

GLOBAL  
EDITION



# Integrated Advertising, Promotion, and Marketing Communications

NINTH EDITION

Kenneth E. Clow  
Donald Baack



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

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**Ninth Edition**  
**Global Edition**

**Kenneth E. Clow**

University of Louisiana at Monroe

**Donald Baack**

Pittsburg State University



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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 friend, Kenneth E. Clow, and his wife, Susan. Thanks for everything, Ken.

**Donald Baack**

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# Preface

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

If your students are not marketing majors, consider the role of marketing communications around them. Any company or organization they work for will be involved in marketing its products or services. Knowing how organizations develop marketing communications constitutes valuable knowledge. It helps students recognize the methods used by 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 mobile marketing, social media, internet programs, customer product reviews, instant messaging, 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 created this textbook and the additional materials in ways that will best help your students to understand integrated marketing communications.

## What's New in the Ninth Edition?

The ninth edition of *Integrated Advertising, Promotion, and Marketing Communications* offers several new features.

- **Emphasis on social media.** One of the most rapidly evolving aspects of advertising and promotion has been the increased use of social media. This edition expands coverage of the ways companies currently use social media for marketing purposes and how it is integrated with other communication strategies.
- **Updated 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.
- **Updated mobile marketing content.** Digital media channels and especially mobile devices have changed. The sections on mobile marketing have 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. We have new vignettes that feature issues such as incidents of racism and company responses, the growth of influencer marketing, co-marketing programs, programmatic advertising, chatbots, and the role of marketing communications in holiday celebrations.
- **New advertisements.** Throughout the text, more than 100 new advertisements have been incorporated into the chapters, including many brands such as Walgreens, Starburst, Interstate Batteries, V8, GEICO, Home Depot, and Dick's Sporting Goods, along with ads for smaller, independent businesses.
- **Updated examples.** New examples of marketing communications principles have been incorporated to provide relevant information about companies.



- **Active blog.** We continue to maintain the book blog at [blogclowbaack.net](http://blogclowbaack.net). It provides information and examples from current events that relate to the materials in each chapter. Instructors can use these blog entries to enhance classroom presentations or as assignments for individual students or even small groups.

## Additional Chapter-by-Chapter Changes in This Edition

<b>All Chapters</b>	<p>New blog exercises</p> <p>Updated examples of concepts regarding newer companies and programs</p> <p>Notation of preliminary effects of the coronavirus outbreak on marketing communications (also found in authors' blog)</p> <p>New advertisements</p>
<b>Chapter 1</b>	<p>New "Lending Tree" opening vignette</p> <p>Update on models of communication</p> <p>New materials regarding emerging trends in marketing communications (convenience, cause-related programs)</p> <p>New Introduction to "Your Career"</p> <p>New case: "KFC Changes Spokespersons"</p>
<b>Chapter 2</b>	<p>New "Michelin" opening vignette</p> <p>Updates on brands and logos</p> <p>New "Your Career: A Personal Brand"</p> <p>New case: "Creating a Company Name"</p>
<b>Chapter 3</b>	<p>Notation of the role of influencers in marketing programs</p> <p>New "Your Career: Buyer Behaviors and Career Choices"</p> <p>New case: "Electric, Hybrid, or Fossil Fuel?"</p>
<b>Chapter 4</b>	<p>New "Co-marketing and IMC" opening vignette</p> <p>Updated segmentation by consumer groups presentation</p> <p>Refinement of marketing communications objectives section</p> <p>New "Your Career: Planning Process"</p> <p>New case: "Landscape Designs and Moore"</p>
<b>Chapter 5</b>	<p>Update on crowdsourcing</p> <p>Additional content on roles of advertising personnel, including specialist positions</p> <p>Expanded section regarding the creative brief</p> <p>New "Your Career: Advertising Theory and a Job Search"</p> <p>New "Creative Corner" for preparing a creative brief</p> <p>New case: "YouWearz"</p>
<b>Chapter 6</b>	<p>Analysis of a key source/spokesperson characteristic: Personal character</p> <p>New "Your Career: Resume and Application Letter Design"</p> <p>New case: "Home Security Marketing"</p>
<b>Chapter 7</b>	<p>New "Mother's Day Marketing" opening vignette</p> <p>Continued importance of traditional media advertising, noted in introduction</p> <p>Cites cord cutting as a key new issue</p> <p>Identifies provider fragmentation in television</p> <p>Discusses connection between YouTube and television</p> <p>Spells out role of local radio</p> <p>New "Your Career: Your First Job"</p> <p>New case: "RadinPlay"</p>

