

Chapter 11

Advertising, Integrated Marketing Communications, and the Changing Media Landscape

Communication helps businesses grow and prosper, creates relationships, strengthens the effectiveness of organizations, and allows people to learn about one another. Technology such as the Internet and cell phones affects the way we communicate and is changing the type of messaging strategy organizations use.

Do you feel lost without your cell phone? Are you more likely to respond to text messages than phone calls? Do you use the print publications (magazines, newspapers, references) at the library or do you find all your references online? Do your grandparents prefer different methods of communication? Think about how you get information and then think about how organizations can communicate with you and other target markets about their products, services, or causes. As we find new sources of information, the media and message strategies used by businesses must also change. However, organizations still want consumers to get a consistent message.

11.1 Integrated Marketing Communications (IMC) and New Media

LEARNING OBJECTIVES

1. Understand what integrated marketing communications (IMC) are.
2. Understand why organizations may change their promotional strategies to reach different audiences.

Saylor URL: <http://www.saylor.org/courses/bus203>

Saylor.org



Once they have developed products and services, organizations must communicate the value and benefits of the offerings to both current and potential customers in both business-to-business and business-to-consumer markets. **Integrated marketing communications (IMC)** provide an approach designed to deliver one consistent message to buyers across an organization's promotions that may span all different types of media—TV, radio, magazines, the Internet, mobile phones, and so forth. For example, Campbell's Soup Company typically includes the “Mm, mm good” slogan in the print ads it places in newspapers and magazines, in ads on the Internet, and in commercials on television and radio. A company's ads should communicate a consistent message even if it is trying to reach different audiences. For example, although the messages are very similar, Campbell's uses two variations of commercials designed to target different consumers. Watch the two YouTube videos below. You'll notice that the message Campbell's gets across is consistent. But can you figure out who the two target audiences consist of?

Changes in communication technology and instant access to information through tools such as the Internet explain one of the reasons why integrated marketing communications have become so important. Delivering consistent information about a brand or an organization helps establish the brand in the minds of consumers and potential customers. Many consumers and business professionals seek information and connect with other people and businesses from their computers and phones. The work and social environments are changing, with more people having virtual offices and texting on their cell phones or communicating through social media such as Facebook. Text messaging, Internet, cell phones, blogs—the way we communicate continues to change the way companies are doing business and reaching their customers. As a result, organizations have realized they need to change their promotional strategies as well to reach specific audiences.



Many college students are part of the millennial generation, and it is consumers from this generation (people like you perhaps) who are driving the change toward new communication technologies. As we discussed in **Chapter 5 "Market Segmenting, Targeting, and Positioning"** you might opt to get promotions via **mobile marketing**—say, from stores on your cell phone as you walk by them or via a mobile gaming device that allows you to connect to the Web. Likewise, advertisements on Facebook are becoming more popular as businesses explore social media. For example, when Honda let people on Facebook use the Honda logo to give heart-shaped virtual gifts on Valentine’s Day, over one and a half million people participated in the event and viewed the Honda Fit online in the process. Imagine the brand awareness generated for the Honda Fit.

Traditional media (magazines, newspapers, television) now compete with media such as the Internet, texting, and mobile phones; user-generated content such as blogs and YouTube; and **out-of-home advertising** such as billboards and movable promotions. You might have noticed that the tray tables on airplanes sometimes have ads on them. You have probably also seen ads on the inside of subway cars, in trains and buses, and even in bathroom stalls. These, too, are examples of out-of-home advertising.

As the media landscape changes, the money organizations spend on different types of communication will change as well. Some forecasts indicate that in the next five years companies will increase their expenditures on new media from approximately 16 percent of their total promotional budgets to almost 27 percent of their budgets, or \$160 billion by 2012. ^[1]

KEY TAKEAWAY

As the media landscape changes, marketers may change the type of promotions they use in order to reach their target markets. With changing technology and social media (e.g., Facebook), less money is being budgeted for traditional media such as magazines and more money is budgeted for “new



media.” Regardless of the type of media used, marketers use integrated marketing communications (IMC) to deliver one consistent message to buyers.

REVIEW QUESTIONS

1. Explain the concept of integrated marketing communications.
2. How is the media used by organizations changing? What age group is driving the change?
3. What factors are causing the media landscape to change?

[1] “PQ Media: New Media Spend to Hit \$160B in 2012,” *MarketingVOX*, March 26, 2008, <http://www.marketingvox.com/pq-media-new-media-spend-to-hit-160b-in-2012-037592> (accessed December 15, 2009).

