



Introductory Scenario: Polishing the Apple. In his book *The End of Advertising As We Know It*, Sergio Zyman, one-time chief marketing officer at Coca-Cola, has a lot to say about many high-profile ad campaigns, including Apple's "Think Different." Launched in the fall of 1997, the Apple campaign featured billboards of innovators like Albert Einstein, Amelia Earhart, Muhammad Ali, and Pablo Picasso. TV ads were black and white mini-documentaries explaining how each of these persons took a different path and changed the world. The ads ended with the Apple logo and the printed phrase "Think Different," suggesting that you, too, can chart a different path, as long as you take a bite from the Apple. Critics loved the campaign. Apple's ad agency picked up an Emmy, a Clio, and a Silver Lion at the Cannes International Advertising Festival. Unfortunately, the company's revenues dropped for the next three quarters and by June of 1998, Apple's U.S. retail market share had fallen to a mere 2 percent.¹ The company that had once rocked the computer business with its innovative Macintosh was doing award-winning advertising, and facing extinction.

Apple found itself in a real mess. And we want to emphasize that the severity of its problems went well beyond what one might be able to fix with a fresh advertising campaign and a catchy slogan like "Think Different." To rebound, Apple would need inspired leadership and, most important, a series of innovative new products to capture the imagination of consumers around the world. The leadership would have to come from its celebrated founder and on-again/off-again CEO—Steve Jobs. The new product designed to salvage the company was the iMac personal computer.

Put yourself in the shoes of Steve Jobs. The company that you helped create is adrift and you desperately need a major new product success to turn things around. You have decided to stake the future of your company on a new product called iMac. Launching a great new product via a comprehensive advertising and IBP campaign is your best hope for reviving the company. Jobs held nothing back in his determined effort to save Apple.

The iMac was the first in a new generation of Internet appliances. It was a system designed first and foremost to get households hooked to the Net. As described by Steve Jobs, "iMac does for Internet computing what the original Macintosh did for personal computing. Macintosh let anyone use a computer and iMac lets anyone get on to the Internet quickly and easily." Regarding his advertising and IBP campaign, Jobs went on to say, "We're launching this campaign because we want the world to know that iMac is the computer for the tens of millions of consumers who want to get to the Internet easily, quickly, and affordably."² Jobs, of course, was not just grasping at straws: His market research at the time was telling him that one of consumers' primary motives for buying a personal computer was to hook up to the Internet.

While the iMac actually went on sale August 14, 1998, its launch campaign was initiated three months earlier at a surprise unveiling of the machine before an audience of media types in the same auditorium where the Macintosh was introduced. In other parallels with the 1984 launch of the Macintosh, Jobs departed from his usual dress code by wearing a suit and kept the iMac prototype behind a veil on stage until he was ready to spring it on his unsuspecting audience. Jobs stated at the time: "We figured we'd have a surprise and then let people feed on it before they could get it."³ In the weeks leading up to August 14, Jobs's sneak preview had the desired effect of creating an iMac buzz across Web sites frequently visited by loyal Mac users.

Steve Jobs and his public relations machine continued to strut their stuff in the hours leading up to the first public sale of the iMac at 12:01 AM on August 14.

1. Sergio Zyman, *The End of Advertising As We Know It* (Hoboken, N.J.: John Wiley & Sons, 2002), 18–19; Bradley Johnson, "Jobs Orchestrates Ad Blitz for Apple's New iMac PC," *Advertising Age*, August 10, 1998, 6.

2. Apple Computer, "Apple Launches Its Largest Marketing Campaign Ever for iMac," press release, August 13, 1998.

3. Jim Carlton, "From Apple, a New Marketing Blitz," *Wall Street Journal*, August 14, 1998, B1.

Working with loyal retailers, Apple's PR people created 20-foot-high inflatable iMac balloons to fly above retail stores at the Midnight Madness event on August 14, 1998. A Cupertino, California, retailer added giant searchlights and scheduled part of its midnight iMac delivery using four new Volkswagen Beetles on loan from a local dealer. Of course, TV crews from every station in the Bay Area were there to cover the action and report it all to the world the next day. Summarizing the state of affairs on launch day, one salesperson at a CompUSA Superstore in San Francisco said: "I don't think even Apple expected it to be this crazy. We're having trouble keeping iMacs on the shelves."⁴

And that was just for starters. As the new iMac was going on sale, Apple executives also announced the start of the largest advertising campaign in their history, where paid media advertising costs were expected to run more than \$100 million between August 15 and December 31, 1998. (Yes, Steve Jobs was betting the future of his company on the success of the iMac.) These are just some of the key elements of the campaign.⁵

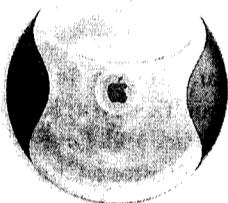
- **Television advertising.** National TV ads began August 16 on *The Wonderful World of Disney* and continued on programs such as *NewsRadio* and *The Drew Carey Show*, and on cable shows such as *South Park* and *Larry King Live*. TV ads were also placed in the top 10 metro markets—Boston; Chicago; Los Angeles; New York; San Francisco; Philadelphia; Washington, D.C.; Seattle; Minneapolis; and Denver. TV ads began airing in Europe and Asia in September 1998.
- **Outdoor advertising.** Billboards also went up in the top 10 metro markets. As shown in Exhibit 8.1, they featured a photo of the iMac and one of the following copy lines: "Chic. Not geek"; "Sorry, no beige"; "Mental floss"; and "I think, therefore iMac." This last copy line was attributed to Mr. Magic—Steve Jobs.
- **Magazine advertising.** An informative 12-page iMac insert was distributed through leading magazines such as *Time*, *People*, *Sports Illustrated*, and *Rolling Stone*. More than 15 million copies were put in consumers' hands in the first few weeks after launch. This more than doubled the amount of inserts ever distributed by Apple in any prior campaign. Four pages from this insert are displayed in Exhibit 8.2.

Apple's iMac launch used outdoor billboards like this one in the 10 top metro markets across the United States. What value proposition do you see being addressed by this billboard? Does this value proposition relate to a larger trend in the computer and technology industry? <http://www.apple.com>

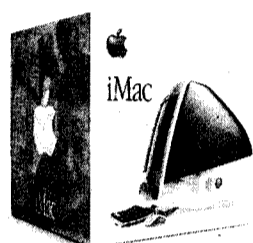


4. "iMac Makes a Midnight Debut," <http://www.macweek.com>, accessed August 15, 1998.
5. Apple Computer, "Apple Launches Its Largest Marketing Campaign Ever for iMac," press release, August 13, 1998.


To everyone who thinks computers are too complicated, too costly or too beige:



One decision. One box.
One price. \$1,299.



The world's easiest-to-use computer is also the world's easiest to buy.
It's the only computer that comes in one box, with everything you need for one low price: \$1,299. And there are three simple ways to buy it: You can visit your authorized Apple reseller, who can provide personalized advice and service. Or call 1-800-MY-APPLE for the nearest location. You can also call us any time at the Apple Store or the website www.apple.com or call us at 1-800-541-1000.

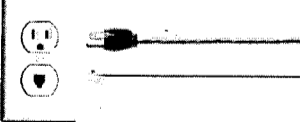


Think different.

Amazingly simple.

Live long enough and you begin to recognize a pattern: Lots of parts = complicated. Few parts = easy. iMac is the poster child for "easy."

The whole system, with its gorgeous hi-res display and stereo speakers, comes in one ready-to-go package. Instead of a thick installation manual, all you need is this installation paragraph.



Plug in the power cord.
 Plug in the modem cord.
 Attach the keyboard and mouse. And that's it. You're off to the races.

Or the Louvre. Or the Hilney of Congress. Or the CD store. Or the stadium. Or the concert hall. Or Mars. Or—well, you get the idea.

When you combine the excitement of the internet with the simplicity of iMac, there's no limit to what you can do.

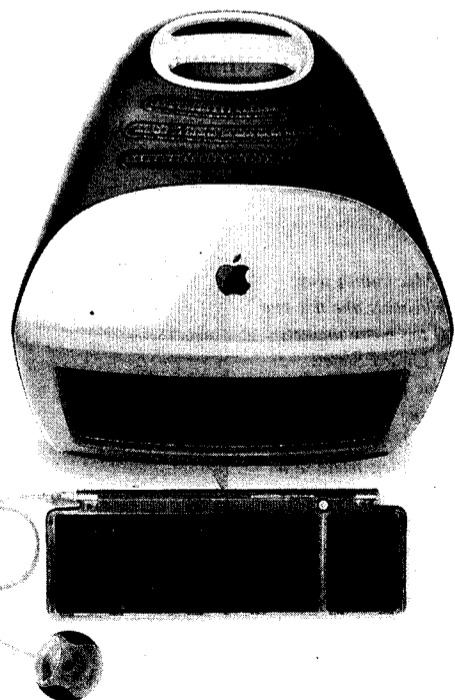
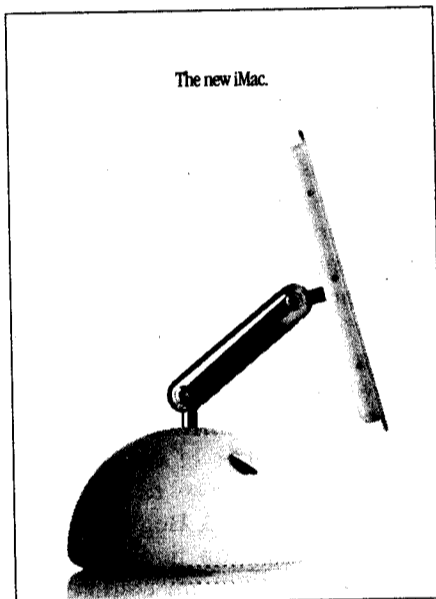


EXHIBIT 6.2

Apple has consistently broken new ground in its product advertising. Former Chairman John Sculley, who came to Apple from PepsiCo, contrasted the company with his former margin-focused employer, as an agent of incessant innovation and radical change. Apple ads certainly seem to find endless ways to herald the new, the innovative, the unordinary—better, perhaps, than any others.



Of course, Apple's home page featured the iMac in November 1998. The interactivity of the Web makes it the perfect medium for anticipating and answering questions about the technical features of a product such as a new personal computer.



The original candy-colored iMac resonated with consumers from a design standpoint. New generations of the iMac have continued to feature elegant design as a primary point of differentiation.

- **Radio advertising.** A five-day countdown to the iMac launch was executed through a network of 20 nationwide radio companies. This promotion featured iMac giveaways each day of the week preceding Midnight Madness. Apple's was the most comprehensive radio campaign in the United States the week of August 10, 1998.
- **Cooperative advertising.** Apple also joined forces with its local retailers in cooperative advertising efforts around the United States. For example, Apple worked with the New York dealer DataVisions Inc. to help sponsor iMac ads on movie screens in all 600 of Long Island's theaters. Other dealers participated in software and T-shirt giveaways, and CompUSA launched newspaper ads that for the first time promoted Apple products exclusively.
- **Web site features and promotions.** Of course, everything you could ever want to know about the iMac and the iMac product launch was available for the world to peruse at <http://www.apple.com>. Exhibit 8.3 shows the Apple home page as of November 1998.

The iMac launch campaign yielded the kind of results that Steve Jobs needed for reviving his company. In November 1998 the iMac was the best-selling personal computer in the consumer market,

with about a third of iMac buyers being first-time owners of any type of personal computer. And it wasn't just a faddish success: The iMac would propel Apple Computer Inc. to 11 consecutive quarters of profitable growth. But just to illustrate the point that nothing in marketing and advertising is ever permanent, by the summer of 2000 media pundits of all kinds began asking questions like, "Yes, Steve, you fixed it. Congrats! Now what's Act Two?"⁶ Jobs came up with several answers to that question, including stylish remakes of the original iMac (see Exhibit 8.4), and, more recently, a whole new product strategy built around iTunes and iPod, designed to revolutionize the world of online music.⁷

As the high-profile CEO of Apple, Jobs received a good deal of the praise for iMac's original launch campaign. However, he quickly demurred and assigned the credit to his advertising agency—TBWA Chiat/Day of Venice, California. Said Jobs: "Creating great advertising, like creating great products, is a team effort. I am lucky to work with the best talent in the industry."⁸ Indeed, it would be impossible to launch a campaign of this scale without great teamwork between agency and client.

While we have merely scratched the surface in describing all that was involved in the campaign that launched the iMac, we

hope this example gives you a taste for the complexity that can be involved in executing a comprehensive advertising and IBP effort. You don't go out and spend \$100 million promoting a new product that is vital to the success of a firm without

6. For a thorough debriefing on Apple's situation post-iMac, see Peter Burrows, "Apple," *BusinessWeek*, July 31, 2000, 102–113; Pui-Wing Tam, "Apple's Growth beyond Traditional Base Is Called into Question," *Wall Street Journal*, October 2, 2000, B26.
7. Ronald Glover and Tom Lowry, "Show Time!" *BusinessWeek*, February 2, 2004, 56–64.
8. Johnson, "Jobs Orchestrates Ad Blitz for Apple's New iMac PC."

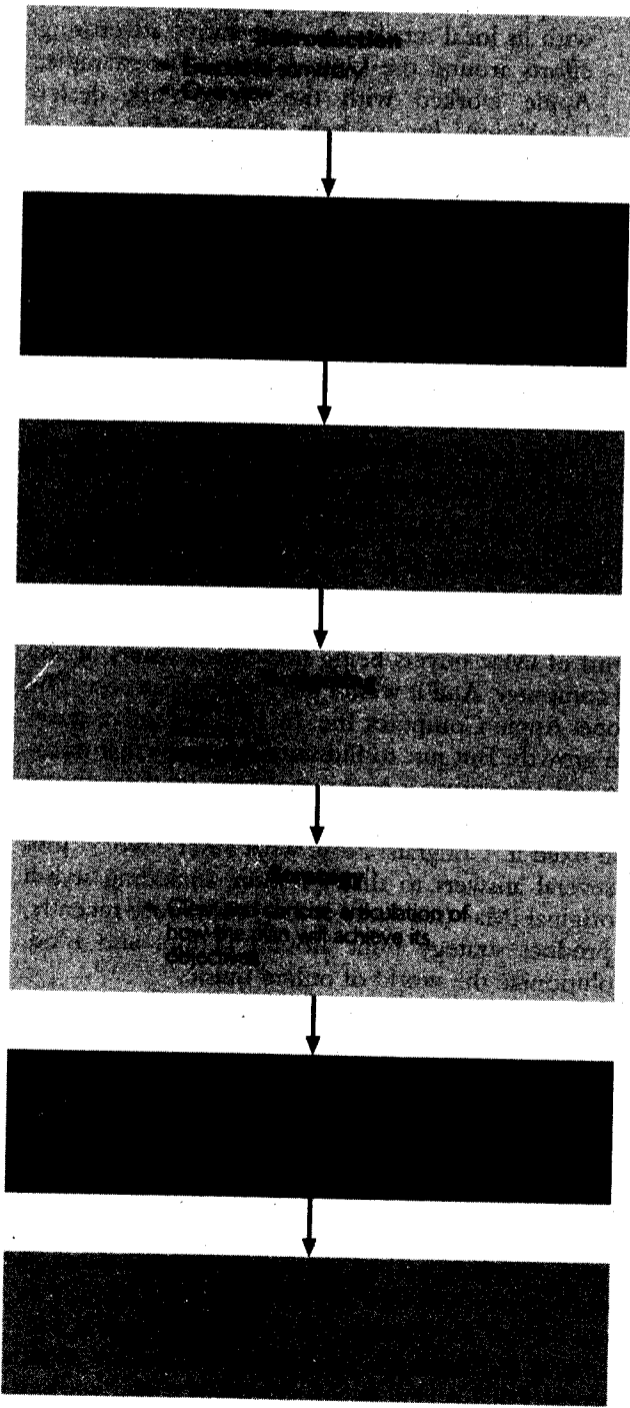
giving the entire endeavor considerable forethought. Such an endeavor will call for a plan. As you will see in this chapter, Jobs, Apple, and Chiat/Day followed the process of building an advertising effort based on several key features of the advertising plan. An advertising plan is the culmination of the planning effort needed to deliver effective advertising.

i The Advertising Plan and Its Marketing Context.

An ad plan should be a direct extension of a firm's marketing plan. As suggested in the closing section of Chapter 6, one device that can be used to explicitly connect the marketing plan with the advertising plan is the statement of a brand's value proposition. A statement of what the brand is supposed to stand for in the eyes of the target segment derives from the firm's marketing strategy, and will guide all ad-planning activities. The advertising plan, including all integrated brand promotion, is a subset of the larger marketing plan. The IBP component must be built into the plan in a seamless and synergistic way. Everything has to work together, whether the plan is for Apple or for a business with far fewer resources. And as Steve Jobs noted about his iMac campaign, there is no substitute for good teamwork between agency and client in the development of compelling marketing and advertising plans.

An **advertising plan** specifies the thinking, tasks, and timetable needed to conceive and implement an effective advertising effort. We particularly like the iMac example because it illustrates the wide array of options that can be deployed in creating interest and communicating the value proposition for a brand. Jobs and his agency choreographed public relations activities, promotions and giveaways, cooperative advertising, broadcast advertising, billboard advertising, Web site development, and more, as part of the iMac launch. Advertising planners should review all the options before selecting an integrated set to communicate with the target audience. It is critical to think beyond traditional broadcast media when considering the best way to break through the clutter of the modern marketplace and get a message across to the focal customer. Miami's Crispin Porter & Bogusky is an agency that built its reputation on finding novel ways to register clients' messages with consumers. CPB's rules for breaking all the rules are summarized in the Creativity box.

Exhibit 8.5 shows the components of an advertising plan. It should be noted that there is a great deal of variation in advertising plans from advertiser to advertiser. Our discussion of the advertising plan will focus on the seven major sections shown in Exhibit 8.5: the introduction, situation analysis,



The advertising plan.

Hot Agencies “Think Different”

Hot agencies come and go, but Crispin Porter & Bogusky may be a prototype for the agency of the future. That is, although many have bemoaned the increasing inadequacy of traditional broadcast media for reaching today’s time-starved consumers, Madison Avenue is commonly criticized for not changing with the times. Through its innovative IBP campaigns for clients like Mini, IKEA, Virgin Atlantic Airways, and Molson beer, CPB has proven time and again that they know how to deliver results for clients without relying on costly TV ads. At CPB they try to follow a few soft and loose rules to help them “Think Different.”

Rule #1: Zero in on the product. CPB’s Alex Bogusky believes the product is the thing, and recommends close inspection of the product. Find out every good thing about the product and then invent more. Come up with ideas to spruce up the product through packaging, displays, little giveaways, and so on.

Rule #2: Use loads of design. Hire lots of graphic designers and let them do their thing creating leaflets, posters, packaging, and new gear.

Rule #3: Find the sweet spot. Draw two circles. One contains all the characteristics of a given product; the other holds the list of needs and aspirations of your target market. The overlap of the circles is where the best ideas for a new campaign will be found.

Rule #4: Surprise equals buzz equals exposure. Create a stunt (e.g., put a Mini on the roof of an SUV and drive it around town). If it’s surprising enough, people will start talking about it and the news media will want to cover it. That sounds like free exposure!

Rule #5: Don’t be timid (but don’t be an ass either). Sex, violence, and bathroom humor have a short shelf life. Be smart. Be sly. CPB’s anti-tobacco ad, “Shards O’ Glass Freeze Pop” spoofed the tobacco industry’s attempts to justify their products. It got people talking without fart jokes or wardrobe malfunctions. (Remember that Super Bowl fiasco?)

Rule #6: Conspire with the customer. Convince people you’re on their side. CPB helped male Molson drinkers break the ice with women by printing pickup lines on the labels of its beer bottles. That’s definitely thinking different!

Rule #7: Make yourself useful. Nobody needs an ad, but everybody likes free stuff. Keep your designers busy inventing inexpensive giveaways, like the IKEA poster that doubled as holiday gift-wrap.

Rule #8: Think of advertising as a product, not a service. Stop wasting time schmoozing the client. Instead of being a paid pal, be a factory focused on turning out the best product. But remember, advertising is never an assembly-line product; it’s always custom made.

Rule #9: Good ideas can come from anyone, anywhere. Throw lots of people at the problem. Listen. Sometimes even the client (gasp) can have a good idea.

Rule #10: Rules are lame. Break the rules.

Sources: Jack Neff and Lisa Sanders, “It’s Broken,” *Advertising Age*, February 16, 2004, 1,30; Hillary Chura, “Madison Ave. Out of Touch?” *Advertising Age*, April 12, 2004, 18; and Warren Berger, “Dare-Devils,” *Business 2.0*, April 2004, 111–116.

objectives, budgeting, strategy, execution, and evaluation. Each component is discussed in the following sections.

Introduction. The introduction of an advertising plan consists of an executive summary and an overview. An executive summary, typically two paragraphs to two pages in length, is offered to state the most important aspects of the plan. This is the take-away; that is, it is what the reader should remember from the plan. It is the essence of the plan.

As with many documents, an overview is also customary. An overview ranges in length from a paragraph to a few pages. It sets out what is to be covered, and it structures the context. All plans are different, and some require more setup than others. Don’t underestimate the benefit of a good introduction. It’s where you can make or lose a lot of points with your boss or client.

Situation Analysis. When someone asks you to explain a decision you’ve made, you may say something like, “Well, here’s the situation. . . .” In what follows, you try to distill the situation down to the most important points and how they are connected in order to explain why you made the decision. An ad plan **situation analysis** is no different. It is where the client and agency lay out the most important factors that define the situation, and then explain the importance of each factor.

A lengthy list of potential factors (e.g., demographic, social and cultural, economic, and political/regulatory) can define a situation analysis. Some books offer long but incomplete lists. We prefer to play it straight with you: There is no complete or perfect list of situational factors. The idea is not to be exhaustive or encyclopedic when writing a plan, but to be smart in choosing the few important factors that really describe the situation, and then explain how the factors relate to the advertising

task at hand. Market segmentation and consumer behavior research provide the organization with insights that can be used for a situation analysis, but ultimately you have to decide which of the many factors are really the most critical to address in your advertising. This is the essence of smart management.

Let's say you represent American Express. How would you define the firm's current advertising situation? What are the most critical factors? What image has prior advertising, like that in Exhibit 8.6, established for the card? Would you consider the changing view of prestige cards to be critical? What about the problem of hanging onto an exclusive image while trying to increase your customer base by having your cards accepted at discount stores? Does the proliferation of gold and platinum cards by other banks rate as critical? Do the diverse interest rates offered by bank cards seem critical to the situation? What about changing social attitudes regarding the responsible use of credit cards? What about the current high level of consumer debt?

Think about how credit card marketing is influenced by the economic conditions of the day and the cultural beliefs about the proper way to display status. In the 1980s, it was acceptable for advertisers to tout the self-indulgent side of plastic (for example, MasterCard's slogan "MasterCard, I'm bored"). Today, charge and credit card ads often point out just how prudent it is to use your card for the right reasons. Now, instead of just suggesting you use your plastic to hop off to the islands when you feel the first stirrings of a bout with boredom, credit card companies often detail functional benefits for their cards with a specific market segment in mind, as reflected by the American Express ad in Exhibit 8.7.

(MUSIC) **SEINFELD:** Hot, hot, hot, hot, hot, hot. Phew. (MUSIC)

(MUSIC) Um (MUSIC)

(MUSIC)

(MUSIC)

I was on a cruise ship. I slipped and - right overboard.

Hi, boys.

2nd MAN: Ocean view?

SEINFELD: I don't think so.

I'm in a bit of a hurry. (MUSIC/FX)

That is so true.

So where was I?

ANNCR: The American Express Card, it's a life saver. (MUSIC/FX OUT)

What is the image this ad establishes for the American Express card? How is this image a response to the company's situation analysis? Link your answer to a discussion of market segmentation and product positioning. Who is reached by this ad and how does reaching this segment fit into the overall strategy for American Express? <http://www.americanexpress.com>

Small Business Success

Want to save 10-20% on FedEx Express?

Let's say, 3 packages a day.

Times 5 days a week.

That's \$1,500 a year just by using one of these.

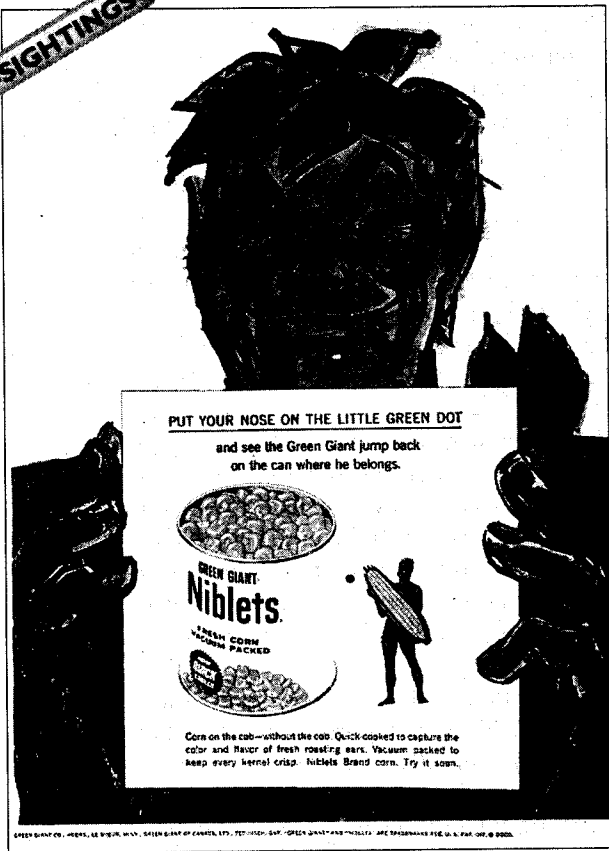
Only the Corporate Card for Small Business get you savings on FedEx Express, Mail® Direct,® Biller and Quest.® What can we do for your business?

Call 1-800-SUCCESS

Here we see American Express offering a specific package of benefits to a well-defined target segment. Obviously, the folks at American Express understand STP marketing (per Chapter 6).

Basic demographic trends may be the single most important situational factor in advertising plans. Whether it's baby boomers or Generation X, Y, or Z, where the people are is usually where the sales are. As the population distribution varies with time, new markets are created and destroyed. The baby boom generation of post-World War II disproportionately dictates consumer offerings and demand simply because of its size. As the boomers age, companies that offer the things needed by tens of millions of aging boomers will have to devise new appeals. Think of the consumers of this generation needing long-term health care, geriatric products, and things to amuse themselves in retirement. Will they have the disposable income necessary to have the bountiful lifestyle many of them have had during their working years? After all, they aren't the greatest savers. And what of today's twenty-somethings? When do you tend to model your parents? When do you look to put space between yourself and your parents? Knowing which generation(s) you are targeting is critical in your situation analysis.

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Historical Context. No situation is entirely new, but all situations are unique. Just how a firm arrived at the current situation is very important. Before trying to design Apple's iMac campaign, an agency should certainly know a lot about the history of all the principal players, the industry, the brand, the corporate culture, critical moments in the company's past, its big mistakes and big successes. All new decisions are situated in a firm's history, and an agency should be diligent in studying that history. For example, would an agency pitch new business to Green Giant without knowing something of the brand's history and the rationale behind the Green Giant character? The history of the Green Giant dates back decades, as suggested in Exhibit 8.8. The fact is that no matter what advertising decisions are made in the present, the past has a significant impact.

Apart from history's intrinsic value, sometimes the real business goal is to convince the client that the agency knows the client's business, its major concerns, and its corporate culture. A brief history of the company and brand are included to demonstrate the thoroughness of the agency's research, the depth of its knowledge, and the scope of its concern.

Industry Analysis. An industry analysis is just that; it focuses on developments and trends within an entire industry and on any other factors that may make a difference in how an advertiser proceeds with an advertising plan. An industry analysis should enumerate and discuss the most important aspects of a given industry, including the supply side of the supply-demand equation. When great advertising overstimulates demand that can't be matched by supply, one can end up with lots of unhappy customers.

No industry faces more dramatic trends and swings in consumers' tastes than the food business. In recent years the low-carb craze has challenged industry giants from Nestlé to Hershey Foods to H.J. Heinz Co. to McDonald's to come up with new products and reposition old ones to satisfy consumers' growing concerns about sugar and white flour. When your industry research tells you that 30 million Americans describe themselves as being on a low-carb diet, and another 100 million are

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Knowing a brand's history can guide the development of future campaigns. Visit the Green Giant corporate site (<http://www.greengiant.com>) and read all about the history of the Green Giant character. He first appeared in advertising in 1928. How might this history determine future Green Giant ads? Is it time to ditch the Green Giant? Can you think of brands that made drastic changes in their popular icons? What might motivate a company to modernize or change its animated character icon?



EXHIBIT 8.9

Pizzeria Uno built its business around the classic, Chicago-style, deep dish pizza. But in a world gone mad with carb counting, the deep dish pizza was bound to lose some appeal. Enter Uno Chicago Grill and Lemon Basil Salmon with just 7 net carbs. Can carb counters and deep dish pizza lovers find a way to peacefully co-exist? For Uno's sake, let's hope so.

expected to join them in a matter of months, it's time to reposition and reformulate.⁹ It is hard to imagine the marketing and advertising plans of any food maker not giving some consideration to the carb issue as part of an analysis of their industry. As suggested by Exhibit 8.9, no one is immune.

Market Analysis. A **market analysis** complements the industry analysis, emphasizing the demand side of the equation. In a market analysis, an advertiser examines the factors that drive and determine the market for the firm's product or service. First, the advertiser needs to decide just exactly what the market is for the product. Most often, the market for a given good or service is simply defined as current users. The idea here is that consumers figure out for themselves whether they want the product or not and thus define the market for themselves, and for the advertiser. This approach has some wisdom to it. It's simple, easy to

defend, and very conservative. Few executives get fired for choosing this market definition. However, it completely ignores those consumers who might otherwise be persuaded to use the product.

A market analysis commonly begins by stating just who the current users are, and (hopefully) why they are current users. Consumers' motivations for using one product or service but not another may very well provide the advertiser with the means toward a significant expansion of the entire market. If the entire pie grows, the firm's slice usually does as well. The advertiser's job in a market analysis is to find out the most important market factors and why they are so important. It is at this stage in the situation analysis that account planning can play an important role.

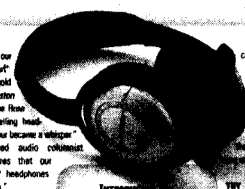
Competitor Analysis. Once the industry and market are studied and analyzed, attention turns to **competitor analysis**. Here an advertiser determines just exactly who the competitors are, discussing their strengths, weaknesses, tendencies, and any threats they pose.

Suppose you are creating advertising for Fuji 35-mm film. Who are your competitors? Is Kodak, with its dominant market share, your only real competitor? Are Agfa and Konica worth worrying about? Would stealing share from these fairly minor players be productive? What has Kodak done in the past when Fuji has made a move? What are Kodak's advantages? For one, it may have successfully equated memories with photographs and with trusting the archiving of these memories to Kodak film. Does Kodak have any weaknesses? Could Kodak be characterized as stodgy and old-fashioned? What of recent product innovations? What level of commitment is Kodak making to digital photography? What about financial resources? Can Kodak swat Fuji like a fly? Or does Fuji have deep pockets, too? What would happen if Fuji tripled its advertising and directly compared its product to Kodak's? These are the kinds of questions that would be addressed in a thorough analysis of the competitive field.

Objectives. Advertising objectives lay the framework for the subsequent tasks in an advertising plan and take many different forms. Objectives identify the goals of the advertiser in concrete terms. The advertiser, more often than not, has more than one objective for an ad

9. Stephanie Thompson, "Low-Carb Craze Blitzes Food Biz," *Advertising Age*, January 5, 2004, 1, 22.

HEADPHONES THAT OFFER SUPERIOR NOISE REDUCTION AND EXCEPTIONAL AUDIO. WHAT COULD BE BETTER? THE NEW AND IMPROVED MODEL.



ACCLAIMED NOISE REDUCTION. We originally designed the QuietComfort headphones to make air travel more pleasant. But head phone owners soon started telling us how well they work in other noisy places - trains, buses, offices and homes. Patented Bose® technology electronically identifies and dramatically reduces noise while faithfully preserving the music, movie dialogue or speech you want. The Philadelphia Daily News says that "even in the noisiest environment, wearing these phones creates a calming, quiet zone for easy listening or just snoozing."

HOW BEST SOUNDING HEADPHONES EVER. The advanced audio technology inside our new QuietComfort 2 headphones delivers sound so real, even the subtlest nuances can come shining through. As audio critic Wayne Thompson notes, "Bose engineers have made major improvements." The highs are brilliantly clear. The lows reach out and envelop you. QuietComfort 2 plays all sorts of music - classical, rock, and jazz - sounding relaxed and natural.

ENHANCED CONVENIENCE. These new headphones are so lightweight and comfortable, respected columnist Rich Warren feels "it's easy to forget they are on your head." You can use them without the audio cord to reduce noise. Or attach the included cord and listen to portable CD/DVD/MP3 players, home stereo, computers and in-flight entertainment systems. When you're done, the new fold-flat design allows for easy storage in your bag or briefcase.

TRY THEM FOR YOURSELF - RISK FREE. We don't expect you to take our word for how dramatically our new headphones reduce noise, how clear and full they sound or how comfortably they fit. So we invite you to try them for 30 days. If you can live without them, return them for a refund. It's that simple.

Order by December 31, 2003. and enjoy no-interest financing until January 2004.* And discover the kind of performance that has made Bose the most respected name in sound.

CALL 1-800-720-2673

For information on all products visit www.bose.com/qc2

Name: _____
Address: _____
City: _____ State: _____
Do. Title: _____
E-mail: _____
E-mail: _____

BOSE

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THE NEW YORK TIMES MAGAZINE / OCTOBER 11, 2003

EXHIBIT 8.9

The makers of Bose audio equipment have the philosophy that sound reproduction is a matter of science, so it follows that the best way to impress a consumer is to simply lay out the facts. Learn more about Dr. Amar Bose and the philosophy behind his company at <http://www.bose.com>.

our shells? crucial? purpose? exactly how many layers of skin do you want to take off? ...

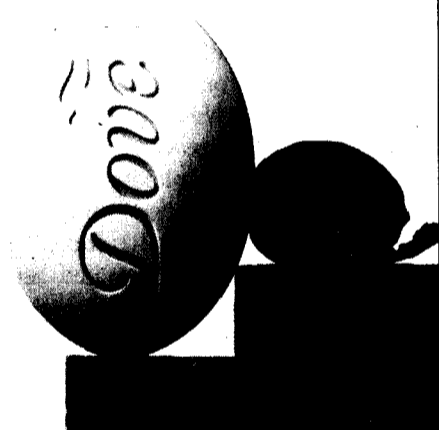


EXHIBIT 8.11

In the world of the beauty, art rules over science. Hence, this simple ad for Dove's daily exfoliating bar is composed like a still-life painting, but look inside and the message is clear.

campaign. An advertiser's objective may be (1) to increase consumer awareness of and curiosity about its brand, (2) to change consumers' beliefs or attitudes about its product, (3) to influence the purchase intent of its customers, (4) to stimulate trial use of its product or service, (5) to convert one-time product users into repeat purchasers, (6) to switch consumers from a competing brand to its brand, or (7) to increase sales. (Each of these objectives is discussed briefly in the following paragraphs.) The advertiser may have more than one objective at the same time. For example, a swimwear company may state its advertising objectives as follows: to maintain the company's brand image as the market leader in adult female swimwear and to increase revenue in this product line by 15 percent.

Creating or maintaining brand awareness and interest is a fundamental advertising objective. Brand awareness is an indicator of consumer knowledge about the existence of the brand and how easily that knowledge can be retrieved from memory. For example, a market researcher might ask a consumer to name five insurance companies. **Top-of-the-mind awareness** is represented by the brand listed first. Ease of retrieval from memory is important because for many goods or services, ease of retrieval is predictive of market share. This proved to be the case for AFLAC, an insurance company (American Family Life Assurance Co.) who used a determined duck quacking *aaa-flack* in its ad campaign as a means to building brand awareness. If you've seen these ads, we suspect that you'll never forget that duck. If you haven't seen them, you might be thinking, a duck as your primary spokesperson sounds pretty dopey. Maybe yes, maybe no, but that duck helped AFLAC become a major player in the U.S. insurance market.¹⁰

Creating, changing, or reinforcing attitudes is another important function of advertising, and thus makes for a common advertising objective. As we saw in Chapter 5, one way to go about changing people's attitudes is to give them information designed to alter their beliefs. There are many ways to approach this task. One way is exemplified by the Bose ad in Exhibit 8.10. Here we see an information-dense approach where a number of logical arguments are developed to shape beliefs regarding the QuietComfort 2 Noise-Cancelling Headphones. For the consumer willing to digest this complex, text-based ad, the arguments are likely to prove quite compelling. Conversely, a very different approach is taken in the elegant ad for the Dove beauty bar in Exhibit 8.11. Here the approach depends on the visual imagery and the consumer's willingness to solve the riddle of what a bar of soap has in common with a walnut. If you solve the puzzle, you learn something about Dove, shaping or reinforcing a belief about the performance of this soap. Whether through direct, logical arguments, or thought-provoking

10. Zyman, *The End of Advertising As We Know It*, 20.

visual imagery, advertisements are frequently designed to deliver their objective of belief and attitude change.

Purchase intent is another popular criterion in setting objectives. Purchase intent is determined by asking consumers whether they intend to buy a product or service in the near future. The appeal of influencing purchase intent is that intent is closer to actual behavior, and thus closer to the desired sale, than are attitudes. While this makes sense, it does presuppose that consumers can express their intentions with a reasonably high degree of reliability. Sometimes they can, sometimes they cannot. Purchase intent, however, is fairly reliable as an indicator of relative intention to buy, and it is, therefore, a worthwhile advertising objective.

