

CHAPTER 1

The World of Integrated Marketing Communication

Learning Outcomes

After studying this chapter, you should be able to:

- LO 1** Define promotion and integrated marketing communication (IMC).
- LO 2** Discuss a basic model of communication.
- LO 3** Describe the different ways of classifying audiences for promotion and IMC.
- LO 4** Explain the key role of IMC as a business process.

“Customers must recognize that you stand for something.”

—Howard Schultz

AFTER YOU FINISH THIS CHAPTER GO TO PAGE 21 FOR STUDY TOOLS

Sound Familiar?

It's a Friday night, and you just battled your way through an online quiz in Anthropology that had to be submitted by 11 PM, and you beat the deadline by a couple of hours. Feeling pretty good about the quiz (and suddenly having a little free time on Friday night), you check Facebook and Twitter to see who's attending what parties and concerts that night. You notice that some friends you haven't seen for a while are having a party, so you text two of your buddies to ask if they want to hit the party. Then you click to the Ticketmaster website (www.ticketmaster.com) because Redeye Empire from Vancouver is coming to the big arena on campus (you signed up for the Ticketmaster "performer alert" service and got an email this afternoon), and you want to snag a couple of tickets as soon as possible. Your buddies text back and say they are up for the party and will be at your place in half an hour. Before they arrive, you have just enough time to download the new Redeye Empire album from cdbaby (<http://www.cdbaby.com>) and set your Slingbox (www.slingmedia.com) so that you can check the NBA scores on SportsCenter from the Internet on your cell phone while you're at the party. (A Slingbox is a device that lets you access your television or TiVo from your computer or cell phone. Check out their website on the opposite page.)

Does this scenario sound familiar? If you're into keeping up with your friends and your interests, then it probably does. And you and your friends represent a huge challenge for companies that want to reach you with their promotional messages. For the last 50 years, firms have primarily been using television, radio, newspapers, magazines, and other traditional media to send messages to consumers about the companies' brands. However, the imaginary "you" in this scenario encountered little, if *any*, mass media advertising, even though you bought concert

What do you think?

I'm in control when I see or hear advertising.



Find out what others think at CourseMate for PROMO2.

Now consumers choose where and when to get information.

Check your scores while you're at the party!

WATCH YOUR TV ANYWHERE

SET UP YOUR SLINGBOX
Setting up your new Slingbox is easy

SLINGPLAYER NOW AVAILABLE
For Android Tablets

SLINGPLAYER FOR FACEBOOK
Now Available

WHAT IS A SLINGBOX?
Watch a video tour to learn more

NOW SUPPORTS CHROME
Watch on slingbox.com using Chrome now

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How could companies use the Slingbox to advertise their products to you?

tickets and a CD and accessed television programming on the Internet. Instead, a whole series of individually controlled information sources let you access all the information *you* wanted to see—not just information some company wanted you to see or hear.¹

So, what are companies going to do to reach you with messages about their products and brands? They will still try to reach you and every other consumer around the globe who is acquiring information in new ways. But rather than relying as much on the old style of mass media, companies are turning to a wide range of new promotional techniques that complement their mass media advertising.²

The New World of Integrated Marketing Communication

As the world of promotion undergoes enormous change, companies are trying to keep up with how and where consumers want to receive information about brands. While they have not abandoned mass media, marketers are supplementing and supporting traditional communication channels with new ways to reach consumers. Consumer preferences and new technology are reshaping the communication environment. The lines between information, entertainment, and commercial messages are blurring. As one analyst put it, “The line of demarcation was obliterated years ago, when they started naming ballparks after brands.”³ Companies are turning to branded entertainment, the Internet, influencer marketing, and other communication techniques to reach consumers and get their brand messages across. *Advertising Age* calls this new world of advertising “Madison and Vine,” as Madison Avenue advertising agencies attempt to use Hollywood entertainment-industry techniques to communicate about their brands.⁴

CONSUMER PREFERENCES
AND NEW TECHNOLOGY
ARE RESHAPING THE
COMMUNICATION
ENVIRONMENT.

But no matter how much technology changes or how many new media are available for delivering messages, it's still all about the brand. As consumers, we know what we like and want, and advertising—regardless of the method—helps expose us to brands that can meet our needs. Even Heinz ketchup—which, according to chief marketing officer Brian Hansberry, is “in every household” with “higher household penetration than salt and pepper”—has to remind consumers why they value it. Conversely, a brand that does *not* meet our needs will not succeed—no matter how much is spent on advertising or brand communication. That's a painful lesson U.S. automakers learned over decades of declining market share.

10 1 Promotion via Integrated Marketing Communication

You see advertising every day, even if you try to avoid most of it. It's just about everywhere because it serves so many purposes. To the CEO of a multinational corporation, like Pepsi, advertising is an essential marketing tool that helps create brand awareness and brand loyalty. To the owner of a small retail shop, advertising is an invitation that brings people into the store. To a website manager, it's a tool to drive traffic to the URL.

While companies believe in and rely heavily on advertising, it is only a single technique in a bigger process, the marketing activity known as promotion. As a business process, promotion is relied on by companies big and small to build their brands—the central theme of this book. As we will show, successful marketers do more than pay for advertising and other promotional activities; they plan how

to combine them to strengthen their brands. These efforts at promotion and integrated marketing communication are keys to building awareness and preference for brands.

Promotion

As described later in this chapter, marketing encompasses activities such as designing products, setting a price, making the products available to customers, and promoting them, the topic of this book. **Promotion** is the communications process in marketing that is used

to create a favorable predisposition toward a brand of product or service, an idea, or even a person. Most often, it involves promotion for a brand of product or service.

Promotion includes planning and carrying out a variety of activities, selected from a wide range of possibilities. Together these activities for a brand form its **promotional mix**, a blend of communications

tools used by a firm to carry out the promotion process and to communicate directly with audiences. Here is a list of the most prominent tools:

- Advertising in mass media (television, radio, newspapers, magazines, billboards)
- Sales promotions (coupons, premiums, discounts, gift cards, contests, samples, trial offers, rebates, frequent-user programs, trade shows)
- Point-of-purchase (in-store) advertising
- Direct marketing (catalogs, telemarketing, email offers, infomercials)
- Personal selling
- Internet advertising (banners, pop-ups/pop-unders, websites)
- Social media
- Blogs
- Podcasting
- Event sponsorships
- Branded entertainment (product placement in television programming, webcasts, video games, and films), also referred to as “adertainment”
- Outdoor signage
- Billboard, transit, and aerial advertising
- Public relations
- Influencer marketing (peer-to-peer persuasion)
- Corporate advertising

promotion the communications process in marketing that is used to create a favorable predisposition toward a brand of product or service

promotional mix a blend of communications tools used to carry out the promotion process and to communicate directly with an audience



Image courtesy of The Advertising Archives.

No one grows Ketchup like Heinz.

To remind consumers that Heinz ketchup is a product the company has “cared for from seed to plate,” the company’s advertising combines the “No one grows Ketchup like Heinz” slogan with images of fresh tomatoes.⁵

advertising a paid, mass-mediated attempt to persuade

client or sponsor the organization that pays for advertising

Notice that this list includes various types of advertising, one of the most widely used promotional tools. Simply defined, **advertising** is a paid, mass-mediated attempt to persuade. This definition is loaded with distinctions.

First, advertising is *paid* communication by a company or organization that wants its information disseminated (see Exhibit 1.1). In advertising language, the company or organization that pays for advertising is called the **client** or **sponsor**. If a communication is *not paid for*, it's not advertising. *Publicity* is not advertising because it is not paid for. For the same reason, public service announcements (PSAs) are not advertising either, even though they look and sound like ads.