<b>Chapter 8</b>	<p>New “Artificial Intelligence, Programmatic Advertising, and Chatbots” opening vignette</p> <p>Additional mobile marketing emphasis in chapter content</p> <p>Updates to consumer shopping patterns presentation</p> <p>Describes off line marketing integration systems</p> <p>Notes consumer-to-consumer (C2C) marketing</p> <p>New “Your Career: Digital Marketing”</p> <p>New case: “Koro to Majin”</p> <p>New case: “The Hyena’s Den”</p>
<b>Chapter 9</b>	<p>Additional discussion of popular social media sites</p> <p>Added material to social media marketing section, including a caution</p> <p>New section regarding influencer marketing</p> <p>New “Your Career: Social Media”</p> <p>New case: “L’Oréal”</p>
<b>Chapter 10</b>	<p>New “The Country Music Awards” opening vignette</p> <p>Section regarding buzz marketing and fund raising</p> <p>Expansion of video game marketing discussion</p> <p>New “Your Career: Alternative Marketing”</p> <p>New case: “Alternative Marketing: Ethnic Holidays”</p>
<b>Chapter 11</b>	<p>Current examples throughout the chapter</p> <p>New “Your Career: Selling Yourself”</p> <p>New case: “Turkbit”</p>
<b>Chapter 12</b>	<p>New “Mentos: Gumming Up an IMC Program” opening vignette</p> <p>Addition of materials about how consumer promotions also apply to services</p> <p>New “Your Career: Sales Promotions”</p> <p>New case: “Marketing Sports Equipment”</p>
<b>Chapter 13</b>	<p>New “Racism Incidents and Public Relations” opening vignette</p> <p>Update on greenwashing</p> <p>Special section on coronavirus</p> <p>New “Your Career: Public Relations”</p> <p>New case: “Esports: Creating New Sponsorship Opportunities”</p> <p>New case: “Coconuts: A Picking Problem”</p>
<b>Chapter 14</b>	<p>New “Lumosity Pays \$2 Million Settlement” opening vignette</p> <p>Update on comparison advertising</p> <p>Changes to ethics sections</p> <p>New “Your Career: Ethics and Social Responsibility”</p> <p>New case: “Herbal Remedies, Oils, and Alternative Medicine”</p>
<b>Chapter 15</b>	<p>New “Closing the Loop: Interstate Batteries” opening vignette</p> <p>New content on emotional advertising evaluation</p> <p>Evaluation of combination approaches to marketing communications</p> <p>New “Your Career: Evaluating a Job Search Process”</p> <p>New case: “Home Repair Referrals: Two Levels of Evaluation”</p>

## Solving Teaching and Learning Challenges

In each edition of this textbook, we have created and updated devices to help students learn the materials being presented. For many students, advertising and marketing communications are already interesting and enjoyable subjects. These materials were 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 these updated vignettes revolve around success stories in companies and about products most students will recognize. They help introduce your students to the concepts presented throughout the chapter.
- **International Marketing Issues.** A section called “International Implications” appears at the end of every chapter.
- **Cases.** A new case appears in each chapter. These cases provide plausible scenarios that require careful consideration and review of chapter materials.
- **Your Career.** At the conclusion of each chapter, the subject matter is applied to individual students and their efforts to succeed in the coming years. These features were written to offer career advice while also integrating materials from the chapter in a new and different way.
- **Critical Thinking Exercises and Discussion Questions.** The end-of-chapter materials include a variety of exercises designed to help 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 verify that your students have truly learned a concept or theory is to see them apply it to a different situation.
- **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.
- **Blog Exercises.** This edition offers a set of exercises from the authors’ blog. These exercises can be fun for students and can be used for individual or group assignments. Some are ideal for classroom instruction or to gain the interest 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 intended to help students realize they are more creative than they might think.

**Instructor Resources** For more information and resources, visit [www.pearsonglobaleditions.com](http://www.pearsonglobaleditions.com).

