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EDITION



# Integrated Advertising, Promotion, and Marketing Communications

EIGHTH EDITION

Kenneth E. Clow • Donald Baack



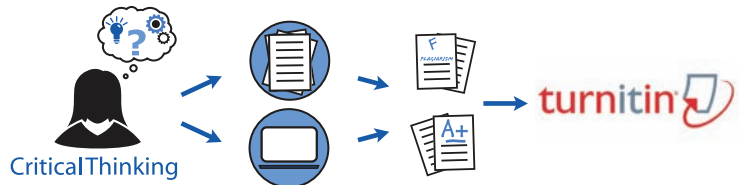
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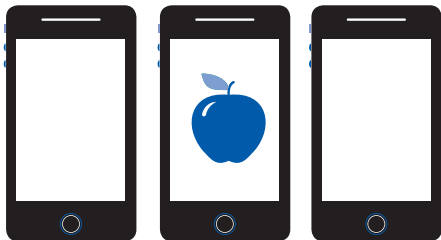


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# **Integrated Advertising, Promotion, and Marketing Communications**

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# Integrated Advertising, Promotion, and Marketing Communications

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*Authorized adaptation from the United States edition, entitled Integrated Advertising, Promotion, and Marketing Communications, 18th edition, ISBN 978-0-13-448413-6, by Kenneth E. Clow and Donald Baack, published by Pearson Education © 2018.*

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ISBN 10: 1-292-22269-7  
ISBN 13: 978-1-292-22269-1

British Library Cataloguing-in-Publication Data  
A catalogue record for this book is available from the British Library.

10 9 8 7 6 5 4 3 2 1  
14 13 12 11 10

Typeset in Times LT Std Roman by SPi Global.

Printed and bound by Vivar, Malaysia.

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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# Brief Contents

## Part One THE IMC FOUNDATION 22



- 1 Integrated Marketing Communications 22
- 2 Brand Management 42
- 3 Buyer Behaviors 74
- 4 The IMC Planning Process 110

## Part Two IMC ADVERTISING TOOLS 142



- 5 Advertising Campaign Management 142
- 6 Advertising Design 174
- 7 Traditional Media Channels 208

## Part Three DIGITAL AND ALTERNATIVE MARKETING 242



- 8 Digital Marketing 242
- 9 Social Media 274
- 10 Alternative Marketing 300

## Part Four IMC PROMOTIONAL TOOLS 328



- 11 Database and Direct Response Marketing and Personal Selling 328
- 12 Sales Promotions 358
- 13 Public Relations and Sponsorship Programs 386

## Part Five IMC ETHICS, REGULATION, AND EVALUATION 414



- 14 Regulations and Ethical Concerns 414
- 15 Evaluating an Integrated Marketing Program 440

# Contents

## PREFACE 17



## Part One

## THE IMC FOUNDATION 22

### 1 INTEGRATED MARKETING COMMUNICATIONS 22

The Nature of Communication	23
Integrated Marketing Communications	25
An Integrated Marketing Communications Plan	26
Emerging Trends in Marketing Communications	27
Emphasis on Accountability and Measurable Results	27
Integration of Digital Media	28
Integration of Media Platforms	28
Changes in Channel Power	29
Increases in Global Competition	30
Increases in Brand Parity	31
Emphasis on Customer Engagement	31
The Role of Integrated Marketing Communications	32
IMC Components and the Design of this Text	32
IMC Foundation	33
Advertising	33

Digital and Alternative	34
Selling Components	34
Integration	34
International Implications	35

### 2 BRAND MANAGEMENT 42

Corporate and Brand Image	43
Components of Brand Image	44
The Role of Brand Image—Consumer Perspective	45
The Role of Brand Image—Company Perspective	47
Brand Names and Brand Types	48
Family Brands	50
Brand Extensions	50
Flanker Brands	50
Co-Branding	51
Brand Logos	52
Identifying the Desired Brand Image	54
Creating the Right Brand Image	54
Rejuvenating a Brand's Image	55
Changing a Brand's Image	56
Developing and Building Powerful Brands	57
Brand Loyalty	59
Brand Equity	60
Measuring Brand Equity	61
Private Brands	62
Advantages to Retailers	63
Responses from Manufacturers	64
Packaging	64
Labels	65
Ethical Issues in Brand Management	66
International Implications	67

