sophistication and adaptability of direct marketing and discusses how legacy companies are now engaging in direct-to-consumer marketing. P&G, Nike, Under Armour, and PetSmart are among the major companies that have now increased their use of direct marketing. In addition, the strategies behind successful new brands such as Allbirds and Harry’s Shave Club are discussed.

An updated IMC Perspective on who watches infomercials and why and the strategies of successful infomercial advertisers.

All figures updated to be as current as possible.

Chapter 15: A major updating and revision of the chapter from the last edition. A new chapter opener discusses the constantly changing world of social media as well as some of the things that have remained the same. As difficult as it is to keep up with the rapidly evolving social media world, some characteristics and trends are beginning to emerge. Growth in new members of Facebook has slowed and is now strongest among older age segments. Privacy issues remain and may even be increasing. The chapter opener examines these developments and other aspects of social media while providing some suggestions from experts as to how to adapt to them.

Updated Digital and Social Media Perspective, “Mad Rush to Digital,” discusses whether the shift to digital media is the right strategy or needs to be reevaluated. All figures updated to most current numbers.

Addition of a new framework for digital marketing.

Addition of a new information showing the various ways marketers use the Internet.

Updated Ethical Perspective, “Native Advertising: Still Growing, Still Interesting, Still Deceptive?” examines the continued use of native advertising as well as examining its effectiveness and the controversy surrounding its use.

An update on the status of social media with examples of how companies are using various platforms for a variety of marketing activities.

Expanded and updated discussion of measuring effectiveness for both traditional and digital media.

Chapter 16: A new chapter opener, “Burger King Gets People to Take a Whopper Detour,” discusses a promotion the fast-food chain developed to challenge McDonald’s and encourage consumers to switch to a BK Whopper instead of going to the Golden Arches. The “Whopper Detour” was a very creative and technologically challenging promotion that involved geofencing nearly every McDonald’s restaurant in the country and offering consumers with the BK smartphone app the opportunity to order a Whopper for one cent if they placed an order on the app, which would direct them to the nearest Burger King to redeem the offer.

An updated IMC Perspective, “Marketers Fall into the Discounting Trap: And There May Be No Way Out,” discusses how marketers began using discounts and promotions during the recession as well as the recovery period and how it has become very difficult to wean consumers off them. Companies whose efforts to cut back on the use of coupons and promotions have failed are discussed, including Macy’s and JCPenney. The impact of the promotions and discounting on retailers is also discussed.

A new IMC Perspective, “Life Cereal Brings Back Mikey,” discusses how Quaker Foods North America developed a promotion that attempted to bring back the magic from the famous “Mikey Likes It!” commercial created for its Life cereal brand nearly 50 years ago. The company launched a nationwide contest to find the next cute child to be the face of an advertising campaign for the brand.

Chapter 17: A new chapter opener, “How Much Does Negative Publicity Hurt?” examines the impact of negative publicity on companies. Controversies involving Fox News as well as Wells Fargo are discussed.

Updated Ethical Perspective, “Marketers Around the World Come Together for Water,” discusses how a number of companies from around the globe support Water Day and Earth Day as philanthropic efforts. The opener discusses how companies often are on the wrong end of negative publicity, but many are quietly doing good things around the globe, often with little awareness from the public.

An updated IMC Perspective, “What Happened to My Reputation?” discusses how easy it is for companies to lose a good reputation and how it can often be very difficult to get it back. Wells Fargo and others that have had suffered damage to their reputations and brand image are discussed.

New section on how companies are using a “digital consumer funnel” to assist them in measuring the effectiveness of digital public relations activities.

Chapter 18: A new chapter opener discusses the latest Ogilvy Awards winners. This award is given to companies and their agencies for the best use of research in the development and/or measurement of advertising campaigns and is given in a number of categories. The perspective describes the award-

winning campaigns for Mr. Clean, Farmers' Insurance, Rice Krispy Treats, and the anti-smoking/anti-tobacco campaign "truth."

An updated Digital and Social Media Perspective discusses how the lack of trust in effectiveness measures limits their use by marketers. The perspective discusses how there are few measures that are agreed upon by marketers and how, as a result, there is little confidence placed in those often used, particularly for digital media. It also indicates that some are losing faith in traditional media measures used in television due to the evolution of this medium.

Updated Digital and Social Media Perspective, "Academics and Practitioners Agree That Physiological Measures of Effectiveness Work." While commonly debated in reference to their effectiveness in measuring advertising effects, a number of recent studies have added credibility as to the validity of physiological measures. The increased use of eye tracking as one of the more useful measures is also discussed.

Chapter 19: A new chapter opener, "China Shows Marketers the Future—And It's Digital," discusses the opportunities available in the page xiv world's largest market as well as the challenges marketers face in trying to compete there. China has moved away from traditional media and has become a "mobile first" market as digital advertising accounts for nearly 80 percent of the total advertising spending in the country. Many feel that the developments occurring in China will soon happen in other countries as the world moves to a digital- and mobile-first mindset.

