Sixth Canadian Edition

ADVERTISING & PROMOTION

An Integrated Marketing Communications Perspective

BREAK OUT OF THE CITY
FALLSVIEW CASINO
2% cash back
nothing with a side of daddy squat
milestones
milestones
on Centre
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ADVERTISING & PROMOTION

An Integrated Marketing Communications Perspective

Sixth Canadian Edition

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Preface

ADVERTISING AND PROMOTION

Advertising and other forms of promotion influence people even though they might not realize it or admit it. Organizations in both the private and public sectors frequently demonstrate that communicating effectively and efficiently with their target audiences is critical to their success. Advertising and other types of promotional messages known as marketing communication are used to sell goods and services, promote causes and individuals, and influence attitudes and behaviour to resolve societal problems. In fact, it would be impossible to find an organization that does not communicate externally to its constituents to achieve its mandate, and marketing communication usually contributes in achieving objectives consistent with what an organization intends to accomplish.

In today's complex world, an organization communicating effectively—the right message to the right audience at the right time—is a critical and difficult task for promotional planners to achieve efficiently. A marketer's audiences are current customers, potential customers, and external stakeholders and all of these groups require a customized message to be accepted. The message design is informational and/or transformational and usually communicated with creativity to convince the audiences. And there are myriad media for message delivery—broadcast (TV networks, specialty TV, radio), print (newspaper, magazines), out-of-home (outdoor, transit, place-based), and Internet (websites, content publishers, social media)—that are strengthened with sales promotions, events, sponsorships, and public relations.

Moreover, the Internet's interactive characteristics strengthen (and possibly weaken) an organization's image or reputation due to consumers' brand-related online activities. Watching brand-related videos, reading brand-related information on social networking sites, commenting on brand-related blogs, and uploading brand-related pictures/images potentially influences an organization's audiences. These activities are prompted directly by a brand's communication, and are also a manifestation of attitudes established over time yet initiated by motives we are only beginning to uncover as marketers. In either case, promotional planners must take a broad and all-encompassing view of marketing communication if they are to be successful in their decision making.

This text introduces students to advertising and promotion with an integrated marketing communications (IMC) perspective. IMC calls for a "big picture" approach to planning promotion programs and coordinating the communication tools described above to positively enhance a brand. To make effective promotional decisions, a promotional planner must decide how the IMC tools will work individually and collectively so that the organization can achieve its goals efficiently.

SIXTH CANADIAN EDITION ADVANTAGES

This sixth Canadian edition accomplishes the task of showing students how to devise and construct an IMC plan better than any other product on the market. Its numerous advantages include:

- **IMC Perspective—**Advertising and promotion is approached with an integrated marketing communications perspective to attain communication and behavioural objectives for multiple target audiences. The importance of specific communication objectives for each target audience and the importance of unique messages that resonate for each target audience are developed throughout. This approach shows promotional planners how to establish a unique brand position for each target audience while maintaining the overall market position of the brand.
- **Canadian Practice—**Canadian ads and uniquely Canadian examples are featured to give a comprehensive look at the most innovative marketing communications occurring in our country. The text has approximately 500 references from sources such as *Marketing Magazine, Strategy,* the *National Post, The Globe and Mail,* and others to illustrate uniquely Canadian stories so that future promotional planners can see what successful marketing communication looks like. The 53 new perspectives and vignettes are additional stories representing approximately 200 new articles.
- **Canadian Data—**Statistical information presented in tables, charts, and figures appears throughout the text. There are about 230 figures, of which a substantial portion describe the Canadian marketing communication environment. Much of these data occur in the media chapters, the most thorough coverage of media by anyone's standards.
- **Decision Oriented—**Chapter 1 summarizes a planning framework and identifies the content of an IMC plan. This framework is followed closely throughout the text as major parts are organized and given a title that corresponds to the

steps in the IMC plan. A distinction is made between the type of decision that an advertiser makes and the information used to formulate the decision. This approach helps students to understand the key decisions that need to be made for a successful IMC plan.

- **Internet Focus—**Internet media and tools occur throughout the text where they appear most relevant. The majority of the opening vignettes and chapter perspectives highlight the use of websites or other digital tools. A balance between Internet media and other media reinforces the importance of IMC decision making.
- **Mobile—**Marketing communication through mobile technology has taken on a greater focus in the sixth edition as consumer adoption has grown. It is featured in many chapter openers and vignettes, and considerable usage statistics are presented in the media chapters.
- **Social Media Planning—**Internet media coverage is expanded considerably in Chapter 17 with the inclusion of a major section on social media. An application of how it can be used as "owned, paid, earned media" to achieve a brand's objectives is developed and the scope of social media is shown with its numerous media classes and vehicles.
- **Current Theory—**Extensive updating of academic references from the *Journal of Advertising* and the *Journal of Advertising Research* and others occurred independently by the Canadian author over the past four editions. The text references about 400 journal articles to give students a resource for further understanding of how marketing communication works and to demonstrate that the material presented is credible.
- **Visual Balance—**The number of figures and exhibits stands at just over 500 visuals for the fifth and sixth editions, up from just over 400 in the fourth edition and up from just over 300 in the first edition. As part of this process, paragraphs have been carefully edited and text has been concisely summarized.

ORGANIZATION OF THIS TEXT

The sixth Canadian edition is divided into five parts. In Part 1, "Understanding Integrated Marketing Communications," we provide background in the areas of IMC planning, consumer behaviour, and communication. Chapter 1 provides an overview of advertising and promotion and an IMC planning model shows the steps in the promotional planning process. This model provides a framework for developing the IMC program and is followed throughout the text. In Chapter 2, we describe the role of ad agencies and other firms that deliver promotional services. Chapter 3 explains how managers use an understanding of buyer behaviour to develop effective communication that is directed to specific target audiences. Chapter 4 examines communication models of how consumers respond to advertising messages and other forms of marketing communication.

In Part 2, "Articulating the Message," we consider how firms develop objectives for their IMC programs and how to translate those objectives into meaningful messages. Chapter 5 stresses the importance of setting objectives for advertising and promotion and the different types of marketing, communication, and behavioural objectives Based on models of consumer responses to marketing communication, this approach is applied for advertising and all other facets of IMC. Chapter 6 explores how advertisers position their brands through effective marketing communication to persuade target audiences. Chapter 7 describes the planning and development of the creative strategy and advertising campaign. In Chapter 8, we illustrate ways to execute the creative strategy and identify criteria for evaluating creative work. Like the objectives chapter, these three chapters are applicable for brand positioning and message development for any aspect of marketing communication. Chapter 9 discusses how to measure the effectiveness of promotional messages of an IMC program.

For Part 3, "Delivering the Message," we explore how to direct the message through media to the target audience in Chapters 10 through 13. Chapter 10 introduces the principles of media planning and strategy, and examines how a media plan is developed for all IMC tools. We have also included in this chapter methods for determining and allocating the promotional budget across all IMC tools. Chapter 11 discusses the strengths and limitations of broadcast media, as well as issues regarding the purchase of radio and TV time and audience measurement. Chapter 12 considers the same issues for the print media (magazines, newspapers). Chapter 13 presents similar material for out-of-home (outdoor, transit, place-based) and support media (promotional products, product placement).

In Part 4, "Strengthening the Message," we examine other promotional tools with a continued IMC emphasis. Chapter 14 covers sales promotion, including both consumer promotions and programs targeted to the trade (retailers, wholesalers, and other intermediaries). Chapter 15 reviews the role of public relations in IMC. Chapter 16 looks at direct marketing and the importance of databases that allow companies to communicate directly with target audiences through various media. Chapter 17 describes how Internet media deliver promotional messages and how social media is an important part of an IMC plan.

The text concludes with Part 5, "Advertising and Society," which contains Chapter 18 on the regulatory, social, ethical, and economic issues for advertising and promotion.

CHAPTER FEATURES

The following features in each chapter enhance students' understanding of the material as well as their reading enjoyment.

Learning Objectives

Learning objectives are provided at the beginning of each chapter to identify the major areas and points covered in the chapter and to guide the learning effort. The objectives are tagged throughout the chapter and summarized at the conclusion of each chapter.

Chapter Opening Vignettes

Each chapter begins with a new vignette that describes an exciting example of the effective use of integrated marketing communications by a company or ad agency, bringing current industry issues into focus as they pertain to the chapter.

IMC Perspectives

These boxed items feature descriptions of interesting issues related to the chapter material or the practical application of integrated marketing communication. Many of these stories integrate aspects of digital technology, social media, or mobile media, as technology is used universally within marketing as an integral part of all marketing communication.

IMC Planning

Each chapter includes an IMC Planning section illustrating how chapter content relates to integrated marketing communication. It provides guidance on how a manager can use the conceptual material to make better practical decisions.

Learning Objectives Summaries

These synopses provide a quick review of the key topics covered and serve to illustrate how the learning objectives have been achieved. Each summary corresponds exactly to the learning objective at the start of the chapter.

