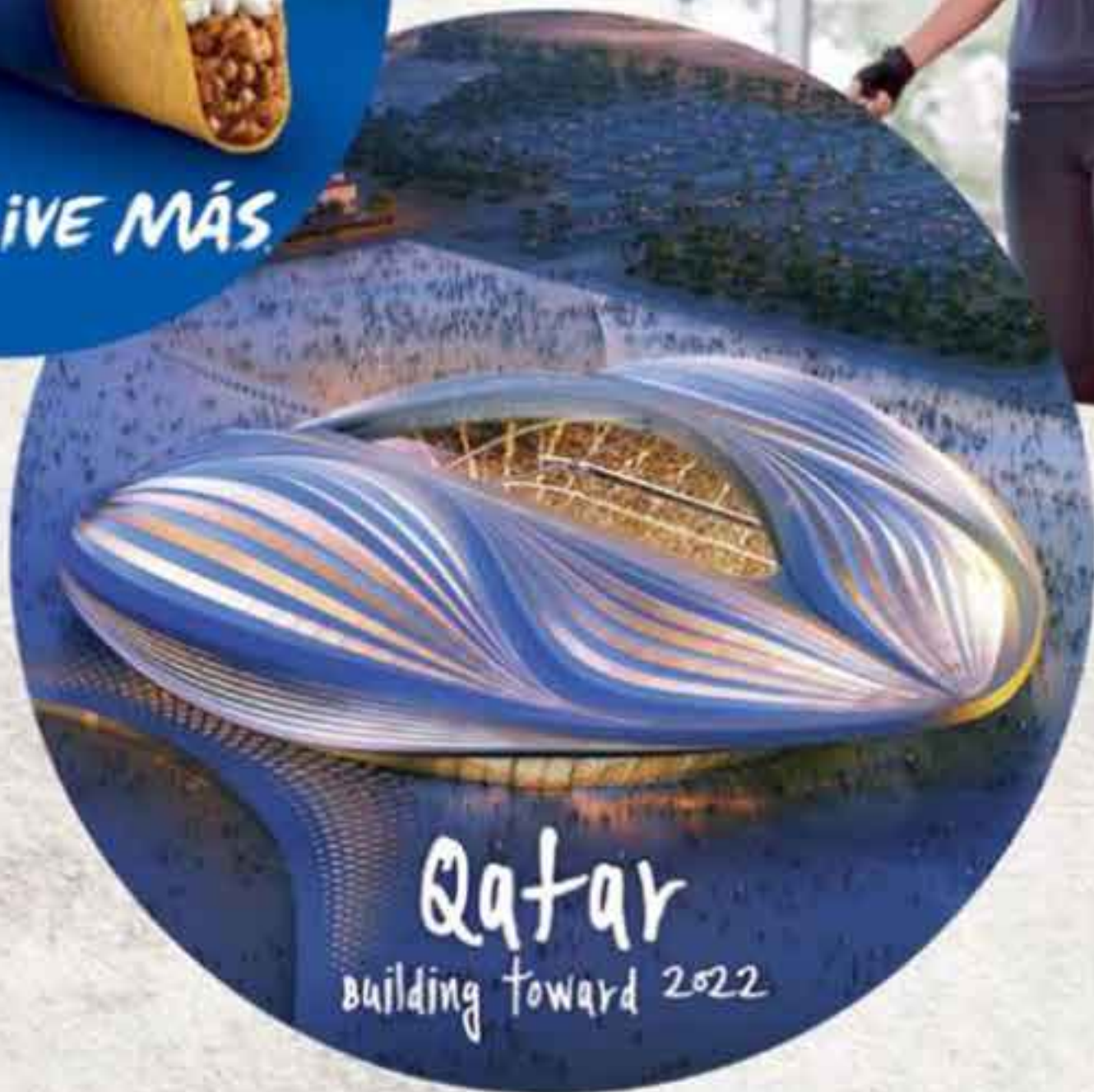


ADVERTISING and PROMOTION

An Integrated Marketing Communications Perspective



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George E. Belch Michael A. Belch

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AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE

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AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE

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George E. Belch & Michael A. Belch

Both of San Diego State University

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ADVERTISING & PROMOTION: AN INTEGRATED MARKETING
COMMUNICATIONS PERSPECTIVE, TENTH EDITION

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1 2 3 4 5 6 7 8 9 0 DOW/DOW 1 0 9 8 7 6 5 4

ISBN 978-0-07-802897-7
MHID 0-07-802897-3

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Compositor: *Laserwords Private Limited*
Printer: *R. R. Donnelley*

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Library of Congress Cataloging-in-Publication Data

Belch, George E. (George Edward), 1951-
Advertising and promotion : an integrated marketing communications perspective/George E. Belch & Michael A. Belch.—10e, Tenth edition.
pages cm
Includes index.
ISBN 978-0-07-802897-7 (alk. paper)—ISBN 0-07-802897-3 (alk. paper)
1. Advertising. 2. Sales promotion. 3. Communication in marketing. I. Belch, Michael A. II. Title.
HF5823.B387 2015
659.1—dc23

2013041596

The Internet addresses listed in the text were accurate at the time of publication. The inclusion of a website does not indicate an endorsement by the authors or McGraw-Hill Education, and McGraw-Hill Education does not guarantee the accuracy of the information presented at these sites.

*To Our Families
and
Ramo (Coach) and Lorraine
and
Michael Andrew Anecharico*

ABOUT THE AUTHORS



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Dr. Belch's research interests are in the area of consumer processing of advertising information as well as managerial aspects of integrated marketing communications. He has authored or coauthored more than 30 articles in leading academic journals and proceedings, including *The Journal of Marketing Research*, *Journal of Consumer Research*, *International Journal of Advertising*, *Journal of Promotion Management*, *Journal of Advertising*, and *Journal of Business Research*. In 2000, he was selected as *Marketing Educator of the Year* by the Marketing Educators' Association for his career achievements in teaching and research. He also received the Distinguished Faculty Member Award for the College of Business Administration at San Diego State University in 1994 and 2003.

Dr. Belch has taught in executive education and development programs for various universities around the world. He has also conducted seminars on integrated marketing communications as well as marketing planning and strategy for a number of multinational companies, including Sprint, Microsoft, Qualcomm, MP3.com, Fluor Daniel, Square D Corporation, Armstrong World Industries, Sterling Software, and Texas Industries.



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Before entering academia he was employed by the General Foods Corporation as a marketing representative, and has served as a consultant to numerous companies, including McDonald's, Whirlpool Corporation, Senco Products, GTI Corporation, IVAC, May Companies, Phillips-Ramsey Advertising and Public Relations, and Daily & Associates Advertising. He has conducted seminars on integrated marketing and marketing management for a number of multinational companies and has also taught in executive education programs in France, Amsterdam, Spain, Chile, Peru, Argentina, Colombia, China, Slovenia, and Greece. He is the author or coauthor of more than 50 articles in academic journals and proceedings in the areas of advertising, consumer behavior, and international marketing, including *The Journal of Advertising*, *Journal of Advertising Research*, *Journal of Business Research*, *Journal of Promotion Management*, and *International Journal of Advertising*. Dr. Belch is also a member of the editorial review board of the *Journal of Advertising* and the *International Journal of Advertising*. He received outstanding teaching awards from undergraduate and graduate students numerous times. He also received the Distinguished Faculty Member Award for the College of Business Administration at San Diego State University in 2007. He was recently awarded the Giep Franzen Fellowship from the University of Amsterdam.

PREFACE

THE CHANGING WORLD OF ADVERTISING AND PROMOTION

Nearly everyone in the modern world is influenced to some degree by advertising and other forms of promotion. Organizations in both the private and public sectors have learned that the ability to communicate effectively and efficiently with their target audiences is critical to their success. Advertising and other types of promotional messages are used to sell products and services as well as to promote causes, market political candidates, and deal with societal problems such as alcohol and drug abuse. Consumers are finding it increasingly difficult to avoid the efforts of marketers, who are constantly searching for new ways to communicate with them.

Most of the people involved in advertising and promotion will tell you that there is no more dynamic and fascinating field to either practice or study. However, they will also tell you that the field is undergoing dramatic transformations that are changing the ways marketers communicate with consumers forever. The changes are coming from all sides—clients demanding better results from their advertising and promotional dollars; lean but highly creative smaller ad agencies; sales promotion and direct-marketing firms, as well as interactive agencies, which want a larger share of the billions of dollars companies spend each year promoting their products and services; consumers who have changed the ways they respond to traditional forms of advertising; and new technologies that may reinvent the very process of advertising. We are experiencing perhaps the most dynamic and revolutionary changes of any era in the history of marketing, as well as advertising and promotion. These changes are being driven by advances in technology and developments that have led to the rapid growth of communications through interactive media, particularly the Internet, social media, and mobile devices.

Companies from outside the traditional advertising industry are rapidly changing the process of making and delivering advertising messages to consumers. Marketers are looking beyond traditional mass-media advertising to find new and more effective ways to communicate with their target audiences. They recognize there are numerous ways to reach their current and prospective customers and bring them into contact with their products and services. Many marketers view the Internet ads as a more cost-effective way to reach specific target markets and measure the results of their marketing efforts. Major changes are taking place in the way marketers are using the Internet for marketing

communications, including new applications that facilitate interactive information sharing and collaboration and bilateral, as opposed to unilateral, communication. Web 2.0 developments mean that Internet users are no longer limited to the passive viewing of information and can interact with one another as well as companies and/or organizations. These applications have led to the development of social networking sites, video sharing sites, wikis, blogs, and online communities which have all experienced explosive growth. Just a few years ago Facebook, Twitter, YouTube, and LinkedIn did not even exist. Facebook now has more than 1 billion users, Twitter boasts over 500 million, and more than 4 billion videos are viewed each day on YouTube, including many of the TV commercials and other promotional videos created by marketers. Nearly every company or organization has a Facebook and Twitter page that they use to keep in constant contact with their customers and these tools, along with other types of social media, have become an integral part of most marketers' marketing communications programs. However, the increased use of the Internet and social media is only the latest in a number of fundamental changes that have been occurring in the way companies plan, develop, and execute their marketing communications programs.

For decades the advertising business was dominated by large, full-service Madison Avenue-type agencies. The advertising strategy for a national brand involved creating one or two commercials that could be run on network television, a few print ads that would run in general-interest magazines, and some sales promotion support such as coupons or premium offers. However, in today's world there are a myriad of media outlets—print, radio, cable and satellite TV, and the Internet—competing for consumers' attention. Marketers are looking beyond traditional media to find new and better ways to communicate with their customers because they no longer accept on faith the value of conventional advertising placed in traditional media. Major marketers are moving away from a reliance just on mass-media advertising and are spending more of their marketing communication budgets in specialized media that target specific markets. Companies are also spending more of their monies in other ways such as event marketing, sponsorships, cause-related promotions, and viral marketing. Advertising agencies are recognizing that they must change the way they do business.

In addition to redefining the role and nature of their advertising agencies, marketers are changing the way they communicate with consumers. They know they are operating in an environment where advertising messages are everywhere, consumers channel-surf

past most commercials, and brands promoted in traditional ways often fail. New-age advertisers are redefining the notion of what an ad is and where it runs. Stealth messages are being woven into the culture and embedded into movies and TV shows or made into their own form of entertainment. Many experts argue that “branded content” is the wave of the future, and there is a growing movement to reinvent advertising and other forms of marketing communication to be more akin to entertainment. Companies are using branded entertainment as a way of reaching consumers by creating short films that can be viewed on their websites, arranging product placements, and integrating their brands into movies and television shows to promote their products and services.

A number of factors are impacting the way marketers communicate with consumers. The audiences that marketers seek, along with the media and methods for reaching them, have become increasingly fragmented. Advertising and promotional efforts have become more regionalized and targeted to specific audiences. Retailers have become larger and more powerful, forcing marketers to shift money from advertising budgets to sales promotion. Marketers often expect their promotional dollars to generate immediate sales and are demanding more accountability from their agencies. The Internet revolution is in full force, and new ways to communicate with consumers are constantly being developed. Many companies are coordinating all their communications efforts so that they can send cohesive messages to their customers. Some companies are building brands with little or no use of traditional media advertising, relying instead on digital media. Many advertising agencies have acquired, started, or become affiliated with sales promotion, direct-marketing, interactive agencies, and public relations companies to better serve their clients’ marketing communications needs. Their clients have become “media-neutral” and are asking that they consider whatever form of marketing communication works best to target market segments and build long-term reputations and short-term sales.

This text will introduce students to this fast-changing field of advertising and promotion. While advertising is its primary focus, it is more than just an introductory advertising text because there is more to most organizations’ promotional programs than just advertising. The changes discussed above are leading marketers and their agencies to approach advertising and promotion from an integrated marketing communications (IMC) perspective, which calls for a “big picture” approach to planning marketing and promotion programs and coordinating the various communication functions. To understand the role of advertising and promotion in today’s business world, one must recognize how a firm can use all the promotional tools to communicate with its customers.

TO THE STUDENT: PREPARING YOU FOR THE NEW WORLD OF ADVERTISING AND PROMOTION

Some of you are taking this course to learn more about this fascinating field; many of you hope to work in advertising, digital media, or some other promotional area. The changes in the industry have profound implications for the way today’s student is trained and educated. You will not be working for the same kind of communication agencies that existed a few years ago. If you work on the client side of the business, you will find that the way they approach advertising and promotion is changing dramatically.

Today’s student is expected to understand all the major marketing communication tools: advertising, direct marketing, the Internet, interactive media, sales promotion, public relations, personal selling, as well as social and consumer-driven media. You will also be expected to know how to research and evaluate a company’s marketing and promotional situation and how to use these various functions in developing effective communication strategies and programs. Marketers are also increasing their attention on the determination of return on investment (ROI) of various IMC tools as well as the problems companies face in attempting to make this evaluation. This book will help prepare you for these challenges.

