

incentive-based compensation for their advertising agencies? Why might an ad agency be reluctant to accept an incentive-based compensation system?

9. IMC Perspective 3-2 discusses how Gateway has changed advertising agencies five times in the

past ten years. Discuss the various reasons why Gateway has changed agencies so often and how the changes may have impacted its advertising.

10. Discuss the role of agencies that perform specialized marketing communication

services such as public relations firms, direct response, sales promotion, and interactive agencies. Why might a company choose to use these specialized agencies rather than using a full service agency for all of its integrated marketing communication functions?

# Perspectives on Consumer Behavior

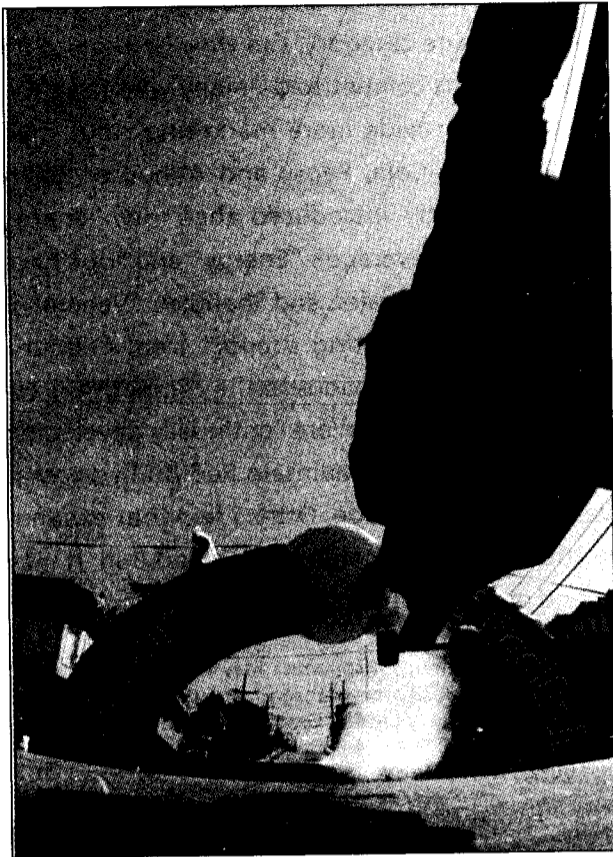
## 4

### Chapter Objectives

1. To understand the role consumer behavior plays in the development and implementation of advertising and promotional programs.
2. To understand the consumer decision-making process and how it varies for different types of purchases.
3. To understand various internal psychological processes, their influence on consumer decision making, and implications for advertising and promotion.
4. To recognize the various approaches to studying the consumer learning process and their implications for advertising and promotion.
5. To recognize external factors such as culture, social class, group influences, and situational determinants and how they affect consumer behavior.
6. To understand alternative approaches to studying consumer behavior.

# Energy Drinks: The Real Thing or Just Bull?

Forget about the cola wars between Pepsi and Coke. The new threat to the stagnant cola mar-



ket is an international cult drink—and that's no bull—it's Red Bull, actually. And the large soft-drink manufacturers have taken notice.

Red Bull is just one of the many "energy" drinks now on the market. Others include Extreme Energy Shot, Venom, Dark Dog, Energy, AMP, and KMX, just to mention a few. In fact, it seems that every company wants to introduce its own energy drink in an attempt to take advantage of a new market that is growing at an amazing rate. Consider that when Red Bull first introduced its product in 1997, there was no such thing as an energy-drink category. By 2001, estimates are that the market was somewhere between \$140 million to \$200 million, with fore-

casts that it will be \$500 million in just a few years. Also consider that Red Bull has about 70 percent of the market share. While these figures may pale in comparison to the overall carbonated-beverage market (approximately \$45 billion), there is enough concern for competitors to take notice.

Red Bull has been variously described as "an international cult drink," "a kinky concoction," and "the new sex drink," all of which suit the company just fine. It is exactly the mystique attributed to the drink that helps create the "buzz" that makes it sell. Many marketers feel that it is Red Bull's alternative image that accounts for much of its success. Even the company's marketing department likes to maintain the illusions while claiming the product is a "nonmarketed brand."

But while the mystique part of Red Bull may be true, the "nonmarketed" claims may not necessarily be so. As noted by the *Economist*, it takes a lot of marketing money to sustain this image. The magazine notes that Red Bull's founder, Dietrich Mateschitz (an Austrian) "spent three years developing the drink's image, its packaging and its low-key, grassroots marketing strategy." Further, Red Bull puts about 35 percent of its revenues back into advertising—about \$19 million according to *Advertising Age*. And advertising is not the only IMC component the company successfully employs. At launch in Europe, students were persuaded to drive around in Volkswagen Beetles or Minis with a Red Bull can strapped on the top and to conduct Red Bull parties using wild and unusual themes. A marketing director from Procter & Gamble was hired to oversee strategic planning for the brand in North America (he later was named one of *Brandweek's* Marketers of the Year).

At present, Red Bull's marketing efforts still employ grassroots efforts but have expanded to include more traditional media as well. What seems to make Red Bull successful, however, is that the efforts assume a very nontraditional approach to its messages—essentially attempting to do the opposite of what everyone else does. The first order of business in any market is to determine four or five accounts in a particular market area that sustain the image—underage discos, surf shops, and so on—rather than attempting to gain widespread distribution. Spokespeople (deejays, alternative sports stars, etc.) are recruited to spread the word and to be seen using the product. Sponsorship of alternative sports like the Red Bull Streets of San Francisco (a street luge event) and Red Bull Rampage (a free-ride mountain bike competition) has also been shown to be effective, as has the use of "education teams"—hip locals who drive around in a Red Bull auto handing out samples and promoting the brand.

The more mainstream media are also used—though on a market-by-market basis rather than through mass media. And even these traditional efforts may take on a less traditional form. For example, the advertising campaign ("Red Bull

gives you wings") uses animated television and radio spots featuring the devil trying the product and sprouting wings. The company also sponsors a number of more traditional events ranging from soapbox derbies to Formula 1 racing cars, as well as extensive public relations programs to reach youth.

Now that Mateschitz and Red Bull have created a new beverage category, can they hold on to it? Success attracts competitors—many who have the potential to provide more marketing clout than Red Bull. Coca-Cola, Pepsi, and Anheuser Busch have all recently introduced their own energy drinks. Hansen Beverage's "Energy" and Sobe have both been gaining sales, and Snapple's "Venom" is getting more marketing support from Cadbury. Mateschitz is not oblivious to the competition. He and his marketing team are continually developing more wacky ideas to maintain Red Bull's alternative and mystical image. Others feel that expanding the category can only benefit Red Bull. It may depend on how large the cult grows!

Sources: "Selling Energy," *Economist*, May 11, 2002, p. 62; Kenneth Hein, "Red Bull Charging Ahead," *Brandweek*, Oct. 15, 2001, pp. 38–42; Hillary Chula, "Grabbing Bull by Tail," *Advertising Age*, June 11, 2001, pp. 4–6; David Noonan, "Red Bull's Good Buzz," *Newsweek*, May 14, 2001, p. 39.

The Red Bull introduction to this chapter demonstrates how products and/or brands become successful due to their adoption by certain segments of society. In this instance, a whole new category of drinks has developed as a result of consumer needs. What is important for marketers to know is how and why these needs develop, what they are, and who is likely to use the product or service. Specifically, marketers will study consumer behaviors in an attempt to understand the many factors that lead to and impact purchase decisions. Those who develop advertising and other promotional strategies begin by identifying relevant markets and then analyzing the relationship between target consumers and the product/service or brand. Often, in an attempt to gain insights, marketers will employ techniques borrowed from other disciplines. Research methods used in psychology, anthropology, and sociology are becoming more popular in businesses as managers attempt to explore consumers' purchasing motives. The motives for purchasing, attitudes, and lifestyles need to be understood before effective marketing strategies can be formulated.

These are just a few of the aspects of consumer behavior that promotional planners must consider in developing integrated marketing communications programs. As you will see, consumer choice is influenced by a variety of factors.

It is beyond the scope of this text to examine consumer behavior in depth. However, promotional planners need a basic understanding of consumer decision making, factors that influence it, and how this knowledge can be used in developing promotional strategies and programs. We begin with an overview of consumer behavior.



# An Overview of Consumer Behavior

A challenge faced by all marketers is how to influence the purchase behavior of consumers in favor of the product or service they offer. For companies like American Express, this means getting consumers to charge more purchases on their AmEx cards. For BMW, it means getting them to purchase or lease a car; for business-to-business marketers like Canon or Ricoh, it means getting organizational buyers to purchase more of their copiers or fax machines. While their ultimate goal is to influence consumers' purchase behavior, most marketers understand that the actual purchase is only part of an overall process.

**Consumer behavior** can be defined as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires. For many products and services, purchase decisions are the result of a long, detailed process that may include an extensive information search, brand comparisons and evaluations, and other activities. Other purchase decisions are more incidental and may result from little more than seeing a product prominently displayed at a discount price in a store. Think of how many times you have made impulse purchases in stores.

Marketers' success in influencing purchase behavior depends in large part on how well they understand consumer behavior. Marketers need to know the specific needs customers are attempting to satisfy and how they translate into purchase criteria. They need to understand how consumers gather information regarding various alternatives and use this information to select among competing brands. They need to understand how customers make purchase decisions. Where do they prefer to buy a product? How are they influenced by marketing stimuli at the point of purchase? Marketers also need to understand how the consumer decision process and reasons for purchase vary among different types of customers. For example, purchase decisions may be influenced by the personality or lifestyle of the consumer.<sup>1</sup> Notice how the ad shown in Exhibit 4-1 reflects the various roles in the life of the target audience members. IMC Perspective 4-1 describes how marketers target specific demographic and lifestyle groups.

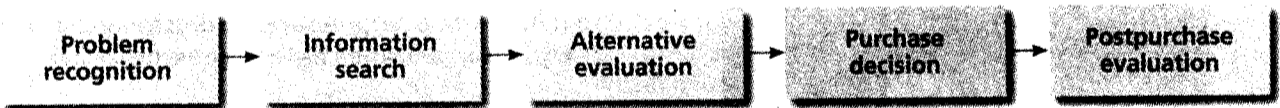
The conceptual model in Figure 4-1 will be used as a framework for analyzing the consumer decision process. We will discuss what occurs at the various stages of this model and how advertising and promotion can be used to influence decision making. We will also examine the influence of various psychological concepts, such as motivation, perception, attitudes, and integration processes. Variations in the consumer decision-making process will be



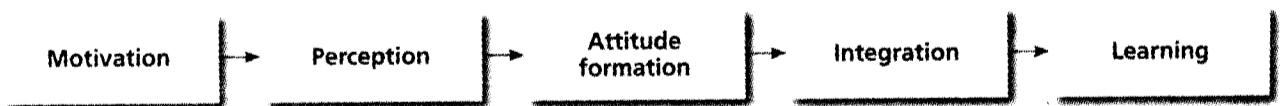
**Exhibit 4-1** Ashworth appeals to the active lifestyle

**Figure 4-1** A basic model of consumer decision making

**A. Stages in the Consumer Decision-Making Process**



**B. Relevant Internal Psychological Processes**



## IMC PERSPECTIVE 4-1

# Retailers Seek Bonanza in Tweens and Female Surfers

Tweens—the age group so named because its members are between early childhood and the teenage years, (7 to 14)—spend an estimated \$90 billion a year, and they are doing so with a newfound independence. The days of mom bringing home new school clothes for the tween are in the past. Due in part to dual working parents' spending less time on their kids as well as indulging them more when they do, youngsters in this age group have more freedom to choose their own clothes. Add in television, magazines, the Internet, and other media, and girls in particular, have become more fashion-conscious and trendy. Clothing manufacturers and retailers have taken notice—to the chagrin of many parents.

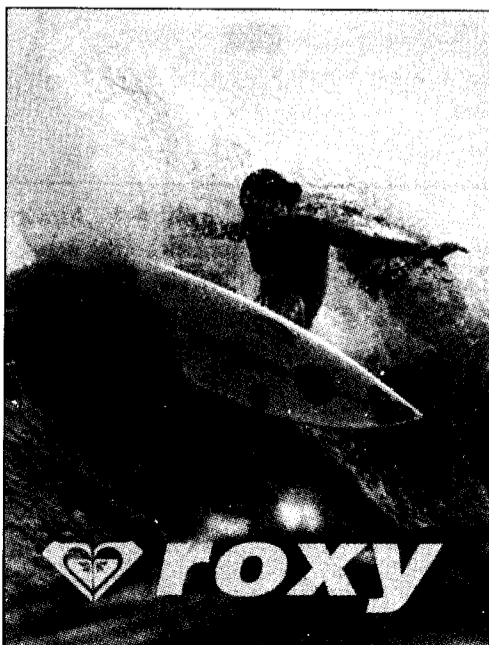
Retail giant Wal-Mart has doubled floor space for preteen girls over the past year. Sears now offers trendier clothes for the age group and has sponsored concert tours for Christina Aguilera and Backstreet Boys—both popular with preteens. While these chains are doing well, it is the specialty retailers that are really capturing the market. Limited Too, which offers trendy clothes, glittery makeup, and extras like in-store ear piercing, dominates the apparel niche. Girl Mania offers hairstyling and birthday parties, while Club Libby Lu in Chicago greets customers with a glittering of “fairy dust” and allows them to mix their own shower gel, moisturizer, and lip gloss. Bath & Body Works offers pedicure kits for the 4- to 12-year-old set.

Many of these tweens are driving another retail niche market upward—surf apparel. The changing profile of the surfer—the number of young females has

substantially increased—has led to opportunities for brands previously only marketed to males. Quicksilver Inc., a Huntington Beach, California, surf wear company, recently predicted that revenue for girls' products will eclipse sales to men and boys by the year 2004. Another southern California company, Billabong USA, has seen a 50 percent increase in girls' surf wear over the last three years. While already on the increase, the \$2.4 billion market was expected to explode in the summer of 2002 when the girls' surf movie “Blue Crush” was released. (Just the release of movie trailers has already led to surf schools being swamped with enrollments.) The big winner is expected to be Billabong, whose name will be prominently displayed on the girls' wetsuit shirt as a result of a product placement arrangement with Universal Studios. Many of those in the industry consider the placement a major coup. Others like Pacific Sunwear have invested in other promotional opportunities. Pac-Sun will spend a record \$10 million on marketing in magazines such as *Seventeen*, *Teen People*, and *YM*.

Not everyone is happy, however. Many parents and consumer advocates feel that the companies are taking advantage of tweens, who they contend are overly impressionable and insecure at this stage of their lives. They contend that girls who are “barely past Beanie Babies” are being pushed too quickly toward mascara and navel rings. Consider Abercrombie & Fitch, for example. In just one of the recent controversies surrounding the retailer, thong underwear bearing the words “wink wink” and “eye candy” were being marketed to 9- and 10-year-olds. The company was deluged with e-mails from people enraged with the strategy. While Marshal Cohen of *NPDFashion-World* notes that Abercrombie is “all about selling sex, even to the younger kid,” the company response was that sex is in the eye of the beholder and their products are designed with only prurient purposes in mind.

However, a number of people are concerned enough to fight back. One organization, Girls, Inc., a New York-based nonprofit, holds meetings in schools, in homes, and elsewhere to talk with tween girls about the messages they receive from TV, videos, and magazine ads. The organization recently offered a program called Body IMAGEination intended to help girls age 7 to 11 deal with peer pressures to dress more provocatively. The organization has a huge battle ahead!



Sources: Leslie Earnest, “Apparel Retailers Catch New Girls' Surfing Wave,” *Los Angeles Times*, July 5, 2002, latimes.com, pp. 1-3; Leslie Earnest, “Tweens: From Dolls to Thongs,” *Los Angeles Times*, June 27, 2002, p. 1.

explored, as will perspectives regarding consumer learning and external influences on the consumer decision process. The chapter concludes with a consideration of alternative means of studying consumer behavior.

As shown in Figure 4-1, the consumer's purchase decision process is generally viewed as consisting of stages through which the buyer passes in purchasing a product or service. This model shows that decision making involves a number of internal psychological processes. Motivation, perception, attitude formation, integration, and learning are important to promotional planners, since they influence the general decision-making process of the consumer. We will examine each stage of the purchase decision model and discuss how the various subprocesses influence what occurs at this phase of the consumer behavior process. We will also discuss how promotional planners can influence this process.

## The Consumer Decision-Making Process

### Problem Recognition

Figure 4-1 shows that the first stage in the consumer decision-making process is **problem recognition**, which occurs when the consumer perceives a need and becomes motivated to solve the problem. The problem recognition stage initiates the subsequent decision processes.

Problem recognition is caused by a difference between the consumer's *ideal state* and *actual state*. A discrepancy exists between what the consumer wants the situation to be like and what the situation is really like. (Note that *problem* does not always imply a negative state. A goal exists for the consumer, and this goal may be the attainment of a more positive situation.)

**Sources of Problem Recognition** The causes of problem recognition may be very simple or very complex and may result from changes in the consumer's current and/or desired state. These causes may be influenced by both internal and external factors.

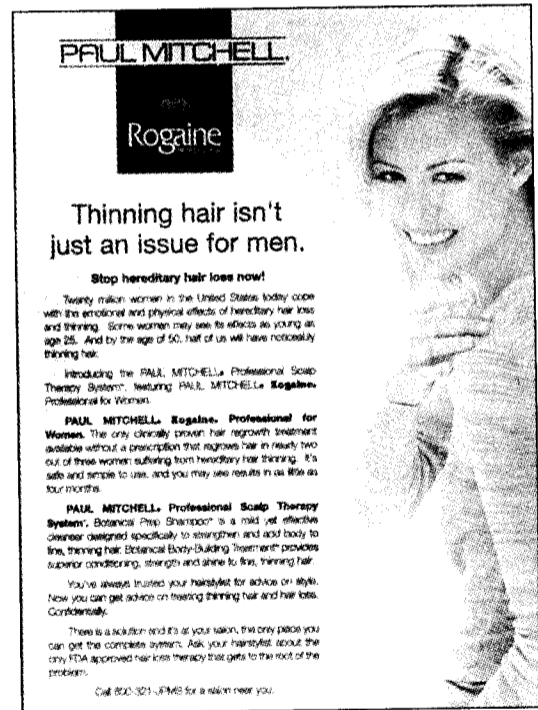
**Out of Stock** Problem recognition occurs when consumers use their existing supply of a product and must replenish their stock. The purchase decision is usually simple and routine and is often resolved by choosing a familiar brand or one to which the consumer feels loyal.

**Dissatisfaction** Problem recognition is created by the consumer's dissatisfaction with the current state of affairs and/or the product or service being used. For example, a consumer may think her ski boots are no longer comfortable or stylish enough. Advertising may be used to help consumers recognize when they have a problem and/or need to make a purchase. The Rogaine ad shown in Exhibit 4-2 helps women realize that hair thinning is not just a man's problem.

**New Needs/Wants** Changes in consumers' lives often result in new needs and wants. For example, changes in one's financial situation, employment status, or lifestyle may create new needs and trigger problem recognition. As you will see, when you graduate from college and begin your professional career, your new job may necessitate a change in your wardrobe. (Good-bye blue jeans and T-shirts, hello suits and ties.)

Not all product purchases are based on needs. Some products or services sought by consumers are not essential but are nonetheless desired. A **want** has been defined as a felt need that is shaped by a person's knowledge, culture, and personality.<sup>2</sup> Many products sold to consumers satisfy their wants rather than their basic needs.

**Exhibit 4-2** Rogaine helps women recognize hair loss problems





keter is selling. A main reason many consumers were initially reluctant to purchase personal computers was that they failed to see what problems owning one would solve. One way PC manufacturers successfully activated problem recognition was by stressing how a computer helps children improve their academic skills and do better in school.

## Examining Consumer Motivations

Marketers recognize that while problem recognition is often a basic, simple process, the way a consumer perceives a problem and becomes motivated to solve it will influence the remainder of the decision process. For example, one consumer may perceive the need to purchase a new watch from a functional perspective and focus on reliable, low-priced alternatives. Another consumer may see the purchase of a watch as more of a fashion statement and focus on the design and image of various brands. To better understand the reasons underlying consumer purchases, marketers devote considerable attention to examining **motives**—that is, those factors that compel a consumer to take a particular action.

**Hierarchy of Needs** One of the most popular approaches to understanding consumer motivations is based on the classic theory of human motivation popularized many years ago by psychologist Abraham Maslow.<sup>3</sup> His **hierarchy of needs** theory postulates five basic levels of human needs, arranged in a hierarchy based on their importance. As shown in Figure 4-2, the five needs are (1) *physiological*—the basic level of primary needs for things required to sustain life, such as food, shelter, clothing, and sex; (2) *safety*—the need for security and safety from physical harm; (3) *social/love and belonging*—the desire to have satisfying relationships with others and feel a sense of love, affection, belonging, and acceptance; (4) *esteem*—the need to feel a sense of accomplishment and gain recognition, status, and respect from others; and (5) *self-actualization*—the need for self-fulfillment and a desire to realize one's own potential.

According to Maslow's theory, the lower-level physiological and safety needs must be satisfied before the higher-order needs become meaningful. Once these basic needs are satisfied, the individual moves on to attempting to satisfy higher-order needs such as self-esteem. In reality, it is unlikely that people move through the needs hierarchy in a stairstep manner. Lower-level needs are an ongoing source of motivation for consumer purchase behavior. However, since basic physiological needs are met in most

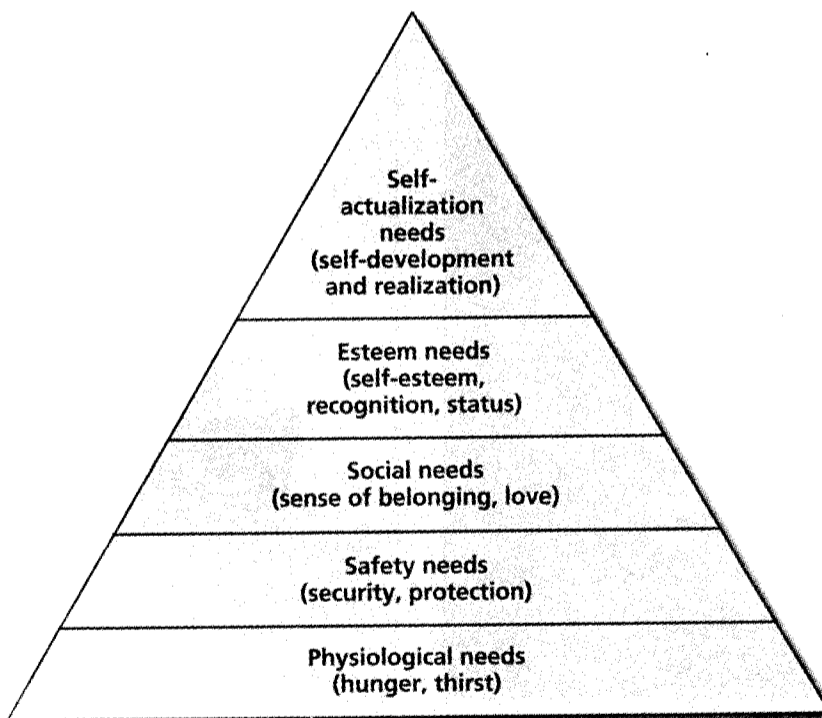


Figure 4-2 Maslow's hierarchy of needs

developed countries, marketers often sell products that fill basic physiological needs by appealing to consumers' higher-level needs. For example, in marketing its wipes, Pampers focuses on the love between parent and child (social needs) in addition to the gentleness of the product (Exhibit 4-5).

While Maslow's need hierarchy has flaws, it offers a framework for marketers to use in determining what needs they want their products and services to be shown satisfying. Advertising campaigns can then be designed to show how a brand can fulfill these needs. Marketers also recognize that different market segments emphasize different need levels. For example, a young single person may be attempting to satisfy social or self-esteem needs in purchasing a car, while a family with children will focus more on safety needs. Jeep used ads like the one in Exhibit 4-6 to position its cars as meeting the security needs of consumers.

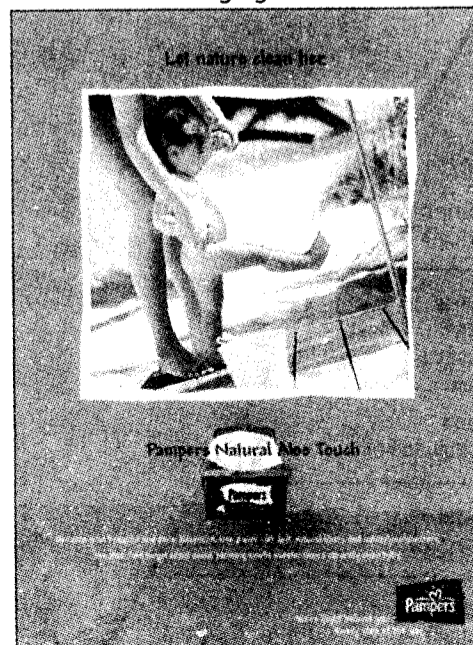
**Psychoanalytic Theory** A somewhat more controversial approach to the study of consumer motives is the **psychoanalytic theory** pioneered by Sigmund Freud.<sup>4</sup> Although his work dealt with the structure and development of personality, Freud also studied the underlying motivations for human behavior. Psychoanalytic theory had a strong influence on the development of modern psychology and on explanations of motivation and personality. It has also been applied to the study of consumer behavior by marketers interested in probing deeply rooted motives that may underlie purchase decisions.

Those who attempt to relate psychoanalytic theory to consumer behavior believe consumers' motivations for purchasing are often very complex and unclear to the casual observer—and to the consumers themselves. Many motives for purchase and/or consumption may be driven by deep motives one can determine only by probing the subconscious.

Among the first to conduct this type of research in marketing, Ernest Dichter and James Vicary were employed by a number of major corporations to use psychoanalytic techniques to determine consumers' purchase motivations. The work of these researchers and others who continue to use this approach assumed the title of **motivation research**.

**Motivation Research in Marketing** Motivation researchers use a variety of methodologies to gain insight into the underlying causes of consumer behavior.

**Exhibit 4-5** Pampers appeals to needs for love and belonging in this ad



**Exhibit 4-6** Jeep uses an appeal to security needs



Methods employed include in-depth interviews, projective techniques, association tests, and focus groups in which consumers are encouraged to bring out associations related to products and brands (see Figure 4-3). As one might expect, such associations often lead to interesting insights as to why people purchase. For example:

- Consumers prefer large cars because they believe such cars protect them from the “jungle” of everyday driving.<sup>5</sup>
- A man buys a convertible as a substitute mistress.
- Women like to bake cakes because they feel like they are giving birth to a baby.
- Women wear perfume to “attract a man” and “glorify their existence.”
- Men like frankfurters better than women do because cooking them (frankfurters, not men!) makes women feel guilty. It’s an admission of laziness.
- When people shower, their sins go down the drain with the soap as they rinse.<sup>6</sup>

As you can see from these examples, motivation research has led to some very interesting, albeit controversial, findings and to much skepticism from marketing managers. However, major corporations and advertising agencies continue to use motivation research to help them market their products.

**Problems and Contributions of Psychoanalytic Theory and Motivation Research** Psychoanalytic theory has been criticized as being too vague, unresponsive to the external environment, and too reliant on the early development of the individual. It also uses a small sample for drawing conclusions. Because of the emphasis on the unconscious, results are difficult if not impossible to verify, leading motivation research to be criticized for both the conclusions drawn and its lack of experimental validation. Since motivation research studies typically use so few participants, there is also concern that it really discovers the idiosyncracies of a few individuals and its findings are not generalizable to the whole population.

Still, it is difficult to ignore the psychoanalytic approach in furthering our understanding of consumer behavior. Its insights can often be used as a basis for advertising messages aimed at buyers’ deeply rooted feelings, hopes, aspirations, and fears. Such strategies are often more effective than rationally based appeals.

**In-depth interviews**

Face-to-face situations in which an interviewer asks a consumer to talk freely in an unstructured interview using specific questions designed to obtain insights into his or her motives, ideas, or opinions.

**Projective techniques**

Efforts designed to gain insights into consumers’ values, motives, attitudes, or needs that are difficult to express or identify by having them project these internal states upon some external object.

**Association tests**

A technique in which an individual is asked to respond with the first thing that comes to mind when he or she is presented with a stimulus; the stimulus may be a word, picture, ad, and so on.

**Focus groups**

A small number of people with similar backgrounds and/or interests who are brought together to discuss a particular product, idea, or issue.

**Figure 4-3** Some of the marketing research methods used to probe the mind of the consumer





**Exhibit 4-7** 212 Men uses sex appeal in its advertising

Some corporations and advertising agencies have used motivation research to gain further insights into how consumers think. Examples include the following:<sup>7</sup>

- Chrysler had consumers sit on the floor, like children, and use scissors to cut words out of magazines to describe a car.<sup>8</sup>
- McCann-Erickson asked women to draw and describe how they felt about roaches. The agency concluded that many women associated roaches with men who had abandoned them and that this was why women preferred roach killers that let them see the roaches die.
- Saatchi & Saatchi used psychological probes to conclude that Ronald McDonald created a more nurturing mood than did the Burger King (who was perceived as more aggressive and distant).
- Foote, Cone & Belding gave consumers stacks of photographs of faces and asked them to associate the faces with the kinds of people who might use particular products.

While often criticized, motivation research has also contributed to the marketing discipline. The qualitative nature of the research is considered important in assessing how and why consumers buy. Focus groups and in-depth interviews are valuable methods for gaining insights into consumers' feelings, and projective techniques are often the only way to get around stereotypical or socially desirable responses. In addition, motivation research is the forerunner of psychographics (discussed in Chapter 2).

Finally, we know that buyers are sometimes motivated by symbolic as well as functional drives in their purchase decisions. At least one study has shown that two-thirds of all prime-time TV shows present an average of 5.2 scenes per hour that contain talk about sex. Thus, we see the use of sexual appeals and symbols in ads like Exhibit 4-7.

## Information Search

The second stage in the consumer decision-making process is *information search*. Once consumers perceive a problem or need that can be satisfied by the purchase of a product or service, they begin to search for information needed to make a purchase decision. The initial search effort often consists of an attempt to scan information stored in memory to recall past experiences and/or knowledge regarding various purchase alternatives.<sup>9</sup> This information retrieval is referred to as **internal search**. For many routine, repetitive purchases, previously acquired information that is stored in memory (such as past performance or outcomes from using a brand) is sufficient for comparing alternatives and making a choice.

If the internal search does not yield enough information, the consumer will seek additional information by engaging in **external search**. External sources of information include:

- *Personal sources*, such as friends, relatives, or co-workers.
- *Marketer-controlled (commercial) sources*, such as information from advertising, salespeople, or point-of-purchase displays and the Internet.
- *Public sources*, including articles in magazines or newspapers and reports on TV.
- *Personal experience*, such as actually handling, examining, or testing the product.

Determining how much and which sources of external information to use involves several factors, including the importance of the purchase decision, the effort needed to acquire information, the amount of past experience relevant, the degree of perceived risk associated with the purchase, and the time available. For example, the selection of a movie to see on a Friday night might entail simply talking to a friend or checking the movie guide in the daily newspaper. A more complex purchase such as a new car might use a number of information sources—perhaps a review of *Road & Track*,





Figure 4-4 The selective perception process



this filtering occur. **Selective perception** may occur at the exposure, attention, comprehension, or retention stage of perception, as shown in Figure 4-4.

**Selective Perception** **Selective exposure** occurs as consumers choose whether or not to make themselves available to information. For example, a viewer of a television show may change channels or leave the room during commercial breaks.

**Selective attention** occurs when the consumer chooses to focus attention on certain stimuli while excluding others. One study of selective attention estimates the typical consumer is exposed to nearly 1,500 ads per day yet perceives only 76 of these messages.<sup>11</sup> Other estimates range as high as 3,000 exposures per day. This means advertisers must make considerable effort to get their messages noticed. Advertisers often use the creative aspects of their ads to gain consumers' attention. For example, some advertisers set their ads off from others by showing their products in color against a black-and-white background (Exhibit 4-9). This creative tactic has been used in advertising for many products, among them Cherry 7UP, Nuprin, and Pepto-Bismol.<sup>12</sup>

Even if the consumer does notice the advertiser's message, there is no guarantee it will be interpreted in the intended manner. Consumers may engage in **selective comprehension**, interpreting information on the basis of their own attitudes, beliefs, motives, and experiences. They often interpret information in a manner that supports their own position. For example, an ad that disparages a consumer's favorite brand may be seen as biased or untruthful, and its claims may not be accepted.

The final screening process shown in Figure 4-4 is **selective retention**, which means consumers do not remember all the information they see, hear, or read even after attending to and comprehending it. Advertisers attempt to make sure information will be retained in the consumer's memory so that it will be available when it is time to make a purchase. **Mnemonics** such as symbols, rhymes, associations, and images that assist in the learning and memory process are helpful. Many advertisers use telephone numbers that spell out the company name and are easy to remember. Eveready put pictures of its pink bunny on packages to remind consumers at the point of purchase of its creative advertising.

Exhibit 4-9 Tropicana attempts to create attention with this ad



**Subliminal Perception** Advertisers know consumers use selective perception to filter out irrelevant or unwanted advertising messages, so they employ various creative tactics to get their messages noticed. One controversial tactic advertisers have been accused of using is appealing to consumers' subconscious. **Subliminal perception** refers to the ability to perceive a stimulus that is below the level of conscious awareness. Psychologists generally agree it is possible to perceive things without being consciously aware of them.

As you might imagine, the possibility of using hidden persuaders such as subliminal audio messages or visual cues to influence consumers might be intriguing to advertisers but would not be welcomed by consumers. The idea of marketers influencing consumers at a subconscious level has strong ethical implications. Ethical Perspective 4-2 discusses researchers' mixed opinions as to whether subliminal messages are likely to be effective in influencing consumer behavior. The use of subliminal techniques is *not* a creative tactic we would recommend to advertisers.

## Alternative Evaluation

After acquiring information during the information search stage of the decision process, the consumer moves to alternative evaluation. In this stage, the consumer compares the various brands or products and

## Subliminal Rats or Purely Coincidence?

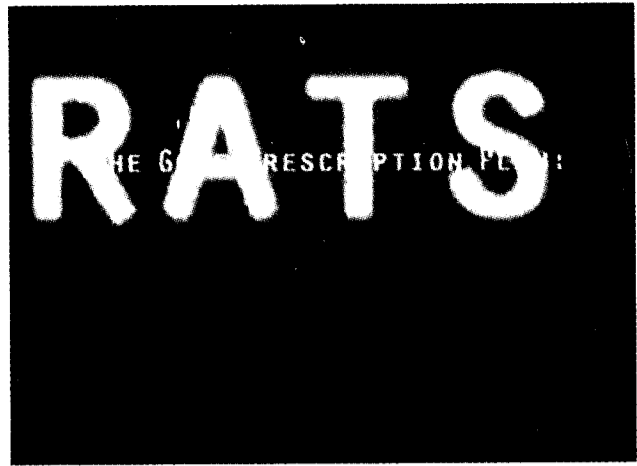
One of the most controversial topics in all of advertising is subliminal advertising. Rooted in psychoanalytic theory, subliminal advertising supposedly influences consumer behaviors by subconsciously altering perceptions or attitudes toward products without the knowledge—or consent—of the consumer. Marketers have promoted subliminal self-help audiotapes, weight-loss videos, and golf game improvement tapes. Studies have shown that the majority of American consumers believe that advertisers sometimes use subliminal advertising and that it works.

The controversy hit national proportions in the last presidential election. In the Bush-Gore campaign, Democratic officials and some advertising experts accused the Republican National Committee of running a subliminal advertisement on television by having the phrase “bureaucrats decide” flashing around the screen and then, in larger print, flashing the word “rats” for a fraction of a second while an announcer criticized candidate Gore’s Medicare plan. Republicans argued that the word appeared for one-thirtieth of a second on only one frame out of 900 and was purely an accident. Advertising analysts, including two experts on political advertising, disagreed, contending that there is no way such a thing could happen by accident. At least one noted that the word was “carefully superimposed.” A Federal Communications Commission (FCC) investigation concluded that no further action would be taken.

The concept of subliminal advertising was introduced in 1957 when James Vicary, a motivational researcher, reported that he increased the sales of popcorn and Coke by subliminally flashing “Eat popcorn” and “Drink Coca-Cola” across the screen during a movie in New Jersey. Since then, numerous books and research studies have been published regarding the effectiveness of this advertising form. Some of these have reported on the use of this technique by advertisers to manipulate consumers.

Numerous articles have reviewed the research in this area. Timothy Moore, after reviewing the literature three times (1982, 1988, 1992), has concluded that there is no evidence to support the fact that subliminal messages can affect consumers’ motivations, perceptions, or attitudes. Joel Saegart and Jack Haberstroh have supported Moore’s conclusions in their studies. On the other hand, in 1994 Kathryn Theus concluded after an extensive review of the literature that “certain themes might be effectively applied by advertising or marketing specialists.”

In more recent writings, opposite positions are again taken. In a study conducted in Australia by an ad



agency and Mindtec (a consulting firm), 12 groups of television viewers were hypnotized and asked questions about specific commercials and programs. According to the study, 75 percent of the hypnotized subjects stated that sexy images were the main attraction for viewing, as opposed to only 22 percent of the nonhypnotized subjects. The researchers were surprised by the subliminal details that hypnotized participants were able to recall. In the ads, names and slogans that were visible only when the commercial was paused had high levels of recall, even when the brands recalled were not those being advertised. On the other hand, in his book, *Ice Cube Sex: The Truth about Subliminal Advertising*, Haberstroh reviews research and discussions with practitioners and concludes that subliminal advertising does not influence consumer behaviors, advertising recall, attitudes, or any other marketplace behavior.

When Haberstroh asked ad agency executives if they had ever deliberately used subliminal advertising, 96 percent said no, 94 percent said they had never supervised the use of implants, and 91 percent denied knowing anyone who had ever used this technique. A study by Rogers and Seiler supported these results, with over 90 percent denying any use of subliminal implants.

Going even further, Haberstroh contends that subliminal advertising does not even exist except for a few pranksters playing around with artwork for fun. But not so fast! Fashion retailer French Connection is not only employing subliminal advertising but incorporating it into a tagline. Using print and posters, the tagline “subliminal advertising experiment” is arranged in such a way as to spell out the word *sex* if one reads vertically. Likewise, Master Lock has become the first company to run a one-second national print commercial. The goal of the ad is to reinforce the brand name. And, in upstate New York, a personal-injury lawyer paid \$35 each for one-second spots in an attempt to gain new clients. At this time, no one knows if any of these efforts have been successful.

Thus, while most consumers believe subliminal techniques are used and effective, researchers are divided as to their effects. It seems few people in the advertising world think subliminal advertising works and even fewer claim to use it, but there are still those who feel they are wrong. Will there ever be an end to this controversy?