Review and Applied Questions

Questions at the end of each chapter give students an opportunity to test their understanding of the material. These questions can also serve as a basis for class discussion or assignments. The applied questions provide students with the opportunity to apply what they have learned within the chapter. Each numbered review question and applied question corresponds to the similarly numbered learning objective of the chapter.

MARKET LEADING TECHNOLOGY

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- **Instructor's Manual.** The instructor's manual includes chapter overviews, learning objectives, chapter and lecture outlines, teaching suggestions, answers to review and applied questions, and additional discussion questions and answers (not shown in text).

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I would like to recognize the cooperation I received from people in the business, advertising, and media communities. The sixth Canadian edition contains additional ads, illustrations, charts, and tables published by advertisers and/or their agencies, trade sources, and other advertising and industry organizations. Many individuals provided materials and gave permission to use them. A special thanks to all of you for helping us teach students with up-to-date examples and information. A marketing book cannot exist without the assistance of marketing people!

A successful book like this happens because of the publisher's exceptional work. Talented individuals at McGraw-Hill Education who contributed to this project over the past 18 months have made the final product look fantastic. My portfolio and program manager, Karen Fozard, encouraged a complete revision with the goal of making a strong book even better. A special thanks goes to Amy Rydzanicz, my product developer, for her tremendous effort and high expectations to stay on schedule and to produce a meticulously prepared manuscript. I want to acknowledge the exceptional work of Monika Schurmann for obtaining permissions for the Canadian content that appears throughout the book; the task for this edition was magnified substantially due to digital publication rights. I'd also like to recognize Laurel Sparrow for her splendid copy editing and proofreading skills that improved the text. Thank you to Jessica Barnoski for managing the production process. Thanks also to other members of the production team for their hard work on this edition.

I have taught marketing communication to many students over the years; it has been gratifying to see students enjoy my teaching and apply their knowledge attained within my advertising course, within other marketing courses, and in winning case competitions. So many former students from the Telfer School of Management of the University of Ottawa have achieved great marketing success, and I hope that learning how to make effective promotion decisions proved useful in their career. To my current students, I hope you enjoy reading the book, and achieve great success after graduating like your predecessors. To students beyond my classroom, I wish you success as well after reading this material. Please thank your professor for selecting this book, and thereby demonstrating their great insight!

On a personal note, my children, Louise, Daniel, and Nicholas, have been supportive during the time-consuming and involving process of finding, researching, writing, editing, and organizing the material for this text. All my love and gratitude goes to my wife, Teresa, since I disappeared to my offices for hours on end to produce this sixth edition.

Michael Guolla

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TORONTO RAPTORS BASKETBALL
120
WE THE NORTH
WE THE NORTH
IBM

© David Dow/NBAE via Getty Images

CHAPTER ONE

Integrated Marketing Communications

LEARNING OBJECTIVES

LO1 Describe the importance of marketing communication within the marketing mix.

LO2 Identify the tools of the promotional mix—advertising, sales promotion, public relations, direct marketing, Internet marketing, and personal selling—and summarize their purpose.

LO3 Illustrate the concept of integrated marketing communications (IMC) by distinguishing its evolution, renewed perspective, and importance.

LO4 Explain the IMC planning process model and express the steps in developing a marketing communications program.

LO5 Identify how the IMC planning process is continued throughout all chapters.

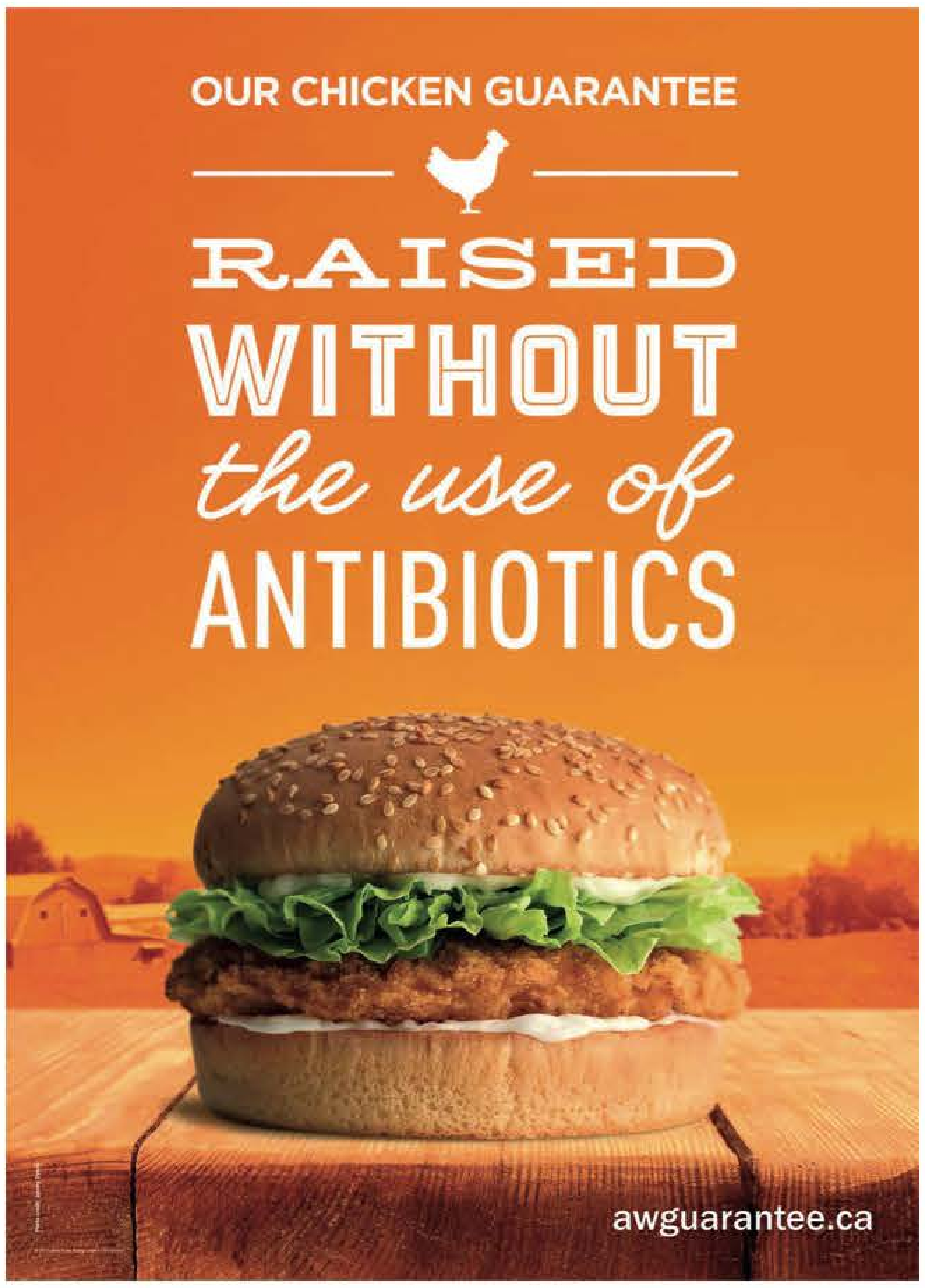
LO1 Marketing Communication

In this opening section we describe the importance of marketing communication within an organization's overall marketing effort. We begin by reviewing the definition of marketing to understand the importance of marketing communication in delivering value to consumers. We then explore examples of the content of marketing communication plans to illustrate their many different purposes.

MARKETING

Historically, the American Marketing Association (AMA), the organization that represents marketing professionals in the United States and Canada, defined marketing as *the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.*[1] This definition focused on **exchange** as a central concept in marketing and the use of marketing activities to create and sustain relationships with customers.[2] For exchange to occur, there must be two or more parties with something of value to one another, a desire and ability to give up that something to the other party, and a way to *communicate* with each other. Marketing communication plays an important role in the exchange process by informing consumers of an organization's product and convincing them of its ability to satisfy their needs or wants. Exhibit 1-1 communicates an important characteristic about A&W's chicken sandwich. Consumers may conclude that this product would be a healthier choice, and better able to meet their dietary needs, than a competitor's sandwich.

Exhibit 1-1 A&W's guarantee potentially reassures consumers that their chicken sandwich is a healthy option for a meal.



Hand-out/A&W RESTAURANTS/Newscom

The marketing function in an organization facilitates the exchange process by examining the needs and wants of consumers, developing a product that satisfies these needs, offering it at a certain price, making it available through a distribution channel, and developing a marketing communication program. These four Ps—product, price, place (distribution), and promotion (marketing communication)—are elements of the **marketing mix**. The main purpose of the marketing function is to combine these four elements into a marketing program that facilitates the potential for exchange with consumers in the marketplace. The remainder of this section describes how the marketing mix decisions of product, price, and distribution (Figure 1-1) are often the primary content of marketing communication messages with the ultimate objective of delivering value.

