

# Managing Marketing Communications



Dove's highly praised Campaign for Real Beauty, encouraging women to appreciate their individual beauty, resonated with consumers and boosted company sales by more than 60 percent.

Source: Retro AdArchives/Alamy Stock Photo

**M**odern marketing calls for more than developing a good product, pricing it attractively, and making it accessible. Companies must also communicate with current and potential stakeholders and the general public to inform them about the attributes of their offerings. For most marketers, therefore, the question is not *whether* to communicate but rather *what* to say, *how* and *when* to say it, to *whom*, and *how often*. Consumers can turn to hundreds of cable and satellite TV channels, thousands of magazines and newspapers, and millions of internet pages and are actively deciding what communications they want to receive. To achieve their strategic goals, holistic marketers must craft communication campaigns that can break through the clutter and reach customers on a personal level. Consider Unilever's experience in positioning its Dove brand and developing the "Campaign for Real Beauty."

**>>> Dove** Dove's "Campaign for Real Beauty" is often cited as belonging on the list of best commercials of all times for its bold, authentic, and impactful approach that combines the goals of selling beauty products and changing societal notions of beauty. Rather than feeding on women's insecurities and encouraging them to strive to be more attractive, Dove took the opposite approach, encouraging women to look beyond the skin-deep beauty offered by most cosmetic products to the attributes that have already made them beautiful. The impetus for the campaign was a global survey in 2004 that found that less than a quarter of the women surveyed felt they were responsible for setting their own standards of beauty and that only 2 percent considered themselves beautiful. The campaign, developed by Ogilvy & Mather, debuted in 2003 in the U.K. and involved billboards showing a range of "typical" women, rather than models, in their underwear. In Toronto, Canada, a similar billboard featured a curvy woman with taglines "fat or fit?" and "grey or gorgeous?" asking drivers to text in their votes. However, it was the 2006 "Evolution" viral video mocking the practice of photoshopping women's pictures to create a "socially desirable" image of women's beauty that brought the campaign into prominence. Dove's message resonated with consumers and the media, and the relatively small-budget film funded by Unilever Canada became one of the very first viral branded videos. The Campaign for Real Beauty benefited from the fact that it was perceived to be authentic in representing the Dove brand. Indeed, the company had always used "real" women in its ads in an attempt to empower women to redefine beauty on their own terms. It was not just about selling soap; it was a campaign that aimed to redefine the perception of beauty. The success of the campaign was not limited to its media popularity: Dove's sales increased from \$2.5 billion to over \$4 billion during the campaign. Over the years, Dove has stayed loyal to the core premise of the campaign. Its "Real Beauty Sketches" became the most viral video ad, amassing over 150 million views globally in less than a year.<sup>1</sup>

Done right, marketing communications can have a huge payoff. This chapter describes how they work and what they can do for a company. It also addresses how holistic marketers combine and integrate marketing communications.

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**Learning Objectives** After studying this chapter you should be able to:

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| <p><b>12.1</b> Explain the role of marketing communications.</p> <p><b>12.2</b> Define meaningful communication objectives.</p> <p><b>12.3</b> Describe how a company should identify target customers and craft the communication message.</p> <p><b>12.4</b> Explain how a company should decide on the communication media mix and develop a media plan.</p> | <p><b>12.5</b> Describe the creative strategies involved in developing an effective communication campaign.</p> <p><b>12.6</b> Identify actionable metrics for measuring communication effectiveness.</p> |
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## The Role of Marketing Communication

**Marketing communication** is the means by which firms attempt to inform, persuade, and remind consumers—directly or indirectly—about the products and brands they sell. In a sense, it represents the voice of the company and its brands; it is a means by which the firm can establish a dialog and build relationships with consumers. By strengthening customer loyalty, marketing communication can contribute to customer equity.

Marketing communication also works by showing consumers how and why a product is used, by whom, where, and when. Consumers can learn who makes the product and what the company and brand stand for, and they can become motivated to try or use it. Marketing communication allows companies to link their brands to other people, places, events, brands, experiences, feelings, and things. It can contribute to brand equity by establishing the brand in memory and creating a brand image, as well as by driving sales and affecting shareholder value.

### THE COMMUNICATION PROCESS

Marketers should understand the fundamental elements of effective communication. The communication process can be viewed from two perspectives: a more general macro perspective delineating the key aspects of communication as an interactive process, and a more specific micro perspective focusing on the way the message recipient responds to the communication. These two perspectives are reflected in the two models of communication: a macromodel and a micromodel.

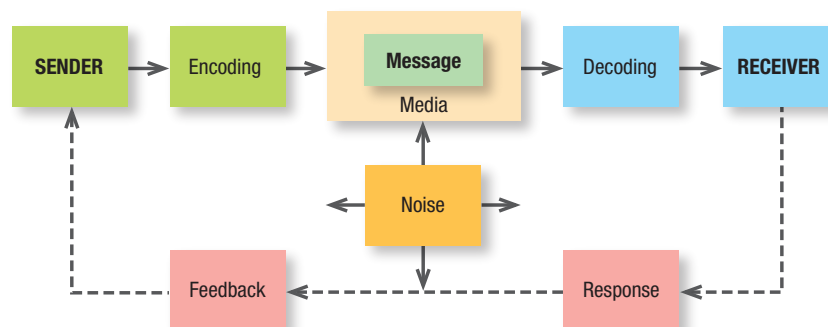
**Macromodel of the Communication Process.** The **macromodel of marketing communication** articulates the interaction between the sender (company) and the recipient (consumer) of the communication message. Figure 12.1 shows a macromodel denoting nine key factors in effective communication. Two represent the major parties—*sender* and *receiver*. Two represent the major tools—*message* and *media*. Four represent major communication functions—*encoding*, *decoding*, *response*, and *feedback*. And the last element in the system is *noise*, random and competing messages that may interfere with the intended communication.

Senders must know what audiences they want to reach and what responses they want to evoke. They must encode their messages so the target audience can successfully decode them. In other words, the sender must express the message in a particular tangible form—words, images, sounds, or movements—so that the intended message can later be retrieved by the recipient. Senders must transmit the message through media that reach the target audience and develop feedback channels to monitor the responses. The more the sender's field of experience overlaps with the receiver's, the more effective the message is likely to be. Note that selective attention, distortion, and retention processes (discussed in Chapter 4) may affect how recipients receive and interpret the message.

**Micromodel of Marketing Communication.** A **micromodel of marketing communication** concentrates on consumers' specific responses to communications.<sup>2</sup> Classic response hierarchy models assume that the buyer passes through cognitive, affective, and behavioral stages, in that order.<sup>3</sup> This “learn–feel–do” sequence is more appropriate when the audience has high involvement with a product category perceived to have meaningful differentiation, such as an automobile or a house. An alternative sequence, “do–feel–learn,” is relevant when the audience has high involvement but perceives little or no differentiation within the product category, as is the case with airline tickets or personal

FIGURE 12.1

Elements  
in the Communication  
Process



computers. A third sequence, “learn–do–feel,” is relevant when the audience has low involvement and perceives little differentiation, such as with salt or batteries. By choosing the right sequence, the marketer can do a better job of planning communications.

Regardless of their specific sequence, several steps are involved in generating a consumer response.

- **Awareness.** In order to take any kind of action, customers must be aware of the existence of the company’s offering. If most of the target audience is unaware of the offering, the communicator’s task is to build awareness.
- **Knowledge.** The target audience might have awareness but not know much more about the offering.
- **Liking.** Members of the target audience may know the brand, but how do they feel about it?
- **Preference.** The target audience might like the product but not prefer it to other products. The communicator must then try to build consumer preference by comparing the product’s quality, value, performance, and other features to those of likely competitors.
- **Conviction.** The target audience might prefer a particular product but not develop a conviction about buying it.
- **Purchase.** Finally, some members of the target audience might have conviction but not quite get around to making the purchase. The communicator must lead these consumers to take the final step, perhaps by offering the product at a low price, offering a premium, or letting them try it out.

To increase the odds of success for a communication campaign, marketers must attempt to increase the likelihood that *each* step occurs. Thus, the communication campaign must ensure (1) that the right consumer is exposed to the right message at the right place and at the right time, (2) that the offering is correctly positioned in terms of desirable and deliverable points of difference and points of parity, (3) that the consumer pays attention to the campaign and adequately comprehends the intended message, and (4) that consumers are motivated to consider purchasing and using the offering.

