You may be aware that in recent years General Motors has spent billions of dollars on its Cadillac brand in a determined effort to take on Japanese and German models like the exquisite BMW 5 Series, which is exalted on the Toronto billboard in Exhibit 5.14. Simply put, the folks at General Motors will need to change a lot of consumers' beliefs about Cadillac if they are to have success in regaining market share from the likes of Lexus and BMW. Among other things, our beliefs determine the cars we drive (subject of course to the limitations of our pocketbooks).
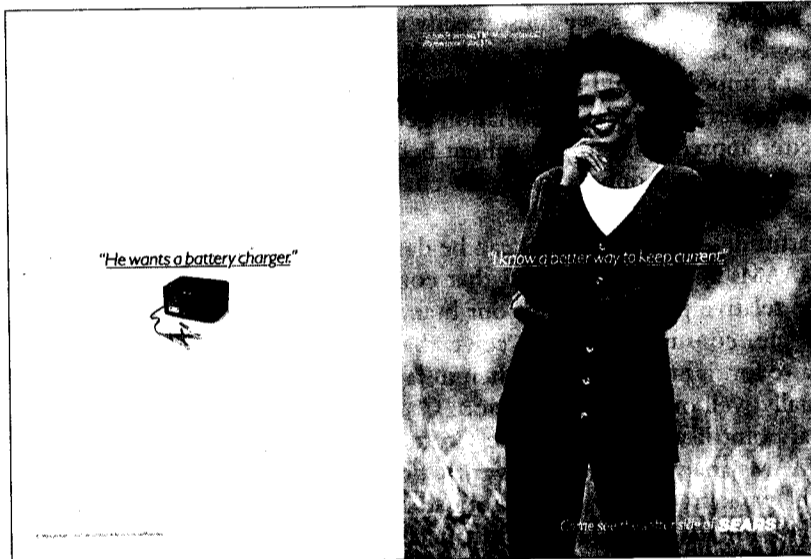
"He wants a battery charger."

"I know a better way to keep current."

People have many beliefs about various features and attributes of products and brands. Some beliefs are more important than others in determining a person's final evaluation of a brand. Typically, a small number of beliefs—on the order of five to nine—underlie brand attitudes.[6] These beliefs are the critical determinants of an attitude and are referred to as **salient beliefs.**

Clearly, we would expect the number of salient beliefs to vary between product categories. The loyal Harley owner who proudly displays a tattoo will have many more salient beliefs about his bike than he has about his brand of shaving cream. Also, salient beliefs

can be modified, replaced, or extinguished. Exhibit 5.15 is a two-page ad from a Sears campaign designed to modify the salient beliefs of its target audience.

Since belief shaping and reinforcement can be one of the principal goals of advertising, it should come as no surprise that advertisers make belief assessment a focal point in their attempts to understand consumer behavior.

6.   Icek Ajzen and Martin Fishbein, *Understanding Attitudes and Predicting Social Behavior* (Englewood Cliffs, N.J.: Prentice Hall, 1980), 63.

Multi-Attribute Attitude Models (MAAMS). Multi-attribute attitude models (MAAMS) provide a framework and a set of research procedures for collecting information from consumers to assess their salient beliefs and attitudes about competitive brands. Here we will highlight the basic components of a MAAMs analysis and illustrate how such an analysis can benefit the advertiser.

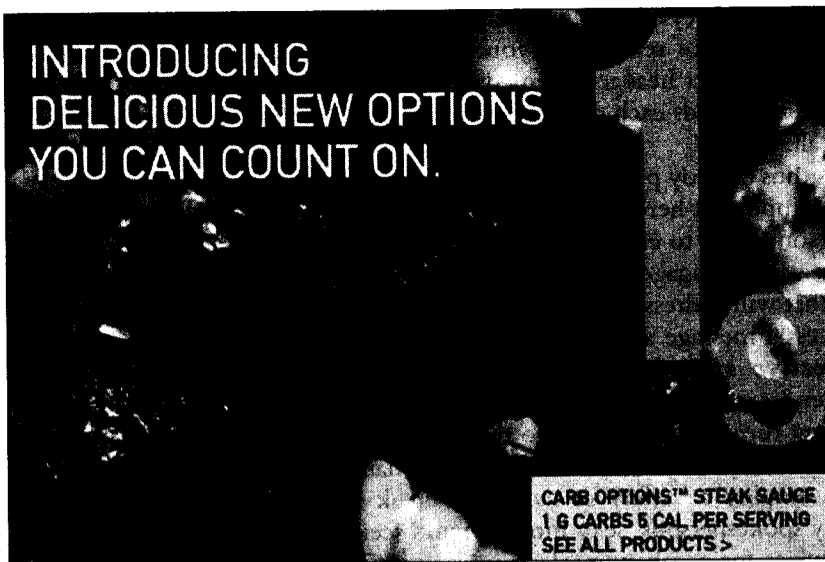Any MAAMs analysis will feature four fundamental components:

- *Evaluative criteria* are the attributes or performance characteristics that consumers use in comparing competitive brands. In pursuing a MAAMs analysis, an advertiser must identify all evaluative criteria relevant to its product category.
- *Importance weights* reflect the priority that a particular evaluative criterion receives in the consumer's decision-making process. Importance weights can vary dramatically from one consumer to the next; for instance, some people will merely want good taste from their bowl of cereal, while others will be more concerned about fat and fiber content.
- The *consideration set* is that group of brands that represents the real focal point for the consumer's decision. For example, the potential buyer of a luxury sedan might be focusing on Acura, BMW, and Lexus. These and comparable brands would be featured in a MAAMs analysis. Cadillac could have a model, such as its new STS sedan, that aspired to be part of this consideration set, leading General Motors to conduct a MAAMs analysis featuring the STS and its foreign rivals. Conversely, it would be silly for GM to include the Chevy Malibu in a MAAMs analysis with this set of luxury/performance imports.
- *Beliefs* represent the knowledge and feelings that a consumer has about various brands. In a MAAMs analysis, beliefs about each brand's performance on all relevant evaluative criteria are assessed. Beliefs can be matters of fact—a 12-ounce Pepsi has 150 calories; a 12-ounce Coke Classic has 140—or highly subjective—the Cadillac XLR roadster is the sleekest, sexiest car on the street. It is common for beliefs to vary widely among consumers.

In conducting a MAAMs analysis, we must specify the relevant evaluative criteria for our category, as well as our direct competitors. We then go to consumers and let them tell us what's important and how our brand fares against the competition on the various evaluative criteria. The information generated from this survey research will give us a better appreciation for the salient beliefs that underlie brand attitudes, and it may suggest important opportunities for changing our marketing or advertising to yield more favorable brand attitudes.

Three basic attitude-change strategies can be developed from the MAAMs framework. First, a MAAMs analysis may reveal that consumers do not have an accurate perception of the relative performance of our brand on an important evaluative criterion. For example, consumers may perceive that Crest is far and away the best brand of toothpaste for fighting cavities, when in fact all brands with a fluoride additive perform equally well on cavity prevention. Correcting this misperception could become our focal point if we compete with Crest.

Second, a MAAMs analysis could uncover that our brand is perceived as the best performer on an evaluative criterion that most consumers do not view as very important. The task for advertising in this instance would be to persuade consumers that what our brand offers (say, lower carb content than any other light beer) is more important than they had thought previously.

Third, the MAAMs framework may lead to the conclusion that the only way to improve attitudes toward our brand would be through the introduction of a new attribute to be featured in our advertising. In some instances we could just add that attribute or feature (e.g., 10X, through the lens, optical zoom) to an existing product (e.g., our Olympus digital camera), and make that the centerpiece in our next ad campaign. Alternatively, if the attribute in question has emerged to be highly valued by 30 million Americans, we may want to reinvent an entire product line to feature this critical attribute. That's exactly what Unilever Bestfoods (makers of Ragu, Lip-

INTRODUCING DELICIOUS NEW OPTIONS YOU CAN COUNT ON.

CARB OPTIONS™ STEAK SAUCE
1 G CARBS 5 CAL PER SERVING
SEE ALL PRODUCTS >

When fads emerge as major marketplace trends, marketers must respond or risk dramatic erosion in their customer base. Such has been the case in the food business, where carb-consciousness has affected the marketing of everything from peanut butter to steak sauce. Learn more at http://www .carboptions.com.

ton, Skippy and Wish-Bone) decided to do for carb-crazed consumers when it introduced a line of products like the one in Exhibit 5.16.

When marketers use the MAAMs approach, good things can result in terms of more-favorable brand attitudes and improved market share. When marketers carefully isolate key evaluative criteria, bring products to the marketplace that perform well on the focal criteria, and develop ads that effectively shape salient beliefs about the brand, the results can be dramatic—as we saw in the case of Joy in Japan.

Information Processing and Perceptual Defense. At this point you may have the impression that creating effective advertising is really a straightforward exercise. We carefully analyze consumers' beliefs and attitudes, construct ads to address any problems that might be identified, and choose various media to get the word out to our target customers. Yes, it would be very easy if consumers would just pay close attention and believe everything we tell them, and if our competition would kindly stop all of its advertising so that ours would be the only message that consumers had to worry about. Of course, these things aren't going to happen.

Why would we expect to encounter resistance from consumers as we attempt to influence their beliefs and attitudes about our brand? One way to think about this problem is to portray the consumer as an information processor who must advance through a series of stages before our message can have its intended effect. If we are skillful in selecting appropriate media to reach our target, then the consumer must (1) pay attention to the message, (2) comprehend it correctly, (3) accept the message exactly as we intended, and (4) retain the message until it is needed for a purchase decision. Unfortunately, problems can and do occur at any or all of these four stages, completely negating the effect of our advertising campaign.

There are two major obstacles that we must overcome if our message is to have its intended effect. The first—the **cognitive consistency** impetus—stems from the individual consumer. Remember, a person develops and holds beliefs and attitudes for a reason: They help him or her make efficient decisions that yield pleasing outcomes. When a consumer is satisfied with these outcomes, there is really no reason to alter the belief system that generated them (e.g., why bother with a Cadillac if you love your BMW!). New information that challenges existing beliefs can be ignored or disparaged to prevent modification of the present cognitive system. The consumer's desire to maintain cognitive consistency can be a major roadblock for an advertiser that wants to change beliefs and attitudes.

The second obstacle—**advertising clutter**—derives from the context in which ads are processed. Even if a person wanted to, it would be impossible to process and integrate every advertising message that he or she is exposed to each day. Pick up today's newspaper and start reviewing every ad you come across. Will you have time today to read them all? The clutter problem is further magnified by competitive brands making very similar performance claims.[7] Was it Advil, Anacin, Aveda,

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7. Clutter creates a variety of problems that compromise the effectiveness of advertising. For instance, research has shown that clutter interferes with basic memory functions, inhibiting a person's ability to keep straight which brands are making what claims. For more details see Anand Kumar and Shanker Krishnan, "Memory Interference in Advertising: A Replication and Extension," *Journal of Consumer Research*, vol. 30 (March 2004), 602–612.

Aleve, Avia, Aflexa, Aveya, Actonel, Motrin, Nuprin, or Tylenol Gelcaps that promised you 12 hours of relief from your headache? (Can you select the brands from this list that aren't a headache remedy?) The simple fact is that each of us is exposed to hundreds of ads each day, and no one has the time or inclination to sort through them all.

Consumers thus employ perceptual defenses to simplify and control their own ad processing. It is important here to see that the consumer is in control, and the advertiser must find some way to engage the consumer if an ad is to have any impact. Of course, the best way to engage consumers is to offer them information about a product or service that will address an active need state. Simply stated, it is difficult to get people to process a message about your headache remedy when they don't have a headache. **Selective attention** is certainly the advertiser's greatest challenge and produces tremendous waste of advertising dollars. Most ads are simply ignored by consumers. They turn the page, change the station, mute the sound, head for the refrigerator, or just daydream or doze off—rather than process the ad.

Advertisers employ a variety of tactics to break through the clutter. Popular music, celebrity spokespersons, sexy models, rapid scene changes, and anything that is novel are devices for combating selective attention. Remember, as we discussed in Chapter 4, advertisers constantly walk that fine line between novel and obnoxious in their never-ending battle for the attention of the consumer. They really don't want to insult you or anyone else; they just want to be noticed. Of course, they often step over the annoyance line.

The battle for consumers' attention poses another dilemma for advertisers. Without attention, there is no chance that an advertiser's message will have its desired impact; however, the provocative, attention-attracting devices used to engage consumers often become the focal point of consumers' ad processing. They remember seeing an ad featuring 27 Elvis Presley impersonators, but they can't recall what brand was being advertised or what claims were being made about the brand. If advertisers must entertain consumers to win their attention, they must also be careful that the brand and message don't get lost in the shuffle.

Let's assume that an ad gets attention and the consumer comprehends its claims correctly. Will acceptance follow and create the enduring change in brand attitude that is desired, or will there be further resistance? If the message is asking the consumer to alter beliefs about the brand, expect more resistance. When the consumer is involved and attentive and comprehends a claim that challenges current beliefs, the cognitive consistency impetus kicks in, and cognitive responses can be expected. **Cognitive responses** are the thoughts that occur to individuals at that exact moment in time when their beliefs and attitudes are being challenged by some form of persuasive communication. Remember, most ads will not provoke enough mental engagement to yield any form of cognitive response, but when they occur, the valence of these responses is critical to the acceptance of one's message. As we shall see in the next section, cognitive responses are one of the main components of an influential framework for understanding the impact of advertising labeled the **elaboration likelihood model (ELM)**.

The Elaboration Likelihood Model (ELM). The ELM is another of those ideas that has been borrowed from social psychology and applied to advertising settings.[8] It is a model that pertains to any situation where a persuasive communication is being sent and received, and it has particular relevance in this chapter because it incorporates ideas such as involvement, information processing, cognitive responses, and attitude formation in a single, integrated framework. The basic premise of the

8.   For an expanded discussion of these issues, see Richard E. Petty, John T. Cacioppo, Alan J. Strathman, and Joseph R. Priester, "To Think or Not to Think: Exploring Two Routes to Persuasion," in *Persuasion: Psychological Insights and Perspectives*, ed. Sharon Shavitt and Timothy C. Brock (Boston: Allyn & Bacon, 1994), 113–147.

EXHIBIT 5.17

Two routes to attitude change.

Involvement Level
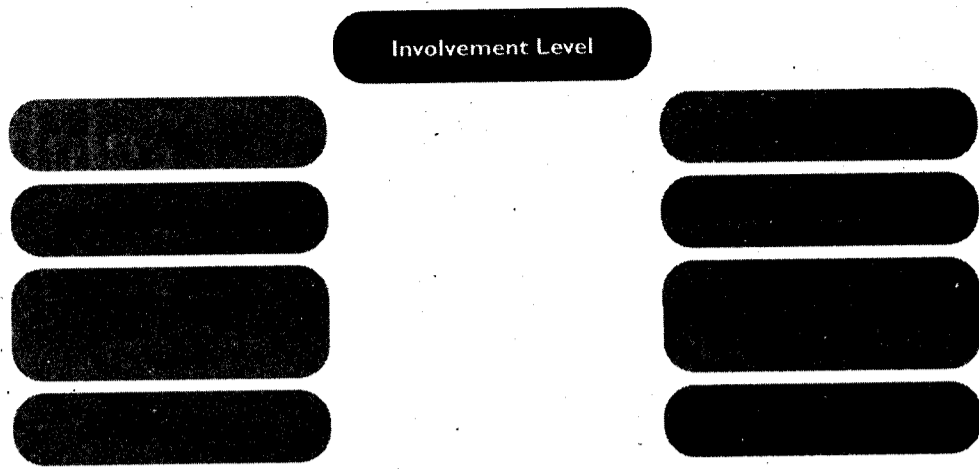
ELM is that to understand how a persuasive communication may affect a person's attitudes, we must consider his or her motivation and ability to elaborate on the message during processing. For most advertising contexts, motivation and ability will be a function of how involved the person is with the consumption decision in question. Involving decisions will result in active, mental elaboration during ad processing, whereas uninvolving decisions will implicate passive ad processing.

As indicated in Exhibit 5.17, the ELM uses the involvement dichotomy in spelling out two unique routes to attitude change. These are typically referred to as the central and peripheral routes to persuasion.

When involvement is high, we should expect the consumer to draw on prior knowledge and experience and scrutinize or elaborate on the message arguments that are central to the advertiser's case. The nature of the individual's effortful thinking about the issues at hand could be judged from the cognitive responses that the ad provokes. These cognitive responses may be positive or negative in tone, and can be reactions to specific claims or any executional element of the ad.

Messages designed to reinforce existing beliefs, or shape beliefs for a new brand that the consumer was unaware of previously, are more likely to win uncritical acceptance. Compare the ads in Exhibits 5.18 and 5.19. In this example, think of the cities Cleveland and Singapore as two brands competing for a tourist's attention (and ultimately, dollars). Each of these ads tries to affect beliefs and attitudes about its focal city. The cognitive consistency impetus that manifests in cognitive responses will work against the city that is more well known, especially when the ad challenges existing beliefs. Which ad do you find more challenging to your beliefs?

If the cognitive responses provoked by one's ad are primarily negative in tone, the ad has backfired: The consumer is maintaining cognitive consistency by disparaging your ad, and that person's negative thoughts are likely to foster negative evaluation of your brand. However, when positive attitudes can be affected through the central route, they have very appealing properties. Because they are based on careful thought, central-route attitudes will (1) come to mind quickly for use in product selection, (2) resist the change efforts of other advertisers, (3) persist in memory without repeated ad exposures, and (4) be excellent predictors of behavior. These properties cannot be expected of attitudes that are formed in the peripheral route.

For low-involvement products, such as batteries or tortilla chips, cognitive responses to advertising claims are not expected. In such situations, attitude formation will often follow a more peripheral route, and peripheral cues become the focal point for judging the ad's impact. **Peripheral cues** refer to features of the ad other than the actual arguments about the brand's performance. They include an attractive
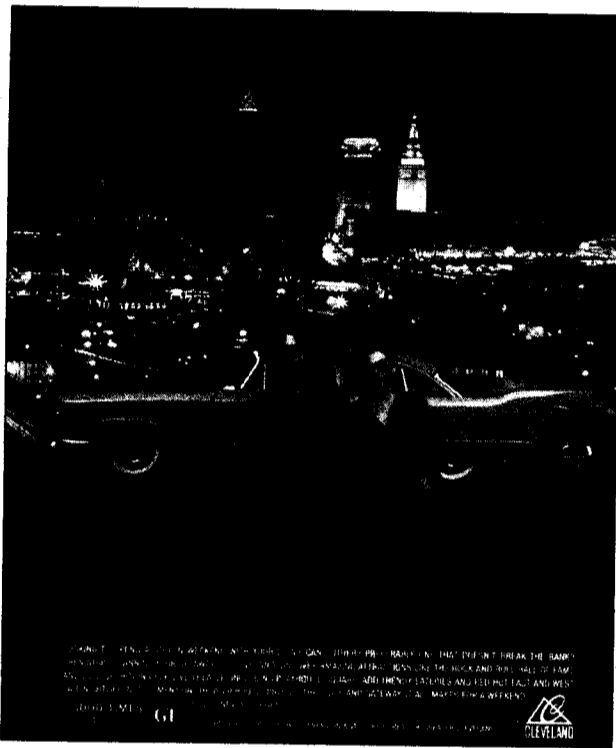
Cities can also engage in persuasive communications. Does this ad present an image of Cleveland that is compatible with your prior beliefs? http://www.travelcleveland.com/ohio

Singapore's Tourism Board uses this ad to educate readers about its broad cultural diversity, and to tickle their curiosity (http://www. newasia-singapore.com). Is Singapore an Asian city? Yes, but with influences from many cultures. The ad invites the reader to break out of a conceptual box, just as the Florida orange growers did with their "Orange juice: It's not just for breakfast anymore" campaign.

or comical spokesperson, novel imagery, humorous incidents, or a catchy jingle. Any feature of the ad that prompts a pleasant emotional response could be thought of as a peripheral cue.

In the peripheral route the consumer can still learn from an advertisement, but the learning is passive and typically must be achieved by frequent association of the peripheral cue (for example, the Eveready Energizer Bunny) with the brand in question. It has even been suggested that classical conditioning principles might be employed by advertisers to facilitate and accelerate this associative learning process.[9] As consumers learn to associate pleasant feelings and attractive images with a brand, their attitude toward the brand should become more positive.

What do LeAnn Rimes, James Carville, Queen Latifah, Jerry Seinfeld, Mr. Peanut, Jay-Z, Shakira, Junji Takada, Michelin Man, LeBron (a.k.a. King) James, Paige Davis, the Geico Gecko, Missy Elliott, and the song "Instant Karma" by John Lennon have in common? They and hundreds of others like them have been used as peripheral cues in advertising campaigns. When all brands in a category offer similar benefits, the most fruitful avenue for advertising strategy is likely to be the peripheral route, where the advertiser merely tries to maintain positive or pleasant associations with the brand by constantly presenting it with appealing peripheral cues. Of course, peripheral cues can be more than merely cute, with the right ones

9.   For additional discussion of this issue, see Frances K. McSweeney and Calvin Bierley, "Recent Developments in Classical Conditioning," *Journal of Consumer Research*, vol. 11 (September 1984), 619–631.

adding an undeniable level of "hipness" to aging brands.[10] Selecting peripheral cues can be especially important for mature brands in low-involvement categories where the challenge is to keep the customer from getting bored;[11] however, this is an expensive tactic because any gains made along the peripheral route are short-lived. TV air time, lots of repetition, sponsorship fees, and a never-ending search for the freshest, most popular peripheral cues demand huge budgets. When you think of the peripheral route, think of the advertising campaigns for high-profile, mature brands such as Coke, Pepsi, Budweiser, Gap, McDonald's, Nike, and Doritos. They entertain in an effort to keep you interested.

Perspective Two: The Consumer as Social Being.

The creditable human being must have not only the things needed for decent life, but something extra, something superfluous or sentimental or luxurious. The human being, to be human, must show that he or she is not just an animal or brute, not just biological, and must in some manner make the non-animal nature visible.[12]

—Michael Schudson, famous advertising scholar and sociologist

The view of the consumer as decision maker and information processor has been a popular one. It is not, however, without its limitations or its critics. In fact, its critics are getting louder. So we want to give you the other side of the story, a second perspective.

First, don't throw the baby out with the bathwater. While we are going to point out limitations and shortcomings, we are *not* telling you that what you just learned is wrong or useless. Far from it, there is undeniable value in the perspective presented above—no doubt about it. What goes on in consumers' minds is obviously important. But just as certainly it tells only part of the story of consumer behavior and advertising. Advertising and consumer behavior is so many things, and operates on so many levels, that a single-perspective approach is completely inadequate. So we offer more, a second perspective.

What the first perspective is best at is advancing understanding about how consumers make decisions. It is reasonably good at that. For example, it tells us that in general, consumers tend to use less as opposed to more information. That might seem odd, but it's true. Consumers *say* that more information is best, but tend to *actually use* less rather than more. If you think about it, this makes perfect sense. Consumers store and retrieve previously made judgments (e.g., *Honda is the best value*) in order to not have to decide all over again every time they make a purchase. If this were not true, a quick trip to the convenience store would take hours: "Let's see, Trident versus Bubble Yum . . . hmmm . . . let me think." In order to make their lives easier, consumers employ all sorts of mental short-cuts and effort-saving strategies. So, with this situation, and many others the perspective described above has helped advertisers understand consumer decision making.

But what of understanding advertising and how it works with consumers? In their effort to isolate psychological mechanisms, information-processing researchers typically take consumer behavior (and consumers) out of its (their) natural environment in favor of a laboratory. As you may have already guessed, few consumers actually

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10.   Associations like Jay-Z with Heineken, Missy Elliott with the Gap, and Queen Latifah with Cover Girl illustrate the influence of Russell Simmons in bringing hip-hop into the advertising mainstream. (See "The CEO of Hip Hop," *BusinessWeek*, October 27, 2003, 91–98.) It is fair to say that Simmons found great success by lining up hip-hop icons as peripheral cues for all sorts of big-name advertisers.

11.   The rationale for cultivating brand interest for mature brands is discussed more fully in Karen A. Machleit, Chris T. Allen, and Thomas J. Madden, "The Mature Brand and Brand Interest: An Alternative Consequence of Ad-Evoked Affect," *Journal of Marketing*, vol. 57 (October 1993), 72–82.

12.   (1984), "An Anthropology of Goods," in *Advertising, The Uneasy Persuasion: Its Dubious Impact on American Society*, New York: Basic Books, 133.

watch ads and buy things in laboratories. In fact, under such obviously unrealistic conditions, some argue that these researchers are no longer studying ads at all, but only "stimulus material." Those who criticize this approach believe that ads really exist *only* in the real social world and natural environment. When removed from that environment they are no longer ads in any meaningful sense. Think about it for yourself; when you watch advertising on television, you usually see eight to ten ads in a commercial break. You may or may not be listening, or watching. You might be talking to friends or family, reading, or just about anything else. Chances are you are not watching an ad on a computer monitor for class credit. To seriously believe these are the same thing is to believe in some pretty odd notions of reality. More importantly, what the ad means is often completely lost in the quest for "information" being "processed." But the allure of science and its symbols (e.g., labs) is one of the modern period's most well-known seductions. The trappings of science give people feelings of certainty and truth, whether it is deserved or appropriate. And to be fair, the aims of academic experimental research (to advance basic knowledge and theory) are often quite different from the aims of the advertising industry (to make ads that sell things).

Industry critics and more and more academic researchers alike believe that much of the psychological research (most popular in the industry in the 1950s) has significantly less to do with the advertising and consumption of real goods and services in the real world than with advancing psychological theory—a completely worthy goal for some college professors, but not necessarily important to the actual practice of advertising. In the real world of advertising, real consumers matter, as does how they respond to real ads in real environments.

The move away from purely psychological approaches has been going on in the advertising industry for quite some time, at least 30 years. It gathered enormous momentum in the 1980s. At that time U.S. West Coast agencies began adopting what they called "British Research," which was really just qualitative research as has been practiced by anthropologists, sociologists, and others for well over a century. The only thing really "British" about it at all is that some very hot London agencies had been doing research this way all along. (Actually, many had been, but these agencies used it as a point of differentiation.) Judie Lannon's emphasis on meaning is a good example.

And if Advertising contributes to the meaning of inanimate goods, then the study of these values and meanings are of prime importance . . . the perspective of research must be what people use advertising for.[13]

—Judie Lannon, then creative research director,
J..Walter Thompson, London

This industry trend also resonated with a similar move in academic research toward more qualitative field work, interpretive, and textual approaches to the study of human behavior, including consumer behavior. People began to see consumers as more than "information processors" and ads as more than socially isolated attempts at attitude manipulation. **Meaning** became more important than attitudes. Perhaps, consumers do "process" information, but they also do a whole lot more (see Exhibit 5.20). Furthermore, "information" itself is a rich and complex textual product, bound by history, society, and culture, and interpreted in very sophisticated ways by very human beings. Advertising practice is not engineering or chemistry. It is about knowing how to connect with human beings around their consumption practices with advertising. That's why advertising agencies like and hire people who know about material culture (anthropology), demography and social process (sociology), the history of brands and consumption practices (history), memory (psychology), communication, text (literature), and art (what a lot of ads are). Understanding people and ads will not be the same as counting kilos of sulfur, concentrations of acids, or stars

13.   Davidson, Martin (1992), "Objects of Desire: How Advertising Works," in Martin Davidson, *The Consumerist Manifesto: Advertising in Postmodern Times*, London: Routledge, 23–60.

in a galaxy. Humans and their creations (like ads and branded goods) are not just processors of information. They are much more.

In this section we present a second perspective on consumer behavior, a perspective concerned. with social and cultural processes. It should be considered another part of the larger story of how advertising works. Remember, this is just another perspective. We are still talking about the same consumers discussed in the preceding section; we are just viewing their behavior from a different vantage point. When it comes to the complexities of consumer behavior and advertising, we really can't have too many perspectives.

Consuming in the Real World. Let's consider some major components of real consumer's lives:

Culture. If you are in the ad business, you are in the culture business.

Culture infuses, works on, is part of, and generally lands on all consumption. You need to understand what culture is, and what culture does.

Culture is what a people do, or "the total life ways of a people, the social legacy the individual acquires from his (her) group."[14] It is the way we eat, groom ourselves, celebrate, and mark our space and position. It is the way things are done. Cultures are often thought of as large and national, but in reality cultures are usually smaller, and not necessarily geographic, such as *urban hipster culture, teen tech-nerd culture, goth culture, Junior League culture,* and so on. It's usually easier to see and note culture when it's more distant and unfamiliar. For most people, this is when they travel to another place. For example, if you've traveled beyond your own country, you have no doubt noticed that people in other cultures do things differently. If you were to point this out to one of the locals—for example, to a Parisian—and say something like, "Dude, you guys sure do things funny over here in France," you would no doubt be struck (perhaps literally) with the locals' belief that it is not they, but you, who behave oddly. This is a manifestation of culture and points out that members of a culture find the ways they do th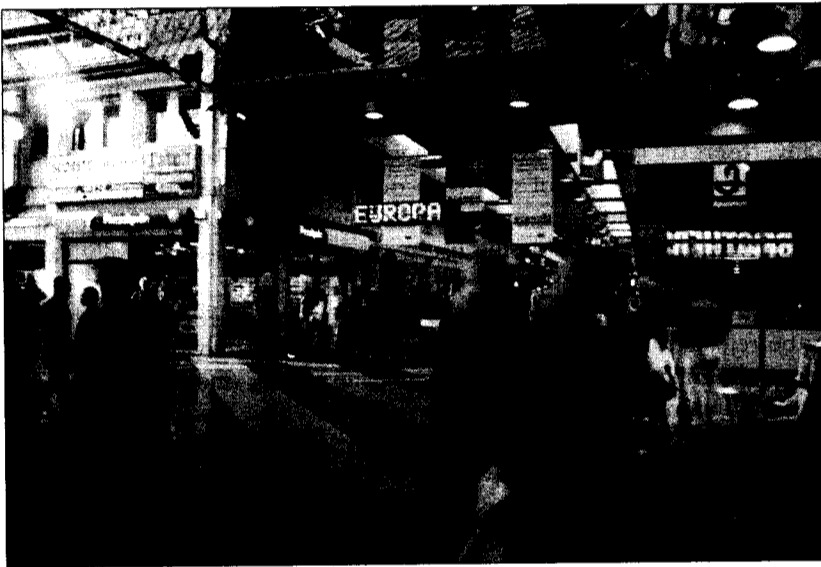ings to be perfectly natural. Culture is thus said to be invisible to those who are immersed in it. Everyone around us behaves in a similar fashion, so we do not easily think about the existence of some large and powerful force acting on us all. But it's there; this constant background force is the force of culture. To really see the culture that is all around you, to really see what you take as ordinary, to see it like you were a visitor to a strangle land, is what the socio-cultural perspective offers.

Make no mistake, culture is real, and it affects every aspect of human behavior, including consumer behavior and advertising. Culture surrounds the creation, transmission, reception, and interpretation of ads and brands, just as it touches every aspect of consumption. It is about as "real world" as it gets. For example, if you are

EXHIBIT 5.20

Real consumers do not consume in a vacuum. Consumers are inherently social beings, connected to other consumers through social identities, families, rituals, cultures, symbols, and shared histories. To have any hope of understanding how real consumers will respond to real ads, you must first consider them and their consumption practices, and not in isolation.

14. Gordon Marshall, ed., *The Concise Oxford Dictionary of Sociology* (New York: Oxford University Press, 1994), 104–105.

Ocean Spray, you want to understand how the U.S. Thanksgiving holiday works so that you can sell more cranberries, and make more profit. Why cranberries? Why cranberries on Thanksgiving, but not on St. Patrick's Day? What is the deal with cranberries? Why do we have the particular rituals we perform on that day? Are there market opportunities in those rituals? Or who makes up the rules of gift giving? If you are Tiffany, Barnes & Noble, or Hallmark, you have a very good reason to understand why people do things a certain way (for example, buy things for one holiday, but not for another).

When advertisers consider just why consumers consume certain goods or services, or why they consume them in a certain way, they are considering culture. Culture informs consumers' views about food, the body, gifts, possessions, a sense of self versus others, mating, courtship, death, religion, family, jobs, art, holidays, leisure, satisfaction, work—just about everything.

Values are the defining expressions of culture. They express in words and deeds what is important to a culture. For example, some cultures value individual freedom, while others value duty to the society at large. Some value propriety and restrained behavior, while others value open expression. Values are cultural bedrock. Values are enduring. They cannot be changed quickly or easily. They are thus different from attitudes, which can be changed through a single advertising campaign or even a single ad. Think of cultural values as the very strong and rigid foundation on which much more mutable attitudes rest. Exhibit 5.21 illustrates this relationship. Values are the foundation of this structure. Attitudes are, in turn, influenced by values, as well as by many other sources. Advertising has to be consistent with, but cannot easily or quickly change, values. It is thus senseless for an advertiser to speak of using advertising to change values in any substantive way. Advertising influences values in the same way a persistent drip of water wears down a granite slab—very slowly and through cumulative impact, over years and years. It is also the case that cultural values change advertising.

Typically, advertisers try to either associate their product with a cultural value or criticize a competitor for being out of step with one. For example, in America, to say that a product "merely hides or masks odors" would be damning criticism, because it suggests that anyone who would use such a product doesn't really value cleanliness and thus isn't like the rest of us.

Advertisements must be consistent with the values of a people. If they are not, they will likely be rejected. Many argue that the best (most effective) ads are those that best express and affirm core cultural values. For example, one core American value is said to be individualism, or the predisposition to value the individual over the group. This value has been part of American culture for a very long time. Thus, advertisements that celebrate or affirm this value are more likely to succeed than ones that denigrate or ignore it. Exhibit 5.22 shows an ad that leans heavily on this value. But you should also be aware that current thinking on globalization makes a fly for this ointment. Those seeing globalization everywhere hold that the world is becom-

Cultural values, attitudes, and consumer behavior. Some believe that advertising can directly affect consumer behavior and, over time, cultural values as well.
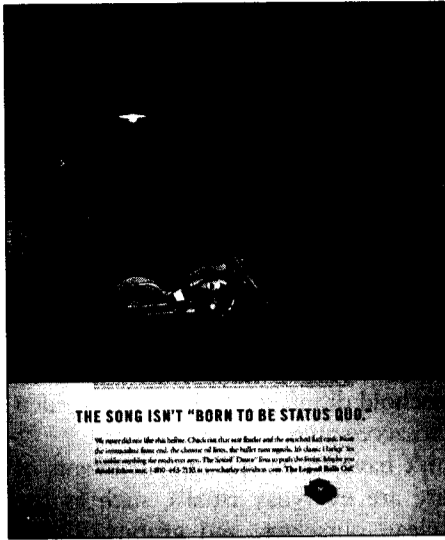
Consumer behavior

↑ ↑ ↑

Attitudes   ←

↑ ↑ ↑ ↑ ↑

Cultural values
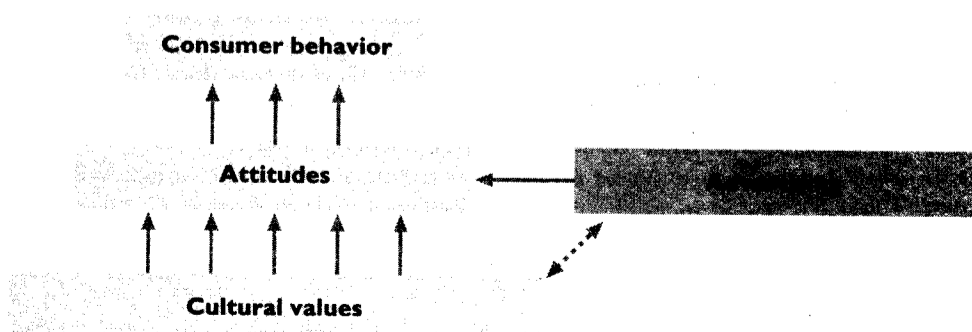
EXHIBIT 5.22

What could be more
thoroughly individual?
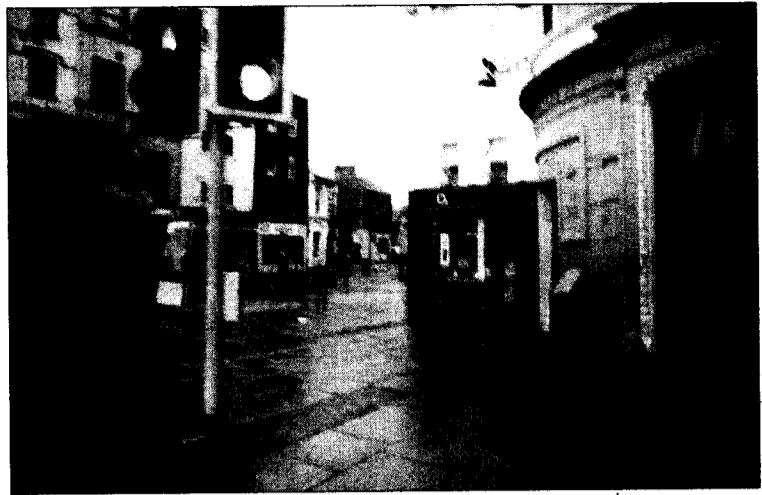
Global brandscape. From Tucson to Tucumcari, Madrid to Cork (photo above), the
global brandscape is there.

ing more alike . . . the local is being gobbled up by the global brands and a global cul-
ture of marketing, branding, advertising and consuming. In fact, this is referred to as the
"globalization and homogenization" of everyday life. Travel
just about anywhere on this planet and you will be met by the
global brandscape (see Exhibit 5.23). It may turn out that cultural
values become global values, at least in the consumption con-
text. We are not there yet; we will have to wait and see.