As professors we were, of course, once students ourselves. In many ways we are perpetual students in that we are constantly striving to learn about and explain how advertising and promotion work. We share many of your interests and concerns and are often excited (and bored) by the same things. Having taught in the advertising and promotion area for a combined 50-plus years, we have developed an understanding of what makes a book in this field interesting to students. In writing this book, we have tried to remember how we felt about the various texts we used throughout the years and to incorporate the good things and minimize those we felt were of little use. We have tried not to overburden you with definitions, although we do call out those that are especially important to your understanding of the material.

We also remember that as students we were not really excited about theory. But to fully understand how integrated marketing communications works, it is necessary to establish some theoretical basis. The more you understand about how things are supposed to work, the easier it will be for you to understand why they do or do not turn out as planned.

Perhaps the question students ask most often is, How do I use this in the real world? In response we provide numerous examples of how the various theories and concepts in the text can be used in practice. A particular

strength of this text is the integration of theory with practical application. Nearly every day an example of advertising and promotion in practice is reported in the media. We have used many sources, such as *Advertising Age*, *Adweek*, *The Wall Street Journal*, *Bloomberg Businessweek*, *The Economist*, *Fortune*, *Forbes*, *Sales & Marketing Management*, *Mediaweek*, *Promo*, and numerous online sites such as eMarketer, Mashable, MediaPost.com, and ClickZ News to find practical examples that are discussed throughout the text. We have spoken with marketing and agency personnel about the strategies and rationale behind the ads and other types of promotions we use as examples. Each chapter begins with a vignette that presents an example of an advertising or promotional campaign or other interesting insights. Every chapter also contains several **IMC Perspectives** that present in-depth discussions of particular issues related to the chapter material and show how companies are using integrated marketing communications. **Global Perspectives** are presented throughout the text in recognition of the increasing importance of international marketing and the challenges of advertising and promotion and the role they play in the marketing programs of multinational marketers. **Ethical Perspectives** focus attention on important social issues and show how advertisers must take ethical considerations into account when planning and implementing advertising and promotional programs. **Digital and Social Media Perspectives** focus on how changes and/or advances in the use of social media are impacting the field of integrated marketing communications.

Each chapter features beautiful four-color illustrations showing examples from many of the most current and best-integrated marketing communication campaigns being used around the world. We have included more than 350 advertisements and examples of numerous other types of promotion, all of which were carefully chosen to illustrate a particular idea, theory, or practical application. Please take time to read the opening vignettes to each chapter, the IMC, Global, Ethical, and Digital and Social Media Perspectives, and study the diverse ads and illustrations. We think they will stimulate your interest and relate to your daily life as a consumer and a target of advertising and promotion.

TO THE INSTRUCTOR: A TEXT THAT REFLECTS THE CHANGES IN THE WORLD OF ADVERTISING AND PROMOTION

Our major goal in writing the tenth edition of *Advertising and Promotion* was to continue to provide you with the most comprehensive and current text on the market for teaching advertising and promotion from an IMC perspective. This new edition focuses on the many changes

that are occurring in areas of marketing communications and how they influence advertising and promotional strategies and tactics. We have done this by continuing with the *integrated marketing communications perspective*. More and more companies are approaching advertising and promotion from an IMC perspective, coordinating the various promotional-mix elements with other marketing activities that communicate with a firm's customers. Many advertising agencies are also developing expertise in direct marketing, sales promotion, event sponsorship, the Internet, social media, and other areas so that they can meet all their clients' integrated marketing communication needs—and, of course, survive.

The text is built around an integrated marketing communications planning model and recognizes the importance of coordinating all of the promotional-mix elements to develop an effective communications program. Although media advertising is often the most visible part of a firm's promotional program, attention must also be given to direct marketing, sales promotion, public relations, interactive media, and personal selling.

This text integrates theory with planning, management, and strategy. To effectively plan, implement, and evaluate IMC programs, one must understand the overall marketing process, consumer behavior, and communications theory. We draw from the extensive research in advertising, consumer behavior, communications, marketing, sales promotion, and other fields to give students a basis for understanding the marketing communications process, how it influences consumer decision making, and how to develop promotional strategies.

While this is an introductory text, we do treat each topic in some depth. We believe the marketing and advertising student of today needs a text that provides more than just an introduction to terms and topics. The book is positioned primarily for the introductory advertising, marketing communications, or promotions course as taught in the business/marketing curriculum. It can also be used in journalism/communications courses that take an integrated marketing communications perspective. Many schools also use the text at the graduate level. In addition to its thorough coverage of advertising, this text has chapters on sales promotion, direct marketing, the Internet and social media, and publicity/public relations. These chapters stress the integration of advertising with other promotional mix elements and the need to understand their role in the overall marketing program.

ORGANIZATION OF THIS TEXT

This book is divided into seven major parts. In Part One we examine the role of advertising and promotion in marketing and introduce the concept of integrated marketing communications. Chapter 1 provides an overview

of advertising and promotion and its role in modern marketing. The concept of IMC and the factors that have led to its growth are discussed. Each of the promotional-mix elements is defined, and an IMC planning model shows the various steps in the promotional planning process. This model provides a framework for developing the integrated marketing communications program and is followed throughout the text. Chapter 2 examines the role of advertising and promotion in the overall marketing program, with attention to the various elements of the marketing mix and how they interact with advertising and promotional strategy. We have also included coverage of market segmentation and positioning in this chapter so that students can understand how these concepts fit into the overall marketing programs as well as their role in the development of an advertising and promotional program.

In Part Two we cover the promotional program situation analysis. Chapter 3 describes how firms organize for advertising and promotion and examines the role of ad agencies and other firms that provide marketing and promotional services. We discuss how ad agencies are selected, evaluated, and compensated as well as the changes occurring in the agency business. Attention is also given to other types of marketing communication organizations such as direct marketing, sales promotion, and digital interactive agencies as well as public relations firms. We also consider whether responsibility for integrating the various communication functions lies with the client or the agency. Chapter 4 covers the stages of the consumer decision-making process and both the internal psychological factors and the external factors that influence consumer behavior. The focus of this chapter is on how advertisers can use an understanding of buyer behavior to develop effective advertising and other forms of promotion.

Part Three analyzes the communication process. Chapter 5 examines various communication theories and models of how consumers respond to advertising messages and other forms of marketing communications. Chapter 6 provides a detailed discussion of source, message, and channel factors.

In Part Four we consider how firms develop goals and objectives for their integrated marketing communications programs and determine how much money to spend trying to achieve them. Chapter 7 stresses the importance of knowing what to expect from advertising and promotion, the differences between advertising and communication objectives, characteristics of good objectives, and problems in setting objectives. We have also integrated the discussion of various methods for determining and allocating the promotional budget into this chapter. These first four sections of the text provide students with a solid background in the areas of marketing, consumer behavior, communications, planning, objective setting, and budgeting. This background lays the foundation for

the next section, where we discuss the development of the integrated marketing communications program.

Part Five examines the various promotional-mix elements that form the basis of the integrated marketing communications program. Chapter 8 discusses the planning and development of the creative strategy and advertising campaign and examines the creative process. In Chapter 9 we turn our attention to ways to execute the creative strategy and some criteria for evaluating creative work. Chapters 10 through 13 cover media strategy and planning and the various advertising media. Chapter 10 introduces the key principles of media planning and strategy and examines how a media plan is developed. Chapter 11 discusses the advantages and disadvantages of the broadcast media (TV and radio) 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 and newspapers). Chapter 13 examines the role of traditional support media such as outdoor and transit advertising, advertising in movie theaters, and promotional products, as well as the tremendous increase in the use of nontraditional branded entertainment strategies such as product placements, product integration, and in-game advertising.

In Chapters 14 through 17 we continue the IMC emphasis by examining other promotional tools that are used in the integrated marketing communications process. Chapter 14 looks at direct marketing. This chapter examines the ways companies communicate directly with target customers through various media, including direct mail, infomercials, direct-response TV commercials, and e-commerce. Chapter 15 provides a detailed discussion of marketers' increasing use of digital media, including the Internet and wireless technologies, to market their products and services. We examine the increasing use of blogs, mobile, paid search, and other social and digital media strategies. We also give attention to how the Internet is used to implement various IMC activities including both Web 1.0 and 2.0 strategies, as well as mobile marketing. Chapter 16 examines the area of sales promotion, including both consumer-oriented promotions and programs targeted to the trade (retailers, wholesalers, and other intermediaries). Chapter 17 covers the role of publicity and public relations in IMC as well as corporate advertising and cause-related marketing. Basic issues regarding personal selling and its role in promotion strategy are presented in Chapter 22, which is available online in this edition.

Part Six of the text consists of Chapter 18, where we discuss ways to measure the effectiveness of various elements of the integrated marketing communications program, including methods for pretesting and posttesting advertising messages and campaigns, and examine some of the ways marketers attempt to measure the effects of social media. In Part Seven we turn our attention to special markets, topics, and perspectives that are becoming

increasingly important in contemporary marketing. In Chapter 19 we examine the global marketplace and the role of advertising and other promotional-mix variables such as sales promotion, public relations, and the Internet in international marketing.

The text concludes with a discussion of the regulatory, social, and economic environments in which advertising and promotion operate. Chapter 20 examines industry self-regulation and regulation of advertising by governmental agencies such as the Federal Trade Commission, as well as rules and regulations governing sales promotion, direct marketing, and marketing on the Internet. Because advertising's role in society is constantly changing, our discussion would not be complete without a look at the criticisms frequently levied, so in Chapter 21 we consider the social, ethical, and economic aspects of 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 guide the learning effort. We also indicate where specific learning objectives are covered within the chapter and how the discussion questions are keyed to the objectives.

Chapter Opening Vignettes

Each chapter begins with a vignette that shows the effective use of integrated marketing communications by a company or ad agency or discusses an interesting issue that is relevant to the chapter. These opening vignettes are designed to draw the students into the chapter by presenting an interesting example, development, or issue that relates to the material covered in the chapter. Companies, brands, and/or campaigns featured in the opening vignettes include social media campaigns for the Ford Fiesta automobile and the addition of a new flavor to the Mountain Dew soft drink product line; Gatorade, Volkswagen, Taco Bell, the Qatar 2022 FIFA World Cup, Tacori, and JCPenney. Some of the chapter openers discuss current topics and issues impacting integrated marketing communications such as the rapid growth and popularity of social media; changes occurring in traditional media including television, magazines, and newspapers and how they are impacting their use by advertisers; the impact of television on college sports; public relations problems faced by companies such as Maker's Mark, Abercrombie and Fitch, and the fines imposed by the FTC on several companies for the deceptive advertising of athletic toning shoes.

IMC Perspectives

These boxed items feature in-depth discussions of interesting issues related to the chapter material and the practical application of integrated marketing communications. Each chapter contains several of these insights into the world of integrated marketing communications. Some of the companies/brands whose IMC programs are discussed in the IMC Perspectives include Nike, Siemens, Heinz, Ivory Soap, Under Armour, Facebook, and ESPN. Issues discussed in the IMC Perspectives include the changing role of account executives in advertising agencies; the role of neuroscience in studying the processing of advertising messages; changes in the measurement of viewing audiences for television commercials; how companies use the purchase funnel to manage and guide their IMC programs; the use of music to enhance the effectiveness of TV commercials; theories on why infomercials are effective; and the debate over the advertising practices of the food and beverage industries, including proposals to impose a tax on soft drinks.

Global Perspectives

These boxed sidebars provide information similar to that in the IMC Perspectives, with a focus on international aspects of advertising and promotion. Some of the companies/brands whose international advertising programs are covered in the Global Perspectives include, Procter & Gamble, PepsiCo, and Facebook. The Global Perspectives also discuss topics such as the challenges of developing marketing communication programs in China, celebrities who appear in commercials in Japan while protecting their image in the United States, communication problems in international advertising, and developing IMC programs to reach consumers in third-world countries.

Ethical Perspectives

These boxed items discuss the moral and/or ethical issues regarding practices engaged in by marketers and are also tied to the material presented in the particular chapter. Issues covered in the Ethical Perspectives include subliminal advertising, the battle between television networks and advertisers over tasteful advertising, issues related to native advertising, unethical practices by Internet marketers, controversies arising from the increase in advertising of hard liquor on television, and increased regulation of the marketing of tobacco products.

Digital and Social Media Perspectives

These boxed items provide a detailed discussion of how changes and advances in digital and social media are impacting the practice of integrated marketing communications. Some of the topics and issues covered in the Digital and Social Media Perspectives include the various ways the digital revolution and developments in

technology are impacting the practice of IMC; how many companies such as Nike, Procter & Gamble, and others are shifting the focus of their IMC programs away from traditional media and allocating more of their budgets to digital media; how technology and social media are changing the role of brand managers; how digital media are impacting traditional print media such as newspapers and magazines; how online magazines are using native advertising to respond to the digital disruption they are facing and attract more advertising; how many marketers are developing creative campaigns for their brands that can go viral through social media; how there is a need for a creative revolution in online marketing and advertising; how social media are being used in various areas of IMC such as sales promotion, public relations, and mobile marketing; how advertisers are using social media for developing IMC campaigns based on user-generated content; how social media are impacting the way we watch television; and how marketers are using various tools provided by companies such as Google, Facebook, Twitter, and other social media as part of their IMC programs.

Key Terms

Important terms are highlighted in boldface throughout the text and listed at the end of each chapter with a page reference. These terms help call students' attention to important ideas, concepts, and definitions and help them review their learning progress.

Chapter Summaries

These synopses serve as a quick review of important topics covered and a very helpful study guide.

Discussion Questions

Questions at the end of each chapter give students an opportunity to test their understanding of the material and to apply it. These questions can also serve as a basis for class discussion or assignments. The discussion questions are also keyed to the learning objectives for the chapter.

Four-Color Visuals

Print ads, photoboards, and other examples appear throughout the book. More than 400 ads, charts, graphs, and other types of illustrations are included in the text.