Figure 1-1 Examples of typical marketing decisions

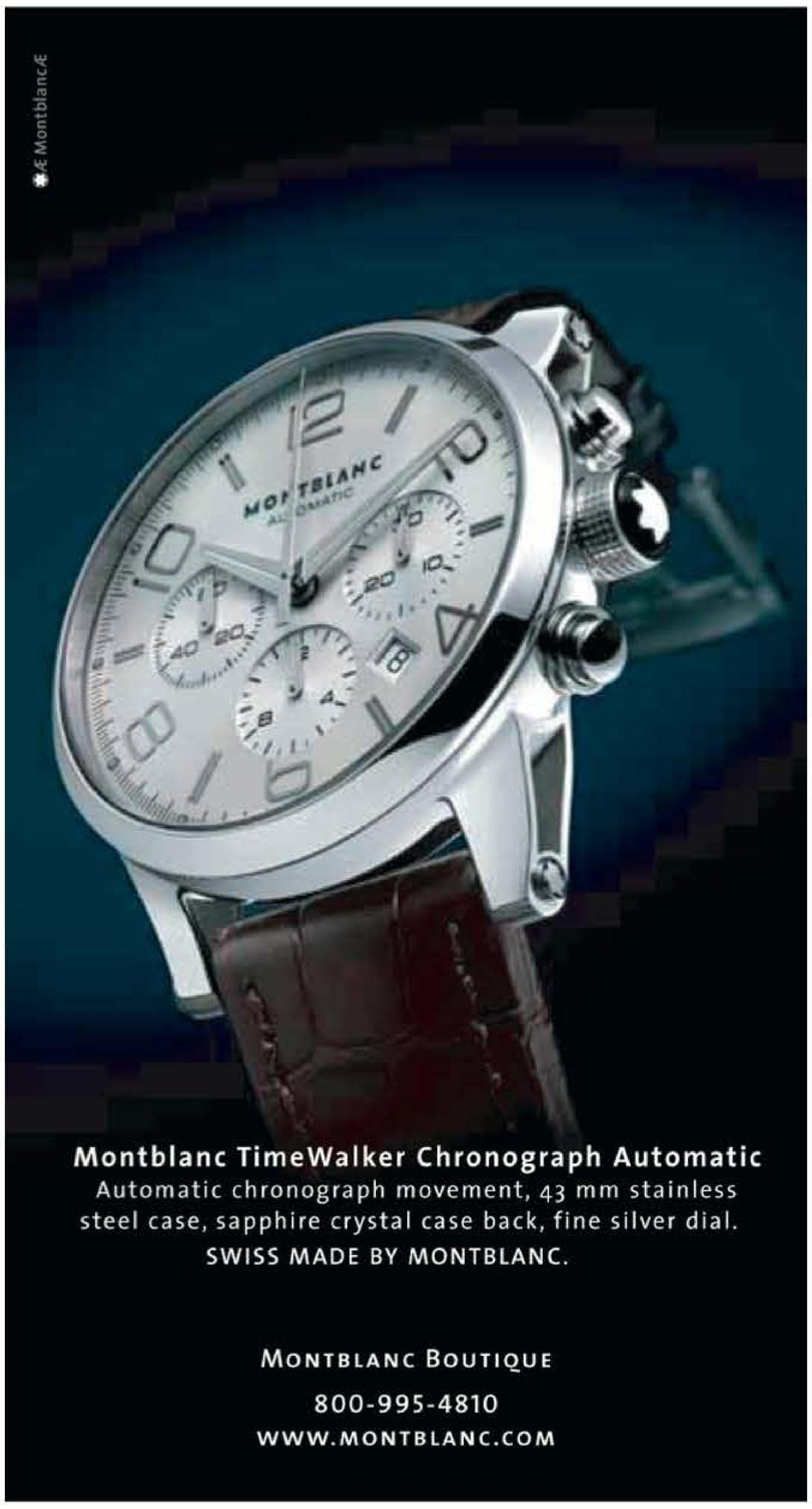
Product Decisions	Price Decisions	Distribution Decisions
Product Type	Price Level	Channel Type
Features or Attributes/Benefits	Price Policy	Channel Policy
Corporate Name/Identification	Discount	Type of Intermediary or Reseller
Brand Name/Identification	Allowance	Type of Location/Store
Package Design	Flexibility	Service Level

COMMUNICATING PRODUCT

Each of the product facets listed in Figure 1-1 can be the focus of marketing communication. This section shows how marketing messages can communicate the product type, the importance of salient attributes or benefits, and the identity of the brand or organization, in order to assist with brand equity development.

Product Type An organization exists because it offers a product to consumers, generally in exchange for money. This offering may be a physical good (such as a soft drink, pair of jeans, or car), a service (banking, air travel, or legal assistance), a cause (United Way, March of Dimes), an idea (don't drink and drive), or even a person (political candidate). The product is anything that can be marketed and that, when consumed or supported, gives satisfaction to the individual. When we use the term *product* in this book, it refers to any one or a combination of these five product types which are not always independent. When eating at a restaurant, consumers enjoy the food but also enjoy the service by not having to prepare the meal, or by eating food they may not have the culinary skill to make. Thus, whatever the product type, marketing communication attempts to show how the product offering fulfills a consumer's needs.

Exhibit 1-2 Quality attributes are identified for the Montblanc watch.



Montblanc TimeWalker Chronograph Automatic
Automatic chronograph movement, 43 mm stainless steel case, sapphire crystal case back, fine silver dial.
SWISS MADE BY MONTBLANC.

MONTBLANC BOUTIQUE
800-995-4810
WWW.MONTBLANC.COM

© Montblanc Inc.

Product Attributes/Benefits Every product has fairly objective attributes that characterize what it is; a chocolate bar can have varying types of chocolate (e.g., milk, dark) and different kinds of ingredients (e.g., nuts, wafers). Marketing communication can take the simple role of identifying the composition of a good. For example, ads for Prime Chicken, produced by Maple Leaf Foods, stated that it was 100 percent all-vegetable grain-fed poultry in its original message. Notice how the Montblanc ad in Exhibit 1-2 highlights attributes of the watch regarding the watch face and functions. Moreover, organizations use marketing communication to educate consumers on service delivery. For instance, WestJet ads demonstrate the personal attentiveness the airline's staff provides to customers, while The Keg Steakhouse ads focus on the ambiance of the restaurant as well as the food.

Consumers typically view a product as an offering of a benefit or a bundle of benefits. Advertising and other marketing communication tools draw attention toward these benefits and make claims about them. Benefits can be communicated as functional via the product's attributes, as seen in the above examples. Benefits are also subjectively claimed through the performance of the product (e.g., convenience). Finally benefits are communicated by feelings or emotions associated with the experiential consumption of a product. These positive (e.g., contentment) or negative emotions (e.g., fear) can be psychologically based (e.g., pride) or socially based (e.g., jealousy).

Prime Chicken changed its message to show that the convenience of the brand brought families together to create lasting memories, using vignettes of families enjoying their dinner together. The company intended for consumers to connect with the brand on an emotional level by highlighting the enjoyment people have with food at dinner time.[3] Thus, managers decide which benefits to emphasize or how to portray the benefits in a message, and the best way to deliver that message across many different time periods. BMW's advertising emphasized the emotion experienced in driving its vehicle by showing an "expression of joy" in a print ad that did not show the product, but rather depicted the car's tire marks in colour as if they were painted upon a canvas.[4]

Brand Identity A brand or corporate name and its identification through its logo, symbol, or trademark represent critical product decisions. Marketers use brand names that communicate product concepts clearly, such as Air Canada (airlines) and Seadoo (water craft). The symbol of any automobile company illustrates the importance of selecting an appropriate visual representation of a brand. One primary purpose of marketing communication is to present the brand and its identification in favourable locations, situations, or time frames that allow consumers to think or feel more positively toward the brand. The ad in Exhibit 1-3 clearly shows the Heineken brand identity. The identification of a trademark in an ad is critical, as evidenced by a legal battle between Victoria's Secret PINK brand and the luxury shirt brand Thomas Pink on the use of the colour in its brand identity.[5] Figure 1-2 identifies the best Canadian brands as compiled by Interbrand.

Exhibit 1-3 Heineken ensures that its brand identification is prominently displayed.

Heineken
Heineken
PREMIUM QUALITY
LAGER BEER
Heineken

© ton koene / Alamy Stock Photo

Brand identity is reinforced by the tagline or slogan appearing in any form of marketing communication. IKEA's slogan "Long Live the Home" encapsulates the essence of the brand succinctly by connecting the brand name to the products it sells. Executives suggest that the tagline is very relevant since it "communicates a brand position or brand benefit." For example, Swiss Chalet returned to a previously successful tagline, "Always so good for so little," after making many changes over the years. Firms that offer many types of goods and services use an audio logo as one way of connecting brand messages across multiple media and IMC tools, much like a visual logo. For example, the Rogers audio logo can be heard for many of its services, including wireless and cable. Continuity and consistency in the promotional message across IMC tools—television, radio, wireless, interactive displays, Internet, podcasts—makes simple reminders of brand identification a key part of the brand experience.