EXHIBIT 5.24

This ad promotes Kraft
products as an integral part of
family rituals and traditions.
http://www.kraftfoods
.com

Rituals are "often-repeated formalized behaviors
involving symbols."[15] Cultures participate in rituals; con-
sumers participate in rituals. Rituals are core elements of
culture. Cultures affirm, express, and maintain their values
through rituals. They are a way in which individuals are
made part of the culture, and a method by which the cul-
ture constantly renews and perpetuates itself. For example,
ritual-laden holidays such as Thanksgiving, Christmas,
Hanukah, and the Fourth of July help perpetuate aspects of
American culture through their repeated reenactment (tra-
dition). In Europe, there are a myriad of very important cul-
tural rituals, all involving consumption (e.g., feasts and gift
giving). In fact, this is true all over the world, and rituals
help intertwine culture and consumption practices in a very
real way. For example, Jell-O may have attained the promi-
nence of an "official" American holiday food because of its
regular usage as part of the Thanksgiving dinner ritual.[16] In
the American South, it is common to eat black-eyed peas on
New Year's Day to ensure good luck. In one sense it is "just
done," but in another it is just done because it is a ritual embedded in a culture. If
you are a canned-goods manufacturer, understanding this particular ritual is not a
trivial concern at all. (See Exhibits 5.24 and 5.25.)

15. Ibid., 452.
16. Melanie Wallendorf and Eric J. Arnould, "We Gather Together: Consumption Rituals of Thanksgiving Day," *Journal of Con-
sumer Research*, vol. 18, no. 1 (June 1991), 13–31.

SPLENDA PLUM FAIRY

Now SPLENDA No Calorie Sweetener comes in a large Baker's Bag. Almost anywhere you can use sugar, you can use SPLENDA. Made from sugar so it tastes like sugar. *Think SUGAR. Any SPLENDA.*
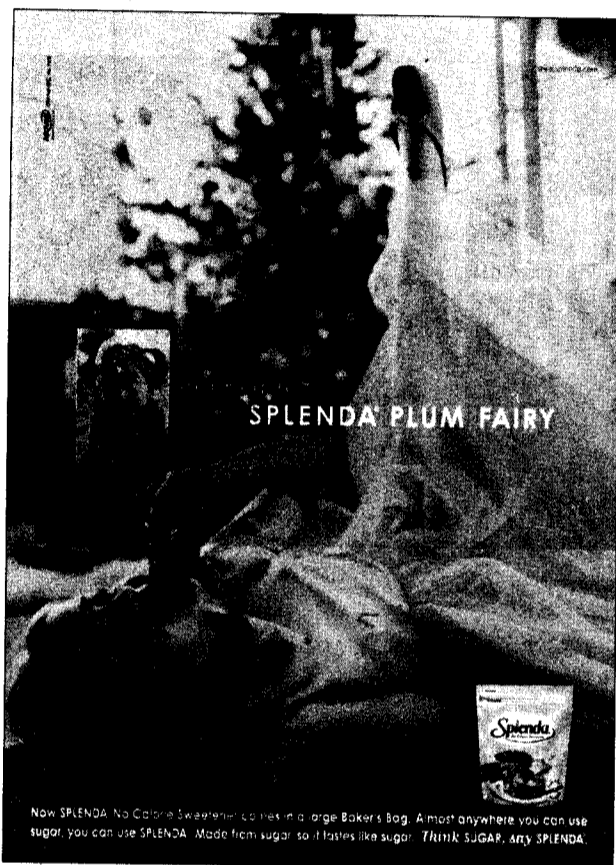
EXHIBIT 5.25

In this ad, Splenda is made part of holiday ritual.

Rituals also occur every day in millions of other contexts. For example, when someone buys a new car or a new home, they do all sorts of "unnecessary" things to make it theirs. They clean the carpets even if they were just cleaned, they trim trees that don't need trimming, they hang things from the mirror of the used car they just bought, they change oil that was just changed—all to make the new possession theirs and remove any trace of the former owner. These behaviors are not only important to anthropologists, they are also important to those making and trying to sell products such as paint, rug shampoos, household disinfectants, lawn and garden equipment, auto accessories, and on and on.

Rituals don't have to be the biggest events of the year. There are everyday rituals, such as the way we eat, clean ourselves, and groom. Think about all the habitual things you do from the time you get up in the morning until you crawl into bed at night. These things are done in a certain way; they are not random. Members of a common culture tend to do them one way, and members of other cultures do them other ways. Again, if you've ever visited another country, you have no doubt noticed significant differences. An American dining in Paris might be surprised to have sorbet to begin the meal and a salad to end it.

Daily rituals seem inconsequential because they are habitual and routine, and thus "invisible." If, however, someone tried to get you to significantly alter the way you do these things, he or she would quickly learn just how important and resistant to change these rituals are. If a product or service cannot be incorporated into an already-existing ritual, it is very difficult and expensive for advertisers to effect a change. If, on the other hand, an advertiser can successfully incorporate the consumption of its good or service into an existing ritual, then success is much more likely. Imagine how important rituals are to the global beauty industry (Exhibit 5.26). Cleaning and beauty practices are highly ritualized.

Clearly, there are incredible opportunities for marketers who can successfully link their products to consumption rituals. In Exhibits 5.27 and 5.28 we see two advertisers incorporating their brands into Easter rituals.

Stratification (social class) refers to a person's relative standing in a social system as produced by systematic inequalities in things such as wealth, income, education, power, and status. For example, some members of society exist within a richer group (stratum), others within a less affluent stratum. Race and gender are also unequally distributed across these strata: for example, men generally have higher incomes than women. Thus a cross-section, or slice, of American society would reveal many different levels (or strata) of the population along these different dimensions. Sociologists used to prefer the term "social class," but many have gotten away from it lately. It seems that contemporary societies have less stable or easy to define classes than was once thought. Also, it is argued that the emergence of the *New Class*, a class of technologically skilled and highly educated individuals with great access to information and information technology, has changed the way we define social class: "Knowledge of, and access to, information may begin to challenge property as a determinant of social class."[17]

17.   Alvin W. Gouldner, "The Future of Intellectuals and the Rise of the New Class," in *Social Stratification in Sociological Perspective: Class, Race and Gender,* ed. David B. Grusky (San Francisco: Westview Press, 1994), 711–729.

*This ad helps Olay become part of an already existing ritual.*

"Social class" was typically thought most strongly determined by income: higher-income Americans tended to be of a higher "social class," and lower-income Americans were considered in a lower class. But that was a clearly imperfect relationship. For example, successful plumbers often had much higher incomes than college professors, but their occupation was (perhaps) less prestigious, and thus their "social class" designation was lower. So, the prestige of one's occupation also entered into what we called "social class." Education also has something to do with "social class," but a person with a little college experience and a lot of inherited wealth will probably rank higher than an insurance agent with an MBA. Thus income, education, and occupation are three important variables for indicating "social class," but are still individually, or even collectively, inadequate at capturing its full meaning. Then there are rock stars, professional athletes, and successful actors, all with high incomes, but generally thought to be completely outside the "social class" system. This is another reason the term has been falling to the more preferred "stratification" term.

Important to marketers is the belief that members of social strata tend to live in similar ways, have similar views and philosophies, and, most critically, tend to consume in similar ways. You can supposedly tell "social class" from what people consume and how they consume; at least, that's what lots of marketers and advertisers believe. Markers of social class include what one wears, where one lives, and how one speaks. In a consumer society, consumption marks or indicates stratification in a myriad of ways. Stratification related consumption preferences reflect value differences and different ways of seeing the world and the role of things in it; they reflect taste. What do you think? Put it to the test, go to a mall, walk around and check people out: Do you think you could guess their income, education, occupation, whether they live downtown or in the 'burbs from the way they look, what they are wearing, and the stores they shop in? Most advertisers think you can, and that's why stratification matters.

This brings us to taste. **Taste** refers to a generalized set or orientation to consumer preferences. Social class affects consumption through tastes, including media habits, and thus exposure to various advertising media vehicles—for example, *RV Life* versus *Wine Spectator*. We think of tennis more than bowling as belonging to the upper classes, chess more than checkers, and brie more than Velveeta. Ordering
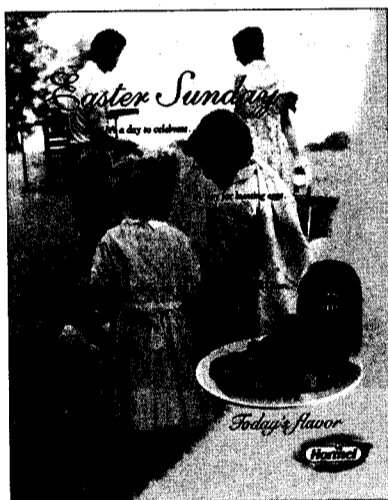
Two advertisers incorporate Easter rituals.

wine instead of beer has social significance, as does wearing Tommy Hilfiger rather than Lee jeans, or driving a Volvo rather than a Chevy. Social stratification and taste are intertwined. In fact, cultural theorist Pierre Bourdieu argues that social class is such a powerful socializing factor that it "structures the whole experience of subjects," particularly when it comes to consumption.[18] Again, this is because of the relationship between social stratification (or social class) and taste. Yet, remember, the argument is made that contemporary consumer societies have a much more fluid sense of class, and strata themselves are more in flux and have more permeable boundaries than we once believed. We come down on this in the following way: Yes, in contemporary society there is a more fluid character to social stratification (class) and its consumption markers, but it is still there and still matters. Fashion and taste cycle faster than they once did, and consumers may be more playful in their use of class markers than they once were, but we think the shopping mall test still generally works, and the stratification of taste still matters to advertisers.

A related concept is *cultural capital,* the value that cultures place on certain consumption practices. For example, a certain consumption practice, say snowboarding, has a certain capital or value (like money) for some segment of the population. If you own a snowboard (a certain amount of cultural capital) and can actually use it (more cultural capital), and look good while using it (even more capital), then this activity is like cultural currency or cultural money in the bank. You can "spend" it. It gets you things you want. A Porsche has a certain cultural capital among some groups, as does wearing khakis, drinking Bud, ordering the right pinot noir, knowing how to hail a cab, flying first class, or knowing the latest band. This capital may exist within a hipster culture, or a 40-something wine-snob culture, or a redneck culture. These are all cultures, and certain consumer practices are favored or valued more in each. Advertisers need to figure out which ones are valued more, and why, and how to make their product sought after because it has higher cultural capital. This is what "taste" is all about; having good taste gives you cultural capital. These ads try to emphasize the cultural capital, style, and taste to be found in the product (see Exhibits 5.29 and 5.30), and then on to the consumer.

These two ads point to the high cultural capital of the products.

18.   Pierre Bourdieu, "Distinction: A Social Critique of the Judgment of Taste," in *Social Stratification in Sociological Perspective: Class, Race and Gender,* ed. David B. Grusky (San Francisco: Westview Press, 1994), 404–429.

Consider some examples. Think about the purchases of equivalently priced cars, say a Saab and a Cadillac. The Saab is owned by a young architect, the Cadillac by the owner of a small construction company. These two consumers don't frequent the same restaurants, drink in the same bars, or eat the same kinds of foods. They don't belong to the same "social strata," and it is evident in their consumption. Think about the contents of the living rooms of those in various social classes. The differences are not due to money only, or the lack of it. Clearly, there is another dynamic at work here.

"Social class" also becomes apparent when a person moves from one class into another. Consider the following example: Bob and Jill move into a more expensive neighborhood. Both grew up in lower-middle-class surroundings and moved into high-paying jobs after graduate school. They have now moved into a fairly upscale neighborhood, composed mostly of "older money." On one of the first warm Sundays, Bob goes out to his driveway and begins to do something he has done all his life: change the oil in his car. One of Bob's neighbors comes over and chats, and ever so subtly suggests to Bob that people in this neighborhood have "someone else" do "that sort of thing." Bob gets the message: It's not cool to change your oil in your own driveway. This is not how the new neighbors behave. It doesn't matter whether you like to do it or not; it is simply not done. To Bob, paying someone else to do this simple job seems wasteful and uppity. He's a bit offended, and a little embarrassed. But, over time, he decides that it's better to go along with the other people in the neighborhood. Over time, Bob begins to see the error of his ways and changes his attitudes and his behavior.

This is an example of the effect of social class on consumer behavior. Bob will no longer be a good target for Fram, Purolator, AutoZone, or any other product or service used to change oil at home. On the other hand, Bob is now a perfect candidate for quick-oil-change businesses such as Jiffy Lube. Consider the ads in Exhibits 5.31 and 5.32 in terms of social-class considerations. Which social strata (income, education, etc.) do you believe are being targeted by these ads?
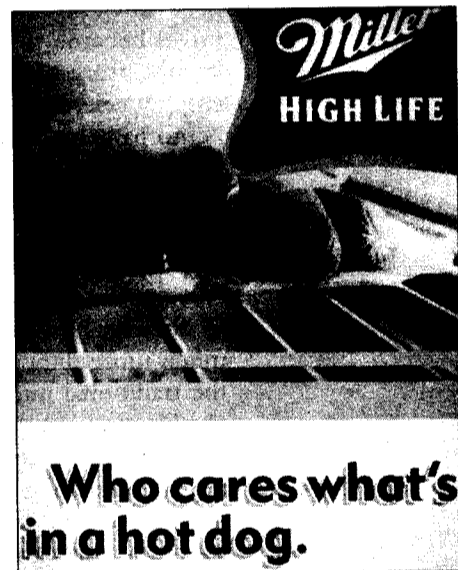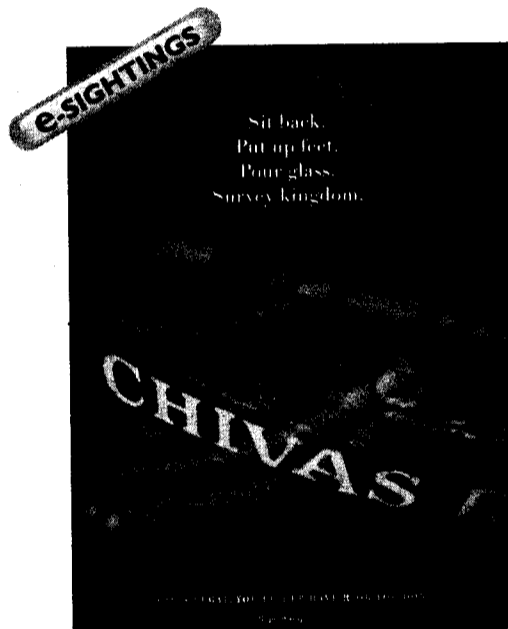
These ads speak to two different social classes. Compare the sites of Chivas (http://www.chivas.com) and Miller Lite (http://www.millerlite.com). What activities and interests are featured at each? How does leisure-oriented content at each site create a context of social class that reinforces each brand's meaning? Which brand appeals to you most?
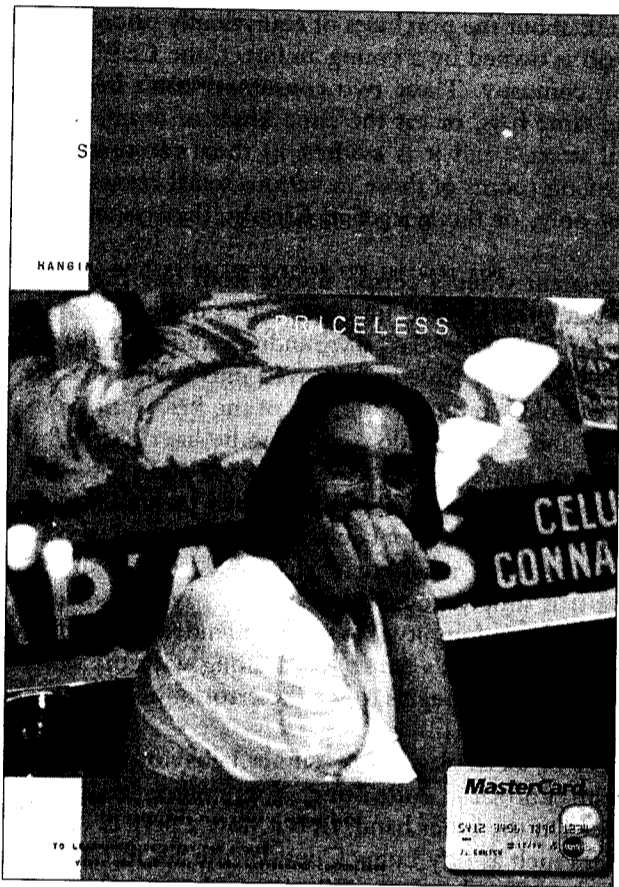
Aspirations play a large part in the message of this MasterCard ad. http://www.mastercard.com

Reference groups are also important. Obviously, other people and their priorities can have a dramatic impact on our consumption priorities, as suggested by the MasterCard ad in Exhibit 5.33. A **reference group** is any configuration of other people that a particular individual uses as a point of reference in making his or her own consumption decisions.

Reference groups can be small and intimate (you and the people sharing your neighborhood) or large and distant (people wanting to become rich and powerful advertising executives). Reference groups can also vary in their degree of formal structure. They can exist as part of some larger organization—such as any business or employer—with formal rules for who must be part of the group and what is expected of the group in terms of each day's performance. Or they may be informal in their composition and agenda, such as a group of casual friends who all live in the same apartment complex.

Another way of categorizing reference groups involves the distinction between membership groups and aspirational groups.[19] **Membership groups** are those that we interact with in person on some regular basis; we have personal contact with the group and its other members. **Aspirational groups** are made up of people we admire or use as role models, but it is likely we will never interact with the members of this group in any meaningful way. However, because we aspire to be like the members of this group, they can set standards for our own behavior. Professional athletes, movie stars, rock stars, and successful business executives become role models whether they like it or not. Of course, advertisers are keenly aware of the potential influence of aspirational groups, and they commonly employ celebrities as endorsers for their products. After all, who wouldn't want to be, to paraphrase another ad, like Michael Jordan? But aspirational reference groups may also show up in ads as "ideal types," or "regular people" who seem to have the lives (and stuff) we want.

Family. The consumer behavior of families is also of great interest to advertisers. Advertisers want not only to discern the needs of different kinds of families, but also to discover how decisions are made within families. The first is possible; the latter is much more difficult. For a while, consumer researchers tried to determine who in the traditional nuclear family (that is, Mom, Dad, and the kids) made various purchasing decisions. This was largely an exercise in futility. Due to errors in reporting and conflicting perceptions between husbands and wives, it became clear that the family purchasing process is anything but clear. While some types of purchases are handled by one family member, many decisions are actually diffuse nondecisions, arrived at through what consumer researcher C. W. Park aptly calls a "muddling-through" process.[20] These "decisions" just get made, and no one is really sure who

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19. For additional explanation of this distinction, see Michael R. Solomon, *Consumer Behavior* (Upper Saddle River, N.J.: Prentice Hall, 1996), 342–344.

20. C. Whan Park, "Joint Decisions in Home Purchasing: A Muddling-Through Process," *Journal of Consumer Research*, vol. 9 (September 1982), 151–162.

Who are the Cleavers?

made them, or even when. For an advertiser to influence such a diffuse and vague process is indeed a challenge. The consumer behavior of the family is a complex and often subtle type of social negotiation. One person handles this, one takes care of that. Sometimes specific purchases fall along gender lines, but sometimes they don't.[21] While they may not be the buyer in many instances, children can play important roles as initiators, influencers, and users in many categories, such as cereals, clothing, vacation destinations, fast-food restaurants, and technology (like computers). Still, some advertisers capitalize on the flexibility of this social system by suggesting in their ads who *should* take charge of a given consumption task, and then arming that person with the appearance of expertise so that whoever wants the job can take it and defend his or her purchases.

We also know that families have a lasting influence on the consumer preferences of family members. One of the best predictors of the brands adults use is the ones their parents used. This is true for cars, toothpaste, household cleansers, and many more products. Say you go off to college. You eventually have to do laundry, so you go to the store, and you buy Tide. Why Tide? Well, you're not sure, but you saw it around your house when you lived with your parents, and things seemed to have worked out okay for them, so you buy it for yourself. The habit sticks, and you keep buying it. This is called an **intergenerational effect.**

Advertisers often focus on the major or gross differences in types of families, because different families have different needs, buy different things, and are reached by different media. Family roles often change when both parents (or a single parent) are employed outside the home. For instance, a teenage son or daughter may be given the role of initiator and buyer, while the parent or parents serve merely as influences. Furthermore, we should remember that Ward, June, Wally, and the Beaver (Exhibit 5.34) are not the norm (see Exhibit 5.35). There are a lot of single parents and second and third marriages. *Family* is a very open concept. In addition to the "traditional" nuclear family and the single-parent household, there is the extended family (nuclear family plus grandparents, cousins, and others) and the so-called alternative family (single parents and gay and lesbian households with and without children, for example).

Beyond the basic configuration, advertisers are often interested in knowing things such as the age of the youngest child, the size of the family, and the family income. The age of the youngest child living at home tells an advertiser where the family is in terms of its needs and obligations (that is, toys, investment instruments for college savings, clothing, and vacations). When the youngest child leaves home, the consumption patterns of a family radically change. Advertisers love to track the age of the youngest child living at home and use it as a planning criterion. This is called a **life-stage** variable, and is used frequently in advertising planning.

Celebrity is a unique sociological category, and it matters a great deal to advertisers. Twenty-first-century society is all about celebrity. While there are all sorts of

21.   For an excellent article on this topic, see Craig J. Thompson, William B. Locander, and Howard R. Pollio, "The Lived Meaning of Free Choice: An Existential-Phenomenological Description of Everyday Consumer Experiences of Contemporary Married Women," *Journal of Consumer Research*, vol. 17 (December 1990), 346–361.

| Characteristics | All house-holds | Total | Family households | | | Nonfamily households | | |
| | | | Married couple | Other families | | Total | Female house-holder | Male house-holder |
				Female house-holder	Male house-holder			
All households	104,705	72,025	55,311	12,687	4,028	32,680	18,039	14,641
Race and Hispanic origin								
White	87,671	60,251	48,790	8,380	3,081	27,420	15,215	12,204
White not Hispanic	78,819	53,066	43,865	6,732	2,468	25,753	14,475	11,278
Black	12,849	8,664	4,144	3,814	706	4,185	2,309	1,876
Hispanic	9,319	7,561	5,133	1,769	658	1,758	783	974
Size of household								
1 person	26,724	N/A	N/A	N/A	N/A	26,724	15,543	11,181
2 people	34,666	29,834	22,899	5,206	1,730	4,832	2,225	2,607
3 people	17,152	16,405	11,213	4,086	1,106	746	177	570
4 people	15,309	15,064	12,455	1,927	682	245	66	179
5 people	6,981	6,894	5,723	864	307	87	17	70
6 people	2,445	2,413	1,916	366	130	32	6	26
7 or more people	1,428	1,415	1,105	237	73	13	5	8
Average size	2.62	3.24	3.26	3.17	3.16	1.25	1.17	1.34
Presence of own children under 18	34,605	34,605	25,248	7,571	1,786	N/A	N/A	N/A

Note: Data are not shown separately for the American Indian and Alaska Native population because of the small size in the Current Population Survey in March 2000.

Source: U.S. Census Bureau, Current Population Survey, March 2000.

American households by type and selected characteristics, 2000. Numbers are in thousands, except for averages. Note: there are a lot of "non-traditional" families.
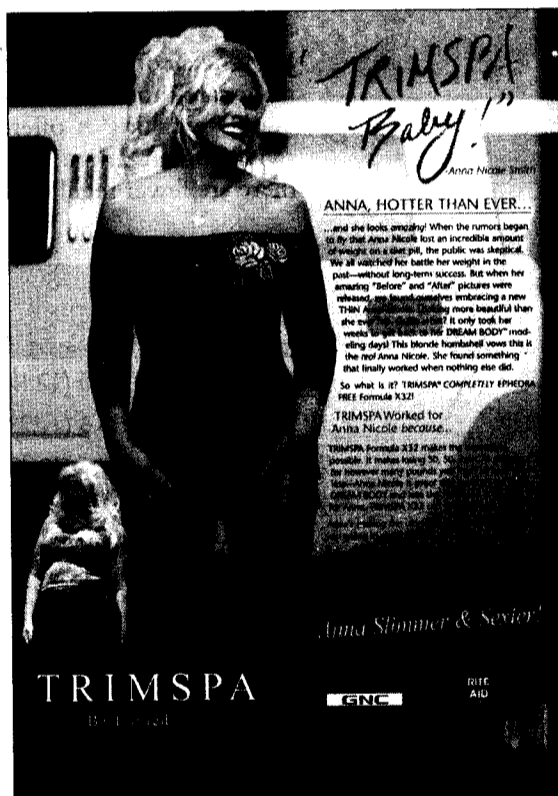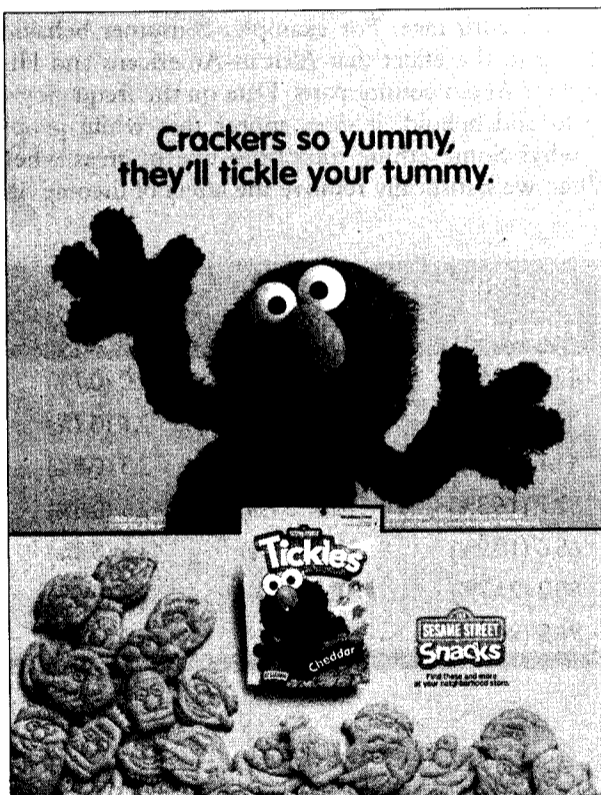
celebrities, they can be both self-expressive and aspirational for consumers. Current thinking is that in a celebrity-based culture, celebrities help contemporary consumers with identity. Identity in a consumer culture becomes a "fashion accessory" prop for a day—lesbian chic, head banger, corporate slave at work, and so forth. The idea is that contemporary consumers are very good at putting on and taking off, trying on, switching, and trading various identities, in the same way that they have clicked through the channels since they could reach the remote. E-generation (www generation) children have become who they are, in no small part, through celebrity-inspired identities—the way they do their hair, the way they think about their bodies, their relationships, their aspirations, and certainly their styles. Of course, style is often purchased and accessorized. This means that celebrities and images of them are used moment to moment to help in a personal parade of identity. For this reason, the understanding of the celebrity is much more complex and vital than merely thinking in terms of similar attitudes and behaviors. It's who we are, minute to minute, ad to ad, mall to mall, purchase to purchase (Exhibits 5.36 through 5.39).

Cool. A lot of what advertising is all about is figuring out what is cool, and then injecting that meaning into the brand. What is cool is determined through a social process. Consumers have a great deal of power in this way, because they along with advertisers determine the meaning of cool. Sometimes the last person to know what is cool (or not) is the advertiser. These days some marketers actually go out into various areas known for the hot spot on the cool map (like certain urban settings),

These ads use celebrity in simple and sophisticated ways.

Does this ad successfully capture and project cool onto the brand?

and see what the "kids" are wearing, and doing, and saying. These "coolhunts" are then translated into brands and ads (see Exhibit 5.40).

Race and Ethnicity. Race and ethnicity provide other ways to think about important social groups. Answering the question of how race figures into consumer behavior is very difficult. Our discomfort stems from having, on the one hand, the desire to say, "Race doesn't matter, we're all the same," and on the other hand not wanting (or not being able) to deny the significance of race in terms of reaching ethnic cultures and influencing a wide variety of behaviors, including consumer behavior. The truth is we are less and less sure what *race* is, what it means. Obviously, a person's pigmentation, in and of itself, has almost nothing to do with preferences for one type of product over another. But because race has mattered in culture, it does still matter in consumer behavior. To the extent that race is part of culture, it matters. But it is true that the United States is becoming an increasingly diverse culture (Exhibit 5.41), and the empirical reality does not always conform to stereotypes. But how do we (and should we) deal with this reality?

There probably isn't an area in consumer behavior where research is more inadequate. This is probably because everyone is terrified to discuss it, and because most of the findings we do have are suspect. What is attributed to race is often due to another factor that is itself associated with race. For example, consumer behavior textbooks commonly say something to the effect that African-Americans and Hispanics are more brand loyal than their Anglo counterparts. Data on the frequency of brand switching is offered, and lo and behold, it does appear that white people switch brands more often. But why? Some ethnic minorities live in areas where there are fewer retail choices. When we statistically remove the effect of income dis-

Year	White	Black	Hispanic	Asian	American Indian
1996	194.4 (73.3%)	32.0 (12.1%)	27.8 (10.5%)	9.1 (3.4%)	2.0 (0.7%)
2000	197.1 (71.8%)	33.6 (12.2%)	31.4 (11.4%)	10.6 (3.9%)	2.1 (0.7%)
2010	202.4 (68.0%)	37.5 (12.6%)	41.1 (13.8%)	14.4 (4.8%)	2.3 (0.8%)
2020	207.4 (64.3%)	41.5 (12.9%)	52.7 (16.3%)	18.6 (5.7%)	2.6 (0.8%)
2030	210.0 (60.5%)	45.4 (13.1%)	65.6 (18.9%)	23.0 (6.6%)	2.9 (0.8%)
2040	209.6 (56.7%)	49.4 (13.3%)	80.2 (21.7%)	27.6 (7.5%)	3.2 (0.9%)
2050	207.9 (52.8%)	53.6 (13.6%)	96.5 (24.5%)	32.4 (8.2%)	3.5 (0.9%)

Source: U.S. Census Bureau.

Ethnic diversity in America: projected U.S. population by race in millions (and percentage of total population by race).

parities between white people and people of color, we see that the brand-switching effect often disappears. This suggests that brand loyalty is not a function of race, but of disposable income and shopping options.

But race does inform one's social identity to varying degrees. One is not blind to one's own ethnicity. African-Americans, Hispanics, and other ethnic groups have culturally related consumption preferences. Certain brands become associated with racial or ethnic groups. It is not enough, however, for advertisers to say one group is different from another group, or that they prefer one brand over another simply because they are members of a racial or ethnic category. If advertisers really want a good, long-term relationship with their customers, they must acquire, through good consumer research, a deeper understanding of who their customers are and how this identity is affected by culture, felt ethnicity, and race. In short, advertisers must ask why groups of consumers are different, or prefer different brands, and not settle for an easy answer. It wasn't until the mid to late 1980s that most American corporations made a concerted effort to court African-American consumers, or even to recognize their existence.[22] Efforts to serve the Hispanic consumer have been intermittent and inconsistent. Sample ads directed at diverse audiences are shown in Exhibits 5.42, 5.43, and 5.44.

Gender. Gender is the social expression of sexual biology, sexual choice, or both. Obviously, gender matters in consumption. But are men and women really that different in any meaningful way in their consumption behavior, beyond the obvious?
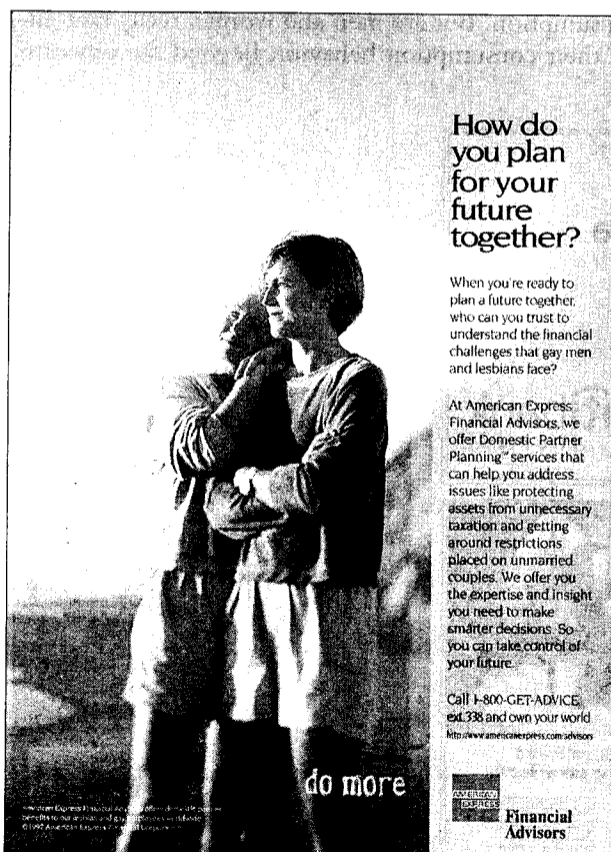

These ads are directed at Hispanics, Asian, and African American consumers.

22.   Jannette L. Dates, "Advertising," in *Split Image: African Americans in the Mass Media*, ed. Jannette L. Dates and William Barlow (Washington, D.C.: Howard University Press, 1990), 421–454.

Again, to the extent that gender informs a "culture of gender," the answer is yes. As long as men and women are the products of differential socialization, then they will continue to be different in some significant ways. There is, however, no definitive list of gender differences in consumption, because the expression of gender, just like anything else social, depends on the situation and the social circumstances. In the 1920s, advertisers openly referred to women as less logical, more emotional, the cultural stewards of beauty.[23] (Some say that the same soft, irrational, emotional feminine persona is still invoked in advertising.) Advertising helps construct a social reality, with gender a predominant feature. Not only is it a matter of conscience and social responsibility to be aware of this construction, but it is good business as well. Advertisers must keep in mind, though, that it's hard to keep the business of people you patronize, insult, or ignore.

Obviously, gender's impact on consumer behavior is not limited to heterosexual men and women. Gay men and lesbians are large and significant markets. Of late, these markets have been targeted by corporate titans such as IBM, United Airlines, and Citibank.[24] Again, these are markets that desire to be acknowledged and served, but not stereotyped and patronized. Exhibits 5.45 and 5.46 are ads directed at lesbian and gay audiences.