Sources: "Hypnosis Reveals Ad Effects," *Adweek Asia*, Jan. 29, 1999, p. 4; "Breaking French Connection," *Ad Age*, Mar. 22, 1999, p. 52; "Blink of an Ad," *Time*, Aug. 3, 1998, p. 51; Jack Haberstroh, *Ice Cube Sex: The Truth about Subliminal Advertising*, New York Times Pub-

lishing, 1996; Kathryn Theus, "Subliminal Advertising and the Psychology of Processing Unconscious Stimuli: A Review of Research," *Psychology & Marketing* 11, no. 3, 1994, pp. 271-90; Timothy Moore, "Subliminal Advertising: What You See Is What You Get," *Journal of Marketing* 46, no. 2 (Spring 1982), pp. 38-47; Timothy Moore, "The Case against Subliminal Manipulation," *Psychology and Marketing* 5, no. 4 (Winter 1988), pp. 297-316; Kalpana Srinivasan, "FCC Ends Probe on Republican Ad," [www.individual.com](http://www.individual.com), Mar. 12, 2001, pp. 1-2; George E. Condon Jr. and Toby Eckert, "Flap over 'RATS' Latest to Plague Bush's Drive," *San Diego Tribune*, Sept. 13, 2000, p. A1; Bob Garfield, "Subliminal Seduction and Other Urban Myths," *Advertising Age*, Sept. 18, 2000, p. 4.

services he or she has identified as being capable of solving the consumption problem and satisfying the needs or motives that initiated the decision process. The various brands identified as purchase options to be considered during the alternative evaluation process are referred to as the consumer's *evoked set*.

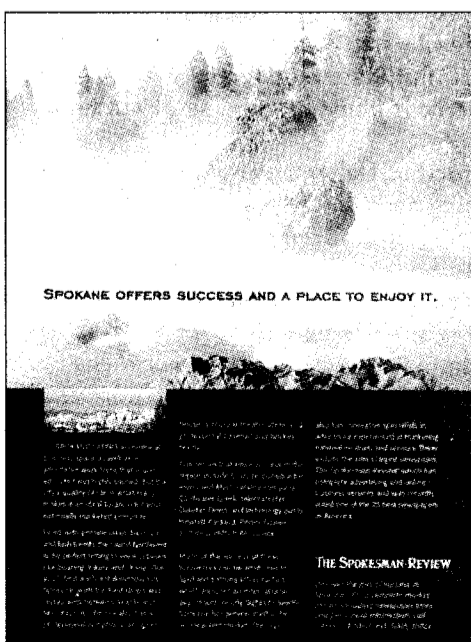
**The Evoked Set** The evoked set is generally only a subset of all the brands of which the consumer is aware. The consumer reduces the number of brands to be reviewed during the alternative evaluation stage to a manageable level. The exact size of the evoked set varies from one consumer to another and depends on such factors as the importance of the purchase and the amount of time and energy the consumer wants to spend comparing alternatives.

The goal of most advertising and promotional strategies is to increase the likelihood that a brand will be included in the consumer's evoked set and considered during alternative evaluation. Marketers use advertising to create *top-of-mind awareness* among consumers so that their brands are part of the evoked set of their target audiences. Popular brands with large advertising budgets use *reminder advertising* to maintain high awareness levels and increase the likelihood they will be considered by consumers in the market for the product. Marketers of new brands or those with a low market share need to gain awareness among consumers and break into their evoked sets. The ad promoting Spokane as a better place to live and do business (Exhibit 4-10) shows this strategy being used in a different context from products and brands. The ad presents the many benefits of Spokane and encourages prospective businesses to consider it in their evoked set of places to locate or relocate.

Advertising is a valuable promotional tool for creating and maintaining brand awareness and making sure a brand is included in the evoked set. However, marketers also work to promote their brands in the actual environment where purchase decisions are made. Point-of-purchase materials and promotional techniques such as in-store sampling, end-aisle displays, or shelf tags touting special prices encourage consumers to consider brands that may not have initially been in their evoked set.

**Evaluative Criteria and Consequences** Once consumers have identified an evoked set and have a list of alternatives, they must evaluate the various brands. This involves comparing the choice alternatives on specific criteria important to the consumer. **Evaluative criteria** are the dimensions or attributes of a product or service that are used to compare different alternatives. Evaluative criteria can be objective or subjective. For example, in buying an automobile, consumers use objective attributes such as price, warranty, and fuel economy as well as subjective factors such as image, styling, and performance.

**Exhibit 4.10** Spokane wants to be in the evoked set of business locations



Evaluative criteria are usually viewed as product or service attributes. Many marketers view their products or services as *bundles of attributes*, but consumers tend to think about products or services in terms of their *consequences* instead. J. Paul Peter and Jerry Olson define consequences as specific events or outcomes that consumers experience when they purchase and/or consume a product or service.<sup>13</sup> They distinguish between two broad types of consequences. **Functional consequences** are concrete outcomes of product or service usage that are tangible and directly experienced by consumers. The taste of a soft drink or a potato chip, the acceleration of a car, and the clarity of a fax transmission are examples of functional consequences. **Psychosocial consequences** are abstract outcomes that are more intangible, subjective, and personal, such as how a product makes you feel or how you think others will view you for purchasing or using it.

Marketers should distinguish between product/service attributes and consequences, because the importance and meaning consumers assign to an attribute are usually determined by its consequences for them. Moreover, advertisers must be sure consumers understand the link between a particular attribute and a consequence. For example, the Callaway golf ad in Exhibit 4-11 focuses on the consequences of using the new Hawkeye VFT Clubs, such as getting the ball airborne with less effort. Notice how the detail drawings reinforce that the clubs can help golfers enjoy the game more.

Product/service attributes and the consequences or outcomes consumers think they will experience from a particular brand are very important, for they are often the basis on which consumers form attitudes and purchase intentions and decide among various choice alternatives. Two subprocesses are very important during the alternative evaluation stage: (1) the process by which consumer attitudes are created, reinforced, and changed and (2) the decision rules or integration strategies consumers use to compare brands and make purchase decisions. We will examine each of these processes in more detail.

## Attitudes

Attitudes are one of the most heavily studied concepts in consumer behavior. According to Gordon Allport's classic definition, "attitudes are learned predispositions to respond to an object."<sup>14</sup> More recent perspectives view attitudes as a summary construct that represents an individual's overall feelings toward or evaluation of an object.<sup>15</sup> Consumers hold attitudes toward a variety of objects that are important to marketers, including individuals (celebrity endorsers such as Tiger Woods or Andre Agassi), brands (Cheerios, Kix), companies (Intel, Microsoft), product categories (beef, pork, tuna), retail stores (Kmart, Sears), or even advertisements (Nike ads).

Attitudes are important to marketers because they theoretically summarize a consumer's evaluation of an object (or brand or company) and represent positive or negative feelings and behavioral tendencies. Marketers' keen interest in attitudes is based on the assumption that they are related to consumers' purchase behavior. Considerable evidence supports the basic assumption of a relationship between attitudes and behavior.<sup>16</sup> The attitude-behavior link does not always hold; many other factors can affect behavior.<sup>17</sup> But attitudes are very important to marketers. Advertising and promotion are used to create favorable attitudes toward new products/services or brands, reinforce existing favorable attitudes, and/or change negative attitudes. An approach to studying and measuring attitudes that is particularly relevant to advertising is multiattribute attitude models.

**Multiattribute Attitude Models** Consumer researchers and marketing practitioners have been using multiattribute attitude models to study consumer attitudes for two decades.<sup>18</sup> A **multiattribute attitude model** views an attitude object, such as a product or brand, as possessing a number of attributes that provide the basis on which consumers form their attitudes. According to this model, consumers have beliefs about



**Exhibit 4-11** This ad emphasizes the positive consequences of using Callaway golf clubs

specific brand attributes and attach different levels of importance to these attributes. Using this approach, an attitude toward a particular brand can be represented as

$$A_B = \sum_{i=1}^n B_i \times E_i$$

where  
 $A_B$  = attitude toward a brand  
 $B_i$  = beliefs about the brand's performance on attribute  $i$   
 $E_i$  = importance attached to attribute  $i$   
 $n$  = number of attributes considered

For example, a consumer may have beliefs ( $B_i$ ) about various brands of toothpaste on certain attributes. One brand may be perceived as having fluoride and thus preventing cavities, tasting good, and helping control tartar buildup. Another brand may not be perceived as having these attributes, but consumers may believe it performs well on other attributes such as freshening breath and whitening teeth.

To predict attitudes, one must know how much importance consumers attach to each of these attributes ( $E_i$ ). For example, parents purchasing toothpaste for their children may prefer a brand that performs well on cavity prevention, a preference that leads to a more favorable attitude toward the first brand. Teenagers and young adults may prefer a brand that freshens their breath and makes their teeth white and thus prefer the second brand.

Consumers may hold a number of different beliefs about brands in any product or service category. However, not all of these beliefs are activated in forming an attitude. Beliefs concerning specific attributes or consequences that are activated and form the basis of an attitude are referred to as **salient beliefs**. Marketers should identify and understand these salient beliefs. They must also recognize that the saliency of beliefs varies among different market segments, over time, and across different consumption situations.

**Attitude Change Strategies** Multiattribute models help marketers understand and diagnose the underlying basis of consumers' attitudes. By understanding the beliefs that underlie consumers' evaluations of a brand and the importance of various attributes or consequences, the marketer is better able to develop communication strategies for creating, changing, or reinforcing brand attitudes. The multiattribute model provides insight into several ways marketers can influence consumer attitudes, including:

- Increasing or changing the strength or belief rating of a brand on an important attribute (Southwest Airlines has the most on-time arrivals).
- Changing consumers' perceptions of the importance or value of an attribute (demonstrating safety in Mercedes' ads).
- Adding a new attribute to the attitude formation process (American Airlines' increased leg room).
- Changing perceptions of belief ratings for a competing brand (Volvo's ads that show Volvo as stylish).

The first strategy is commonly used by advertisers. They identify an attribute or consequence that is important and remind consumers how well their brand performs on this attribute. In situations where consumers do not perceive the marketer's brand as possessing an important attribute or the belief strength is low, advertising strategies may be targeted at changing the belief rating. Even when belief strength is high, advertising may be used to increase the rating of a brand on an important attribute. BMW's "The Ultimate Driving Machine" campaign is a good example of a strategy designed to create a belief and reinforce it through advertising.

Marketers often attempt to influence consumer attitudes by changing the relative importance of a particular attribute. This second strategy involves getting consumers to attach more importance to the attribute in forming their attitude toward the brand. Marketers using this strategy want to increase the importance of an attribute their particular brand has.

The third strategy for influencing consumer attitudes is to add or emphasize a new attribute that consumers can use in evaluating a brand. Marketers often do this by improving their products or focusing on additional benefits or consequences associated with using the brand. Exhibit 4-12 shows how Panasonic is introducing wireless technology in an attempt to influence consumers' attitudes.

A final strategy marketers use is to change consumer beliefs about the attributes of competing brands or product categories. This strategy has become much more common with the increase in comparative advertising, where marketers compare their brands to competitors' on specific product attributes. An example of this is the Progresso ad shown in Exhibit 4-13, where the company compares what it has to offer to what Campbell's offers.

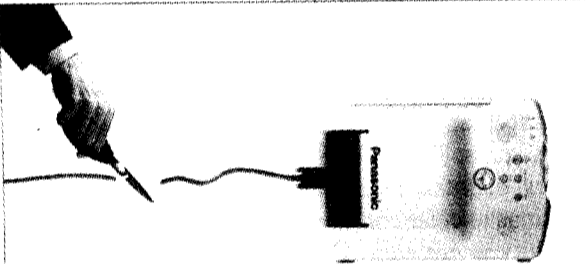
## Integration Processes and Decision Rules

Another important aspect of the alternative evaluation stage is the way consumers combine information about the characteristics of brands to arrive at a purchase decision. **Integration processes** are the way product knowledge, meanings, and beliefs are combined to evaluate two or more alternatives.<sup>19</sup> Analysis of the integration process focuses on the different types of *decision rules* or strategies consumers use to decide among purchase alternatives.

Consumers often make purchase selections by using formal integration strategies or decision rules that require examination and comparison of alternatives on specific attributes. This process involves a very deliberate evaluation of the alternatives, attribute by attribute. When consumers apply such formal decision rules, marketers need to know which attributes are being considered so as to provide the information the consumers require.

Sometimes consumers make their purchase decisions using more simplified decision rules known as **heuristics**. Peter and Olson note that heuristics are easy to use and are highly adaptive to specific environmental situations (such as a retail store).<sup>20</sup> For familiar products that are purchased frequently, consumers may use price-based heuristics (buy the least expensive brand) or promotion-based heuristics (choose the

**Exhibit 4-12** Panasonic adds a new attribute for customers to consider



We've made 'em  
**Lighter.**  
We've made 'em  
**Brighter.**  
And now we're  
really gonna  
**Cut Loose.**

Introducing the first wireless projector  
with multiple-presenter capability.

Model	Features	Lumens	Resolution
PEL1500	Wireless 11.5 lbs. (5.2 kg) 1000 ANSI lumens	10000	1024 x 768
PEL1100	Wireless 11 lbs. (5.0 kg) 7000 ANSI lumens	7000	1024 x 768
PEL7000	Wireless 11 lbs. (5.0 kg) 7000 ANSI lumens	7000	1024 x 768
PEL100	Wireless 11 lbs. (5.0 kg) 7000 ANSI lumens	7000	1024 x 768
PEL100	Wireless 11 lbs. (5.0 kg) 7000 ANSI lumens	7000	1024 x 768

Call us at 1-800-328-8601 or visit [www.panasonic.com/projectors](http://www.panasonic.com/projectors)

**Panasonic**  
The difference is your image.

**Exhibit 4-13** Progresso compares its products to those offered by Campbell's

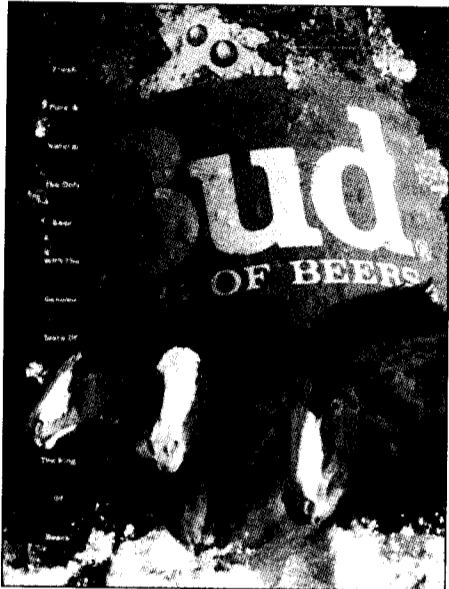
You can't compare a real life  
You can't compare a real life  
You can't compare a real life

So why compare the  
Campbell's Chicken Noodle Soup  
with a real life?

It's a real life... better tasting soup?

Campbell's Condensed Chicken Noodle Soup  
Progresso White Meat Chicken Noodle

It's time to go Progresso



**Exhibit 4-14** Market leaders such as Budweiser can appeal to consumer affect

brand for which I can get a price reduction through a coupon, rebate, or special deal).

One type of heuristic is the **affect referral decision rule**,<sup>21</sup> in which consumers make a selection on the basis of an overall impression or summary evaluation of the various alternatives under consideration. This decision rule suggests that consumers have affective impressions of brands stored in memory that can be accessed at the time of purchase. How many times have you gone into a store and made purchases based on your overall impressions of the brands rather than going through detailed comparisons of the alternatives' specific attributes?

Marketers selling familiar and popular brands may appeal to an affect referral rule by stressing overall affective feelings or impressions about their products. Market leaders, whose products enjoy strong overall brand images, often use ads that promote the brand as the best overall. Pepsi's "Joy of Pepsi," Jeep's "There's only one," and Budweiser's "The king of beers" are all examples of this strategy (Exhibit 4-14).

## Purchase Decision

At some point in the buying process, the consumer must stop searching for and evaluating information about alternative brands in the evoked set and make a *purchase decision*. As an outcome of the alternative evaluation stage, the consumer may develop a **purchase intention** or predisposition to buy a certain brand. Purchase intentions are generally based on a matching of purchase motives with attributes or characteristics of brands under consideration. Their formation involves many of the personal subprocesses discussed in this chapter, including motivation, perception, attitude formation, and integration.

A purchase decision is not the same as an actual purchase. Once a consumer chooses which brand to buy, he or she must still implement the decision and make the actual purchase. Additional decisions may be needed, such as when to buy, where to buy, and how much money to spend. Often, there is a time delay between the formation of a purchase intention or decision and the actual purchase, particularly for highly involved and complex purchases such as automobiles, personal computers, and consumer durables.

For nondurable products, which include many low-involvement items such as consumer package goods, the time between the decision and the actual purchase may be short. Before leaving home, the consumer may make a shopping list that includes specific brand names because the consumer has developed **brand loyalty**—a preference for a particular brand that results in its repeated purchase. Marketers strive to develop and maintain brand loyalty among consumers. They use reminder advertising to keep their brand names in front of consumers, maintain prominent shelf positions and displays in stores, and run periodic promotions to deter consumers from switching brands.

Maintaining consumers' brand loyalty is not easy. Competitors use many techniques to encourage consumers to try their brands, among them new product introductions and free samples. As Figure 4-5 shows, for many products fewer than 50 percent of consumers are loyal to one brand. Marketers must continually battle to maintain their loyal consumers while replacing those who switch brands.

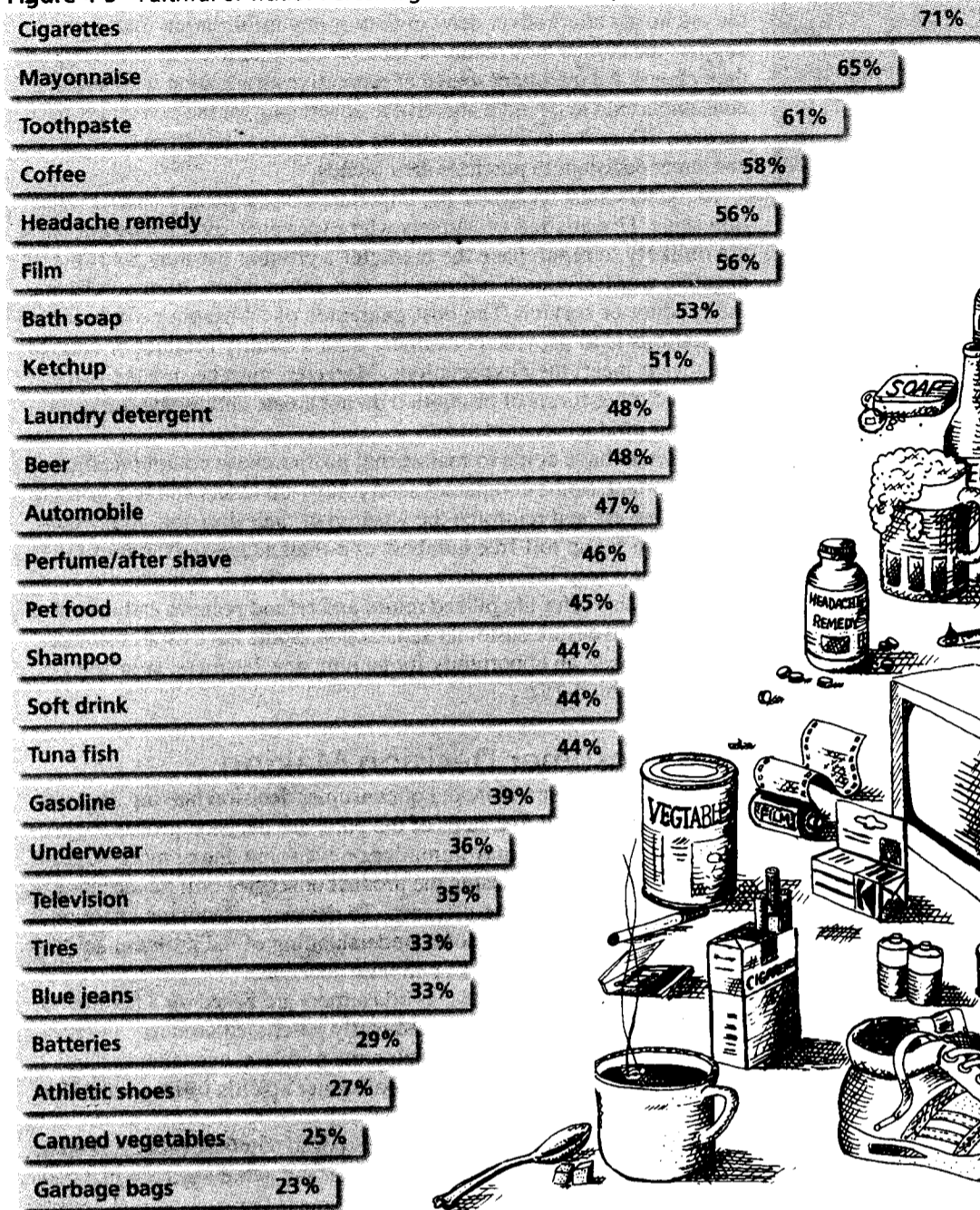
Purchase decisions for nondurable, convenience items sometimes take place in the store, almost simultaneous with the purchase. Marketers must ensure that consumers have top-of-mind awareness of their brands so that they are quickly recognized and considered. These types of decisions are influenced at the actual point of purchase. Packaging, shelf displays, point-of-purchase materials, and promotional tools such as on-package coupons or premium offers can influence decisions made through constructive processes at the time of purchase.

## Postpurchase Evaluation

The consumer decision process does not end with the purchase. After using the product or service, the consumer compares the level of performance with expectations and is either satisfied or dissatisfied. *Satisfaction* occurs when the consumer's expectations



Figure 4-5 Faithful or fickle? Percentage of users of these products who are loyal to one brand



are either met or exceeded; *dissatisfaction* results when performance is below expectations. The postpurchase evaluation process is important because the feedback acquired from actual use of a product will influence the likelihood of future purchases. Positive performance means the brand is retained in the evoked set and increases the likelihood it will be purchased again. Unfavorable outcomes may lead the consumer to form negative attitudes toward the brand, lessening the likelihood it will be purchased again or even eliminating it from the consumer's evoked set.

Another possible outcome of purchase is **cognitive dissonance**, a feeling of psychological tension or postpurchase doubt that a consumer experiences after making a difficult purchase choice. Dissonance is more likely to occur in important decisions where the consumer must choose among close alternatives (especially if the unchosen alternative has unique or desirable features that the selected alternative does not have).

Consumers experiencing cognitive dissonance may use a number of strategies to attempt to reduce it. They may seek out reassurance and opinions from others to confirm



**Exhibit 4-15** UUNET attempts to capitalize on consumer dissatisfaction

the wisdom of their purchase decision, lower their attitudes or opinions of the unchosen alternative, deny or distort any information that does not support the choice they made, or look for information that does support their choice. An important source of supportive information is advertising; consumers tend to be more attentive to advertising for the brand they have chosen.<sup>22</sup> Thus, it may be important for companies to advertise to reinforce consumer decisions to purchase their brands.

Marketers must recognize the importance of the postpurchase evaluation stage. Dissatisfied consumers who experience dissonance not only are unlikely to repurchase the marketer's product but may also spread negative word-of-mouth information that deters others from purchasing the product or service. The best guarantee of favorable postpurchase evaluations is to provide consumers with a quality product or service that always meets their expectations. Marketers must be sure their advertising and other forms of promotion do not create unreasonable expectations their products cannot meet.

Marketers have come to realize that postpurchase communication is also important. Some companies send follow-up letters and brochures to reassure buyers and reinforce the wisdom of their decision. Many companies have set up toll-free numbers or e-mail addresses for consumers to call if they need information or have a question or complaint regard-

ing a product. Marketers also offer liberalized return and refund policies and extended warranties and guarantees to ensure customer satisfaction. Some have used customers' postpurchase dissatisfaction as an opportunity for gaining new business, as is reflected in the ad for UUNET (Exhibit 4-15).

## Variations in Consumer Decision Making

The preceding pages describe a general model of consumer decision making. But consumers do not always engage in all five steps of the purchase decision process or proceed in the sequence presented. They may minimize or even skip one or more stages if they have previous experience in purchasing the product or service or if the decision is of low personal, social, or economic significance. To develop effective promotional strategies and programs, marketers need some understanding of the problem-solving processes their target consumers use to make purchase decisions.<sup>23</sup>

Many of the purchase decisions we make as consumers are based on a habitual or routine choice process. For many low-priced, frequently purchased products, the decision process consists of little more than recognizing the problem, engaging in a quick internal search, and making the purchase. The consumer spends little or no effort engaging in external search or alternative evaluation.

Marketers of products characterized by a routine response purchase process need to get and/or keep their brands in the consumer's evoked set and avoid anything that may result in their removal from consideration. Established brands that have strong market share position are likely to be in the evoked set of most consumers. Marketers of these brands want consumers to follow a routine choice process and continue to purchase their products. This means maintaining high levels of brand awareness through reminder advertising, periodic promotions, and prominent shelf positions in retail stores.

Marketers of new brands or those with a low market share face a different challenge. They must find ways to disrupt consumers' routine choice process and get them to consider different alternatives. High levels of advertising may be used to encourage trial or brand switching, along with sales promotion efforts in the form of free samples, special price offers, high-value coupons, and the like.

A more complicated decision-making process may occur when consumers have limited experience in purchasing a particular product or service and little or no knowledge of the brands available and/or the criteria to use in making a purchase decision. They may have to learn what attributes or criteria should be used in making a purchase decision and how the various alternatives perform on these dimensions. For products or services characterized by problem solving, whether limited or extensive, marketers should make information available that will help consumers decide. Advertising that provides consumers with detailed information about a brand and

how it can satisfy their purchase motives and goals is important. Marketers may also want to give consumers information at the point of purchase, through either displays or brochures. Distribution channels should have knowledgeable salespeople available to explain the features and benefits of the company's product or service and why it is superior to competing products.

The Fidelity Investments ad in Exhibit 4-16 is a good example of how advertising can appeal to consumers who may be engaging in extended problem solving when considering retirement investing. Notice how the ad communicates with consumers who may feel they know little about how to plan for retirement. The ad helps the consumer by offering expert advice and planning a variety of options. The ad also makes more detailed information available by offering a toll-free number and a website.

## The Consumer Learning Process

The discussion of the decision process shows that the way consumers make a purchase varies depending on a number of factors, including the nature of the product or service, the amount of experience they have with the product, and the importance of the purchase. One factor in the level of problem solving to be employed is the consumer's *involvement* with the product or brand. Chapter 5 examines the meaning of involvement, the difference between low- and high-involvement decision making, and the implications of involvement for developing advertising and promotional strategies.

Our examination of consumer behavior thus far has looked at the decision-making process from a *cognitive orientation*. The five-stage decision process model views the consumer as a problem solver and information processor who engages in a variety of mental processes to evaluate various alternatives and determine the degree to which they might satisfy needs or purchase motives. There are, however, other perspectives regarding how consumers acquire the knowledge and experience they use in making purchase decisions. To understand these perspectives, we examine various approaches to learning and their implications for advertising and promotion.

Consumer learning has been defined as "the process by which individuals acquire the purchase and consumption knowledge and experience they apply to future related behavior."<sup>24</sup> Two basic approaches to learning are the behavioral approach and cognitive learning theory.

### Behavioral Learning Theory

Behavioral learning theories emphasize the role of external, environmental stimuli in causing behavior; they minimize the significance of internal psychological processes. Behavioral learning theories are based on the *stimulus-response orientation* (S-R), the premise that learning occurs as the result of responses to external stimuli in the environment. Behavioral learning theorists believe learning occurs through the connection between a stimulus and a response. We will examine the basic principles of two behavioral learning theory approaches: classical conditioning and operant conditioning.

**Classical Conditioning** **Classical conditioning** assumes that learning is an *associative process* with an already existing relationship between a stimulus and a response. Probably the best-known example of this type of learning comes from the studies done with animals by the Russian psychologist Pavlov.<sup>25</sup> Pavlov noticed that at feeding times, his dogs would salivate at the sight of food. The connection between food and salivation is not taught; it is an innate reflex reaction. Because this relationship exists before the conditioning process, the food is referred to as an *unconditioned stimulus* and salivation is an *unconditioned response*. To see if salivation could be conditioned to occur in response to another neutral stimulus, Pavlov paired the ringing of a bell with the presentation of the food. After a number of trials, the dogs learned to salivate at the sound of the bell alone. Thus, the bell became a **conditioned stimulus** that elicited a **conditioned response** resembling the original unconditioned reaction.

There are certain times in life when rolling over your 401(k)s can make sense. Like right now.

When you're ready to retire, you may want to roll over your 401(k) into a Fidelity IRA. This gives you more control over your investments and allows you to take advantage of the tax benefits of a traditional IRA. You can also roll over your 401(k) into a Rollover IRA, which gives you more flexibility in how you invest your money.

**Fidelity Retirement Solutions:** We offer a variety of investment options to help you meet your retirement goals.

**Fidelity Retirement Experts:** Our experts can help you understand the benefits of rolling over your 401(k) and how to choose the right investment options for you.

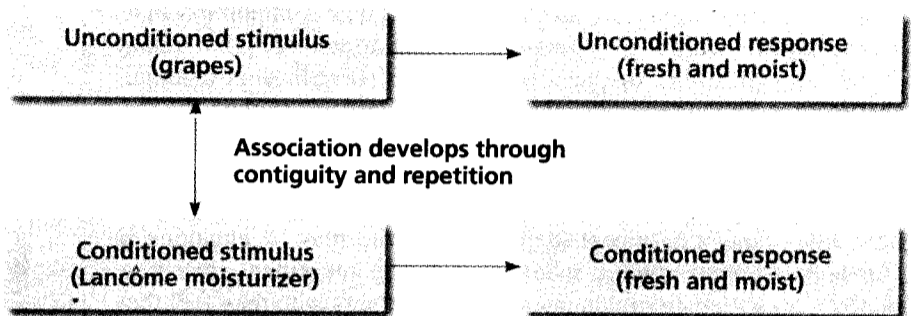
**Retirement Consultants:** Our consultants can help you create a personalized retirement plan that meets your needs and goals.

**Fidelity Fund Manager Program:** Our Fund Manager Program gives you access to a wide range of investment options, including equity, fixed income, and international funds.

**Fidelity Investments**  
1-800-FIDELITY Fidelity.com

**Exhibit 4-16** This ad for Fidelity Investments shows how marketers can appeal to consumers engaging in extended problem solving

**Figure 4-6** The classical conditioning process



Two factors are important for learning to occur through the associative process. The first is contiguity, which means the unconditioned stimulus and conditioned stimulus must be close in time and space. In Pavlov's experiment, the dog learns to associate the ringing of the bell with food because of the contiguous presentation of the two stimuli. The other important principle is *repetition*, or the frequency of the association. The more often the unconditioned and conditioned stimuli occur together, the stronger the association between them will be.

**Applying Classical Conditioning** Learning through classical conditioning plays an important role in marketing. Buyers can be conditioned to form favorable impressions and images of various brands through the associative process. Advertisers strive to associate their products and services with perceptions, images, and emotions known to evoke positive reactions from consumers. Many products are promoted through image advertising, in which the brand is shown with an unconditioned stimulus that elicits pleasant feelings. When the brand is presented simultaneously with this unconditioned stimulus, the brand itself becomes a conditioned stimulus that elicits the same favorable response.

Figure 4-6 provides a diagram of this process, and the ad for Lancôme in Exhibit 4-17 shows an application of this strategy. Notice how this ad associates Lancôme with the freshness and moisture of grapes. The brand's positioning plays off this association.

Classical conditioning can also associate a product or service with a favorable emotional state. A study by Gerald Gorn used this approach to examine how background music in ads influences product choice.<sup>26</sup> He found that subjects were more likely to choose a product when it was presented against a background of music they liked

**Exhibit 4-17** Lancôme associates itself with moisture



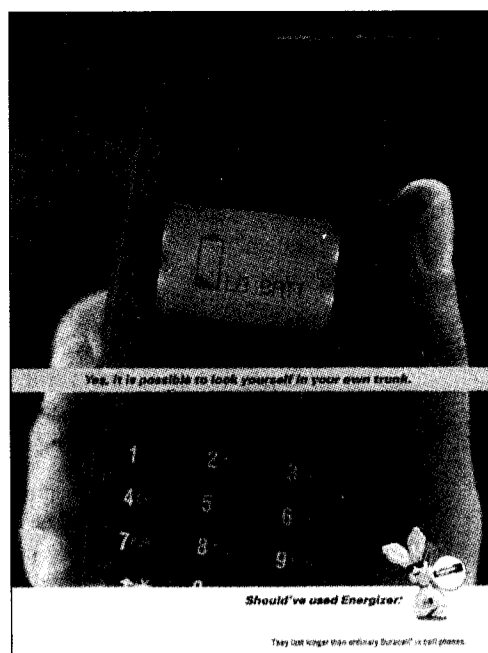
rather than music they disliked. These results suggest the emotions generated by a commercial are important because they may become associated with the advertised product through classical conditioning. Kellaris and colleagues also showed that music that was congruent with the message enhanced both ad recall and recognition.<sup>27</sup> Richard Yalch also has demonstrated that music can be used effectively as a mnemonic device to enhance the recall of advertising slogans. Advertisers often attempt to pair a neutral product or service stimulus with an event or situation that arouses positive feelings, such as humor, an exciting sports event, or popular music.

**Operant Conditioning** Classical conditioning views the individual as a passive participant in the learning process who simply receives stimuli. Conditioning occurs as a result of exposure to a stimulus that occurs before the response. In the **operant conditioning** approach, the individual must actively *operate* or act on some aspect of the environment for learning to occur. Operant conditioning is sometimes referred to as *instrumental conditioning* because the individual's response is instrumental in getting a positive reinforcement (reward) or negative reinforcement (punishment).

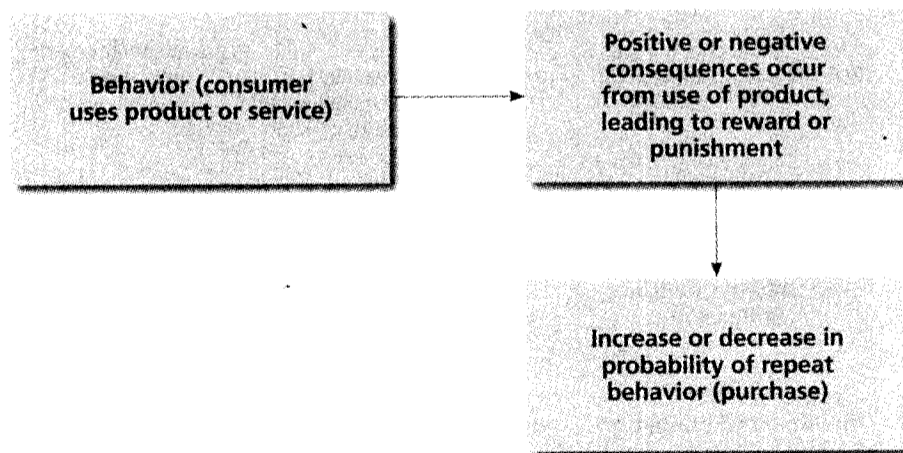
**Reinforcement**, the reward or favorable consequence associated with a particular response, is an important element of instrumental conditioning. Behavior that is reinforced strengthens the bond between a stimulus and a response. Thus, if a consumer buys a product in response to an ad and experiences a positive outcome, the likelihood that the consumer will use this product again increases. If the outcome is not favorable, the likelihood of buying the product again decreases.

The principles of operant conditioning can be applied to marketing, as shown in Figure 4-7. Companies attempt to provide their customers with products and services that satisfy their needs and reward them to reinforce the probability of repeat purchase. Reinforcement can also be implied in advertising; many ads emphasize the benefits or rewards a consumer will receive from using a product or service. Reinforcement also occurs when an ad encourages consumers to use a particular product or brand to avoid unpleasant consequences. For example, the ad for Energizer batteries in Exhibit 4-18 shows how using this product will help avoid negative consequences—that is, being without a working cell phone when you need it.

Two concepts that are particularly relevant to marketers in their use of reinforcement through promotional strategies are schedules of reinforcement and shaping. Different **schedules of reinforcement** result in varying patterns of learning and behavior. Learning occurs most rapidly under a *continuous reinforcement schedule*, in which every response is rewarded—but the behavior is likely to cease when the reinforcement stops. Marketers must provide continuous reinforcement to consumers or risk their switching to brands that do.



**Exhibit 4-18** This Energizer batteries ad shows how to avoid negative consequences



**Figure 4-7** Instrumental conditioning in marketing

**Figure 4-8** Application of shaping procedures in marketing

Terminal Goal: Repeat Purchase Behavior		
Approximation Sequence	Shaping Procedure	Reinforcement Applied
Induce product trial	Free samples distributed; large discount coupon	Product performance; coupon
Induce purchase with little financial obligation	Discount coupon prompts purchase with little cost; coupon good for small discount on next purchase enclosed	Product performance; coupon
Induce purchase with moderate financial obligation	Small discount coupon prompts purchase with moderate cost	Product performance
Induce purchase with full financial obligation	Purchase occurs without coupon assistance	Product performance

Learning occurs more slowly but lasts longer when a *partial or intermittent reinforcement schedule* is used and only some of the individual's responses are rewarded. Promotional programs have partial reinforcement schedules. A firm may offer consumers an incentive to use the company's product. The firm does not want to offer the incentive every time (continuous reinforcement), because consumers might become dependent on it and stop buying the brand when the incentive is withdrawn. A study that examined the effect of reinforcement on bus ridership found that discount coupons given as rewards for riding the bus were as effective when given on a partial schedule as when given on a continuous schedule.<sup>28</sup> The cost of giving the discount coupons under the partial schedule, however, was considerably less.

Reinforcement schedules can also be used to influence consumer learning and behavior through a process known as **shaping**, the reinforcement of successive acts that lead to a desired behavior pattern or response. Rothschild and Gaidis argue that shaping is a very useful concept for marketers:

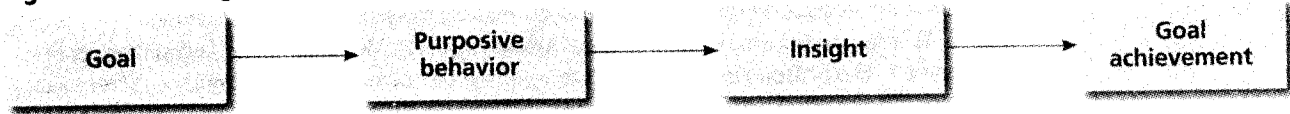
Shaping is an essential process in deriving new and complex behavior because a behavior cannot be rewarded unless it first occurs; a stimulus can only reinforce acts that already occur. New, complex behaviors rarely occur by chance in nature. If the only behavior to be rewarded were the final complex sought behavior, one would probably have to wait a long time for this to occur by chance. Instead, one can reward simpler existing behaviors; over time, more complex patterns evolve and these are rewarded. Thus the shaping process occurs by a method of successive approximations.<sup>29</sup>

In a promotional context, shaping procedures are used as part of the introductory program for new products. Figure 4-8 provides an example of how samples and discount coupons can be used to introduce a new product and take a consumer from trial to repeat purchase. Marketers must be careful in their use of shaping procedures: If they drop the incentives too soon, the consumer may not establish the desired behavior; but if they overuse them, the consumer's purchase may become contingent on the incentive rather than the product or service.