Second, advertising is *mass mediated*. This means it is delivered through a communication medium designed to reach more than one person, typically a large number—or mass—of people. Advertising is widely disseminated through traditional and new media:

- Television
- Radio
- Newspapers
- Magazines
- Direct mail

- Billboards
- Websites
- Podcasts

The mass-mediated nature of advertising creates a communication environment where the message is not delivered face to face. This distinguishes advertising from *personal selling* as a form of communication.

Third, all advertising includes an *attempt to persuade*. Put bluntly, ads are designed to get someone to do something. The ad informs the consumer for some purpose, and that purpose is to get the consumer to like the brand and, because of that liking, to eventually buy the brand.

Integrated Marketing Communication

Imagine how much more impact a promotional effort can have if ads, salespeople, point-of-purchase signs, and other communications send a consistent message, rather than work independently. Beginning in about 1990, many marketers embraced the concept of *integrated marketing communication (IMC)*. IMC attempts to coordinate promotional efforts so that messages are synergistic. But the reality of promotional strategies in the 21st century demands that the emphasis on *communication* give way to an emphasis on the *brand*. Recent research and publications on IMC are recognizing that, in effective marketing communications, the brand plays a central role.⁶

As a result, marketers have begun using a brand-oriented approach: **integrated marketing communication (IMC)**, defined as the process of using a wide range of promotional tools working together to create widespread brand exposure. IMC retains the goal of coordination and synergy of communication, but the emphasis is on the brand, not just the communication. With a focus on building brand awareness, identity, and ultimately preference, the IMC perspective recognizes that coordinated promotional messages need to have brand-building effects in addition to their communication effects.

Just as the definition of promotion was loaded with meaning, so too is the definition of integrated marketing communication. First, IMC is a *process*. It has to be. It is complicated and needs to be managed in an integrated fashion.

Second, IMC uses a *wide range of promotional tools* that have to be evaluated and scheduled. These communications tools, listed in the description of the promotional mix, include advertising, direct marketing, sales promotion, event sponsorships, point-of-purchase displays, public relations, and personal selling. In IMC, all of these varied and wide-ranging tools allow a marketer to reach target customers in different ways with different kinds of messages to achieve broad exposure for a brand.

Third, the definition of IMC highlights that all of these tools need to *work together*. That is, they need to be integrated to create a consistent and compelling impression of the brand. Having mass media advertising send one message and create one image and then having personal selling deliver another message will confuse consumers about the brand's meaning and relevance.

Finally, the definition of IMC specifies that all of the promotional efforts undertaken by a firm are designed to create *widespread exposure for a brand*. Unless consumers are reached by these various forms of messages, they will have a difficult time understanding the brand and deciding whether to use it regularly.

Advertising in IMC

As we noted, advertising is the most-used tool in the promotion mix, so IMC often relies heavily on advertising. An advertising plan combines advertisements in an advertising campaign. An **advertisement** refers to a specific message that someone or some organization has placed to persuade an audience. An **advertising campaign** is a series of coordinated advertisements that

communicate a reasonably cohesive and integrated theme. The theme may be made up of several claims or points but should advance an essentially singular theme. Successful advertising campaigns can be developed around a single advertisement placed in multiple media, or, like the ads for Altoids shown on the next page, they can be made up of several different advertisements with a similar look, feel, and message. Advertising campaigns can run for a few weeks or for many years.

The advertising campaign is, in many ways, the most challenging aspect of advertising execution. It requires a keen sense of the complex environments within which a company must communicate to different audiences. One factor is that audience members have been accumulating knowledge from previous ads for a particular brand. Consumers interpret new ads through their experiences with a brand and previous ads for the brand. Even ads for a new brand or a new product are situated within audiences' broader knowledge of products, brands, and advertising. After years of viewing ads and buying brands, audiences bring a rich history and knowledge base to every communications encounter.

When marketers combine advertising campaigns with other promotional tools such as contests, a website, event sponsorship, and point-of-purchase displays, all aimed at building and maintaining brand awareness, they are using integrated marketing communication. BMW did just that when the firm (re)introduced the Mini Cooper automobile to the U.S. market. The IMC campaign used billboards, print ads, an interactive website, and "guerrilla" marketing (a Mini was mounted on top of a Chevy Suburban and driven around New York City). Each part of the campaign was coordinated with all the others.⁷ Without coordination among these various promotional efforts, the consumer will merely encounter a series of unrelated (and often confusing) communications about a brand.

As consumers encounter a daily blitz of commercial messages and appeals, brands and brand identity offer them a way to cope with the overload of information. Brands and the images they project allow consumers to quickly identify and evaluate the relevance of a brand to their lives and value systems. The marketer who does not use IMC as a way to build brand exposure and meaning for consumers will, frankly, be ignored.

integrated marketing communication (IMC) the use of a wide range of promotional tools working together to create widespread brand exposure

advertisement a specific message that an organization has placed to persuade an audience

advertising campaign a series of coordinated promotional efforts, including advertisements, that communicate a single theme or idea

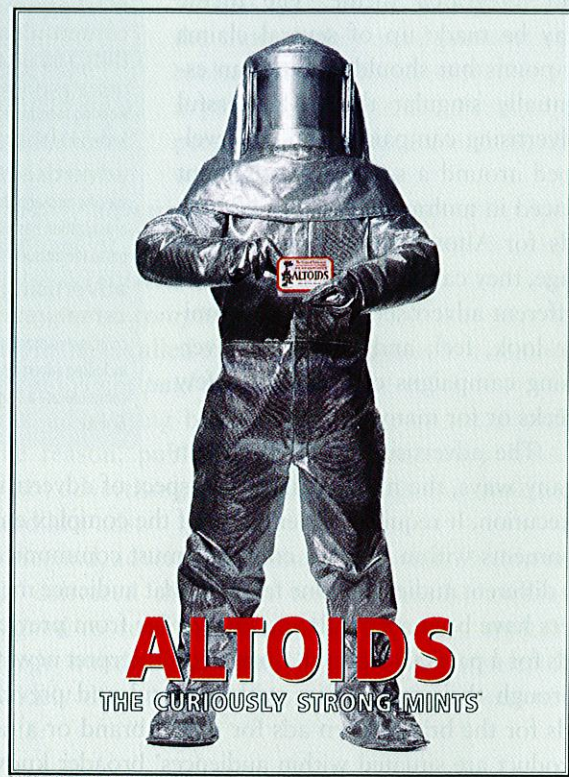
advertising campaign a series of coordinated promotional efforts, including advertisements, that communicate a single theme or idea

Exhibit 1.1 Is It an Ad?

What You See	Advertisement?
Will Smith appears on the <i>Late Show with David Letterman</i> to promote his newest movie.	No , it's publicity. The producer or film studio did not pay the <i>Late Show with David Letterman</i> for airtime. Rather, the show gets an interesting and popular guest, the guest star gets exposure, and the film gets plugged.
A film studio produces and runs ads on television and in newspapers for the newest Will Smith movie.	Yes . This communication is paid for by the studio and placed in media to reach consumers.
Trojan pays for print media to run a message that tells readers to "Get Real" and use a condom.	Yes . Trojan paid the print media to run an ad intended to increase demand for condoms, including Trojan condoms.
The United Kingdom's Health Education Authority prepares a message that urges readers to wear a condom; print media run the message.	No , it's a public service announcement. It is not paid for by an advertiser but offered in the public interest.

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Notice the similar look and feel in this well-connected and well-executed advertising campaign.

10.2 Mass-Mediated Communication

Promotion occurs through various forms of communication, and advertising is a particular type: mass-mediated communication (meaning it occurs not face to face but through a medium, such as magazines or the Internet). Therefore, to understand promotion, you must understand something about communication in general and about mass communication in particular. To help with gaining this understanding, let's consider a contemporary model of mass communication.