### 3 BUYER BEHAVIORS 74

Information Searches and the Consumer Purchasing Process	75
Internal Search	76
External Search	76
Consumer Attitudes	79
Consumer Values	81
Cognitive Mapping	82
Evaluation of Alternatives	85
The Evoked Set Method	86
The Multiattribute Approach	87
Affect Referral	88

**Trends in the Consumer Buying Environment 89**

- Age Complexity 89
- Gender Complexity 90
- Active, Busy Lifestyles 91
- Diverse Lifestyles 91
- Communication Revolution 91
- Experience Pursuits 92
- Health Emphasis 92

**Business-to-Business Buyer Behaviors and Influences 93**

- Organizational Influences 94
- Individual Factors 94

**Types of Business-to-Business Sales 97**

**The Business-to-Business Buying Process 99**

- Identification of Needs 99
- Establishment of Specifications 99
- Identification of Vendors 100
- Vendor Evaluation 100
- Vendor Selection 100
- Negotiation of Terms 100
- Postpurchase Evaluation 100

**Dual Channel Marketing 101**

- Spin-Off Sales 101
- Marketing Decisions 102

**International Implications 103**

**4 THE IMC PLANNING PROCESS 110**

**Communications Research 112**

**Market Segmentation by Consumer Groups 113**

- Segments Based on Demographics 114
- Psychographics 119
- Segments Based on Generations 120
- Segmentation by Geographic Area 121
- Geodemographic Segmentation 121
- Benefit Segmentation 122
- Usage Segmentation 122

**Business-to-Business Market Segmentation 123**

- Segmentation by Industry 124
- Segmentation by Size 124
- Segmentation by Geographic Location 124
- Segmentation by Product Usage 125
- Segmentation by Customer Value 125

**Product Positioning 125**

- Approaches to Positioning 126
- Other Elements of Positioning 128

**Marketing Communications Objectives 128**

**Types of Budgets 129**

- Percentage of Sales 129
- Meet the Competition 129
- “What We Can Afford” 130
- Objective and Task 130

- Payout Planning 130
- Quantitative Models 130
- Communications Schedules 131

**IMC Components 132**

- International Implications 132

**Integrated Campaigns in Action 134**



**Part Two**

**IMC ADVERTISING TOOLS 142**

**5 ADVERTISING CAMPAIGN MANAGEMENT 142**

**Advertising Theory 144**

- Hierarchy of Effects 144
- Means-End Theory 146
- Verbal and Visual Images 147

**The Impact of Advertising Expenditures 149**

- Threshold Effects 150
- Diminishing Returns 151
- Carryover Effects 151
- Wear-Out Effects 151
- Decay Effects 151

**In-House Versus External Advertising Agencies 152**

- Budget Allocation Considerations 153
- Crowdsourcing 154

**Choosing an Agency 155**

- Goal Setting 155
- Selection Criteria 155
- Creative Pitch 157
- Agency Selection 158

**Roles of Advertising Personnel 158**

- Account Executives 158
- Creatives 158
- Traffic Managers 158
- Account Planners 159

**Advertising Campaign Parameters 159**

- Advertising Goals 159
- Media Selection 160
- Taglines 162
- Consistency 162
- Positioning 163
- Campaign Duration 163

**The Creative Brief 163**

- The Objective 164
- The Target Audience 164
- The Message Theme 164
- The Support 165
- The Constraints 165

**International Implications 166**

**6 ADVERTISING DESIGN 174**

**Message Strategies 176**

- Cognitive Message Strategies 177
- Affective Message Strategies 179
- Conative Message Strategy 180

**Types of Advertising Appeals 181**

- Fear Appeals 182
- Humor Appeals 183
- Sex Appeals 184
- Music Appeals 188
- Rational Appeals 189
- Emotional Appeals 189
- Scarcity Appeals 191

**Executional Frameworks 191**

- Animation Executions 191
- Slice-of-Life Executions 192
- Storytelling Executions 192
- Testimonial Executions 193
- Authoritative Executions 193