## Cognitive Learning Theory

Behavioral learning theories have been criticized for assuming a mechanistic view of the consumer that puts too much emphasis on external stimulus factors. They ignore internal psychological processes such as motivation, thinking, and perception; they

Figure 4-9 The cognitive learning process



assume that the external stimulus environment will elicit fairly predictable responses. Many consumer researchers and marketers disagree with the simplified explanations of behavioral learning theories and are more interested in the complex mental processes that underlie consumer decision making. The cognitive approach to studying learning and decision making has dominated the field of consumer behavior in recent years. Figure 4-9 shows how cognitive theorists view the learning process.

Since consumer behavior typically involves choices and decision making, the cognitive perspective has particular appeal to marketers, especially those whose product/service calls for important and involved purchase decisions. Cognitive processes such as perception, formation of beliefs about brands, attitude development and change, and integration are important to understanding the decision-making process for many types of purchases. The subprocesses examined during our discussion of the five-stage decision process model are all relevant to a cognitive learning approach to consumer behavior.

The consumer does not make purchase decisions in isolation. A number of external factors have been identified that may influence consumer decision making. They are shown in Figure 4-10 and examined in more detail in the next sections.

## Environmental Influences on Consumer Behavior

### Culture

The broadest and most abstract of the external factors that influence consumer behavior is **culture**, or the complexity of learned meanings, values, norms, and customs shared by members of a society. Cultural norms and values offer direction and guidance to members of a society in all aspects of their lives, including their consumption behavior. It is becoming increasingly important to study the impact of culture on consumer behavior as marketers expand their international marketing efforts. Each country has certain cultural traditions, customs, and values that marketers must understand as they develop marketing programs.

Marketers must also be aware of changes that may be occurring in a particular culture and the implications of these changes for their advertising and promotional strategies and programs. American culture continually goes through many changes that

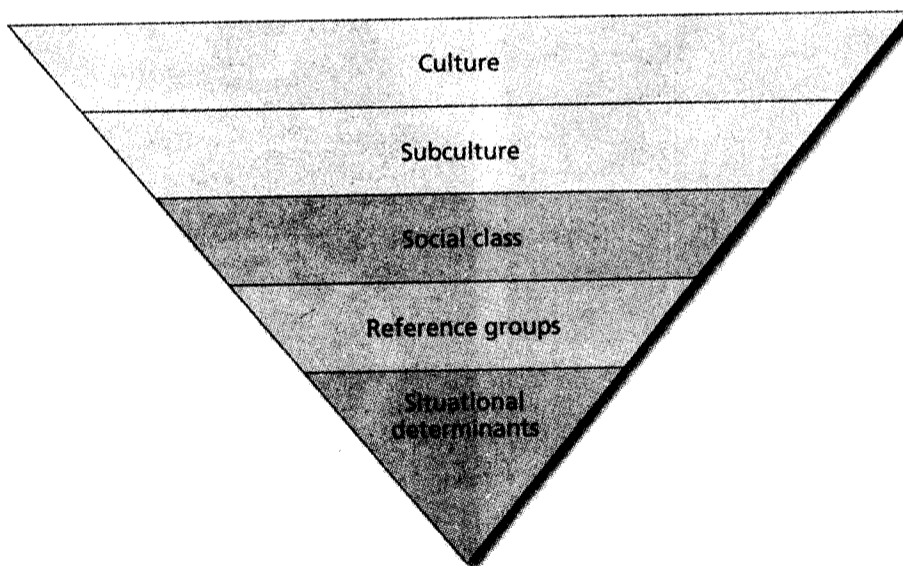


Figure 4-10 External influences on consumer behavior



have direct implications for advertising. Marketing researchers monitor these changes and their impact on the ways companies market their products and services.

While marketers recognize that culture exerts a demonstrable influence on consumers, they often find it difficult to respond to cultural differences in different markets. The subtleties of various cultures are often difficult to understand and appreciate, but marketers must understand the cultural context in which consumer purchase decisions are made and adapt their advertising and promotional programs accordingly.

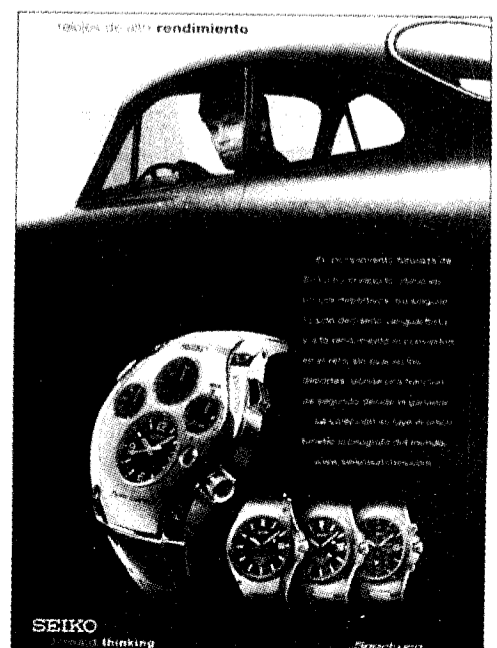
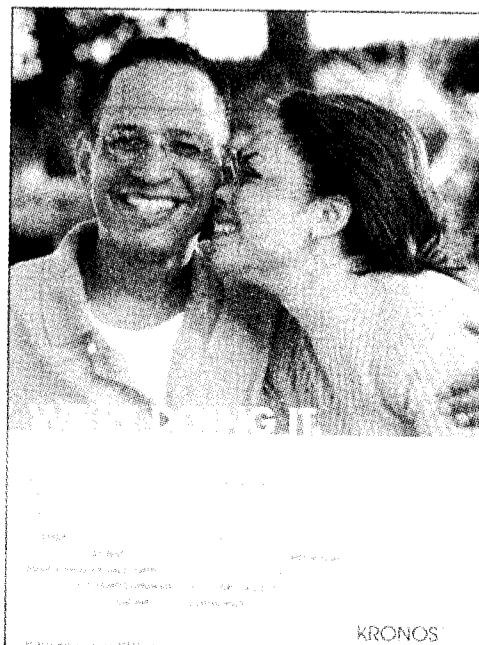
### Subcultures

Within a given culture are generally found smaller groups or segments whose beliefs, values, norms, and patterns of behavior set them apart from the larger cultural mainstream. These **subcultures** may be based on age, geographic, religious, racial, and/or ethnic differences. A number of subcultures exist within the United States. The three largest racial/ethnic subcultures are African-Americans, Hispanics, and various Asian groups. These racial/ethnic subcultures are important to marketers because of their size, growth, purchasing power, and distinct purchasing patterns. Marketers develop specific marketing programs for various products and services for these target markets. The ads in Exhibit 4-19 are just two of the many specifically designed to appeal to U.S. subcultures—in these cases, blacks and Hispanics. Many others can easily be found that target teens, Generations X and Y, the elderly, and so on.

**Social Class** Virtually all societies exhibit some form of stratification whereby individuals can be assigned to a specific social category on the basis of criteria important to members of that society. **Social class** refers to relatively homogeneous divisions in a society into which people sharing similar lifestyles, values, norms, interests, and behaviors can be grouped. While a number of methods for determining social class exist, class structures in the United States are usually based on occupational status, educational attainment, and income. Sociologists generally agree there are three broad levels of social classes in the United States: the upper (14 percent), middle (70 percent), and lower (16 percent) classes.<sup>30</sup>

Social class is an important concept to marketers, since consumers within each social stratum often have similar values, lifestyles, and buying behavior. Thus, the various social class groups provide a natural basis for market segmentation. Consumers in the different social classes differ in the degree to which they use various products and services and in their leisure activities, shopping patterns, and media habits. Marketers respond to these differences through the positioning of their products and services, the

**Exhibit 4-19** Ads targeted to subcultures





media strategies they use to reach different social classes, and the types of advertising appeals they develop. The ad for New York Palace in Exhibit 4-20 shows how a product attempts to appeal to the upper classes in both copy and illustration.

## Reference Groups

Think about the last time you attended a party. As you dressed for the party, you probably asked yourself (or someone else) what others would be wearing. Your selection of attire may have been influenced by those likely to be present. This simple example reflects one form of impact that groups may exert on your behavior.

A group has been defined as “two or more individuals who share a set of norms, values, or beliefs and have certain implicitly or explicitly defined relationships to one another such that their behavior is interdependent.”<sup>31</sup> Groups are one of the primary factors influencing learning and socialization, and group situations constitute many of our purchase decisions.

A **reference group** is “a group whose presumed perspectives or values are being used by an individual as the basis for his or her judgments, opinions, and actions.” Consumers use reference groups as a guide to specific behaviors, even when the groups are not present.<sup>32</sup> In the party example, your peers—although not present—provided a standard of dress that you referred to in your clothing selection. Likewise, your college classmates, family, and co-workers, or even a group to which you aspire, may serve as referents, and your consumption patterns will typically conform to the expectations of the groups that are most important to you.

Marketers use reference group influences in developing advertisements and promotional strategies. The ads in Exhibit 4-21 are examples of *aspirational* reference groups (to which we might like to belong) and *disassociative* groups (to which we do not wish to belong), respectively.

**Family Decision Making: An Example of Group Influences** In some instances, the group may be involved more directly than just as a referent. Family members may serve as referents to each other, or they may actually be involved in the purchase decision process—acting as an individual buying unit. As shown in Figure 4-11, family members may assume a variety of roles in the decision-making process.<sup>33</sup> Each role has implications for marketers.

**The initiator.** The person responsible for initiating the purchase decision process; for example, the mother who determines she needs a new car.

**The information provider.** The individual responsible for gathering information to be used in making the decision; for example, the teenage car buff who knows where to find product information in specific magazines or collects it from dealers.

**The influencer.** The person who exerts influence as to what criteria will be used in the selection process. All members of the family may be involved. The mother may have her criteria, whereas others may each have their own input.

**The decision maker(s).** That person(s) who actually makes the decision. In our example, it may be the mother alone or in combination with another family member.

**The purchasing agent.** The individual who performs the physical act of making the purchase. In the case of a car, a husband and wife may decide to choose it together and sign the purchase agreement.

**The consumer.** The actual user of the product. In the case of a family car, all family members are consumers. For a private car, only the mother might be the consumer.



**Exhibit 4-20** New York Palace targets upper classes

**Figure 4-11** Roles in the family decision-making process

**Naval Aviation Officer**  
AN EXCITING WAY OF LIFE




Naval aviation has it all - from precision fighter/attack jets to turboprops and helicopter submarine hunters. As a naval aviator, you fly from land bases and sea platforms, fully mission ready anytime, anywhere worldwide.

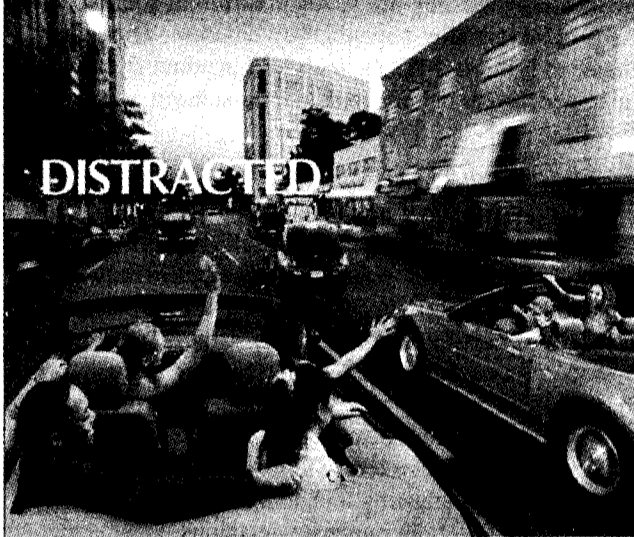
Naval aviators are an elite, close-knit team bound together by shared challenges, adventures and triumphs. Few other careers offer the pride and prestige of serving your country in the fast-paced, high technology environment of Navy aviation.

You join the Navy aviation team as one of two specialists - flight officer or pilot. As a prospective naval flight officer or pilot, you start your training at Officer Candidate School in Pensacola, Fla.


**NAVY**

To find out how the Navy can accelerate your life, call 1-800-368-NAVY

**DISTRACTED**



Are you keeping your mind on the road?



Driver distractions are a contributing factor in one out of eight motor vehicle crashes. That's more than 4,000 crashes every day! Drivers are responsible for those crashes and drivers need undivided attention. Distracted driving and texting while driving can be deadly. The seat belt does not protect you from distracted driving. Stay focused on the road. Get the "Count On Shell" logo. It's been there since 1937. It's still up there with Shell drivers. Visit [www.shell.com](http://www.shell.com). Call 1-800-7-Shell.

**Count on Shell**

**Exhibit 4-21** The ad on the left shows an aspirational reference group; the one on the right stresses a disassociative reference group

First, the advertiser must determine who is responsible for the various roles in the decision-making process so messages can be targeted at that person (or those people). These roles will also dictate media strategies, since the appropriate magazines, newspapers, or TV or radio stations must be used. Second, understanding the decision-making process and the use of information by individual family members is critical to the design of messages and choice of promotional program elements. In sum, to create an effective promotional program, a marketer must have an overall understanding of how the decision process works and the role that each family member plays.

### Situational Determinants

The final external factor is the purchase and usage situation. The specific situation in which consumers plan to use the product or brand directly affects their perceptions, preferences, and purchasing behaviors.<sup>34</sup> Three types of **situational determinants** may have an effect: the specific usage situation, the purchase situation, and the communications situation.

*Usage* refers to the circumstance in which the product will be used. For example, purchases made for private consumption may be thought of differently from those that will be obvious to the public. The *purchase* situation more directly involves the environment operating at the time of the purchase. Time constraints, store environments, and other factors may all have an impact. The *communications* situation is the condition in which an advertising exposure occurs (in a car listening to the radio, with friends, etc.). This may be most relevant to the development of promotional strategies, because the impact on the consumer will vary according to the particular situation. For example, a consumer may pay more attention to a commercial that is heard alone at home than to one heard in the presence of friends, at work, or anywhere distractions may be present. If advertisers can isolate a particular time when the listener is likely to be attentive, they will probably earn his or her undivided attention.

In sum, situational determinants may either enhance or detract from the potential success of a message. To the degree that advertisers can assess situational influences that may be operating, they will increase the likelihood of successfully communicating with their target audiences.

In addition to the perspectives discussed, consumer researchers complement these psychological approaches with perspectives driven from other scientific disciplines, such as sociology, anthropology, philosophy, or history. These cross-disciplinary perspectives have broadened the realm of methodologies used to study consumers and have provided additional insights into consumer decision processes. IMC Perspective 4-3 provides a few examples of applications of these approaches.

## Alternative Approaches to Consumer Behavior

### New Methodologies

Whereas psychologists often study consumer responses to advertising and other forms of communication in controlled settings, where environmental variables can be kept constant, sociologists and anthropologists study behavior in context. For this reason, they often employ qualitative methodologies such as individual interviews, participant observation studies, and/or ethnographies. These methods help capture the social, cultural, and environmental influences that may affect consumer behavior.

The humanities have also been a source of new methodologies for consumer research. Historians and semioticians focus their analyses on the advertising messages and other forms of communications themselves. These researchers examine the significance of communications from a linguistic or historical perspective. Research methods such as semiotic and structural analyses examine the symbolic meanings of advertising and different facets of consumption.

### New Insights

These alternative perspectives and methodologies provide additional insights and expand our knowledge of consumers. For example, the cultural significance of advertising messages in shaping cultures and triggering communities is now better understood. Likewise, marketers now have a better understanding of how advertising campaigns like “Got Milk” become popular and help shape our culture. Thanks to the many interpretive analyses of advertisements over recent years, we are also more aware of the influence of advertising images on society.

Some consumer researchers believe that cross-disciplinary research is better suited for the study of consumers because it takes into account their complexity and multidimensionality. When considered along with psychological research, these alternative approaches help us better understand the impact of communications.

### IMC PERSPECTIVE 4-3

## Want to Name a Car or Develop an Ad Campaign? Try Archetype Research, Hypnosis, or Something Else Unconventional

Marketers are constantly trying to determine what goes on in the mind of consumers when they consider purchase decisions, view advertisements, and so on. Packages, brand names, ads, and commercials are commonly researched in an attempt to improve their likelihood of success. Surveys, focus groups, in-depth discussions, and a variety of other methods have been employed to find the “holy grail” of research that will provide insight into consumer’s minds. Recently some companies have turned to mind probing through less traditional methods, including hypnosis and “archetype research.”

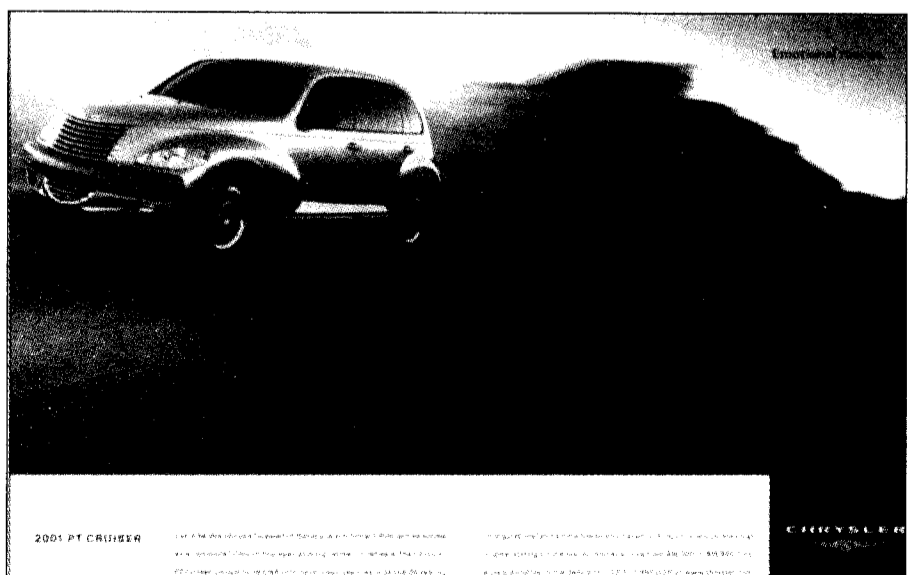
Take DaimlerChrysler, for example. In searching for a “breakthrough” car, the company shunned traditional marketing research techniques and instead employed an unconventional approach known as *archetype research*. With billions of dollars of investments on the line, Chrysler recently shifted the bulk of its research to this methodology, which was developed by a French-born medical anthropologist, G. Clotaire Rapaille, whose previous work involved working with autistic children. To gain insights from deep inside consumers’ minds, Rapaille conducted three-hour focus group sessions, in which—with lights dimmed and mood music in the background—consumers were asked to look at a prototype of the newly designed PT Cruiser and to go far back into their childhood to discuss what emotions were evoked, as well as to write stories about their feelings. After the sessions, Rapaille and a team of Chrysler employees read the stories, looking for what they refer to as “reptilian hot buttons,” or nuggets of revealing emotions. According to Rapaille, remembering a new concept is dependent upon associating it with an emotion, and the more emotions evoked, the greater the likelihood of recall. The process led to significant design changes that resulted in a less-than-traditional-looking car that won an award as North America’s Car of the Year.

Actually, Chrysler was not the first to employ archetype research. Archetype research has also been applied to the

naming of SUVs. What comes to your mind when you hear Bronco, Cherokee, Wrangler, Blazer, Yukon, Navigator, or Denali? What about Tahoe, Explorer, Range Rover, or Bravada? As SUVs are increasingly adopted by women (men are going for trucks), it is important to convey some image of the vehicles that meets the target market’s needs—conscious or subconscious. According to archetype research, these SUV names conjure up the wilderness, ruggedness, and the new frontier. To women, the size and safety of these vehicles are what they need to compete in this “less than civilized” environment. Does it work? No other product class has seen greater growth over the last 10 years.

But don’t think that it’s only the auto companies that want to know what’s in your head. The list of subscribers to archetype research includes AT&T, Boeing, GE, Lego, Kellogg, and Samsonite, just to name a few. At least 10 years prior to Chrysler’s use of the technique, Procter & Gamble employed Rapaille to determine that aroma sells more coffee than taste because of the emotional ties to home. The Folger’s coffee ad in which a young soldier returns home and brews a pot of coffee that causes his sleeping mother to wake up and sense that he has returned is a direct result of that research. General Motors has also used this research methodology.

In an equally unconventional approach, California wine maker Domain Chandon and its ad agency D’Arcy



Masius Benton & Bowles of Los Angeles conducted focus groups of hypnotized consumers. In the groups, participants were asked to discuss their experiences and feelings about the first time they drank champagne and/or sparkling wine. According to Chandon and D'Arcy, traditional focus groups lead to "surface" discussions whereas drinking champagne involves more of an "inside"-driven and emotional response. By hypnotizing the participants, they felt they could get behind the barriers set up in conscious minds. The approach apparently worked; as noted by Diane Dreyer, senior VP at D'Arcy, some participants revealed romantic and sexual experiences that "I'm sure they wouldn't share in the waking state." The input from the groups was used in the development of a new advertising campaign that featured a sexual and passionate appeal, as well as a new logo. Essentially, the research led to a whole new positioning for the brand, with ads placed on billboards and in travel and epicurean magazines, as well as a move into e-commerce.

In his book *Why We Buy: The Science of Shopping*, retail consultant Paco Underhill attempts to explain

why consumers buy. With a degree in Chinese history, Underhill shifted his emphasis to environmental psychology and, like Rapaille, found the consulting world much more lucrative. Equating the modern-day shopper with the "hunter-gatherer" mentality of the past, he sees men as shopping because of an obsession with a single item. Women, on the other hand, look upon shopping as a social occasion that provides a sense of liberation. At the mall they can escape their husbands and families, exercise their judgments, and see and be seen. Is this what women did in the caveman days?

Traditional or not, millions of dollars are now being invested in previously unheard-of techniques. Billions more are riding on the results. Are you willing to take the risk?

Sources: Phil Patton, "Car Shrinks" *Fortune*, March 18, 2002, pp. 187-190; Alice Z. Cuneo, "Domain Chandon Looks beyond the Celebrations," *Advertising Age*, July 19, 1999, p. 9; Abigail Goldman, "Expert Offers Retailers Glimpse into Shoppers' Minds," *Los Angeles Times*, June 3, 1999, p. C5; Jeffrey Ball, "But How Does It Make You Feel?" *The Wall Street Journal*, May 3, 1999, p. B1.

## Summary

This chapter introduced you to the field of consumer behavior and examined its relevance to promotional strategy. Consumer behavior is best viewed as the process and activities that people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services to satisfy their needs and desires. A five-stage model of the consumer decision-making process consists of problem recognition, information search, alternative evaluation, purchase, and postpurchase evaluation. Internal psychological processes that influ-

ence the consumer decision-making process include motivation, perception, attitude formation and change, and integration processes.

The decision process model views consumer behavior primarily from a cognitive orientation. The chapter considered other perspectives by examining various approaches to consumer learning and their implications for advertising and promotion. Behavioral learning theories such as classical conditioning and operant (instrumental) conditioning were discussed. Problems with behavioral learning theories were noted, and

the alternative perspective of cognitive learning was discussed.

The chapter also examined relevant external factors that influence consumer decision making. Culture, subculture, social class, reference groups, and situational determinants were discussed, along with their implications for the development of promotional strategies and programs. The chapter concluded with an introduction to alternative perspectives on the study of consumer behavior (also called interpretive, postmodern, or postpositivist perspectives).

## Key Terms

consumer behavior, 105	selective exposure, 114	multiattribute attitude model, 117	operant conditioning, 125
problem recognition, 107	selective attention, 114	salient beliefs, 118	reinforcement, 125
want, 107	selective comprehension, 114	integration processes, 119	schedules of reinforcement, 125
motives, 109	selective retention, 114	heuristics, 119	shaping, 126
hierarchy of needs, 109	mnemonics, 114	affect referral decision rule, 120	culture, 127
psychoanalytic theory, 110	subliminal perception, 114	purchase intention, 120	subcultures, 128
motivation research, 110	evaluative criteria, 116	brand loyalty, 120	social class, 128
internal search, 112	functional consequences, 117	cognitive dissonance, 121	reference group, 129
external search, 112	psychosocial consequences, 117	classical conditioning, 123	situational determinants, 130
perception, 113		conditioned stimulus, 123	
sensation, 113		conditioned response, 123	
selective perception, 114			

## Discussion Questions

1. A number of factors may lead to problem recognition among consumers. Discuss the various causes of problem recognition, and give an example of each.
2. Explain the concept of an *evoked set*. Why is this concept important to marketers? Give examples of an evoked set, and how marketers might attempt to influence consumers to gain consideration.
3. Jerry Olson and J. Paul Peter define two broad categories of evaluative consequences. Describe each of these and provide examples.
4. Figure 4-10 details a number of external influences on consumer behavior. Describe each of these influences, explaining how it might have an impact on consumer behavior, and provide an example of each.
5. Psychoanalytic theory has been criticized for its problems with validity and reliability. How do the current methods discussed in the lead-in—for example, hypnosis—fare in regard to these criteria?
6. Explain how consumers might engage in each of the processes of selective perception described in the chapter. Provide examples.
7. Describe how cultural differences might impact viewers' perceptions of advertisements. Provide examples.
8. In the text it was indicated that families may influence the consumer decision-making process. Describe how various family members may assume the different roles described in Figure 4-11. Also explain how these roles might change depending upon the product under consideration.
9. The text discusses alternative approaches to studying consumer behavior. Explain how these approaches differ from those described earlier in the chapter.
10. Postmodern research often involves a sociological perspective to understanding consumer behavior. Give examples of how sociology might impact purchase behaviors.



# The Communication Process



## 5

### Chapter Objectives

1. To understand the basic elements of the communication process and the role of communications in marketing.
2. To examine various models of the communication process.
3. To analyze the response processes of receivers of marketing communications, including alternative response hierarchies and their implications for promotional planning and strategy.
4. To examine the nature of consumers' cognitive processing of marketing communications.





in Plano, Texas, to be opened to the media on New Year's Eve night. More than a dozen journalists showed up, and CNBC and CNN did live feeds from the command center, as did local TV crews. Uzzi noted: "We showed the world what EDS does and how we do it. That's something the company never would have done before." Once the new year passed with few glitches, EDS celebrated with a full-page "Y2KO" ad in *The Wall Street Journal*, calling attention to the role the company played in helping the world get ready for the date change.

The risk taking continued when EDS ran its now-famous "Cat Herders" ad during the 2000 Super Bowl. The Super Bowl is advertising's biggest showcase and is usually reserved for major advertisers rather than companies such as EDS, which was nearly invisible in the ad world. The commercial was shot in the style of a John Ford old-style western—big sky, big country, stirring musical score—and featured cowboys herding 10,000 house cats. Uzzi noted that herding cats is an information management metaphor for organizing an overwhelming amount of varied data and captures perfectly what EDS does: "We ride herd on complexity. We make technology go where clients want it to go." The commercial was one of the most popular of the Super Bowl ads, and the EDS website received 2 million hits in the first 24 hours after the ad ran and 10 million hits in the first week. Clients called from all over the world, asking for tapes of the commercial to play at meetings, and EDS parlayed the ad's success into a high-profile presence at trade shows.

EDS followed the "Cat Herders" spot with two more high-profile commercials including an ad that debuted on the 2001 Super Bowl called "Running with the Squirrels," which was a spoof of the traditional running of the bulls in Pamplona, Spain, and sent a message about the importance of staying nimble in business. The second commercial was called "Airplane," and it compared what EDS does to building an airplane while it is in the air. Follow-up research shows that the trilogy of commercials resulted in a doubling of the percentage of people associating EDS with e-business solutions and a 50 percent increase in overall brand awareness.

In 2002, EDS moved its advertising in a new direction with a series of commercials and print ads designed to move beyond creating awareness and provide businesses with a better understanding of each of the EDS lines of business—information technology outsourcing, hosting, and security/privacy.

In just two years, a lot more people in the corporate world have become aware of EDS and now view it as a hip, hardworking company that can provide solutions to information technology problems. In addition to helping generate business, EDS's advertising has created excitement among its employees and helped attract new talent to the company. EDS wants its advertising to continue to lead, surprise, and impress its customers as well as its own employees. It is likely that it will.

Sources: Suzanne Vranica, "Cats Corralled: EDS Ads Go Back to Basics," *The Wall Street Journal*, Feb. 8, 2002, p. B9; Tom Wasserman, "Brand Builders," *Brandweek*, Feb. 11, 2002, pp. 17, 18; "Reinventing the Brand," *Fortune*, October 2001, p. 112.

The function of all elements of the integrated marketing communications program is to communicate. An organization's IMC strategy is implemented through the various communications it sends to current or prospective customers as well as other relevant publics. Organizations send communications and messages in a variety of ways, such as through advertisements, brand names, logos and graphic systems, websites, press releases, package designs, promotions, and visual images. Thus, those involved in the planning and implementation of an IMC program need to understand the communications process and how it occurs. As you can see from the opening vignette on the EDS Company, the way marketers communicate with their target audiences depends on many factors, including how much customers know and what they think about the company and the image it hopes to create. Developing an effective marketing communications program is far more complicated than just choosing a product feature or attribute to emphasize. Marketers must understand how consumers will perceive and

interpret their messages and how these reactions will shape consumers' responses to the company and/or its product or service.

This chapter reviews the fundamentals of communication and examines various perspectives and models regarding how consumers respond to advertising and promotional messages. Our goal is to demonstrate how valuable an understanding of the communication process can be in planning, implementing, and evaluating the marketing communications program.

**Communication** has been variously defined as the passing of information, the exchange of ideas, or the process of establishing a commonness or oneness of thought between a sender and a receiver.<sup>1</sup> These definitions suggest that for communication to occur, there must be some common thinking between two parties and information must be passed from one person to another (or from one group to another). As you will see in this chapter, establishing this commonality in thinking is not always as easy as it might seem; many attempts to communicate are unsuccessful.

The communication process is often very complex. Success depends on such factors as the nature of the message, the audience's interpretation of it, and the environment in which it is received. The receiver's perception of the source and the medium used to transmit the message may also affect the ability to communicate, as do many other factors. Words, pictures, sounds, and colors may have different meanings to different audiences, and people's perceptions and interpretations of them vary. For example, if you ask for a soda on the East Coast or West Coast, you'll receive a soft drink such as Coke or Pepsi. However, in parts of the Midwest and South, a soft drink is referred to as pop. If you ask for a soda, you may get a glass of pop with ice cream in it. Marketers must understand the meanings that words and symbols take on and how they influence consumers' interpretation of products and messages. This can be particularly challenging to companies marketing their products in foreign countries.

Language is one of the major barriers to effective communication, as there are different languages in different countries, different languages or dialects within a single country, and more subtle problems of linguistic nuance and vernacular. The growth of bilingual, multicultural ethnic markets in the United States is also creating challenges for domestic marketers. Diversity Perspective 5-1 discusses issues advertisers must consider in developing messages for young Hispanics, who are a very fast growing market segment.

Over the years, a basic model of the various elements of the communication process has evolved, as shown in Figure 5-1.<sup>2</sup> Two elements represent the major participants in the communication process, the sender and the receiver. Another two are the major communication tools, message and channel.

## The Nature of Communication

## A Basic Model of Communication

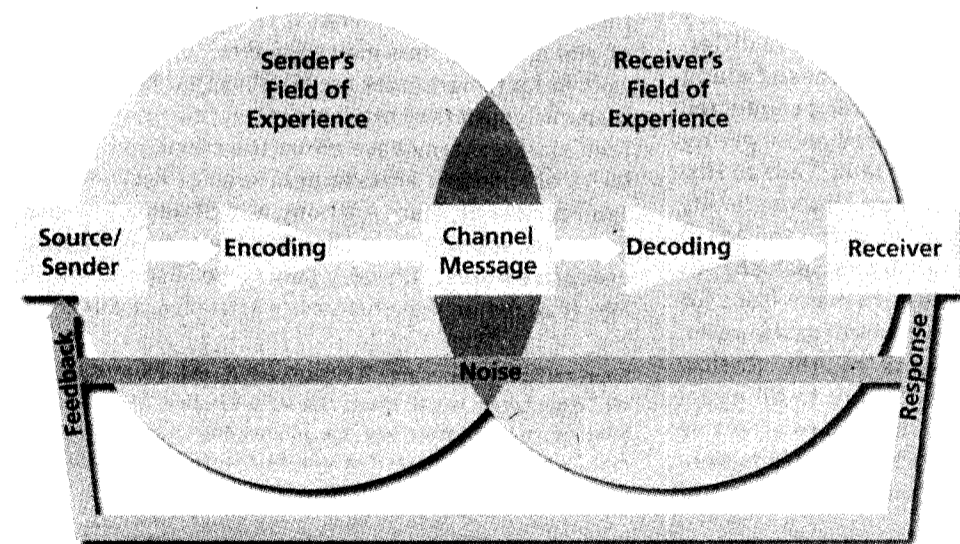


Figure 5-1 A model of the communication process

## Communicating with the Hispanic Teen Market

A few years ago, Jeff Manning, the executive director of the California Milk Processor Board (CMPB), was considering ways to reverse a decline in milk sales in the heavily Hispanic southern California market. As he reviewed a report on the Latino market, a potential solution to the problem came to him: target one of the fastest-growing market segments in the United States, which is Hispanic teenagers. The results from the 2000 census show that over the past decade the Hispanic market grew by 58 percent, compared with only 3 percent for the non-Hispanic white segment, and another 35 percent jump for Hispanics is forecast over the next 10 years. Moreover, the ranks of Hispanic teenagers are projected to swell to 18 percent of the U.S. teen population over the next decade, up from 12 percent in 2000. Nearly one in five children born in the United States today is of Latin American descent, and more than half of all children in Los Angeles alone are born to Latino mothers.

While marketers are recognizing the importance of appealing to the Hispanic market, they are also finding that communicating with this fast-growing segment can be very challenging and requires more than creating an ad in the Spanish with tried-and-true Hispanic themes. They have to decide whether to use ads with a Hispanic-focused creative, dub or remake general market campaigns into Spanish, or run English-language ads and trust that they will be picked up by bilingual Hispanics. Contributing to the challenge is the fact that Hispanic teens often live in two worlds: one rich in traditional Latino values, such as strong commitment to family and religion, and the other in which they eagerly participate in mainstream teen America. They bounce between hip-hop and *rock en Español*; watch *Buffy the Vampire Slayer* with their friends and Spanish *telenovelas* (night-time soap operas) with their parents; and blend Mexican rice with spaghetti sauce and spread peanut butter and jelly on tortillas.

Advertising and marketing executives have different perspectives on how to best reach these “young biculturals.” For example, research Manning conducted for the California Milk Processor Board on targeting English versions of its popular “Got Milk?” ads to Hispanic teens found that they reacted enthusiastically to the ads. The CMPB had considered doing the ads in Spanglish (a combination of English and Spanish) but found that the language used was not a major issue for teens, as they reacted to ideas, not language. However, a 2000 study of Hispanic teens by the Roslow Research Group found that advertising to bilingual Hispanics in Spanish is significantly more effective than advertising to them in English. English ads were 28 percent less effective than Spanish ads in terms of



ad recall, 54 percent less effective in terms of persuasion, and 14 percent less effective in terms of communication.

The California Milk Processor Board has decided that it is important to develop ads that appeal to bicultural teens. Recently its ad agency worked with Latino students from the Art Center College of Design in Pasadena to develop a commercial based on a Hispanic cultural myth that has long been used to scare kids straight. When Hispanic kids misbehave, their parents threaten that *La Llorona* (“the weeping woman”) will come to claim them. Basically she’s a boogiewoman for *bambinos*. In the spot the ghostly figure, clad in flowing gown and veil, wails as she wanders through a house. Walking through a wall, the specter enters the kitchen and opens the refrigerator. Rather abruptly, her tears terminate. “Leche!” she exclaims, lunging at the half gallon of milk needed to wash down the Mexican pastry she clutches. But sadly for *La Llorona*, the carton is empty, so the tears resume and the “Got milk?” tagline appears.

While the *La Llorona* ad targets bicultural teens through mainstream media, it relies on only one word of dialogue and thus may appeal to non-Hispanics as well. In fact, marketers are finding that by targeting Hispanic youth they may also attract the more general teen market. Many have noted the tremendous popularity of Hispanic entertainers such as Ricky Martin, Jennifer Lopez, Marc Anthony, and Shakira, and their crossover appeal to non-Hispanic teens. As one agency executive notes: “It’s very cool to be Hispanic at this age. It almost makes them more attractive, exotic.”

Sources: Becky Ebenkamp, “A House Lacking in Lactose? Intolerable,” *Brandweek*, Jan. 21, 2002, p. 23; Jeffery D. Zbar, “Hispanic Teens Set Urban Beat,” *Advertising Age*, June 25, 2001, p. S6; Rick Wartzman, “When You Translate ‘Got Milk’ for Latinos, What Do You Get?” *The Wall Street Journal*, June 3, 1999, pp. A1, 10.

Four others are the major communication functions and processes: encoding, decoding, response, and feedback. The last element, noise, refers to any extraneous factors in the system that can interfere with the process and work against effective communication.

## Source Encoding

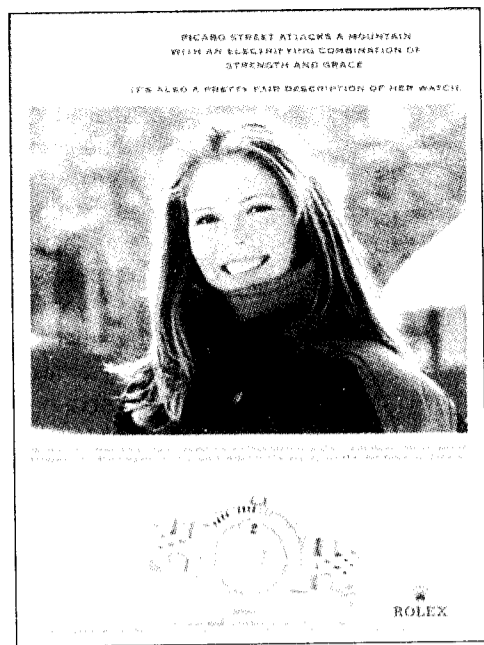
The sender, or **source**, of a communication is the person or organization that has information to share with another person or group of people. The source may be an individual (say, a salesperson or hired spokesperson, such as a celebrity, who appears in a company's advertisements) or a non-personal entity (such as the corporation or organization itself). For example, the source of the ad shown in the opening vignette is the EDS company, since no specific spokesperson or source is shown. However, in the Rolex ad shown in Exhibit 5-1, Olympic gold medalist Picabo Street is also a source since she appears as a spokesperson for the company.

Because the receiver's perceptions of the source influence how the communication is received, marketers must be careful to select a communicator the receiver believes is knowledgeable and trustworthy or with whom the receiver can identify or relate in some manner. (How these characteristics influence the receiver's responses is discussed further in Chapter 6.)