CHANGES IN THE TENTH EDITION

We have made a number of changes in the tenth edition to make it as relevant and current as possible, as well as more interesting to students:

- **Updated Coverage of the Emerging Field of Integrated Marketing Communications** The tenth edition continues to place a strong emphasis on

studying advertising and promotion from an integrated marketing communications perspective. We examine contemporary perspectives of integrated marketing communications that have been developed by those doing research and theory development in the area. We also consider developments that are impacting the way marketers communicate with consumers, particularly through the use of digital and social media. Innovative social media-based campaigns for brands such as Old Spice, Mountain Dew, and the Ford Fiesta, which rely heavily on user-generated content, are featured, and attention is given throughout this edition to ways marketers are utilizing Facebook, Twitter, and other tools. Technologies such as the convergence of television, computers, mobile devices, and the Internet are changing the way companies are using advertising along with other marketing tools to communicate with their customers. In this new edition we examine how these cutting-edge developments are impacting the IMC program of marketers.

- **Updated Chapter on Digital and Social Media** The tenth edition includes up-to-date information on the Internet and other forms of interactive media and how they are being used by marketers. The Internet chapter has been revised to reflect the impact of developments related to Web 2.0 while updating information regarding Web 1.0 from the last edition. We discuss the use of various Web 2.0 tools that facilitate interactive information sharing and collaboration, including social media (Twitter, Facebook, Google+, and LinkedIn) and user-generated content, including videos (YouTube), blogs, and podcasts. Specific examples of how companies are using these tools in their IMC programs are provided. We discuss a number of Internet-based tools and strategies used by marketers, including paid search, behavioral targeting, RSS, and the use of mobile media. This chapter discusses the latest developments in areas such as audience measurement and methods for determining the effectiveness of Internet advertising. Discussion of the emerging role of digital and social media as an important integrated marketing communications tool and of the ways it is being used by marketers is integrated throughout the tenth edition.

- **Digital and Social Media Perspectives—New to This Edition** In this edition we are introducing a new feature called *Digital and Social Media Perspectives*. These boxed items are designed to focus attention on changes and advances in digital and social media and how they are impacting the practice of integrated marketing communications. There have been significant advances in technology over the past decade and most consumers now have a third screen in their lives either in the form of some type of mobile device such as a smartphone or a tablet such as an iPad or

Android-based product. Mobile devices have become an integral part of the lives of many consumers, and traditional media such as magazines and newspapers are developing digital versions of their publications to retain readers as well as to survive. For most marketers, social media tools such as Facebook and Twitter have become a basic part of their IMC programs. Facebook now has over a billion registered users around the world while Twitter has more than 500 million. The purpose of the new digital and social media perspectives is to provide students with insight into how advances in digital technology are impacting the strategy and implementation of IMC programs. Many of these perspectives also discuss how companies and brands are using social media to communicate with consumers, often at the expense of traditional print media.

- **New Chapter Opening Vignettes** All of the chapter opening vignettes in the tenth edition are new and were chosen for their currency and relevance to students. They demonstrate how various companies and advertising agencies use advertising and other IMC tools. They also provide interesting insights into some of the current trends and developments that are taking place in the advertising world.
- **New and Updated IMC Perspectives** All of the boxed items focusing on specific examples of how companies and their communications agencies are using integrated marketing communications are new or updated, and they provide insight into many of the most current and popular advertising and promotional campaigns being used by marketers. The IMC Perspectives also address interesting issues related to advertising, sales promotion, direct marketing, marketing on the Internet, and personal selling.
- **New and Updated Global and Ethical Perspectives** Nearly all of the boxed items focusing on global and ethical issues of advertising and promotion are new; those retained from the ninth edition have been updated. The Global Perspectives examine the role of advertising and other promotional areas in international markets. The Ethical Perspectives discuss specific issues, developments, and problems that call into question the ethics of marketers and their decisions as they develop and implement their advertising and promotional programs.
- **Contemporary Examples** The field of advertising and promotion changes very rapidly, and we continue to keep pace with it. Wherever possible we updated the statistical information presented in tables, charts, and figures throughout the text. We reviewed the most current academic and trade literature to ensure that this text reflects the most current perspectives and theories on advertising, promotion, and the rapidly evolving area of integrated marketing communications. We

also updated most of the examples and ads throughout the book. *Advertising and Promotion* continues to be the most contemporary text on the market, offering students as timely a perspective as possible.

SUPPORT MATERIAL

A high-quality package of instructional supplements supports the ninth edition. Nearly all of the supplements have been developed by the authors to ensure their coordination with the text. We offer instructors a support package that facilitates the use of our text and enhances the learning experience of the student.

Instructor's Manual

The instructor's manual is a valuable teaching resource that includes learning objectives, chapter and lecture outlines, answers to all end-of-chapter discussion questions, and further insights and teaching suggestions. Additional discussion questions are also presented for each chapter. These questions can be used for class discussion or as short-answer essay questions for exams.

Manual of Tests

A test bank of more than 1,500 multiple-choice questions has been developed to accompany the text. The questions provide thorough coverage of the chapter material, including opening vignettes and IMC, Global, and Ethical Perspectives.

Computerized Test Bank

A computerized version of the test bank is available to adopters of the text.

Home Page

A home page on the Internet can be found at www.mhhe.com/belch10e.

It contains downloadable supplements for instructors and a wealth of study tools for students. Adopters will be able to communicate directly with the authors through the site (contact your McGraw-Hill/Irwin representative for your password).

YouTube Channel

A YouTube channel has been created for the tenth edition which can be accessed at youtube.com/user/belch&belch. The YouTube channel includes a playlist for each chapter that contains links to television commercials for the various companies and brands discussed as well as videos and other material relevant to the chapter. The YouTube channel provides instructors with easy access to numerous commercials and videos that can be shown during lectures and allows students to view them as well.

Video Supplements

A video supplement package has been developed specifically for classroom use with this text. It includes six video cases that provide a detailed examination of the IMC strategies and programs for various companies and brands. All of the videos include interviews with key executives from the various companies and/or their advertising agencies and were produced in cooperation with each company. Three new video cases have been produced for the tenth edition. The first video focuses on Taco Bell's "LIVE MÁS" IMC campaign which is designed to make the brand attractive and relevant to young, hip, and cross-cultural consumers by focusing on food as an experience and lifestyle. This video also examines Taco Bell's introduction of the Doritos Locos Tacos (DLT) which emerged as a co-branding initiative with snack food giant Frito-Lay and has been one of the most successful new product introductions in the history of the fast-food industry. The IMC program used for the launch of the Nacho Cheese and Cool Ranch versions of the DLT is covered in the video. The second new video focuses on athletic shoe and apparel company Under Armour and the IMC program developed by the company to target women. The video examines the female-focused campaign developed by Under Armour, which relies heavily on social media such as Facebook, Twitter, Pinterest, and Tumblr in addition to traditional media. It also focuses on how the company used IMC to focus on specific segments of the athletic-shoe market such as running, training, and basketball. The third new video focuses on the IMC efforts used by the Middle Eastern country of Qatar to be chosen as the host nation for the 2022 FIFA World Cup football (soccer) tournament. The video examines the strategy used by the Qatar Supreme Committee to compete against other countries for the rights to host the World Cup and the IMC program that will be used over the next eight years to promote the event to soccer fans around the globe.

The video supplement package also includes three videos produced for the ninth edition which are still very relevant. These include a video that focuses on the PunchDub IMC campaign created by the Deutsch LA advertising agency for Volkswagen of America that was created to increase awareness of Volkswagen's product line in the U.S. market. The second video focuses on the innovative social media campaign called the "Fiesta Movement" which was used by the Ford Motor Co. to introduce the new Fiesta subcompact automobile to the U.S. market. The "Fiesta Movement" was very successful and a second generation of the social media campaign was used again in 2013. The third video is for PepsiCo's Mountain Dew soft-drink brand and examines the "Dewmocracy" campaign which is another social media-driven initiative that the company used to add a new flavor of the product line for the popular soft drink. The video focuses on how collective intelligence and user-generated content from loyal

Mountain Dew drinkers was used to develop the flavor, packaging, and name as well as the advertising to launch the latest addition to the brand franchise.

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Each test bank question for *Advertising and Promotion: An Integrated Marketing Communications Perspective* maps to a specific chapter learning outcome/objective listed in the text. You can use our test bank software, EZ Test and EZ Test Online, or *Connect™ Marketing* to easily query for the learning outcomes/objectives that directly relate to the learning objectives for your course. You can then use the reporting features of EZ Test to aggregate student results in a similar fashion, making the collection and presentation of assurance of learning data simple and easy.

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The McGraw-Hill Companies is a proud corporate member of AACSB International. Understanding the importance and value of AACSB accreditation, *Advertising and Promotion: An Integrated Marketing Communications Perspective*, 10e, recognizes the curricula guidelines detailed in the AACSB standards for business accreditation by connecting selected questions (in the text and/or the test bank) to the six general knowledge and skill guidelines in the AACSB standards.

The statements contained in *Advertising and Promotion: An Integrated Marketing Communications Perspective*, 10e, are provided only as a guide for the users of this textbook. The AACSB leaves content coverage and assessment within the purview of individual schools, the mission of the school, and the faculty. While *Advertising and Promotion: An Integrated Marketing Communications Perspective*, 10e, and the teaching package make no claim of any specific AACSB qualification or evaluation, we have within *Advertising and Promotion: An Integrated Marketing Communications Perspective*, 10e, labeled selected questions according to the six general knowledge and skills areas.

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ACKNOWLEDGMENTS

While this tenth edition represents a tremendous amount of work on our part, it would not have become a reality without the assistance and support of many other people. Authors tend to think they have the best ideas, approach, examples, and organization for writing a great book. But we quickly learned that there is always room for our ideas to be improved on by others. A number of colleagues provided detailed, thoughtful reviews that were immensely helpful in making this a better book. We are very grateful to the following individuals who worked with us on earlier editions. They include

David Allen, *St. Joseph's University*
Craig Andrews, *Marquette University*
Subir Bandyopadhyay, *University of Ottawa*
Michael Barone, *Iowa State University*
Jerri Beggs, *Illinois State University*
Mike Behan, *Western Technical College and Viterbo University*
John Bennet, *University of Missouri*
Elizabeth Blair, *Ohio University*
Janice Blankenburg, *University of Wisconsin–Milwaukee*
Karen Bowman, *University of California–Riverside*
Kathy Boyle, *University of Maryland*
Terry Bristol, *Oklahoma State University*
Beverly Brockman, *University of Alabama*
Lauranne Buchanan, *University of Illinois*
Jeffrey Buchman, *Fashion Institute of Technology*
Roy Busby, *University of North Texas*
Christopher Cakebread, *Boston University*
Margaret C. Campbell, *University of Colorado–Boulder*
Les Carlson, *Clemson University*
Lindell Chew, *University of Missouri–St. Louis*
Catherine Cole, *University of Iowa*
Sherry Cook, *Missouri State University*
Robert Cutter, *Cleveland State University*
Richard M. Daily, *University of Texas–Arlington*
Don Dickinson, *Portland State University*

Robert H. Ducoffe, *Baruch College*
Roberta Elins, *Fashion Institute of Technology*
Nancy Ellis, *Suffolk Community College*
Robert Erffmeyer, *University of Wisconsin–Eau Claire*
John Faier, *Miami University*
Raymond Fisk, *Oklahoma State University*
Alan Fletcher, *Louisiana State University*
Marty Flynn, *Suffolk Community College*
Judy Foxman, *Southern Methodist University*
Amy Frank, *Wingate University*
Jon B. Freiden, *Florida State University*
Stefanie Garcia, *University of Central Florida*
Geoff Gordon, *University of Kentucky*
Norman Govoni, *Babson College*
Donald Grambois, *Indiana University*
Stephen Grove, *Clemson University*
Robert Gulonsen, *Washington University*
Bill Hauser, *University of Akron*
Ron Hill, *Villanova University*
JoAnn Hopper, *Western Carolina University*
Paul Jackson, *Ferris State College*
Karen James, *Louisiana State University–Shreveport*
Patricia Kennedy, *University of Nebraska*
Robert Kent, *University of Delaware*
Don Kirchner, *California State University–Northridge*
Paul Klein, *St. Thomas University*
Susan Kleine, *Arizona State University*
Patricia Knowles, *Clemson University*
Dr. Barbara Lafferty, *University of South Florida*
Dana Lanham, *University of North Carolina–Charlotte*
Clark Leavitt, *Ohio State University*
Lauren Lev, *Fashion Institute of Technology*
Aron Levin, *Northern Kentucky University*
Tina Lowry, *Rider University*
Karen Machleit, *University of Cincinnati*
Scott Mackenzie, *Indiana University*
Elizabeth Moore, *Notre Dame*
Joe Msylivec, *Central Michigan University*
Darrel Muehling, *Washington State University*
Barbara Mueller, *San Diego State University*
John H. Murphy II, *University of Texas–Austin*
Peter Noble, *Southern Methodist University*
Mandy H. Ortiz, *University of Alabama–Tuscaloosa*
Carol Osborne, *USF Tampa*
Charles Overstreet, *Oklahoma State University*
Notis Pagiavlas, *University of Texas–Arlington*
Paul Prabhaker, *DePaul University, Chicago*
William Pride, *Texas A&M University*
Astrid Proboll, *San Francisco State University*

