Integrated Advertising, Promotion, and Marketing Communications
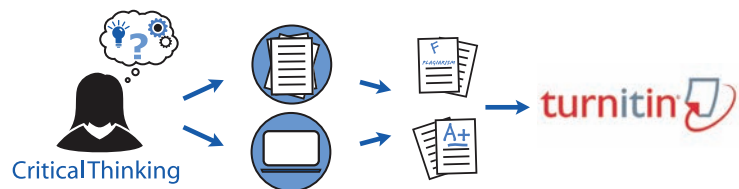
Kenneth E. Clow | **Donald Baack**

8th edition

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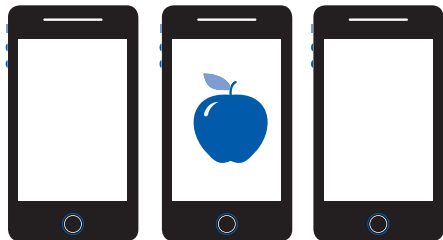
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Integrated Advertising, Promotion, and Marketing Communications

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Integrated Advertising, Promotion, and Marketing Communications

Eighth Edition

Kenneth E. Clow
University of Louisiana at Monroe

Donald Baack
Pittsburg State University

To my sons Dallas, Wes, Tim, and Roy, who provided encouragement, and especially to my wife, Susan, whose sacrifice and love made this textbook possible.

Kenneth E. Clow

I would like to dedicate my efforts and contributions to this edition to my wife Pam.

Donald Baack

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HERE WHEN
YOU
NEED US

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Preface

Advertising, promotions, and communications remain integral components of marketing. For marketing majors, understanding how companies effectively communicate and interact with customers and potential customers creates the foundation they need to develop effective marketing skills. This will help our readers succeed in their marketing careers.

If your students are not marketing majors, consider all of the marketing communications around them. Any company or organization they work for will be involved in marketing its products or services. Knowing how marketing communications are developed constitutes valuable knowledge. It helps them recognize the methods used by the people in the marketing departments where they will work and provides them with better information to function as consumers.

We continue to refine *Integrated Advertising, Promotion, and Marketing Communications,* in part, to help students understand the importance of integrating all marketing communications (IMC) and how they are produced and transmitted. When the first edition was written, most marketing communication textbooks focused primarily on advertising. As your students know from their everyday experiences and the courses they have taken in college, marketing communications incorporates much more. It includes promotions, such as coupons, price discounts, and contests. Marketing has expanded to extensive use of social media, internet blogs, customer product reviews, messages delivered to mobile phones, and other programs, such as buzz marketing and stealth marketing. These venues create vital links to effectively reach consumers. These should be carefully integrated into one clear message and voice for customers to hear and see.

We prepared this textbook and the additional materials in ways that will best help your students to understand integrated marketing communications. Students need opportunities to apply concepts to real-life situations. This helps them clearly understand and retain the ideas. As a result, we have composed a variety of end-of-chapter materials designed to help them practice using the concepts. These materials now include an ongoing blog, integrated campaigns in action, integrated learning exercises, discussion and critical-thinking exercises, creative exercises, blog exercises, and updated cases.

What's New in the Eighth Edition?

The eighth edition of *Integrated Advertising, Promotion, and Marketing Communications* offers several new features. The most exciting may be the addition more blog posts devoted to supporting this textbook for both professors and students. The blog may be found at: blogclowbaack.net and is incorporated into the text in end-of-chapter exercises. These exercises feature links to news articles, YouTube videos, social media networks and other web sites presenting interesting and engaging marketing communications ideas and tactics.

- **Increased emphasis on social media.** One of the most rapidly evolving aspects of advertising and promotion has been the increased usage of social media. This edition expands coverage in that area. The emphasis is on the ways companies currently use social media for marketing purposes and how it is integrated with other communication strategies.
- **Updating of digital media chapter.** Digital media and especially mobile devices have changed the ways companies market products. The digital media chapter has been updated with information about the most current industry practices. The section on mobile marketing has been expanded to coincide with a shift of marketing dollars to those activities.
- **New opening vignettes and cases.** Many of the chapter opening vignettes and cases are new to this edition. These materials keep the book updated and current.
- **New advertisements.** Throughout the text, a significant number of new advertisements have been added. These resulted from interactions with advertising agencies by the authors. These new advertisements keep the content as fresh and up-to-date as possible.
- **Updated examples.** New examples of marketing communications principles have been incorporated to provide relevant information about companies. New discussion and critical thinking exercises have been provided to help students understand and apply the materials presented in each chapter.

- **Active blog.** The authors continue to maintain a blog at blogclowbaack.net. The authors post weekly news articles, videos, and items of interest to individuals using this text. The goal of the blog is to provide information about current events that relate to the book. Textbook adopters can use these blog entries to enhance classroom presentations or as assignments for individual students or even small groups.

Integrated Learning Package

We have created several devices that are designed to help students learn the materials in this text. Advertising and marketing communications are interesting and enjoyable subjects, and these materials have been developed to make learning interactive and fun!

- **Lead-in vignettes.** Each chapter begins with a short vignette related to the topic to be presented. The majority of the vignettes revolve around success stories in companies and about products most students will recognize, such as Oreo cookies and Lean Cuisine. In this edition, new vignettes have been introduced, including stories about Nescafe, Sephora, and McDonald's All-Day Breakfast program. These accompany vignettes featured in the seventh edition regarding Wholly Guacamole, Zehnder Communications, Huggies Pull-ups and Interstate Batteries. The vignettes introduce your students to the concepts presented throughout the chapter.

- **International marketing issues.** Some of you have traveled to other countries. Most of you interact with students from around the globe. This book features international concerns that match the presented materials. Also, a section called "International Implications" is found at the end of every chapter.

- **Critical-thinking exercises and discussion questions.** The end-of-chapter materials include a variety of exercises designed to help your students comprehend and apply the chapter concepts. These exercises are designed to challenge students' thinking and encourage them to dig deeper. The best way to know that your students have truly learned a concept or theory is when they can apply it to a different situation. These critical-thinking and discussion exercises require them to apply knowledge to a wide array of marketing situations.

- **Integrated learning exercises.** At the end of each chapter, a set of questions guides students to the Internet to access information that ties into the subject matter covered. These exercises provide students an opportunity to look up various companies and organizations to see how they utilize the concepts presented in the chapter.

- **Blog exercises.** This edition offers a set of exercises from the authors' blog. These exercises can be fun for students to do and can be used for individual assignments or group assignments. Some are ideal for classroom instruction or to gain the interests of students at the beginning of class.

- **Creative Corner exercises.** Most students enjoy the opportunity to use their creative abilities. As a result, we feature a new exercise called the "Creative Corner," which asks students to design advertisements and other marketing-related materials. The exercises are designed to help students realize that they are more creative than they might think. Ken Clow has taught students who said they had zero creative ability. Yet these same students were able to produce ads that won ADDY awards in student competitions sponsored by the American Advertising Federation (AAF). If you are not familiar with the AAF student competition, go the organization's web site at **www.aaf.org**. Entering the annual competition is exciting, and participating looks great on a student's resume.

- **Cases.** At the conclusion of each chapter, two cases are provided. These were written to help students learn by providing plausible scenarios that require thought about- and review of chapter materials. The short cases should help students conceptually understand chapter components and the larger, more general marketing issues.

- **Integrated Campaigns in Action.** One unique new feature in this textbook is the addition of media based assignments for the Integrated Campaigns in Action, a series of presentations about actual marketing programs, as created and designed by professional agencies. The Integrated Campaigns in Action features are noted at the end of each section and in the instructor's Power-Point materials. To access and submit the media-based assignments associated with the Integrated Campaigns in Action, go to MediaShare for Business at mymktlab. com. Additional Integrated Campaigns in Action can be found at the authors' blog, clowbaack.net.

Instructor Resources

At the Instructor Resource Center, www.pearsonhighered. com, instructors can easily register to gain access to a variety of instructor resources available with this text in downloadable format. If assistance is needed, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit http://support.pearson.com/getsupport for answers to frequently asked questions and toll-free user support phone numbers.

The following supplements are available with this text:

- **Instructor's Resource Manual**
- **Test Bank**
- **TestGen® Computerized Test Bank**
- **PowerPoint Presentation**

Acknowledgments

We would like to thank the following individuals who assisted in the development of the previous editions through their careful and thoughtful reviews:

John Bennett, *Univeristy of Missouri–Columbia*
Donna Falgiatore, *St. Joseph's University*
Larry Goldstein, *Iona College*
Joni Jackson, *Robert Morris University*
Laurel Schirr, *VA Polytech Institute/State University*
Allen Smith, *Florida Atlantic University*
Debbie Campbell, *Temple University*
Rick Morris, *University of North Texas*
Steve Edwards, *Southern Methodist University*

We are grateful to these reviewers for the fifth edition:

Joni Jackson, *Robert Morris University*
Rick Morris, *University of North Texas*
Charles Larson, *Northern Illinois University*
Charlie Schwepker, *University of Central Missouri*
John Bennett, *University of Missouri*
Prema Nakra, *Marist College*
Linden Dalecki, *Pittsburg State University*
Kathleen Havey, *University of Maryland*
Bryan Johnson, *Pennsylvania State University*
Debbie Campbell, *Temple University*

We are grateful to these reviewers for portions of the fourth edition:

John Bennett, *University of Missouri–Columbia*
MaryEllen Campbell, *University of Montana, Missoula*
Donna Falgiatore, *St. Joseph's University*
Deanna Mulholland, *Iowa Western Community College*
Jim Munz, *Illinois State University*
Prema Nakra, *Marist College*
Allen Smith, *Florida Atlantic University*
Amanda Walton, *Indiana Business College*

We are grateful to these reviewers for the third edition:

Jeffrey C. Bauer, *University of Cincinnati–Clermont*
MaryElllen Campbell, *University of Montana, Missoula*
Sherry Cook, *Missouri State University*
Catherine Curran, *University of Massachusetts–Dartmouth*
Michael A. Dickerson, *George Mason University*
Donna Falgiatore, *St. Joseph's University*
Charles S. Gulas, *Wright State University*
Diana Haytko, *Missouri State University*
Al Mattison, *University of California–Berkeley*
Deanna Mulholland, *Iowa Western Community College*

Jim Munz, *Illinois State University*
Charlie Schwepker, *University of Central Missouri*
Eugene Secunda, *New York University*
Allen E. Smith, *Florida Atlantic University*
Bonni Stachowiak, *Vanguard University*
Rod Warnick, *University of Massachusetts–Amherst*
Patti Williams, *Wharton Business School*

We are grateful to these reviewers for the second edition:

Craig Andrews, *Marquette University*
Robert W. Armstrong, *University of North Alabama*
Ronald Bauerly, *Western Illinois University*
Mary Ellen Campbell, *University of Montana*
Les Carlson, *Clemson University*
Newell Chiesl, *Indiana State University*
Jerome Christa, *Coastal Carolina University*
John Cragin, *Oklahoma Baptist College*
Charlene Davis, *Trinity University*
Steven Edwards, *Michigan State University*
Everett Fergenson, *Iona College*
James Finch, *University of Wisconsin–La Crosse*
Stefanie Garcia, *University of Central Florida*
Robert J. Gulovsen, *Washington University–Saint Louis*
Thomas Jensen, *University of Arkansas*
Russell W. Jones, *University of Central Oklahoma*
Sreedhar Kavil, *St. John's University*
Franklin Krohn, *SUNY–Buffalo*
Dave Kurtz, *University of Arkansas*
Tom Laughon, *Florida State University*
Monle Lee, *Indiana University–South Bend*
Ron Lennon, *Barry University*
William C. Lesch, *University of North Dakota*
Charles L. Martin, *Wichita State University*
James M. Maskulka, *Lehigh University*
Robert D. Montgomery, *University of Evansville*
Darrel D. Muehling, *Washington State University*
S. Scott Nadler, *University of Alabama*
Ben Oumlil, *University of Dayton*
Esther S. Page-Wood, *Western Michigan University*
Melodie R. Phillips, *Middle Tennessee State University*
Don Roy, *Middle Tennessee State University*
Elise Sautter, *New Mexico State University*
Venkatesh Shankar, *University of Maryland*
Albert J. Taylor, *Austin Peay State University*
Janice E. Taylor, *Miami University*
Robert L. Underwood, *Bradley University*
Jerald Weaver, *SUNY—Brockport*
Robert Welch, *California State University–Long Beach*

We would also like to thank the following people for their contributions to MyMarketingLab:

Kim Norbuta
Todd Korol, *Monroe Community College*
Mahmood Kahn, *Virginia Tech*
Barbara Sue Faries, *West Valley College*

Although there were many individuals who assisted us with advertising programs, we want to thank a few who were particularly helpful. We appreciate the owners and employees of Zehnder Communications, Choice Marketing, and Origin Bank for providing a large number of advertisements. We especially want to thank Jeff Zehnder from Zehnder Communications as well as Karen Plott and Dave Woods from Choice Marketing for their assistance. Stan Richards, Mary Price, Dave Snell, Elena Petukhova, and Carrie Dyer from The Richards Group; Bill Breedlove and Elena Baca from Pink Jacket Creative; Charlie Brim from Interstate Batteries; Lee McGuire from Skyjacker were very generous with their time. Thanks to W. Peter Cornish, former senior vice president for the J. Walter Thompson company and current professor at the University of South Carolina for his inputs and advice. Also, thanks to Julie Boyles for her accuracy review of this edition's test bank.