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**Final Note** As some of you may know, Ken Clow had become ill when preparations for this ninth edition began. After some thought, he enthusiastically decided to continue work on it, even as his health failed. He passed away in late 2018, with one of his final wishes being that this work would come to life. Ken will be sorely missed by all who knew him and especially those of us who had the great privilege of working with him on this and other projects. His personable, friendly, easygoing temperament, plus his love of learning and teaching, provide wonderful life lessons.

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# Integrated Marketing Communications

## OVERVIEW

Advertising and marketing face a rapidly shifting landscape. A new order has emerged from the decline in traditional media viewership, combined with a dramatic rise in internet and social media usage. 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 standalone billboard advertisements to complex, multilingual global websites, and social media posts. The number of ways to reach potential customers continues to increase while alternative methods expand and become increasingly popular. Connectivity and interaction with consumers through methods such as mobile marketing have changed much of marketing communications to real-time conversations as consumers make purchasing decisions.

In the face of these cluttered conditions, firms continue to seek to be heard. In response, some advertisers and companies have moved to innovative new approaches to reach ongoing and potential new customers.

## LEARNING 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*?

## The Nature of Communication

### OBJECTIVE 1.1 How does communication take place?

**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>1</sup>

Advertising and marketing messaging programs rely on effective communication. Consider a person planning to dine at a quick-serve chicken restaurant. In the communications model (Figure 1.1), the **senders** include

## Lending Tree

New product ideas come from a variety of sources, one of which is frustration. **Zappos.com** arose out of a buyer's irritation with shopping for, but not finding, shoes in a variety of stores. **UNTUCKit** originated from a person's desire to wear a shirt out rather than in, and not being able to find one that fit correctly. The **Head Blade** began when a bald man decided the world needed a curved razor for those who wished to shave their domes.

In 1996, Doug Lebda experienced a similar problem when seeking to obtain a mortgage for a townhouse. Roaming from lender to lender, filling out loan applications, and seeking an approval from just one company led to an innovation: Why not put lenders and borrowers together on a common site, where borrowers could shop for the ideal loan and lenders would be able to track ideal candidates for mortgages? As a result, Lending Tree was born.

The marketing communications challenges for Lending Tree evolved quickly over the past two decades. At first, capturing the attention of home buyers took precedence, as did convincing lending institutions they should buy into the Lending Tree approach. Then, persuading those individuals that Lending Tree offered a better, more efficient solution to the challenge of obtaining a mortgage became vital.

Two issues emerged. First, in the 1990s, distrust of internet shopping remained a significant concern. Second, many consumers continued to think first of contacting a local savings and loan or bank rather than an internet company with no known reputation.

As consumer acceptance of the internet rose, competition entered. Most recently, fast-track mortgage providers such as Quicken Loans/Rocket Mortgage have captured consumer interest. Although the program offered by Lending Tree differs, the primary benefits of convenience and speed are available from both types of companies.



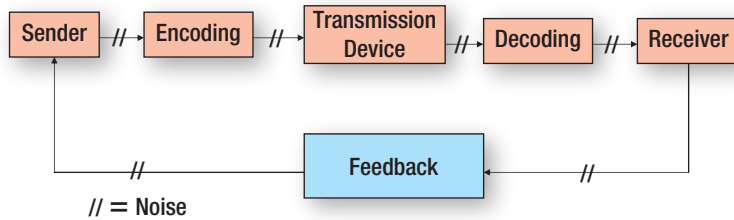
rSnapshotPhotos/Shutterstock

One recent Lending Tree messaging program featured an animated spokesperson, a green Muppet-like persona that appears in company advertising and across social media platforms. The system sought to direct potential borrowers to the organization's site, where a variety of services, including home loans, business loans, credit card offers, and student loans, appear. These services accompany a link to obtain an individual's personal credit score, along with mortgage calculators to help the customer understand what her monthly payment would be for a loan, and ratings and reviews of various lending institutions.

Results have been impressive. Lending Tree ranks among the top 100 in a recent *Fortune* 500 list of the fastest-growing companies. Consumer awareness of the company has grown, and confidence in the firm continues to rise. The organization's success story demonstrates many of the principles regarding the need for quality communication and consumer engagement described in this chapter.<sup>2</sup>

the chains KFC, Chick-fil-A, Popeyes, Church's Chicken, Bojangles, and Raising Cane's Chicken Fingers. These companies try to capture the customer's attention. They hire advertising agencies or utilize in-house teams to produce the messages to be sent.