Sanjay Putrevu, *SUNY University at Albany*
 Sekar Raju, *University at Buffalo*
 Joel Reedy, *University of South Florida*
 Glen Reicken, *East Tennessee State University*
 Scott Roberts, *Old Dominion University*
 Michelle Rodrigues, *University of Central Florida*
 Herbert Jack Rotfield, *Auburn University*
 Judith Sayre, *University of North Florida*
 Allen D. Schaefer, *Missouri State University*
 Carol Schibi, *State Fair Community College*
 Denise D. Schoenbachler, *Northern Illinois University*
 Lisa Sciulli, *Indiana University of Pennsylvania*
 Andrea Scott, *Pepperdine University*
 Elaine Scott, *Bluefield State College*
 Eugene Secunda, *New York University*
 Tanuja Singh, *Northern Illinois University*
 Lois Smith, *University of Wisconsin*
 Harlan Spotts, *Northeastern University*
 Monique Stampleman, *Fashion Institute of Technology*
 Mary Ann Stutts, *Southwest Texas State University*
 James Swartz, *California State Polytechnic University*
 Ric Sweeney, *University of Cincinnati*
 Janice Taylor, *Miami University*
 Robert Taylor, *Radford University*
 Brian Tietje, *Cal State Polytechnic*
 Frank Tobolski, *DePaul University*
 Mike Weigold, *University of Florida–Gainesville*
 John Weitzel, *Western Michigan University*
 Kenneth C. Wilbur, *University of Southern California*
 Roy Winegar, *Grand Valley State University*
 Richard Wingerson, *Florida Atlantic University*
 Terrence Witkowski, *California State University–Long Beach*
 Merv H. Yeagle, *University of Maryland–College Park*
 Elaine Young, *Champlain College*
 Robert Young, *Northeastern University*

We are particularly grateful to the individuals who provided constructive comments on how to make this edition better:

Lisa Abendroth, University of Saint Thomas; Natalie Adkins, Creighton University–Omaha; Bruce Alford, Louisiana Tech University; Neil Alperstein, Loyola University Maryland; Sheila Baiers, Kalamazoo Valley Community College; Allen Bargfrede, Berklee College of Music; Elizabeth Blair, Ohio University–Athens; Janice Blankenburg, University of Wisconsin,

Milwaukee; Kendrick Brunson, Liberty University; Victoria Bush, University of Mississippi; Nathaniel Calloway, University of Maryland–University College; Oscar Chilabato, Johnson & Wales University; Bob Cline, University of Iowa–Iowa City; Mary Conran, Temple University–Philadelphia; Sherry Cook, Missouri State University; Kevin Cumiskey, Oklahoma State U–Stillwater; Andrew Czaplewski, University of Colorado, Colorado Springs; Terri Faraone, Mt. San Antonio College; Theresa Flaherty, James Madison University; Debora Grossman, Suny Buffalo; Charles Gulas, Wright State University–Dayton; Holly Hapke, University of Kentucky–Lexington; Diana Haytko, Florida Gulf Coast University; Yi He, California State University East Bay; Amanda Helm, University of Wisconsin, Whitewater; Christopher Joiner, George Mason University; Leslie Kendrick, Johns Hopkins University; David Koehler, University of Illinois–Chicago; Gary Kritz, Seton Hall University; Ivy Kutlu, Old Dominion University; Barbara Lafferty, University of South Florida–Tampa; Ron Lennon, Barry University; Aron Levin, Northern Kentucky University; Stacey Massey, Texas A & M University; George Meier, University of California–Irvine; Darrel Muehling, Washington State University–Pullman; Mark Neckes, Johnson & Wales University; Kathy O’Donnell, San Francisco State University; Kristen Regine, Johnson & Wales University; Herb Ritchell, DePaul University; Herb Rotfeld, Auburn University–Auburn; Hope Schau, University of Arizona; Eugene Secunda, New York University; James Swartz, California State Poly U–Pomona; Kevin Toomb, University North Carolina Charlotte; Mindy Treftz, Columbia College–Christian County; Lisa Troy, Texas A & M University; Deb Utter, Boston University; Jim Walker, Northwest Missouri State University; Donna Wertalik, Virginia Polytechnic Institute.

We would also like to acknowledge the cooperation we received from many people in the business, advertising, and media communities. This book contains several hundred ads, illustrations, charts, and tables that have been provided by advertisers and/or their agencies, various publications, and other advertising and industry organizations. Many individuals took time from their busy schedules to provide us with requested materials and gave us permission to use them. A special thanks to all of you.

A manuscript does not become a book without a great deal of work on the part of the publisher. Various individuals at McGraw-Hill have been involved with this project over the past several years. Our sponsoring editor on the tenth edition, Sankha Basu provided valuable guidance and was instrumental in making sure this was much more than just a token revision. A special thanks goes to Sean Pankuch, our developmental editor, for all of his efforts and for being so great to work

with. Thanks also to Dana Pauley for doing a superb job of managing the production process. We also want to acknowledge the outstanding work of Jennifer Blankenship for obtaining permissions for most of the ads that appear throughout the book. Thanks to the other members of the product team, Srdj Savanovic, Jeremy Cheshareck, Janean Utley, and Debra Sylvester, for all their hard work on this edition. We also want to acknowledge Derek Belch for his help with researching and writing many of the IMC and Digital and Social Media Perspectives boxes.

We would like to acknowledge the support we have received from the College of Business at San Diego State

University. As always, a great deal of thanks goes to our families for putting up with us while we were revising this book. Once again we look forward to returning to what we think is normal. Finally, we would like to acknowledge each other for making it through this ordeal for the tenth time! Our families and friends will be happy to know that we still get along after all this—though it is definitely getting tougher and tougher and tougher. Our parents would be proud!

George E. Belch

Michael A. Belch

WALKTHROUGH PREFACE


Your guide through the exciting world

Why It's a Powerful Learning Tool

The tenth edition continues to provide you with the most comprehensive and current text on the market in the area of advertising and promotion from an integrated marketing communications perspective. The following features in each chapter enhance students' understanding of the material as well as their reading enjoyment.

CHAPTER OPENERS

Learning Objectives are provided at the beginning of each chapter to identify the major areas and points covered in the chapter and guide the learning effort. Each chapter also begins with a **Chapter Opening Vignette** that shows the effective use of integrated marketing communications by a company or ad agency or discusses an interesting issue that is relevant to the chapter. Some of the companies and brands profiled in the opening vignettes include Volkswagen Gatorade, Tacori, Taco Bell, Ford, Mountain Dew, and the Phoenix Coyotes.



3 Organizing for Advertising and Promotion: The Role of Ad Agencies and Other Marketing Communication Organizations

DEUTSCH LA HAS VOLKSWAGEN ON A ROLL

In 2008, Volkswagen chief executive officer Martin Winterkorn announced that the German company was planning on moving past Toyota to become the world's largest automaker by 2018. Winterkorn's "Strategy 2018" goals also included making Volkswagen Group the world's most profitable automaker as well as the most fascinating and sustainable one. Volkswagen's growth strategy included going head-to-head with its major European competitors, including BMW, Mercedes, Renault, and Fiat, as well as pursuing the rapidly growing markets of China, Southeast Asia, and India. However, its most ambitious plans were in the U.S. market, where the goal was to double sales to more than 400,000 cars by 2012 and to 800,000 vehicles per year by 2018. Volkswagen, which is the largest automaker in Europe and number 2 in China, once was the largest foreign auto brand in the United States back in the days when the Beetle was a cultural icon and dominated the small-car market. However, over the past two decades Volkswagen fell behind Japanese competitors such as Toyota and Honda and then began facing new competition from Korean brands such as Hyundai and Kia. Adding to VW's problems was the fact that the strong auto made its German-built cars expensive in the U.S. market in recent years.

Volkswagen decided to invest in the American market and build a state-of-the-art plant dedicated to producing cars specifically for the North American market. The plant in Tennessee, which eventually opened in 2011, reduced production and shipping costs and kept the overall costs of the vehicle down. VW also plans to expand its product line over the next five years by introducing new compact and midsize sedans as part of its strategy and to sell American car buyers on German engineering and styling at affordable prices. However, when the automaker announced its aggressive growth plans for the U.S. market, it recognized that it faced a formidable marketing challenge as nearly 80 percent of Americans were aware of the VW brand but only 2 percent were buying its cars. Most Americans recognized the Beetle and Jetta but drew a blank on the company's other models, such as the Passat, Golf, GTI, Routan, Eco, Tiguan, and Touareg. Thus, to increase its sales volume in the U.S. market, Volkswagen had to become more relevant and the appeal of the brand had to move beyond the base of loyal enthusiasts and captive consumers in the mainstream market.

Volkswagen of America took its first step toward changing the perceptions of Americans and showing them that it sells more than Beetles and Jettas when it awarded its advertising and marketing communications business to a new advertising agency, Deutsch LA, in October 2009. Volkswagen chose Deutsch LA over a number of other agencies that were competing for the account. However, after a rigorous agency review process, Deutsch won the account by focusing on the bottom-line issue of selling vehicles and by impressing VW management with its strategic thinking and its creative ideas, which included ways to extend the marketing campaign into the digital space and particularly into the fast-growing realm of social media. The agency team recognized that the initial challenges they faced were to make the Volkswagen brand relevant again, increase awareness of the VW product line, and gain consumer interest and

LEARNING OBJECTIVES

- 1. To understand how companies organize for advertising and other aspects of integrated marketing communications.
- 2. To evaluate the advantages and disadvantages of the various ways companies organize for advertising and promotion.
- 3. To understand the role of advertising agencies and the services they perform as well as the various types of agencies and media specialist companies.
- 4. To examine methods for selecting, compensating, and evaluating advertising agencies.
- 5. To explain the role and functions of specialized marketing communication organizations.
- 6. To examine various perspectives on the use of integrated services and responsibilities of advertisers versus agencies.

of advertising and promotion.

CHAPTER PEDAGOGY

Four-Color Visuals throughout the book consist of photoboards, commercial shots, charts, graphs, and over 400 print ads. **Key Terms** are highlighted in boldface throughout the text and listed at the end of each chapter with a page reference. **Chapter Summaries** serve as a quick review of important topics covered and as a study guide. **Discussion Questions** tagged to learning objectives at the end of each chapter give students an opportunity to test their understanding of the material and to apply it. These questions can also serve as a basis for class discussion or assignments.

PRIZM Social Groups

URBAN	SUBURBAN	SECOND CITY	TOWN AND COUNTRY
T1 U1 URBAN UPTOWN 04 Young Dignests 07 Money & Brains 16 Bohemian Mts 26 The Cosmopolitans 29 American Dreams	S1 ELITE SUBURBS 01 Upper Crust 02 Blue Blood Estates 03 Movers & Shakers 06 Winner's Circle	C1 SECOND CITY SOCIETY 10 Second City Elite 12 Blue Lines, L1 City 25 Country Estates	T1 LANDED GENTRY 05 Country Squares 09 Big Fish, Small Pond 11 God's Country 20 Fast-Track Families 25 Country Estates
U2 MIDTOWN MIX 31 Urban Achievers 40 Close-In Couples 54 Multi-Cult. Blooms	S2 THE AFFLUENTIALS 08 Executive Suites 14 New Empty Nests 15 Pools & Patios 17 Beltway Boomers 18 Kids & Cui-de-Sacs 19 Home Sweet Home	C2 CITY CENTERS 24 Up-and-Comers 27 Midcentury Managers	T2 COUNTRY COMFORT 23 Greenbelt Sports 28 Traditional Times 32 New Homesteaders 33 Big Sky Families 37 Mayberryville
U3 URBAN CORES 59 Urban Edgers 51 City Fiends 65 Big City Blues 68 Low-Rise Living	S3 MIDDLEBURBS 21 Gray Power 22 Young Influentials 30 Suburban Sprawl 36 Blue-Chip Blues 39 Domestic Duoos	C3 MICRO-CITY BLUES 47 City Stragglers 53 Mobility Blues 60 Park Bench Seniors 62 Hearttown Retired 63 Family Thrifts	T3 MIDDLE AMERICA 38 Simple Pleasures 42 Red, White & Blues 43 Heartlanders 45 Blue Highways 50 Kid Country, USA 51 Shotgun & Pickups
	S4 INNER SUBURBS 44 New Beginnings 46 Old Glories 49 American Classics 52 Suburban Pioneers	C4 RUSTIC LIVING 48 Young & Rustic 55 Golden Ponds 56 Crossroads Villagers 57 Old Milltowns 58 Back Country Folks 64 Bedrock America	

EXHIBIT 2-11
Nielsen Claritas provides cluster profiles for marketers

EXHIBIT 2-18
V8 positions itself as a drink that substitutes for vegetables

EXHIBIT 2-19
DC positions by product use—in this case, skateboards

Repositioning One final positioning strategy involves altering or changing a product's or brand's position. **Repositioning** a product usually occurs because of declining or stagnant sales or because of anticipated opportunities in other market positions. Repositioning is often difficult to accomplish because of entrenched perceptions about and attitudes toward the product or brand. IMC Perspective 2-2 discusses an interesting example of a long-established brand taking a new direction.

After a sales slump that began in 2008, Gatorade—once the world's most popular sports drink—changed its name to “G2,” reduced the size of its lightning bolt trademark, and began to broaden its appeal to other markets (Exhibit 2-21). As noted by David Burwick, CEO of PepsiCo North America, “The functional difference is that we’re going from a brand that speaks to really elite athletes to a brand that speaks for the athlete in everyone.” While the repositioning originally had disappointing results, within a few years significant brand share gains were achieved.¹⁰

EXHIBIT 2-20
Tony the Tiger has become a cultural symbol

EXHIBIT 2-21
Gatorade has made changes to appeal to a broader market

18 Chapter 2 THE ROLE OF IMC IN THE MARKETING PROCESS

LEARNING OBJECTIVES

- LO1 To examine the structure of the television and radio industries and the role of each medium in the advertising program.
- LO2 To consider the advantages and limitations of TV and radio as advertising media.
- LO3 To explain how advertising time is purchased for the broadcast media, and audiences are measured, and how rates are determined.
- LO4 To consider future trends in TV and radio and how they will influence it of these media as advertising.

Summary

The development, execution, and administration of an advertising and promotion program involve the efforts of many individuals, both within the company and outside it. Participants in the integrated marketing communication process include the advertiser or client, ad agencies, media organizations, specialized marketing communication firms, and providers of collateral services.

Companies use three basic systems to organize internally for advertising and promotion. Centralized systems offer the advantages of facilitated communications, lower personnel requirements, continuity in staff, and lower top-management involvement. Disadvantages include a lower involvement with overall marketing goals, longer response times, and difficulties in handling multiple product lines.