- Demonstration Executions 194
- Fantasy Executions 194
- Informative Executions 194

**Sources and Spokespersons 195**

- Celebrity Spokespersons 195
- CEO Spokespersons 197
- Experts 197
- Typical Persons 197
- Source Characteristics 197
- Matching Source Types and Characteristics 200
- International Implications 201

**7 TRADITIONAL MEDIA CHANNELS 208**

**The Media Strategy 209**

**Media Planning 210**

- Media Planners 210
- Media Buyers 211
- Small versus Large Markets 212

**Advertising Terminology 212**

- Frequency 212
- Opportunities to See 212
- Gross Rating Points 213
- Cost 213
- Ratings and Cost per Rating Point 214
- Continuity 215
- Impressions 215

**Achieving Advertising Objectives 215**

- The Three-Exposure Hypothesis 216
- Recency Theory 216
- Effective Reach and Frequency 216
- Brand Recognition 217
- Brand Recall 218

**Media Selection 218**

- Television 218
- Radio 225
- Out-of-Home Advertising 226
- Print Media 228
- Magazines 228
- Newspapers 230

**Media Mix 231**

**Media Selection in Business-to-Business Markets 232**

- International Implications 234

**Integrated Campaigns in Action 235**



**Part Three**

**DIGITAL AND ALTERNATIVE MARKETING 242**

**8 DIGITAL MARKETING 242**

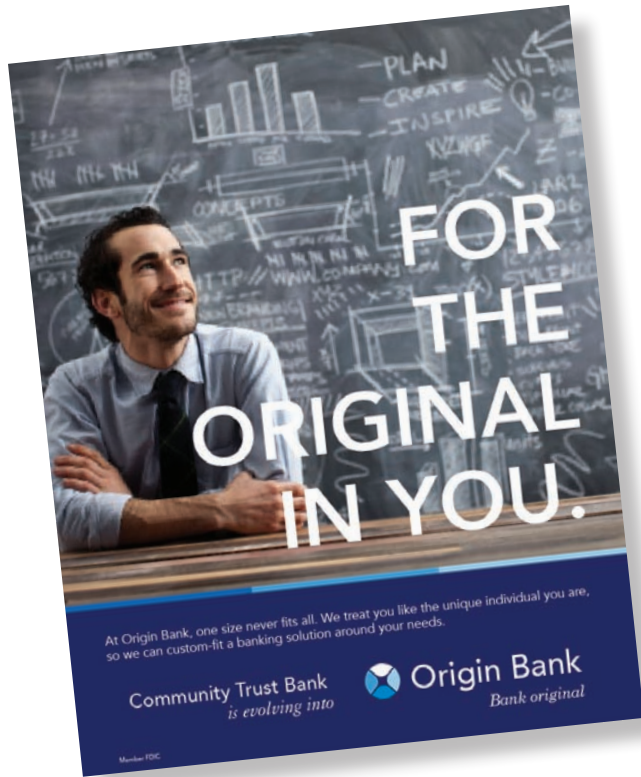
- Digital Marketing 243
- Web 4.0 244
- E-Commerce 245
- Mobile Marketing 250
- Digital Strategies 252
  - Interactive Marketing 252
  - Content Marketing and Native Advertising 253
  - Location-Based Advertising 255
  - Remarketing 257
  - Behavioral Targeting 258
  - Blogs and Newsletters 259
  - Email Marketing 260
- Web Advertising 262
  - Banner Advertising 262
  - Impact of Online Advertising 263
  - Offline Advertising 264
- Search Engine Optimization (SEO) 264
- International Implications 266
  - Shipping Issues 266
  - Communication Issues 266
  - Technology Issues 267

**9 SOCIAL MEDIA 274**

- Social Networks 276
- Social Media Sites 276
  - Facebook 276
  - Instagram 277
  - Twitter 279
  - Pinterest 280
  - YouTube 280
- Social Media Marketing 282
- Social Media Marketing Strategies 285
  - Building a Social Media Presence 286
  - Content Seeding 286
  - Real-Time Marketing 287
  - Video Marketing 288
  - Influencer Marketing 289
  - Interactive Blogs 290
  - Consumer-Generated Reviews 291
  - Viral Marketing 292
  - Following Brands on Social Media 293
- International Implications 294

