

Part 1

Integrated Marketing Communications: Processes, Brand Equity, and Marcom's Role in Introducing New Brands

Part One introduces students to the fundamentals of integrated marketing communications (IMC). *Chapter 1* overviews IMC and discusses the importance of marketing communications (marcom). The chapter emphasizes the need for integrating the various marketing communication elements (advertising, sales promotions, event marketing, etc.) rather than treating them as separate and independent tools. The payoff from an IMC approach is synergy—multiple tools working together to achieve more positive communication results than do the tools used individually. The chapter describes five key IMC features and presents a model of the marcom decision-making process. This integrative framework postulates the marcom program as consisting of a set of fundamental decisions (about targeting, positioning, etc.) and a series of implementation decisions that determine program outcomes with regard to enhancing brand equity and affecting behavior. The final model component is program evaluation, which entails measuring the results of communications activities, providing feedback, and taking corrective action.

Chapter 2 explains how IMC enhances brand equity, influences behavior, and achieves accountability. A brand equity model conceptualizes brand equity from the customer's perspective and shows how equity is enhanced by elevating brand awareness and creating brand associations. It is explained that marcom's eventual challenge is to influence customer behavior and ultimately to affect a brand's sales volume and revenue, and the return on marketing investment is discussed.

Chapter 3 looks at marcom's role in achieving acceptance for new products and how marketing communicators facilitate product adoption and diffusion. Chapter 3 also provides detailed descriptions of the initial elements responsible for a brand's image: brand name, logo, and package. This section explores the requirements for a good brand name, the steps involved in arriving at a good name, and the role of logos. Also presented is a useful framework that describes the visual, informational, emotional, and functional features that determine packaging success.

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Overview of Integrated Marketing Communications

State Farm is a large and highly successful insurance company, indeed the largest insurer of homes and automobiles in the United States. Company research revealed, however, that State Farm was considered a brand for older consumers and had limited appeal to 18-to-25-year-olds. Hence, the challenge: How could the State Farm brand name be reinvigorated to appeal to this youthful age group?

Marketing research determined that the State Farm brand was well respected among this younger age group, but, at the same time, they considered the brand basically irrelevant for their financial needs. The solution: State Farm and its advertising agency devised an integrated marketing communication program, called the *Now What?* campaign, to target 18-to-25-year-olds. Included in the multipronged campaign were TV and print advertisements, direct mail pieces, a dedicated Web site, and a kickoff event at the Lollapalooza music festival in Chicago—a truly multifaceted, integrated marketing communications campaign. One TV spot, for example, depicted a young man installing a room air conditioner on a hot day and then, ever-so-briefly, enjoying the cool air pumped out by his new A/C unit. Then, to his great dismay, the improperly installed A/C fell out of the window and landed on his car parked below. The screen then morphed into the words . . . nowwhat.com.

This particular TV spot, like others in the campaign, illustrates dilemmas faced by young consumers when bad things happen that require an insurance solution. In a similar magazine ad, a car is shown sticking out of the side of a building. Beside it is the key phrase, nowwhat.com, which serves to

link together all advertising executions in the ongoing campaign to reach out to young consumers. Additionally, direct mail pieces, such as one illustrating the rear end of a car that was crushed by another vehicle, were mailed to hundreds of thousands of prospects in the 18-to-25 age group. The mailer stated: “Find out how to straighten out a mess like this before it puts a dent in your wallet at nowwhat.com/crushed.”

Interestingly, none of the TV or print executions revealed the State Farm brand name; this was information acquired only after interested consumers went to the nowwhat.com Web site. A company spokesperson explained this strategy as one that allowed ad receivers to mentally pose the question: “If [the scenario depicted in the ad] happened to me, where would I go [for a solution]?” The ad campaign thus had the potential to engage consumers who heretofore considered the product somewhat irrelevant to their needs, but who could readily imagine being confronted with a problem requiring an insurance solution.

Early results indicated that the campaign was enjoying considerable success. The nowwhat.com site was



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receiving 10,000 to 20,000 or more hits per day, and comments about the campaign were generally very positive on blogs written by and appealing to the targeted age group of 18-to-25 year olds. The campaign's success can be attributed in large part to the fact that the various advertising messages did not attempt to oversell State Farm, but rather were designed to capture attention with humorous, slice-of-life executions that would heighten curiosity and give young consumers good reason to seek additional information from the nowwhat.com Web site.

Source: Adapted from Deborah L. Vence, "Better Coverage," *Marketing News*, January 15, 2007, 13-14.

Chapter Objectives

After reading this chapter you should be able to:

- 1 Appreciate the practice of marketing communications and recognize the marcom tools used by practitioners.
- 2 Describe the philosophy and practice of integrated marketing communications (IMC).
- 3 Understand the five key features of IMC.
- 4 Recognize the activities involved in developing an integrated communications program.
- 5 Identify obstacles to implementing an IMC program.
- 6 Understand and appreciate the components contained in an integrative model of the marcom decision-making process.

>>Marcom Insight:

Appealing to Youth and Reinvigorating a Brand Image: State Farm's nowwhat.com Campaign

Introduction

All firms employ marketing communications (marcom) to one degree or another, and it doesn't matter whether their efforts are directed at consumers—i.e., people like you and me in our day-to-day consumption activities—or focused on customers of other businesses. Consider the following examples of integrated marketing communications (IMC) programs. The first example is in a business-to-consumer (B2C) context, the second is in a business-to-business (B2B) environment, and the third represents a marcom program that is directed at both consumers and business customers.

When Buick introduced its Rainier sports utility vehicle (SUV), it needed a marcom program that would create awareness for the Rainier and enhance the image of the Buick name. These tasks were accomplished with an integrated program combining online and TV advertising along with an appealing sales promotion. Hiring Tiger Woods as endorser of the Buick line of vehicles made the job easier. A series of five-minute films featuring this famous golfer were available at Buick's Web site (<http://www.buick.com>). With a 30-second commercial that was widely aired on network and cable stations, Buick encouraged consumers to visit its Web site. Visitors to the site were able to enter a contest that provided winners an opportunity to play a round of golf with Tiger and a chance to win a Rainier vehicle. Two million unique visitors were drawn to Buick's Web site only two months after initiating this program, and awareness of the Rainier SUV increased by 70 percent while positive perceptions of Buick rose by 122 percent.¹

An integrated communications program undertaken by General Electric (GE) illustrates a successful B2B application of integrated marketing communications. With an objective of increasing awareness among business customers that GE is a company that does more than manufacture light bulbs and appliances, GE's advertising agency initiated an integrated campaign titled "Imagination at Work" to establish that GE also is successful in producing wind power, security systems, and jet engines, among other products. The intensive ad campaign involved a combination of TV, print (ads in business publications such as *Business Week*, *Forbes*, and *Fortune*), and online advertising. For example, a clever TV advertisement dramatically illustrated that GE produces jet engines by showing a vintage Wright Brothers-era airplane equipped with a modern GE jet engine. The integrated campaign, which was conducted in Europe as well as in the United States, was fabulously successful in changing business customers' perceptions of GE. Post-campaign research revealed that perceptions of GE as an innovative company increased by 35 percent, opinions of GE as offering high-tech solutions increased by 40 percent, and perceptions of it as being dynamic increased by 50 percent. By any standard, this was a highly successful integrated campaign that combined multiple communication elements to alter perceptions of GE positively.²

AT&T, upon its acquisition by SBC Communications, undertook an extensive IMC campaign to introduce the new brand to consumers, to business customers, and to government audiences. Under the banner, "Your World Delivered," the "new" AT&T was introduced to these diverse audiences along with a redesigned corporate logo. The campaign objective was to establish that the two companies, SBC and AT&T, had merged and that the combined company was to be known as AT&T. The "Your World Delivered" tagline was used to convey that the new AT&T is an innovative company that delivers on its promises and improves people's lives. The global IMC program



included extensive TV, magazine, and online advertising. AT&T also sponsored such events as Dick Clark's New Year's Rockin' Eve, the Winter Olympics, soccer's World Cup, football's Cotton Bowl Classic, and golf's Pebble Beach tournament. This integrated campaign achieved, in less than one full year, a threefold increase in unaided brand awareness of the AT&T name and a fourfold increase in unaided advertising awareness.³

The Tools of Marketing Communications

As the preceding examples illustrate, marketing communications is a critical aspect of companies' overall marketing missions and a major determinant of their successes or failures. As noted in the introduction, all organizations—whether firms involved in B2B exchanges, companies engaged in B2C marketing, or organizations delivering not-for-profit services (museums, symphony orchestras, charitable organizations, etc.)—use various marketing communications tools to promote their offerings and achieve financial and nonfinancial goals.