## DEVELOPING AN EFFECTIVE COMMUNICATION PROGRAM

To develop an effective communication program, a company must follow a systematic process that starts with setting the goals to be achieved by the communication campaign and concludes with assessing the outcome of the campaign. The key steps in developing effective communications are shown in Figure 12.2. These include setting the communication objectives, identifying the target audience, crafting the communication message, selecting the communication channels, developing the creative aspect of communication, and measuring communication effectiveness.

The ultimate success of a company’s communication campaign depends on the viability of the overall strategy and tactics for managing the company’s offering, which serve as a basis for developing a communication plan. Thus communication objectives, the choice of target audience, and the design of the communication message typically follow from the company’s overarching marketing plan that defines the offering’s goals, its target customers, and its value proposition.

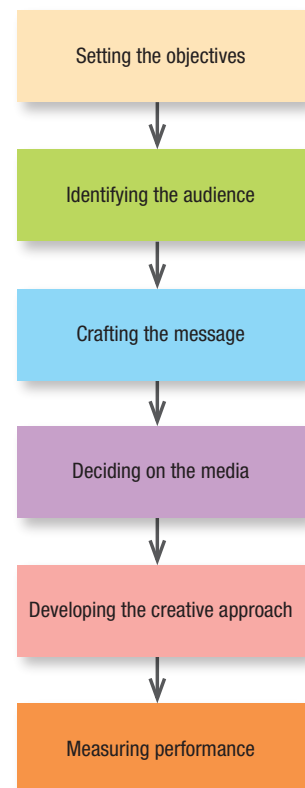
## Setting the Communication Objectives

Setting the objectives of a communication campaign involves three key decisions: defining the focus of company communications, setting communication benchmarks, and determining the communication budget. We discuss these decisions in more detail in the following sections.

## DEFINING THE FOCUS OF COMPANY COMMUNICATIONS

A **communication objective** is a specific task and achievement level to be accomplished with a specific audience in a specific period of time.<sup>4</sup> We classify communication objectives according to whether they aim to create awareness by informing the target audience about the offering, to build preferences by persuading the audience of the benefits of the offering, or to incite action by nudging the audience to act in a way that benefits the company and its offering.

- **Creating awareness** provides a foundation for brand equity. Creating awareness involves fostering the consumer’s ability to recognize or recall the brand in sufficient detail to make a purchase. Recognition is easier to achieve than recall—consumers who are asked to think



**FIGURE 12.2**  
Developing a  
Communication Program

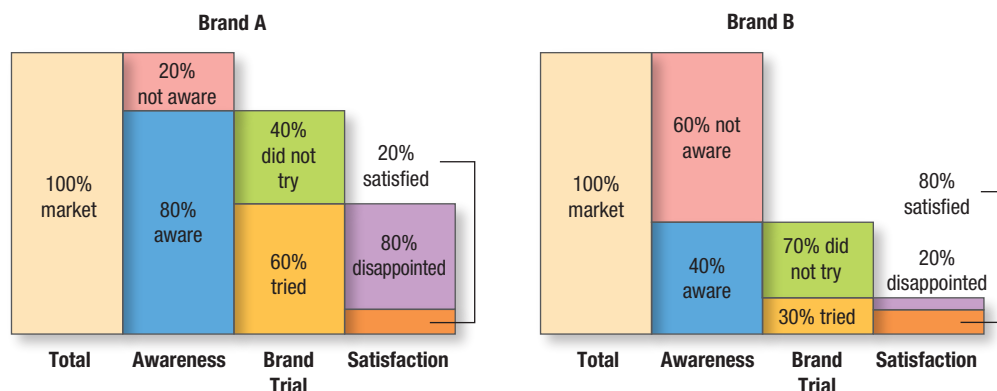
of a brand of frozen entrées are more likely to recognize Stouffer's distinctive orange packages than to recall the brand without seeing it. *Brand recall* tends to be important for consumers who have received marketing communications outside the store when the company's offerings are not readily visible and available for purchase. In contrast, *brand recognition* tends to be important inside the store when consumers can readily see and purchase the company's offering. Creating awareness can involve highlighting awareness of the need (stimulating primary demand) or awareness of the specific offering (stimulating selective demand).

- **Building preferences** involves communicating an offering's ability to meet a currently relevant consumer need. Some relevant needs are negatively oriented (problem removal, problem avoidance, incomplete satisfaction, normal depletion). For example, many household cleaning products communicate their ability to solve problems. Other needs are positively oriented (sensory gratification, intellectual stimulation, or social approval). For example, food products often use sensory-oriented ads emphasizing appetite appeal. Persuasive communication aims to create liking and preference for a product or service and conviction of its benefits. Some persuasive communication is comparative in nature: It explicitly compares the attributes of two or more brands, such as the Chrysler TV ad for the Dodge Ram that asked, "What if you were to take away horsepower, torque and warranty coverage from a Ram? Well, you'd end up with a Ford F-150."<sup>5</sup> Comparative communication works best when it elicits cognitive and affective motivations simultaneously and when consumers process the advertising in a detailed, analytical mode.<sup>6</sup> In contrast, reinforcement communication aims to convince current purchasers that they made the right choice. Automobile ads often depict satisfied customers enjoying special features of their new car.
- **Inciting action** involves motivating consumers to decide to purchase the brand or take purchase-related action. Promotional offers like coupons or two-for-one deals encourage consumers to make a mental commitment to buy. But many consumers do not have an expressed category need and may not be in the market when exposed to an ad, so they are unlikely to form purchase intentions. In any given week, only about 20 percent of adults may be planning to buy detergent, only 2 percent to buy a carpet cleaner, and only 0.25 percent to buy a car. Action-focused communication aims to stimulate purchase of products and services.

The communication objective should emerge from a thorough analysis of the current marketing situation.<sup>7</sup> If the product class is mature, the company is the market leader, and brand usage is low, the objective might be to stimulate more frequent usage. If the product class is new, the company is not the market leader, and the brand is superior to the leader, the objective might be to convince the market of the brand's superiority.

Communication objectives for the company's offering also depend on the current consumer state of awareness. Consider the two offerings depicted in Figure 12.3. We find that 80 percent of the consumers in the total market are aware of Brand A, 60 percent have tried it, and only 20 percent who tried it are satisfied. This indicates that the communication program is effective in creating awareness, but the product fails to meet consumer expectations. Hence, in this case the company might benefit from focusing on improving the product. In contrast, 40 percent of the consumers in the total market are aware of Brand B and only 30 percent have tried it, but 80 percent of them are satisfied. In this case, the communication program might benefit from focusing on creating awareness and encouraging brand trial.

**FIGURE 12.3**  
Current Consumer  
States for Two  
Offerings





## SETTING THE COMMUNICATION BENCHMARKS

In addition to defining the focus of the communication campaign, a company must set clear benchmarks that define the magnitude of the desired impact and the time frame within which a particular outcome—awareness, preference, or action—must be achieved. Without such well-articulated benchmarks, a company will find it challenging to design an effective communication campaign that is aligned with its strategic goals.

Broadly speaking, there are two types of communication benchmarks: quantitative and temporal. Quantitative benchmarks quantify a particular objective. For example, quantitative benchmarks might determine the level of awareness that the communication campaign must achieve, the desired strength of preferences among the target audience, and the specifics of the action that the communication campaign must create. Temporal benchmarks, on the other hand, define the timeframe within which a particular outcome has to be achieved. Quantitative and temporal benchmarks are closely related and interdependent: Setting a particular timeframe is contingent on the magnitude of the desired outcome, and vice versa.

To be actionable, a communication objective must have a clearly articulated focus as well as clearly defined quantitative and temporal benchmarks. To illustrate, consider the following communication objectives:

Create awareness of the new James Bond movie (focus) among 40 percent of Millennial consumers (quantitative benchmark) prior to the movie premiere (temporal benchmark).

Increase the number of consumers who believe that toothpaste Brand X has superior whitening power (focus) from 10 percent to 40 percent (quantitative benchmark) in one year (temporal benchmark).

Defining quantitative and temporal benchmarks is important, because without knowing what particular outcome needs to be achieved and the timeframe for achieving it, a company will find it difficult to design an effective communication program. In addition to guiding the development of a communication campaign, quantitative and temporal benchmarks are important for determining the effectiveness of the company's communication activities. In this context, performance benchmarks act as reference points against which the accomplishments of the communication campaign are assessed.