While there are many valuable models, Exhibit 1.2 presents a contemporary model of mass-mediated communication. This model shows mass communication as a process where people, institutions, and messages interact. It has two major components, each representing quasi-independent processes: *production* and *reception*. Between these are the mediating (interpretation) processes of *accommodation* and *negotiation*.

Production of the Content

Moving from left to right in the model, the first element is the process of communication production, where the content of any mass communication is produced. An advertisement, like other forms of mass communication, is the product of institutions (such as networks, corporations, advertising agencies, and governments) interacting to produce content (for example, what you watch on television or read in a magazine). The creation of the advertisement is a complex interaction of several variables:

- The company's message
- The company's expectations about the target audience's desire for information
- The company's assumptions about how the audience will interpret the words and images in an ad
- The rules and regulations of the medium that transmits the message

Advertising is rarely (if ever) the product of any one individual. Rather, it is a collaborative (social) product between people receiving a message and the institutions (companies and media companies) that send them that message.

Accommodation, Negotiation, and Reception

Continuing to the right in the model, the mediating processes of accommodation and negotiation lie between the production and reception phases. Accommodation and negotiation are the ways in which consumers interpret ads. Audience members have some ideas about how the company wants them to interpret the ad (we all know the rules of advertising—somebody is trying to persuade us to buy something). And consumers also have their own needs, agendas, and preferred interpretations. They also know about the way other consumers think about this product and this message because brands have personalities and send social signals. Given all this, consumers who see an ad arrive at an interpretation of the ad that makes sense to them, serves their needs, and fits their personal history with a product category and a brand.

This whole progression of consumer receipt and interpretation of a communication is usually wholly incompatible with the way the company wants consumers to see an ad! In other words, the receivers of the communication must *accommodate* these competing forces, meanings, and agendas and then *negotiate* a meaning, or an interpretation, of the ad. That's what makes communication an inherently *social* process: What a message means to any given

consumer is a function of his or her own interpretation, not just the message itself. The consumer is a functional thinker but of an individual nature. The message to what he or she interprets is a function of the message (the context, the groups, for example, the brand and the interpretation). The consumer's interpretation is a function of the message, the context, the groups, for example, the brand and the interpretation. The consumer's interpretation is a function of the message, the context, the groups, for example, the brand and the interpretation.

Limits of Mass-Mediated Communication

The processes of production and reception are partially independent. Although the producers of a message can control the placement of a message in a medium, they cannot control or even closely monitor the circumstances that surround reception and interpretation of the ad. Audience members are exposed to advertising outside the direct observation of the company and are capable of interpreting advertising any way they want. (Of course, most audience interpretations are not completely off the wall, either.) Likewise, audience members have little control over or input into the actual production of the message—the company developed a message that audience members are *supposed* to like. As a result, producers and receivers are “imagined,” in the sense that the two don't have significant direct contact with each other but have a general sense of what the other is like.

Exhibit 1.2 Mass-Mediated Communication



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audience a group of individuals who may receive and interpret promotional messages

target audience a particular group of consumers singled out for an advertising or promotion campaign

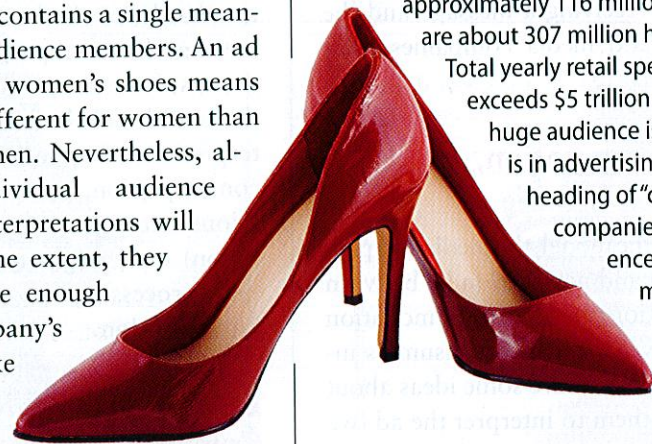
household consumers the most conspicuous audience for advertising

members of business organizations advertising audience that buys business and industrial goods and services

members of a trade channel advertising audience that includes retailers, wholesalers, and distributors

professionals advertising audience that includes workers with special training or certification

The communication model in Exhibit 1.2 underscores a critical point: No ad contains a single meaning for all audience members. An ad for a pair of women's shoes means something different for women than it does for men. Nevertheless, although individual audience members' interpretations will differ to some extent, they may be close enough to the company's intent to make the ad effective. When members of an audience are similar in their background, social standing, and goals, they generally yield similar enough meaning from an ad for it to accomplish its goals.



Tatiana Popova/Shutterstock.com

and services designed for the consumer market, so their advertising targets household consumers. In the United States, there are approximately 116 million U.S. households, there are about 307 million household consumers.⁸

Total yearly retail spending by these households exceeds \$5 trillion in the United States.⁹ This huge audience is typically where the action is in advertising. Under the very broad heading of "consumer advertising," companies can make very fine audience distinctions—for example, men aged 25 to 45, living in metropolitan areas, with incomes greater than \$50,000 per year.

• **Members of**

business organizations are the focus of advertising for firms that produce business and industrial goods and services, such as office equipment and data storage. While products and services targeted to this audience often require personal selling, advertising is used to create awareness and a favorable attitude among potential buyers. Not-for-profit organizations such as universities, some research laboratories, philanthropic groups, and cultural organizations represent an important and separate business audience for advertising.

• **Members of a trade channel** include retailers (like Best Buy for consumer electronics), wholesalers (like Castle Wholesalers for construction tools), and distributors (like Sysco Food Services for restaurant supplies). They are a target audience for producers of both household and business goods and services. In the case of household goods, for example, Microsoft needs adequate retail and wholesale distribution through trade channels for the Xbox or else the brand will not reach target customers. The promotional tool used most often to communicate with this group is personal selling because this target audience represents a relatively small, easily identifiable group. When advertising also is directed at this target audience, it can serve an extremely useful purpose, as we will see later in the section on IMC as a business process.

• **Professionals** form a special target audience defined as doctors, lawyers, accountants, teachers, or any other professional group that has special training or certification. This audience warrants a separate classification because its members have specialized needs and interests. Promotional efforts directed to professionals typically highlight products and services uniquely designed to serve their more narrowly defined needs. The language and images used in promoting to this target audience often rely on esoteric terminology and unique circumstances that members of professions readily recognize. Advertising to professionals is predominantly carried out

10 3 Audiences for Promotion

In the language of promotion, an **audience** is a group of individuals who receive and interpret advertisements and other promotional messages sent from companies. The audience could be made up of household consumers, college students, or businesspeople. Any large group of people can be an audience.

A **target audience** is a particular group of consumers singled out by an organization for an advertising campaign or promotion strategy. These target audiences are singled out because the firm has discovered that audience members like or might like the product category. Target audiences are always *potential* audiences because a company can never be sure that the message will actually get through to them as intended.

Audience Categories

While companies can identify dozens of different target audiences, five broad audience categories are commonly described:

• **Household consumers** are the most conspicuous audience in that most mass media advertising is directed at them. McDonald's and State Farm have products

through trade publications. **Trade journals** are magazines published specifically for members of a trade and carry highly technical articles.

• **Government officials and employees** constitute an audience in themselves due to the large dollar volume of buying that federal, state, and local governments do. Government organizations from universities to road maintenance operations buy huge amounts of various types of products. Producers of items such as office furniture, construction materials, and business services all target government organizations. Promotion to this target audience is dominated by direct mail, catalogs, and web advertising.