The primary forms of marketing communications include traditional mass media advertising (TV, magazines, etc.); online advertising (Web sites, opt-in e-mail messages, text messaging, etc.); sales promotions (samples, coupons, rebates, premium items, etc.); store signage and point-of-purchase communications; direct-mail literature; public relations and publicity releases; sponsorships of events and causes; presentations by salespeople; and various collateral forms of communication devices. Table 1.1 provides a complete listing of marketing

			table	1.1
<p>1. Media Advertising</p> <ul style="list-style-type: none"> • TV • Radio • Magazines • Newspapers <p>2. Direct Response and Interactive Advertising</p> <ul style="list-style-type: none"> • Direct mail • Telephone solicitation • Online advertising <p>3. Place Advertising</p> <ul style="list-style-type: none"> • Billboards and bulletins • Posters • Transit ads • Cinema ads <p>4. Store Signage and Point-of-Purchase Advertising</p> <ul style="list-style-type: none"> • External store signs • In-store shelf signs • Shopping cart ads • In-store radio and TV 	<p>5. Trade- and Consumer-Oriented Promotions</p> <ul style="list-style-type: none"> • Trade deals and buying allowances • Display and advertising allowances • Trade shows • Cooperative advertising • Samples • Coupons • Premiums • Refunds/rebates • Contests/sweepstakes • Promotional games • Bonus packs • Price-off deals 	<p>6. Event Marketing and Sponsorships</p> <ul style="list-style-type: none"> • Sponsorship of sporting events • Sponsorship of arts, fairs, and festivals • Sponsorship of causes <p>7. Marketing-Oriented Public Relations and Publicity</p> <p>8. Personal Selling</p>	<p>The Tools of Marketing Communications</p>	

Source: Adapted from Figure 1.1 in Kevin Lane Keller, "Mastering the Marketing Communications Mix: Micro and Macro Perspectives on Integrated Marketing Communication Programs," *Journal of Marketing Management* 17 (August, 2001), 823–851.

communication elements. Collectively, these communication tools and media constitute what traditionally has been termed the *promotion* component of the marketing mix. (You will recall from your introductory marketing course that the “marketing mix” includes four sets of interrelated decision areas: *product*, *price*, *place*, and *promotion*, or the “4Ps.”)

Although the “4P” characterization has led to widespread use of the term *promotion* for describing communications with prospects and customers, *marketing communications* is the expression most marketing practitioners and many educators prefer. We will use *marketing communications*—or, for short, *marcom*—throughout this text to refer to the collection of advertising, sales promotions, public relations, event marketing, and other communication devices that are identified in Table 1.1. The text covers all of these topics except personal selling, which is better treated in a stand-alone course devoted exclusively to that topic.

The Integration of Marketing Communications

Mountain Dew is a well-known brand that is consumed by millions of predominately young, active, outdoor-oriented consumers and is the fourth highest selling soft-drink brand in the United States. On the market for more than 50 years, Mountain Dew is positioned as a brand that stands for fun, exhilaration, and energy—FEE for short. Brand managers have been consistent over time and across communication media in maintaining the FEE theme that represents the brand’s core meaning—its positioning. Various advertising media, event sponsorships, and consumer promotions have been employed over the years to trumpet the brand’s core meaning. The brand managers of Mountain Dew use network TV commercials as well as local TV and radio spots to appeal to the brand’s target audience.

Event sponsorships provide another major communication medium for Mountain Dew, which has sponsored leading alternative sports competitions such as the Dew Action Sports Tour (extreme sports tournament), the Summer and Winter X Games, and the Mountain Dew Vertical Challenge (a series of ski and snowboard races held at various resorts in the northeastern and western United States). In addition to these prominent sponsorships, Mountain Dew also hosts a variety of smaller events that draw audiences as small as 5,000 people. Appealing giveaway items (T-shirts, videos, branded snowboards and mountain bikes, etc.) are distributed at these events to generate excitement and foster positive connections between the Mountain Dew brand and its loyal consumers.

Much of Mountain Dew’s continued success is attributable to its brand managers’ dedication to presenting consistent messages about the brand, both over time and across communication media. By contrast, many companies treat the various communication elements—advertising, sales promotions, public relations, and so on—as virtually separate activities rather than as integrated tools that work together to achieve a common goal. Personnel responsible for advertising sometimes fail to coordinate adequately their efforts with individuals in charge of sales promotions or publicity. The lack of integration was more prevalent in the past than the present, but many brands still suffer from poorly integrated marketing communications programs.

Why Integrate?

The logic underlying integration seems so clear and compelling that the student may be wondering: What’s the big deal? Why haven’t firms practiced IMC all

along? Why is there reluctance to integrate? Good questions, all, but what sounds reasonable in theory is not always easy to put into practice.⁴ Organizations traditionally have handled advertising, sales promotions, point-of-purchase displays, and other communication tools as virtually separate practices because different units within organizations have specialized in separate aspects of marketing communications—advertising, *or* sales promotions, *or* public relations, and so on—rather than having generalized knowledge and experience with all communication tools. Furthermore, outside suppliers (such as advertising agencies, public relations agencies, and sales promotion agencies) also have tended to specialize in single facets of marketing communications rather than to possess expertise across the board.

There has been a reluctance to change from this single-function, specialist model due to managerial parochialism (e.g., advertising people sometimes view the world exclusively from an advertising perspective and are blind to other communication traditions) and for fear that change might lead to budget cutbacks in their areas of control (such as advertising) and reductions in their authority and power. Advertising, public relations, and promotion agencies also have resisted change due to reluctance to broaden their function beyond the one aspect of marketing communications in which they have developed expertise and built their reputations.

In recent years a number of advertising agencies have expanded their roles by merging with other companies or creating new departments that specialize in the growth areas of sales promotions, marketing-oriented public relations, event sponsorship, and direct marketing. Many firms, including suppliers of marketing communication services, along with their brand-manager clients, have increasingly adopted an integrated approach to their communication activities.

IMC Skeptics

Some suggest that IMC is little more than a management fashion that is short lived.⁵ There is evidence to the contrary, however, which suggests that IMC is not fleeting but rather has become a permanent feature of the marketing communications landscape around the world and in many different types of marketing organizations.⁶ In the final analysis, the key to successfully implementing IMC is that brand managers must closely link their efforts with outside suppliers of marcom services (such as ad agencies), and both parties must be committed to assuring that all communication tools are carefully and finely integrated.⁷

Although there is movement toward increased implementation of IMC, not all brand managers or their firms are equally likely to have adopted IMC. In fact, experienced managers are more likely than novice managers to practice IMC. Firms involved in marketing services (rather than products) and B2C (versus B2B) companies are more likely to practice IMC. More sophisticated companies also are likely adherents to IMC.⁸

IMC and Synergy

IMC is a goal worth pursuing because using multiple communication tools in conjunction with one another can produce greater results than tools used individually and in an uncoordinated fashion. That is, multiple methods combined can yield more positive communication results than do the same tools used individually or in an uncoordinated manner. There is a *synergistic effect* of using multiple well-coordinated marcom tools. A study of Levi Strauss' Dockers brand of khaki pants illustrated this value of synergy.⁹ Using sophisticated analytical techniques, researchers determined that the use of both TV and print advertisements produced a synergistic effect on sales of pants that was significantly additional to the individual

effects of each advertising medium. Another study demonstrated that TV and online advertising used in conjunction produced positive synergistic effects that were additional to each medium's individual effects. TV and online advertising used together produced more attention, more positive thoughts, and higher message credibility than did the sum of the two media when used individually.¹⁰

And Now a Definition of IMC

Proponents of IMC have provided slightly different perspectives on this management practice, and not all educators or practitioners agree on the precise meaning of IMC. Notwithstanding these differences, a working definition is in order. The following definition reflects this text's position on the topic.

IMC is a communications process that entails the planning, creation, integration, and implementation of diverse forms of marcom (advertisements, sales promotions, publicity releases, events, etc.) that are delivered over time to a brand's targeted customers and prospects. The goal of IMC is ultimately to influence or directly affect the behavior of the targeted audience. IMC considers all touch points, or sources of contact, that a customer/prospect has with the brand as potential delivery channels for messages and makes use of all communications methods that are relevant to customers/prospects. IMC requires that all of a brand's communication media deliver a consistent message. The IMC process further necessitates that the customer/prospect is the starting point for determining the types of messages and media that will serve best to inform, persuade, and induce action.¹¹

Key IMC Features

Inherent in the definition of integrated marketing communications are several essential features that provide the philosophical foundation for this practice. These features are listed in Table 1.2 and require detailed discussion hereafter. It is important to note before proceeding that these elements are interdependent and that there is no particular order of importance suggested by the listing in Table 1.2. It also is essential for you to recognize that all five features are critical to both understanding the philosophy of IMC and appreciating what must be accomplished to implement this philosophy into practice. These five features *do* warrant your committing them to memory.

Key Feature #1: The Consumer or Business Customer Must Represent the Starting Point for All Marketing Communications Activities

This feature emphasizes that the marcom process must *start with the customer or prospect* and then work back to the brand communicator in determining the most appropriate messages and media to employ for informing, persuading, and

table

1.2

Five Key Features of IMC

1. Start with the customer or prospect.
2. Use any form of relevant contact or touch point.
3. Speak with a single voice.
4. Build relationships.
5. Affect behavior.

inducing customers and prospects to act favorably toward the communicator's brand. The IMC approach avoids an "inside-out" approach (from company to customer) in identifying communication vehicles and instead starts with the customer ("outside-in") to determine those communication methods that will best serve customers' information needs and motivate them to purchase the brand.