The communication process begins when the source selects words, symbols, pictures, and the like, to represent the message that will be delivered to the receiver(s). This process, known as **encoding**, involves putting thoughts, ideas, or information into a symbolic form. The sender's goal is to encode the message in such a way that it will be understood by the receiver. This means using words, signs, or symbols that are familiar to the target audience. Many symbols have universal meaning, such as the familiar circle with a line through it to denote no parking, no smoking, and so forth. Many companies also have highly recognizable symbols—such as McDonald's golden arches, Nike's swoosh, or the Coca-Cola trademark—that are known to consumers around the world.

## Message

The encoding process leads to development of a **message** that contains the information or meaning the source hopes to convey. The message may be verbal or nonverbal, oral or written, or symbolic. Messages must be put into a transmittable form that is appropriate for the channel of communication being used. In advertising, this may range from simply writing some words or copy that will be read as a radio message to producing an expensive television commercial. For many products, it is not the actual words of the message that determine its communication effectiveness but rather the impression or image the ad creates. Notice how Spellbound perfume in Exhibit 5-2 uses only a picture



**Exhibit 5-1** Picabo Street is a source in this Rolex ad



**Exhibit 5-2** The image projected by an ad often communicates more than words


to deliver its message. However, the product name and picture help communicate a feeling of attraction and fascination between the man and woman shown in the ad.

To better understand the symbolic meaning that might be conveyed in a communication, advertising and marketing researchers have begun focusing attention on **semiotics**, which studies the nature of meaning and asks how our reality—words, gestures, myths, signs, symbols, products/services, theories—acquire meaning.<sup>3</sup> Semiotics is important in marketing communications since products and brands acquire meaning through the way they are advertised and consumers use products and brands to express their social identities. Consumer researcher Michael Solomon notes: “From a semiotic perspective, every marketing message has three basic components: an object, a sign or symbol and an interpretant. The object is the product that is the focus of the message (e.g., Marlboro cigarettes). The sign is the sensory imagery that represents the intended meanings of the object (e.g., the Marlboro cowboy). The interpretant is the meaning derived (e.g., rugged, individualistic, American).”<sup>4</sup>

Marketers may use individuals trained in semiotics and related fields such as cultural anthropology to better understand the conscious and subconscious meanings the nonverbal signs and symbols in their ads transmit to consumers. For example, Levi Strauss & Co.’s former agency, TBWA/Chiat/Day, hired a cultural anthropologist to help it better understand the image and meaning of clothing and fashion among young consumers. As part of the process, the agency research team recruited hip-looking young people in the streets of the East Village section of New York City, an area picked because they felt it is the best reflection of today’s youth life. Those chosen were handed a piece of red cardboard and a white marker and asked to “write down something you believe in; something that’s true about you or your world.” The process provided the agency with insight into the teen market and was the impetus for an ad campaign featuring teenagers holding placards inscribed with their philosophical messages.<sup>5</sup> Exhibit 5-3 shows the thinking behind the various elements of one of the ads used in the campaign as explained by Sean Dee, the director of the Levi’s brand.

Some advertising and marketing people are skeptical about the value of semiotics. They question whether social scientists read too much into advertising messages and are overly intellectual in interpreting them. However, the meaning of an advertising

**Exhibit 5-3** Semiotic analysis is used to describe the various elements of this Levi’s ad



**THE MODEL: A premed student at New York University**  
“We wanted people who are not defined by what they do but by what they are. We chose her because she looks like a Levi’s type. She’s young. She has her own point of view. She’s sexy, but in an understated way. She’s not trying too hard. She’s definitely got something about her.”

**THE CLOTHES: Levi’s cargo pants, her own T-shirt, zip-up sweatshirt, combat boots, and accessories**  
“It’s important that she wore what she wanted. We’re not trying to create a Levi’s uniform; that wouldn’t be very ‘real.’ We didn’t use a professional stylist or a hairdresser; that wouldn’t be real.”

**THE SETTING: Manhattan’s East Village**  
“We picked New York City because it’s the best reflection of today’s youth life. We drove around the grittiest parts of the city. The people in the background [of this image] give it a street feel; it’s obviously not staged in a studio.”

**THE STATEMENT: “Music is my female soul”**  
“It’s hard for people to believe, but the [language] came totally from the kids; there was no prompting. . . . We liked the music theme [in this statement] because we do a lot to promote original music; we see music as being *the* voice of the young people.”

**THE TAG LINE: “What’s true”**  
“The challenge with youth marketing these days is not to dictate to kids. This [line] is both a statement and a question. Is what we’re saying true? Or is it a declaration? It works because it’s provocative and ambiguous.”

message or other form of marketing communication lies not in the message but with the people who see and interpret it. Moreover, consumers behave on the basis of meanings they ascribe to marketplace stimuli. Thus, marketers must consider the meanings consumers attach to the various signs and symbols. Semiotics may be helpful in analyzing how various aspects of the marketing program—such as advertising messages, packaging, brand names, and even the nonverbal communications of salespeople (gestures, mode of dress)—are interpreted by receivers.<sup>6</sup>

## Channel

The **channel** is the method by which the communication travels from the source or sender to the receiver. At the broadest level, channels of communication are of two types, personal and nonpersonal. *Personal channels* of communication are direct interpersonal (face-to-face) contact with target individuals or groups. Salespeople serve as personal channels of communication when they deliver their sales message to a buyer or potential customer. Social channels of communication such as friends, neighbors, associates, co-workers, or family members are also personal channels. They often represent *word-of-mouth communication*, a powerful source of information for consumers.<sup>7</sup>

*Nonpersonal channels* of communication are those that carry a message without interpersonal contact between sender and receiver. Nonpersonal channels are generally referred to as the **mass media** or mass communications, since the message is sent to many individuals at one time. For example, a TV commercial broadcast on a prime-time show may be seen by 20 million households in a given evening. Nonpersonal channels of communication consist of two major types, print and broadcast. Print media include newspapers, magazines, direct mail, and billboards; broadcast media include radio and television.

## Receiver/Decoding

The **receiver** is the person(s) with whom the sender shares thoughts or information. Generally, receivers are the consumers in the target market or audience who read, hear, and/or see the marketer's message and decode it. **Decoding** is the process of transforming the sender's message back into thought. This process is heavily influenced by the receiver's frame of reference or **field of experience**, which refers to the experiences, perceptions, attitudes, and values he or she brings to the communication situation.

For effective communication to occur, the message decoding process of the receiver must match the encoding of the sender. Simply put, this means the receiver understands and correctly interprets what the source is trying to communicate. As Figure 5-1 showed, the source and the receiver each have a frame of reference (the circle around each) that they bring to the communication situation. Effective communication is more likely when there is some *common ground* between the two parties. (This is represented by the overlapping of the two circles.) The more knowledge the sender has about the receivers, the better the sender can understand their needs, empathize with them, and communicate effectively.

While this notion of common ground between sender and receiver may sound basic, it often causes great difficulty in the advertising communications process. Marketing and advertising people often have very different fields of experience from the consumers who constitute the mass markets with whom they must communicate. Most advertising and marketing people are college-educated and work and/or reside in large urban areas such as New York, Chicago, or Los Angeles. Yet they are attempting to develop commercials that will effectively communicate with millions of consumers who have never attended college, work in blue-collar occupations, and live in rural areas or small towns. The executive creative director of a large advertising agency described how advertising executives become isolated from the cultural mainstream: "We pull them in and work them to death. And then they begin moving in sushi circles and lose touch with Velveeta and the people who eat it."<sup>8</sup>

Another factor that can lead to problems in establishing common ground between senders and receivers is age. IMC Perspective 5-2 discusses the youth bias in advertising and some interesting findings from a study that considered problems younger advertising professionals have in developing ads for older consumers.

## Does Advertising Ignore Older Consumers?

In early 2002, a battle was waged between two of the major television networks, CBS and ABC, over *The Late Show with David Letterman*. ABC was trying to lure Letterman's show away from CBS to replace *Nightline*, the news show hosted by Ted Koppel, which it had been airing in the late-night time slot for 22 years. The battle was being fought mainly because *Letterman* is more popular among younger viewers between the key ages of 18 to 32 and brings in \$100 million more in advertising revenue each year than *Nightline*. Observers argued that the tug-of-war over *Letterman* is just another example of advertisers' obsession with younger consumers. While aging baby boomers may argue they are more active, more fit, more adventurous, and more experimental than their predecessors, they are still of less interest to advertisers than younger consumers.

It has often been argued that people who work in advertising are different from the typical consumers who represent the target markets for their clients' products and services. Some say advertising may better reflect those who work in the industry than the consuming public, as it is really about the people who create it, not about the consumers who actually buy the products being advertised. A study conducted a few years ago on ageism in advertising considered potential problems that might arise because of age differences between agency personnel and older consumers. The study found that professionals who work in advertising agencies are much younger than the U.S. adult population. Nearly 40 percent of ad agency professional staff are between the ages of 30 and 39, while only 20 percent of all adults are in their 30s.

The youth bias is particularly evident in the creative departments. Agency employment drops like a rock after age 40, particularly among those involved in creating the ads. As a result, agencies rarely have creative professionals with a true understanding of life after age 40, not to mention life after 50 or 60. Richard Lee, a principal of High-Yield Marketing, the company that conducted the study, notes: "Most young agency staff, reflective of their life phase, are fixated on creating advertising that is hip, cool, impressive to their peers, and award-winning. This is more fulfilling than creating advertising for people with dated tastes who wouldn't know Smashing Pumpkins if they stepped on them."

Advertisers who are unable to connect with older consumers may be squandering opportunities to reach a valuable market. While nearly 40 percent of American adults are 50 or older and they control more than 50 percent of the U.S.'s discretionary income, they receive only 10 percent of the advertising messages. Many observers wonder why advertisers remain focused on consumers in their teens, 20s, and early 30s when spending power is becoming progressively more concentrated among those age 50 and older. Some point to the conventional wisdom in marketing and advertising that brand loyalties and consumer preferences form early and once formed, stay pretty much the same. Older people are stereotyped as unlikely to change brands and try something new.

Another reason for the youth bias stems from the problem of advertisers' not wanting to have their brands perceived as being for older consumers for fear of damaging their image among younger people. As the senior vice president of Zenith Media notes: "For a lot of brands we work with, it's sexier to advertise to the younger consumers who are trendier, much more fashion forward, very social and very in the public eye. With marketing dollars so limited and precious, you want to bet on the future."

Of course, not everyone in the advertising industry agrees with the findings of the ageism study. One agency executive calls the conclusions ridiculous, noting that "we have people of every age segment here." There are, of course, examples of excellent advertising targeted at mature consumers, and new media are being introduced to reach the over-50 crowd.

Many believe, however, that the youth bias in advertising is still a major problem. They note that the best hope for the demise of the primary focus on youth in advertising is the marketing people who are growing and maturing themselves. Some feel that it has finally dawned on advertisers that they ought to follow the green, which is quickly going gray, and that older consumers are more hip. As one ad executive noted: "Sixty-year-olds don't think like they did in the last generation. Sixty-year-olds in the last generation wore plaid pants."

Sources: Hillary Chura, "Boomers Hope to Break Age-Old Ad Myth," *Advertising Age*, May 13, 2002, p. 16; Richard Lee, "The Youth Bias in Advertising," *American Demographics*, January 1997, pp. 47-50.



Advertisers spend millions of dollars every year to understand the frames of reference of the target markets who receive their messages. They also spend much time and money pretesting messages to make sure consumers understand and decode them in the manner the advertiser intended.

## Noise

Throughout the communication process, the message is subject to extraneous factors that can distort or interfere with its reception. This unplanned distortion or interference is known as **noise**. Errors or problems that occur in the encoding of the message, distortion in a radio or television signal, or distractions at the point of reception are examples of noise. When you are watching your favorite commercial on TV and a problem occurs in the signal transmission, it will obviously interfere with your reception, lessening the impact of the commercial.

Noise may also occur because the fields of experience of the sender and receiver don't overlap. Lack of common ground may result in improper encoding of the message—using a sign, symbol, or words that are unfamiliar or have different meaning to the receiver. The more common ground there is between the sender and the receiver, the less likely it is this type of noise will occur.

## Response/Feedback

The receiver's set of reactions after seeing, hearing, or reading the message is known as a **response**. Receivers' responses can range from nonobservable actions such as storing information in memory to immediate action such as dialing a toll-free number to order a product advertised on television. Marketers are very interested in **feedback**, that part of the receiver's response that is communicated back to the sender. Feedback, which may take a variety of forms, closes the loop in the communications flow and lets the sender monitor how the intended message is being decoded and received.

For example, in a personal-selling situation, customers may pose questions, comments, or objections or indicate their reactions through nonverbal responses such as gestures and frowns.<sup>9</sup> The salesperson has the advantage of receiving instant feedback through the customer's reactions. But this is generally not the case when mass media are used. Because advertisers are not in direct contact with the customers, they must use other means to determine how their messages have been received. While the ultimate form of feedback occurs through sales, it is often hard to show a direct relationship between advertising and purchase behavior. So marketers use other methods to obtain feedback, among them customer inquiries, store visits, coupon redemptions, and reply cards. Research-based feedback analyzes readership and recall of ads, message comprehension, attitude change, and other forms of response. With this information, the advertiser can determine reasons for success or failure in the communication process and make adjustments.

Successful communication is accomplished when the marketer selects an appropriate source, develops an effective message or appeal that is encoded properly, and then selects the channels or media that will best reach the target audience so that the message can be effectively decoded and delivered. In Chapter 6, we will examine the source, message, and channel decisions and see how promotional planners work with these controllable variables to develop communication strategies. Since these decisions must consider how the target audience will respond to the promotional message, the remainder of this chapter examines the receiver and the process by which consumers respond to advertising and other forms of marketing communications.

To communicate effectively with their customers, marketers must understand who the target audience is, what (if anything) it knows or feels about the company's product or service, and how to communicate with the audience to influence its decision-making process. Marketers must also know how the market is likely to respond to various sources of communication or different types of messages. Before they make decisions regarding source, message, and channel variables, promotional planners must understand the potential effects associated with each of these factors. This section focuses

## Analyzing the Receiver

on the receiver of the marketing communication. It examines how the audience is identified and the process it may go through in responding to a promotional message. This information serves as a foundation for evaluating the controllable communication variable decisions in the next chapter.

### Identifying the Target Audience

The marketing communication process really begins with identifying the audience that will be the focus of the firm's advertising and promotional efforts. The target audience may consist of individuals, groups, niche markets, market segments, or a general public or mass audience (Figure 5-2). Marketers approach each of these audiences differently.

The target market may consist of *individuals* who have specific needs and for whom the communication must be specifically tailored. This often requires person-to-person communication and is generally accomplished through personal selling. Other forms of communication, such as advertising, may be used to attract the audience's attention to the firm, but the detailed message is carried by a salesperson who can respond to the specific needs of the individual customer. Life insurance, financial services, and real estate are examples of products and services promoted this way.

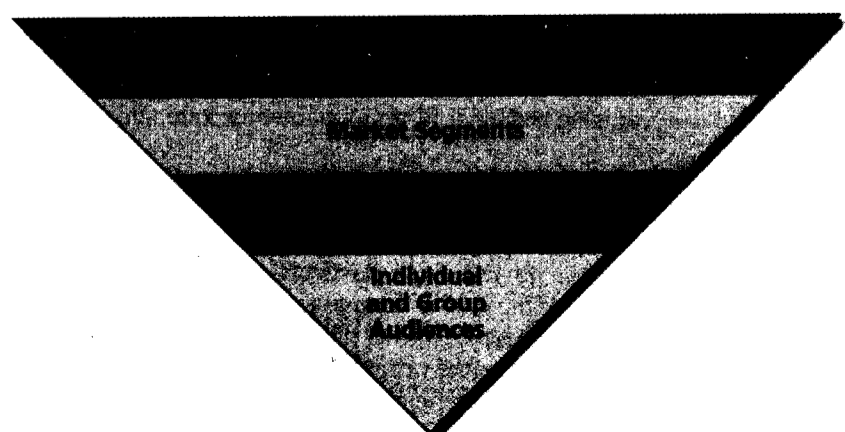
A second level of audience aggregation is represented by the *group*. Marketers often must communicate with a group of people who make or influence the purchase decision. For example, organizational purchasing often involves buying centers or committees that vary in size and composition. Companies marketing their products and services to other businesses or organizations must understand who is on the purchase committee, what aspect of the decision each individual influences, and the criteria each member uses to evaluate a product. Advertising may be directed at each member of the buying center, and multilevel personal selling may be necessary to reach those individuals who influence or actually make decisions.

Marketers look for customers who have similar needs and wants and thus represent some type of market segment that can be reached with the same basic communication strategy. Very small, well-defined groups of customers are often referred to as *market niches*. They can usually be reached through personal-selling efforts or highly targeted media such as direct mail. The next level of audience aggregation is *market segments*, broader classes of buyers who have similar needs and can be reached with similar messages. As we saw in Chapter 2, there are various ways of segmenting markets and reaching the customers in these segments. As market segments get larger, marketers usually turn to broader-based media such as newspapers, magazines, and TV to reach them.

Marketers of most consumer products attempt to attract the attention of large numbers of present or potential customers (*mass markets*) through mass communication such as advertising or publicity. Mass communication is a one-way flow of information from the marketer to the consumer. Feedback on the audience's reactions to the message is generally indirect and difficult to measure.

TV advertising, for example, lets the marketer send a message to millions of consumers at the same time. But this does not mean effective communication has

Figure 5-2 Levels of audience aggregation



occurred. This may be only one of several hundred messages the consumer is exposed to that day. There is no guarantee the information will be attended to, processed, comprehended, or stored in memory for later retrieval. Even if the advertising message is processed, it may not interest consumers or may be misinterpreted by them. Studies by Jacob Jacoby and Wayne D. Hoyer have shown that nearly 20 percent of all print ads and even more TV commercials are miscomprehended by readers.<sup>10</sup>

Unlike personal or face-to-face communications, mass communications do not offer the marketer an opportunity to explain or clarify the message to make it more effective. The marketer must enter the communication situation with knowledge of the target audience and how it is likely to react to the message. This means the receiver's response process must be understood, along with its implications for promotional planning and strategy.

Perhaps the most important aspect of developing effective communication programs involves understanding the *response process* the receiver may go through in moving toward a specific behavior (like purchasing a product) and how the promotional efforts of the marketer influence consumer responses. In many instances, the marketer's only objective may be to create awareness of the company or brand name, which may trigger interest in the product. In other situations, the marketer may want to convey detailed information to change consumers' knowledge of and attitudes toward the brand and ultimately change their behavior.

## The Response Process

### Traditional Response Hierarchy Models

A number of models have been developed to depict the stages a consumer may pass through in moving from a state of not being aware of a company, product, or brand to actual purchase behavior. Figure 5-3 shows four of the best-known response hierarchy models. While these response models may appear similar, they were developed for different reasons.

The **AIDA model** was developed to represent the stages a salesperson must take a customer through in the personal-selling process.<sup>11</sup> This model depicts the buyer as passing successively through attention, interest, desire, and action. The salesperson must first get the customer's attention and then arouse some interest in the company's

Figure 5-3 Models of the response process

Stages	Models			
	AIDA model <sup>a</sup>	Hierarchy of effects model <sup>b</sup>	Innovation adoption model <sup>c</sup>	Information processing model <sup>d</sup>
Cognitive stage	Attention	Awareness	Awareness	Presentation
		Knowledge		Attention
Affective stage	Interest	Liking	Interest	Comprehension
	Desire	Preference	Evaluation	Yielding
Behavioral stage	Action	Conviction	Trial	Retention
		Purchase	Adoption	Behavior

product or service. Strong levels of interest should create desire to own or use the product. The action stage in the AIDA model involves getting the customer to make a purchase commitment and closing the sale. To the marketer, this is the most important stage in the selling process, but it can also be the most difficult. Companies train their sales reps in closing techniques to help them complete the selling process.

Perhaps the best known of these response hierarchies is the model developed by Robert Lavidge and Gary Steiner as a paradigm for setting and measuring advertising objectives.<sup>12</sup> Their **hierarchy of effects model** shows the process by which advertising works; it assumes a consumer passes through a series of steps in sequential order from initial awareness of a product or service to actual purchase. A basic premise of this model is that advertising effects occur over a period of time. Advertising communication may not lead to immediate behavioral response or purchase; rather, a series of effects must occur, with each step fulfilled before the consumer can move to the next stage in the hierarchy. As we will see in Chapter 7, the hierarchy of effects model has become the foundation for objective setting and measurement of advertising effects in many companies.

The **innovation adoption model** evolved from work on the diffusion of innovations.<sup>13</sup> This model represents the stages a consumer passes through in adopting a new product or service. Like the other models, it says potential adopters must be moved through a series of steps before taking some action (in this case, deciding to adopt a new product). The steps preceding adoption are awareness, interest, evaluation, and trial. The challenge facing companies introducing new products is to create awareness and interest among consumers and then get them to evaluate the product favorably. The best way to evaluate a new product is through actual use so that performance can be judged. Marketers often encourage trial by using demonstration or sampling programs or allowing consumers to use a product with minimal commitment (Exhibit 5-4). After trial, consumers either adopt the product or reject it.

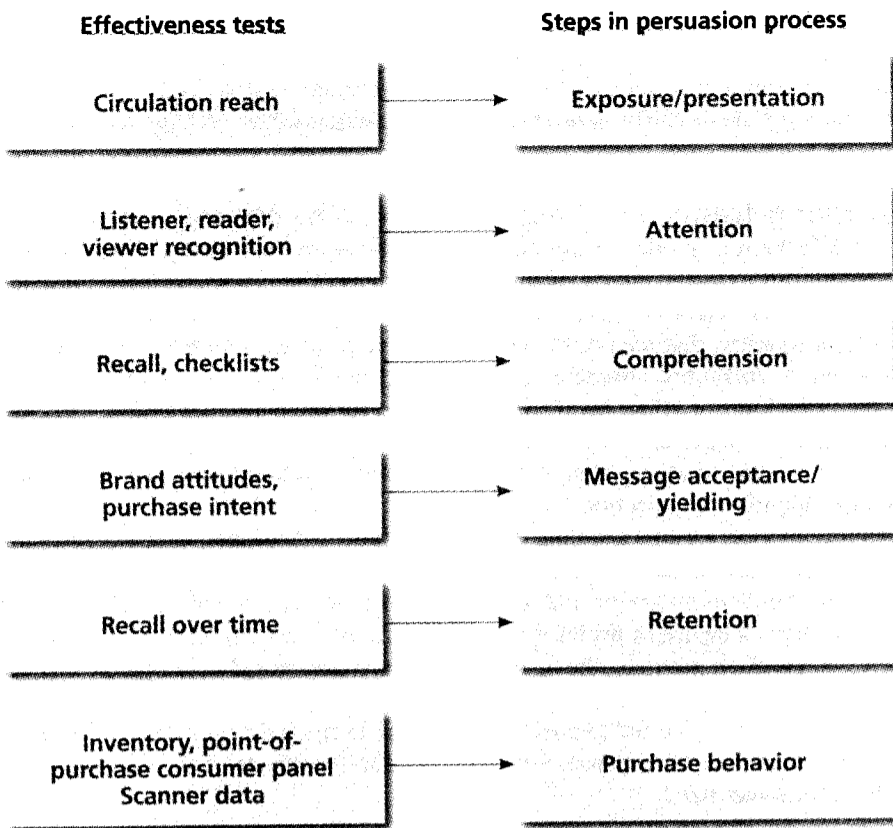
The final hierarchy model shown in Figure 5-3 is the **information processing model** of advertising effects, developed by William McGuire.<sup>14</sup> This model assumes the receiver in a persuasive communication situation like advertising is an information processor or problem solver. McGuire suggests the series of steps a receiver goes through in being persuaded constitutes a response hierarchy. The stages of this model are similar to the hierarchy of effects sequence; attention and comprehension are similar to awareness and knowledge, and yielding is synonymous with liking. McGuire's model includes a stage not found in the other models: retention, or the receiver's ability to retain that portion of the comprehended information that he or she accepts as valid or relevant. This stage is important since most promotional campaigns are designed not to motivate consumers to take immediate action but rather to provide information they will use later when making a purchase decision.

Each stage of the response hierarchy is a dependent variable that must be attained and that may serve as an objective of the communication process. As shown in Figure 5-4, each stage can be measured, providing the advertiser with feedback regarding the effectiveness of various strategies designed to move the consumer to purchase. The information processing model may be an effective framework for planning and evaluating the effects of a promotional campaign.

**Exhibit 5-4** Sampling or demonstration programs encourage trial of new products such as disposable contact lenses



\*Other Acuvue wear schedules require lens care.  
\*\*Recommended replacement schedule.



**Figure 5-4** Methods of obtaining feedback in the response hierarchy

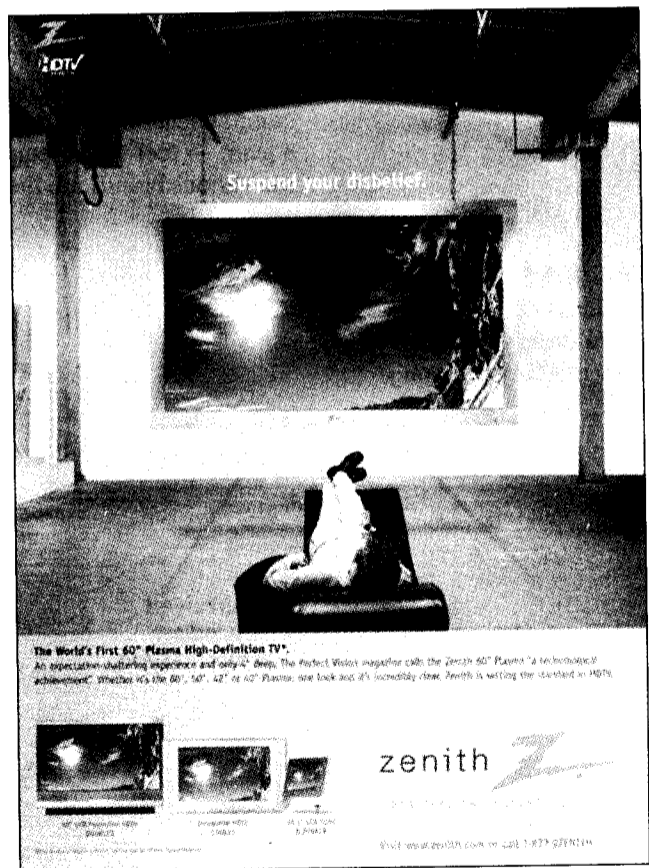
**Implications of the Traditional Hierarchy Models** The hierarchy

models of communication response are useful to promotional planners from several perspectives. First, they delineate the series of steps potential purchasers must be taken through to move them from unawareness of a product or service to readiness to purchase it. Second, potential buyers may be at different stages in the hierarchy, so the advertiser will face different sets of communication problems. For example, a company introducing an innovative product like Zenith's plasma high-definition television (HDTV) may need to devote considerable effort to making people aware of the product, how it works, and its benefits (Exhibit 5-5). Marketers of a mature brand that enjoys customer loyalty may need only supportive or reminder advertising to reinforce positive perceptions and maintain the awareness level for the brand.

The hierarchy models can also be useful as intermediate measures of communication effectiveness. The marketer needs to know where audience members are on the response hierarchy. For example, research may reveal that one target segment has low awareness of the advertiser's brand, whereas another is aware of the brand and its various attributes but has a low level of liking or brand preference.

For the first segment of the market, the communication task involves increasing the awareness level for the brand. The number of ads may be increased, or a product sampling program may be used. For the second segment, where awareness is already high but liking and preference are low, the advertiser must determine the

**Exhibit 5-5** Advertising for innovative new products such as HDTV must make consumers aware of their features and benefits



reason for the negative feelings and then attempt to address this problem in future advertising.

When research or other evidence reveals a company is perceived favorably on a particular attribute or performance criterion, the company may want to take advantage of this in its advertising.

**Evaluating Traditional Response Hierarchy Models** As you saw in Figure 5-3, the four models presented all view the response process as consisting of movement through a sequence of three basic stages. The *cognitive stage* represents what the receiver knows or perceives about the particular product or brand. This stage includes awareness that the brand exists and knowledge, information, or comprehension about its attributes, characteristics, or benefits. The *affective stage* refers to the receiver's feelings or affect level (like or dislike) for the particular brand. This stage also includes stronger levels of affect such as desire, preference, or conviction. The *conative or behavioral stage* refers to the consumer's action toward the brand: trial, purchase, adoption, or rejection.

All four models assume a similar ordering of these three stages. Cognitive development precedes affective reactions, which precede behavior. One might assume that consumers become aware of and knowledgeable about a brand, develop feelings toward it, form a desire or preference, and then make a purchase. While this logical progression is often accurate, the response sequence does not always operate this way.

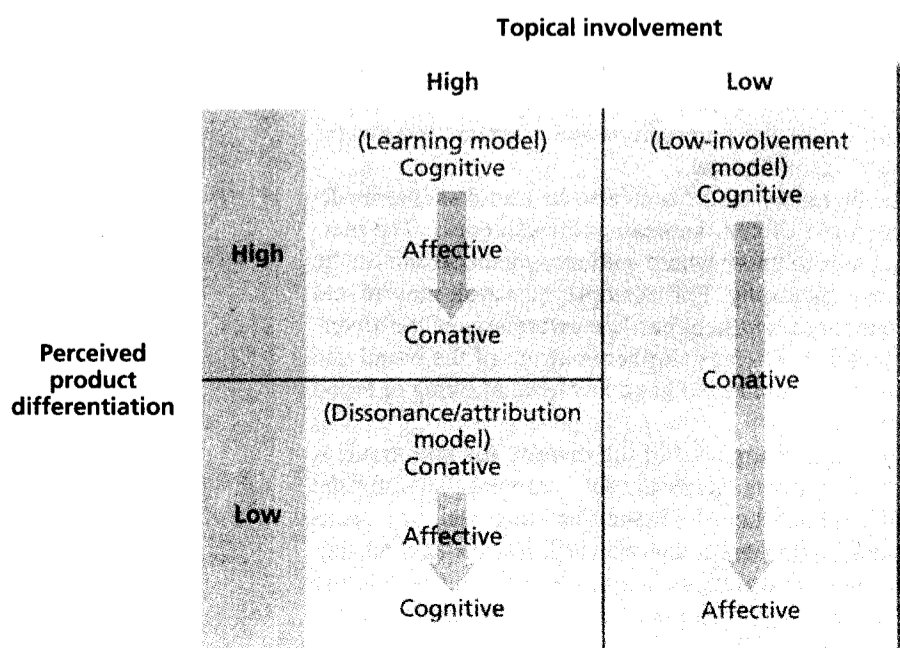
Over the past two decades, considerable research in marketing, social psychology, and communications has led to questioning of the traditional cognitive → affective → behavioral sequence of response. Several other configurations of the response hierarchy have been theorized.

### Alternative Response Hierarchies

Michael Ray has developed a model of information processing that identifies three alternative orderings of the three stages based on perceived product differentiation and product involvement.<sup>15</sup> These alternative response hierarchies are the standard learning, dissonance/attribution, and low-involvement models (Figure 5-5).

**The Standard Learning Hierarchy** In many purchase situations, the consumer will go through the response process in the sequence depicted by the traditional communication models. Ray terms this a **standard learning model**, which consists of a learn → feel → do sequence. Information and knowledge acquired or *learned* about the various brands are the basis for developing affect, or *feelings*, that guide what the

**Figure 5-5** Alternative response hierarchies: the three-orders model of information processing



consumer will *do* (e.g., actual trial or purchase). In this hierarchy, the consumer is viewed as an active participant in the communication process who gathers information through active learning.

Ray suggests the standard learning hierarchy is likely when the consumer is highly involved in the purchase process and there is much differentiation among competing brands. High-involvement purchase decisions such as those for industrial products and services and consumer durables like personal computers, printers, cameras, appliances, and cars are areas where a standard learning hierarchy response process is likely. Ads for products and services in these areas are usually very detailed and provide customers with information that can be used to evaluate brands and help them make a purchase decision (Exhibit 5-6).

**The Dissonance/Attribution Hierarchy** A second response hierarchy proposed by Ray involves situations where consumers first behave, then develop attitudes or feelings as a result of that behavior, and then learn or process information that supports the behavior. This **dissonance/attribution model**, or *do* → *feel* → *learn*, occurs in situations where consumers must choose between two alternatives that are similar in quality but are complex and may have hidden or unknown attributes. The consumer may purchase the product on the basis of a recommendation by some nonmedia source and then attempt to support the decision by developing a positive attitude toward the brand and perhaps even developing negative feelings toward the rejected alternative(s). This reduces any *postpurchase dissonance* or anxiety the consumer may experience resulting from doubt over the purchase (as discussed in Chapter 4). Dissonance reduction involves *selective learning*, whereby the consumer seeks information that supports the choice made and avoids information that would raise doubts about the decision.

According to this model, marketers need to recognize that in some situations, attitudes develop *after* purchase, as does learning from the mass media. Ray suggests that in these situations the main effect of the mass media is not the promotion of original choice behavior and attitude change but rather the reduction of dissonance by reinforcing the wisdom of the purchase or providing supportive information. For example, the ad shown in Exhibit 5-7 reinforces consumers' decisions to purchase Michelin tires by showing the number of awards the brand has received for customer satisfaction.

**EUREKA**

We discovered how to bring down the running cost of color for any office to under 10 cents a page. And that was no accident. Introducing the Xerox DocuColor 2240 and 1632 Printer/Copiers.

Printer/Copier Model	Running Cost of Color (per page)
Xerox DocuColor 2240	Under 10 cents
Xerox DocuColor 1632	Under 10 cents
Other models	Over 10 cents

**Exhibit 5-6** Ads for high-involvement products provide consumers with information to help them evaluate brands

**More awards for customer satisfaction than any other tire brand.**

[And to think, no babies were asked their opinion.]

**MICHELIN**

**Exhibit 5-7** This ad reinforces the wisdom of the decision to purchase Michelin tires

As with the standard learning model, this response hierarchy is likely to occur when the consumer is involved in the purchase situation; it is particularly relevant for post-purchase situations. For example, a consumer may purchase tires recommended by a friend and then develop a favorable attitude toward the company and pay close attention to its ads to reduce dissonance.

Some marketers resist this view of the response hierarchy because they can't accept the notion that the mass media have no effect on the consumer's initial purchase decision. But the model doesn't claim the mass media have no effect—just that their major impact occurs after the purchase has been made. Marketing communications planners must be aware of the need for advertising and promotion efforts not just to encourage brand selection but to reinforce choices and ensure that a purchase pattern will continue.

**The Low-Involvement Hierarchy** Perhaps the most intriguing of the three response hierarchies proposed by Ray is the **low-involvement hierarchy**, in which the receiver is viewed as passing from cognition to behavior to attitude change. This learn → do → feel sequence is thought to characterize situations of low consumer involvement in the purchase process. Ray suggests this hierarchy tends to occur when involvement in the purchase decision is low, there are minimal differences among brand alternatives, and mass-media (especially broadcast) advertising is important.

The notion of a low-involvement hierarchy is based in large part on Herbert Krugman's theory explaining the effects of television advertising.<sup>16</sup> Krugman wanted to find out why TV advertising produced a strong effect on brand awareness and recall but little change in consumers' attitudes toward the product. He hypothesized that TV is basically a low-involvement medium and the viewer's perceptual defenses are reduced or even absent during commercials. In a low-involvement situation, the consumer does not compare the message with previously acquired beliefs, needs, or past experiences. The commercial results in subtle changes in the consumer's knowledge structure, particularly with repeated exposure. This change in the consumer's knowledge does not result in attitude change but is related to learning something about the advertised brand, such as a brand name, ad theme, or slogan. According to Krugman, when the consumer enters a purchase situation, this information may be sufficient to trigger a purchase. The consumer will then form an attitude toward the purchased brand as a result of experience with it. Thus, in the low-involvement situation the response sequence is as follows:

Message exposure under low involvement →

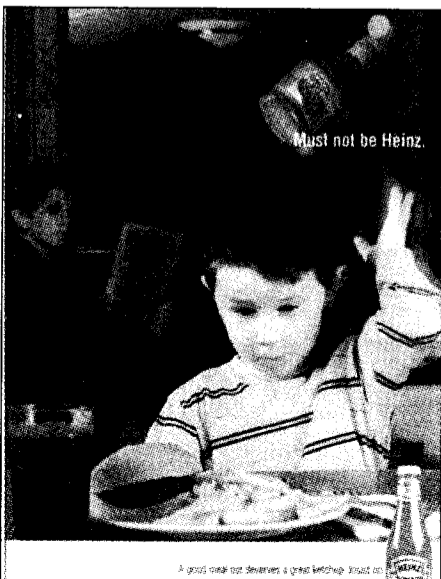
Shift in cognitive structure → Purchase →

Positive or negative experience → Attitude formation

In the low-involvement hierarchy, the consumer engages in passive learning and random information catching rather than active information seeking. The advertiser must recognize that a passive, uninterested consumer may focus more on nonmessage elements such as music, characters, symbols, and slogans or jingles than actual message content. The advertiser might capitalize on this situation by developing a catchy jingle that is stored in the consumer's mind without any active cognitive processing and becomes salient when he or she enters the actual purchase situation.

Advertisers of low-involvement products also repeat simple product claims such as a key copy point or distinctive product benefit. A study by Scott Hawkins and Stephen Hoch found that under low-involvement conditions, repetition of simple product claims increased consumers' memory of and belief in those claims.<sup>17</sup> They concluded that advertisers of low-involvement products might find it more profitable to pursue a heavy repetition strategy than to reach larger audiences with lengthy, more detailed messages. For example, Heinz has dominated the ketchup market for over 20 years by repeatedly telling consumers that its brand is the thickest and richest. Heinz has used a variety of advertising campaigns over the years. However, they all have communicated the same basic message that Heinz is the best and most preferred brand of ketchup (Exhibit 5-8).

**Exhibit 5-8** Advertising promoting taste quality has helped Heinz dominate the ketchup market





Low-involvement advertising appeals prevail in much of the advertising we see for frequently purchased consumer products: Wrigley's Doublemint gum invites consumers to "Double your pleasure." Bounty paper towels claim to be the "quicker picker-upper." Oscar Mayer uses the catchy jingle, "I wish I were an Oscar Mayer wiener." Each of these appeals is designed to help consumers make an association without really attempting to formulate or change an attitude.

Another popular creative strategy used by advertisers of low-involvement products is what advertising analyst Harry McMahan calls *VIP*, or *visual image personality*.<sup>18</sup> Advertisers often use symbols like the Pillsbury doughboy, Morris the cat, Tony the tiger, Speedy Alka-Seltzer, and Mr. Clean to develop visual images that will lead consumers to identify and retain ads. Eveready began using the pink bunny in ads for its Energizer batteries in 1989, and he has helped sales of the brand keep going and going for over 14 years.