11.2 The Promotion (Communication) Mix

LEARNING OBJECTIVES

1. Understand the different components of the promotion mix.
2. Understand the different types of media and vehicles.

Although the money organizations spend promoting their offerings may go to different media channels, a company still wants to send its customers and potential consumers a consistent

Saylor URL: <http://www.saylor.org/courses/bus203>

Saylor.org



message (IMC). The different types of marketing communications an organization uses compose its **promotion or communication mix**, which consists of advertising, sales promotions, public relations and publicity, personal selling, and direct marketing.

Advertising involves paying to disseminate a message that identifies a brand (product or service) or an organization being promoted to many people at one time. The typical media that organizations utilize for advertising of course include television, magazines, newspapers, the Internet, direct mail, and radio. As we explained, businesses are also advertising on social media such as Facebook, blogs, Twitter, and mobile devices. Each medium (television or magazines or mobile phones) has different advantages and disadvantages. A few examples of advantages and disadvantages are discussed below.

For example, mobile phones provide continuous access to people on the go although reception may vary in different markets. Radios, magazines, and newspapers are also portable. People tend to own more than one radio, but there are so many radio stations in each market that it may be difficult to reach all target customers. People typically are doing another activity (e.g., driving or studying) while listening to the radio, and without visuals, radio relies solely on audio. Both television and radio must get a message to consumers quickly. Although many people change channels or leave the room during commercials, television does allow for demonstrations. In an effort to get attention, advertisers have changed the volume for television commercials for years. However, the Federal Trade Commission passed a new regulation effective in 2010 that prohibits advertisers from changing the volume level of commercials on television.

People may save magazines for a long time, but advertisers must plan in advance to have ads in certain issues. With the Internet, both magazines and newspapers are suffering in terms of readership and advertising dollars. Many major newspapers, such as papers in Seattle and Chicago, have gone out of business. Local news and the fact that local retailers get cheaper

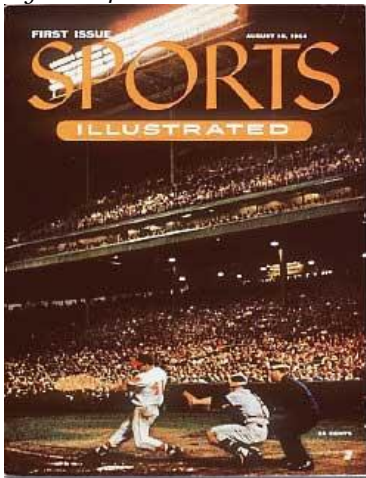
Saylor URL: <http://www.saylor.org/courses/bus203>

Saylor.org



rates for advertising in local newspapers may encourage both local businesses and consumers to support newspapers in some markets.

Figure 11.4



The first issue of Sports Illustrated was published August 16, 1954. Today, the companies that advertise in Sports Illustrated do so not only in the magazine but also on the Web site.

Source: Wikipedia.

One of the biggest factors an organization must determine is which medium or media provides the biggest bang for the buck, given a product's characteristics and target market. For example, a thirty-second ad aired during Super Bowl XLII cost \$2.7 million. However, a record number of 97.5 million people watched the game, so the cost per ad was less than three cents per viewer. But do the ads pay off for companies in terms of sales? Many advertising professionals believe many of the ads don't. However, the ads probably do have a brand awareness or public relations type of effect.

Within each different medium, an organization might select a different vehicle. A **vehicle** is the specific means within a medium to reach a selected target market. For example, if a company wants to develop commercials on television to reach teenagers, it might select *Gossip Girl* on the CW as the best vehicle. If an organization wants to use magazines to reach males interested in sports, it might use *Sports Illustrated*. As technology changed, *Sports Illustrated* launched SI.com so readers could get up-to-date information on the Web. On SI.com, readers can also access links to popular articles and “SIVault” (<http://vault.sportsillustrated.cnn.com/vault>), where they can search articles and pictures that have run in the magazine since it was launched in 1954.

Personal selling is an interactive, paid approach to marketing that involves a buyer and a seller. The interaction between the two parties can occur in person, by telephone, or via another technology. Whatever medium is used, developing a relationship with the buyer is usually something the seller desires.

When you interview for internships or full-time positions and try to convince potential employers to hire you, you are engaging in personal selling. The interview is very similar to a buyer-seller situation. Both the buyer and seller have objectives they hope to achieve. Although business-to-business markets utilize more personal selling, some business-to-consumer markets do as well. If you have ever attended a Pampered Chef or Tupperware party or purchased something from an Amway or Mary Kay representative, you’ve been exposed to personal selling. Chapter 13 “Professional Selling” discusses personal selling in more detail and when it should and should not be used.