Consumers in Control

It is widely acknowledged that marketing communications are governed by a key reality: The consumer increasingly wants to be in control! Marcom practitioners must accept the fact that marketing communications must be *consumer-centric*. A respected advertising pundit has characterized this new marcom reality in these terms:

The fact is, people care deeply—sometimes perversely—about consumer goods. . . . What they don't like is being told what they should care about or when they should be caring. . . . This may be culturally difficult for advertisers to accept, having spent two centuries trying to browbeat/seduce captive audiences. But take heart. Once the consumer is in the driver's seat, he or she will often cheerfully drive right in your direction.¹²

There are numerous signs that consumers control when, how, and where they devote their attention to marcom messages. Technological developments such as digital video recorders (e.g., TiVo), MP3 players (e.g., iPods), and high-tech cell phones (e.g., iPhones) have enabled consumers to enjoy television programs, music, podcasts, and other forms of entertainment when and where they want. As such, consumers have the ability to pay attention to advertising messages, or to ignore them! The Internet and the digital world allow consumers to seek the information about product services that they want—via online searches, blogging, emailing, text messaging, and social networking in outlets such as Facebook, MySpace, and YouTube—rather than being mere captives of the messages that marketing communicators want them to receive. (See the *Global Focus* insert for a marcom program in China that puts consumers in control.)

Consumers not only passively receive marcom messages, but now they are active participants in creating messages via consumer-generated media such as those noted immediately above. Does this idea of consumer-generated media and consumer-centric marketing mean that consumers no longer attend to TV commercials or to magazine or newspaper advertisements? Well, of course not, as you can prove by reflecting on your own experiences with these media and the ads placed in them. It does mean, however, that consumers—particularly younger consumers who were born and raised in the digital era—can actively acquire information about the brands they favor rather than depend on the passive receipt of unwanted information received at inopportune times.

Reduced Dependence on the Mass Media

Many marketing communicators now realize that communication outlets other than the mass media often better serve the needs of their brands. The objective is to contact customers and prospects effectively using touch points that reach them where, when, and how they wish to be contacted. Mass media advertising is not always the most effective or cost-efficient avenue for accomplishing this objective. Television and radio programs and magazine and newspaper pages (collectively, the mass media) are not always the most engaging contexts in which to place marketing messages. It is for this reason that marketing communicators are increasingly using event sponsorships, the Internet, mobile advertising, and other digital media as contexts in which to place their messages. Illustrative of the move toward Internet advertising, Nike—in a move that shocked the advertising community—dropped its ad agency of 25 years because it was dissatisfied with the



global focus

Creating a Pepsi Commercial in China

In an effort to reach out to China's Internet-savvy youth and to engage their interest in Pepsi, the marketers of this soft drink brand created the Pepsi Creative Challenge contest. Consumers were invited to develop a TV spot that would star Jay Chow (also spelled Chou), who is a superstar in the entertainment business throughout Asia.

Contest entrants were instructed to submit scripts for a commercial with a maximum of 200 words. Other consumers who logged on to a Web site then read and scored the submitted scripts. A panel consisting of Pepsi executives and Mr. Chow then selected the best five ideas from among the 100 highest-scoring entries during each two-week period. At the end of six weeks, 15 finalists were identified. The 15 scripts were posted on the Web site, and interested consumers then voted for the best script. The winner received \$12,500 and an opportunity to participate in the production of the

commercial. The remaining 14 finalists earned \$1,250 cash prizes for their efforts and were invited to attend the party launching the new commercial.

As indicated by a Pepsi executive, the response was extremely positive with more than 27,000 commercial scripts submitted. A marketing researcher stated that "The reason why digital interactive marketing campaigns like the Pepsi Creative Challenge work is that they add value by creating a mechanism for consumers to get involved." Of course, "getting involved" is simply another way of saying that consumers' control over advertising content is increasing—in China as elsewhere around the globe.

SOURCES: Adapted from Normandy Madden, "Consumers to Create Pepsi Spot in China," *Advertising Age*, June 5, 2006, 15; "Wharton's Take on the Internet in China," April 17, 2007, <http://www.edelmanapac.com/edelman/blog/2007/04/17/Whartons-Take-on-the-Internet-in-China.html> (accessed July 4, 2007).

agency's lack of digital expertise.¹³ In actuality, many advertising agencies have been slow to adapt to advertisers' increasing use of the Internet and are understaffed with employees who possess digital expertise and experience.¹⁴

Although advertising in the digital media is increasing rapidly, this does not mean that mass media advertising is unimportant or in threat of extinction. The point instead is that other communication methods must receive careful consideration *before* mass media advertising is automatically assumed to be *the* solution. It is easy to build the case, in fact, that brand managers should turn to alternative means of marketing communication as the option of first choice rather than automatically defaulting to mass media advertising.

In addition to the growth of the Internet and other digital media as viable alternatives to mass media, many brand managers and their agencies have reduced the role of TV in their marcom budgeting because TV advertising is not as effective or cost-efficient as it once was. TV audiences are more fragmented than in prior years and relatively fewer consumers can be reached by the advertising placed on any particular program. Moreover, other advertising and nonadvertising tools often are superior to TV in achieving brand managers' objectives. For example, Unilever's brand of Wisk detergent was historically advertised heavily on TV. Wisk[®]'s brand managers devised a media plan that minimized TV in the ad budget in lieu of using online media to reach people where "their passions get them dirty." Specifically, banner ads were placed on targeted Web sites where consumers were learning more about their passions (ie: Foodies on Foodnetwork.com[®], do-it-yourselfers on DIY.com[®], etc.) and other touch points directed consumers to a Wisk[®] Web site where further information was provided. Tag line: Wisk[®]. Your passions get your dirty. Our power gets you clean.¹⁵

In the spirit of reducing dependence on TV advertising, McCann Worldgroup, a highly respected advertising agency, has developed the concept of a *media-neutral approach* when counseling its clients in selecting appropriate marcom tools.

The screenshot shows the Wisk website's 'Live Out Your Passion Sweepstakes' page. At the top, the Wisk logo is on the left, and the tagline 'Your Passions Get You Dirty. Our Power Gets You Clean.™' is on the right. Below the tagline is a navigation menu with links: Home, Your Passion, Promotions, Products, Clean Powerfully, Environment, and Wisk History. The main heading reads 'ENTER THE Wisk Live Out Your Passion SWEEPSTAKES!'. To the left is an image of a blue Wisk detergent bottle and a pile of laundry. To the right is a text box that says: 'Ever wonder what's stopping you from pursuing your passion? Perhaps it's simply the opportunity! Enter the Wisk® Live Out Your Passion Sweepstakes for the chance to win the experience of a lifetime.' Below this text is an 'ENTER NOW >' button. At the bottom, there are three sections: 'FIND YOUR PASSION > Uncover your true passion!' with an image of a dog; 'FUN & GAMES > Play free, fun games!' with a grid of game icons; and 'POWER TIPS > Get clean with WISK® Laundry Detergent & Our Tip' with an image of a dog. At the very bottom, there is a footer with links: Register with Wisk, Questions & Comments, Privacy, Site Map, and Terms of use. On the right side of the page, there is a vertical copyright notice: '© Courtesy of WISK®, Unilever United States, Inc.'

This approach requires that the brand marketer first identify the goal(s) a marcom program is designed to accomplish (building brand awareness, creating buzz, influencing behavior, etc.) and then determine the best way to allocate the marketer's budget.¹⁶ This media-neutral approach is perfectly in accord with our earlier discussion about selecting the most appropriate communication tool given the task at hand.

Takeaway from Key IMC Feature #1: *Learn the media preferences and lifestyles of your customers/prospects so you know the best contexts (media, events, etc.) in which to reach them with your brand messages. In short, take an outside-in approach. Recognize and adapt to the fact that consumers are increasingly in control of their media choices for acquiring information about brands.*

Key Feature #2: Use Any and All Marcom Tools That Are Up to the Task

To appreciate fully this second key IMC feature, it will be useful to draw an analogy between the tools available to marketing communicators (which include advertising, sales promotions, sponsorships, and the others illustrated in Table 1.1) and those used by people in craft industries such as carpentry, plumbing, and automobile repair. Each of these craftspeople possesses a toolbox that is filled with gear of different sorts. A carpenter's toolbox, for example, contains items such as hammers, pliers, screwdrivers, drills, sanding equipment, fasteners, and so on. When given a new construction or repair job, carpenters turn to those tools that are most appropriate for the task at hand. In other words, some tools are more appropriate for particular purposes than are others. A carpenter can pound a nail with the blunt end of a screwdriver, but a hammer can do the job more efficiently. Such is the case with marketing communications: not all tools (again, advertising, sales promotions, sponsorships, etc.) are equally effective for all jobs. Rather, a truly professional marketing communicator selects the best tools for the job. The toolbox metaphor is a good way of thinking about what a professional marketing communicator must do.

Touch Points and 360-Degree Branding

Now, as applied to marketing communications, IMC practitioners need to be receptive to using all forms of *touch points*, or *contacts*, as potential message delivery channels. **Touch point** and **contact** are used here as interchangeable terms to mean any message medium capable of reaching target customers and presenting the brand in a favorable light. The key feature of this IMC element is that it reflects a willingness on the part of brand communicators to use any communication outlets (i.e., touch points or contacts) that are appropriate for reaching the target audience. Marketing communicators who practice this principle are not pre-committed to any single medium or subset of media. Rather, the challenge and related opportunity are to select those communication tools that are best at accomplishing the specific objective that has been established for the brand at a particular point in time.