Figure 1-2 Best Canadian brands

1	TD
2	RBC Financial Group
3	Thomson Reuters
4	Scotiabank
5	Tim Hortons
6	Bell
7	Shoppers Drug Mart
8	Rogers
9	Lululemon
10	Telus

Source: Based on data from Best Canadian Brands 2014, Interbrand.

Packaging provides functional benefits such as economy, protection, and storage, which can be the main purpose of a marketing communication message. However, since the package is associated so closely with the brand by giving it a distinctive look, its identity is the focal point of a marketing communication message. For example, the main point of an ad can be to show the packaging of the product, since this influences consumer choice (as in the case of perfume, Exhibit 1-4). Other characteristics of packaging, like its being fully biodegradable, are a concern for marketers and have become the focal message for marketing communication.[6]

Exhibit 1-4 Showing a product's packaging is often a focus of ads.

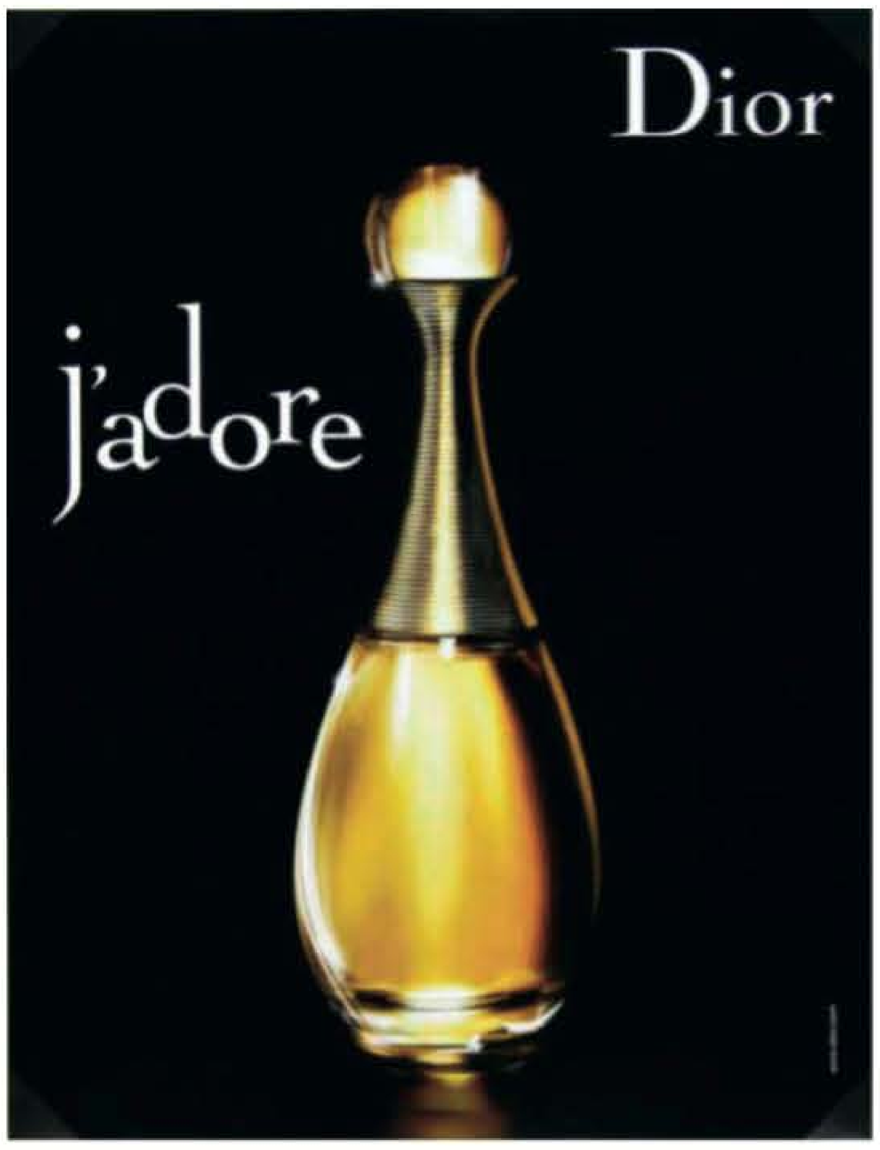


Image courtesy of "Christian Dior Parfums"

Brand Equity The culmination of marketing communication messages of product type, product attributes/benefits, and brand identification assists with brand equity, either creating, maintaining, or enhancing this important marketing outcome. **Brand equity** is the differential effect of brand knowledge on consumer responses to the marketing of the brand.[7] By extension, it is an intangible asset added to a product due to the favourable image, impressions of differentiation, or strength of consumer attachment toward a company name, brand name, or trademark. Brand equity provides the company with a competitive advantage by allowing its product to earn greater sales volume and/or higher margins than it could without the name. The vehicle shown in Exhibit 1-5 looks really nice, yet the Maserati brand name certainly conveys something greater than a stylish sedan.

Conceptually, IMC planning and the subsequent marketing communication decisions are expected to strongly generate brand equity.[8] The growing interest in this particular brand effect has led to organizations reporting different ways to view and measure brand equity. Figure 1-3 highlights the top 10 most valuable Canadian brands as determined by Brand Finance.[9] The differences in this and the earlier table in Figure 1-2 show the challenge in consistently measuring effects like brand equity. In both cases, these organizations use financial data and surveys of consumers of Canadian-based brands. In contrast, Ipsos Reid uncovers the most influential brands from any country with Canadian survey panelists' attitudes only, and finds Google, Microsoft, Facebook, Apple, and YouTube in its top five.[10] Interbrand's rankings (Figure 1-2) lack Canadian technology firms, one reason why the strength of the top Canadian brands is weaker with the decline of noteworthy brands (e.g., BlackBerry, Nortel).[11]

Exhibit 1-5 This Maserati ad contributes to its brand equity.

DRIVE, FEEL, DISCOVER.
MASERATI
QUATTROPORTE
Foreign Cars Italia invites you to test drive the 2014 Maserati Quattroporte.

© Maserati North America, Inc.

Beyond brand equity as a strategic initiative, marketers are interested in other aspects with views like brand experience, brand attachment, and brand love. Brand experience involves receiving marketing communication messages, shopping behaviour, product use, and consumption, leading to one view that it includes sensory, affective, intellectual, and behavioural dimensions.[12] Brand attachment is the strength of the bond between a brand and one's self and comprises brand–self connection and brand prominence.[13] Brand love is a more abstract notion reflecting seven more concrete aspects: passion-driven behaviours, self–brand integration, emotional attachment, anticipated separation distress, long-term relationship view, positive attitude, and confidently held attitude.[14] From these definitions we conclude that marketing communication is important for achieving any type of brand-based consumer response. While brand equity is currently a dominant one, these ideas provide direction for new routes.

Figure 1-3 The top 10 most valuable Canadian brands

Rank 2015	Brand
1	RBC
2	TD
3	Bell
4	Scotiabank
5	Bank of Montreal
6	Rogers
7	CIBC
8	TELUS
9	Enbridge
10	McCain Foods

Source: Based on data from The Most Valuable Canadian Brands of 2015, The Brand Finance Group.

Sport Chek worked with its agency of record, Sid Lee, as it devoted 25 percent of its budget to building its brand. Research indicated that the product-specific communication no longer resonated with a younger consumer who spent considerable time online. The advertising went in a new direction with the "Your Better Starts Here" campaign featuring Sidney Crosby in TV spots and out-of-home ads near and in gyms that showed the determination of the NHL star as he worked out while on the road to recover from an injury. The campaign also included extensive digital messages featuring Blue Jay Brett Lawrie on YouTube and Twitter.[15]

COMMUNICATING PRICE

The price of a product, usually expressed in a dollar amount, is a signal of a consumer's economic cost to purchase a product in exchange for receiving its combined benefits. Price planning involves decisions concerning the level, policy, adjustments through discounts or allowances, and flexibility when facing competition. Marketing communication plays a role in reinforcing a consumer's belief that the product's benefit or quality accurately reflects the price. One historical study regarding price, product quality, and advertising expenditures concluded that pricing and advertising strategies go together. High relative ad expenditures should accompany premium prices, and low relative ad expenditures should be tailored to low prices.[16]

Price is also a key piece of information conveyed in marketing communication messages. For example, car dealerships and manufacturers focus on price and price discounts in TV and newspaper ads. Internet ads focus on price offers that attempt to influence consumer price beliefs; competitors advertise mortgage rate information in many media and specialized websites like RateHub.ca.[17] The information on websites offering deals is predominantly price related (e.g., RedTag.ca). A main purpose of the billboard ad in Exhibit 1-6 is to communicate price. Research concludes that price comparison advertising plays a key role in consumers' reference price for products when determining the value of a product.[18] Other research finds that communicating price information is critical for influencing consumers who are in the process of deciding to buy a product.[19]

Exhibit 1-6 Ads may feature price information as their primary message, as shown in this McDonald's example.