## DETERMINING THE COMMUNICATION BUDGET

One of the most difficult marketing decisions is choosing how much to spend on marketing communications. How does a company know it's spending the right amount? John Wanamaker, the department store magnate, once said, "I know that half of my advertising is wasted, but I don't know which half." Industries and companies vary considerably in how much they spend on marketing communications. Expenditures might be 50 percent of sales in the cosmetics industry, but only 5 percent in the industrial equipment industry. Even within a given industry, there are low- and high-spending companies.

A practical approach for defining the communication budget is **objective-and-task budgeting**. This approach calls for marketers to develop a communication budget by defining specific objectives, identifying the tasks that must be performed to achieve these objectives, and estimating their costs. The sum of these costs is the proposed communication budget. The overarching principle is that the total communication budget must be set so the marginal profit from every communication dollar is greater than or equal to the marginal profit from every dollar spent on other marketing activities.

How much resources should a company allocate to marketing communications compared to alternatives such as product improvement, lower prices, or better service? There is no universal rule. How much to spend on marketing communications depends on a variety of factors. The main factors to consider when setting the communication budget follow.<sup>8</sup>

- *Stage in the product life cycle.* New products typically merit large communication budgets to build awareness and encourage consumer trial. Established brands usually are supported by relatively lower communication budgets, measured as percentage of sales.
- *Product differentiation.* Offerings in less differentiated categories (beer, soft drinks, banks, and airlines) often require more advertising to establish a unique image than do offerings that provide distinct benefits.
- *Market share.* High-market-share brands usually require less advertising expenditure, measured as a percentage of sales, to maintain share. Building share by increasing market size requires larger expenditures.

- *Message complexity.* The number of repetitions needed to get the company's message across to consumers has a direct impact on the communication budget. More complex messages tend to require more repetition and, hence, a larger communication budget.
- *Reach.* A company's ability to reach consumers in an effective and cost-efficient manner. Communications to customers who are more difficult to reach tend to require a larger communication budget.
- *Competitive communication.* In markets with a large number of competitors and high communication spending, a brand must advertise more heavily to be heard. Even communications not directly competitive to the brand create clutter and a need for heavier advertising.
- *Available resources.* The communication budget is limited by the company's resources. After all, a company cannot spend something it does not have.

To set a meaningful communication budget, a company must take into account all of these factors. Yet some companies fail to consider all factors and instead single out one particular metric: setting their communication budgets at parity with competitors. This approach, also referred to as **competitive-parity budgeting**, is problematic because there are no grounds for believing competitors are more knowledgeable about what the optimal communication budget should be. Company reputations, resources, opportunities, and objectives differ so greatly that communication budgets are hardly a guide for others. And there is no evidence that budgets based on competitive parity discourage communication wars.

Another group of companies set the communication budget at what they think they can afford. This approach completely ignores the role of marketing communication as an investment and its immediate impact on sales volume. It also leads to an uncertain annual budget, which makes long-range planning difficult, and it yields a budget set by the availability of funds rather than by market opportunities. Available resources certainly play an important role in determining the overall communication budget, but basing the communication budget exclusively on the available resources is likely to lead to overspending (for large companies) or underspending (for smaller firms).

Finally, some companies set communication expenditures at a specified percentage of current or anticipated sales revenues. Automobile companies often allocate to marketing communication a fixed percentage based on the planned car price. Oil companies appropriate a fraction of a cent for each gallon of gasoline sold under their own labels. Though practical in terms of implementation, when such an approach is used in isolation from the communication task to be achieved, it can lead to impractical allocation of a company's resources, ultimately yielding an ineffective communication campaign.

Although marketing communication is treated as a current expense, part of it can be considered an investment in building brand equity and customer loyalty. When a company spends \$5 million on capital equipment, it can call the equipment a five-year depreciable asset and write off only one-fifth of the cost in the first year. When it spends \$5 million on advertising to launch a new product, however, it must write off the entire cost in the first year, reducing its reported profit, even if the advertising benefits will persist for many years to come.

## Identifying the Target Audience and Crafting the Communication Message

Identifying the target audience and developing the communication message are the two key components that define the strategy of a company's communication campaign. These two decisions, in turn, define the tactical aspects of the communication campaign, including selecting the right media and developing an effective creative solution.

### IDENTIFYING THE TARGET AUDIENCE

The process must start with a clear target audience in mind: potential buyers of the company's products, current users, deciders, and influencers, as well as individuals, groups, particular sectors, or the general public. The target audience critically affects the communicator's decisions about what to say and about how, when, where, and to whom to say it.

It is possible to profile the target audience in terms of any of the identified market segments, but it's often useful to do so in terms of usage and loyalty. Is the target new to the category or a current user? Is the target loyal to the brand, loyal to a competitor, or someone who switches between brands?

If a brand user, is he or she a heavy or a light user? Communication strategy will differ depending on the answers.

The choice of target audience for the communication campaign is directly related to the choice of the target market for the company's offering. Indeed, the ultimate goal of the communication campaign is to facilitate awareness, preference, purchase, and usage of the company's offering. Yet the target market and the target audience do not always fully overlap. And on some occasions, the target audience can differ from the target market.

For example, a cereal manufacturer might develop a communication campaign to promote its products to kids even though the actual purchase is often made by adults. In the same vein, a milk producer might choose to promote its products to adults even though most of the consumption is likely to be done by kids.

The target audience for a company's communication campaign is likely to diverge from the company's target customers when purchase and usage decisions are made by a group rather than by a single individual. In this case, the communication campaign might target different members of the decision-making unit who are likely to exert influence over the end user's actions.

## CRAFTING THE COMMUNICATION MESSAGE

Marketers are always seeking the "big idea" that resonates with consumers rationally and emotionally, distinguishes the brand from competitors, and is broad and flexible enough to translate into different media, markets, and time periods. Fresh insights are important for creating unique appeals and position.

A good ad normally focuses on one or two core selling propositions. As part of refining the brand positioning, the advertiser should conduct market research to determine which appeal works best with its target audience and then prepare a **creative brief**, typically one or two pages. This elaboration of the positioning strategy includes considerations such as key message, target audience, communication objectives (to do, to know, to believe), key brand benefits, support for the brand promise, and media.

How many communication messages should the advertiser create before choosing one? The more messages explored, the higher the probability of finding an excellent one. To this end, a company might rely on its own marketing team, engage an external advertising agency, or rely on crowdsourcing by recruiting consumers to come up with an effective communication message.<sup>9</sup>

Although entrusting consumers with a brand's marketing effort can be pure genius, it can also be a regrettable failure. When Kraft sought a hip name for a new flavor of its iconic Vegemite product in Australia, it labeled the first 3 million jars "Name Me" to enlist consumer support. But when, from among 48,000 entries, Kraft selected the name "iSnack 2.0," sales plummeted. The company had to pull iSnack jars from the shelves and start from scratch in a more conventional fashion, finally choosing the new name Cheesybite.<sup>10</sup>

In selecting a message strategy, management searches for appeals, themes, or ideas that will tie in to the brand positioning and help establish points of parity or points of difference. Some of these appeals or ideas may relate directly to product or service performance (the quality, economy, or value of the brand); others may relate to more extrinsic considerations (the brand as being contemporary, popular, or traditional).

## Deciding on the Communication Media

Companies must allocate their marketing communication budget over the nine major modes of communication—advertising, online and social media, mobile communication, direct marketing, events and experiences, word of mouth, publicity and public relations, personal selling, and packaging. Within the same industry, companies can differ considerably in their media and channel choices. Avon concentrates its promotional funds on personal selling, whereas Revlon spends heavily on advertising. Electrolux spent heavily on a door-to-door sales force for years, whereas Hoover relied more on advertising.

Companies are always searching for ways to gain efficiency by substituting one communication tool for others. Many are replacing some field sales activity with ads, direct mail, and telemarketing. Substitutability among communication tools explains why marketing functions need to be coordinated.



## DEFINING THE COMMUNICATION MEDIA MIX

Communication is not limited to advertising. Customers come to know a brand through a range of touch points, including online clubs and consumer communities, trade shows, event marketing, sponsorship, factory visits, public relations and press releases, and social cause marketing. To effectively communicate its value proposition to its target audience, a company should develop an integrated marketing communication campaign that spans different media. Consider how BMW has built the MINI Cooper brand in the United States by attracting attention through its creative use of diverse media formats.