EXHIBIT 5.45

EXHIBIT 5.46

Some advertisers are beginning to recognize the advantages of marketing to gay and lesbian consumers. Here, American Express recognizes the special financial challenges faced by lesbian couples.
http://www.american-express.com.

Here, Alizé attempts to represent and appeal to gay consumers.

23. Roland Marchand, *Advertising: The American Dream* (Berkeley: University of California Press, 1984), 25.
24. Laura Koss-Feder, "Out and About: Firms Introduce Gay-Specific Ads for Mainstream Products, Services," *Marketing News,* May 25, 1998, 1, 20.

In the late 1970s, advertisers discovered working women. In the 1980s, marketers discovered African-American consumers, about the same time they discovered Hispanic consumers. Later they discovered Asian-Americans, and just lately they discovered gays and lesbians. Of course, these people weren't missing. They were there all along. These "discoveries" of forgotten and marginalized social groups create some interesting problems for advertisers. Members of these groups, quite reasonably, want to be served just like any other consumers. To serve these markets, consider what Wally Snyder of the American Advertising Federation said:

Advertising that addresses the realities of America's multicultural population must be created by qualified professionals who understand the nuances of the disparate cultures. Otherwise, agencies and marketers run the risk of losing or, worse, alienating millions of consumers eager to buy their products or services. Building a business that "looks like" the nation's increasingly multicultural population is no longer simply a moral choice, it is a business imperative.[25]

Attention and representation without stereotyping from a medium and a genre that is known for stereotyping might be a lot to expect, but it's not that much. Web sites such as Commercial Closet (Exhibit 5.47) offer reviews and opinions on LGBT representation in ads.

Community. **Community** is a powerful and traditional sociological concept. Its meaning extends well beyond the idea of a specific geographic place. Communities can be imagined or even virtual. Community members believe that they belong to a group of people who are similar to them in some important way, and different from those not in the community. Members of communities often share rituals and traditions, and feel some sort of responsibility to one another and the community.

Advertisers are becoming increasingly aware of the power of community. It is important in at least two major ways. First, it is where consumption is grounded, where consumption literally lives. Products have social meanings, and community is the quintessential social domain, so consumption is inseparable from the notion of where we live (actually or virtually). Communities may be the fundamental reference group, and they exhibit a great deal of power. A community may be your neighborhood, or it may be people like you with whom you feel a kinship, such as members of social clubs, other consumers who collect the same things you do, or people who have, use, or admire the same brands you do.

Brand communities are groups of consumers who feel a commonality and a shared purpose grounded or attached to a consumer good or service.[26]

When owners of Doc Martens, Saabs, Mountain Dews, or Saturns experience a sense of connectedness by virtue of their common ownership or usage, a brand community exists. When two perfect strangers stand in a parking lot and act like old friends simply because they both own Saturns, a type of community is revealed. Many of these communities exist online, and some reveal a certain level of brand fanaticism:

Coke is the best drink ever created. . . . And with popularity, the imitators came. These imitators make money, are not as good as the Real Thing, they gained popularity and must be stopped. This is why we must rally around our beverage in its time of need. We cannot see the horrible things pepsico does anymore. It is times these crimes stop.

Join the Coke Army.

—from the Web site of a 16-year-old male in Belgium

Other times, these communities reveal an important and more "mainstream" connection between owners, users or admirers of brands, that with the rise of the Internet, has made these communities and this type of community conversation anything but trivial:

Truth be told, I just "found" this group and I'm a happy little person now that I've found there are other people out there like me that love their Miatas!

—from a WWW Miata user group post

25.   Wally Snyder, "Advertising's Ethical and Economic Imperative," *American Advertising* (Fall 1992), 28.
26.   Albert Muniz, Jr., and Thomas O'Guinn, "Brand Community," *Journal of Consumer Research*, vol. 27 (2001), 412–432.

TODAY'S FEATURED AD

Father & Son

In this "steamy" ad of a different sort, a father joins his son in a sauna and both are wearing just towels.

Father: "So son, tell me how things are going?"

Son: "Going fine, dad."

Father: "Son, I'm worried about you. Can we talk?"

Son: "Go ahead."

Father: "Your mother told me about your boyfriend. (pause...more

LATEST NEWS

See pictures from the Commercial Closet Spring Party/NYC, including singer Ari Gold!

See Commercial Closet Executive Director Michael Wilke in the news on CNN Headline News, Fox News, VH1 and more!

The Commercial Closet board has completed a set of Mainstream Advertising Best Practices for corporations and ad agencies.

To learn more about Gay Marketing...Click Here.

Want to see ways you can help out Commercial Closet? Click here!

Does advertising reinforce gay stereotypes or change them? Commercial Closet

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Good Dancer

Brand: Braun
Company: Gillette Co.
Business Category: Personal Products
Region: Europe

Agency: Lowe Lintas & Partners Worldwide
Year: 1997
Targets: Mainstream
Ad Spotter: Jenni Olson

Themes: Affectionate Displays, All Trans.-Themed Ads, In the Bar, Male Kisses, Surprise, She's a He

AD OVERVIEW

A cute young guy at a club tries dancing with two sexy women, who snub him and walk away.

Then another sexy gal (Los Angeles drag queen Karen Dior, former Miss Gay United States) beckons him to come closer, as she wiggles her busom and his eyes bulge at her beauty. He starts dancing with her and then she says in a deep, male voice, "You're a great dancer."

He turns with the most frightened face when he hears the voice. She flips her hair and there is a closeup on her oversized adam's apple.

He reaches out to rub her face -- checking for stubble, but feeling none -- then smiles in relief. They then move in for a kiss.

The tagline: "Designed to perform better."

This could be looked at in two different ways -- either the guy decided she was in fact a woman with a deep voice and big Adam's apple (which would make for a more negative reaction to his discovery of her masculine traits) or he decides that despite her maleness he can live with the voice and Adam's apple, so long as there's no facial stubble.

A difficult one to categorize, thus a wash into neutral.

Gayness, bisexuality or being transgendered is treated as a non-issue in these commercials. Like people of color are now often shown, gays are included in vignettes and sometimes in the mix of a larger campaign. This may be what the future of gays in commercials will look like: part of a larger whole.

Commercial Closet reviews two ads here. What do you think?

This quote reveals the writer's joy at realizing that there are others out there who get it—who see what this "happy little person" sees in this material object, this car, this brand: Miata. The promise of community—not to be alone, to share appreciation and admiration of something or someone, no matter how odd or inappropriate others feel it to be—is fulfilled in online communities. The language looks much like that of people pleased that they discovered others with the same sexual orientation, the same health problems, or the same religion, in this case a brand and model of car. It is a rewarding and embracing social collective centered on a brand. This should not surprise us too much given how central consumption and branding have become in contemporary society. Brands matter.

Indeed, Saturn's Spring Hill Homecoming, described in the IBP box, is considered a great marketing success story in the area of cultivating brand community. Exhibit 5.48 shows how Saturn reinforces its communal appeal.

Object Meaning and the Social Life of Brands.

Things always stand for other values; and the advertiser is merely making sure the translation is vivid and to the product's advantage.

—Michael Schudson

The entire human record consists of no place where materiality and meaning are strangers. Such a place, such a time, are fictions. So things always have social meaning. But, brands go even further, are particularly marked, and have a special relationship to modern market economies, those economies marked by marketing, advertising and consumption.

—O'Guinn and Muñiz,
Inside Consumption, 2005[27]

The one thing a brand can never be is just a box on the shelf.[28]

—Martin Davidson

GM's Saturn division has been a leader in promoting a sense of community among its owners. In this ad, that sense of community is cultivated through photographs from the Spring Hill Homecoming. Savvy Saturn marketers used the homecoming as a feature in advertising campaigns to show that the bond between Saturn owners and their cars is something special. http://www.saturncars.com

27. Thomas C. O'Guinn and Albert M. Muñiz, Jr., "Consumption Communities" in *Inside Consumption: Frontiers of Research on Consumer Motives, Goals, and Desires,* David Glen Mick and S. Ratneshwar (eds.), New York: Routledge, 2005.
28. Davidson, Martin (1992), "Objects of Desire: How Advertising Works," in Martin Davidson, *The Consumerist Manifesto: Advertising in Postmodern Times,* London: Routledge, 23–60.

The things we buy, the things we consume, have meaning. All consumed objects (in fact, all material things) have sociocultural meaning. They are not just things. Look around you: The things in your home, the things in your room, the things in your car, your car itself, all things material, derive their meaning from society and culture. A Fender is not just a piece of wood with some wires and strings. It is also not just a fine musical instrument. It is an electric guitar. It is a Fender. It is the kind of guitar that Stevie Ray Vaughan, Eric Clapton, Kurt Cobain, Jimi Hendrix, and other famous guitarists have played (Exhibit 5.49). It has a social history. People give it meaning, and history gives it meaning. A tuxedo is not just a coat and pants combo. It is worn on certain social occasions. Paper plates (not even Chinette) are not just plates made of paper. If you serve your guests a fine meal on them, they will notice. A Tag Heuer watch is not just a time-piece; neither is a Timex or a $30 Casio. They all mean something, and this meaning is derived socially. Advertisers try to influence this process. Sometimes they succeed; other times they don't. Just remember, all material things have meaning, as do activities. Smart advertisers must hope to understand relevant and widely shared social meaning in order to get consumers to appreciate their brand.

Coming Together ... Over Saturn

It sounded like a goofy idea: Invite every Saturn owner (about 600,000) to a "homecoming" at the Spring Hill, Tennessee, plant where their cars were "born." After all, who in their right mind would plan their vacation around a remote manufacturing facility? About 44,000 Saturn owners, that's who. Owners came from as far away as Alaska and Taipei; one couple ended up getting married by a United Auto Workers chaplain, with the Saturn president there to give away the bride. Another 100,000 Saturn owners participated in related dealer-sponsored programs all over the United States. Add in the national publicity provided from the news media and ensuing Saturn ads depicting the event, and the idea isn't so goofy anymore. It's a masterful integrated brand promotion campaign that has helped build an allegiance to the Saturn brand that is the envy of the automotive industry.

The genius of the Spring Hill Homecoming (and subsequent ads, such as the one shown in Exhibit 5.49) is that Saturn's primary marketing strategy revolves around strong customer relations and service. The four-day event at the Tennessee plant rewarded customers for their purchase behavior and provided reassurance for new-car shoppers seeking the trust and relationships that allay service-related fears and the general mystery of new-car buying. Saturn's innovative approach is also integral to the overall strategy of its parent company, General Motors: The overwhelming majority of Saturn sales come from previous import owners, and not at the expense of other GM divisions. Actually, Saturn's retention programs just may be the greatest tangible benefit to arise from GM's earth-shaking $5 billion initial investment in the Saturn project.

Sources: "Savvy Companies Hold Customer," *Sales & Marketing Management,* December 1994, 15; Kevin L. Keller, *Strategic Brand Management* (Upper Saddle River, N.J.: Prentice Hall: 1998), 244–245; for an in-depth analysis of Saturn's brand-building programs, see David Aaker, *Building Strong Brands* (New York: Free Press, 1996), ch. 2.

Advertising as Social Text.

Advertising is also a text. It is "read" and interpreted by consumers. You can think of it as being like other texts, books, movies, posters, paintings, and so on. In order to "get" ads, you have to know something of the cultural code, or they would make no sense. In order to really understand a movie, to really get it, you have to know something about the culture that created it. Sometimes when you see a foreign film (even in your native tongue), you just don't quite get all the jokes and references, because you don't possess the cultural knowledge necessary to really effectively "read" the text. So ads are, just like these other forms, **sociocultural texts.** Ads try to turn already meaningful things into things with very special and hyperrealized meaning: carefully projected and crafted meaning concentrated through the mass media. Of course, consumers are free to accept, reject, or adjust that meaning to suit their taste. The advertisers says the thing they are selling is cool. The consumer might say, "No, it isn't," or "Yeah, it is," or "Well, yeah, but not in the way they think." Consumers negotiate the meanings of ads and brands with the advertisers. Ultimately, consumers determine what is or is not cool.

The movement of meaning.

A Fender is not just a guitar.
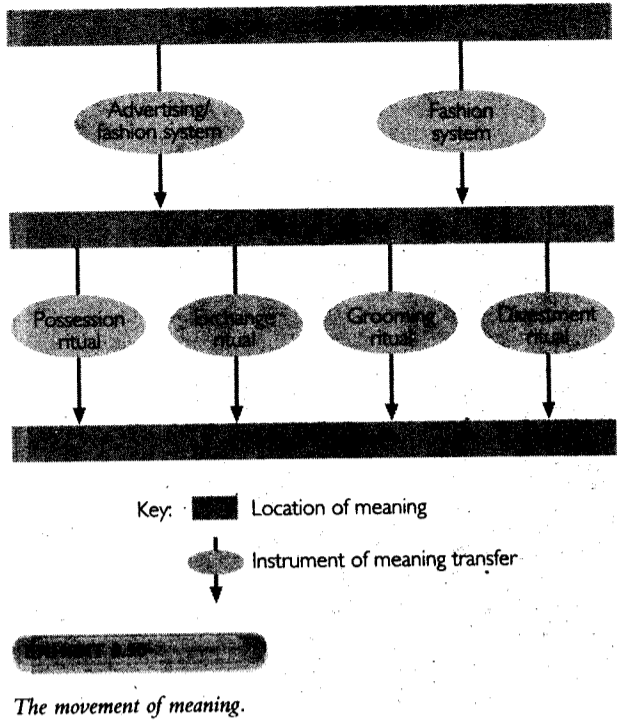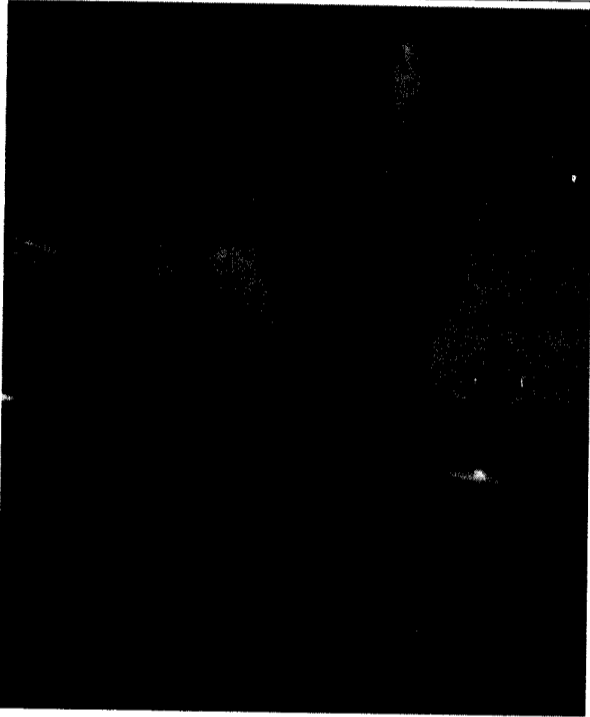
How Ads Transmit Sociocultural Meaning.

Start work in an ad agency and the first thing they teach you is the difference between a product and a brand. That is because it is advertising's job to turn one into another.

—Martin Davidson

That's right: Ads turn products into brands. They do this, in large part, by trying to wrap material objects with a certain meaning—a meaning that comes from culture. The link between culture and advertising is key. Anthropologist Grant McCracken has offered the model in Exhibit 5.50 to explain how advertising (along with other cultural agents) functions in the transmission of meaning. To understand advertising as a mechanism of cultural meaning transfer is to understand a great deal about advertising. In fact, one could legitimately say that advertisers are really in the meaning-transfer business.

Think about McCracken's model as you examine the ad for Johnston and Murphy in Exhibit 5.51. The product—in this case, shoes—exists "out there" in the culturally constituted world, but it needs advertising to link it to certain social representations, certain slices of life. The advertiser places the advertised product and the slice of social life in an ad to get the two to rub off on each other, to intermingle, to become part of the same social scene. In other words, the product is given social meaning by being placed within an ad that represents an idealized context. This slice of life, of course, is the type of social setting in which potential customers might find,

You've got a life.   We've got a style.

JOHNSTON &-MURPHY

A Johnston & Murphy shoe is not just any shoe. One goal of this advertisement is to create a special meaning for this brand of men's shoes. http://www.johnstonmurphy.com

or desire to find, themselves. According to McCracken's model, meaning has moved from the world to the product (shoes) by virtue of its sharing space within the frame of the advertisement. When advertisers put things within the frame of an ad, they want the reader of the ad to put them together seamlessly, to take them together as part of each other. When a consumer purchases or otherwise incorporates that good or service into his or her own life, the meaning is transferred to the individual consumer. Meaning is thus moved from the world to the product (via advertising) to the individual. When the individual uses the product, that person conveys to others the meaning he or she and the advertisement have now given it. Their use incorporates various rituals that facilitate the movement of meaning from good to consumer.

Ads also become part of consumers' everyday landscape, language, and everyday reality. Characters, lines, and references all become part of conversations, thoughts, and—coming full circle—the culture. Children, coworkers, family members, and talk-show hosts all pick up things from ads, and then replay them, adapt them, and recirculate them just like things from movies, books, and other texts. Ads, in many ways, don't exist just within the sociocultural context; they are the sociocultural context of our time (Exhibit 5.52 is a particularly poignant example). If you want to do well in the real ad world, it's a very good idea to understand that.

The Berlin Wall is now a place for ads.

Abercrombie & Fitch's Controversial Advertising and Promotion

Abercrombie & Fitch uses advertising and brand promotion aimed at a younger market. We're sure you are familiar with them. Their advertising and IBP efforts have raised the ire of consumer activist groups and regulators. The controversial approach may work for Abercrombie & Fitch; it certainly generates free publicity.

Abercrombie & Fitch actually sells its catalogs—the 2003 Christmas catalog, titled "280 pages of Moose, Ice Hockey, Chivalry, Group Sex & More," sold for $7. The catalog features ripped and stained jeans for $69.50, men's boxer shorts for $14.50, and women's boxer shorts for $19.50.

It seems that those upset with Abercrombie & Fitch don't like the party attitude and the skin.

Maybe they're not in the target market.

- Does this advertising and IBP hurt anyone?
- Does it diminish morality in any significant way?
- How do you think it plays in "blue" vs. "red" states?
- Should it be banned or heavily regulated?
- Should this be protected free as free speech?
- Do you care?

SUMMARY

Describe the four basic stages of consumer decision making.

Advertisers need a keen understanding of their consumers as a basis for developing effective advertising. This understanding begins with a view of consumers as systematic decision makers who follow a predictable process in making their choices among products and brands. The process begins when consumers perceive a need, and it proceeds with a search for information that will help in making an informed choice. The search-and-evaluation stage is followed by purchase. Postpurchase use and evaluation then become critical as the stage in which customer satisfaction is ultimately determined.

Explain how consumers adapt their decision-making processes as a function of involvement and experience.

Some purchases are more important to people than others, and this fact adds complexity to any analysis of consumer behavior. To accommodate this complexity, advertisers often think about the level of involvement that attends any given purchase. Involvement and prior experience with a product or service category can lead to four diverse modes of consumer decision making. These modes are extended problem solving, limited problem solving, habit or variety seeking, and brand loyalty.

Discuss how advertising may influence consumer behavior through its effects on various psychological states.

Advertisements are developed to influence the way people think about products and brands. More specifically, advertising is designed to affect consumers' beliefs and brand attitudes. Advertisers use multi-attribute attitude models to help them ascertain the beliefs and attitudes of target consumers. However, consumers have perceptual defenses that allow them to ignore or distort most of the commercial messages to which they are exposed. When consumers are not motivated to thoughtfully process an advertiser's message, it may be in that advertiser's best interest to feature one or more peripheral cues as part of the message.

Discuss the interaction of culture and advertising.

Advertisements are cultural products, and culture provides the context in which an ad will be interpreted. Advertisers who overlook the influence of culture are bound to struggle in their attempt to communicate with the target audience. Two key concepts in managing the impact of culture are values and rituals. Values are enduring beliefs that provide a foundation for more-transitory psychological states, such as brand attitudes. Rituals are patterns of behavior shared by individuals from a common culture. Violating cultural values and rituals is a sure way to squander advertising dollars.

Discuss the role of sociological factors in consumer behavior and advertising response.

Consumer behavior is an activity that each of us undertakes before a broad audience of other consumers. Advertising helps the transfer of meaning. Reference groups of various types have a dramatic influence on the consumption behavior of their individual members. Gender, ethnicity, and race are important influences on consumption. Who consumers are—their identity—is changeable; consumers can change aspects of who they are rapidly and frequently through what they buy and use. Celebrities are particularly important in this regard.

Discuss how advertising transmits sociocultural meaning.

Advertising transfers a desired meaning to the brand by placing them within a carefully constructed social world respresented in an ad, or "slice of life." The advertiser paints a picture of the ideal social world, with all the meanings they want to impart to their brand. Then, the brand is carefully placed in that picture, and the two (the constructed social world and the brand) rub off on each other, becoming a part of each other. Meaning is thus transferred from the carefully constructed social world within the ad to the brand.

KEY TERMS

consumer behavior
need state
functional benefits
emotional benefits
internal search
external search
consideration set
evaluative criteria
customer satisfaction
cognitive dissonance
involvement
extended problem solving
limited problem solving
habit
variety seeking

brand loyalty
attitude
brand attitudes
beliefs
salient beliefs
multi-attribute attitude models
   (MAAMs)
cognitive consistency
advertising clutter
selective attention
cognitive responses
elaboration likelihood model (ELM)
peripheral cues
movement of meaning
culture

values
rituals
stratification (social class)
taste
reference group
membership groups
aspirational groups
intergenerational effect
life-stage
celebrity
gender
community
brand communities
global consumer culture
sociocultural text

QUESTIONS

1. When consumers have a well-defined consideration set and a list of evaluative criteria for assessing the brands in that set, they in effect possess a matrix of information about that category. Drawing on your experiences as a consumer, set up and fill in such a matrix for the category of fast-food restaurants.

2. Is cognitive dissonance a good thing or a bad thing from an advertiser's point of view? Explain how and why advertisers should try to take advantage of the cognitive dissonance their consumers may experience.

3. Most people quickly relate to the notion that some purchasing decisions are more involving than others. What kinds of products or services do you consider highly involving? What makes these products more involving from your point of view?

4. Explain the difference between brand-loyal and habitual purchasing. When a brand-loyal customer arrives at a store and finds her favorite brand out of stock, what would you expect to happen next?

5. Describe three attitude-change strategies that could be suggested by the results of a study of consumer behavior using multi-attribute attitude models. Provide examples of different advertising campaigns that have employed each of these strategies.

6. Watch an hour of prime-time television and for each commercial you see, make a note of the tactic the advertiser employed to capture and hold the audience's attention. How can the use of attention-attracting tactics backfire on an advertiser?

7. What does it mean to say that culture is invisible? Explain how this invisible force serves to restrict and control the activities of advertisers.

8. Give three examples of highly visible cultural rituals practiced annually in the United States. For each ritual you identify, assess the importance of buying and consuming for effective practice of the ritual.

9. Are you a believer in the intergenerational effect? Make a list of the brands in your cupboards, refrigerator, and medicine cabinet. Which of these brands would you also expect to find in your parents' cupboards, refrigerator, and medicine cabinet?

10. "In today's modern, highly educated society, there is simply no reason to separate men and women into different target segments. Gender just should not be an issue in the development of marketing and advertising strategies." Comment.

1. Create a list of three products or services to which you are brand-loyal. For each, explain why you have highly favorable attitudes toward the brand and consciously seek to buy it whenever you make a purchase from that product category. Describe what factors could cause you to change your loyalty and switch to a competing brand.

2. Visit a friend or family member and identify the types of products they use. Examine apparel, bath and personal care products, foods and beverages, or any other product category of your choosing. Based on what you've learned about consumption contexts, describe what their preferred products reveal about their values and rituals. Be sure to identify how their consumer

choices are related to concepts such as stratification, cultural capital, reference groups, cool, race and ethnicity, and gender. Based on your analysis, suggest two or three new brands that your friend might be inclined to try out or use on a regular basis, and support your reasoning.

3. Find ads that address the following four modes of decision making: extended problem solving, limited problem solving, habit or variety seeking, and brand loyalty. Explain why each ad fits with that particular decision-making mode and state whether you think the ad is effective in persuading consumers. Be sure to include the concepts of involvement and prior experience in your answer.

5-1 Comparison Shopping: Evaluating Prices and Products

Once a consumer has recognized a need, a process is set in motion involving an extensive product-information search and a careful evaluation of alternatives prior to purchase. Consumers usually conduct searches by comparison shopping, choosing between brands in a certain product category as they focus in on individual product attributes. In the real world, this information search and evaluation takes place in an interactive environment where consumers can consult the opinions of others as well as test products. But how does this process take place on the Web? Hundreds of sites have emerged on the Internet to aid consumers, re-creating the real-world decision-making process on the Web.

Epinions: http://www.epinions.com

mySimon: http://www.mysimon.com

1. Briefly describe the purpose of these sites. How are they similar? How are they different?

2. Do these sites help consumers with an internal search or an external search? What's the difference between the two? Can an internal search be conducted online? Explain.

3. Compare online product evaluation with the traditional brick-and-mortar evaluation process. What advantage does each have in terms of convenience and usefulness?

5-2 Two Perspectives on Consumer Behavior

This chapter attempts to explain consumer behavior from two basic perspectives. The consumer can be understood as a decision maker walking through a logical process of analyzing needs and evaluating products to meet those needs at the cost-to-rewards level of consciousness. Another valuable perspective views the consumer as a product of social surroundings and forces that invariably lead to the purchase of products consistent with that consumer's culture, values, and beliefs. While no single perspective can fully explain the complicated and multifaceted phenomenon of consumer behaviors, these broad perspectives help advertisers create ads that are more likely to be effective in promoting brands and persuading audiences.

URB1: http://www.urb1.com

CCS: http://www.ccs.com

1. Describe the characteristics of these two shopping sites. Which of the two perspectives on consumer behavior do they appear to represent?

2. Describe the role of values and rituals as they relate to the consumer culture of URB1 and CCS. How do advertisers accommodate—and even create—sociocultural consumption contexts to benefit the promotion of brands?

3. What is cultural capital and why is it important to advertisers? Explain the role of membership groups and aspirational groups in creating cultural capital. Give a real-world example of this from one of these sites.

Introductory Scenario: Finding More Wet Shavers.

It would be fair to say that executives at The Gillette Company in Boston, Massachusetts, have become prisoners of their own success. King C. Gillette invented the safety razor in 1903, and since that time male grooming habits and the "wet shave" have been the company's obsession. Few companies can demonstrate the growth rates and global success that Gillette achieved in the 20th century. By the end of the century Gillette was able to claim that roughly two-thirds of all wet shaves around the world involved one of its razors, and that the company's profit growth was averaging nearly 15 percent annually.[1] Its advertising slogan—"Gillette: The Best a Man Can Get"—and products such as its SensorExcel and Mach3 shaving systems were ubiquitous. Thus, the challenge for Gillette executives was how to maintain their company's success at growing sales and profits around the world. They could keep introducing more expensive (and more profitable) shaving systems like the Mach3, and try to reach every last wet-shaving male on the face of the planet, but at some point they literally would run out of new faces.

Many companies large and small share Gillette's problem: How do you keep growing when there are always natural limits to growth? Or, how do you keep growing in the face of effective competitors who also want to grow just as much as you do? Companies anticipate and address this problem through a process we will refer to as STP marketing. It is a critical process from an advertising standpoint because it leads to decisions about *who* we need to advertise to, and *what* value proposition we will want to present to them.

To find sources for new growth, Gillette would need to identify new markets—someone other than wet-shaving males—to target with its new products and advertising campaigns. To make a long story short, Gillette decided to target wet-shaving females. The quintessential male-focused company would finally devote some of its considerable resources to address the unique shaving needs of women. And not just men's razors with pink handles (like the Daisy disposable razor, a failed Gillette product in the mid-1970s), but a complete line of products developed by women for women.

In effect, Gillette had discovered women as a focal point for its considerable marketing and advertising efforts. But not all women; more specifically, Gillette would emphasize women in the 15-to-24-year-old range—a new target segment for Gillette. The thinking was that winning over youthful, wet-shaving females would create customers for life. Additionally, Gillette had the global marketplace in mind when it launched its "Gillette for Women: Are You Ready?" campaign. While women around the world are less likely to remove body hair than their counterparts in the United States, younger women worldwide are most receptive to the idea. Gillette set out to tap the growth potential represented by the target segment of 15-to-24-year-old females around the world.

The program Gillette launched for these young women was multifaceted. It started with the Sensor shaving system for women, created by a female industrial designer, which featured a flat, wafer-shaped handle to give women better control while shaving. Other products followed, such as a high-end disposable razor named Agility and a line of shaving creams and after-shave products marketed under the brand name Satin Care. More money was allocated for global ad campaigns featuring ads such as those shown in Exhibits 6.1 and 6.2. This advertising, with the theme "Gillette for Women: Are You Ready?" was based on market research showing that most women perceive shaving as a nuisance or chore. Hence, they treat razors as a

1. Mark Maremont, "Gillette Finally Reveals Its Vision of the Future, and It Has 3 Blades," *Wall Street Journal*, April 14, 1998, A1, 10.

This was one of the first ads featured in Gillette's aggressive marketing program to young women. As suggested by the ad, most of each year's ad budget was concentrated on the peak season—summertime.
http://www.gillette.com

Gillette marketing executives were intent on elevating the role of shaving from the practical realm to the emotional realm. Would you agree that emotional benefits are promised by this ad? http://www.gillette.com
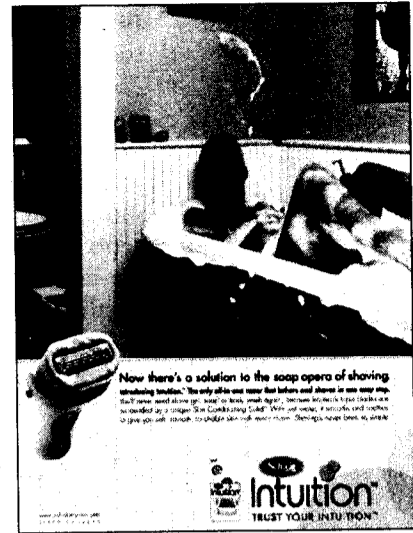
Here we see Schick zig to counteract Gillette's zag. Recall that Gillette wanted to take wet shaving for women to a new, emotional realm. Schick's point of emphasis in more about function and simplicity. With this all-in-one razor, shaving's never been so simple. So, trust your intuition! http://www.schickintuition.com

commodity item and are satisfied with inexpensive disposables. Gillette's advertising was designed to make this routine grooming chore more important and more glamorous, and, in the words of Gillette's VP of female shaving, "elevate the role of shaving beyond the practical to a more emotional realm."[2]

By targeting wet-shaving young women, Gillette executives found a way to keep the company's sales and profits growing. This success convinced Gillette management that distinctive brands just for females were critical to the future of the company, and product development efforts were intensified to perfect the wet shave for women. More new product launches followed, including Venus, Venus Passion, and Venus Divine.[3] In addition, in perhaps the clearest indicator of Gillette's success, archrival Schick launched its own version of a wet-shaving system for women. The Schick Intuition is an all-in-one product with three blades embedded in a skin conditioner. As suggested by Exhibit 6.3, Intuition was designed to take the soap opera out of shaving. The simple fact that Schick was willing to devote $120 million on advertising to launch Intuition tells us that Gillette got it right when they decided to target wet-shaving women around the world.[4]

① STP Marketing and the Evolution of Marketing Strategies.

The Gillette example illustrates the process that marketers use to decide whom to advertise to and what to say in that advertising. Gillette executives started with the diverse market of all women, and they broke the market down by age segments. They then selected 15-to-24-year-old females as their target segment. The

2. Mark Maremont, "Gillette's New Strategy Is to Sharpen Pitch to Women," *Wall Street Journal,* May 11, 1998, B1, B16.
3. Charles Forelle, "Schick Seeks Edge with Four-Blade Razor," *Wall Street Journal,* August 12, 2003, B1, B9.
4. Suzanne Vranica, "Schick Challenges Gillette with $120 Million Campaign," *Wall Street Journal,* April 7, 2003, A18.

target segment is the subgroup (of the larger market) chosen as the focal point for the marketing program and advertising campaign.

While markets are segmented, products are positioned. To pursue the target segment, a firm organizes its marketing and advertising efforts around a coherent positioning strategy. **Positioning** is the process of designing and representing one's product or service so that it will occupy a distinct and valued place in the target consumer's mind. **Positioning strategy** involves the selection of key themes or concepts that the organization will feature when communicating this distinctiveness to the target segment. In Gillette's case, its executives first designed a line of products for the youthful female wet-shaver. They then came up with the positioning theme "Gillette for Women: Are You Ready?" to clearly distinguish this new line from their traditional male-oriented shaving systems. Finally, through skillful advertising, they communicated distinctive functional and emotional benefits to the target segment.

Notice the specific sequence, illustrated in Exhibit 6.4, that was played out in the Gillette example: The marketing strategy evolved as a result of *segmenting, targeting,* and *positioning.* This sequence of activities is often referred to as **STP marketing,** and it represents a sound basis for generating effective advertising.[5] While no formulas or models guarantee success, the STP approach is strongly recommended for markets characterized by diversity in consumers' needs and preferences. In markets with any significant degree of diversity, it is impossible to design one product that would appeal to everyone, or one advertising campaign that would communicate with everyone. Organizations that lose sight of this simple premise often run into trouble.

Indeed, in most product categories one finds that different consumers are looking for different things, and the only way for a company to take advantage of the sales potential represented by different customer segments is to develop and market a different brand for each segment. No company has done this better than cosmetics juggernaut Estée Lauder. Lauder has more than a dozen cosmetic brands, each developed for a different target segment.[6] For example, there is the original Estée

EXHIBIT 6.4

Laying the foundation for effective advertising campaigns through STP marketing.

Segmenting

Targeting

Choosing specific segments as the focal point for marketing efforts
Gillette's target segment: females, 15–24, worldwide

Positioning

Aligning the marketing mix to yield distinctive appeal for the target segment
Gillette's positioning: a new product line designed by women for women; advertising theme—"Gillette for Women: Are You Ready?"
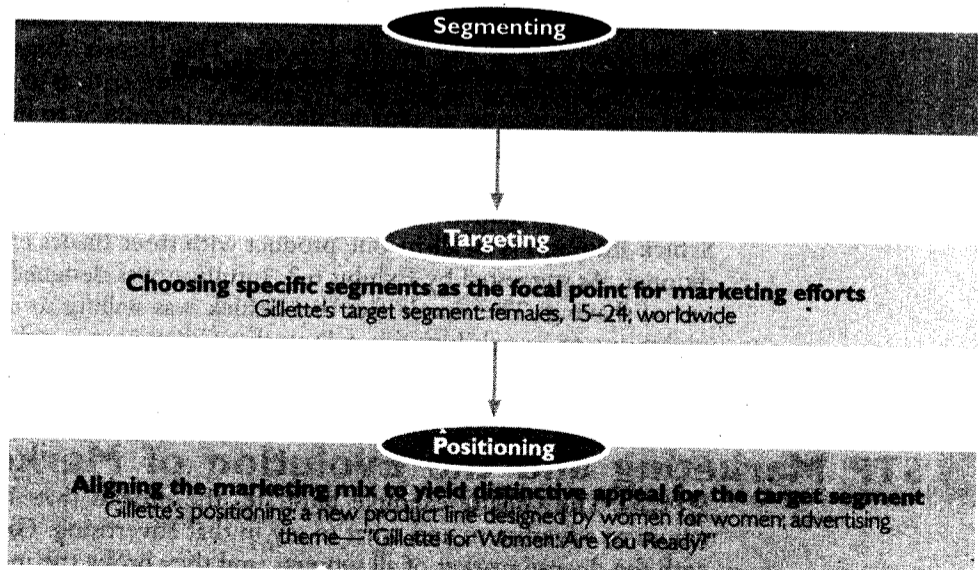
5.   For a more extensive discussion of STP marketing, see Philip Kotler, *Marketing Management* (Upper Saddle River, N.J.: Prentice Hall, 2003), ch. 10, 11.