Public relations (PR) helps improve and promote an organization’s image and products by putting a positive spin on news stories. Public relations materials include press releases, publicity, product placement, and sponsorships. Companies also use PR to promote products and to supplement their sales efforts. PR is often perceived as more neutral and objective

Saylor URL: <http://www.saylor.org/courses/bus203>

Saylor.org



than other forms of promotion because much of the information is tailored to sound as if it has been created by an organization independent of the seller. Many companies have internal PR departments or hire PR firms to find and create public relations opportunities for them. As such, PR is part of a company's promotion budget. In Chapter 12 "Public Relations and Sales Promotions" we'll discuss the specific PR tools companies use as part of their integrated marketing communications.

Sales promotions consist of other types of promotions—coupons, contests, games, rebates, mail-in offers, and so forth—that are not included as part of another component of the communication mix. Sales promotions are often developed to get customers and potential customers to take action quickly, make larger purchases, and make repeat purchases. Many stores now place coupons next to products to encourage consumers to select a particular brand and products.

In business-to-business marketing, sales promotions are typically called **trade promotions** because they are targeted to channel members who conduct business or trade with consumers. Trade promotions include trade shows, sponsorships, event marketing, and special incentives given to retailers, such as extra money, in-store displays, and prizes to market particular products and services. Sales promotions are often used to supplement advertising and create incentives for customers to buy products more quickly. Chapter 12 "Public Relations and Sales Promotions" also discusses the different types of sales promotion tools companies have available.

Direct marketing involves delivering personalized promotional materials directly to individual consumers. It provides an interactive approach for organizations to reach consumers in hopes of getting consumers to take action. Materials may be delivered via mail, catalogs, Internet, e-mail, telephone, or direct-response advertising. Several benefits of direct marketing include the ability to target a specific set of customers, measure the return on



investment (ROI), and test different strategies before implementing to all targeted consumers. However, direct marketing is very intrusive and many consumers may ignore attempts to reach them.

Telemarketing involves direct marketing by phone. You just sat down for dinner and the phone rings. It's a local charity calling to raise money. The calls always seem to come at dinner or at other inconvenient times. Although expensive, telemarketing can be extremely effective for charitable organizations and different service firms and retailers. However, because some consumers have negative perceptions of telemarketers many organizations do not use it. The **Do Not Call Registry**, which was established in 2008, prevents organizations from calling any numbers registered with the Federal Trade Commission.

Catalogs and **direct mail** provide popular alternatives for many marketers although the volume sent drops significantly in a weak economy. Direct mail can be personalized and ask consumers to make a **call to action**, which is a certain response the organization requests.

Direct response advertising includes an offer and a call to action. You're watching television and an interesting product is shown. The announcer says, "Call now and receive a bonus package." They want consumers to call to purchase the product or to get more information. However, the Internet provides the preferred direct-response medium because it is less expensive and easier for the organization. The Internet is also an important medium for direct marketing.

KEY TAKEAWAY

The promotion (communication) mix is composed of advertising, personal selling, public relations, sales promotion, and direct marketing. Once a company decides on a component of the promotion mix, such as advertising, it must still decide which medium (e.g., television, cell phones, magazines)

Saylor URL: <http://www.saylor.org/courses/bus203>

Saylor.org



or media (more than one medium) to use. Within each medium, the company must also select a vehicle, which may be a particular television show, radio station, or magazine.

REVIEW QUESTIONS

1. Define each component of the promotion (communication) mix.
2. What is the difference between a medium and a vehicle?
3. Identify examples of traditional media and new media.

11.3 The Promotion Mix, Communication, and Buyers' Perceptions

LEARNING OBJECTIVES

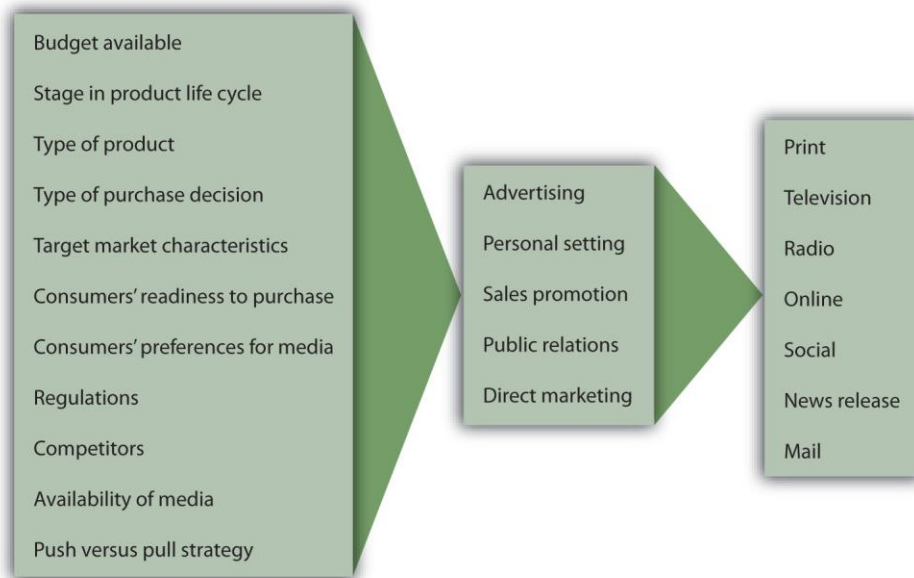
1. Understand that different factors can affect the promotion mix.
2. Understand the communication process.
3. Understand buyers' perceptual processes.