Decentralized systems offer the advantages of concentrated managerial attention, more rapid responses to problems, and increased flexibility, though they may be limited by ineffective decision making, internal conflicts, misallocation of funds, and a lack of authority. In-house agencies, while offering the advantages of cost savings, control, and increased coordination, have the disadvantage of less experience, objectivity, and flexibility.

Many firms use advertising agencies to help develop and execute their programs. These agencies may take on a variety of forms, including full-service agencies, creative boutiques, and media buying services. The first offers the client a full range of services (including creative, account, marketing, and financial and management services); the other two specialize in creative services and media buying, respectively. Agencies are compensated through commission systems, percentage charges, and fixed-fee and cost-based systems. Recently, the emphasis on agency accountability has increased. Agencies are being evaluated on both financial and qualitative aspects, and some clients are using incentive-based compensation systems that tie agency compensation to performance measures such as sales and market share.

In addition to using ad agencies, marketers use the services of other marketing communication specialists, including direct-marketing agencies, sales promotion agencies, public relations firms, and digital/interactive agencies. A marketer must decide whether to use a different specialist for each promotional function or to have all of its integrated marketing communication done by an advertising agency that offers all of these services under one roof.

Recent studies have found that most marketers believe it is their responsibility, not the agency's, to set strategy for and coordinate IMC campaigns. The lack of a broad perspective and specialized skills in nonadvertising areas are seen as major barriers to agencies' increased involvement in integrated marketing communication.

Key Terms

clients p. 69	billings p. 79	fixed-fee method p. 89
advertising agency p. 69	supergeniuses p. 80	fee-commission contract p. 90
media organizations p. 70	full-service agency p. 82	cost-plus system p. 90
specialized marketing communication services p. 70	account executive p. 83	incentive-based system p. 90
advertising manager p. 70	account planners p. 84	percentage charges p. 91
centralized system p. 71	copywriters p. 85	financial audit p. 92
decentralized system p. 73	departmental system p. 86	qualitative audit p. 92
brand manager p. 73	group system p. 86	direct-marketing agencies p. 99
integrated marketing system p. 73	creative boutiques p. 86	sales promotion agencies p. 100
in-house agency p. 75	media specialist companies p. 87	public relations firm p. 100
	retention system p. 88	digital/interactive agencies p. 101
	negotiated commission p. 89	

Discussion Questions

- The chapter opener discusses the success of Volkswagen in the U.S. market over the past five years. Evaluate the advertising the Detroit LA agency has done for Volkswagen of America and the role it has played in helping to turn around the company in the U.S. market. How important is advertising for an automotive company such as Volkswagen? (LO3, 5)
- Evaluate the “French Bulldog” campaign that the Detroit LA agency developed when it took over the Volkswagen of America account. Discuss the pros and cons of the campaign. (LO3, 5)
- Who are the various participants in the integrated marketing communication process? Briefly discuss the roles and responsibilities of each. (LO1)
- Discuss the various challenges faced by companies that use the brand management system when organizing for advertising and promotion. What are some of the things that marketers can do to address these problems and ensure that their brand managers are keeping abreast of external changes occurring in the market? (LO2)
- Discuss the pros and cons of using an in-house advertising agency. What are some of the reasons why

REAL-LIFE EXAMPLES

The authors have used many sources to find practical examples to use throughout the text. In addition to the integration of the strategy and rationale behind the ads and other types of promotion that are used for current examples of industry practice, there are special in-depth discussions highlighted in boxed sections. **IMC Perspectives** present in-depth discussion of particular issues related to the chapter material and show how companies are using integrated marketing communications. **Global Perspectives** are presented throughout the text in recognition of the increasing importance of international marketing and the challenges of advertising and promotion and the roles they play in the marketing programs of multinational marketers. **Ethical Perspectives** focus attention on important social issues and show how advertisers must take ethical considerations into account when planning and implementing advertising and promotional programs. **Digital and Social Media Perspectives** provide a detailed discussion of how changes and advances in technology the use of digital media are impacting the practice of integrated marketing communications.

IMC Perspective 11-1 >>>

ESPN—Television's Most Powerful Network



For many years, TV sports programming consisted primarily of football, baseball, and, to a lesser extent, basketball, shown primarily on weekends on network television. Hard-core sports fans had to wait until the weekend to see major sporting events such as NFL or college football games, and sports news coverage was limited to the minute sportscasts on the 11 p.m. news on the local network affiliate. However, on September 7, 1979, a small cable network called ESPN began broadcasting from a trailer in a nearby residential park in Bristol, Connecticut, showing Hartford Whalers ice-hockey games. The network was the idea of Bill Rasmussen, a former sportsman whose original

concept was for it to be a sports network for Connecticut but also discovered that it would cost no more to offer the free cable network elsewhere to sports.

When ESPN was launched, the critics declared that "all the good sports are already on the three networks" and ridiculed the network for broadcasting such sports as stock car racing, which was described as "two hours of lull time." To help fill 24 hours a day of programming, ESPN aired sports that the major broadcast networks did not cover such as Australian rules football, professional wrestling, boxing, and regatta of college football and basketball games. However, no one is laughing at ESPN today, as the cable network

that markets itself as "The Worldwide Leader in Sports" has become the world's largest sports media brand in addition to reaching more than 100 million homes in the United States. ESPN has grown to include ESPN2, ESPN News, ESPN2, ESPN Deportes, and 47 international channels. Its media franchise also includes ESPN.com which is the most popular sports site on the Internet with over 50 million unique visitors a month, the largest sports-radio network in America, and ESPN The Magazine.

One of the reasons for the tremendous success and growth of ESPN is that it makes money from selling

Measuring the TV Audience

One of the most important considerations in TV advertising is the size and composition of the viewing audience. Audience measurement is critical to advertisers as well as to the networks and stations. Advertisers want to know the size and characteristics of the audience they are reaching when they purchase time on a particular program. And since the rates they pay are a function of audience size, advertisers want to be sure audience measurements are accurate.

Audience size and composition are also important to the network or station, since they determine the amount it can charge for commercial time. Shows are frequently canceled because they fail to attract enough viewers to make their commercial time attractive to potential advertisers. Determining audience size is not an exact science and has been the subject of considerable controversy through the years. In this section, we examine how audiences are measured and how advertisers use this information in planning their media schedules.

Audience Measures The size and composition of television audiences are measured by ratings services. The size, size of network, TV and local audience information is also available from the information for

Global Perspective 6-1 >>>

Celebrities Sell Out—But Only Abroad

While many celebrities make huge sums of money endorsing products and serving as advertising spokespersons, some big stars won't appear in ads in the United States as they don't want fans to find them soiled. There has also been a feeling among actors that appearing in commercials might make their image among the powerful Hollywood producers and directors. However, this has been changing in recent years as even some of the biggest names in entertainment have decided to cash in on their celebrity and appear in commercials. For example, Catherine Zeta-Jones received an estimated \$2 million for four years to be the spokesperson for wireless service provider T-Mobile, while Nicolas Kidman was paid \$5 million to appear in commercials for the Chevrolet No. 5 Superstar line in 2002. Chevrolet brand Ford Fit was its first male spokesperson for its signature fragrance.

It may not be a wise decision as the TV spots, which featured him smiling on about purveyors and fans, was widely criticized and parodied on YouTube and shown such as Saturday Night Live.

While some of the A-list celebrities still resist the temptation to cash in on their fame in the United States, they are only too happy to appear in ads in foreign countries. And nowhere are advertising celebrities more prevalent than in Japan. Even the rich and famous have trouble saying no to Japanese advertisers who will pay them between \$1 million and \$3 million for a few hours' work to make. Celestial spots that their Western fans across the Pacific will never see. In Japan, celebrities make more money for less work and because the commercials will never air in the United States, they think they can make the money without looking like they are selling their artistic souls.

Actor Leonardo DiCaprio, who is arguably one of the most famous actors in the world, recently appeared in a 15-second spot for the Jim Beam bourbon brand in which he only works for top-end food location, Jim Beam. The company said the ad would be used only in Japan but it made its way to the United States and other countries via YouTube as soon as it was aired there.

Magicians such as Charles Thorne, Brad Pitt, Sean Connery, Kiefer Sutherland, Kevin Costner, and Harrison Ford have been paid millions for appearing in Japanese commercials. Thorne has appeared in an ad for Honda and for Lux bath products, while Ford received several million dollars for appearing sweetly and hand-chained in Kim beer commercials and print ads. Pitt has appeared in ads for canned coffee and blue jeans. Actor Tommy Lee Jones endorses Blue canned coffee and is a very effective endorser for the brand because the primary drinkers of canned coffee

Applying Trustworthiness While expertise is important, the target audience must also find the source believable. Fading celebrities or other figures with a trustworthy image is often difficult. Many trustworthy public figures hesitate to endorse products because of the potential impact on their reputation and image. Ethical Market Research conducts ongoing consumer surveys to gauge the popularity and marketability of celebrities by measuring attributes such as trustworthiness, sincerity, trendsetter, and influential. The company publishes its *Ethical Celebrity Report* each year which includes a spokesperson index score that reflects a celebrity's perceived credibility (not presented as a spokesperson). The highest score

was actor Betty White followed by Tom Hanks, Michael J. Fox, Will Smith, Johnny Depp, Jennifer Aniston, and Dwayne "The Rock" Johnson. Talk-show host and entertainment figure Oprah Winfrey ranked 10th. She is a trusted source for product recommendations by all of these top celebrities could command large fees. However, very few of these celebs are able to be impacted. Global Perspective 6-1 discusses practices their image by endorsing products in Japan.

Efforts to increase the perception that their sources are used to show that the consumer is not a paid

Digital and Social Media Perspective 3-1 >>>

How Technology Is Changing the Role of the Brand Manager



The brand management concept originated at Procter & Gamble over 80 years ago. A young employee working on an advertising campaign for the company's Camay soap brand became frustrated with having to compete against competing brands from Lever Bros. and Pampers as well as P&G's own flagship Ivory soap brand. The son's memo to P&G management that argued more focused attention should be paid to Camay, as well as to other P&G brands,

and suggested there should be an individual or team of people responsible for overseeing all aspects of marketing each product. The idea was that each brand would be managed as if it were its own company, which would result in more attention being given to it, particularly with respect to marketing. The brand management system was adopted by P&G and widely emulated in one form or another by companies throughout the world, particularly those with multiple brands competing in a product category. Marketers viewed brand management as a way to decentralize their decision making and give more autonomy to front-line managers who still maintaining some centralized control over all of the individual brands in their portfolio.

The brand management system has persisted and evolved throughout the 20th century and into the new millennium. For most of this time period brand managers have focused their efforts on areas such as planning, budgeting, target marketing, and looking for ways to differentiate the products they manage. They also have worked closely with the agencies that handle the advertising, promotion, and other elements of their IMC programs. However, some critics are arguing that the traditional brand management system is becoming increasingly out-of-date in today's world of digital media where brand meaning and identity is increasingly being determined by consumers rather than marketers.

In 2009 Forrester Research, a leading technology and market research company, released a major report titled "Adaptive Brand Marketing: Rethinking Your Approach to Branding in the Digital Age" which notes that today's brand marketing organizations are ill equipped to handle the complex world of media fragmentation and "always on" marketing in the digital age. Forrester suggested that brand marketing in the digital age needs to be rethought to embrace what they term adaptive brand marketing, which they define as a consumer-centric approach that encourages rapid response to align consumer and brand needs.

with those of outside agencies. For example, retail giant Target has an internal creative department that handles the design of its weekly circulars, direct-mail pieces, in-store displays, promotions, and other marketing materials. However, the retailer uses outside agencies to develop most of its branding and image-oriented ads and for specific TV and print assignments. Other retailers such as Best Buy and Home Depot also have in-house advertising departments that work with outside agencies. A major reason for using an in-house agency is to reduce advertising and promotion costs. Companies with very large advertising budgets pay a substantial amount to outside agencies in the form of media commissions or negotiated fees. With an internal structure, these commissions or fees go to the in-house agency. An in-house

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The screenshot shows the McGraw-Hill Connect Marketing Online Learning Center interface for the textbook "Advertising and Promotion: An Integrated Marketing Communications Perspective, 10e". The page features a navigation menu on the left with links like "Table of Contents", "About the Authors", and "Sample Chapter". The main content area includes the authors' names (George E. Belch and Michael A. Belch), ISBN (0078028973), and copyright year (2015). A prominent "connect MARKETING" logo is displayed, along with a call to action: "Click on a logo above to learn more about Connect Marketing." Below this, there are bullet points for students and instructors. A descriptive paragraph follows, explaining the book's focus on an integrated marketing communications perspective. At the bottom, there is a link to request a free copy for review and a copyright notice for McGraw-Hill Higher Education.

ADVERTISING and PROMOTION
An Integrated Marketing Communications Perspective Belch • Belch 10e

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Table of Contents
About the Authors
Sample Chapter
Feature Summary
What's New
Supplements
Preface
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ISBN: 0078028973
Copyright year: 2015

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FOR STUDENTS

A wealth of study tools is available for students at the site, including self-assessing quizzes, PowerPoint Presentations, and an online Campaign Planner.