**MINI Cooper** When BMW launched the modernized MINI Cooper in the United States, it employed a broad mix of media: billboards, posters, the internet, print, PR, product placement, and grassroots activities. Many media were linked to a cleverly designed website with product and dealer information. The imaginative, integrated campaign built a six-month waiting list for the MINI Cooper. Despite its relatively limited communication budget, the brand has continued to develop innovative, award-winning campaigns ever since. The MINI has especially used outdoor advertising creatively: Two curved palm trees planted next to a speeding MINI on a billboard created an illusion of speed and power; a digital billboard personally greeted passing MINI drivers by using a signal from a radio chip embedded in their key fobs; and a real MINI on the side of a building was able to move up and down like a yo-yo. A worldwide campaign, “Not Normal,” spotlights MINI’s strong, independent character through classic and digital media. Now sold in 100 countries around the world, the MINI has expanded into a six-model lineup, including a convertible, a coupe, the Clubman four-door, and the Countryman wagon. These product introductions reinforce the idea that the MINI is agile, versatile, and fun to drive, and the marketing campaign as a whole builds strong emotional connections with drivers.<sup>11</sup>

We can evaluate integrated marketing activities in terms of the effectiveness and efficiency with which they affect brand awareness and create, maintain, or strengthen brand associations and image. Although Volvo may invest in research and development, and may engage in advertising, promotion, and other communication to reinforce its “safety” brand association, it also sponsors events to make sure it is seen as active, contemporary, and up to date. Notable Volvo sponsorships include golf tournaments and the European professional golf tour, the Volvo Ocean Race, the famed Gothenburg Horse Show, and cultural events.

The communication media mix identifies the different modes of communication that a company will use to inform the target audience about its offerings. The most common media formats include advertising, online and social media communication, mobile communication, direct marketing, events

>> The communication campaign for the U.S. launch of BMW’s MINI Cooper used a broad mix of media in an imaginative way that maximized the budget and built a six-month waiting list for the vehicle.



Source: culture-images GmbH/Alamy Stock Photo

and experiences, word of mouth, publicity and public relations, personal selling, and packaging. The key aspects of these communication formats are summarized as follows:<sup>12</sup>

- **Advertising** is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor via print media (newspapers, magazines, brochures, books, leaflets, directories), broadcast media (radio and television), network media, and display media (billboards, signs, posters, outer packaging, packaging inserts, ad reprints, and point-of-purchase displays). Advertising can build up a long-term image for a product (Coca-Cola ads) or trigger quick sales (a Macy's ad for a weekend sale). Certain forms of advertising, such as TV, can require a large budget, whereas other forms, such as targeted online ads, do not. The mere presence of mass-media advertising might have an effect on sales: Consumers might believe a heavily advertised brand must be of good quality.<sup>13</sup>
- **Online and social media communication** involves online activities and programs designed to engage customers or prospects and directly or indirectly raise awareness, improve image, or elicit sales of products and services (websites, e-mails, search ads, display ads, company blogs, third-party chat rooms, forums, Facebook and Twitter messages, and YouTube channels and videos). Online marketing and messages can take many forms to interact with consumers when they are in active search mode or when they are just browsing and surfing online for something to do.
- **Mobile communication** is a special form of online communication that places messages on consumers' cell phones, smart phones, or tablets (text messages, online communication, and social media communication). Increasingly, online marketing and social media rely on mobile forms of communication such as smart phones or tablets. Mobile communication is *timely*—messages can be very time-sensitive and reflect when and where a consumer is—and *pervasive*, meaning that messages are always at consumers' fingertips.
- **Direct marketing** involves the use of mail, phone, e-mail, online messaging, or in-person interaction to communicate directly with, or solicit response or dialog from, specific customers and prospects. The advent of data analytics has given marketers the opportunity to learn even more about consumers and develop more personal and relevant marketing communications.
- **Events and experiences** are company-sponsored activities and programs designed to create brand-related interactions with consumers. Examples include sports, arts, entertainment, festivals, factory tours, company museums, and street activities, as well as events for causes and less formal activities. Events and experiences offer many advantages as long as they are *engaging* and *implicit*, meaning that they involve indirect soft sell.
- **Word of mouth** involves the passing of information from person to person by oral communication. Social media can be viewed as a specific instance of word of mouth, where personal communication occurs online and is observable by others. Marketers can influence naturally occurring word of mouth as well as help to create word of mouth by "seeding" a message that is likely to engage consumers and lead to word-of-mouth communication related to the company and its offerings.
- **Publicity and public relations** involve a variety of programs directed internally to employees of the company or externally to consumers, other firms, the government, and media to promote or protect a company's image or its individual product communications (press kits, speeches, seminars, annual reports, charitable donations, publications, community relations, lobbying, identity media, and company magazines). Marketers tend to underuse publicity and public relations, yet a well-thought-out program coordinated with the other elements of the communication mix can be extremely effective, especially if a company needs to challenge consumers' misconceptions. The appeal of public relations and publicity is based on its high credibility: News stories and features are more authentic and credible to readers than ads.
- **Personal selling** is a process in which a seller tries to convince a buyer to purchase a particular product or service. Personal selling typically involves face-to-face communication and is highly dependent on the persuasion skills and abilities of the seller. Personal selling often takes place in one of two formats—through retail, where a salesperson interacts with potential customers who come to inquire about a product, and through direct-to-consumer marketing, where a salesperson visits potential buyers to make them aware of a company's offering.
- **Packaging** is an effective form of communication, especially in the case of decisions that are made at the point of purchase. The product's styling, the shape and color of the package, the store décor, and the company's stationery all communicate an image to buyers and deliver an impression that can strengthen or weaken a customer's view of a company.

The rise of digital media gives marketers a host of new ways to interact with customers and prospective customers. We can group communication options into three categories.<sup>14</sup> *Paid media* include TV, magazine and display ads, paid search, and sponsorships, all of which allow marketers to show their ad or brand for a fee. *Owned media* are communication channels that marketers actually own, such as a company or brand brochure, product packaging, website, blog, Facebook page, or Twitter account. *Earned media* are streams in which consumers, the press, or other outsiders voluntarily communicate something about the brand via word of mouth, buzz, or viral marketing methods. Social media play a key role in earned media.<sup>15</sup>

The different communication media formats and the ways in which they work in concert to create an *integrated marketing communication* campaign are discussed in more detail in Chapter 14. Issues pertaining to personal selling and managing a company's sales force are discussed in more detail in Chapter 15.

## DEVELOPING A MEDIA PLAN

The media planner must determine the most cost-effective vehicles within each chosen media type. The advertiser who decides to buy 30 seconds of advertising on network television can pay \$100,000 for a new show, \$500,000 for a popular prime-time show such as *The Voice*, or over \$5 million for the Super Bowl. These choices are critical: The average cost to produce a national 30-second television commercial is about \$300,000,<sup>16</sup> so it can cost as much to run an ad once on network TV as to create and produce it! Media planners are using more sophisticated measures of effectiveness and employing them in mathematical models to arrive at the best media mix.<sup>17</sup>

Media planners must consider factors such as audience size, composition, and media cost and then calculate the cost per thousand persons reached. First, consider *audience quality*. For a baby lotion ad, a magazine read by 1 million young parents has an exposure value of 1 million potential buyers; if read by 1 million teenagers, it has an exposure value of almost zero. Second, consider *audience-attention probability*. Readers of some magazines may pay more attention to ads than do readers of others. Third is the medium's *editorial quality*, meaning its prestige and believability. People are more likely to believe a TV or radio ad when it appears within a program they like. Fourth, consider the value of *ad placement policies and extra services*, such as regional or occupational editions, as well as the lead-time requirements for magazines.

Communication programs involve a range of different media that should seamlessly convey the desired message to the target audience. Ocean Spray—an agricultural cooperative of cranberry growers—has used a variety of communication vehicles to turn sales around.

>> Ocean Spray turned around a decade of declining sales with its Straight from the Bog campaign that introduced product innovations and ran the gamut from TV and print ads to mini-bog tours and a pop-up restaurant.