The Promotion Mix

A marketing manager from one company might decide to focus on social media, whereas a marketing manager from another company might decide to focus her company's efforts on television commercials. Why do companies select different types of media for what may be perceived as similar messages? As Figure 11.6 "Factors That Influence Selection of Promotion Mix" shows, a number of factors affect the choice of promotion mix elements.

Figure 11.6 Factors That Influence Selection of Promotion Mix





Budget Available. For many companies, the budget available to market a product determines what elements of the promotion mix are utilized. The budget affects a promotion's **reach** (number of people exposed to the message) and **frequency** (how often people are exposed). For example, many smaller companies may lack the money to create and run commercials on top-rated television shows or during the Super Bowl. As a result, they may not get the exposure they need to be successful. Other firms such as McDonald's may come up with creative ways to reach different target markets. For example, McDonald's targeted college students with a special promotion that it filmed live in a Boston University lecture.

Stage in the product life cycle. The stage in the product life cycle also affects the type and amount of promotion used. Products in the introductory stages typically need a lot more promotional dollars to create awareness in the marketplace. Imagine how much more fuel an airplane needs for takeoff than it needs once it is in the air. The same is true of communication. More "fuel" is needed in the beginning to help with the takeoff.

Type of product and type of purchase decision. Different products also require different types of promotion. Very technical products and very expensive products often need personal selling so

the customer understands how the product operates and its different features. By contrast, advertising is often relied upon to sell convenience goods and products purchased routinely since customers are familiar with the products.

Target market characteristics and consumers' readiness to purchase. In order to select the best method to reach their target market(s), organizations must also understand how ready different target markets are to make purchases. For example, some people are early adopters and want to try new things as soon as they are available, and other groups wait until products have been on the market for a while. Some consumers might not have the money to purchase different products, although they will need the product later. For example, are most college freshmen ready to purchase new cars?

Consumers' preferences for various media. We've already explained that different types of consumers prefer different types of media. In terms of target markets, as we mentioned, college-aged students prefer online, cell phone, and social media more than older consumers do. Consumers' media preferences have been researched extensively by academics and marketing research companies. Companies also do their own research and conduct surveys of their consumers to find out how they want to be reached.

Regulations, competitors, and environmental factors. Regulations can affect the type of promotion used. For example, laws in the United States prohibit tobacco products from being advertised on television. In some Asian countries, controversial products such as alcohol cannot be advertised during Golden (prime) time on television. The hope is that by advertising late at night, young children do not see the advertisements. The strength of the economy can have an impact as well. In a weak economy, some organizations use more sales promotions such as coupons to get consumers into their stores. The risk is that consumers may begin to expect coupons and not want to buy items without a special promotion.



Availability of media. Organizations must also plan their promotions based on availability of media. The top-rated television shows and Super Bowl ad slots, for example, often sell out quickly. Magazines tend to have a longer lead time, so companies must plan far in advance for some magazines. By contrast, because of the number of radio stations and the nature of the medium, organizations can often place radio commercials the same day they want them to be aired. Uncontrollable events can affect a company's promotions, too. For example, when a disaster occurs, TV stations often cut advertisements to make way for continuous news coverage. If there is a crisis or disaster and your company is in the middle of a promotion being advertised on TV, you will likely have to scramble to reach consumers via another medium.

Push versus pull strategy. Businesses must also decide whether to use a push strategy, a pull strategy, or both push and pull strategies. A **push strategy** involves promoting a product to middlemen, such as wholesalers and retailers, who then promote the product to consumers. Manufacturers may set up displays in retail outlets for new products so the retailer can promote the product to consumers. A **pull strategy** involves promoting a product to final consumers. For example, a manufacturer promotes its new product on television to consumers and places coupons in the newspaper inserts to get the consumers demanding the product. Their pull causes wholesalers and retailers to buy the product to try to meet their demand. Many manufacturers use both a push strategy and a pull strategy. More details on push and pull strategies are discussed in Chapter 12 "Public Relations and Sales Promotions".