Trial usage reflects actual behavior and is commonly used as an advertising objective. Many times, the best that we can ask of advertising is to encourage the consumer to try our brand. At that point, the product or service must live up to the expectations created by our advertising. In the case of new products, stimulating trial usage is critically important. In the marketing realm, the angels sing when the initial purchase rate of a new product or service is high.

The **repeat purchase**, or conversion, objective is aimed at the percentage of consumers who try a new product and then purchase it a second time. A second purchase is reason for great rejoicing. The odds of long-term product success go way up when this percentage is high.

Brand switching is the last of the advertising objectives mentioned here. In some brand categories, switching is commonplace, even the norm. In others it is rare. When setting a brand-switching objective, the advertiser must neither expect too much, nor rejoice too much, over a temporary gain. Persuading consumers to switch brands can be a long and arduous task.

2 Communications versus Sales Objectives. Some analysts argue that as a single variable in a firm's overall marketing mix, it is not reasonable to set sales expectations for advertising when other variables in the mix might undermine the advertising effort or be responsible for sales in the first place. In fact, some advertising analysts argue that communications objectives are the *only* legitimate objectives for advertising. This perspective has its underpinnings in the proposition that advertising is but one variable in the marketing mix and cannot be held solely responsible for sales. Rather, advertising should be held responsible for creating awareness of a brand, communicating information about product features or availability, or developing a favorable attitude that can lead to consumer preference for a brand. All of these outcomes are long term and based on communications impact.

There are some major benefits to maintaining a strict communications perspective in setting advertising objectives. First, by viewing advertising as primarily a communications effort, marketers can consider a broader range of advertising strategies. Second, they can gain a greater appreciation for the complexity of the overall communications process. Designing an integrated communications program with sales as the sole objective neglects aspects of message design, media choice, public relations, or sales force deployment that should be effectively integrated across all phases of a firm's communication efforts. Using advertising messages to support the efforts of the sales force and/or drive people to your Web site is an example of integrating diverse communication tools to build synergy that then may ultimately produce a sale.

Yet there is always a voice reminding us that there is only one rule: *Advertising must sell.*¹¹ Nowhere is the tension between communication and sales objectives better exemplified than in the annual debate about what advertisers really get for the tremendous sums of money they spend on Super Bowl ads. Each year great hoopla

11. Zyman, *The End of Advertising As We Know It*.

accompanies the ads that appear during the Super Bowl, and numerous polls are taken after the game to assess the year's most memorable ads. One such study showed that among the five most memorable ads (for Budweiser, Pepsi, VW, E*Trade, and Doritos) that ran during a Super Bowl, only the Doritos ad moved people to say that they were much more likely to purchase the product as a result of seeing the ad.¹² If a super-cool Pepsi ad featuring Britney Spears doesn't affect consumers' purchase intentions, can it really be worth the millions of dollars it takes to produce and air it?

While there is a natural tension between those who advocate sales objectives and those who push communications objectives, nothing precludes a marketer from using both types when developing an advertising plan. Indeed, combining sales objectives such as market share and household penetration with communication objectives such as awareness and attitude change can be an excellent means of motivating and evaluating an advertising campaign.¹³

Objectives that enable a firm to make intelligent decisions about resource allocation must be stated in an advertising plan in terms specific to the organization. Articulating such well-stated objectives is easier when advertising planners do the following:

1. **Establish a quantitative benchmark.** Objectives for advertising are measurable only in the context of quantifiable variables. Advertising planners should begin with quantified measures of the current status of market share, awareness, attitude, or other factors that advertising is expected to influence. The measurement of effectiveness in quantitative terms requires a knowledge of the level of variables of interest before an advertising effort, and then afterward. For example, a statement of objectives in quantified terms might be, "Increase the market share of heavy users of the product category using our brand from 22 to 25 percent." In this case, a quantifiable and measurable market share objective is specified.
2. **Specify measurement methods and criteria for success.** It is important that the factors being measured be directly related to the objectives being pursued. It is of little use to try to increase the awareness of a brand with advertising and then judge the effects based on changes in sales. If changes in sales are expected, then measure sales. If increased awareness is the goal, then change in consumer awareness is the legitimate measure of success. This may seem obvious, but in a classic study of advertising objectives, it was found that claims of success for advertising were unrelated to the original statements of objective in 69 percent of the cases.¹⁴ In this research, firms cited increases in sales as proof of success of advertising when the original objectives were related to factors such as awareness, conviction to a brand, or product-use information. But maybe that just says when sales do go up, we forget about everything else.
3. **Specify a time frame.** Objectives for advertising should include a statement of the period of time allowed for the desired results to occur. In some cases, as with direct response advertising, the time frame may be related to a seasonal selling opportunity like the Christmas holiday period. For communications-based objectives, the measurement of results may not be undertaken until the end of an entire multiweek campaign. The point is that the time period for accomplishment of an objective and the related measurement period must be stated in advance in the ad plan.

These criteria for setting objectives help ensure that the planning process is organized and well directed. By relying on quantitative benchmarks, an advertiser has guidelines

12. Bonnie Tsui, "Bowl Poll: Ads Don't Mean Sales," *Advertising Age*, February 5, 2001, 33.

13. John Philip Jones, "Advertising's Crisis of Confidence," *Marketing Management*, vol. 2, no. 1 (1993), 15-24.

14. Stewart Henderson Britt, "Are So-Called Successful Advertising Campaigns Really Successful?" *Journal of Advertising Research*, vol. 9 (1969), 5.

for making future decisions. Linking measurement criteria to objectives provides a basis for the equitable evaluation of the success or failure of advertising. Finally, the specification of a time frame for judging results keeps the planning process moving forward. As in all things, however, moderation is a good thing. A single-minded obsession with watching the numbers can be dangerous in that it minimizes or entirely misses the importance of qualitative and intuitive factors.



Budgeting. One of the most agonizing tasks is budgeting the funds for an advertising effort. Normally, the responsibility for the advertising budget lies with the firm itself. Within a firm, budget recommendations come up through the ranks; e.g., from a brand manager to a category manager and ultimately to the executive in charge of marketing. The sequence then reverses itself for the allocation and spending of funds. In a small firm, such as an independent retailer, the sequence just described may include only one individual who plays all the roles.

In many cases, a firm will rely on its advertising agency to make recommendations regarding the size of the advertising budget. When this is done, it is typically the account executive in charge of the brand who will analyze the firm's objectives and its creative and media needs and then make a recommendation to the company. The account supervisor's budget planning will likely include working closely with brand and product-group managers to determine an appropriate spending level.

To be as judicious and accountable as possible in spending money on advertising and IBP, marketers rely on various methods for setting an advertising budget. To appreciate the benefits (and failings) of these methods, we will consider each of them in turn.

Percentage of Sales. A **percentage-of-sales approach** to advertising budgeting calculates the advertising budget based on a percentage of the prior year's sales or the projected year's sales. This technique is easy to understand and implement. The budget decision makers merely specify that a particular percentage of either last year's sales or the current year's estimated sales will be allocated to the advertising process. It is common to spend between 2 and 12 percent of sales on advertising.

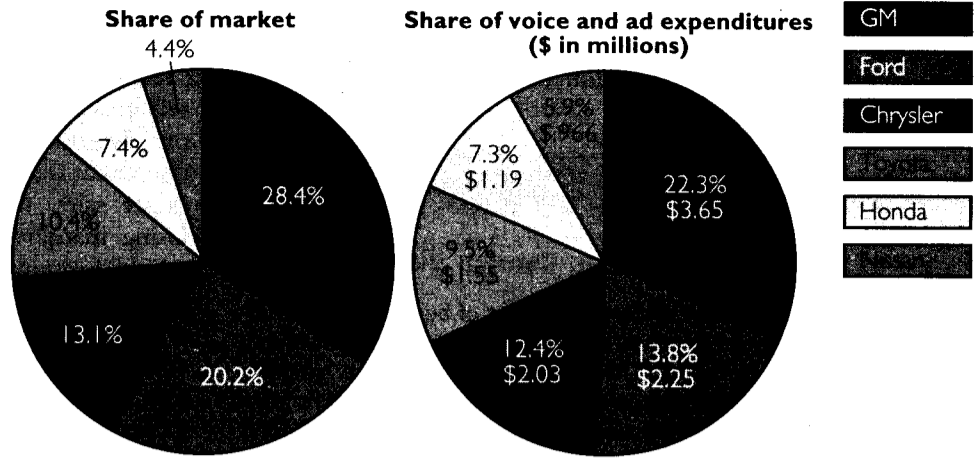
While simplicity is certainly an advantage in decision-making, the percentage-of-sales approach is fraught with problems. First, when a firm's sales are decreasing, the advertising budget will automatically decline. Periods of decreasing sales may be precisely the time when a firm needs to increase spending on advertising; if a percentage-of-sales budgeting method is being used, this won't happen. Second, this budgeting method can easily result in overspending on advertising. Once funds have been earmarked, the tendency is to find ways to spend the budgeted amount. Third, the most serious drawback from a strategic standpoint is that the percentage-of-sales approach does not relate advertising dollars to advertising objectives. Basing spending on past or future sales is devoid of analytical evaluation and implicitly presumes a direct cause-and-effect relationship between advertising and sales. But here, we have sales "causing" advertising. That's backward!

A variation on the percentage-of-sales approach that firms may use is the **unit-of-sales approach** to budgeting, which simply allocates a specified dollar amount of advertising for each unit of a brand sold (or expected to be sold). This is merely a translation of the percentage-of-sales method into dollars per units sold. The unit-of-sales approach has the same advantages and disadvantages as the percentage-of-sales approach.

Share of Market/Share of Voice. With this method, a firm monitors the amount spent by various significant competitors on advertising and allocates an amount equal to the amount of money spent by competitors or an amount proportional to (or slightly greater than) the firm's market share relative to the competi-

EXHIBIT 8.12

Share of market versus share of voice, major car manufacturers in 2002 (U.S. dollars in millions).



Source: Market share information taken from *Market Share Report, 2004* (Los Angeles Times, January 4, 2003, p. C1). Share of voice/ad expenditures calculated from *100 Leading National Advertisers, AdAge, Special Report, 6.23.03* and *Domestic Advertising Spending by Category, AdAge, 2002*.

tion.¹⁵ Exhibit 8.12 shows the relationship between share of market and share of voice for automakers in the U.S.

With this method, an advertiser will achieve a **share of voice**, or an advertising presence in the market, equal to or greater than the competitors' share of advertising voice. This method is often used for advertising budget allocations in new-product introductions. Conventional wisdom suggests that some multiple, often 2.5 to 4 times the desired first-year market share, should be spent in terms of share-of-voice advertising expenditures. For example, if an advertiser wants a 2 percent first-year share, it would need to spend up to 8 percent of the total dollar amount spent in the industry (for an 8 percent share of voice). The logic is that a new product will need a significant share of voice to gain notice among a group of existing, well-established brands.¹⁶ So if you brew beer in Denmark and wanted to promote your Carlsberg brand in North America, how much money will you have to spend to steal market share from the likes of Anheuser-Busch and Miller? As explained in the Global Issues box, executives at Carlsberg decided the right answer for them was \$0.

Although the share-of-voice approach is sound in its emphasis on competitors' activities, there are important challenges to consider with this approach. First, it may be difficult to gain access to precise information on competitors' spending. Second, there is no reason to believe that competitors are spending their money wisely or in a way even remotely related to what the decision-making firm wants to accomplish. Third, the flaw in logic in this method is the presumption that every advertising effort is of the same quality and will have the same effect from a creative-execution standpoint. Nothing could be further from the truth. Google spends something like \$2.5 million on advertising per year; AT&T spends at a rate of over \$900 million.¹⁷ Are both getting the same rate of return on their investment in advertising? Not likely.

Response Models. Using response models to aid the budgeting process is a fairly widespread practice among larger firms.¹⁸ The belief is that greater objectivity can

15. The classic treatment of this method was first offered by James O. Peckham, "Can We Relate Advertising Dollars to Market-Share Objectives?" in Malcolm A. McGiven, ed., *How Much to Spend for Advertising* (New York: Association of National Advertisers, 1969), 24.

16. James C. Shroer, "Ad Spending: Growing Market Share," *Harvard Business Review* (January-February 1990), 44.

17. Hillary Chura, "Madison Ave. Out of Touch?" *Advertising Age*, April 12, 2004, 18.

18. James E. Lynch and Graham J. Hooley, "Increasing Sophistication in Advertising Budget Setting," *Journal of Advertising Research* (February-March 1990), 72.

be maintained with such models. While this may or may not be the case, response models do provide useful information on what a given company's advertising response function looks like. An **advertising response function** is a mathematical

relationship that associates dollars spent on advertising and sales generated. To the extent that past advertising predicts future sales, this method is valuable. Using marginal analysis, an advertiser would continue spending on advertising as long as its marginal spending was exceeded by marginal sales. Margin analysis answers the advertiser's question, "How much more will sales increase if we spend an additional dollar on advertising?" As the rate of return on advertising expenditures declines, the wisdom of additional spending is challenged.

Theoretically, this method leads to a point where an optimal advertising expenditure results in an optimal sales level and, in turn, an optimal profit. The relationship between sales, profit, and advertising spending is shown in the marginal analysis graph in Exhibit 8.13. Data on sales, prior advertising expenditures, and consumer awareness are typical of the numerical input to such quantitative models.

Unfortunately, the advertising-to-sales relationship assumes simple causality, and we know that that assumption isn't true. Many other factors, in addition to advertising, affect sales directly. Still, some feel that the use of response models is a better budgeting method than guessing or applying the percentage-of-sales or other budgeting methods discussed thus far.

Trying to Be King Is Not the Danish Way. . .

While the United States is at the top of the list of beer drinking countries in the world, there are plenty of beer drinkers outside of North America. China, Germany, Brazil, and Russia are also huge markets. Thus, Nils Andersen, chief executive of Carlsberg, the world's fifth-largest brewer, summarizes his company's strategy this way: "I don't mean to offend Americans, but we can be a successful global brewer without the U.S."

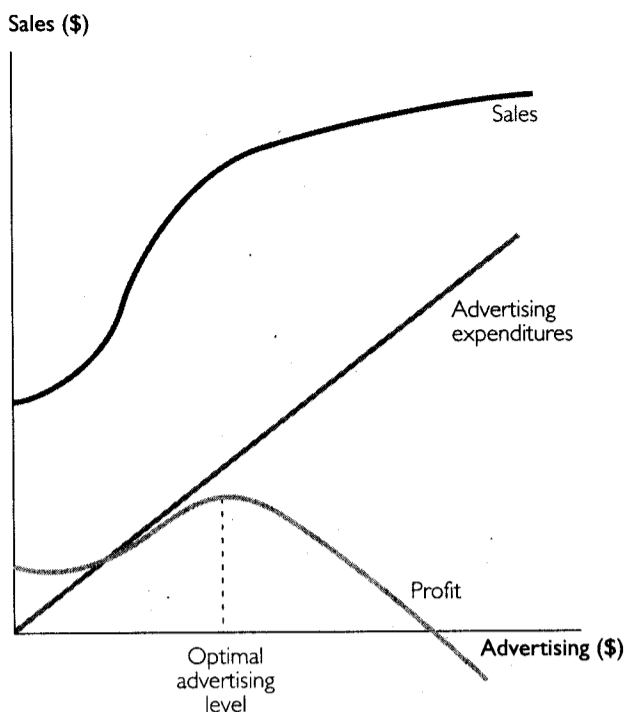
Some industry analysts criticize Carlsberg for this strategy; however, it is also salient to consider that the four largest beer marketers in the world spend heavily to support their brands (e.g., Budweiser, Miller Lite, Heineken, Labatt Blue) in the United States, on the order of a billion dollars in beer advertising among them. (Those are some deep pockets.) One of the essential decisions that global marketers are always faced with is how much of the globe can we really cover with the advertising funds that our company has available. Andersen's priorities for supporting his brand are clear. For example, he recently commissioned a new analysis of the fast-growing beer market in Serbia. He has no plans for spending any money on further investigation of the United States any time soon.

But in marketing and advertising, the analysis of one's situation is an ongoing process, so executives at Carlsberg won't rule out the possibility of someday making a big advertising push in North America. If they do, it is likely to be a unique campaign, because the Danes seem to think different when it comes to positioning their brands. As expressed by one Carlsberg executive, "We don't like to brag about ourselves. We would never be so bold and say that our beer is king." Probably a good idea to stay away from that line anyway, because last time we checked, "King of Beers" was already taken.

Source: Dan Bilefsky, "Not on Tap: Carlsberg Skips U.S. Beer Market for . . . Serbia?" *Wall Street Journal*, October 7, 2003, B1.

Objective and Task. The methods for establishing an advertising budget just discussed all suffer from the same fundamental deficiency: a lack of specification of how expenditures are related to advertising goals. The only method of budget setting that focuses on the relationship between spending and advertising objectives is the **objective-and-task approach**. This method begins with the stated objectives for an advertising effort. Goals related to production costs, target audience reach, message effects, behavioral effects, media placement, duration of the effort, and the like are specified. The budget is formulated by identifying the specific tasks necessary to achieve different aspects of the objectives.

There is a lot to recommend this procedure for budgeting. A firm identifies any and all tasks it believes are related to achieving its objectives. Should the total dollar figure for the necessary tasks be beyond the firm's financial capability, reconciliation must be found. But even if reconciliation and a subsequent reduction of the budget results, the firm has at least identified what *should* have been budgeted to pursue its advertising objectives.



Source: David A. Aaker, Rajeev Batra, and John G. Meyers, *Advertising Management*, 4th ed. (Englewood Cliffs, NJ: Prentice-Hall, 1992), 469. Reprinted by permission of Prentice-Hall, Inc., Upper Saddle River, NJ.

EXHIBIT 8.13

Sales, profit, and advertising curves used in marginal analysis.

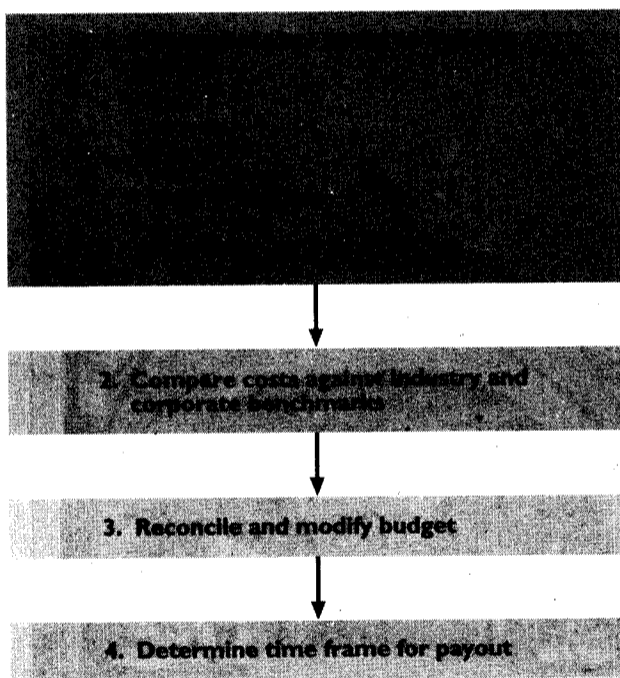


EXHIBIT 8.14

Steps in implementing the objective-and-task approach.

The objective-and-task approach is the most logical and defensible method for calculating and then allocating an advertising budget. It is the only budgeting method that specifically relates advertising spending to the advertising objectives being pursued. It is widely used among major advertisers. For these reasons, we will consider the specific procedures for implementing the objective-and-task budgeting method.

Implementing the Objective-and-Task Budgeting Method. Proper implementation of the objective-and-task approach requires a data-based, systematic procedure. Since the approach ties spending levels to specific advertising goals, the process depends on proper execution of the objective-setting process described earlier. Once a firm and its agency are satisfied with the specificity and direction of stated objectives, a series of well-defined steps can be taken to implement the objective-and-task method. These steps are shown in Exhibit 8.14 and summarized in the following sections.

Determine costs based on build-up analysis. Having identified specific objectives, an advertiser can now begin determining what tasks are necessary for the accomplishment of those objectives. In using a **build-up analysis**—building up the expenditure levels for tasks—the following factors must be considered in terms of costs:

- **Reach.** The advertiser must identify the geographic and demographic exposure the advertising is to achieve.
- **Frequency.** The advertiser must determine the number of exposures required to accomplish desired objectives.
- **Time frame.** The advertiser must estimate when communications will occur and over what period of time.
- **Production costs.** The decision maker can rely on creative personnel and producers to estimate the costs associated with the planned execution of advertisements.
- **Media expenditures.** Given the preceding factors, the advertiser can now define the appropriate media, media mix, and frequency of insertions that will directly address objectives. Further, differences in geographic allocation, with special attention to regional or local media strategies, are considered at this point.
- **Ancillary costs.** There will be a variety of related costs not directly accounted for in the preceding factors. Prominent among these are

costs associated with advertising to the trade and specialized research unique to the campaign.

- **Integrating other promotional costs.** In this era of advertising and integrated brand promotion, sometimes it is the novel promotion that delivers the best bang for the buck. New and improved forms of brand promotion, like the one illustrated in Exhibit 8.15, must also be considered as part of the planning and budgeting process.

Compare costs against industry and corporate benchmarks. After compiling all the costs through a build-up analysis, an advertiser will want to make a quick reality check. This is accomplished by checking the percentage of sales that the estimated set of costs represents relative to industry standards for percentage of sales allocated to advertising. If most competitors are spending 4 to 6 percent of gross sales on advertising, how does the current budget compare to this percentage? Another recommended technique is to identify the share of industry advertising that the firm's budget represents. Another relevant reference point is to compare the current budget with prior budgets. If the total dollar amount is extraordinarily high or low compared to previous years, this variance should be justified based on the objectives being pursued. The use of percentage of sales on both an industry and internal corporate basis provides a reference point only. The percentage-of-sales figures are not used for decision making per se, but rather as a benchmark to judge whether the budgeted amount is so unusual as to need reevaluation.

Reconcile and modify the budget. It is always a fear that the proposed budget will not meet with approval. It may not be viewed as consistent with corporate policy related to advertising expense, or it may be considered beyond the financial capabilities of the organization. Modifications to a proposed budget are common, but having to make radical cuts in proposed spending is disruptive and potentially devastating. The objective-and-task approach is designed to identify what a firm will need to spend

EXHIBIT 8.15

What could be better on a warm summer day than a stroll down Chicago's Navy Pier? Smart marketers like Best Buy want to be part of your day, and thus they bring their Best Buy High Tech Playground right to where the action is. The idea here is to build deeper relationships with potential customers by contributing to their good times in a special venue. Concerts, sporting events, fairs, and carnivals are all great places to show off your brand.



in order to achieve a desired advertising impact. To have the budget level compromised after such planning can result in an impotent advertising effort because necessary tasks cannot be funded.

Every precaution should be taken against having to radically modify a budget. Planners should be totally aware of corporate policy and financial circumstance *during* the objective-setting and subsequent task-planning phases. This will help reduce the extent of budget modification, should any be required.

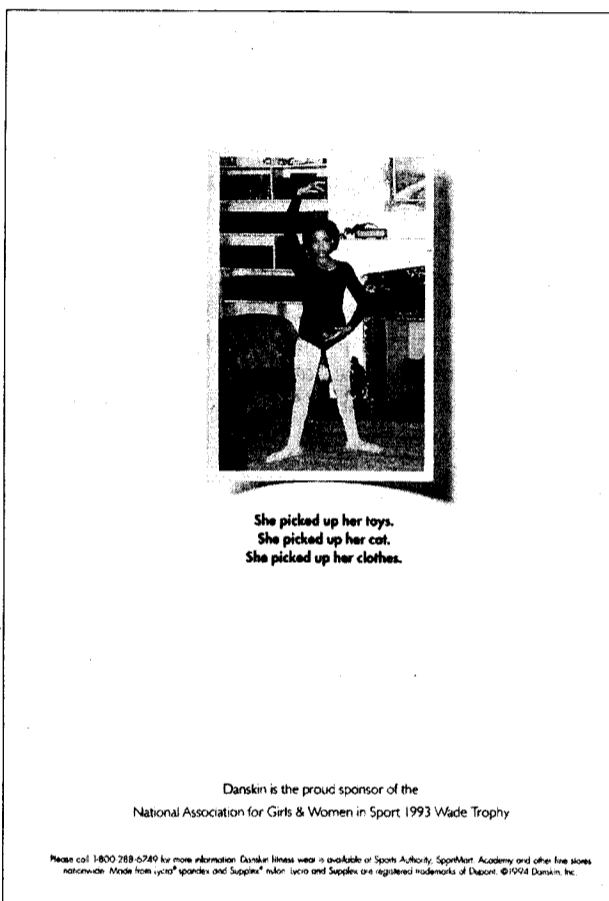
Determine a time frame for payout. It is important that budget decision makers recognize when the budget will be available for funding the tasks associated with the proposed effort. Travel expenses, production expenses, and media time and space are tied to specific calendar dates. For example, media time and space are often acquired and paid for far in advance of the completion of finished advertisements. Knowing when and how much money is needed improves the odds of the plan being carried out smoothly.

If these procedures are followed for the objective-and-task approach, an advertiser will have a defensible budget with which to pursue key objectives. One point to be made, however, is that the budget should not be viewed as the final word in funding an advertising effort. The dynamic nature of the market and rapid developments in media require flexibility in budget execution. This can mean changes in expenditure levels, but it can also mean changes in payout allocation.

Like any other business activity, a marketer must take on an advertising effort with clearly specified intentions for what is to be accomplished. Intentions and expectations for advertising are embodied in the process of setting objectives. Armed with information from market planning and an assessment of the type of advertising needed to support marketing plans, advertising objectives can be set. These objectives should be in place before steps are taken to determine a budget for the advertising effort, and before the creative work begins. Again, this is not always the order of things, even though it should be. These objectives will also affect the plans for media placement.

Strategy. Returning now to the other major components of the advertising plan (revisiting Exhibit 8.5 is a good idea at this point), next up is strategy. Strategy represents the mechanism by which something is to be done. It is an expression of the means to an end. All of the other factors are supposed to result in a strategy. Strategy is what you do, given the situation and objectives. There are numerous possibilities for advertising strategies. For example, if you are trying to get more top-of-the-mind awareness for your brand of chewing gum, a simple strategy would be to employ a high-frequency, name-repetition campaign (Double your pleasure with Doublemint, Doublemint, Doublemint gum). Exhibit 8.16 presents an ad from Danskin's campaign designed to address a more ambitious objective; that is, broadening the appeal of the brand beyond dance accessories to the much larger fitness-wear market. Danskin's advertising strategy thus features unique "fitness" celebrities as implicit endorsers of the brand.

More sophisticated goals call for more sophisticated strategies. You are limited only by your resources: financial, organizational, and creative. Ultimately, strategy formulation is a creative endeavor. It is best learned through the study of what others have done in similar situations and through a thorough analysis of the focal consumer. To assist in strategy formulation, a growing number of ad agencies have created a position called the account planner. This person's job is to synthesize all relevant consumer research and draw inferences from it that will help define a coherent advertising strategy. You will learn a great deal more about the connection between ad objectives and strategy options when you get to Chapter 11.

**EXHIBIT 8.16**

This ad provides an excellent example of repositioning. The slogan says it all: “Danskin—Not Just for Dancing.” <http://www.danskin.com>

Execution. The actual “doing” is the execution of the plan. It is the making and placing of ads across all media. To quote a famous bit of advertising copy from a tire manufacturer, this is where “the rubber meets the road.” There are two elements to the execution of an advertising plan: determining the copy strategy and devising a media plan.

Copy Strategy. A copy strategy consists of copy objectives and methods, or tactics. The objectives state what the advertiser intends to accomplish, while the methods describe how the objectives will be achieved. Part Three of this text will deal extensively with these executional issues.

Media Plan. The media plan specifies exactly where ads will be placed and what strategy is behind their placement. In an integrated communications environment, this is much more complicated than it might first appear. Back when there were just three broadcast television networks, there were already more than a million different combinations of placements that could be made. With the explosion of media and promotion options today, the permutations are almost infinite.

It is at this point—devising a media plan—where all the money is spent, and so much could be saved. This is where the profitability of many agencies is really determined. Media placement strategy can make a huge difference in profits or losses and is considered in great depth in Part Four of this text.

Integrated Brand Promotion. Many different forms of brand promotion may accompany the advertising effort in launching or maintaining a brand; these should be spelled out as part of the overall plan. There should be a complete integration of all communication tools in working up the plan. For example, in the launch of its Venus shaving system for women, Gillette had the usual multimillion-dollar budget allocation for traditional mass media. But along with its aggressive advertising effort, several other promotional tools were deployed.¹⁹ At <http://www.GilletteVenus.com>, shown in Exhibit 8.17, women could sign up for an online sweepstakes to win vacations in Hawaii, New York City, and Tuscany, and provide friends' e-mail addresses (a tactic known as viral e-mail) to increase their own chances of winning. Gillette also put a pair of 18-wheelers on the road (see Exhibit 8.18) to spread the word about Venus at beaches, concerts, colleges campuses, and store openings. So the launch of Venus integrated tools that ran the gamut from TV ads to the World Wide Web to Interstate 95. You'll learn much more about a variety of IBP tools in Part Five.

Evaluation. Last but not least in an ad plan is the evaluation component. This is where an advertiser determines how the agency will be graded: what criteria will be applied and how long the agency will have to achieve the agreed-upon objectives. It's critically important for the advertiser and agency to align around evaluation criteria up front.

EXHIBIT 8.17

The Venus Web site has offered many possibilities, including the prospect of winning a great vacation, a beauty IQ test, and a way to “Reveal the goddess in you.” Compare these examples of integrated brand promotion with attempts by competitors Norelco (<http://www.norelco.com>) and Schick (<http://www.schick.com>). Are these promotions integrated in a way that supports the image of the brand?

19. Betsy Spethmann, “Venus Rising,” *PROMO Magazine*, April 2001, 52–61.

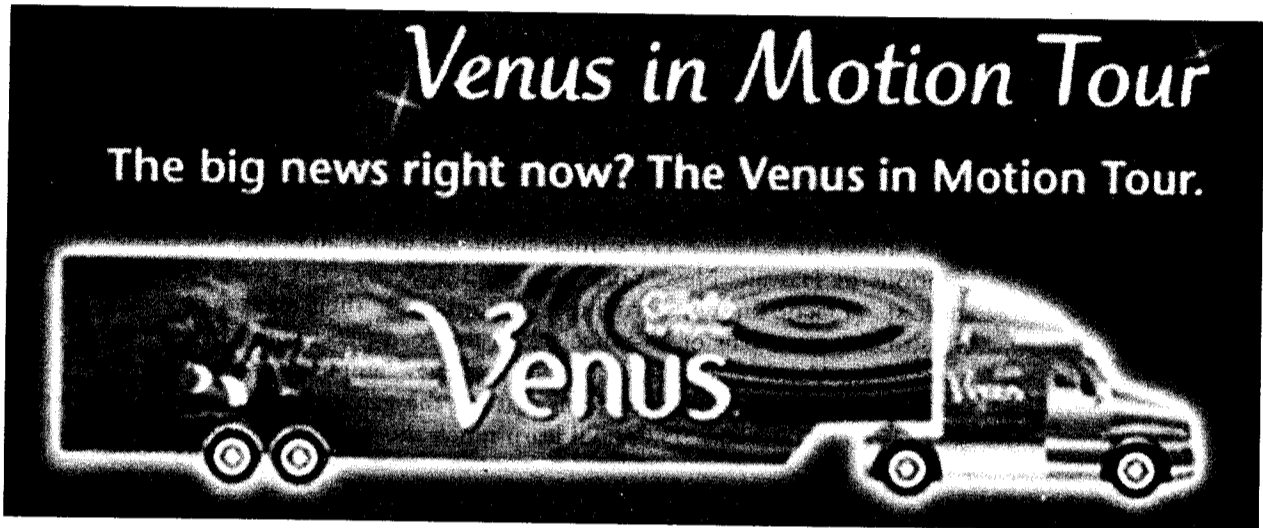


EXHIBIT 8.18

Hard to imagine goddesses going on the road in an 18-wheeler, but in today's world of integrated brand promotion, just about anything goes.

John Wanamaker's classic line still captures the challenge associated with evaluation; he said, "I know half my advertising is wasted, I just don't know which half." In a world where the pressures on companies to deliver short-term profitability continue to intensify, advertising agencies find themselves under increasing pressure to show quantifiable outcomes from all advertising and IBP activities.²⁰

The Role of the Advertising Agency in Advertising Planning.

Now that we have covered key aspects of the advertising planning process, one other issue should be considered. Because many marketers rely heavily on the expertise of an advertising agency, understanding the role an agency plays in the advertising planning process is important. As implied by the IBP box, various agencies will approach their craft with different points of emphasis. But while not everyone does it the same way, it is still important to ask: What contribution to the planning effort can and should an advertiser expect from its agency?

The discussion of advertising planning to this point has emphasized that the marketer is responsible for the marketing-planning inputs as a type of self-assessment that identifies the firm's basis for offering value to customers. This assessment should also clearly identify, in the external environment, the opportunities and threats that can be addressed with advertising. A firm should bring to the planning effort a well-articulated statement of a brand's value proposition and the marketing mix elements designed to gain and sustain competitive advantage. However, when client and agency are working in harmony, the agency may take an active role in helping the client formulate the more general marketing plan. Indeed, when things are going right, it can be hard to say exactly where the client's work ended and the agency's work began. This is the essence of teamwork, and as Steve Jobs noted in the case of iMac: "Creating great advertising, like creating great products, is a team effort."

But the advertising agency's crucial role is to translate the current market and marketing status of a firm and its advertising objectives into advertising strategy and,

20. Laura Q. Hughes, "Measuring Up," *Advertising Age*, February 5, 2001, 1, 34; Kate Fitzgerald, "Event Marketing Seeks Measurement," *Advertising Age*, September 2, 2002, 6, 7.

ultimately, finished advertisements and IBP materials. An agency can serve its clients best by taking charge of the preparation and placement stages. Here, message strategies and tactics for the advertising effort and for the efficient and effective placement of ads in media need to be hammered out. At this point, the firm (as a good client) should turn to its agency for the expertise and talent needed for planning and executing at the stage where design and creative execution brings marketing strategies to life. There are two basic models for the relationship between agencies and their clients: adversarial or partnering. The former is too common; the latter is certainly preferred.

IBP

The Fundamentals Never Go Out of Style

The dot.com debacle that marked the dawning of the new millennium sent shock waves through the ad agency business. Many high-profile agencies suffered from the demise of the dot.coms because they had built up large interactive units with catchy names like Darwin Digital and Zentropy Partners, in search of Internet advertising riches. These units then had to be downsized or discontinued after the dot.com crash. One agency that didn't follow the pack in search of Internet riches was Goodby, Silverstein & Partners, San Francisco (<http://www.goodbysilverstein.com>). You've seen their work: "Got Milk?," the Budweiser lizards, E*Trade's singing chimp, and many more.

But here's the irony. As the dust settled after all the interactive downsizing, Goodby, Silverstein's stable of clients included companies such as TiVo, eBay, eLuxury.com, and Loudcloud, some of the best performers in the Internet sector. Turns out that slow-moving, old-fashioned Goodby, Silverstein had timeless skills that marketers of all types need for building their brands, whether they are based in the physical or the digital world. Industry analysts claim that Goodby's lack of Internet hype and its enduring focus on brand building via breakthrough advertising campaigns are the things that won it loyal digital clients. Here are a few fundamental rules for creating great ad campaigns, inspired by Goodby, Silverstein & Partners:

- **Simplicity is key.** Complexity fuels confusion. Trying to say too much is the number one pitfall, even among advertising veterans.
- **Don't talk down.** Assume your audience is paying attention, is as smart as you are, and has a sense of humor. This is how you win their respect.
- **Don't be invisible.** Make your communication different. Take risks. Better to take risks and be noticed than to spend money on something that is technically correct, but practically invisible.
- **Refresh Yourself.** Nitpicking old ideas is a sure sign that you are creating tired advertising. When you find yourself in nitpicking mode, refresh yourself by starting over.

Source: Beth Snyder Bulik, "As Goodby as It Gets," *Business 2.0*, May 1, 2001, 58–60.

SUMMARY

- 1 Describe the basic components of an advertising plan.

An advertising plan is motivated by the marketing planning process and provides the direction that ensures proper implementation of an advertising campaign. An advertising plan incorporates decisions about the segments to be targeted, communications and/or sales objectives with respect to these segments, and salient message appeals. The plan should also specify the dollars budgeted for the campaign, the various communication tools that will be employed to deliver the messages, and the measures that will be relied on to assess the campaign's effectiveness.

- 2 Compare and contrast two fundamental approaches for setting advertising objectives.

Setting appropriate objectives is a crucial step in developing any advertising plan. These objectives are typically stated in terms of communications or sales goals. Both types of goals have their proponents, and the appropriate types of objectives to emphasize will vary with the situation. Communications objectives feature goals such as building brand awareness or reinforcing consumers' beliefs about a brand's key benefits. Sales objectives are just that: They hold advertising directly responsible for increasing sales of a brand.

- 3 Explain various methods for setting advertising budgets.

Perhaps the most challenging aspect of any advertising campaign is arriving at a proper budget allocation. Companies and their advertising agencies work with several different methods to arrive at an advertising budget. A percentage-of-sales approach is a simple but naive way to deal with this issue. In the share-of-voice approach, the activities of key competitors are factored into the budget-setting process. A variety of quantitative models may also be used for budget determination. The objective-and-task approach is difficult to implement, but with practice it is likely to yield the best value for a firm's advertising dollars.

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

An advertising plan will be a powerful tool when firms partner with their advertising agencies in its development. The firm can lead this process by doing its homework with respect to marketing strategy development and objective setting. The agency can then play a key role in managing the preparation and placement phases of campaign execution.