**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.



◀ FIGURE 1.1

The Communication Process

A commercial consists of cues placed in various media, such as the internet, television, magazines, and billboards. The message will be encoded on every venue.

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

**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 bare advertisement on this page, effective marketing communications depend on receivers encountering the right message and responding in the desired fashion, such as by seeking out the company and purchasing its products.

Chick-fil-A's approach to social media provides an example of a successful communication approach 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 an announcement on social media outlets, which invites fans to participate in grand-opening festivities.

Companies combine social media messages with offline advertising and promotions. For many years, Chick-fil-A hosted a "Cow Appreciation Day" each July. The event encouraged 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

▼ This advertisement for Bare by Solo seeks to communicate that the product is better for the environment.







Donald E. Baack

▲ A Chick-fil-A contest winner.

“Eat Mor Chikin.” Using the same tagline and theme on all channels transmits a universal 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.

**Recent Developments** Several new iterations of the communications model displayed in Figure 1.2 have evolved. At present, many view communication in a manner that more closely resembles a “dance” between a sender and receiver, each transmitting and receiving verbal and nonverbal cues interactively. Just as a partner responds in real time to the eye contact, movement, and the subtle press of personal touch transmitted along with words by the other person, companies are required to react and reply to messages received from consumers, all the while seeking to continue to transmit consistent, memorable, and persuasive messages. Both partners (companies and customers) deal with the challenge of noise and clutter as the interaction progresses. In essence, Figure 1.2 has become faster and more interactive than ever before. At the same time, the fundamentals of preparing and presenting effective marketing messages remain largely the same.

► **FIGURE 1.2**

Examples of Communication Noise

- 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

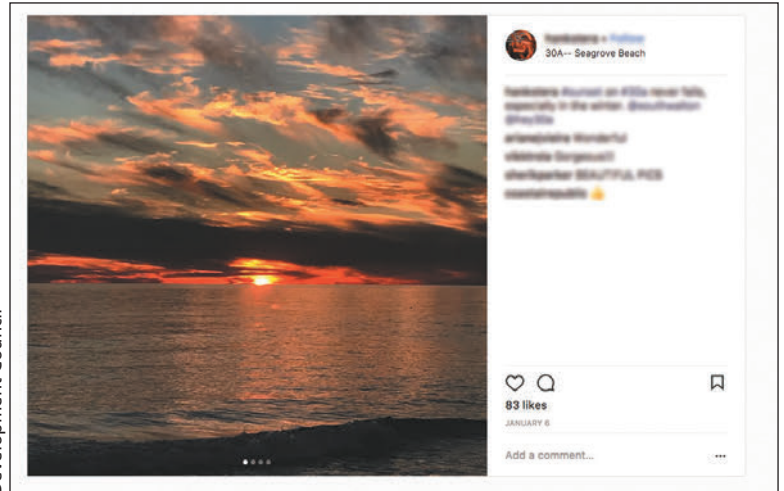
► A billboard serves as the transmission device for the St. Francis Medical Center with a consistent theme that appears in other marketing messages.



Courtesy of T. Graham Morris/ Newcomer, Morris & Young, Inc.

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

Courtesy of Michael Kerrigan/Walton County Tourist Development Council



▲ This social media post is a transmission device promoting Seagrave Beach in Florida.

## Integrated Marketing Communications

### OBJECTIVE 1.2 What is an integrated marketing communications program?

The communications model provides the foundation for advertising and marketing programs. **Integrated marketing communications (IMC)** is 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**, which consists of products, prices, distribution systems, and promotions, is the starting point. Traditional promotional activities include advertising, sales promotions, and personal selling activities. Now, however, companies incorporate digital and mobile marketing, social media, and alternative methods of communication into the program. The marketing mix requires additional activities including database marketing, direct response marketing, personal selling tactics, sponsorships, and public relations programs (see Figure 1.3).



◀ **FIGURE 1.3**  
Components of Promotion

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

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

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 will 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 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 an examination of the firm's present 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 including visiting the store and making purchases. Marketing objectives are assigned to 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 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 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

### OBJECTIVE 1.3 Which trends are affecting 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. 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. 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.