Audience Geography

Audiences for promotional messages also can be broken down by geographic location. Because of cultural differences that often accompany geographic location, very few messages can be effective for all consumers worldwide, and many are directed to one of the more limited geographic areas:

• **Global promotion** involves messages used worldwide with only minor changes. The few messages that can use

global promotion are typically for brands that are considered citizens of the world and whose manner of use does not vary tremendously by culture. Using a Sony television or taking a trip on Singapore Airlines doesn't change much from culture to culture or from geographic location to geographic location. Firms that market brands with global appeal try to develop and place messages with a common theme and presentation in all markets around the world where the firm's brands are sold. Thus, global placement is possible only when a brand and the messages about that brand have a common appeal across cultures.

• **International promotion** occurs when firms prepare and place different messages in different national markets outside their home market. Often, each international market requires unique or original promotion due to product adaptations or message appeals tailored specifically for that market. Unilever prepares different

trade journals magazines that publish technical articles for members of a trade

government officials and employees advertising audience that includes employees of government organizations at the federal, state, and local levels

global promotion developing and placing messages with a common theme and presentation in all markets around the world where the brand is sold

international promotion preparation and placement of messages in different national and cultural markets



Zurijeta/Shutterstock.com

GLOBAL WHERE A WORD IS WORTH A THOUSAND PICTURES

When Chase Design Group agreed to develop advertising for a store selling women's lingerie, it accepted a huge challenge. The store, Al Mashat, is located in Saudi Arabia, where the law prohibits showing photographs of women. Chase Design found a creative solution. Its ad campaign relied on "language that was rich, textured, layered, and sensual," printed in a specially designed font. Along with print and radio ads, the promotional effort included a direct-mail piece featuring bags imprinted with the store logo and filled with potpourri and an invitation printed on iridescent pearl-colored paper. In Al Mashat's first year, revenues topped \$3.2 million.

Source: Arundhati Parmar, "Out from Under," *Marketing News*, July 21, 2003.

national promotion promotion directed to all geographic areas of one nation

regional promotion promotion concentrated on a large, but not national, region

local promotion promotion directed to an audience in a single trading area (a city or state)

cooperative promotion (co-op promotion) sharing of promotion expenses between national advertisers and local merchants

versions of messages for its laundry products for nearly every international market because consumers in different cultures approach the laundry task differently. Consumers in the United States use large and powerful washers and dryers and a lot of hot water. Households in Brazil use very little hot water and hang clothes out to dry.

- **National promotion** reaches all geographic areas of one nation. It is the kind of promotion we see most often in the mass media in the U.S. market. As the box on the previous page highlights, national promotion is appropriate where a product

category or promotional effort must be tailored to the unique situation of a particular culture. Organizations that promote their brand in several nations may combine different national-promotion efforts to engage in international promotion.

- **Regional promotion** is carried out by producers, wholesalers, distributors, and retailers that concentrate their efforts in a relatively large, but not national, geographic region. Albertson's, a regional grocery chain, has stores in 31 Western, Northwestern, Midwestern, and Southern states. Because of the nature of the firm's markets, it places messages only in regions where it has stores.
- **Local promotion**, much like regional promotion, is directed at an audience in a single trading area, either a city or state. For example, Daffy's is a discount clothing retailer with stores in the New York/New Jersey metropolitan area, and it uses local promotion to reach that market. Retailers like Daffy's use all types of local media to reach customers.

- **Cooperative promotion (or co-op promotion)** is a team approach to promotion in which national companies share promotion expenses in a market with local dealers to achieve specific objectives. For example, TUMI luggage and one of its retailers, Shapiro, have run co-op promotions that describe the benefits of TUMI's Safecase briefcase for carrying a laptop computer and also indicate that this product is available at Shapiro stores. If consumers respond by visiting Shapiro to buy the Safecase, then both promoters benefit.

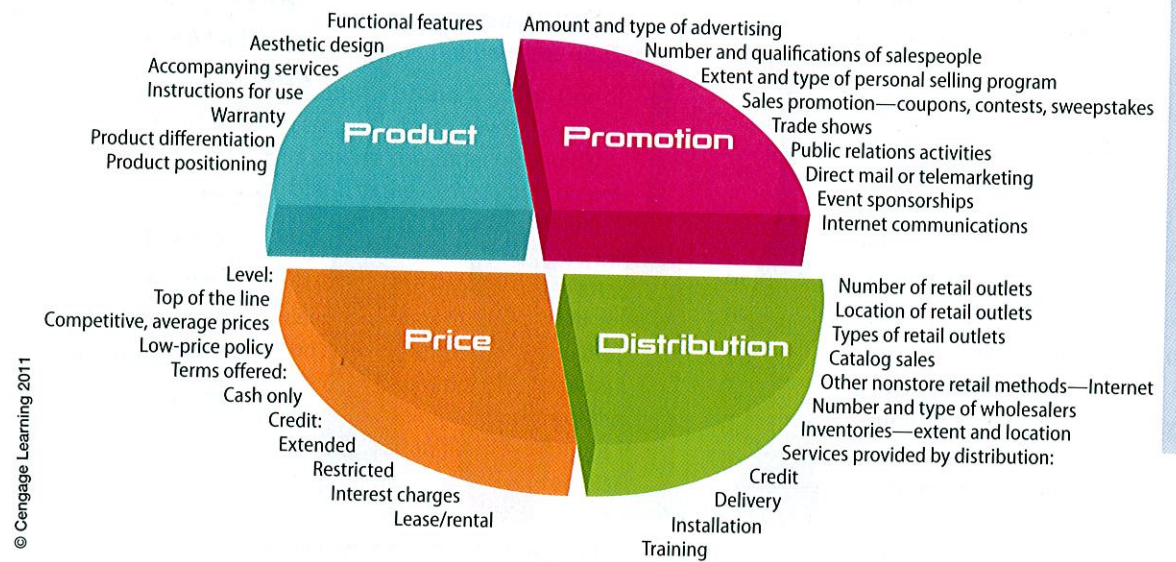
10 4 IMC as a Business Process

Besides being a communication process, promotion—especially in the context of integrated marketing communication (IMC)—is very much a business process, too. For multinational organizations like Microsoft, as well as for small local retailers, promotion within the framework of IMC is a basic business tool that is essential to retaining current customers and attracting new customers.

IMC in Marketing

Every organization *must* make marketing decisions. There simply is no escaping the need to develop brands, price them, distribute them, and advertise and promote them to a target audience. As organizations carry out these activities, IMC helps them do so in a way that achieves profitability and other goals.

Exhibit 1.3
The Marketing Mix



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marketing the process of conceiving, pricing, promoting, and distributing ideas, goods, and services to create exchanges that benefit customers and companies

marketing mix the blend of the four responsibilities of marketing (conception, pricing, promotion, and distribution) used for a particular idea, product, or service

brand a name, term, sign, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers

Promotion in the Marketing Mix

A formal definition of marketing reveals that promotion is one of the primary marketing tools available to any organization: “**Marketing** is 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.”¹⁰

Marketing people assume a wide range of responsibilities in an organization related to conceiving, pricing, promoting, and distributing goods, services, and even ideas. These four areas of responsibility and decision making in marketing are referred to as the **marketing mix**. The word *mix* is used to describe the blend of strategic emphasis on the product versus its price versus its promotion versus its distribution when a brand is marketed to consumers. This blend, or mix, results in the overall marketing program for a brand.

Exhibit 1.3 identifies factors typically considered in each area of the marketing mix. Decisions under each of the marketing mix areas can directly affect promotional messages. Thus, a firm's promotional effort must be consistent with and complement the overall marketing mix strategy. As we saw earlier, IMC is a process that helps companies meet that objective, with an eye toward strengthening their brands.