KEY TERMS

advertising plan
situation analysis
industry analysis
market analysis
competitor analysis
top-of-the-mind awareness

purchase intent
trial usage
repeat purchase
brand switching
percentage-of-sales approach
unit-of-sales approach

share of voice
advertising response function
objective-and-task approach
build-up analysis

QUESTIONS

1. Review the materials presented in this chapter (and anything else you may be able to find) about Apple's launch of the iMac. Based on the advertising utilized, what do you surmise must have been the value proposition for iMac at the time of its launch?
2. Find an example of cooperative advertising in your local newspaper. Why would computer manufacturers such as Apple, IBM, or Compaq want to participate in cooperative advertising programs with their retailers?
3. Explain the connection between marketing strategies and advertising plans. What is the role of target segments in making this connection?

4. Describe five key elements in a situation analysis and provide an example of how each of these elements may ultimately influence the final form of an advertising campaign.
5. How would it ever be possible to justify anything other than sales growth as a proper objective for an advertising campaign? Is it possible that advertising could be effective yet not yield growth in sales?
6. What types of objectives would you expect to find in an ad plan that featured direct response advertising?
7. Write an example of a workable advertising objective that would be appropriate for a product like Crest White Strips.
8. In what situations would share of voice be an important consideration in setting an advertising budget? What are the drawbacks of trying to incorporate share of voice in budgeting decisions?
9. What is it about the objective-and-task method that makes it the preferred approach for the sophisticated advertiser? Describe how build-up analysis is used in implementing the objective-and-task method.
10. Briefly discuss the appropriate role to be played by advertising agencies and their clients in the formulation of marketing and advertising plans.

EXPERIENTIAL EXERCISES

1. Five of the most common objectives for advertising are described in this chapter: top-of-the-mind awareness, purchase intent, trial usage, repeat purchase, and brand switching. For each, find an ad in a magazine or newspaper that you think aims to accomplish this objective and analyze whether or not the ad is successful.
2. The advertising plan consists of seven basic components: the introduction, situation analysis, objectives, budgeting, strategy, execution, and evaluation. Break up into teams and choose a popular television advertising campaign familiar to everyone in the group. Analyze the commercial and explain how you think the goals of the advertisement relate to each basic component of the advertising plan. Based on your analysis of the commercial, speculate on how each of the seven components might have been developed in the advertiser's original planning process.

EXPERIENCING THE INTERNET

8-1 Situation Analysis

No industry faces more dramatic swings in consumers' tastes than the food business. The low-carb craze is challenging industry giants like McDonald's and Anheuser-Busch to come up with new products or reposition old ones to satisfy consumers. In particular, low-carb beer is the biggest thing to hit the brew sector since light beer, and all the big brewing companies are in on the action.

Michelob Ultra: <http://www.michelobultra.com>

1. Name at least two low-carb beers that compete against Anheuser-Busch's low-carb Michelob Ultra.
2. In what ways does Anheuser-Busch seek to distinguish its low-carb Michelob Ultra from the competition? How does the Michelob Ultra Web site communicate its distinctive features?
3. What effect might the proliferation of low-carb beer products have on the overall alcoholic beverages industry?

8-2 Communications versus Sales Objectives

Advertising objectives provide a framework for the advertising plan, defining the goals of the advertiser in concrete terms. Advertisers usually have multiple objectives at one time, and often set goals for effective communication as well as for sales.

Xootr: <http://www.xootr.com>

1. What objectives do you think are most common for the advertising in the scooter industry?
2. Briefly explain the difference between communications and sales objectives. Does the Xootr site reflect sales objectives?
3. Describe how an advertisement for scooters might achieve both sales and communications objectives. Why do some analysts believe that communications objectives are the only legitimate objectives for advertising?

CHAPTER 9

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



Explain the types of audience research that are useful for understanding cultural barriers that can interfere with effective communication.



Identify three distinctive challenges that complicate the execution of advertising in international settings.



Describe the three basic types of advertising agencies that can assist in the placement of advertising around the world.



Discuss the advantages and disadvantages of globalized versus localized advertising campaigns.

CHAPTER 5
Advertising, Integrated Brand Promotion, and Consumer Behavior

CHAPTER 6
Market Segmentation, Positioning, and the Value Proposition

CHAPTER 7
Advertising and Promotion Research

CHAPTER 8
Planning Advertising and Integrated Brand Promotion

CHAPTER 9
Advertising Planning: An International Perspective

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JÁ BYL VČERA

UVIDÍME



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Introductory Scenario: The China Challenge. By now it should be apparent to you that marketers are ready, willing, and able to go where the consumers are, anywhere in the world. And no country has more potential consumers than China. With a population of well over a billion people, a robustly growing economy, new global status associated with hosting the 2008 Olympic games, and greater acceptance of capitalistic ways and means, it follows that many companies large and small have turned to China as a new source of business opportunity. It also follows that advertising spending in China is growing at unprecedented rates. Many experts are already predicting that in this decade China will overtake Japan as the second largest advertising market in the world.¹ Anyone with an interest in advertising should also be interested in China.

But China presents many incredible challenges for advertisers from around the world. Some of these derive from the gargantuan nature of this country.² China has 31 provinces, 656 cities, and 48,000 districts. There is no one Chinese language; rather, there are seven major tongues with 80 spoken dialects. The north of China is a frozen plateau and the south of China is tropical. There are huge income and lifestyle differences between city-dwellers and farmers, and between the prosperous east and the impoverished west. When you come right down to it, there really is no such thing as a single "China." And that's just the obvious stuff.

Matters get even more complex when one factors in the unique aspects of the Chinese culture, where the norms of a Confucian society often are in conflict with the drive toward economic reform and Western lifestyles. The Chinese are also keenly aware and proud of their rich history, which spans thousands of years. (Recall that Marco Polo set out to explore the mysteries of China in the 13th century.) For any outsider China presents many mysteries, which will need to be solved in the development of appropriate and effective advertising.

Toyota's launch of the Prado Land Cruiser in China provides a nice example of the challenges one must overcome in developing advertising to reach across national (and cultural) boundaries.³ Now keep in mind, this is Toyota, from just across the East China Sea in Toyota City, Japan, not some newcomer to the Asian continent. To launch its big SUV in China, Toyota's ad agency Saatchi & Saatchi created a print campaign showing a Prado driving past two large stone lions, which were saluting and bowing to the Prado. This seems to make sense because the stone lion is a traditional sign of power in the Chinese culture. As one Saatchi executive put it, "These ads were intended to reflect Prado's imposing presence when driving in the city: You cannot but respect the Prado."⁴

Chinese consumers saw it differently. For starters, Chinese words often have multiple meanings, and Prado can be translated into Chinese as *badao*, which means "rule by force" or "overbearing." In addition, the use of the stone lions prompted scathing commentary on the Internet about a contentious time in China's relationship with Japan. Some thought the stone lions in the Prado ad resembled those that flank the Marco Polo Bridge in China, a site near Beijing that marked the opening battle of Japan's invasion of China in 1937. These of course are not the kind of reactions that an advertiser is looking for when launching a new product; the automaker quickly pulled 30 magazine and newspaper ads and issued a formal apology. And Saatchi & Saatchi went back to work trying to resolve the China Challenge.

The Toyota mishap in China illustrates the difficulties that even the savviest companies must overcome as they take their products and brands to new markets. This is but one modest example of the perils in international advertising. **International advertising** is advertising that reaches across national and cultural bound-

1. Geoffrey Fowler, "China's Edgy Advertising," *Wall Street Journal*, October 27, 2003, B1, B4.

2. Sameena Ahmad, "A Billion Three, But Not for Me," *The Economist*, March 20, 2004, 5,6.

3. Geoffrey Fowler, "China's Cultural Fabric Is a Challenge to Marketers," *Wall Street Journal*, January 21, 2004, B7.

4. *Ibid.*

aries. In the past, a great deal of international advertising was nothing more than translations of domestic advertising. Often these simple translations were ineffective, and sometimes they were even offensive. The day has passed—if there ever was such a day—when advertisers based in industrialized nations could simply “do a foreign translation” of their ads. Today, international advertisers have learned they must pay greater attention to local cultures. Communicating with consumers around the world involves immersing yourself in the subtleties and mysteries of culture.

As we said in Chapter 5, culture is a set of values, rituals, and behaviors that define a way of life. Culture is typically invisible to those who are immersed within it. Communicating *across* cultures is not easy. It is, in fact, one of the most difficult of all communication tasks, largely because there is no such thing as culture-free communication. Advertising is a cultural product; it means nothing outside of culture. Culture surrounds advertising, informs it, gives it meaning. To transport an ad across cultural borders, one must respect, and hopefully understand, the power of culture.

Ads depend on effective communication, and effective communication depends on shared meaning. The degree of shared meaning is significantly affected by cultural membership. When an advertiser in culture A wants to communicate with consumers in culture B, it is culture B that will surround the created message, form its cultural context, and significantly affect how it will be interpreted, as in the Toyota Prado example.

Some products and brands may belong to a global consumer culture more than to any one national culture. Such brands travel well, as do their ads, because there is already common cultural ground on which to build effective advertising. The LG and Jack Daniel’s ads in Exhibits 9.1 and 9.2 provide examples of products and

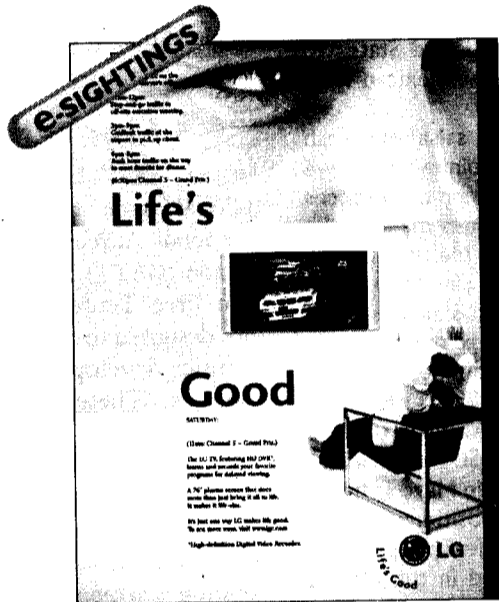


EXHIBIT 9.1

Electronics is a product category that lends itself to global brands (e.g., LG, Sony, Panasonic, Nintendo, Phillips, Nokia, Apple) because, for consumers who have the disposable income to afford them, performance is performance, whether you watch, play, or listen in Montreal, Moscow, or Mexico City. To get a good appreciation of the scale and reach of a company like LG Electronics, check out their global network at <http://www.lge.com/general/globalsite.jsp> Oh, yeah—Life’s Good.



EXHIBIT 9.2

You don’t need to be able to read Japanese to get the point here, in part because this ad follows the same style as other Jack Daniel’s ads around the world. If you want a smooth sippin’ whiskey, it can’t be rushed. And in the back hills of Tennessee, no one is rushing anything. . . .

brands with wide, if not “global,” appeal. Jack Daniels began distilling whiskey in 1866. With ads like the one in Exhibit 9.2, the legend of Jack Daniel’s spread around the world, and Tennessee became associated with smooth, sippin’ whiskey. One common bond among Jack Daniel’s drinkers worldwide is the nostalgic premise that their whiskey is distilled the old-fashioned way. Tennessee pride guarantees it!

LG Electronics, headquartered in Seoul, Korea, markets its products in dozens of countries around the world. If you’re in the market for a new plasma TV with a 7-foot screen and high definition DVR, they’ve got the perfect product for you, just as they do for consumers in Asia, Europe, Latin America, and the rest of the world. But brands like Jack Daniel’s and LG are more the exceptions rather than the rule, and as “global” as they may be, they are still affected by local culture as to their use and, ultimately, their meaning.

This chapter augments and extends the advertising planning framework offered in Chapter 8. We add some necessary international planning tools along with additional insights about the special challenges found in advertising around the world. There is likely to be a China in your future, so now’s the time to begin thinking about these things.

GLOBAL ISSUES

From Salsa to Cinco de Mayo

When it comes to fast food in Mexico, the taco remains supreme. Steak, pork, chicken, and fish tacos are always available, broiled or steamed, with corn or flour tortillas, piled high with chilies and salsa. Vendors set up for the breakfast crowd and usually stay in place till about midnight. But sales of the taco in Mexico have been slumping of late. Why? Because Mexican fast-food consumers can now also choose from pizza at Domino’s and Pizza Hut, hamburgers at McDonald’s and Jack in the Box, and cold sandwiches at their local Subway. Hungry yet?

In the United States, “Americanized” Mexican food continues to grow in popularity. “Tex-Mex” has become a food genre that is popular around the world. U.S. consumers chow down on chili dogs, nachos, Doritos, Tostitos, and salsa brands such as Victoria and Ortega, to get their taste of Old Mexico. The irony, of course, is that products such as these are largely invented in the United States to appeal to the U.S. consumer’s idealized sense of what Mexican food must be like.

The ultimate staple of the native Mexican diet is salsa and fresh chilies. They are at the table for breakfast, lunch, and dinner. Here we clearly observe the homogenization effect on consumer preferences that evolves between close trading partners. Salsa brands made in the United States now fill the shelves of grocery stores in Mexico, side by side with Mexican brands. Now Mexican consumers can choose the salsa with a taste of Old USA to spice up their fish tacos at breakfast.

Holiday exports/imports are another excellent example of this relentless cultural fusion. Cinco de Mayo, which commemorates a Mexican victory over French invaders on May 5, 1862, is not one of Mexico’s major fiestas. However, it appears destined to take its place with other “ethnic” celebrations like Oktoberfest and St. Patrick’s Day as cause for “shared” rejoicing. Turns out that Cinco de Mayo is timed perfectly for the U.S. celebrant: May 5 is ideally positioned about halfway between Easter and Memorial Day. And while few people from Mexico would recognize their fiesta as it is practiced in the United States, it has become a major point of emphasis in the marketing plan for Corona beer, Mexico’s top-selling brand. Like it or not, commercialization of culture is a fact of life in today’s global economy.

Sources: Ignacio Vazquez, “Mexicans Are Buying ‘Made in USA’ Food,” *Marketing News*, August 31, 1998, 14; Joel Millman, “U.S. Marketers Adopt Cinco de Mayo as National Fiesta,” *Wall Street Journal*, May 1, 2001, B1.

Overcoming Cultural Barriers.

Global trade initiatives such as the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA) are designed to facilitate trade and economic development across national borders. These initiatives signal the emergence of international markets that are larger, more accessible, and perhaps more homogeneous. A couple of nice examples of this emerging homogenization between two NAFTA trading partners are discussed in the Global Issues box. In the midst of this trend toward more and more international trade, marketers are redefining the nature and scope of the markets for their goods and services, which in turn redefines the nature and scope of advertising and the advertising planning effort. This means that firms must be

more sensitive to the social and economic differences of various international markets. Exhibit 9.3 offers perspective on the kinds of companies that are most committed and successful in marketing and advertising around the world. Brazil, China,

| Brazil | | | |
|-----------------------------|---------|---------|-------|
| Advertiser | 2002 | 2001 | % chg |
| Telefonica | \$91.70 | \$86.68 | 5.8 |
| Casas Bahia | 72.85 | 60.08 | 21.2 |
| Unilever | 67.64 | 58.81 | 15.0 |
| Volkswagen | 66.57 | 86.23 | -22.8 |
| Fiat | 66.45 | 68.06 | -2.4 |
| Ford Motor Co. | 62.63 | 53.04 | 18.1 |
| General Motors Corp. | 59.33 | 63.32 | -6.3 |
| Co. de Bebidas das Americas | 49.38 | 57.77 | -14.5 |
| Lojas Marabraz | 47.61 | 23.84 | 99.7 |
| Banco do Brasil | 46.11 | 44.41 | 3.8 |

| China | | | |
|----------------------------------|----------|----------|-------|
| Advertiser | 2002 | 2001 | % chg |
| Procter & Gamble Co. | \$404.33 | \$204.91 | 97.3 |
| Gai Zhong Gai | 243.33 | 66.72 | 264.7 |
| Jiante Biology Invest. Hldg. Co. | 192.52 | 105.32 | 82.8 |
| ShenZhen Taitai Pharm. Ind. Co. | 157.63 | 113.08 | 39.4 |
| Medical treatment information | 148.48 | 101.09 | 46.9 |
| Hutong Pharmaceutical | 141.78 | 85.35 | 66.1 |
| Xiuzheng Pharmaceutical Co. | 137.90 | 68.83 | 100.4 |
| Arche Cosmetics Co. | 131.74 | 45.70 | 188.3 |
| Hangzhou Wahaha Group Co. | 113.01 | 70.33 | 60.7 |
| Diopai | 106.58 | 110.82 | -3.8 |

| Germany | | | |
|----------------------|----------|----------|-------|
| Advertiser | 2002 | 2001 | % chg |
| Procter & Gamble Co. | \$250.45 | \$182.86 | 37.0 |
| Unilever | 209.93 | 163.27 | 28.6 |
| Volkswagen | 194.50 | 189.99 | 2.4 |
| Ferrero | 185.02 | 186.16 | -0.6 |
| Henkel | 177.86 | 170.37 | 4.4 |
| Media Markt | 167.18 | 156.04 | 7.1 |
| Deutsche Telekom | 159.79 | 158.75 | 0.7 |
| L'Oreal | 151.88 | 127.37 | 19.2 |
| Springer Verlag | 151.83 | 104.32 | 45.5 |
| PSA Peugeot Citroen | 149.29 | 139.29 | 7.2 |

| United Kingdom | | | |
|------------------------|----------|----------|-------|
| Advertiser | 2002 | 2001 | % chg |
| Procter & Gamble Co. | \$250.45 | \$196.04 | 27.8 |
| Unilever | 246.35 | 218.88 | 12.5 |
| Ford Motor Co. | 224.87 | 190.31 | 18.2 |
| Government of the U.K. | 178.96 | 215.54 | -17.0 |
| BT Group | 144.51 | 147.52 | -2.0 |
| Volkswagen | 132.89 | 132.99 | -0.1 |
| General Motors Corp. | 124.14 | 102.74 | 20.8 |
| PSA Peugeot Citroen | 122.54 | 127.41 | -3.8 |
| Dixons Group | 113.83 | 133.32 | -14.6 |
| L'Oreal | 106.06 | 75.11 | 41.2 |

Source: Advertising Age, November 10, 2003, 26.

Advertising leaders in four major global markets (U.S. dollars in millions).

Germany, and the U.K. are huge but diverse markets. In Exhibit 9.3 you will see many familiar names that span the globe in their quest for consumers. These are corporate titans such as Procter & Gamble, Unilever, Volkswagen, and General Motors. It is also interesting to note that in China, the predominant advertisers are mainly Chinese, suggesting that many global marketers (e.g., Toyota) are still trying to solve the mysteries of China. But the key point is that most companies today consider their markets to extend beyond national boundaries and across cultures. Hence, advertisers must come to terms with how they are going to effectively overcome cultural barriers in trying to communicate with consumers around the world.

Barriers to Successful International Advertising. Adopting an international perspective is often difficult for marketers. The reason is that experiences gained over a career and a lifetime create a cultural "comfort zone"—that is, one's own cultural values, experiences, and knowledge serve as a subconscious guide for decision making and behavior. International advertisers are particularly beset with this problem.

Managers must overcome two related biases to be successful in international markets. **Ethnocentrism** is the tendency to view and value things from the perspective of one's own culture. A **self-reference criterion (SRC)** is the unconscious reference

to one's own cultural values, experiences, and knowledge as a basis for decisions. These two closely related biases are primary obstacles to success when conducting marketing and advertising planning that demand a cross-cultural perspective.

A decision maker's SRC and ethnocentrism can inhibit his or her ability to sense important cultural distinctions between markets. This in turn can blind advertisers to their own culture's "fingerprints" on the ads they've created. Sometimes these are offensive or, at a minimum, markers of "outsider" influence. Outsiders aren't always welcome; other times, they just appear ignorant.

For example, AT&T's "Reach Out and Touch Someone" advertising campaign was viewed as much too sentimental for most European audiences. Similarly, AT&T's "Call USA" campaign, aimed at Americans doing business in Europe, was negatively perceived by many Europeans. The ad featured a harried American businessman whose language skills were so poor that he could barely ask for assistance to find a telephone in a busy French hotel. European businesspeople are typically fluent in two or three languages and have enough language competence to ask for a telephone. This ad, with its portrayal of Americans as culturally inept and helpless, created a negative association for AT&T among European businesspeople. Granted, the target market was Americans in foreign assignments, but the perspective of the ad was still decidedly ethnocentric and offensive to Europeans.

The only way you can have any hope at all of counteracting the negative influences that ethnocentrism and SRC have on international advertising decision making is to be constantly sensitive to their existence and to the virtual certainty of important differences between cultures that will somehow affect your best effort. Even with the best cross-cultural research, it is still likely that problems will present themselves. However, without it, problems are a virtual certainty.

Cross-Cultural Audience Research. Analyzing audiences in international markets can be a humbling task. If firms have worldwide product distribution networks—like Nestlé, Unilever, and Procter & Gamble—then international audience research will require dozens of separate analyses. There really is no way to avoid the task of specific audience analysis. This typically involves research in each different country, generally from a local research supplier. There are, however, good secondary resources that provide broad-based information to advertisers about international markets. The U.S. Department of Commerce has an International Trade Administration (ITA) division, which helps companies based in the United States develop foreign market opportunities for their products and services. The ITA publishes specialized reports that cover most of the major markets in the world and provide economic and regulatory information (see <http://www.ita.doc.gov/>). The United Nations' *Statistical Yearbook* is another source of general economic and population data (<http://unstats.un.org/unsd/>). The yearbook, updated annually, provides information for more than 200 countries. These sources provide helpful information for the international advertiser. Unfortunately, it's rarely enough.

An international audience analysis will also involve evaluation of economic conditions, demographic characteristics, values, custom and ritual, and product use and preferences.

Economic Conditions. One way to think about the economic conditions of a potential international audience is to break the world's markets into three broad classes of economic development: less-developed countries, newly industrialized countries, and highly industrialized countries. These categories provide a basic understanding of the economic capability of the average consumer in a market and thus help place consumption in the context of economic realities. Exhibit 9.4 lists gross domestic product (GDP) per capita for 22 countries to give you additional appreciation for the vast differences in resources available to consumers around the world.

EXHIBIT 9.4

Gross domestic product (GDP) per capita of selected countries, 2001 (U.S. dollars).

| | | | |
|---------------|----------|---------------|-------|
| United States | \$34,788 | Argentina | 5,267 |
| Switzerland | 34,274 | World Average | 5,052 |
| Japan | 32,809 | Malaysia | 3,748 |
| Denmark | 29,833 | South Africa | 2,550 |
| Ireland | 26,503 | Turkey | 2,136 |
| Germany | 22,507 | Thailand | 1,865 |
| Canada | 22,385 | Egypt | 1,390 |
| France | 22,168 | China | 918 |
| Israel | 18,930 | Ukraine | 771 |
| New Zealand | 13,470 | India | 467 |
| Portugal | 10,968 | Nigeria | 435 |
| Mexico | 6,144 | | |

Source: United Nations Statistical Division, <http://www.unstats.un.org/unsd>, accessed May 18, 2004.

Less-developed countries represent nearly 75 percent of the world's population. Some of these countries are plagued by drought and civil war, and their economies lack almost all the resources necessary for development: capital, infrastructure, political stability, and trained workers. Many of the products sold in these less-developed economies are typically not consumer products, but rather business products used for building infrastructure (such as heavy construction equipment) or agricultural equipment.

Newly industrialized countries have economies defined by change; they are places where traditional ways of life that have endured for centuries are changing and modern consumer cultures have emerged in a few short years. This creates a very particular set of problems for the outside advertiser trying to hit a moving target, or a culture in rapid flux.

Rapid economic growth in countries such as Singapore, China, Taiwan, and South Korea has created a new middle class of consumers with radically different expectations than their counterparts of a mere decade ago. Asian consumers are relatively heavy users of media-based information. The latest global trends in fashion, music, and travel have shorter and shorter lag times in reaching this part of the world. Many U.S. firms already have a strong presence in these markets with both their products and their advertising, like the Tropicana brand featured in Exhibit 9.5.

The **highly industrialized countries** of the world are those with mature economies and high levels of affluence as indicated by data such as GDP per capita (several are apparent in Exhibit 9.4). These countries have also invested heavily over many years in infrastructure—roads, hospitals, airports, power-generating plants, educational institutions, and the Internet. Within this broad grouping, an audience assessment will focus on more-detailed analyses of the market, including the nature and extent of competition, marketing trade channels, lifestyle trends, and market potential. Firms pursuing opportunities in highly industrialized countries proceed with market analysis in much the same way that they would in the United States. While the advertising in these countries will often vary based on unique cultural and lifestyle factors, consumers in these markets are accustomed to seeing a full range of creative appeals for goods and services. Heineken and McDonald's ads in Exhibits 9.6 and 9.7 provide familiar examples.

Demographic Characteristics. Information on the demographic characteristics of nations is generally available. Both the U.S. Department of Commerce and the

最高100万円相当分の賞品が出たら、
95トロピカーナ100%
選べるプレゼント。

1等 100万円相当分 10名様
2等 30万円相当分 20名様
3等 10万円相当分 70名様

一度飲んだら、トロピカーナ。

いいオレンジを育てることが、
トロピカーナの最初の仕事です。

一度飲んだら、トロピカーナ。

This ad for Tropicana exemplifies the rapid changes occurring in many Asian countries. Traditional values are giving way to focus on consumption and consumer culture. <http://www.tropicana.com>

L'esprit bière par Heineken

Heineken's distinctive red star is a logo known around the world. Here Heineken challenges partygoers in France to choose the bottle opener over the corkscrew for their next celebration. <http://www.heineken.com>

A new McDeal.
\$1.69

McCOM

3306

Big Mac Tuesdays play well in many places. In this instance it's Toronto, so that's \$1.69, Canadian.

United Nations publish annual studies of population for hundreds of countries. Advertisers must be sensitive to the demographic similarities and differences in international markets, along with key trends. Demographics, including size of population, age distribution, income distribution, education levels, occupations, literacy rates, and household size, can dramatically affect the type of advertising prepared for a market. And it is always true that advertising dollars flow to where the purchasing power resides. Those planning advertising for international markets should keep in mind that roughly 20 percent of the world's population, generally residing in the highly industrialized countries, controls 75 percent of the world's wealth and accounts for 75 percent of all consumption.⁵

However, the world's wealthy nations are, for the most part, getting older, and this creates the potential for wealth redistribution around the world.⁶ It could work this way: While the United States, Japan, and Western Europe will struggle in the future with pension plan shortfalls and rising health care costs, countries like China, Brazil, and Mexico have an opportunity to surge ahead economically because of something referred to as the **demographic dividend**. In these developing nations, falling labor costs, a younger and healthier population, and the entry of millions of women into the work force produce a favorable climate for economic expansion. The experts say that these developing nations have about a 30-year window to capitalize on their demographic dividend. Better education for more of their populations will be an essential element in realizing this dividend.

Here again the point is simply that understanding fundamental demographic trends around the world is essential for marketing and advertising planning. Increases and decreases in the proportion of the population in specific age groups are closely related to the demand for particular products and services. As populations continue to increase in developing countries, new market opportunities emerge for products and services for young families and teens. Similarly, as advanced-age groups continue to increase in countries with stable population rates, the demand for consumer services such as health care, travel, and retirement planning will increase. It is fair to conclude that knowing the age segment you want to target is especially critical for developing effective international advertising.

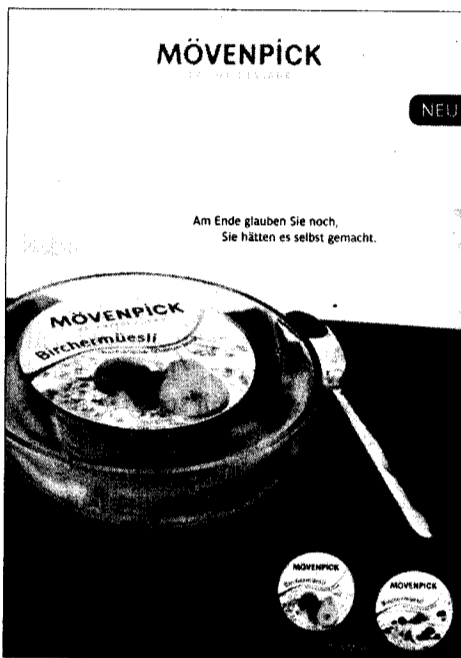
Values. Cultural values are enduring beliefs about what is important to the members of a culture. They are the defining bedrock of a culture. They are an outgrowth of the culture's history and its collective experience. (Even though there are many cultures within any given nation, many believe that there are still enough shared values to constitute a meaningful "national culture," such as "American culture.") For example, the value of individualism enjoys a long and prominent place in American history and is considered by many to be a core American value. Other cultures seem to value the group or collective more. Even though a "collectivist" country like Japan may be becoming more individualistic, there is still a Japanese tradition that favors the needs of the group over those of the individual. In Japan, organizational loyalty and social interdependence are values that promote a group mentality. Japanese consumers are thus thought to be more sensitive to appeals that feature stability, longevity, and reliability, and they find appeals using competitive comparisons to be confrontational and inappropriate.⁷ Some researchers believe this continuum from individualism to collectivism to be a stable and dependably observed difference among the people of the world, or at least stable enough for crafting different ads for different cultures.⁸

5. Clive Cook, "Catching Up," *The Economist*, Winter 1993, 15–16.

6. Gautam Naik, "Leveraging the Age Gap," *Wall Street Journal*, February 27, 2003, B1, B4.

7. Johnny Johansson, "The Sense of Nonsense: Japanese TV Advertising," *Journal of Advertising* (March 1994), 17–26.

8. S. Han and S. Shavitt, "Persuasion and Culture: Advertising Appeals in Individualistic and Collectivistic Societies," *Journal of Experimental Social Psychology*, vol. 30 (1994), 326–350.

**EXHIBIT 9.8**

In many European countries it is common to create a "homemade" batch of breakfast cereal each morning with natural grains and fresh fruit. In this ad from Switzerland's Movenpick, we see the advertiser attempting to align the convenient packaging of its new product with the homemade tradition. The headline reads, "At the end, you'll even think that you made it yourself." Or, more simply, tastes like homemade! When was the last time you looked for a breakfast cereal that "tastes like homemade"?

Custom and Ritual. Among other things, rituals perpetuate a culture's connections to its core values. They seem perfectly natural to members of a culture, and they can often be performed without much thought (in some cases, none at all) regarding their deeper meaning. Many consumer behaviors involve rituals, such as grooming, gift giving, or food preparation. As reflected in Exhibit 9.8, something as simple as preparing breakfast cereal can entail different rituals from one culture to another (and, of course, in many cultures breakfast cereal is a totally foreign concept). To do a good job in cross-cultural advertising, the rituals of other cultures must be not only appreciated, but also understood. This requires in-depth and extended research efforts. Quick marketing surveys rarely do anything in this context except invite disaster.

One of the most devastating mistakes an advertiser can make is to presume that consumers in one culture have the same rituals as those in another. Religion is an obvious expression of values in a culture. In countries adhering to the precepts of the Islamic religion, which includes most Arab nations, traditional religious beliefs restrict several products from being advertised at all, such as alcohol and pork. Other restrictions related to religious and cultural values include not allowing women to appear in advertising and restricting the manner in which children can be portrayed in advertisements. Each market must be evaluated for the extent to which prevalent customs or values translate into product choice and other consumer behaviors.

Understanding values and rituals can represent a special challenge (or opportunity) when economic development in a country or region creates tensions between the old and the new. The classic example is the dilemma advertisers face as more wives leave the home for outside employment, creating tensions in the home about who should do the housework. This tension over traditional gender assignments in household chores has been particularly acute in Asia, and advertisers there have tried to respond by featuring husbands as homemakers. For example, an ad for vacuum cleaners made by Korea's LG Electronics showed a woman lying on the floor exercising and giving herself a facial with slices of cucumbers, while her husband cleaned around her. The ad received mixed reviews from women in Hong Kong and South Korea, with younger women approving, but their mothers disapproving.⁹ (Sound familiar?) The advertiser's dilemma in situations like these is how to make ads that reflect real changes in a culture without alienating important segments of consumers by appearing to push the changes. Not an easy task!

Product Use and Preferences. Information about product use and preferences is available for many markets. The major markets of North America, Europe, and the Pacific Rim typically are relatively heavily researched. In recent years, A. C. Nielsen has developed an international database on consumer product use in 26 countries. Also, Roper Starch Worldwide has conducted "global" studies on product preferences, brand loyalty, and price sensitivity in 40 countries. The Roper study revealed, for example, that consumers in India were the most brand loyal, and that German and Japanese consumers showed the greatest tendency for price sensitivity.¹⁰

Studies by firms such as Nielsen and Roper document that consumers around the world display different product use characteristics and preferences. One area of great variation is personal-care products. There is no market in the world like the United States, where consumers are preoccupied with the use of personal-care products such as toothpaste, shampoo, deodorant, and mouthwash. Procter & Gamble, maker of

9. Louise Lee, "Depicting Men Doing Housework Can Be Risky for Marketers in Asia," *Wall Street Journal*, August 14, 1998, B6.

10. Leah Rickard, "Ex-Soviet States Lead World in Ad Cynicism," *Advertising Age*, May 5, 1995, 3.

brands such as Crest, Pert, Secret, and Scope, among others, learned the hard way in Russia with its Wash & Go shampoo. Wash & Go (comparable to Pert in the United States) was a shampoo and conditioner designed for the consumer who prefers the ease, convenience, and speed of one-step washing and conditioning. Russian consumers, accustomed to washing their hair with bar soap, didn't understand the concept of a hair conditioner, and didn't perceive a need to make shampooing any more convenient.

Other examples of unique and culture-specific product uses and preferences come from Brazil and France. In Brazil, many women still wash clothes by hand in metal tubs, using cold water. Because of this behavior, Unilever must specially formulate its Umo laundry powder and tout its effectiveness under these washing conditions.

In France, men commonly use cosmetics like those used by women in the United States. Advertising must, therefore, be specifically prepared for men and placed in media to reach them with specific male-oriented appeals. As another example, Exhibit 9.9 shows an ad directed toward French women—some of whom are relatively less accustomed (compared to women in the United States) to shaving their legs and underarms—for a razor designed for just such a purpose. The ad uses both pictures and text to promote the behavior. Perfume is another product category that inspires distinctive approaches around the world. As exemplified by Exhibit 9.10, the French have a passion for perfume that transforms their advertisements in this category to near works of art.

Lady Protector de WILKINSON.

Jamais un Rasoir n'a été si Féminin.



"Le Rasoir est encore plus doux lorsqu'il se protège. Avec sa grille de protection exclusive, Lady Protector vous offre la plus sûre des rasages. Oubliés les risques de coupures ou même d'éraflures. Lisse et soyeux comme un coussin, avec sa fine et douce lame, Lady Protector vous aide au rasage et à l'après-rasage. Sa tête épouse vos courbes à la perfection. Comble de la douceur, elle est équipée d'une plaquette hydratante. Pour que la douceur soit définie, sous le support de Lady Protector, se cachent les certanques de recharge. Facile. Ou tout simplement féminin. Avec Lady Protector, en toute sécurité soyez irrésistiblement douce."

POUR UNE PEAU NETTE ET DOUCE EN TOUTE SÉCURITÉ.

EXHIBIT 9.9

It's been said that "all politics are local," but so too is personal hygiene. The United Kingdom's Wilkinson might encounter difficulties in selling its Lady Protector, specifically designed for shaving women's legs and underarms, in France. The company's Web site (<http://www.wilkinson-sword.com>) is admirably multilingual, though, appealing to Spanish, British, French, Portuguese, and German speakers.



Van Cleef & Arpels

EXHIBIT 9.10

Thumb through a French fashion magazine and you'll appreciate both the passion for art and the passion for perfume that are hallmarks of French culture.

2 The Challenges in Executing Advertising Worldwide.

Cross-cultural audience research on basic economic, social, and cultural conditions is an essential starting point for planning international advertising. But even with excellent audience analysis, three formidable and unique challenges face the advertiser: the creative challenge, the media challenge, and the regulatory challenge.

The Creative Challenge. Written or spoken language is a basic barrier to cross-cultural communication. Ads written in German are typically difficult for those who speak only Spanish—this much is obvious. But language issues will always be a formidable challenge. We've all heard stories of how some literal translation of an ad said something very different than what was intended. International blunders are a rich part of advertising lore, and the anecdotes are plentiful:¹¹

- The name *Coca-Cola* in China was first rendered as “Ke-kou-ke-la.” Unfortunately, Coke did not discover until after thousands of signs had been printed that the phrase means “bite the wax tadpole” or “female horse stuffed with wax,” depending on the dialect. Coke then researched 40,000 Chinese characters and found a close phonetic equivalent, “ko-kou-ko-le,” which can be loosely translated as “happiness in the mouth.”
- In Taiwan, the translation of the Pepsi slogan “Come alive with the Pepsi generation” came out as “Pepsi will bring your ancestors back from the dead.”
- Scandinavian vacuum manufacturer Electrolux used the following in an American ad campaign: “Nothing sucks like an Electrolux.”
- When Parker Pen marketed a ballpoint pen in Mexico, its ads were supposed to say, “It won't leak in your pocket and embarrass you.” Instead the ads said that “It won't leak in your pocket and make you pregnant.”

True or not, such tales remind us that communicating with consumers around the world is a special challenge, just in terms of the obvious issue of language.

What is less obvious, however, is the role of **picturing** in cross-cultural communication. There is a widely held belief that pictures are less culturally bound than are words, and that pictures can speak to many cultures at once. International advertisers are increasingly using ads that feature few words and rely on pictures to communicate. This is, as you might expect, a bit more complicated than it sounds.

First, picturing is culturally bound. Different cultures use different conventions or rules to create representations (or pictures) of things. Pictures, just like words, must be “read” or interpreted, and the “rules of reading” pictures vary from culture to culture. People living in Western cultures often assume that everyone knows what a certain picture means. This is not true and is another example of ethnocentrism. Photographic two-dimensional representations are not even recognizable as pictures to those who have not learned to interpret such representations. Symbolic representations that seem so absolute, common, and harmless in one culture can have varied, unusual, and even threatening meaning in another. A picture may be worth a thousand words, but those words may not mean something appropriate—or they may be entirely unintelligible or tasteless—to those in another culture.