CLEARCHANNEL
Coca-Cola
SWEET TEA
$1
Any Size Soft Drink
or Sweet Tea
sip happy
I'm lovin' it

© BirchTree / Alamy Stock Photo

COMMUNICATING DISTRIBUTION

Marketing channels, the "place" element of the marketing mix, are "sets of interdependent organizations involved in the process of making a product available for use or consumption."[20] Consumer product companies distribute through **indirect channels** using a network of wholesalers and/or retailers, or through **direct channels** such as the Internet and do not use any channel intermediaries to sell to customers. In either case, marketing communication provides information as to where and how to purchase a product.

For example, sporting goods companies with different quality and price levels might communicate which brands and models are at different types of retailers. Alternatively, different service levels might be available within the distribution network and be the focus of marketing communication. For instance, particular locations for cosmetics products offer customized beautifying services, while others are self-serve. Also, extensive marketing communication occurs to direct consumers to organizational websites for online purchases. As these examples demonstrate, the importance of communicating in a multi-channel environment, along with a multi-media universe, makes the development of brand equity within distribution decisions a compelling management task.[21]

COMMUNICATING VALUE

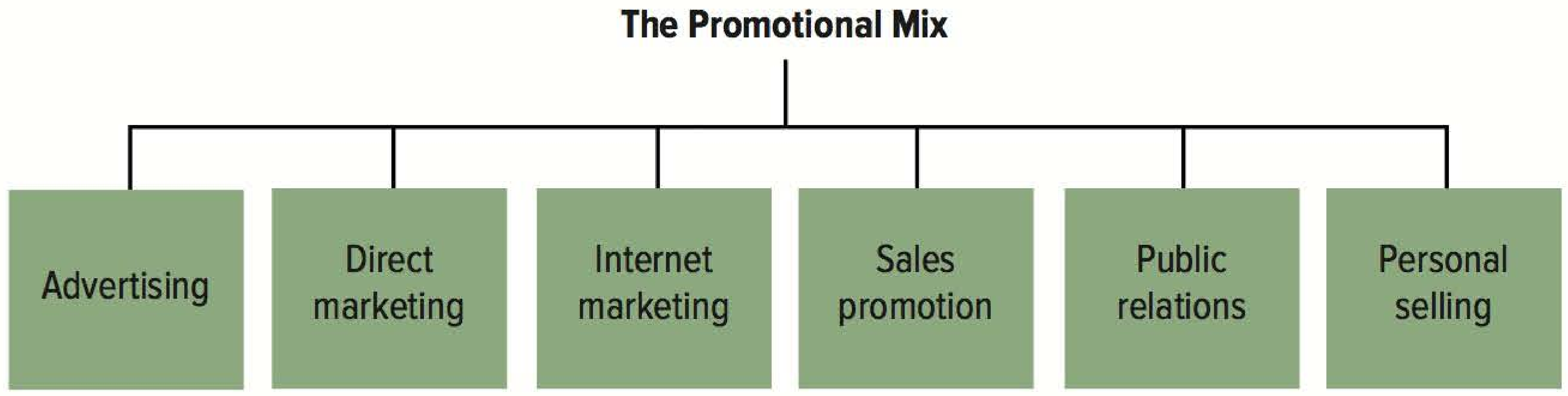
The AMA's earlier definition of marketing highlighted a company's offering via the marketing mix, a useful view for easy reference. More recently, the AMA renewed its definition of marketing as *the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large*.[22] The earlier elements of the marketing mix remain implied and the importance of value within the exchange is now very prominent.

The idea of value is elusive across academic disciplines and within managerial uses of the term, however the relative balance or ratio of what consumers "receive" for what they "give" is a view that is well appreciated by researchers and decision makers. From a "give" standpoint, consumers pay for products via the price as mentioned but also incur time, physical effort, social, and psychological costs while shopping and/or consuming. For example, one could simply pay a premium price and ask a travel agent to book a vacation, or one could spend time online searching for the best price; each option clearly has its own unique costs. Thus, marketing communication takes on a significant role to signal to consumers the benefit they will accrue for the total costs they incur. Consumers' opportunity to shop physically and virtually anywhere, in any way, at any time, opens the door for marketing communication decisions to be one of the most important management decisions for an organization so that its customers and potential customers understand a brand's value offering.

LO2 The Promotional Mix

Promotion is the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services or promote an idea.[23] While implicit communication occurs through the other elements of the marketing mix, most of an organization's communication with the marketplace occurs as part of a carefully planned and controlled promotional program. The tools an organization uses in a promotional program are referred to as the **promotional mix** (Figure 1-4). While either *promotion* or *marketing communication* is a suitable term, many marketers use the latter since the tools are often connected. For example, a television commercial can direct viewers to a website, or a brand may use the same type of message in its radio and print ads. We now define each of the tools and summarize their purpose.

Figure 1-4 Tools of the promotional mix



ADVERTISING

Advertising is defined as any paid form of nonpersonal communication about an organization, product, service, or idea by an identified sponsor.[24] The *paid* aspect of this definition reflects the fact that the space or time for an advertising message generally must be bought. An occasional exception to this is the public service announcement (PSA), whose advertising space or time is donated by the media.

The *nonpersonal* component means advertising involves mass media (e.g., TV, radio, magazines, newspapers) that can transmit a message to large groups of individuals, often at the same time. The nonpersonal nature of advertising means there is generally no opportunity for immediate feedback from the message recipient (except in direct-response advertising). Therefore, before the message is sent, the advertiser must consider how the audience will interpret and respond to it.

Canadian advertisers spend more than $14 billion annually to reach their audiences, and there are several reasons why advertising is such an important part of many marketers' promotional mixes.

Cost-Efficiency Advertising can be a very cost-efficient method for communicating with large audiences. For example, during a television season, prime-time network television reached 85 percent of Canadians on a daily basis. The most-watched TV show each week attracts an audience of about 3 million English-speaking viewers. The average top-10 show audience is about 2.4 million viewers, while the average audience for the top 11 to 20 shows is about 1.7 million viewers.[25] One study quotes media experts who estimate the cost per thousand reached at $25 for a top 10 show and $20 for a top 11–20 show. To reach an audience for Canadian-produced television shows costs $16 per thousand; specialty channel audiences cost $8 per thousand.[26]

Cost-Effectiveness Assuming that a majority of the viewers actually watched a TV ad, paid attention during the airing, and remember something about the message, then advertising can be seen as a very cost-effective form of marketing communication for many brands. In general, advertising can be a cost-effective method for allowing potential customers to know something about a brand and have a positive attitude toward the brand prior to, during, or after purchasing a product.

Brand Communication Effects Advertising is a valuable tool for brand communication as it is a powerful way to provide consumers with information as well as to influence their attitudes. Advertising can be used to create favourable and unique images and associations for a brand, which can be very important for companies selling products that are difficult to differentiate on the basis of functional attributes. Brand image and brand reputation play an important role in the purchase of many goods and services, and advertising remains a recommended approach to building a brand.[27] Empirical research also finds that advertising directly and indirectly leads to greater firm value due to intangible assets (e.g., brand communication effects).[28]

Brand Interaction Advertising in media such as television, print, and outdoor is employed to encourage consumers to interact with the brand online. For example, a Broil King campaign created the fictitious journalist Rob Liking, who interviewed people grilling on their barbecues. Executives identified research showing that consumers researched their purchase online prior to a store visit, thus leading to a primary objective of influencing consumers' behaviour in the form of visiting the company's website.[29]

Flexible Tool Advertising is a flexible tool that can be used for many industries (e.g., cars or soft drinks), market situations (e.g., new product launch or market development for established product), channel members (e.g., consumers or retailers), and target audiences (e.g., new customers or loyal customers). New products entering the Canadian market use some form of advertising, and *Marketing Magazine* annually recognizes outstanding ads. Vaseline Spray and Go ran a series of 15 video ads showing how quickly a woman could moisturize and get dressed. The creatively entertaining demonstration illustrated the key product benefits of ease and speed of application for new customers to understand perfectly.[30]

Multiple Domains Different types of advertising occur in many domains. Canadian marketers of goods and services advertise to consumer markets with national or regional brand messages, and in some cases with messages to particular international consumer markets. Alternatively, local retailers and other goods and services providers use advertising for many communication purposes in order to achieve sales objectives. Also, industry associations, like the Dairy Farmers of Canada, advertise extensively to consumer markets as do all levels of government and non-governmental organizations like Canadian Blood Services. Shoppers Drug Mart, Canada's number one pharmaceuticals retailer, advertised to celebrate its 50th anniversary with a "Fabulous 50" campaign featuring its largest media buy ever to support all of its marketing communication. Its "red gift box" messaging and imagery emphasized health, beauty, and convenience.[31]

Business-to-business advertising is directed to those who buy or influence the purchase of goods or services for their organization. Exhibit 1-7 shows an example of how General Electric communicates to other organizations in the solar energy market. Professional advertising directed to those with specific designations is found in many industries such as health, management, government, and technology. Finally, advertising directed to channel members like wholesalers, distributors, and retailers is found in all industry sectors around the world.

Exhibit 1-7 Business-to-business marketers use advertising to build awareness and brand identity.