Looking specifically at promotional tools such as advertising, the role of IMC in the marketing mix is to communicate to a target audience the *value* a brand has to offer. Value consists of more than simply the

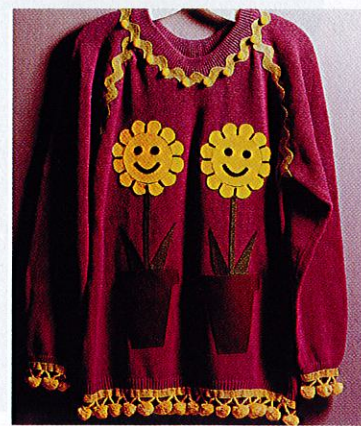
tangible aspects of the brand itself. Indeed, consumers look for value in the brand, but they also demand such benefits as convenient location, credit terms, warranties and guarantees, and delivery. In addition, consumers may look for brands that satisfy a wide range of emotional values such as security, belonging, affiliation, excitement, and prestige. Think about the fact that a \$16,000 Ford Focus can get you from one place to another in pretty much the same way as a \$120,000 BMW M5. Emotionally, however, driving the BMW would deliver something extra—more thrill and style. People look for more than function in a brand; they often buy the emotional kick that a brand and its features provide.

Because consumers search for such diverse values, marketers must determine which marketing mix ingredients to emphasize and how to blend the mix elements in just the right way to attract customers. These marketing mix decisions play a significant role in determining the message content and media placement of advertising and other brand-related messages.

Supporting Brand Management

When embedded in IMC, promotion plays a critical role in brand development and management. To appreciate its role, we need a formal understanding of what a brand is. A **brand** is a name, term, sign, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers.¹¹ A brand is in many ways the most precious business

Daffy's, a clothing retailer with several shops in the New York/New Jersey metropolitan area, services a local geographic market, so it communicates through local advertising.



WHEN A CLOTHING STORE HAS A SALE ON SELECTED MERCHANDISE, WHY IS IT ALWAYS MERCHANDISE YOU'D NEVER SELECT?

At Daffy's you'll find 40-70% off all our clothes, every day 5th Ave. & 18th St., Madison Ave. & 44th St.

DAFFY'S
CLOTHES THAT WILL MAKE YOU, NOT BREAK YOU.™

Courtesy of Daffy's.

brand extension an adaptation of an existing brand to a new product area

asset owned by a firm. It allows a firm to communicate consistently and efficiently with the market.

BusinessWeek magazine in conjunction with Interbrand, a marketing analysis and consulting firm, has attached a dollar value to brand names based on a combination of sales, earnings, future sales potential, and intangibles other than the brand that drive sales. Often, the brand name is worth much more than the annual sales of the brand. In a recent year, Coca-Cola was identified as the most valuable brand in the world, with an estimated worth of almost \$70 billion, even though sales of branded Coca-Cola products were only about \$31 billion that year.¹²

Lack of effective marketing communication can leave a brand at a serious competitive disadvantage. Staples, the office supply retailer, was struggling with an outdated advertising campaign featuring the tagline “Yeah, we’ve got that.” Customers were complaining that items were out of stock and sales staff didn’t care. So the company’s vice president of marketing, Shira Goodman, determined that shoppers wanted an “easier” shopping experience with well-stocked shelves and helpful staff. Once those operational changes were made, Staples introduced the “Staples: That Was Easy” campaign, featuring big red “Easy” push buttons that were available for sale at the stores. Clear, straightforward ads and customers spreading the word (called “viral” marketing) by putting their “Easy” buttons on display in offices across the country helped make Staples the runaway leader in office retail.¹³

For every organization, promotion supports brand development and management in five important ways:

1. **Information and persuasion.** Target audiences learn about a brand’s features and benefits through the message content of advertising and, to a lesser extent,

THE CREST BRAND WAS ORIGINALLY ASSOCIATED WITH TOOTHPASTE; ADVERTISING HELPED THE COMPANY EXTEND THE BRAND TO THIS LINE OF TOOTHBRUSHES. HOW DID THE CREST NAME HELP WITH BRAND EXTENSION?



AP Photo/PRNewsFoto.

other promotional tools used in the IMC effort. Advertising has the best capability to inform or persuade target audiences about the values a brand has to offer. No other variable in the marketing mix is designed to accomplish this communication. Branding is crucial to the \$190 billion cell phone market as Verizon, Sprint Nextel, T-Mobile, and AT&T compete for over 300 million wireless subscribers.¹⁴ Marketing a cellular-service brand helps consumers distinguish why they should choose a particular service provider when the decision is complex and several providers offer essentially the same product.

2. **Introduction of new brands or brand extensions.** Advertising is absolutely critical when organizations introduce a new brand or extensions of existing brands to the market. For example, to introduce consumers to the idea of staying cozy in winter by wearing a blanket with sleeves, the president of Snuggie used low-budget cable-TV ads that urged consumers to place an order right away. As orders came in, demonstrating a demand for the product, stores became willing to put Snuggies on their shelves.¹⁵ A **brand extension** is an adaptation of an existing brand to a new product area. For example, the Snickers Ice Cream Bar is a brand extension of the original Snickers candy bar. When brand extensions are brought to market, advertising attracts attention to the brand—so

A BRAND IS IN MANY WAYS THE MOST PRECIOUS BUSINESS ASSET OWNED BY A FIRM.

much so that researchers now suggest that “managers should favor the brand extension with a greater allocation of the ad budget.”¹⁶ In IMC, the advertising campaign works in conjunction with other promotional activities such as sales promotions and point-of-purchase displays.

3. **Building and maintaining brand loyalty.** One of the most important assets a firm can have is **brand loyalty**, which occurs when a consumer repeatedly purchases the same brand to the exclusion of competitors’ brands. This loyalty can result because of habit, the prominence of a brand in the consumer’s memory, barely conscious associations with brand images, or the attachment of some fairly deep meanings to a brand. The most important influence on building and maintaining brand loyalty is a brand’s features, but promotion also plays a key role in the process by reminding consumers of the brand’s values—tangible and intangible. Promotions such as frequent-buyer programs can give customers an extra incentive to remain brand loyal. When a firm creates and maintains positive associations with the brand in the minds of consumers, the firm has developed **brand equity**.¹⁷ While development of brand equity occurs over long periods of time, short-term advertising activities are key to long-term success.¹⁸ For example, Kraft defended its Miracle Whip brand against a new campaign by competitor Unilever for Imperial Whip by investing heavily in television advertising just before Unilever lowered prices on the Imperial Whip brand.¹⁹
4. **Creating an image and meaning for a brand.** Because advertising can communicate how a brand addresses certain needs and desires, it plays an important role in attracting customers to brands that appear to be useful and satisfying. But advertising can go further. It can help link a brand’s image and meaning to a consumer’s social environment and to the larger culture, and in this way, it actually delivers a sense of personal connection for the consumer. To advertise its prenatal vitamins, Schiff communicates with ads whose message is about love, not just the health advantages of using a nutritional supplement during pregnancy.
5. **Building and maintaining brand loyalty in the trade.** You might expect wholesalers, retailers, distributors, and brokers to be too practical to be brand loyal, but they will favor one brand over others given the proper support from a manufacturer. Advertising, particularly when integrated with other brand promotions, is an area where support is welcome. Marketers can provide the trade with sales training programs, collateral advertising materials, point-of-purchase advertising displays, premiums (giveaways like key chains or caps), and traffic-building special events. These promotional efforts are important because trade buyers can be a key to the success of new brands or brand extensions. To introduce a brand, marketers depend on cooperation among

wholesalers and retailers in the trade channel. Research also shows that retailer acceptance of a brand extension is key to the success of the new product.²⁰ IMC is essential because the trade is less responsive to advertising messages than to other forms of promotion, such as displays, contests, and personal selling.

brand loyalty decision-making made in which consumers repeatedly buy the same brand to fulfill a specific need

brand equity positive associations with a brand in the minds of consumers

market segmentation breaking down a large, heterogeneous market into submarkets that are more homogeneous

Implementing Market Segmentation, Differentiation, and Positioning

The third role for IMC in marketing is helping the firm implement market segmentation, differentiation, and positioning. **Market segmentation** is the process of breaking down a large, widely varied (heterogeneous) market into submarkets, or segments, that are more similar (homogeneous) than

The message mines associations related to love and caring for an unborn or recently born child. Even the slogan for the brand, “Benefits Beyond Your Daily Requirements,” plays on the notion that a vitamin is more than a vehicle for dosing up on folic acid. What meanings do you find in this message?