**10 ALTERNATIVE MARKETING 300**

- Alternative Marketing Programs 301
  - Buzz Marketing 302
  - Consumers Who Like a Brand 302
  - Sponsored Consumers 302
  - Company Employees 304
  - Buzz Marketing Stages 304
  - Buzz Marketing Preconditions 305
  - Stealth Marketing 305
  - Guerrilla Marketing 306
  - Lifestyle Marketing 308
  - Experiential Marketing 308
- Product Placements and Branded Entertainment 309
  - Product Placements 309
  - Branded Entertainment 310
  - Achieving Success 311
- Alternative Media Venues 312
  - Video Game Advertising 312
  - Cinema Advertising 314
  - Other Alternative Media 314
- In-Store Marketing 315
  - In-Store Marketing Tactics 315
  - Point-of-Purchase Marketing 316
  - Designing Effective Point-of-Purchase Displays 317
  - Measuring Point-of-Purchase Effectiveness 318
- Brand Communities 318
- International Implications 320
- Integrated Campaigns in Action 320



- Personalized Communications 336
- Customized Content 337
- In-Bound Telemarketing 337
- Trawling 337

**Database-Driven Marketing Programs 338**

- Permission Marketing 338
- Frequency Programs 340
- Customer Relationship Management 342

**Direct Response Marketing 343**

- Direct Mail 344
- Catalogs 345
- Mass Media 345
- Internet and Email 346
- Direct Sales 346
- Telemarketing 346

**Personal Selling 347**

- Generating Leads 347
- Qualifying Prospects 348
- Knowledge Acquisition 349
- The Sales Presentation 349
- Handling Objections 350
- Closing the Sale 350
- Follow-Up 351

**International Implications 351**

**Part Four**

**IMC PROMOTIONAL TOOLS 328**

**11 DATABASE AND DIRECT RESPONSE MARKETING AND PERSONAL SELLING 328**

**Database Marketing 329**

- Building a Data Warehouse 331
- Email, Mobile, and Internet Data 331
- Purchase and Communication Histories 331
- Personal Preference Profiles 332
- Customer Information Companies 332
- Geocoding 332
- Database Coding and Analysis 333
- Lifetime Value Analysis 333
- Customer Clusters 334
- Location Data Tracking 334
- Data Mining 335

**Database-Driven Marketing Communications 335**

- Identification Codes 336

**12 SALES PROMOTIONS 358**

**Consumer Promotions vs. Trade Promotions 359**

**Consumer Promotions 360**

- Coupons 360
- Coupon Distribution 360
- Types of Coupons 361
- Disadvantages of Coupons 362
- Premiums 362
- Types of Premiums 363
- Keys to Successful Premium Programs 363
- Contests and Sweepstakes 364
- Contests 365
- Sweepstakes 365
- Perceived Value 365
- The Internet and Social Media 366
- Goals of Contests and Sweepstakes 366
- Refunds and Rebates 366
- Sampling 367
- Sample Distribution 367
- Benefits of Sampling 368
- Successful Sampling Programs 368
- Bonus Packs 368
- Types of Bonus Packs 368
- Keys to Successful Bonus Packs 369

- Price-Offs 369
- Benefits of Price-Offs 369
- Problems with Price-Offs 370
- Overlays and Tie-Ins 370

### Planning for Consumer Promotions 371

#### Trade Promotions 373

- Trade Allowances 373
- Trade Contests 375
- Trade Incentives 376
- Trade Shows 377

#### Concerns with Trade Promotions 379

#### International Implications 379

## 13 PUBLIC RELATIONS AND SPONSORSHIP PROGRAMS 386

### Public Relations 388

- Internal versus External Public Relations 388
- Public Relations Tools 389

### Public Relations Functions 389

- Identifying Stakeholders 390
- Internal Stakeholders 390
- External Stakeholders 391
- Assessing Corporate Reputation 391
- Corporate Social Responsibility 392

### Creating Positive Image-Building Activities 393

- Cause-Related Marketing 393
- Green Marketing and Pro-Environmental Activities 395