An updated Global Perspective, "Qatar Is Ready to Deliver Amazing as Host of the 2022 FIFA World Cup," discusses the IMC strategy used by the country of Qatar's to help the Middle East country win the rights to host the 2022 soccer tournament. Two video cases on Qatar's IMC campaign are available and include assignable content for students in Connect.

An updated Global Perspective, "Coca-Cola Wants Everybody to 'Taste the Feeling,'" discusses the global advertising campaign developed by the Coca-Cola Company as part of its new "one brand" strategy that unites various soft-drink brands marketed by the company under one personality. "Taste the Feeling" is a global advertising campaign that is used in more

than 200 countries and is designed to address the challenges the company is facing in the global market amid growing health concerns and a shift to healthier lifestyles.

Chapter 20: A new chapter opener, “Privacy Regulations Will Change Digital Marketing,” discusses how privacy has become a major concern as the growth of digital advertising and marketing overtakes the use of traditional media by marketers. Companies such as Google, Facebook, and many others have a tremendous amount of data about consumers who use their platforms, and many critics, as well as government regulators, are very concerned over how this information will be used. The European Union enacted its General Data Protection Regulation (GDPR) in 2018, and similar regulations will soon be enacted in California and other states.

A new IMC Perspective, “Advertising Cannabis Is Difficult, Even Where It Is Legal,” discusses the regulations affecting the marketing and advertising of cannabis or marijuana. Cannabis has been approved for medical use in 33 states and for recreation use in 10. Each state has its own regulations regarding the marketing and advertising of marijuana, while the product is regulated at the federal level by the Food and Drug Administration (FDA), which still classifies pot as a Schedule I dangerous drug.

An updated Digital and Social Media Perspective, “The FTC Tightens the Rules for Online Endorsers,” discusses how the Federal Trade Commission has revised its rules and regulations regarding the use of endorsements and testimonials several times in recent years. The FTC revisions apply to the use of endorsements and testimonials made online—particularly through social media platforms such as Facebook, Twitter, and Instagram—and require influencers to disclose any material connection they might have with a company or brand they promote or endorse.

Chapter 21: A new chapter opener, “Was the Beginning of #MeToo the End of Sexy Advertising?” discusses how the changing emphasis on women’s rights—among other factors—has contributed to less use of sex in advertising. The opener discusses how women see a difference between sexy ads and sexist ads, having less of a problem with the former. It also explains

how companies that formerly used sex in ads in the past have now changed their appeals.

A new Ethical Perspective, “Promoting a Belief Can Be a Risky Strategy,” discusses companies’ decisions to stand behind a controversial cause and/or person can lead to significant risks. In some cases, the position can benefit the company in the long run, though initial backlash may continue for others.

Updated Ethical Perspective on ads featuring interracial participants, citing new examples and reactions to the use of interracial couples in advertising.

Chapter 22 (Online Only): A new chapter opener discusses the increased importance of customer relations management (CRM) in marketing and how marketing communications practices have adapted to this increased emphasis.

Updated IMC Perspective on how companies have realized the importance of marketing and sales working together. Discusses how the two departments often have different objectives and sometimes work against either to achieve them.

Updated Digital and Social Media Perspective on how the Internet has changed personal selling. Discusses new techniques and programs available on the web that has made personal selling more efficient and effective, while changing sales roles in the process.

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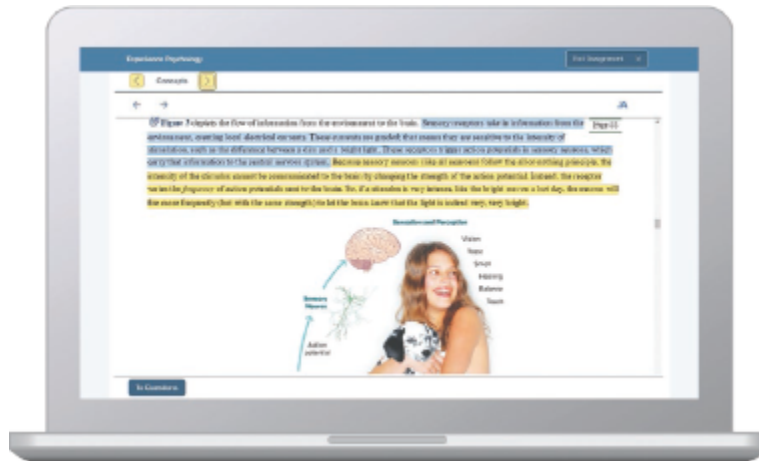
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ADVERTISING AND PROMOTION

**AN INTEGRATED MARKETING
COMMUNICATIONS PERSPECTIVE**

1

An Introduction to Integrated Marketing Communications



Source: Nike, Inc.

Learning Objectives

- LO 1-1** | Describe the role of advertising and other promotional elements in marketing.