Think about the ads in Exhibits 9.11, 9.12, and 9.13. Which of these ads seem culture-bound? Which would seem to easily cross cultural borders? Why? All of these ads depend on knowing the way to correctly interpret the ad, but some require more cultural knowledge than others. For U.S. consumers, the message of the Visa ad in Exhibit 9.11 is perfectly clear: Visa will help you acquire more stuff. But in less materialistic cultures, the premise of collecting material possessions as an expression

11. Robert Kirby, “Kirby: Advertising Translates Into Laughs,” *Salt Lake Tribune*, <http://www.sltrib.com>, accessed February 24, 1998.

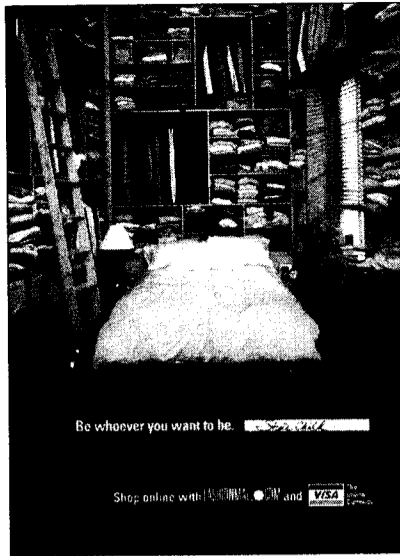


EXHIBIT 9.12 THROUGH 9.13

Which of these ads seem most bound to specific cultures, based on the pictures in the ads? Are any of them not culturally bound?

of self may be completely incomprehensible. Exhibit 9.12 is a stylized ad created to present a romantic vision of a vacation in Thailand, with German consumers as the target segment. Do you suppose that this ad has any meaning to the average person in Thailand? And the ad in Exhibit 9.13 promises that Sears has everything you need to be the shining star at your high school prom. But while this ad ran in Spanish speaking countries throughout South America, the high school prom is a more common ritual in North America. Can a teen in Santiago spark to the offer of a formal prom dress when she has no cultural context for interpreting the meaning of “prom”? Not likely.

A few human expressions, such as a smile, are widely accepted to mean a positive feeling. Such expressions and their representations, even though culturally connected, have widespread commonality. But cultureless picture meanings do not exist. A much larger contributor to cross-cultural commonalities are those representations that are a part of a far-flung culture of commerce and have thus taken on similar meanings in many different nations. With sports playing an ever-larger role in international commerce, the sports hero is often used to symbolize common meaning across the world. What do you think? Is Tiger Woods Tiger Woods, no matter what he is selling or where he is selling it? Can the Williams sisters revive the Avon cosmetics brand around the world? Avon signed the tennis champs to an endorsement deal to do just that.¹²

The Media Challenge. Of all the challenges faced by advertisers in international markets, the media challenge may be the greatest. Exhibit 9.14 shows a sampling of traditional media options for reaching consumers around the world.

Media Availability and Coverage. Some international markets simply have too few media options. In addition, even if diverse media are available in a particular international market, there may be severe restrictions on the type of advertising that can be done or the way in which advertising is organized in a certain medium.

Many countries have dozens of subcultures and language dialects within their borders, each with its own newspapers and radio stations. This complicates the problem

12. Mercedes Cardona, “Venus and Serena Become Avon’s New Leading Ladies,” *Advertising Age*, January 22, 2001, 8.

FIGURE 9.14

Advertising Age's global media lineup.

| Media | Ownership | Circulation or Number of Households |
|---|--|--|
| PRINT | | |
| <i>BusinessWeek</i> | The McGraw-Hill Cos. | 1.08 million |
| <i>Computerworld/InfoWorld</i> | IDG | 1.9 million |
| <i>The Economist</i> | The Economist Group | 684,416 |
| <i>Elle</i> | Hachette Filipacchi | 5.1 million |
| <i>Elle Deco</i> | Hachette Filipacchi | 1.5 million |
| <i>Financial Times</i> | Pearson PLC | 363,525 |
| <i>Forbes Global Business & Finance</i> | Forbes | 860,000** |
| <i>Fortune</i> | Time Warner | 915,000 |
| <i>Harvard Business Review</i> | Harvard Business School Publishing | 220,000 |
| <i>International Herald Tribune</i> | The New York Times/ The Washington Post Co. | 222,930 |
| <i>National Geographic</i> | National Geographic Society | 8.8 million |
| <i>Newsweek Worldwide</i> | The Washington Post Co. | 4.2 million |
| <i>PC World</i> | IDG | 3.6 million |
| <i>Reader's Digest</i> | Reader's Digest Association | 26 million |
| <i>Scientific American</i> | Yerlagsgruppe Hoitzbrinck | 562,150 |
| <i>Time</i> | Time Warner | 5.6 million |
| <i>USA Today International</i> | Gannett Co. | 2.2 million† (Mon.–Thurs.) 2.6 million (Friday edition) |
| <i>The Wall Street Journal</i> | Dow Jones & Co. | 4.3 million |
| TV | | |
| Animal Planet | Discovery Communications/BBC | 4.9 million* |
| BBC World | BBC Worldwide | 60 million |
| Cartoon Network | Time Warner | 125.5 million |
| CNBC | NBC/Dow Jones & Co. (only 100% NBC-owned in U.S.) | 136 million** |
| CNN International | Time Warner | 221 million |
| Discovery Networks International | Discovery Communications | 144 million |
| ESPN | Walt Disney Co./Hearst Corp. | 242 million |
| MTV Networks | Viacom | 285 million |
| TNT | Time Warner | 104.2 million |

* Includes 45 million homes in the United States

** Excludes Latin America

† For international edition only

Source: Advertising Age International, February 8, 1999, 23. Reprinted with permission from the February 8, 1999, issue of Advertising Age International. Copyright © Crain Communications Inc., 1999.

of deciding which combination of newspapers or radio stations will achieve the desired coverage of the market. The presence of a particular medium in a country does not necessarily make it useful for advertisers if there are restrictions on accepting advertising. A prominent example is the BBC networks in the United Kingdom, where advertising is still not accepted. While the U.K. does have commercial networks in both radio and television, the BBC stations are still widely popular. Or consider the situation with regard to television advertising in Germany and the Netherlands. On the German government-owned stations, television advertising is banned on Sundays and holidays and restricted to four five-minute blocks on other days. In the Netherlands, television advertising cannot constitute more than 5 percent of total programming time, and most time slots must be purchased nearly a year in advance. Similar circumstances exist in many markets around the world.

Newspapers are actually the most localized medium worldwide, and they require the greatest amount of local market knowledge to be used correctly as an advertising option. In Mexico, for example, advertising space is sold in the form of news columns, without any notice or indication that the "story" is a paid advertisement. This situation influences both the placement and layout of ads. Turkey has hundreds of daily newspapers; the Netherlands has only a handful. Further, many newspapers

(particularly regional papers) are positioned in the market based on a particular political philosophy. Advertisers must be aware of this, making certain that their brand's position with the target audience does not conflict with the politics of the medium.

The best news for advertisers from the standpoint of media availability and coverage is the emergence of several global television networks made possible by cable and satellite technology. Viacom bills its combined MTV Networks (MTVN) as the largest TV network in the world, with a capability to reach over 300 million households worldwide.¹³ MTVN also offers expertise in developing special promotions to Generations X, Y, and Z around the world. MTVN has facilitated international campaigns for global brands such as Pepsi, Swatch, Sega, and BMX Bikes. Additionally, MTV has proven expertise in producing programs for specific country markets, like "Mochilao," a backpack travel show hosted by a popular Brazilian model, as well as programming designed to appeal to its key demographic across cultures.¹⁴ If there is such a thing as a "global consumer," MTVN offers an efficient means for reaching them.

Another development affecting Europe and Asia is direct broadcast by satellite (DBS), via systems like SkyPort (see Exhibit 9.15). DBS transmissions are received through the small, low-cost receiving dishes that have become a familiar sight on rooftops around the world. STAR, which

stands for Satellite Televisions Asian Region, sends BBC, U.S., Bollywood, and local programming to 300 million households in 53 countries across Asia.¹⁵ With literally billions more people in its viewing area, STAR has the potential to become one of the world's most influential broadcasting systems.

見たいだけ、見せてあげる。

見たい番組ばかり、見たい、そんなのが実現。1チャンネル1ジャンルのCSに多彩な選り、8つのTV放送と8つの音楽放送が楽しめるCSスカイポート。好きなジャンルを次から次へと観し続けます。CSチューナー内蔵テレビ、CSチューナー内蔵ビデオがあれば、あとはCSアンテナを設置するだけ、ぜひともぜひ11チャンネルが、あなたの好奇心を刺激するに違いない。

LET'S TRY GAO CN STAR

MOVIE

EXHIBIT 9.15

Direct broadcast by satellite allows households to receive television transmission via a small, low-cost receiving dish. This is an ad for Skyport TV promoting its satellite service in the Asian market.

13. "On-Air Opportunities," *Television Business International*, vol. 49 (January 1998), 1.

14. Charles Goldsmith, "MTV Seeks Global Appeal," *Wall Street Journal*, July 21, 2003, B1, B3.

15. From the STAR Web site, <http://www.startv.com>, accessed May 20, 2004.

Media Costs and Pricing. Confounding the media challenge is the issue of media costs and pricing. As discussed earlier, some markets have literally hundreds of media options (recall the Turkish newspapers). Whenever a different medium is chosen, separate payment and placement must be made. Additionally, in many markets, media prices are subject to negotiation—no matter what the official rate cards say. The time needed to negotiate these rates is a tremendous cost in and of itself.

Global coverage is an expensive proposition. For example, a four-color ad in *Reader's Digest* costs on the order of half a million dollars. Should the advertiser desire to achieve full impact in *Reader's Digest*, then the ad should be adapted in all 20 of the different languages for the international editions—again, generating substantial expense. Both ad rates and the demand for ad space are on the increase. In some markets, advertising time and space are in such short supply that, regardless of the published rate, a bidding system is used to escalate the prices. As you will see in Chapter 14, media costs represent the majority of costs in an advertising budget. With the seemingly chaotic buying practices in some international markets, media costs are indeed a great challenge in executing cost-effective advertising campaigns.

The Regulatory Challenge. The regulatory restrictions on international advertising are many and varied, reflecting diverse cultural values, market by market. The range and specificity of regulation can be aggravatingly complex. Tobacco and liquor advertising are restricted (typically banned from television) in many countries, although several lift their ban on liquor after 9 or 10 PM. With respect to advertising to children, Austria, Canada, Germany, and the United States have specific regulations. Other products and topics monitored or restricted throughout the world are drugs (Austria, Switzerland, Germany, Greece, and the Netherlands), gambling (United Kingdom, Italy, and Portugal), and religion (Germany, United Kingdom, and the Netherlands).

This regulatory complexity, if anything, continues to grow. For instance, the European Union, the world's largest trading bloc, has strict regulations protecting citizens' privacy, thus limiting marketers' access to data that are readily available in North America. To cope with these regulations many global companies have dozens of employees in Europe whose job is to keep their companies in compliance with various regulations.¹⁶ Generally, advertisers must be sensitive to the fact that advertising regulations can, depending on the international market, impose limitations on the following:

- The types of products that can be advertised
- The kinds of data that can be collected from consumers
- The types of message appeals that can be used
- The times during which ads for certain products can appear on television
- Advertising to children
- The use of foreign languages (and talent) in advertisements
- The use of national symbols, such as flags and government seals, in advertisements
- The taxes levied against advertising expenditures

In short, just about every aspect of advertising can be regulated, and every country has some peculiarities with respect to ad regulation. As explained in the IBP box, these restrictions and regulations may also apply to a host of common promotional tactics, such as couponing and loyalty rewards programs.

Advertising Agencies around the World. An experienced and astute agency can help an advertiser deal with the creative, media, and regulatory challenges just discussed. In Brazil, using a local agency is essential to getting the creative

16. David Scheer, "Europe's New High-Tech Role: Playing Privacy Cop to the World," *Wall Street Journal*, October 10, 2003, A1, A16.

style and tone just right. In Australia, Australian nationals must be involved in certain parts of the production process. And in China, trying to work through the government and media bureaucracy is nearly impossible without the assistance of a local agency. There are nearly 80,000 to choose from in China.¹⁷

Advertisers have three basic alternatives in selecting an agency to help them prepare and place advertising in other countries: They can use a global agency, an international affiliate, or a local agency.

Releasing That Pent-Up Urge to Clip Coupons

A few years ago, a court in Düsseldorf blocked a drugstore there from giving away 75-cent shopping bags in celebration of the anniversary of its opening. The bags featured a lovable penguin holding a birthday cake . . . pretty dangerous stuff! The German court ruled this was a violation of the Free Gift Act. The court reasoned that since most German retailers sell shopping bags, giving them away was *verboten*. Half-price happy-hour drinks didn't fare any better with the courts in Germany. Since the Discount Law there forbids price breaks of more than 3 percent off list, a half-price offer on drinks is strictly *verboten*. These are just two examples of a myriad of laws and regulations in Germany controlling many kinds of price promotions that American consumers take for granted.

Oftentimes laws like these are remnants of another era. Many such German regulations date back to the Nazi regime when the intent was to eliminate deals and discounting because these tactics were associated with the soft economic policies of the Marxist movement. The wild part of it is, 75 years later, these laws are still enforced aggressively. As hard as it may be to get laws passed in any culture, it is probably always harder to make them go away, even when it is not clear what purpose they are serving in modern times.

But fear not, there is hope for the German coupon clipper. Coupons and other familiar promotional tactics are on the way, thanks to the Internet. Although the majority of German consumers do not shop via the Internet, there is a growing concern that the Internet will introduce discounting practices that will be hard for traditional retailers to match if they are shackled by regulations like the Free Gift Act and the Discount Law. So how will German consumers react to the prospect of free shopping bags, happy-hour specials, coupons, or buy-one-get-one-free offers? They'll probably be pretty excited at first, given that these things will be something new and different. But it shouldn't take long for things to settle down, with coupon clipping becoming the tedious chore that many consumers around the world already know it to be.

Source: David Wessel, "German Shoppers Get Coupons," *Wall Street Journal*, April 5, 2001, 1.

tion of ads. The size of a global agency can be a benefit in terms of economies of scale and political leverage.

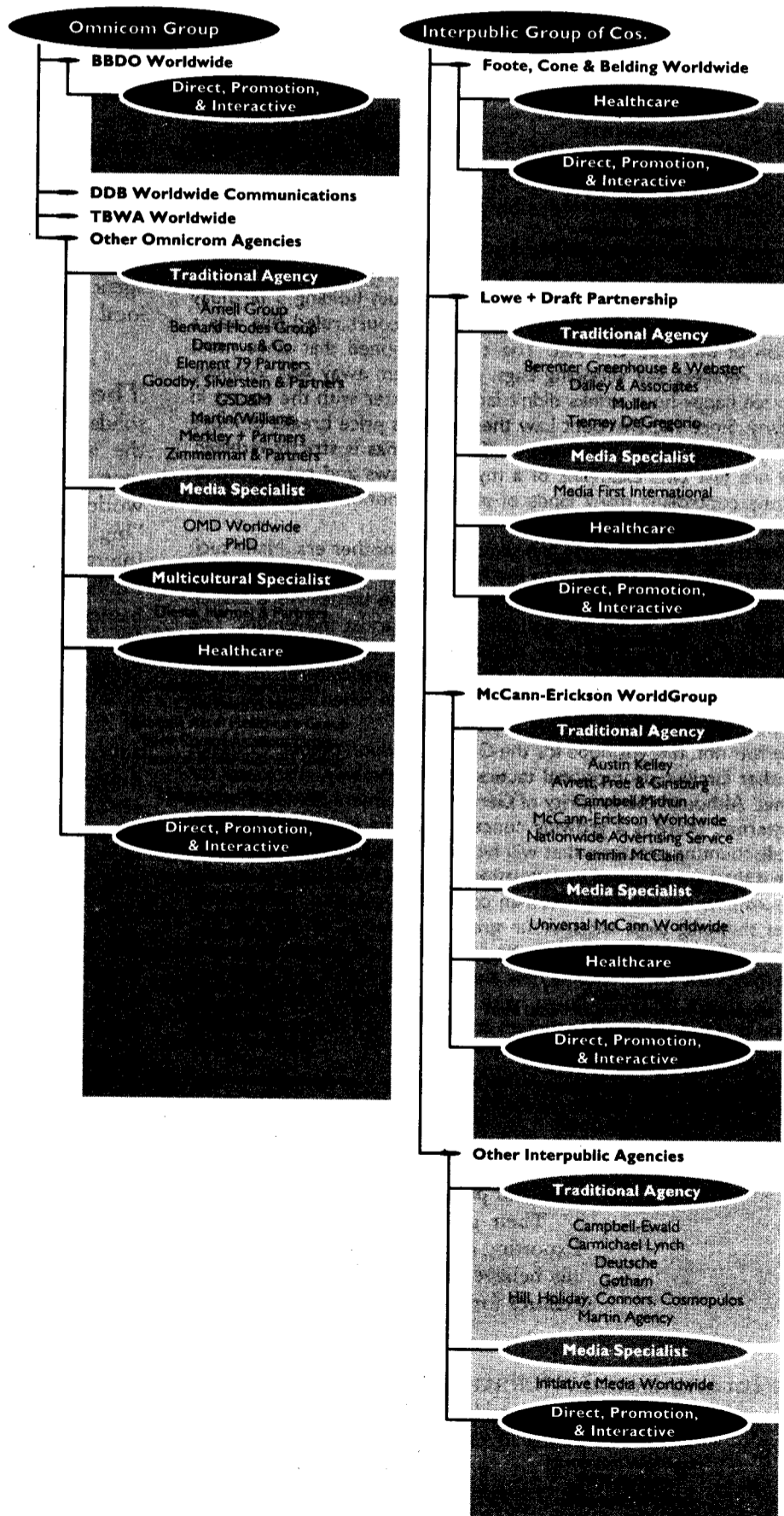
Their greatest disadvantage stems from their distance from the local culture. Exporting meaning is never easy. This is no small disadvantage to agencies that actually believe they can do this. Most, however, are not that naive, and they have procedures for acquiring local knowledge.

The International Affiliate. Many agencies do not own and operate worldwide offices, but rather have established foreign-market **international affiliates** to handle clients' international advertising needs. Many times these agencies join a network of foreign agencies

17. Normandy Madden, "Culture Clash Thwarts Shops from Enjoying China's Boom," *Advertising Age*, May 3, 2004, 20.

Figure 9.16

Advertising agencies affiliated with the top two global agencies, 2004.




Source: FactPack, supplement to Advertising Age, March 8, 2004.

or take minority ownership positions in several foreign agencies. The benefit of this arrangement is that the advertiser typically has access to a large number of international agencies that can provide local market expertise. These international agencies are usually well established and managed by foreign nationals, which gives the advertiser a local presence in the international market, while avoiding any resistance to foreign ownership. This was the reasoning behind Coca-Cola's decision to give local creative responsibility for advertising its Coke Classic brand in Europe to the French agency Publicis.¹⁸ Although Coke Classic is a global brand, Coke felt that the French agency was better suited to adapt U.S. ad campaigns for Europe.

The risk of these arrangements is that while an international affiliate will know the local market, it may be less knowledgeable about the advertiser's brands and competitive strategy. The threat is that the real value and relevance of the brand will not be incorporated into the foreign campaign.

The Local Agency. The final option is for an advertiser to choose a **local agency** in every foreign market where advertising will be carried out. Local agencies have the same advantages as the affiliate agencies just discussed: They will be knowledgeable about the culture and local market conditions. Such agencies tend to have well-established contacts for market information, production, and media buys. But the advertiser that chooses this option is open to administrative problems. There is less opportunity for standardization of the creative effort; each agency in each market will feel compelled to provide a unique creative execution. This lack of standardization can be expensive, and potentially disastrous for brand imagery when the local agency seeks to make its own creative statement without a good working knowledge of a brand's heritage.¹⁹ Finally, working with local agencies can create internal communication problems, which increases the risk of delays and errors in execution.

 **Globalized versus Localized Campaigns.** One additional issue needs to be considered in advertising planning for international markets. This key issue involves the extent to which a campaign will be standardized across markets versus localized by market. In discussions of this issue, the question is often posed as: How much can the advertiser globalize the approach? **Globalized campaigns** use the same message and creative execution across all (or most) international markets. Exhibit 9.17 shows an ad from a globalized campaign that you'll find familiar, even though this version appeared in a magazine targeting the Spanish-speaking countries of South America. By contrast, **localized campaigns** involve preparing specific messages and/or creative executions for a particular market. Compare Exhibits 9.17 and 9.18. It should be evident that the dairy producers of Deutschland wanted an ad campaign focused on their local market, not something for a global stage.

The issue is more complex than simply a question of globalized versus localized advertising. Both the brand and its overall marketing strategy must be examined. The marketer must first consider the extent to which the brand can be standardized across markets, and then the extent to which the advertising can be globalized across markets. The degree to which advertising in international markets can use a common appeal, versus whether the ads prepared for each market must be customized, has been a widely debated issue.

Those who favor the globalized campaign assume that similarities as well as differences between markets can be taken into account. They argue that standardization of messages should occur whenever possible, adapting the message only when absolutely necessary. For example, Mars's U.S. advertisements for Pedigree dog food

18. Daniel Tilles, "Publicis Gets a Sip of Coke Account," *International Herald Tribune*, July 7, 1995, 13.

19. Leon E. Wynter, "Global Marketers Learn to Say No to Bad Ads," *Wall Street Journal*, April 1, 1998, B1.

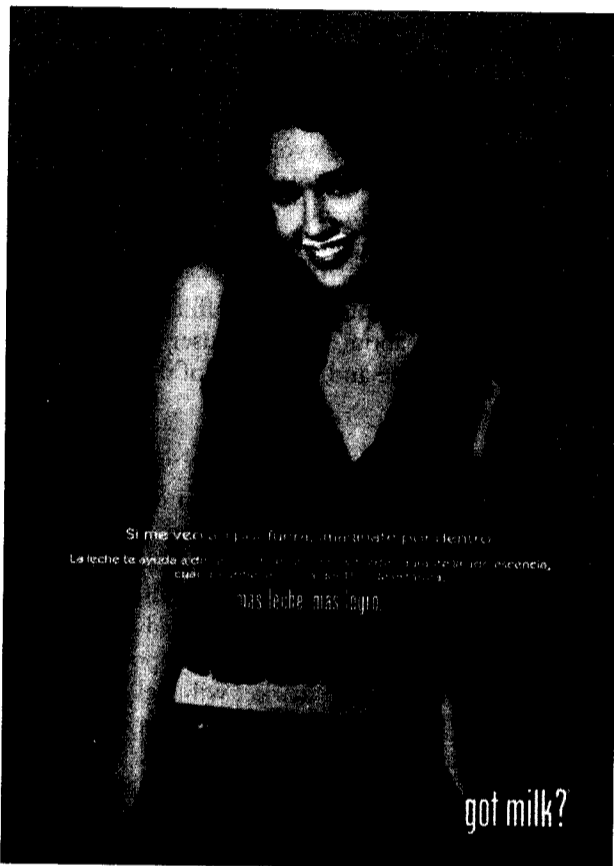


EXHIBIT 9.17

Globalized advertising campaigns maintain a similar look and feel across international markets. This “got milk” ad could easily work in San Antonio or San Diego, even though it ran in Santiago, Chile.



EXHIBIT 9.18

Here the key message is that German dairy products are best for Germans. And perhaps, “got butter”?

have used golden retrievers, while poodles were deemed more effective for the brand’s positioning and image in Asia. Otherwise, the advertising campaigns were identical in terms of basic message appeal.

Those who argue for the localized approach see each country or region as a unique communication context, and claim that the only way to achieve advertising success is to develop separate campaigns for each market.

The two most fundamental arguments for globalized campaigns are based on potential cost savings and creative advantages. Just as organizations seek to gain economies of scale in production, they also look for opportunities to streamline the communication process. Having one standard theme to communicate allows an advertiser to focus on a uniform brand or corporate image worldwide, develop plans more quickly, and make maximum use of good ideas. Thus, while Gillette sells hundreds of different products in more than 200 countries around the world, its corporate philosophy of globalization is expressed in its “Gillette—The Best a Man Can Get” theme. This theme is attached to all ads for men’s toiletry products, wherever they appear.²⁰

Several trends in the global marketplace are working in combination to create conditions that are supportive of globalized campaigns, in that they facilitate the creation of a global consumer. Some of the conditions which support the use of globalized ad campaigns are as follows.²¹

20. Mark Maremont, “Gillette Finally Reveals Its Vision of the Future, and It Has 3 Blades,” *Wall Street Journal*, April 14, 1998, A1, A10; Charles Forelle, “Schick Puts a Nick in Gillette’s Razor Cycle,” *Wall Street Journal*, October 3, 2003, B7.

21. This list is updated from Henry Assael, *Consumer Behavior and Marketing Action*, 5th ed. (Cincinnati: South-Western/International Thomson Publishing, 1995), 491–494.

- **Global communications.** Worldwide cable and satellite networks have resulted in television becoming a truly global communications medium. MTVN's 200 European advertisers almost all run English-language-only campaigns in the station's 28-nation broadcast area. These standardized messages will themselves serve to homogenize the viewers within these market areas. Similarly, common experience and exposure on the Internet serves to create shared values around the world, especially among young people.
- **Global youth.** As suggested by the Nokia ad from the Czech Republic in Exhibit 9.19, young people around the world have a lot in common. Global communications, global travel, and the demise of communism are argued to have created common norms and values among teenagers around the world.²² One advertising agency videotaped the rooms of teenagers from 25 countries, and it was hard to tell whether any given room belonged to an American, German, or Japanese teen. And it's not just teenagers. Toy makers like Mattel, Hasbro, and Lego once worked under the assumption that children around the world would value different toys that carried some local flavor. No more. The large toymakers now create and launch standardized products for children worldwide.²³
- **Universal demographic and lifestyle trends.** Demographic and related lifestyle trends that emerged in the 1980s in the United States are now manifesting themselves in

markets around the world. More working women, more single-person households, increasing divorce rates, and fewer children per household are now widespread demographic phenomena that are effecting common lifestyles worldwide, with advertisers sure to follow. For instance, the rising number of working women in Japan caused Ford Motor Company to prepare ads specifically targeted to this audience.

- **The Americanization of consumption values.** Perhaps of greatest advantage to U.S. advertisers has been the Americanization of consumption values around the world. American icons have gained popularity worldwide, especially due to the exportation of pop culture fueled by the U.S. entertainment industry. American brands often benefit. However, dramatic events in recent years like 9/11 and the Afghan and Iraqi wars are altering America's image around the world. As discussed in the Controversy box, these dramatic events could serve to undermine the appeal of global brands, especially those associated with Brand America.

Many factors have created an environment where a common message across national boundaries becomes more plausible. To the extent that consumers in various countries hold the same interests and values, "standardized" images and themes can be effective in advertising.

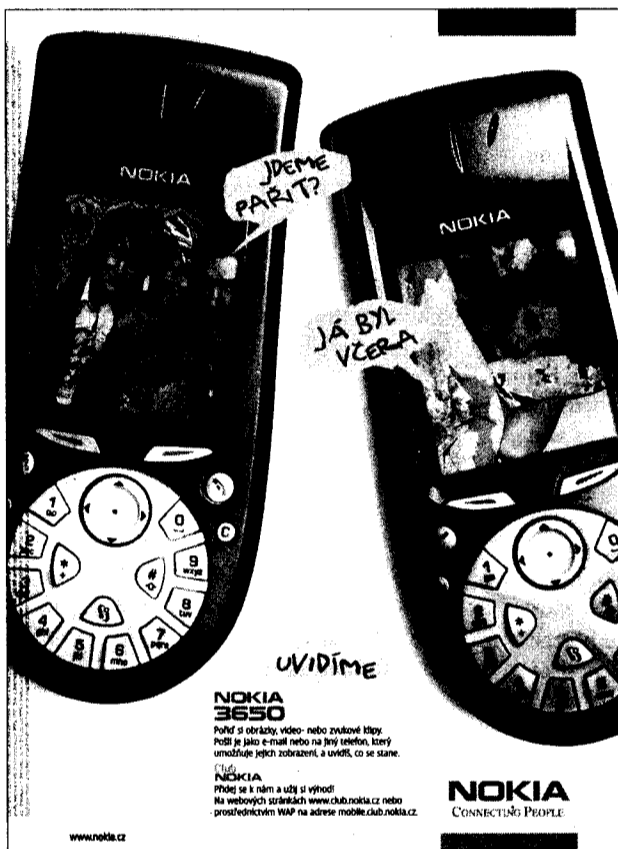


EXHIBIT 9.19

You don't need to speak Czech to appreciate the intent of this ad. As with any Nokia product, it's all about "connecting people" (especially young people).

Arguments against globalization tend to center on issues relating to local market requirements and cultural constraints within markets. The target audiences in different countries must understand and place the same level of importance on brand features or attributes for a globalized campaign to be effective. In many cases, different features are valued at different levels of intensity, making a common message

22. Arundhati Parmar, "Global Youth United," *Marketing News*, October 28, 2002, 1, 49.

23. Lisa Bannon, "One-Toy-Fits-All: How Industry Learned to Love the Global Kid," *Wall Street Journal*, April 29, 2003, A1, A12.

inappropriate. Also, if a globalized campaign defies local customs, values, and regulations, or if it ignores the efforts of local competition, then it has little chance of being successful.

It is also the case that local managers do not always appreciate the value of globalized campaigns. Since they did not help create the campaign, they may drag their feet in implementing it. Without the support of local managers, no globalized campaign can ever achieve its potential.

Developing global brands through standardized campaigns can be successful only when advertisers can find similar needs, feelings, or emotions as a basis for communication across cultures. Understanding consumers around the world is the critical success factor. As expressed by Bob Wehling, Procter & Gamble's former chief of global marketing: "When you bring consumers in every part of the world what they want and you present it in an arresting and persuasive manner, success will follow. And when you don't, the consumer will be the first to tell you to fix it."²⁴

Finally, global marketers need to distinguish between strategy and execution when using a global approach to advertising. The basic need identified may well be universal, but communication about the product or service that offers satisfaction of the need may be strongly influenced by cultural values in different markets, and thus may work against globalization. Recall the example of AT&T's "Reach Out and Touch Someone" campaign. The campaign was highly successful in the United States in communicating the need to keep in touch with loved ones, but was viewed by European audiences as too sentimental in style and execution. For another executional example, take a look at Exhibit 9.20. What do you think of this Italian ad for Yokohama tires? Would it play in Peoria? Everyone wants a tire that performs well, but for Peoria, there are better ways to execute a performance claim for your tire.

Brand America in Decline?

American companies and brands are well known globally. Inevitably, they get connected with other dramatic events occurring around the world. Of late, there can be little doubt that the image of Brand America has suffered worldwide, raising deep concerns among leaders in the advertising profession. Keith Reinhard, chairman of DDB Worldwide, has conducted research to probe the question, "Why do they hate us?" Here are some of the issues his group identified.

- **Exploitation by American companies.** There is a widespread feeling that American companies take more than they give back in foreign markets.
- **Hyperconsumerism.** There is also a sentiment that Americans want to make money, and nothing more. This leads to aggressive marketing of products that are not wanted or needed in other cultures.
- **Corrupting influence.** American brands are often associated with an attempt to subvert the local culture and promote behaviors that conflict with local customs and religious norms.
- **Arrogance and insensitivity.** There is a perception around the world that Americans believe that everyone else wants everything that America has and would gladly give up their local language and culture for a chance to live in America.

It is sobering to point out that all the concerns above were identified in research conducted before the start of the Iraqi war.

To try to help address the growing negativity, in January 2004 Reinhard founded a group called Business for Diplomatic Action (BDA). He launched the group with 150 other executives from the advertising profession around a simple premise: "There is a role for business and for us as citizens to try to become more proactive in countering the negative imagery" that exists worldwide regarding America. BDA's early priorities involved an Internet clearinghouse of best practices for being a good ambassador for the United States (versus being a clumsy tourist), along with educational programs aimed at high school and college students designed to foster cultural sensitivity. The group is also working with media companies to plan television shows that better represent how people in America really live, versus "Baywatch"-like programs, which have been disseminated worldwide.

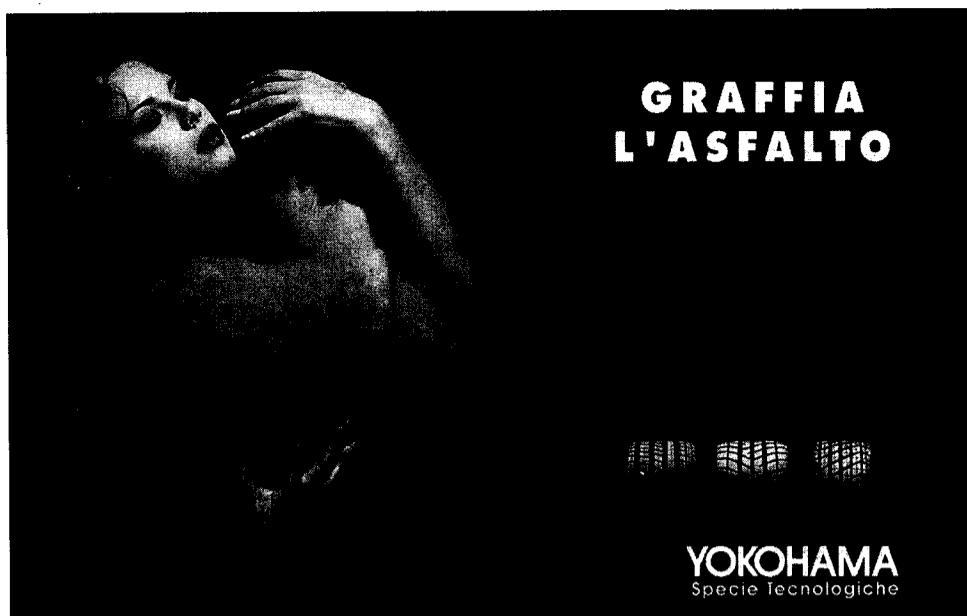
Reputation is reality. There are obviously no simple solutions to the decline in America's reputation worldwide. For business, and for a wide variety of other reasons, we wish Reinhard and his group much success.

Sources: Dennis Dunlap, "Hate the Policy, Love the Product," *Marketing News*, May 15, 2004, 9; Hillary Chura, "Marketing Execs Try to Polish Brand USA," *Advertising Age*, May 17, 2004, 12.

24. Jack Neff, "Rethinking Globalism," *Advertising Age*, October 9, 2000, 100.

EXHIBIT 9.20

Using standardized campaigns for global brands is difficult. This Italian Yokohama ad (<http://www.yokohamatire.com>) may suit Italian sensibilities, but how will it play in Peoria? Many American tire ads stress safety (for example, the ad showing a baby securely nestled in a solid, sensible tire) and performance in adverse weather, not a torrid romance with the road. Might this be a consequence of differences in who buys tires? When both mom and dad drive (and take for service) their own cars, the whole of the family's considerations come into play.

**SUMMARY**

- Explain the types of audience research that are useful for understanding cultural barriers that can interfere with effective communication.

All of us wear cultural blinders, and as a result we must overcome substantial barriers in trying to communicate with people from other countries. This is a major problem for international advertisers as they seek to promote their brands around the world. To overcome this problem and avoid errors in advertising planning, cross-cultural audience analysis is needed. Such analyses involve evaluation of economic conditions, demographic characteristics, customs, values, rituals, and product use and preferences in the target countries.

- Identify three distinctive challenges that complicate the execution of advertising in international settings.

Worldwide advertisers face three distinctive challenges in executing their campaigns. The first of these is a creative challenge that derives from differences in experience and meaning among cultures. Even the pictures featured in an ad may be translated differently from one country to the next. Media availability, media coverage, and media costs vary dramatically around the world, adding a second complication to international advertising. Finally, the amount and nature of advertising regulation vary dramatically from country to country and may force a complete reformulation of an ad campaign.

- Describe the three basic types of advertising agencies that can assist in the placement of advertising around the world.

Advertising agencies provide marketers with the expertise needed to develop and execute advertising campaigns in international markets. Marketers can choose to work with global agencies, local agencies in the targeted market, or an international affiliate of the agency they use in their home country. Each of these agency types brings different advantages and disadvantages on evaluative dimensions such as geographic proximity, economies of scale, political leverage, awareness of the client's strategy, and knowledge of the local culture.

- Discuss the advantages and disadvantages of globalized versus localized advertising campaigns.

A final concern for international advertising entails the degree of customization an advertiser should attempt in campaigns designed to cross national boundaries. Globalized campaigns involve little customization among countries, whereas localized campaigns feature heavy customization for each market. Standardized messages bring cost savings and create a common brand image worldwide, but they may miss the mark with consumers in different nations. As consumers around the world become more similar, globalized campaigns may become more prevalent. Teenagers in many countries share similar values and lifestyles and thus make a natural target for globalized campaigns.

international advertising
ethnocentrism
self-reference criterion (SRC)
less-developed countries
newly industrialized countries

highly industrialized countries
demographic dividend
picturing
global agencies
international affiliates

local agency
globalized campaigns
localized campaigns

1. Why are so many companies looking to China as a new source of business opportunity, and what challenges do they face there?
2. What perils did Japanese automaker Toyota face during its campaign to launch the Prado Land Cruiser in China? How did Toyota ad agency Saatchi & Saatchi respond to the controversy?
3. From the various facts and figures presented throughout this chapter, which did you find most compelling in making the case for the global nature of the advertising business?
4. In this chapter we discuss the challenges advertisers face in Asia when it comes to representing husbands and wives in ads for products such as laundry detergents and vacuum cleaners. Why is this a challenging issue in Asia today? Would you expect that advertisers face this same challenge in other parts of the world? Where?
5. If you were creating a media strategy for a global advertising campaign, what emphasis would you put on

newspapers in executing your strategy? What factors complicate their value for achieving broad market coverage?