On a personal note, we wish to thank many individuals at our publisher, Pearson Education, including Leah Johnson, who signed us for the first edition of the book. Thank you to Emily Tamburri, Lauren Russell, and Stephanie Wall for their work on this edition plus Mark Gaffney, Jennifer Collins, Jackie Martin, and Ashley Santora for helping with previous editions. We appreciate Meredith Gertz and Debbie Ryan at SPi Global for guiding the editing and production processes. Finally, we would like to thank the entire Pearson production group.

Kenneth Clow would like to thank the University of Louisiana at Monroe for providing a positive environment to work on this text. He especially appreciates the school chair, Dr. Henry Cole, and the Dean, Dr. Ron Berry, for their understanding of the time involved in working with a textbook and their willingness to offer support. He is thankful to his sons Dallas, Wes, Tim, and Roy, who always provided encouragement and support.

Donald Baack would like to acknowledge Mimi Morrison and Paula Palmer for their continued assistance in all his work at Pittsburg State University.

We would like to especially recognize our wives, Susan Clow and Pam Baack, for being patient and supportive during those times when we were swamped by the work involved in completing this edition. They have been enthusiastic and understanding throughout this entire journey.

Integrated Advertising, Promotion, and Marketing Communications

Chapter 1

Integrated Marketing Communications

Chapter Objectives

After reading this chapter, you should be able to answer the following questions:

1.1 How does communication take place?

1.2 What is an integrated marketing communications program?

1.3 Which trends are affecting marketing communications?

1.4 What are the components of an integrated marketing communications program?

1.5 What is meant by *GIMC?*

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Overview

Advertising and marketing face a rapidly shifting landscape. The decline in traditional media viewership combined with a rise in internet and social media usage has created a new order. The variety of available media means that effective advertising and marketing promotions require more than just one well-made commercial. Advertising and marketing venues range from simple stand-alone billboard advertisements to complex, multilingual global websites. As a result, the number of ways to reach potential customers continually increases while alternative methods expand and become increasingly popular.

In the face of these cluttered conditions, firms continue to seek to be heard. Marketing experts know that a company's communications should speak with a clear voice. Customers must understand the essence of a business along with the benefits of its goods and services. The vast number of advertising and promotional outlets combined with a multitude of companies bombarding potential customers with messages makes the task challenging. In response, some advertisers and companies have moved to the innovative approaches featured in this chapter.

How do you convince consumers that the same product should be viewed in a different way? This challenge faced marketers at Lean Cuisine as consumer thinking processes evolved over time. The response began with an effort to create effective communication.

The marketing team realized that the term "diet" was fading in usage and popularity. In response, Lean Cuisine brand manager Chris Flora noted, "We didn't really have a brand soul. For us to really thrive in this marketplace we wanted to find that brand soul." Flora suggested that "we want to really connect with our consumers."

The process involved a multi-faceted approach that included new product developments, new marketing messages, and even cooperation with other companies. Nestle, ConAgra, Kellogg and General Mills jointly launched a three-year, $30 million image campaign entitled "Frozen. How Fresh Stays Fresh." The goal was to convince consumers, many of whom had begun to strongly prefer fresh food over frozen, that the latter was equally tasty and healthy. Consequently, the campaigned portrayed the freezing process as "nature's pause button." New product offerings were developed, including sweet and spicy Korean style beef, Vermont white cheddar mac and cheese, pomegranate chicken, and other options labeled as "marketplace meals," "craveables," "comfort," and "favorites".

Most important, however, was the effort to instill new attitudes regarding Lean Cuisine in consumers. Consequently, a social media campaign entitled "WeighThis" launched, seeking to shift feelings about the relative importance of a person's weight as compared to other aspects of life. Advertisements designed to develop more emotional bonds with products followed, including a "Feel Your Phenomenal" campaign.

Product labels statements also changed, highlighting consumer trends toward favoring organic foods, high protein content, gluten-free, and No GMO product features. The company's website noted that products are "freshly made, simply frozen," a statement designed to emphasize the message sent out by the entire industry.

Every element of this new approach sought to generate a change in consumer perceptions of a longstanding product with "lean" in the brand name, noting that in FDA standards the word "lean" means food items cannot contain more than 10 grams of fat per serving. Time will tell if such an approach will succeed in an ever-changing and fickle consumer environment.[1]

The Lean Cuisine program highlights many of the themes present in this chapter, including how to use the communications process to reach consumers and break through the advertising clutter. It illustrates the importance of integrating all communications and that company leaders must understand current advertising and promotions trends in order to succeed.

The Nature of Communication

Communication involves transmitting, receiving, and processing information. As a person, group, or organization sends an idea or message, communication occurs when the receiver (another person or group) comprehends the information. The communication model shown in Figure 1.1 displays the pathway a message takes from one person to another or others.[2]

Communication constitutes the essence of any advertising or marketing program. Consider a person planning to dine at a quick-serve chicken restaurant. In the communications model (Figure 1.1), the **senders** include the chains KFC, Chick-fil-A,

objective 1.1
How does communication take place?

▶ **FIGURE 1.1**
The Communication Process
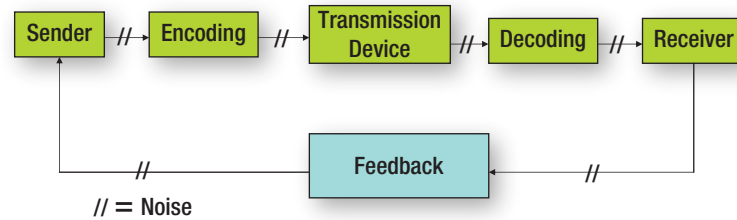
Popeye's, Church's Chicken, Bojangles, and Raising Cain's Chicken Fingers. These companies company tries to capture the customer's attention. Most of these firms hire advertising agencies, although some utilize in-house teams.

Encoding is forming verbal and nonverbal cues. In marketing, the person in charge of designing an advertisement transforms an idea into an attention-getting message. A commercial consists of cues placed in various media, such as television, magazines, and billboards. The message may also be encoded on the firm's website and social media page.

Messages travel to audiences through various **transmission devices**. Marketing communications move through various channels or media. The channel may be a television station carrying an advertisement, a Sunday paper with a coupon placed inside, a website, or a Facebook page.

▼ Decoding occurs when a consumer sees this advertisement and understands JD Bank is a viable option for a home loan.
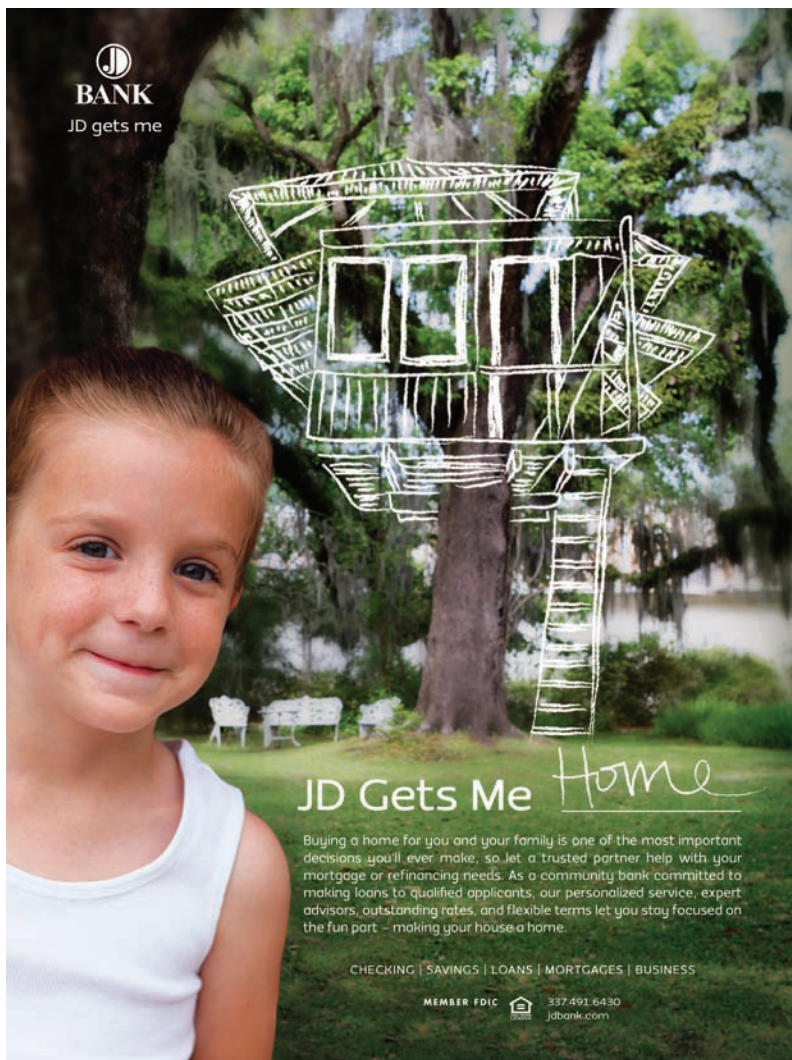
Decoding occurs when the message reaches one or more of the receiver's senses. Consumers both hear and see television ads. Other consumers handle (touch) and read (see) a coupon offer. An individual can even smell a message. A well-placed perfume sample might entice a buyer to purchase the magazine containing the sample and the perfume being advertised. Hungry people tend to pay closer attention to advertisements and other information about food.

Quality marketing communication takes place when customers (the **receivers**) decode or understand the message as it was intended by the sender. In the JD Bank advertisement shown on this page, effective marketing communications depend on receivers encountering the right message and responding in the desired fashion, such as by obtaining a home loan or refinancing a home mortgage.

Chick-fil-A's approach to social media provides an example of a successful communication strategy that integrates the web with both online and offline advertising to build customer loyalty.[3] Engaging consumers constitutes the primary goal for Chick-fil-A. According to John Keehler, director of interactive strategy at ClickHere, "One of the mistakes we've seen is brands would gather a lot of friends, but wouldn't get people to interact with them." With Chick-fil-A, people interact through its various social media platforms including Facebook, Twitter, Instagram, Tumblr, and YouTube. When a new store opens, marketers make the announcement on various social media outlets, which allows fans to participate in grand-opening festivities.

- Talking on the phone during a commercial on television
- Driving while listening to the radio
- Looking at a sexy model in a magazine ad and ignoring the message and brand
- Scanning a newspaper for articles to read
- Talking to a passenger as the car passes billboards
- Scrolling past internet ads without looking at them
- Becoming annoyed by ads appearing on a social media site
- Ignoring tweets on Twitter because they are not relevant
- Being offended by the message on a flyer for a local business

◀ **FIGURE 1.2**
Examples of Communication Noise

Social media messages can be combined with offline advertising and promotions. Chick-fil-A holds a "Cow Appreciation Day" each July that encourages customers to dress as cows and post their photos on Facebook and Instagram and videos on YouTube. Television and billboard advertising features cows urging people to "Eat Mor Chikin." Using the same tagline and theme on all channels transmits the same message to consumers A stronger brand presence becomes the result.

In the communication process, **feedback** takes the form of the receiver's response to the sender. In marketing communications, feedback includes purchases, inquiries, complaints, questions, store visits, blogs, and website hits.

Noise consists of anything that distorts or disrupts a message, including marketing communications. It occurs during any stage in the communication process. **Clutter** remains the most common form of noise affecting marketing communications. Figure 1.2 provides examples of noise that affects advertising messages.