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BRIEF CONTENTS

Part One	Introduction to Integrated Marketing Communications 1 An Introduction to Integrated Marketing Communications 3 2 The Role of IMC in the Marketing Process 41
Part Two	Integrated Marketing Communications Program Situation Analysis 3 Organizing for Advertising and Promotion: The Role of Ad Agencies and Other Marketing Communication Organizations 67 4 Perspectives on Consumer Behavior 109
Part Three	Analyzing the Communication Process 5 The Communication Process 141 6 Source, Message, and Channel Factors 181
Part Four	Objectives and Budgeting for Integrated Marketing Communications Programs 7 Establishing Objectives and Budgeting for the Promotional Program 219
Part Five	Developing the Integrated Marketing Communications Program 8 Creative Strategy: Planning and Development 263 9 Creative Strategy: Implementation and Evaluation 299 10 Media Planning and Strategy 337 11 Evaluation of Media: Television and Radio 373 12 Evaluation of Media: Magazines and Newspapers 415 13 Support Media 453 14 Direct Marketing 479 15 The Internet: Digital and Social Media 497 16 Sales Promotion 527 17 Public Relations, Publicity, and Corporate Advertising 577
Part Six	Monitoring, Evaluation, and Control 18 Measuring the Effectiveness of the Promotional Program 607
Part Seven	Special Topics and Perspectives 19 International Advertising and Promotion 643 20 Regulation of Advertising and Promotion 685 21 Evaluating the Social, Ethical, and Economic Aspects of Advertising and Promotion 733 22 Personal Selling (online) Glossary of Advertising and Promotion Terms 767 Endnotes 780 Credits and Acknowledgments 811 Name and Company Index 814 Subject Index 827

DETAILED CONTENTS

Part One

Introduction to Integrated Marketing Communications



1 AN INTRODUCTION TO INTEGRATED MARKETING COMMUNICATIONS 3

The Growth of Advertising and Promotion 6

The Role of Marketing 7

The Marketing Mix 8

Integrated Marketing Communications 8

The Evolution of IMC 8

A Contemporary Perspective of IMC 10

Reasons for the Growing Importance of IMC 11

The Role of IMC in Branding 13

The Promotional Mix: The Tools for IMC 16

Advertising 17

Direct Marketing 21

Digital/Internet Marketing 22

Sales Promotion 23

Publicity/Public Relations 25

Personal Selling 27

IMC Involves Audience Contacts 27

The IMC Planning Process 29

Review of the Marketing Plan 30

Promotional Program Situation Analysis 30

Analysis of the Communication Process 35

Budget Determination 35

Developing the Integrated Marketing

Communications Program 35

Monitoring, Evaluation, and Control 36

Perspective and Organization of this Text 36

2 THE ROLE OF IMC IN THE MARKETING PROCESS 41

Marketing Strategy and Analysis 43

Opportunity Analysis 44

Competitive Analysis 44

Target Market Selection 46

The Target Marketing Process 46

Identifying Markets 46

Market Segmentation 47

Selecting a Target Market 53

Market Positioning 55

Developing a Positioning Strategy 56

Developing the Marketing Planning Program 60

Product Decisions 60

Price Decisions 61

Distribution Channel Decisions 62

Developing Promotional Strategies: Push or Pull? 63

The Role of Advertising and Promotion 63



3 ORGANIZING FOR ADVERTISING AND PROMOTION: THE ROLE OF AD AGENCIES AND OTHER MARKETING COMMUNICATION ORGANIZATIONS 67

Participants in the Integrated Marketing Communications Process: An Overview 69
Organizing for Advertising and Promotion in the Firm: The Client's Role 70

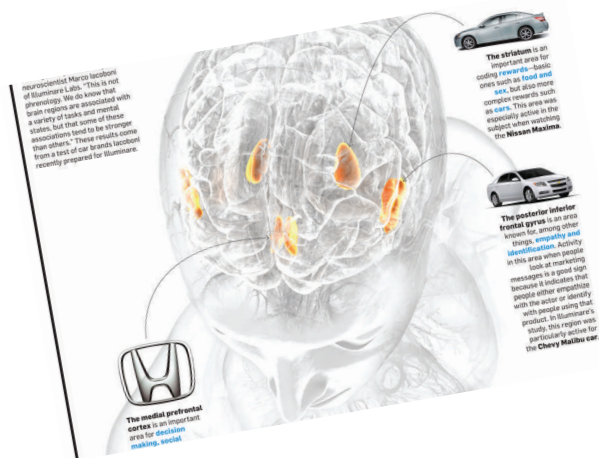
The Centralized System 71
The Decentralized System 73
In-House Agencies 75
Advertising Agencies 79
The Ad Agency's Role 81
Types of Ad Agencies 82
Other Types of Agencies and Services 86

Agency Compensation 88
Commissions from Media 88
Fee, Cost, and Incentive-Based Systems 89
Percentage Charges 91
The Future of Agency Compensation 91
Evaluating Agencies 92
Gaining and Losing Clients 94
Specialized Services 99
Direct-Marketing Agencies 99
Sales Promotion Agencies 100
Public Relations Firms 100
Digital/Interactive Agencies 101
Collateral Services 102
Integrated Marketing Communications Services 102
Pros and Cons of Integrated Services 103
Responsibility for IMC: Agency versus Client 104



4 PERSPECTIVES ON CONSUMER BEHAVIOR 109

An Overview of Consumer Behavior 110
The Consumer Decision-Making Process 111
Problem Recognition 111
Examining Consumer Motivations 113
Information Search 117
Perception 117
Alternative Evaluation 119
Attitudes 122
Integration Processes and Decision Rules 123
Purchase Decision 124
Postpurchase Evaluation 125
Variations in Consumer Decision Making 126
The Consumer Learning Process 127
Behavioral Learning Theory 127
Cognitive Learning Theory 131



Environmental Influences on Consumer Behavior	131
Culture	132
Subcultures	132
Reference Groups	134
Situational Determinants	135
Alternative Approaches to Consumer Behavior	136
New Methodologies	137
New Insights	137

Part Three

Analyzing the Communication Process

5 THE COMMUNICATION PROCESS 141

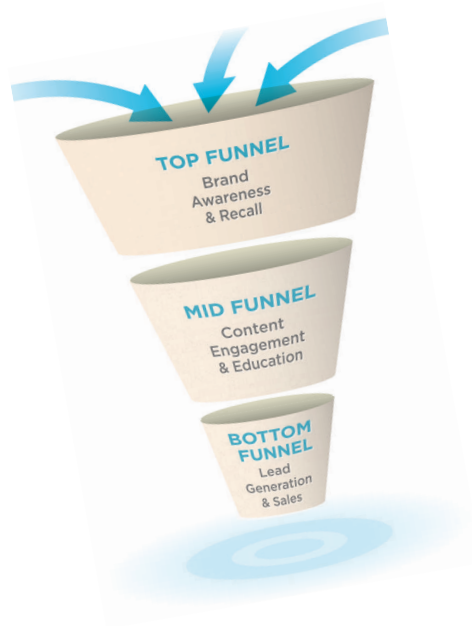
The Nature of Communication	143
A Basic Model of Communication	145
Source Encoding	145
Message	147
Channel	147
Receiver/Decoding	153
Noise	155
Response/Feedback	156
Analyzing the Receiver	156
Identifying the Target Audience	157
The Response Process	158
Traditional Response Hierarchy Models	158
Alternative Response Hierarchies	162
Implications of the Alternative Response Models	165
The Social Consumer Decision Journey	166
Cognitive Processing of Communications	168
The Cognitive Response Approach	169
The Elaboration Likelihood Model	172
Summarizing the Response Process and the Effects of Advertising	175



6 SOURCE, MESSAGE, AND CHANNEL FACTORS 181

Promotional Planning through the Persuasion Matrix	182
Source Factors	184
Source Credibility	185
Source Attractiveness	189
Choosing a Celebrity Endorser	197
Source Power	199
Message Factors	200
Message Structure	200
Message Appeals	204
Channel Factors	211
Personal versus Nonpersonal Channels	211
Effects of Alternative Mass Media	213
Effects of Context and Environment	214
Clutter	215





7 ESTABLISHING OBJECTIVES AND BUDGETING FOR THE PROMOTIONAL PROGRAM 219

The Value of Objectives 221
 Communications 221
 Planning and Decision Making 222
 Measurement and Evaluation of Results 222
 Determining Integrated Marketing Communications Objectives 223
 Marketing versus Communications Objectives 223
 Sales versus Communications Objectives 224
 Sales-Oriented Objectives 224
 Communications Objectives 227
 DAGMAR: An Approach to Setting Objectives 230
 Characteristics of Objectives 230
 Assessment of DAGMAR 231
 Problems in Setting Objectives 232
 Improving Promotional Planners' Use of Objectives 233
 Setting Objectives for the IMC Program 233
 Establishing and Allocating the Promotional Budget 235
 Establishing the Budget 236
 Budgeting Approaches 243
 Allocating the Budget 255



8 CREATIVE STRATEGY: PLANNING AND DEVELOPMENT 263

The Importance of Creativity in Advertising 265
 Advertising Creativity 268
 What Is Creativity? 268
 Different Perspectives on Advertising Creativity 268
 Determinants of Creativity 269
 Planning Creative Strategy 271
 The Creative Challenge 271
 Taking Creative Risks 271
 The Perpetual Debate: Creative versus Hard-Sell Advertising 274
 Creative Personnel 274
 The Creative Process 276
 Account Planning 276
 Inputs to the Creative Process: Preparation, Incubation, Illumination 277
 Inputs to the Creative Process: Verification, Revision 281
 Creative Strategy Development 282
 Advertising Campaigns 282
 Creative Brief 284

The Search for the Major Selling Idea	288
Developing the Major Selling Idea	289
Contemporary Approaches to the Big Idea	294

9 CREATIVE STRATEGY: IMPLEMENTATION AND EVALUATION 299

Appeals and Execution Styles	301
Advertising Appeals	301
Advertising Execution	309
Creative Tactics	320
Creative Tactics for Print Advertising	320
Creative Tactics for Television	323
Client Evaluation and Approval of Creative Work	329
Guidelines for Evaluating Creative Output	332



10 MEDIA PLANNING AND STRATEGY 337

An Overview of Media Planning	338
Some Basic Terms and Concepts	339
The Media Plan	341
Problems in Media Planning	341
Developing the Media Plan	343
Market Analysis and Target Market Identification	344
To Whom Will We Advertise?	344
What Internal and External Factors Are Operating?	347
Where to Promote?	347
Establishing Media Objectives	351
Developing and Implementing Media Strategies	352
The Media Mix	352
Target Market Coverage	352
Geographic Coverage	354
Scheduling	354
Reach versus Frequency	355
Creative Aspects and Mood	362
Flexibility	362
Budget Considerations	363
Evaluation and Follow-Up	366
Characteristics of Media	366

Appendix A: ASICS America Summary Flowchart 370

11 EVALUATION OF MEDIA: TELEVISION AND RADIO 373

Television	375
Advantages of Television	375
Limitations of Television	378
Buying Television Time	383
Network versus Spot	383
Methods of Buying Time	389
Selecting Time Periods and Programs	390



Cable Television	391
Measuring the TV Audience	396
Radio	402
Advantages of Radio	402
Limitations of Radio	406
Buying Radio Time	408
Time Classifications	409
Audience Information	409

12 EVALUATION OF MEDIA: MAGAZINES AND NEWSPAPERS 415

The Role of Magazines and Newspapers	417
Magazines	417
Classifications of Magazines	418
Advantages of Magazines	421
Disadvantages of Magazines	428
Magazine Circulation and Readership	430
Audience Information and Research for Magazines	432
Purchasing Magazine Advertising Space	433
The Future for Magazines	434
Newspapers	436
Types of Newspapers	436
Types of Newspaper Advertising	439
Advantages of Newspapers	440
Limitations of Newspapers	442
The Newspaper Audience	444
Purchasing Newspaper Space	445
Newspaper Rates	446
The Future for Newspapers	447
Online Delivery and Multiple Platforms	449



13 SUPPORT MEDIA 453

The Scope of the Support Media Industry	454
Traditional Support Media	455
Outdoor Advertising	456
Alternative Out-of-Home Media	457
In-Store Media	459
Miscellaneous Outdoor Media	459
Transit Advertising	460
Measurement in Out-of-Home Media	463
Promotional Products Marketing	464
Advantages and Disadvantages of Promotional Products Marketing	464
Measurement in Promotional Products Marketing	466
Yellow Pages Advertising	466
Other Traditional Support Media	467
Advertising in Movie Theaters	467
Nontraditional Support Media	468
Branded Entertainment	468
Guerrilla Marketing	473
Miscellaneous Other Media	474





14 DIRECT MARKETING 479

- Direct Marketing 480
 - Defining Direct Marketing 480
 - The Growth of Direct Marketing 482
 - The Role of Direct Marketing in the IMC Program 483
 - Direct-Marketing Objectives 484
 - Direct-Marketing Strategies and Media 485
- Direct Selling 491
- Evaluating the Effectiveness of Direct Marketing 492
 - Advantages and Disadvantages of Direct Marketing 492

15 THE INTERNET: DIGITAL AND SOCIAL MEDIA 497

- The Growth of the Internet 499
 - Why the Rapid Adoption of the Internet? 499
 - Web Objectives 499
 - E-Commerce 501
- The Internet and Integrated Marketing Communications 502
 - Advertising on the Internet—Web 1.0 502
 - IMC Using Social and Other Media—Web. 2.0 506
 - Sales Promotion on the Internet 518
 - Personal Selling on the Internet 518
 - Public Relations on the Internet 519
 - Direct Marketing on the Internet 519
- Mobile 520
- Internet Metrics 520
 - Audience Measures and Measures of Effectiveness 520
- Advantages and Disadvantages of the Internet, Digital and Social Media 523



16 SALES PROMOTION 527

- The Scope and Role of Sales Promotion 529
- The Growth of Sales Promotion 530
 - Reasons for the Increase in Sales Promotion 531
 - Concerns about the Increased Role of Sales Promotion 536
 - Consumer Franchise-Building versus Nonfranchise-Building Promotions 537
- Consumer-Oriented Sales Promotion 538
 - Objectives of Consumer-Oriented Sales Promotion 539
- Consumer-Oriented Sales Promotion Techniques 541
 - Sampling 541
 - Coupons 545
 - Premiums 551
 - Contests and Sweepstakes 554
 - Refunds and Rebates 556
 - Bonus Packs 558
 - Price-Off Deals 559
 - Loyalty Programs 560
 - Event Marketing 561
 - Summary of Consumer-Oriented Promotions and Marketer Objectives 562
- Trade-Oriented Sales Promotion 563