The Communication Process

Do you use TiVo or a digital video recorder (DVR) to record movies or television shows so you can watch them when you want without television commercials? Do you ever use the remote to skip the commercials or to look at different shows? Think about which television shows you choose to watch, which magazines you read, which radio stations you select. Think about what else you are doing when you watch television or when you are studying or when you are listening to the radio.



It's a hot day in July and you're enjoying a day at the beach. Your friends brought a radio to the beach and the volume is turned up so you can hear all the music. If you're listening to the music or talking to a friend at the beach while you're listening to the radio, do you hear or pay attention to the commercials? Do you remember which products were advertised?

The communication process illustrates how messages are sent and received, as shown in Figure 11.7 "The Communication Process". The source (or sender) **encodes**, or translates, a message so that it's appropriate for the message channel—say, for a print advertisement, TV commercial, or store display—and shows the benefits and value of the offering. The receiver (customer or consumer) then **decodes**, or interprets, the message. For effective communication to occur, the receiver must interpret the message as the sender intended.

You're ready to go home on a Friday afternoon and you hear someone mention an upcoming event on Saturday. However, you did not listen to all the details and assume the event is the next day, not the following Saturday. Since you already made other plans for the next day, you don't even consider showing up the following Saturday. Has this ever happened to you? You don't show up at an event because you didn't interpret the message correctly? If you do not hear someone correctly, misread information, or misinterpret a message, you might think a product or service provides different benefits or is easier or harder to use than it really is.

Interference, or noise, can distort marketing messages. Interference includes any distractions receivers and senders face during the transmission of a message. For example, when you were growing up did you see commercials for toys such as the pogo ball, which appeared to be so easy to use but when you tried to jump up and down on it, you found out it was extremely difficult? The same thing may happen if you're studying for an exam while you're talking on the phone. The conversation interferes with remembering what you're reading. Factors such as poor reception, poor print quality, problems with a server, or a low battery can also interfere with your getting messages.

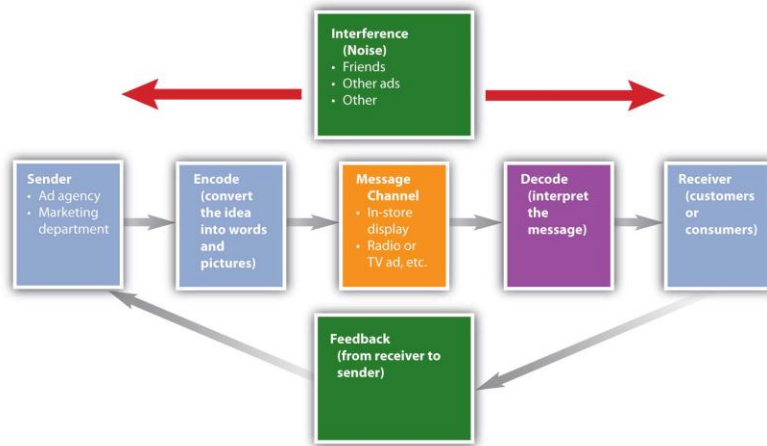
Saylor URL: <http://www.saylor.org/courses/bus203>

Saylor.org



Purchasing a product provides the sender with **feedback**, which often tells the seller that you saw information and wanted to try the product. If you use any coupons or promotions when you buy a product, the advertiser knows which vehicle you used to get the information. Market research and warranty registration also provide feedback.

Figure 11.7 *The Communication Process*



Perceptual Processes

Recall that we first discussed perception when we discussed buyer behavior in Chapter 3 "Consumer Behavior: How People Make Buying Decisions". The **perceptual process** is how a person decides what to pay attention to and how to interpret and remember different things, among them information included in advertising. When you choose to take an elective class or select a television show, a magazine, or a radio station, you are selecting what information you are exposed to and also deciding what gets your attention.

Think about being at the beach again. You're with a friend, but when you hear someone else say your name, you may pay more attention to the person talking about you than to your friend. The same thing happens when you watch a television show or read a magazine. You might be watching a show when the phone rings and then pay more attention to the person on the phone than to what is on the television. You might be studying for a test and your friends show up and your

attention shifts to them. With so many different types of distractions and technology such as recording devices, imagine how difficult it is for an advertiser to get your attention.

If an advertiser does get your attention, do you interpret the information correctly or do you change (distort) it? If a friend tells you a story, then you tell another friend, and that person tells someone else, will the message be the same after it is relayed to multiple people? If you miss class and borrow someone else's notes, do you understand what they mean? Not only must advertisers try to present consistent messages (IMC), they must also try to ensure that you interpret the message as they intended.