Two-thirds of the world is covered in water. Shouldn't three-thirds of the world's population be able to drink it?
imagination at work
ecomagination.com

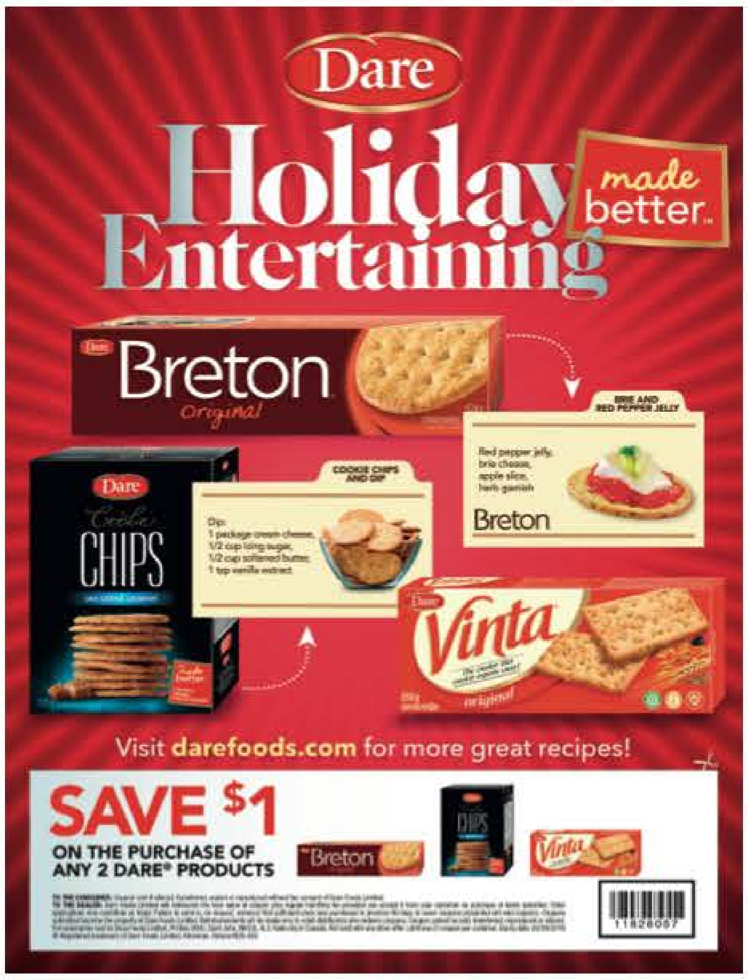
© GE

SALES PROMOTION

Sales promotion is defined as marketing activities that provide extra value or incentives to the salesforce, distributors, or the ultimate consumer and can influence their behaviour to stimulate sales. Sales promotion is generally broken into two major categories: consumer-oriented and trade-oriented activities.

Consumer sales promotion is targeted to the ultimate user of a product and includes coupons, samples, premiums, rebates, contests, and events. These promotional tools encourage consumers to make an immediate trial or repeat purchase, participate in a brand activity like attending the Red Bull Crashed Ice competition, or be more involved with the organization's marketing communication by uploading a video to a social media site celebrating one's consumption of a brand. Exhibit 1-8 is an example of a coupon offer within an ad that encourages parents to switch to a new brand of snack for their children. Shoppers Drug Mart celebrated its anniversary with a contest offering 50 grand prizes and attracted more than 900,000 entrants.

Exhibit 1-8 Dare combines its sales promotion with its advertising.


Dare
Holiday Entertaining
made better.
Breton
Original
CHIPS
Vinta
Visit darefoods.com for more great recipes!
SAVE $1
ON THE PURCHASE OF ANY 2 DARE® PRODUCTS

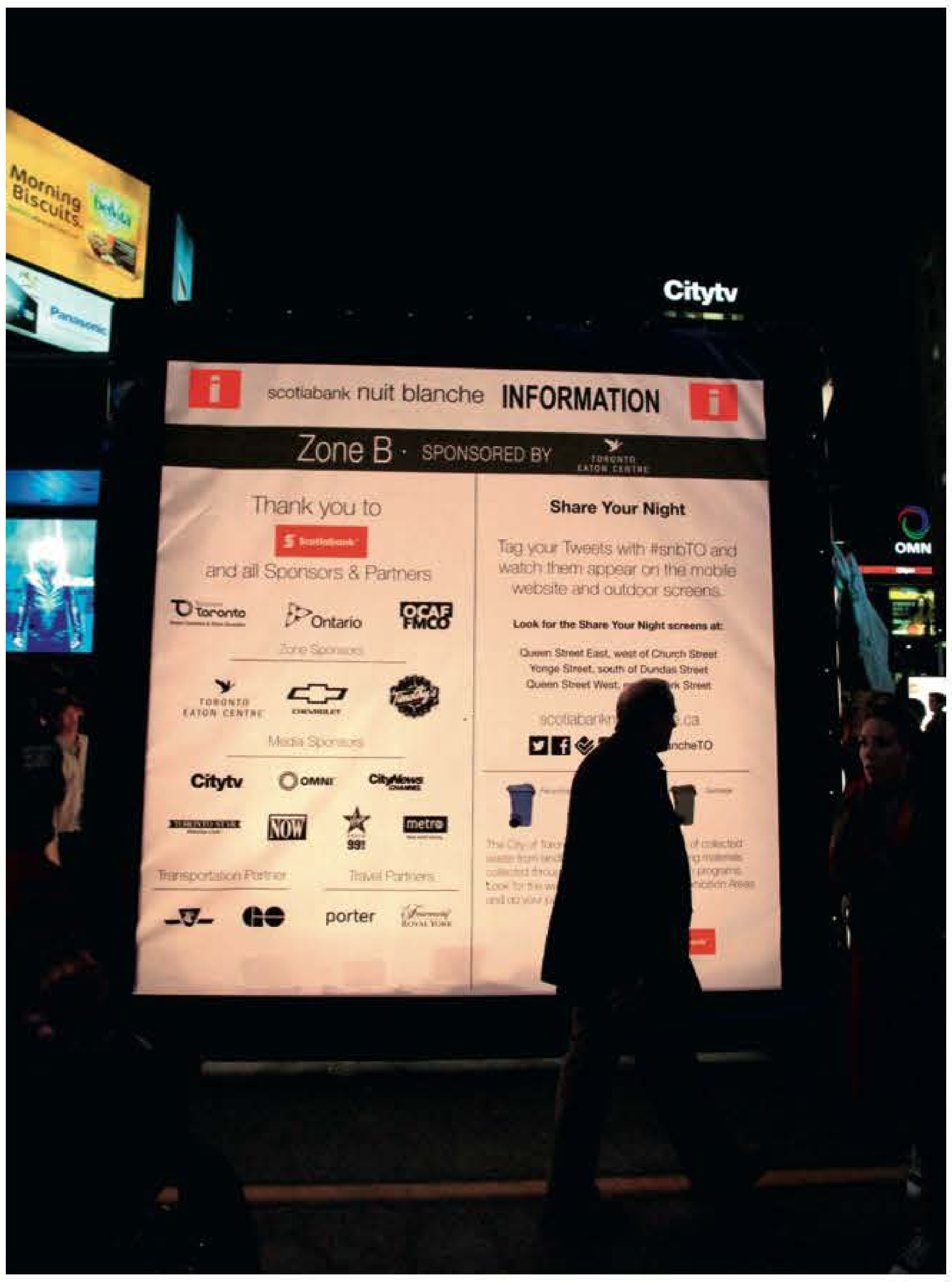
© Dare Foods Limited

Trade sales promotion is targeted toward marketing intermediaries such as wholesalers, distributors, and retailers. Promotional and merchandising allowances, price deals, sales contests, and trade shows are examples of the promotional tools used to encourage the trade to stock and promote a company's products. Some trade promotions benefit consumers since they receive information contained in a display or receive discounted prices that are passed along to them from the retailer. Retail personnel at Shoppers Drug Mart liked the specialized celebration point-of-purchase material so much that they avoided dismantling it even after the party was over.

PUBLIC RELATIONS

Public relations (PR) occurs when an organization systematically plans and distributes information in an attempt to control and manage its image. **Public relations** is defined as "the management function which evaluates public attitudes, identifies the policies and procedures of an individual or organization with the public interest, and executes a program of action to earn public understanding and acceptance."[32] Public relations uses a variety of tools—including special publications, participation in community activities, fundraising, sponsorship of special events, and public affairs activities—to enhance an organization's image. Many organizations make PR an integral part of their predetermined marketing and promotional strategies. Exhibit 1-9 shows how sponsorship of artistic displays is part of the public relations activities for major corporations. Scotiabank and many others supported Nuit Blanche, a sunset-to-sunrise, free, contemporary art event. There are other examples. Cisco and the CBC, two key drivers of the "One Million Acts of Green" program, recruited Tim Hortons to their cause through the promotion of a 10-cent discount for each hot drink purchased and consumed with a reusable travel mug.[33] Shoppers Drug Mart sponsored the Toronto International Film Festival and featured its imagery with the red carpet entry of the celebrities.