In many respects, this amounts to surrounding present or prospective customers with the brand message at every possible opportunity and allowing them to use whatever information about the brand they deem most useful.¹⁷ This notion of surrounding the customer or prospect with a brand's marcom messages is labeled *360-degree branding*, a phrase that suggests that a brand's touch points should be everywhere the target audience is. A marketing manager for Ford trucks put it this way: "We want to be everywhere that makes sense for our customer. We go to the places they are."¹⁸

Toyota Motor Sales U.S.A. and its advertising agency Saatchi & Saatchi illustrate the use of a multiple-touch point strategy during their introduction of the Yaris subcompact automobile.¹⁹ In an effort to reach a market of 18-to-34-year-olds, Toyota's ad agency promoted the Yaris in branded entertainment venues that reached Yari's youthful age-group target. The multiple-touch point strategy included the following elements: (1) A series of 26 mobile-phone episodes that were spun off the TV program *Prison Break*; each two-minute "mobisode" was preceded by a 10-second advertisement for the Yaris. (2) An Internet contest had consumers create their own three-minute TV commercials for the Yaris under the theme "What would you do with your Yaris?" (3) Yaris was the title sponsor in specially designed video games. (4) Yaris was featured in various sponsored events such as the South by Southwest Music festival held in Austin, Texas. (5) Finally, the subcompact Yaris was integrated into the TV comedy show, *Mad TV*, through a series of sketches that were built around the car.

In general, brand touch points include numerous possibilities, as illustrated by the following examples:

- MasterCard provided complimentary snacks, games, puzzles, and movie headphones on select American Airlines flights during the busy Christmas holiday season.
- Brand managers at Procter & Gamble placed the Tide detergent logo on napkin dispensers in pizza shops and cheesesteak shops in Boston and Philadelphia. These napkin dispensers held napkins imprinted with the Tide logo and the message "Because napkins are never in the right place at the right time."
- JELL-O pudding was promoted by affixing stickers with the JELL-O name to bananas—one product



(bananas) was used as a contact channel for reaching consumers about another (JELL-O).

- In New York City, ads are placed on large vinyl sheets that cover scaffolding at construction sites. These ads sometimes extend for an entire city block and serve to convey the advertiser's message in prominent and dramatic fashion.
- Germany's Puma brand of athletic footwear promoted itself during soccer's World Cup hosted in Japan by spotlighting its new brand of Shudoh soccer cleats at sushi restaurants in major cities around Asia and Europe. The shoes were encased in stylish displays made of bamboo and glass and placed on tables.
- Hershey Foods Corporation, makers of Hershey's Kisses among many other items, designed a huge display rising 15 stories high in New York City's Times Square district.
- BriteVision designed a unique touch point in the form of advertisements on coffee sleeve insulators that protect coffee drinkers from burning their hands.
- By partnering with the owner of 125 shopping malls, 20th Century Fox devised a creative solution to movie marketing. Under an exclusive deal, new movies from 20th Century Fox were advertised on huge banners in mall garages, on tray liners in restaurants, and elsewhere in malls.
- An outdoor media company in Denmark devised a creative way to reach consumers with advertising messages. The company gave parents free use of



i.m.c. focus

The Laundry Hanger as an Advertising Touch Point

Reaching large numbers of men with advertising messages is often difficult because most ad media are fragmented; that is, they appeal to relatively small groups of people who share common interests but fail to reach large numbers whose interests are highly diverse and thus do not watch the same TV programs, read the same magazines, listen to the same radio programs, and so on. It is for this reason that advertisers and their agencies are continuously seeking media alternatives that can make contact with difficult-to-reach consumers. Enter the mundane laundry hanger as a novel point of contact.

A small New York company, Hanger Network, is generating interest from some major advertisers who are constantly searching for unique ways to reach consumers economically. Hanger Network's advertising proposition is straightforward: It arranges with laundry-supply firms to make and distribute laundry hangers carrying advertising messages for distribution in dry cleaners throughout the United States. For example, the marketers of Mitchum deodorant used hangers as part of a multimedia campaign for its new brand of men's deodorant named Smart Solid. Smart Solid is positioned as a brand that won't leave a white residue on clothing as do other

antiperspirants. Hanger ads for this brand carried a variety of taglines such as "You won't find white residue on a Mitchum Man's shirt," "Chilidog stains are another story," and "A Mitchum Man doesn't wear his emotions on his sleeve, or his deodorant." Prior to fully committing to hanger advertising, Mitchum pretested hanger ads in two cities and experienced double-digit growth in consumer brand awareness and purchase intentions by the completion of the pretest. The decision to expand the campaign in other markets was a no-brainer based on these impressive results.

Hanger Network's ads have been used in approximately 40 percent of the 25,000 dry cleaning outlets in the United States. There have been some problems that need to be worked out, but it is likely that hanger advertising has a future. But, although it has potential to achieve advertisers' needs, it isn't an inexpensive form of advertising. In fact, the price is around \$45 for every thousand hangers that carry an ad, which on a cost-per-thousand basis is more expensive even than advertising during some high-profile sporting events on television!

SOURCES: Adapted from Suzanne Vranica, "Marketers Try Hanging Out at Dry Cleaners," *The Wall Street Journal Online*, March 12, 2007, <http://online.wsj.com> (accessed March 12, 2007).

high-quality baby carriages (i.e., buggies or strollers) that carried the names of corporate sponsors on the sides.

- Another creative touch point is described in the *IMC Focus* insert.

The foregoing illustrations hopefully have made it clear that adherents to IMC are not tied to any single communication method (such as mass media advertising on television and in magazines) but instead use whatever touch points and contact methods best enable the communicator to deliver brand messages to targeted audiences. The IMC objective is to reach the target audience efficiently and effectively using touch points that are appropriate. The chair and chief executive officer of Young & Rubicam, a major Madison Avenue ad agency, succinctly yet eloquently captured the essence of the foregoing discussion when stating, “At the end of the day, [marcom agencies] don’t deliver ads, or direct mail pieces, or PR and corporate identity programs. We deliver results.”²⁰

Not All Touch Points Are Equally Engaging

In concluding this section, it is important to emphasize that not all touch points are equally effective—a comment that is somewhat obvious but requires elaboration nonetheless. Marketing communicators have learned that the identical message has differential impact depending on the medium that carries the message. To state it another way, the context in which a marketing message appears influences the impact that the message has. Contexts, or touch points, that are more relevant and involving enhance message effectiveness. For example, a message received in context of a highly relevant Internet site stands a stronger likelihood of positively influencing consumers than the identical message carried, say, in a low-interest TV program. There is, in other words, a synergistic effect between message medium (contact or touch point) and message content.

This notion that context matters, that not all touch points are equally effective, has been termed *engagement* by marcom practitioners. We will move on to other key features of IMC at this point but return to the concept of engagement at various points throughout the text.

Takeaway from Key IMC Feature #2: *Use all touch points that effectively communicate the brand message. Surround customers/prospects with the message, but not to the point of being irritatingly present.*

Key Feature #3: Multiple Messages Must Speak with a Single Voice

Inherent in the philosophy and practice of IMC is the demand that a brand’s assorted communication elements must strive to present the same message and convey that message consistently across diverse points of contact. Marketing communications must, in other words, *speak with a single voice*. Coordination of messages and media is absolutely critical to achieving a strong and unified brand image and moving consumers to action. Failure to closely coordinate all communication elements can result in duplicated efforts or, worse, contradictory brand messages.

A vice president of marketing at Nabisco fully recognized the value of speaking with a single voice when describing her intention to integrate all the marketing communication contacts for Nabisco’s Oreo brand of cookies. This executive captured the essential quality of “single voicing” when stating that, under her leadership, “whenever consumers see Oreo, they’ll be seeing the same message.”²¹ A general manager at Mars, Inc., maker of candy products, expressed a similar sentiment when stating, “We used to look at advertising, PR,



promotion plans, each piece as separate. Now every piece of communication from package to Internet has to reflect the same message."²²

In general, the single-voice principle involves selecting a specific positioning statement for a brand. A **positioning statement** is the key idea that encapsulates what a brand is intended to stand for in its target market's mind and then consistently delivers the same idea across all media channels. IMC practitioners such as Oreo's vice president of marketing and Mars, Inc.'s general manager know it is critical that they continually convey the same message on every occasion where the brand comes into contact with the target audience. A framework presented later in the chapter will further discuss the important role of positioning, and Chapter 5 will cover the topic of positioning in detail as it applies in an advertising context.

Takeaway from Key IMC Feature #3: *All touch points must present a unified message that is based on the brand's positioning strategy, or, in other words, communicate with a "single voice."*

Key Feature #4: Build Relationships Rather Than Engage in Flings

Successful marketing communication requires building relationships between brands and their consumers/customers. A **relationship** is an enduring link between a brand and its customers. Successful relationships between customers and brands lead to repeat purchasing and, ideally, loyalty toward a brand.

The value of customer retention has been compared to a "leaky bucket," the logic of which is nicely captured in the following quote:

As a company loses customers out of the leak in the bottom of the bucket, they have to continue to add new customers to the top of the bucket. If the company can even partially plug the leak, the bucket stays fuller. It then takes fewer new customers added to the top of the bucket to achieve the same level of profitability. It's less expensive and more profitable to keep those customers already in the bucket. Smart business people realize that it costs five to 10 times more to land a new customer than to keep a customer they already have. They also recognize that increasing the number of customers they keep by a small percentage can double profits.²³

Loyalty Programs

One well-known method for building customer relations is the use of *loyalty programs*, which also are called frequency or ambassador programs. Loyalty programs are dedicated to creating customers who are committed to a brand and encouraging them to satisfy most of their product or service needs from offering organizations.²⁴ Airlines, credit card companies, hotels, supermarkets, and many other businesses provide customers with bonus points—or some other form of accumulated reward—for their continued patronage.