- Emphasis on accountability and measurable results
- Mobile marketing
- Integration of media platforms
- Shift in channel power
- Increase in global competition
- Increase in brand parity
- Emphasis on customer engagement
- Focus on convenience
- Cause-related marketing and advertising

◀ **FIGURE 1.5**

Trends Affecting Marketing Communications

▼ The integration of digital media and mobile marketing techniques has affected a wide variety of industries, including banking in rural areas.

The increasing emphasis on accountability and measurable results has been driven by chief executive officers (CEOs), chief financial officers (CFOs), and chief marketing officers (CMOs). According to Martyn Straw, former 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. They connect marketing messages with special events in which names, profiles, and addresses of prospective customers can be 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>

## Mobile Marketing

Over the past decade, internet-based marketing communications were created as individual web advertisements along with interactive websites, blogs, and social media messages. Currently, smartphones, tablets, and text-messaging systems have created a new landscape and nearly a new language. Ingenious digital mobile marketing techniques create experiences with a brand rather than mere purchases with little or no emotional attachment.

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 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 digital channels provide consumers with access to a wealth of information about companies, products, and brands, many times as they begin the process of shopping or seeking a product or service. Individuals communicate with each other, sending favorable or unfavorable ratings and information. Consequently, digital and mobile marketing programs have evolved into a mandatory ingredient rather than an option. When P&G introduced its Star Wars limited edition of

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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 a nearby Ulta store. This mobile marketing 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>

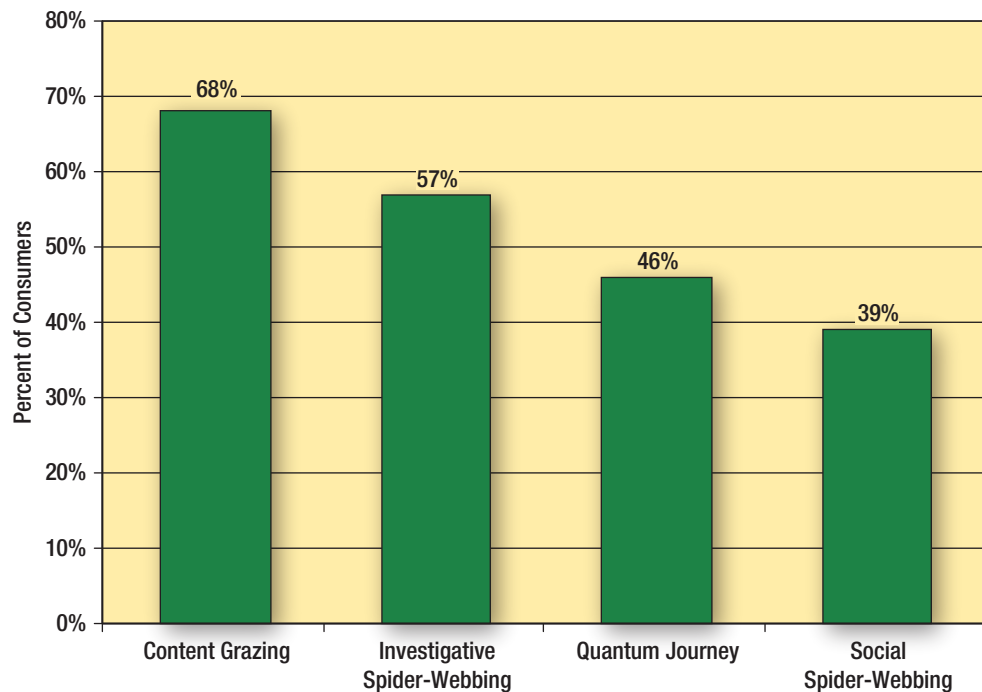
### Integration of Media Platforms

Consumers spend more than five hours each day in front of a screen that does not involve television. When combined with television (which consumers watch for an additional four-plus hours per day), the total becomes as much as 10 hours every day examining some kind of screen, whether it is a computer, tablet, mobile device, or television.<sup>9</sup> Understanding how consumers include multiple devices into their daily lives assists marketers in devising 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>

*Content grazing* involves looking at two or more screens simultaneously to access content which 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 device. *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. Many individual television and banner ads go unnoticed. Advertisers look for ways to engage consumers with a brand through mobile portals. That same ad or message delivered across all platforms in various formats increases the chances it will

► **FIGURE 1.6**  
Pathways Consumers Use to Interact across Media Devices



be viewed and assimilated by consumers. For example, a recent print ad for Jimmy's Egg restaurants placed in newspaper inserts promoted a new loyalty app that offered a "First Reward" coupon for consumers who downloaded the app.