6. Explain the appeal of new media options such as direct broadcast by satellite and the Internet for marketers who have created globalized advertising campaigns.
7. Compare and contrast the advantages of global versus local ad agencies for implementing international advertising.
8. Identify several factors or forces that make consumers around the world more similar to one another. Conversely, what factors or forces create diversity among consumers in different countries?
9. Teens and retired people are two market segments found worldwide. If these two segments of European consumers were each being targeted for new advertising campaigns, which one would be most responsive to a globalized ad campaign? Why?

ADVERTISING EXPERIMENT

1. Select a particular brand or product category that you think would succeed internationally given the right advertising and brand promotion effort, and imagine you are a marketer planning to launch that brand globally. You are looking for the right spokesperson to endorse your product and communicate the value of your brand to international audiences. Based on the information you learned from this chapter as well as your general knowledge of global marketing opportunities, select someone to represent your brand internationally—perhaps a Hollywood star, sports icon, or other high-profile celebrity—and explain why he or she would be an ideal spokesperson.

2. Conduct a study on the concept of *picturing* in cross-cultural communication. Go to the library and find any magazine from another country that has numerous ads with photographic representations. Based on what you learned about picturing in this chapter, analyze the photographic messages of the ads and compare them to the messages you would commonly find in ads targeted to your own culture. What contrasts or similarities did you find? What can you infer about the values of a culture based on the types of photographic images that are used?

ADVERTISING EXPERIMENT

9-1 Agencies for International Advertising

Boasting clients such as Mitsubishi Motors, Toshiba, Konica, and Sega Corporation, Tokyo-based Dentsu is the number one ad firm in Japan and one of the largest advertising agencies in the world. While many ad agencies leave a number of communications activities to specialized companies, Dentsu offers clients comprehensive, integrated solutions designed to serve all their brand needs. Dentsu is a market leader in interactive media communications, and its trademark “Total Communications Services” approach is key to the agency’s success.

Dentsu: <http://www.dentsu.com>

1. Visit the Dentsu Web site and list specific services the firm offers to its clients.
2. List some advantages and disadvantages of globalized versus localized advertising campaigns. In an era of globalization, do you think the “local” will lose its identity, or will the dynamism of globalization help create new “local” ideas?
3. Based on the information given in the text, determine whether Dentsu is best characterized as a global agency, an international affiliate, or a local agency.

9-2 Challenges in Executing Worldwide Advertising

Advertisers seeking to reach a global audience face distinctive challenges in executing their campaigns. Differences in meaning between cultures, availability of media,

and advertising regulations across borders can cause a lot of headaches for advertisers. Nowhere is this more evident than on the Web, where quick access to international audiences is too tempting for advertisers to pass up. Maybelline, one of the leaders in the cosmetics industry, has produced numerous international sites to develop integrated brand promotion for its products. Visit the link and compare Maybelline’s international sites by clicking on the links from the home page.

Maybelline: <http://www.maybelline.com>

1. What creative challenges do you think Maybelline is likely to encounter as it tries to promote its makeup products internationally? What is *picturing*, and how essential is it to the success of Maybelline’s global sites?
2. What are typical media challenges that companies have to overcome when advertising globally? Which of Maybelline’s current international sites do you think has the most media challenges? Why?
3. List some of the promotional tactics employed by Maybelline at its sites. Does the company use the same promotions in every country? What regulatory challenges does Maybelline face with its sites and with its promotion strategies?

From Principles to Practice

AN INTEGRATED BRAND PROMOTION CASE

PART 2

Cincinnati Bell™ Cincinnati Bell Wireless: Planning Advertising and IBP

It has become common for marketers to deploy a variety of communication tools to build their brands. Depending on a firm's objectives and resources, many different combinations of tools may be used. For example, TV advertising is relied on heavily for establishing brand awareness; print advertising may carry specific information about terms or features of an offering; sales promotions are used to cause short-term spikes in demand; direct marketing is used to motivate action from a well-defined target audience; and public relations can help a firm manage media reports about its activities. We will see all these tools and more put in play in the launch of Cincinnati Bell Wireless.

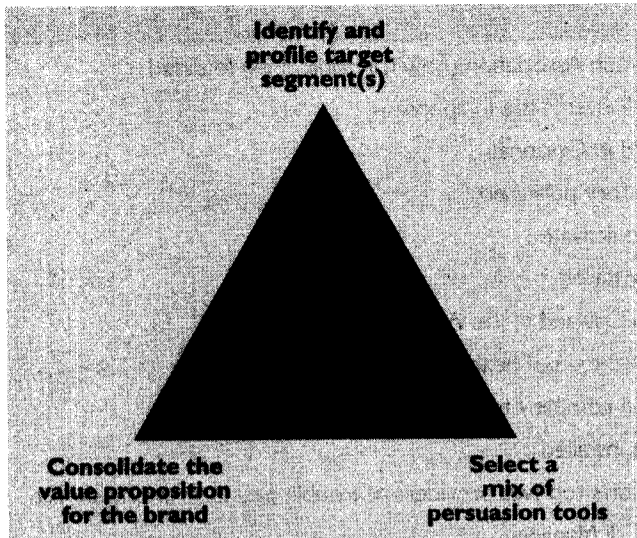
This range of promotional devices and their application under different conditions is common. But achieving desired outcomes (for example, sales and brand loyalty) through sophisticated advertising and IBP campaigns will always require careful planning. Here we will thoroughly review the planning process that served as the platform for launching Cincinnati Bell Wireless.

A Model for Planning Advertising and Integrated Brand Promotion.

There are many different models that one might use for direction in the process of planning a launch campaign. To put the Cincinnati Bell Wireless campaign in a proper context, and to be consistent with our discussion of planning issues in the last five chapters, we will frame this discussion using the strategic planning triangle proposed by advertising researchers Esther Thorson and Jeri Moore.¹ As reflected in Exhibit IBP 2.1, the apexes of the planning triangle entail the segment(s) selected as targets for the campaign, the brand's value proposition, and the array of persuasion tools that might be deployed to achieve campaign objectives.

In planning an IBP campaign, a firm starts with the customer or prospect and works backward, identifying what the customer deems important information. Hence, we place identification and specification of the target segment as the paramount apex in the triangle. Building a consensus between the client and the agency about which customer segments will be targeted is essential to the campaign's effectiveness. Complex IBP campaigns may end up targeting multiple segments; when this is so, it is critical to analyze if and how different target segments will interact to support or disparage the campaign. As suggested in Chapter 6, compelling advertising begins with descriptions and insights about one's target segment(s) that are both personal and precise.

1. Esther Thorson and Jeri Moore, *Integrated Communication: Synergy of Persuasive Voices* (Mahwah, NJ: Erlbaum, 1996).



Adapted from Esther Thorson and Jeri Moore, *Integrated Communication: Synergy of Persuasive Voices* (Mahwah, NJ: Erlbaum, 1996).

EXHIBIT 18.1

Thorson and Moore's strategic planning triangle.

strengths of the old as a foundation for claims about the new.

The final apex of the planning triangle considers the various persuasion tools that may be deployed in executing the campaign. A complete description of the tools is yet to come. Chapters 14 and 15 will emphasize traditional mass media tools; Chapter 16 looks at the Internet advertising option; Chapter 17 will consider support media, event sponsorship, and branded entertainment; Chapter 18 reviews the array of possibilities in sales promotion and point-of-purchase advertising; Chapter 19 provides a comprehensive look at direct marketing; and Chapter 20 completes the set by discussing the public relations function. The mix of tools used will depend on the objectives that are set for the campaign in question. For example, building awareness of and excitement about a new brand such as CBW will be accomplished most effectively via mass media and event sponsorship, whereas bringing consumers into retail stores with an intent to purchase may require a sales promotion, delivered to the targeted customer via a direct mail offer, with a telemarketing follow-up. As you will see, one of the most admirable aspects of the IBP campaign designed by Northlich for the CBW launch was its skillful use of multiple persuasion tools working in harmony to sell the product. That's right, we want to emphasize: *to sell the product*. Marketers such as Cincinnati Bell fund IBP campaigns to get results that affect their companies' revenues and profitability. The campaign that launched CBW did just that.

Assessing CBW'S Situation Prior to Launch. As described in Chapter 8, an effective campaign begins with a keen appreciation for the critical elements of one's situation. There is an infinite list of potential factors (for example, demographic, social and cultural, economic, political/regulatory) that may be considered in analyzing the situation. However, the idea is to be smart in choosing the few important factors that really describe the situation, and then explain how the factors relate to the task at hand. To appreciate the task that Northlich faced in planning the campaign to launch CBW requires an appreciation for several key elements of the situation.

Historical Context. Cincinnati Bell officially launched its wireless phone service on May 11, 1998. However, this particular launch was just one in a continuing series of new products

Cincinnati Bell: Celebrating 125 years of innovation.

A Corporate Timeline ...

- 1873—City & Suburban Telegraph Association (now Cincinnati Bell) founded
- 1876—Alexander Graham Bell invents the telephone
- 1877—First telephone installed in Cincinnati
- 1907—First Yellow Pages directory published
- 1975—911 emergency service activated
- 1984—First fiber optic cable installed
- 1990—Cincinnati Reds sweep Oakland in the World Series
- 1992—Cincinnati Bell pioneered the self-healing fiber optic network
- 1996—First telecommunication company to offer Internet access: Fuse
- 1997—1,000,000th access line installed
- 1997—Ranked one of the nation's top two providers of trouble-free local phone service
- 1998—First to offer Internet Call Manager
- 1998—Ranked highest independent telecommunications company for Web technology
- 1998—Cincinnati Bell: Celebrating 125 years of innovation

and services involving the Cincinnati Bell brand name. Moreover, in 1998 Cincinnati Bell celebrated its 125-year anniversary in the Greater Cincinnati metropolitan market under the banner "Celebrating 125 Years of Innovation." Some important milestones in the history of the company are listed in Exhibit IBP 2.2. In addition, as illustrated by the sample ads in Exhibit IBP 2.3, a common theme across ads for its various products and services was the slogan "People you know you can rely on." Obviously, the launch of CBW should not be viewed as an isolated event, and the Cincinnati Bell brand name carried with it equities that provided a sound foundation for the launch of a wireless service. Certainly, it was a name widely known in the local market, and one that connoted superior service, quality, innovation, and



Cincinnati Bell can take you to other worlds on the Internet. And now we make sure you can still be reached there.

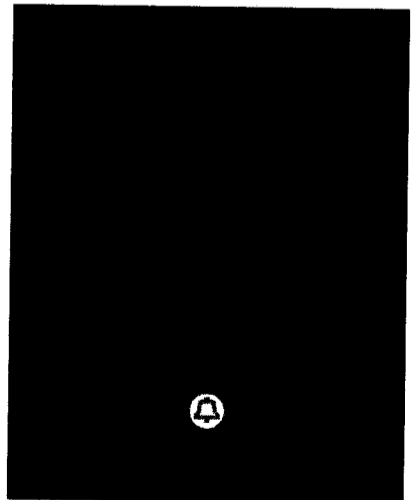
Cincinnati Bell's On-line Subscribers give you the power to take full advantage of the Internet while receiving their incoming telephone calls. In both cases you can avoid busy signals and ensure no great customer service.

Internet Call Manager lets you also be talking with you're not busy by not being your calls to pay an answer. Then, it gives you control for handling those calls.

In case of an alarm not to take the call, you can send it to voicemail. So you never have to miss a call or have your time wasted looking for you.

In celebration of the 125th Anniversary of the telephone, call 1-877-343-3434 and get one month of free Internet access.

© Cincinnati Bell



Cincinnati Bell: Celebrating 125 years of innovation.

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value. These types of connections to the Cincinnati Bell brand would of course be tremendous assets in the launch of CBW.

Industry Analysis. Telecommunications is a dynamic, technical, and complex business. Building a product and service network that would deliver good value to the wireless phone customer was the responsibility of Cincinnati Bell and its partners. Although it is beyond the scope of this discussion to explain the interworkings of the telecommunications business, some familiarity with key industry issues is essential for appreciating the business opportunity that CBW sought to capitalize on in May of 1998.

In the winter of 1998, the wireless phone marketplace in Cincinnati and, for that matter, nationwide, was on the brink of bedlam. As one writer put it at the time:

Well, the future of [wireless] is now. And while some of its promises are already being fulfilled, all of the new (and sometimes incompatible) gear and advanced services have had an unintended impact: It's wireless chaos out there.²

Executives at Cincinnati Bell realized that in a marketplace typified by chaos, the rewards would go to companies that offered consumers simple solutions and good value. Out of chaos often comes wonderful business opportunity.

Critical to understanding this opportunity is the distinction between analog cellular and digital PCS (personal communication services) wireless phones. CBW would launch a new digital PCS offering to the Greater Cincinnati marketplace. Its primary competition at launch would be analog cellular providers. Analog cellular was the established technology that introduced most of us to the concept of a wireless phone. Across the United States, analog service providers all rely on the same transmission methods and thus can handle calls for each others' customers, for a heavy "roaming fee." Hence, you can make an analog cellular call almost anywhere in the United States. The common transmission standard for analog also meant that consumers could select from a wide variety of phone models, ranging from the low-cost Nokia 232 to the pricey (\$800 to \$1,200) but chic Motorola StarTAC 8600.³

Digital PCS was the new kid on the block, and offered some important advantages over analog. Digital PCS can be marketed at lower prices vis-à-vis analog because digital technology allows providers to expand capacity to handle calls much more easily than is the case for analog service. Also, because digital service always relies on a computer-mediated stream of ones and zeros, digital messages can be more easily encrypted, thus eliminating many forms of "cellular fraud" that plague analog systems. Digital technology also opens the door for add-on services such as e-mail and Internet access, and the sound quality for digital is superior to that of analog. Finally, the agreement that Cincinnati Bell Inc. signed with AT&T Wireless Services in the fourth quarter of 1997 made Cincinnati Bell Wireless part of a nationwide system that would allow CBW customers to use their phones in 400 cities across the United States. Opportunity was knocking, but only if CBW could get its value proposition in front of consumers before the competition.

Local Competition. In the winter of 1998 Cincinnati Bell worked closely with its ad agency in an effort to capitalize on the competitive advantages in digital PCS. At the time, only one other PCS provider existed in the Cincinnati market, under the brand name GTE Wireless. However, GTE Wireless had not been aggressive in convincing Cincinnatians of the benefits of digital PCS, and was further hampered by a very limited calling area. More established competition came from analog cellular providers, and two of these—Ameritech Cellular and AirTouch Cellular—had strong brand

2. Chris O'Malley, "Sorting Out Cellphones," *Popular Science*, February 1998, 55.

3. Ibid.

identity in the local market. As part of the planning process, CBW and Northlich would have to resolve a fundamental dilemma created by the local competition. That is, should they concentrate the launch campaign on signing up first-time wireless phone users, or should they seek to steal customers away from entrenched analog competition? The resolution of this dilemma would come through a thorough segmentation analysis.

Market Analysis. CBW was preparing to launch its service in the face of surging demand for both digital PCS and analog cellular. Nationwide, the market for these services had more than doubled from 1995 to 1998, to over 60 million subscribers.⁴ Market growth rates approaching 30 percent annually had several companies scrambling to take advantage of this opportunity (for example, Sprint would introduce its PCS service to the Cincinnati market in November 1998), so CBW executives pressed for their launch as soon as was humanly possible. The Federal Communications Commission estimates the Cincinnati marketplace to be about 1.9 million people. Given a national penetration rate of 25 percent,⁵ this translates into a potential market of 475,000 wireless phone subscribers in Greater Cincinnati. Who among these should be targeted in the CBW launch? How many of these could CBW hope to sign on to its service in the first 90 days after launch? These would be pivotal questions hotly debated by Northlich and CBW personnel leading up to their May 11 blastoff.

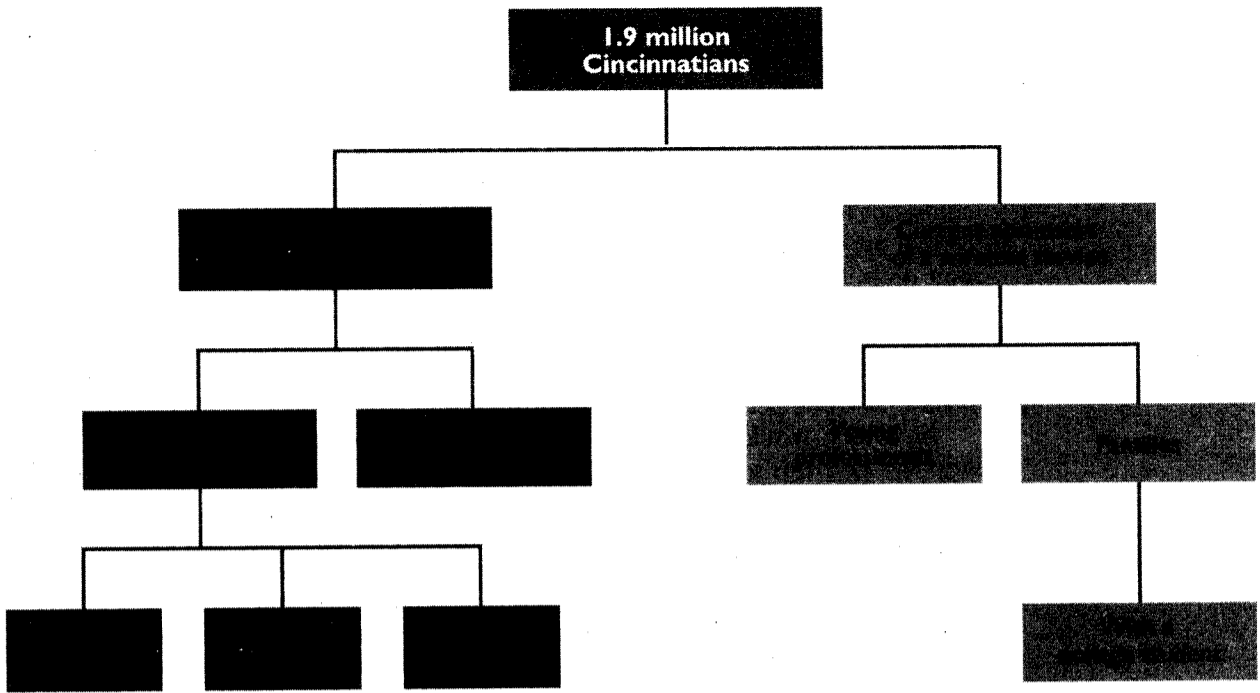
Pinpointing the Target Segment for Launch. Northlich and CBW would draw on various forms of market research in preparing for the spring launch. Both quantitative and qualitative research tools uncovered important consumer insights that benefited the planning process. For example, survey research established that the number one motivation for sign-up among new users was concern for safety of a family member. Hence, if the decision was to target nonusers, alleviating concerns about safety when a family member is traveling or away from home would have to be the primary appeal. Additionally, focus group research established that many consumers felt confused and overwhelmed by the growing number of wireless phone deals and options. Consumers don't like marketplace chaos, so the supplier that can make things simple would have almost instant appeal. Moreover, in a finding that had to warm the hearts of executives at Cincinnati Bell, consumers also rated corporate identity and credibility as becoming increasingly important in the decision about which wireless service to choose.

Synthesizing the various market research studies and developing a consensus between client and agency about who should be the primary launch target for the campaign was achieved, as described in Chapter 6, via an in-depth segmentation analysis. The general framework that was developed to structure this analysis is summarized by the diagram in Exhibit IBP 2.4. As reflected there, usage considerations and demographic factors were combined to isolate a number of different market segments. Guided by this framework, an analysis was pursued that ultimately produced consensus about the primary launch target. In the discussion that follows, two specific segments will be profiled to provide an appreciation for the details that must be considered in planning for a major new product launch. As we noted earlier, compelling advertising begins with descriptions and insights about one's target segment(s) that are both personal and precise.

- **Midlevel executives—profile and motivations.** One market segment carefully assessed as the launch target was midlevel executives who were current users of another wireless service. This segment was primarily college-educated males who

4. Mike Boyer, "Wireless Wars," *Cincinnati Enquirer*, November 15, 1998, E1, E4.

5. Ibid.



SEGMENTATION FRAMEWORK

The CBW/Northlich segmentation framework: Spring 1998.

embraced technology and were early adopters of many advanced technologies, including the Internet. These individuals looked at their wireless phone as a productivity-enhancing device for their work, and were receptive to any features in a wireless phone, such as e-mail, voice mail, or text messaging, that could make them more productive. Most of these executives indicated that price was a key factor that would make them switch carriers, and many also acknowledged that they probably could find a better deal if they spent the time to comparison shop. Poor customer service, erratic sound quality, and restrictive calling zones were also concerns among those in this market segment.

- **Families with a child in college—profile and motivations.** Families with one or more children in college represented an important segment of nonusers. Here, the purchaser of the service would most likely be the parent, whereas the primary user was projected to be the student. Both parents and students looked to a wireless phone as offering safety and security. Parents also wanted to be able to reach their student at a moment's notice and expressed a lack of confidence in roommates or other means of passing on important messages to their college student. However, parents expressed concerns about the phone being misused once it was out of their control; they wanted to realize the security and convenience of a wireless phone while controlling costs. Parents as primary purchasers did not represent early adopters of new technologies and thus were especially intimidated by various options regarding contracts, pricing, coverage zones, and add-on features. They just wanted an easy and safe way to get direct access to their son or daughter at college. Hence, for this market segment, a familiar brand name that parents already trusted would be a great asset in winning their new business.

The two market segments profiled here reflect the dilemma faced by CBW and Northlich as they approached the launch date in May 1998. Should they attempt to steal savvy customers from established competitors such as Ameritech Cellular and AirTouch Cellular, or appeal to the novice customer who had previously never used wireless? This is a tough choice because it can be hard to get savvy customers to switch when they already have a product or service that is filling their requirements,

and it can be hard to get novice customers to take the plunge and sign on for something new, especially when that “something new” involves advanced technology such as digital PCS.

In either case, CBW would need a carefully orchestrated communications campaign to break through the clutter of the marketplace to convince the launch target that CBW did offer something special, just for them. And it should be clear that CBW could not have it both ways. That is, the fast-track business executive and the concerned parent of a college student would require very different appeals and persuasion tools. CBW and Northlich had to choose one target segment for their launch, or risk coming to the marketplace with a diluted message that would leave all segments confused about CBW’s value proposition. Value-proposition ambiguity would hand the opportunity of taking first-mover advantage in the Cincinnati digital PCS market to a competitor such as Sprint or GTE.

So which would you choose—current users or nonusers? Before you read on, stop and give this some thought. Reflecting on the example of Mobil Oil that was described back in Chapter 6 will help you make this call.

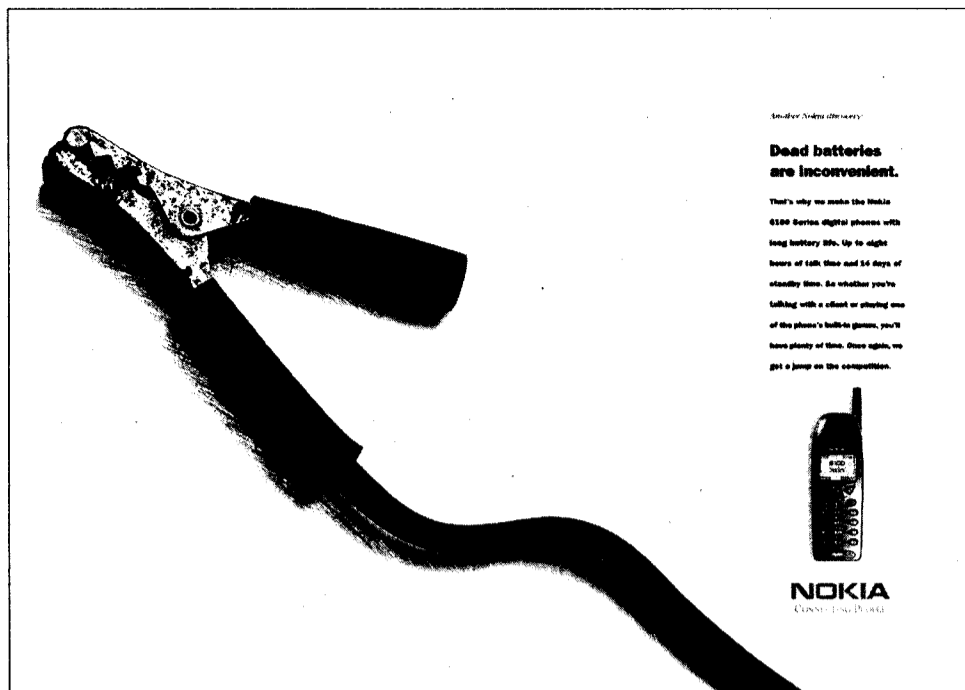
CBW and Northlich selected mid- and high-level executives who currently were using another wireless service as the primary targets for their launch of digital PCS in Cincinnati. The rationale for this launch target was much like the one Mobil Oil used in targeting Road Warriors. Recall that although Road Warriors were outnumbered by Price Shoppers, Road Warriors spend more at the gas station, making them the larger segment from the standpoint of revenue generation and profit potential. Likewise for MOPEs (managers, owners, professionals, and entrepreneurs) when it comes to use of a wireless phone: They make much heavier use of the wireless service in terms of minutes called per month, versus household users. And the way Cincinnati Bell makes money on a service like this is when customers are actually using the phone. Having a phone at home in the kitchen drawer that no one ever uses unless there is an emergency was not the usage scenario that excited CBW management. Hence, MOPEs became the launch target.

Launch Strategy and the CBW Value Proposition. The launch strategy was set: MOPEs using another wireless service would be targeted for conversion to digital PCS from Cincinnati Bell. The value proposition to be advanced through a diversified advertising and IBP campaign would feature the functional benefits of this new service. Various media and methods would be deployed to communicate a compelling value proposition around these benefit claims:

- **Simple pricing, better value.** No contracts to sign; subscribers choose a simple pricing plan, such as 500 minutes for \$49 per month or 1,600 minutes for \$99 per month.
- **Member of the AT&T Wireless Network.** As a member of AT&T’s nationwide network, CBW offered customers complete wireless access in over 400 cities at one “hometown rate.”
- **Worry-free security.** Business transactions that may be compromised over analog cellular are secure over digital PCS.
- **The coolest phone on the planet.** CBW launched its service with the feature-laden Nokia 6160 wireless phone. It was the kind of phone that you wanted to be seen with in 1998. (Of course, by your standards today, the 6160 looks like an antique.)

Cincinnati Bell had several important benefit claims to make for its service in comparison to the analog cellular competition. In addition, it had a tremendous advantage from the standpoint of the combined brand equities of its strategic partners, which surely contributed to the credibility of all its claims. Specifically, its claim of a nationwide network was instantly validated by its association with AT&T, and the

Another asset in the CBW launch: The Nokia 6100 series digital phone.



quality of its phone gear per se was supported by brand-building ads (see Exhibit IBP 2.5) and high-visibility event sponsorship (for example, the Nokia Sugar Bowl) that made Nokia one of the best-known portable phone brands at the time of launch. In combination, the Cincinnati Bell, AT&T, and Nokia brand names were an imposing triad that would establish instant credibility for Cincinnati Bell Wireless.

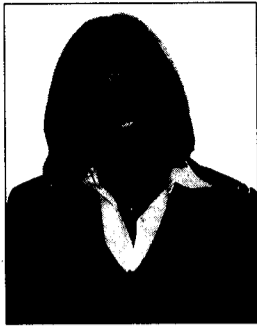
Objectives and Budget. With all this opportunity staring them in the face, the Northlich team was clearly challenged to produce dramatic results with the launch of CBW. Jack Cassidy, CBW's president at the time, stated the initial objective for launch simply and forcefully: "Get me activations!" Although activating a customer does not necessarily create a satisfied or profitable customer, everything starts with an activation. And while the distinction between communication and sales objectives discussed in Chapter 8 was not lost on Cassidy, he clearly was just interested in the sale. Since it is the client that pays the bills, it is the client's prerogative to determine a campaign's objectives. Northlich's work would be judged initially on the basis of the number of new customers who signed on for CBW's service. Cassidy and his associates at Cincinnati Bell specified as their goal 16,868 new CBW customers for the calendar year 1998. Given the estimate of 475,000 potential wireless customers in the Greater Cincinnati market, Cassidy was looking for an immediate market penetration in excess of 3.5 percent.

The initial thinking was that the first eight months of advertising for CBW would be supported by a \$3 million budget. Starting in May 1998, all marketing communications would be directed at the Greater Cincinnati market, but about 90 days after launch the market space would be expanded to include the Dayton, Ohio, market, which would increase the scope of the overall market from 1.9 to 3.2 million people. This \$3 million budget for May through December may not seem all that impressive on first glance, but if we project it to a year-long nationwide campaign we can immediately grasp the level of importance Cincinnati Bell was placing on this launch. If such a campaign were to be executed for 12 months in the top 50 metro markets across the United States, the \$3 million budget would translate into a \$225

million program. Per Chapter 8, this would be a commitment on par with that made by Steve Jobs in launching his new iMac in the second half of 1998. Clearly, the folks at Cincinnati Bell were committed to making a “big-time” investment in their launch of CBW, and they were expecting “big-time” results. These expectations would create many sleepless nights for the Northlich personnel working on CBW.

The Mix of Persuasion Tools. While the folks at Northlich knew that their work would be evaluated initially on the basis of Cassidy’s “Get me activations!,” they first conceived their challenge in terms of more fundamental communication objectives. To get new customers, the campaign would first have to create brand awareness, then generate interest in the brand, and finally bring people into retail outlets where they could buy their Nokia 6160 phone (at a special introductory price of \$99) and activate their service. In Part 4 of this case history, substantial details will be provided about the various elements of the campaign that were deployed to launch CBW. For example, television, radio, and outdoor ads were created to build brand awareness for CBW; print ads were used to provide information about specific features; event sponsorships were placed to create excitement and visibility for the new service; and a sophisticated direct marketing effort was launched in conjunction with sales promotion to motivate MOPEs to visit retail stores and close the deal. Indeed, nearly all the persuasion tools discussed in Chapters 14 through 20 were considered as part of this comprehensive campaign. But would they really produce the kind of results that the client was looking for? Stay tuned. . . .

1. Refer to Exhibit IBP 2.1, Thorson and Moore’s planning triangle. Whom did Cincinnati Bell Wireless (CBW) identify as the primary market segments for its new wireless phone service? How did it profile each market segment? What was the value proposition CBW planned to communicate to its targeted market?
2. One of the ways Northlich and CBW gather data is through focus group research. Develop a list of 10 questions you would use in a focus group of potential wireless phone users to identify their preferences and values related to wireless phone use. If you are a wireless phone user, think back to the reasons why you decided to subscribe. Recalling your own reasons for subscribing will assist you in drafting your questions.
3. In Chapter 5, we learned that products and services should provide benefits that fulfill consumers’ needs. List three functional and three emotional benefits a consumer might derive from subscribing to a wireless phone service.
4. What kinds of associations come to your mind when you think of the brand names Nokia and AT&T? In what ways did Cincinnati Bell hope to capitalize on the brand equity of its partners as part of the launch of CBW?



**Kimberly Kohus
Retail Coordinator,
Jones Apparel Group**

Jones Apparel Group, Inc. provides attractive fashions that suit a variety of lifestyle needs for women. As a leading designer of clothing, footwear, and accessories, the New York-based manufacturer dresses style-conscious customers in its esteemed apparel lines such as Jones New York, Nine West, Anne Klein, and Evan-Picone. The company also markets famous licensed brands

like Polo Jeans, Givenchy, and ESPRIT. Jones draws upon the cache of iconic models like Brooke Shields and Claudia Schiffer to promote its distinguished apparel and accessories, and the firm's advertising campaigns integrate brand images and messages throughout various media, including careful coordination with the retail environment.

Since retail operations are vital to the business of Jones Apparel Group, advertising strategies must be coordinated all the way to the retail level for campaigns to be effective. Kimberly Kohus, a retail coordinator at Jones, is responsible for making sure that the company's national brand campaigns are fully integrated within the retail environment. "The main responsibility of my job is to ensure that our brands are appropriately represented in department stores," says Ms. Kohus. The Jones coordinator makes certain that in-store graphics and visuals are up to date, and that prime real estate is secured within department stores to prominently display brands. Coordinating local retail environments with the schematic created by national campaign planners means seeing to it that print ads, in-store fashion shows, gift-with-purchase programs, and other promotions work together to make a personal impact upon consumers in the local setting.

Ms. Kohus has long admired clothing designers and been intrigued by the creative ways brands could be represented in the department stores. "I've always been fascinated with fashion, advertising, and marketing," says Kohus. After three years of working in merchandising and apparel for Polo Ralph Lauren at the store level, she interviewed for a position with the Polo Jeans division of Ralph Lauren and was hired as a regional retail coordinator. Jones Apparel Group later purchased the license for that brand, and she has worked for Jones ever since.

Being a retail coordinator has its perks, and the position keeps Ms. Kohus right on the pulse of the latest trends and activities in the fashion-design industry. "I am doing something that I love," remarks Kohus. "I get to see all of the newest trends and products before they hit the stores." As coordinator, Kohus gets to meet many high-profile models that are the face of Jones brands. "Through special events and trips to New York . . . I have met several models and celebrities," says Kohus. "It is very exciting to see them in person." Spying out the latest trends and meeting famous designers are among Kohus's favorite perks, but she points out that wearing the newest fashions is a nice bonus as well. "The annual clothing allowance allows us to wear the most current product from our company to help promote brands," states Kohus.

When asked what advice she might offer to students looking for a career in her field, Ms. Kohus reflects on how her in-store experience was crucial toward her success: "Learning every aspect of the business is important. My past experience with in-store selling helps me understand what customers are looking for and what attracts them to certain brands." Ms. Kohus adds, "Relationships and networking are also very important—others can help you be a success in your job."

**PART 2
ACTIVITIES
CAREERS IN MARKETING
COMMUNICATIONS, IBP,
AND ADVERTISING**

Preparing the Message Part Three,

"Preparing the Message," marks an important passage in our study of advertising. The topics to this point have raised the essential process and planning issues that make advertising what it is as a business communication tool. Now we need to take the plunge into the actual *preparation* of advertising.

Creativity is the soul of advertising. Without the creative function, there is no advertising. It's the one thing advertising could not get by without. Yet most advertising books treat it as either a bunch of creative "rules" or dry lectures about the value of various fonts. We take a different approach. We first consider the idea of creativity itself: what is it, what distinguishes it, what is its beauty, when is it a beast? What makes creative people creative? We then quickly present the organizational and managerial/creative interface. We discuss honestly what many textbooks don't mention at all: the problem of the competing reward systems of brand managers, account executives, and creatives. We then offer a chapter like no other: message strategy, where we detail nine time-honored message strategies and their strategic pluses and minuses. We then offer the best basic chapters on copywriting and art direction available. These chapters have been developed and refined with constant input from industry professionals. If you read them carefully, you will know a lot about art direction and copywriting.

Creativity, Advertising, and the Brand A famous dancer once said, "If I could describe dancing, I wouldn't have to do it." Well, we feel the same way about creativity in advertising—it really is impossible to describe fully. But in Chapter 10, "Creativity, Advertising, and the Brand," we do our best to give you insights into the creative process by giving examples of how the creative process is worked out in an advertising context—how the "creatives" work with the "strategists." But we also try to provide insight into this wonderfully slippery thing called creativity. We do it by drawing on many sources and the examples of some of the most creative minds of the past century, from physics to painting. While creativity is creativity, we move from the general to discussing the particular context of advertising creativity and its unique opportunities and problems. Creativity is the soul of advertising, and this chapter tries to reveal the magic of advertising.

10

Message Strategy Chapter 11, "Message Strategy," is a chapter like no other anywhere. We take nine key and primary message objectives and their matching strategies and explore them. We give you lots of specific real-world examples and walk you through each one. We discuss their advantages and disadvantages and tell you when they should be used and when they should not.

11

Copywriting Chapter 12, "Copywriting," explores the development of copy from the creative plan through dealing with the constraints and opportunities of the medium that will carry the message. This chapter also highlights guidelines for writing effective copy and common mistakes in copywriting. A full discussion of radio and television advertising formats, which provide the context for copy development, is provided. Writing for the web is covered. At the end of this chapter is a discussion of a typical copy approval process used by advertisers and agencies. This chapter received enormous input from real live advertising professionals with years of copywriting experience in real advertising agencies. It's a very experience-driven chapter.

12

Art Direction and Production In Chapter 13, "Art Direction and Production," you will first learn about creating effective print advertisements destined for magazines, newspapers, and direct-marketing promotions. The nature of the illustration, design, and layout components of print advertising are considered. Then the exciting and complex process of creating broadcast advertising is discussed. This part of the chapter describes the people and techniques involved in creating television and radio ads. The emphasis in this chapter is on the creative team and how creative concepts are brought to life. The chapter follows a preproduction, production, and postproduction sequence. Also highlighted in this chapter are the large numbers of people outside the agency who facilitate the production effort. Again, this chapter was overseen by advertising professionals who have worked in art direction for years. This is experience talking.

13

CHAPTER 10

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

1

Describe the core characteristics of great creative minds.

2

Contrast the role of an advertising agency's creative department with that of its business managers/account executives and explain the tensions between them.

CHAPTER 10
Creativity,
Advertising,
and the Brand

CHAPTER 11
Message Strategy

CHAPTER 12
Copywriting

CHAPTER 13
Art Direction
and Production



E-SIGHTINGS



Maybe traffic jams
happen because
cars like to be with
other cars.

Nissan's "Mr. K" campaign pitted the poets against the killers (<http://www.nissan-driven.com>). Compare Nissan's Web site to those of Mitsubishi (<http://www.mitsubishi.com>) and Honda (<http://www.honda.com>). Do these sites give off any signs of the behind-the-scenes creative battles that rage between the poets and the killers? Are these advertisers integrating their Internet initiatives with their most current ad campaigns?

side means to wage a bloody battle, and the meetings never start with either side intending it to be that way. But these are tense times: new media, more old media, monster databases, astute audiences, shareholders clamoring for higher earnings per share.