For example, to encourage its customers to use its debit/gift card and to remain loyal purchasers, the Caribou Coffee chain developed an incentive whereby consumers who used the Caribou Card and spent at least \$1.50 per visit over 10 visits would receive a \$4 credit on their Caribou Card.²⁵ The Pizza Hut food chain encouraged repeat purchasing from its customers by promoting a fee-based program in which customers paid an annual fee of \$14.99; in return, they received an initial free large pizza and an additional free pizza every month if they placed two orders per month. This program enabled Pizza Hut to retain its best customers and keep them from switching their loyalties to other pizza makers.²⁶



In step with the consumer-centric movement discussed in the context of key IMC feature #1, loyalty programs are increasingly being designed so that consumers are in control of how their reward points are used rather than restricting them to using the points only in a manner directed by the brand manager. As a case in point, Canada's Air Miles Reward Program enables its frequent fliers to use their reward miles for shopping at over 100 sponsors and allows them to acquire movie tickets, electronic merchandise, Walt Disney World tickets, gift cards, and literally hundreds of other product options of their choosing.²⁷

Experiential Marketing Programs

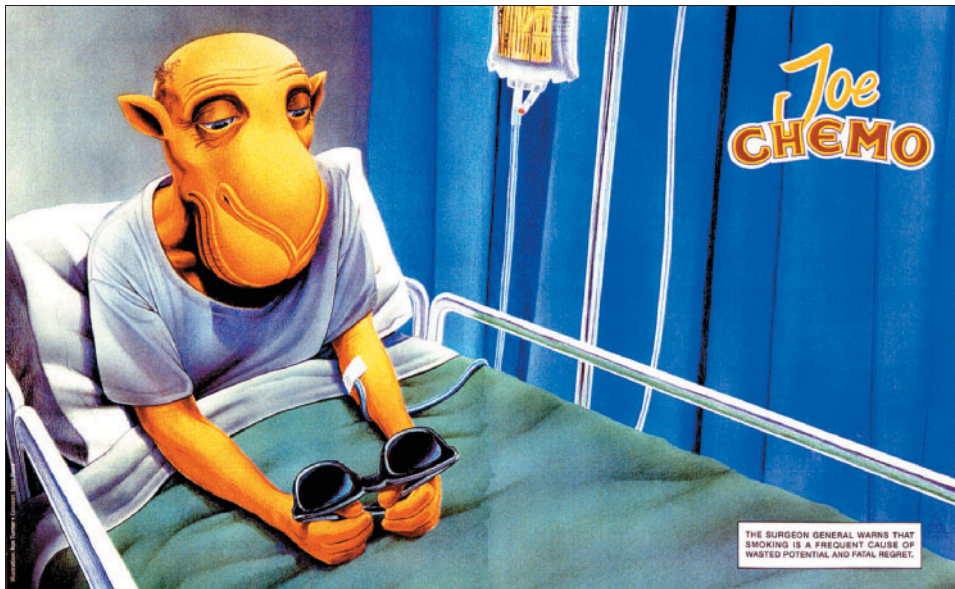
Another way relationships between brands and customers are nurtured is by creating brand experiences that make positive and lasting impressions. This is done by creating special events or developing exciting venues that attempt to build the sensation that a sponsoring brand is relevant to the consumer's life and lifestyle. For example, Toronto-based Molson beer conducted the Molson Outpost campaign that took 400 sweepstakes winners on a weekend escapade of outdoor camping and extreme activities such as mountain climbing. Lincoln automobiles, a sponsor of the US Open tennis tournament, converted an unused building at the USTA National Tennis Center into a complex that immersed visitors in the history of tennis. The building featured soundstages, faux docks with real water, and images of the evolution of tennis around the world. Some 30,000 leads were obtained from people interested in Lincoln automobiles, prompting Lincoln's marketing communications coordinator to comment that "experiential marketing is permeating our entire marketing mix."²⁸

Takeaway from Key IMC Feature #4: *Because it is more economical to maintain current customers than to recruit new ones, use marcom programs that encourage repeat purchasing and enhance brand loyalty whenever possible.*

Key Element #5: Don't Lose Focus of the Ultimate Objective: Affect Behavior

A final IMC feature is the goal of *affecting the behavior* of the target audience. This means that marketing communications must do more than just influence brand awareness or enhance consumer attitudes toward the brand. Instead, successful IMC requires that communication efforts be directed at encouraging some form of behavioral response. The objective, in other words, is to *move people to action*. An advertising campaign for a political candidate has not succeeded by simply increasing name recognition and getting people to like the candidate; rather, success is determined by whether or not people vote for the candidate—voting is the desired behavior. An advertising campaign that reminds people of the tragedy in New Orleans following Hurricane Katrina is ineffective if it merely gets people to feel sorry for the plight of New Orleans' residents; rather, effectiveness is demonstrated by people contributing money to a hurricane relief fund—financial contributions are the desired behavior. A marcom program for a brand is similarly ineffective if people learn about the brand and have favorable thoughts/feelings toward it but fail to purchase it in the quantities necessary to justify the marcom expenditures—purchasing is the desired behavior.

To better understand IMC's behavior-affecting objective, consider the situation faced by producers of natural food products. Research conducted to gauge consumers' feelings about 10 natural products (free-range chickens, organic fruits, etc.) revealed that natural products had a good image but not many people were buying them. Only 6 percent of the sampled consumers had purchased free-range chickens during the year preceding the survey, yet 43 percent thought that



Courtesy www.adbusters.org

free-range chickens were superior to conventional chickens.²⁹ This is a classic illustration of buyer behavior not following directly from attitudes. In a case such as this, the goal of marketing communications would be to convert these good feelings toward natural products into product consumption—it does little good to have consumers like your product but not buy it.

A similar challenge confronts antismoking proponents. Although most people understand intellectually that smoking causes cancer, emphysema, and other ailments, these same people often think that cancer and other problems will happen to smokers other than themselves. Hence, antismoking ads may serve to make people aware of the problems associated with smoking, but such campaigns are ineffective if people continue to smoke. The IMC goal in such a case is to develop more compelling advertisements that influence smokers to discontinue this practice. A creative approach other than the standard smoking-is-bad-for-you message is needed to redirect behavior. Appeals to normative influences (e.g., “smoking is uncool”) may represent a superior tack in the antismoking initiative to reduce this unhealthy practice, particularly among teenagers.

We must be careful not to misconstrue this point. An IMC program must be judged, *ultimately*, in terms of whether it influences behavior; but it would be simplistic and unrealistic to expect an action to result from every communication effort. Prior to purchasing a new brand, consumers generally must be made aware of the brand and its benefits and be influenced to have a favorable attitude toward it. Communication efforts directed at accomplishing these intermediate, or pre-behavioral, goals are fully justified. Yet eventually—and preferably sooner than later—a successful marcom program must accomplish more than encouraging consumers to like a brand or, worse, merely familiarizing them with its existence. This partially explains why sales promotions and direct-to-consumer advertising are used so extensively—both practices typically yield quicker results than other forms of marketing communications such as advertising.

Takeaway from Key IMC Feature #5: *Marcom’s goal is ultimately to affect the behavior of the target audience. Don’t be satisfied with the mere achievement of intermediate goals such as creating brand awareness and positively affecting attitudes. Keep the eye on the prize, which is ultimately to move the target audience to action.*

Obstacles to Implementing the Key IMC Features

Brand managers typically use outside suppliers, or specialized services, to assist them in managing various aspects of marketing communications. These include advertising agencies, public relations firms, sales promotion agencies, direct-advertising firms, and special-event marketers. Herein is a major reason why marketing communication efforts often do not meet the ideals previously described. Integration requires tight coordination among all elements of a marcom program. However, this becomes complicated when different specialized services operate independently of one another.