Objectives of Trade-Oriented Sales Promotion	563
Types of Trade-Oriented Promotions	564
Coordinating Sales Promotion with Advertising and Other IMC Tools	570
Budget Allocation	570
Coordination of Ad and Promotion Themes	571
Media Support and Timing	571
Sales Promotion Abuse	572

17 PUBLIC RELATIONS, PUBLICITY, AND CORPORATE ADVERTISING 577

Public Relations	579
The Traditional Definition of PR	579
The New Role of PR	579
Integrating PR into the Promotional Mix	580
Marketing Public Relations Functions	580
The Process of Public Relations	583
Determining and Evaluating Public Attitudes	583
Establishing a PR Plan	583
Developing and Executing the PR Program	584
Advantages and Disadvantages of PR	588
Measuring the Effectiveness of PR	589
Publicity	590
The Power of Publicity	592
The Control and Dissemination of Publicity	592
Advantages and Disadvantages of Publicity	593
Measuring the Effectiveness of Publicity	594
Corporate Advertising	594
Objectives of Corporate Advertising	595
Types of Corporate Advertising	595
Advantages and Disadvantages of Corporate Advertising	601
Measuring the Effectiveness of Corporate Advertising	604



Part Six

Monitoring, Evaluation, and Control

18 MEASURING THE EFFECTIVENESS OF THE PROMOTIONAL PROGRAM 607

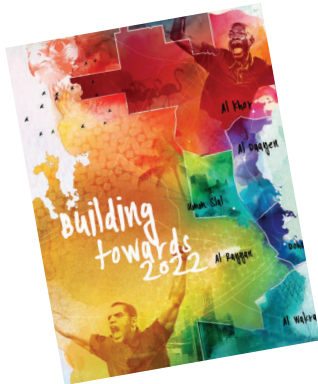
Arguments for and Against Measuring Effectiveness	608
Reasons to Measure Effectiveness	609
Reasons Not to Measure Effectiveness	609
Conducting Research to Measure Advertising Effectiveness	613
What to Test	613
When to Test	614
Where to Test	616
How to Test	616
The Testing Process	617
Concept Generation and Testing	617
Rough Art, Copy, and Commercial Testing	618
Pretesting of Finished Ads	620
Market Testing of Ads	626



Establishing a Program for Measuring Advertising Effects	634
Problems with Current Research Methods	634
Essentials of Effective Testing	635
Measuring the Effectiveness of Other Program Elements	636
Measuring the Effectiveness of Sales Promotions	636
Measuring the Effectiveness of Nontraditional Media	637
Measuring the Effectiveness of Sponsorships	638
Measuring the Effectiveness of Other IMC Program Elements	639

Part Seven

Special Topics and Perspectives



19 INTERNATIONAL ADVERTISING AND PROMOTION 643

The Importance of International Markets	645
The Role of International Advertising and Promotion	647
The International Environment	648
The Economic Environment	649
The Demographic Environment	650
The Cultural Environment	651
The Political/Legal Environment	655
Global versus Localized Advertising	658
Advantages of Global Marketing and Advertising	659
Problems with Global Advertising	660
When Is Globalization Appropriate?	661
Global Products, Local Messages	664
Decision Areas in International Advertising	665
Organizing for International Advertising	665
Agency Selection	667
Creative Decisions	670
Media Selection	671
The Roles of Other Promotional-Mix Elements in International Marketing	675
Sales Promotion	675
Public Relations	677
Digital and Social Media	678

20 REGULATION OF ADVERTISING AND PROMOTION 685

Self-Regulation	688
Self-Regulation by Advertisers and Agencies	688
Self-Regulation by Trade Associations	688
Self-Regulation by Businesses	690
The Advertising Self-Regulatory Council and the NAD/NARB	692
Self-Regulation by Media	696
Appraising Self-Regulation	699
Federal Regulation of Advertising	700
Advertising and the First Amendment	700
Background on Federal Regulation of Advertising	701
The Federal Trade Commission	701
The Concept of Unfairness	702



Deceptive Advertising	703
The FTC's Handling of Deceptive Advertising Cases	708
Developments in Federal Regulation by the FTC	711
Additional Federal Regulatory Agencies	712
The Lanham Act	719
State Regulation	721
Regulation of Other Promotional Areas	722
Sales Promotion	722
Marketing on the Internet	727

21 EVALUATING THE SOCIAL, ETHICAL, AND ECONOMIC ASPECTS OF ADVERTISING AND PROMOTION 733

Advertising and Promotion Ethics	735
Social and Ethical Criticisms of Advertising	737
Advertising as Untruthful or Deceptive	737
Advertising as Offensive or in Bad Taste	738
Advertising and Children	742
Social and Cultural Consequences	748
Summarizing Social Effects	757
Economic Effects of Advertising	758
Effects on Consumer Choice	759
Effects on Competition	759
Effects on Product Costs and Prices	760
Summarizing Economic Effects	761



22 PERSONAL SELLING (ONLINE)

Glossary of Advertising and Promotion Terms	767
Endnotes	780
Credits and Acknowledgments	811
Name and Company Index	814
Subject Index	827



LEARNING OBJECTIVES

- LO1 To examine the marketing communication function and the growing importance of advertising and other promotional elements in the marketing programs of domestic and foreign companies.
- LO2 To introduce the concept of integrated marketing communications (IMC) and consider how it has evolved.
- LO3 To examine reasons for the increasing importance of the IMC perspective in planning and executing advertising and promotional programs.
- LO4 To introduce the various elements of the promotional mix and consider their roles in an IMC program.
- LO5 To examine the various types of contact points through which marketers communicate with their target audiences.
- LO6 To introduce a model of the IMC planning process and examine the steps in developing a marketing communications program.



An Introduction to Integrated Marketing Communications

GATORADE TRANSFORMS ITSELF

In the summer of 1965, the football coach at the University of Florida met with a group of university medical researchers and asked if they could determine why so many of his players were being affected by the heat and heat-related illnesses. The research team discovered two key factors that were causing the Gator football players to wilt in the heat: The fluids and electrolytes being lost through profuse sweating were not being replaced, and the carbohydrates the players' bodies used for energy were not being replenished. The researchers then took their findings into the lab and developed a new carbohydrate-electrolyte balanced beverage formulated to replace the key components lost during rigorous athletic competition or exercise. The name for the new product came from the university's athletic teams, "the Gators." The Florida football team credited the new beverage as playing an important role in its first Orange Bowl victory over Georgia Tech in 1967. The new drink generated even more buzz in the athletic community when the Yellow Jackets' coach, Bobby Dodd, when asked why his team lost, replied, "Because we didn't have Gatorade. That was the difference."

Shortly after the Orange Bowl victory, the university medical researchers entered into an agreement with Stokely-Van Camp, a canned-food packing company, to produce and market Gatorade. In 1983, the Gatorade brand was purchased by the Quaker Oats Company and soon thereafter became the official sports drink of the National Football League (NFL)—a sponsorship it holds to this day. Gatorade's proven success on the playing field made it very popular among college and professional athletes, and the brand became the official sports drink of a number of other professional sports leagues and teams, including Major League Baseball (MLB), Major League Soccer (MLS), the National Hockey League (NHL), the National Basketball Association (NBA), the Women's National Basketball Association (WNBA), and more

than 70 Division I college teams. Gatorade also became known for its creative advertising, including the famous "Be like Mike" ads featuring NBA star Michael Jordan of the Chicago Bulls, who won six championships during the 1990s. By the start of the new millennium, Gatorade had become a global brand with sales of more than \$2 billion, and in 2001 multinational food and beverage giant PepsiCo purchased the Quaker Oats Company for \$13 billion. Many analysts noted that a major reason for the acquisition was PepsiCo's desire to add Gatorade to its portfolio of beverage products that include Pepsi, Mountain Dew, Tropicana, Aquafina, and other popular brands.

During the first decade of the new millennium, Gatorade continued to grow as PepsiCo pushed the brand through its massive distribution system and introduced a myriad of new flavors and package variations. Gatorade also continued to add professional athletes to its stable of high-profile endorsers, including New York Yankee star Derek Jeter, NFL quarterbacks Peyton and Eli Manning, NBA stars Dwyane Wade and Kevin Durant, tennis star Serena Williams, and track star Usain Bolt. By 2007, the sports-drink market had grown to nearly \$8 billion per year in the United States alone and Gatorade controlled almost 80 percent of it. Gatorade was spending nearly 90 percent of its marketing budget on mass market TV advertising that was being targeted primarily at men between the ages of 18 to 49, including high school athletes, weekend warrior types, and others who loved the brand. However, in 2008 the sports-drink market began to crash along with the U.S. economy, and after several decades of steady growth, Gatorade saw its sales and market share decline. During this time a number of emerging products continued to be introduced to the market, such as energy bars and beverages, vitamin fortified waters, protein powders, and other supplements, giving consumers more sports nutrition choices than ever before.

Gatorade's marketing team recognized that the iconic brand was being inundated by new competitors and had started losing its relevance among its target audience (athletes aged 13–17) as more and more choices flooded the market. The team also recognized a need and opportunity to provide athletic consumers with products that meet all of their fueling needs versus concentrating on hydration alone. To respond to these challenges and provide athletes with a spectrum of sports nutrition products designed to meet their fueling needs for all phases of activity, the brand launched Gatorade Prime and Gatorade Recover as part of the G Series in 2010.

With the launch of the new products, Gatorade implemented its new, broader strategy, to achieve a number of marketing communication objectives, including driving awareness, trial and scientific understanding of its new product line among the core performance target market as well as building scientific credibility and trust among key influencers. As part of this, the brand developed the Gatorade Mobile Locker Room, which traveled to nine high schools across the country, educating the target athlete about the new products through the lens of an elite athlete experience as well as the Gatorade Performance Lab, a mobile version of the Gatorade Sports Science Institute, where relevant media could test alongside Gatorade athletes and experience firsthand how the G Series drove sports fuel innovation.

During this time, Gatorade also positioned itself at the forefront of social media and redefined the way it interacted with athletes in the digital space with the launch of "Mission Control," a room in Chicago where employees of the company and its digital and social media agencies monitor mentions of the brand on social platforms. Mission Control became an engine for engaging and gathering insights from competitive athletes, as well as those who influence them, deepening their consumer relationships and furthering the brand's understanding of athletes. Since its inception in 2010, Mission Control has resulted in thousands of conversations on Gatorade's social media platforms and helped fuel Gatorade's rapid growth in the social media space.

Since the launch of the G Series, Gatorade has continued to use traditional media advertising but reduced its dependence on mass media and focused on fully integrated marketing campaigns that utilize a variety of tools to connect with consumers, including grassroots efforts, branded entertainment, sponsorships, and social media. Most recently, a web series called "Everything to Prove" featured sports science front and center by documenting the journeys of 14 top-rated NFL rookies as they worked with the Gatorade Sports Science Institute to help maximize their performance and succeed at the professional level.

As Gatorade has continued to evolve from a sports drink company to a sports performance innovator, it has covered the market with a full spectrum of products. Understanding that athletes have very specific fueling needs, the brand has recently rebranded a line of products called Gatorade Endurance to meet the very specific fueling needs of endurance athletes. Between the G Series and Gatorade Endurance, this brand has succeeded in providing athletes with multiple innovations designed to deliver the foods, fluids, and nutrients for all phases of athletic activity.

Gatorade's ultimate goal is to move from being a big fish in the sports-drink industry to an even bigger fish in the \$20 billion sports nutrition market by establishing the brand as the hub of sports fueling knowledge. Gatorade's new strategy is already paying off and has the brand on the rebound as 2011 sales increased by 9 percent and were followed by mid-single-digit growth in 2012. Throughout its nearly 50-year history, Gatorade has continually been an innovator and reinforced its leadership position. As the company transitions from a beverage giant to a sports nutrition company, Gatorade continues to be living up to its advertising tagline: "Win From Within."

Sources: Duane Stanford, "Gatorade Goes Back to the Lab," *Bloomberg Businessweek*, December 4, 2011, pp. 83–88; Jason Feifer, "How to Redefine a Flagging Brand," *Fast Company*, June 2012, pp. 102–103; Natalie Zmuda, "Inside Gatorade's Social Media 'Mission Control,'" *Advertising Age*, September 28, 2010, p. 2; Gatorade Case Study, FleishmanHillard, Consumer Marketing, Chicago, 2010.