Source: Douglas Graham/CQ Roll Call/Getty Images



**Ocean Spray** Facing stiff competition, adverse consumer trends, and nearly a decade of declining sales, Ocean Spray decided to reintroduce the cranberry as the “surprisingly versatile little fruit that supplies modern-day benefits,” through a 360-degree campaign that used all facets of marketing communications to reach consumers in a variety of settings. The intent was to support the full range of products—cranberry sauce, fruit juices, and dried cranberries in different forms—and leverage the fact that the brand was born in the cranberry bogs and remains there still. The authentic and perhaps surprising campaign, “Straight from the Bog,” was designed to also reinforce two key brand benefits—that Ocean Spray products taste good and are good for you. PR played a crucial role. Miniature bogs were brought to Manhattan and featured on an NBC *Today* morning segment. A “Bogs across America Tour” brought the experience to Los Angeles and Chicago. Television and print advertising featured two growers (played by actors) standing waist deep in a bog and talking, often humorously, about what they did. The campaign also included a website, in-store displays, and events for consumers and members of the growers’ cooperative itself. Product innovation was crucial, too: New flavor blends were introduced, along with a line of 100 percent juices in diet and light versions, and Craisins—sweetened dried cranberries. Other elements included a pop-up restaurant in a bog created in New York’s Rockefeller Center, where winners of a Facebook cranberry-pairings contest were treated to appetizers and drinks made from Ocean Spray products. In addition, a leap-year promotion urged consumers to “leap” to Craisins. The campaign hit the mark, lifting sales an average of 10 percent in its first five years, in spite of continued decline in the fruit juice category.<sup>18</sup>

## Winning the Super Bowl of Advertising

The Super Bowl attracts the largest audience on television: More than 100 million viewers tune in to watch the broadcast. With an audience that large, a 30-second ad slot sold for over \$5.5 million.<sup>19</sup> Despite their high cost, one can argue that compared to regular television spots, Super Bowl ads are in fact a bargain when their huge audience is taken into account. Indeed, recent Super Bowls have been watched by between 110 and 115 million people each year, which means that at a cost of \$5 million, a 30-second Super Bowl ad works out to between 4 and 5 cents per viewer. This actually could be lower than the average cost of advertising on a national network, where the perviwer cost ranges from 8 to 10 cents or more.<sup>20</sup>

In addition to its relative cost efficiency, Super Bowl advertising tends to be more impactful, given that the game is often viewed on a large high-definition

screen. Moreover, thanks to the iconic status of Super Bowl advertising, many of the commercials are played indefinitely over social media, thus reaching a much larger audience than the directly purchased airtime. In fact, many Super Bowl advertisers develop sophisticated publicity and social media campaigns that can attract millions of additional viewers.

Many Super Bowl ads now have a new purpose: to create curiosity and interest so consumers will go online and engage in social media and word of mouth to glean more detailed information. The most popular ads—like a Honda CR-V ad with Matthew Broderick spoofing his Ferris Bueller film role, a VW ad with a young kid playing Darth Vader, and Amazon’s “Alexa loses its voice”—drew tens of millions of YouTube views. Increasingly, Super Bowl ads are released online before the game as firms attempt to maximize their social media and PR power.

**Determining the Media Reach, Frequency, and Impact.** Media selection aims to find the most cost-effective media to deliver the desired number and type of exposures to the target audience. What do we mean by the desired number of exposures? The advertiser seeks a specified communication objective and response from the target audience—which usually involves the degree of brand awareness generated. The number of exposures needed to reach a certain level of audience awareness is contingent on the reach, frequency, and impact of the media chosen:

- **Reach (R).** The number of different persons or households exposed to a particular media schedule at least once during a specified time period
- **Frequency (F).** The number of times within the specified time period that an average person or household is exposed to the message
- **Impact (I).** The qualitative value of an exposure through a given medium (for example, a food ad should have a higher impact in *Bon Appétit* than in *Fortune* magazine)

Audience awareness will be greater the higher the exposures' reach, frequency, and impact. There are important trade-offs here. Suppose the planner has a communication budget of \$1,000,000, and the cost per thousand exposures of average quality is \$5. This allows for 200,000,000 exposures ( $\$1,000,000 \div [\$5/1,000]$ ). If the advertiser seeks an average exposure frequency of 10, it can reach 20,000,000 people ( $200,000,000 \div 10$ ) with the given budget. But if the advertiser wants higher-quality media costing \$10 per thousand exposures, it will be able to reach only 10,000,000 people, unless it is willing to lower the desired exposure frequency.

The relationship between reach, frequency, and impact is captured in the following concepts:

- *Total number of exposures (E)*. This is the reach times the average frequency—that is,  $E = R \times F$ , also called the *gross rating points (GRP)*. If a given media schedule reaches 80 percent of homes with an average exposure frequency of 3, the media schedule has a GRP of 240 ( $80 \times 3$ ). If another media schedule has a GRP of 300, it has more weight, but we cannot tell how this weight breaks down into reach and frequency.
- *Weighted number of exposures (WE)*. This is the reach times average frequency, times average impact—that is,  $WE = R \times F \times I$ .

Reach is most important when launching new products, extensions of well-known brands, or infrequently purchased brands, or when going after an undefined target market. Frequency is most important when there are strong competitors, a complex story to tell, high consumer resistance, or a frequent purchase cycle. A key reason for repetition is consumer forgetfulness. The higher the “forgetting rate” associated with a brand, product category, or message, the higher the warranted level of repetition.<sup>21</sup>

**Selecting Media Timing and Allocation.** When choosing media, the advertiser must make both a macroscheduling and a microscheduling decision. The **macroscheduling decision** is related to seasons and the business cycle. Suppose 70 percent of a product's sales occur between June and September. The firm can vary its communication expenditures to follow the seasonal pattern, to oppose the seasonal pattern, or to be constant throughout the year. The **microscheduling decision** calls for allocating communication expenditures within a short period to obtain maximum impact. Suppose the firm decides to buy 30 radio spots in September. Communication messages for the month can be concentrated, dispersed continuously throughout the month, or dispersed intermittently.

The chosen pattern should meet the marketer's communication objectives and consider three factors. *Buyer turnover* expresses the rate at which new buyers enter the market; the higher this rate, the more continuous the communication should be. *Purchase frequency* is the number of times the average consumer buys the product during the period; the higher the purchase frequency, the more continuous the communication should be. The *forgetting rate* is the rate at which the buyer forgets the brand; the higher the forgetting rate, the more continuous the communication should be.

When launching a new product, the advertiser must choose among four strategies: continuity, concentration, flighting, and pulsing.

- *Continuity* means exposures appear evenly throughout a given period. Generally, advertisers use continuous communication in expanding markets, with frequently purchased items, and in tightly defined buyer categories.
- *Concentration* calls for spending all the communication dollars in a single period. This makes sense for products with one selling season or one related holiday.
- *Flighting* calls for communication during a period, followed by a period with no communication, followed by a second period of communication activity. It is useful when funding is limited, the purchase cycle is relatively infrequent, or items are seasonal.
- *Pulsing* is continuous communication at low levels, reinforced periodically by waves of heavier activity. It draws on the strengths of continuous communication and flighting to create a compromise scheduling strategy. Those who favor pulsing believe it results in the audience learning the message more thoroughly and at a lower cost to the firm.<sup>22</sup>

A company must allocate its communication budget over space as well as over time. It makes “national buys” when it places ads on national TV and radio networks or in nationally circulated magazines. It makes “spot buys” when it buys TV time in just a few markets or in regional editions of magazines. These markets are also called **areas of dominant influence**. The company makes “local buys” when it advertises in local newspapers, radio, or outdoor sites.



## Developing the Creative Approach

The impact of a company's communication campaign depends not only on what it says but also, and often more crucially, on *how* it says it. Creative execution can be decisive.<sup>23</sup>

### DETERMINING THE MESSAGE APPEAL

The effectiveness of a communication depends on how well its message is expressed in addition to its content. If a communication is ineffective, it may mean the wrong message was used or the right one was poorly expressed. Marketers use different creative strategies to translate their messages into a specific communication. We can broadly classify them as either informational or transformational appeals.<sup>24</sup>

**Informational Appeals.** An **informational appeal** elaborates on product or service attributes or benefits. Examples in advertising include problem-solution ads (Aleve offers the longest-lasting relief for aches and pains); product demonstration ads (Thompson Water Seal can withstand intense rain, snow, and heat); product comparison ads (AT&T offers the largest 4G mobile network); and testimonials from unknown or celebrity endorsers (NBA player LeBron James pitching McDonald's, Nike, Samsung, Sprite, and others). Informational appeals assume strictly rational processing of the communication on the consumer's part. Logic and reason rule.

Academic research has shed light on informational appeals and their relationship to one-sided versus two-sided arguments. One might expect one-sided presentations that praise a product to be more effective than two-sided arguments that also mention shortcomings. Yet two-sided messages may be more appropriate, especially when negative associations must be overcome.<sup>25</sup> Two-sided messages are more effective with better-educated audiences and those who are initially opposed.<sup>26</sup>

The order in which arguments are presented is also important.<sup>27</sup> In a one-sided message, presenting the strongest argument first arouses attention and interest, which is important in media where the audience often does not attend to the whole message. With a captive audience, a climactic presentation might be more effective. For a two-sided message, if the audience is initially opposed, it is better to start with the other side's argument and conclude with your own strongest argument.