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differentiation

creation of a perceived difference, in the consumer's mind, between an organization's brand and the competition's

positioning designing a product or service to occupy a distinct and valued place in the target consumer's mind and then communicating this distinctiveness

external position competitive niche pursued by a brand

dissimilar in terms of what the consumer is looking for. Underlying the strategy of market segmentation are two variables: consumers differ in their wants, and the wants of one person can differ under various circumstances. Thus, the market for automobiles can be divided into submarkets for different types of automobiles based on the needs and desires of various groups of buyers. Identifying those groups, or segments, of the population who want and will buy large or small, luxury or economy models is an important part of basic marketing strategy. In addition to needs, markets are often segmented on characteristics of consumers such as age, marital status, gender, and income. For example, Bayer has four different versions of its basic aspirin brand: regular Bayer for headache relief; Bayer Enteric Safety Coated 81mg aspirin for people with cholesterol and heart concerns; Women's Bayer, which includes a calcium supplement; and Children's Bayer, which is lower dose and chewable. The role of IMC in market segmentation is to develop messages that appeal to the wants and desires of different segments and then to transmit those messages via appropriate media.

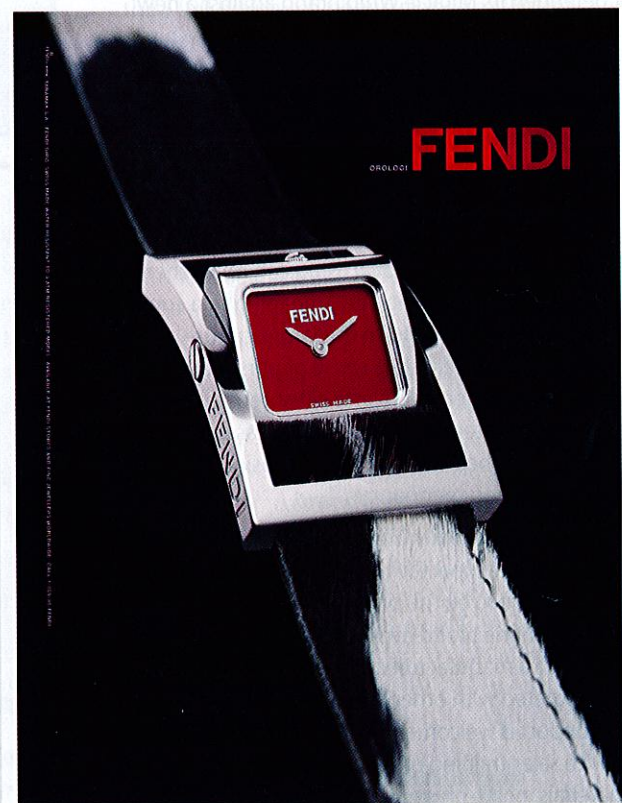
Differentiation is the process of creating a perceived difference, in the mind of the consumer, between an organization's brand and the competition's. This definition emphasizes that brand differentiation is based on *consumer perception*. Perceived differences can be tangible features or related to image or style. A \$20 Timex and a \$12,000 Fendi watch tell you the same time of day, but the consumers who pay extra for a Fendi are looking for a different degree of style and the experience of making a fashion statement or impressing a gift recipient with a prestigious brand. The differentiation works only if consumers *perceive* a difference between brands. Differentiation is one of the most critical of all marketing strategies. Perceiving a firm's brand as distinctive and attractive gives consumers a reason to choose that brand over a competitor or to pay more for the "better" or "more meaningful" brand. Advertising can help create

a difference in the mind of the consumer between an organization's brand and its competitors' brands. To do this, the ad may emphasize performance features or create a distinctive image for the brand. Either way, the goal is to develop a message that is different and unmistakably linked to the organization's brand.

Positioning is the process of designing a brand so that it can occupy a distinct and valued place in the target consumer's mind relative to other brands and then communicating this distinctiveness through advertising. Positioning, like differentiation, depends on a perceived image of tangible or intangible features. Consumers create a *perceptual space* in their minds for all the brands they might consider purchasing. A perceptual space describes how one brand is seen on any number of dimensions—such as quality, taste, price, or social display value—in relation to those same dimensions for other brands.

There are two positioning decisions for a brand:

1. **External position**—the niche the brand will pursue relative to all the competitive brands on the market.



Courtesy of Taramask S.A., Switzerland.

Advertising is a key tool in a marketing strategy of differentiation. How does this ad differentiate Fendi watches from lower-priced brands?

2. **Internal position**—the niche the brand will occupy with regard to the other similar brands within the firm.

With the external-positioning decision, a firm tries to create a distinctive *competitive* position based on design features, pricing, distribution, or promotion or advertising strategy. For example, BMW's 550i is priced around \$100,000, while the Chevrolet Cobalt aims for the budget-conscious consumer with a base price of about \$15,000. Effective internal positioning involves either developing vastly different products within the firm's own product line or creating advertising messages that appeal to different consumer needs and desires. Procter & Gamble does both to position its many laundry detergent brands. One P&G brand is advertised as being effective on kids' dirty clothes, while another brand is portrayed as effective for preventing colors from running.

The methods and strategic options available to an organization with respect to market segmentation, product differentiation, and positioning will be fully discussed in Chapter 4.

Enhancing Revenues and Profits

Many people believe that the fundamental purpose of marketing can be stated quite simply: to generate revenue. Marketing is the only part of an organization that has revenue generation as its primary purpose. In the words of highly regarded management consultant and scholar Peter Drucker, "Marketing and innovation produce results: all the rest are 'costs.'"²¹ The "results" Drucker refers to are revenues. The marketing process is designed to generate sales and therefore revenues for the firm.

Creating sales as part of the revenue-generating process is where promotion plays a significant role. As we have seen, the promotional mix communicates persuasive information to audiences based on the values created in the marketing mix related to the product, its price, or its distribution. This communication highlights brand features—price, emotion, or availability—and attracts a target market. In this way, promotional messages make a direct contribution to the marketing goal of revenue generation. Although promotion *contributes* to the process of creating sales and revenue, it cannot be solely responsible for creating sales and revenue—it's not that powerful. Some organizations mistakenly see advertising or promotion as a panacea—the salvation for an ambiguous or ineffective overall marketing strategy. However, sales occur when a brand has a well-conceived and complete marketing mix.

The effect of promotion on profits comes about when it gives an organization greater flexibility in the price it charges for a product or service. Advertising can help create pricing flexibility in two ways:

1. Contributing to economies of scale
2. Helping create inelasticity of demand

When an organization creates large-scale demand for its brand, the quantity of product produced increases, and **economies of scale** lead to lower unit production costs. Cost of production decreases because fixed costs (such as rent and equipment costs) are spread over a greater number of units produced. Promotion contributes to demand stimulation by communicating to the market about the features and availability of a brand. By stimulating demand, advertising then contributes to the creation of economies of scale, which ultimately translates into higher profits per unit.