6.   Nina Munk, "Why Women Find Lauder Mesmerizing," *Fortune,* May 25, 1998, 96–106.

Lauder brand, for women with conservative values and upscale tastes. Then there is Clinique, a no-nonsense brand that represents functional grooming for Middle America. Bobbi Brown is for the working mom who skillfully manages a career and her family and manages to look good in the process. M.A.C. is a brand for those who want to make a bolder statement: its spokespersons have been RuPaul, a 6-foot-7-inch drag queen, and k. d. lang, the talented lesbian vocalist. Prescriptives is marketed to a hip, urban, multiethnic target segment, and Origins, with its earthy packaging and natural ingredients, is for consumers who are concerned about the environment. These are just some of the cosmetics brands that Estée Lauder has marketed to appeal to diverse target segments. You can check out their entire lineup at http://www.elcompanies.com.

We offer the Estée Lauder example to make two key points before we move on. First, the Gillette story about wet-shavers may have made things seem too simple: STP marketing is a lot more complicated than just deciding to target women or men. Gender alone is rarely specific enough to serve as a complete identifier of a target segment. Second, the cosmetics example shows that many factors beyond just age and gender can come into play when trying to identify valid target segments. For these diverse cosmetics brands we see that considerations such as attitudes, lifestyles, and basic values all may play a role in identifying and describing customer segments.

To illustrate these points, examine the two ads in Exhibits 6.5 and 6.6. Both of these ads ran in *Seventeen* magazine, so it is safe to say that in each case the advertiser

The U.S. Armed Forces, including the Marines, are very aggressive and sophisticated advertisers. Here the Marines direct a message to basically the same target segment (from an age and gender standpoint) that was the focal point in Gillette's "Are You Ready?" campaign. http://www.usmc.mil
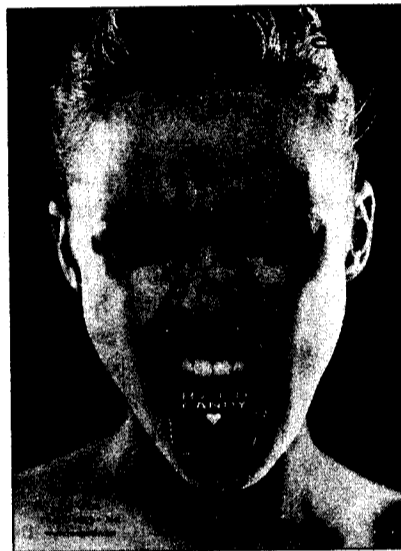
Hard Candy comes by its hip style perhaps in large part because of its uninhibitedly energetic founding by Gen-Xer Dineh Mohajer, who was unhappy with the choices traditional cosmetics firms offered her and her market demographic (http://www.hardcandy.com). There must be something in that California air. Internet technology company Cisco co-founder Sandy Lerner created Urban Decay (http://www .urbandecay.com)—another alternative for the fashion-mad—out of a similar dissatisfaction with the offerings of companies like Lancôme (http:// www .lancome.com).

was trying to reach adolescent females. But as you compare these exhibits, it should be pretty obvious that the advertisers were really trying to reach out to very different segments of adolescent females. To put it bluntly, it is hard to imagine a marine captain wearing Hard Candy lip gloss. These ads were designed to appeal to different target segments, even though the people in these segments would seem the same if we considered only their age and gender.

Beyond STP Marketing. If an organization uses STP marketing as its framework for strategy development, at some point it will find the right strategy, develop the right advertising, make a lot of money, and live happily ever after. Right? As you might expect, it's not quite that simple. Even when STP marketing yields profitable outcomes, one must presume that success will not last indefinitely. Indeed, an important feature of marketing and advertising—a feature that can make these professions both terribly interesting and terribly frustrating—is their dynamic nature. To paraphrase a popular saying, shifts happen—consumer preferences shift. Competitors improve their marketing strategies, or technology changes and makes a popular product obsolete. Successful marketing strategies need to be modified or may even need to be reinvented as shifts occur in the organization's competitive environment.

To maintain the vitality and profitability of its products or services, an organization has two options. The first entails reassessment of the segmentation strategy. This may come through a more detailed examination of the current target segment to develop new and better ways of meeting its needs, or it may be necessary to adopt new targets and position new products to them, as was the case with Gillette for Women.

The second option is to pursue a product differentiation strategy. As defined in Chapter 1, product differentiation focuses the firm's efforts on emphasizing or even creating differences for its brands to distinguish them from the offerings of established competitors. Advertising plays a critical role as part of the product differentiation strategy because often the consumer will have to be convinced that the intended difference is meaningful. For example, Schick's response to Gillette's Mach3 Turbo was the Schick Quattro, with, you guessed it, four blades instead of three. But does that fourth blade really deliver a better shave? How could it be better than The Best a Man Can Get? Following a product differentiation strategy, the role for Schick's advertising is to convince the wet-shaving male that that fourth blade is essential for a close shave. And if they succeed, can the Gillette Mach5 Super Turbo be far behind?

The basic message is that marketing strategies and the advertising that supports them are never really final. Successes realized through proper application of STP marketing can be short-lived in highly competitive markets where any successful innovation is almost sure to be copied or "one-upped" by competitors. Thus, the value creation process for marketers and advertisers is continuous; STP marketing must be pursued over and over again and may be supplemented with product differentiation strategies.

Virtually every organization must compete for the attention and business of some customer groups while de-emphasizing or ignoring others. In this chapter we will examine in detail the way organizations decide whom to target and whom to ignore in laying the foundation for their marketing programs and advertising campaigns. The critical role of advertising campaigns in executing these strategies is also highlighted.

Identifying Target Segments.
The first step in STP marketing involves breaking down large, heterogeneous markets into more manageable submarkets or customer segments. This activity is known as **market segmentation.** It can be accom-

plished in many ways, but keep in mind that advertisers need to identify a segment with common characteristics that will lead the members of that segment to respond distinctively to a marketing program. For a segment to be really useful, advertisers also must be able to reach that segment with information about the product. Typically this means that advertisers must be able to identify the media the segment uses that will allow them to get an advertising message to the segment. For example, teenage males can be reached through media such as MTV; selected rap, contemporary rock, or alternative radio stations; and the Internet. The favorite syndicated TV show among highly affluent households (i.e., annual household income over $100,000) is *Seinfeld,* making it a popular choice for a host of advertisers.

In this section we will review several ways that consumer markets are commonly segmented. Markets can be segmented on the basis of usage patterns and commitment levels, demographic and geographic information, psychographics and lifestyles, or benefits sought. Many times, segmentation schemes evolve in such a way that multiple variables are used to identify and describe the target segment. Such an outcome is desirable because more knowledge about the target will usually translate into better marketing and advertising programs.

Usage Patterns and Commitment Levels.

One of the most common ways to segment markets is by consumers' usage patterns or commitment levels. With respect to usage patterns, it is important to recognize that for most products and services, some users will purchase much more frequently than others. It is common to find that **heavy users** in a category account for the majority of a product's sales and thus become the preferred or primary target segment. For example, Campbell Soup Company discovered what it refers to as its extra-enthusiastic core users: folks who buy nearly 320 cans of soup per year.[7] That's enough soup to serve Campbell's at least six days a week every week. To maintain this level of devotion to the product, standard marketing thought holds that it is in Campbell's best interest to know these heavy users in great detail and make them a focal point of the company's marketing strategy.

While being the standard wisdom, the heavy-user focus has some potential downsides. For one, devoted users may need no encouragement at all to keep consuming. In addition, a heavy-user focus takes attention and resources away from those who do need encouragement to purchase the marketer's brand. Perhaps most important, heavy users may be significantly different in terms of their motivations to consume, their approach to the product, or their image of the product.

Another segmentation option combines prior usage patterns with commitment levels to identify four fundamental segment types—brand-loyal customers, switchers (or variety seekers), nonusers, and emergent consumers.[8] Each segment represents a unique opportunity for the advertiser. **Nonusers** offer the lowest level of opportunity relative to the other three groups. **Brand-loyal users** are a tremendous asset if they are the advertiser's customers, but they are difficult to convert if they are loyal to a competitor.

Switchers, or **variety seekers,** often buy what is on sale or choose brands that offer discount-coupons or other price incentives. Whether they are pursued through price incentives, high-profile advertising campaigns, or both, switchers turn out to be a costly target segment. Much can be spent in getting their business merely to have it disappear just as quickly as it was won.

Emergent consumers, however, offer the organization an important business opportunity. In most product categories, there is a gradual but constant influx of

7.   Rebecca Piirto, *Beyond Mind Games: The Marketing Power of Psychographics* (Ithaca, N.Y.: American Demographics Books, 1991), 230.
8.   Further discussion of this four-way scheme is provided by David W. Stewart, "Advertising in Slow-Growth Economies," *American Demographics* (September 1994), 40–46.

Show your Wildcat-ness.

Show your Wildcat pride every time you write a check with Wildcat Checking — only from Wells Fargo Bank. It comes complete with exclusive Wildcat checks and checkbook cover. Plus, you get your very own Wildcat beanbag mascot and you help support the UofA Athletic Scholarship Fund.

Stop by your nearest Wells Fargo Bank and get Wildcat Checking. Show your Wildcat spirit with every check you write.

Exhibit 6.7

Emergent consumers represent an important source of long-term opportunity for many organizations. Have you ever thought of yourself as an emergent consumer? http://www.wellsfargo.com

first-time buyers. The reasons for this influx vary by product category and include purchase triggers such as puberty, college graduation, marriage, a new baby, divorce, job promotions, and retirement. Immigration can also be a source of numerous new customers for many product categories, and, as indicated by the Global box, companies could learn a lot from Western Union with respect to courting immigrants around the world. Generation X also attracted the attention of marketers and advertisers because it was a large group of emergent adult consumers. But inevitably, Generation X lost its emergent status and was replaced by a new age cohort—you guessed it, Generation Y—who took their turn as advertisers' darlings.[9]

Emergent consumers are motivated by many different factors, but they share one important characteristic: Their brand preferences are still under development. Targeting emergents with messages that fit their age or social circumstances may produce modest effects in the short run, but it eventually may yield a brand loyalty that pays handsome rewards for the discerning organization. Of course, this was part of Gillette's rationale in targeting youthful females. As another example, banks actively recruit college students who have limited financial resources in the short term, but excellent potential as long-term customers. Exhibit 6.7 shows an ad from Wells Fargo Bank with an appeal to emergent consumers at the University of Arizona.

Demographic Segmentation. **Demographic segmentation** is widely used in selecting target segments and includes basic descriptors such as age, gender, race, marital status, income, education, and occupation (see the array of possibilities at http://www.factfinder.census.gov). Demographic information has special value in market segmentation because if an advertiser knows the demographic characteristics of the target segment, choosing media to efficiently reach that segment is much easier.

Demographic information has two specific applications. First, demographics are commonly used to describe or profile segments that have been identified with some other variable. If an organization had first segmented its market in terms of product usage rates, the next step would be to describe or profile its heavy users in terms of demographic characteristics such as age or income. In fact, one of the most common approaches for identifying target segments is to combine information about usage patterns with demographics.

Mobil Oil Corporation used such an approach in segmenting the market for gasoline buyers and identified five basic segments: Road Warriors, True Blues, Generation F3, Homebodies, and Price Shoppers.[10] Extensive research on more than 2,000 motorists revealed considerable insight about these five segments. At one extreme, Road Warriors spend at least $1,200 per year at gas stations; they buy premium gasoline and snacks and beverages and sometimes opt for a car wash. Road Warriors are generally more affluent, middle-aged males who drive 25,000 to 50,000

9.   Bonnie Tsui, "Generation Next," *Advertising Age,* January 15, 2001, 14, 16.
10.   Allanna Sullivan, "Mobil Bets Drivers Pick Cappuccino over Low Prices," *Wall Street Journal,* January 30, 1995, B1.

miles per year. (Note how Mobil combined information about usage patterns with demographics to provide a detailed picture of the segment.) In contrast, Price Shoppers spend no more than $700 annually at gas stations, are generally less affluent, rarely buy premium, and show no loyalty to particular brands or stations. In terms of relative segment sizes, there are about 25 percent more Price Shoppers on the highways than Road Warriors. If you were the marketing vice president at Mobil, which of these two segments would you target? Think about it for a few pages—we'll get back to you.

GLOBAL ISSUES

Nothin' Says Lovin' Like a Money-Gram!

Western Union Financial Services is best known for helping people move money quickly when they find themselves in a tight squeeze. But recently they discovered that their electronic money transfers are often associated with significant emotional episodes for families with loved ones in another country. In a strategy reminiscent of Gillette's outreach to wet-shaving females, Western Union decided to take the money transfer business from a purely functional to a more emotional realm. As part of its new global campaign, Western Union revised its positioning strategy from "The Fastest Way to Send Money" to "Uniting People with Possibilities." Note the change from functional to emotional.

Two new TV spots created for the $300 million dollar campaign relied on visual metaphors to symbolize the act of reaching out to a loved one. One showed a Latino café owner sending a flock of lemon-yellow birds to a daughter moving into a new apartment. Another used a beam of light leaping from the laptop of an African-American man across a continent to the college graduation ceremony of his brother. In each of these cases Western Union and its agency J. Walter Thompson hopes the symbolism in the ads will be "translated" the same way by people all over the world.

$300 million sounds like a lot, but goes fast when pursuing markets the size of North America, China, India, and the Ukraine. Fortunately, Western Union has another key asset that will assist in making the new positioning strategy resonate at the local level in diverse cultures. It will rely on its 50,000 agents in the U.S. and Canada along with 100,000 agents in other key markets to bring the new strategy to life. "Uniting People with Possibilities" is a strong promise, and with 150,000 agents around the world, it is a promise that Western Union is uniquely equipped to fulfill.

Source: Brian Steinberg, "Western Union to Court Immigrants," *Wall Street Journal*, May 2, 2003, B2.

Second, demographic categories are used frequently as the starting point in market segmentation. This was the case in the Gillette example, where teenage females turned out to be the segment of interest. Demographics will also be a major consideration in the tourism industry, where families with young children are often the marketer's primary focus. For instance, the Bahamian government launched a program to attract families to their island paradise. But instead of reaching out to mom and dad, Bahamian officials made their appeal to kids by targeting the 2-to-11-year-old viewing audience of Nickelodeon's cable television channel.[11] Marketing to and through children is always complex, and as we saw in Chapter 4, is often controversial as well. The IBP box offers some guidelines for approaching young consumers in a professional manner.

Another demographic group that is receiving renewed attention from advertisers is the "woopies," or well-off older people. In the United States, consumers over 50 years old control two-thirds of the country's wealth, around $28 trillion. The median net worth of households headed by persons 55 to 64 is 15 times larger than the net worth for households headed by a person under age 35. Put in simple terms, for most people age 20, $100 is a lot of money. For woopies, $100 is change back from the purchase of a $10,000 home theatre system. Marketers such as Ford, Sony, Target, Anheuser-Busch, Walt Disney, and Virgin Entertainment Group are all reconsidering their product offerings with woopies in mind.[12] And, by 2025, the number of people over 50 will grow by 80 percent to become a third of the U.S. population. Growth in the woopie segment will also be dramatic in other countries, such as Japan and the nations of Western Europe. Still, like any other age segment, older consumers are a diverse group, and the temptation to stereotype must

11.   Sally Beatty, "Nickelodeon Sets $30 Million Ad Deal with the Bahamas," *Wall Street Journal*, March 14, 2001, B6.
12.   Kelly Greene, "Marketing Surprise: Older Consumers Buy Stuff, Too," *Wall Street Journal*, April 6, 2004, A1, A12.

be resisted. Some marketers advocate partitioning older consumers into groups aged 50–64, 65–74, 75–84, and 85 or older, as a means of reflecting important differences in needs. Still, more thorough knowledge of this population is clearly needed.

Take Special Care with Promotions to Kids

Kids' discretionary income grows as societies become more affluent. Kids also exert significant influence in purchasing decisions made by moms, dads, grandmas, grandpas, aunts, uncles, and so forth and so on. When you add it all up, kids either control or influence the expenditure of hundreds of billions of dollars every year. So it is logical that in many instances, tykes, tweens, and/or teens are identified as primary target markets for planning special promotions. When targeting kids for special promotions, here are three good principles to live by.

- **Play by their tools.** When targeting a generation that takes computers, high-tech video games, and the Internet for granted, marketers must learn how to play by their tools. This will usually mean incorporating the Internet as part of the promotion. For example, even a low-tech baseball card giveaway can be moved to the Internet. Skippy peanut butter developed such a promotion featuring its baseball star spokesperson—Derek Jeter of the New York Yankees. Skippy jar tops directed kids to peanutbutter.com, where they entered "the secret code" to receive downloadable cards known as Digibles. These digital baseball cards provided both sound and video featuring baseball's MVP.
- **Treat them like family.** When moving your promotions to the Internet, privacy should always be a concern, and this goes double for promotions to kids. We encourage you to respect young consumers' privacy because it is the right thing to do, and because there are numerous laws that require it. The Children's Online Privacy Protection Act (COPPA), which is enforced by the FTC, restricts kid-focused Web sites in the areas of data collection, spamming, sweepstakes, and contests. According to Susan Bennett, director of promotions for foxkids.com, "If you're in the kids marketplace, you better know what COPPA is."
- **Look for the high road.** Something really cool is happening among young people. Kids are less likely to be ridiculed by their peers for being interested in learning about math, science, reading, and especially the environment and all living things. In other words, it's hip to be smart. Thus, educationally themed promotions are increasingly common among kids' brands, and there are abundant opportunities to build on the premise of engaging kids through participative learning. For instance, in the case of the Bahamas' campaign directed at kids and their families, a featured element was learning about a coral reef in the Bahamas and identifying actions that children can take to help protect endangered waterways. Giveaways are nice, but don't forget to look for the high road.

Sources: John Palmer, "Connecting to Kids," *PROMO Magazine*, March 2001, 21–33; and Nancy Keates, "Catering to Kids," *Wall Street Journal*, May 3, 2002, W1, W6.

Geographic Segmentation.

Geographic segmentation needs little explanation other than to emphasize how useful geography is in segmenting markets. Geographic segmentation may be conducted within a country by region (for example, the Pacific Northwest versus New England in the United States), by state or province, by city, or even by neighborhood. Climate and topographical features yield dramatic differences in consumption by region for products such as snow tires and surfboards, but geography can also correlate with other differences that are not so obvious. Eating and food preparation habits, entertainment preferences, recreational activities, and other aspects of lifestyle have been shown to vary along geographic lines. Exhibits 6.8 and 6.9 show U.S. consumption patterns for Twinkies and for Obsession versus Old Spice. As you can see, where one lives does seem to affect preferences.

In recent years, skillful marketers have merged information on where people live with the U.S. Census Bureau's demographic data to produce a form of market segmentation known as geodemographic segmentation. **Geodemographic segmentation** identifies neighborhoods (by ZIP codes) around the country that share common demographic characteristics. One such system, known as PRIZM (potential rating index by ZIP marketing), identifies 62 market segments that encompass all the ZIP codes in the United States.[13] Each of these segments has similar lifestyle characteristics and can be found throughout the country.

For example, the American Dreams segment is found in many metropolitan neighborhoods and comprises upwardly mobile ethnic minorities, many of

13.   Christina Del Valle, "They Know Where You Live—and How You Buy," *BusinessWeek*, February 7, 1994, 89; Amy Merrick, "Counting on the Census," *Wall Street Journal*, February 14, 2001, B1.
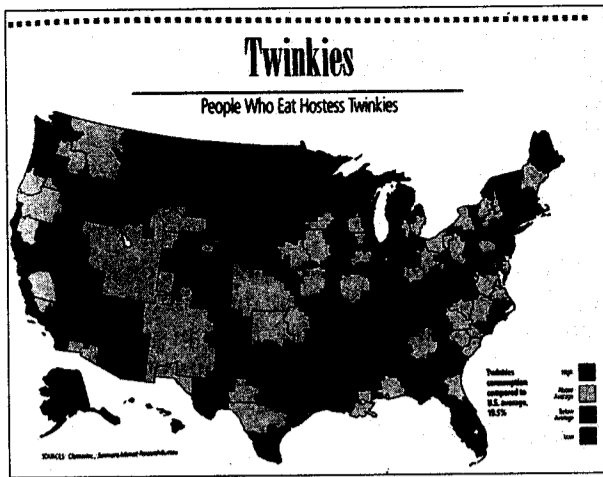
People who eat Hostess Twinkies (red marks the highest consumption).
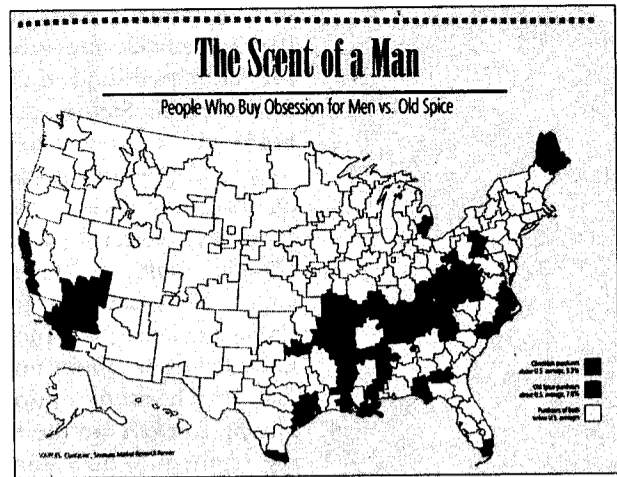
People who buy Obsession for Men (red) versus Old Spice (blue).

whom were foreign-born. This segment's product preferences are different from those of people belonging to the Rural Industria segment, who are young families with one or both parents working at low-wage jobs in small-town America. Systems such as PRIZM are very popular because of the depth of segment description they provide, along with their ability to precisely identify where the segment can be found (for more details, search for PRIZM at http://www.clusterbigip1.claritas.com).

Psychographics and Lifestyle Segmentation.

Psychographics is a term that advertisers created in the mid-1960s to refer to a form of research that emphasizes the understanding of consumers' activities, interests, and opinions (AIOs).[14] Many advertising agencies were using demographic variables for segmentation purposes, but they wanted insights into consumers' motivations, which demographic variables did not provide. Psychographics were created as a tool to supplement the use of demographic data. Because a focus on consumers' activities, interests, and opinions often produces insights into differences in the lifestyles of various segments, this approach usually results in a **lifestyle segmentation.** Knowing details about the lifestyle of a target segment can be valuable for creating advertising messages that ring true to the consumer.

Lifestyle, or psychographic, segmentation can be customized with a focus on the issues germane to a single product category, or it may be pursued so that the resulting segments have general applicability to many different product or service categories. An example of the former is research conducted for Pillsbury to segment the eating habits of American households.[15] This "What's Cookin'" study involved consumer interviews with more than 3,000 people and identified five segments of the population, based on their shared eating styles:

- **Chase & Grabbits,** at 26 percent of the population, are heavy users of all forms of fast food. These are people who can make a meal out of microwave popcorn; as long as the popcorn keeps hunger at bay and is convenient, this segment is happy with its meal.
- **Functional Feeders,** at 18 percent of the population, are a bit older than the Chase & Grabbits but no less convenience-oriented. Since they are more likely

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14. Michael R. Solomon, *Consumer Behavior* (Upper Saddle River, N. J.: Pearson Prentice Hall, 2004), 204–207.
15. Piirto, *Beyond Mind Games*, 222–23.

to have families, their preferences for convenient foods involve frozen products that are quickly prepared at home. They constantly seek faster ways to prepare the traditional foods they grew up with.

- **Down-Home Stokers,** at 21 percent of the population, involve blue-collar households with modest incomes. They are very loyal to their regional diets, such as meat and potatoes in the Midwest and clam chowder in New England. Fried chicken, biscuits and gravy, and bacon and eggs make this segment the champion of cholesterol.
- **Careful Cooks,** at 20 percent of the population, are more prevalent on the West Coast. They have replaced most of the red meat in their diet with pastas, fish, skinless chicken, and mounds of fresh fruit and vegetables. They believe they are knowledgeable about nutritional issues and are willing to experiment with foods that offer healthful options.
- **Happy Cookers** are the remaining 15 percent of the population but are a shrinking segment. These cooks are family-oriented and take substantial satisfaction from preparing a complete homemade meal for the family. Young mothers in this segment are aware of nutritional issues but will bend the rules with homemade meat dishes, casseroles, pies, cakes, and cookies.

Even these abbreviated descriptions of Pillsbury's five psychographic segments should make it clear that very different marketing and advertising programs are called for to appeal to each group. Exhibits 6.10 and 6.11 show ads from Pillsbury. Which segments are these ads targeting?

EXHIBIT 6.10

EXHIBIT 6.11

Which lifestyle segment is Pillsbury targeting with this ad? It looks like a toss-up between Chase & Grabbits and Functional Feeders. Does Pillsbury's site (http://www.pillsbury.com) target the same lifestyle segment as the ads? What features at the site are designed to build customer loyalty? Based on the site's message and design, what lifestyle choices does Pillsbury seem to assume that its target segment has made?

The convenience-oriented Functional Feeders seem the natural target for this novel ad. That Pillsbury Doughboy sure gets around!
http://www.pillsbury.com
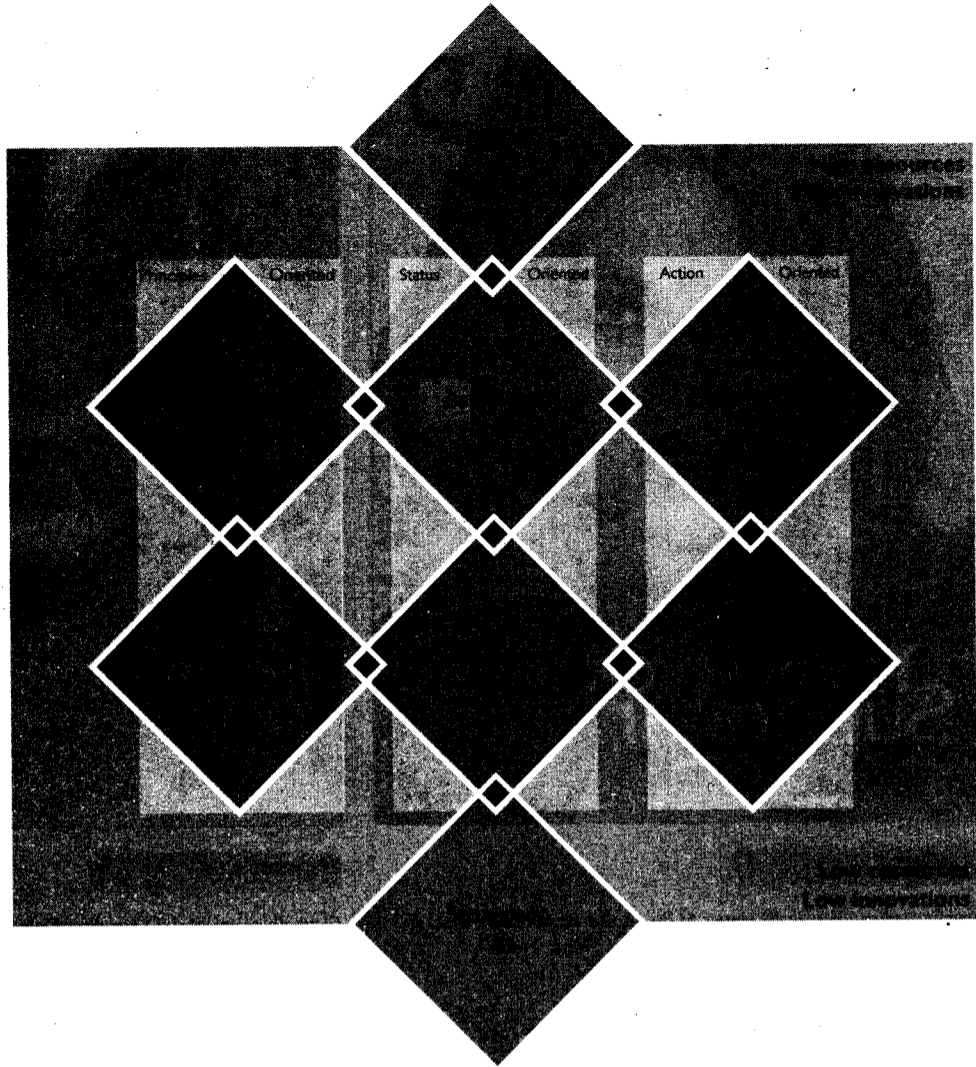
Source: SRI Consulting Business Intelligence. All rights reserved. © 2001.

As noted, lifestyle segmentation studies can also be pursued with no particular product category as a focus, and the resulting segments could prove useful for many different marketers. A notable example of this approach is the VALS™ (for values and lifestyles) system developed by SRI International and marketed by SRI Consulting Business Intelligence of Menlo Park, California.[16] The VALS™ framework was first introduced in 1978 with nine potential segments, but in recent years it has been revised to feature eight segments.

As shown in Exhibit 6.12, the segments are organized in terms of resources (which include age, income, and education) and primary motivation. For instance, the Experiencer is relatively affluent and action-oriented. This enthusiastic and risk-taking group has yet to establish predictable behavioral patterns. Its members look to sports, recreation, exercise, and social activities as outlets for their abundant energy. SRI Consulting Business Intelligence sells detailed information and marketing recommendations about the eight segments to a variety of marketing organizations.

Benefit Segmentation. Another segmentation approach developed by advertising researchers and used extensively over the past 30 years is **benefit segmentation.** In benefit segmentation,

16.   Ibid.; see ch. 3, 5, and 8 for an extensive discussion of the VALS system.
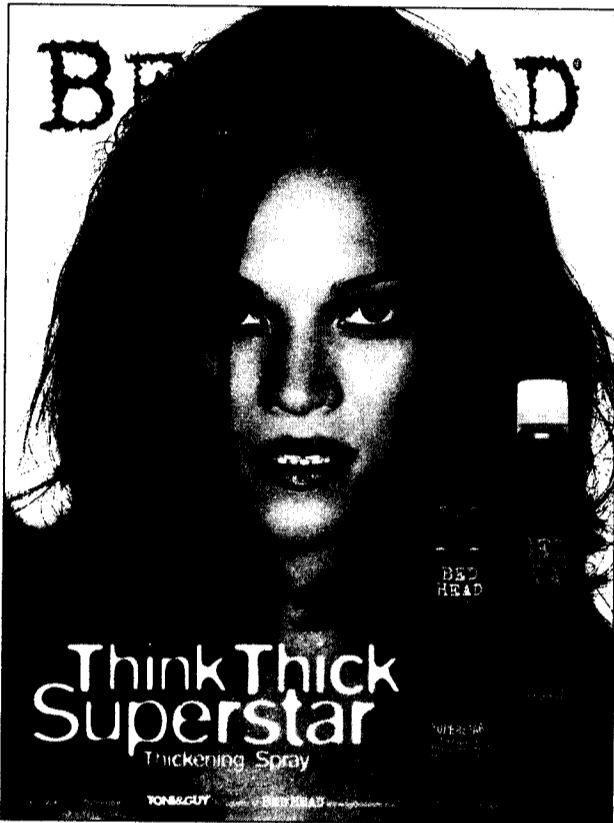
Benefit segmentation really comes to life in this ad for Bed Head. If that Superstar look is the benefit you desire, Think Thick!
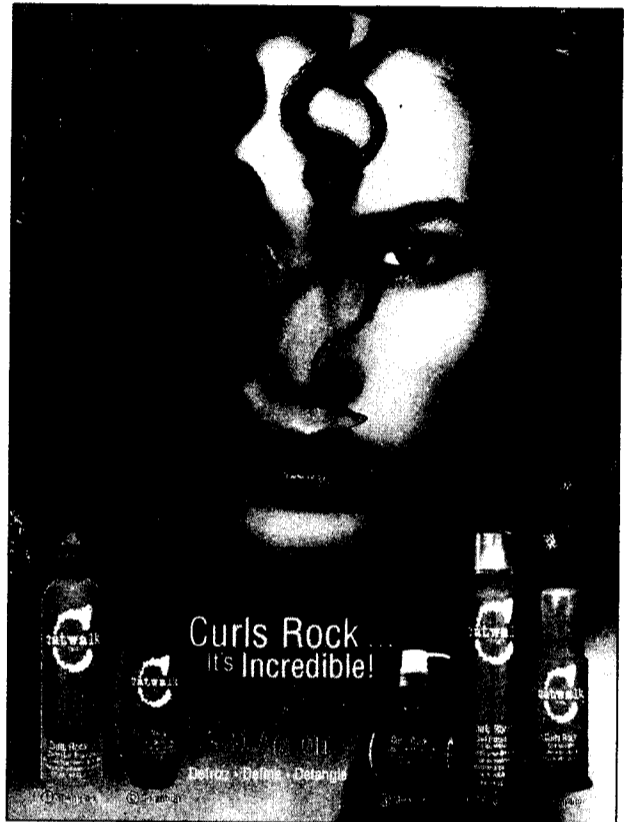
Catwalk promises 3-D benefits: Defrizz—Define—Detangle. And the end result is unDeniable—Curls Rock!

target segments are delineated by the various benefit packages that different consumers want from competing products and brands. For instance, different people want different benefits from their automobiles. Some consumers want efficient and reliable transportation; others want speed, excitement, and glamour; and still others want luxury, comfort, and prestige. One product could not possibly serve such diverse benefit segments. Exhibits 6.13 and 6.14 feature two hair care products that promise different kinds of benefits to potential consumers.

This notion of attempting to understand consumers' priorities and assess how different brands might perform based on criteria deemed important by various segments should have a familiar ring. If not, turn back to Chapter 5 and revisit our discussion of multi-attribute attitude models (MAAMs). The importance weights collected from individual consumers in MAAMs research often provide the raw material needed for identifying benefit segments.

Segmenting Business-to-Business Markets. Thus far, our discussion of segmentation options has focused on ways to segment **consumer markets.** Consumer markets are the markets for products and services purchased by individuals or households to satisfy their specific needs. Consumer marketing is often compared and contrasted with business-to-business marketing. **Business markets** are the institutional buyers who purchase items to be used in other products and services or to be resold to other businesses or households. Although advertising is more prevalent in consumer markets, products and services such as wireless phones, Web hosting, consulting services,

SÚPER VERSÁTIL

WorkCentre Pro 32/40 de Xerox. Elija el sistema
multifunción con mayor capacidad. Imprime, copia, escanea,
envía faxes y correos electrónicos en blanco y negro y con
la comodidad de usar el color cuando usted lo necesita.
Existe una nueva forma de ver las cosas.

XEROX.

Xerox: The Document Company has taken its brand name and products like the printer/copier/fax machine around the world with great success. "Multifuncionales" is a feature that business people appreciate in North and South America. http://www.xerox.cl

If you have a package that needs to be there on time, FedEx has always been a good choice. FedEx Ground promises date-definite, door-to-door delivery to any and all business addresses in the United States, Canada, and Puerto Rico. Relax, it's FedEx. http://www.fedex.com

and a wide array of business machines and package-delivery services (see Exhibits 6.15 and 6.16) are commonly promoted to business customers around the world. Hence, segmentation strategies are also valuable for business-to-business marketers.

Business markets can be segmented using several of the options already discussed.[17] For example, business customers differ in their usage rates and geographic locations, so these variables may be productive bases for segmenting business markets. Additionally, one of the most common approaches uses the Standard Industrial Classification (SIC) codes prepared by the U.S. Census Bureau. SIC information is helpful for identifying categories of businesses and then pinpointing the precise locations of these organizations.

Some of the more sophisticated segmentation methods used by firms that market to individual consumers do not translate well to business markets.[18] For instance, rarely would there be a place for psychographic or lifestyle segmentation in the business-to-business setting. In business markets, advertisers fall back on simpler strategies that are easier to work with from the perspective of the sales force. Segmentation by a potential customer's stage in the purchase process is one such strategy. It turns out that first-time prospects, novices, and sophisticates want very different

17.   Kotler, *Marketing Management*, 296–298.
18.   Thomas S. Robertson and Howard Barich, "A Successful Approach to Segmenting Industrial Markets," *Planning Forum* (November–December 1992), 5–11.

packages of benefits from their vendors, and thus they should be targeted separately in advertising and sales programs.