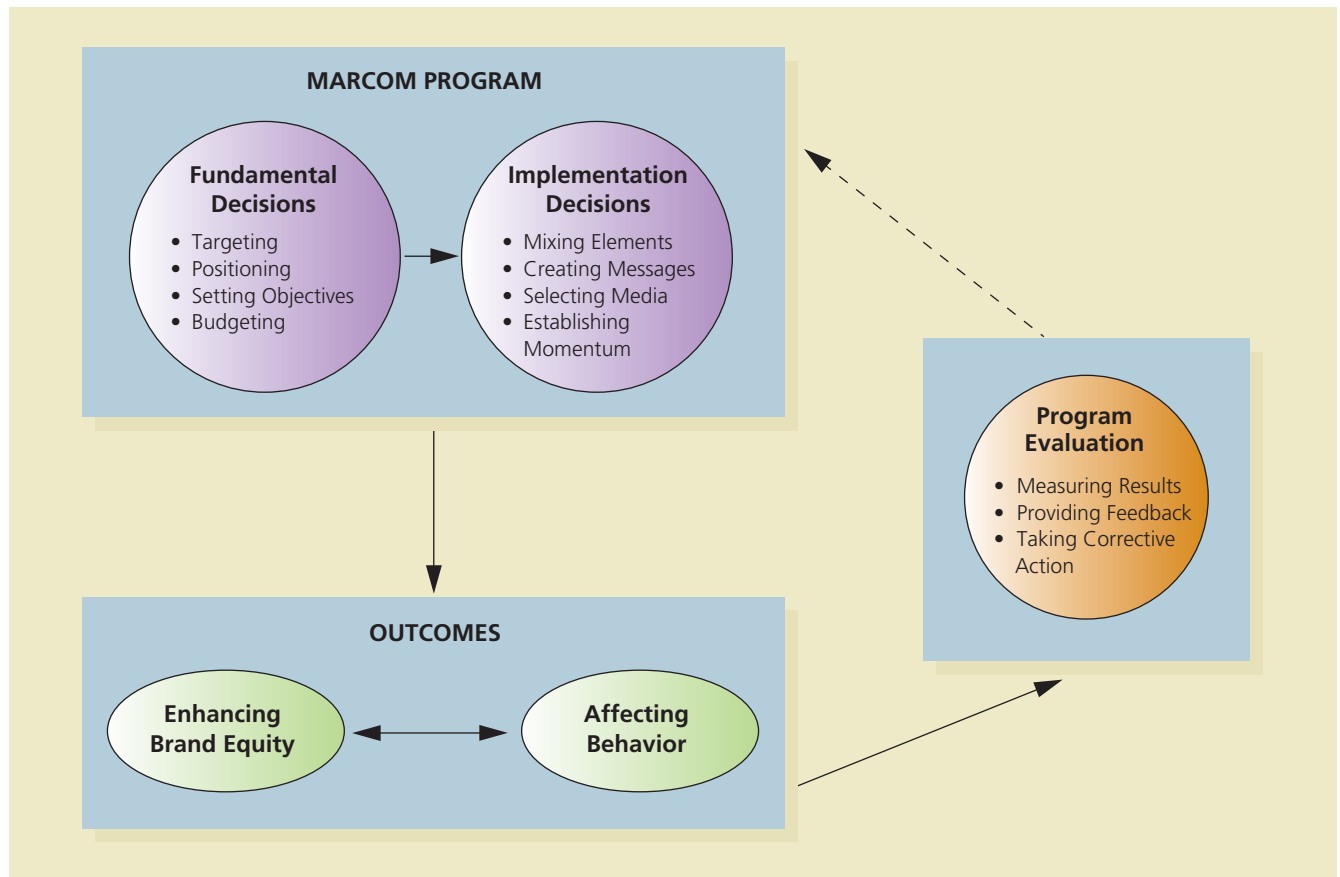
Perhaps the greatest obstacle to integration is that few providers of marketing communication services have the far-ranging skills to plan and execute programs that cut across all major forms of marketing communications. Advertising agencies, which traditionally have offered a greater breadth of services than do other specialists, are well qualified to develop mass media advertising campaigns; most, however, do not also have the ability to conduct direct-to-customer advertising, and even fewer have departments for sales promotions, special events, and publicity campaigns. Although many advertising agencies have expanded their services and full-service agencies have emerged, IMC awaits major changes in the culture of marketing departments and service providers before it becomes a reality on a large scale. In the final analysis, although most marketers consider themselves proponents of IMC, a major challenge facing brand marketers and their agencies is assuring that all marcom tools used in a particular marketing execution are consistently executed.³⁰

Marketing communication suppliers such as advertising agencies, sales promotion firms, and public relations agencies have historically offered a limited range of services. Now it is increasingly important for suppliers to offer multiple services—which explains why some major advertising agencies have expanded their offerings beyond just advertising services to include sales promotion assistance, public relations, direct marketing, and event marketing support. In fact, brand managers can turn to “full-service” agencies that supply all forms of marcom and not just advertising, sales promotion, or publicity per se.

The Marketing Communications Decision-Making Process

So far we have discussed the importance of tightly integrating all marcom elements such that a unified message is delivered wherever the customer or prospect comes into contact with the brand. This section presents a framework that will provide a useful conceptual and schematic structure for thinking about the types of practical decisions that marketing communicators make. The framework is presented in Figure 1.1. It is very important at this time that you scan and achieve a basic understanding of the model components in preparation for the following discussion, which fleshes out the model's skeleton.

Figure 1.1 conceptualizes the various types of brand-level marcom decisions and the outcomes desired from those decisions. It will be noted that the model consists of a set of fundamental decisions, a set of implementation decisions, and program evaluation. The model in Figure 1.1 shows that *fundamental decisions* (targeting, positioning, setting objectives, and budgeting) influence *implementation decisions* regarding the mixture of communications elements and the determination of messages, media, and momentum. The expected *outcomes* from these decisions are enhancing brand equity and affecting behavior. Subsequent to the implementation of the marcom decisions, *program evaluation*—in the form of

**Figure 1.1**

Making Brand-Level Marcom Decisions and Achieving Desired Outcomes

measuring the results from marcom efforts, providing feedback (see dashed arrow in Figure 1.1), and taking corrective action—is essential to determining whether outcomes match objectives. Corrective action is required when performance falls below expectations.

The objective of marketing communications is to enhance *brand equity* as a means of moving customers to *favorable action toward the brand*—that is, trying it, repeat purchasing it, and, ideally, becoming loyal toward the brand. Enhancing equity and affecting behavior depend, of course, on the suitability of all marketing-mix elements—e.g., product quality and price level—and not just marcom per se. Marcom efforts nonetheless play a pivotal role by informing customers about new brands and their relative advantages and by elevating brand images.

As will be fully developed in the following chapter, brand equity is enhanced when consumers become familiar with the brand and hold favorable, strong, and perhaps unique associations in memory about the brand. A brand has no equity if consumers are unfamiliar with it. Once consumers have become aware of a brand, the amount of equity depends on how favorably they perceive the brand's features and benefits as compared to competitive brands and how strongly these views are held in memory.

Fundamental Marcom Decisions

Targeting

Targeting lets marketing communicators deliver messages more precisely and prevent wasted coverage to people falling outside the intended audience. Hence, selection of target segments is a critical step toward effective and efficient marketing communications for both B2B and B2C companies. Companies identify

potential target markets in terms of demographics, lifestyles, product usage patterns, and geographic considerations. Targeting is covered in detail in Chapter 4.

Positioning

A brand's position represents the key feature, benefit, or image that it stands for in the target audience's collective mind. Brand communicators and the marketing team in general must decide on a *brand positioning statement*, which is the central idea that encapsulates a brand's meaning and distinctiveness vis-à-vis competitive brands in the product category. It should be obvious that positioning and targeting decisions go hand in hand: positioning decisions are made with respect to intended targets, and targeting decisions are based on a clear idea of how brands are to be positioned and distinguished from competitive offerings. Chapter 5 covers the topic of positioning in considerable detail.

Setting Objectives

Marketing communicators' decisions are grounded in the underlying goals, or objectives, to be accomplished for a brand. Of course, the content of these objectives varies according to the form of marketing communications used. For example, whereas mass media advertising is ideally suited for creating consumer awareness of a new or improved brand, point-of-purchase communications are perfect for influencing in-store brand selection, and personal selling is unparalleled when it comes to informing B2B customers and retailers about product improvements. The most important question to pose is this: "What is the communications supposed to do or accomplish?"³¹ The choice of appropriate marketing communications tools and media naturally flows from the answer to this key question. Objective setting is covered in Chapter 6.

Budgeting

Financial resources are budgeted to specific marcom elements to accomplish desired objectives. Companies use different budgeting procedures in allocating funds to marketing communications managers and other organizational units. At one extreme is *top-down budgeting (TD)*, in which senior management decides how much each subunit receives. At the other extreme is *bottom-up budgeting (BU)*, in which managers of subunits (such as at the product category level) determine how much is needed to achieve their objectives; these amounts are then combined to establish the total marketing budget.

Most budgeting practices involve a combination of top-down and bottom-up budgeting. For example, in the *bottom-up/top-down process (BUTD)*, subunit managers submit budget requests to a chief marketing officer (say, a vice president of marketing), who coordinates the various requests and then submits an overall budget to top management for approval. The *top-down/bottom-up process (TDBU)* reverses the flow of influence; top managers first establish the total size of the budget and then divide it among the various subunits. Research has shown that combination budgeting methods (BUTD and TDBU) are used more often than the extreme methods (TD or BU). The BUTD process is by far the most frequently used, especially in firms where marketing departments have greater influence than finance units.³² Budgeting is covered in Chapter 6 along with objective setting.

A Concluding Mantra

Mantra is a Hindu word meaning incantation or recitation (of a song, word, statement, or passage). The following statement serves as a mantra to capture the preceding discussion of fundamental marcom decisions. It is my strong encouragement to you, the reader of this text, to commit this mantra to memory and to turn to it as a constant point of reference whenever you are in a capacity that

requires you to make some form of marcom decision. You regularly should pose questions to yourself—and to your colleagues—such as these: Is our brand clearly positioned? Is our communication directed to a specific target? What specific objective is our advertising (or sales promotion, or event, etc.) attempting to accomplish? Is our proposed strategy within the budget available, or do we need to request more budget?

A Commit-to-Memory Mantra: *All marketing communications should be: (1) directed to a particular target market, (2) clearly positioned, (3) created to achieve a specific objective, and (4) undertaken to accomplish the objective within budget constraint.*

Marcom Implementation Decisions

The fundamental decisions just described are conceptual and strategic. Comparatively, the implementation decisions are practical and tactical. Here is where the proverbial rubber hits the road. Marcom managers must make various implementation decisions in the pursuit of accomplishing brand-level objectives and achieving the brand's positioning and targeting requirements. Initially they must choose how best to integrate, or mix, the various communications elements to achieve objectives toward the target market and within budget constraint. Then they must decide what types of messages will accomplish the desired positioning, which media are appropriate for delivering messages, and what degree of momentum is needed to support the media effort. Please refer again to Figure 1.1 to obtain a view of the “forest” prior to examining specific “trees.”