Advertisers also want you to remember their brands and organizations. When you study for an exam and memorize key terms, you may not remember them after the test. But hopefully if you hear the terms multiple times, you will remember them. Advertisers use the same strategy to try to get you to retain their messages. Not only do you see the same commercial or message in multiple places, but you may also see it multiple times in each place. However, advertisers must also be careful that consumers don't get so tired of the message that there is a negative effect. Do you remember information from classes your freshman year? Do you know your friends' phone numbers or e-mail addresses, or do you just find their names on your contact list? Which commercials do you remember? What gets your attention? Sometimes annoying or humorous messages get your attention and you remember the commercial. Advertisers want you to remember their brand. A great promotion is not effective if people don't remember the brand. We tend to remember information that has some relevance to our personal situation or beliefs. For example, if you have no need for a product or service, you might not pay attention to or remember the messages used to market it.

KEY TAKEAWAY



Many factors, such as a firm's marketing budget, the type of product, regulations, target customers, and competitors, influence what composes the promotion mix. Depending on what medium is used, marketers use the communication process to encode or translate ideas into messages that can be correctly interpreted (decoded) by buyers. However, marketers must determine how to get consumers' attention and avoid as much interference and noise as possible. Perceptual processes include how a person decides what to pay attention to and how to interpret and remember different things.

REVIEW QUESTIONS

1. Explain the communication process and factors that can interfere with interpretation of messages.
2. What is the perceptual process and how does it relate to promotion?
3. What is the difference between encoding and decoding a message?

11.4 Message Strategies

LEARNING OBJECTIVES

1. Understand what a unique selling proposition is and how it is used.
2. Understand different types of promotion objectives.
3. Identify different message strategies.



Utilizing a Product's Unique Selling Proposition (USP)

When organizations want to communicate value, they must determine what message strategies work best for them. Smart organizations determine a product's **unique selling proposition (USP)**, or specific benefit consumers will remember. Domino's "Pizza delivered in 30 minutes or it's free" is a good example of a unique selling proposition. Likewise, Nike's global slogan "Just Do It" helps athletes and other consumers realize their potential, and many consumers may think of all the things that they do when they use Nike products. Watch the video below on Nike to get an idea of the many different activities people from different countries do when using Nike products.

Nike and Coca-Cola have been extremely successful in adapting their promotions to different international markets. Both companies have very popular global brands. Sometimes the same promotions work in different cultures (countries), but others must be adapted for different international audiences—similar to the way products may be adapted for international markets. Companies must be careful of how words translate, how actions are interpreted, how actors (or models) look, and what different colors in ads may mean.

When deciding on a message strategy, organizations must consider the audience, the objectives of the promotion, the media, and the budget, as well as the USP and the product. Knowing your audience and whom you are trying to reach is critical. The more advertisers know about the consumers (or businesses) exposed to the message, the better. Commercials for golf products shown during golf tournaments focus specifically on golfers. Other commercials, such as several recent ones for the fast-food chain Hardee's, are on the risqué side. They may appeal to some college students but may offend other consumers such as senior citizens. What do you think? Do you think Hardee's is trying to reach a younger demographic? Do the ads make you more inclined to purchase fast food from Hardee's? See the Hardee's commercial in the video below.



The Organization's Promotion Objectives

Advertisers must also examine their promotion objectives. What are they trying to accomplish with their promotions? Are they trying to build awareness for a new product, are they wanting to get people to take action immediately, or are they interested in having people remember their brand in the future? Building **primary demand**, or demand for a product category, such as orange juice, might be one objective, but a company also wants to build **selective demand**, or demand for its specific brand(s), such as Tropicana orange juice.

Other common objectives follow the **AIDA model** (attention, interest, desire, and action). AIDA objectives typically are achieved in steps. First, companies focus on attention and awareness of a product or service, which is especially important for new offerings. If a consumer or business is not aware of a product or service, they won't buy it. Once consumers or businesses are aware of products or services, organizations try to get consumers interested and persuade them that their brands are best. Ultimately, companies want consumers to take action or purchase their products or services.

Message Characteristics

Organizations must also determine what type of appeal to use and how to structure their messages. Some of the common advertising appeals are humorous, emotional, frightening (fear), rational (informative), and environmentally conscious. If you were asked to name your favorite commercial, would it be one with a humorous appeal? Many people like commercials that use humor because they are typically entertaining and memorable. Humor sells, but firms must be careful that the brand is remembered. Some commercials are very entertaining, but consumers cannot remember the brand or product.

Each year, some of the most talked-about commercials take place during the Super Bowl. Many people watch the game just to see the commercials. Watch the following YouTube videos to see one of the top ten Super Bowl commercials of all time and how newer commercials relied on a

Saylor URL: <http://www.saylor.org/courses/bus203>

Saylor.org



similar approach. Notice how many of them use a humorous appeal. But do you think some are more effective than others? In other words, will viewers actually buy the product(s)?