The marketing professionals involved in the communication process pay attention to each aspect of the communications model to ensure that every audience encounters a consistent message. They make sure the message cuts through noise and clutter. Common objectives marketing teams seek to achieve include an increase in market share, sales, and brand loyalty. Once again, note that communicating with consumers and other businesses requires more than creating attractive advertisements. An effective program integrates all marketing activities. The upcoming section describes the nature of integrated marketing communications.

▲ A Chick-fil-A contest winner.

Integrated Marketing Communications

The communications model provides the foundation for advertising and marketing programs. **Integrated marketing communications (IMC)** is of the coordination and integration of all marketing communications tools, avenues, and sources in a company into a seamless program designed to maximize the impact on customers and other stakeholders. The program covers all of a firm's business-to-business, market channel, customer-focused, and internally-directed communications.[4]

Before further examining an IMC program, consider the traditional framework of marketing promotions. The **marketing mix** — price, product, distribution, and promotions —represents the starting point. For years, one view was that promotional activities included advertising, sales promotions, and personal selling activities. This approach has expanded to incorporate digital marketing, social media, and alternative methods of communication.

objective **1.2**

What is an integrated marketing communications program?

It also includes activities such as database marketing, direct response marketing, personal selling tactics, sponsorships, and public relations programs (see Figure 1.3).

A complete IMC plan combines the elements of the marketing mix: products, prices, distribution methods, and promotions. While this textbook primarily deals with the promotions component, note that, in order to present a unified message, the other elements of the marketing mix should be blended into the program.

An Integrated Marketing Communications Plan

A strategic marketing plan forms the basis for integrated marketing communications. The plan coordinates the components of the marketing mix in order to achieve harmony in the messages and promotions relayed to customers and others. Figure 1.4 lists the steps required to complete a marketing plan.

A *current situational analysis* involves examination of the firm's ongoing market situation. Next, marketers conduct a *SWOT analysis* by studying the factors in the organization's internal and external environments. SWOT identifies internal company strengths and weaknesses along with the marketing opportunities and threats present in the external environment.

Defining primary *marketing objectives* establishes targets such as higher sales, an increase in market share, a new competitive position, or desired customer actions, such as visiting the store and making purchases. Marketing objectives are paired with key target markets. Understanding both helps company leaders prepare an effective integrated marketing communications program.

Based on the marketing objectives and target market, the team develops *marketing strategies*. These strategies apply to the ingredients in the marketing mix and include all positioning, differentiation, and branding strategies. *Marketing tactics* guide the

- Current situational analysis
- SWOT analysis
- Marketing objectives
- Target market
- Marketing strategies
- Marketing tactics
- Implementation
- Evaluation of performance

◀ Matching marketing objectives with the key target market is an important step in developing the "Visit South Walton (Florida)" campaign.

day-by-day activities necessary to support marketing strategies. The final two steps in the marketing plan consist of stating how to *implement* the plan and specifying methods to *evaluate performance*.

The steps of the strategic marketing plan help pull together all company activities into one consistent effort. They provide guidance to company leaders and marketing experts as they coordinate the firm's overall communications package.

Emerging Trends in Marketing Communications

Many forces impact marketing communications. Financial pressures have caused the company leaders who hire advertising agencies to conclude that they cannot pay unlimited dollars for marketing programs. Competition, both domestic and global, forces managers to examine their communications plans to ensure maximum effectiveness. The internet and emerging social media trends influence marketing messages and means of communicating with consumers and businesses. Figure 1.5 highlights the current trends affecting marketing communications.

objective 1.3
Which trends are affecting marketing communications?

Emphasis on Accountability and Measurable Results

Company leaders expect advertising agencies to produce tangible outcomes. They spend promotional dollars carefully. Any coupon promotion, contest, social media program, or advertising campaign should yield measurable gains in sales, market share, brand awareness, customer loyalty, or other observable results to be considered successful.

The increasing emphasis on accountability and measurable results has been driven by chief executive officers (CEOs), chief financial

- Emphasis on accountability and measurable results
- Explosion of the digital arena
- Integration of media platforms
- Shift in channel power
- Increase in global competition
- Increase in brand parity
- Emphasis on customer engagement

▲ **FIGURE 1.5**
Trends Affecting Marketing Communications

▲ This app for Gulf Coast Seafood illustrates the use of digital media.

officers (CFOs), and chief marketing officers (CMOs). According to Martyn Straw, chief strategy officer of the advertising agency BBDO Worldwide, corporate executives and business owners are less willing to "funnel cash into TV commercials and glossy ads" that keep increasing in cost while appearing to achieve less and less.

Many companies have replaced 30-second television spots with digital, social and alternative communication advertisements. Marketing messages can be tied to special events in which names, profiles, and addresses of prospective customers are collected and tracked. Straw suggests that marketing should not be viewed as an expense, but rather as an investment in which promotional dollars generate sales and profits.[5]

Integration of Digital Media

Internet-based marketing communications include individual web advertisements along with interactive websites, blogs, and social media networks. Smartphones, tablets, and text-messaging systems have created a new landscape and nearly a new language. Ingenious digital marketing techniques seek to create experiences with a brand rather than mere purchases with little or no emotional attachment. The advertisement for a smartphone app shown on this page was created for Gulf Coast Seafood. It offers a recipe along with a GPS function that assists consumers in locating the nearest Gulf Coast Seafood.

Many companies have cut traditional media expenditures, moving the dollars to digital media. Procter & Gamble (P&G), AT&T, Johnson & Johnson, Kraft Foods, and Toyota are some of the organizations that have reduced company television advertising budgets while expanding funds for digital and social media. Campbell's Soup doubled digital spending to 40 percent of the total media budget.[6] A General Motors executive noted, "Some 70 percent of consumers who shop for a new car or truck do web research."[7] The same holds true for other products.

Social media and the internet provide consumers with access to a wealth of information about companies, products, and brands. Individuals communicate with each other, sending favorable or unfavorable ratings and information. Messages travel almost instantaneously. Digital marketing has evolved into a mandatory ingredient rather than an option for companies. Marketers seek to engage all current and prospective customers with the brand in order to achieve success.

When P&G introduced its Star Wars limited edition of CoverGirl, the company utilized Snapchat and geo-targeted advertising to drive in-store sales. With Snapchat, P&G set up geofilters around its 868 Ulta stores throughout the United States. As individuals posted photos or videos to Snapchat within the designated boundaries around the Ulta stores, a branded overlay, or filter, was placed at the top of the post. Anyone who viewed the photo or video would also see the Covergirl Star Wars cosmetic line and the location of the a nearby Ulta store. This digital approach allowed P&G to focus on consumers who were near Ulta stores and most likely to be interested in the Star Wars CoverGirl cosmetics.[8]

Integration of Media Platforms

Today's consumers spend an average of five hours and 16 minutes in front of a screen that does not involve television. When combined with television (which consumers watch for an additional four hours and 31 minutes per day), the total becomes more than 10 hours per day examining some kind of screen, whether it is a computer, tablet, mobile phone, or television.[9] Understanding the ways consumers include multiple devices into their daily lives is important to marketers as they devise methods to reach them. Recent research by Flamingo Research and Ipsos OTX identified four venues in which consumers interact across multiple media formats (see Figure 1.6).[10]
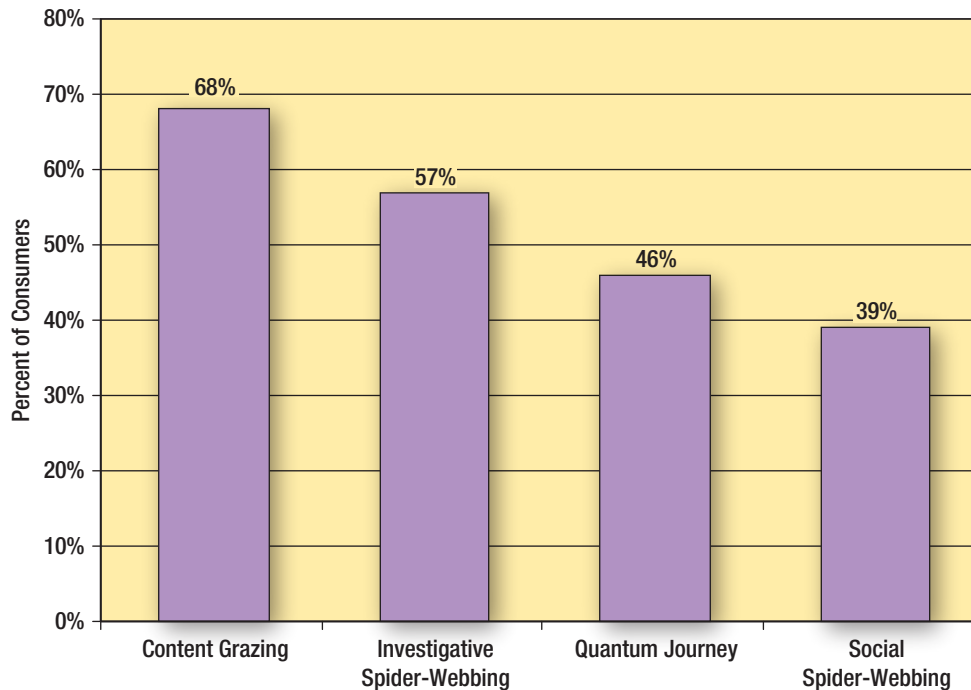
Pathways Consumers Use to Interact across Media Devices

Content grazing involves looking at two or more screens simultaneously to access content that is not related. For instance, someone watching TV and texting a friend at the same time is grazing. *Investigative spider-webbing* occurs when a consumer pursues or investigates specific content across multiple platforms, such as a person watching a football game and accessing stats for various players on a PC or mobile phone. *Quantum journey* focuses on completing a specific task, such as when a consumer looks for a Chinese restaurant using a PC to locate one in the area, then obtains consumer reviews of the units close by on a smartphone, and finally employs a map app to locate the restaurant or to place an order. The fourth pathway, *social spider-webbing*, takes place when consumers share content or information across multiple devices. Posting pictures on Facebook from a laptop and then texting friends to go check them out is an example.

To reach consumers, marketers recognize that today's consumers use multiple devices in several ways. An individual television ad or banner ad will likely go unnoticed. Advertisers try to find ways to engage consumers with a brand through portals such as tablets and mobile phones. That same ad or message delivered across all of the platforms in various formats increases the chances it will be heard and assimilated by consumers.

Changes in Channel Power

A marketing channel consists of a producer or manufacturer vending goods to various wholesalers or middlemen, who, in turn, sell items to retailers who offer the items to consumers. Recent technological developments have altered the levels of power held by members of the channel.

Retailers seek to maintain channel power by controlling shelf space and purchase data that allows them to determine which products and brands are placed on store shelves. Through checkout scanners, retailers know which products and brands are selling. Many retailers share the data with suppliers and require them to ensure that store shelves remain well stocked. The size and power of mega-retailers mean manufacturers and suppliers have no choice but to follow their dictates.