Prioritizing Target Segments.

Whether it is done through usage patterns, demographic characteristics, geographic location, benefit packages, or any combination of options, segmenting markets typically yields a mix of segments that vary in their attractiveness to the advertiser. In pursuing STP marketing, the advertiser must get beyond this potentially confusing mixture of segments to a selected subset that will become the target for its marketing and advertising programs. Recall the example of Mobil Oil Corporation and the segments of gasoline buyers it identified via usage patterns and demographic descriptors. What criteria should Mobil use to help decide between Road Warriors and Price Shoppers as possible targets?

Perhaps the most fundamental criterion in segment selection revolves around what the members of the segment want versus the organization's ability to provide it. Every organization has distinctive strengths and weaknesses that must be acknowledged when choosing its target segment. The organization may be particularly strong in some aspect of manufacturing, like Gillette, which has particular expertise in mass production of intricate plastic and metal products. Or perhaps its strength lies in well-trained and loyal service personnel, like those at FedEx, who can effectively implement new service programs initiated for customers, such as next-day delivery "absolutely, positively by 10:30 AM." To serve a target segment, an organization may have to commit substantial resources to acquire or develop the capabilities to provide what that segment wants. If the price tag for these new capabilities is too high, the organization must find another segment.

Another major consideration in segment selection entails the size and growth potential of the segment. Segment size is a function of the number of people, households, or institutions in the segment, plus their willingness to spend in the product category. When assessing size, advertisers must keep in mind that the number of people in a segment of heavy users may be relatively small, but the extraordinary usage rates of these consumers can more than make up for their small numbers. In addition, it is not enough to simply assess a segment's size as of today. Segments are dynamic, and it is common to find marketers most interested in devoting resources to segments projected for dramatic growth. As we have already seen, the purchasing power and growth projections for people age 50 and older have made this a segment that many companies are targeting.

So does bigger always mean better when choosing target segments? The answer is a function of the third major criterion for segment selection. In choosing a target segment, an advertiser must also look at the **competitive field**—companies that compete for the segment's business—and then decide whether it has a particular expertise, or perhaps just a bigger budget, that would allow it to serve the segment more effectively.

When an advertiser factors in the competitive field, it often turns out that smaller is better when selecting target segments. Almost by definition, large segments are usually established segments that many companies have identified and targeted previously. Trying to enter the competitive field in a mature segment isn't easy because established competitors can be expected to respond aggressively with advertising campaigns or price promotions in an effort to repel any newcomer.

Alternatively, large segments may simply be poorly defined segments; that is, a large segment may need to be broken down into smaller categories before a company can understand consumers' needs well enough to serve them effectively. Again, the segment of older consumers—age 50 and older—is huge, but in most instances it would simply be too big to be valuable as a target. Too much diversity exists in the needs and preferences of this age group, so further segmentation based on other
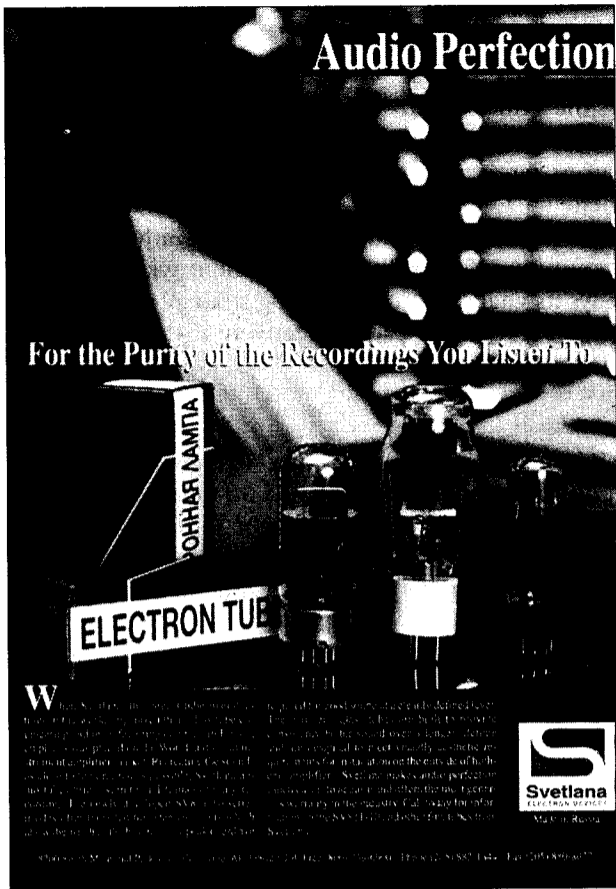
Audio Perfection

For the Purity of the Recordings You Listen To

ELECTRON TUBE

Svetlana

demographic variables, or perhaps via psychographics, is called for before an appropriate target can be located.

The smaller-is-better principle has become so popular in choosing target segments that it is now referred to as niche marketing. A market niche is a relatively small group of consumers who have a unique set of needs and who typically are willing to pay a premium price to the firm that specializes in meeting those needs.[19] The small size of a **market niche** often means it would not be profitable for more than one organization to serve it. Thus, when a firm identifies and develops products for market niches, the threat of competitors developing imitative products to attack the niche is reduced. Exhibit 6.17 is an example of an ad directed toward a very small niche, those who prefer imported Russian tubes for their high-end tube stereo amplifiers.

Niche marketing will continue to grow in popularity as the mass media splinter into a more and more complex and narrowly defined array of specialized vehicles. Specialized cable programming—such as the Health & Fitness Channel, the History Channel, or the 24-hour Golf Channel—attracts small and very distinctive groups of consumers, providing advertisers with an efficient way to communicate with market niches.[20] Additionally, perhaps the ideal application of the Internet as a marketing tool is in identifying and accessing market niches.[21]

But now let's return to the question faced by Mobil Oil Corporation. Whom should it target—Road Warriors or Price Shoppers? Hopefully you will see this as a straightforward decision. Road Warriors are a more attractive segment in terms of both segment size and growth potential. Although there are more Price Shoppers in terms of sheer numbers, Road Warriors spend more at the gas station, making them the larger segment from the standpoint of revenue generation. Road Warriors are much more prone to buy those little extras, such as a sandwich and a car wash, that could be extremely profitable sources of new business. Mobil also came to the conclusion that too many of its competitors were already targeting Price Shoppers. Mobil thus selected Road Warriors as its target segment and developed a positioning strategy it referred to as "Friendly Serve." Gas prices went up at Mobil stations, but Mobil also committed new resources to improving all aspects of the gas-purchasing experience.[22] Cleaner restrooms and better lighting alone yielded sales gains between 2 percent and 5 percent. Next, more attendants were hired to run between the pump and the snack bar to get Road Warriors in and out quickly—complete with their sandwich and beverage. Early results indicated that helpful attendants boosted station sales by another 15 to 20 percent. The Mobil case is a good example of how the application of STP marketing can rejuvenate sales, even in a mundane product category such as gasoline.

19.   Kotler, *Marketing Management,* 280–281.
20.   Timothy Aeppel, "For Parker Hannifin, Cable Is Best," *Wall Street Journal,* August 7, 2003, B3.
21.   Heather Green, "How to Reach John Q. Public," *BusinessWeek,* March 26, 2001, 132, 133.
22.   Chad Rubel, "Quality Makes a Comeback," *Marketing News,* September 23, 1996, 10.

Formulating the Positioning Strategy.

Now that we have discussed the ways markets are segmented and the criteria used for selecting specific target segments, we turn our attention to positioning strategy. If a firm has been careful in segmenting the market and selecting its targets, then a positioning strategy—such as Mobil's "Friendly Serve" or Gillette's "The Best a Man Can Get"—should occur naturally. In addition, as an aspect of positioning strategy, we will begin to entertain ideas about how a firm can best communicate to the target segment what it has to offer. This is where advertising plays its vital role. A positioning strategy will include particular ideas or themes that must be communicated effectively if the marketing program is to be successful.

Essentials for Effective Positioning Strategies.

Any sound positioning strategy includes several essential elements. Effective positioning strategies are based on meaningful commitments of organizational resources to produce substantive value for the target segment. They also are consistent internally and over time, and they feature simple and distinctive themes. Each of these essential elements is described and illustrated in this section.

Let's begin with the issue of substance. For a positioning strategy to be effective and remain effective over time, the organization must be committed to creating substantive value for the customer. Take the example of Mobil Oil Corporation and its target segment, the Road Warriors. Road Warriors are willing to pay a little more for gas if it comes with extras such as prompt service or fresh coffee. So Mobil must create an ad campaign that depicts its employees as the brightest, friendliest, most helpful people you'd ever want to meet. The company asks its ad agency to come up with a catchy jingle that will remind people about the great services they can expect at a Mobil station. It spends millions of dollars running these ads over and over and wins the enduring loyalty of the Road Warriors. Right? Well, maybe, and maybe not. Certainly, a new ad campaign will have to be created to make Road Warriors aware of what the company has to offer, but it all falls apart if they drive in with great expectations and the company's people do not live up to them.

Effective positioning begins with substance. In the case of Mobil's "Friendly Serve" strategy, this means keeping restrooms attractive and clean, adding better lighting to all areas of the station, and upgrading the quality of the snacks and beverages available in each station's convenience store. It also means hiring more attendants, outfitting them in blue pants, blue shirts, ties, and black Reeboks, and then training and motivating them to anticipate and fulfill the needs of the harried Road Warrior.[23] Effecting meaningful change in service levels at thousands of stations nationwide is an expensive and time-consuming process for Mobil, but without some substantive change, there can be no hope of retaining the Road Warrior's lucrative business.

A positioning strategy also must be consistent internally and consistent over time. Regarding internal consistency, everything must work in combination to reinforce a distinct perception in the consumer's eyes about what a brand stands for. If we have chosen to position our airline as the one that will be known for on-time reliability, then we certainly would invest in things like extensive preventive maintenance and state-of-the-art baggage-handling facilities. There would be no need for exclusive airport lounges as part of this strategy, nor would any special emphasis need to be placed on in-flight food and beverage services. If our target segment wants reliable transportation, then this and only this should be the obsession in running our airline. This particular obsession has made Southwest Airlines a very formidable competitor,

23. Ibid.

HARD WORK. ATTENTION TO DETAIL.
PERSONAL SERVICE. SOUND FAMILIAR?
WE LIVE WHERE YOU LIVE.

State Farm agents are business owners too. That's why they know how to take care of you
and your business insurance needs with comprehensive coverage, reasonable rates and monthly
payments. Call your State Farm agent to find out if you qualify for up to
50% off your premium.

LIKE A GOOD NEIGHBOR   STATE FARM   STATE FARM IS THERE.™

Call your neighborhood State Farm Agent or visit statefarm.com™

Providing Insurance and Financial Services

EXHIBIT 6.18

Consistency is a definite virtue in choosing and executing a positioning strategy. State Farm's "Good Neighbor" theme has been a hallmark of its advertising for many years. Does State Farm's site (http://www.statefarm.com) produce substantive value for its target segment? How? What simple and distinctive themes can you find? Why are these elements essential to State Farm's positioning strategy?

even against much larger airlines, as it has expanded its routes to different regions of the United States.[24]

A strategy also needs consistency over time. As we saw in Chapter 5, consumers have perceptual defenses that allow them to screen or ignore most of the ad messages they are exposed to. Breaking through the clutter and establishing what a brand stands for is a tremendous challenge for any advertiser, but it is a challenge made easier by consistent positioning. If year in and year out an advertiser communicates the same basic themes to the target segment, then the message may get through and shape the way consumers perceive the brand. An example of a consistent approach is the long-running "Good Neighbor" ads of State Farm Insurance. While the specific copy changes, the thematic core of the campaign does not change. Exhibit 6.18 shows a contemporary ad from this long-running campaign, including the "We Live Where You Live" extension to their "Good Neighbor" premise.

Finally, there is the matter of simplicity and distinctiveness. Simplicity and distinctiveness are essential to the advertising task. No matter how much substance has been built into a product, it will fail in the marketplace if the consumer doesn't perceive what the product can do. Keep in mind, in a world of harried consumers who can be expected to ignore, distort, or completely forget most of the ads they are exposed to, complicated, imitative messages simply have no chance of getting through. The basic premise of a positioning strategy must be simple and distinctive if it is to be communicated effectively to the target segment.

The value of simplicity and distinctiveness in positioning strategy is nicely illustrated by the approach of GM's Pontiac division, starting in the mid-1980s. This was a period when Japanese automakers were taking market share from their U.S. counterparts, and no American car company was being hit harder than General Motors. Pontiac, however, grew its market share in this period with a positioning strategy that involved a return to Pontiac's heritage from the 1960s as a performance car. Pontiac's positioning strategy involved a number of different variations of an "excitement" promise, including, "We Build Excitement," "We Are Driving Excitement," and "Grand Am—Excitement Well Built."

It was that last phrase ("Well Built") that ultimately led to erosion in the effectiveness of Pontiac's strategy. While simple, distinctive, and consistent, their strategy began to suffer when their product didn't live up to the promise. Plastic fenders, under-powered engines borrowed from GM's Chevy and Buick divisions, and premium pricing turned off the customer segment looking for excitement.[25] But to the credit of the Pontiac division, they didn't back down on the basic premise. Models like the legendary GTO (Gran Turismo Omologato, Italian for a race car that has been made street legal) were rebuilt and re-launched to deliver substance again. Distinctive affiliations like the Official Performance Machines of the NCAA supported Pontiac's updated positioning message: "Fuel for the Soul." Embedding the Pontiac brand as a regular fixture and supporter of "March Madness" (see Exhibit 6.19) was a real coup for Pontiac marketers. Pontiac continues to impress with the simplicity,

24. Scott McCartney, "Profit for Southwest Air Is Industry Rarity," *Wall Street Journal*, October 18, 2002, B4.
25. David Welch, "An 'American BMW'? Don't Hold Your Breath," *BusinessWeek*, March 17, 2003, 98.

While this ad is busy with competing images and diverse product claims, it still communicates an unmistakable message about who should use this new line of coloring products from Bigen Xpressive.
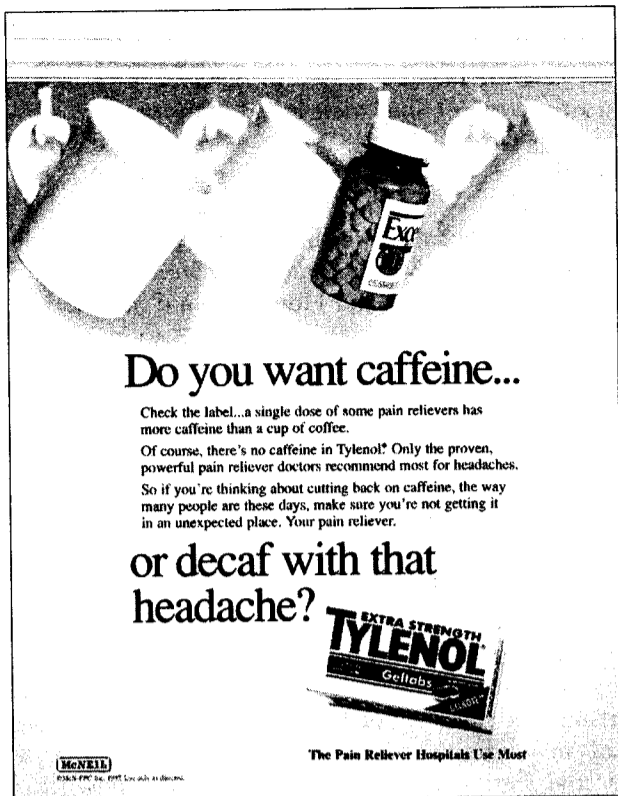
Obviously, Myoplex is for the guy who has reached new heights but wants to keep going.

expressing something very different than the woman who gives Old Spice. Advertisers help brands acquire meaning and self-expressive benefits to distinguish them beyond their functional forms.

Besides benefit positioning, another fundamental option is **user positioning.** Instead of featuring a benefit or attribute of the brand, this option takes a specific profile of the target user as the focal point of the positioning strategy. Ads like those shown in Exhibits 6.22 and 6.23 make unequivocal statements about who should consider the possibilities offered by Bigen Xpressive and Myoplex Original. Notice how these ads attempt to speak to clearly identifiable user segments.

The third option for a positioning theme is **competitive positioning.** This option is sometimes useful in well-established product categories with a crowded competitive field. Here, the goal is to use an explicit reference to an existing competitor to help define precisely what your brand can do. Many times this approach is used by smaller brands to carve out a position relative to the market share leader in their category. For instance, in the analgesics category, many competitors have used market leader Tylenol as an explicit point of reference in their positioning strategies. Excedrin, for one, has attempted to position itself as the best option to treat a simple headache, granting that Tylenol might be the better choice to treat the various symptoms of a cold or the flu. As shown in Exhibit 6.24, Excedrin's strategy must have been effective, because Tylenol came back with a very pointed reply.

Now that you've seen the three fundamental options for creating a positioning strategy, we need to make matters a bit messier. There is nothing that would prevent an advertiser from combining these various options to create a hybrid involv-

Do you want caffeine...

Check the label...a single dose of some pain relievers has more caffeine than a cup of coffee.

Of course, there's no caffeine in Tylenol. Only the proven, powerful pain reliever doctors recommend most for headaches.

So if you're thinking about cutting back on caffeine, the way many people are these days, make sure you're not getting it in an unexpected place. Your pain reliever.

or decaf with that headache?

EXTRA STRENGTH TYLENOL *Geltabs*

McNEIL

The Pain Reliever Hospitals Use Most

EXHIBIT 6.24

In mature saturated markets where the performance features of brands don't change much over time, it is common to see competitors making claims back and forth in an effort to steal market share from one another. Powerhouse brands such as Tylenol usually don't initiate these exchanges, because they have the most to lose. This ad is a reply from the makers of Tylenol, responding to a campaign of a smaller competitor. http://www.tylenol.com

Ours **xootr** ®

Theirs

Joy | **Toy**

www.xootr.com

info@novacruz.com   1 888 353 4464

EXHIBIT 6.25

The beauty of this ad for Xootr is its simple, unequivocal message. Ours versus Theirs equates to Joy versus Toy. http://www.xootr.com

ing two or more of them working together. The combination of benefit and user is common in creating positioning strategies. For example, the two Gillette ads you examined at the beginning of the chapter are hybrids involving the benefit/user combination. And the Xootr ad in Exhibit 6.25 is a superb example of user and competitive positioning combined. Do keep in mind that we're looking for a strategy that reflects substance, consistency, simplicity, and distinctiveness. But the last thing we'd want to do is give you guidelines that would shackle your creativity. So don't be shy about looking for creative combinations.

Repositioning. STP marketing is far from a precise science, so marketers do not always get it right the first time. Furthermore, markets are dynamic. Things change. Even when marketers do get it right, competitors can react, or consumers' preferences may shift for any number of reasons, and what once was a viable positioning strategy must be altered if the brand is to survive. One of the best ways to revive an ailing brand or to fix the lackluster performance of a new market entry is to redeploy the STP process to arrive at a revised positioning strategy. This type of effort is commonly referred to as **repositioning.**

While repositioning efforts are a fact of life for marketers and advertisers, they present a tremendous challenge. When brands that have been around for some time are forced to reposition, perceptions of the brand that have evolved over the years

must be changed through advertising. This problem is common for brands that become popular with one generation but fade from the scene as that generation ages and emergent consumers come to view the brand as passé. So, for several years, the makers of Oldsmobile tried to breathe new life into their brand with catchy ad slogans such as "This is not your father's Oldsmobile," "Demand better," and "Defy convention." Ultimately, none of these efforts were able to save a brand that had become passé in a crowded marketplace.[31]

On the other hand there are numerous examples of brands that have been able to get consumers to take a fresh look at them. Mazda found itself in a funk in the '90s when it tried to go head-to-head with Toyota and Honda around dependability and good value. So Mazda's new CEO decided to return the brand to its roots as a stylish and fun-to-drive vehicle, targeting the 25 percent of the car-buying market that consider themselves auto enthusiasts. The "Zoom Zoom" theme was the outcome of this application of STP marketing, and with it the Mazda brand got its groove back.[32]

Capturing Your Strategy in a Value Proposition. In this chapter we have presented several important concepts for understanding how marketers develop strategies for their brands that then have major implications for the advertising and integrated promotion campaigns that are executed to build those brands. One needs to think about and research customer segments and target markets along with the competitive field to make decisions about various kinds of positioning themes that might be appropriate in guiding the creation of a campaign. Yes, as noted up front, it can get complicated. Furthermore, as time passes, and as new people from both the client and agency side are brought in to work on the brand team, it can be easy to lose sight of what the brand used to stand for in the eyes of the target segment. Of course, if the people who create the advertising and promotion programs for a brand get confused about the brand's desired identity, then the consumer is bound to get confused as well. This is a recipe for disaster. Thus, we need a way to capture and keep a record of what our brand is supposed to stand for in the eyes of the target segment. While there are many ways to capture one's strategy on paper, we recommend doing just that by articulating the brand's value proposition. If we are crystal clear in our own minds on what value we believe our brand offers to consumers, and everyone on the brand team shares that clarity, the foundation is in place for creating effective advertising and integrated brand promotion.

At this point you should find the following definition of a **value proposition** a natural extension of concepts that are already familiar; it simply consolidates the emphasis on customer benefits that has been featured in this and the previous chapter:

A brand's value proposition is a statement of the functional, emotional, and self-expressive benefits delivered by the brand that provide value to customers in the target segment. A balanced value proposition is the basis for brand choice and customer loyalty, and is critical to the ongoing success of a firm.[33]

Exhibit 6.26 emphasizes the point in our definition that we must have a balanced value proposition to be successful in the marketplace. On the one hand, if the set of benefits provided by the brand does not justify its price relative to competitive brands, then we've obviously got a problem. On the other hand, if our price is too low relative to the benefits the brand offers, then we are essentially giving away profits. Balance is optimal.

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31. Vanessa O'Connell and Joe White, "After Decades of Brand Bodywork, GM Parks Oldsmobile—For Good," *Wall Street Journal,* December 13, 2000, B1, B4.
32. Jean Halliday, "Mazda Repositioning Begins to Show Results," *Advertising Age,* January 6, 2003, 4.
33. This definition is adapted from David Aaker, *Building Strong Brands* (New York: Free Press, 1996), ch. 3.

EXHIBIT 6.26

Don't let your value proposition get out of balance!

Benefits?
• functional
• emotional
• self-expressive   • relative price
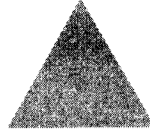
Here are the extensive value propositions for two global brands that are likely familiar to you.[34]

McDonald's Value Proposition

• *Functional benefits:* Good-tasting hamburgers, fries, and drinks served fast; extras such as playgrounds, prizes, premiums, and games.
• *Emotional benefits:* Kids—fun via excitement at birthday parties; relationship with Ronald McDonald and other characters; a feeling of special family times. Adults—warmth via time spent enjoying a meal with the kids; admiration of McDonald's social involvement such as McDonald's Charities and Ronald McDonald Houses.

Nike's Value Proposition

• *Functional benefits:* High-technology shoe that will improve performance and provide comfort.

• *Emotional benefits:* The exhilaration of athletic performance excellence, feeling engaged, active, and healthy; exhilaration from admiring professional and college athletes as they perform wearing "your brand"—when they win, you win a little bit, too.
• *Self-expressive benefits:* Using the brand endorsed by high-profile athletes lets your peers know your desire to compete and excel.

Notice from these two statements that over time many different aspects can be built into the value proposition for a brand. Brands like Nike may offer benefits in all three benefit categories, McDonald's from two of the three. Benefit complexity of this type is extremely valuable when the various benefits reinforce one another. In these examples, this cross-benefit reinforcement is especially strong for Nike, with all levels working together to deliver the desired state of performance excellence. The job of advertising is to carry the message to the target segment

ETHICS

Prepaid Cards and Young Consumers

In 2004 MasterCard announced the introduction of two new prepaid cards, one picturing pop icon Usher and the other featuring the cartoon character Hello Kitty. Credit card companies are interested in tapping into the estimated 25 million 13-to-19-year-olds in the United States who have a collective spending power of $175 billion. The cards can deliver big profits and/or bad press.

Visa, MasterCard, Discover, and American Express generated $2.6 billion in prepaid card sales in 2003, a 73 percent increase over the previous year. Companies also charge fees for replenishment and monthly maintenance: In addition, 17 percent of balances on prepaid cards go unused, so the card companies keep those dollars as well.

Ethical considerations:

• Do the cards promote spending and keep users from building a credit history? Or do they cultivate responsible spending habits among teens who cannot get credit cards and checking accounts?
• Does this train young consumers that they don't ever have to wait for something they want?
• Should this practice and/or its advertising be banned, or heavily regulated?
• Does this practice bother you?

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34.   These examples are adapted from Aaker, *Building Strong Brands*, ch. 3.

about the value that is offered by the brand. However, for brands with complex value propositions such as McDonald's and Nike, no single ad could be expected to reflect all aspects of the brand's value. However, if any given ad is not communicating some selected aspects of the brand's purported value, then we have to ask, why run that ad?

Avoid Targeting's Dark Side

Targeting is all about finding your best prospects and appealing to them very directly to attract their business. As we've noted before, it is often true that a small group of heavy users will drive the success of your business, if you come to know them and are able to reach them efficiently. But sometimes the heavy user can be attracted to your product or service for the wrong reason. That reason may entail a physical or psychological addiction, or may be based in a lack of education that yields misunderstanding about the real benefits of your product. In such instances, you face an ethical dilemma that can't be ignored.

Let's take a concrete example. If you are in the casino and gaming business (and this is very big business, and not just in Las Vegas), you will need to make an explicit decision on whether you will deploy marketing tactics to attract pathological gamblers. These are folks who in a very real sense are addicted to the rush that comes when they put their money on the line in hopes of scoring that next big win. They are the ultimate heavy user who lacks the ability to say no, even if it means blowing an entire paycheck. A common tactic for attracting these people is the payday bonanza. Offering special jackpots, free food, and show tickets for gamblers who bring their paychecks or welfare or Social Security checks right to the casino to be cashed appeals to the pathological gambler. And once in the casino with that cash in their pocket, there is little chance that they will take any of it home.

The good news is that major players such as Harrah's Entertainment are coming forth with codes of conduct that ban advertising that could appeal to pathological gamblers and other vulnerable market segments such as young consumers. Harrah's has banned all promotions in college newspapers and in any media that could reach children, and it explicitly bans paycheck promotions that appeal to the addicted gambler. Instead, Harrah's targets people between ages 45 and 70 who spend $1,000 to $2,000 a year on gambling. While these may be thought of as heavy users, Harrah's executives believe that this spending level is far less than what could be expected from a pathological gambler. The thoughtfulness and thoroughness reflected in Harrah's code of conduct nicely illustrates what we mean by the phrase *avoid targeting's dark side.*

So from now on, every time you see an ad, ask yourself, what kind of value or benefits is that ad promising the target customer? What is the value proposition underlying this ad? We very definitely expect you to carry forward an ability to select target segments and isolate value propositions.

One gains tremendous leverage from the process of STP marketing because it is all about anticipating and servicing customers' wants and needs. But targeting groups for focused advertising and promotion efforts has a controversial side, as do many things in today's complex marketplace. So we end here with another appeal to your ethical sensibilities, which hopefully will be heightened by the Controversy box on this page.

Source: Christina Binkley, "Harrah's New Code to Restrict Marketing," *Wall Street Journal,* October 19, 2000, B16.

SUMMARY

Explain the process known as STP marketing.

The term STP marketing refers to the process of segmenting, targeting, and positioning. Marketers pursue this set of activities in formulating marketing strategies for their brands. STP marketing also provides a strong foundation for the development of advertising campaigns. While no single approach can guarantee success in marketing and advertising, STP marketing should always be considered when consumers in a category have heterogeneous wants and needs.

Describe different bases that marketers use to identify target segments.

In market segmentation, the goal is to break down a heterogeneous market into more manageable subgroups or segments. Many different bases can be used for this purpose. Markets can be segmented on the basis of usage patterns and commitment levels, demographics, geography, psychographics, lifestyles, benefits sought, SIC codes, or stages in the purchase process. Different bases are typically applied for segmenting consumer versus business-to-business markets.

Discuss the criteria used for choosing a target segment.

In pursuing STP marketing, an organization must get beyond the stage of segment identification and settle on one or more segments as a target for its marketing and advertising efforts. Several criteria are useful in establishing the organization's target segment. First, the organization must decide whether it has the proper skills to serve the segment in question. The size of the segment and its growth potential must also be taken into consideration.

Another key criterion involves the intensity of the competition the firm is likely to face in the segment. Often, small segments known as market niches can be quite attractive because they will not be hotly contested by numerous competitors.

Identify the essential elements of an effective positioning strategy.

The P in STP marketing refers to the positioning strategy that must be developed as a guide for all marketing and advertising activities that will be undertaken in pursuit of the target segment. As exemplified by Pontiac's "We Build Excitement" and "Fuel for the Soul" campaigns, effective positioning strategies should be linked to the substantive benefits offered by the brand. They are also consistent internally and over time, and they feature simple and distinctive themes. Benefit positioning, user positioning, and competitive positioning are options that should be considered when formulating a positioning strategy.

Review the necessary ingredients for creating a brand's value proposition.

Many complex considerations underlie marketing and advertising strategies, so some device is called for to summarize the essence of one's strategy. We advance the idea of the value proposition as a useful device for this purpose. A value proposition is a statement of the various benefits (functional, emotional, and self-expressive) offered by a brand that create value for the customer. These benefits as a set justify the price of the product or service. Clarity in expression of the value proposition is critical for development of advertising that sells.

KEY TERMS

target segment
positioning
positioning strategy
STP marketing
market segmentation
heavy users
nonusers
brand-loyal users

switchers, or variety seekers
emergent consumers
demographic segmentation
geodemographic segmentation
psychographics
lifestyle segmentation
benefit segmentation
consumer markets

business markets
competitive field
market niche
benefit positioning
user positioning
competitive positioning
repositioning
value proposition

QUESTIONS

1. While STP marketing often produces successful outcomes, there is no guarantee that these successes will last. What factors can erode the successes produced by STP marketing, forcing a firm to reformulate its marketing strategy?

2. Why does the persuasion required with a product differentiation strategy present more of a challenge than the persuasion required with a market segmentation strategy?

3. Explain the appeal of emergent consumers as a target segment. Identify a current ad campaign targeting an emergent-consumer segment.

4. It is often said that psychographics were invented to overcome the weaknesses of demographic information for describing target segments. What unique information can psychographics provide that would be of special value to advertisers?

5. What criteria did Mobil Oil Corporation weigh most heavily in its selection of Road Warriors as a target segment? What do you think will be the biggest source of frustration for Mobil in trying to make this strategy work?

6. Explain why smaller can be better when selecting segments to target in marketing strategies.

7. What essential elements of a positioning strategy can help overcome the consumer's natural tendency to ignore, distort, or forget most of the advertisements he or she is exposed to?

8. On which aspect of its positioning strategy did Pontiac fail to deliver, thus eroding its effectiveness and turning off consumers? How did Pontiac recover?

9. Identify examples of current advertising campaigns featuring benefit positioning, user positioning, and competitive positioning.

10. Carefully examine the Gillette ads displayed in Exhibits 6.1 and 6.2. What positioning theme (benefit, user, or competitive) is the basis for these ads? If you say benefit positioning, what form of benefit promise (functional, emotional, or self-expressive) is being made in these ads? Write a statement of the value proposition that you believe is reflected by these two ads.

EXPERIENTIAL EXERCISES

1. Move over, Barbie—here come the Bratz. The race to win the hearts of little girls everywhere has heated up recently as MGA Entertainment's ultra-fashionable Bratz dolls aim to reduce Mattel's Barbie to little more than "the doll mom used to play with." Complete with bare midriffs, bee-stung lips, trendy duds, and funky names, the Bratz are the epitome of the 21st century girl—sassy and self-aware.· Using concepts from the STP marketing approach, analyze the Bratz phenomenon in light of the threat it poses to Barbie's position in the toy-doll market. To find research for your analysis, visit the dolls' respective Web sites, look up news articles on the Internet, and contact a toy-store manager to find out which doll brand is most popular.

2. Discount pioneer Kmart is repositioning to stay competitive in a challenging retail sector where stores like Wal-Mart and Target are ahead of the pack. Kmart suffered in the past from poor customer service and a lack of consumer enthusiasm toward its brands, but the company is currently making a turnaround. Since emerging out of bankruptcy in 2003, the creator of the blue-light special has been on a tear, cutting costs and boosting profits. Analysts claim that Kmart, having been outmatched by everyday-low-price giant Wal-Mart, has abandoned the superstore concept, and is instead concentrating on its core competency of merchandising. Kmart's new marketing strategy continues to emphasize popular

exclusive brands like Martha Stewart Everyday and Joe Boxer, while promoting products related to the WB television network and fashions from Latina pop idol Thalia. Visit Kmart's e-tail site (http://www.kmart.com) and describe how the company seeks to reconnect with customers through the promotion of its exclusive brands and services. How does the site compare to others by Target (http://www.target.com) and Wal-Mart (http://www.walmart.com)? Finally, interview someone who is older and ask that person to describe his or her perception of Kmart over the past couple of decades. How do those perceptions compare to the ones you are gathering through your analysis? Do you think Kmart will be successful with its repositioning strategy given its previous track record with consumers?

3. Break up into teams and imagine you are creating an e-business. Choose your business and identify and break down relevant heterogeneous markets into manageable subgroups. Identify your target segment. Which criteria did you use to identify your target and why? Choosing from among the benefit, user, and competitive positioning options, select your positioning theme. Why will this theme be most effective for your advertising and marketing efforts? Formulate your brand's value proposition. Present your answers and reasoning to the class.

EXPERIENCING THE INTERNET

6-1 Segmentation

Community sites are popular Internet hangouts for Web users who share common interests, hobbies, and lifestyles. The enhanced technology features of these sites allow for live interaction with others via message boards, chat rooms, personal home pages, clubs, Web-based e-mail, and instant messaging services. In addition, interactive games, polls, and streaming broadcasts engage users and promote user loyalty, making community sites powerful entities that deliver ready-made audiences for savvy marketers.

Bolt: http://www.bolt.com

TalkCity: http://www.talkcity.com

gURL: http://www.gurl.com

1. What broad consumer market do these sites share in common?

2. Describe the target segment for each of these sites. On what basis are these markets segmented (usage pattern, psychographics, etc.)?

3. How does the positioning reflected in each Web site match with the target segment?

4. For each site, list one advertiser or corporate sponsor. Why might it be more beneficial for advertisers to place ads at these sites instead of at high-traffic portal sites like Yahoo?

6-2 Positioning

Once a firm has carefully segmented its market and selected target segments, a positioning strategy should evolve naturally. The positioning strategy includes particular ideas and themes that must be communicated effectively if the marketing program is going to be successful.

Match: http://www.match.com

eHarmony: http://www.eharmony.com

AfroConnections: http://www.afroconnections.com

1. What are the essential elements of an effective positioning strategy? Which do you think is most important for these sites? Explain.

2. Which of the three positioning options do these sites seem to favor (benefit, user, competitive)? In what sense can they be viewed as having a hybrid of these three positioning options?

3. Pick one of these sites and define, in your own words, its value proposition. What is the importance of a brand's value proposition in creating effective advertising and integrated brand promotion?

CHAPTER 7

After reading and thinking about this chapter, you will be able to do the following:

1

Explain the purposes served by and methods used in developmental advertising research.

2

Identify sources of secondary data that can aid the IBP planning effort.

3

Discuss the purposes served by and methods used in copy research.

Coca-Cola discovered that consumers generally preferred Pepsi—in blind taste tests. Coke had apparently conducted thousands of taste tests, and knew it was true: When consumers didn't know which cola they were drinking, most preferred Pepsi. To make the point more painful, Coke had been losing market share to Pepsi. What to do?

The answer was a new formula. After conducting 190,000 more blind taste tests, Coca-Cola discovered that consumers preferred New Coke over both Pepsi and Coke. So they announced the switch: New Coke replaced Coke. As you know, it was a disaster. Consumers were outraged and demanded their friend Coca-Cola back. They stayed away from New Coke in droves.