Mixing Elements

A fundamental issue confronting all companies is deciding exactly how to allocate resources among the various marketing communications tools. For B2B companies, the mixture typically emphasizes, in the following order of budgeting importance, direct mail, online marketing, trade shows, brand advertising, and telemarketing.³³ For consumer goods marketers, mixture decisions are, in many respects, more complicated because greater options are available. The issue boils down in large part to a decision of how much to allocate to advertising and to sales promotions. (Note: In keeping with practitioner convention, the word *promotion* hereafter will be used interchangeably with *sales promotion*.) The trend during the past two decades has been toward greater expenditures on promotions and fewer on advertising.

Is there an *optimum mixture* of expenditures between advertising and promotion? There is not, unfortunately, because the marketing communications–mix decision constitutes an *ill-structured problem*.³⁴ This means that for a given level of expenditure, there is no way of determining the mathematical optimum allocation between advertising and promotion that will maximize revenue or profit. Two major factors account for this inability to determine a mathematically optimum mix. First, advertising and promotions are somewhat interchangeable—both tools can accomplish some of the same objectives. Hence, it is impossible to know exactly which tool or combination of tools is better in every situation. Second, advertising and promotions produce a synergistic effect—their combined results are greater than what they would achieve individually. This makes it difficult to determine the exact effects that different combinations of advertising and sales promotion might generate.

Although it is impossible to determine a mathematically optimum mixture of advertising and promotion expenditures, a satisfactory mixture can be formulated by considering the differing purposes of each of these marcom tools. A key strategic consideration is whether short- or long-term schemes are more important

given a brand's life-cycle stage and in view of competitive realities. An appropriate mixture for mature brands is likely to be different from the mixture for brands recently introduced. New brands require larger investment in promotions such as couponing and sampling to generate trial purchases, whereas mature brands might need proportionately greater advertising investment to maintain or enhance a brand's image.

Brand equity considerations also play a role in evaluating a satisfactory combination of advertising and promotions. Poorly planned or excessive promotions can damage a brand's equity by cheapening its image. If a brand is frequently placed on sale or if some form of deal (price-offs, discounts) is regularly offered, consumers will delay purchasing the brand until its price is reduced. This can cause the brand to be purchased more for its price discount than for its nonprice attributes and benefits (Figure 1.2).

The matter of properly mixing advertising and promotion is aptly summarized in the following quote:

As one views the opportunities inherent in ascertaining the proper balance between advertising and promotion, it should be quite clear that both should be used as one would play a pipe organ, pulling out certain stops and pushing others, as situations and circumstances change. Rigid rules, or continuing application of inflexible advertising-to-promotion percentages, serve no real purpose and can be quite counterproductive in today's dynamic and ever-changing marketing environment. A short-term solution that creates a long-term problem is no solution at all.³⁵

The "short-term solution" refers to spending excessive amounts on promotion to create quick sales while failing to invest sufficiently in advertising to build a brand's long-term equity. That is, excessive promotions can rob a brand's future. An appropriate mixture involves spending enough on promotions to ensure sufficient sales volume in the short term while simultaneously spending enough on advertising to ensure the growth or preservation of a brand's equity position.

Creating Messages

A second implementation decision is the creation of messages in the form of advertisements, publicity releases, promotions, package designs, and any other form of marcom message. Subsequent chapters will address specific message issues relating to each marcom tool. Suffice it to say at this point that systematic (versus ad hoc) decision making requires that message content be dictated by the brand's positioning strategy and aligned with the communications objective for the designated target audience.

Selecting Media

All marketing communications messages require an instrument, or medium, for transmission. Although the term *media* is typically applied to advertising (television, magazines, radio, Internet, etc.), the concept of *media* is relevant to all marcom tools. For example, personal sales messages can be delivered via face-to-face communications or by telemarketing; these media alternatives have different costs and effectiveness. Point-of-purchase materials are delivered via in-store signs, electronically, musically, and otherwise. Each represents a different medium.

Detailed discussions of media are reserved for specific chapters later in the text. Advertising media are discussed in particular detail, and considerable attention also is devoted to the media of consumer promotions. At the risk of redundancy it is important to note again that media decisions are determined in large measure by the fundamental decisions previously made regarding choice of target audience, positioning strategy, type of objectives to be achieved, and how much is to be budgeted to a brand during each budgeting period.

Buy One Get ONE FREE!

New! Orbit White Orbit

Wrigley's Orbit White

Wrigley's Orbit White Whitens Teeth Spearmint

Wrigley's Orbit

Wrigley's Orbit

Wrigley's Orbit JUST BRUSHED CLEAN FEELING™ SUGARFREE GUM • 14 PEICES • CONNAMENT™

OR

A Dazzling Smile, No Matter What

For A Good Clean Feeling, No Matter What

Buy One Get ONE FREE!

MANUFACTURER'S COUPON | EXPIRES 04/23/05

\$1.00 OFF any 3-Pak

OR

Orbit or Orbit White

Maximum Value \$1.00. Retailer, please write in retail price. Limit one coupon per purchase. COUPON NOT SUBJECT TO DOUBLING. Coupon cannot be combined with any other coupon. Valid in continental US, HI and PR only. Void where mechanically reproduced, prohibited, taxed or restricted. Your customer must pay sales tax. Cash value of 1/20 of 1¢. Retailer: Wm. Wrigley Jr. Company will redeem coupon for up to \$1.00 plus 8¢ handling in accordance with our coupon redemption policy.

Mail coupons and obtain coupon policy from: Wm. Wrigley Jr. Company, CMS, Dept. #2200 One Faucett Drive, Del Rio, Texas 78840 ©2005 Wm. Wrigley Jr. Company. Orbit is a registered trademark of the Wm. Wrigley Jr. Company. 81539

5 22000 90000 0 (8100) 0 01539

Orbit or Orbit White Single Serve

W.M. WRIGLEY JR. COMPANY

Figure 1.2

A Buy-One-Get-One-Free Promotion

Establishing Momentum

The word *momentum* refers to an object's force or speed of movement—its impetus. A train has momentum as it races down the tracks, a spacecraft has momentum as it is launched into orbit, a hockey player has momentum when skating past the defensive opposition, a student has momentum when making good progress on a term paper after delaying getting started. Marketing communications programs also have, or lack, momentum. Simply developing an advertising message, creating a buzz-generating viral campaign, or releasing publicity is insufficient. The effectiveness of each of these message forms requires both a sufficient amount of effort and continuity of that effort. This is the meaning of momentum as it relates to marketing communications. Insufficient momentum is ineffective at best and a waste of money at worst.

Critical to the concept of momentum is the need to sustain an effort rather than starting advertising for a while, discontinuing it for a period, reinstating the advertising, stopping it again, and so on. In other words, some companies never create or sustain momentum because their marketplace presence is inadequate. “Out of sight, out of mind” is probably more relevant to brands in the marketplace than to people. We generally do not forget our friends and family, but today's brand friend is tomorrow's stranger unless it is kept before our consciousness. Because consumers make hundreds of purchase decisions in many different product categories, continual reminders of brand names and their benefits are required if these brands are to stand a strong chance of becoming serious purchase candidates.

Toyota Motor Corporation had available in stock on one occasion only a 16-day supply of the fast-selling Camry. Yet it launched a major advertising campaign aggressively encouraging consumers to purchase Camrys. Critics declared that it was unwise for Toyota to advertise when insufficient product was available to fulfill orders. In response, the vice president of Toyota Motor Sales, U.S.A., asserted that even when demand is strong, it is important “to keep your momentum in the marketplace going.”³⁶ This executive obviously appreciates the value of achieving and maintaining a brand's momentum. Many marketing communicators and higher-level managers do not. For example, advertising is one of the first items cut during economic downturns, even when, by continuing to advertise, the advertised brand could gain market share over brands that have suspended or severely slashed their ad budgets.

Marcom Outcomes

Referring back to our conceptual framework for marketing communications decisions, it can be seen that the outcomes from a marcom program are twofold: enhancing brand equity and affecting behavior. Figure 1.1 displays a double-headed arrow between these outcomes, which signifies that each outcome influences the other. If, say, an advertising campaign for a new brand generates brand awareness and creates a positive brand image, consumers may be inclined to try the new brand. In such a situation, the brand's equity has been enhanced, and this in turn has affected consumer behavior toward the brand. In similar fashion, a promotion for the new brand, such as a free sample, may encourage consumers to initially try and then subsequently purchase the brand (Figure 1.2). A positive experience with the brand may lead to positive brand perceptions. In this situation, a promotion affected consumer behavior, which in turn enhanced the promoted brand's equity.

As established previously, a fundamental IMC principle is that marcom efforts must ultimately be gauged by whether they *affect behavior*. Sales promotion is the marcom tool most capable of directly affecting consumer behavior. However, excessive reliance on promotions can injure a brand's reputation by creating a low-price and perhaps low-quality image. It is for this reason that marketing

communicators often seek first to enhance a brand's equity as a foundation to influencing behavior. Indeed, much if not most marcom efforts are designed to enhance brand equity. We thus need to explore fully the concept of brand equity and understand what it is and how it can be influenced by marcom efforts. We will examine this topic in detail in Chapter 2.