At the same time, the growth of internet along with other methods of communication has shifted some channel power to consumers.[11] Consumers obtain information about goods and services and purchase them using the internet. Internet-driven sales have risen at a tremendous rate. According to Forrester Research, U.S. online retail purchases have grown from $262 billion in 2013 to $370 billion in 2017.[12]
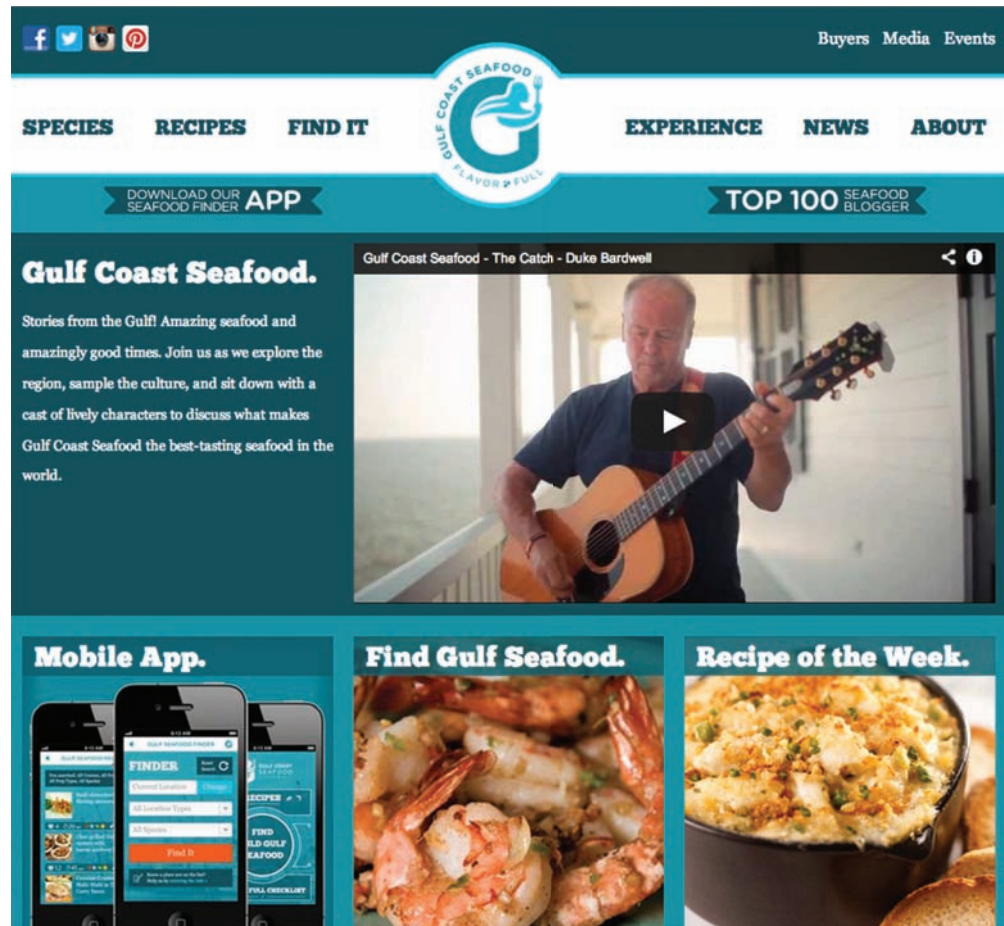
▲ In designing Gulf Coast Seafood's website, marketers for the brand understand that consumers integrate various media platforms and desire an experience with the brand.

Consumer relationships with brands have transformed. Individuals wield tremendous power. Social media allows dissatisfied customers to instantly vent about bad experiences to enormous audiences, where little forgiveness of mistakes takes place. Fifty-seven percent of consumers say they will not buy a particular brand after one negative experience and 40 percent are likely to tell others not to purchase that brand.[13] Previously held positive feelings about a company are quickly forgotten.

The same principles apply to business-to-business purchasing activities. Buyers who shop on behalf of organizations and other company members seeking business-to-business products also are quick to use social media to complain about brands that did not deliver. Consequently, a similar shift in channel power has taken place in the business-to-business sector.

Fortunately, the environment is not completely negative. Approximately 50 percent of consumers share positive experiences with a brand. Consumers often seek the opinions of friends and relatives concerning products. As a result, about 70 percent of consumers say friends and families are a primary source of information regarding various brands.[14]

Understanding these shifts in channel power has become essential. Marketers know they cannot rely solely on mass media advertising. They must incorporate social media and engage consumers with their brands.

Increases in Global Competition

Advances in information technology and communication mean competition no longer takes place with just the company down the street —it may be from a firm 10,000 miles

away. Consumers desire high quality along with low prices. The company that delivers the best value of quality and price makes the sale, often regardless of location. Advancements in delivery systems make it possible for purchases to arrive in a matter of days from anywhere in the world.

Doritos' marketing team recognized that new communication technologies and social media have made the world smaller. Consumers travel and communicate with each other. As a result, Doritos launched its first global campaign by updating packaging and the company's logo to give a consistent look across 37 countries. Before this global effort, Doritos offered 25 different package designs and utilized a number of different marketing approaches in various countries. The global campaign, called "For the Bold," included digital and TV spots in the United States, Mexico, England, Canada, Spain, and Turkey as well as digital and social media initiatives. The global campaign provided a venue to connect fans worldwide, a consistent storyline, and the same look and feel for the Doritos brand across multiple countries. Today, Doritos remains the largest tortilla/corn chip brand in the world with a 39-percent market share.[15]

▲ Advances in information and communication technologies have created global competition for goods and services.

Increases in Brand Parity

Many currently available products offer nearly identical benefits. When consumers believe that various brands provide the same set of attributes, **brand parity** results. When it occurs, shoppers select from a group of brands rather than one specific brand.[16] Brand parity means quality becomes less of a concern because consumers perceive only minor differences between brands. Consequently, other criteria —such as price, availability, or a specific promotional deal — impact purchase decisions. The net effect becomes a steady decline in brand loyalty.[17] When consumers do not have a specific brand they believe is significantly superior, they more readily switch brands. In response, marketers try to convince consumers that their company's brand is not the same; that it remains superior or different in some meaningful way.

Emphasis on Customer Engagement

The expanding number of available brands perceived to be roughly equivalent requires an additional response. To build loyalty, marketers seek to engage customers with the brand at every **contact point**; that is, any place where customers interact with or acquire additional information about a firm. Customer engagement programs often utilize digital and social media and have become part of the total integrated marketing approach.

An effective contact establishes two-way communication. Engagement can be built by offering incentives and reasons for the consumer to interact with a company. For customers to take advantage of these initiatives, however, they must develop emotional commitments to the brand and experience feelings of confidence, integrity, pride, and passion toward it.[18] The brand, in turn, must deliver on promises and provide reasons for consumers to continue to interact with the company.

▲ Nonprofits such as the Red Cross must seek to engage donors to ensure sufficient funds are available when disasters strike.

- Unifies strategy and message across channels
- Streamlines timing
- Connects with multiple audiences
- Creates meaningful insights
- Maximizes impact

▲ **FIGURE 1.7**
Five Reasons Why Integrated
Marketing Works

The Role of Integrated Marketing Communications

The trends described in this section have forced a shift in the mindsets of marketing executives. They realize that integrating all marketing communication efforts, including the digital and social media components, is vital to success. Zehnder Communications, an advertising agency that created a number of ads in this textbook, posted five reasons on the company's blog why integrated marketing works and why it is essential (see Figure 1.7). According to Zehnder, "integrated marketing combines multiple types of outreach tactics to most effectively reach a brand's key audiences at every phase of the customer journey."[19]

Effective integrated marketing communications ensures a brand's target audiences hear the same message across all traditional and new media channels. Each piece of a campaign should be driven by a single strategy that guides the creative development process. An integrated approach times the release of individual campaign components in a manner that maximizes a customer's journey from awareness to purchase. Most brands seek to reach multiple audiences. An integrated approach connects brands with each audience, simultaneously or sequentially.

Integrated marketing communications produce meaningful insights across multiple channels. The marketing team measures the impact of the individual components of a campaign and the various channels that are featured, although these elements should be analyzed within the context of the entire campaign. This allows a brand manager to identify the channels that work best and the components that resonate with the target audience. These insights maximize the impact of a promotional effort.

IMC Components and the Design of this Text

objective 1.4

What are the components of an integrated marketing communications program?

Figure 1.8 presents an overview of the IMC approach featured in this textbook. As shown, the foundation of an IMC program consists of a careful review of the company's image, the buyers to be served, and the markets in which the buyers are located. Advertising
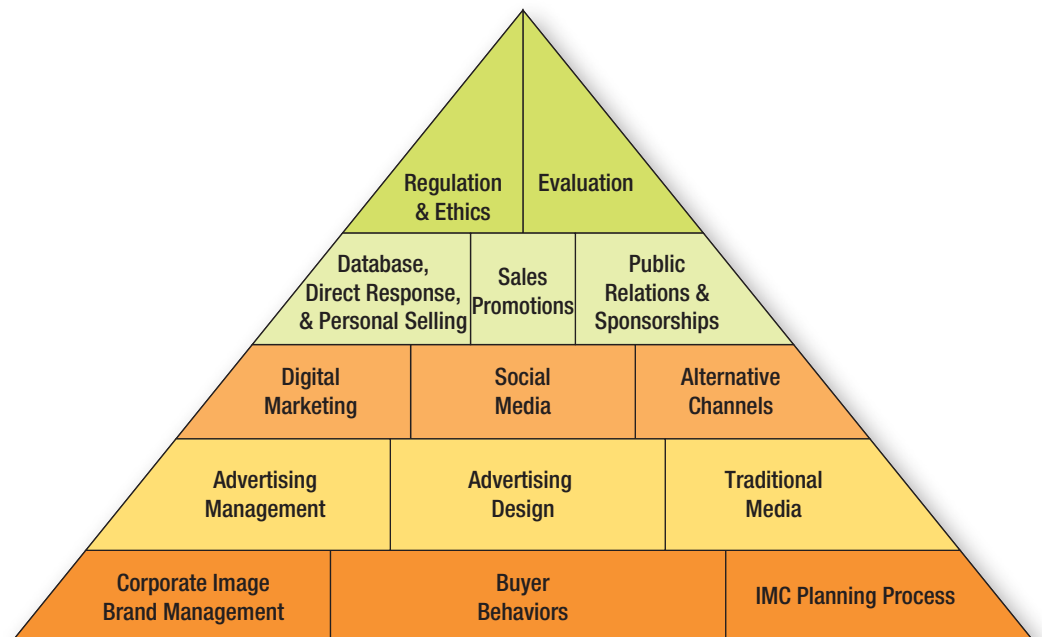
▶ **FIGURE 1.8**
Overview of Integrated
Marketing Communications

Regulation & Ethics	Evaluation
Database, Direct Response, & Personal Selling	Sales Promotions	Public Relations & Sponsorships
Digital Marketing	Social Media	Alternative Channels
Advertising Management	Advertising Design	Traditional Media
Corporate Image Brand Management	Buyer Behaviors	IMC Planning Process

programs are built on this foundation, as are the other elements of the promotional mix. The integration tools located at the peak of the pyramid help the company's marketing team make certain all of the elements of the plan are consistent and effective.

IMC Foundation

The first section of this text builds the foundation for an IMC program. Chapter 2 examines the elements of corporate image and brand management. Strengthening the firm's image and brand answers the question, "Who are we, and what message are we trying to send?" Branding includes the development of packages and labels that speak with the same voice as other marketing messages.

Chapter 3 describes buyer behaviors. The steps of the consumer purchasing process explain how individuals make choices. Marketers identify the motives leading to purchases and factors affecting those decisions. Then, the IMC program can be designed to influence consumer thinking. The chapter also examines business-to-business (B2B) buyer behaviors. Discovering viable business-to-business marketing opportunities by reaching purchasing managers and other decision makers in the target business often plays a vital role in overall company success.

Chapter 4 explains the IMC planning program. This includes identifying all target markets, most notably consumer and business-to-business market segments. Then quality communications objectives can be set. The plan becomes complete when communications budgets have been developed and all appropriate media have been identified.

Advertising

Advertising issues are described in the second section of this text. Chapter 5 describes advertising campaign management and addresses the major advertising activities, including the selection of an advertising agency. Campaign management identifies the general direction the company will take. Chapter 5 also explains various advertising theories along with the principles of advertising effectiveness. Advertising theories form the background used to design advertisements.

Chapter 6 begins with an analysis of the ingredients involved in creating effective message strategies. Then, various advertising appeals can be used, including those oriented toward fear, humor, sex, music, and rational methods. Next, the chapter discusses the types of executional frameworks used in advertising. Executional frameworks provide the means to construct the actual commercial or advertisement. Finally, the chapter examines the employment of sources or spokespersons as part of an advertising program.

The traditional media channels, including television, radio, outdoor, magazines, and newspapers, are described in Chapter 7, along with the advantages and disadvantages of each one. The chapter explains the roles provided by media planners and media buyers.

▲ Advertising is an important integrated marketing component for Interstate Batteries.

Digital and Alternative

The third section of this book contains information about digital and alternative methods of reaching potential customers. Chapter 8 examines digital marketing efforts designed to integrate e-commerce programs with recent trends in interactive marketing. Online advertising approaches are presented. Many online activities begin with a search. As a result, concepts regarding search engine optimization (SEO) are discussed in the chapter. Due to the rise in smartphone use, the chapter explores new trends in mobile advertising.

Social media has exploded in usage in recent years and is the topic of Chapter 9. While Facebook remains the leading social media platform, others have created an impact on both consumer and business markets. The chapter examines current trends in social media and how businesses can use these venues to encourage brand engagement.

Many communication channels are available beyond the traditional networks, the internet, and social media. Chapter 10, entitled "Alternative Marketing," describes methods such as buzz marketing, guerrilla marketing, product placements, branded entertainment, and lifestyle marketing. The chapter also explains brand communities.