I do not drink alcoholic beverages, I don't smoke, and I don't chase other women, my only vice has been Coke. Now you have taken that pleasure from me.

Would it be right to rewrite the Constitution? The Bible? To me, changing the Coke formula is of such a serious nature.

—From letters sent to The Coca-Cola Company in 1985 following the introduction of New Coke, which announced the end of "old" Coke.[1]

Why? Didn't the "scientific" research lead to the right decision? No, it did not. Didn't the psychologists provide all the rights answers? No, they didn't.

Why? Because the right question was never asked. No one bothered to find out if consumers would mind Coke being taken away. And Coca-Cola and its advertising experts broke a cardinal rule of advertising and marketing. They confused the objective taste tests with cultural reality. They confused sociocultural meaning with physical reality. Coke possessed cultural meaning way beyond simple taste.

As others have noted, never, ever, ever confuse a brand and a product. The blind taste tests were about products; the market reaction of real consumers was about a brand—a brand that had enormous cultural meaning.

Never forget the difference: meaning makes brands out of products.

Never think that just throwing research at a problem does anything good.[2]

Ad luminaries such as Bill Bernbach (responsible for, among many other things, the amazing creative for brands like Volkswagen in the 1960s; see Exhibit 7.1) thought research was worse than a waste, while others have found it absolutely essential. Lately, with shrinking agency margins, research has been regarded as more and more expendable by the bean counters. At any rate, there is a lot of confusion about what advertising and promotion research is, if it does any good, and whether it should even be practiced at all. We won't end the research controversy, but we hope to make things a little clearer and provide some perspective.

First, to clarify our terms: Advertising and promotion research is any research that helps in the development, execution, or evaluation of advertising and promotion. Good advertising and promotion research moves one closer to producing good advertising and promotion, that is, effective (i.e., on strategy) advertising. That includes judging what is good or bad, effective or ineffective.

"It was the only thing to do after the mule died."

Bill Bernbach created some of the best advertising of all time, and he did it without research. In fact, he thought research got in the way of good advertising.

1.   See Mark Pendergrast, "The Marketing Blunder of the Century," in *For God, Country and Coca-Cola: The Definitive History of the Great American Soft-Drink and the Company That Makes It* (New York: Basic Books, 2000), 356.

2.   Ibid., p. 347–363.
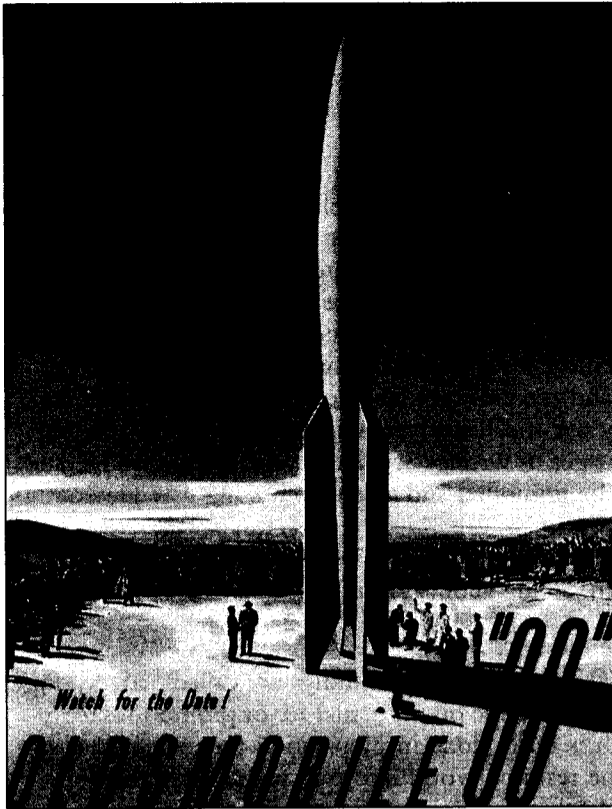
Advertising research came to us from the 1950s, a period where science was popularized to ridiculous heights and was commonly misapplied. Unfortunately, that legacy influenced the advertising industry for decades to come.
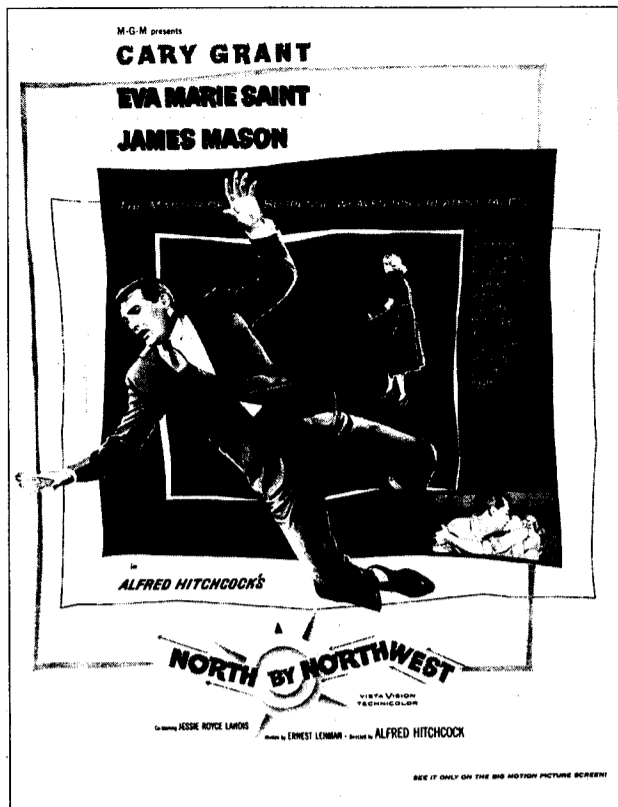
Advertising research had its biggest growth in the "mind control" fears and pop psychology of the 1950s. Unfortunately, this legacy lasted a long time.

Although some advertising agencies have had research departments for 90 years or more, their growth occurred in the mid-20th century, with the 1950s being their real heyday. During this period, agencies adopted research departments for three basic reasons: (1) The popularity of science in the culture during this time legitimized anything called "science" or "research," (2) other agencies had research departments, and (3) there was a real information vacuum concerning ads, consumers, and consuming.

During the 1950s, advertising research established and legitimized itself in the industry. The popular adoration of science was at its height; the books, the plays, the movies, and the ads (see Exhibit 7.2) of this period are full of popular science. It was a period of great faith in the power of science and technology, and great concern about its misuse for evil and destructive ends.

Due in large part to popular belief in the success of propaganda and psychological warfare in World War II, there was a ready made acceptance of the "science of persuasion." This was a widely held belief that sophisticated mind-control techniques used in the war effort were now being turned into Madison Avenue mind control through sophisticated advertising. A belief in hidden mass persuasion was a cornerstone of cold-war ideology. Into this already strange social context, add a popular renaissance in everything Freud, particularly his obsession with the repressed subconscious (typically sexual in flavor). It was a period of fear about mind control, seduction, moral and mental subversion, and repressed desires (see Exhibit 7.3).

So into this social environment were born the great advertising research departments. In the 1950s, advertising agencies and their clients clamored for more

research, more science, more hidden messages. Agency research departments were justified by the sacred name of "science" and the reality of scared consumers. We tell you all this because this history still absolutely influences what we call advertising and promotion research. This legacy is still with us. There are those who still insist on using 1950s-era methods, appropriate or not.

But, there is change. In the early 1980s advertising agencies began to openly voice their distrust for the sacred research methods established in the 1950s. These voices of dissent began in London, moved to the U.S. West Coast, and lately are heard just about everywhere. In fact, in the past several years some advertising agencies have come to believe that stand-alone research departments are a luxury that they can no longer afford. At least two things are being seen as replacements: the account planning system in which research is a more integral part of planning advertising and promotion strategy and execution, and secondly, much greater research outsourcing, that is, going outside the agency for specific advertising research when and only when the need arises. Now, don't get us wrong: Science is valuable in general, and can be in advertising, but not in the immodest and all encompassing way previously thought (or at least practiced).

There are a lot of ways to judge research. Exhibit 7.4 gives you some terms and concepts that are very useful when talking about research.

Advertising and Promotion Research.
A lot of things are called "advertising and promotion research." Not all of it is done on the actual ads or promotions themselves. Quite a bit of this research is really done in preparation for making the ads and promotions. So, we divide the research world into two parts: (1) developmental advertising and promotion research and (2) copy research.

① Developmental Advertising and Promotion Research.
Developmental advertising and promotion research is used to generate opportunities and messages. It helps the creatives and the account team figure out things such as the target audience's identity, "street language," usage expectations, history, and context. It provides critical information used by creatives in actually producing ads and promotions. It is conducted early in the process so there is still an opportunity to influence the way the ads or promotions come out. Because of this, many consider it the most valuable kind of research.

Words to judge research by.

- **Reliability** means that the method generates generally consistent findings over time.

- **Validity** means that the information generated is relevant to the research questions being investigated. In other words, the research investigates what it seeks to investigate.

- **Trustworthiness** is a term usually applied to qualitative data, and it means exactly what it implies: Can one, knowing how the data were collected, trust them, and to what extent?

- **Meaningfulness** is the most difficult of all these terms. Just what does a piece of research really mean (if anything)? Meaningfulness is determined by asking what the methods and measures really have to do with determining a good ad. This simple question is not asked enough.

Good advertising and promotions research can actually help make better advertising and promotions.
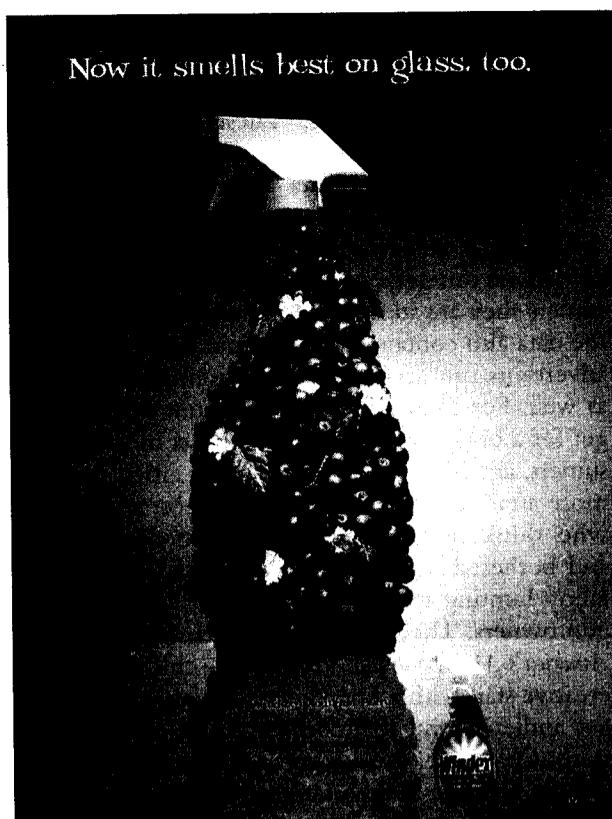
Now it smells best on glass, too.

Ideas sometimes turn into products. Research can reveal the good ideas consumers have. http://www.scjohnson.com

Purposes of Developmental Advertising Research.
The purposes served by developmental research include the following:

Idea Generation. Sometimes an ad agency is called on to invent new ways of presenting an advertised good or service to a target audience. Sometimes the brand is being **repositioned,** or having its meaning changed relative to its competitors. The outcome might take the form of a new product launch or a repositioning strategy for an advertiser. For example, after many years of representing its parks as the ultimate family destination, Disney and its ad agencies have now positioned its theme parks as adult vacation alternatives for couples whose children have grown and gone off on their own. In Exhibit 7.5 Windex and its advertising agency found a new way to differentiate its old familiar product from other window cleaners.

Where does an advertiser get ideas for new and meaningful ways to portray a brand? Direct contact with the customer can be an excellent place to start. Qualitative research involving observation of customers, and extended interviewing of customers can be great devices for fostering fresh thinking about a brand. (Disney probably got its idea for repositioning by simply observing how many older couples were visiting its parks without children in tow!) Direct contact with and aggressive listening to the customer can fuel the creative process at the heart of any great advertising campaign. It can also be a great way to anticipate and shape marketplace trends, as seen in the Global Issues box.

Concept Testing. Many times advertisers also need feedback about new ideas before they spend a lot of money to turn the idea into a new marketing or advertising initiative. A **concept test** seeks feedback designed to screen the quality of a new idea, using consumers as the final judge and jury. Concept testing may be used to screen new ideas for specific advertisements or to assess new product concepts. How the product fits current needs and how much consumers are willing to pay for the new product are questions a concept test attempts to answer. For example, are consumers willing to cover their teeth with white flexible strips in order to brighten up their smiles? Crest certainly hoped so (see Exhibit 7.6), and they were right. Concept tests of many kinds are commonly included as part of the agenda of focus groups to get quick feedback on new product or advertising ideas. Concept testing is also executed via survey research when more generalizable feedback is desired.

Audience Definition. Market segmentation and targeting are among the first and most important marketing decisions a firm must make. As discussed in the previous chapter, the goal of market segmentation is to identify target audiences that represent the best match between the firm's market offering and consumers' needs and desires, and then target them with effective advertising. Basic data about audience sizes along with their demographic profiles are absolutely critical in this process. Furthermore, new market opportunities are commonly discovered when you get to know your audience.

Audience Profiling. Perhaps the most important service provided by developmental advertising research is the profiling of target audiences for the creatives. Creatives

Concept testing allows advertisers to see what consumers think of new ideas. Sometimes these ideas then become real products. http://www .whitestrips.com

need to know as much as they can about the people to whom their ads will speak. This research is done in many ways. One of the most popular is through lifestyle research. Lifestyle research, also known as AIO (activities, interests, and opinions) research, uses survey data from consumers who have answered questions about themselves. From the answers to a wide variety of such questions, advertisers can get a pretty good profile of the consumers they are most interested in talking to. Since the data also contain other product usage questions, advertisers can account for a consumption lifestyle as well. For example, it may turn out that the target for a brand of roach killer consists of male consumers, age 35 to 45, living in larger cities, who are more afraid of "unseen dirt" than most people and who think of themselves as extremely organized and bothered by messes. Maybe they also tend to enjoy hunting more than average, and tend to be gun owners. They read *Guns and Ammo* and watch *America's Most Wanted.* Profiles like this present the creative staff with a finer-grained picture of the target audience and their needs, wants, and motivations. Of course, the answers to these questions are only as valuable as the questions are valid. In-depth interviews with individual consumers provide an excellent source of information to supplement the findings from AIO research, and vice versa.

Developmental Advertising Research Methods. Several methods are used in developmental advertising research; they will be discussed next. They are generally used to help form, shape, and tune the creative effort.

Focus Groups. A **focus group** is a discussion session with (typically) six to 12 target customers who have been brought together to come up with new insights about the good or service. With a professional moderator guiding the discussion, the consumers are first asked some general questions; then, as the session progresses, the questioning becomes more focused and moves to detailed issues about the brand in question. Advertisers tend to like focus groups because they can understand them and observe the data being collected. While focus groups provide an opportunity for in-depth discussion with consumers, they are not without limitations. Even multiple focus groups represent a very small sample of the target audience and are prone to all sorts of "errors" caused by group dynamics. But remember that generalization is not the goal. The real goal is to get or test a new idea and gain depth of information. Greater depth of information allows for a greater understanding of the context of actual usage and its subtleties. More than once in a while, what ends up being actual ad copy comes from the mouths of focus group members.

It takes great skill to lead a focus group effectively. If the group does not have a well-trained and experienced moderator, some individuals will completely dominate the others. Focus group members also feel empowered and privileged; they have been made experts by their selection, and they will sometimes give the moderator all sorts of strange answers that may be more a function of trying to impress other group members than anything having to do with the product in question.

Projective techniques are designed to allow consumers to project thoughts and feelings (conscious or unconscious) in an indirect and unobtrusive way onto a theoretically neutral stimulus. (Seeing zoo animals in clouds, or faces in ice cubes, is an example of projection.) Projective techniques share a history with Freudian psychology and depend on notions of unconscious or even repressed thoughts. Projective techniques often consist of offering consumers fragments of pictures or words and asking them to complete the fragment. The most common projective techniques are association tests, dialogue balloons, story construction, and sentence or picture completion.

Dialogue balloons offer consumers the chance to fill in the dialogue of cartoonlike stories, much like those in the comics in the Sunday paper. The story usually has to do with a product use situation. The idea is that the consumers will "project" appropriate thoughts into the balloons.

Story construction is another projective technique. It asks consumers to tell a story about people depicted in a scene or picture. Respondents might be asked to tell a story about the personalities of the people in the scene, what they are doing, what they were doing just before this scene, what type of car they drive, and what type of house they live in. Again, the idea is to use a less direct method to less obtrusively bring to the surface some often unconscious mapping of the brand and its associations.

Another method of projection is **sentence and picture completion.** Here a researcher presents consumers with part of a picture or a sentence with words deleted and then asks that the stimulus be completed. The picture or sentence relates to one or several brands of products in the category of interest. For example, a sentence completion task might be *Most American-made cars are* _____. The basic idea is to elicit honest thoughts and feelings. Of course, consumers usually have some idea of what the researcher is looking for. Still, researchers can get some pretty good information from this method.

Another method that has enjoyed growing popularity in advertising and promotional developmental is the **Zaltman Metaphor Elicitation Technique (ZMET).**[3] It is also projective in nature. This technique claims to draw out people's buried

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Japan's Marketing Bellwether: The Teenage Girl

For many marketers in Japan, aggressive listening to the customer begins and ends with adolescent females. It seems that high school girls in Japan have an unusual ability to predict consumer product successes, and, when targeted with special promotions, are also able to create favorable hype for products that can turn those products into family favorites. For example, Coca-Cola used focus groups of teenage girls to help fine-tune the marketing program for its fermented-milk drink Lactia. The girls suggested a light and smooth consistency for the product, and a short, stubby bottle with a pink label. Coke followed this advice and then handed out 30,000 of the stubby bottles to high school girls to help generate favorable word-of-mouth during the brand's launch. Lactia is now one of Japan's most popular beverages.

What could account for this special status of young women as a focal point in market research? Japanese marketing executives say that the girls are simply much more open and honest than their modest and tradition-bound elders. Additionally, these young women are very value-conscious consumers, and thus have good insights when inexpensive products are the focal point of the research. And they often have a substantial say in their mothers' selections of food items for the entire family. When Meiji Milk Products of Japan introduced its breath-cleansing Chinese tea under the brand name Oolong Socha, it did so with the advice of teenage girls. It soon became a family favorite. Yasuo Olo, a Meiji Milk brand manager, commented: "We were flabbergasted. We didn't think high school girls were that close with their parents these days."

And what about teenage boys? One market research consultant in Tokyo put it this way: "Most Japanese high school boys have trouble articulating. They're no help for our purposes."

Source: Norihiko Shirouzu, "Japan's High-School Girls Excel in Art of Setting Trends," *Wall Street Journal*, April 24, 1998, B1.

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3.   For three different viewpoints on ZMET, compare Kevin Lane Keller, *Strategic Brand Management* (Upper Saddle River, N. J.: Prentice-Hall, 1988), 317–320; Ronald B. Liever, "Storytelling: A New Way to Get Close to Your Customer," *Fortune*, February 3, 1997, 102–108; and Gerald Zaltman, "Rethinking Market Research: Putting People Back In," *Journal of Marketing Research*, vol. 34 (November 1997), 424–437.

got milk?
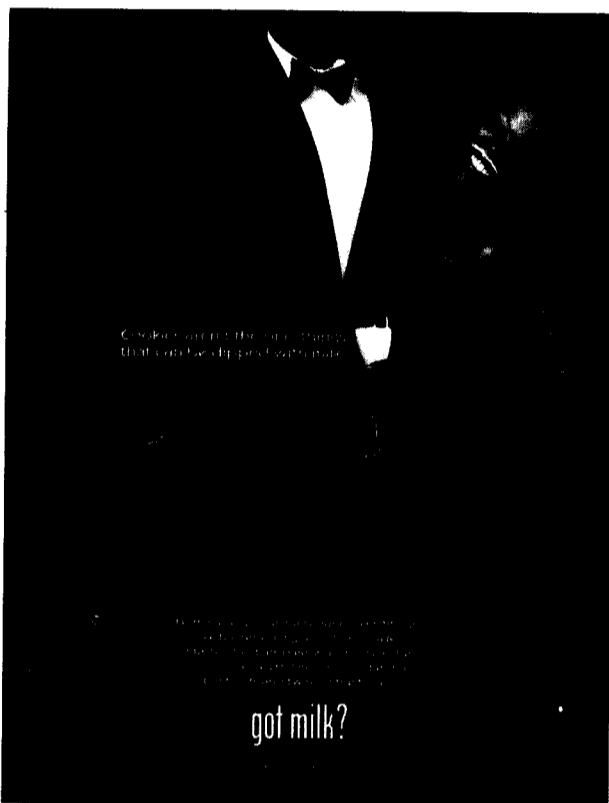
This campaign was largely inspired by qualitative research: researchers actually went out into the "field" and found that there was nothing worse than having a cookie/ brownie/etc., but no milk.

thoughts and feelings about products and brands by encouraging participants to think in terms of metaphors. A metaphor simply involves defining one thing in terms of another. ZMET draws metaphors from consumers by asking them to spend time thinking about how they would visually represent their experiences with a particular product or service. Participants are asked to make a collection of photographs and pictures from magazines that reflect their experience. For example, in research conducted for DuPont, which supplies raw material for many pantyhose marketers, one person's picture of spilled ice cream reflected her deep disappointment when she spots a run in her hose. In-depth interviews with several dozen of these metaphor-collecting consumers can often reveal new insights about consumers' consumption motives, which then may be useful in the creation of products and ad campaigns to appeal to those motives.

Field work is conducted outside the agency (i.e., in the "field"), usually in the home or site of consumption. Its purpose is to learn from the experiences of the consumer and from direct observation. Consumers live real lives, and their behavior as consumers is intertwined throughout these real lives. Their consumption practices are **embedded;** that is, they are tightly connected to (embedded within) their social context. To study them outside of that context makes little sense. More and more, researchers are attempting to capture more of the real embedded experiences of consumers.[4] This research philosophy and related methods are very popular today. Campaigns such as the award-winning and successful Got Milk? campaign (see Exhibit 7.7) used field work to get at the real consumption opportunity for milk—a mouth full of cookies and an empty milk carton. This helped form, and then drive, the strategy and creative execution. Often times the essential creative strategy is referred to as a **creative brief,** a document that outlines and channels the essential creative idea and objective.[5]

Consumers began to remember to be sure to have milk at home, to ask themselves when at the grocery store, "Got milk?" Other advertisers and their agencies shoot, or have consumers themselves, shoot home movies on digital video to get at the real usage opportunities and consumption practices or real consumers in real settings. Dell and their agency used this to create the Dell Dude, Steven. Advertising researchers can make better messages if they understand the lives of their target audience, and understand it in some rich context.

Field research uses prolonged observation and in-depth study of individuals or small groups of consumers in their own social environment. The advertising industry has long appreciated the value of qualitative data and is currently moving to even more strongly embrace extended types of fieldwork.

Coolhunts do this by getting researchers to actually go to the site where they believe cool resides, stalk it, and bring it back to be used in the product and its advertising. Exhibit 7.8 gives an example of coolhunting.

4.   Craig J. Thompson, William B. Locander, and Howard Pollio, "Putting Consumer Experience Back into Consumer Research: The Philosophy and Method of Existential Phenomenology," *Journal of Consumer Research*, vol. 16 (June 1989), 133–147.

5.   Karen Whitehill King, John D. Pehrson, and Leonard N. Reid, "Pretesting TV Commercials: Methods, Measures, and Changing Agency Roles," *Journal of Advertising*, vol. 22 (September 1993), 85–97.

Internal Company Sources. Some of the most valuable data are available within a firm itself and are, therefore, referred to as "internal company sources." Commonly available information within a company includes strategic marketing plans, research reports, customer service records, warranty registration cards, letters from customers, customer complaints, and various sales data (broken down by region, by customer type, by product line). All of these provide a wealth of information relating to the proficiency of the company's advertising programs and, more generally, changing consumer tastes and preferences. Sometimes really great data are right there under the client's or agency's nose.

Government Sources. Various government organizations generate data on factors of interest to advertising planners; information on population and housing trends, transportation, consumer spending, and recreational activities in the United States is available through government documents.[6] Go to http://www.lib.umich .edu/govdocs/federal.html for a couple hundred or so pages of great links to data from federal, state, and international government sources. The Census of Population and Housing is conducted every 10 years in years ending in 0. The data (actually tables, not the data itself, unfortunately) are released at various times over the following handful of years after the census. The Census Bureau has a great Web site with access to numerous tables and papers (http://www.census.gov/).

A great new source of data is the American Community Survey, which the Census Bureau actually hopes will replace many aspects of the census in 2010. It came online in 2003. The ACS is a new approach for collecting accurate, timely information. It is designed as an ongoing survey that will replace the so-called long form in the 2010 census. The ACS provides estimates of demographic, housing, social, and economic characteristics every year for states, cities, counties, metropolitan areas, and population groups of 65,000 people or more (http://www.factfinder.census.gov/ home/en/acsdata.html). (See Exhibit 7.9, from the ACS.)

There is also the commonly used Current Population Survey, which is a national survey that has been conducted monthly since 1940 by the Bureau of the Census for the Department of Labor Statistics. It provides information on unemployment, occupation, income, and sources of income, as well as a rotating set of topics such as health, work schedules, school enrollment, fertility, households, immigration, and language (http://www.bls.census.gov/cps/cpsmain.htm).

You might also check out the International Social Survey Programme at http://www.issp.org. Here you could get valuable data on the feelings of consumers from 30 or so nations on, for example, environmental issues, quite a find for companies trying to market "green products." Another very cool site is the National Archives and Records Administration, http://www.nara.gov. This site has an incredible array of information about Americans and American culture—all available, for no charge, from any computer. The array of consumer data available from government sources is a wonderful resource in advertising and planning for businesses of all sizes. These publications/sites are reasonably current. Print versions are available at public libraries. This means that even a small business owner can access large amounts of information for advertising planning purposes at little or no cost. Again, the Internet has changed the world and the practice of advertising and promotion.

Commercial Sources. Since information has become such a critical resource in marketing and advertising decision making, commercial data services have emerged to provide data of various types, and to package existing data. Firms specializing in this sort of information tend to concentrate their data-gathering efforts on household consumers. PRIZM is a good example. PRIZM's owner, Claritas, collects data at the zip-code level on consumption. This way, a marketer can see a pretty interesting

6.   We would like to thank Professor Gillian Stevens of the University of Illinois for her assistance with government data sources.

COOLHUNT

Baysie Wightman met DeeDee Gordon, appropriately enough, on a coolhunt. It was 1992. Baysie was a big shot for Converse, and DeeDee, who was barely twenty-one, was running a very cool boutique called Placid Planet, on Newbury Street in Boston. Baysie came in with a camera crew—one she often used when she was coolhunting—and said, "I've been watching your store, I've seen you, I've heard you know what's up," because it was Baysie's job at Converse to find people who knew what was up and she thought DeeDee was one of those people. DeeDee says that she responded with reserve—that "I was like, 'Whatever' "—but Baysie said that if DeeDee ever wanted to come and work at Converse she should just call, and nine months later DeeDee called. This was about the time the cool kids had decided they didn't want the hundred-and-twenty-five-dollar basketball sneaker with seventeen different kinds of high-technology materials and colors and air-cushioned heels anymore. They wanted simplicity and authenticity, and Baysie picked up on that. She brought back the Converse One Star, which was a vulcanized, suede, low-top classic old-school sneaker from the nineteen-seventies, and, sure enough, the One Star quickly became the signature shoe of the retro era. Remember what Kurt Cobain was wearing in the famous picture of him lying dead on the ground after committing suicide? Black Converse One Stars. DeeDee's big score was calling the sandal craze. She had been out in Los Angeles and had kept seeing the white teenage girls dressing up like cholos, Mexican gangsters, in tight white tank tops known as "wife beaters," with a bra strap hanging out, and long shorts and tube socks and shower sandals. DeeDee recalls, "I'm like, 'I'm telling you, Baysie, this is going to hit. There are just too many people wearing it. We have to make a shower sandal.' " So Baysie, DeeDee, and a designer came up with the idea of making a retro sneaker-sandal, cutting the back off the One Star and putting a thick outsole on it. It was huge, and amazingly, it's still huge.

Today, Baysie works for Reebok as general-merchandise manager—part of the team trying to return Reebok to the position it enjoyed in the mid-nineteen-eighties as the country's hottest sneaker company. DeeDee works for an advertising agency in Del Mar called Lambesis, where she puts out a quarterly tip sheet called the L Report on what the cool kids in major American cities are thinking and doing and buying. Baysie and DeeDee are best friends. They talk on the phone all the time. They get together whenever Baysie is in L.A. (DeeDee: "It's, like, how many times can you drive past O.J. Simpson's house?"), and between them they can talk for hours about the art of the coolhunt. They're the Lewis and Clark of cool.

What they have is what everybody seems to want these days, which is a window on the world of the street. Once, when fashion trends were set by the big couture houses—when cool was trickle-down—that wasn't important. But sometime in the past few decades things got turned over, and fashion became trickle-up. It's now about chase and flight—designers and retailers and the mass consumer giving chase to the elusive prey of street cool—and the rise of coolhunting as a profession shows how serious the chase has become. The sneakers of Nike and Reebok used to come out yearly. Now a new style comes out every season. Apparel designers used to have an eighteen-month lead time between concept and sale. Now they're reducing that to a year, or even six months, in order to react faster to new ideas from the street. The paradox, or course, is that the better coolhunters become at bringing the mainstream close to the cutting edge, the more elusive the cutting edge becomes. This is the first rule of the cool: The quicker the chase, the quicker the flight. The act of discovering what's cool is what causes cool to move on, which explains the triumphant circularity of coolhunting: because we have coolhunters like DeeDee and Baysie, cool changes more quickly, and because cool changes more quickly, we need coolhunters like DeeDee and Baysie.

One day last month, Baysie took me on a coolhunt to the Bronx and Harlem, lugging a big black canvas bag with twenty-four different shoes that Reebok is about to bring out, and as we drove down Fordham Road, she had her head out the window like a little kid, checking out what everyone on the street was wearing. We went to Dr. Jay's, which is the cool place to buy sneakers in the Bronx, and Baysie crouched down on the floor and started pulling the shoes out of her bag one by one, soliciting opinions from customers who gathered around and asking one question after another, in rapid sequence. One guy she listened closely to was maybe eighteen or nineteen, with a diamond stud in his ear and a thin beard. He was wearing a Polo baseball cap, a brown leather jacket, and the big, oversized leather boots that are everywhere uptown right now. Baysie would hand him a shoe and he would hold it, look at the top, and move it up and down and flip it over. The first one he didn't like: "Oh-kay." The second one he hated: he made a growling sound in his throat even before Baysie could give it to him, as if to say, "Put it back in the bag—now!" But when she handed him a new DMX RXT—a low-cut run/walk shoe in white and blue and mesh with a translucent "ice" sole, which retails for a hundred and ten dollars—he looked at it long and hard and shook his head in pure admiration and just said two words, dragging each of them out: "No doubt."

Baysie was interested in what he was saying, because the DMX RXT she had was a girls' shoe that actually hadn't been doing all that well. Later, she explained to me that the fact that the boys loved the shoe was critical news, because it suggested that Reebok had a potential hit if it just switched the shoe to the men's section. How

she managed to distill this piece of information from the crowd of teenagers around her, how she made any sense of the two dozen shoes in her bag, most of which (to my eyes, anyway) looked pretty much the same, and how she knew which of the teens to really focus on was a mystery. Baysie is a Wasp from New England, and she crouched on the floor in Dr. Jay's for almost an hour, talking and joking with the homeboys without a trace of condescension or self-consciousness.

Near the end of her visit, a young boy walked up and sat down on the bench next to her. He was wearing a black woolen cap with white stripes pulled low, a blue North Face pleated down jacket, a pair of baggy Guess jeans, and on his feet, Nike Air Jordans. He couldn't have been more than thirteen. But when he started talking you could see Baysie's eyes light up, because somehow she knew the kid was the real thing.

"How many pairs of shoes do you buy a month?" Baysie asked.

"Two," the kid answered. "And if at the end I find one more I like I get to buy that, too."

Baysie was on to him. "Does your mother spoil you?"

The kid blushed, but a friend next to him was laughing. "Whatever he wants, he gets."

Baysie laughed, too. She had the DMX RXT in his size. He tried them on. He rocked back and forth, testing them. He looked back at Baysie. He was dead serious now: "Make sure these come out."

Baysie handed him the new "Rush" Emmitt Smith shoe due out in the fall. One of the boys had already pronounced it "phat," and another had looked through the marbleized-foam cradle in the heel and cried out in delight, "This is bug!" But this kid was the acid test, because this kid knew cool. He paused. He looked at it hard. "Reebok," he said, soberly and carefully, "is trying to get butter."

When Baysie comes back from a coolhunt, she sits down with marketing experts and sales representatives and designers, and reconnects them to the street, making sure they have the right shoes going to the right places at the right price. When she got back from the Bronx, for example, the first thing she did was tell all these people they had to get a new DMX RXT out, fast, because the kids on the street loved the women's version. "It's hotter than we realized," she told them. The coolhunter's job in this instance is very specific. What DeeDee does, on the other hand, is a little more ambitious. With the L Report, she tries to construct a kind of grand matrix of cool, comprising not just shoes but everything kids like, and not just kids of certain East Coast urban markets but kids all over. DeeDee and her staff put it out four times a year, in six different versions—for New York, Los Angeles, San Francisco, Austin-Dallas, Seattle, and Chicago—and then sell it to manufacturers, retailers, and ad agencies (among others) for twenty thousand dollars a year. They go to each city and find the coolest bars and clubs, and ask the coolest kids to fill out questionnaires. The information is then divided into six categories—You Saw It Here First, Entertainment and Leisure, Clothing and Accessories, Personal and Individual, Aspirations, and Food and Beverages—which are, in turn, broken up into dozens of subcategories, so that Personal and Individual, for example, include Cool Date, Cool Evening, Free Time, Favorite Possession, and on and on. The information in those subcategories is subdivided again by sex and by age bracket (14–18, 19–24, 25–30), and then, as a control, the L Report gives you the corresponding set of preferences for "mainstream kids."

What DeeDee argues, though, is that cool is too subtle and too variegated to be captured with these kind of broad strokes. Cool is a set of dialects, not a language. The L Report can tell you, for example, that nineteen-to-twenty-four-year-old male trendsetters in Seattle would most like to meet, among others, King Solomon and Dr. Seuss, and that nineteen-to-twenty-four-year-old female trendsetters in San Francisco have turned their backs on Calvin Klein, Nintendo Game Boy, and sex. What's cool right now? Among male New York trendsetters: North Face jackets, rubber and latex, khakis, and the rock band Kiss. Among female trendsetters: ska music, old-lady clothing, and cyber tech. In Chicago, snowboarding is huge among trendsetters of both sexes and all ages. Women over nineteen are into short hair, while those in their teens have embraced mod culture, rock climbing, tag watches, and bootleg pants. In Austin-Dallas, meanwhile, twenty-five-to-thirty-year-old women trendsetters are into hats, heroin, computers, cigars, Adidas, and velvet, while men in their twenties are into video games and hemp. In all, the typical L Report runs over one hundred pages. But with the flood of data comes an obsolescence disclaimer: "The fluctuating nature of the trendsetting market makes keeping up with trends a difficult task." By the spring, in other words, everything may have changed.

The key to coolhunting, then, is to look for cool people first and cool things later, and not the other way around. Since cool things are always changing, you can't look for them, because the very fact they are cool means you have no idea what to look for. What you would be doing is thinking back on what was cool before and extrapolating, which is about as useful as presuming that because the Dow rose ten points yesterday it will rise another ten points today. Cool people, on the other hand, are a constant.
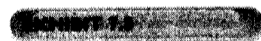
This is a description of coolhunting.