Companies must also be careful when using fear appeals so consumers don't get too alarmed or frightened. A few years ago, Reebok had to discontinue a TV ad because it upset so many people. The ad showed a bungee jumper diving off a bridge, followed by a shot of just his shoes hanging from the bridge by the bungee cord. That ad provoked people because it implied the jumper had fallen to his death.

Firms also decide whether to use strategies such as an open-ended or closed-ended message; whether to use a one-sided or two-sided message; and whether to use slogans, characters, or jingles. An **open-ended message** allows the consumer to draw his or her own conclusion, such as a commercial for perfume or cologne. A **closed-ended message** draws a logical conclusion. Most messages are one sided, stressing only the positive aspects, similar to what you include on your résumé. However, two-sided messages are often utilized as well. Pharmaceutical companies often show both the positive aspects (benefits) of using a drug and the negative aspects of not using it. (Of course, U.S. laws require companies to list the side effects of prescriptions—hence the long “warnings” you hear and read about in conjunction with drug ads.)

The order of presentation also affects how well consumers remember a brand. If you forgot about a twenty-five-page term paper that you had to write before the next day of class, which sections of the paper would be the strongest? Would the beginning, the end, or the middle be the best section? Many students argue that either the beginning or the end is most important, hoping that the instructor does not read the entire paper carefully. The same strategy is true for commercials and advertisements. The beginning and the end of the message should be strong and include the brand name. That way, if consumers hear or read only part of the message, they will hopefully remember the brand name.

Saylor URL: <http://www.saylor.org/courses/bus203>

Saylor.org

20



Figure 11.8



The Jolly Green Giant helped kids remember the Green Giant jingle and hopefully reminded them to eat their vegetables.

Source: Wikimedia Commons.

Some companies use characters or mascots and/or jingles or slogans. Although media is changing, many of the characters and jingles have stayed the same for decades. When you think of Campbell's soup, do you think "Mm, mm good"? Just as the commercials viewed in the beginning of the chapter focused on "Mm, mm good," Campbell's has used the same slogan since the early 1900s, and the Campbell Soup Kids were created in 1904. Although Campbell's changed its slogan in 1998, the company still uses the "Mm, mm good" slogan in most of its promotions across different media. Apparently, the slogan still resonates with consumers. Other jingles, characters (mascots), or symbols you may be familiar with include the Jolly Green Giant, the Wienermobile, and the Pillsbury Doughboy known as Poppin' Fresh. The following figures illustrate some of these characters and symbols.

Figure 11.9

Saylor URL: <http://www.saylor.org/courses/bus203>

Saylor.org



The Wienermobile tours the country.

Source: Wikimedia Commons.

Figure 11.10



The Pillsbury Doughboy, Poppin' Fresh, is popular around the world and is shown on this box of pancake mix in Israel.

Source: Wikipedia.

Do you remember the Oscar Mayer jingles? Watch the video below and see if you find yourself singing along. The jingle was originally developed in 1963 and is now recorded in different languages. In 2006 Oscar Mayer promoted a singing contest for the jingle, which still remains popular. Kraft's promotions are also consistent across media, using the visuals

from commercials as pictures in their print ads in both English and Spanish versions, following the IMC concept.

KEY TAKEAWAY

Organizations must determine promotion objectives, or what they want to accomplish with their promotions. For example, if a company has a new brand they may want to generate awareness or attention. Later, they may focus on persuading customers to buy their brand. Each brand needs to have a unique selling proposition (USP) for customers to remember and want their product. Depending on their objectives and their USP, marketers must develop a message strategy. Some companies prefer humor or rational appeals while others may use a fear appeal.

REVIEW QUESTIONS

1. Identify the different promotion objectives companies may use.
2. What are some of the message strategies organizations use?
3. What is the difference between an open-ended and a closed-ended message?

11.5 The Promotion Budget



LEARNING OBJECTIVES

1. Understand different ways in which promotion budgets can be set.
2. Understand how the budget can be allocated among different media.

An offering's budget is a critical factor when it comes to deciding which message strategies to pursue. Several methods can be used to determine the promotion budget. The simplest method for determining the promotion budget is often merely using a **percentage of last year's sales** or the projected sales for the next year. This method does not take into account any changes in the market or unexpected circumstances. However, many firms use this method because it is simple and straightforward.

The **affordable method**, or what you think you can afford, is a method used often by small businesses. Unfortunately, things often cost more than anticipated, and you may not have enough money. Many small businesses think they're going to have money for promotion, but they run out and cannot spend as much on promotion as they had hoped. Such a situation may have happened to you when you planned a weekend trip based on what you thought you could afford, and you did not have enough money. As a result, you had to modify your plans and not do everything you planned.