Selling Components

The next level of the IMC pyramid adds database and direct response marketing programs, personal selling, trade promotions, consumer promotions, public relations efforts, and sponsorship programs. Each of these efforts helps to stimulate sales. When marketing managers carefully design all of the steps taken up to this point, the firm can integrate these activities. Messages presented in the advertising campaign can be reinforced through a variety of communication promotions.

Chapter 11 explains database programs, direct response marketing efforts, and personal selling tactics. The chapter first describes effective data collection and analysis. Then, the information gained can be used to develop data-driven marketing programs, including permission marketing, frequency programs, and customer relationship management (CRM) systems as well as personal selling activities. Personal selling involves contacts with retail customers and other businesses.

Chapter 12, entitled "Sales Promotions," describes consumer and trade promotions. Trade promotions include trade incentives, cooperative advertising, slotting fees, and other promotions and discounts that help the manufacturer or channel member to push the product through the distribution channel. Consumer promotions are directed at end users and include coupons, contests, premiums, refunds, rebates, free samples, and price-off offers.

Chapter 13 explores public relations programs that connect with consumers in positive ways. This involves emphasizing positive events and dealing with negative publicity. The marketing team utilizes public relations efforts to help a sponsorship program achieve the greatest impact.

Integration

The final level of an IMC program adds the integration tools needed to make sure the company effectively serves all customers. Chapter 14 begins with a presentation of the many legal and regulatory issues that are part of the advertising and promotions environment. The chapter discusses several ethical issues that emerge in marketing communications.

Finally, Chapter 15 explains the evaluation of integrated marketing communications (IMC) programs. Evaluations can begin prior to any promotional campaign and continue during the campaign to post-campaign evaluations. These evaluations generate valuable information to alter campaigns before they

▼ Companies often utilize the expertise of marketing research firms such as ReRez to evaluate IMC programs.

are commercially introduced, as well as provide input to modify programs that have already run. A promotions evaluation process holds everything together and drives the entire IMC process. Fully integrated marketing requires a well-defined linkage between planning and evaluation processes.

International Implications

The same trends that exist among advertising agencies in the United States occur in the international arena. Instead of IMC, international programs are called *GIMC*, or *globally integrated marketing communications* programs.[20] The goal remains the same: to coordinate marketing efforts across all platforms. The challenges become greater due to larger national and cultural differences in target markets.

Marketers can employ two different strategies for global companies. **Standardization**, in which a company features a uniform product and message across countries, is one option. The approach involves generating economies of scale in production while creating a global product using a more universal promotional theme. The language may be different, but the basic marketing message stays the same.

The second approach, **adaptation**, results in the creation of products and marketing messages designed for and adapted to individual countries. The manner in which a company markets a product in Mexico differs from the methods used in Italy, India, or Australia.

The standardization method may be easier to apply; however, GIMC principles can and should be used with either adaptation or standardization.[21] To reduce costs, careful coordination of marketing efforts should occur across countries. Even when a firm uses the adaptation strategy, marketers from various countries learn from each other. Synergies take place between countries and regions. More important, learning can occur.

Recently, Adrian Hallmark, global brand director of Jaguar, commented that "for too many luxury consumers, there is awareness of the Jaguar brand, but not consideration and modern relevance." To restore its iconic status, Jaguar's marketing group launched a multinational ad campaign created by Spark 44, a London ad agency. The campaign debuted on websites **JaguarUSA.com**, Facebook, and YouTube with a 45-second version of a 30-second TV ad. Jaguar then introduced print, digital, and outdoor advertising in the United States, Austria, Spain, France, Germany, Italy, Russia, Korea, Japan, Australia, and South Africa. The campaign included an 18-city road show in the United States to encourage prospective buyers to try the new Jaguar. The ads were adapted to individual markets in each country using the central theme of the campaign "How alive are you?" which was featured in every print, digital, outdoor, television, and video ad.[22]

objective 1.5
What is meant by *GIMC?*
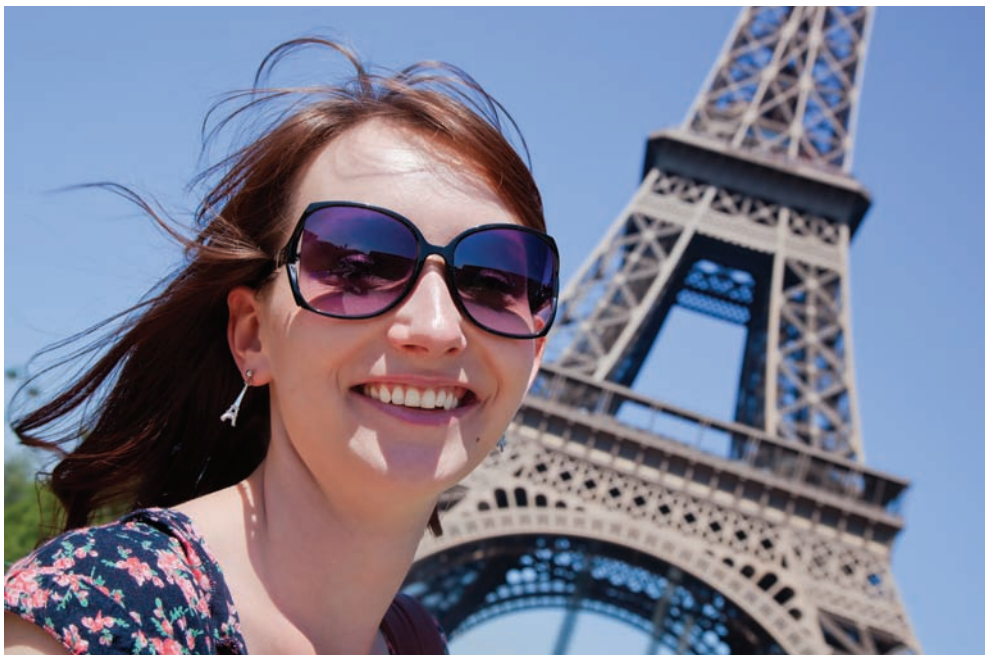
◀ In developing global communication campaigns, company leaders must choose the best approach, standardization or adaptation.

Summary

Communication consists of transmitting, receiving, and processing information. It represents a two-way street in which a sender establishes a connection with a receiver. Effective communication forms the basis for a solid and successful marketing program. The components of the communication process include the sender, an encoding process, the transmission device, the decoding process, and the receiver. Noise is anything that distorts or disrupts the flow of information from the sender to the receiver.

In the marketing arena, senders are companies seeking to transmit ideas to consumers, employees, other companies, retail outlets, and others. Encoding devices provide the means of transmitting information and include advertisements, public relations efforts, press releases, sales activities, promotions, and a wide variety of additional verbal and nonverbal cues sent to receivers. Transmission devices include the media and spokespersons that carry the message. Decoding occurs when the receivers (customers or retailers) encounter the message. Noise takes many forms in marketing, most notably the clutter of an abundance of messages in every available channel.

Integrated marketing communications (IMC) takes advantage of the effective management of the communication channels. Within the marketing mix of products, prices, distribution systems, and promotions, firms that speak with one clear voice are able to coordinate and integrate all marketing tools.

The fields of advertising, promotions, and marketing communications have experienced several new trends. Marketing departments and advertising agencies, as well as individual account managers, brand managers, and creatives, encounter strong pressures. They are held accountable for expenditures of marketing communications dollars. Company leaders expect tangible results from promotional campaigns and marketing programs.

IMC plans are vital to achieving success. The explosion of digital media, new information technologies, and social media strongly influences IMC programs. Marketing professionals seek to find ways to integrate all media platforms together to present a consistent message.

Channel power has shifted in many ways. Company leaders adjust in order to maintain a strong market standing, and IMC programs can assist in this effort. New levels of global competition drive marketers to better understand customers and be certain that those end users hear a clear and consistent message from the firm.

As consumers develop a stronger sense of brand parity, wherein consumers perceive no real differences in product or service quality, marketers seek to create situations in which a company or brand develops a distinct advantage. This may be difficult because consumers collect and integrate information about products from a wide variety of sources, including the internet and social media. Quality IMC programs help maintain the strong voice a company needs to ensure customers hear its message through an emphasis on customer engagement in all marketing activities.

When a firm conducts business internationally, a GIMC, or globally integrated marketing communications system, can be of great value. By developing one strong theme and then adapting it to individual countries, the firm conveys a message that integrates international operations into a more coherent marketing package.

This textbook explains several issues involved in establishing an effective IMC program. The importance of business-to-business marketing efforts is noted because many firms market items as much to other companies as they do to consumers. Successful development of an IMC program helps firms remain profitable and vibrant, even when the complexities of the marketplace make these goals more difficult to attain.

Key Terms

communication Transmitting, receiving, and processing information

senders The person(s) attempting to deliver a message or idea

encoding The verbal (words, sounds) and nonverbal (gestures, facial expressions, posture) cues that the sender utilizes in dispatching a message

transmission devices All of the items that carry a message from the sender to the receiver

decoding What occurs when the receiver employs any of his or her senses (hearing, seeing, feeling) in an attempt to capture a message

receivers The intended audience for a message

feedback The information the sender obtains from the receiver regarding the receiver's perception or interpretation of a message

noise Anything that distorts or disrupts a message

clutter What exists when consumers are exposed to hundreds of marketing messages per day, and most are tuned out

integrated marketing communications (IMC) The coordination and integration of all marketing communications tools, avenues, and sources in a company into a seamless program designed to maximize the impact on customers and other stakeholders

marketing mix The elements of a marketing program, including products, prices, places (the distribution system), and promotions

brand parity What occurs when there is the perception that most goods and services are essentially the same

contact point Any place where customers interact with or acquire additional information about a firm

standardization A program in which a firm features uniform products and market offerings across countries with the goal of generating economies of scale in production while using the same promotional theme

adaptation What takes place when products and marketing messages are designed for and adapted to individual countries

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MyMarketingLab

To complete the problems with the ⭐ in your MyLab, go to the end-of-chapter Discussion Questions.

Review Questions

1-1. Define communication. How does it play a crucial role in marketing and business?

1-2. What are the parts of an individual communications model?

1-3. Who are the typical senders in marketing communications? Who are the receivers?

1-4. Name the transmission devices, both human and non-human, that carry marketing messages.

1-5. Define clutter. Name some of the forms of clutter in marketing communications.

1-6. Define integrated marketing communications (IMC).

1-7. What are the four parts of the marketing mix?

1-8. What steps are required to write a marketing plan?

1-9. What trends were given to explain the growth in importance of IMC plans in this chapter?

1-10. How has the use of digital media impacted marketing communications?

1-11. Identify and describe four ways consumers can interact with multiple media formats.

1-12. What is channel power? How has it changed in the past few decades?

1-13. What is brand parity? How is it related to successful marketing efforts?

1-14. Identify the role of integrated marketing in relation to new marketing trends.

1-15. What is a contact point? How do marketers link contact points to customer engagement?

1-16. What are the components of an integrated marketing communications program, as outlined in this textbook?

1-17. What is a GIMC? Why is it important for multinational firms?

1-18. What is the difference between standardization and adaptation in GIMC programs?

Critical Thinking Exercises

DISCUSSION QUESTIONS

1-19. The Lean Cuisine effort to shift consumer perceptions of frozen products included a multi-faceted approach. Access the firm's website and evaluate the marketing messages presented. Do they convince you to reconsider your views of various products? Is the effort working, or do you still perceive Lean Cuisine to just be "diet" food? Explain your answer.

⭐**1-20.** The marketing director for Tempur-Pedic mattresses is assigned the task of emphasizing the mattress's superior sleep quality in the company's next integrated marketing communications program. Discuss the problems the director might encounter in each step of the communication process since the campaign will emphasize something consumers cannot see or observe. Explain how noise or clutter interferes with the communication process.

1-21. What do you typically do during commercials on television? What percentage of the time do you watch commercials? What makes you watch? Ask these same questions of five other people. What types of activities do people engage in during commercials?

⭐**1-22.** Explain the four ways consumers interact across multiple media formats. Which best describes you? Explain why.

⭐**1-23.** The use of social media has grown during the last decade. Discuss your personal use of social media. Which social media platforms do you use? Why did you select those particular ones? How do you use social media?

⭐ **1-24.** Explain how advances in information technology and communication have increased global competition for goods and services. How has the increased global competition, in turn, impacted brand parity, the need for customer engagement, and changes in channel power? Be specific by identifying examples to illustrate your thoughts.