## Implications of the Alternative Response Models

Advertising and consumer researchers recognize that not all response sequences and behaviors are explained adequately by either the traditional or the alternative response hierarchies. Advertising is just one source of information consumers use in learning about products, forming attitudes, and/or making a purchase decision. Consumers are likely to integrate information from advertising and other forms of marketing communication as well as direct experience in forming judgments about a brand. For example, a study by Robert Smith found that advertising can lessen the negative effects of an unfavorable trial experience on brand evaluations when the ad is processed before the trial. However, when a negative trial experience precedes exposure to an ad, cognitive evaluations of the ad are more negative.<sup>19</sup> More recent research has also shown that advertising can affect consumers' objective sensory interpretation of their experiences with a brand and what they remember about it.<sup>20</sup>

The various response models offer an interesting perspective on the ways consumers respond to advertising and other forms of marketing communications. They also provide insight into promotional strategies marketers might pursue in different situations. A review of these alternative models of the response process shows that the traditional standard learning model does not always apply. The notion of a highly involved consumer who engages in active information processing and learning and acts on the basis of higher-order beliefs and a well-formed attitude may be inappropriate for some types of purchases. Sometimes consumers make a purchase decision on the basis of general awareness resulting from repetitive exposure to advertising, and attitude development occurs after the purchase, if at all. The role of advertising and other forms of promotion may be to induce trial, so consumers can develop brand preferences primarily on the basis of their direct experience with the product.

From a promotional planning perspective, it is important that marketers examine the communication situation for their product or service and determine which type of response process is most likely to occur. They should analyze involvement levels and product/service differentiation as well as consumers' use of various information sources and their levels of experience with the product or service. Once the manager has determined which response sequence is most likely to operate, the integrated marketing communications program can be designed to influence the response process in favor of the company's product or service. Because this requires that marketers determine the involvement level of consumers in their target markets, we examine the concept of involvement in more detail.

Over the past two decades, consumer behavior and advertising researchers have extensively studied the concept of involvement.<sup>21</sup> Involvement is viewed as a variable that can help explain how consumers process advertising information and how this information might affect message recipients. One problem that has plagued the study of involvement has been agreeing on how to define and measure it. Advertising managers must be able to determine targeted consumers' involvement levels with their products.

## Understanding Involvement

Some of the problems in conceptualizing and measuring involvement have been addressed in extensive review by Judith Zaichkowsky. She has noted that although there is no single precise definition of involvement, there is an underlying theme focusing on *personal relevance*.<sup>22</sup> Zaichkowsky developed an involvement construct that includes three antecedents, or variables proposed to precede involvement (Figure 5-6). The first is traits of the person (value system, unique experiences, needs). The second factor is characteristics of the stimulus, or differences in type of media (TV, radio, or print), content of the communication, or product class variations. The third antecedent is situational factors, such as whether one is or is not in the market for a particular product.

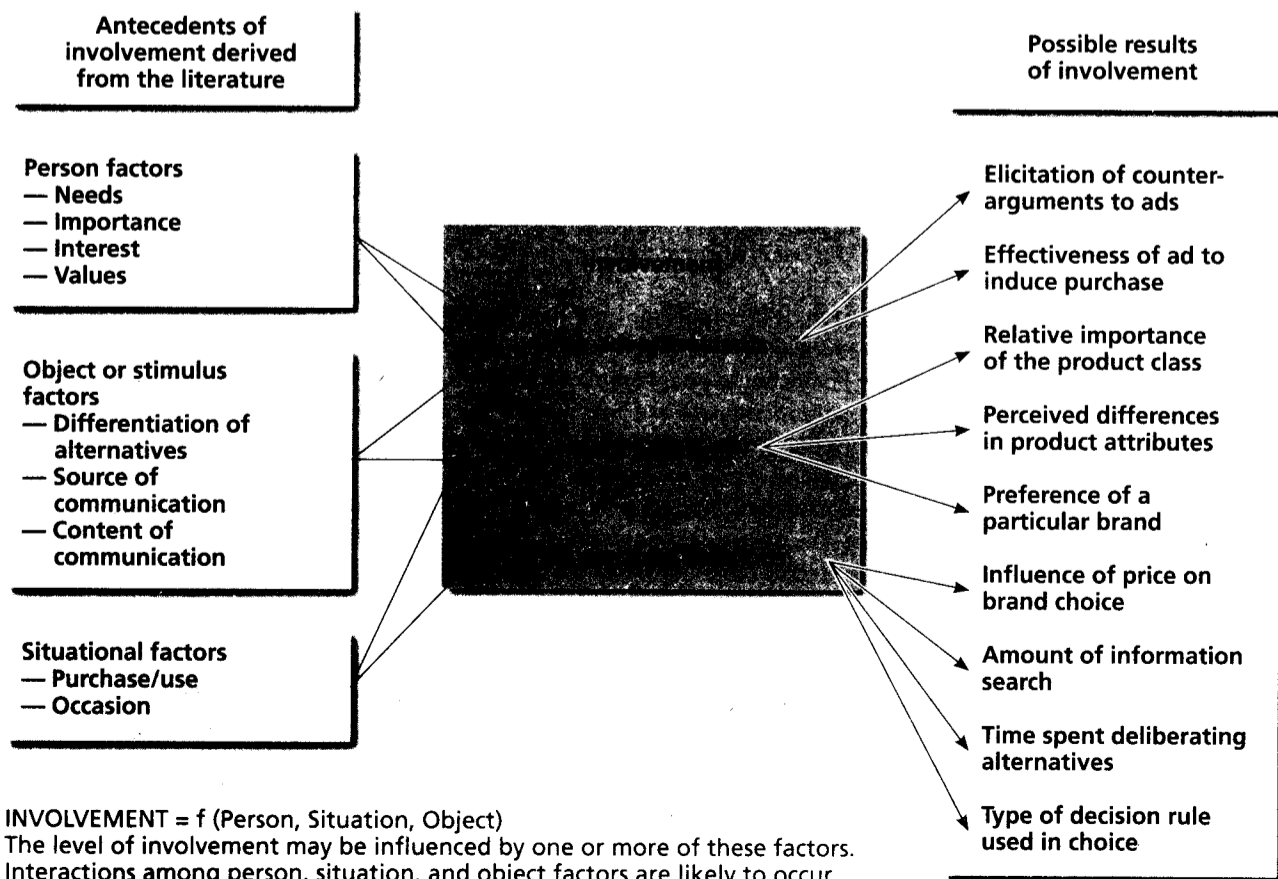
The various antecedents can influence the consumer's level of involvement in several ways, including the way the consumer responds to the advertising, the products being advertised, and the actual purchase decision. This involvement conceptualization shows that a variety of outcomes or behaviors can result from involvement with advertising, products, or purchase decisions.

Several other advertising planning grids have been developed that consider involvement levels as well as other factors, including response processes and motives that underlie attitude formation and subsequent brand choice.

### The FCB Planning Model

An interesting approach to analyzing the communication situation comes from the work of Richard Vaughn of the Foote, Cone & Belding advertising agency. Vaughn and his associates developed an advertising planning model by building on traditional response theories such as the hierarchy of effects model and its variants and research on high and low involvement.<sup>23</sup> They added the dimension of thinking versus feeling processing at each involvement level by bringing in theories regarding brain specialization. The right/left brain theory suggests the left side of the brain is more capable of rational, cognitive thinking, while the right side is more visual and emotional and

Figure 5-6 Involvement concept



INVOLVEMENT = f (Person, Situation, Object)  
 The level of involvement may be influenced by one or more of these factors. Interactions among person, situation, and object factors are likely to occur.

engages more in the affective (feeling) functions. Their model, which became known as the FCB grid, delineates four primary advertising planning strategies—informative, affective, habit formation, and satisfaction—along with the most appropriate variant of the alternative response hierarchies (Figure 5-7).

Vaughn suggests that the *informative strategy* is for highly involving products and services where rational thinking and economic considerations prevail and the standard learning hierarchy is the appropriate response model. The *affective strategy* is for highly involving/feeling purchases. For these types of products, advertising should stress psychological and emotional motives such as building self-esteem or enhancing one's ego or self-image.

The *habit formation strategy* is for low-involvement/thinking products with such routinized behavior patterns that learning occurs most often after a trial purchase. The response process for these products is consistent with a behavioristic learning-by-doing model (remember our discussion of operant conditioning in Chapter 4?). The *self-satisfaction strategy* is for low-involvement/feeling products where appeals to sensory pleasures and social motives are important. Again, the do → feel or do → learn hierarchy is operating, since product experience is an important part of the learning process. Vaughn acknowledges that some minimal level of awareness (passive learning) may precede purchase of both types of low-involvement products, but deeper, active learning is not necessary. This is consistent with the low-involvement hierarchy discussed earlier (learn → do → feel).

The FCB grid provides a useful way for those involved in the advertising planning process, such as creative specialists, to analyze consumer-product relationships and develop appropriate promotional strategies. Consumer research can be used to determine how consumers perceive products or brands on the involvement and thinking/feeling dimensions.<sup>24</sup> This information can then be used to develop effective creative options such as using rational versus emotional appeals, increasing involvement levels, or even getting consumers to evaluate a think-type product on the basis of feelings. IMC Perspective 5-3 discusses how Whirlpool has used creative advertising to get women to develop an emotional connection to its appliances.

	Thinking	Feeling
High involvement	<p><b>1. Informative (thinker)</b> Car-house-furnishings-new products model: Learn-feel-do (economic?)</p> <p><b>Possible implications</b> Test: Recall Diagnostics Media: Long copy format Reflective vehicles Creative: Specific information Demonstration</p>	<p><b>2. Affective (feeler)</b> Jewelry-cosmetics-fashion apparel-motorcycles model: Feel-learn-do (psychological?)</p> <p><b>Possible implications</b> Test: Attitude change Emotional arousal Media: Large space Image specials Creative: Executional Impact</p>
Low involvement	<p><b>3. Habit formation (doer)</b> Food-household items model: Do-learn-feel (responsive?)</p> <p><b>Possible implications</b> Test: Sales Media: Small space ads 10-second I.D.s Radio; POS Creative: Reminder</p>	<p><b>4. Self-satisfaction (reactor)</b> Cigarettes-liquor-candy model: Do-feel-learn (social?)</p> <p><b>Possible implications</b> Test: Sales Media: Billboards Newspapers POS Creative: Attention</p>

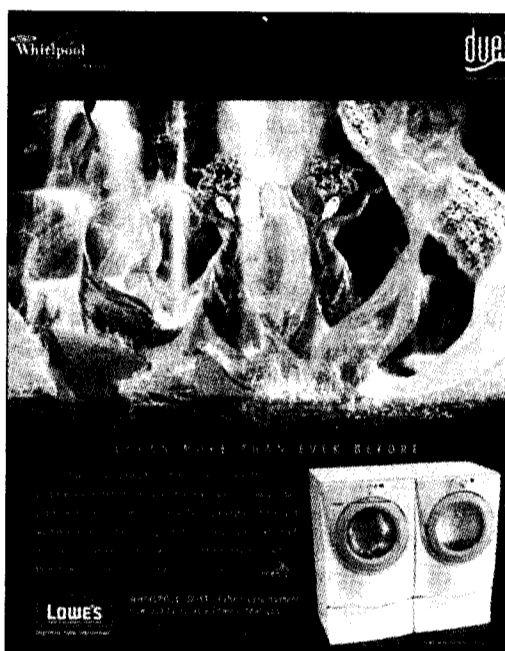
Figure 5-7 The Foote, Cone & Belding (FCB) grid

## Whirlpool Connects with 21st-Century Women

Household appliances are a product category where the advertising has traditionally been pretty bland, with most ads appealing to consumers' rational, functional motives. Television commercials generally would show the capacity of a refrigerator, explain how a washer or dryer works, or tout their reliability; while print ads would feature a shot of the appliance and give a detailed description of how it functions. For example, among the most memorable appliance ads are those from the campaign featuring the Maytag repairman who would wait in vain for a repair call. The campaign was created more than 30 years ago, and the lonely Maytag repairman is still waiting for the phone to ring.

In recent years appliance companies have been focusing on form as well as function and have been touting the design of their products as much as their functionality in their ads. However, one company that has taken a very unique approach to its advertising is Whirlpool, whose "Just Imagine" campaign features Household Goddesses—five ethereal female figures who use water, fire, or air to take control of their environments while promoting various Whirlpool appliances. The campaign is designed to connect with the modern-day "supermoms," working women between the ages of 25 and 54 with children. These women's homes are very important to them; the women are challenged, yet capable of handling a very demanding and busy lifestyle, and they want control of their lives and acknowledgment for all they do and for being very capable. They set new standards and appreciate beauty in their environments. They do not give appliances a great deal of thought until there is a moment of need, such as a broken appliance or a home renovation. Innovation, style, and time saving are all important factors to these women.

The idea for the "Just Imagine" campaign originated in the late 90s in Europe, where Whirlpool was eager to build its brand name and capture a larger share of the appliance market, having acquired the appliance division of the Dutch firm Philips Electronics. The campaign connected well with women in Europe, so in 1999 Whirlpool and its French agency Publicis decided to adapt it to women in the U.S. market. However, before bringing the campaign to the



States, Whirlpool conducted more than 20 focus groups with women throughout the country to test their reaction to the goddesses.

According to Whirlpool's manager of brand communication, the ads with the goddesses celebrate the growing power of women in the 21st century. They are aimed at striking an emotional cord with modern-day women, showing them as strong females in control of their environments who can be made even stronger through the latest Whirlpool technology. The mythical figures in the ads include a blue-skinned ice diva who represents the Whirlpool Conquest refrigerator, a silken-

robed water nymph who appears in commercials for the Catalyst washer, a heat maiden in cascading red robes who promotes the Senson and Duet dryers, a fire-breathing goddess who helps sell the Speed Cook range, and a flying blonde clean-air angel who extols the virtues of Whirlpool's dehumidifiers and air-conditioners. The goddesses promote many of the innovative features found on Whirlpool appliances, such as a dryer that gently dries clothes in the time it takes to wash them, a washing machine that does not require pretreating because concentrated water and detergent spray through clothes before they are washed, and a refrigerator with more space inside.

The goal of the "Just Imagine" campaign is to use the stylish and dramatic commercials to get consumers to take notice of Whirlpool appliances and make them feel the brand is in tune with their changing needs and values and thus has something more to offer than competing brands. In addition to being in the television commercials, the goddesses appear in print ads, on the Whirlpool website, on company brochures, on billboards on the side of the company's trucks, and in point-of-purchase displays for local retailers. The campaign is the biggest in the appliance maker's history. To many women, using a washing machine or dryer means nothing more than cleaning clothes. However, Whirlpool hopes this campaign will help them feel they are taking control of their lives when they use its appliances.

The hierarchical response models were for many years the primary focus of approaches for studying the receivers' responses to marketing communications. Attention centered on identifying relationships between specific controllable variables (such as source and message factors) and outcome or response variables (such as attention, comprehension, attitudes, and purchase intentions). This approach has been criticized on a number of fronts, including its black-box nature, since it can't explain what is causing these reactions.<sup>25</sup> In response to these concerns, researchers began trying to understand the nature of cognitive reactions to persuasive messages. Several approaches have been developed to examine the nature of consumers' cognitive processing of advertising messages.

## The Cognitive Response Approach

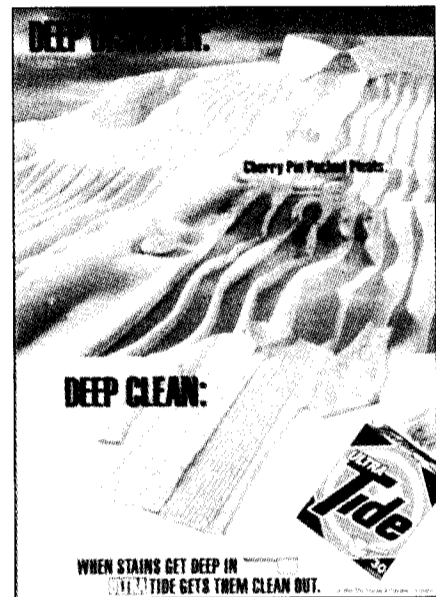
One of the most widely used methods for examining consumers' cognitive processing of advertising messages is assessment of their **cognitive responses**, the thoughts that occur to them while reading, viewing, and/or hearing a communication.<sup>26</sup> These thoughts are generally measured by having consumers write down or verbally report their reactions to a message. The assumption is that these thoughts reflect the recipient's cognitive processes or reactions and help shape ultimate acceptance or rejection of the message.

The cognitive response approach has been widely used in research by both academicians and advertising practitioners. Its focus has been to determine the types of responses evoked by an advertising message and how these responses relate to attitudes toward the ad, brand attitudes, and purchase intentions. Figure 5-8 depicts the three basic categories of cognitive responses researchers have identified—product/message, source-oriented, and ad execution thoughts—and how they may relate to attitudes and intentions.

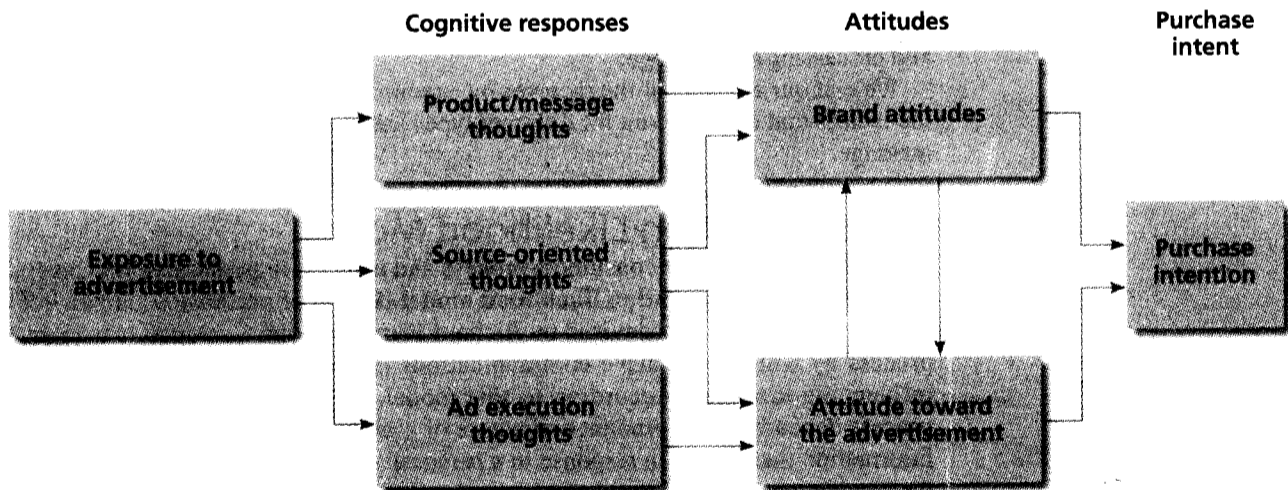
**Product/Message Thoughts** The first category of thoughts comprises those directed at the product or service and/or the claims being made in the communication. Much attention has focused on two particular types of responses, counterarguments and support arguments.

**Counterarguments** are thoughts the recipient has that are opposed to the position taken in the message. For example, consider the ad for Ultra Tide shown in Exhibit 5-9. A consumer may express disbelief or disapproval of a claim made in an ad. ("I don't believe that any detergent could get that stain out!") Other consumers who see this ad may generate **support arguments**, or thoughts that affirm the claims made in the message. ("Ultra Tide looks like a really good product—I think I'll try it.")

**Exhibit 5-9** Consumers often generate support arguments in response to ads for quality products



**Figure 5-8** A model of cognitive response



The likelihood of counterarguing is greater when the message makes claims that oppose the receiver's beliefs. For example, a consumer viewing a commercial that attacks a favorite brand is likely to engage in counterarguing. Counterarguments relate negatively to message acceptance; the more the receiver counterargues, the less likely he or she is to accept the position advocated in the message.<sup>27</sup> Support arguments, on the other hand, relate positively to message acceptance. Thus, the marketer should develop ads or other promotional messages that minimize counterarguing and encourage support arguments.

**Source-Oriented Thoughts** A second category of cognitive responses is directed at the source of the communication. One of the most important types of responses in this category is **source derogations**, or negative thoughts about the spokesperson or organization making the claims. Such thoughts generally lead to a reduction in message acceptance. If consumers find a particular spokesperson annoying or untrustworthy, they are less likely to accept what this source has to say.

Of course, source-related thoughts are not always negative. Receivers who react favorably to the source generate favorable thoughts, or **source bolsters**. As you would expect, most advertisers attempt to hire spokespeople their target audience likes so as to carry this effect over to the message. Considerations involved in choosing an appropriate source or spokesperson will be discussed in Chapter 6.

**Ad Execution Thoughts** The third category of cognitive responses shown in Figure 5-8 consists of the individual's thoughts about the ad itself. Many of the thoughts receivers have when reading or viewing an ad do not concern the product and/or message claims directly. Rather, they are affective reactions representing the consumer's feelings toward the ad. These thoughts may include reactions to ad execution factors such as the creativity of the ad, the quality of the visual effects, colors, and voice tones. **Ad execution-related thoughts** can be either favorable or unfavorable. They are important because of their effect on attitudes toward the advertisement as well as the brand.

In recent years, much attention has focused on consumers' affective reactions to ads, especially TV commercials.<sup>28</sup> **Attitude toward the ad** ( $A \rightarrow ad$ ) represents the receivers' feelings of favorability or unfavorability toward the ad. Advertisers are interested in consumers' reactions to the ad because they know that affective reactions are an important determinant of advertising effectiveness, since these reactions may be transferred to the brand itself or directly influence purchase intentions. One study found that people who enjoy a commercial are twice as likely as those who are neutral toward it to be convinced that the brand is the best.<sup>29</sup>

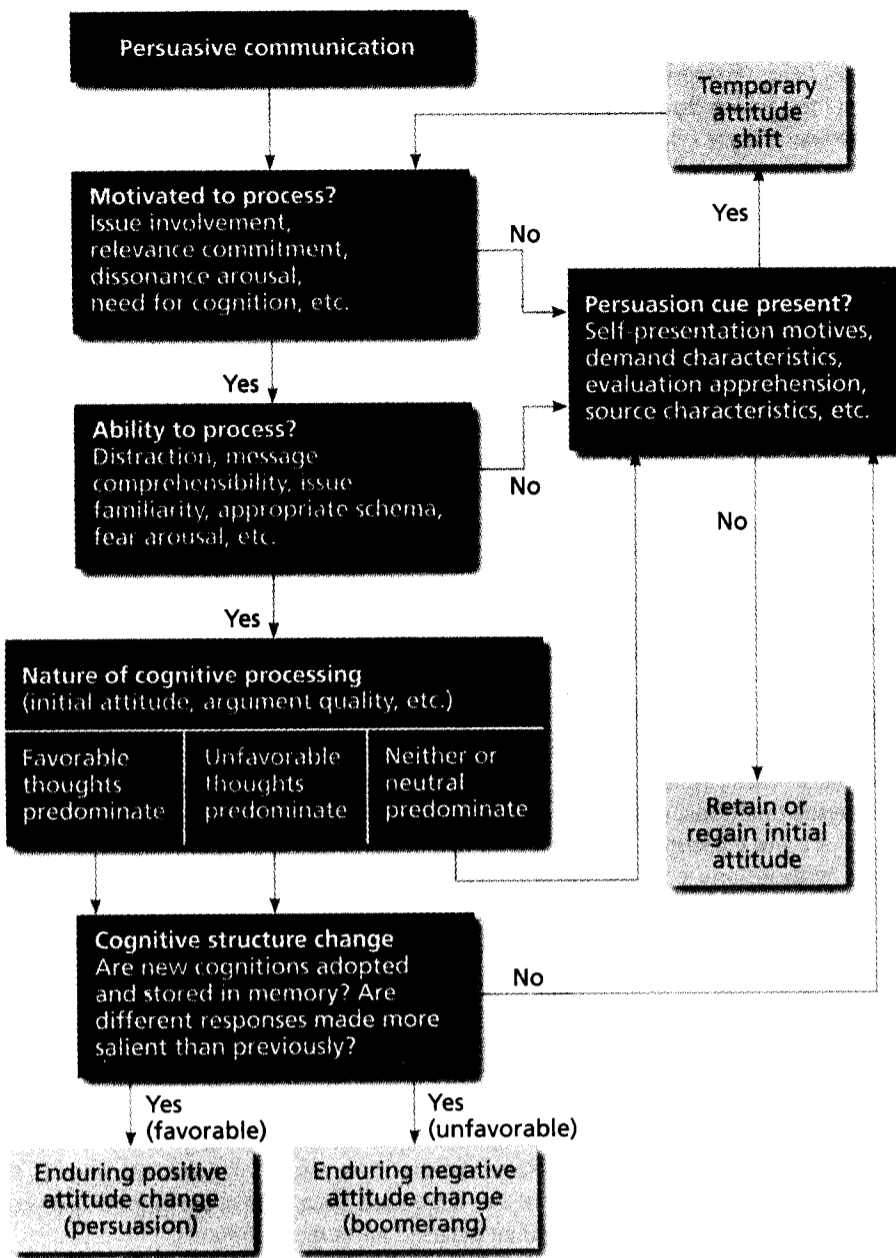
Consumers' feelings about the ad may be just as important as their attitudes toward the brand (if not more so) in determining an ad's effectiveness.<sup>30</sup> The importance of affective reactions and feelings generated by the ad depend on several factors, among them the nature of the ad and the type of processing engaged in by the receiver.<sup>31</sup> Many advertisers now use emotional ads designed to evoke feelings and affective reactions as the basis of their creative strategy. The success of this strategy depends in part on the consumers' involvement with the brand and their likelihood of attending to and processing the message.

We end our analysis of the receiver by examining a model that integrates some of the factors that may account for different types and levels of cognitive processing of a message.

## The Elaboration Likelihood Model

Differences in the ways consumers process and respond to persuasive messages are addressed in the **elaboration likelihood model (ELM)** of persuasion, shown in Figure 5-9.<sup>32</sup> The ELM was devised by Richard Petty and John Cacioppo to explain the process by which persuasive communications (such as ads) lead to persuasion by influencing *attitudes*. According to this model, the attitude formation or change process depends on the amount and nature of *elaboration*, or processing, of relevant information that occurs in response to a persuasive message. High elaboration means the receiver engages in careful consideration, thinking, and evaluation of the informa-

Figure 5-9 The elaboration likelihood model of persuasion



tion or arguments contained in the message. Low elaboration occurs when the receiver does not engage in active information processing or thinking but rather makes inferences about the position being advocated in the message on the basis of simple positive or negative cues.

The ELM shows that elaboration likelihood is a function of two elements, motivation and ability to process the message. *Motivation* to process the message depends on such factors as involvement, personal relevance, and individuals' needs and arousal levels. *Ability* depends on the individual's knowledge, intellectual capacity, and opportunity to process the message. For example, an individual viewing a humorous commercial or one containing an attractive model may be distracted from processing the information about the product.

According to the ELM, there are two basic routes to persuasion or attitude change. Under the **central route to persuasion**, the receiver is viewed as a very active, involved participant in the communication process whose ability and motivation to attend, comprehend, and evaluate messages are high. When central processing of an advertising message occurs, the consumer pays close attention to message content and scrutinizes the message arguments. A high level of cognitive response activity or processing occurs,

**Exhibit 5-10** This ad contains peripheral cues, most notably a celebrity endorser



and the ad's ability to persuade the receiver depends primarily on the receiver's evaluation of the quality of the arguments presented. Predominantly favorable cognitive responses (support arguments and source bolsters) lead to favorable changes in cognitive structure, which lead to positive attitude change, or persuasion.

Conversely, if the cognitive processing is predominantly unfavorable and results in counterarguments and/or source derogations, the changes in cognitive structure are unfavorable and *boomerang*, or result in negative attitude change. Attitude change that occurs through central processing is relatively enduring and should resist subsequent efforts to change it.

Under the **peripheral route to persuasion**, shown on the right side of Figure 5-9, the receiver is viewed as lacking the motivation or ability to process information and is not likely to engage in detailed cognitive processing. Rather than evaluating the information presented in the message, the receiver relies on peripheral cues that may be incidental to the main arguments. The receiver's reaction to the message depends on how he or she evaluates these peripheral cues.

The consumer may use several types of peripheral cues or cognitive shortcuts rather than carefully evaluating the message arguments presented in an advertisement.<sup>33</sup> Favorable attitudes may be formed if the endorser in the ad is viewed as an expert or is attractive and/or likable or if the consumer likes certain executional aspects of the ad such as the way it is made, the music, or the imagery. Notice how the ad in Exhibit 5-10 for Maxfli golf balls contains several positive peripheral cues, including a popular celebrity endorser (golfer Fred Couples) and excellent visual imagery. These cues might help consumers form a positive attitude toward the brand even if they do not process the message portion of the ad.

Peripheral cues can also lead to rejection of a message. For example, ads that advocate extreme positions, use endorsers who are not well liked or have credibility problems, or are not executed well (such as low-budget ads for local retailers) may be rejected without any consideration of their information or message arguments. As shown in Figure 5-9, the ELM views attitudes resulting from peripheral processing as temporary. So favorable attitudes must be maintained by continual exposure to the peripheral cues, such as through repetitive advertising.

**Implications of the ELM** The elaboration likelihood model has important implications for marketing communications, particularly with respect to involvement. For example, if the involvement level of consumers in the target audience is high, an ad or sales presentation should contain strong arguments that are difficult for the message recipient to refute or counterargue. If the involvement level of the target audience is low, peripheral cues may be more important than detailed message arguments.

An interesting test of the ELM showed that the effectiveness of a celebrity endorser in an ad depends on the receiver's involvement level.<sup>34</sup> When involvement was low, a celebrity endorser had a significant effect on attitudes. When the receiver's involvement was high, however, the use of a celebrity had no effect on brand attitudes; the quality of the arguments used in the ad was more important.

The explanation given for these findings was that a celebrity may serve as a peripheral cue in the low-involvement situation, allowing the receiver to develop favorable attitudes based on feelings toward the source rather than engaging in extensive processing of the message. A highly involved consumer, however, engages in more detailed central processing of the message content. The quality of the message claims becomes more important than the identity of the endorser.

The ELM suggests that the most effective type of message depends on the route to persuasion the consumer follows. Many marketers recognize that involvement levels are low for their product categories and consumers are not motivated to process advertising messages in any detail. That's why marketers of low-involvement products often rely on creative tactics that emphasize peripheral cues



and use repetitive advertising to create and maintain favorable attitudes toward their brand.

As you have seen from our analysis of the receiver, the process consumers go through in responding to marketing communications can be viewed from a number of perspectives. Vakratsas and

## Summarizing the Response Process and the Effects of Advertising

Ambler recently reviewed more than 250 journal articles and books in an effort to better understand how advertising works and affects the consumer.<sup>35</sup> On the basis of their review of these studies, they concluded that although effects hierarchies have been actively employed for nearly 100 years, there is little support for the concept of a hierarchy of effects in the sense of temporal sequence. They note that in trying to understand the response process and the manner in which advertising works, there are three critical intermediate effects between advertising and purchase (Figure 5-10). These include *cognition*, the “thinking” dimension of a person’s response; *affect*, the “feeling” dimension; and *experience*, which is a feedback dimension based on the outcomes of product purchasing and usage. They conclude that individual responses to advertising are mediated or filtered by factors such as motivation and ability to process information, which can radically alter or change the individual’s response to advertising. They suggest that the effects of advertising should be evaluated using these three dimensions, with some intermediate variables being more important than others, depending on factors such as the product category, stage of the product life cycle, target audience, competition, and impact of other marketing-mix components.

Other researchers have been critical of the hierarchy models as well. For example, Hall argues that advertisers need to move away from explicit and implicit reliance on hierarchical models of advertising effects and develop models that place affect and experience at the center of the advertising process.<sup>36</sup> The implication of these criticisms is that marketers should focus on cognition, affect, and experience as critical variables that advertising may affect. However, they should not assume a particular sequence of responses but, rather, engage in research and analysis to better understand how advertising and other forms of promotion may affect these intermediate variables in various product/market situations.

Those responsible for planning the IMC program need to learn as much as possible about their target audience and how it may respond to advertising, along with other forms of marketing communication. For example, William Weilbacher has noted that

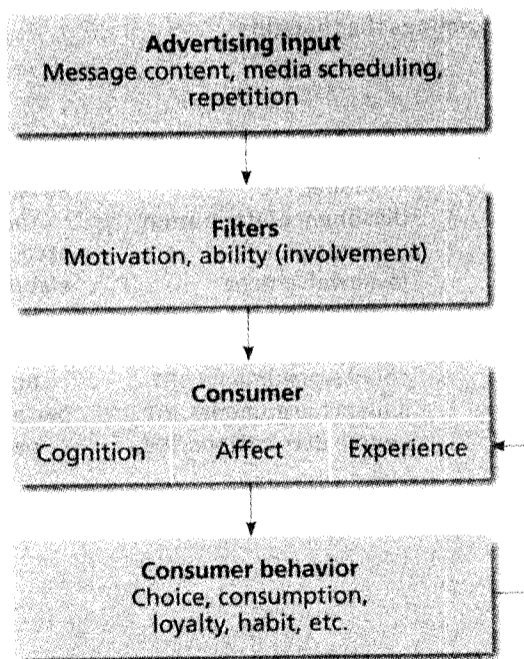


Figure 5-10 A framework for studying how advertising works

marketing communications programs include more than just advertising.<sup>37</sup> Consumers are continually immersed in brand-sponsored communications that include public relations, a broad range of sales promotion activities, websites, direct marketing, event sponsorships, movie and TV show product placements, and other forms of marketing communication. He argues that hierarchy models must move beyond just explaining the effects of advertising and consider how, and with what effects, consumers synthesize information from all the various integrated marketing communications activities for a brand. The various communication models presented in this chapter provide insight into how consumers may process and respond to persuasive messages and hopefully help marketers make better decisions in planning and implementing their integrated marketing communications programs.

## Summary

The function of all elements of the promotional mix is to communicate, so promotional planners must understand the communication process. This process can be very complex; successful marketing communications depend on a number of factors, including the nature of the message, the audience's interpretation of it, and the environment in which it is received. For effective communication to occur, the sender must encode a message in such a way that it will be decoded by the receiver in the intended manner. Feedback from the receiver helps the sender determine whether proper decoding has occurred or whether noise has interfered with the communication process.

Promotional planning begins with the receiver or target

audience, as marketers must understand how the audience is likely to respond to various sources of communication or types of messages. For promotional planning, the receiver can be analyzed with respect to both its composition (i.e., individual, group, or mass audiences) and the response process it goes through. Different orderings of the traditional response hierarchy include the standard learning, dissonance/attribution, and low-involvement models. The information response model integrates concepts from both the high- and low-involvement response hierarchy perspectives and recognizes the effects of direct experience with a product.

The cognitive response approach examines the thoughts

evoked by a message and how they shape the receiver's ultimate acceptance or rejection of the communication. The elaboration likelihood model of attitude formation and change recognizes two forms of message processing, the central and peripheral routes to persuasion, which are a function of the receiver's motivation and ability to process a message. There are three critical intermediate effects between advertising and purchase including cognition, affect, and experience. Those responsible for planning the IMC program should learn as much as possible about their target audience and how it may respond to advertising and other forms of marketing communications.

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# Discussion Questions

1. The opening vignette to the chapter discusses how EDS developed a new branding and positioning campaign around the “EDS Solved” theme. Analyze the decision by EDS to use high profile commercials such as “Cat Herders,” “Running with the Squirrels,” and the “Airplane” spots as part of its efforts to remake its identity and change the image of the company.
2. Discuss the challenges marketers face as they develop advertisements and other forms of marketing communications for young Hispanics. Do you think marketers should advertise to bilingual Hispanics teens in English or Spanish?
3. What is meant by encoding and decoding? Discuss how these two processes differ for radio versus television commercials.
4. Discuss how semiotics can be of value to the field of integrated marketing communications. Select a marketing stimulus such as an advertisement, package, or other relevant marketing symbol and conduct a semiotic analysis of it such as the one shown in Exhibit 5-3.
5. The study discussed in IMC Perspective 5-2 suggests that ageism is a problem in the advertising business. Do you think young creative professionals can connect with and create ads that are effective for communicating with the mature market? What are some things that might be done to ensure that agencies do create ads that are relevant to older consumers?
6. Discuss how a company introducing an innovative new product might use the innovation adoption model in planning its integrated marketing communications program.
7. Assume that you are the marketing communications manager for a brand of paper towels. Discuss how the low-involvement hierarchy could be of value in developing an advertising and promotion strategy for this brand.
8. Evaluate the “Just Imagine” campaign for Whirlpool appliances discussed in IMC Perspective 5-3. Do you think this campaign will be effective in connecting with the working women Whirlpool is targeting? Why or why not?
9. Find an example of a print ad and evaluate it using the cognitive response model shown in Figure 5-8. Identify the specific types of cognitive responses that the ad might elicit from consumers and discuss why they might occur.
10. Explain what is meant by a central versus peripheral route to persuasion and the factors that would determine when each might be used by consumers in response to an advertisement.

# Source, Message, and Channel Factors

## 6

### Chapter Objectives

1. To study the major variables in the communication system and how they influence consumers' processing of promotional messages.
2. To examine the considerations involved in selecting a source or communicator of a promotional message.
3. To examine different types of message structures and appeals that can be used to develop a promotional message.
4. To consider how the channel or medium used to deliver a promotional message influences the communication process.

# Bad Boys Become Pitchmen for Athletic Shoes

Athletic-shoe companies have been using popular athletes to endorse their products and serve as advertising pitchmen for years. Traditionally these companies would stay away from controversial athletes and sign players with a clean-cut

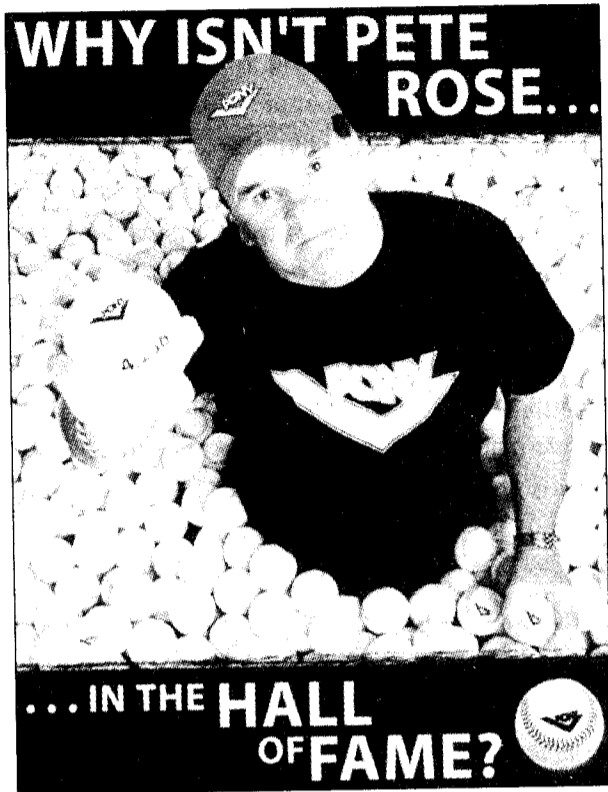


image who could create a favorable association for the product as well as the company. Superstars such as Michael Jordan, Derek Jeter, Grant Hill, and Kobe Bryant have been used by companies such as Nike, Fila, and Adidas because of their likable personalities and their image as positive role models. However, in recent years many athletic-shoe marketers have been moving away from athletes with squeaky-clean images and hiring spokespersons who are known as much for their alleged misdeeds off the court or field as for their accomplishments on it.