No ad campaign in recent history has locked the poets against the killers in mortal battle like Nissan's "Mr. K" campaign (see Exhibit 10.1). Mr. K was the kindly guy who used to show up at the end of Nissan ads. The creative community loved the campaign, but the Nissan dealers were sitting on unmoved inventory. The result was the resignation of Nissan USA president Bob Thomas. The battle lines drawn around this campaign were so severe that ad agency types didn't even want to talk about it. One creative director said that talking about the Mr. K campaign with his clients "was kind of like the McCarthy hearings. You know, 'Are you now, or have you ever been, an admirer of Nissan's advertising.'"³ The latest casualties of unmoved inventory were "Ads by Dick." These were the offbeat Miller Lite ads, like the one featured in Exhibit 10.2, that featured rampaging beavers and furry animals living in armpits. The light-beer category grew 2.7 percent in 1998, while Miller Lite's volume grew only 2.4 percent—oops.⁴

This is the kind of conference room that can be very scary. When you enter the room, the lights come on like magic. But they don't burst on in a blaze. They come up very, very slowly. A spooky kind of slowly. When the lights are full, the room is perfectly lit—no shadows, no glare. Then there are the floor-to-ceiling windows—tall enough so that Shaq would need a ladder to clean them. What's more, this corner conference room on the 50th floor gives you a 120-degree view of Manhattan (or L.A., or Dallas, or Chicago, or Seattle). All very intimidating.

But not as intimidating as the meetings that go on here. You see, this is sort of a modern-day Colosseum. It's not supposed to be that way in this era of "relationships" and "partnering." But like the lions and the Christians, this is where the poets meet the killers.¹ There is no real bloodshed, but there are battered egos and bloodied relationships.

The poets are the creatives from the ad agency—the art directors, copywriters, graphic artists, and account planners who are dedicated to making advertising exciting, aesthetic, compelling, and edgy. The poets are dedicated to conceiving advertising that makes clients nervous enough to rise out of their seats, pace the floor, and jingle the change in their pockets.²

The killers are the clients—or, more specifically, the marketing and strategy-trained managers from the client who wield the anything-but-aesthetic bottom-line sword against the poets' creative prowess. It's not that the killers don't like the poets. It's not that they don't like advertising. It is that they like sales and want the poets to talk about sales. But the poets have a higher calling. Neither

1. Anthony Vagnoni, "Creative Differences," *Advertising Age*, November 17, 1997, 1, 28, 30.

2. This description of clients' nervous reactions is credited to Mike Dunn, founder and principal of Dunn Communications, Salt Lake City, Utah.

3. Vagnoni, "Creative Differences," 28–30.

4. Sally Beatty, "Remember Dick? He Was Miller's Attempt to Woo Cool Drinkers," *Wall Street Journal*, May 4, 1999, 1.

EXHIBIT 10.2

Miller Lite's "Ads by Dick" were popular among creatives, but left Miller with unmoved inventory. <http://www.millerlite.com>

("Naked/Texas" :60 Radio)

(SFX: MILLERTIME MUSIC)

ANNCR.: Not long ago we asked Dick, the Creative Superstar behind Miller Lite advertising, to come up with a Miller Time radio concept just for beer-loving Texans. Dick said, "OK!" Dick said he liked radio ads because you could get away with more naughty stuff than in TV. We weren't sure what Dick meant by this, so we asked him to explain. Dick said, for example, that you can't show naked people in TV commercials. But by merely saying the words "naked people" in a radio commercial, you force listeners to picture naked people in their minds. Here is what Dick wants you to picture in your mind while listening to his commercial. Naked people. Naked people in Texas. Naked Texans going to the refrigerator and getting a Miller Lite. Wearing nothing . . . except cowboy boots . . . with spurs, drinking Miller Lite. Naked. This has been a very naughty Miller Time presentation for Texas by Dick. Thank you for your time.

SINGERS: Miller Time.

ANNCR.: Miller Brewing Company, Fort Worth, Texas.

Fallon McElligott (Minneapolis, MN), ad agency
Miller Lite, client

Still not convinced that battles such as these are being fought every day through the halls of agencies and businesses? How about the great Chihuahua war? Surely you remember the campaign (see Exhibit 10.3). Client Taco Bell and agency TBWA/Chiat/Day were trying to position Taco Bell as a cool place for teenagers and twentysomethings to eat. The themeline of the campaign, "Yo quiero Taco Bell" ("I want Taco Bell"), was on its way to becoming a national catchphrase.

We'll let the press coverage of the campaign tell the rest of the story. The headline on March 29, 1999 "Taco Bell Chihuahua is an advertising triumph."⁵ A quote

EXHIBIT 10.3

People liked the dog, but the doggie went away.



5. Greg Johnson, "Taco Bell Chihuahua Is an Advertising Triumph," *Lexington [Kentucky] Herald-Leader*, March 22, 1999, <http://www.Kentuckyconnect.com>, accessed June 16, 2001.

from the client? “If we keep it exciting, (the Chihuahua) can last forever.”⁶ And from the agency? “We never set out to create an icon for the company, but that’s what it became.”⁷ Sales rose 3 percent over the year, and during the time period when Chihuahua plush toys were sold at franchises, sales were up 9 percent. Over time, 20 million of the fuzzy things were sold. Clearly, just about everyone was “yo quiero-ing” the little dog.

But then sales slowed. After rising 4 percent in the first quarter of 1999, they shrank to 1 percent growth in the second.⁸ The killers began nipping at the Chihuahua’s heels. A new headline announced a bit of a change in the role of the advertising icon. It read, “Top Dog No More.”⁹ Taco Bell indicated that the focus in its ads was shifting from the dog to the food. A spokesperson stated, “We’ll use the dog in a different sense to draw attention to the food.”¹⁰ There was no reaction from the agency to the change in the article. Nine months later, the killers finished off the dog. Headline? “Taco Bell replaces top executive and Chihuahua, too.”¹¹ It seems that the Chihuahua that “can last forever” couldn’t. The president of Taco Bell was replaced. The agency was canned. According to the head of the agency, Taco Bell had clearly made an error. “People liked the dog,” he said. “It’s that simple.”¹²

But the debate doesn’t center on offbeat, unusual ads. The debate is much more central to the entire advertising process. It centers on the creative role of advertising. One side says you must sell with advertising, and selling means giving consumers facts they can use to make decisions. The other side says you have to build an emotional bond¹³ between consumers and brands, and that process requires communicating much more than product attributes. Bob Kuperman, former president and CEO of TBWA/Chiat/Day North America, puts it quite simply: “Before you can be believed, you have to be liked.”¹⁴ The killers who favor selling—and believe that there are plenty of killer/rationalists on the agency side as well as the client side—point to the historic failures of emotional advertising: any Alka-Seltzer campaign, Joe Isuzu, Mr. K, and Ads by Dick. They say that such campaigns are creatively self-indulgent and grossly inefficient. Fortunately, the poets and killers are not always working at cross purposes.

While the killers call creative advertising inefficient, the poets are starting to lose their patience. In a speech to the European Association of Advertising Agencies, CEO of Saatchi & Saatchi Worldwide Kevin Roberts said, “[I]t seems like it’s open season on attacking agencies nowadays, everyone’s jumping on the bandwagon. Clients, management consultants, Silicon Valley hot shot technic nerds and even Rance Crain of *Ad Age*. Enough’s enough! In the words of my New Zealand compatriot, Xena, Warrior Princess: ‘Stop staring at me before I take your eyes out.’”¹⁵

These scenarios are not unusual. There has been a tension between poets and killers for as long as there have been poets and killers. In the world of advertising and promotion, it happens all the time, even filtering into Web advertising, as evidenced in the Creativity box. The reasons are at once simple (often conflicting

6. Ibid.

7. Ibid.

8. Associated Press, “Top Dog No More: Taco Bell Pushes Chihuahua to Side in New Campaign,” ABC News Internet Ventures, October 11, 1999, <http://www.abcnews.com>, accessed June 16, 2001.

9. Ibid.

10. Ibid.

11. Associated Press, “Taco Bell Replaces Top Executive and Chihuahua, Too,” July 19, 2000, <http://www.cnn.com>, accessed June 16, 2001.

12. Ibid.

13. Marc Gobe, *Emotional Branding: The New Paradigm for Connecting Brands to People* (New York: Allworth, 2001).

14. Vagnoni, “Creating Differences,” 1.

15. Kevin Roberts, “Making Magic” (keynote address to the European Advertising Agencies Association Conference, Budapest, Hungary, October 16, 1998), available at <http://www.saatchikevin.com/talkingit/magic.html>.



Advertising is about brands.
<http://www.target.com>

Birkenstock the official counter-culture brand, or Tommy Hilfiger the official hip-hop brand? No, it was consumers, maybe more than advertisers. A lot of what Apple Macintosh, Coke, Skechers, Nike, Prada, Palm, Pepsi, Guinness, and on and on, are, is derived through a process of social meaning creation. Advertisers get a say, consumers get a say, then advertisers get another say, then consumers respond, on and on. So a brand has to have a creative force behind it, or it is dead or lost at sea, the sea of thousands of ads a day, every day, trying to create meaning in a brand that will resonate with the consumer long enough to be purchased and repurchased. And all the while, the competition doesn't sleep. So, of course, creativity matters.

Creativity in General. To understand how the creative function plays out in the advertising and promotion world, it might be best to take a brief look at creativity in general.

Any book on advertising, promotion, and branding really needs some attention paid to creativity, the thing that most people think about when they think about advertising. And, in reality, it is the thing that makes the promotion and advertising world go round. Without it, there is really no promotion or advertising. There is no branding. Creativity is advertising's soul . . . it is branding's soul. Yet most textbooks say relatively little about it. They give you some technical information on typefaces, T-squares, and film production, but they tell you little about creativity itself. We will tell you more.

We will first discuss creativity in general, then creativity in the advertising and promotion world, and then the creative-management interface/friction zone. It's an entertaining story, but it doesn't always support the myth of orderly business. It's way too messy, way too human; avert your eyes if the sight of disorder makes you squeamish. But it is the way it is in that messy REAL WORLD out there.

reward systems), and complex (the nature of creative professionals and those not so designated).

Creating Brands. Brands are all about creativity (see Exhibit 10.4). They always have been. Marketers use advertising and promotion to invent and reinvent brands all the time. Remember, advertising and promotion professionals are in the brand-meaning creation and management business. The people who actually create the ads and shape the brand image can have a huge input into what the brand comes to mean. Making ads and promotions is one of the most important functions in the creation, growth, and survival of brands.

Advertisers try to get consumers to see the brand their way. But of course there are always those pesky consumers. They want to have a say in it too. A brand is not just some object; it is an incredibly complicated social creation. Advertisers and consumers themselves struggle with each other to make a brand mean what it means. Think about Mountain Dew: Was it just the advertising that made it the official Gen-X soft drink, or

CREATIVITY

Online Advertising: Creativity Takes a Back Seat

While the promise of interactive advertising may still spark hopes for tech-minded creatives, the current reality of Web advertising is downright gloomy. Most people accept that advertising is necessary to support the content that they want, but the onslaught of online casino ads, X10 pop-ups, and other downscale advertising is quickly wearing out Net-advertising's welcome. Advertisers realize that they must do more than merely support valuable content—they have to provide value itself. Since Web ads are integrated into the Net's user experience, online ads need to do more than just get in the way.

Yet at this stage of the Web's development, creativity has suffered at the hands of account managers and impatient clients. While "poet" creatives may desire to make online advertising better, there are signs that "killer" brand managers are winning the day. The emphasis on the Internet's enhanced measurement capabilities has forced advertisers into a cutthroat competition over click-through and direct-response results. One prominent interactive service finds itself mired in the thick of the issue. E-commerce firm Gator.com is suing the Interactive Internet Advertising Bureau for asserting that its practices violate contract interests of Web publishers and advertisers. Gator is a plug-in application that makes browsing and online shopping more customizable for the end user. However, the technology also allows advertisers to advertise directly over a competing company's advertisement with banners, pop-ups, and other creative formats, effectively blocking the publisher's intended ad from being seen. Such advertising tricks and gizmos have devalued Web media and offended the sensibilities of users.

How are consumers responding to the Vegas-styled clutter of Web advertising? Boycott. Services that enable Web users to filter all unwanted advertising are gaining popularity. One service, Guidescope, uses patent-pending technology to filter advertisements and other unwanted graphics from Web pages; it even limits the ability of Web companies to track one's surfing. Another service, AdSubtract, lets you "subtract ads" by blocking pop-ups, cookies, daughter windows, and animation. Siemens AG's WebWasher service is designed to fight excessive advertising and claims more than a thousand corporate customers.

Whatever the future holds for online advertising, one thing is clear: As long as clients are mesmerized by the measurement and tracking capabilities of the Web, creativity will continue to take a back seat to crass marketing strategies inspired by the bottom line.

Sources: Kevin Featherly, "Gator Chomps First, Sues Interactive Advertising Bureau," Newsbytes, <http://www.newsbytes.com>, accessed August 28, 2001; Jeffrey Graham, "Why Online Advertising Has to Get Better," ClickZ, <http://www.clickz.com>, accessed October 17, 2001.

Howard Gardner examines the lives and works of seven of the greatest creative minds of the 20th century: Sigmund Freud, Albert Einstein, Pablo Picasso (see Exhibit 10.5), Igor Stravinsky, T. S. Eliot, Martha Graham, and Mahatma

Creativity across Domains.

The creative mind plays with the objects it loves.

—C. G. Jung¹⁶

Creativity, in its essence, is the same no matter what the domain. People who create, create, whether they write novels, take photographs, ponder the particle physics that drives the universe, craft poetry, write songs, play a musical instrument, dance, make films, design buildings, paint, or make ads. Great ads can be truly great creative accomplishments.

Creativity is generally seen as a gift, a special way of seeing the world. It is. Throughout the ages, creative people have been seen as special, revered and reviled, loved and hated. They have served as powerful political instruments (for good and evil), and they have been ostracized, imprisoned, and killed for their art. For example, creativity has been associated with various forms of madness:

Madness, provided it comes as the gift of heaven, is the channel by which we receive the greatest blessings. . . . [T]he men of old who gave their names saw no disgrace or reproach in madness; otherwise they would not have connected it with the name of the noblest of all arts, the art of discerning the future, and called by our ancestors, madness is a nobler thing than sober sense. . . . [M]adness comes from God, whereas sober sense is merely human.

—Socrates¹⁷

Creativity reflects early childhood experiences, social circumstances, and mental styles. In one of the best books ever written on creativity, *Creating Minds*,

16. Carl G. Jung, cited in Astrid Fitzgerald, *An Artist's Book of Inspiration: A Collection of Thoughts on Art, Artists, and Creativity* (New York: Lindisfarne, 1996), 58.

17. Socrates, cited in Plato, *Phaedrus and the Seventh and Eighth Letters*, Walter Hamilton, trans. (Middlesex, England: Penguin, 1970), 46–47, cited in Kay Redfield Jamison, *Touched with Fire: Manic-Depressive Illness and the Artistic Temperament* (New York: Free Press, 1993), 51.

E-SIGHTINGS



EXHIBIT 10.5

Pablo Picasso, seen here in a self-portrait, was one of the greatest creative minds of the 20th century. Read about the life of Pablo Picasso at [Artcyclopedia \(http://www.artcyclopedia.com\)](http://www.artcyclopedia.com), or visit the official Pablo Picasso Web site (<http://www.picasso.fr>).

Gandhi.¹⁸ His work reveals fascinating similarities among great creators. All seven of these individuals, from physicist to modern dancer, were

*self confident, alert, unconventional, hardworking, and committed obsessively to their work. Social life or hobbies are almost immaterial, representing at most a fringe on the creators' work time.*¹⁹

Apparently, total commitment to one's craft is the rule. While this commitment sounds positive, there is also a darker reflection:

*[T]he self confidence merges with egotism, egocentrism, and narcissism: highly absorbed, not only wholly involved in his or her own projects, but likely to pursue them at costs of other individuals.*²⁰

Let's be clear: One should not stand between a great creator and his or her work. It's not safe; you'll have tracks down your back. Or maybe the creator will just ignore you to death. Not coincidentally, these great creative minds had troubled personal lives and simply did not have time for the more ordinary people (such as their families). According to Gardner, they were generally not very good to those around them. This was true even of Gandhi.²¹

All seven of these great creatives were also great self-promoters.²² Widely recognized creative people are not typically shy about getting exposure for their work. Apparently, fame in the creative realm rarely comes to the self-effacing and timid.

All seven of these great creators were, very significantly, childlike in a critical way. All of them had the ability to see things as a child does. Einstein spent much of his career revolutionizing physics by pursuing in no small way an idea he produced as a child: What would it be like to move along with a strand of pure light? Picasso commented that it ultimately was his ability to paint like a child (along with amazingly superior technical skills) that explained much of his greatness.²³ Freud's obsession with and interpretation of his childhood dreams had a significant role in what is one of his most significant works, *The Interpretation of Dreams*.²⁴ T. S. Eliot's poetry demonstrated imaginative abilities that typically disappear past childhood. The same is true of Martha Graham's modern dance. Even Gandhi's particular form of social action was formulated with a very simple and childlike logic at its base. These artists and creative thinkers never lost the ability to see the ordinary as extraordinary, to not have their particular form of imagination beaten out of them by the process of "growing up."

Of course, the problem with this childlike thinking is that these individuals also behaved as children throughout most of their lives. Their social behavior was egocentric and selfish. They expected those around them to be willing sacrifices at the

18. Howard Gardner, *Creating Minds: An Anatomy of Creativity Seen through the Lives of Freud, Einstein, Picasso, Stravinsky, Eliot, Graham, and Gandhi* (New York: Basic Books, 1993).

19. Gardner, *Creating Minds*, 364.

20. *Ibid.*

21. *Ibid.*

22. *Ibid.*

23. *Ibid.*

24. Gardner, *Creating Minds*, 145; Sigmund Freud, *The Interpretation of Dreams*, in A. A. Brill, ed., *The Basic Writings of Sigmund Freud* (New York: Modern Library, 1900/1938).

altar of their gift. Gardner put it this way: “[T]he carnage around a great creator is not a pretty sight, and this destructiveness occurs whether the individual is engaged in solitary pursuit or ostensibly working for the betterment of humankind.”²⁵ They can, however, be extraordinarily charming when it suits their ambitions. They could be monsters at home, and darlings when performing.

Apparently they actually desire marginality;²⁶ they love being outsiders. They revel in it. This marginality seems to have been absolutely necessary to these people, and provided them with some requisite energy.

Emotional stability did not mark these creative lives either. All but Gandhi had a major mental breakdown at some point in their lives, and Gandhi suffered from at least two periods of severe depression. Extreme creativity, just as the popular myth suggests, seems to come at some psychological price.

Can One Become Creative? This is a very big question. The popular answer in a democratic society would be to say, “Yes, sure; you too can be Picasso.” Well, it’s not quite that way. It really depends on what one means by *creativity*. For starters, determining creativity is about as simple as nailing Jell-O to a wall. Is a person creative because he or she can produce a creative result? Or is a person creative because of the way he or she thinks? Further, who gets to determine what is creative and what is not? When an elephant paints holding a brush with its trunk, and the paintings sell for thousands of dollars, does it mean that the elephant is creative? Or is the next teen-throb band creative because they sell a gazillion albums? Clearly, public acceptance may not be the best measuring stick. Yet is it inconsequential? No.

Creativity in the Business World. The difficulty of determining who is creative and who is not, or what is creative and what is not, in the artistic world is paralleled in the business world. Certainly, no matter how this trait is defined, creativity is viewed in the business world as a positive quality for employees.²⁷ It’s been said that “creative individuals assume almost mythical status in the corporate world.”²⁸ Everybody needs them, but no one is sure who or what they are. Furthermore, business types often expect that working with creative people will not be easy. Often, they are right.

Against Stereotype. While we are discussing the general traits of seven extraordinary creative people, a couple of notes of caution are in order. First, it should be understood that just because you are in a “creative” job, it doesn’t always follow that you are creative. Conversely, just because you are on the account side (a.k.a. “a suit”) does not mean you are not creative (see Exhibit 10.6). In fact, great strategy is all about creativity.

Some people who study creativity in business believe that everybody is creative, albeit in different ways. For example, *adaptation/innovation theory* maintains that the way people think when facing creative tasks places them on a continuum between being an adaptor and being an innovator.²⁹ **Adaptors** tend to work within the existing paradigm, whereas innovators treat the paradigm as part of the problem. In other words, adaptors try to do things better. **Innovators** try to do things differently.³⁰ It can be argued that adaptors and innovators are equally creative.³¹ However, between

25. Gardner, *Creating Minds*, 369.

26. *Ibid.*

27. Bernd H. Schmitt, *Experiential Marketing: How to Get Customers to Sense, Feel, Think, Act, and Relate to Your Company and Brands* (New York: Free Press, 1999).

28. T. A. Matherly and R. E. Goldsmith, “The Two Faces of Creativity,” *Business Horizons*, 1985, 8–11.

29. M. Kirton, “Adaptors and Innovators: A Description and Measure,” *Journals of Applied Psychology*, vol. 61, no. 5 (1976), 622–629.

30. M. Kirton, “Adaptors and Innovators in Organizations,” *Human Relations*, vol. 33, no. 4 (1980), 213–224.

31. *Ibid.*; Matherly and Goldsmith, “The Two Faces of Creativity.”

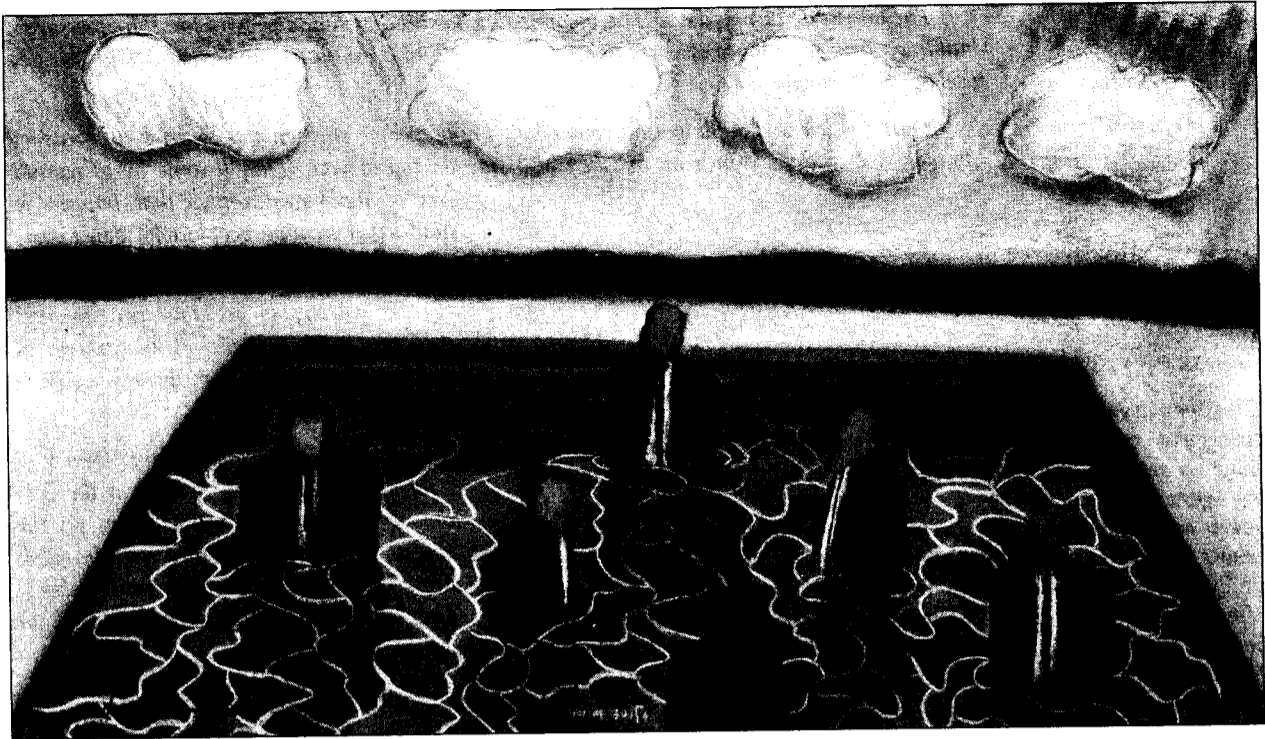


Figure 10.4

Artist David Ross's *Swimming Suits*, a view of corporate individuality and creativity that is often shared by art directors and copywriters.

and within organizations, one mode of creative problem solving may be more conducive to success than the other.³² An example of this is presented in the Global Issues box.

This approach has a certain commonsense appeal. The CEO of an airline might reward and promote an employee who created a way to get customers through the ticket line faster using technology the airline was using in a different part of its operations. However, the same CEO might not respond as favorably to an employee who created a rising set of service expectations on the part of customers. The commonsense appeal has its limitations—especially if you were an employee at a bank in 1970 who figured out a way to keep customers out of the bank. You might have gotten laughed out of a job. Luckily, ten years later you could deposit your unemployment checks at the ATM around the corner.

Creativity is the ability to consider and hold together seemingly inconsistent elements and forces. This ability to step outside of everyday logic, to free oneself of thinking in terms of “the way things are” or “the way things have to be,” apparently allows creative people to put things together in a way that, once we see it, makes sense, is interesting, is creative. To see love and hate as the same entity, to see “round squares,” or to imagine time bending like molten steel is to have this ability. Ideas born of creativity reveal their own logic, and then we all say, “Oh, I see.”

Advertising Agencies, the Creative Process, and the Product.

As an employee in an agency creative department, you will spend most of your time with your feet up on a desk working on an ad. Across the desk, also with his feet up, will be your partner—in my case, an art director. And he will want to talk about movies.

In fact, if the truth be known, you will spend fully one-fourth of your career with your feet up talking about movies.

32. Kirton, “Adaptors and Innovators in Organizations.”

The ad is due in two days. The media space has been bought and paid for. The pressure's building. And your muse is sleeping off a drunk behind a dumpster somewhere. Your pen lies useless. So you talk movies.

That's when the traffic person comes by. Traffic people stay on top of a job as it moves through the agency. Which means they also stay on top of you. They'll come by to remind you of the horrid things that happen to snail-assed creative people who don't come through with the goods on time. . . .

So you try to get your pen moving. And you begin to work. And working, in this business, means staring at your partner's shoes.

That's what I've been doing from 9 to 5 for almost 20 years. Staring at the bottom of the disgusting tennis shoes on the feet of my partner, parked on the desk across from my disgusting tennis shoes. This is the sum and substance of life at an agency.

—Luke Sullivan,
copywriter and author³³

Europe: The Birthplace of the 30-Minute Ad?

Creatives have their work cut out for them in the next five years. The emergence of interactive digital television (iDTV) as Europe's "next big thing" is sending major reverberations to the heads of global advertising agencies. A recent research study says that within the next few years, most Europeans will use televisions instead of PCs as their main points of Internet access. Researchers predict that by 2005, 50 percent of European households will use iDTV. Current iDTV services are offered on private networks operated by broadcasters such as BSKyB's SkyDigital TV, and technology giants such as Time Warner and Microsoft are set to lead the expansion of this new medium around the globe.

iDTV's interactive capabilities are changing the way advertisers think of creativity, and agency conglomerates such as Bcom3 are getting positioned to pioneer the interactive ads of the future. The group announced its strategic investment in Spring Communications, a London-headquartered agency dedicated to offering brand owners best-of-breed iDTV marketing services. Marcus Vinton, chief creative officer of Spring, said, "Interactivity at the brand level will only extend the advertising experience beyond mainstream media opportunities. The next five years are about the birth of the 30-minute ad, not the demise of the 30-second spot."

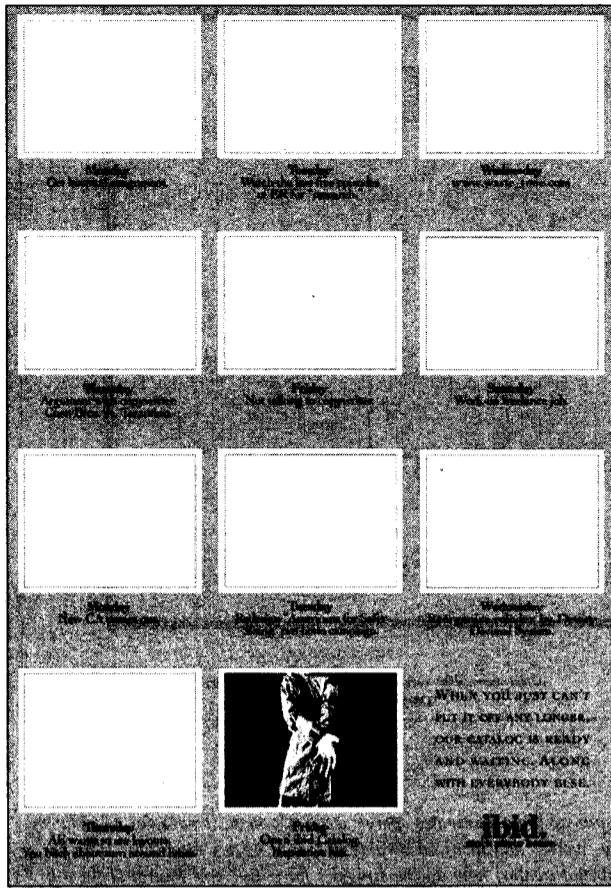
Exactly how will iDTV influence the creative capabilities of advertisers? Advertising is likely to become more varied as it becomes more targeted. Pundits generally agree that it will carry more content. There will be less focus on 30- and 60-second spots and more of everything and anything else: sponsorships, branded games, quizzes, and unusual spots—you name it. It will be less intrusive, more focused, and integrated, and will offer the viewer a lot more because it will need to attract and hold attention.

iDTV is the mainstream entertainment medium of the future; its interactive capabilities hold great promise for advertisers. Mark Iremonger of the digital advertising production firm Sleeper said, "What I can't understand is why iDTV is often sold as a direct response advertising tool. Sure, it'll be used for DR, but why focus on this when iDTV will fulfill all the advertising and marketing communication that linear TV does today?"

Sources: David Barry, "Interactive TV to Dominate European E-Commerce," *E-Commerce Times*, <http://www.ecommercetimes.com>, accessed March 27, 2000; Mark Iremonger, "iDTV Advertising: A Future to Look Forward To?," *Digitrends*, <http://www.digitrends.com>, accessed October 18, 2001; "Bcom3 Backs Future of Television through New Global Interactive Digital Venture," <http://www.bcom3.com>, accessed October 18, 2001.

Exhibit 10.7 is illustrative of many creative pursuits: lots of time trying to get an idea, or the right idea. You turn things over and over in your head, trying to see the light. You try to find that one way of seeing it that makes it all fall into place. Or it just comes to you, real easy, just like that. Magic. Every creative pursuit involves this sort of thing. However, advertising and promotion, like all creative pursuits, are unique in some respects. Ad people come into an office and try to solve a problem, always under time pressure, given to them by some businessperson. Often this problem is poorly defined, and there are competing agendas. They work for people who seem not to be creative at all, and doing their best not to let them be creative. They are housed in the "creative department," which makes it seem as if it's some sort of warehouse where the executives keep all the creativity so they can find it when they need it, and so it won't get away. This implies that one can pick some up, like getting extra batteries at Wal-Mart.

33. Luke Sullivan, "Staring at Your Partner's Shoes," in *Hey Whipple, Squeeze This: A Guide to Creating Great Ads* (New York: Wiley, 1998), 20–22.

**EXHIBIT 10.7**

Companies like *ibid* (<http://www.ibidphoto.com>) cater to the creative: The *ibid* catalog offers images to jumpstart the imagination.

nature of the product of the creative department. What is it they do? From the outside it sometimes appears that they are having a lot of fun and just screwing around while everyone else has to wear a suit to the office and try to sell more stuff for their client. But you really can't replace them . . . you need them. This creates a great deal of tension between the creative department and the account service department. In addition, individuals in the account service department and in the creative department of an advertising agency do not always share the same ultimate goals for advertisements. Individuals in the creative department see an advertisement as a vehicle to communicate a personal creative ideology that will further their careers. (See Exhibit 10.8.) The account manager, serving as liaison between client and agency, sees the goal of the communication as achieving some predetermined objective in the marketplace.³⁶ Another source of conflict is attributed to differing perspectives due to differing background knowledge of the members of creative groups and the account service team. Account managers must be generalists with broad knowledge, whereas creatives (copywriters and art directors) are specialists who must possess great expertise in a single area.³⁷

Regardless of its role as a participant in conflict, the creative department is recognized as an essential part of an advertising agency's success. It is the primary

Oil and Water: The Essential Organizational Behavior of the Creative/Management Interface.

Here are some thoughts on management and creativity by two advertising greats:

The majority of businessmen are incapable of original thinking, because they are unable to escape from the tyranny of reason. Their imaginations are blocked.

—William Bernbach³⁴

If you're not a bad boy, if you're not a big pain in the ass, then you are in some mush in this business.

—George Lois³⁵

As you can see, this topic rarely yields tepid, diplomatic comments. Advertising is produced through a social process. As a social process, however, it's marked by struggles for control and power that occur within departments, between departments, and between the agency and its clients on a daily basis.

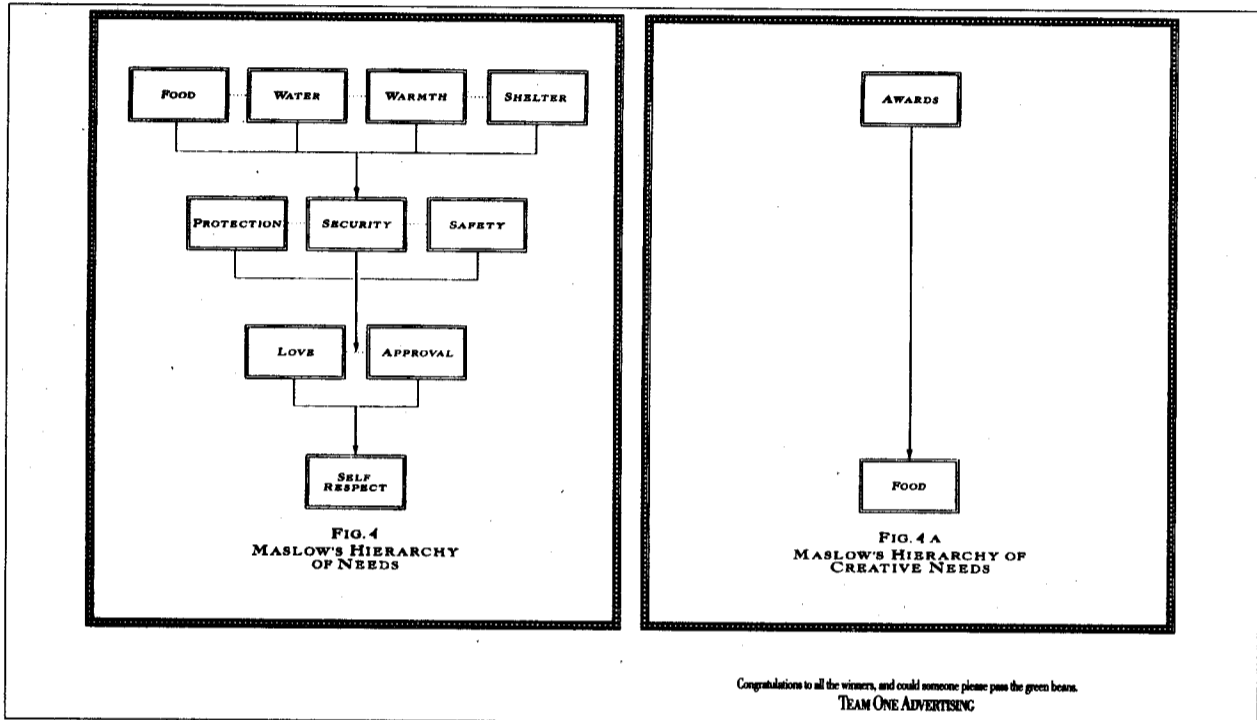
Most research concerning the contentious environment in advertising agencies places the creative department in a central position within these conflicts. We know of no research that has explored conflict within or between departments in an advertising agency that doesn't place the creative department as a focus of the conflict. One explanation hinges on reactions to the uncertain

34. William Bernbach, cited in Thomas Frank, *The Conquest of Cool: Business Culture, Consumer Culture, and the Rise of Hip Consumerism* (Chicago: University of Chicago Press, 1997).

35. George Lois, cited in Randall Rothenberg, *Where the Suckers Moon* (New York: Knopf, 1994), 135–172.

36. Elizabeth Hirschman, "The Effect of Verbal and Pictorial Advertising Stimuli on Aesthetic, Utilitarian and Familiarity Perceptions," *Journal of Advertising*, 1985, 27–34.

37. B. G. Vanden Berg, S. J. Smith, and J. W. Wickes, "Internal Agency Relationships: Account Service and Creative Personnel," *Journal of Advertising*, vol. 15, no. 2 (1986), 55–60.



Team One Advertising (<http://www.teamoneadv.com>) has an interesting spin on what motivates agency creatives; here, it parodies Maslow's hierarchy to make its point. Compare this print advertisement with the imagery, words, and ideas on display at Team One's Web site. Both are, in part, self-promotional and self-congratulatory. When an agency is both client and creator, how do the struggles for power and control of the creative product change?

consideration of potential clients when they select advertising agencies.³⁸ Creativity has been found to be crucial to a positive client/advertiser relationship. Interestingly, clients see creativity as an overall agency trait, whereas agency people place the responsibility for it firmly on the shoulders of the creative department.³⁹ However, there is evidence that, although clients may hold the entire agency responsible for the creative output, they may still unknowingly place the creative department in a position of primary responsibility. An interview with 20 of the largest advertising clients in the United States found that failing to produce effective advertisements was the single unforgivable shortcoming an agency could have.⁴⁰

However, many clients don't recognize their role in killing the very same effective ideas that they claim to be looking for (see Exhibit 10.9). Anyone who has worked in the creative department of an advertising agency for any length of time has a full quiver of client stories—like the one about the client who wanted to produce a single 30-second spot for his ice cream novelty company. The creative team went to work and brought in a single spot that everyone agreed delivered the strategy perfectly, set up further possible spots in the same campaign, and, in the words of the copywriter, was just damn funny. It was the kind of commercial that you actually look forward to seeing on television. During the storyboard presentation, the client laughed in all the right places, and admitted the spot was on strategy. Then the client rejected the spot.