1-25. Brand parity has become a major issue for companies. Identify three product categories in which the brand you purchase is not very important. Why is the brand not important? Identify three product categories in which the brand is important. What brand or brands do you typically purchase in each category? Why?

1-26. The marketing director for a manufacturer of automobile tires has been asked to integrate the company's global marketing program. Should the director use a standardization or adaptation approach? How could the company be certain that its marketing program will effectively be integrated among the different countries in which it sells tires?

Integrated Learning Exercises

1-27. Examine the advertisement for JD Bank in the section entitled "The Nature of Communication." Explain each of the steps in the communication process (Figure 1.1) in terms of the JD Bank print ad. Go to the authors' website at **clowbaack.net/video/ads.html**. Watch the ad for JD Bank entitled "JD Gets Me." Explain each of the steps in the communication model in relation to this television ad.

1-28. Access the website of Chick-fil-A at **www.chickfila.com**. Access the websites of Chick-fil-A's competitors: KFC (**www.kfc.com**), Popeye's (**www.popeyes.com**), Church's Chicken (**www.churchschicken.com**), and Bojangles (**www.bojangles.com**). Identify the social media used by each brand. Compare and contrast the information available and the design of each company's website. Which website did you like the best? Why? Which one did you like the least? Why?

1-29. Pick one of the brands listed. Access the brand's website. Identify the social media listed on the brand's website, then access each of the social media pages.

Go to YouTube and locate a TV ad of the brand. Discuss how well the website, social media sites, and ad you located on YouTube are integrated. (Provide the URLs for the website, social media sites, and TV ad).

   a. *JD Bank (***www.jdbank.com***)*
   b. *Red Lobster (***redlobster.com***)*
   c. *Salvation Army (***www.salvationarmy.org***)*
   d. *Visit South Walton ***www.visitsouthwalton.com***)*

1-30. Information is one key to developing a successful integrated marketing communications program. Access each of the following websites. Describe the type of information and news available on each site. How would this information help in developing an integrated marketing campaign?

   a. *Adweek (***www.adweek.com***)*
   b. *Interbrand (***www.interbrand.com***)*
   c. *Media Industry Today (***media.einnews.com/)***
   d. *Branding Asia (***www.brandingasia.com***)*

Blog Exercises

Access the authors' blog for this textbook at the URLs provided to complete these exercises. Answer the questions posed on the blog.

1-31. American Eagle, **http://blogclowbaack.net/2015/12/03/american-eagle-chapter-1**

1-32. Chick-fil-A, **blogclowbaack.net/2014/04/24/chick-fil-a-chapter-1**

1-33. Integrated marketing, **blogclowbaack.net/2014/04/24/imc-chapter-1**

Student Project

CREATIVE CORNER

Executives at Red Robin Gourmet Burgers have decided to open a restaurant near your campus. You have been chosen as a marketing intern to help establish this restaurant. Examine the company's website at **www.redrobin.com**. Read the "About Us" section of the website in order to fully understand the Red Robin brand. When you have a good understanding of

Red Robin, prepare a newspaper ad for your student newspaper about a grand opening near your campus. Next, examine each of the company's social media platforms listed on the Red Robin website. Write a report that discusses each of the social media used by Red Robin and how effective each would be in reaching students at your college. Cite specific examples from the company's social media pages using screen shots.

MIKE'S OLD-TIME ICE CREAM AND CHOCOLATE SHOP

Mike Swann was excited to open his new business venture in the springtime. Mike's Old-Time Ice Cream and Chocolate Shop was established to take advantage of several opportunities and reach multiple audiences, all in one location. In the summertime, ice cream should sell best. In the winter and spring, chocolate products may be given as Christmas, Valentine's, Easter, and Mother's Day presents. Mike also decided to sell fast food throughout the year, including hamburgers, hot dogs, grilled cheese sandwiches, pretzels, fries, and other items.

To make his store stand out, Mike chose to locate on the outskirts of town, where parking would be readily available and the store would be surrounded by a more natural environment including a nearby forest. Then, he was able to obtain a passenger car and caboose from a now-defunct railroad company that could be set up as a place to enjoy ice cream in a unique seating arrangement in addition to the regular tables inside the shop. Outside of the rail cars, Mike placed a swing set and other items for children.

The biggest challenge Mike faced was getting the word out. He contacted a local advertising and promotions agency to help him get started. The first question the account executive asked was, "Well, what is going to make your store stand out?"

Mike responded, "Several things. First, I am re-opening a company that served this area for years, called "Stevenson's Ice Cream." I plan to generate publicity letting everyone know that we will be selling the same kind of great-tasting ice cream that used to be offered by that company. Second, I have a partnership with a local chocolatier that is on the far side of town. We'll be selling their products in our store. And third, we are appealing to that old-fashioned, old-time relaxation that people enjoy in the summer. Families should love that."

Next the executive asked, "Who are your major competitors?"

Mike answered, "For ice cream I suppose it is Baskin Robbins and Dairy Queen. For chocolate, it's probably Nestlé and Hershey's. But we are set up in such a unique way we should be able to attract people differently."

The executive and Mike agreed that the company's launch was a key time to communicate this difference. They also believed the target audience would be pretty large, including families with children, grandparents with grandkids, and other people looking to enjoy high quality chocolate and ice cream in a unique atmosphere, possibly after enjoying a quick meal. The executive pointed out that getting people to visit for the first time would be one factor but that generating return business throughout the year was the real key to long term success. It was time to get started.

▲ Mike's biggest challenge was getting word out about his "Old-Time Ice Cream and Chocolate Shop."

1-34. Mike's store will be a local business that competes with large national companies. What communication challenges does that present? What opportunities does it offer?

1-35. Which of the emerging trends in marketing communications can Mike use to promote his new business? Explain how it can be used.

1-36. What should be the first message that Mike should try to communicate to all potential customers? Should he emphasize price, value, or some other element of his business?

1-37. Will Mike be able to use social media in his marketing communications efforts? If so, how? If not, why not?

CASE 2 › WAKE UP CALL FOR 8:00

Any longstanding product runs the risk of becoming stale in the eyes of consumers. Eight O'Clock Coffee's marketing team recently decided that the company's brand and promotion program needed rejuvenation. The net result was an entire "refresh" marketing effort.[23]

Eight O'Clock Coffee has been available to consumers since 1859. To combat recent sluggish sales, company leaders began with a renovation of the product itself, creating new flavors such as Dark Chocolate Cherry, Cinnamon Bun, and others. The company complemented the new items with updated packaging that was slimmer and featured a bright red color.

To launch these innovations, the marketing program began with a redesigned website highlighting a major event. The campaign included a social-media driven sweepstakes that was incorporated into Fashion Week in New York. Participants in the fashion show were offered red bags. The program featured the theme "The Red Bag Collection in Support of Dress for Success," which added a cause-related tie-in to the refresh rollout. Individuals involved in the fashion event were encouraged to "Spot the Red Bag" in order to win prizes. They accessed the company through the hash tag "#SpottheRedBag" to post photos of their discoveries. The company posted photos of red bags on its Facebook page.

Beyond the social media and fashion show elements, the company added more traditional advertising during the Emmy awards on television. The tagline "Put Coffee First" punctuated these messages. Company leaders extended the campaign to other programs in many of the company's major markets.

These marketing efforts for Eight O'Clock Coffee stress the value of a multifaceted approach to enticing, exciting, and engaging customers and potential customers. Use of new methods, such as social media, combined with more traditional marketing

▲ Eight O'Clock Coffee's marketing team understood that it must engage consumers with the brand to obtain long-term loyalty.

programs (sweepstakes, television advertising) signals the wave of the future for integrated marketing communications.

1-38. What coffee brands would constitute Eight O'Clock Coffee's primary competition?

1-39. Would you characterize coffee consumption as a situation in which brand parity exists? Why or why not?

1-40. Examine the emerging trends in marketing communications presented in the chapter? Which trends can Eight O'Clock Coffee use to their advantage? Explain how.

1-41. Evaluate the value of using social media for this type of marketing communications effort. Is it necessary or helpful? Why or why not?

MyMarketingLab

Go to the Assignments section of your MyLab to complete these writing exercises.

1-42. Reebok's tagline is now "Be More Human." Examine Reebok's website (**www.Reebok.com**). Define each of the components of the communication process (see Figure 1.1). Then explain each component as it relates to the Reebok tagline and website.

1-43. Find each of the following companies on the internet. For each company, discuss how effective its website is in communicating an overall message. Also, discuss how well the marketing team integrates the material on the website. How well does the website integrate the company's advertising with other marketing communications?

    a. Revlon (**www.revlon.com**)

    b. J.B. Hunt (**www.jbhunt.com**)

    c. Interstate Batteries (**www.interstatebatteries.com**)

Buzz Marketing

Communications

Social Media

Advertising

Promotions

Digital

Branding

Mobile Marketing

Chapter 2 Brand Management

Chapter Objectives

After reading this chapter, you should be able to answer the following questions:

2.1 How does a brand's image affect consumers, other businesses, and the company itself?

2.2 What are the different types of brands and brand names?

2.3 What are the characteristics of effective logos?

2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

2.6 What current trends affect private brands?

2.7 How can packaging and labels support an IMC program domestically and in foreign settings?

2.8 How are brands managed in international markets?

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Overview

A **brand** is the word, term, or phrase featured as the name of a product, product line, or company. Managing an organization's brand image constitutes a critical element in the successful development of an integrated marketing communications plan. A corporation's **brand image** reflects the feelings consumers and businesses have about the overall organization as well as its individual products or product lines. Advertising, consumer promotions, trade promotions, personal selling, the company's website, and other marketing activities all affect consumer perceptions. A strong brand creates major advantages for any good or service. Conversely, when the image of an organization or one of its brands becomes tarnished, sales revenues and profits can plummet. Rebuilding or revitalizing the brand's image then becomes difficult.

The marketing team seeks to understand the firm's overall brand image and the strengths of individual brands in order to make solid connections with consumers and business-to-business customers. A strong integrated marketing communications (IMC) foundation combines an analysis of the firm's image and brands with assessments of consumer and business buyer behaviors. Marketers then prepare consistent messages designed to reach any individual that might purchase a firm's products. At times, such a process involves rejuvenating or adjusting the image a brand conveys.

Brand Image Overhaul

The brand name Domino's Pizza has been around for many decades. Over that time, the company has experienced growth, success, problems, and efforts to improve the organization's image. During the past decade, company leaders created new tracking systems designed to keep customers informed as their orders are received, baked, and delivered. Soon after, new pizza products were developed to cater to more sophisticated tastes, with the company even insisting that customers could not add or delete ingredients from several of the Artisan line of products.[1]

Unfortunately, even these changes did not completely deliver the boost in sales and profits the company leaders wanted to achieve. Recently, a major new effort took place. The marketing team identified a trend in which more customers were picking up pizza rather than having it delivered. In response, some stores added big screen TVs, improved seating for those waiting to pick up orders, and established places where people could watch their pizza or carry-out items being put together. The approach somewhat resembles what occurs in a Subway store.

To accentuate these new methods of operation, the company's name was also changed, from Domino's Pizza to simply Domino's. As Russell Weiner, the company's chief marketing officer noted, "So much of our menu is beyond pizza right now, that we feel like we're more than just a pizza place." Sandwiches and other menu items had been added over time, giving credence to his claim. Along with the revised name came a simplified logo, which removed the name but maintained the original red, white, and blue domino.[2]

As is true with any marketing effort, the brand name change and product line alterations were carefully orchestrated with the firm's integrated marketing communications program, including advertising accompanied by social media messages. The coming years will yield evidence as to whether this course of action achieves success.

The first part of this chapter notes the activities involved in managing a corporation's brand image, including its name and logo. The second part addresses ways to develop and promote the various forms of brand names. Brand equity and brand parity are described. Finally, packages and labels, which should be included in any marketing communications program, are assessed. Ethical and international considerations are noted.

Corporate and Brand Image

A corporate or brand image expresses what the company stands for as well as how it is known in the marketplace. Whether it is the "good hands" of Allstate Insurance or the "good neighbors" at State Farm Insurance, creating a specific impression in the minds of clients and customers should be the goal of image management. Insurance companies often accomplish this by stressing helpfulness, safety, and security as elements of a strong image.