Among the first of the "bad-boy" pitchmen was former basketball star Charles Barkley, who appeared in a Nike commercial in the mid-90s in which he glowered at the camera and declared, "I am not a role model." Basketball star Dennis

Rodman was also able to parlay his irreverent and rebellious image into an endorsement contract with Nike, as well as a number of other companies, although his antics eventually became too much for most of these companies. The new generation of bad-boy pitchmen includes NBA stars such as Allan Iverson and Latrell Sprewell as well as retired athletes such as baseball star Pete Rose and former Oakland Raider football players Ken Stabler and Jack Tatum.

Iverson, who came into the NBA in 1996 as a first-round draft pick, is among the best known as well as the most controversial of the new generation of endorsers. The Philadelphia 76ers star is viewed by many as the poster boy for a generation of unruly young players who many feel are damaging the image of professional sports: a rap-loving, inner-city type with too many tattoos, a closet full of gang wear, and a history of run-ins with the law and the league. Coca-Cola let a one-year deal with him lapse after he was arrested in 1997 on gun and drug charges and placed on probation. However, Iverson led the 76ers to the NBA finals in 2001 and was named the league's most valuable player, and he began changing his image into a model of courage, toughness, caring, and humility. In December 2001, Reebok signed Iverson to a lifetime contract guaranteeing him he would remain a Reebok endorser throughout his pro career. The company began developing an extensive line of Iverson's signature I-3 products as well as extensively promoting his signature shoe, the Answer, by increasing his role in print and TV ads. However, just seven months later Iverson was charged with multiple felonies after he allegedly went on a gun-wielding rampage in pursuit of his wife. Most of the charges were later dropped and Reebok has expressed unwavering support for Iverson.

Upstart basketball sneaker and apparel brand And 1 also decided to go the bad-boy route by hiring New York Knicks star Latrell Sprewell to

endorse its shoes. Sprewell became one of the most vilified athletes in sports a few years ago when he choked and assaulted his Golden State Warrior's coach after becoming upset with his sarcasm during a practice. And 1 featured Sprewell in a controversial TV commercial showing a tight spot of him getting his hair braided. In the spot, Sprewell says, "People say I'm what's wrong with the sport. I say I'm a three-time NBA All-Star. I say I'm the American dream." Jay Gilbert, And 1's vice president of marketing, defended the spot by stating that it brings the company's target market closer to Latrell and the And 1 brand. He noted, "It will make a lot of people uncomfortable, but he represents the dream to the ballplayers that are our core consumers."

Urban sports brand Pony decided to go a slightly different route in using bad-boy athletes as endorsers with its "Why Not?" campaign, which addresses why three athletes have not been named to the Hall of Fame in their respective sports. The ads feature baseball legend Pete Rose, who was banned from the sport for gambling; former NFL quarterback Kenny "the Snake" Stabler; and Jack "the Assassin" Tatum, the former Oakland Raider who was known for his crushing hits while playing on the team in the 1970s, including one that paralyzed an opposing player. Rose appears in three ads featuring the question "Why isn't Pete Rose in the

Hall of Fame?" while the ad featuring Tatum in Pony attire asks, "Why is the Assassin not in the Hall of Fame?"

So what's behind the decisions by these companies to use bad-boy pitchmen? One explanation is that athletic-shoe companies are trying to reach young, trendsetting urban males who identify with the rebellious and scandalous image these athletes represent. One sports marketing expert notes that when a company attaches its brand to these anti-heroes. "it's a way of saying we're in touch with someone who is street real." Gilbert of And 1 argues that personalities like Iverson and Sprewell can slowly change society and notes that "they really force people to look at them without blinking and say, 'Can you accept this?'" Perhaps the ultimate reason companies use such spokespersons is that they help the firms sell their shoes and apparel. Iverson's shoe line has consistently been among the top two or three basketball sneakers and his 76ers jersey is the NBA's top seller. Even after his most recent arrest, sales of Reebok products continued to increase. In the current market for athletic shoes, it appears that the nice guys do finish last and it is the bad boys who are winning the endorsement game.

Sources: Rebecca Winters, "Bad-Boy Pitchmen," *Time*, Aug. 19, 2002, p. 18; Hilary Cassidy, "Pete Rose, Ken 'Snake' Stabler Star in Pony Ads," *Adweek*, May 14, 2002; Stefan Fatsis, "Can Iverson Pitch to the Mainstream?" *The Wall Street Journal*, June 8, 2001, pp. B1, 4.

In this chapter, we analyze the major variables in the communication system: the source, the message, and the channel. We examine the characteristics of sources, how they influence reactions to promotional messages, and why one type of communicator is more effective than another. We then focus on the message itself and how structure and type of appeal influence its effectiveness. Finally, we consider how factors related to the channel or medium affect the communication process.

## Promotional Planning through the Persuasion Matrix

To develop an effective advertising and promotional campaign, a firm must select the right spokesperson to deliver a compelling message through appropriate channels or media. Source, message, and channel factors are controllable elements in the communications model. The **persuasion matrix** (Figure 6-1) helps marketers see how each controllable element interacts with the consumer's response process.<sup>1</sup> The matrix has two sets of variables. *Independent variables* are the controllable components of the communication process, outlined in Chapter 5; *dependent*

elements in the communications model. The **persuasion matrix** (Figure 6-1) helps marketers see how each controllable element interacts with the consumer's response process.<sup>1</sup> The matrix has two sets of variables. *Independent variables* are the controllable components of the communication process, outlined in Chapter 5; *dependent*

*variables* are the steps a receiver goes through in being persuaded. Marketers can choose the person or source who delivers the message, the type of message appeal used, and the channel or medium. And although they can't control the receiver, they can select their target audience. The destination variable is included because the initial message recipient may pass on information to others, such as friends or associates, through word of mouth.

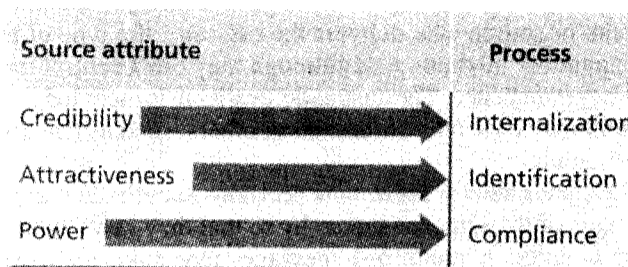
Promotional planners need to know how decisions about each independent variable influence the stages of the response hierarchy so that they don't enhance one stage at the expense of another. A humorous message may gain attention but result in decreased comprehension if consumers fail to process its content. Many ads that use humor, sexual appeals, or celebrities capture consumers' attention but result in poor recall of the brand name or message. The following examples, which correspond to the numbers in Figure 6-1, illustrate decisions that can be evaluated with the persuasion matrix.

1. *Receiver/comprehension: Can the receiver comprehend the ad?* Marketers must know their target market to make their messages clear and understandable. A less educated person may have more difficulty interpreting a complicated message. Jargon may be unfamiliar to some receivers. The more marketers know about the target market, the more they see which words, symbols, and expressions their customers understand.
2. *Channel/presentation: Which media will increase presentation?* A top-rated, prime-time TV program is seen by nearly 12 million households each week. *TV Guide* and *Reader's Digest* reach nearly 12 million homes with each issue. But the important point is how well they reach the marketer's target audience. CNN's financial show *Lou Dobbs Moneyline* reaches only around a million viewers each weekday evening, but its audience consists mostly of upscale businesspeople who are prime prospects for expensive cars, financial services, and business-related products.
3. *Message/yielding: What type of message will create favorable attitudes or feelings?* Marketers generally try to create agreeable messages that lead to positive feelings toward the product or service. Humorous messages often put consumers in a good mood and evoke positive feelings that may become associated with the brand being advertised. Music adds emotion that makes consumers more receptive to the message. Many advertisers use explicit sexual appeals designed to arouse consumers

**Figure 6-1** The persuasion matrix

Dependent variables: Steps in being persuaded	Independent variables: The communication components				
	Source	Message	Channel	Receiver	Destination
Message presentation			(2)		
Attention	(4)				
Comprehension				(1)	
Yielding		(3)			
Retention					
Behavior					

**Figure 6-2** Source attributes and receiver processing modes



or suggest they can enhance their attractiveness to the opposite sex. Some marketers compare their brands to the competition.

4. *Source/attention: Who will be effective in getting consumers' attention?* The large number of ads we are bombarded with every day makes it difficult for advertisers to break through the clutter. Marketers deal with this problem by using sources who will attract the target audience's attention—actors, athletes, rock stars, or attractive models.

## Source Factors

The source component is a multifaceted concept. When Tiger Woods appears in a commercial for Nike, is the source Woods himself, the company, or some combination of the two? And, of course, consumers get information from friends, relatives, and neighbors; in fact, personal sources may be the most influential factor in a purchase decision. Word-of-mouth information transmitted from one individual to another is often perceived as more reliable and trustworthy than that received through more formal marketing channels such as advertising. As was discussed in Chapter 1, marketers are using buzz and stealth marketing methods to generate favorable word-of-mouth discussion and recommendations for their products and services.<sup>2</sup>

We use the term **source** to mean the person involved in communicating a marketing message, either directly or indirectly. A *direct source* is a spokesperson who delivers a message and/or demonstrates a product or service, like tennis star Andre Agassi who endorses Head tennis rackets in Exhibit 6-1. An *indirect source*, say, a model, doesn't actually deliver a message but draws attention to and/or enhances the appearance of the ad. Some ads use neither a direct nor an indirect source; the source is the organization with the message to communicate. Since most research focuses on individuals as

a message source, our examination of source factors follows this approach.

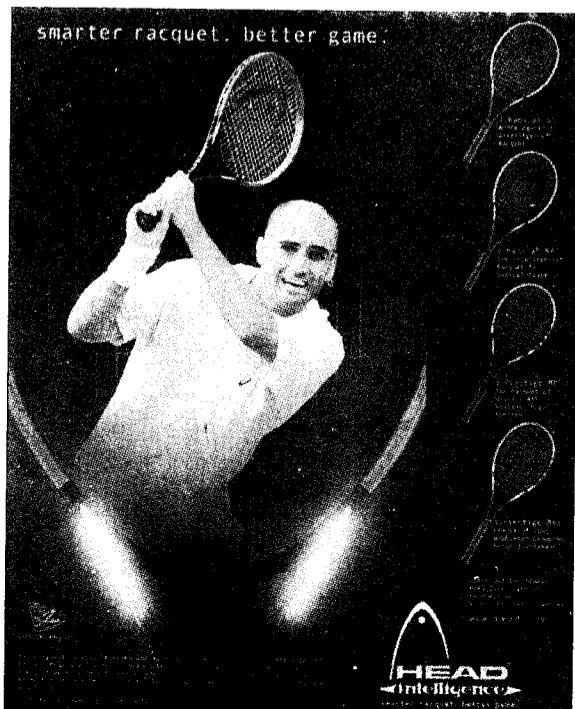
Companies are very careful when selecting individuals to deliver their selling messages. Many firms spend huge sums of money for a specific person to endorse their product or company. They also spend millions recruiting, selecting, and training salespeople to represent the company and deliver sales presentations. They recognize that the characteristics of the source affect the sales and advertising message.

Marketers try to select individuals whose traits will maximize message influence. The source may be knowledgeable, popular, and/or physically attractive; typify the target audience; or have the power to reward or punish the receiver in some manner. Herbert Kelman developed three basic categories of source attributes: credibility, attractiveness, and power.<sup>3</sup> Each influences the recipient's attitude or behavior through a different process (see Figure 6-2).

### Source Credibility

**Credibility** is the extent to which the recipient sees the source as having relevant knowledge, skill, or experience and trusts the source to give unbiased, objective information. There are two important dimensions to credibility, expertise and trustworthiness.

**Exhibit 6-1** Tennis star Andre Agassi serves as a spokesperson for Head





A communicator seen as knowledgeable—someone with expertise—is more persuasive than one with less expertise. But the source also has to be trustworthy—honest, ethical, and believable. The influence of a knowledgeable source will be lessened if audience members think he or she is biased or has underlying personal motives for advocating a position (such as being paid to endorse a product).

One of the most reliable effects found in communications research is that expert and/or trustworthy sources are more persuasive than sources who are less expert or trustworthy.<sup>4</sup> Information from a credible source influences beliefs, opinions, attitudes, and/or behavior through a process known as **internalization**, which occurs when the receiver adopts the opinion of the credible communicator since he or she believes information from this source is accurate. Once the receiver internalizes an opinion or attitude, it becomes integrated into his or her belief system and may be maintained even after the source of the message is forgotten.

A highly credible communicator is particularly important when message recipients have a negative position toward the product, service, company, or issue being promoted, because the credible source is likely to inhibit counterarguments. As discussed in Chapter 5, reduced counterarguing should result in greater message acceptance and persuasion.

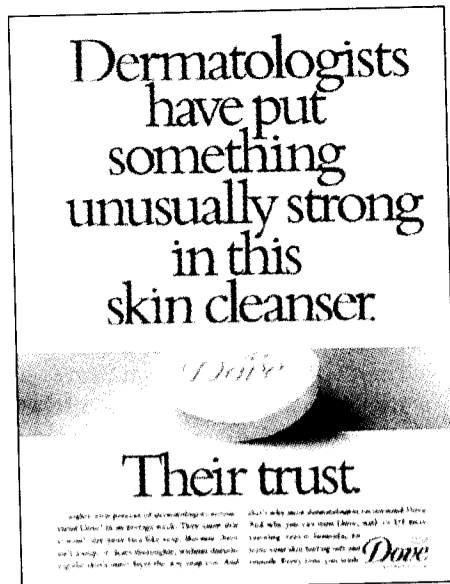
**Applying Expertise** Because attitudes and opinions developed through an internalization process become part of the individual's belief system, marketers want to use communicators with high credibility. Companies use a variety of techniques to convey source expertise. Sales personnel are trained in the product line, which increases customers' perceptions of their expertise. Marketers of highly technical products recruit sales reps with specialized technical backgrounds in engineering, computer science, and other areas to ensure their expertise.

Spokespeople are often chosen because of their knowledge, experience, and expertise in a particular product or service area. Endorsements from individuals or groups recognized as experts, such as doctors or dentists, are also common in advertising (Exhibit 6-2). The importance of using expert sources was shown in a study by Roobina Ohanian, who found that the perceived expertise of celebrity endorsers was more important in explaining purchase intentions than their attractiveness or trustworthiness. She suggests that celebrity spokespeople are most effective when they are knowledgeable, experienced, and qualified to talk about the product they are endorsing.<sup>5</sup>

**Applying Trustworthiness** While expertise is important, the target audience must also find the source believable. Finding celebrities or other figures with a trustworthy image is often difficult. Many trustworthy public figures hesitate to endorse products because of the potential impact on their reputation and image. It has been suggested that former CBS news anchor Walter Cronkite, who has repeatedly been rated one of the most trusted people in America, could command millions of dollars as a product spokesperson. Global Perspective 6-1 discusses how some American celebrities protect their image by endorsing products in Japan rather than in the United States.

Advertisers use various techniques to increase the perception that their sources are trustworthy. Hidden cameras are used to show that the consumer is not a paid spokesperson and is making an objective evaluation of the product. Disguised brands are compared. (Of course, the sponsor's brand always performs better than the consumer's regular brand, and he or she is always surprised.) Advertisers also use the overheard-conversation technique to enhance trustworthiness. This involves creating a situation in a commercial where a person is shown overhearing a conversation in which favorable claims are made about a product or service. Most consumers are skeptical of these techniques, so they may have limited value in enhancing perceptions of an advertiser's credibility.

Marketers can also deal with the source-trustworthiness issue by using other IMC tools such as publicity. Information received from sources such as newscasters is often very influential because these individuals are perceived as unbiased and thus more



**Exhibit 6-2** Dove promotes the fact that it is recommended by experts in skin care

## Celebrities Sell Out—But Only in Japan

Many American celebrities make huge sums of money endorsing products and serving as advertising spokespeople. Other big stars won't appear in ads because they don't want fans to think they've sold out. But many celebrities who resist the temptation to cash in on their fame in the United States are only too happy to appear in ads in foreign countries. And nowhere are ads starring American celebrities more prevalent than in Japan. Even the rich and famous have trouble saying no to Japanese advertisers who will pay them between \$1 million and \$3 million for a few hours' work to make 15- to 30-second spots that their Western fans across the Pacific will never see.

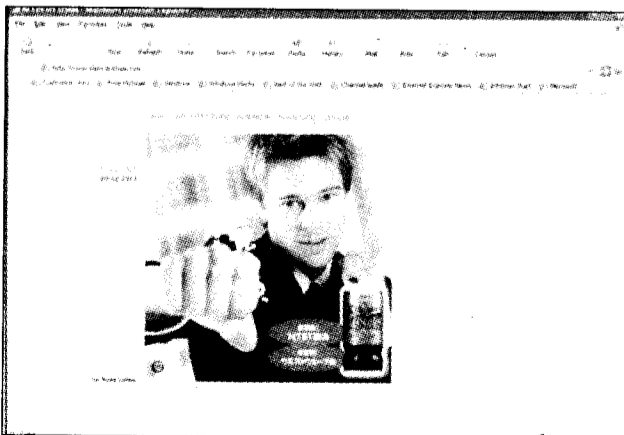
Megastars like Meg Ryan, Brad Pitt, Demi Moore, and Harrison Ford are paid millions for appearing in Japanese commercials. Ryan endorses cosmetics and tea, Pitt appears in ads for canned coffee and blue jeans, while Demi Moore hawks protein drinks. Ford received several million dollars for appearing sweaty and bare-chested in Kirin beer commercials and print ads. Sometimes celebrities are forced to change their images or personalities to suit the advertising style of Japanese companies and the tastes of audiences in Japan. Japanese commercials have a totally different feel than those in the United States and Europe and have often been described as "tacky" or "cheesy" by Western standards. For example, one ad showed actor Dennis Hopper sitting in a tub with a rubber ducky to promote a brand of shampoo and body wash.

There are several reasons why Japanese companies are willing to shell out huge sums of money for these

stars. Many Japanese are fascinated by American culture and its celebrities, and endorsement of a brand by a star gives it a certain international cachet. Also, Japanese advertising emphasizes style and mood rather than substance; consumers expect to be entertained, rather than bored by product information or testimonials. Because most Japanese commercials last only 15 seconds, advertisers feel that an instantly recognizable Western celebrity who can capture viewers' attention is well worth the money. Some movie studios encourage celebrities to do ads in Japan because it boosts their visibility and helps the marketing of their films in Japan and other Asian countries. Advertising campaigns featuring U.S. celebrities often coincide with the release of their films in Asia.

While many celebrities are cashing in on endorsement deals in Japan, they still try to protect their image at home. The stars commonly have nondisclosure clauses in their contracts, specifying that the ads cannot be shown—or sometimes even discussed (oops!)—outside Japan. However, with the growth of the Internet, stars like Arnold Schwarzenegger may have to say *hasta la vista* to keeping their endorsements secret and preventing people back home from seeing the Japanese ads. A small Canadian web company, Zero One Design, is dedicated to showing U.S. celebrities pitching products in Japan at [www.gaijinagogo.com](http://www.gaijinagogo.com). Recently, several celebrities, including Schwarzenegger and Leonardo DiCaprio, threatened legal action against the site for showing their commercials, arguing that it infringed on the star's intellectual-property rights. Ironically, the site went from about 500 hits a month to nearly 4 million in the two weeks following the publicity surrounding the controversy over the posting of the commercial Schwarzenegger made for DirecTV in Japan. Other websites, such as [www.klein-dytham.com](http://www.klein-dytham.com), also provide examples of U.S. celebrities who appear in commercials in Japan but would not be caught dead endorsing products back home. Celebrities are used to getting their way, and most want knowledge of their Japanese endorsements to stay across the Pacific. Sorry about that.

Sources: Debra Lau, "Movie Stars Moonlight in Japan," *Forbes.com*, Mar. 14, 2001; Kim Lunman, "Arnold Terminates Site Leaking Foreign TV Ad," *Globetechnology.com*, Aug. 11, 2000; Stephen Rae, "How Celebrities Make Killings on Commercials," *Cosmopolitan*, January 1997, pp. 14, 67.



credible, even though they are often presenting stories that stem from press releases. In some situations celebrities may appear on news programs or talk shows and promote an upcoming cause or event such as the release of a new movie or music CD. With the increase in stealth marketing techniques, many consumers are becoming wary of endorsements made by celebrities on news programs and talk shows. For example, a *New York Times* article revealed that drug companies were making payments to celebrities or their favorite charities in return for the celebrities' touting the companies' pharmaceutical products on news and talk shows. As a result of the controversy from the article, CNN and the major broadcast networks announced that they would disclose any such financial deals during an interview.<sup>6</sup>

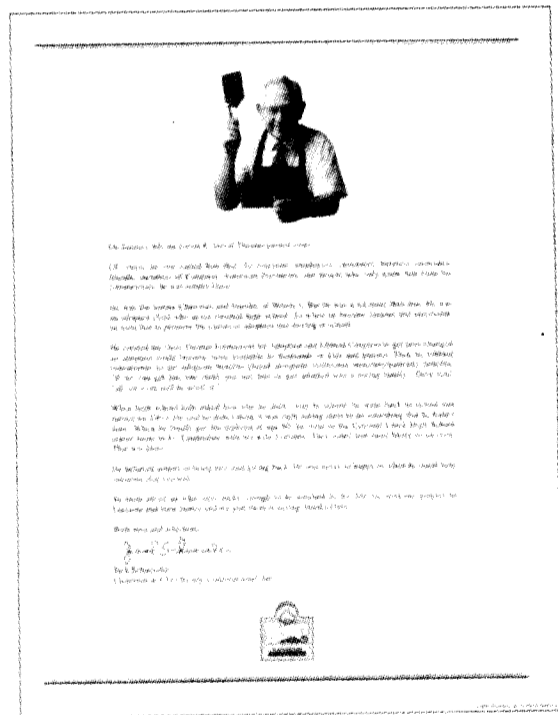
**Using Corporate Leaders as Spokespeople** Another way of enhancing source credibility is to use the company president or chief executive officer as a spokesperson in the firm's advertising. Many companies believe the use of their president or CEO is the ultimate expression of the company's commitment to quality and customer service. In some cases, these ads have not only increased sales but also helped turn the company leaders into celebrities.<sup>7</sup> Lee Iacocca appeared in more than 60 commercials for Chrysler Corp. and became a national business hero for guiding the successful turnaround of the company. One of the most popular corporate spokespersons ever was Dave Thomas, the founder of Wendy's fast-food restaurants. Thomas appeared in more than 800 ads for Wendy's, which is a Guinness record for the longest-running campaign by a company founder, between 1989 and early 2002 when he passed away<sup>8</sup> (Exhibit 6-3). Other well-known corporate leaders who sometimes appear in ads for their companies include Dell computer founder and CEO Michael Dell, Gateway founder Ted Wait, and Charles Schwab, who founded the investment company that bears his name. The practice of using company founders, owners, and presidents as advertising spokespersons is particularly prevalent among small and mid-size companies such as retailers and auto dealers serving local markets. For these companies, the decision to have the owner or president become a quasi actor has to do with advertising budgets too small to accommodate professional actors or announcers, who may charge thousands of dollars to tape a few commercials.

Many marketing and advertising experts question the strategy of using company presidents or owners in ads and note that it is often ego rather than logic that results in their use.<sup>9</sup> The experts suggest that businesspeople should get in front of the camera only if they exude credibility and possess the intangible quality of provoking a warm, fuzzy feeling in viewers. They also note that CEO spokespersons who become very popular may get more attention than their company's product/service or advertising message. And if a firm's image becomes too closely tied to a popular leader, there can be problems if that person leaves the company.

Major corporations are likely to continue to use their top executives in their advertising, particularly when they have celebrity value that helps enhance the firm's image. Some research suggests the use of a company president or CEO can improve attitudes and increase the likelihood that consumers will inquire about a company's product or service.<sup>10</sup> Defenders of the practice argue that the use of top executives or business owners in ads is an effective way of projecting an image of trust and honesty and, more importantly, the idea that the company isn't run by some faceless corporate monolith. As one expert notes: "These guys come into people's living rooms every night and, over the course of weeks and years, become like members of the family. It gets to the point that when you think of a certain product category, you think of the guy you see all the time on TV."<sup>11</sup>

**Limitations of Credible Sources** Several studies have shown that a high-credibility source is not always an asset, nor is a low-credibility source always a liability. High- and low-credibility sources are equally effective when they are arguing for a position

**Exhibit 6-3** Dave Thomas was a very effective spokesperson for Wendy's for many years



opposing their own best interest.<sup>12</sup> A very credible source is more effective when message recipients are not in favor of the position advocated in the message.<sup>13</sup> However, a very credible source is less important when the audience has a neutral position, and such a source may even be less effective than a moderately credible source when the receiver's initial attitude is favorable.<sup>14</sup>

Another reason a low-credibility source may be as effective as a high-credibility source is the **sleeper effect**, whereby the persuasiveness of a message increases with the passage of time. The immediate impact of a persuasive message may be inhibited because of its association with a low-credibility source. But with time, the association of the message with the source diminishes and the receiver's attention focuses more on favorable information in the message, resulting in more support arguing. However, many studies have failed to demonstrate the presence of a sleeper effect.<sup>15</sup> Many advertisers hesitate to count on the sleeper effect, since exposure to a credible source is a more reliable strategy.<sup>16</sup>

## Source Attractiveness

A source characteristic frequently used by advertisers is **attractiveness**, which encompasses similarity, familiarity, and likability.<sup>17</sup> *Similarity* is a supposed resemblance between the source and the receiver of the message, while *familiarity* refers to knowledge of the source through exposure. *Likability* is an affection for the source as a result of physical appearance, behavior, or other personal traits. Even when the sources are not athletes or movie stars, consumers often admire their physical appearance, talent, and/or personality.

Source attractiveness leads to persuasion through a process of **identification**, whereby the receiver is motivated to seek some type of relationship with the source and thus adopts similar beliefs, attitudes, preferences, or behavior. Maintaining this position depends on the source's continued support for the position as well as the receiver's continued identification with the source. If the source changes position, the receiver may also change. Unlike internalization, identification does not usually integrate information from an attractive source into the receiver's belief system. The receiver may maintain the attitudinal position or behavior only as long as it is supported by the source or the source remains attractive.

Marketers recognize that receivers of persuasive communications are more likely to attend to and identify with people they find likable or similar to themselves. Similarity and likability are the two source characteristics marketers seek when choosing a communicator.

**Applying Similarity** Marketers recognize that people are more likely to be influenced by a message coming from someone with whom they feel a sense of similarity.<sup>18</sup> If the communicator and receiver have similar needs, goals, interests, and lifestyles, the position advocated by the source is better understood and received. Similarity is used in various ways in marketing communications. Companies select salespeople whose characteristics match well with their customers'. A sales position for a particular region may be staffed by someone local who has background and interests in common with the customers. Global marketers often hire foreign nationals as salespeople so customers can relate more easily to them.

Companies may also try to recruit former athletes to sell sporting goods or beer, since their customers usually have a strong interest in sports. Several studies have shown that customers who perceive a salesperson as similar to themselves are more likely to be influenced by his or her message.<sup>19</sup>

Similarity is also used to create a situation where the consumer feels empathy for the person shown in the commercial. In a slice-of-life commercial, the advertiser usually starts by presenting a predicament with the hope of getting the consumer to think, "I can see myself in that situation." This can help establish a bond of similarity between the communicator and the receiver, increasing the source's level of persuasiveness. Many companies feel that the best way to connect with consumers is by using regular-looking, everyday people with whom the average person can easily identify. For example, some of the most popular commercials in recent years have been those from the "Whassup?" campaign for Budweiser beer. In these ads the

agency cast a group of real-life friends from Philadelphia, rather than actors, who greet each other with an exaggerated “Whassup?” when they speak with one another or get together to watch a game and enjoy a Bud. IMC Perspective 6-2 discusses how an unknown, aspiring actor with an easygoing manner that appeals to consumers became a very popular spokesperson for Dell Computer.

**Applying Likability: Using Celebrities** Advertisers recognize the value of using spokespeople who are admired: TV and movie stars, athletes, musicians, and other popular public figures. It is estimated that nearly 20 percent of all TV commercials feature celebrities, and advertisers pay hundreds of millions of dollars for their services. The top celebrity endorser is golfer Tiger Woods, who makes more than \$60 million a year from endorsement contracts with Nike, Disney, American Express, General Mills, and Buick (Exhibit 6-4). Michael Jordan is also among the highest-paid and most sought-after celebrity endorsers, along with singer Brittany Spears and cyclist Lance Armstrong.

Why do companies spend huge sums to have celebrities appear in their ads and endorse their products? They think celebrities have *stopping power*. That is, they draw attention to advertising messages in a very cluttered media environment. Marketers think a popular celebrity will favorably influence consumers’ feelings, attitudes, and purchase behavior. And they believe celebrities can enhance the target audience’s perceptions of the product in terms of image and/or performance. For example, a well-known athlete may convince potential buyers that the product will enhance their own performance.

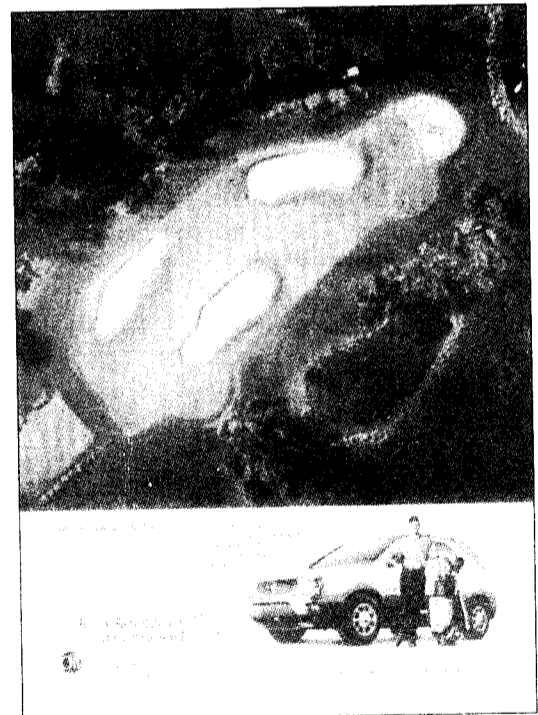
A number of factors must be considered when a company decides to use a celebrity spokesperson, including the dangers of overshadowing the product and being overexposed, the target audience’s receptivity, and risks to the advertiser.

**Overshadowing the Product** How will the celebrity affect the target audience’s processing of the advertising message? Consumers may focus their attention on the celebrity and fail to notice the brand. Advertisers should select a celebrity spokesperson who will attract attention and enhance the sales message, yet not overshadow the brand. For example, actress Lindsay Wagner served as the spokesperson for Ford Motor Co. dealers in Southern California for a number of years and was very popular and effective. She brought a star power and presence to the advertising that attracted attention and made it memorable, yet she never overshadowed the Ford vehicles she was promoting.<sup>20</sup>

**Overexposure** Consumers are often skeptical of endorsements because they know the celebrities are being paid.<sup>21</sup> This problem is particularly pronounced when a celebrity endorses too many products or companies and becomes overexposed. For example, cyclist Lance Armstrong has endorsement contracts with nearly 20 different companies, including the U.S. Postal Service, Nike, PowerBar, General Mills, Oakley, and many others, and has recently limited his endorsements so he does not become overexposed.<sup>22</sup> Advertisers can protect themselves against overexposure with an exclusivity clause limiting the number of products a celebrity can endorse. However, such clauses are usually expensive, and most celebrities agree not to endorse similar products anyway. Many celebrities, knowing their fame is fleeting, try to earn as much endorsement money as possible, yet they must be careful not to damage their credibility by endorsing too many products. For example, singer/actress Cher damaged her credibility as an advertising spokesperson by appearing in too many infomercials. When she realized that appearing in so many infomercials was devastating to her acting career as well, she ceased doing them.<sup>23</sup>

**Target Audiences’ Receptivity** One of the most important considerations in choosing a celebrity endorser is how well the individual matches with and is received by the advertiser’s target audience.

**Exhibit 6-4** Tiger Woods has endorsement contracts with a number of companies, including Buick



## IMC PERSPECTIVE 6-2

# The Dell Dude Connects With PC Buyers

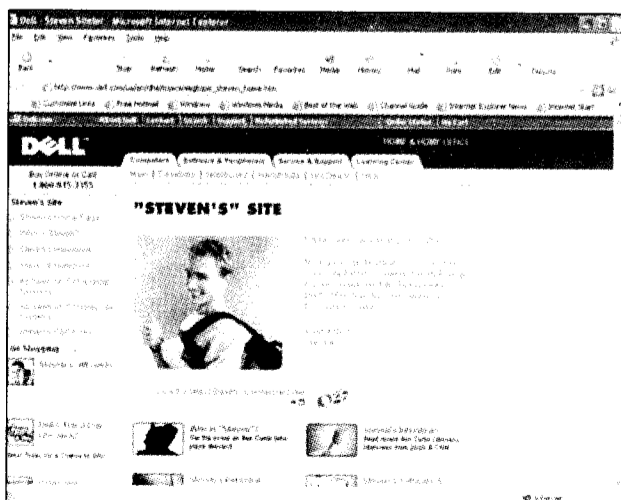
Every so often an advertising character jumps out of the television screen and into the hearts of consumers. A few years ago it was “Stuart”—the geeky, red-headed know-it-all who appeared in commercials for online stock trading company Ameritrade—who struck a chord with viewers. The latest ad spokesperson generating the buzz is “Steven,” the lovable blond surfer dude who gives expert advice to people shopping for a home computer. The “Dell Dude” is played by Ben Curtis, a 21-year-old student who studies acting at New York University and hails from Chattanooga, Tennessee. Curtis got the role after an audition, and his first appearances in a Dell commercial came in late 2000 in a spot in which he makes a video for his parents explaining why they should buy him a Dell personal computer. Although Dell switched ad agencies a few months after Curtis was hired, the company and its new agency, DDB Chicago, knew they had a star in the making and retained the Steven character as its “spokesdude.”

Over the past two years “Steven” has appeared in more than 10 commercials for Dell including a popular spot where he hawks Dells while driving his dad’s convertible with a hot brunette seated next to him. The commercials use a clever blend of humor and salesmanship by portraying Steven as a hip teenager who convinces his parents, his friends’ parents, and even random people he meets to buy computers from Dell. Shortly after taking over the account, DDB’s creative group added the quip: “Dude, you’re gettin’ a Dell” to Steven’s pitch and the phrase has slowly been seeping into pop-culture vernacular. The ad campaign has

helped Dell put a friendly face on its personal computers—a product category that is often intimidating to consumers. Dell’s senior manager of consumer advertising says that Steven “has changed our image into that of an approachable company, a company that makes technology easy and fun.” The ads have also helped sales, as Dell’s share of the home segment of the personal computer market has increased significantly since the campaign was launched.

Curtis’s success as the Dell Dude demonstrates the importance of casting in creating effective advertising. The creative director at DDB notes that the right casting is as important as the right message since you need somebody to bring it to life. Curtis clearly brings the Dell Dude to life as “Steven” is described as a modern-day Tom Sawyer who appeals to a broad range of consumers. He receives fan mail from teenybopper girls who want to date him as well as from seniors who like his Eddie Haskell-like charm. The “Dell Guy,” as he is often referred to, boasts one of the largest advertising fan-club message boards on Yahoo, with over 500 members as well as numerous fan websites. Curtis has been interviewed on the *Today Show*, *CNN*, and ABC’s *20/20 Downtown* and been featured in articles in *The Wall Street Journal*, *USA Today*, and many other publications. Curtis also makes appearances at Dell events to rally employees as well as at industry trade shows such as Comdex. In recognition of his celebrity status, Dell created a new web “sitelet” that fans can visit to find out more about Curtis and his latest ads.

In late 2002 Dell announced that “Steven” would be playing a smaller role in its advertising, although the company still plans to use him in the future. However, some analysts note that the company may not want to use “the Dell Dude” as it focuses more on selling its computers to businesses. Curtis knows that the fame he is currently enjoying may be short-lived but hopes he can use it as a launchpad for his ultimate goal of becoming an actor. He worries somewhat about being typecast as a surfer dude but says that the pay helps with school and the expense of living in New York. So goes the life of Madison Avenue’s newest mini-celebrity.



Sources: Michael McCarthy, “Goofy Dell Guy Exudes Star Power; ‘Steven’ Wins Over Bunches of Computer Buyers,” *USA Today*, Jan. 14, 2002, p. B5; Suzanne Vranica, “Dell, Starting New Campaign, Plans for Life Without Steven,” *The Wall Street Journal*, October 16, 2002, p. B3.

Many former athletes such as Arnold Palmer and Nolan Ryan are effective endorsers because they have very favorable images among aging baby boomers and seniors. Pop star Brittany Spears is a very effective spokesperson for Pepsi as she is very popular among young teens, who are the heavy users of soft drinks.

Consumers who are particularly knowledgeable about a product or service or have strongly established attitudes may be less influenced by a celebrity than those with little knowledge or neutral attitudes. One study found that college-age students were more likely to have a positive attitude toward a product endorsed by a celebrity than were older consumers.<sup>24</sup> The teenage market has generally been very receptive to celebrity endorsers, as evidenced by the frequent use of entertainers and athletes in ads targeted to this group for products such as apparel, cosmetics, and beverages. However, many marketers are finding that teenage consumers are more skeptical and cynical toward the use of celebrity endorsers and respond better to ads using humor, irony, and unvarnished truth.<sup>25</sup> Some marketers targeting teenagers have responded to this by no longer using celebrities in their campaigns or by poking fun at their use. For example, Sprite has developed a very effective campaign using ads that parody celebrity endorsers and carry the tagline "Image is nothing. Obey your thirst" (Exhibit 6-5).