38. D. West, "Restricted Creativity: Advertising Agency Work Practices in the U.S., Canada and the U.K.," *Journal of Creative Behavior*, vol. 27, no. 3 (1993), 200–213.

39. P. C. Michell, "Accord and Discord in Agency-Client Perceptions of Creativity," *Journal of Advertising Research*, vol. 24, no. 5 (1984), 9–24.

40. M. Kingman, "A Profile of a Bad Advertising Agency," *Advertising Age*, November 23, 1981, 53–54.

CONFLICT 10.3

What clients like and what clients approve are often two very different things.

AS A CONSUMER
NAME YOUR FAVORITE
TV COMMERCIAL

AS A DIRECTOR OF
MARKETING, WOULD YOU
EVER APPROVE IT?

There are few things in life the average person loves to hate more than advertising. It's not only because the vast majority of ads talk down to people. Or at people. Or fail to engage them with a single, coherent thought or emotion.

It's that even the best ads are essentially intrusions by somebody who wants to sell you something. With annoying frequency, ads interrupt your favorite television shows, your radio programs, your magazines and newspapers. Worst of all, ads invade your leisure time.

Yet given all this, there are a select few advertisements which cut through, appealing to consumers with humor, intelligence, charm and emotion. Yes, they are ads people actually like. Chances are, you like them too.

Why? Because good ads are like good people. They're smart, funny and engaging. You tend to remember them long after they're gone. That's reality.

It's also one of the seven principles of a process we call Reality-Based Advertising. A principle which proposes that to advertisers. Don't even think about getting into consumers' wallets unless you first get into their lives.

Reality-Based Advertising doesn't promote who you think you want to be. We find out who consumers will let you become. Then we apply those findings to the most important part of any communications plan, the ad itself. To involve people emotionally and credibly so that your product becomes a bigger part of their lives.

If you'd like to learn more about Reality-Based Advertising, talk to Steve Connolly, president, at 617-291-7963. We think you'd approve of the result.

Ingalta Advertising.

The client said the agency was trying to force him into a corner where he had to approve the spot, since they didn't show him any alternatives. The agency went back to work. Thirty-seven alternatives were presented over the next six months. Thirty-seven alternatives were killed. Finally, the client approved a spot, the first spot from half a year earlier. There was much rejoicing. One week later, he canceled the production, saying he wanted to put the money behind a national couponing effort instead. Then he took the account executive out to lunch and asked why none of the creatives liked him.

Or the potato chip client that told an agency that the next campaign they came up with needed to be the best work they had ever done. The new product the client was introducing was crucial to the overall success of the company. The agency put every team in the house to work on it for 16 hours a day, two weeks straight. The result? The client loved the work, saying it was indeed the best work he had ever seen. In fact, instead of the single product-introduction ad he had asked for, the client approved four ads. There was a client/agency group hug. One week later, the client fired the agency, asking why they hadn't ever presented this kind of work before.

Or the newspaper client that wanted to encourage people who didn't read the newspaper to read the newspaper. Only one mandate, though. The ads had to appear in the client's newspaper since the space was free.

It's easy and sometimes fun to blame clients for all of the anxieties and frustrations of the creatives. Especially if you work in a creative department. You can criticize the clients all you want and, since they aren't in the office next to you, they can't hear you. But, despite the obvious stake that creative departments have in generating superior advertising, it should be mentioned that no creative ever put \$200 million of his own money behind a campaign. Clients not only foot the bills, they also approach agencies with creative problems in the first place. Take, for instance, the challenge faced by many advertisers following the terrorist attacks of September 11, 2001, as discussed in the IBP box.

Indeed, you can't always blame the clients. Sometimes the conflicts and problems that preclude wonderful creative work occur within the walls of the advertising agency itself. To say there can be a bit of conflict between the creative department and the other departments of an advertising agency is a bit like saying there can be a bit of conflict when Jerry Springer walks into a studio. In advertising, the conflict often centers on the creative department and the account management department. It's no wonder that creatives feel as if their creative output is put under a microscope.

Crafting the Message in the Face of Tragedy

The September 11, 2001, terrorist attacks on New York's World Trade Center and the Pentagon sent shock waves that had a profound effect on the mood of audiences in the United States and around the world. Masses stunned by the horror and magnitude of the tragedy quickly lost the appetite for entertainment-as-usual, forcing virtually every media outlet to radically change programming in order to adjust to the somber emotional and psychological climate. Radio stations around the country immediately censored rap and pop songs that depicted violence or terror, opting for more patriotic and uplifting formats, and television networks postponed fall-season premieres to revise scripts that seemed inappropriate given the nation's mournful tone. Even certain action films were postponed indefinitely from their scheduled releases.

Not only did the events of September 11 affect media programming, but advertisers were also pressured to change course and immediately respond. Agency creatives crafted new messages offering condolences to those affected by the attacks. Corporations pulled ads from current campaigns and replaced them with messages honoring the heroic rescue crews. Banner ads for the Red Cross and other nonprofit charities appeared on nearly every major Web site.

All industries were struggling to find the words to express the inexpressible, but perhaps airline advertising was buckling most under the immense pressure. Passenger volumes plummeted after the terrorist attacks, with flights booked as much as 40 percent empty as jittery travelers opted to stay home or travel by car and train. United Airlines' first TV ads after the events spoke openly with viewers about the attacks, but received mixed reviews from marketing experts. United's agency, Fallon Worldwide, ran spots for the airlines titled "Family" and "Passion," hoping to instill themes of renewal, camaraderie, a passion for flying, and confidence in the company. In the ads, airline workers talked about the thrill of flying and the "freedom" to travel anywhere, anytime in the United States. "We're not gonna let anyone take that away from us," a pilot stated. "We're Americans, and this is not going to beat us down," added an airline executive. While United's employees expressed heartfelt boldness in the face of airline tragedy, many critics rebuffed the campaign as a brilliant execution of the wrong strategy. One critic from the New England Consulting Group claimed United was "reminding people of what [United] wanted them to forget." Some reviewers, however, applauded the airline for being out there at all, recognizing the futility in hiding when the impact of the attack was so massive.

Adopting an integrated brand promotion strategy was crucial for United. With the industry facing billions in losses, marketers had to attempt to strike a balance between expressions of confidence in the airlines and subtle encouragement to fly. Jerry Dow, United's director of worldwide marketing, said, "Our customers want us out there talking to them, but they don't want the hard sell just yet." In order to stimulate business, United relied heavily on print and electronic media to offer discounts for business and leisure travelers.

For creatives, wielding advertising's powers of persuasion with such delicate precision was daunting—many advertisers just stayed home. In fact, United's two largest competitors, American Airlines and Delta, sat on the sidelines, opting to let time heal wounds before encouraging consumers to fly the friendly skies once again.

Sources: Jack Feuer, "TV Watchers More Sensitive," *AdWeek*, <http://www.adweek.com>, accessed September 25, 2001; "United Speaks on Attacks in TV Ad," Associated Press, <http://www.adweek.com>, accessed October 18, 2001.

The creative department is recognized as an essential part of an advertising agency's success. What does a potential client consider to be of primary importance when choosing an advertising agency? Creativity. What is one of the crucial factors in a positive client/ agency relationship? Again, creativity.⁴¹ So why doesn't everybody pull together and love each other within an agency?

When a client is unhappy, it fires the agency. Billings and revenue drop. Budgets are cut. And pink slips fly. It's no wonder that conflict occurs. When someone is looking out for his or her job, it's tough not to get involved in struggles over control of the creative product. Account managers function as the conduit from agency to client and back. Every day when they walk in the door, their prime responsibility is to see that the client is purring and happy. Since clients hold the final power

41. D. C. West, "Cross-National Creative Personalities, Processes, and Agency Philosophies," *Journal of Advertising Research*, vol. 33, no. 5 (1993), 53-62.

of approval over creative output, the members of the account team see an advertisement as a product they must control before the client sees it.⁴² Members of the creative department resent the control. They feel as if their work is being judged by a group whose most creative input should be over what tie or scarf goes best with a pinstriped suit. Members of the account management team perceive the creatives as experts in the written word or in visual expression. However, they believe that creatives don't understand advertising strategy or business dealings.

As with most things, the truth probably lies somewhere in the murky middle. Unfortunately, except at a few fortunate agencies (see Exhibit 10.10), the chances for total recognition of each department's talents are slim. As stated earlier, the backgrounds of the people in each department are just too different, the organizational structures too much of a problem.

So how does an agency successfully address this tension? The ad in Exhibit 10.11 suggests that it can be done with the right computer software. In most instances, though, the truth may be that it can't, not even with the world's largest supercomputer. Beyond the philosophy may be a simple fact: Individuals in the account service departments and creative departments of advertising agencies do not always (even usually) share the same ultimate goals for advertisements. Sorry, but that's often the way it is.

For an account manager to rise in his or her career, he or she must excel in the care and feeding of clients. It's a job of negotiation, gentle prodding, and ambassadorship. For a creative to rise, the work must challenge. It must arrest attention. It must provoke. At times, it must shock. It must do all the things a wonderful piece

EXHIBIT 10.10

How to identify a good advertising executive.

For some 25 years, I was an advertising agency "AE," eventually rising through the crabgrass to become a founder, president, chairman and now chairman emeritus of Borders, Perrin and Norrander, Inc.

During all those years, I pondered the eternal question: Why do some advertising agencies consistently turn out a superior creative product while others merely perpetuate mediocrity? Is the answer simply to hire great writers and art directors? Well, certainly that has a lot to do with it, but I would suggest that there is another vital component in the equation for creative success.

Outstanding creative work in an ad agency requires a ferocious commitment from all staffers, but especially from the account service person. The job title is irrelevant—account executive, account manager, account supervisor—but the job function is critical, particularly when it comes to client approvals. Yes, I am speaking of the oft-maligned AE, the "suit" who so frequently is the bane of the Creative Department.

So how in the wide world does one identify this rare species, this unusual human being who is sensitive to the creative process and defends the agency recommendations with conviction and vigor? As you might expect, it is not easy. But there are some signals, some semihypothetical tests that can be used as diagnostic tools:

To begin with, look for unflappability, a splendid trait to possess in the heat of battle. In Australia last year I heard a chap tell about arriving home to "find a bit of a problem" under his bed. An eight-foot python had slithered in and coiled around the man's small dog. Hearing its cries, he yanked the snake out from under the mattress, pried it loose from the mutt, tossed it out the door and "dispatched it with a garden hoe." Was he particularly frightened or distressed? Not at all. "I've seen bigger snakes," he said, helping himself to another Foster's Lager. Now, that's the kind of disposition which wears well in account service land.

Source: Wes Perrin, "How to Identify a Good AE," *Communication Arts Advertising Annual 1988* (Palo Alto, Calif: Coyne and Blanchard, Inc., 1988), 210.

42. A. J. Kover and S. M. Goldberg, "The Games Copywriters Play: Conflict, Quasi-Control, a New Proposal," *Journal of Advertising Research*, vol. 25, no. 4 (1995), 52-62.

e-SIGHTINGS

"Our shop grows because our creative side and our business side work together. That's why we use Clients & Profits."

Successful ad agencies and design studios get that way when everyone works together. Over 800 of today's smartest shops do it with Clients & Profits,* the best-selling job tracking, costing, billing and accounting software for the Macintosh. It's designed only for creative businesses, so it works just like you do. Call 800 272-4488 today for a free guided tour and complete information. Or fax (619) 945-2365.

WORKING COMPUTER
The Triangle Building
4755 Oceanside Blvd., Suite 200
Oceanside, CA 92056
(619) 945-4354

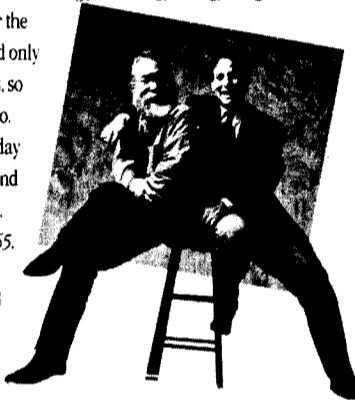


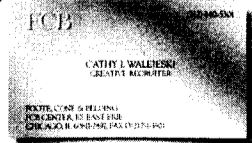
EXHIBIT 10.11

Companies like Working Computer (<http://www.clientsandprofits.com>) provide tools to help manage some of the most complex machinery imaginable: the human being. Why do you think the Clients & Profits ad highlights that the software runs on the Macintosh, given that so many of the computers in the world aren't Macs?

EXHIBIT 10.12

Foote, Cone & Belding (<http://www.fcb.com>) is in the hunt for creatives, using a bit of sassy, pun-in-cheekiness to signal that résumés are wanted. What challenges do you think the Foote, Cone & Belding HR department faces in hiring and retaining the best and brightest (beyond borrowing some of the company's creative time to produce clever recruitment ads)?

**WE'D LIKE TO TELL
ALL OF TONIGHT'S
AWARD HUNGRY, SMART ASS,
HOLIER-THAN-THOU
ADDY WINNERS EXACTLY
WHERE THEY CAN GO.**



of art must do. Yet, as we indicated earlier, this is all the stuff that makes for nervous clients. And that is an account executive's nightmare.

This nightmare situation for the account executives produces the kind of ads that win awards for the creatives. People who win awards are recognized by the award shows in the industry. Their work gets published in *The One Show* and *Communication Arts* and appears on the Clios. These people become in demand and they are wined and dined by rival agencies (see Exhibit 10.12). And they become famous and, yes, rich by advertising standards. Are they happier, better people? Some are. Some aren't. Ask one sometime. In the most honest moments, do they think about sales as much as *One Shows* and *Addys*? (See Exhibit 10.13.) So the trick is, how do you get creatives to want to pursue cool ads that also sell? Let them win awards even though it may have nothing to do with boosting sales, or, more simply, let them keep their job?

The difficulty of assessing the effectiveness of an advertisement has also created antagonism between the creative department and the research department.⁴³ Vaughn states that the tumultuous social environment between creative departments and research departments represents the "historical conflict between art and science . . . these polarities have been argued philosophically as the conflict between Idealism and Materialism or Rationalism

43. Ibid.

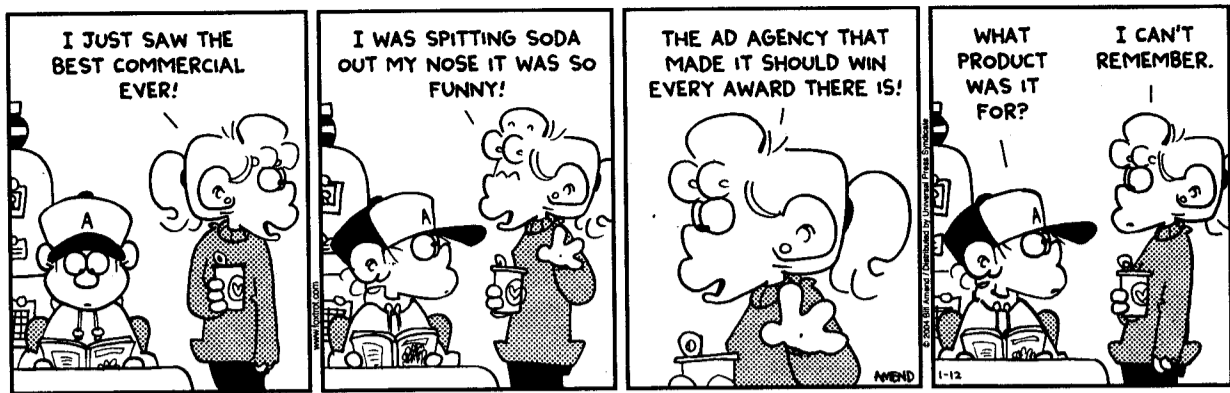



EXHIBIT 10.13


Fox Trot

**If you don't
like this ad,
we'll find
out why.**

For accurate and objective advertising research, call Kevin Menk at (612) 331-9722.

 Project Research, Inc.
1313 Fifth Street SE, Minneapolis, MN 55414

**We could fill this page
with interesting information
about our research company,
but research indicates
you wouldn't read it.**

 Project Research, Inc.
1313 Fifth Street SE, Minneapolis, MN 55414
(612) 331-9722

EXHIBITS 10.14 AND 10.15

Research on an ad's effectiveness is an important, difficult, and unpopular task.

and Empiricism."⁴⁴ In the world of advertising, people in research departments are put in the unenviable position of judging the creatives (see Exhibits 10.14 and 10.15). So, again, "science" judges art. Creatives don't like this, particularly when it's usually pretty bad science, or not science at all. Of course, researchers are sometimes creative themselves, and they don't typically enjoy being an additional constraint on those in the creative department.

44. R. L. Vaughn, "Point of View. Creatives versus Researchers—Must They Be Adversaries?" *Journal of Advertising Research*, vol. 22, no. 6 (1983), 45–48.

One of the advantages of being a practitioner-turned-educator is the opportunity to interact with a large number of agencies. Much like Switzerland, an academic is viewed as a neutral in current affairs and not subject to the suspicions of a potential competitor.

The result of my neutral status has been the opportunity to watch different agencies produce both great and poor work. And, as a former associate creative director, I'd like to share the trends I've seen in the development of bad creative. The revelation: Bad work is more a matter of structure than talent. Here are 12 pieces of advice if you want to institutionalize bad creative work in your agency:

1. Treat your target audience like a statistic.

Substituting numbers for getting a feel for living, breathing people is a great way to make bad work inevitable. It allows you to use your gut instinct about "women 55 to 64" rather than the instinct that evolves from really understanding a group of folks. The beauty with staying on the statistical level is that you get to claim you did your homework when the creative turns out dreadful. After all, there were 47 pages of stats on the target.

2. Make your strategy a hodgepodge.

Good ads have one dominant message, just one. Most strategies that result in lousy work have lots more than one. They are political junkyards that defy a creative wunderkind to produce anything but mediocrity. So make everybody happy with the strategy and then tell your creatives to find a way to make it all work. You'll get bad work, for sure.

3. Have no philosophy.

William Bernbach believed in a certain kind of work. His people emulated his philosophy and produced a consistent kind of advertising that built a great agency. Now, to be controversial, I'll say the exact same thing about Rosser Reeves. Both men knew what they wanted, got it, and prospered.

The agency leaders who do hard sell one day, then new wave the next, create only confusion. More important, the work does not flow from a consistent vision of advertising and a code of behavior to achieve that advertising. Instead, there is the wild embrace of the latest fashion or the currently faddish bromide making the rounds at conventions. So beware of those who have a philosophy and really are true to it. They are historically at odds with lousy work.

4. Analyze your creative as you do a research report.

The cold, analytical mind does a wonderful job destroying uncomfortable, unexpected work. Demand that every detail be present in every piece of creative and say it is a matter of thoroughness. The creative work that survives your ice storm will be timid and compromised and will make no one proud.

5. Make the creative process professional.

"Creative types collect a paycheck every two weeks. They'd better produce and do it now. This is, after all, a business." The corporate performance approach is a highly recommended way of developing drab print and TV. Treating the unashamedly artistic process of making ads as if it were an offshoot of the local oil filter assembly plant promises to destroy risk-taking and morale. Your work will become every bit as distinctive as a gray suit. More important, it will be on schedule. And both are fine qualities in business and we are a business, aren't we?

6. Say one thing and do another.

Every bad agency says all the right things about risk-taking, loving great creative, and admiring strong creative people. It is mandatory to talk a good game and then do all the things that destroy great work. This will help keep spirits low and turnover high in the creatives who are actually talented. And then you'll feel better when they leave after a few months because you really do like strong creative people—if they just weren't so damn defensive.

7. Give your client a candy store.

To prove how hard you work, insist on showing numerous half-thought-out ideas to your client. The approved campaign will have lots of problems nobody thought about and that will make the final work a mess.

Campaigns with strong ideas are rare birds, and they need a great deal of thinking to make sure they're right. So insist on numerous campaigns and guarantee yourself a series of sparrows rather than a pair of eagles.

8. Mix and match your campaigns.

Bring three campaigns to your client, and then mix them up. Take a little bit of one and stick it on another. Even better, do it internally. It's like mixing blue, red, and green. All are fine colors, but red lacks the coolness of blue. Can't we add a little? The result of the mix will be a thick muddy clump. Just like so many commercials currently on the air.

Continued

9. Fix it in production.

Now that your procedure has created a half-baked campaign that is being mixed up with another, tell the creative to make it work by excellent production values. Then you can fire the incompetent hack when the jingle with 11 sales points is dull.

10. Blame the creative for bad creative.

After all, you told them what they should do. ("Make it totally unexpected, but use the company president and the old jingle.") The fault lies in the fact that you just can't find good talent anymore. Never mind that some creative departments have low turnover and pay smaller salaries than you do.

11. Let your people imitate.

"Chiat/Day won awards and sales for the Apple 1984 commercial, so let's do something like that for our stereo store account." This approach works wonders because your imitation appears lacking the original surprise that came from a totally expected piece of work. You can even avoid the controversy that surrounded Chiat/Day when half the industry said the ad was rotten. Your imitation can blend right in with all the other imitations and, even better, will have no strategic rationale for your bizarre execution.

12. Believe posttesting when you get a good score.

That way you can be slaughtered by your client when your sensitive, different commercial gets a score 20 points below norm. The nice things you said about posttesting when you got an excellent score with your "singing mop" commercial cannot be taken back. If you want to do good work, clients must somehow be made to use research as a tool. If you want to do bad creative, go ahead, and believe that posttesting rewards excellent work.

Naturally, a lot of bad creative results from egomania, laziness, incompetence, and client intractability—but a lot less than most believe. I have found that bad work usually comes from structures that make talented people ineffective and that demand hard work, human dedication, and tremendous financial investment to produce work that can be topped by your average high school senior.

John Sweeney, a former associate creative director at Foote, Cone & Belding, Chicago, teaches advertising at the University of North Carolina—Chapel Hill.

EXHIBIT 10.16

Assuring poor creative.

Why Does Advertising Need Creativity? Who needs creativity? Clients do. Humans do. Creativity allows the consumer to see the brand in new and desired ways. It can accomplish the increasingly elusive breakthrough. Most marketing is about establishing brand relationships—creating and maintaining brand image and position. It is the creative execution that really allows this to happen. Advertising makes brands and relationships, and creative makes advertising. It puts the brand in a social context. It makes things into brands. And, as suggested by Exhibit 10.16, "bad" creatives will surely destroy a client's brand.

With all this talk of competition, envy, madness, constraint, and frustration, we could have written a do-it-yourself marriage counseling book. But we had to tell you the truth. Too many books make it seem that if you just follow their good management flow chart, everything will be fine: peace, love, and profits. Sorry, it's not that way. Still, maybe by understanding the reasons for and the nature of the tensions, you will be able to do better. More importantly, even with all its problems, the world of advertising is, as Jerry Della Femina said, "The most fun you can have with your pants on."⁴⁵ It's one of the few places left where really creative people can go to express themselves and make a living.

And remember:

What lies behind us and what lies before us are tiny matters compared to what lies within us.

—Ralph Waldo Emerson⁴⁶

45. Jerry Della Femina, *From Those Wonderful Folks Who Gave You Pearl Harbor, Front-Line Dispatches from the Advertising War* (New York: Simon and Schuster, 1970), 244.

46. Ralph Waldo Emerson, cited in The Quotations Archive, <http://www.aphids.com/quotes>.

SUMMARY

- 1 Describe the core characteristics of great creative minds.

A look at the shared sensibilities of great creative minds provides a constructive starting point for assessing the role of creativity in the production of great advertising. What Picasso had in common with Gandhi, Freud, Eliot, Stravinsky, Graham, and Einstein—including a strikingly exuberant self-confidence, (childlike) alertness, unconventionality, and an obsessive commitment to the work—both charms and alarms us. Self-confidence, at some point, becomes crass self-promotion; an unconstrained childlike ability to see the world as forever new devolves, somewhere along the line, into childish self-indulgence. Without creativity, there can be no advertising. How we recognize and define creativity in advertising rests on our understanding of the achievements of acknowledged creative geniuses from the worlds of art, literature, music, science, and politics.

- 2 Contrast the role of an advertising agency's creative department with that of its business managers/account executives and explain the tensions between them.

What it takes to get the right idea (a lot of hard work), and the ease with which a client or agency manager may dismiss that idea, underlies the contentiousness between an agency's creative staff and its managers and clients—between the poets and the killers. Creatives provoke. Managers control. Ads that win awards for creative excellence don't necessarily fulfill a client's business imperatives. All organizations deal with the competing agendas of one department versus another, but in advertising agencies, this competition plays out at an amplified level. The difficulty of assessing the effectiveness of an advertisement only adds to the antagonism between departments. Advertising researchers are put in the unenviable position of judging the creatives, pitting "science" against art. None of these tensions changes the fact that creativity is essential to the vitality of brands. Creativity makes a brand, and it is creativity that reinvents established brands in new and desired ways.

KEY TERMS

adaptors
innovators

QUESTIONS

1. Over the years, creativity has been associated with various forms of madness and mental instability. In your opinion, what is it about creative people that prompts this kind of characterization?
2. Think about a favorite artist, musician, or writer. What is unique about the way he or she represents the world? What fascinates you about the vision he or she creates?
3. A lot of credence is given in this chapter to the idea that tension (of various sorts) fuels creative pursuits. Explain the connection between creativity and tension.
4. What role should critics play in determining what is creative and what is not?
5. Which side of this debate do you have more affinity for: Are people creative because they can produce creative results, or are they creative because of the way they think? Explain.
6. Do you think everybody is creative, yet in different ways? According to the adaptation/innovation theory, what is the difference between the creativity of adaptors and that of innovators? Are both modes of creativity of equal benefit in every situation? Explain.
7. What forces inside an advertising agency can potentially compromise its creative work? Is compromise always to be avoided? Imagine that you are an agency creative. Define compromise. Now imagine that you are an account executive. How does your definition of compromise change?

8. Describe the conflict between the creative department and the research department. Do you think creatives are justified in their hesitancy to subject their work to advertising researchers? Why? Is science capable of judging art any more than art is capable of judging science? Explain.

9. Choose an ad from the book that represents exemplary creativity to you. Explain your choice.

10. Examine Exhibit 10.16. Using this exhibit as your guide, generate a list of ten principles to facilitate creativity in an advertising agency.

EXPERIENTIAL EXERCISES

1. Creativity with brands is often directly related to the names marketers choose for their products and services. Identify and research two brands that have especially creative names. For each, describe tangible ways that the brand's name influences the creativity expressed in its advertising and promotion themes and campaigns.

2. Write a one-page analysis of a creative song, video, or piece of art created by an artist or musician. In your own words, describe what makes the work uniquely creative (be sure to use chapter concepts concerning creativity and creative personalities). Finally, given the contentious conflicts between creativity and management in the advertising industry, do you think this artist or musician could have succeeded in a career in advertising? Explain.

3. This chapter discussed the natural friction that occurs within the organizational structure of the advertising

industry, highlighting conflicts that arise between creatives and management. Typically, creatives are experts in the written word and visual expression, but they often don't understand business strategy. Account managers, on the other hand, are trained in business strategy and client relations, but they lack an understanding of the creative process. Reread the section of this chapter concerning the tensions and challenges that occur in the industry between the creative and account management departments. Contact an employee at an advertising agency, the advertising department at your school, or any advertising professional that you know and schedule a brief phone interview concerning this issue. Ask this person for his or her professional opinion regarding organizational challenges that exist in balancing the creative and business goals of advertising, and ask for specific examples that affect the overall effectiveness of the agency.

EXPERIENCING THE INTERNET

10-1 Eureka!

The Eureka Institute is a think tank of strategic inventors whose mission includes inspiring breakthrough ideas in the workplace and enabling people to develop them into successful products and campaigns. Eureka! Ranch is the magical place where executives from organizations such as Nike, Walt Disney, Procter & Gamble, and other megacorporations convene for creativity training seminars focused on "capitalist creativity," the art and science of inspiring and articulating ideas that make money. Founded by famously barefooted master inventor Doug Hall, Eureka! Inventing continues to revolutionize the creative development and marketing of brands, including quantitative metrics to calculate their chances of success.

Eureka! Inventing: <http://www.eurekaranch.com>

1. Visit Eureka! Inventing online and briefly describe the mission, activities, and aims of this think tank.
2. What assumptions about the nature of creativity make a resort like the Eureka! successful or even possible?
3. Describe one of the Eureka! Inventing patented services such as Merwyn, and explain how it relates to enhancing creativity.

10-2 Creativity across Domains

Thousands of sites on the Web are devoted to developing creativity in business, arts, education, and entertainment. The Innovation Network, a creative online think-space based firmly upon the motivational philosophies of Maslow and other humanistic psychologists, is dedicated to rethinking conditions around the workplace to produce more innovative creative environments for business success. Browse the following creativity site and answer the questions.

Innovation Network: <http://www.thinksmart.com>

1. What is the purpose of this site? Comment on the creativity displayed on this site in terms of design and artistic appeal.
2. Do you think creativity is a personality trait that resides naturally in some people but not in others, or can anyone develop creativity? Explain your answer.
3. Name and describe two or three of the site's interactive tools and functions that are designed to give your creativity a workout online. What uses might these resources have for developing creativity in advertising and promotion?

CHAPTER 11

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



Identify nine objectives of message strategy.



Identify methods for executing each message strategy objective.



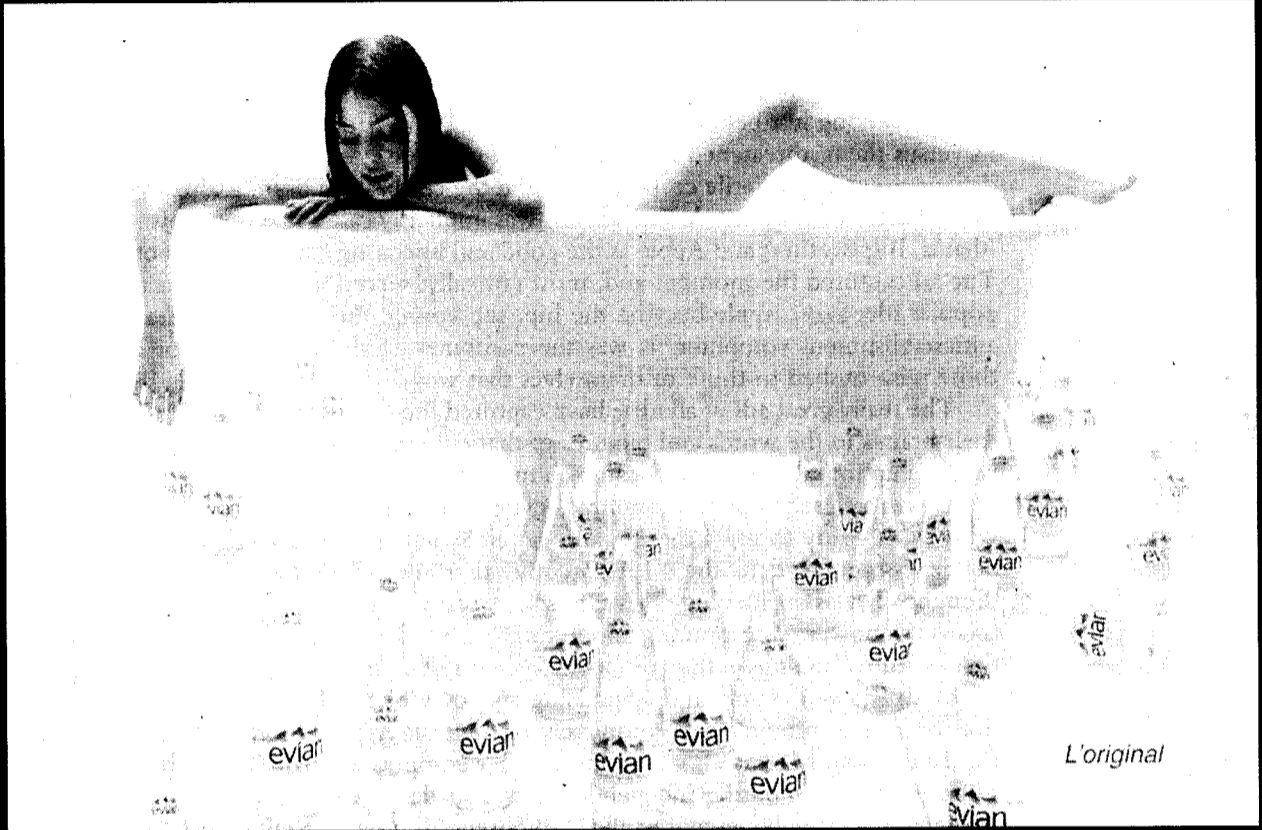
Discuss the strategic implications of various methods used to execute each message strategy objective.

CHAPTER 10
Creativity,
Advertising,
and the Brand

CHAPTER 11
Message Strategy

CHAPTER 12
Copywriting

CHAPTER 13
Art Direction
and Production



L'original

Most say it was brilliant and inspired. Others argue it was an arrogant and expensive exercise in grandstanding. In January 1984, during the third quarter of the Super Bowl, Apple Computer introduced the Macintosh with a 60-second spot. The ad, known as "1984," climaxed with a young athletic woman hurling a mallet through a huge projection screen in a monochromatic vision of a hypercorporate and ugly future.¹ On the big screen was an Orwellian Big Brother instructing the masses. As the ad closed, with the near-soulless masses obediently chanting the corporate-state mantra in the background, the following simple statement appeared on the television screens of millions of viewers: "On January 24th, Apple Computer will introduce Macintosh. And you'll see why 1984 won't be like 1984."

What made this advertisement particularly newsworthy is that it cost \$400,000 to produce (very expensive for its day) and another \$500,000 to broadcast, yet it was broadcast only *once*. It was a creative superevent. The three major networks covered the event on the evening news, and the ad went on to become *Advertising Age's* Commercial of the Decade for the 1980s. But why? It wasn't just its high cost and single play. It wasn't just its very stylish but disturbing look (directed by Ridley Scott [*Blade Runner*, *Alien*, *Gladiator*, *G.I. Jane*, *Black Hawk Down*]). It wasn't just another ad that told us who or what we could be. The ad captured and expressed something important lying just below the surface of early 1980s American culture. It was about us versus them, threatened individuals versus faceless corporations. It was about the defiant rejection of sterile corporate life and the celebration of individuality through, of all things, a computer. Archrival IBM was implicitly cast as the oppressive Big Blue (that is, Big Brother) and Apple as the good and liberating anticorporate corporation. The ad captured the moment and, most critically, served up a consumer product as popular ideology. Apple became the hip, the young, the cool, the democratic, the antiestablishment computer. It was the computer of the nonsellout, or at least of those who wished to think of themselves that way.

The really great ads of all time have captured the cultural moment, have wrapped their brands in the words and pictures of that cultural moment, and then served that package up for sale to that very same culture. If you can also serve a large and underserved market segment (for example, cyber-insecure consumers unwilling to deal with DOS, ready to use a mouse, and generally anti-button-down corporate), even better. Steve Hayden, the "1984" copywriter, described the ad this way: "We thought of it as an ideology, a value set. It was a way of letting the whole world access the power of computing and letting them talk to one another. The democratization of technology—the computer for the rest of us."²

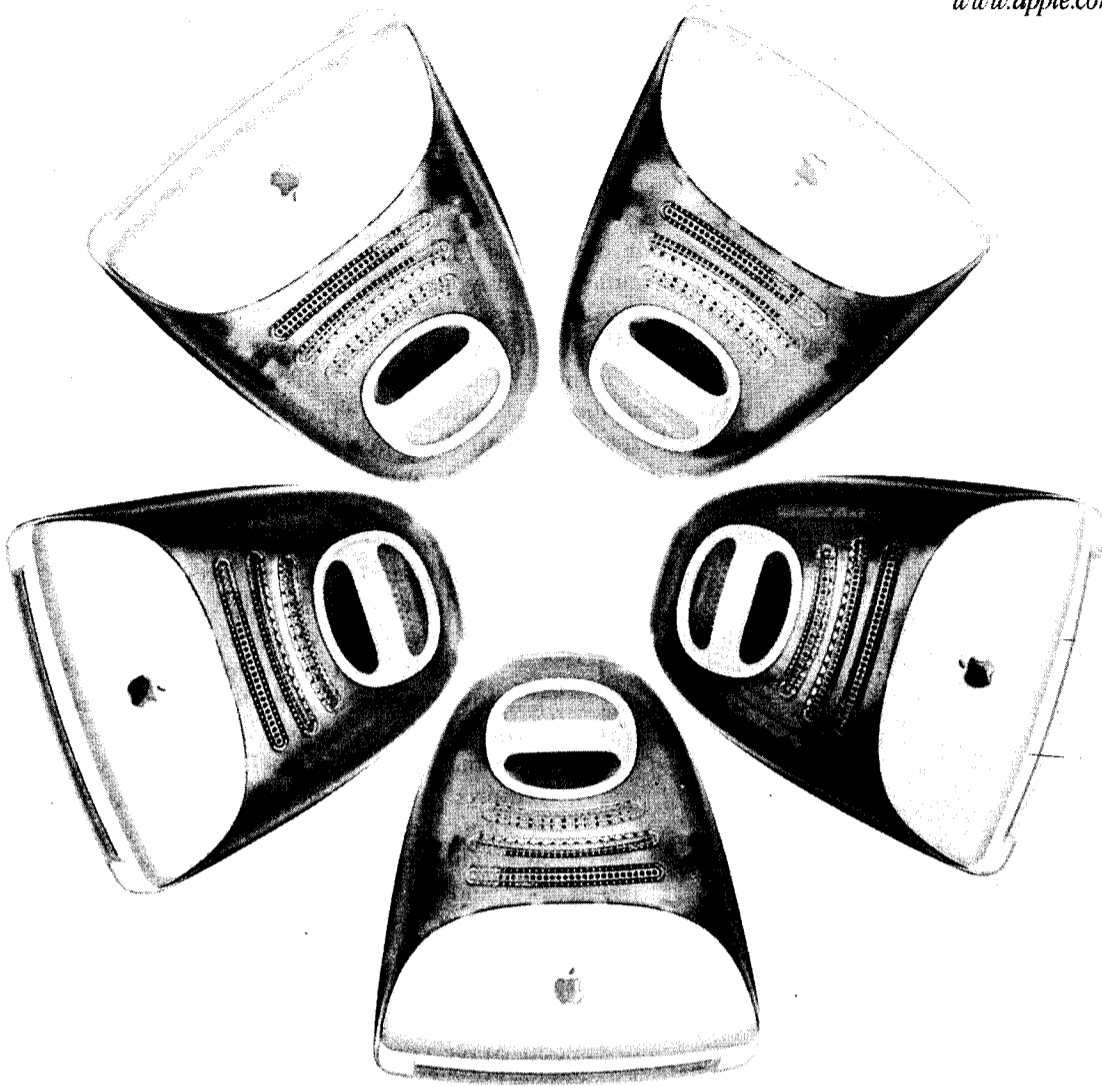
With "1984," Apple and advertising agency Chiat/Day wanted to focus attention on a new product and completely distinguish Apple and the Macintosh from Big Blue, IBM. Macintosh was going to offer computing power to the people. This declaration of computing independence was made on the most-watched broadcast of the year. Forty-six percent of all U.S. households tuned into the 1984 Super Bowl. With the Macintosh, Apple offered an alternative and very hip cyber-ethos for those who felt alienated or intimidated by the IBM world. The "1984" ad offered a clear choice, a clear instruction: *Buy a Mac, keep your soul*. And it worked. Macintosh and Apple grew and prospered. For quite a while, "the rest of us" was a pretty big group.