Consumer beliefs about a firm are more important than how company officials perceive the image. Corporate brand names such as Bank of America, Toyota, Kraft Heinz, and BP (British Petroleum) create impressions in the minds of clients and customers. Although the actual version of the image varies from consumer to consumer or for each business-to-business buyer, the combined views of all publics determine the overall brand image, which can be positive or negative.

The same holds true for individual brands. Some companies, such as Kraft Heinz, sell several brands. The corporate name Kraft Heinz projects an image and identity along with

objective 2.1

How does a brand's image affect consumers, other businesses, and the company itself?

▲ This ad effectively enhances the image of the Kraft Singles brand.

the individual brands the company offers, including Oscar Mayer, Maxwell House, Planters, and Velveeta. Other companies only feature one brand for the entire organization, which means the corporation's and brand image coincide. Therefore, with regard to the various concepts presented in this chapter, the ideas can refer to various brands sold by a company, such as Kraft Heinz, or to an overall corporate brand, such as State Farm, Allstate, or Walmart.

Components of Brand Image

Brand images contain invisible and intangible elements (see Figure 2.1). Consumers encounter these elements as they interact with a company or brand. A recent study of the restaurant industry indicated that the quality of a company's goods and services ranked as the most important component of brand image. The willingness of a firm to stand behind its goods and services when something went wrong was second. Third were perceptions of how the firm dealt with customers by being pleasant, helpful, or professional.[3]

Negative publicity can stain or injure consumer perceptions of a corporation's or brand's image. Examples include the damage to reputations of financial institutions, such as Bank of America when it faced charges of misleading investors, Toyota following quality control problems, and Domino's after poor customer evaluations of its pizza in 2010.[4] Each organization undertook efforts to restore a more positive image.

An image consists of a unique set of features. The corporate brand image of an automobile manufacturer such as Porsche, Mazda, Toyota, Ford, or General Motors is based on: evaluations of its vehicles; whether the company is foreign or domestic; customer views of each company's advertisements; and reactions to the local dealership. A corporation's image often includes consumer assessments of company employees. In fact, the mechanic repairing a vehicle at a local Chevrolet dealership garage might become the dominant factor that shapes a customer's perception of General Motors.

In the past, Walmart faced criticisms regarding employee discontent, conditions at foreign factories, and bribery allegations in other countries. To boost the image of the brand, Walmart's marketing team launched a multimillion dollar "American

Tangible elements
- Goods or services sold
- Retail outlets where the product is sold
- Advertising
- Marketing communications
- Name and logo
- Package and labels
- Employees

Intangible elements
- Corporate personnel
  - Ideals
  - Beliefs
  - Conduct
- Environment policies
- Corporate culture
- Country location
- Media reports

▶ **FIGURE 2.1**
Elements of Brand Image

◀ A mechanic at a local Chevrolet dealer can impact the image a customer has of General Motors and the Chevrolet brand.

Success Story" campaign. The national campaign featured customers, store employees, and truck drivers sharing personal stories and warm feelings about Walmart.[5] The campaign sought to show the public another side of the company by featuring positive aspects of Walmart.

A strong brand image also provides tangible and intangible benefits. Organizational leaders devote considerable amounts of time and energy to building and maintaining a positive brand image. Client companies expect advertising agencies to help design marketing programs that take advantage of the benefits of a strong brand image. Both customers and organizations benefit from a well-known firm with an established reputation.

The Role of Brand Image—Consumer Perspective

From a consumer's perspective (or business customer's perspective), brand image serves several functions, including those displayed in Figure 2.2. A well-known brand offers customers positive assurance about what to expect. A can of Coke or Pepsi purchased in Santa Cruz, California, tastes like one purchased in Liverpool, England, or Kuala Lumpur, Malaysia. Products ordered online from Bed Bath & Beyond are the same as those purchased in retail stores in California or New Jersey.

Positive assurance generates value when customers purchase goods or services with which they have little experience. Consider families on vacation. A family visiting Brazil might normally not stay at the Holiday Inn, but the familiar name makes it a lower-risk option. Consumers often believe that purchasing from a familiar corporation will be a

- Provides confidence regarding purchase decisions
- Gives assurance about the purchase when the buyer has little or no previous experience
- Reduces search time in a purchase decision
- Provides psychological reinforcement and social acceptance of the purchase

◀ **FIGURE 2.2**
Brand Image: Benefits to Consumers

HAND-CRAFTED
AND BUILT TO SHARE

DEL FRISCO'S GRILLE IS THE PLACE TO MEAT UP AND DRINK UP.

It's where you can get together for shareable plates that you may just want

to keep for yourself, or buy a round of handcrafted cocktails for your closest

friends. So feast on flatbreads and entrées and discover a wine list that

stretches from A to Zin. Only at Del Frisco's Grille.

DALLAS FORT WORTH SOUTHLAKE   NOW OPEN IN PLANO
UPTOWN   SUNDANCESQUARE   SOUTHLAKE TOWN SQUARE   THE SHOPS AT LEGACY

©2015 Del Frisco's Grille

DELFRISCOSGRILLE.COM

DEL FRISCO'S GRILLE

▲ This advertisement for Del Frisco's Grille illustrates it is the ideal location for social interactions with friends.

"safer" option than buying something from an unknown company. Taking a room at an unfamiliar hotel feels riskier than staying at one with a recognizable name.

Purchasing from a familiar firm reduces search time and saves effort. An individual or company loyal to Ford spends fewer hours searching for a new car than someone without such loyalty. The same may be true when buying low-cost items such as groceries or office products.

Purchasing from a highly recognized company often provides psychological reinforcement and social acceptance. Psychological reinforcement comes from concluding

that a wise choice was made and the confidence that the good or service will perform well. Social acceptance comes from believing that other individuals including family and friends who purchased the same brand are likely to accept the choice.

Interbrand produces a yearly list of the top 100 best brands. The list does not include companies offering portfolios of products and brands, such as Procter & Gamble. Also, privately-held companies, including VISA and those that operate under different names in different countries, such as Walmart, are not considered. The list only notes corporations that provide products under one name. Using these criteria, Interbrand ranked Apple as the top global corporate brand, followed by Google and Coca-Cola.[6] Figure 2.3 provides a list of the top 10 brands along with the value of each.

The Role of Brand Image—Company Perspective

From the viewpoint of the firm, a highly reputable image generates benefits, as noted in Figure 2.4. A quality image provides the basis for the development of new goods and services. The introduction of a product becomes easier when potential customers recognize the brand name and image. Long-term patrons are willing to try new items and transfer trust in and beliefs about the brand to those products. A *brand alliance*, in which two companies use brand strength to develop and co-market a new product featuring both names (such as Old Spice and Head & Shoulders) has recently begun to emerge.

Many customers believe they "get what they pay for." Consumers often associate better quality with a higher price. A strong brand image allows a company to charge more for goods and services, which can lead to improved markup margins and profits.

▲ Social acceptance can become one benefit of purchasing a well-known brand.

Rank	Company	Brand Value (Billions)
1	Apple	$170.3
2	Google	$120.3
3	Coca-Cola	$78.4
4	Microsoft	$67.7
5	IBM	$65.1
6	Toyota	$49.1
7	Samsung	$45.3
8	General Electric	$42.3
9	McDonald's	$39.8
10	Amazon	$38.0

◀ **FIGURE 2.3**
Top 10 Best Global Brands

- Extension of positive customer feelings to new products
- Ability to charge a higher price or fee
- Consumer loyalty leading to more frequent purchases
- Positive word-of-mouth endorsements
- Higher level of channel power
- Ability to attract quality employees
- More favorable ratings by financial observers and analysts

Firms with well-developed brand images enjoy more loyal customers, which leads them to purchase products more frequently. Loyal customers are less inclined to make substitute purchases when other companies offer discounts, sales, and similar enticements.

Heightened levels of customer loyalty often lead to positive word-of-mouth endorsements. Favorable comments generate additional sales and attract new customers. Consumers and business buyers have more faith in personal references than other forms of advertising or promotion.

Positive customer attitudes create stronger loyalty to the brand, which then provide greater channel power. Retailers stock the brands customers view favorably and seek brands that pull people into stores. A product or brand with a high positive image retains control and channel power when marketing items to retailers.

Attracting quality employees can be another advantage of a dominant brand image. Potential workers become willing to apply for jobs at companies with solid reputations, thereby reducing recruiting and selection costs. Southwest Airlines holds the image of a great place to work, which assists in recruiting. A high-quality work force normally experiences lower turnover rates.

A strong reputation often leads to favorable ratings by Wall Street analysts and other financial institutions, which help a company raise capital when needed. Legislators and governmental agencies tend to act more sympathetically toward companies with strong and positive reputations. Lawmakers may be less inclined to pursue actions that might hurt the business. Members of regulatory agencies will be less likely to believe rumors of wrongdoing.

▲ Interstate Batteries has accrued positive benefits from a strong brand name.

objective 2.2

What are the different types of brands and brand names?

Brand Names and Brand Types

A brand name provides the overall banner for operations. David Placek, president and founder of Lexicon, Inc., said, "The brand name is really the cornerstone of a company's relationship with its customers. It sets an attitude and tone and is the first step toward a personality."[7] Brand names can be placed into four categories based on their actual, implied, or visionary meaning (see Figure 2.5).[8]

Overt names include American Airlines, Maxwell House Coffee, and BMW Motorcycles USA. *Implied names* include FedEx and Home Depot. *Conceptual names*, such as Google, Twitter, and Krispy Kreme, take a different approach. The name "Google" evokes a vision of a place where an endless number of items can be found, and "Krispy

- **Overt names.** Reveal what a company does.
- **Implied names.** Contain recognizable words or word parts that convey what a company does.
- **Conceptual names.** Capture the essence of what a company offers.
- **Iconoclastic names.** Represent something unique, different, and memorable.

Kreme" suggests confectionaries filled with tasty crème. Samsung, Nabisco, and Reebok are examples of *iconoclastic names*.

Marketing the first two categories (overt and implied) should be easier because consumers more readily recall the name, which implies the type of good or service offered. The other two categories (conceptual and iconoclastic) necessitate greater efforts to ensure that consumers connect the name with the product offered. Figure 2.6 provides backgrounds for some well-known brand names.

Developing a brand name can generate a great deal of excitement and interest in a company. For example, approximately 1,000 Kraft Heinz employees from around the world submitted more than 1,700 names for a new high-growth snack business spun off by Kraft Heinz. The conceptual name that was chosen, Mondelez, combines "monde" the Latin word for "world" with "delez," a new word that conveys "delicious." The name fit well with the company's purpose, which is to make today delicious.[9]

Brand names develop histories. They have personalities. A current trend in branding involves creating a human persona or personality for the brand. Key human traits that brands espouse include customer empathy, talking and acting like people, and empowering individuals. The copy in the Maxwell House coffee ad on the next page contains a play on the words "stay grounded" by referring to both the coffee grounds and the human characteristic of being grounded.

The powerful impact branding has on purchase behaviors means that marketers should make branding decisions thoughtfully. Figure 2.7 identifies several types of brands.

▲ Craig General Hospital is an overt name because it reveals what the organization does.

- Google—name started as a joke about the way search engines search for information. The word googol is one followed by 100 zeros.
- Lego—combination of Danish phrase "leg godt" which means "play well" and Latin word lego which means "I put together."
- Reebok—alternative spelling of "rhebok" which is an African antelope.
- Skype—original name was "sky-peer-to-peer," which was changed to "skyper" then to "skype."
- Verizon—combination of Latin word "veritas" which means "truth" and horizon.
- Volkswagen—created by Adolph Hitler as a car for the masses that could transport 2 adults and 3 children at speeds up to 62 mph. Name means "people's car."
- Yahoo—word from Jonathan Swift's book Gulliver's Travels, which represented a repulsive, filthy creature that resembled Neanderthal man. Yahoo! founders, Jerry Yang and David Filo considered themselves to be yahoos.

▶ **FIGURE 2.7**
Types of Brands

- **Family brands.** A group of related products sold under one name.
- **Brand extension.** The use of an established brand name on products or services not related to the core brand.
- **Flanker brand.** The development of a new brand sold in the same category as another product.
- **Co-branding.** The offering of two or more brands in a single marketing offer.
- **Ingredient branding.** The placement of one brand within another brand.
- **Cooperative branding.** The joint venture of two or more brands into a new product or service.
- **Complementary branding.** The marketing of two brands together for co-consumption.
- **Private brands.** Proprietary brands marketed by an organization and sold within the organization's outlets.

▼ This advertisement for Maxwell House coffee features a play on words to convey the human characteristic of staying grounded.