The American Community Survey is a great resource for defining target audiences.
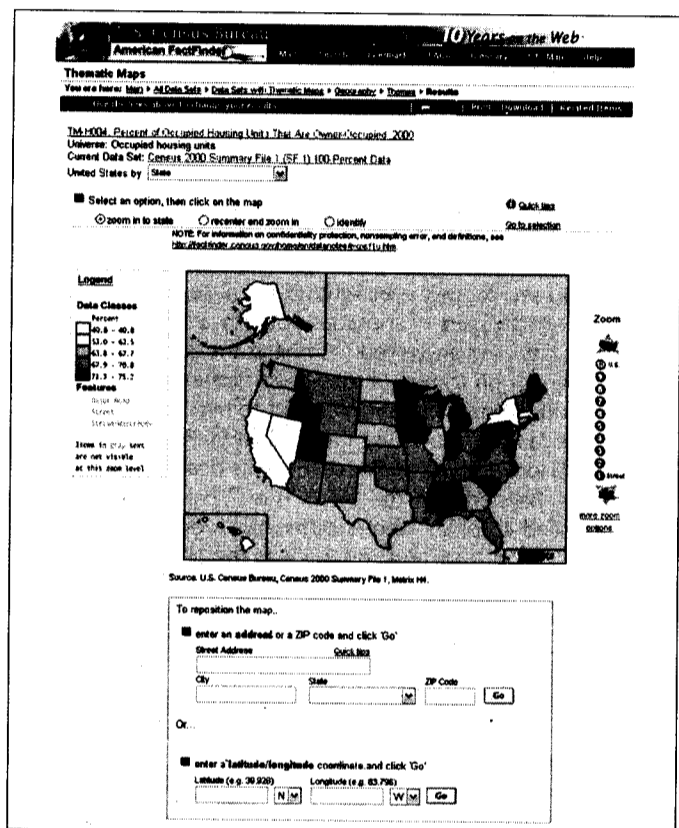
profile of who is most likely to consume a given good or service, and also *where* (see Exhibit 7.10). This is based on the assumption that most consumers within a given zip code are more alike than different in their consumption habits. However, this assumption is not accepted universally. Sometimes there are significant variations in consumer practices within a given geographic area. But that is the exception. More often than not, people living in close proximity to one another are more like each other (in consumption practices) than people living in different geographic areas. That simple reality is what makes geographic clustering research methods work at all.

Information from commercial data vendors is reasonably comprehensive and is normally gathered using reasonably sound methods. Information from these sources costs more than information from government sources, but is specifically designed to be of benefit to advertisers and marketers. Exhibit 7.11 details several of the major companies and their offerings.

Professional Publications. Another secondary data source is professional publications. Professional publications are periodicals in which marketing and advertising professionals report significant information related to industry trends or new research findings.

The Internet. It probably goes without saying for today's Web-savvy college student that the Internet can be an advertiser's best friend when looking for secondary data of almost any kind. The Internet has revolutionized developmental research, particularly for smaller agencies and advertisers. Common search engines allow the search of enormous amounts of data previously available only to the wealthiest agencies. Human search costs have been slashed. Beyond commonly available engines, some companies buy customized engines to search the Web for their own particular needs. Of particular value are Web-based interest groups, or online communities. Google Groups are a great resource (see Exhibit 7.12).

ZIP Code Look-up

PRIZM NE Segmentation System

• PRIZM NE Segmentation System
Enter 5-digit ZIP CODE

90210

Beverly Hills, CA 90210's most common PRIZM NE Segments are:

Number	Name
01	Upper Crust
03	Movers & Shakers
16	Bohemian Mix
50	Urban Elders
31	Urban Achievers

Click on the segment name for more detail

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2003 PRIZM NE Segmentation System

01   Upper Crust

The nation's most exclusive address. Upper Crust is the wealthiest lifestyle in America - a haven for empty-nesting couples over 55 years old. No segment has a higher concentration of residents earning over $200,000 a year or possessing a postgraduate degree. And none has a more opulent standard of living.

Group: Elite Suburbs

2003 Statistics:
US Households: 1,668,064 (1.52%)
US Population: 4,475,646 (1.54%)
Median HH Income: $107,923

Lifestyle Traits:
1. Spend $3,000+ foreign travel
2. Contribute to PBS
3. Read Architectural Digest
4. Watch Wall Street Week
5. Drive a Lexus ES300

Demographics Traits:	
Ethnic Diversity:	White, High Asian
Family Types:	Couples
Age Ranges:	45+
Education Levels:	College Grad+
Employment Levels:	Professional
Housing Types:	Homeowners
Urbanicity:	Suburban
Income:	Wealthy

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2003 PRIZM NE Segmentation System

03   Movers & Shakers

Movers & Shakers is home to America's up-and-coming business class: a wealthy suburban world of dual-income couples who are highly educated, typically between the ages of 35 and 54 and often with children. Given its high percentage of executives and white-collar professionals, there's a decided business bent to this segment: Movers & Shakers rank number-one for owning a small business and having a home office.

Group: Elite Suburbs

2003 Statistics:
US Households: 1,743,320 (1.59%)
US Population: 4,709,545 (1.62%)
Median HH Income: $97,076

Lifestyle Traits:
1. Go scuba diving/snorkeling
2. Plan travel on the Internet
3. Read PC Magazine
4. Listen to adult contemp. radio
5. Drive a Porsche

Demographics Traits:	
Ethnic Diversity:	White, High Asian
Family Types:	Couples
Age Ranges:	35-64
Education Levels:	College Grad+
Employment Levels:	Professional
Housing Types:	Homeowners
Urbanicity:	Suburban
Income:	Wealthy

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2003 PRIZM NE Segmentation System

16   Bohemian Mix

A collection of young, mobile urbanites, Bohemian Mix represents the nation's most liberal lifestyles. Its residents are a progressive mix of young singles and couples, students and professionals, Hispanics, Asians, African-Americans and whites. In their funky rowhouses and apartments, Bohemian Mixers are the early adopters who are quick to check out the latest movie, nightclub, laptop and microbrew.

Group: Urban Uptown

2003 Statistics:
US Households: 2,034,107 (1.86%)
US Population: 4,808,237 (1.65%)
Median HH Income: $49,439

Lifestyle Traits:
1. Shop at Banana Republic
2. Go jogging
3. Read Vanity Fair
4. Watch Friends in syndication
5. Drive a Audi A4/S4

Demographics Traits:	
Ethnic Diversity:	Black, High Asian & Hisp
Family Types:	Singles
Age Ranges:	<36
Education Levels:	College Grad+
Employment Levels:	Prof, White-Collar
Housing Types:	Renters
Urbanicity:	Urban
Income:	Midscale

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EXHIBIT 7.10

Here is zip-code consumer data from Prizm. Nice zip-code: 90210. Here are the menu and three of the "best" segments for Beverly Hills, California.

Copy Research.

The second major type of advertising and promotion research is known as copy research, or *evaluative research*. It is the kind that people usually think of when one says "advertising research." It is research on the actual ads or promotional texts themselves, finished or unfinished. It is used to judge or *evaluate* ads and promotions. Even though most contemporary ads are more pictures than words, the name "copy" still reflects the time when it was the effect of advertising copy (words) that was supposed to be most important.

In the best case, reliable, valid, trustworthy, and meaningful tests are appropriately applied. In the worst case, tests in which few still believe continue to survive because they represent "the way we have always done things." The pressure of history and the felt need for normative data (which allows comparisons with the past) significantly obscure questions of appropriateness and meaningfulness. This makes

Commercial Information Source	Type of Information
Dun & Bradstreet Market Identifiers	DMI is a listing of 4.3 million businesses that is updated monthly. Information includes number of employees, relevant SIC codes that relate to the businesses' activities, location, and chief executive. Marketing and advertising managers can use the information to identify markets, build mailing lists, and specify media to reach an organization. http://www.dnb.com
Nielsen Retail Index	Nielsen auditors collect product inventory turnover data from 1,600 grocery stores, 750 drugstores, and 150 mass merchandise outlets. Information is also gathered on retail prices, in-store displays, and local advertising. Data from the index are available by store type and geographic location. http://www.nielsenmedia.com
National Purchase Diary Panel	With more than 13,000 families participating, NPD is the largest diary panel in the United States. Families record on preprinted sheets their monthly purchases in 50 product categories. Information recorded includes brand, amount purchased, price paid, use of coupons, store, specific version of the product (flavor, scent, etc.), and intended use.
Consumer Mail Panel	This panel is operated by a firm called Market Facts. There are 45,000 active participants at any point in time. Samples are drawn in lots of 1,000. The overall panel is said to be representative of different geographic regions in the United States and Canada, then broken down by household income, urbanization, and age of the respondent. Data are provided on demographic and socioeconomic characteristics as well as type of dwelling and durable goods ownership. http://www.marketfacts.com

EXHIBIT 7.11

Examples of the commercial data sources available to advertisers.

for an environment in which the best test is not always done, the wrong test is done, and the right questions are not always asked.

This brings us to motives and expectations of the agency and the client: Why are certain tests done? Just what is it that advertising professionals want out of their copy research? The answer, of course, depends on who you ask. Generally speaking, the account team wants some assurance that the ad does essentially what it's supposed to do, or at least is defensible in terms of copy test scores. Many times, the team simply wants whatever the client wants. The client typically wants to see some numbers, generally meaning **normative test scores**—scores relative to the average for a category of ads. In other words, the client wants to see how well a particular ad scored against average commercials of its type that were tested previously. From a purely practical standpoint, having a good normative copy test scores (above the average for the category) lowers the probability of getting fired later. You can point to the score, and say it "tested well," and then assert that you (and/or your agency) should not be fired. There is a lot of cover in these scores, perhaps in reality their greatest value. If things go bad, one can always point to the high test scores, and say, "Well, it tested well. It's not my fault."

How about the people who actually make the ads, the creatives? What do they want in all of this? Well, generally they hate copy testing and wish it would go away. They are uninterested in normative tests. The creatives who actually produced the
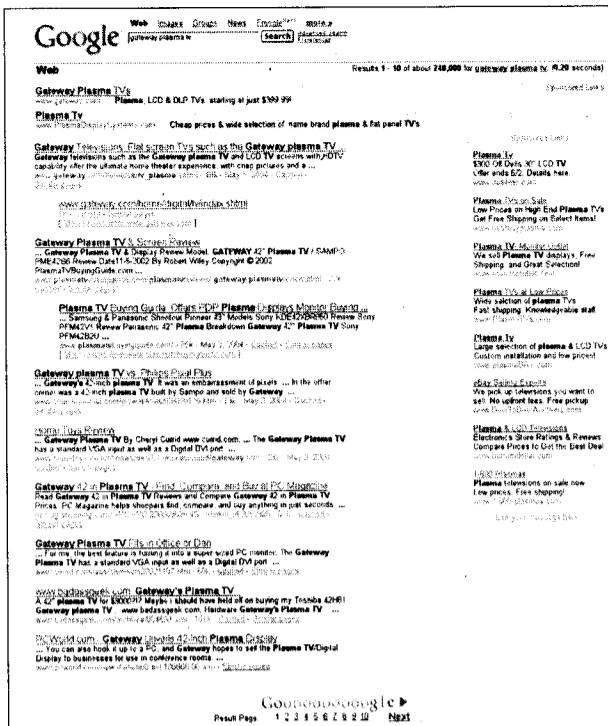
EXHIBIT 7.12

At Google Groups you will find thousands and thousands of discussion groups, many of them consumer- and brand-based. Here, advertisers can gain incredibly rich, unobtrusive, and sophisticated data from real consumers at virtually no cost. Sophisticated newsreader programs can quickly search and organize these data.

ad typically believe there is no such thing as the average commercial, and they are quite sure that if there are average commercials, theirs are not among them. Besides benefiting the sales of the advertised product or service, the creatives wouldn't mind another striking ad on their reel or in their book, another Addy or Clio on their wall. But copy research scores are unlikely to predict awards, which are the unofficial currency of creatives. So creatives don't tend to be fans of copy tests. Creatives want awards. Copy tests often stand in the way and seem meaningless.

Copy tests generate a type of report card, and some people, particularly on the creative side of advertising, resent getting report cards from people in suits. (Who wouldn't?) Creatives also argue that these numbers are often misleading and misapplied. More often than not, they're right. Further, they argue that ads are artistic endeavors, not kitchen appliances to be rated by *Consumer Reports*. Again, they have a point. Because of these problems, and the often conflicting agenda of creatives (awards, career as a filmmaker) and account managers (keep your job, sell more stuff, maybe get to move to the brand side), copy research is often the center of agency tensions. Other than corner offices, copy tests have probably been at the center of more agency fights than just about anything.

Whenever people begin looking at the numbers, there is a danger that trivial differences can be made monumental. Other times, the mandatory measure is simply inappropriate. Still other times, creatives wishing to keep their jobs simply give the client what he or she wants, as suggested in Exhibit 7.13. If simple recall is what the client wants, then increasing the frequency of brand mentions might be the answer. It may not make for a better commercial, but it may make for a better score and, presumably, a happy client in the short run. A lot of games are played with copy tests.

EXHIBIT 7.13

Creative pumps up DAR numbers.

Bob, a creative at a large agency, has learned from experience how to deal with lower-than-average day-after recall (DAR) scores. As he explains it, there are two basic strategies: (1) Do things that you know will pump up the DAR. For example, if you want high DARs, never simply super (superimpose) the brand name or tag at the end of the ad. Always voice it over as well, whether it fits or not. You can also work in a couple of additional mentions in dialogue; they may stand out like a sore thumb and make consumers think, "Man, is that a stupid commercial," because people don't talk that way. But it will raise your DARs. (2) Tell them (the account executive or brand manager and other suits) that this is not the kind of product situation that demands high DARs. In fact, high DARs would actually hurt them in the long run due to quick wearout and annoyance. Tell them, "You're too sophisticated for that ham-handed kind of treatment. It would never work with our customers." You can use the second strategy only occasionally, but it usually works. It's amazing.

Despite the politics involved, message testing research is *probably* a good idea, at least some of the time. Properly conceived (almost never), correctly conducted (about half the time), and appropriately applied (rare), such research can yield important data that management can then use to determine the suitability of an ad. Knowing when it is appropriate, when it is not, and sticking to your guns is, quite simply, very hard in the advertising and promotion world—too many careers and too much money are on the line. *Doesn't the Emperor look grand in his new clothes?*

Evaluative Criteria: What Is Being Assessed.

There are a few common ways ads are judged. They are, more than anything else, traditional. Some make a great deal of sense and are very useful for integrated brand advertising and promotion, others are horribly overused and misapplied. Below we go through and discuss the major evaluative criteria. Later will we describe the major methods of assessing ads and promotions on these criteria.

Getting It.

Sometimes advertisers just want to know if audience members "get" the ad. Do they generally understand it, get the joke, see the connection, or get the main point? The reasoning behind this assessment is so obvious it hurts. It makes sense, it can be easily defended—even to copy-research-hating creatives. Brand managers understand this criterion; so do account executives. Do you get the ads in Exhibits 7.14 and 7.15?

Cognitive Residue.

It assumed that if the consumer was exposed to the ad, something of that ad remains in the consumer's mind: cognitive residue. It might be a memory of the headline, the brand name, the joke in the TV spot, a piece of copy, a vague memory trace of an executional element in the ad, or just about anything. So advertisers have for decades scored the cognitive residue, or the things left in consumer's minds. If "remembering stuff" from the ad matters, this makes sense at some basic level, yet we have known for at least 30 to 40 years that most memory measures don't tend to predict actual sales very well at all. Why is this? Well, for one thing, consumers may remember all sorts of things in ads, and not care for the advertised brand at all. Or they remember things that are completely irrelevant to the advertiser's intended message, or some of their thoughts actually interfere with associating the advertiser's brand name with the ad itself. Humorous ads are great example of this. The consumer remembers what is funny, but not the brand name—or worse yet, remembers the competitor's brand name.

It is also the case that these tests are premised on an increasingly out-of-fashion view of human memory. Not so long ago, psychologists thought that whatever a human experienced made its way into memory pretty much like streaming video or an unedited movie of one's life. So the focus of lots of advertising research was on the accurate and faithful retrieval of an ad, as if it existed unaltered in memory . . . or at least pieces of it. Lately though, a new way of thinking about human memory has emerged. Inspired from research into false memories in child abuse cases, psychologists now know that human memory is much messier than previously assumed. Psychologists now believe memory to be more fluid, and highly subject to motivation: remembering things as we care to remember them, even things that never happened. Memory appears to be much more of an interpretive act than previously thought. Advertising researcher Kathryn Braun-LaTour has shown that one can actually be fairly easily made to remember brands that don't exist and consumption experiences that never happened.[7] This work tells us that to rely so strongly on memory as a

7.   Kathryn A. Braun, "Postexperience Advertising Effects on Consumer Memory," *Journal of Consumer Research*, vol. 25 (March 1999), 319–334.
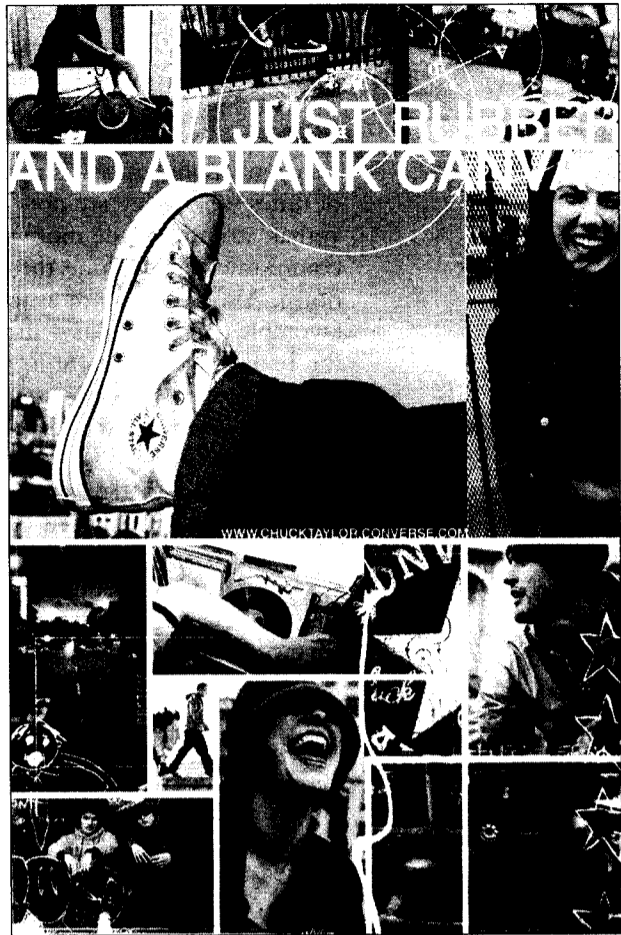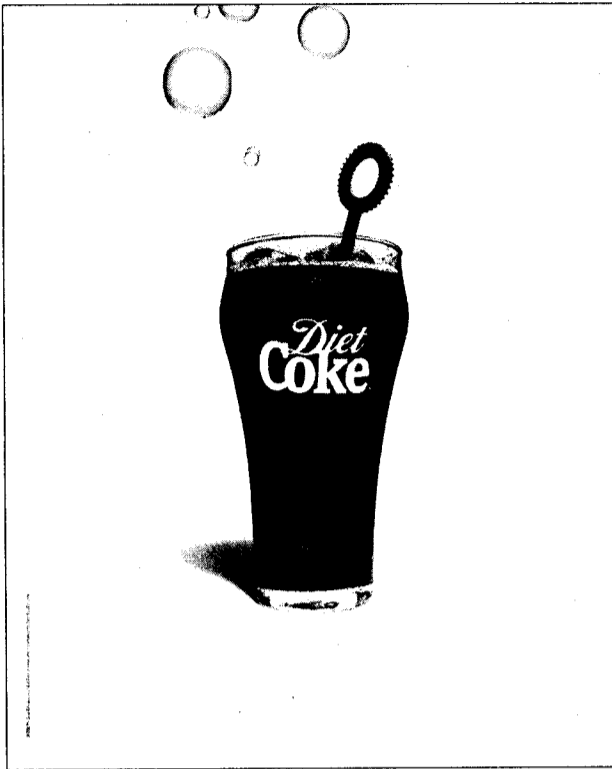
Do you get it? Does the main message come across? Is the right image projected? http://www.cocacola.com *and* http://www.converse.com

measure of advertising effectiveness is a very bad idea. There are certainly times when such measures are appropriate, but nowhere near as much as they are used at present.

Knowledge. Knowledge is one big step up from fairly random cognitive residue. To have knowledge about a brand that could have come only from an ad is a much more meaningful measure of advertising effectiveness. This knowledge may take several forms. It could be a brand claim, or a belief about the brand. For example, the advertisers may believe that Brand X cleans twice as well as Brand Y. If Brand X's advertising and promotion has been stressing this very fact, then we may generally assume that the consumer has learned something from the promotion and advertising, and that brand knowledge has been created.

Attitude Change. Attitudes suggest where a brand stands in the consumer's mind. Attitudes can be influenced both by what people know and by what people feel

about a brand. In this sense, attitude or preference is a summary evaluation that ties together the influences of many different factors. Advertisers thus may view attitude change as an important dimension for assessing advertising.

The biggest problem with attitude assessment is that it is overused and poorly applied in advertising research. Common sense tells us that sometimes attitudes are very worthwhile in assessing ads. Yet it also tells us that there are plenty upon plenty of times when they are not. Decades ago, when ads were mostly claimed-based and verbal, attitudes made more sense than in a real contemporary ad world, where most communication is done through picturing, and explicit claims are less and less the norm. Also, one cannot assume that a favorable attitude toward the ad will lead to a favorable and meaningful attitude toward the brand. We can all think of ads we love for brands we don't. Still, in the right circumstance, when the correct attitude dimensions are defined, assessing summary evaluations makes sense. There will more on this when we discuss specific methods and message strategies in Chapter 11.

Feelings and Emotions. Advertisers have always had a special interest in feelings and emotions. Ever since the "atmospheric" ads of the 1920s, there has been the belief that feelings may be more important than thoughts as a reaction to certain ads. Recent research by business professor Michel Pham and others[8] have shown that feelings have three distinct properties that makes them very powerful in reactions to advertisements and the advertised goods and services: (1) Consumers monitor and access feelings very quickly—consumers often know how they feel before they know what they think; (2) there is much more agreement in how consumers feel about ads and brands than in what they think about them; and (3) feelings are very good predictors of thoughts. This research adds a great deal of support to the argument that, in many ways, feelings are more important than thoughts when it comes to advertising. It also appears that ads that use feelings produce stronger and more lasting effects than those that try to persuade by thought alone. For example, the way a consumer feels about the imagery in the ads in Exhibits 7.16 and 7.17 may be far more important than any attitudinal component of the communication.

There is a lot of current interest in developing better measures of the feelings and emotions generated by advertising.[9] This has included better paper-and-pencil measures as well as dial-turning devices with which those watching an ad turn a dial in either a positive or negative direction to indicate their emotional response to the ad. Assessment of feelings evoked by ads is becoming much more important goal of the advertising industry.

Physiological Changes. Every few years there will be renewed interest in the technology of physiological assessment of advertising. Then, just as surely, the excitement falls way. The reasons for the recurring infatuation have to do with our general cultural fascination with technology, and the fairly reasonable belief that ads that really impact consumers must impact them at the physiological level
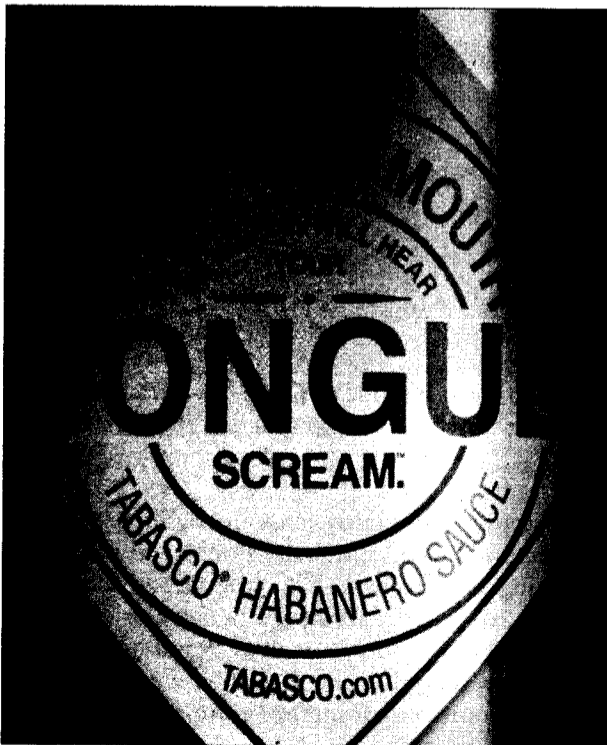
EXHIBIT 7.16

This ad is supposed to work with images and feelings.

8.   Michel Tuan Pham, Joel B. Cohen, John W. Pracejus, and G. David Hughes, "Affect Monitoring and the Primacy of Feelings in Judgment," *Journal of Consumer Research*, vol. 28 (September 2001), 167–188.
9.   Stuart J. Agres, Julie A. Edell, and Tony M. Dubitsky, eds., *Emotion in Advertising* (Westport, Conn.: Quorum Books, 1990). See especially Chapters 7 and 8.

Words and arguments are not what makes this ad work.

WOMEN OF THE WORLD, RAISE YOUR RIGHT HAND.
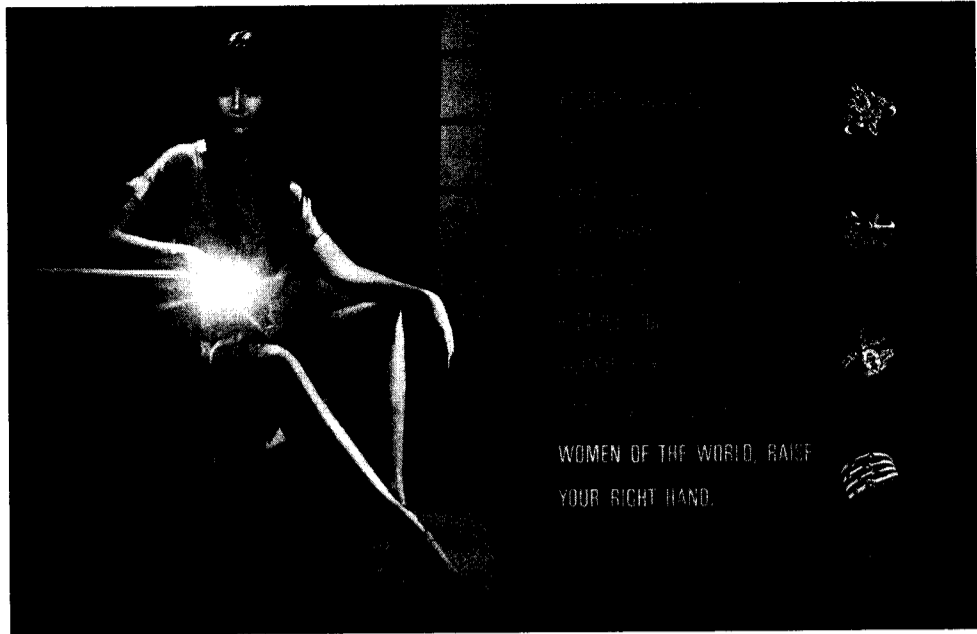
as well. So, technologies come and go that seek to capture changes in the bodies of people exposed to ads. Typically this is in terms of eye movement or dimensions measured by lie-detector-like devices such as skin conductivity, respiration, and pulse. Even PT scans (a procedure where subjects breathe radioactive isotopes) of the brain have been used experimentally, not in routine practice. Bottom line: They have not proven to be of much practical value.

Behavioral Intent. This is essentially what consumers say they intend to do. If, after exposure to Brand X's advertising, stated intent to purchase Brand X goes up, there is some evidence to believe that the tested advertising had something to do with it. Of course, we all know the problem with intended behavior: It's a poor substitute for actual behavior. Think about it: You really intended to call your mom, put the check in the mail, and all those other things. But it just didn't work out that way. The same thing is true when these are the criteria for testing consumer response to advertising. On a relative basis (say, percentage who intend to buy Pepsi vs. percentage who intend to buy Coke), these measures can be meaningful and helpful, particularly if the changes are really large. Beyond that, don't take them to the bank.

Actual Behavior. Other advertisers really want to see evidence that the new ads will actually get people to do something: generally, to buy their product. It is, to some, the gold standard. But for reasons explained earlier, there are so many things that can affect sales that the use of actual sales as a measure of advertising effectiveness is considered inherently flawed, but not flawed enough not to be used. Here is a place where advertising and promotion are really different. In the case of the more easily and precisely tracked effects of promotions, sales are the gold standard. In the case of media advertising, statistical models are employed to try to isolate the effect of advertising on sales. A host of other variables that might also affect sales, from the weather to competing advertising, are factored into these mathematical models. Even with all this sophistication, industry experts acknowledge that they are very far from perfect, and far less reliable and meaningful than those constructed for sales promotions. But they do generally help more than hurt. Another of their downsides is that they typically are done long after the fact, long after the ad campaign to be

assessed has been in place, and sales data have come in. To get around this, behavioral data are sometimes derived from test markets, situations where the advertising is tested in a few select geographic areas before its wider application. While expensive, these tests can be very telling. Ideally, measures of actual behavior would come from tightly controlled field experiments. It's just that meaningfully controlled field experiments are incredibly difficult and expensive, and thus very rare. The area of greatest hope for those who believe real behavior is the best test of advertising effectiveness is the use of the Internet for experiments, although that is still in its infancy.

Copy Research Methods.

Now that we have discussed what criteria or measures advertising promotion professionals typically care about, let's take a look at how those criteria are actually assessed, that is, the methods actually used in copy research.

Communication Tests. These test the "getting it" dimension. A **communication test** simply seeks to discover whether a message is communicating something close to what the advertiser desired. They are most often used with television. Communication tests are usually done in a group setting, with data coming from a combination of pencil-and-paper questionnaires and group discussion. Members of the target audience are shown the ad, or some preliminary or rough version of it. They typically see it several times. Then a discussion is held. One reason communication tests are performed is to prevent a major disaster, to prevent communicating something completely wrong, something the creators of the ad are too close to see but that is entirely obvious to consumers. This could be an unintended double entendre, an inadvertent sexual allusion, or anything else "off-the-wall." With more transnational or global advertising, it could be an unexpected interpretation of the imagery that emerges as that ad is moved from country to country around the world. Remember, if the consumer sees things, it doesn't matter whether they're intended or not—to the consumer, they're there. However, advertisers should balance this against the fact that communication test members feel privileged and special, and thus they may try too hard to see things. This is another instance where well-trained and experienced researchers must be counted on to draw a proper conclusion from the testing. These tests are most often conducted in-house (at advertising agency itself) as opposed to being outsourced to a commercial testing service.

Resonance Tests. In a **resonance test** the goal is to determine to what extent the message resonates or rings true with target-audience members.[10] The question becomes: Does this ad match consumers' own experiences? Does it produce an affinity reaction? Do consumers who view it say, "Yeah, that's right; I feel just like that" (Exhibit 7.18)? Do

Wisk tablets remove dirt like it never happened.

If only they could do the same for your daughter's new tattoo.

Introducing Wisk® Dual Action Tablets with blue stain-fighting enzymes. So powerful, it's as if dirt never happened at all.

Some ads are judged by their resonance, or how true they ring. http://www.wisk.com

10. David Glenn Mick and Claus Buhl, "A Meaning-Based Model of Advertising Experiences," *Journal of Consumer Research*, vol. 19 (December 1992), 317–338.

consumers read the ad and make it their own?[11] The method is pretty much the same as a communication test. Consumers see an ad in a group several times, and then discuss it. It is usually done in-house by agency planners and researchers. In addition to resonance, the criteria typically being assessed are knowledge, feelings, and emotions.

Thought Listings. It is commonly assumed that advertising and promotions generate thoughts during and following exposure. Copy research that tries to identify specific thoughts that were generated by an ad is referred to as **thought listing,** or **cognitive response analysis.** These are tests of knowledge, cognitive residue, and to a lesser degree feelings and emotions. Thought-listing tests are either conducted in-house or obtained from a commercial testing service. They are most often used with television ads, although they can be applied to all ads. Here the researcher is interested in the thoughts that an ad or promotion generates in the mind of the audience. Typically, cognitive responses are collected by having individuals watch the commercial in groups and, as soon as it is over, asking them to write down all the thoughts that were in their minds while watching the commercial. They are then asked about these thoughts and asked to explain or amplify them. The hope is that this will capture what the potential audience members made of the ad and how they responded, or "talked back to it in their head."

These verbatim responses can then be analyzed in a number of ways. Usually, simple percentages or box scores of word counts are used. The ratio of favorable to unfavorable thoughts may be the primary interest of the researcher. Alternatively, the number of times the person made a self-relevant connection—that is, "That would be good for me" or "That looks like something I'd like"—could be tallied and compared for different ad executions. This method gets at several things: "getting it," knowledge acquired, attitude shifts, and emotions and feelings. The idea itself is very appealing: getting at people's stream of thoughts about an ad at time of exposure. But in its actual execution problems arise. These thoughts are in reality more retrospective than online; in other words, people are usually asked to write these down seconds to minutes after their thoughts actually occurred. They are also highly self-edited—some of your thoughts are not very likely to be shared. These thoughts are obtained in artificial environments and mental states typically unlike those in which real people actually are exposed to ads in real environments, such as sitting in their living room, talking, half-listening to the TV, and so on. But the researchers asked; you have to tell them something. Still, even with all these problems, there is something of value in these thoughts. They do tend to reveal something. The trick is, of course, knowing what is valuable and what is just "noise." A lot has to do with how well matched the ad and the procedure are. Some ads, for example, are designed in such a way that the last thing the advertiser really wants is a lot of deep thought (more on this in Chapter 11). For other ads (those where certain conclusions and judgments are the desired goal), it's a good test.

Recall Tests. These are the most commonly employed test in advertising, and the most controversial. They are used to get at the cognitive residue of ads. The basic idea is that if the ad is to work, it has to be remembered. Following on this premise is the further assumption that the ads best remembered are the ones most likely to work. Thus the objective of these tests is to see just how much, if anything, the viewer of an ad remembers of the message. Recall is used most in testing television advertising. In television **recall tests** the big companies are Ipsos–ASI and Burke. In print, the major recall testing services are Gallup & Robinson and Mapes and Ross. In print, however, **recognition** is generally the industry standard. Recognition simply means that the audience members indicate that they have seen an ad before

11.   Linda Scott, "The Bridge from Text to Mind: Adapting Reader Response Theory for Consumer Research," *Journal of Consumer Research,* vol. 21 (December 1994), 461–486.

(i.e., recognize it), whereas recall requires more actual memory (recalling from memory) of an ad. Recall is more common for television, recognition for print. But, as we note, there are exceptions.

In television, the basic recall procedure is to recruit a group of individuals from the target market who will be watching a certain channel during a certain time on a test date. They are asked to participate ahead of time, and simply told to watch the show. A day after exposure, the testing company calls the individuals on the phone and determines, of those who actually saw the ad, how much they can recall. The day-after-recall (DAR) procedure generally starts with questions such as, "Do you remember seeing a commercial for any laundry detergents? If not, do you remember seeing a commercial for Tide?" If the respondent remembers, he or she is asked what the commercial said about the product: What did the commercial show? What did the commercial look like? The interview is recorded and transcribed. The verbatim interview is coded into various categories representing levels of recall, typically reported as a percentage. *Unaided recall* is when the respondent demonstrates that he or she saw the commercial and remembered the brand name without having the brand name mentioned. If the person had to be asked about a Tide commercial, it would be scored as *aided recall*. Industry leader Burke Company reports two specific measures: *claim-recall* (percent who claim seeing the ad), and *related-recall* (percent who accurately recall specific elements of the ad).[12] Ipsos-ASI uses a similar procedure, but with one major difference. Like Burke, Ipsos-ASI recruits a sample, but tells the participants that they are really evaluating potential new television shows. What they are really evaluating are the ads. The shows are mailed to the sample audience members' home and they are given instructions. One day after viewing, the company contacts the viewers and asks them questions about the shows and the ads. From their responses, various measures are gathered, including recall. The advantage is the deception. If audience members think they are evaluating the shows, the researchers may get a more realistic assessment of the ads. It is not the same as a truly natural exposure environment, but it's probably an improvement.