## 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 channel members.

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 the internet along with other methods of communication has shifted some channel power to consumers.<sup>11</sup> Individuals obtain information about goods and services and purchase them using the internet. Forrester Research, U.S. notes that internet-driven sales have risen tremendously.<sup>12</sup>

Consumer relationships with brands have transformed. Individuals wield greater power. Social media enables dissatisfied customers to instantly vent about bad experiences to large audiences, where little forgiveness 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 may be 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 are also quick to visit social media sites to complain about brands that did not deliver as promised. 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 brand experiences. Consumers routinely 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>

It will take some time to understand how the 2020 coronavirus outbreak will affect channel power dynamics. Many shopping patterns shifted and retailer methods, including pick-up lanes, online ordering, contactless delivery, and other tactics will undoubtedly affect the ways in which consumers and businesses obtain items in future years, which will in turn affect the nature of channel power.

## 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 also come from a firm 10,000 miles away. Consumers desire convenience and high quality along with low prices. The company that delivers these features makes the sale, often regardless of location. Advancements in delivery systems make it possible for purchases to arrive in a matter of days from anywhere in the world.

Doritos' marketing team recognized how new communication technologies and social media make the world smaller. Consumers travel and communicate with each other. In response, Doritos launched its first global campaign by updating packaging and the company's logo to give a consistent look across 37 countries. Before this global effort, Doritos offered 25 different package designs and utilized numerous marketing approaches in various countries. In the new global campaign called "For the Bold," Doritos featured digital and TV spots in the United States, Mexico, England, Canada, Spain, and Turkey, as well



imtmphoto/Shutterstock

▲ Advances in information and communication technologies enable shoppers to purchase products from other countries as well as from local firms.

decisions. The net effect becomes a steady decline in brand loyalty.<sup>17</sup> When consumers do not perceive a specific brand to be superior, they more readily switch to another. In response, marketers work to convince consumers that their company's brand stands out and projects an image of superiority or a meaningful difference.

### Emphasis on Customer Engagement

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

An effective contact establishes two-way communication. Firms build levels of engagement by offering incentives and reasons for the consumer to interact with them. For customers to take advantage of these initiatives, however, they must develop emotional commitments to the brand and experience feelings of confidence, integrity, pride, and passion toward it.<sup>18</sup> The brand, in turn, must deliver on promises and provide reasons for consumers to continue to interact with the company.

### Focus on Convenience

Many of today's consumers value time in new and important ways. The term *convenience marketing* notes the increasing emphasis on making purchases simple and time-saving. Home delivery systems and store pick-up programs continue to rise. Cars can be purchased online via Carvana, CarGurus, and other sites. Many services, including insurance, banking, home loans, stock purchases, and college courses are made from a consumer's smartphone or tablet. Advertisers note the importance of featuring convenience as part of messages that are transmitted to consumers.

### Cause-related Marketing and Advertising

As the newest generation of purchases increases in levels of spending, many organizations have noted a rise in interest in buying products attached to socially responsible efforts and causes. As long as the advertisement connects logically with the cause involved, individuals respond with positive feelings toward the brand. Walgreens, for example, has supported Red Nose Day USA for the last 6 years. Red Nose Day is a program that helps to end

as social media initiatives. The campaign provided a venue to connect fans worldwide, a consistent storyline, and the same look and feel for the Doritos brand across multiple countries. Today, Doritos remains the largest tortilla/corn chip brand in the world with a 39-percent market share.<sup>15</sup>

### Increases in Brand Parity

Many currently available products offer nearly identical benefits. When consumers believe that various items provide the same set of attributes, **brand parity** results. When it occurs, shoppers select from a group of brands rather than one specific brand.<sup>16</sup> Brand parity means quality becomes less of a concern because consumers perceive only minor differences between companies and products. Consequently, other criteria such as price, availability, or a specific promotional deal affect purchase