**Exhibit 6-5** Sprite parodies the use of celebrity endorsers in this ad

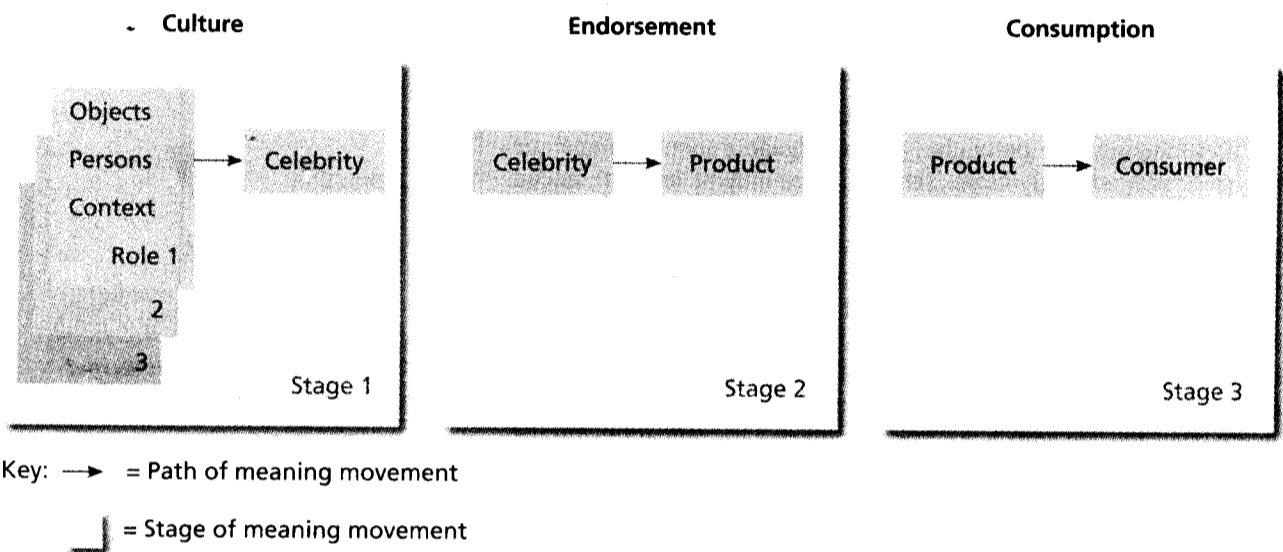
**Risk to the Advertiser** A celebrity's behavior may pose a risk to a company.<sup>26</sup> A number of entertainers and athletes have been involved in activities that could embarrass the companies whose products they endorsed. For example, Hertz used O. J. Simpson as its spokesperson for 20 years and lost all that equity when he was accused of murdering his ex-wife and her friend. Pepsi had a string of problems with celebrity endorsers; it severed ties with Mike Tyson, after his wife accused him of beating her, and with singer Michael Jackson, after he was accused of having sex with a 12-year-old boy. Pepsi dropped a TV commercial featuring Madonna when some religious groups and consumers objected to her "Like a Prayer" video and threatened to boycott Pepsi products. More recently, several companies including Pizza Hut and the Carl's Jr. fast-food chain terminated the endorsement contract with controversial basketball star Dennis Rodman because of his unpredictable behavior both on and off the court.<sup>27</sup>

To avoid these problems, companies often research a celebrity's personal life and background. Many endorsement contracts include a morals clause allowing the company to terminate the contract if a controversy arises. Callaway Golf terminated its endorsement deal with well-known and popular golfer John Daly a few years ago on the grounds that he violated a clause in his contract prohibiting him from drinking or gambling.<sup>28</sup> As discussed in the opening vignette to this chapter, basketball star Allan Iverson has been involved in several controversies that have resulted in some companies' refraining from using him as an endorser and led to criticism of those that continue to do so, such as Reebok.<sup>29</sup> However, marketers should remember that adding morals clauses to their endorsement contracts only gets them out of a problem; it does not prevent it.

**Understanding the Meaning of Celebrity Endorsers** Advertisers must try to match the product or company's image, the characteristics of the target market, and the personality of the celebrity.<sup>30</sup> The image celebrities project to consumers can be just as important as their ability to attract attention. An interesting perspective on celebrity endorsement was developed by Grant McCracken.<sup>31</sup> He argues that credibility and attractiveness don't sufficiently explain how and why celebrity endorsements work and offers a model based on meaning transfer (Figure 6-3).

According to this model, a celebrity's effectiveness as an endorser depends on the culturally acquired meanings he or she brings to the endorsement process. Each celebrity contains many meanings, including status, class, gender, and age as well as

**Figure 6-3** Meaning movement and the endorsement process



personality and lifestyle. In explaining stage 1 of the meaning transfer process, McCracken notes:

Celebrities draw these powerful meanings from the roles they assume in their television, movie, military, athletic, and other careers. Each new dramatic role brings the celebrity into contact with a range of objects, persons, and contexts. Out of these objects, persons, and contexts are transferred meanings that then reside in the celebrity.<sup>32</sup>

Examples of celebrities who have acquired meanings include actor Bill Cosby as the perfect father (from his role on *The Cosby Show*) and actor Jerry Seinfeld as the quirky comedian (from his role on the sitcom *Seinfeld*). Cyclist Lance Armstrong has developed a very favorable image as a fierce competitor and an All-American superhero by winning the grueling Tour de France cycling race four times after overcoming a life-threatening form of testicular cancer.

McCracken suggests celebrity endorsers bring their meanings and image into the ad and transfer them to the product they are endorsing (stage 2 of the model in Figure 6-3). For example, PowerBar, the leading brand of energy performance bars, takes

advantage of Armstrong's image as a competitor and champion with great determination in ads such as the one shown in Exhibit 6-6. He is also an effective endorser for the product since he competes in a very grueling and demanding sport where the benefits of sustained energy are very important.

In the final stage of McCracken's model, the meanings the celebrity has given to the product are transferred to the consumer. By using Armstrong in its ads, PowerBar hopes to enhance its image as a product that can provide extra energy to athletes and enhance their performance. McCracken notes that this final stage is complicated and difficult to achieve. The way consumers take possession of the meaning the celebrity has transferred to a product is probably the least understood part of the process.

The meaning transfer model has some important implications for companies using celebrity endorsers. Marketers must first decide on the image or symbolic meanings important to the target audience for the particular product, service, or company. They must then determine which celebrity best represents the meaning or image to be projected. An advertising campaign must be designed that captures that meaning in the product and moves it to the consumer. Marketing and advertising personnel often rely on intuition in choosing celebrity endorsers for their companies or products, but some companies conduct research studies to determine consumers' perceptions of celebrities' meaning.

**Exhibit 6-6** Cyclist Lance Armstrong helps position PowerBar as a product that provides energy to athletes





Marketers may also pretest ads to determine whether they transfer the proper meaning to the product. When celebrity endorsers are used, the marketer should track the campaign's effectiveness. Does the celebrity continue to be effective in communicating the proper meaning to the target audience? Celebrities who are no longer in the limelight may lose their ability to transfer any significant meanings to the product.

As we have seen, marketers must consider many factors when choosing a celebrity to serve as an advertising spokesperson for the company or a particular brand. Studies have shown that advertising and marketing managers take these various factors into account when choosing a celebrity endorser.<sup>33</sup> Among the most important factors are the celebrity's match with the target audience and the product/service or brand, the overall image of the celebrity, the cost of acquiring the celebrity, trustworthiness, the risk of controversy, and the celebrity's familiarity and likability among the target audience. IMC Perspective 6-3 discusses how marketers and advertising agencies use research data and other types of information in choosing celebrity endorsers.

**Applying Likability: Decorative Models** Advertisers often draw attention to their ads by featuring a physically attractive person who serves as a passive or decorative model rather than as an active communicator. Research suggests that physically attractive communicators generally have a positive impact and generate more favorable evaluations of both ads and products than less attractive models.<sup>34</sup> The gender appropriateness of the model for the product being advertised and his or her relevance to the product are also important considerations.<sup>35</sup> Products such as cosmetics or fashionable clothing are likely to benefit from the use of an attractive model, since physical appearance is very relevant in marketing these items. For example, Revlon has used supermodel Cindy Crawford in advertising for various cosmetics products such as its Fire & Ice fragrance (Exhibit 6-7).

Some models draw attention to the ad but not to the product or message. Studies show that an attractive model facilitates recognition of the ad but does not enhance copy readership or message recall. Thus, advertisers must ensure that the consumer's attention will go beyond the model to the product and advertising message.<sup>36</sup> Marketers must also consider whether the use of highly attractive models might negatively impact advertising effectiveness. Several recent studies have shown that some women experience negative feelings when comparing themselves with beautiful models used in ads and the images of physical perfection they represent.<sup>37</sup>

## Source Power

The final characteristic in Kelman's classification scheme is **source power**. A source has power when he or she can actually administer rewards and punishments to the receiver. As a result of this power, the source may be able to induce another person(s) to respond to the request or position he or she is advocating. The power of the source depends on several factors. The source must be perceived as being able to administer positive or negative sanctions to the receiver (*perceived control*) and the receiver must think the source cares about whether or not the receiver conforms (*perceived concern*). The receiver's estimate of the source's ability to observe conformity is also important (*perceived scrutiny*).

When a receiver perceives a source as having power, the influence process occurs through a process known as **compliance**. The receiver accepts the persuasive influence of the source and acquiesces to his or her position in hopes of obtaining a favorable reaction or avoiding punishment. The receiver may show public agreement with the source's position but not have an internal or private commitment to this position. Persuasion induced through compliance may be superficial and last only as long as the receiver perceives that the source can administer some reward or punishment.

Power as a source characteristic is very difficult to apply in a nonpersonal influence situation such as advertising. A communicator in an ad generally cannot apply any sanctions to the receiver or

**Exhibit 6-7** Revlon makes effective use of supermodel Cindy Crawford in this ad



## IMC PERSPECTIVE 6-3

# Using Q Scores and the Fame Index to Help Choose a Celebrity Endorser

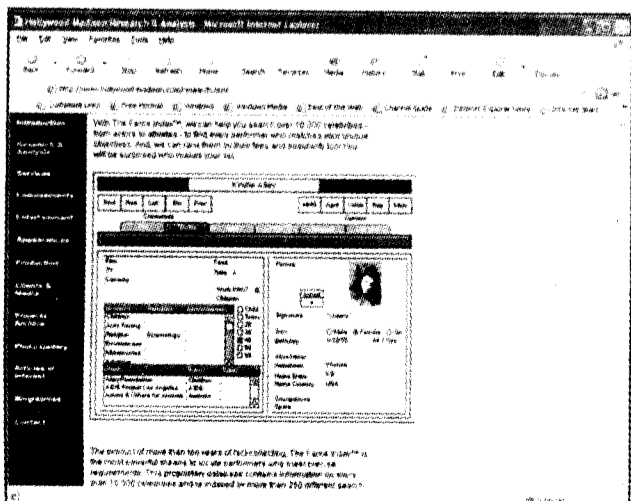
Obviously many marketers believe strongly in the value of celebrity spokespeople, as the amount of money paid to them continues to soar to record levels. Companies look for a celebrity who will attract viewers' attention and enhance the image of the company or brand. But how do they choose the right one? While some executives rely on their own intuition and gut feeling, many turn to research that measures a celebrity's appeal as well as other factors that will provide insight into his or her warmth, trust, and credibility among the target audience.

To help select a celebrity endorser, many companies and their advertising agencies rely on *Q ratings* that are commercially available from the New York-based firm known as Marketing Evaluations/TVQ, Inc. To determine its Performer Q ratings for TV and movie personalities, the company surveys a representative national panel of 1,800 people twice a year and asks them to evaluate over 1,500 performers. For its Sports Q rating, which is conducted once a year, the company surveys 2,000 teens and adults and asks them about approximately 500 active and retired players, coaches, managers, and sportscasters. In both studies respondents are asked to indicate whether they have ever seen or heard of the performer or sports personality and, if they have, to rate him or her on a scale that includes "one of my favorites," "very good," "good," "fair," or "poor." The *familiarity* score indicates the percentage of people who have heard of the person, while the *one-of-my-favorite* score is an absolute measure of the appeal or popularity of the celebrity. The well-known Q rating is calculated by taking the percentage of respondents who indicate that a person is

"one of my favorites" and dividing that number by the percentage of respondents who indicate that they have heard of that person. The Q score thus answers the question "How appealing is the person among those who do know him or her?"

Results from a 2002 Performer Q study found that Tom Hanks was familiar to 92 percent of those surveyed and was considered "one of my favorites" by 48 percent. Thus, his Q rating was 52 (48/92) which was the highest score among all performers measured. Other performers in the top 10 along with their Q ratings included Bill Cosby (50), Mel Gibson (47), Harrison Ford (45), Sean Connery (45), Denzel Washington (42), Robert DeNiro (41), Michael J. Fox (40), and Will Peterson (30). The 2002 Sports Q survey for active and retired athletes, coaches, managers, and sportscasters showed that Michael Jordan was familiar to 90 percent of those surveyed and considered "one of my favorites" by 47 percent, for a leading Q rating of 52. Other sports personalities in the top 10 included Tiger Woods (43), Nolan Ryan (40), Cal Ripken Jr. (39), Joe Montana (39), Wayne Gretzky (37), Jerry Rice (36), Sarah Hughes (36), Jackie Joyner-Kersey (36), and John Madden (35). The average Q score is generally around 18 for performers and 17 for sports personalities. Marketing Evaluation's Q ratings are also broken down on the basis of various demographic criteria such as a respondent's age, income, occupation, education, and race so that marketers have some idea of how a celebrity's popularity varies among different groups of consumers.

In addition to using Q ratings, marketers are using information provided by other firms to match celebrities with their products. Hollywood-Madison Avenue Group, a firm that arranges celebrity endorsements, has poured over 10 years of research into its Fame Index, which is a database listing more than 10,000 celebrities by 250 criteria such as age, sex, residence, career highlights, charity affiliations, fears, interests, and addictions. The database is updated daily with information from the Internet, magazines, and newspaper articles as well as television. Information in the Fame Index reveals that actors Tom Cruise, Jim Belushi, and Jason Alexander are big hockey fans, while Carol Burnett and Rosie O'Donnell collect dolls. Kirstie Alley's interests include Scientology, the environment, and motorcycles, and she supports charities concerned with AIDS, children's welfare, and animal rights. Hollywood-Madison has helped a number of companies choose celebrities to serve as their advertising spokespersons. For example, Philips Consumer Elec-



tronics used the company to help with the selection of a celebrity to promote high-definition, wide-screen televisions. The Fame Index identified director Martin Scorsese as a film preservationist who supports the wide-screen format, and Hollywood-Madison helped broker a deal with him to participate in a public education campaign supporting the introduction of Philips new line of wide-screen HDTV.

As more and more companies court celebrities to endorse their products or businesses, appear at

events, or support causes, they no longer are relying solely on intuition or brainstorming sessions to select such spokespersons. Companies such as Marketing Evaluations/TVQ and Hollywood-Madison are providing information that helps them find the ideal candidate.

Sources: Marketing Evaluations/TVQ, Inc., [www.qscores.com](http://www.qscores.com); Kristina Saurwein, "Finding the Right Pitch," *Los Angeles Times*, July 30, 2001, p. B3; [www.hollywood-madison.com](http://www.hollywood-madison.com).

determine whether compliance actually occurs. An indirect way of using power is by using an individual with an authoritative personality as a spokesperson. Actor Charles Bronson, who typifies this image, has appeared in public service campaigns commanding people not to pollute or damage our natural parks (Exhibit 6-8).

The use of source power applies more in situations involving personal communication and influence. For example, in a personal selling situation, the sales rep may have some power over a buyer if the latter anticipates receiving special rewards or favors for complying with the salesperson. Some companies provide their sales reps with large expense accounts to spend on customers for this very purpose. Representatives of companies whose product demand exceeds supply are often in a position of power; buyers may comply with their requests to ensure an adequate supply of the product. Sales reps must be very careful in their use of a power position, since abusing a power base to maximize short-term gains can damage long-term relationships with customers.

The way marketing communications are presented is very important in determining their effectiveness. Promotional managers must consider not only the content of their persuasive messages but also how this information will be structured for presentation and what type of message appeal will be used. Advertising, in all media except radio, relies heavily on visual as well as verbal information. Many options are available with respect to the design and presentation of a message. This section examines the structure of messages and considers the effects of different types of appeals used in advertising.

## Message Structure

Marketing communications usually consist of a number of message points that the communicator wants to get across. An important aspect of message strategy is knowing the best way to communicate these points and overcome any opposing viewpoints audience members may hold. Extensive research has been conducted on how the structure of a persuasive message can influence its effectiveness, including order of presentation, conclusion drawing, message sidedness, refutation, and verbal versus visual message characteristics.

**Order of Presentation** A basic consideration in the design of a persuasive message is the arguments' order of presentation. Should the most important message points be placed at the beginning of the message, in the middle, or at the end? Research on learning and memory generally indicates that items presented first and last are remembered better than those presented in the middle (see Figure 6-4).<sup>38</sup> This suggests that a communicator's strongest arguments should be presented early or late in the message but never in the middle.

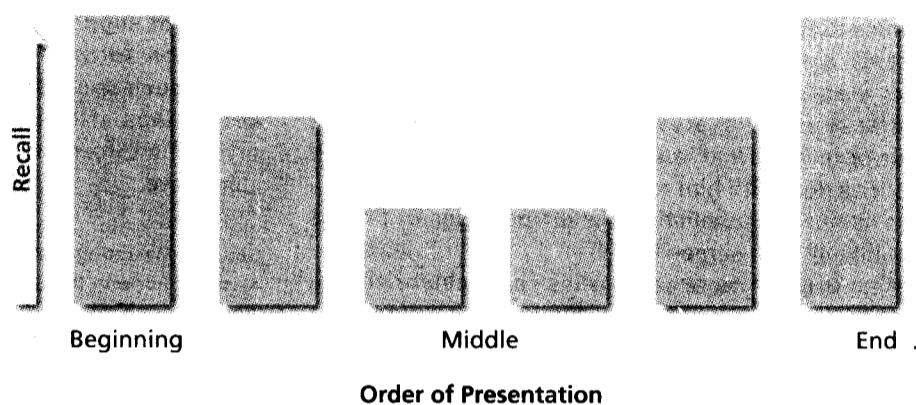
Presenting the strongest arguments at the beginning of the message assumes a **primacy effect** is operating, whereby information presented first is most effective. Putting the strong points at the end assumes a **recency effect**, whereby the last arguments presented are most persuasive.

Whether to place the strongest selling points at the beginning or the end of the message depends on several factors. If the target audience is opposed to the communicator's

## Message Factors

**Exhibit 6-8** Actor Charles Bronson's authoritative image makes him an effective source

**Figure 6-4** Ad message recall as a function of order of presentation



position, presenting strong points first can reduce the level of counterarguing. Putting weak arguments first might lead to such a high level of counterarguing that strong arguments that followed would not be believed. Strong arguments work best at the beginning of the message if the audience is not interested in the topic, so they can arouse interest in the message. When the target audience is predisposed toward the communicator's position or is highly interested in the issue or product, strong arguments can be saved for the end of the message. This may result in a more favorable opinion as well as better retention of the information.

The order of presentation can be critical when a long, detailed message with many arguments is being presented. Most effective sales presentations open and close with strong selling points and bury weaker arguments in the middle. For short communications, such as a 15- or 30-second TV or radio commercial, the order may be less critical. However, many product and service messages are received by consumers with low involvement and minimal interest. Thus, an advertiser may want to present the brand name and key selling points early in the message and repeat them at the end to enhance recall and retention. Order of presentation is also an important consideration in other forms of marketing communication. For example, many press releases use the "pyramid style" of writing, whereby most of the important information is presented up front to ensure that it is read since editors often cut from the end of articles.

**Conclusion Drawing** Marketing communicators must decide whether their messages should explicitly draw a firm conclusion or allow receivers to draw their own conclusions. Research suggests that, in general, messages with explicit conclusions are more easily understood and effective in influencing attitudes. However, other studies have shown that the effectiveness of conclusion drawing may depend on the target audience, the type of issue or topic, and the nature of the situation.<sup>39</sup>

More highly educated people prefer to draw their own conclusions and may be annoyed at an attempt to explain the obvious or to draw an inference for them. But stating the conclusion may be necessary for a less educated audience, who may not draw any conclusion or may make an incorrect inference from the message. Marketers must also consider the audience's level of involvement in the topic. For highly personal or ego-involving issues, message recipients may want to make up their own minds and resent any attempts by the communicator to draw a conclusion. One study found that open-ended ads (without explicit conclusions) were more effective than closed-ended arguments that did include a specific conclusion—but only for involved audiences.<sup>40</sup>

Whether to draw a conclusion for the audience also depends on the complexity of the topic. Even a highly educated audience may need assistance if its knowledge level in a particular area is low. Does the marketer want the message to trigger immediate action or a more long-term effect? If immediate action is an objective, the message should draw a definite conclusion. This is a common strategy in political advertising, particularly for ads run close to election day. When immediate impact is not the objective and repeated exposure will give the audience members opportunities to draw their own conclusions, an open-ended message may be used.

Drawing a conclusion in a message may make sure the target audience gets the point the marketer intended. But many advertisers believe that letting customers draw their own conclusions reinforces the points being made in the message. For example, a health services agency in Kentucky found that open-ended ads were more memorable and more effective in getting consumers to use health services than were ads stating a conclusion. Ads that posed questions about alcohol and drug abuse and left them unanswered resulted in more calls by teenagers to a help line for information than did a message offering a resolution to the problem.<sup>41</sup> The ad for Silk Soymilk in Exhibit 6-9 is a very good example of an open-ended message. The question in the headline encourages consumers to be open to the idea of drinking soymilk.

**Message Sidedness** Another message structure decision facing the marketer involves message sidedness. A **one-sided message** mentions only positive attributes or benefits. A **two-sided message** presents both good and bad points. One-sided messages are most effective when the target audience already holds a favorable opinion about the topic. They also work better with a less educated audience.<sup>42</sup>

Two-sided messages are more effective when the target audience holds an opposing opinion or is highly educated. Two-sided messages may enhance the credibility of the source.<sup>43</sup> A better-educated audience usually knows there are opposing arguments, so a communicator who presents both sides of an issue is likely to be seen as less biased and more objective.

Most advertisers use one-sided messages. They are concerned about the negative effects of acknowledging a weakness in their brand or don't want to say anything positive about their competitors. There are exceptions, however. Sometimes advertisers compare brands on several attributes and do not show their product as being the best on every one.

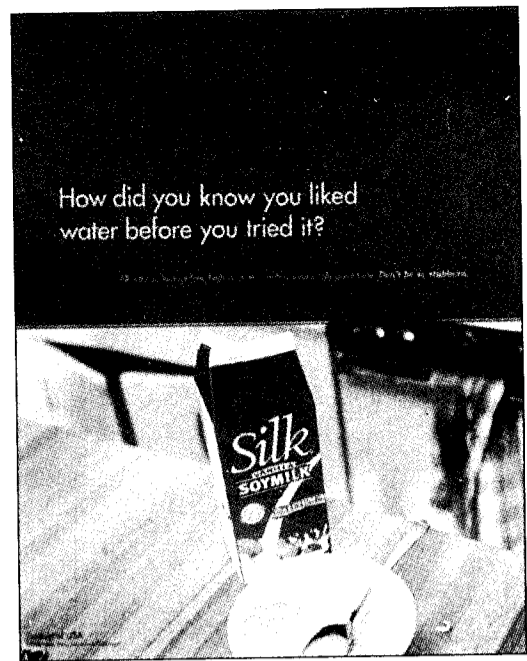
In some situations marketers may focus on a negative attribute as a way of enhancing overall perceptions of the product. For example, W. K. Buckley Limited has become one of the leading brands of cough syrup in Canada by using a blunt two-sided slogan, "Buckley's Mixture. It tastes awful. And it works." Ads for the brand poke fun at the cough syrup's terrible taste but also suggest that the taste is a reason why the product is effective (Exhibit 6-10). Buckley's is using the humorous two-sided message strategy in its entry into the U.S. market.<sup>44</sup>

**Refutation** In a special type of two-sided message known as a **refutational appeal**, the communicator presents both sides of an issue and then refutes the opposing viewpoint. Since refutational appeals tend to "inoculate" the target audience against a competitor's counterclaims, they are more effective than one-sided messages in making consumers resistant to an opposing message.<sup>45</sup>

Refutational messages may be useful when marketers wish to build attitudes that resist change and must defend against attacks or criticism of their products or the company. For example, Exhibit 6-11 shows an ad used by the Almond Board of California to refute nutritional concerns about almonds regarding their fat content. Market leaders, who are often the target of comparative messages, may find that acknowledging competitors' claims and then refuting them can help build resistant attitudes and customer loyalty.

**Verbal versus Visual Messages** Thus far our discussion has focused on the information, or verbal, portion of the message. However, the nonverbal, visual elements of an ad are also very important. Many ads provide minimal amounts of information and rely on visual elements to communicate. Pictures are commonly used in advertising to convey information or reinforce copy or message claims.

Both the verbal and visual portions of an ad influence the way the advertising message is processed.<sup>46</sup> Consumers may develop images or impressions based on visual elements such as an illustration in an ad or the scenes in a TV commercial. In some



**Exhibit 6-9** This ad makes effective use of an open-ended approach

**Exhibit 6-10** Buckley's Cough Syrup uses a two-sided message to promote the product's effectiveness



**SFX:** Man with cold.  
**ANNCR:** You'll be amazed...



...at how quickly Buckley's Mixture relieves coughs due to colds.



**SFX:** Duct tape rip.



**ANNCR:** You'll also be amazed...



...at how it tastes.



**SFX:** Scream.

**Exhibit 6-11** A refutational appeal is used to address nutritional concerns about almonds



cases, the visual portion of an ad may reduce its persuasiveness, since the processing stimulated by the picture may be less controlled and consequently less favorable than that stimulated by words.<sup>47</sup>

Pictures affect the way consumers process accompanying copy. A recent study showed that when verbal information was low in imagery value, the use of pictures providing examples increased both immediate and delayed recall of product attributes.<sup>48</sup> However, when the verbal information was already high in imagery value, the addition of pictures did not increase recall. Advertisers often design ads where the visual image supports the verbal appeal to create a compelling impression in the consumer's mind. Notice how the ad for the CamelBak SnoBowl uses visual elements to support the claims made in the copy regarding the importance of being hydrated when skiing (Exhibit 6-12).

Sometimes advertisers use a different strategy; they design ads in which the visual portion is incongruent with or contradicts the verbal information presented. The logic behind this strategy is that the use of an unexpected picture or visual image will grab consumers' attention and get them to engage in more effortful or elaborative processing.<sup>49</sup> A number of studies have shown that the use of a visual that is inconsistent with the verbal content leads to more recall and greater processing of the information presented.<sup>50</sup>



Exhibit 6-12 Visual images are often designed to support verbal appeals

## Message Appeals

One of the advertiser's most important creative strategy decisions involves the choice of an appropriate appeal. Some ads are designed to appeal to the rational, logical aspect of the consumer's decision-making process; others appeal to feelings in an attempt to evoke some emotional reaction. Many believe that effective advertising combines the practical reasons for purchasing a product with emotional values. In this section we will examine several common types of message appeals, including comparative advertising, fear, and humor.

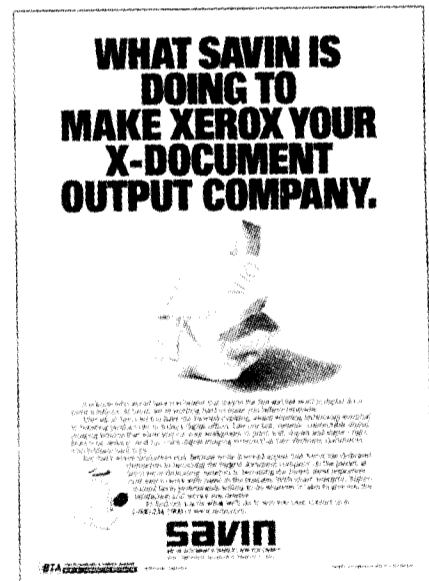
**Comparative Advertising** Comparative advertising is the practice of either directly or indirectly naming competitors in an ad and comparing one or more specific attributes.<sup>51</sup> This form of advertising became popular after the Federal Trade Commission (FTC) began advocating its use in 1972. The FTC reasoned that direct comparison of brands would provide better product information, giving consumers a more rational basis for making purchase decisions. Television networks cooperated with the FTC by lifting their ban on comparative ads, and the result was a flurry of comparative commercials.

Initially, the novelty of comparative ads resulted in greater attention. But since they have become so common, their attention-getting value has probably declined. Some studies show that recall is higher for comparative than noncomparative messages, but comparative ads are generally not more effective for other response variables, such as brand attitudes or purchase intentions.<sup>52</sup> Advertisers must also consider how comparative messages affect credibility. Users of the brand being attacked in a comparative message may be especially skeptical about the advertiser's claims.

Comparative advertising may be particularly useful for new brands, since it allows a new market entrant to position itself directly against the more established brands and to promote its distinctive advantages. Direct comparisons can help position a new brand in the evoked, or choice, set of brands the customer may be considering.

Comparative advertising is often used for brands with a small market share. They compare themselves to an established market leader in hopes of creating an association and tapping into the leader's market. For example, Savin Corp. used comparative ads for a number of years that were aimed directly at Xerox, the market leader in the copier industry. The campaign was very effective in convincing decision makers at small and mid-size companies that Savin should be considered as an alternative to Xerox as well as other copier companies such as Canon, Konica, and Mita (Exhibit 6-13). Market leaders, on the

Exhibit 6-13 Savin used a comparative ad to position itself against Xerox



other hand, often hesitate to use comparison ads, as most believe they have little to gain by featuring competitors' products in their ads. There are exceptions, of course; Coca-Cola resorted to comparative advertising in response to challenges made by Pepsi that were reducing Coke's market share.

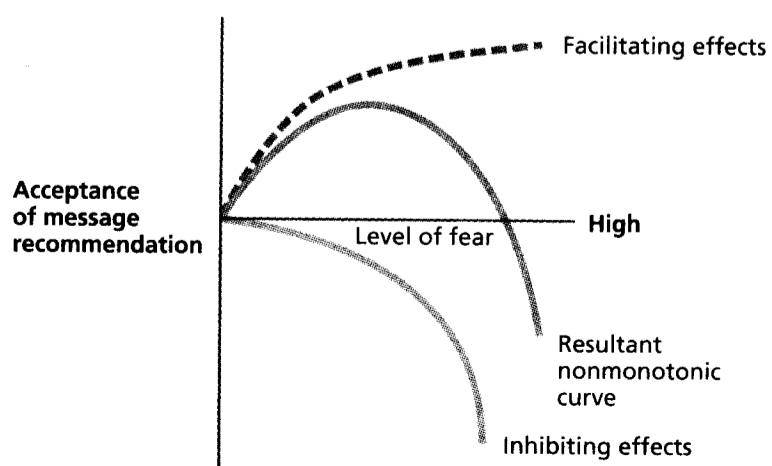
Another area where comparative messages are quite commonly used is political advertising. Political advertising is viewed as an important component of political speech and thus enjoys more First Amendment protection than commercial speech and less regulation by either government or self-policing agencies. Thus, it has become quite common for political ads to contain negative, one-sided attacks on an opposing candidate's weaknesses such as character flaws, voting record, public misstatements, broken promises, and the like.<sup>53</sup> The goal of these ads is to discredit the character, record, or position of an opponent and create doubt in voters' minds about his or her ability to govern effectively. A major reason why negative political ads are used successfully is that voters often tend to weight negative information more heavily than positive information when forming impressions of political candidates.<sup>54</sup> However, studies have shown that the use of "attack advertising" by politicians can result in negative perceptions of both candidates.<sup>55</sup>

**Fear Appeals** Fear is an emotional response to a threat that expresses, or at least implies, some sort of danger. Ads sometimes use **fear appeals** to evoke this emotional response and arouse individuals to take steps to remove the threat. Some, like the antidrug ads used by the Partnership for a Drug-Free America, stress physical danger that can occur if behaviors are not altered. Others—like those for deodorant, mouthwash, or dandruff shampoos—threaten disapproval or social rejection.

**How Fear Operates** Before deciding to use a fear appeal-based message strategy, the advertiser should consider how fear operates, what level to use, and how different target audiences may respond. One theory suggests that the relationship between the level of fear in a message and acceptance or persuasion is curvilinear, as shown in Figure 6-5.<sup>56</sup> This means that message acceptance increases as the amount of fear used rises—to a point. Beyond that point, acceptance decreases as the level of fear rises.

This relationship between fear and persuasion can be explained by the fact that fear appeals have both facilitating and inhibiting effects.<sup>57</sup> A low level of fear can have facilitating effects; it attracts attention and interest in the message and may motivate the receiver to act to resolve the threat. Thus, increasing the level of fear in a message from low to moderate can result in increased persuasion. High levels of fear, however, can produce inhibiting effects; the receiver may emotionally block the message by tuning it out, perceiving it selectively, or denying its arguments outright. Figure 6-5 illustrates how these two countereffects operate to produce the curvilinear relationship between fear and persuasion.

**Figure 6-5** Relationship between fear levels and message acceptance





A study by Anand-Keller and Block provides support for this perspective on how fear operates.<sup>58</sup> They examined the conditions under which low- and high-fear appeals urging people to stop smoking are likely to be effective. Their study indicated that a communication using a low level of fear may be ineffective because it results in insufficient motivation to elaborate on the harmful consequences of engaging in the destructive behavior (smoking). However, an appeal arousing high levels of fear was ineffective because it resulted in too much elaboration on the harmful consequences. This led to defensive tendencies such as message avoidance and interfered with processing of recommended solutions to the problem:

Another approach to the curvilinear explanation of fear is the protection motivation model.<sup>59</sup> According to this theory, four cognitive appraisal processes mediate the individual's response to the threat: appraising (1) the information available regarding the severity of the perceived threat, (2) the perceived probability that the threat will occur, (3) the perceived ability of a coping behavior to remove the threat, and (4) the individual's perceived ability to carry out the coping behavior.

This model suggests that both the cognitive appraisal of the information in a fear appeal message and the emotional response mediate persuasion. An audience is more likely to continue processing threat-related information, thereby increasing the likelihood that a coping behavior will occur.

The protection motivation model suggests that ads using fear appeals should give the target audience information about the severity of the threat, the probability of its occurrence, the effectiveness of a coping response, and the ease with which the response can be implemented.<sup>60</sup> For example, the Havrix ad in Exhibit 6-14 discusses how tourists can pick up hepatitis A when traveling to high-risk areas outside the United States and describes the severity of the problem. However, the ad reduces anxiety by offering a solution to the problem—a vaccination with Havrix.

It is also important to consider how the target audience may respond. Fear appeals are more effective when the message recipient is self-confident and prefers to cope with dangers rather than avoid them.<sup>61</sup> They are also more effective among nonusers of a product than among users. Thus, a fear appeal may be better at keeping nonsmokers from starting than persuading smokers to stop.

In reviewing research on fear appeals, Herbert Rotfeld has argued that some of the studies may be confusing different types of threats and the level of potential harm portrayed in the message with fear, which is an emotional response.<sup>62</sup> He concludes that the relationship between the emotional responses of fear or arousal and persuasion is not curvilinear but rather is monotonic and positive, meaning that higher levels of fear do result in greater persuasion. However, Rotfeld notes that not all fear messages are equally effective, because different people fear different things. Thus they will respond differently to the same threat, so the strongest threats are not always the most persuasive. This suggests that marketers using fear appeals must consider the emotional responses generated by the message and how they will affect reactions to the message.

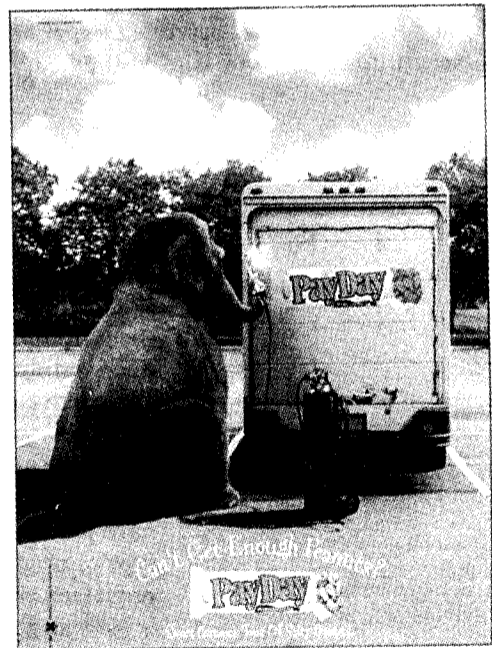
**Humor Appeals** Humorous ads are often the best known and best remembered of all advertising messages. Many advertisers, including FedEx, Little Caesar's pizza, Pepsi, and Budweiser, have used humor appeals effectively. Humor is usually presented through radio and TV commercials as these media lend themselves to the execution of humorous messages. However, humor is occasionally used in print ads as well. The clever PayDay ad shown in Exhibit 6-15 is an excellent example of how humor can be used to attract attention and convey a key selling point in a magazine ad.

Advertisers use humor for many reasons. Humorous messages attract and hold consumers' attention. They enhance effectiveness by putting consumers in a positive mood, increasing their liking of the ad itself and



**Exhibit 6-14** This ad uses a mild fear appeal but reduces anxiety by offering a solution to the problem

**Exhibit 6-15** This clever ad is an example of how humor can be executed in print media



## IMC PERSPECTIVE 6-4

### Do Humorous Ads Wear Out Too Fast?

An issue of much concern to advertisers is the problem of commercial wearout, or the tendency of a message to lose its effectiveness when it is seen repeatedly. Wearout may occur for several reasons. One is inattention; consumers may no longer attend to an ad after several exposures, so the message loses its effectiveness. Another reason is that consumers may become annoyed at seeing an ad many times.

While wearout is a problem for any type of commercial, some advertising experts argue that humorous ads wear out much sooner than other formats because once the viewer gets the joke, the ad becomes boring. However, advocates of humor argue that ads filled with yuks are effective longer because consumers can tolerate a well-executed humorous commercial again and again.

So who is right? Well, a study conducted by Research Systems Corp. concludes that neither view is correct. Humorous ads wear out at the same rate as other types of ads, whether the commercials include comparative messages, celebrity spokespeople, or other approaches. According to the study, the average ad's effectiveness wears out within eight weeks.

Not everyone agrees with this study. Another research firm, Video Storyboard Tests, claims that humorous ads lose their effectiveness faster than other ads. Says the company's president, "The first time the ad is funny, the second time the ad is acceptable, and the third time it is a bore."

While individual humorous ads may get old fast, advertisers often get around this problem by using humorous campaigns consisting of many different commercials. For example, the Little Caesar's pizza chain, FedEx, Energizer batteries, Pepsi, and Anheuser-Busch (Budweiser and Bud Light beer) have made



effective use of humor by constantly developing new commercials and working them into the ad rotation.

One media consultant argues that it's quite simple to determine if a humorous spot or campaign is wearing out. "If the viewers laugh with you, you can be in it for the long haul. It's when they laugh at you that you're in trouble."

Sources: Dottie Enrico, "Humorous Touch Resonates with Consumers," *USA Today*, May 13, 1996, p. 3B; Kevin Goldman, "Ever Hear the One about the Funny Ad?" *The Wall Street Journal*, Nov. 2, 1993, p. B11.

their feeling toward the product or service. And humor can distract the receiver from counterarguing against the message.<sup>63</sup>

Critics argue that funny ads draw people to the humorous situation but distract them from the brand and its attributes. Also, effective humor can be difficult to produce and some attempts are too subtle for mass audiences. And, as discussed in IMC Perspective 6-4, there is concern that humorous ads may wear out faster than serious appeals.

Clearly, there are valid reasons both for and against the use of humor in advertising. Not every product or service lends itself to a humorous approach. A number of studies have found that the effectiveness of humor depends on several factors, including the type of product and audience characteristics.<sup>64</sup> For example, humor has been more prevalent and more effective with low-involvement, feeling products than high-involvement, thinking products.<sup>65</sup> An interesting study surveyed the research and creative directors of the top 150 advertising agencies.<sup>66</sup> They were asked to name which communications objectives are facilitated through the appropriate situational use of

- Humor does aid awareness and attention, which are the objectives best achieved by its use.
  - Humor may harm recall and comprehension in general.
  - Humor may aid name and simple copy registration.
  - Humor may harm complex copy registration.
  - Humor may aid retention.
- Humor does not aid persuasion in general.
  - Humor may aid persuasion to switch brands.
  - Humor creates a positive mood that enhances persuasion.
- Humor does not aid source credibility.
- Humor is generally not very effective in bringing about action/sales.
- Creatives are more positive on the use of humor to fulfill all the above objectives than research directors are.
- Radio and TV are the best media in which to use humor; direct mail and newspapers are least suited.
- Consumer nondurables and business services are best suited to humor; corporate advertising and industrial products are least suited.
- Humor should be related to the product.
- Humor should not be used with sensitive goods or services.
- Audiences that are younger, better educated, upscale, male, and professional are best suited to humor; older, less educated, and downscale groups are least suited to humor appeals.