**Transformational Appeals.** A transformational appeal elaborates on a non-product-related benefit or image. It might depict the kind of person who uses a brand (VW advertised to active, youthful people with its famed "Drivers Wanted" campaign) or the kind of experience that results from use (Pringles advertised "Once You Pop, the Fun Don't Stop" for years). Transformational appeals often attempt to stir up emotions that will motivate purchase.<sup>28</sup>

Communicators use negative appeals such as fear, guilt, and shame to get people to do things (brush their teeth, have an annual health checkup) or stop doing things (smoking, abusing alcohol, overeating). Fear appeals work best when they are not too strong, when source credibility is high, and when the communication promises, in a believable and efficient way, that the product or service will relieve the fear it arouses. Messages are most persuasive when they moderately disagree with audience beliefs. Stating only what the audience already believes at best merely reinforces beliefs, and messages too much at variance with those beliefs will be rejected.<sup>29</sup>

Communicators also use positive emotional appeals such as humor, love, pride, and joy. Motivational or "borrowed interest" devices—such as cute babies, frisky puppies, popular music, and provocative sex appeals—are often employed to attract attention and raise involvement with an ad. These techniques are thought necessary in the tough new media environment of low-involvement processing and competing messages. Attention-getting tactics may also detract from comprehension, however, and they can wear out their welcome fast or overshadow the product. Thus, one challenge is figuring out how to break through the clutter *and* deliver the intended message.

The magic of advertising is to bring abstract concepts to life in the minds of the consumer target. In a print ad, the communicator must decide on headline, copy, illustration, and color.<sup>30</sup> For a radio message, the communicator must choose words, voice qualities, and vocalizations. The sound of an announcer promoting a used automobile should be different from the sound of one promoting a new luxury car. If the message is to be carried on television or in person, all these elements plus body language must be planned. For the message to go online, the marketer must specify layout, fonts, graphics, and other visual and verbal information.

## SELECTING THE MESSAGE SOURCE

Research has shown that the credibility of the source is crucial to a message's acceptance. The three most often identified characteristics of credibility are expertise, trustworthiness, and likability.<sup>31</sup> *Expertise* is the specialized knowledge the communicator possesses to back the claim being made. *Trustworthiness* reflects how objective and honest the source is perceived to be. Friends are trusted more than strangers or salespeople, and people who are not paid to endorse a product are viewed as more trustworthy than people who are paid. *Likability* describes the source's attractiveness, measured in terms of candor, humor, and naturalness.

The most credible source will score high on all three dimensions—expertise, trustworthiness, and likability. Pharmaceutical companies want doctors to testify about product benefits because doctors have high credibility. Charles Schwab became the centerpiece of ads for his \$4 billion-plus discount brokerage firm via the “Talk to Chuck” and “Own Your Tomorrow” corporate advertising campaigns that stressed integrity and likability.

Messages delivered by knowledgeable, trustworthy, and likable sources can achieve higher attention and recall, which is why some advertisers use celebrities as spokespeople.<sup>32</sup> “Marketing Insight: Celebrity Endorsements” focuses on the use of testimonials in a communication campaign. On the other hand, some marketers feature ordinary people to give their ads more realism and overcome consumer skepticism. Ford featured actual customers being thrust into a press conference to describe their vehicles. Red Lobster used chefs from its restaurants to extol the virtues of its menu.<sup>33</sup>

If a person has a positive attitude toward a message and its source (or a negative attitude toward both), a state of *congruity* is said to exist. But what happens when a celebrity praises a brand that a consumer dislikes? Some researchers believe an attitude change will take place that increases the amount of congruity between the two evaluations.<sup>34</sup> Thus, the consumer will end up respecting the celebrity somewhat less or the brand somewhat more. If the consumer encounters the same celebrity praising other disliked brands, she will eventually develop a negative view of the celebrity and maintain negative attitudes toward the brands. The **principle of congruity** implies that communicators can use their good image to reduce some negative feelings toward a brand but that, in the process, they might lose some esteem with the audience.

## DEVELOPING THE CREATIVE EXECUTION

A practical tool to facilitate discussion about the creative output is given by the ADPLAN framework developed by Kellogg School of Management advertising expert Derek Rucker.<sup>35</sup> Once an agency or creative team supplies a storyboard or advertising execution, ADPLAN helps a strategist consider important factors that facilitate success and/or point out where missteps can take place. The ADPLAN acronym encompasses six dimensions: Attention, Distinction, Positioning, Linkage, Amplification, and Net Equity.

- **Attention** indicates whether an advertisement will garner interest from the target audience. This reflects both initial capture as well as sustained interest. For example, if a consumer who begins listening to an ad airing on YouTube hits the “skip ad” message after five seconds, the ad has failed to capture sufficient attention, and the company's message probably will not be heard. Recognizing this problem, Geico created a 5-second advertisement that was not skippable. Other brands have addressed this issue by using engaging creative content that people want to watch to completion.
- **Distinction** assesses whether an advertisement uses themes, content, or creative devices that distinguish it from other advertisements in the category or in general. For example, Apple's historic “1984” Super Bowl ad, despite being aired only once, achieved massive distinction because it featured high production values that represented Apple as a hero in a technological dystopia. In contrast, many local automotive commercials seem redundant.
- **Positioning** describes whether an advertisement situates the brand in the right category, provides a strong benefit, and anchors the benefit with a reason for customers to believe the message. This dimension is a check that the desired positioning is ultimately conveyed in the execution. For example, Old Spice ran a famous campaign that emphasized that it was the most masculine body wash available.
- **Linkage** communicates whether the target audience will remember the creative execution. Often, it is not enough that the target audience recalls seeing an advertisement. A strong linkage between creativity and message will ensure that target customers remember the brand that was presented. It is possible, for example, for a person to remember an ad but forget its message. For a number of years Ameriquest Mortgage ran Super Bowl commercials that people loved but could not remember what brand they promoted.
- **Amplification** captures whether individuals' thoughts about an advertisement are positive or negative. For example, Nike aired an ad featuring Collin Kaepernick following the former NFL

player's refusal to stand for the national anthem to protest racial injustice that received both positive and negative reactions from consumers. Brands typically seek to elicit primarily positive thoughts from their target audience. Amplification of positive thoughts is important because they can lead to the formation of favorable attitudes—and ultimately to purchase.

- **Net equity** pertains to how an advertisement fits with a brand's heritage and established associations. For example, the BMW brand is associated with high performance. As a consequence, one of BMW's objectives is to make sure that new advertisements do not threaten or undermine this equity.

Although the ADPLAN tool is meant to guide strategic discussions of advertisements, each element of the ADPLAN tool can be measured empirically. Thus the framework serves as a means to foster deeper conversations around advertising, as well as to direct where test and measurement might occur. Note that the ADPLAN is meant to function as just one aspect of a strategist's effort to evaluate creative output. Strategists must also develop a proper creative brief and consider the purpose of the advertisement (for example, whether awareness or persuasion is the desired outcome), the appropriateness of the media channel, and the company's advertising budget.<sup>36</sup>

## Measuring Communication Effectiveness

Senior managers want to know the *outcomes* and *revenues* resulting from their communication investments. Too often, however, their communication managers supply only *inputs*, like press clippings or the number of ads, and *expenses*, like media costs. In fairness, communication managers try to translate inputs into intermediate outputs, such as reach and frequency (the percentage of the target market exposed to a communication and the number of exposures), recall and recognition scores, persuasion changes, and cost-per-thousand calculations.

After implementing the communication plan, marketers must measure its effectiveness. Research on the impact of communication seeks to determine the degree to which a company's communication has been effective in achieving its goals.<sup>37</sup> Communication effectiveness can be measured from two perspectives: supply side and demand side.

On the *supply side*, measuring communication effectiveness aims to assess the media coverage—for example, the number of seconds the brand is clearly visible on a television screen or the column inches of press clippings that mention the brand.