Other companies may decide to use **competitive parity**—that is, they try to keep their promotional spending comparable to the competitors' spending level. This method is designed to keep a brand in the minds of consumers. During a recession, some firms feel like they must spend as much—if not more—than their competitors to get customers to buy from them. Other companies are forced to cut back on their spending or pursue more targeted promotions. When Kmart faced bankruptcy, they cut back on expenditures, yet they kept their advertising inserts



(free-standing inserts, or FSI) in Sunday newspapers to remain competitive with other businesses that had an FSI.

A more rational approach is the **objective and task method**, whereby marketing managers first determine what they want to accomplish (objectives) with their communication. Then they determine what activities—commercials, sales promotions, and so on—are necessary to accomplish the objectives. Finally, they conduct research to figure out how much the activities, or tasks, cost in order to develop a budget.

Part of the budgeting process includes deciding how much money to allocate to different media. Although most media budgets are still spent predominantly on traditional media, shifts in spending are occurring as the media landscape continues to change. Mobile marketing continues to become more popular as a way to reach specific audiences. One estimate shows that over one-third of cell phone users were exposed to mobile advertising in 2009 and that 16 percent of the people exposed to mobile advertising responded to the ads via text messaging. Younger people are typically the most accepting of mobile advertising. ^[1]

Figure 11.11 Stubb's Bar-B-Q Trailer—Out-of-Home Advertising That Is Mobile Marketing



The Stubb's Bar-B-Q trailer travels around the country promoting the brand name and product.

Source: Photo courtesy of Stubb's Legendary Kitchen.

The manufacturers of most major brands plan to use texting and multimedia messages in the future. Mobile marketing allows advertisers to communicate with consumers and businesses on the go. Over half of Chinese, Korean, Indian, and Thai Internet users access social media sites through their phones rather than through computers. ^[2] While many marketers plan to use electronic devices for their mobile-marketing strategies, other firms may use movable or mobile promotions (see Figure 11.11 "Stubb's Bar-B-Q Trailer—Out-of-Home Advertising That Is Mobile Marketing"), which, as discussed earlier, are also considered out-of-home advertising. It is anticipated that the percentage companies spend on mobile media may be as much as 25 percent of their total promotional budgets by 2011. ^[3]

KEY TAKEAWAY

Companies can determine how much to spend on promotion several different ways. The percent of sales method, in which companies use a set percentage of sales for their promotion, is often the easiest method to use. Small companies may focus on what they think they can afford while other organizations may try to keep their promotions relatively equal to their competitors'. The objective and task approach takes objectives into consideration and the costs of the tasks necessary to accomplish objectives in order to determine the promotion budget.

REVIEW QUESTIONS

1. Explain four different ways to set a product's promotion budget.
2. What is mobile marketing?

[1] Jack Loechner. "Advertising Growth Spreads in All Mobile Formats," Research Brief, *MediaPost Blogs*, May 27, 2009, <http://www.mediapost.com/publications/article/106675/> (accessed April 13, 2012).



- [2] "Social Network Site Users Ready to Go Mobile But Telecom Carriers Need to Set the Stage for Mass Adoption, Says IDC," *IDC*, November 17, 2009, <http://www.idc.com/AP/pressrelease.jsp?containerId=prSG22084309> (accessed January 20, 2010).
- [3] "89% of Major Brands Planning to Market via Mobile Phones by 2008," *Mobile Europe*, February 20, 2006, <http://www.mmaglobal.com/research/89-major-brands-planning-market-mobile-phones-2008-mobile-marketing-accelerate-more-half-br> (accessed April 13, 2012).

11.6 Discussion Questions and Activities

DISCUSSION QUESTIONS

1. Provide an example of how an organization uses different media to present a consistent message using integrated marketing communications (IMC).
2. In your opinion, what are the advantages and disadvantages of advertising on the radio, in magazines, on television, through direct marketing, and on the Internet?
3. Give an example of an organization's promotional strategy and how it gets consumers to select it, pay attention to it, and retain it as intended.
4. Give an example of the unique selling proposition for one of your favorite brands.
5. Explain why companies might use different budgeting methods to set their promotional budgets.

ACTIVITIES

1. Identify your three favorite and least favorite commercials and explain why you like or don't like each one. Notice whether there are similarities in your preferences. In other words, are your favorite commercials humorous? Are your least favorite commercials annoying?
2. Create a message strategy for a cover letter to go with your résumé.



3. Outline three message strategies that you feel would get consumers' attention in television commercials and in print ads.