YTC 01-01

Gatorade

youtube.com/10ebelch

The opening vignette illustrates how Gatorade has adapted its marketing strategy to respond to changes in the market and to better position the brand for future growth. However, it also provides an excellent example of how the roles of advertising and other forms of marketing communication are changing in the modern world of marketing. In the past, advertising was a relatively simple process as most companies relied primarily on ads run in the mass media to deliver their marketing messages to large numbers of consumers who watched television, listened to radio, and read magazines and newspapers. However, today's marketers recognize that

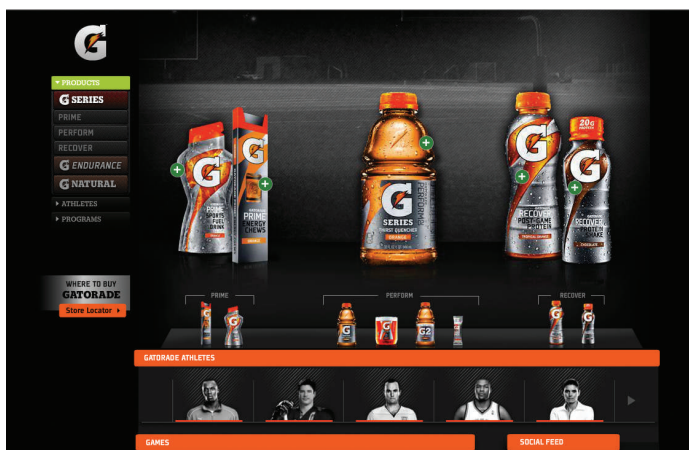


EXHIBIT 1-1

Consumers can learn about the G Series product line on the Gatorade website

YTC 01-02

Gatorade—Everything to Prove

youtube.com/10ebelch

used by Gatorade show how companies are using *integrated marketing communications* (IMC) to reach their target audiences. Gatorade still uses traditional mass-media advertising through TV, magazines, newspapers, and banner ads to drive awareness, communicate information, and build a brand image for the Gatorade product line. It also uses these off-line channels to influence online search behavior by driving consumers to its website (www.gatorade.com), which provides detailed information about the various Gatorade products such as the G Series (Exhibit 1-1). Gatorade is also using a variety of social media tools that have become an increasingly important part of the digital marketing campaigns of many companies. The commercials created for Gatorade's advertising campaigns, as well as other videos such as the "Everything to Prove" webisodes, can be viewed on the Gatorade YouTube channel. Consumers are also encouraged to connect with Gatorade through Facebook and Twitter. The Mission Control center monitors the online conversations surrounding Gatorade, its competitors, and broader topics like sports nutrition and hydration. Gatorade uses the agency FleishmanHillard to handle its public relations efforts as well as a variety of other agencies including TBWA\CHIAT\DAY for advertising creative, OMD for advertising planning, and VML for social and digital marketing. Publicity for Gatorade and its marketing communication campaigns is generated through media relations and other public relations activities that are designed to result in feature stories in magazines and newspapers as well as online news sources. Sponsorship of world-class athletes as well as professional sports leagues such as the NFL, MLB, NBA, and NHL along with individual teams is an important part of Gatorade's marketing program. The company's sponsor partnerships also include NASCAR and major sporting events from the Super Bowl to the ING New York City Marathon. Gatorade's familiar orange coolers have been on the sidelines of major events across all sports for decades and help send a strong message regarding how its products hydrate athletes and help fuel their performance. Promotional efforts for Gatorade are extended to retail stores where point-of-purchase displays and other materials are used to encourage retailers to stock and promote its products.

Gatorade, along with thousands of other companies, recognizes that the way it communicates with consumers and other relevant audiences to promote its products and services is changing rapidly and it must keep pace by integrating a variety of communication tools into its marketing programs.

The fragmentation of mass markets, the rapid growth of the Internet and other new digital media, the emergence of global markets, economic uncertainties, and changing lifestyles and media consumption habits of consumers are all changing the way companies develop their marketing programs—particularly advertising and promotion.¹ Developing marketing communication programs that are responsive to these changes is critical to the success of every company.

the rapidly changing media environment is making it increasingly difficult to reach their target audiences and communicate effectively with them. The mass media are losing their viewers, listeners, and readers to the highly fragmented but more narrowly targeted digital media that allow consumers to be more actively engaged in the communication process. Consumers are no longer passive message recipients who will sit back and receive unfiltered advertising messages dictated by marketers. They want to be in more control of the content they receive from the media, and they are seeking out information, as well as entertainment, from a myriad of sources.

The various marketing communication tools

THE GROWTH OF ADVERTISING AND PROMOTION

LO 01-1

Advertising and promotion are an integral part of our social and economic systems. In our complex society, advertising has evolved into a vital communications system for both consumers and businesses. The ability of advertising and other promotional methods to deliver carefully prepared messages to target audiences has given them a major role in the marketing programs of most organizations. Companies ranging from large multinational corporations to small retailers increasingly rely on advertising and promotion to help them market products and services. In market-based economies, consumers have learned to rely on advertising and other forms of promotion for information they can use in making purchase decisions.

In 1980, advertising and sales promotion were the dominant forms of marketing communication used by most companies, and total expenditures in the United States across the two was just over \$100 billion. Media advertising accounted for \$53 billion while \$49 billion was spent on sales promotion techniques such as product samples, coupons, contests, sweepstakes, premiums, rebates and trade allowances, and discounts to retailers. By 2013, total advertising and nonadvertising marketing communications expenditures in the United States were estimated to be \$589 billion, with \$198 billion being spent on media advertising, \$303 billion for consumer and trade promotion, \$41 billion going to direct mail and other forms of direct marketing such as e-mail marketing, and \$33 billion spent on sponsorships and experiential/event marketing.²

It is particularly interesting to note the amount of marketing communications dollars spent on the Internet and other types of nontraditional media. For example, nearly \$21 billion was expected to be spent for online and mobile search marketing advertising in 2013 and another \$4.6 billion on online social marketing. When added to the \$7.5 billion spent on online display advertising (the banner ads we have become accustomed to seeing on websites) and another \$2 billion on online video ads, overall Internet advertising reached an estimated \$35 billion in 2013. Another new form of advertising, mobile marketing, whereby ads and promotions are sent directly to various types of mobile devices such as cell phones and smartphones, also accounted for nearly \$4 billion in expenditures. Thus, while the traditional media and sales promotion still account for the majority of companies' marketing communications expenditures, more monies are being allocated to nontraditional media and the amount is expected to continue to increase rapidly, particularly for digital-originated spending. Much of the growth in marketing communications investments will come from the shift of traditional "below-the-line" promotional spending in areas such as coupon distribution, contests and sweepstakes, public relations, loyalty programs, and trade-directed marketing to digital solutions that provide marketers with more efficiency.³

Global marketing communications expenditures have grown as well over the past several decades. Advertising expenditures outside North America increased from \$55 billion in 1980 to an estimated \$365 billion in 2013.⁴ While the United States still accounts for nearly a third of the world's advertising expenditures, nearly half of global ad expenditures are now occurring in Western Europe and the Asia/Pacific region followed by Latin America. After the United States, the top countries in advertising spending are Japan, China, Germany, Brazil, and the United Kingdom. Both foreign and domestic companies spend billions more on sales promotion, direct marketing, event sponsorship, and public relations as well as various forms of nontraditional media, all of which have become important components of their marketing communication programs. As is the case in the United States, Internet ad spending—which includes mobile, social, display, and search ads—is growing rapidly around the globe and is expected to increase its share of the ad market to 21 percent by 2014.⁵

Advertising and promotion spending is expected to increase over the next few years as marketers around the world recognize the value and importance of advertising and other forms of marketing communication. Integrated marketing communications

play an important role in the marketing programs of companies in their efforts to communicate with and sell their products and services to consumers. To understand the role integrated marketing communications play in the marketing process, let us first examine the marketing function.

THE ROLE OF MARKETING

Marketing has never been more important or more pervasive than it is today. Organizations ranging from large multinational corporations to small entrepreneurial companies and local businesses recognize that marketing is an important business function and plays a critical role in their ability to compete in the marketplace. For nearly two decades, 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*.⁶ This definition of marketing focused on **exchange** as a central concept in marketing and the use of the basic marketing activities to create and sustain relationships with customers.⁷ 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. Advertising and promotion play an important role in the exchange process by informing customers of an organization's product or service and convincing them of its ability to satisfy their needs or wants.

Not all marketing transactions involve the exchange of money for a product or service. Nonprofit organizations such as various causes, charities, religious groups, the arts, and colleges and universities (probably including the one you are attending) receive millions of dollars in donations every year. Many nonprofit organizations used ads to solicit contributions from the public such as the one shown in Exhibit 1–2 which asks for contributions to help victims of Superstorm Sandy, which hit the Mid-Atlantic and Northeast regions of the United States in late October 2012. Donors generally do not receive any material benefits for their contributions; they donate in exchange for intangible social and psychological satisfactions such as feelings of goodwill and altruism.

EXHIBIT 1–2

Nonprofit organizations use advertising to solicit contributions and support



Please donate to American Red Cross Disaster Relief

Survivors of disasters urgently need your help. With your support, the American Red Cross is providing warm meals, shelter and hope to families when they need it most.

Donate today at redcross.org
or call 1-800-RED CROSS

While many still view exchange as the core phenomenon or domain for study in marketing, there is also agreement among most academicians and practitioners that the discipline is rapidly changing. To reflect these changes, the AMA adopted a revised definition of **marketing** in 2007, which is as follows:

Marketing is 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.⁸

This revised definition is viewed as being more reflective of the role of nonmarketers to the marketing process. It also recognizes the important role marketing plays in the process of creating, communicating, and delivering value to customers, as well as society at large. Today, most markets are seeking more than just a one-time exchange or transaction with customers. The focus of market-driven companies is on developing and sustaining *relationships* with their customers. Successful companies recognize that creating, communicating, and delivering *value* to their customers is extremely important. **Value** is the customer's perception of all of the benefits of a product or service weighed against all the costs of acquiring and consuming it.⁹ Benefits can be functional (the performance of the product), experiential (what it feels like to use the product), and/or psychological (feelings such

as self-esteem or status that result from owning a particular brand). Costs include the money paid for the product or service as well as other factors such as acquiring information about the product/service, making the purchase, learning how to use it, maintaining the product, and disposing of it.

The Marketing Mix

Marketing facilitates the exchange process and the development of relationships by carefully examining the needs and wants of consumers, developing a product or service that satisfies these needs, offering it at a certain price, making it available through a particular place or channel of distribution, and developing a program of promotion or communication to create awareness and interest. These four Ps—product, price, place (distribution), and promotion—are elements of the **marketing mix**. The basic task of marketing is combining these four elements into a marketing program to facilitate the potential for exchange with consumers in the marketplace.

The proper marketing mix does not just happen. Marketers must be knowledgeable about the issues and options involved in each element of the mix. They must also be aware of how these elements can be combined to form an effective marketing program that delivers value to consumers. The market must be analyzed through consumer research, and the resulting information must be used to develop an overall marketing strategy and mix.

The primary focus of this book is on one element of the marketing mix: the promotional variable. However, the promotional program must be part of a viable marketing strategy and be coordinated with other marketing activities. A firm can spend large sums on advertising, sales promotion, or other forms of marketing communication, but it stands little chance of success if the product is of poor quality, is priced improperly, or does not have adequate distribution to consumers. Marketers have long recognized the importance of combining the elements of the marketing mix into a cohesive marketing strategy. Many companies also recognize the need to integrate their various marketing communications efforts, such as media advertising, direct marketing, sales promotion, Internet marketing, social media, event sponsorships, and public relations, to achieve more effective marketing communications.

INTEGRATED MARKETING COMMUNICATIONS

LO 01-2

For many years, the promotional function in most companies was dominated by mass-media advertising. Companies relied primarily on their advertising agencies for guidance in nearly all areas of marketing communication. Most marketers did use additional promotional and marketing communication tools, but sales promotion and direct-marketing agencies as well as package design firms were generally viewed as auxiliary services and often used on a per-project basis. Public relations agencies were used to manage the organization's publicity, image, and affairs with relevant publics on an ongoing basis but were not viewed as integral participants in the marketing communications process.

Many marketers built strong barriers around the various marketing and promotional functions and planned and managed them as separate practices, with different budgets, different views of the market, and different goals and objectives. These companies failed to recognize that the wide range of marketing and promotional tools must be coordinated to communicate effectively and present a consistent image to target markets.

The Evolution of IMC

During the 1980s, many companies began taking a broader perspective of marketing communication and recognizing the need for a more strategic integration of their promotional tools. The decade was characterized by the rapid development of

areas such as sales promotion, direct marketing, and public relations, which began challenging advertising's role as the dominant form of marketing communication. These firms began moving toward the process of **integrated marketing communications (IMC)**, which involves coordinating the various promotional elements and other marketing activities that communicate with a firm's customers.¹⁰ As marketers embraced the concept of integrated marketing communications, they began asking their ad agencies to coordinate the use of a variety of promotional tools rather than relying primarily on media advertising. A number of companies also began to look beyond traditional advertising agencies and use other types of promotional specialists to develop and implement various components of their promotional plans.

Many agencies responded to the call for synergy among the promotional tools by acquiring PR, sales promotion, and direct-marketing companies and touting themselves as IMC agencies that offer one-stop shopping for all their clients' promotional needs.¹¹ Some agencies became involved in these nonadvertising areas to gain control over their clients' promotional programs and budgets and struggled to offer any real value beyond creating advertising. However, the advertising industry soon recognized that IMC was more than just a fad. Terms such as *new advertising*, *orchestration*, and *seamless communication* were used to describe the concept of integration.¹² A task force from the American Association of Advertising Agencies (the "4As") developed one of the first definitions of integrated marketing communications:

EXHIBIT 1-3

Montblanc uses a variety of marketing mix elements, including price, product design, brand name, and distribution strategy, to create a high-quality, upscale image for its watches

a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines—for example, general advertising, direct response, sales promotion, and public relations—and combines these disciplines to provide clarity, consistency, and maximum communications impact.¹³

The 4As' definition focuses on the process of using all forms of promotion to achieve maximum communication impact. However, advocates of the IMC concept argued for an even broader perspective that considers *all sources of brand or company contact* that a customer or prospect has with a product or service.¹⁴ They noted that the process of integrated marketing communications calls for a "big-picture" approach to planning marketing and promotion programs and coordinating the various communication functions. It requires that firms develop a total marketing communications strategy that recognizes how all of a firm's marketing activities, not just promotion, communicate with its customers.

Consumers' perceptions of a company and/or its various brands are a synthesis of the bundle of messages they receive or contacts they have, such as media advertisements, price, package design, direct-marketing efforts, publicity, sales promotions, websites, point-of-purchase displays, and even the type of store where a product or service is sold. The integrated marketing communications approach seeks to have all of a company's marketing and promotional activities project a consistent, unified image to the marketplace. It calls for a centralized messaging function so that everything a company says and does communicates a common theme and positioning. For example, Montblanc uses classic design and a distinctive brand name as well as high price to position its watches as high-quality, high-status products. This upscale image is enhanced by the company's strategy of distributing its products only through boutiques, jewelry stores, and other exclusive shops, including its own stores. Notice how this image is reflected in the ad shown in Exhibit 1-3.

Many companies have adopted this broader perspective of IMC. They see it as a way to coordinate and manage their marketing communication programs to ensure that they send customers a consistent