Exhibit 1-9 Scotiabank supported the Nuit Blanche along with other sponsors.


scotiabank nuit blanche INFORMATION
Zone B · SPONSORED BY
Thank you to
and all Sponsors & Partners
Share Your Night
Citytv

© Valentino Visentini / Alamy Stock Photo

Publicity refers to nonpersonal communications regarding an organization, product, person, or idea not directly paid for by an identified sponsorship. The message reaches the public in the news media as a story or editorial. Like advertising, publicity involves nonpersonal communication to a mass audience, but unlike advertising, publicity is not directly paid for by the organization. The organization encourages the media to cover a favourable story by using tools like news releases, press conferences, feature articles, and media.

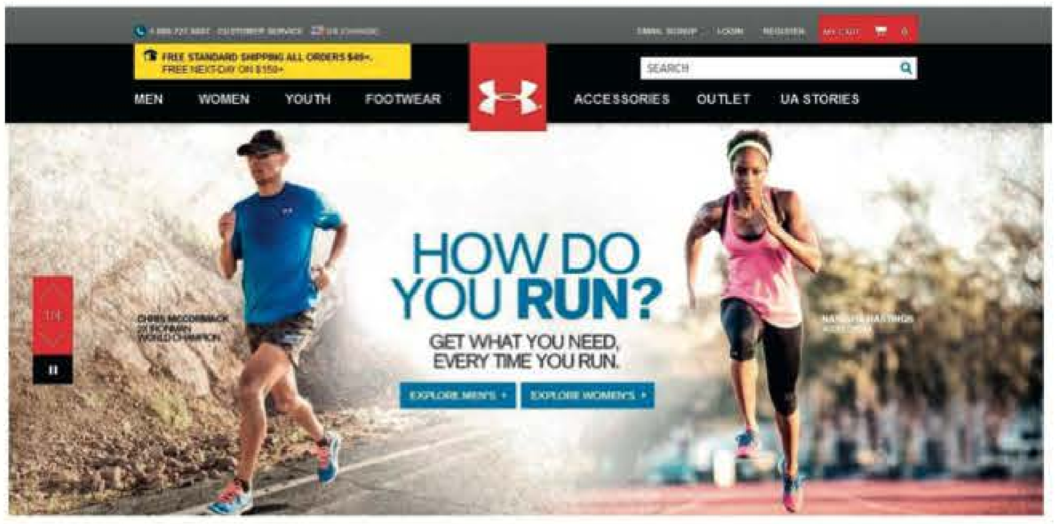
An advantage of publicity is its credibility; consumers tend to be less skeptical toward favourable information about a product when it comes from a source they perceive as unbiased. For example, movie reviews from film critics may be viewed by moviegoers as an objective evaluation. Another advantage of publicity is its low cost, since the company is not paying for time or space in a mass medium. While costs in developing public relations items to foster publicity occur, these expenses will be far less than advertising.

DIRECT MARKETING

Direct marketing occurs when organizations communicate directly with target audiences to generate a response and/or a transaction. Direct marketing tools are used by companies that distribute their products to consumers directly and by companies that distribute their products through traditional distribution channels or their own salesforce. Direct marketing tools include telemarketing and call centres, direct mail, mail-order catalogues, Internet-order websites, and direct-response ads in media. Direct marketing is an important component of a firm's marketing communication program since it is connected to other aspects of marketing communication. Direct marketing is used to distribute product samples and promotional products. Extensive direct marketing activities occur with the administration of loyalty programs designed to reward frequent purchasing customers. Direct marketing can also be used as part of a public relations program by sending relevant information. Shoppers Drug Mart revamped its Optimum points program while celebrating its 50th anniversary, which translated into a 20 percent growth in its membership.

In order to communicate directly, companies develop and maintain databases containing contact information (e.g., address, phone number, email), customer profiles, purchase history, and media preferences of present and/or prospective customers. Marketers use this information to target either audience through many tools. They use telemarketing to call customers directly and attempt to sell products and services or qualify them as sales leads. Call centres are used to respond to customer inquiries. Marketers send out direct-mail pieces ranging from simple letters to detailed brochures, catalogues, and DVDs to give potential customers information about their products. Finally, marketers use **direct-response advertising**, whereby a product is promoted through an ad (e.g., television or print) that encourages the consumer to purchase directly via the phone or Internet (Exhibit 1-10).

Exhibit 1-10 Under Armour uses direct-response advertising to promote its products.



© Under Armour

INTERNET MARKETING

We are experiencing a dynamic change in marketing through interactive media, delivered via the Internet. **Interactive media** allow for a back-and-forth flow of information where users participate in and modify its form and content instantly. The interactive media characteristics of the Internet allow users to receive, alter, and share information and images, experience all forms of marketing communication, make inquiries, respond to questions, and make purchases. Approximately 6 percent of all Canadian retail sales occur with online shopping.[34] Thus, the Internet is a multifaceted marketing communication tool with advertising and other IMC capabilities that we focus on in this book and now briefly introduce.

The Internet is an advertising medium much like any other, since brands pay a fee to place a video ad, various styles of display ads that look like a print ad, or an audio ad virtually anywhere, such as on content publishing websites like TSN or social media sites like Facebook or YouTube. Search engine ads are another paid advertising opportunity as are messages on classified/directory websites. In total, Canadian companies spent almost $4 billion on these forms of Internet advertising in 2014, and many of the points about advertising raised earlier are applicable here.

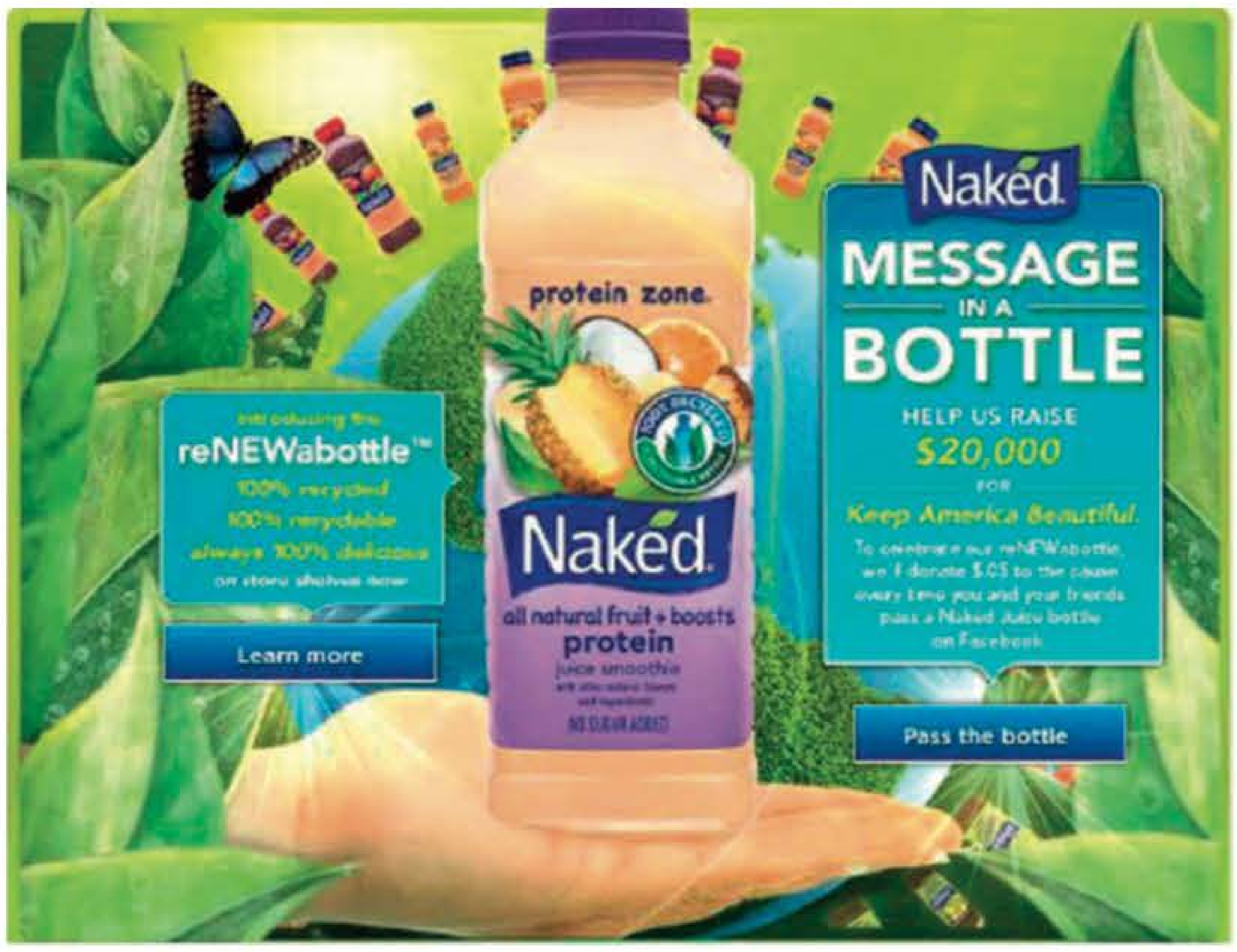
Websites provide current and potential customers with information about the company's products and activities. Other firms develop websites to entertain or communicate emotionally with their clientele. In either case, these branded websites are "owned media" much like other marketing collateral material such as catalogues. Of course, the interactive media characteristics of a brand's website alter a consumer's experience considerably.