### Preventing or Reducing Image Damage 397

- Proactive Prevention Strategies 397
- Reactive Damage-Control Strategies 398

### Sponsorships 400

- Forms of Sponsorships 400
- Sponsorship Objectives 402

### Event Marketing 402

- Selecting Sponsorships and Events 403
- Determining Objectives 403
- Matching the Audience to the Company's Target Market 403
- Promoting the Event 403
- Advertising at the Event 404
- Tracking Results 404
- Cross-Promotions 404

### International Implications 405

### Integrated Campaigns in Action 406



## Part Five

## IMC ETHICS, REGULATION, AND EVALUATION 414

## 14 REGULATIONS AND ETHICAL CONCERNS 414

### Marketing Communications Regulations 416

- Governmental Regulatory Agencies 416
- The Federal Trade Commission 417
- Unfair and Deceptive Marketing Practices 417

### Deception versus Puffery 417

- Substantiation of Marketing Claims 418
- How Investigations Begin 420
- Consent Orders 420

### FTC Settlements 420

- Administrative Complaints 420
- Courts and Legal Channels 421



- Corrective Advertising 422
- Trade Regulation Rulings 422
- Industry Oversight of Marketing Practices 422**
  - Council of Better Business Bureaus 423
- IMC and Ethics 425**
  - Ethics and Advertising 425
  - Perpetuating Stereotypes 426
  - Advertising Unsafe Products 426
  - Offensive Advertisements 427
  - Advertising to Children 427
- Marketing and Ethics 427**
  - Brand Infringement 428
  - Marketing of Professional Services 428
  - Gifts and Bribery in Business-to-Business Marketing Programs 429
  - Spam and Cookies 429
  - Ambush Marketing 430
  - Stealth Marketing 431
- Responding to Ethical Challenges 432**
  - Ethics Programs 432
  - Ethics Training Programs 432
  - Codes of Ethics 433
  - Ethics Consulting Systems 433
- International Implications 434**

- Message Evaluations 444**
  - Advertising Tracking Research 445
  - Copytesting 446
  - Emotional Reaction Tests 448
  - Cognitive Neuroscience 450
- Evaluation Criteria 451**
- Online Evaluation Metrics 453**
- Behavioral Evaluations 456**
  - Test Markets 459
  - Purchase Simulation Tests 460
- International Implications 461**

**ENDNOTES 467**

**NAME INDEX 483**

**SUBJECT INDEX 493**

**CREDITS 505**

**15 EVALUATING AN INTEGRATED MARKETING PROGRAM 440**

- Evaluation Metrics 442
- Matching Methods with IMC Objectives 443

# 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](http://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](http://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 Tim Hortons. These accompany vignettes featured in the seventh edition regarding Wholly Guacamole, Zehnder Communications, Huggies Pull-ups and Lipton. 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](http://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 PowerPoint materials. To access and submit the media-based assignments associated with the Integrated Campaigns in Action, go to MediaShare for Business at [mymkmlab.com](http://mymkmlab.com). Additional Integrated Campaigns in Action can be found at the authors’ blog, [clowbaack.net](http://clowbaack.net).

## Instructor Resources

At the Instructor Resource Center, [www.pearsonglobal.com](http://www.pearsonglobal.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, *University 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*  
 MaryEllen 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*  
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 Everett Fergenson, *Iona College*  
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 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 MyLab Marketing:

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.

## Global Edition Acknowledgments

For their work on the content of the Global Edition, Pearson would like to thank the following people:

Contributors:

Naila Aaijaz

Jeffrey Chu

Filzah Mohammad Isa, *Taylor's University*

Yasser Mahfooz, *King Saud University*

Diane Sutherland

Jon Sutherland

Nguyen Tran

Sophie Yang, *Coventry University*

Danny Yip

Reviewers:

Wafa Almobaireek, *King Saud University*

Ode Amaize, *American University in Dubai*

Robert Angell, *Cardiff University*

Jean Boisvert, *American University of Sharjah*

Dalia Farrag, *Qatar University*

Yasser Mahfooz, *King Saud University*

Okey Peter ONYIA, *University of Wollongong in Dubai*

Hamed M. Shamma, *The American University in Cairo*

Muneeza Shoaib, *Middlesex University Dubai*

Michael Elias Tanas, *Bethlehem University*

Pauline Tram, *Macao Polytechnic Institute*

K. Prakash Vel, *University of Wollongong in Dubai*

Lilian Yap, *Wawasan Open University*

Mohammad Zulfeequar Alam, *University of Business & Technology, Jeddah*

# **Integrated Advertising, Promotion, and Marketing Communications**



## Part 1

# THE IMC FOUNDATION

## 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.

## LEAN CUISINE

**H**ow 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 campaign 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 label 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.<sup>1</sup>

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.<sup>2</sup>

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,

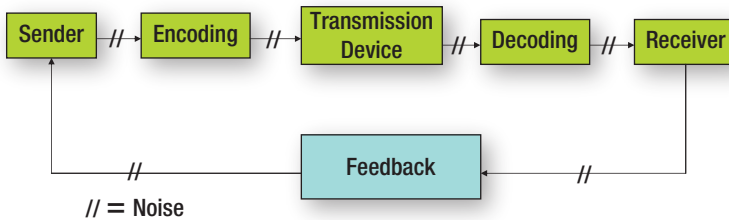
### objective 1.1

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.

**JD BANK**  
JD gets me

**JD Gets Me Home**

Buying a home for you and your family is one of the most important decisions you'll ever make, so let a trusted partner help with your mortgage or refinancing needs. As a community bank committed to making loans to qualified applicants, our personalized service, expert advisors, outstanding rates, and flexible terms let you stay focused on the fun part – making your house a home.

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MEMBER FDIC 337-491-6430  
jdbank.com

**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.<sup>3</sup> Engaging consumers constitutes the primary goal for Chick-fil-A. According to John Keebler, 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.<sup>4</sup>

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?

► **FIGURE 1.3**  
Components of Promotion



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

► **FIGURE 1.4**  
Steps of a Marketing Plan



◀ 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.

### 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

### objective 1.3

Which trends are affecting marketing communications?

- 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.<sup>5</sup>

## 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.

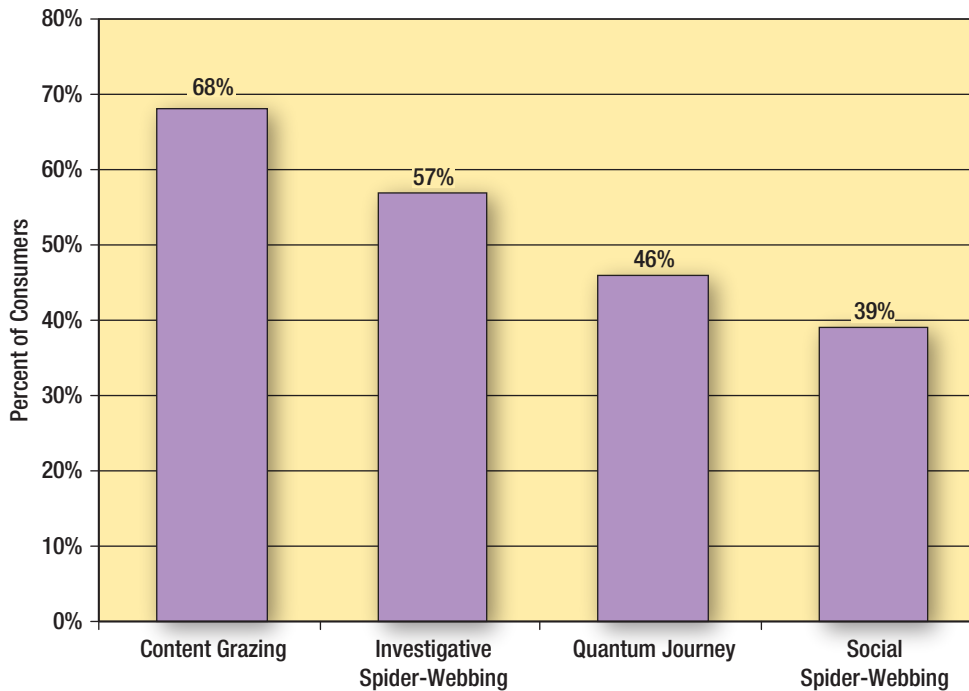
Many companies have cut traditional media expenditures, moving the dollars to digital media. Procter & Gamble (P&G), AT&T, Johnson & Johnson, Kraft Foods, and Toyota are some of the organizations that have reduced company television advertising budgets while expanding funds for digital and social media. Campbell’s Soup doubled digital spending to 40 percent of the total media budget.<sup>6</sup> A General Motors executive noted, “Some 70 percent of consumers who shop for a new car or truck do web research.”<sup>7</sup> 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.<sup>8</sup>