Recall is done a bit differently in print. Remember, recognition is considered the standard test in print, not recall. But when recall is assessed for print, it is done in the following way. In a typical print recall test, a consumer is recruited from the target market, generally at a shopping mall. He or she is given a magazine to take home. Many times the magazine is an advance issue of a real publication; other times it is a fictitious magazine created only for testing purposes. The ads are "tipped in," or inserted, into the vehicle. Some companies alter the mix of remaining ads; others do not. Some rotate the ads (put them in different spots in the magazine) so as not to get effects due to either editorial context or order. The participants are told that they should look at the magazine and that they will be telephoned the following day and asked some questions. During the telephone interview, aided recall is assessed. This involves a product category cue, such as, "Do you remember seeing any ads for personal computers?" The percentage who respond affirmatively and provide some evidence of actually remembering the ad are scored as exhibiting aided recall. Other tests go into more detail by actually bringing the ad back to the respondent and asking about various components of the ad, such as the headline and body copy. Sometimes a deck of cards with brand names is given to consumers, and they are asked to stop if they can remember any ads from the brands on the cards. If they can, then they are asked to describe everything they can remember about the ad. These are scored in a manner similar to television day-after recall (DAR) tests.

Recognition Tests. **Recognition tests** are the standard cognitive residue test for print ads and promotions. Rather than asking you if you recall something, they ask

12. Shimp, Terence A., *Advertising, Promotion and Supplemental Aspects of Integrated Marketing Communications* (Cincinnati: South-Western, 2002).

Recognition testing uses the ad itself to test whether consumers remember it and can associate it with its brand and message. This unusual, comically fanciful image would likely make this ad easy to recognize. But imagine this ad with the Altoids brand name blacked out. If consumers remember the ad, will they also remember the Altoids brand name? Novel imagery sometimes actually distracts readers, enticing them to overlook brand names. Visit the Altoids site (http://www .altoids.com) and evaluate how it reinforces or dilutes recognition in the minds of consumers. Are the interactive features useful or distracting? Does the site achieve "cool," or is it too over-the-top to reinforce brand recognition?

if you *recognize* an ad, or something in an ad. This type of testing attempts to get at little more than evidence of exposure residue. Recognition tests ask magazine readers and (sometimes television viewers) whether they remember having seen particular advertisements and whether they can name the company sponsoring the ad. For print advertising, the actual advertisement is shown to respondents, and for television advertising, a script with accompanying photos is shown. For instance, a recognition test might ask, "Do you remember seeing [the ad in Exhibit 7.19]?" This is a much easier task than recall in that respondents are cued by the very stimulus they are supposed to remember, and they aren't asked to do anything more than say yes or no. Do you think any complications might arise in establishing recognition of the ad displayed in Exhibit 7.20?

Companies such as **Starch Readership Services** that do this kind of research follow some general procedures. Subscribers to a relevant magazine are contacted and asked if an interview can be set up in their home. The readers must have at least glanced at the issue to qualify. Then each target ad is shown, and the readers are asked if they remember seeing the ad (if they *noted* it), if they read or saw enough of the ad to notice the brand name (if they *associated* it), if they *read any* part of the ad copy, or if they claim to have read at least 50 percent of the copy *(read most)*. This testing is usually conducted just a few days after the current issue becomes available. The *noted, associated,* and *read most* scores are calculated (see Exhibit 7.21). With print ads, Starch is the major supplier of recognition (they also term them "readership") tests.

Bruzzone Research Company provides recognition scores for TV ads. Essentially a sample of television viewers is selected. A photoboard (a board with still frames from the actual ad) of the TV commercial is sent out to a sample of viewers, but the brand name is obscured (both in picture and copy). Then recognition questions such as "Do you remember seeing this commercial on TV?" are asked. The respondent is asked to identify the brand and answer some attitude items. A recognition score is then presented to the client, along with attitude data. This method has advantages in that it is fairly inexpensive (and may be becoming less so through use of the Internet), and, due to its manner of blocking brand names, may provide a more valid measure of recognition (see Exhibit 7.22).

Recognition scores have been collected for a long time, which allows advertisers to compare their current ads with similar ones done last week, last month, or 50 years ago. This is a big attraction of recognition scores. The biggest problem with this test is that of a yea-saying bias. In other words, many people say they recognize an ad that in fact they haven't seen. After a few days, do you really think you could correctly remember which of the three ads in Exhibits 7.23, 7.24, and 7.25 you really saw, if you saw the ads under natural viewing conditions? Still, on a relative basis, these tests may tell which ads are way better or way worse than others.

Now comes the rub: Considerable research indicates there is little relation between recall and recognition scores and sales effectiveness.[13] But doesn't it make sense that the best ads are the ads best remembered? Well, the evidence for that is simply not there. This seeming contradiction has perplexed academics and practitioners

13. Rajeev Batra, John G. Meyers, and David A. Aaker, *Advertising Management,* 5th ed. (Upper Saddle River, N.J.: Prentice Hall, 1996). 469.

Though the correlation between seduction and candy is not new, consumers might mistake this imagery for a valentine, not an advertisement. What is the advantage to the product placement in this ad?

STARCH ™ AD-AS-A-WHOLE		
Noted %	Associated %	Read Most %
W 55	50	23–

EXHIBIT 7.21

55% of Starch respondents said they noticed an ad, 50% said they associated it with the advertised brand, and 23% said they read more than half the body copy.

for a long time. And as ads become more and more visual, recall of words and claims is more and more irrelevant. The fact is that, as measured, the level of recall for an ad seems to have relatively little (if anything) to do with sales. This may be due to highly inflated and artificial recall scores. It may also be that ads that were never designed to elicit recall are being tested as if they were. By doing this, by applying this test so widely and so indiscriminately, it makes the test itself look bad. We believe that when, but only when, recall or recognition is the desired result, are these tests appropriate and worthwhile.

A recall does make sense when simple memory goals are the aim of the commercial. For example, saying "Kibbles and Bits" 80 times or so in 30 seconds indicates an ad aimed at one simple goal: Remember "Kibbles and Bits." That's all. For an ad like that, recall is the perfect measure. But as advertising moves to fewer words and more pictures, recognition tests, good recognition tests, may become much more valuable than recall. And for most ads, ads that operate at a far more sophisticated and advanced level than either recall or recognition, these measures are insufficient and often inappropriate.
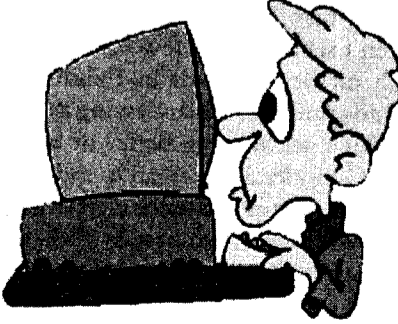
EXHIBIT 7.22

Try the test: http://www.brcsurvey.com/brc_demo survey4.htm

Welcome to the Survey!

What do you think of TV commercials?

Advertisers would like to know.

If you remember seeing any of the commercials shown on the following pages, would you take a few moments to answer questions about them? We think you will find it quite interesting. As a token of our sincere interest in your reply your name will be entered into a drawing this month to win one of over 100 cash prizes worth a total of $10,000. Your answers are very important. They could help improve the quality of TV commercials.

Click "next" to start, and thanks for helping.

Bruzzone Research Company

[Next]

PERHAPS THE MOST SATISFYING PLACE TO TOSS YOUR CLUBS.

(NEXT TO THE WATER ON 18, OF COURSE.)

DimThe Lights, Put On Some Music,
And It's Just You And 280 Horses.

Exciting Position Available.
Apply Within.

EXHIBITS 7.23, 7.24, AND 7.25

All of these ads, so strikingly similar, do little to (1) differentiate the product, (2) make it memorable for the consumer, or (3) promote the brand, though presumably GM and Ford had intended to do all three with these ads. Compare and contrast the new Cadillac models (http://www .cadillac.com) with the Ford luxury models (http://www.lincolnvehicles.com). Has either company broken any new ground in its approach to advertising these vehicles? Do you think in a few days you could distinguish between these models or remember the message of these Web sites?

Attitude Studies. The typical industry **attitude study** measures consumer attitudes after exposure to an ad. Television ads are typically seen in a group setting; print ads are often shown one-on-one. The studies may also be administered by survey, including Internet surveys. Essentially, people from the target market are recruited, and their attitudes toward the advertised brand as well as toward competitors' brands are noted. Ideally, there would be pre- and postexposure attitude measurement, so that one could see the change related to seeing the ad in question. Unfortunately, industry practice and thinner agency profit margins have created a situation in which only postexposure measures are now typically taken. True pre-post tests are rare.

To the extent that attitudes measure something meaningful, and the most important things, these tests may be very useful. Their validity is typically premised on a single ad exposure (sometimes two) in an unnatural viewing environment (such as a theater). Many advertisers believe that commercials don't register their impact until after three, four, or more exposures. Still, a significant swing in attitude scores with a single exposure suggests that something is going on, and that some of this effect might be expected when the ad reaches real consumers in the comfort of their homes. But this method is expensive and may be waning in popularity. John Philip

Jones of Syracuse University has conducted analyses on these data and his conclusions are actually very supportive of attitude studies.[14] He contends that even if this form of message pretesting yields some incorrect predictions about ads' potential effectiveness (as it surely will), an advertiser's success rate is bound to improve with this tool. On the other hand, it is difficult to really know whether the respondent is expressing feelings toward the ad itself or the product advertised, and these can be very different things.

To test attitude change in print ads, test ads can be dropped off at the participants' homes in the form of magazines. The test ads have been tipped in. Subjects are told that the researcher will return the next day for an interview. They are also told that as part of their compensation for participating, they are being entered in a drawing. At that point, they are asked to indicate their preferences on a wide range of potential prizes. The next day when the interviewer returns, he or she asks for these preferences a second time. This is the postexposure attitude measure.

As you may remember from above, Bruzzone's recognition tests also collect attitude measures. This is a postexposure measure, but because it is linked to recognition scores, it may prove quite useful. Similarly, ASI Next★TV collects postexposure attitude scores. To our knowledge the only prominent testing service to offer true pre-post attitude testing is **ARS Persuasion Method.** This is a theater-type test in which commercials are embedded in television shows. Audience members indicate brand attitude as preference for brands should they win a basket of free items. Because they are asked this same question before and after exposure, attitude change scores can be determined. While this is a significant improvement over post-only attitude measurement, there is still the pesky problem of the very artificial setting and manner in which these TV ads are viewed. First, they are not on TV, and most of us rarely watch TV with a few hundred other people, knowing that we are supposed to pay attention.

Tracking Studies. Tracking studies are one of the most commonly used advertising and promotion research methods. Basically, they "track" the apparent effect of advertising over time. They typically assess attitude change, knowledge, behavioral intent, and self-reported behavior. They assess the performance of advertisements before, during, or after the launch of an advertising campaign. This type of advertising research is almost always conducted as a survey. Members of the target market are surveyed on a fairly regular basis to detect any changes. Any change in awareness, belief, or attitude is usually attributed (rightly or wrongly) to the advertising effort. Even though the participants are susceptible to other influences (e.g., news stories about the brand or category), these are fairly valuable tests because they do occur over time and provide ongoing assessment, rather than the one-time, one-shot approach of so many other methods. Their weakness resides largely in the meaningfulness of the specific measures. Sometimes attitudes shift a bit, but translate into no noticeable increase in sales and no return on investment (ROI).

Frame-by-Frame Tests. Frame-by-frame tests are usually employed for ads where the affective or emotional component is seen as key, although they may also be used to obtain thought listing as well. These tests typically work by getting consumers to turn dials (like/dislike) while viewing television commercials in a theater setting. The data from these dials are then collected, averaged, and later superimposed over the commercial for the researchers in the form of a line graph. The height of the line reflects the level of interest in the ad. The high points in the line represent periods of higher interest in the ad, and the dips show where the audience had less interest in that particular point of the ad. While some research companies

14.   John Philip Jones, "Advertising Pre-Testing: Will Europe Follow America's Lead?" *Commercial Communications,* June 1997, 21–26.

Here consumers' interest levels are measured while they watch an ad in real time.

THE ART *of* PERFORMANCE
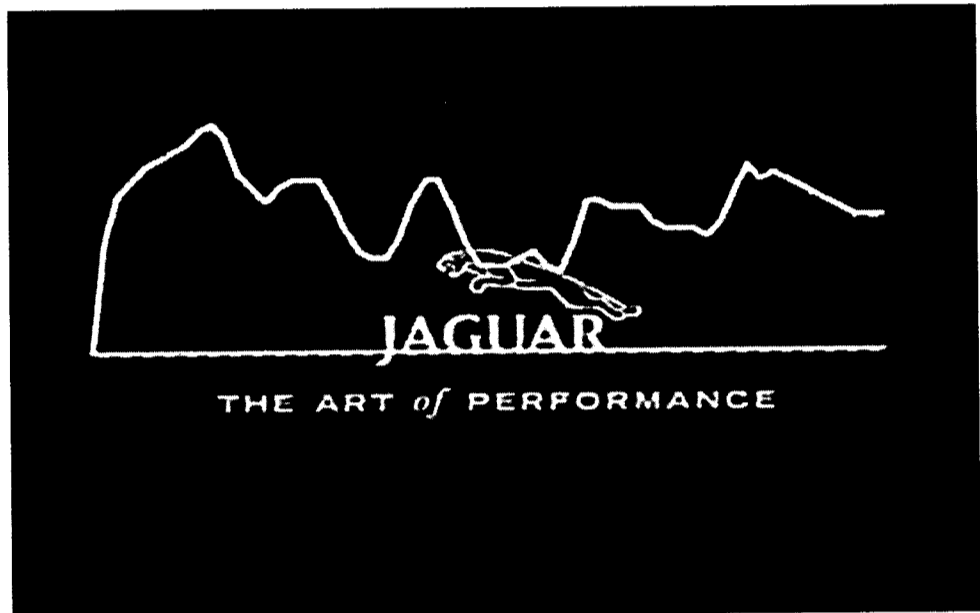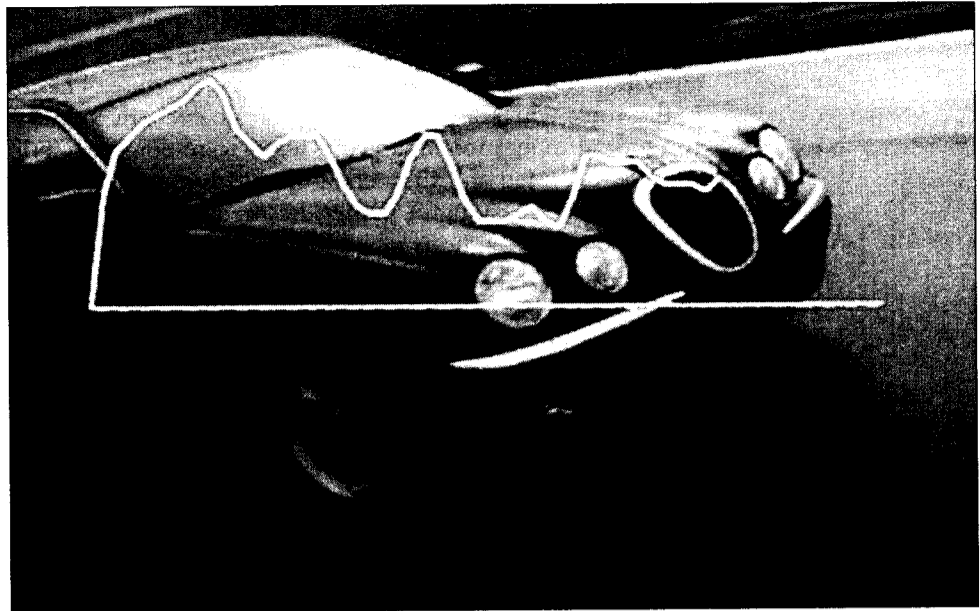
do ask consumers what they were thinking or feeling at certain points along the trace, and sometimes these responses are diagnostic, others do not. In those cases (such as the one shown in Exhibit 7.26), what the trace line really does then is measure the levels of interest at each specific moment in the execution—it does not explain whether or why consumers' reactions were positive or negative. The downside of frame-by-frame tests is that they involve somewhat higher costs than other methods, and there are some validity concerns in that you are asking consumers to do something they do not normally do while watching television. On the other hand, the method has quite a few fans. We believe it will grow in importance due to the heightened interest in assessing emotions and feelings in ads. Most researchers and advertising professionals believe that useful data can be gathered in this way.

Physiological Tests. Physiological measures detect how consumers react to messages, based on physical responses. **Eye-tracking systems** have been developed

to monitor eye movements across print ads. With one such system, respondents wear a gogglelike device that records (on a computer system) pupil dilations, eye movements, and length of view by sectors within a print advertisement. Voice response analysis is another medium-tech research procedure. The idea here is that inflections in the voice when discussing an ad indicate excitement and other physiological states. In a typical application, a subject is asked to respond to a series of ads. These responses are tape-recorded and then computer-analyzed. Deviations from a flat response are claimed to be meaningful. Other, less frequently used physiological measures record brain wave activity, heart rate, blood pressure, and muscle contraction.

All physiological measures suffer from the same drawbacks. While we may be able to detect a physiological response to an advertisement, there is no way to determine whether the response is to the ad or the product, or which part of the advertisement was responsible for the response. In some sense, even the positive-negative dimension is obscured. Without being able to correlate specific effects with other dimensions of an ad, physiological measures are of minimal benefit.

Since the earliest days of advertising, there has been a fascination with physiological measurement. Advertising's fascination with science is obvious, with early attempts at physiological measurement being far more successful as a sales tool than as a way to actually gauge ad effectiveness. There is something provocative about scientists (sometimes even in white lab coats) wiring people up; it seems so precise and legitimate. Unfortunately—or fortunately, depending on your perspective—these measures tell us little beyond the simple degree of arousal attributable to an ad. For most advertisers, this minimal benefit doesn't justify the expense and intrusion involved with physiological measurement.

Pilot Testing. Before committing to the expense of a major campaign, advertisers sometimes test their messages in the marketplace via **pilot testing.** There are three major types of pilot testing. **Split-transmission** (often on cable television systems) is where different signals (or ads) can be sent to different neighborhoods or households. This allows testing of two different versions of an advertisement through direct transmission to two separate samples of similar households. This method provides exposure in a natural setting for heightened realism. Factors such as frequency of transmission and timing of transmission can be carefully controlled. The advertisements are then compared on measures of cognitive residue, recall, attitude change, and behavioral intent.

Split-run distribution uses the same technique as split-cable transmission, except the print medium is used. An ad is placed in half the copies of, say, the January issue of a magazine and a different version of the ad runs in the other half. This method of pilot testing has the advantage of using direct response as a test measure. Ads can be designed with a reply card that can serve as a basis of evaluation. Coupons and toll-free numbers can also be used. The realism of this method is a great advantage in the testing process. Expense is, of course, a major drawback.

Finally, a **split-list experiment** tests the effectiveness of various aspects of direct mail advertising pieces. Multiple versions of a direct mail piece are prepared and sent to various segments of a mailing list. The version that *pulls* (produces sales) the best is deemed superior. The advantage of all the pilot testing methods is the natural and real setting within which the test takes place. A major disadvantage is that competitive or other environmental influences in the market cannot be controlled and may affect the performance of one advertisement without ever being detected by the researcher.

Direct Response. Direct response measures actual behavior. Advertisements in print, the Internet, and broadcast media that offer the audience the opportunity to place an inquiry or respond directly through a Web site, reply card, or toll-free phone number produce **inquiry/direct response measures.** An example is displayed in Exhibit 7.27. These measures are quite straightforward in the sense that

COST ACCOUNTING

Traditions & Innovations, 5e

To request your complimentary exam copy of *Cost Accounting: Traditions and Innovations*, 5e by Barfield, Raiborn, and Kinney (ISBN 0-324-18090-X), please fill out all information and...

❶ **Mail** this pre-addressed card, or

❷ **Fax** your request to 513-229-1027 or

❸ **Go to the Internet** at http://snapshot.swcollege.com

☐ Have a South-Western Publishing representative contact me.

Name _____
School _____
Address _____
City _____ State _____ Zip _____
Office Phone _____
Fax _____
E-mail Address _____
Would you like updates on our products by e-mail?   ☐ Yes   ☐ No
Office Hours _____
Text Currently in Use _____
Estimated Annual Enrollment _____
Adoption Decision Date _____
Probability of Text Change:
☐ Strong   ☐ Moderate   ☐ Unlikely
Type of Decision: ☐ Individual   ☐ Committee

Adopters: You may be eligible for additional supporting resources. Available materials will vary by products/adoptions. Contact your South-Western representative for more information.

EXHIBIT 7.27

An ad like this allows for a very simple kind of advertising response management. The advertiser knows if they call, click, or write.

advertisements that generate a high number of inquiries or direct responses, compared to historical benchmarks, are deemed effective. Additional analyses may compare the number of inquiries or responses to the number of sales generated. For example, some print ads will use different 800 numbers for different versions of the ad so that the agency can compute which ad is generating more inquiries. These measures are not relevant for all types of advertising, however. Ads designed to have long-term image building or brand identity effects should not be judged using such short-term response measures.

Single-Source Data. With the advent of universal product codes (UPCs) on product packages and the proliferation of cable television, research firms are now able to engage in *single-source research* to document the behavior of individuals—or, more typically, households—in a respondent pool by tracking their behavior from the television set to the checkout counter. **Single-source data** provide information from individual households about brand purchases, coupon use, and television advertising exposure by combining grocery store scanner data with TV-viewing data from monitoring devices attached to the households' televisions. With these different types of data combined, a better case can be made for assessing the real impact of advertising and promotion on consumers' actual purchases. This is not an inexpensive method of assessment, and it still remains difficult (if not impossible) to know exactly what specific aspects of advertising had what effects on consumers. The best-known supplier if this type of testing is **iri BehaviorScan.**

Account Planning versus Advertising Research. Jon Steel, director of account planning and vice chairman of Goodby, Silverstein and Partners—its clients include Anheuser-Busch, the California Milk Processors Board ("Got Milk?"), Nike, Porsche, and Hewlett-Packard—has called account planning "the biggest thing to hit American advertising since Doyle Dane Bernbach's Volkswagen campaign."[15] That is stretching it a bit, but account planning is a big story in the industry. What is it? Well, good question. (See Exhibit 7.28.)

Account planning is defined in contrast to traditional advertising research. It differs mostly in three ways. First, in terms of organization, agencies that use this system typically assign an "account planner" to work cooperatively with the account executive on a given client's business. Rather than depending on a separate research department's occasional involvement, the agency assigns the planner to a single client (just like an advertising executive) to stay with the projects on a continuous basis—even though, in this organizational scheme, there is typically an account planning department. In the more traditional system, the research department would get involved from time to time as needed, and members of the research department would work on several different clients' advertising. (There are several variations on this theme.)

Another difference is that this organizational structure puts research in a different, more prominent role. In this system, researchers (or "planners") seem to be more actively involved throughout the entire advertising process and seem to have

15. Jon Steel, *Truth, Lies & Advertising: The Art of Account Planning* (New York: John Wiley & Sons, 1998), jacket.
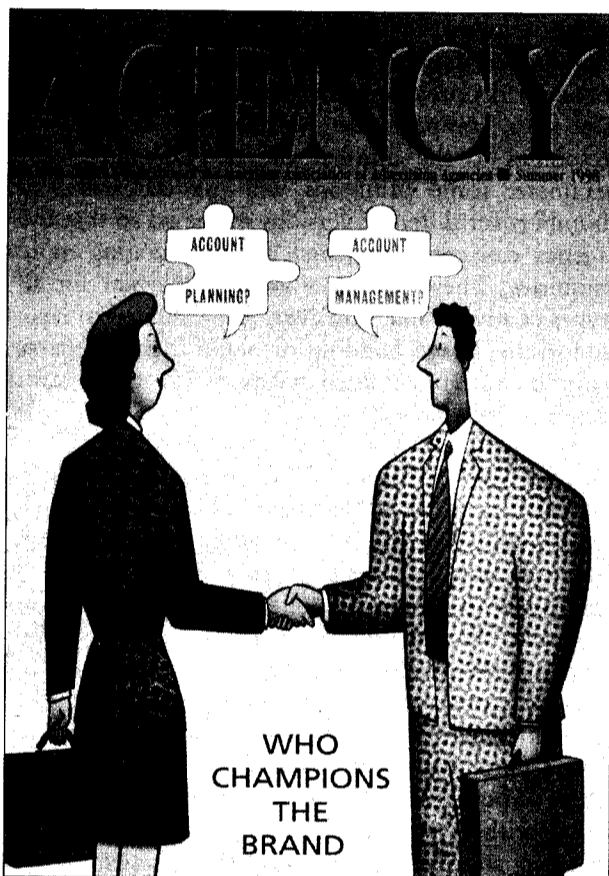
WHO
CHAMPIONS
THE
BRAND

EXHIBIT 7.28

*Much ado is made about
the account planner versus
traditional advertising
research.*

a bigger impact on it as well. (Of course, some of the difference is more agency self-promotion than reality.) Agencies that practice "account planning" tend to do more developmental and less evaluative research. Third, "planning agencies" tend to do more qualitative and naturalistic research than their more traditional counterparts. But these differences, too, seem fairly exaggerated—even though Jay Chiat called planning "the best new business tool ever invented."[16] There is another, more cynical side to this story: Many advertising agencies have decided that they simply cannot afford the cost of a full-time research staff. It's cheaper and maybe even better to outsource the work. But a quieter and more devious way of downsizing (or eliminating these expensive departments) is to go to the "account planning" system, in which a researcher will always be a part of the team. Then, there's no need for a centralized research department, and it appears as if the agency is actually demonstrating more commitment to research.

Another Thought on Message Testing. None of these methods is perfect. There are challenges to reliability, validity, trustworthiness, and meaningfulness with all of them. Advertisers sometimes think that consumers watch new television commercials the way they watch new, eagerly awaited feature films, or that they listen to radio spots like they listen to a symphony, or read magazine ads like a Steinbeck novel. We watch TV while we work, talk, eat, and study; we use it as a night light, background noise, and babysitter. Likewise, we typically thumb through magazines very, very quickly. While these traditional methods of message testing have their strengths, more naturalistic methods are clearly recommended. Still, it would be a mistake to throw the baby out with the bath water; good and appropriate social science can produce better advertising.

What We Need. Advertising research could do with some change. The way we think about ads is certainly changing. Qualitative research is now the norm. Agencies known best for their creativity have been attractive to hot creatives because of the lack of old-style quantitative attitude copy research. In fact, across the industry, the view that ads are complex social texts has caught on. The move to an almost complete visual advertising style has also put into question the appropriateness of a set of tests that focus on the acceptance of message claims, as well as remembrance.

The account planning way of thinking merges the research and brand management business. Good research can play an important role in this; it can be very helpful or an enormous hindrance, as advertisers are realizing more and more. Top-down delivered marketing is not considered realistic by many in the industry. With this new realization comes new terms. One is the idea of account planning as a substitute for the traditional research efforts of an agency. There has been a very recent but very significant turn in thinking about research and its role in advertising, promotion, and brand management.

16.   Ibid., p. 42.

Research and Healthy Fast Food

Awareness of the health concerns associated with obesity has grown lately in the United States, but advertising healthy fast food has been a losing battle for the industry. Approximately 127 million adults in the United States are overweight and 60 million of them are obese, according to the American Obesity Association (evaluate their objectivity and disinterest yourself).

So advertisers did research, followed their findings, and did what seemed best for people—yet it was not successful. In fact, advertising fast food as "healthy" is often detrimental to chain restaurants.

Research, focus groups, and interviews led Taco Bell to offer products with less fat and calories. Taco Bell took their research one step further and conducted blind taste tests. Repeatedly, individuals preferred the low-fat items—but they bombed in the market. Likewise, the use of health and nutrition information in milk advertising was a failure. The switch from "It does a body good" to "Got milk?" has been a success because customers do not like to be lectured about nutrition and drinking their white medicine.

- So, what are the ethics here?
- What should fast food advertisers do?
- Do you give customers what they want, what they need, or just not tell them when it's actually good for them?

As you can see, advertising and promotion research is used to judge advertising, but who judges advertising research, and how? First of all, not enough people, in our opinion, question and judge advertising research. Research is not magic or truth, and it should never be confused with such. Issues of reliability, validity, trustworthiness, and meaningfulness should be seriously considered when research is used to make important decisions. Otherwise, you're just using research as some sort of mystical ritual that you know really has limited meaning, mouthing the words, and faithfully uttering the chant too. Research can be a wonderful tool when applied correctly, but is routinely poorly matched to the real world situation. Things are getting better on this front.

SUMMARY

Explain the purposes served by and methods used in developmental advertising research.

Advertising and promotion research can serve many purposes in the development of a campaign. There is no better way to generate fresh ideas for a campaign than to listen carefully to the customer. Qualitative research involving customers is essential for fostering fresh thinking about a brand. Audience definition and profiling are fundamental to effective campaign planning and rely on advertising research. In the developmental phase, advertisers use diverse methods for gathering information. Focus groups, projective techniques, the ZMET, and field work are trusted research methods that directly involve consumers and aid in idea generation and concept testing.

Identify sources of secondary data that can aid the IBP planning effort.

Because information is such a critical resource in the decision-making process, several sources of data are widely used. Internal company sources such as strategic marketing plans, research reports, customer service records, and sales data provide a wealth of information on consumer

tastes and preferences. Government sources generate a wide range of census and labor statistics, providing key data on trends in population, consumer spending, employment, and immigration. Commercial data sources provide advertisers with a wealth of information on household consumers. Professional publications share insider information on industry trends and new research. Finally, the Internet is a revolutionary research tool that delivers rich data at virtually no cost. In particular, advertisers can obtain sophisticated research data at thousands of consumer- and brand-based online community sites.

Discuss the purposes served by and methods used in copy research.

Copy research (evaluative research) aims to judge the effectiveness of actual ads. Advertisers and clients try to determine if audiences "get" the joke of an ad or retain key knowledge concerning the brand. Tracking changes in audience attitudes, feelings and emotions, behavior, and physiological response is important in gauging the overall success of an ad, and various methods are employed before and after the launch of a campaign to assess the impact on audiences. Communication tests,

recall testing, pilot testing, and the thought-listing technique are a few of the methods that try to measure the persuasiveness of a message. Some agencies, attempting to bypass the high cost and inconclusive results of research, substitute account planning for traditional advertising and promotion research. Advocates of this trend believe an account planning system merges the best in research and brand management.

KEY TERMS

repositioned
concept test
focus group
projective techniques
dialogue balloons
story construction
sentence and picture completion
Zaltman Metaphor Elicitation Technique (ZMET)
field work
embedded
creative brief
coolhunts

normative test scores
communication test
resonance test
thought listing, or cognitive response analysis
recall tests
recognition
recognition tests
Starch Readership Services
attitude study
ARS Persuasion Method
tracking studies
frame-by-frame test

physiological measures
eye-tracking systems
pilot testing
split-transmission
split-run distribution
split-list experiment
direct response
inquiry/direct response measures
single-source data
single-source tracking measures
IRI BehaviorScan
account planning

QUESTIONS

1. Read the chapter opening and list two important lessons that can be learned from Coca-Cola's advertising and promotion research blunder with New Coke.

2. What historic factors led to the development and prominence of advertising and promotion research departments during the mid-1900s?

3. Focus groups are one of the advertising researcher's most versatile tools. Describe the basic features of focus group research that could lead to inappropriate generalizations about the preferences of the target audience.

4. ZMET is a technique that advertisers may use in place of focus groups. What aspects of ZMET and focus groups are similar? What particular features of ZMET could foster richer understanding of consumers' motives than is typically achieved with focus groups?

5. List the sources and uses of secondary data. What are the benefits of secondary data? What are the limitations?

6. Identify issues that could become sources of conflict between account managers and advertising creatives in the message-testing process. What could go wrong if people in an ad agency take the position that what the client wants, the client gets?

7. Criteria for judging ad effectiveness include "getting it," cognitive residue, knowledge, attitude change, feelings and emotions, physiological changes, and behavior. Identify specific evaluative advertising research methods that could be used to test an ad's impact on any of these dimensions.

8. How would you explain the finding that ads that achieve high recall scores don't always turn out to be ads that do a good job in generating sales? Are there some features of ads that make them memorable but could also turn off consumers and dissuade them from buying the brand? Give an example from your experience.

9. What is single-source research, and what is its connection to the universal product codes (UPCs) one finds on nearly every product in the grocery store?

10. Explain the industry trend of substituting account planning for traditional advertising and promotion research. Why do some agency directors claim that this trend is the biggest thing in advertising since the famous Bernbach Volkswagen campaign? Do you tend to believe the hype surrounding this trend, or are you cynical that forces of downsizing are driving it? Explain your reasoning.

1. Conduct an informal advertising research test on a popular television commercial of your choice. First, determine the evaluative criteria you think would be most relevant for determining the ad's effectiveness. Next, design a test to evaluate the commercial's effectiveness by selecting one of the least-involved research methods and typing up a short pencil-and-paper questionnaire (you can draw upon ideas from the chapter). Ask a classmate or partner to watch the commercial and complete the questionnaire. Once the questionnaire is completed, write a short evaluation of the commercial based on the results of your survey.

2. Search the Internet or local phone directory and identify a company that conducts advertising and promotion research. Investigate the background of the company and type a one-page paper describing the information and services the organization provides. Who would be likely to benefit from the firm's services? List one of the firm's clients, and explain how advertising research helped guide that client's advertising and promotion initiatives.

7-1 Developmental Advertising and Promotion Research

Developmental advertising research provides key information used by creatives in producing ads. A brand's optimal advertising and promotion effort depends on accurate information about trends, target audience, product usage expectations, and other data that are useful during the production of the advertising message.

Clairol delivers integrated brand promotion for many of its product lines and develops effective campaigns based on important research. Clairol's research has led to the development of its Herbal Essences products, which target a very specific consumer niche within the broad category of personal care products.

Herbal Essences: http://www.herbalessences.com

1. Explain the role of *audience profiling* and how it guides the uses and message of the Herbal Essences Web site.

2. What is the main concept behind the Herbal Essences product line? Do you believe that concept testing played an important role for Clairol in the development of Herbal Essences? Explain.

3. What trends do you believe had to be measured quantitatively by trustworthy research in order for Clairol to develop and advertise Herbal Essences? Identify the developmental advertising research method that you think would be the most important to guide Clairol's efforts to advertise and promote Herbal Essences. Explain why you picked this method.

7-2 Conducting Research in the Real World

The Got Milk? advertising campaign, which recently celebrated its 10th anniversary, has become an American icon, boasting a 90 percent consumer awareness rate for the milk industry while taking home many prestigious advertising awards. First conceived in 1993 by the California Milk Processor Board (CMPB) in conjunction with Goodby, Silverstein & Partners, Got Milk? changed the course of the U.S. dairy industry after a decade of sagging milk sales. With its growing international presence, promotional tie-ins to food-industry giants like McDonald's, and celebrity backing from pop-culture icons such as Paris Hilton and Dr. Phil, the Got Milk? campaign is well-positioned for another great decade of delicious success.

Got Milk?: http://www.gotmilk.com/

1. According to your text, which developmental advertising research method played a key role in the formulation of the Got Milk? advertising theme?

2. What does it mean that consumption practices are *embedded*, and how did this principle lead to the success of the Got Milk? campaign?

3. Visit the Got Milk? Web site and list some of the newest developments in the campaign. What celebrities are currently endorsing milk? What IBP efforts are lending support to the Got Milk? ads?

CHAPTER 8

After reading and thinking about this chapter, you will be able to do the following:

1

Describe the basic components of an advertising plan.

2

Compare and contrast two fundamental approaches for setting advertising objectives.

3

Explain various methods for setting advertising budgets.

4

Discuss the role of the advertising agency in formulating an advertising plan.