Brand loyalty, discussed earlier, brings about the other important source of pricing flexibility, **inelasticity of demand**, a situation in which consumers are relatively insensitive to price increases for the brand. When consumers are less price sensitive, firms have the flexibility to raise prices and increase profit margins. For example, Louis Vuitton, the maker of luxury handbags (\$1,000 per bag or more) and other luxury items, enjoys an operating margin of 45 percent.²² Advertising contributes directly to brand loyalty, and thus to inelasticity of demand, by persuading and reminding consumers of the satisfactions and values related to a brand. This business benefit of advertising was recently supported by a large research study in which companies that built strong brands and raised prices were more profitable than companies that cut costs as a way to increase profits—by nearly twice the profit percentage.

Promotion Objectives

An important set of decisions in IMC involves what the promotional objectives are supposed to achieve. For example, should the message increase demand for an entire product category or just a particular brand? Do you want the audience to act immediately or develop positive associations that will shape future decisions? In an integrated strategy, answering such questions will shape the kinds of messages you create and the elements you choose to include in the promotional mix.

internal position niche a brand occupies with regard to the company's other, similar brands

economies of scale lower per-unit production costs resulting from larger volume

inelasticity of demand low sensitivity to price increases; may result from brand loyalty

primary demand stimulation promotion aimed at creating demand for a product category

selective demand stimulation promotion aimed at stimulating demand for a specific brand

direct-response promotion promotion that asks the receiver of the message to act immediately

delayed-response promotion promotion that relies on imagery and message themes to emphasize a brand's benefits and positive qualities to encourage customers to purchase the product at a later date

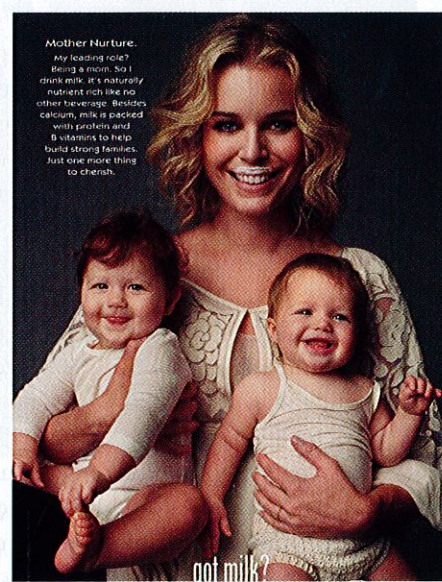
Primary versus Selective Demand Stimulation

Promotional messages may stimulate either primary or selective demand. In **primary demand stimulation**, a company is trying to create demand for an entire product *category*. Primary demand stimulation is challenging and costly, and research evidence suggests that it is likely to have an impact only for products that are totally new, not for brand extensions or mature product categories. An example of effective primary demand stimulation was the introduction of the VCR to the consumer market in the 1970s. With a product that is totally new to the market, consumers

need to be convinced that the product category itself is valuable and that it is, indeed, available for sale. When the VCR was first introduced in the United States, RCA, Panasonic, and Quasar ran primary demand stimulation advertising to explain to household consumers the value and convenience of taping television programs with this new product—something no one had ever done before at home.

For organizations that have tried to stimulate primary demand in mature product categories, typically trade associations, the results have been dismal. The National Fluid Milk Processor Promotion Board has tried using advertising to stimulate primary demand for the product category of milk. While the multibillion-dollar “mustache” campaign is popular and wins awards, milk consumption has *declined* every year during the time of this campaign.²³ Even if the attempts at primary demand have reduced the overall decline in milk consumption (which can't be determined), this result is still not very impressive. This should come as no surprise, though. Research over decades has clearly indicated that attempts at primary demand stimulation in mature product categories (orange juice, beef, pork, and almonds have also been tried) have never been successful.²⁴

The National Fluid Milk Processor Promotion Board uses the famous milk mustache ads in an effort to build primary demand for milk, not for a particular brand.



PRNewsFoto/The Milk Processor Education Program.

While some corporations have tried primary demand stimulation, the true power of advertising is shown when it functions to stimulate demand for a particular company's brand. In this approach, known as **selective demand stimulation**, the objective of the promotion is to point out a brand's unique benefits compared with the competition. For example, advertising for Tropicana orange juice notes that the brand offers a calcium-fortified option that can help keep bones strong.

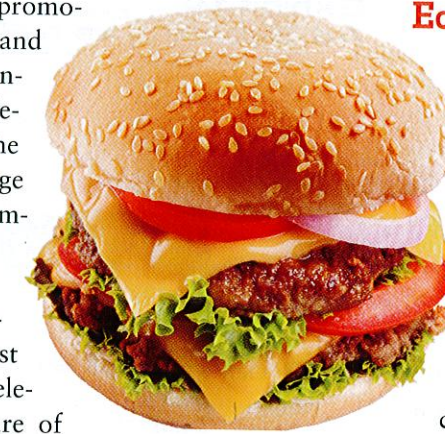
Direct- versus Delayed-Response Promotion

Another promotion decision involves how quickly we want consumers to respond. **Direct-response promotion** asks consumers to act immediately. Examples include ads that direct you to “call this toll-free number” or “mail your \$19.95 before midnight tonight.” In many cases, direct-response promotion is used for products that consumers are familiar with, that do not require inspection at the point of purchase, and that are relatively low cost. However, the proliferation of toll-free numbers, websites that provide detailed information, and the widespread use of credit cards have been a boon to direct response for higher-priced products, such as exercise equipment.

Delayed-response promotion relies on imagery and message themes that emphasize the brand's benefits and satisfying characteristics. Rather than trying to stimulate an immediate action from an audience, delayed-response promotion attempts to develop awareness and preference for a brand over time. In

Valentyn Volkov/Shutterstock.com

general, delayed-response promotion attempts to create brand awareness, reinforce the benefits of using a brand, develop a general liking for the brand, and create an image for a brand. When a consumer enters the purchase process, the information from delayed-response promotion comes into play. Most advertisements we see on television and in magazines are of the delayed-response type. When McDonald's runs television ads during prime time, the company doesn't expect you to leap from your chair to go out and buy a Big Mac, but the company does hope you'll remember the brand the next time you're hungry.



Economic Impact of Promotion

Promotion not only has an important impact on the individual business organizations that pay for it, but it also has effects across a country's entire economic system. These effects may seem far removed from marketing decisions, but they help shape public attitudes toward businesses and marketers.

brand advertising advertising that communicates a brand's features, values, and benefits

corporate advertising advertising intended to establish a favorable attitude toward a company

gross domestic product (GDP) the total value of goods and services produced within an economic system

Impact on Gross Domestic Product

The **gross domestic product (GDP)** is the measure of the total value of goods and services produced within an economic system. As a part of the marketing mix, promotion increases GDP indirectly by working with product, pricing, and distribution decisions to stimulate sales. When sales of products such as DVDs or alternative energy sources grow, producers have to make more of these products. In addition, the greater demand helps to fuel housing starts and corporate investment in finished goods and capital equipment. Consequently, GDP is affected by promotion, especially when it involves sales of products in new, innovative product categories.²⁶

Impact on Business Cycles

Promotion can have a stabilizing effect on downturns in business activity. There is evidence that many firms increase advertising during times of recession in an effort to spend their way out of a business downturn.

Impact on Competition

Promotion is alleged to stimulate competition and therefore motivate firms to strive for better products, better production methods, and other competitive advantages that ultimately benefit the economy as a whole. Additionally, when promotion serves as a way to enter new markets, it fosters competition across the economic system.