Program Evaluation

After marketing communications objectives are set, elements selected and mixed, messages and media chosen, and programs implemented and possibly sustained, program evaluation must take place. This is accomplished by measuring the results of marcom efforts against the objectives that were established at the outset. For a local advertiser—say, a sporting goods store that is running an advertised special on athletic shoes for a two-day period in May—the results are the number of Nike, Reebok, Adidas, and other brands sold. If you tried to sell an old automobile through the classified pages, the results would be the number of phone inquiries you received and whether you ultimately sold the car. For a national manufacturer of a branded product, results typically are not so quick to occur. Rather, a company invests in point-of-purchase communications, promotions, and advertising and then waits, often for weeks, to see whether these programs deliver the desired sales volume.

Regardless of the situation, it is critical to evaluate the results of marcom efforts. Throughout the business world there is increasing demand for *accountability*, which requires that research be performed and data acquired to determine whether implemented marcom decisions have accomplished the objectives they were expected to achieve. Results can be measured in terms of behavioral impact (such as increased sales) or based on communication outcomes.

Measures of *communication outcomes* include brand awareness, message comprehension, attitude toward the brand, and purchase intentions. All of these are communication (rather than behavioral) objectives in the sense that an advertiser has attempted to communicate a certain message argument or create an overall impression. Thus, the goal for an advertiser of a relatively unknown brand may be to increase brand awareness in the target market by 30 percent within six months of starting a new advertising campaign. This objective (a 30 percent increase in awareness) would be based on knowledge of the awareness level prior to the campaign's debut. Post-campaign measurement would then reveal whether the target level was achieved.

It is essential to measure the results of all marcom programs. Failure to achieve targeted results prompts corrective action (see the dashed arrow in Figure 1.1). Corrective action might call for greater investment, a different combination of communications elements, revised creative strategy, different media allocations, or a host of other possibilities. Only by systematically setting objectives and measuring results is it possible to know whether marcom programs are working as well as they should and how future efforts can improve on the past.³⁷

Summary

This opening chapter has overviewed the fundamentals of IMC and provided a framework for thinking about all aspects of marcom decision making. IMC is an organization's unified, coordinated effort to promote a consistent brand message through the use of multiple communication

tools that “speak with a single voice.” One of several key features of IMC is the use of all sources of brand or company contacts as potential message delivery channels. Another key feature is that the IMC process starts with the customer or prospect rather than the brand communicator

to determine the most appropriate and effective methods for developing persuasive communications programs. Consumers are increasingly in control of marketing communications both in their active choice of which media outlets to attend and by generating their own brand-related communications—via podcasting, blogging, and creating messages on community-based sites such as MySpace, YouTube, and Facebook.

This chapter has provided a model of the marcom process to serve as a useful integrative device for better structuring and understanding the topics covered throughout the remainder of the text. The model (Figure 1.1) includes three components: a marcom program consisting of fundamental and implementation decisions, outcomes (enhancing brand equity and affecting behavior), and program evaluation. Fundamental decisions include choosing target markets, establishing a brand positioning, setting objectives, and determining a marcom budget. Implementation decisions involve determining a mixture of marketing communications tools (advertising, promotions, events, point-of-purchase efforts, etc.) and establishing message, media, and momentum plans. These decisions are evaluated by comparing measured results against brand-level communications objectives.

As author of eight editions of this text over the past quarter century, it is my sincere hope that this introductory chapter has piqued your interest and provided you with a basic understanding of the many topics you will be studying while reading this text and participating in classroom lectures and discussions. Marketing communications truly is a fascinating and dynamic subject. It combines art, science, and technology and allows the practitioner considerable latitude in developing effective ways to skin the proverbial cat. It will serve you well throughout your studies and into your marketing career to remain ever mindful of the key elements of IMC described in this chapter. Organizations that truly succeed in their marcom pursuits must accept and practice these key elements.

Because the field of marketing communications involves many forms of practice, a number of specialty trade associations have evolved over time. The following appendix overviews, in alphabetical order, some of the more influential associations in the United States. Internet sites are provided to facilitate your search for additional information about these organizations. (Many countries other than the United States have similar associations. Interested students might want to conduct an Internet search to identify similar associations in a country of interest.)

Appendix

Some Important U.S. Trade Associations in the Marcom Field:

Advertising Research Foundation (ARF, <http://www.arfsite.org>)—ARF is a nonprofit association dedicated to increasing advertising effectiveness by conducting objective and impartial research. ARF's members consist of advertisers, advertising agencies, research firms, and media companies.

American Association of Advertising Agencies (AAAA, <http://www.aaaa.org>)—The Four As, as it is referred to conversationally, has the mission of improving the advertising agency business in the United States by fostering professional development, encouraging high creative and business standards, and attracting first-rate employees to the advertising business.

Association of Coupon Professionals (ACP, <http://www.couponpros.org>)—This coupon-redemption trade association strives to ensure coupons as a viable promotional tool and to improve coupon industry business conditions.

Association of National Advertisers (ANA, <http://www.ana.net>)—Whereas the AAAA serves primarily the interests

of advertising agencies, ANA represents the interests of business organizations that advertise regionally and nationally. ANA's members collectively represent over 80 percent of all advertising expenditures in the United States.

Direct Marketing Association (DMA, <http://www.thedma.org>)—DMA is dedicated to encouraging and advancing the effective and ethical use of direct marketing. The association represents the interests of direct marketers to the government, media, and general public.

Incentive Manufacturers and Representatives Alliance (IMRA, <http://www.imraorg.net>)—Members of IMRA are suppliers of premium merchandise. The association serves these members by promoting high professional standards in the pursuit of excellence in the incentive industry.

Internet Advertising Bureau (IAB, <http://www.iab.net>)—IAB's mission is to help online, interactive broadcasting, email, wireless and interactive television media companies increase their revenues.

Mobile Marketing Association (MMA, <http://www.mmaglobal.com>)—The Mobile Marketing Association (MMA) is a global association dedicated to stimulating the growth of mobile marketing and its associated technologies.

Point-of-Purchase Advertising International (POPAI, <http://www.popai.org>)—This trade association serves the interests of advertisers, retailers, and producers/suppliers of point-of-purchase products and services.

Promotional Products Association International (PPAI, <http://www.ppa.org>)—PPAI serves the interests of producers, suppliers, and users of promotional products. The businesses PPAI represents used to be referred to as the

specialty advertising industry, but promotional products is the term of current preference.

Promotion Marketing Association (PMA, <http://www.pmalink.org>)—PMA's mission is to foster the advancement of promotion marketing and facilitate better understanding of promotion's role and importance in the overall marketing process.

Discussion Questions

1. Explain how your college or university uses marketing communications to recruit students.
2. The combined use of different marcom tools—such as advertising a brand on TV along with sponsoring an event—can produce a synergistic effect for a brand. What does the concept of synergy mean in this context? Provide a practical illustration of how two or more marcom tools when used in combination are capable of producing results greater than the sum of their individual contributions.
3. Explain what it means to say that the consumers are in control of marketing communications. Provide an example from your own experience that supports the contention that marcom is becoming increasingly consumer-centric.
4. What steps can marketing communicators take to allow consumers to exercise their control of when, where, and how they receive brand messages? Provide specific examples to support your answer.
5. Based on your experiences and those of close friends with whom you discuss such matters, what might be the future role of social networking outlets (e.g., MySpace, Facebook, and YouTube) in disseminating brand information? On the basis of your experience, is most brand-related information that appears on these sites positive or negative?
6. Explain the meaning of “360-degree branding.” What are the advantages and potential disadvantages of such a practice?
7. The following quote from an advertising executive appeared in the chapter in the section under key IMC feature #2: “At the end of the day, [marcom agencies] don’t deliver ads, or direct mail pieces, or PR and corporate identity programs. We deliver results.” Explain what you think this executive meant in making this statement.
8. One key feature of IMC is the emphasis on affecting behavior and not just its antecedents (such as brand awareness or favorable attitudes). For each of the following situations, indicate the specific behavior(s) that marketing communications might attempt to affect: (a) your university’s advertising efforts, (b) a professional baseball team’s promotion for a particular game, (c) a not-for-profit organization’s efforts to recruit more volunteers, and (d) Gatorade’s sponsorship of a volleyball tournament.
9. Assume you are in charge of advertising a product that is marketed specifically to college students. Identify seven contact methods (include no more than two forms of mass media advertising) you might use to reach this audience.
10. Objectives and budgets are necessarily interdependent. Explain this interdependency and construct an illustration to support your point.
11. Brand positioning and targeting also are necessarily interdependent. Explain this interdependency and provide an example to support your point.
12. What is the distinction between top-down (TD) and bottom-up (BU) budgeting? Why is BUTD used in companies that are more marketing oriented, whereas TDBU is found more frequently in finance-driven companies?
13. Why do you think that the trend in marcom budgeting is toward increased expenditures on promotions and reduced advertising spending?
14. Explain the concept of *momentum* and offer an account as to why momentum is important for a specific brand of your choosing.
15. Assume you are in charge of fund-raising for an organization on your campus—a social fraternity or sorority, a business fraternity, or any other such organization. It is your job to identify a suitable project and to manage the project’s marketing communications. For the

purpose of this exercise, identify a fund-raising project idea and apply the subset of the model involving fundamental decisions. In other words, explain how you would position your

fund-raising project, whom you would target, what objective(s) you would set, and how much (ballpark figure) you would budget for marcom efforts.

End Notes

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