Of course, there is another lesson here: Nothing lasts forever, not even a great creative idea. Things change. Advertising has to evolve along with the situation, or the brand may suffer. As great as this ad was (and it was) and as much success as the Mac and Apple had (they did), things didn't stay so good. Some believe that the seeds of Apple's own near demise were sown with the "rest of us" idea. Apple effectively cultivated an us-versus-them ethic, which worked well to help establish a

1. The term *ugly future* was first used in this context (and beautifully so) by Connie Johnson, University of Illinois, in the late 1970s. We thank her.

2. This quote appears in Bradley Johnson, "10 Years after 1984: The Commercial and the Product That Changed Advertising," *Advertising Age*, January 10, 1994, 12.

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www.apple.com



Collect all five.



Think different.



The launch of the iMac. <http://www.apple.com>

brand position and even a sense of brand community, but Apple failed to keep the Apple tent inclusive and big. The rest-of-us ethos became something of a problem.

By 2000, Apple's market share had dropped to mid single digits. Many believed that Apple was forever damaged by a failure to recognize and adapt to changes in the marketplace. Because Apple refused to license its operating system until 1995 (and then changed its mind again), Macs became a relatively expensive alternative to PCs. Coupled to a premium price, they came to be regarded by some as evidence of Apple's snooty and elitist nature. The "rest of us" seemed to think they were better (more hip, cooler, more arty, and so on) than us—not necessarily a desirable product attribute if a company hopes to sell a lot of computers. Once the skid hit software availability, Apple came perilously close to extinction.

Then came the iMac. With the return of co-founder Steve Jobs to the company, Apple once again teamed up with TBWA/Chiat/Day to launch the iMac (see Exhibit 11.1), and things turned around (a bit). The company made a profit of around \$309 million after a loss of \$1 billion in the previous Jobs-less year. And over 278,000 people took iMacs home with them in the first six weeks on the market.³ The stylish iMac started a trend in the computer industry similar to what General Motors did in the 1920s, when all cars were black and were in some danger of eventually becoming undifferentiated commodities—GM began to produce them in color and introduced elements of style. This created brand distinctiveness, added value, and period obsolescence (style change).

In the 1990s, computers were quickly becoming low-margin commodities—so, taking a page from GM 70 years previously, Apple introduced style and color. This was very smart marketing and required smart advertising. But within a few months, everyone else was offering style and design as product benefits as well. Still, Apple was there first, and still "owns" the computer "style segment."

What about the present? Is Apple back tapping into the soul of American culture? Well, sort of; Apple and its advertising is highly regarded, but still only three to five percent of the market buys an Apple computer. So, while doing pretty well,

Apple computers have not conquered the American consciousness the way they did in 1984. Back then, Apple's advertising was unquestionably amazing. No one can ever take that away. It was truly creative, and it advanced Apple's strategy. Apple and Chiat/Day deserve a great deal of credit. But now the world is different, and the computer market is different. In 1984 it was still an open question as to who would win the operating system platform race; that race has been over for a long time now. Expecting people to switch platforms at this point is an entirely different marketing and advertising problem. Now Apple is more than computers. Perhaps more importantly, small share, or "micro-brands" have turned out to be both popular and profitable. Apple is still reinventing itself. Apple is many things, including the wildly successful iPod and iTunes, and still trading on its brand equity of cyber-cool (see Exhibit 11.2). Don't weep for Apple.

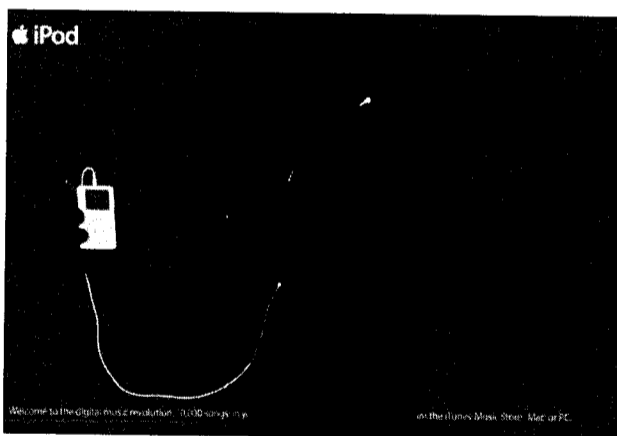


EXHIBIT 11.2

Twenty-some years after 1984, Apple has become much more than a company that just makes computers.

Message Strategy. So, now we come to talking about message, how to create a message with advertising and integrated brand promotion that advances the marketers' strategy, that helps sell more stuff. One major component of the larger advertising and promotion advertising strategy is the **message strategy**. The message strategy consists of objec-

3. David Kirkpatrick, "The Second Coming of Apple," *Fortune*, November 9, 1998, 86–92.

EXHIBIT 11.3

Message strategy objectives and methods.

Objective: What the Advertiser Hopes to Achieve
Method: How the Advertiser Plans to Achieve the Objective

| | |
|---|--|
| Promote brand recall: To get consumers to recall its brand name(s) first; that is, before any of the competitors' brand names | Repetition Slogans and jingles |
| Link a key attribute to the brand name: To get consumers to associate a key attribute with a brand name and vice versa | Unique selling proposition (USP) |
| Persuade the consumer: To convince consumers to buy a product or service through high-engagement arguments | Reason-why ads Hard-sell ads Comparison ads Testimonials Demonstration Advertorials Infomercials |
| Instill brand preference: To get consumers to like or prefer its brand above all others | Feel-good ads Humor ads Sexual-appeal ads |
| Scare the consumer into action: To get consumers to buy a product or service by instilling fear | Fear-appeal ads |
| Change behavior by inducing anxiety: To get consumers to make a purchase decision by playing to their anxieties; often, the anxieties are social in nature | Anxiety ads Social anxiety ads |
| Transform consumption experiences: To create a feeling, image, or mood about a brand that is activated when the consumer uses the product or service | Transformational ads |
| Situate the brand socially: To give the brand meaning by placing it in a desirable social context | Slice-of-life ads Product placement/ short Internet films Light-fantasy ads |
| Define the brand image: To create an image for a brand by relying predominantly on visuals rather than words and argument | Image ads |

tives and methods. The message strategy defines the goals of the advertiser (objectives) and how those goals will be achieved. This chapter offers nine message strategies, and then discusses and illustrates the methods most often used to satisfy them. This is not an exhaustive list, but it covers many of the most common and important message strategies. Exhibit 11.3 summarizes the nine message strategies presented here.

We will take these in an order from simple to complex. Also, you must understand that you will certainly see ads that are not pure cases, and ads that are combinations of strategies. We offer these nine pure types as examples. When you see an ad you should ask: What is this ad trying to do, and how is trying to accomplish that? What is its *main* method?

Essential Message Objectives and Strategies. Again, these are presented from simplest to most complex. For each one we will tell you about the logic behind the strategy, the mechanisms involved or how it works, how success or failure is typically determined, and a strategic summary of those methods.

Objective #1: Promote Brand Recall. This is the simplest type of advertising there is. Since modern advertising's very beginning, getting consumers to remember the advertised brand's name has been a goal. The obvious idea behind this objective is that if consumers remember the brand name, and can easily recall it, they are more likely to buy it. It's a pretty simple and straightforward idea.

Although human memory is a very complex topic, the relationship between repetition and recall has been pretty well understood for a long time. We know that repetition generally increases the odds of recall. So, by repeating a brand name over and over, the odds of recalling that brand name go up—pretty simple.

But advertisers typically don't just want consumers to remember their name, they want their name to be the *first* brand consumers remember, or what advertisers call *top of mind*. At a minimum, they want them to be in the *evoked set*, a small list of brand names (typically less than five) that come to mind when a product or service category (for example, airlines [United, American, Delta], soft drinks [Coke, Pepsi], or toothpaste [Crest, Colgate]) is mentioned. So, if someone says "soft drink," the folks in Atlanta (Coke headquarters) want you to say "Coke."

Again, the odds of being either top of mind or in the evoked set increase with recall. In the case of parity products (those with few major objective differences between brands—for example, laundry soaps) and other "low-involvement" goods and services, the first brand remembered is often the most likely to be purchased. First-remembered brands are often the most popular brands. In fact, consumers may actually infer popularity, desirability, and even superiority from the ease with which they recall brands. The most easily recalled brand may be seen as the leading brand (most popular, highest market share), even when it isn't. Of course, in time if people think a brand is the leading brand, it generally becomes the leading brand. For things purchased routinely, you can't expect consumers to deliberate and engage in extensive consideration of product attributes. Instead, in the real world of advertising and brand promotion, you rely on recall of the brand name, recall of a previously made judgment (e.g., *I like Tide*), or even habit to get the advertised brand in the shopping cart. Sometimes, the simplest strategy is the best strategy.

So, how do advertisers promote easy recall? There are two popular methods: repetition and the use of memory encoding (storing in memory) and retrieval (remembering) aids: slogans and jingles.



CoverGirl Wal-Mart Spring Endcap '02
Alliance, A Rock-Tenn Company
Procter & Gamble Cosmetics
Temporary • Bronze

EXHIBIT 11.4

Point-of-purchase (POP) displays are great for promoting recall.



Method A: Repetition. Repetition is a tried-and-true way of gaining easier retrieval of brand names from consumer's memory. Advertisers do this by

buying lots of ads and/or by repeating the brand name within the ad itself. This is typically a strategy for television and radio, but can be accomplished visually in print, with promotional placement, and on the Web. The idea is that things said (or shown) more often will be remembered more easily than things said (or shown) less frequently. So the advertiser repeats the brand name over and over and over again. Then, when the consumer stands in front of, say, the cosmetic aisle, the advertised brand name is recalled from memory. In the contemporary IBP world, marketers often use point-of-purchase displays (see Exhibit 11.4) that help trigger, or cue, the brand name from memory.

In other cases, the aisle itself (its look, smells, etc.) or the packaging may cue the category (say, detergent), and the advertised brand (say, *Tide*). The more accessible (easier to remember) brand names are retrieved first and fastest from memory, making them (all else being equal) more likely to end up in the shopping cart. Getting into the consumer's evoked set gets you close to actual purchase, and achieving top of mind gets you even closer. So memory is key, and thus the message strategy becomes one of achieving simple brand name recall. This type of advertising tries to keep existing users as much as it tries to get new ones. Repetition strategies are being used on the Internet as well: Familiar names are placed so that consumers will see them over and over. IPB promotional efforts do this too. Seeing a name over and over (and having it in a TV shot) is certainly one of the ideas behind named arenas: Qualcomm Park, SBC Park, Enron (sorry, Minute-Maid) Park, and so on. In fact, having brand names become the wallpaper of contemporary society is everyday evidence of the popularity of this strategy.

Does this method always work? No, of course it doesn't. There are plenty of times when consumers remember one brand, and then buy another. Still, this type of advertising plays a probability game—being easily recalled tilts the odds of being purchased in favor of the advertisers willing to pay for the recall that repetition buys.

By the way: We think the all-time record for most brand mentions in a single ad might be a tie: either "Kibbles and Bits, Kibbles and Bits, I gotta get me some Kibbles and Bits" over and over and over (see Exhibit 11.5), or the endless "Meow, Meow, Meow" for Meow-Mix.

Method B: Slogans and Jingles. Slogans are one small step up from raw repetition in degree of complexity. Here, slogans and jingles are used as ways of enhancing the odds of recalling the brand name. The basic mechanism at work here is still memory, and the goal is still brand name recall. Slogans are linguistic devices that link a brand name to something memorable due to the slogan's simplicity, meter, rhyme, or some other factor. Jingles do the same thing, just set to music. Examples are numerous: "You Deserve a Break Today"; "You're in Good Hands with Allstate"; "Like a Good Neighbor, State Farm Is There"; "We Love to Fly and It Shows"; "Two, Two, Two Mints in One"; "Get Met, It Pays"; and "It Keeps on Going and Going and Going." No doubt you've heard a few of these before. Slogans and jingles provide rehearsal because they are catchy, or prone to repeating, and the inherent properties of the slogan or jingle provide a retrieval cue for the brand name. As testament that sometimes less is more, some clever advertisers make the brand name itself, and just the brand name, into a slogan of sorts: two



EXHIBIT 11.5

This ad may hold the all-time record for most brand mentions in a single :30 ad. Kibbles and Bits, Kibbles and Bits . . .

to Fly and It Shows"; "Two, Two, Two Mints in One"; "Get Met, It Pays"; and "It Keeps on Going and Going and Going." No doubt you've heard a few of these before. Slogans and jingles provide rehearsal because they are catchy, or prone to repeating, and the inherent properties of the slogan or jingle provide a retrieval cue for the brand name. As testament that sometimes less is more, some clever advertisers make the brand name itself, and just the brand name, into a slogan of sorts: two



EXHIBIT 11.6

AF-LAC: these ads provided very effective brand name rehearsal.

famous examples come to mind: Bud-Weis-er, and AF-LAC. Remember, rehearsal leads to remembering (see Exhibit 11.6).

Or consider a practical application of the human need to complete or “close” a verse: For example, when you say, “Like a good neighbor,” you pretty much are compelled to say “State Farm is there.” As you know, slogans and jingles are hard to get out of your head. That’s the idea.

Evaluation of repetition, slogans, and jingles is typically done through day-after-recall (DAR) tests and tracking studies emphasizing recall (e.g., “name three detergents”). In other words, these ads are evaluated with the most traditional ad copy research there is: simple recall measures. This is one time when the method of evaluation actually makes perfect sense: You are trying to get recall, you test for recall.

Strategic Implications of Repetition, Slogans, and Jingles.

Extremely resistant. Once a high level of memory is achieved, it becomes virtually impossible to forget the brand.

Efficient for consumer. For routinely purchased

items, where the harm in a bad choice is minimal, consumers rely on simple and easy decision “rules”: Buy what you remember. So, this kind of advertising works well in repeat purchase and low involvement items.

Big carryover. Once established, the residual amount of impact from the campaign is huge. If some advertisers stopped advertising today, you would remember their slogans, jingles, and names for a long, long time.

Long-term commitment/initial expense. To achieve this carryover, advertisers have to sign on for a lot of advertising, at least initially. It’s not easy in a cluttered media environment to build this type of resistant recall. It takes lots and lots of repetition, particularly early on, or a very memorable slogan or jingle. Once advertisers have achieved a high recall level, they can fine tune their spending so that they are spending just enough to stay where they want. But they have to get there first, and it can be a very expensive trip.

Competitive interference. This is less a problem with repetition, but sometimes consumers learn a slogan or jingle only to associate it with the wrong brand. This has happened more times that you might imagine. For example, “It keeps on going, and going, and going...” It’s Duracell, right? Wait, maybe it’s Eveready? Not absolutely sure? Not good.

Creative resistance. Creatives generally hate this type of advertising. Can you imagine why? These ads are rarely called creative and don’t usually win a lot of creative awards. So creatives are less likely to enjoy working on them.

Objective #2: Link Key Attribute(s) to the Brand Name. Sometimes advertisers want consumers to remember the brand and associate it with one or two attributes. This type of advertising is most closely identified with the **unique selling proposition (USP)** style, a type of ad that strongly emphasizes a supposedly unique quality (or qualities) of the advertised brand. It is more complicated than simple brand recall, and a bit more challenging. It requires more of the consumer, a little more thought, a little more learning. The ads provide a reason to buy, but don’t require the consumer to think too much about that reason, just associate it with the brand name. In fact, many experts believe these ads work best if consumers don’t think too much

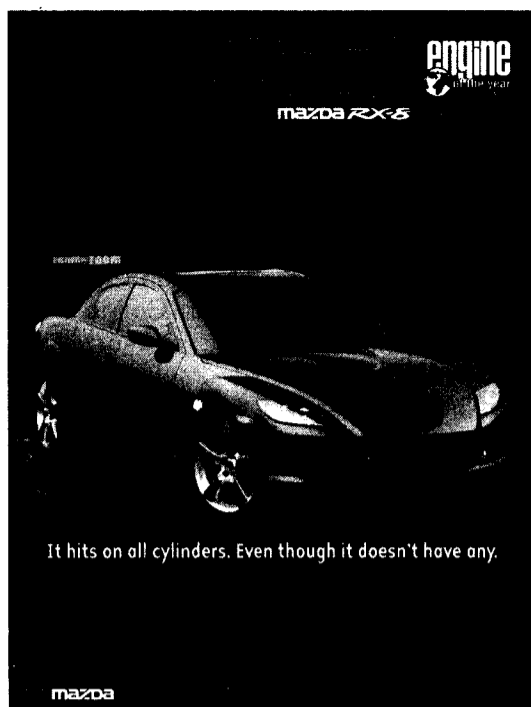


EXHIBIT 11.7

Here we have a very clear USP.

about the claim. The primary mechanisms are memory and learning. The appeal may be through words (copy), or pictures (art direction). Contemporary advertising relies more and more on visuals to communicate key brand attributes. This type of ad is typically evaluated through tracking studies that measure attitudes, beliefs, and preferences, as well as through qualitative field work and communications tests.

Method: USP. The idea of emphasizing one and only one brand attribute is a very good idea—sometimes two are used if they are complementary, such as “strong but gentle.” Ads that try to link several attributes to a brand while working to establish recall generally fail—they are too confusing and give too much information. Too much is attempted. Consider the Mazda ad in Exhibit 11.7. Clearly, the USP is the rotary engine. The headline delivers the single-minded message. The body copy explains it further. Why buy an RX-8? It has a rotary engine. That’s all you have to know. This type of advertising relies on a soft-logic: The ad makes sense, but don’t think too much about it. Other examples of unique selling propositions: Volvo is safe, Listerine is strong, Ivory is pure. Success or failure

with this method is demonstrated by successful recall of an attribute linked to a brand. Evaluation of the USP method is typically done through recall tests and tracking studies.

Strategic Implications of the USP Method.

- 👉 **Very resistant.** If you can strongly link one attribute with one brand, it is incredibly resistant to competitive challenge. Generations of consumers have been born, lived, and died remembering that Ivory is pure. Being the first to claim an attribute can be a huge advantage. Professionals will often say “Brand X owns that space” (meaning that attribute). For example, “Ivory owns the purity space.”
- 👉 **Big carryover.** For the reason just mentioned, the efficiency of this advertising is great, once this link has been established. An investment in this kind of advertising can carry you through some lean times.
- 👉 **Long-term commitment.** If advertisers are going to do this, they have to be in it for the long haul. You can’t keep switching strategies and expect this to work.
- 👉 **Expense.** It will be very expensive, at least initially.
- 👉 **Competitive interference.** A lot of advertisers may be trying to link the same single attribute to their brand. If others stay out of your attribute “space,” great. But if they crowd in, it can get very confusing for consumers, and inefficient for the advertiser. Again, think of batteries.
- 👉 **Some creative resistance.** Creatives tend not to hate this quite as much as simple repetition, but it does seem to get old with them pretty fast. Don’t expect a thank-you note.

Objective #3: Persuade the Consumer. This style of advertising is about arguments. In this type of advertising we move up from linking one (possibly two) attributes to a brand name with soft-logic and simple learning to actually posing several logical arguments to an engaged consumer. This is high-engagement advertising. That is, it assumes an actively engaged consumer, a consumer who is actually paying attention and considering the presented arguments. Its goal is to convince the consumer through arguments that the advertised brand is superior, the right choice. The advertiser says,

in effect, you should buy my brand because of x, y, and z reasons. These arguments have typically been thought of as verbal (copy), but have in the past few decades come to use visual arguments (visual rhetoric) as well. As detailed below, there are several forms of this genre of advertising.

For this general type of advertising to work as planned the receiver has to think about what the advertiser is saying, at least to some degree. The receiver must “get” the ad, understand the argument, and agree with it. In a persuasion ad there is an assumed dialogue between the ad and the receiver and some of the dialogue is the consumer disagreeing and counter-arguing with the message. This and its inherent wordiness are the reasons such advertising is becoming less popular. Consider the very short attention span of consumers, sophisticated media surfers, and incredible media clutter. These ads are still found in the earliest phases of a technological innovation, where a new good or service has to be explained to consumers, or in categories where the very nature of the product or service is complex. But generally, ads that resemble high school debates are going the way of the eight-track tape.

Method A: Reason-Why Ads. In a reason-why ad, the advertiser reasons with the potential consumer. The ad points out to the receiver that there are good reasons why this brand will be satisfying and beneficial. Advertisers are usually relentless in their attempt to reason with consumers when using this method. They begin with some claim, like “Seven great reasons to buy Brand X,” and then proceed to list all seven, finishing with the conclusion (implicit or explicit) that only a moron would, after such compelling evidence, do anything other than purchase Brand X (see Exhibit 11.8). Other times, the reason or reasons why to use a product can be presented deftly. The biggest trick to this method is making sure that the reason makes sense and that consumers care. The reason-why approach is used in direct mail and other forms of IBP (see Exhibit 11.9).

Strategic Implications of Reason-Why Ads.

- ☞ Gives consumer “permission to buy.”
- ☞ Gives the consumer a socially acceptable defense for making the purchase.
- ☞ Assumes a high level of involvement; consumers have to be paying attention for these ads to work.
- ☞ Generates considerable counterarguments. May convince consumers why *not* to buy.
- ☞ Legal/regulatory challenges/exposure; the makers of these ads tend to get dragged into court quite a bit. You’d better make sure that all your reasons why can stand up in court. Many haven’t.

Method B: Hard-Sell Ads. Hard-sell ads are a subcategory of reason-why ads. They are characteristically high pressure and urgent. Phrases such as “act now,” “limited time offer,” “your last chance to save,” and “one-time-only sale” are representative of this method. The idea is to create a sense of urgency so consumers will act quickly (see Exhibit 11.10). Sometimes these are done as IBP, and include “call or click *now*.” Of course, many consumers have learned to ignore or otherwise discount these messages.

Strategic Implications of Hard-Sell Approaches.

- ☞ Gives consumer “permission to buy NOW.”
- ☞ Gives the consumer a socially acceptable defense for making a potentially poor choice: “I had to act”; “It was on sale that day”; “It was such a good deal.”
- ☞ Legal/regulatory challenges/exposure; the makers of these ads tend to get dragged into court quite a bit.

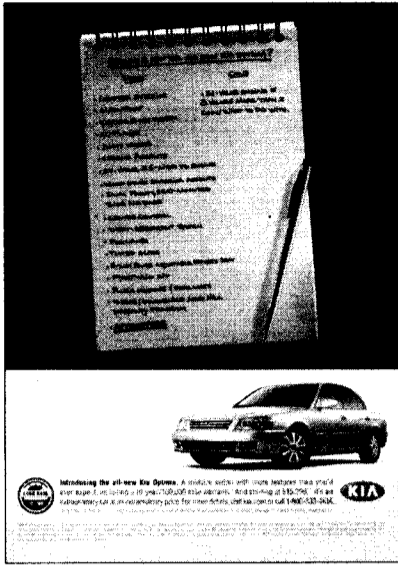


EXHIBIT 11.8

Kia uses reason-why.

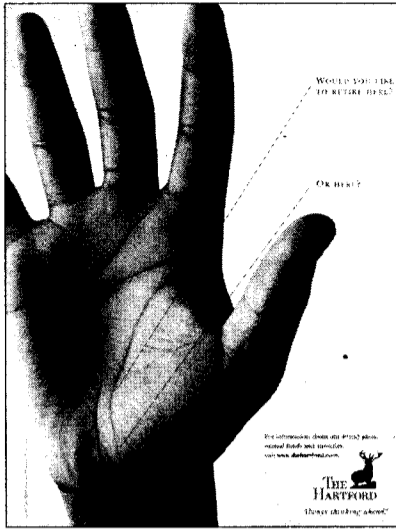


EXHIBIT 11.9

The insurance category tends to use reason-why. Makes sense, right?

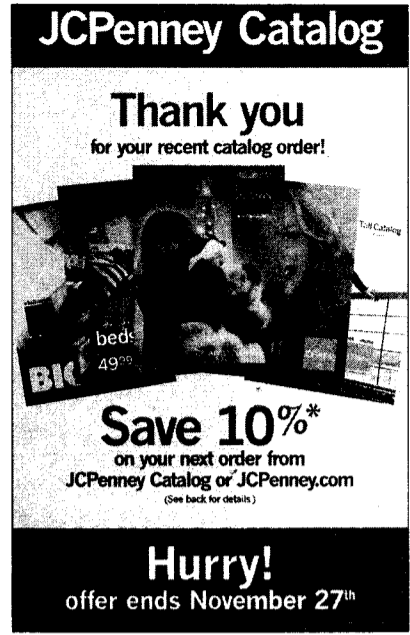


EXHIBIT 11.10

Hurry! You better act fast to get the benefits of JCPenney. <http://www.jcpenny.com>

Method C: Comparison Ads. Comparison advertisements are another form of advertising designed to persuade the consumer. Comparison ads try to demonstrate a brand’s ability to satisfy consumers by comparing its features to those of competitive brands. Comparisons can be an effective and efficient means of communicating a large amount of information in a clear and interesting way, or they can be extremely confusing. Comparison as a technique has traditionally been used by marketers of convenience goods, such as pain relievers, laundry detergents, and household cleaners. Advertisers in a wide range of product categories have tried comparison advertising from time to time. For several years, AT&T and MCI had a long-running feud over whose rates were lower for household consumers. The ads seemed to have thoroughly confused everyone. Luxury car makers BMW and Lexus have targeted each other with comparative claims.⁴ In one ad, BMW attacks the sluggish performance of Lexus with the message, “According to recent test results, Lexus’ greatest achievement in acceleration is its price.” Not to be left out, the Acura dealers of Southern California entered the luxury car advertising skirmish by stating, “We could use a lesser leather in our automobiles, but then we’d be no better than Rolls-Royce.” Evaluation of comparison ads is typically done through tracking studies that measure attitudes, beliefs, and preferences; focus groups are also used.

Using comparison in an advertisement can be direct and name competitors’ brands, or it can be indirect and refer only to the “leading brand” or “Brand X.”

- Direct comparison by a low-share brand to a high-share brand increases the attention on the part of receivers and increases the purchase intention of the low-share brand.
- Direct comparison by a high-share brand to a low-share brand does not attract additional attention and increases awareness of the low-share brand.

4. Jim Henry, “Comparative Ads Speed Ahead for Luxury Imports,” *Advertising Age*, September 12, 1994, 10.



EXHIBIT 11.11
A straight comparison ad.
<http://www.castroilusa.com>



EXHIBIT 11.12
Considering buying a Rolls Royce or a Bentley? Perhaps you might rethink your decision after you compare them directly to the Lexus LS 430. <http://www.finesedan.com>

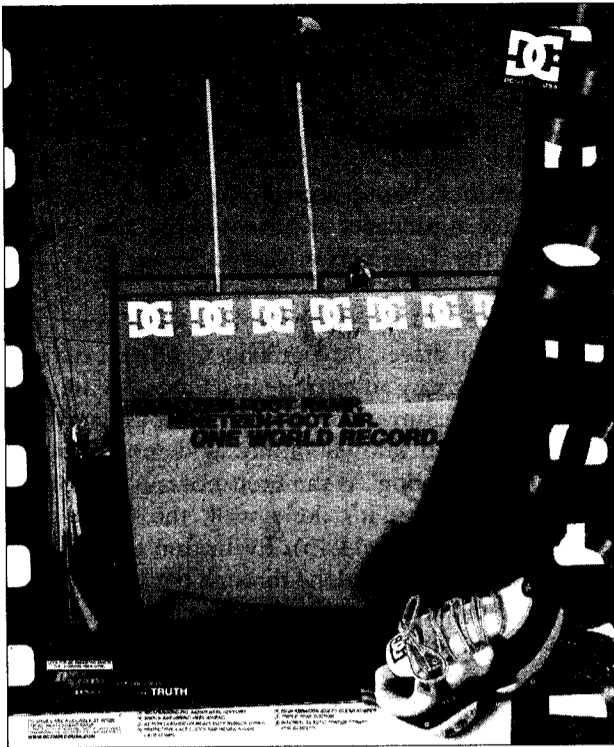
- Direct comparison is more effective if members of the target audience have not demonstrated clear brand preference in their product choices.⁵

For these reasons, established market leaders almost never use comparison ads. What do you think of the ads in Exhibits 11.11 and 11.12?

Strategic Implications of Comparison Ads.

- Can help a low-share brand, largely through awareness.
- Provides social justification for purchase.
- Significant legal/regulatory exposure.
- Not done much outside the United States; in much of the world, they are either outlawed, not done by mutual agreement, or simply considered in such poor taste as to never be done.
- Not for established market leaders.
- These ads are sometimes evaluated as more offensive and less interesting than noncomparative ads.

5. Conclusions in this list are drawn from William R. Swinyard, "The Interaction between Comparative Advertising and Copy Claim Variation," *Journal of Marketing Research* 18 (May 1981), 175-186; Cornelia Pechmann and David Stewart, "The Effects of Comparative Advertising on Attention, Memory, and Purchase Intentions," *Journal of Consumer Research* (September 1990), 180-191; and Sanjay Petruvu and Kenneth R. Lord, "Comparative and Noncomparative Advertising: Attitudinal Effects under Cognitive and Affective Involvement Conditions," *Journal of Advertising* (June 1994), 77-90.

**EXHIBIT 11.13**

Dave Mirra is known as the Miracle Boy of freestyle BMX riding. What type of audience might find his testimonials persuasive?

grace, as several have in recent years, and potentially damage the reputation of the brand for which he or she was once the champion.

Expert spokespeople for a brand are viewed by the target audience as having expert product knowledge. The GM Parts Service Division created an expert in Mr. Goodwrench, who was presented as a knowledgeable source of information. A spokesperson portrayed as a doctor, lawyer, scientist, gardener, or any other expert relevant to a brand is intended to increase the credibility of the message being transmitted. There are also real experts. Advertising for the Club, a steering-wheel locking device that deters auto theft, uses police officers from several cities to demonstrate the effectiveness of the product. Some experts can also be celebrities. This is the case when Michael Jordan gives a testimonial for Nike basketball shoes.

There is also the *average-user testimonial*. Here, the spokesperson is not a celebrity or portrayed as an expert but rather as an average user speaking for the brand. The philosophy is that the target market can relate to this person. Solid theoretical support for this testimonial approach comes from reference group theory. An interpretation of reference group theory in this context suggests that consumers may rely on opinions or testimonials from people they consider similar to themselves, rather than on objective product information. Simply put, the consumer's logic in this situation is, "That person is similar to me and likes that brand; therefore, I will also like that brand." In theory, this sort of logic frees the receiver from having to scrutinize detailed product information by simply substituting the reference group information (see Exhibit 11.14). Of course, in practice, the execution of this strategy is rarely that easy. Consumers are very sophisticated at detecting this attempt at persuasion. Evaluation is usually through tracking studies; focus groups and communications tests are also used.

Strategic Implications of Testimonial Advertising.

- 1. Very popular people can generate popularity for the brand.
- 2. Can make more attribute-related reasons important (e.g., "If it's good enough for Michael Jordan, it's good enough for me").

6. Kevin Goldman, "Year's Top Commercials Propelled by Star Power," *Wall Street Journal*, March 16, 1994, B1.

Method D: Testimonials. Testimonials are another type of persuade-the-consumer type of ad. A frequently used message tactic is to have a spokesperson who champions the brand in an advertisement, rather than simply providing information. When an advocacy position is taken by a spokesperson in an advertisement, this is known as a **testimonial**. The value of the testimonial lies in the authoritative presentation of a brand's attributes and benefits by the spokesperson. There are three basic versions of the testimonial message tactic.

The most conspicuous version is the *celebrity testimonial*. Sports stars such as Michael Jordan (McDonald's) and Arnold Palmer (Pennzoil, Cadillac) are favorites of advertisers. Supermodels such as Cindy Crawford (Pepsi) are also widely used. The belief is that a celebrity testimonial will increase an ad's ability to attract attention and produce a desire in receivers to emulate or imitate the celebrities they admire (see Exhibit 11.13).

Whether this is really true or not, the fact remains that a list of top commercials is dominated by ads that feature celebrities.⁶ Of course, there is the ever-present risk that a celebrity will fall from

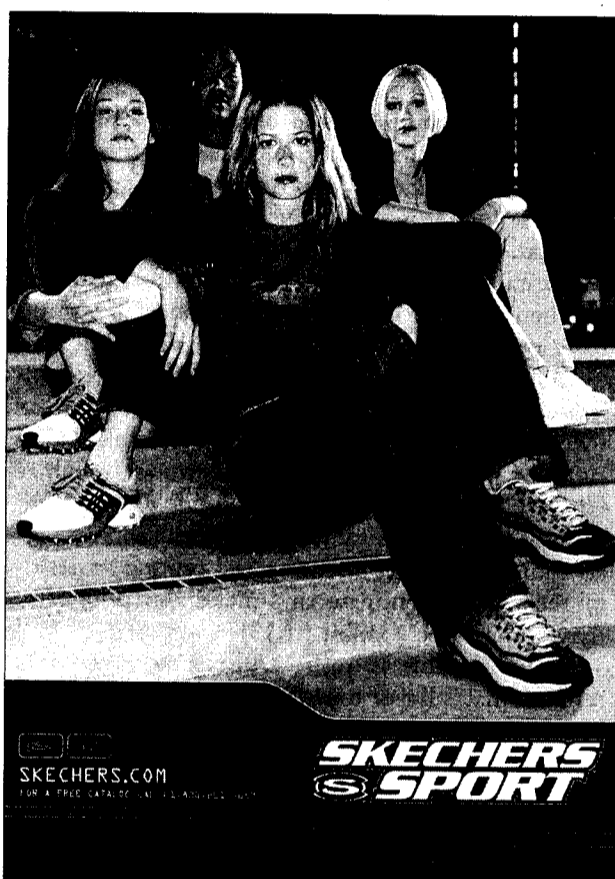


EXHIBIT 11.14

This testimonial is done with facial expression, body attitude and "look." These days even testimonials don't have to have words. There is no doubt they are testifying.
<http://www.skechers.com>

Method F: Infomercials. With the **infomercial**, an advertiser buys from five to 60 minutes of television time and runs a documentary/information/entertainment program that is really an extended advertisement. Real estate investment programs, weight-loss and fitness products, motivational programs, and cookware have dominated the infomercial format. A 30-minute infomercial can cost from \$50,000 to a few million to put on the air. The program usually has a host who provides information about a product and typically brings on guests to give testimonials about how successful they have been using the featured product. Most infomercials run on cable stations, although networks have sold early-morning and late-night time as well. Recently, even big and very traditional firms have used infomercials..

Not all advertisers have had such good success with infomercials. After spending nearly half a million dollars to produce and air a 30-minute infomercial promoting a Broadway show, the producers pulled the ad after three weeks. The toll-free number to order tickets drew an average of only 14 calls each time the ad ran.⁸ However, infomercials can have tremendous sales impact. Many leading infomercials rely on celebrity spokespeople as part of the program. Infomercials are often used in an integrated communications effort with promotional efforts. The infomercial sucks you in; mail and telephone promotions follow up; and then some type of sales promotion effort, such as a "free" trip to hear more about this amazing offer, concludes the approach.

- ☞ Generally, poor memorability for who is promoting what. Consumers often forget who likes what.
- ☞ Can generate more popularity for the star than for the brand.
- ☞ Celebrities, being human, are not as easy to manage as packages or cartoon characters: think Tony the Tiger versus Martha Stewart.⁷

Method E: Demonstration. How close an electric razor shaves, how green a fertilizer makes a lawn, or how easy an exercise machine is to use are all product features that can be demonstrated by using a method known simply as demonstration. "Seeing is believing" is the motto of this school of advertising. When it's done well, the results are striking (see Exhibit 11.15). Evaluation of demonstration ads is typically done through tracking studies that measure attitudes, beliefs, and preferences; focus groups and communication tests are also used.

Strategic Implications of Demonstration Ads.

- ☞ Can create very retrievable memory.
- ☞ Inherent credibility of "seeing is believing," however slight.
- ☞ Can be used as social justification; helps the consumer defend his or her decision to buy.
- ☞ Heavy regulatory/legal exposure.
- ☞ Faces a cynical audience, suspicious of special effects "tricks."

7. See Susan Fournier, Harvard Business School Case: Martha Stewart.

8. Kevin Goldman, "Broadway Hopeful Flops with Debut of Infomercial," *Wall Street Journal*, April 1992, 1.