## 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.<sup>9</sup> 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).<sup>10</sup>



◀ **FIGURE 1.6**  
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.

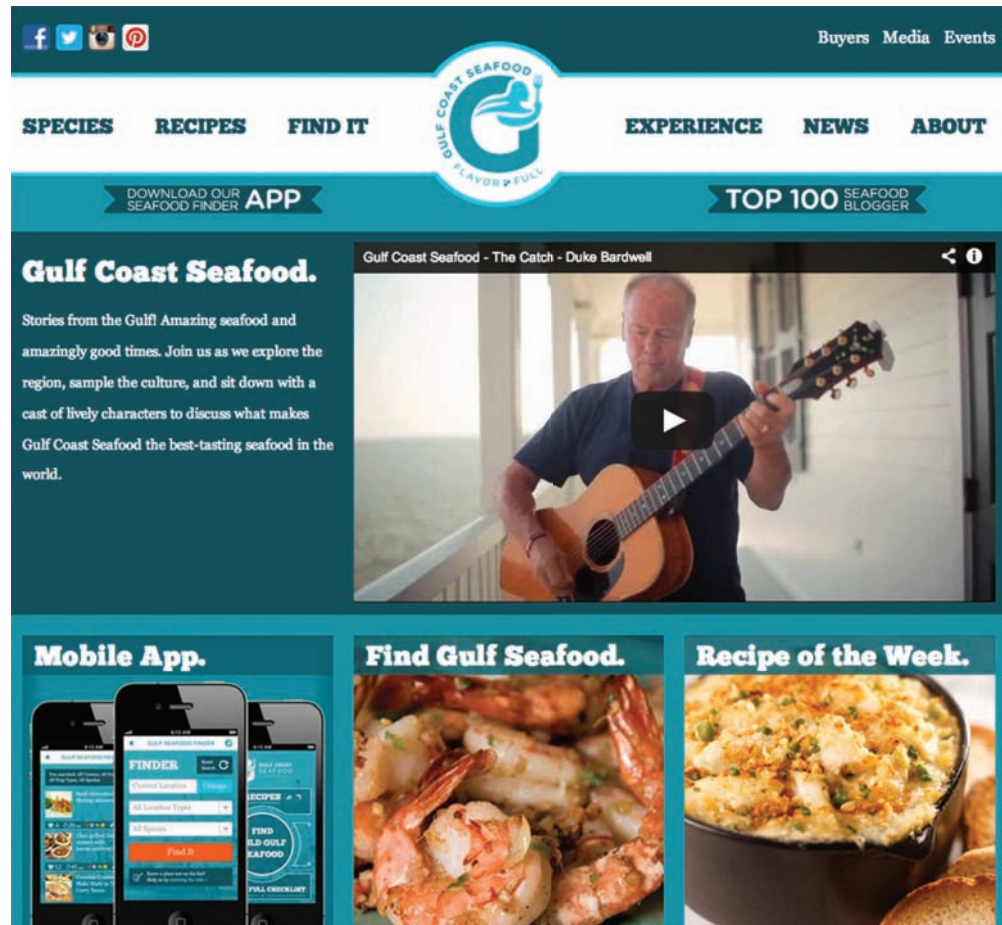
To reach consumers, marketers recognize that today's consumers use multiple devices in several ways. An individual television ad or banner ad will likely go unnoticed. Advertisers try to find ways to engage consumers with a brand through portals such as tablets and mobile phones. That same ad or message 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.<sup>11</sup> 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.<sup>12</sup>



▲ 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.<sup>13</sup> 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.<sup>14</sup>

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