Social media facilitates interaction and communication among its members to create, share, and exchange information, experiences, perspectives, and media. Social media like Facebook, YouTube, Twitter, and Instagram are means for marketers to reach consumers as each allows a brand to create a group (Facebook) or channel (YouTube) for all kinds of marketing communication activities. Since these types of social media do not charge a brand to set up an account, a brand's presence is much like "owned media" as a brand's personnel (or agency personnel) construct the message and style much like what is found on a brand's website. As we shall see later in Chapter 17, social media players offer additional features for a fee to enhance a brand's marketing communication, thereby easily moving toward "paid media" that might make the advertising message not necessarily look like advertising from the point of view of a consumer.

The interactive features of social media that facilitate communication among users provide a powerful means of brand influence. Positive communication about a brand is referred to as "earned media" by marketing practitioners. This terminology gained stronger notoriety as social media matured, however the idea existed previously in the domain of public relations for decades and with managers interested in tracking consumers' verbal word-of-mouth communication. Marketers are very active with online postings to stimulate conversations among consumers with the hopes of generating peer or group influence. At other times, brand managers contract special agencies that will financially arrange for an influential blogger to endorse a brand by posting their consumption via a picture or video.[35] So while the blogger's post might look like "earned" media to a consumer, it is in fact "paid" media.

The Internet is a medium to execute all elements of the promotional mix beyond advertising-like messages via paid, owned, and earned media. Marketers offer sales promotion incentives such as coupons and contests online, and they use the Internet to conduct direct marketing and public relations activities effectively and efficiently. For example, Exhibit 1-11 shows the many ways a consumer can interact with the Naked Juice brand on the Internet that share characteristics of all elements of the promotional mix. In fact, a brand can implement a completely digital IMC program that includes advertising, sales promotion, events, public relations, and social media interaction online. For example, BMW's Smart Car used Internet media with a dedicated microsite, a customized Facebook page, and YouTube to demonstrate the car's big interior despite its being small on the outside.[36]

Exhibit 1-11 Naked Juice used a creative Facebook application to promote its new recyclable bottle.



© Naked Juice Company

Access to websites, social media, interactive experiences, and all facets of marketing communication is prevalent with mobile media devices like smart phones and tablets. These devices and accompanying applications open the door for marketers to adapt and invent ways of implementing marketing communication. For example, while walking down the street a person could receive a message with an incentive to turn back and eat at a restaurant she had just passed by. Although consumers access online marketing communication similarly (mobile vs. non-mobile), the portability of receiving brand messages or interacting with a brand, or a peer, makes this a new frontier for IMC planners, who need to consider how existing promotional decisions will be adapted to fit with or influence consumer behaviour. For example, a Starbucks app allows customers to pay for purchases, find locations, obtain nutritional information, and manage their rewards account, all on a smart phone.

Although the Internet has been an increasingly popular medium over the past 20 years, offering many media delivery options for marketing communication as shown above, the ultimate role of advertising and promotion and the content of the message remain essentially unchanged. According to two noted marketing writers, promotional planners still try to achieve brand communication effects by delivering a relevant message with the ultimate goal of achieving a marketing objective, such as selling more of a product.[37] While feedback of digital message delivery is virtually instantaneous with media like Twitter, considerable planning is required by a promotional manager for initial digital message delivery, much like what has existed for nearly a century since the advent of radio advertising. Supporting this view is research that compares the direct and indirect communication effects of digital and broadcast media.[38]

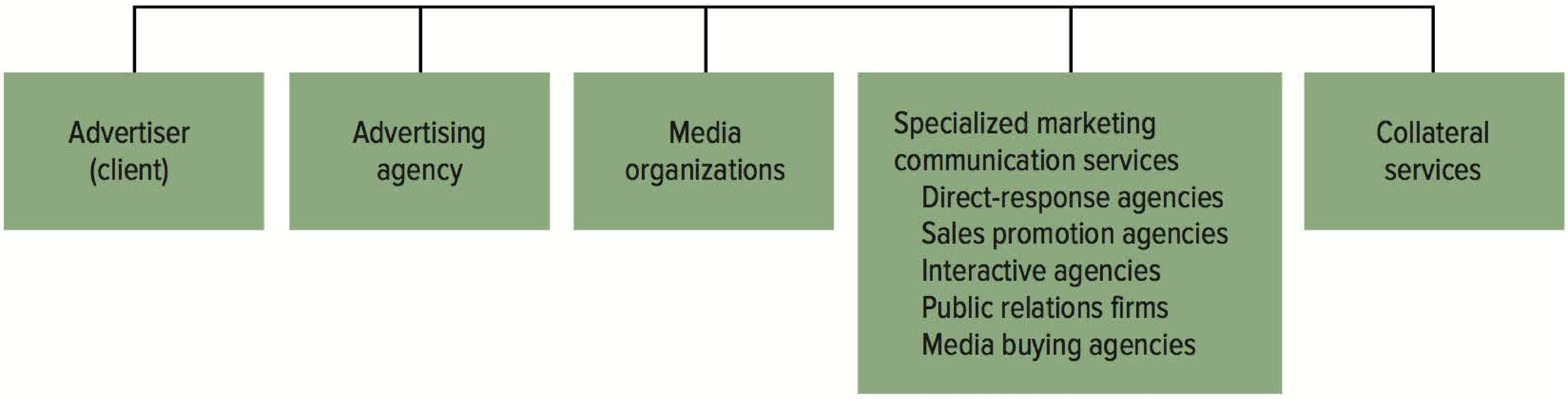
PERSONAL SELLING

The final promotional mix element is **personal selling**, a form of person-to-person communication in which a seller assists and/or persuades prospective buyers to purchase the company's good or service or to act on an idea. Personal selling involves direct contact between buyer and seller, either face-to-face or through telecommunications. This interaction gives the marketer communication flexibility; the seller can see or hear the potential buyer's reactions and tailor the message to their specific needs or situation. We do not cover personal selling in this book, as many decisions pertaining to this topic are the responsibility of a sales manager.

PARTICIPANTS IN THE PROMOTIONAL PROCESS

Thus far we have identified the major promotional tools that marketers use. To understand the context in which promotional decisions are made, we identify the participants of the promotional process (Figure 1-5). Overall, there are five major groups: advertiser, advertising agency, media organizations, specialized marketing communication services, and collateral services. Each group has specific roles in the promotional process.

Figure 1-5 Participants in the promotional process



Advertisers have the goods, services, causes, ideas, or persons to be marketed, and they provide the funds that pay for advertising and promotions. Advertisers assume major responsibility for developing the marketing program and making the final decisions regarding the marketing communication program. An organization may perform most of these efforts itself, either through its own advertising department or by setting up an in-house agency.

Advertising agencies are outside firms that specialize in the creation, production, and placement of promotional messages, and possibly provide other support services. Advertisers are referred to as **clients** if they retain the services of advertising agencies. Large advertisers retain the services of a number of agencies, particularly when they have multiple products. An ad agency acts as a partner with an advertiser and assumes more responsibility for developing the marketing and promotional programs.

Media organizations provide information or entertainment to their subscribers, viewers, or readers. Media provide an editorial or program content environment for the firm's promotional planner to deliver the marketing communication message. While the media perform many functions that help advertisers understand their markets and their customers, a medium's primary objective is to sell its time or space so companies can effectively reach their target audiences with their messages (Exhibit 1-12). Media companies in Canada have grown significantly through acquisition of different formats and provide considerable integration options for advertisers. For example, Rogers offers customers virtually all media opportunities and its staff has a strong integration orientation when selling packages to clients.[39]

Specialized marketing communication services include direct marketing agencies, sales promotion agencies, interactive agencies, public relations firms, and media buying agencies who provide services in their areas of expertise. A direct-response agency develops direct-marketing programs. Sales promotion agencies develop contests, premium offers, or sampling programs. Interactive agencies develop websites, social media activities, or other types of Internet ads. Public relations firms generate and manage publicity for a company and its products, and also focus on its relationships with relevant publics. Media buying agencies work with clients and the media organizations for optimal placement of advertisers' messages. IMC Perspective 1-1 describes how Ubisoft communicates with its target audiences with new IMC approaches and works with digital IMC agencies.

Exhibit 1-12 CityTV promotes its value to advertisers.

Citytv
TORONTO'S
#1
BT
BREAKFAST TELEVISION
MORNING SHOW
ROGERS
Citytv

© ValeStock / Shutterstock.com

Collateral services include marketing research companies, package design firms, consultants, photographers, printers, video production houses, and event marketing services. These individuals and companies perform specialized functions that the other participants (advertisers, agencies, media organizations, and specialized marketing communication services) use in planning and executing the IMC plan.