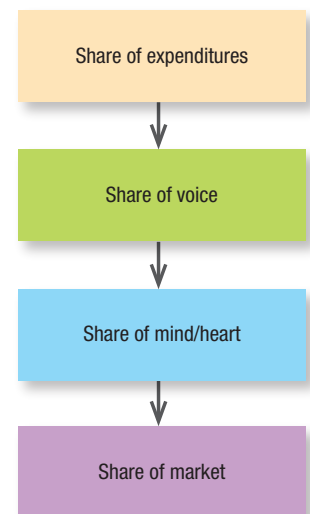
Although supply-side methods provide quantifiable measures, equating media coverage with advertising exposure ignores the content of the respective communications.<sup>38</sup> The advertiser uses media space and time to communicate a strategically designed message. Media coverage and telecasts only expose the brand and don't necessarily embellish its meaning in any direct way. Although some public relations professionals maintain that positive editorial coverage can be worth five to 10 times the equivalent advertising value, sponsorship rarely provides such favorable treatment.

On the *demand side*, measuring communication effectiveness aims to assess the effect a company's campaign has on the target audience. To this end, members of the target audience are asked whether they recognize or recall the message, how many times they saw it, what points they recall, how they felt about the message, what their previous attitudes toward the product and the company were, and what their current attitudes are.

For example, marketers can survey spectators to measure their recall of the event and their resulting attitudes and intentions toward the sponsor. Many advertisers use posttests to assess the overall impact of a completed campaign. If a company hoped to increase brand awareness from 20 percent to 50 percent and succeeded in increasing it only to 30 percent, then it is not spending enough, its ads are poor, or it has overlooked some other factor. Marketers also collect behavioral measures of audience response, such as how many people bought the product, liked it, and talked to others about it. Thus, most advertisers try to measure the communication effect of an ad—that is, its potential impact on awareness, knowledge, or preference.

Companies often examine the effectiveness of their communication campaigns to determine whether they are overspending or underspending on advertising. One way to answer this question is to work with the formulation shown in Figure 12.4. A company's *share of advertising expenditures* produces a *share of voice* (proportion of company advertising of that product to all advertising of similar competitive products) that earns a *share of consumers' minds and hearts* and, ultimately, a *share of market*.

To increase the effectiveness of its communication campaign, marketers often pretest their advertisements.<sup>39</sup> Based on the outcome of such pretests, the advertisement can be modified in a way that makes it more likely to achieve its ultimate goal. Pretest critics maintain that agencies can



**FIGURE 12.4**

Formula for Measuring Different Stages in the Sales Impact of Advertising

design ads that test well but do not necessarily perform well in the marketplace. Proponents maintain that useful diagnostic information can emerge from pretests but that they should not be used as the sole decision criterion. Nike, widely acknowledged as one of the best advertisers around, is known for doing very little ad pretesting.

In addition to pretesting their communication campaigns, marketers might measure whether and how the communication campaign influences sales. Researchers can measure sales impact with the *historical approach*, which uses advanced statistical techniques to correlate past sales to past advertising expenditures. Other researchers use *experimental data* to measure advertising's sales impact. A growing number of researchers measure the *sales effect* of advertising expenditures, instead of settling for measures of communication effect.<sup>40</sup> Millward Brown International has conducted tracking studies for years to help advertisers decide whether their advertising is benefiting their brand.

## marketing INSIGHT

### Celebrity Endorsements

A well-chosen celebrity can draw attention to a product or brand—as Priceline found when it picked *Star Trek* icon William Shatner to star in campy ads reinforcing its low-price image. Other prominent celebrity endorsers include Tom Brady for Under Armour, Mark Wahlberg for AT&T, Kristen Bell for Old Navy, Reese Witherspoon for Crate and Barrel, and Drew Barrymore for Crocs.

Priceline's quirky campaigns have run for more than a decade, and Shatner's decision to receive stock options as compensation reportedly has netted him millions of dollars for his work. The right celebrity can also lend her or his image to a brand. To reinforce its high status and prestige image, American Express has used movie legends Robert De Niro and Martin Scorsese in ads.

Celebrities are likely to be effective when they are credible or personify a key product attribute. Statesman-like Dennis Haysbert for State Farm insurance, rugged Brett Favre for Wrangler jeans, and popular singer and actress Jennifer Hudson for Weight Watchers have all been praised by consumers as good fits. Celine Dion, however, failed to add glamour—or sales—to Chrysler, and even though she was locked into a three-year, \$14 million deal, she was let go. Ozzy Osbourne seems an odd choice to advertise “I Can’t Believe It’s Not Butter,” given his seemingly perpetual confusion.

A celebrity should have high recognition, high positive affect, and high “fit” with the product. Paris Hilton and Howard Stern have high recognition but negative affect among many groups. Tom Hanks and Oprah Winfrey, on the other hand, could successfully advertise a large number of products because they have extremely high ratings for familiarity and likability (known as the Q factor in the entertainment industry).

Celebrities can play a more strategic role, too, not only endorsing but also helping to design, position, and sell merchandise and services. Nike often brings its elite athletic endorsers in on product design. Tiger Woods,

Paul Casey, and Stewart Cink have helped to design, prototype, and test new golf clubs and balls at Nike Golf's research and development facility. Beyoncé (Pepsi), will.i.am (Intel), Justin Timberlake (Bud Light Platinum), Alicia Keys (BlackBerry), and Taylor Swift (Diet Coke) have all been designated “ambassadors” for their brands with various creative duties and responsibilities.

Some celebrities lend their talents to brands without directly using their fame. A host of movie and TV stars do uncredited commercial voice-overs, including Jon Hamm (Mercedes-Benz), Morgan Freeman (Visa), Matt Damon (TD Ameritrade), Jeff Bridges (Duracell), and George Clooney (Budweiser). Although advertisers assume that some viewers will recognize the voices, the main rationale for using them is the actors' incomparable voice talent and skill.

Using celebrities poses certain risks. The celebrity might hold out for a larger fee at contract renewal or might even withdraw. And just like movies and album releases, celebrity campaigns can be expensive flops. The celebrity might lose popularity or, even worse, get caught in a scandal or embarrassing situation, as did Tiger Woods, Michael Phelps, and Lance Armstrong. Besides carefully checking endorsers' backgrounds, some marketers are choosing to use more than one to reduce their brand's exposure to any single person's flaws.

Another solution is for marketers to create their own brand celebrities. Dos Equis beer, imported from Mexico, boosted U.S. sales by more than 20 percent during the last recession by riding on the popularity of its “Most Interesting Man in the World” ad campaign. Suave and debonair, with a distinct voice and a silver beard, the character has hundreds of thousands of Facebook friends, despite being completely fictitious. Videos of his exploits log millions of views on YouTube. Dos Equis has made it possible for customers to “call” him and listen to a series of automated voicemail messages.<sup>41</sup>



## summary

1. Modern marketing calls for more than developing a good product, pricing it attractively, and making it accessible to target customers. Companies must also communicate with current and potential stakeholders and with the general public.
2. The marketing communication mix consists of nine major modes of communication: advertising, online and social media, mobile communication, direct marketing, events and experiences, word of mouth, publicity and public relations, personal selling, and packaging.
3. The communication process consists of nine elements: sender, receiver, message, media, encoding, decoding, response, feedback, and noise. To get their messages through, marketers must take into account how the target audience usually decodes messages. They must also transmit the message through efficient media that reach the target audience and develop feedback channels to monitor response to the message.
4. Developing effective communication requires eight steps: (1) identify the target audience, (2) choose the communication objectives, (3) design the communication, (4) select the communication channels, (5) set the total communication budget, (6) choose the communication mix, (7) measure the communication results, and (8) manage the integrated marketing communication process.
5. In identifying the target audience, the marketer needs to close any gap that exists between current public perception and the image sought. Communication objectives can be to create a need for the category, to increase brand awareness, to improve attitude toward the brand, or to boost intention to purchase the brand.
6. Designing effective communication requires making three key decisions: what to say (message strategy), how to say it (creative strategy), and who should say it (message source). Communication channels can be personal (advocate, expert, and social channels) or nonpersonal (media, atmosphere, and events).
7. Although other methods exist, the objective-and-task method of setting the communication budget, which calls on marketers to develop their budgets by defining specific objectives, is typically the most effective.
8. In choosing the marketing communication mix, marketers must examine the distinct advantages and costs of each communication tool and the company's market rank. They must also consider the type of market in which they are selling, how ready consumers are to make a purchase, and the offering's stage in the company, brand, and product life cycle.
9. Measuring the effectiveness of the marketing communication mix requires asking members of the target audience whether they recognize or recall the communication, how many times they saw it, what points they recall, how they felt about the communication, what their previous attitudes toward the company, brand, and product were, and what those attitudes are now.