HOUSE RULE #31

IF THERE'S FOAM IN YOUR COFFEE SOMETHING WENT TERRIBLY WRONG.

STAY GROUNDED @ MAXWELLHOUSE.COM

Maxwell House
Good to the Last ●

©2012 KRAFT FOODS

Family Brands

Many brands produce family trees. A **family brand** means a company offers a series or group of products under one brand name. The Campbell's brand applies to lines of soups and other vegetable products. Consumers seeing the Campbell's brand expect a certain level of quality in existing products and any product line addition or modification, such as Healthy Choice soups. These transfer associations occur as long as the new product remains within the same product category. When the additional products are not related to the brand's core merchandise, the transfer of loyalty does not occur as easily.

Brand Extensions

A **brand extension** involves the use of an established brand name on new goods or services. The extension might not be related to the core brand. Nike has been successful in extending its brand name to a line of clothing. Black & Decker effectively extended its brand name to new types of power tools, but was not as successful in extending the brand to small kitchen appliances.

Flanker Brands

As an alternative to brand extensions, a **flanker brand** is the development of a new brand by a company in a good or service category in which it currently has a brand offering. Procter & Gamble's primary laundry detergents are Cheer and Tide. Over the years, P&G introduced a number of additional brands, such as Era, Dreft, and Gain (see Figure 2.8). P&G's

Body Wash & Soap	Laundry & Fabric Care	Hair Care
• Ivory	• Bounce	• Aussie
• Olay	• Cheer	• Head & Shoulders
• Old Spice	• Downy	• Herbal Essences
• Safeguard	• Dreft	• Pantene
• Secret	• Era	
	• Febreze Air Fresheners	
	• Gain	
	• Tide	

◀ **FIGURE 2.8**
Select Brands Sold by
Proctor & Gamble

marketing team creates flanker brands to appeal to target markets a brand does not reach. This helps the company offer a more complete line of products and reach a higher percentage of customers. It also establishes barriers to entry for competing firms.

A flanker brand may be introduced when company leaders conclude that vending the product under the current brand name might adversely affect the overall marketing program. Several years ago, Hallmark's marketers created the flanker brand Shoebox Greetings to sell cards in discount stores as well as Hallmark outlets. At first, the Hallmark brand was only sold in retail stores carrying the Hallmark name. The marketing team discovered that although Shoebox Greeting cards are lower priced, they allow Hallmark to attract a larger percentage of the market, even in its own stores.
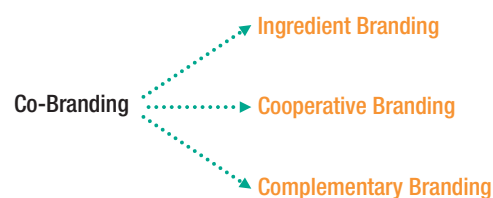
Firms such as Nestlé that operate in low-end or middle markets may use flanker brands to compete in high-end markets. The Nestlé brands San Pellegrino and Perrier are more mainstream; however, the company did not have a premium brand to compete with Smartwater, Fiji, and Evian until the introduction of Resource. Women who are trendier, earn higher incomes, and are around age 35 were the target market. The ad campaign promoted Resource by noting that it provides more than hydration. The new premium brand featured total "electrolytenment," and was packaged in bottles that were 50 percent recycled plastic content.[10]

Flanker brands are used in international expansion. Procter & Gamble sells Ariel laundry detergent in Argentina, Brazil, Chile, Mexico, Peru, and Venezuela, but not in the United States. Offering different brands for specific markets helps a firm to operate in international markets.

Co-Branding

Co-branding, or **alliance branding**, is the combination or alliance of two brands and can take three forms: ingredient branding, cooperative branding, and complementary branding (see Figure 2.9). **Ingredient branding** involves the placement of one brand within another brand, such as Intel microprocessors in Dell computers or Nestlé chocolate in Pillsbury brownie mix. **Cooperative branding** is a joint venture in which two or more brands are placed in a new good or service, such as when Citibank combines American Airlines and VISA into a credit card. **Complementary branding** is the marketing of two brands together to encourage co-consumption or co-purchases, such as Velveeta cheese marketed with Rotel Tomatoes and Diced Green Chilies.

Co-branding succeeds when it builds brand equity in both brands. Wholly Guacamole formed brand alliances with several brands including Sonic, Disney, Schlotzsky's, and Jennie-O. According to Tracy Altman of Wholly Guacamole, the advertising and

Ingredient Branding

Co-Branding ········▶ Cooperative Branding

Complementary Branding

◀ **FIGURE 2.9**
Forms of Co-Branding

▲ Wholly Guacamole developed a brand alliance with Sonic.

marketing budgets of many brands are stretched extremely thin and at the same time greater results are expected. One way to maximize advertising dollars is to develop alliances with other brands.[11]

Co-branding involves some risk. If the relationship fails to do well in the marketplace, both brands may be hurt. When one brand suffers, it can impact the sales of the other. For instance, a few years ago rumors surfaced that aspartame might contribute to certain types of cancer. Both NutraSweet and Equal contain aspartame. Sales of products such as Diet Coke that featured the co-brand NutraSweet on product labels began to slip. To reverse this trend, Diet Coke and other products containing aspartame went on the offensive to convince consumers the product was safe.

While risk cannot be eliminated, alliances between highly compatible brands of goods and services generally will be less precarious. Ingredient and cooperative branding tend to be less risky than complementary branding because both companies have more at stake and devote greater resources to ensure success.

For small companies and brands that are not as well known, co-branding can be an effective strategy. Finding a well-known brand willing to create an alliance with a lesser-known product may be difficult. When such an alliance forms, the co-brand relationship often builds brand equity for the lesser-known brand more than the established brand.

Brand Logos

A **brand logo** is the symbol used to identify a brand. It should be designed to accentuate the brand name. A logo contributes an additional aspect to a brand's image. Organizations have spent millions of dollars selecting, meshing, and promoting brand names and logos. A strong name featuring a well-designed logo helps consumers remember brands and company messages. Consumers can reduce search time when they look for product names identified by effective logos. Quality logos and brand names should pass the four tests identified in Figure 2.10.[12]

Logos assist in-store shopping. The mind processes visuals faster than words. A logo may be more quickly recognized by shoppers. Logo recognition can occur at two levels. First, a consumer might remember seeing the logo in the past. An image stored in the consumer's memory will be jogged when it is seen at the store. Second, a familiar logo may remind the shopper of the brand or corporate name. This reminder can elicit positive (or negative) feelings regarding the branded item.

Successful logos elicit shared meanings among consumers, a process known as **stimulus codability**. Logos with high stimulus codability evoke consensual meanings within a culture or subculture. Consumers readily recognize logos with high degrees of codability, such as those used by Apple, McDonald's, and Pepsi. Companies that have logos with lower degrees of codability often spend more money on advertising. At first, Nike spent a considerable amount of dollars making the "Swoosh" more recognizable,

- Recognizable
- Familiar
- Elicits a consensual meaning among those in the firm's target market
- Evokes positive feelings

because at first the logo by itself did not conjure any specific image of Nike. Now, almost everyone recognizes the Nike Swoosh. The brand name does not even have to be present.

Some companies modify logos as market conditions change. Others maintain the same logo for decades with only minor changes. John Deere holds a long-lasting logo, which was designed in 1876 and is still used. Figure 2.11 identifies some of the oldest logos and when they were created.

Creating quality logos can be challenging. Logos that pass the test of time are even more difficult. Logos are a reflection of a brand. Consequently, a cheap, poorly designed logo might suggest an inferior brand to consumers. Quality logos require careful thought, planning, and the expertise of designers who understand the principles behind creating or changing one into a version that will be effective. Figure 2.12 lists tips for creating or changing logos.

A logo does not have to be complex and contain every element of the brand's meaning. Simple logos can be valuable.[13] The Nike Swoosh and McDonald's arches are simple but powerful logos. A logo should complement the brand name and not overpower it, the product's packaging, or the product itself. Effective logos are media transferrable; they can be used in all media formats, from print ads to broadcast ads to the internet and social media. The best logos transcend cultures and can be featured around the world.

Changing logos has risks. Organizations cannot always predict consumer reactions, especially now with social media. American Airlines discovered this the hard way when the company tweeted via social media the message that its new logo on the tail of its planes reflected the spirit of America & innovative, progressive, and open to the world." The public saw it differently. One Twitter quote said, ". . . a new paint job [does not] make up for crappy service [and] operating model deficiencies." The new logo design's impact was best summarized by the words of Massimo Vignelli when he said, "It seems to me that there was no need for American Airlines to undertake such a change. . . . but many people do not understand the difference between design and styling, and believe in a change for the sake of change.[14]

Logo changes for IHOP and StubHub received the opposite reaction. The new logo for IHOP deleted the blue and red background framing and cast the O and P of IHOP into a smiley face designed to reflect IHOP's Twitter-savvy persona. According to Kirk


▲ When Community Trust Bank changed the company's name to Origin Bank, it required a new logo.

Company/Brand	Year Company Founded	Year Logo First used
John Deere	1837	1876
Coca-Cola	1886	1886
Johnson & Johnson	1886	1886
Union Pacific Railroad	1862	1888
Prudential Life Insurance	1875	1896
Campbell's Soup	1869	1898
General Electric	1892	1900
Goodyear	1898	1901
Sherwin-Williams	1866	1905
DuPont	1802	1907

◀ **FIGURE 2.11**
Some of the Oldest Logos

- The logo is a reflection of the brand
- Creating logos requires knowledge and expertise
- Use professional designers
- Make the logo simple
- Make the logo media transferrable

◀ **FIGURE 2.12**
Tips for Creating or Changing Logos
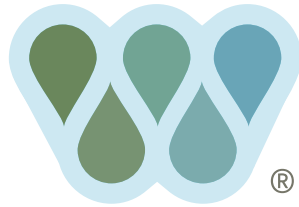
▲ This logo for The Water Institute of the Gulf was created by advertising agency Zehnder Communications.

Thompson, Vice-President of Marketing, the new logo design reflected the essence of IHOP, delivering world-famous pancakes that make customers smile and offers great memories shared with family and friends.[15]

StubHub's marketing team decided to redesign the company's logo in order to help redefine its identity. The new version removed the two tickets from the exclamation point and outlined the brand name with a dark blue border. Changing the company's mission into providing customers with a whole-event experience rather than just being a ticket re-seller was the goal. In addition to finding tickets, consumers can use the site to find information about where to eat and park, which modes of transportation would work best, and even what the weather is likely to be. Changing the logo represented an essential component of StubHub's business evolution.[16]

Changing logos can be expensive. Vice president of Pepsi, Frank Cooper, noted that a change was needed in the Pepsi logo to move the brand out of traditional mass marketing to convey a more dynamic and alive brand that is engaged with consumers. The new logo took five months to create and cost more than $1 million. Additional costs were incurred when the company placed the new logo on delivery trucks, vending machines, stadium signage, and point-of-purchase materials.[17]

Identifying the Desired Brand Image

objective 2.4

What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

When creating a program to promote a desired brand image, the marketing team first evaluates its current image. Marketers study the brand's image in order to identify its strengths and weaknesses. This helps to compare the current image with competitors. The marketing team also tries to discover how those outside of a company view the brand.

Once a team understands how various groups view the brand, decisions can be made regarding ways to correct misperceptions and/or build on the image that customers currently hold. Marketers then tailor future communications to promote the target image. These messages are sent to every constituency, including customers, suppliers, and employees.

At one time Nokia was the market leader in the mobile phone industry. Recently, after years of declining sales and a lower market share, the company became more of an underdog and was forced to act more like a challenger. As the market leader, the company sought to defend its share. The new goal of Nokia, according to CMO Tuula Rytilä, was to reignite the brand by bringing meaning, relevancy, and emotion to it. The messages were created to resonate with customers in the United States, and also those in Europe, China, and India.[18]

Creating the Right Brand Image

The right image sends a clear message about the unique nature of an organization and its products. A strong image accurately portrays what the firm sells, even in large corporations that offer multiple brands. As an example, the top management team at Kraft Heinz developed the phrase "Make today delicious" in an effort to unite the corporation and its various brands by focusing its employees in a more cohesive direction.[19]

In a business-to-business operation, creating the right image can be challenging. Scott Equipment sells new and used construction, agricultural, and industrial equipment. The company was founded in 1939 and grew to 25 locations in five different states. Scott's management team and marketing director Jamie Salter faced a difficult circumstance