Promotion is not universally hailed as a stimulant to competition. Critics point out that the amount of advertising dollars needed to compete effectively in many industries is often prohibitive. This requirement makes advertising a barrier to entry into an industry;

Promoting the Company or the Brand

Promotional messages can be developed to build a favorable attitude toward either a brand or the image of the company itself. **Brand advertising**, as we have seen throughout this chapter, communicates the specific features, values, and benefits of a particular brand offered for sale by a particular organization.

Corporate advertising is meant to create a favorable attitude toward a company as a whole. Prominent uses of corporate advertising include BP's “Beyond Petroleum” and General Electric's “Ecomagination” campaigns. Similarly, Philips, the Dutch electronics and medical device conglomerate, turned to corporate advertising to unify the image of its brand name across a wide range of superior technologies.²⁵

Corporate campaigns have been designed to generate favorable public opinion toward the corporation as a whole, which can also affect the company's shareholders. When they see good corporate advertising, it instills confidence and, ultimately, long-term commitment to the firm and its stock. We'll consider this type of advertising in detail in Chapter 13.

Another form of corporate advertising is carried out by members of a trade channel, mostly retailers. When corporate advertising takes place in a trade channel, it is referred to as *institutional advertising*. Retailers such as Nordstrom and Walmart advertise to persuade consumers to shop at their stores. While these retailers may occasionally feature a particular manufacturer's brand in the advertising, the main purpose of the advertising is to get the audience to shop at their stores.

value perception that a product or service provides satisfaction beyond the cost incurred to acquire it

symbolic value nonliteral meaning of a product or service, as perceived by consumers

that is, a firm may be able to compete in an industry in every way except spending enough on the advertising needed to compete. If this occurs, promotion can actually decrease the overall amount of competition in an economy.²⁷

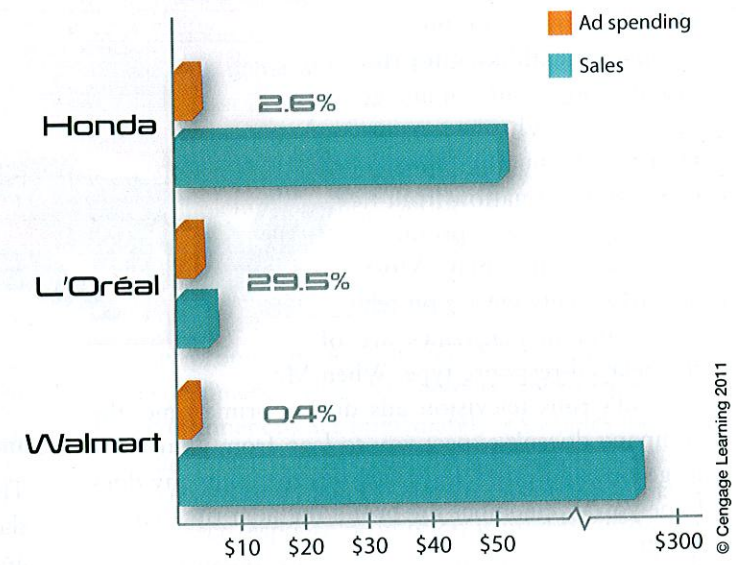
Impact on Prices

One of the widely debated effects of promotion has to do with its effect on the prices consumers pay for products and services. Some say that the millions or even billions of dollars spent on advertising are added to the prices for the products and services advertised. However, this relationship is not necessarily true.

First, across all industries, advertising costs incurred by firms range from about 2 percent of sales in the automobile and retail industries up to 30 percent of sales in the personal care and luxury products businesses.²⁸ Exhibit 1.4 shows the ratio of advertising to sales for three firms in different industries. Notice that there is no consistent and predictable relationship between advertising spending and sales. Different products and different market conditions demand that firms spend different amounts of money on advertising. These same conditions make it difficult to identify a predictable relationship between advertising and sales.

It is true that the cost of advertising is built into product costs, which are ultimately passed on to consumers. But this effect on price must be judged against a couple of cost savings that lower the price. First, there is the reduced time and effort a consumer has to spend in searching for a product or service. Second, economies of scale, discussed earlier, have a direct impact on cost and then on prices. When economies of scale lower the unit cost of production by spreading fixed costs over a large number of units produced, the cost reduction can be passed on to consumers in terms of lower prices, as firms search for competitive advantage with lower prices. Nowhere is this effect more dramatic than the price and performance of personal computers. In the early 1980s, an Apple IIe computer that ran at about 1 MHz and had 64K of total memory cost more than \$3,000. Today, a Dell computer with multiple times the power, speed, and memory costs only about \$800.

Exhibit 1.4
Ad Spending as a Percent of Sales



Impact on Value

The password for successful marketing is *value*. In modern marketing and advertising, **value** refers to consumers' perception that a brand provides satisfaction beyond the cost incurred to obtain that brand. The value perspective of the modern consumer is based on wanting every purchase to be a "good deal." Promotion can add value to the consumption experience. Consider the effect of branding on bottled water. Promotion helps create enough value in the minds of consumers that they (we) will *pay* for water that comes free out of the tap.

Promotion also affects a consumer's perception of value by contributing to the symbolic value and social meaning of a brand. **Symbolic value** refers to what a product or service means to consumers in a nonliteral way. For example, branded clothing such as Guess? jeans or Doc Martens shoes can symbolize self-concept for some consumers. In reality, all branded products rely, to some extent, on symbolic value; otherwise, they would not be brands but just unmarked commodities (like potatoes).

Social meaning refers to what a product or service means in a societal context. For example, social class is marked by various products that are used and displayed to signify class membership. An example is United Airlines' Connoisseur Class aimed at international business travelers. Often, the product's connection to a social class addresses a need within consumers to move up in class.



hifashion/Shutterstock.com

Researchers from various disciplines have long argued that objects (brands included) are never just objects. They take on meaning from culture, society, and consumers.²⁹ It is important to remember that these meanings often become just as much a part of the brand as the product's physical features. Because the image of a brand is developed through promotion, it contributes directly to consumers' perception of the value of the brand. The more value consumers see in a brand, the more they are willing to pay to acquire the brand. If consumers value the image of a Nissan coupe or a Four

Seasons hotel stay, then they will pay a premium to acquire that value.

CONCLUSION: PROMOTION MATTERS

When you get involved with brand promotion, you're not just selling goods that you hope consumers need. You're helping to make consumption experiences more valuable. You're contributing to the efficiency of trade, potentially making products more affordable. You're keeping competitors on their toes, so everyone gets better at serving customers. And especially when promotion is part of a careful IMC effort, you're helping your company or clients achieve strategic goals. The remaining chapters in this part and Part 2 will prepare you for this role by introducing you to how the promotion industry works and how buyers make decisions. Then the chapters in Part 3 explore how a variety of promotional tools can be used in a complete, effective IMC campaign. For the creative thinker, the possibilities are endless. And changes such as the ones described at the beginning of this chapter are making the industry more exciting than it ever has been. Welcome to the world of brand promotion!

STUDY TOOLS CHAPTER 1

Located at back of the textbook

- Rip out Chapter in Review Card.

Located at www.cengagebrain.com

- Review Key Terms Flashcards (Print or Online).
- Complete the Practice Quiz to prepare for tests.
- Play "Beat the Clock" and "Quizbowl" to master concepts.
- Complete "Crossword Puzzle" to review key terms.
- Watch videos on IBM and McDonald's for real company examples.
- Find additional examples that support integrated marketing communication in the online examples. Examples include: Cadillac, Victoria's Secret, Exide, and Colgate.