## marketing SPOTLIGHT

### Red Bull

In 1982, businessman Dietrich Mateschitz was suffering from jet lag while on a trip to Bangkok. Locals told him about a popular tonic beverage called Krating Daeng that could relieve his symptoms of drowsiness and tiredness. He tried the beverage and found that it did alleviate his fatigue. Impressed, Mateschitz launched Red Bull GmbH two years later with Thai businessman Chaleo Yoovidhya, who owned a tonic drink company. It took three years for the company to create a drink formula that adapted the tonic beverage's taste to Western palates. Red Bull was sold for the first time in Austria in 1987.

Red Bull was advertised as having three main benefits: increasing concentration for students, enhancing performance for athletes, and alleviating fatigue symptoms for business travelers. In addition to these uses, Red Bull was



Source: chara\_stagram/  
Shutterstock

commonly sold as an alcohol mixer. Clubs began embracing Red Bull as a safer way for people to party longer without having to resort to drugs. Red Bull noted this unintended usage and used guerilla marketing to further entrench the product in the party scene. The company hired students and DJs to serve Red Bull at parties, which encouraged other patrons to try out the drink.

(continued)



After enjoying domestic success, Red Bull in 1992 expanded outside of Austria to Hungary and Slovenia. Red Bull continued its international expansion to Germany and Switzerland shortly after. Five years later, Red Bull began selling in the United States. Despite its popularity in Austria, Red Bull initially found limited success in these new markets, because it was one of the first beverages to be labeled as an energy drink. Many customers were unsure of when and why they should drink Red Bull.

To address customer confusion, Red Bull focused its product positioning around an adventurous lifestyle. Red Bull employed extensive advertisements that featured the famous slogan “Red Bull gives you wings” to make the beverage and its effects better-known in newer markets. In 1995, Red Bull began sponsoring athletes and teams in various sports across the world, and in just a couple of years, its list of sponsorships had grown to hundreds of athletes as well as many teams and sporting events. The company became very active in the motorsports scene and sponsored a racing team in Formula One, which at the time attracted one of the highest annual television audiences of all sporting events. Years later, the company purchased its own Formula One team. The Red Bull F1 team eventually became one of the most successful racing teams in the world, garnering four successive championships from 2010 to 2013. Red Bull has expanded its list of sports sponsorships and ownership to include, among others, NASCAR, the NFL, football, BMX, motocross, and skateboarding. Red Bull's endeavors in sponsoring international athletes and sporting events helped make Red Bull a global brand.

In addition to sports marketing, Red Bull has invested heavily in content marketing to promote the drink and its associated lifestyle. Red Bull established the Red Bull Media House, a collection of media companies that create content in magazines, films and television, video games, social media, and music. The various platforms have released thousands of photos, videos, and articles of people and ideas that align with the image the Red Bull brand promotes. Fans are also encouraged to upload their own content showcasing the

Red Bull lifestyle. Red Bull Media House released a feature film called *The Art of Flight* that quickly rose to the top of the iTunes chart. Red Bull's in-house record company has helped bring fame to artists such as AWOLNATION and Twin Atlantic. The company's own publication, *The Red Bulletin*, reported a distribution of over five million magazines in 2017. The social media team of the Red Bull Media House has released numerous viral videos showcasing the action sports lifestyle of Red Bull users on its own YouTube channel. With over five million subscribers, Red Bull's YouTube channel is home to thousands of featurettes on Red Bull athletes and sporting events. Red Bull's content marketing has pushed awareness of its brand to greater heights and has further increased the association between an active lifestyle and the company.

Red Bull's nontraditional approach to marketing has made the company one of the world's most recognized brands. What's remarkable is that the original beverage has stayed more or less the same throughout the years—with one size, one form factor, and a handful of flavors. Red Bull continues to sponsor famous athletes, teams, and events across the world, and it has generated massive awareness through stunts such as the Red Bull Stratos space dive and the annual Red Bull Rampage cliff-jumping event. Red Bull's sales reached approximately \$6.8 billion in 2018. Red Bull has kept its product line narrow, but its expansive marketing portfolio continues to grow the brand.<sup>42</sup>

### Questions

1. What are Red Bull's greatest competitive strengths as more companies (like Coca-Cola, Pepsi, and Monster) enter the energy drink category and gain market share? What are the risks of competing against such powerhouses?
2. Discuss the pros and cons of Red Bull's nontraditional marketing tactics. Should Red Bull do more traditional advertising? Why or why not?
3. Discuss the effectiveness of Red Bull's sponsorships. Where should the company draw the line?

## marketing SPOTLIGHT

### The Best Job in the World

Arguably the most famous natural wonder of the world, the Great Barrier Reef is the world's largest reef and the only object that can be identified from space. The Great Barrier Reef is located next to Queensland, Australia, which is known for its sandy beaches and tranquil rainforests. One would think that the close proximity of the two hotspots would be a winning combination for tourism. However, Queensland is located far away from major cities such as Melbourne and



Source: Genevieve Vallee/Alamy Stock Photo

Sydney, which most travelers prioritized in a trip to Australia. In addition, the 2008 financial crisis caused international tourism to drop significantly.

Tourism Queensland, the Queensland government's department of tourism and events, aimed to challenge other popular tourist destinations such as the Caribbean and the Greek Islands as the top island attraction. The greatest challenge that Tourism Queensland identified was building international awareness. To do this, Tourism Queensland tasked marketing agency SapientNitro in 2009 with creating a successful global advertising campaign on a limited budget of \$1.2 million.

SapientNitro came up with its now-legendary "The Best Job in the World" campaign. The campaign consisted of Tourism Queensland advertising an opening for the position of "Island Caretaker." Applicants needed no previous work experience, and their only duty was to write a single blog post about the islands once a week. The lucky applicant selected would receive free living accommodations on the island and a six-figure salary for six months. The position was billed as "The Best Job in the World," and interested candidates had to upload a 60-second application video on Tourism Queensland's website.

To create international publicity, Tourism Queensland invited influential travel journalists and bloggers from across the globe to the islands and held a media conference that featured a luxury villa and a sunny tropical paradise. The change in scenery was a stark contrast to many of the conference attendees in the Northern Hemisphere, who were experiencing a cold, dark winter.

Public interest in the advertisement campaign exploded shortly afterward. Within one day of launch, the website received over 200,000 website views. Within the six-week application period, Tourism Queensland received over 34,000 applicants from nearly 200 countries. The website had drawn over 6.8 million unique monthly visitors, who generated approximately 54 million page views and spent an extremely high average of 8.25 minutes viewing the website. More than 46,000 mainstream media articles were written about the promotion. In total, it was estimated that the campaign had reached nearly 3 billion people worldwide.

The \$1.2 million campaign had exceeded Tourism Queensland's wildest expectations. Three main reasons

help explain to why the low-budget promotion resulted in explosive numbers of views. For one thing, the promotion was hosted almost exclusively on their website. Whereas \$1.2 million could have purchased only a small amount of TV advertisement time, the money invested resulted in a website that reached across the globe with ease. Second, the overwhelming majority of the content in the advertising campaign was provided by the numerous applicants, who submitted over 550 hours of videos to the website; none of them were created by the SapientNitro or Tourism Queensland teams. The most notable applicants received millions of views on YouTube and widespread social media attention. The popularity of these videos persisted even after the application period ended. Third, Tourism Queensland earned media coverage, instead of having to buy it. Media companies assumed the responsibility of following top candidates and telling their story. BBC Television created a one-hour documentary featuring the final 16 candidates in the competition, which received the highest viewer ratings during the week of its release in the UK.

The winner of the competition was a British man named Ben Southall. After receiving the job, Southall conducted the largest number of interviews in a 24-hour period at the time—124 in TV broadcasts all over the world. During his six-month position, Southall was interviewed by Oprah Winfrey and was featured in a six-part National Geographic series. Southall became an ambassador for Queensland tourism after his position ended. In total, the clever advertising campaign generated over \$250 million in media value and brought worldwide attention to Queensland tourism. "The Best Job in the World" received 8 Cannes Lions awards for distinguished creativity in advertising and marketing and was inducted into PR News's Platinum Hall of Fame in 2014.<sup>43</sup>

### Questions

1. What were the key reasons for the phenomenal popularity of SapientNitro's "The Best Job in the World" campaign?
  2. Was the campaign successful in generating tourist traffic to Queensland? How should one measure the success of this publicity campaign?
  3. What should Queensland do in the future to promote tourism?
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