**Figure 6-6** Summary of top ad agency research and creative directors' opinions regarding humor

humor in terms of media, product, and audience factors. The general conclusions of this study are shown in Figure 6-6.

The final controllable variable of the communication process is the channel, or medium, used to deliver the message to the target audience. While a variety of methods are available to transmit marketing communications, as noted in Chapter 5 they can be classified into two broad categories, personal and nonpersonal media.

## Channel Factors

### Personal versus Nonpersonal Channels

There are a number of basic differences between personal and nonpersonal communications channels. Information received from personal influence channels is generally more persuasive than information received via the mass media. Reasons for the differences are summarized in the following comparison of advertising and personal selling:

From the standpoint of persuasion, a sales message is far more flexible, personal, and powerful than an advertisement. An advertisement is normally prepared by persons having minimal personal contact with customers. The message is designed to appeal to a large number of persons. By contrast, the message in a good sales presentation is not determined in advance. The salesman has a tremendous store of knowledge about his product or service and selects appropriate items as the interview progresses. Thus, the salesman can adapt this to the thinking and needs of the customer or prospect at the time of the sales call. Furthermore, as objections arise and are voiced by the buyer, the salesman can treat the objections in an appropriate manner. This is not possible in advertising.<sup>67</sup>

### Effects of Alternative Mass Media

The various mass media that advertisers use to transmit their messages differ in many ways, including the number and type of people they reach, costs, information processing requirements, and qualitative factors. The mass media's costs and efficiency in exposing a target audience to a communication will be evaluated in Chapters 10 through 12. However, we should recognize differences in how information is processed and how communications are influenced by context or environment.

**Differences in Information Processing** There are basic differences in the manner and rate at which information from various forms of media is transmitted and can be processed. Information from ads in print media, such as newspapers, magazines, or direct mail, is *self-paced*; readers process the ad at their own rate and can study it as long as they desire. In contrast, information from the broadcast media of radio and television is *externally paced*; the transmission rate is controlled by the medium.

The difference in the processing rate for print and broadcast media has some obvious implications for advertisers. Self-paced print media make it easier for the message recipient to process a long, complex message. Advertisers often use print ads when they want to present a detailed message with a lot of information. Broadcast media are more effective for transmitting shorter messages or, in the case of TV, presenting pictorial information along with words.

While there are limits to the length and complexity of broadcast messages, advertisers can deal with this problem. One strategy is to use a radio or TV ad to get consumers' attention and direct them to specific print media for a more detailed message. For example, home builders use radio ads to draw attention to new developments and direct listeners to the real estate section of the newspaper for more details. Some advertisers develop broadcast and print versions of the same message. The copy portion is similar in both media, but the print ad can be processed at a rate comfortable to the receiver.

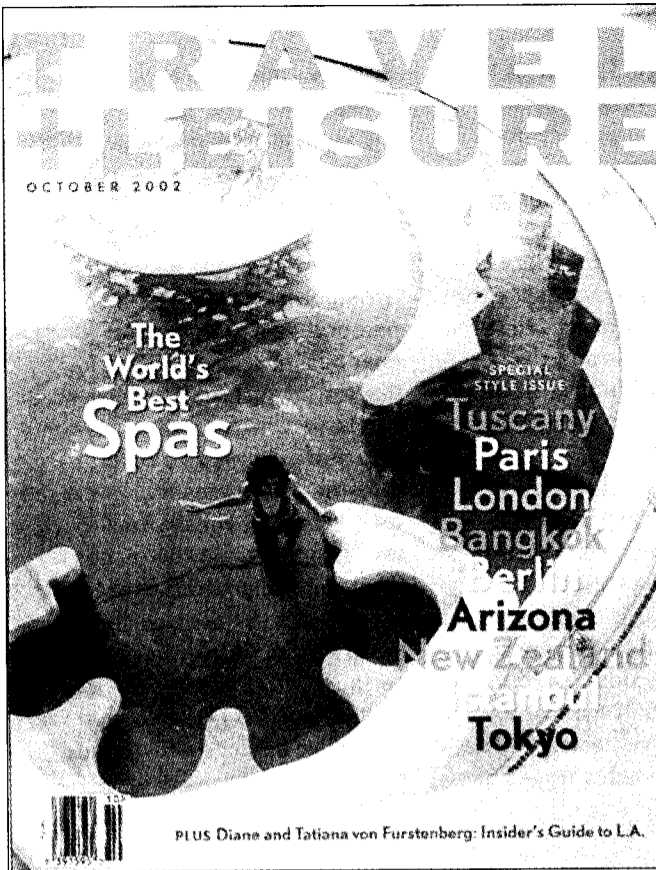
## Effects of Context and Environment

Interpretation of an advertising message can be influenced by the context or environment in which the ad appears. Communication theorist Marshall McLuhan's thesis, "The medium is the message," implies that the medium communicates an image that is independent of any message it contains.<sup>68</sup> A **qualitative media effect** is the influence the medium has on a message. The image of the media vehicle can affect reactions to the message. For example, an ad for a high-quality men's clothing line might have more of an impact in a fashion magazine like *GQ* than in *Sports Afield*. Airlines, destination resorts, and travel-related services advertise in publications such as *Travel & Leisure* partly because the articles, pictures, and other ads help to excite readers about travel (Exhibit 6-16).

A media environment can also be created by the nature of the program in which a commercial appears. One study found that consumers reacted more positively to commercials seen during a happy TV program than a sad one.<sup>69</sup> Advertisers pay premium dollars to advertise on popular programs that create positive moods, like the Olympic Games and Christmas specials. Conversely, advertisers tend to avoid programs that create a negative mood among viewers or may be detrimental to the company or its products. Many companies won't advertise on programs with excessive violence or sexual content. As a corporate policy, Coca-Cola never advertises on TV news programs because it thinks bad news is inconsistent with Coke's image as an upbeat, fun product. A study by Andrew Aylesworth and Scott MacKenzie found that commercials placed in programs that induce negative moods are processed less systematically than ads placed in programs that put viewers in positive moods.<sup>70</sup> They suggest that media buyers might be well advised to follow the conventional wisdom of placing their ads during "feel-good" programming, especially if the message is intended to work through a central route to persuasion. However, messages intended to operate through a peripheral route to persuasion might be more effective if they are shown during more negative programs, where presumably viewers will not analyze the ad in detail because of their negative mood state.

## Clutter

Another aspect of the media environment, which is important to advertisers, is the problem of **clutter**, which has been defined as the amount of advertising in a medium.<sup>71</sup> However, for television, clutter is often viewed as including all the nonprogram material that appears in the broadcast environment—commercials, promotional



**Exhibit 6-16** *Travel & Leisure* magazine creates an excellent reception environment for travel-related ads

messages for shows, public service announcements (PSAs), and the like. Clutter is of increasing concern to advertisers since there are so many messages in various media competing for the consumer's attention. Half of the average magazine's pages contain ads and in some publications the ratio of ads to editorial content is even higher. On average, around a quarter of a broadcast hour on TV is devoted to commercials, while most radio stations carry an average of 10 to 12 minutes of commercial time per hour. The high level of advertising often annoys consumers and makes it difficult for ads to communicate effectively.

Clutter has become a major concern among television advertisers as a result of increases in nonprogram time and the trend toward shorter commercials. While the 30-second commercial replaced 60-second spots as the industry standard in the 1970s, many advertisers are now using 15-second spots. The advertising industry continues to express concern over the highly cluttered viewing environment on TV, as the amount of clutter increased as much as 30 percent during the 1990s. An industry-sponsored study found that commercial clutter on the television broadcast networks reached record levels during the 2001 season in some day parts such as early morning, daytime, and local news.<sup>72</sup> The amount of nonprogramming time ranged from just over 16 minutes per hour during prime time to nearly 21 minutes per hour in daytime. The study also found that clutter levels are even higher on many cable networks and during syndicated programs. The problem is even greater during popular shows, to which the networks add more commercials because they can charge more. And, of course, advertisers and their agencies perpetuate the problem by pressuring the networks to squeeze their ads into top-rated shows with the largest audiences.

Advertisers and agencies want the networks to commit to a minimum amount of program time and then manage the nonprogram portion however they see fit. If the networks wanted to add more commercials, it would come out of their promos, PSAs, or program credit time. The problem is not likely to go away, however, and advertisers will continue to search for ways to break through the clutter, such as using humor, celebrity spokespeople, or novel, creative approaches.<sup>73</sup>

## Summary

This chapter focused on the controllable variables that are part of the communication process—source, message, and channel factors. Decisions regarding each of these variables should consider their impact on the various steps of the response hierarchy the message receiver passes through. The persuasion matrix helps assess the effect of controllable communication decisions on the consumer's response process.

Selection of the appropriate source or communicator to deliver a message is an important aspect of communications strategy. Three important attributes are source credibility, attractiveness, and power. Marketers enhance message effectiveness by hiring communicators who are experts in a particular area and/or have a

trustworthy image. The use of celebrities to deliver advertising messages has become very popular; advertisers hope they will catch the receivers' attention and influence their attitudes or behavior through an identification process. The chapter discusses the meaning a celebrity brings to the endorsement process and the importance of matching the image of the celebrity with that of the company or brand.

The design of the advertising message is a critical part of the communication process. There are various options regarding message structure, including order of presentation of message arguments, conclusion drawing, message sidedness, refutation, and verbal versus visual traits. The advantages and disadvantages of

different message appeal strategies were considered, including comparative messages and emotional appeals such as fear and humor.

Finally, the channel or medium used to deliver the message was considered. Differences between personal and nonpersonal channels of communication were discussed. Alternative mass media can have an effect on the communication process as a result of information processing and qualitative factors. The context in which an ad appears and the reception environment are important factors to consider in the selection of mass media. Clutter has become a serious problem for advertisers, particularly on TV, where commercials have become shorter and more numerous.

## Key Terms

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## Discussion Questions

1. The opening vignette discusses how a number of companies are using athletes with a “bad-boy” image as endorsers for their athletic shoes. Why do you think companies such as Reebok, And 1, and Pony use controversial athletes such as Alan Iverson, Latrell Sprewell, and Pete Rose as their spokesperson? What risks are they taking by using these athletes to endorse their products?

2. Discuss how marketers could use the persuasion matrix to plan their communication programs. Choose a print ad or TV commercial and use the persuasion matrix to analyze how it might influence consumers' response processes.

3. What are the differences between the source credibility components of expertise and trustworthiness? Provide an example of an ad or other form of marketing communications that uses these source characteristics.

4. Discuss why companies might use their founder, president or CEO as an advertising spokesperson. Discuss the pros and cons of this practice for both major corporations and smaller companies, such as a local retailer.

5. Discuss the ethics of celebrities endorsing products in foreign countries but not in the United States to protect their image. Do

you think celebrities hurt their reputations by endorsing products and appearing in ads? Why or why not?

6. IMC Perspective 6-2 discusses Dell Computer use of Steven “The Dell Dude” as its advertising spokesperson. Discuss why Steven was such an effective spokesperson for Dell. Why do you think the company has decided to phase him out of its advertising?

7. Find a celebrity who is currently appearing in ads for a particular company or brand and use McCracken's meaning transfer model (shown in Figure 6-3) to analyze the use of the celebrity as a spokesperson.

8. What is meant by one-sided versus two-sided messages? Discuss some of the reasons marketers may or may not want to use a two-sided message.

9. Discuss the pros and cons of using a comparative advertising message. Find an example of a cur-

rent campaign where a marketer is using a comparative ad and evaluate the decision to do so.

10. Evaluate the pros and cons of using humor as the basis for an advertising campaign. Find an example of an advertising campaign that supports your argu-

ments for and against the use of humor.

11. What is meant by a qualitative media effect? Choose a specific magazine and discuss the nature of the media environment in that publication.

# Establishing Objectives and Budgeting for the Promotional Program

## 7

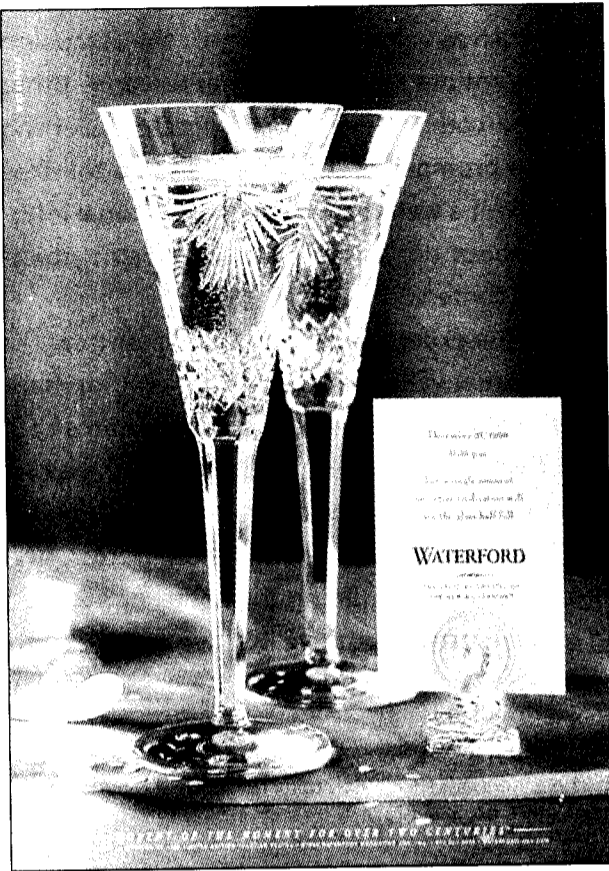
### Chapter Objectives

1. To recognize the importance and value of setting specific objectives for advertising and promotion.
2. To understand the role objectives play in the IMC planning process and the relationship of promotional objectives to marketing objectives.
3. To know the differences between sales and communications objectives and the issues regarding the use of each.
4. To recognize some problems marketers encounter in setting objectives for their IMC programs.
5. To understand the process of budgeting for IMC.
6. To understand theoretical issues involved in budget setting.
7. To know various methods of budget setting.



# Does It Really Matter What We Spend on Advertising?

As you can imagine, marketers have probably always wondered whether their advertising dol-



lars have an impact. This is particularly true now, as advertising budgets are being slashed in virtually every industry due to the downturn in the U.S. economy. Simply put, marketers want to know whether it is worth advertising their brand, and how much they should be spending if it is.

There are some out there who think that the amount spent on media has little or no impact—at least as it relates to consumers' perceptions of the brand's quality. In a study commissioned by *Brandweek* magazine, a Princeton-based research company concluded: "Consumer opinions pertaining to quality bear little correlation to the amount of time and money companies spend advertising their wares on *Friends*, FM radio or

Foxsports.com." According to Total Research Corp., none of the 10 brands most heavily advertised in the United States were recognized as among the top 100 "quality" brands—even though they accounted for over \$3.5 billion in expenditures. On the other hand, the brands considered in the top 10 spent only approximately \$150 million. The top three media spenders—McDonald's, Burger King, and Circuit City—didn't make the top 100 list! (List numbers 1 to 3 were Waterford Crystal, Craftsman tools, and the Discovery Channel.)

When asked why this might be the case, some consultants noted that advertising may be less effective than initially thought or that it lacked credibility in general. Others argued that advertising is too weak to establish a brand and that word of mouth or customer experience is far more valuable in establishing quality.

But not everyone is ready to dismiss advertising as ineffective. Even those that conclude that advertising is not effective in creating a quality image are not yet ready to recommend that companies stop advertising. They agree that while advertising may be weak for this objective, it is (if well designed and placed) quite effective, particularly when it comes to creating awareness and reinforcing the product's message. Further, Robert Passikoff, president of the Brand Keys consulting agency, notes that advertising has different objectives depending on the product category. He notes that "quality is less important in hamburgers than in crystal" and if the list was about fun, "Waterford would be down at the bottom."

Others agree with Passikoff, contending that stressing quality may be only one objective of advertising and that many companies do not use

metrics to measure the ROI on advertising expenditures or—if they do—use the wrong ones. The result is that these expenditures are easy to cut, even when they should not be. As noted by Keith Woodward, VP of finance at General Mills, Inc., most managers want to see the direct returns to volume or revenue, and “you can’t do that with advertising.” He suggests the consideration of new forms of metrics.

Woodward notes that brand value is important but investments must consider other objectives as well. Factors such as opportunity for growth, historical performance, growth versus the competition, and previous advertising effectiveness metrics must also be taken into consideration. Once the campaign is launched, revenue, market data, and other proprietary data are considered. Woodward notes that while there is no absolute metric for advertising ROI, he feels that General Mills has some good insights and that advertising does work.

Carol Gee of Du Pont (Lycra, Cordura, and other brands) agrees. As global director of brands, Gee notes that it is difficult to track the effectiveness of advertising on the end consumer, “but if we just advertised to our direct (OEM) customers we would be a commodity overnight.” While most consultants and experts agree that creating awareness

and reinforcing the brand’s image are both necessary and measurable, most do not agree on what other factors should be considered in computing ROI. Brand revenues, sales, and even contributions to stock values have been suggested—though there are certainly some limitations to each.

For their part, advertising agencies are also offering their opinions. In addition to awareness, factors such as valuation, ability of the campaign to differentiate the brand name, and other “response components” are suggested. Getting the ad to prompt the consumer to call a toll-free number, visit a website, or request additional information about the brand is also a valuable objective, they contend.

While the experts and consultants may disagree as to the real value of advertising—and perhaps even the real objectives—they do agree on a couple of things. First, it is hard to measure the direct impact of advertising. Second, a variety of objectives might be used in the evaluation process. And third, so far as determining the ability of advertising to demonstrate positive ROI, we aren’t exactly there yet.

Sources: Kris Frieswick, “New Brand Day,” *CFO*, November 2001, pp. 97–99; Kenneth Hein, “Can’t Buy Me Love,” *Brandweek*, June 4, 2001, pp. S20–S22.

The lead-in to this chapter reports on an issue that has perplexed marketers seemingly forever—what is the value of advertising? As you can see, there is no 100 percent agreement on what the objectives of advertising are or if it works. As this chapter will demonstrate, success can be measured by both marketing and communications objectives. This chapter will examine how the goals for the integrated marketing communications program follow the company’s overall marketing strategy and how these goals determine and are determined by the promotional budget.

Unfortunately, many companies have difficulty with the most critical step in the promotional planning process—setting realistic objectives that will guide the development of the IMC program. Complex marketing situations, conflicting perspectives regarding what advertising and other promotional mix elements are expected to accomplish, and uncertainty over resources make the setting of marketing communications objectives “a job of creating order out of chaos.”<sup>1</sup> While the task of setting objectives can be complex and difficult, it must be done properly, because specific goals and objectives are the foundation on which all other promotional decisions are made. Budgeting for advertising and other promotional areas, as well as creative and media strategies and tactics, evolve from these objectives. They also provide a standard against which performance can be measured.

Setting specific objectives should be an integral part of the planning process. However, many companies either fail to use specific marketing communications objectives or

set ones that are inadequate for guiding the development of the promotional plan or measuring its effectiveness. Many marketers are uncertain as to what integrated marketing communications should be expected to contribute to the marketing program. The goal of their company's advertising and promotional program is simple: to generate sales. They fail to recognize the specific tasks that advertising and other promotional mix variables must perform in preparing customers to buy a particular product or service.

As we know, advertising and promotion are not the only marketing activities involved in generating sales. Moreover, it is not always possible or necessary to measure the effects of advertising in terms of sales. For example, the Toyota ad in Exhibit 7-1 is designed to promote the company's concern for the environment.

Consider the State Farm ad shown in Exhibit 7-2. What objectives (other than generating sales) might the company have for this ad? How might its effectiveness be measured?

This chapter examines the nature and purpose of objectives and the role they play in guiding the development, implementation, and evaluation of an IMC program. Attention is given to the various types of objectives appropriate for different situations. We will also examine the budget-setting process and the interdependence of objective setting and budgeting.

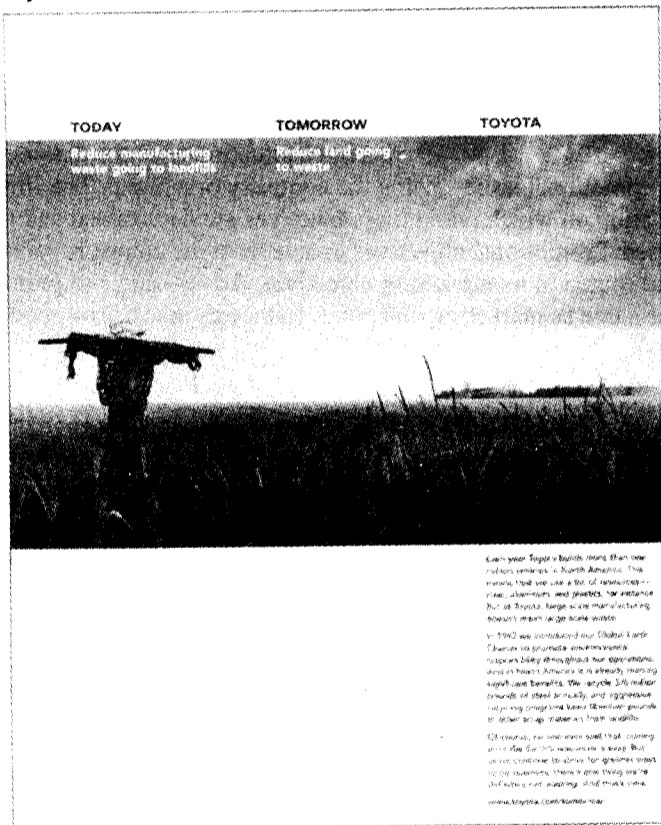
## The Value of Objectives

Perhaps one reason many companies fail to set specific objectives for their integrated marketing communications programs is that they don't recognize the value of doing so. Another may be disagreement as to what the specific objectives should be. Advertising and promotional objectives are needed for several reasons, including the functions they serve in communications, planning and decision making, and measurement and evaluation.

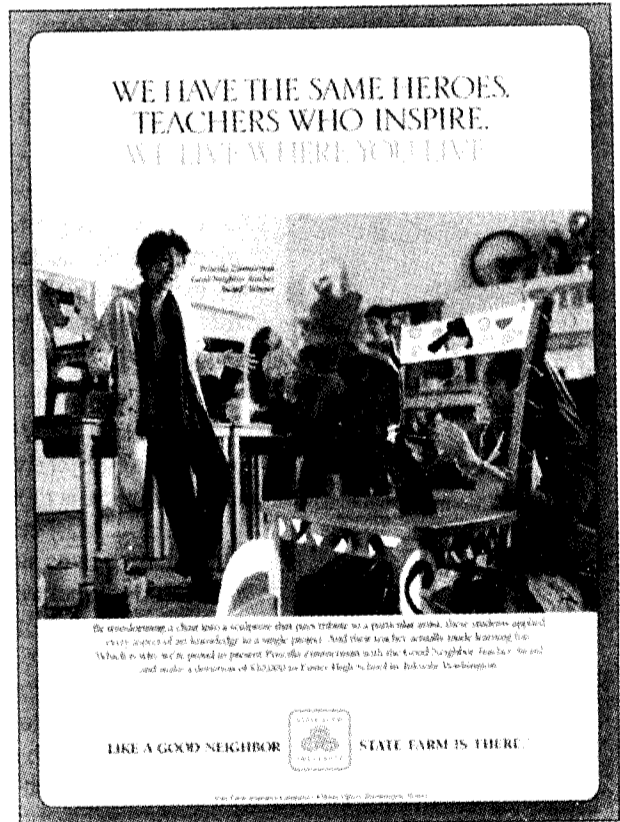
### Communications

Specific objectives for the IMC program facilitate coordination of the various groups working on the campaign. Many people are involved in the planning and development

**Exhibit 7-1** The objective of this ad is to demonstrate Toyota's concern for the environment



**Exhibit 7-2** State Farm's objectives for this ad may be other than sales



of an integrated marketing communications program on the client side as well as in the various promotional agencies. The advertising and promotional program must be coordinated within the company, inside the ad agency, and between the two. Any other parties involved in the promotional campaign, such as public relations and/or sales promotion firms, research specialists, or media buying services, must also know what the company hopes to accomplish through its marketing communications program. Many problems can be avoided if all parties have written, approved objectives to guide their actions and serve as a common base for discussing issues related to the promotional program.

### Planning and Decision Making

Specific promotional objectives also guide development of the integrated marketing communications plan. All phases of a firm's promotional strategy should be based on the established objectives, including budgeting, creative, and media decisions as well as supportive programs such as direct marketing, public relations/publicity, sales promotion, and/or reseller support.

Meaningful objectives can also be a useful guide for decision making. Promotional planners are often faced with a number of strategic and tactical options in terms of choosing creative options, selecting media, and allocating the budget among various elements of the promotional mix. Choices should be made based on how well a particular strategy matches the firm's promotional objectives.

### Measurement and Evaluation of Results

An important reason for setting specific objectives is that they provide a benchmark against which the success or failure of the promotional campaign can be measured. Without specific objectives, it is extremely difficult to determine what the firm's advertising and promotion efforts accomplished. One characteristic of good objectives is that they are *measurable*; they specify a method and criteria for determining how well the promotional program is working. By setting specific and meaningful objectives, the promotional planner provides a measure(s) that can be used to evaluate the effectiveness of the marketing communications program. Most organizations are concerned about the return on their promotional investment, and comparing actual performance against measurable objectives is the best way to determine if the return justifies the expense.

## Determining Promotional Objectives

Integrated marketing communications objectives should be based on a thorough situation analysis that identifies the marketing and promotional issues facing the company or a brand. The situation analysis is the foundation on which marketing objectives are determined and the marketing plan is developed. Promotional objectives evolve from the company's overall marketing plan and are rooted in its marketing objectives. Advertising and promotion objectives are not the same as marketing objectives (although many firms tend to treat them as synonymous).

### Marketing versus Communications Objectives

**Marketing objectives** are generally stated in the firm's marketing plan and are statements of what is to be accomplished by the overall marketing program within a given time period. Marketing objectives are usually defined in terms of specific, measurable outcomes such as sales volume, market share, profits, or return on investment. Good marketing objectives are *quantifiable*; they delineate the target market and note the time frame for accomplishing the goal (often one year). For example, a copy machine company may have as its marketing objective "to increase sales by 10 percent in the small-business segment of the market during the next 12 months." To be effective, objectives must also be *realistic* and *attainable*.

A company with a very high market share may seek to increase its sales volume by stimulating growth in the product category. It might accomplish this by increasing consumption by current users or encouraging nonusers to use the product. Some firms

## Video Games Attempt to Go Mainstream in the United States and Europe

In a market where many advertisers are slashing their budgets, the video game industry is taking just the opposite approach. The industry has unleashed a billion-dollar bombardment of IMC communications designed to make Mario the plumber and Munch the Gabit household names as common as Harry Potter or Britney Spears.

The objective of the marketing blitz is to transform the video game from a niche market to as common an activity as watching television or going to the movies. Sony (PlayStation2), Nintendo (GameCube), and Microsoft (Xbox) have all recently redesigned their video games in an attempt to penetrate as many living rooms as possible while ushering in the next generation of digital entertainment.

While the immediate objective is to sell units, the industry's long-term goal is to change the image of the products from a teenage game to family entertainment. The products have become much more sophisticated and have the added capabilities of playing DVD movies and CDs and connecting to the Internet. And, while growing the market is one goal, Sony and Nintendo are also attempting to protect their market shares in the \$20 billion market from newcomer Microsoft.

The IMC programs will be as innovative as the products themselves. Traditional advertising media will play a minimal role, while ad messages on soda bottles, in



fast-food restaurants, and on college campuses will be commonplace. High-tech trucks and vans equipped with games will tour the United States to allow trial. Nintendo will host Gamecube parties throughout the country, while Sony will employ Britney Spears and Snoop Dog at its events. Not to be outdone, Microsoft is taking its rigs on the road to 40 cities to throw "Xbox Bashes." In all, the companies will use multiple print ads, street marketing teams, college marketing teams, events, sponsorships, TV ads, and the Internet.

The budgets are outrageous as well! Consider that Microsoft (\$500 million worldwide) and Nintendo and Sony (\$250 million each in North America, and Nintendo at total of \$475 million worldwide) will spend five times as much in 2002 as Coke did in 2001 to advertise Coke and Diet Coke. Sega spent over \$10 million in the first quarter alone!

Meanwhile, the blitz is hitting Europe as well. The first advertising by Microsoft broke during the Olympic Games, followed by a larger TV campaign with the product launch date in March. A direct-marketing campaign followed, using a database supported by the playmore.com website (fondly referred to as the company's "brand experience" website) as well as 7,000 prelaunch demo units in department stores. Additional brand advertising will also follow the introduction of individual game releases.

The battle for brand share will be intense—maybe more intense than the games themselves. For example, Microsoft has already dubbed its positioning as "positive and inclusive," as opposed to what it calls PlayStation2's "dark and exclusive" strategy. Then again, maybe PlayStation knows something. As noted by one industry observer, "The industry has more casualties than successes."

Sources: Ravi Chandiramani, "Microsoft Xbox Adopts 'Positive' Brand Positioning," *Marketing*, Jan. 24, 2002, p. 1; Kenneth Hein, "Videogame Manufacturers See 0 Ceiling on Selling Season," *Brandweek*, Mar. 18, 2002, p. 13; Alex Pham and Greg Johnson, "Console Industry Taking the Game to a Different Level—Mainstream," *Los Angeles Times*, Sept. 10, 2001, p. C1.

have as their marketing objectives expanding distribution and sales of their product in certain market areas. Companies often have secondary marketing objectives that are related to actions they must take to solve specific problems and thus achieve their primary objectives. IMC International Perspective 7-1 provides an example of how companies invest to pursue multiple objectives.

Once the marketing communications manager has reviewed the marketing plan, he or she should understand where the company hopes to go with its marketing program,

how it intends to get there, and the role advertising and promotion will play. Marketing goals defined in terms of sales, profit, or market share increases are usually not appropriate promotional objectives. They are objectives for the entire marketing program, and achieving them depends on the proper coordination and execution of all the marketing-mix elements, including not just promotion but product planning and production, pricing, and distribution.

**Integrated marketing communications objectives** are statements of what various aspects of the IMC program will accomplish. They should be based on the particular communications tasks required to deliver the appropriate messages to the target audience. Managers must be able to translate general marketing goals into communications goals and specific promotional objectives. Some guidance in doing this may be available from the marketing plan, as the situation analysis should provide important information on

- The market segments the firm wants to target and the target audience (demographics, psychographics, and purchase motives).
- The product and its main features, advantages, benefits, uses, and applications.
- The company's and competitors' brands (sales and market share in various segments, positioning, competitive strategies, promotional expenditures, creative and media strategies, and tactics).
- Ideas on how the brand should be positioned and specific behavioral responses being sought (trial, repurchase, brand switching, and increased usage).

Sometimes companies do not have a formal marketing plan, and the information needed may not be readily available. In this case, the promotional planner must attempt to gather as much information as possible about the product and its markets from sources both inside and outside the company.

After reviewing all the information, the promotional planner should see how integrated marketing communications fits into the marketing program and what the firm hopes to achieve through advertising and other promotional elements. The next step is to set objectives in terms of specific communications goals or tasks.

Many promotional planners approach promotion from a communications perspective and believe the objective of advertising and other promotional mix elements is usually to communicate information or a selling message about a product or service. Other managers argue that sales or some related measure, such as market share, is the only meaningful goal for advertising and promotion and should be the basis for setting objectives. These two perspectives have been the topic of considerable debate and are worth examining further.

## Sales versus Communications Objectives

### Sales-Oriented Objectives

To many managers, the only meaningful objective for their promotional program is sales. They take the position that the basic reason a firm spends money on advertising and promotion is to sell its product or service. Promotional spending represents an investment of a firm's scarce resources that requires an economic justification. Rational managers generally compare investment options on a common financial basis, such as return on investment (ROI). As we'll discuss later in this chapter, determining the specific return on advertising and promotional dollars is often quite difficult (as seen in the chapter introduction). However, many managers believe that monies spent on advertising and other forms of promotion should produce measurable results, such as increasing sales volume by a certain percentage or dollar amount or increasing the brand's market share. They believe objectives (as well as the success or failure of the campaign) should be based on the achievement of sales results. For example, two of the largest three oral care manufacturers (Unilever and Colgate-Palmolive) recently joined Procter & Gamble in the marketing of at-home tooth-whitening kits (Exhibit 7-3). Unilever spent \$20 million on Mentadent and Colgate allocated \$60 million on Simply White in their product launches. Colgate's objective was to get \$100 million in sales in the first year (the total category sales are estimated at \$300 million and growing). Mentadent focused on in-

store efforts, promotions, ads in beauty magazines, and professional outreach programs to gain its share of the market.<sup>2</sup>

As a result, they have increased their efforts to make agencies more accountable for their performances. In turn, some agencies have developed their own tools to attempt to provide more ROI information in regard to how their integrated communications programs are performing. Grey Global Group, Interpublic Group, and J. Walter Thompson are just a few of the agencies that are boasting of their ability to measure their client's ROIs. McCann-Erickson's World Group Fusion 2.0 system has been adopted by many of its clients including General Motors, Microsoft, and Pfizer.<sup>3</sup>

Some managers prefer sales-oriented objectives to make the individuals involved in advertising and promotion think in terms of how the promotional program will influence sales. Or they may confuse marketing objectives with advertising and promotional objectives. For example, in recent years the major U.S. cereal manufacturers have focused on goals designed to stimulate sales. When cereal sales dropped in the mid-1990s, Post Cereals and General Mills both slashed their prices in an attempt to increase sales. Kellogg immediately followed suit. Much of the money used to fund the price cuts came from decreases in advertising and promotions spending. By the end of 1998 an estimated \$1.5 billion had been cut from advertising budgets. Yet sales continued to fall, profits dropped, and still no brand-share gains were recorded. In 2002—a full six years after the initial cuts—cereal sales remain stagnant. Interestingly, the few bright spots came from heavily advertised brands. Kellogg's Smart Start and Special K brands showed sales increases of 72 and 22 percent, respectively, in the first quarter of 2002, when their advertising budgets were significantly increased.<sup>4</sup> For Kellogg and Post the goal was to increase sales and market share versus store brands. This goal not only became the basis of the marketing plan but carried over as the primary objective of the promotional program. The success of the advertising and promotional campaign is judged only by attainment of these goals.

**Problems with Sales Objectives** Given Kellogg's and Post's failures to reverse their sales declines, does this mean the advertising and promotional program was ineffective? Or does it mean the price cuts didn't work? It might help to compare this situation to a football game and think of advertising as a quarterback. The quarterback is one of the most important players on the team but can be effective only with support from the other players. If the team loses, is it fair to blame the loss entirely on the quarterback? Of course not. Just as the quarterback is but one of the players on the football team, promotion is but one element of the marketing program, and there are many other reasons why the targeted sales level was not reached. The quarterback can lead his team to victory only if the linemen block, the receivers catch his passes, and the running backs help the offense establish a balanced attack of running and passing. Even if the quarterback plays an outstanding game, the team can still lose if the defense gives up too many points.

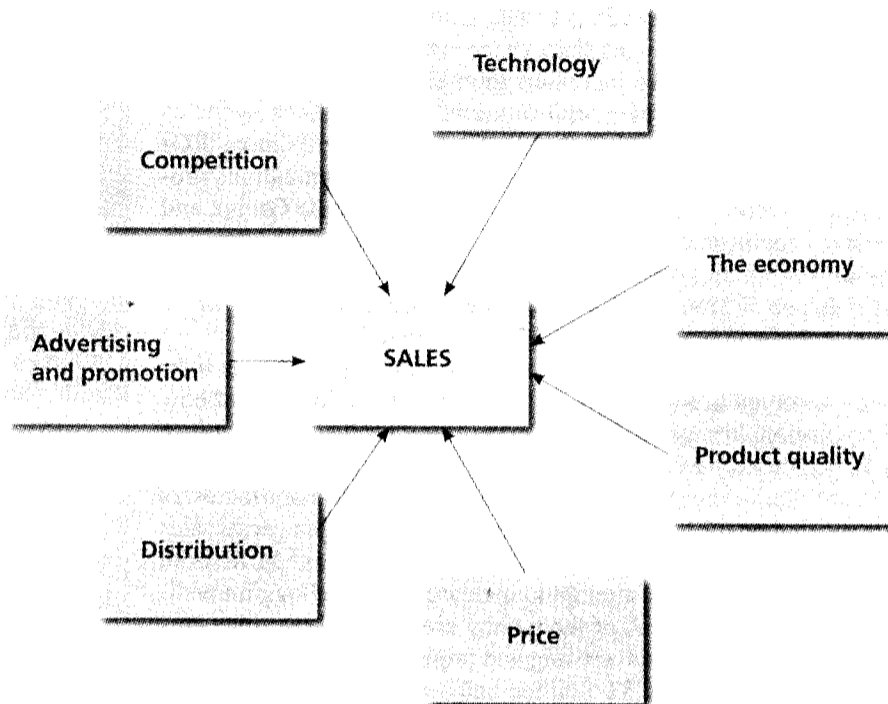
In the business world, poor sales results can be due to any of the other marketing-mix variables, including product design or quality, packaging, distribution, or pricing. Advertising can make consumers aware of and interested in the brand, but it can't make them buy it, particularly if it is not readily available or is priced higher than a competing brand. As shown in Figure 7-1, sales are a function of many factors, not just advertising and promotion. There is an adage in marketing that states, "Nothing will kill a poor product faster than good advertising." Taken with the other factors shown in Figure 7-1, this adage demonstrates that all the marketing elements must work together if a successful plan is to be implemented.

Another problem with sales objectives is that the effects of advertising often occur over an extended period. Many experts recognize that advertising has a lagged or **carryover effect**; monies spent on advertising do not necessarily have an immediate impact on sales.<sup>5</sup> Advertising may create awareness, interest, and/or favorable attitudes toward a brand, but these feelings will not result in an actual purchase until the



**Exhibit 7-3** Competition in the tooth-whitening market led to this advertisement for Whitestrips

**Figure 7-1** Factors influencing sales



consumer enters the market for the product, which may occur later. A review of econometric studies that examined the duration of cumulative advertising effects found that for mature, frequently purchased, low-priced products, advertising's effect on sales lasts up to nine months.<sup>6</sup> Models have been developed to account for the carryover effect of advertising and to help determine the long-term effect of advertising on sales.<sup>7</sup> The carryover effect adds to the difficulty of determining the precise relationship between advertising and sales.

Another problem with sales objectives is that they offer little guidance to those responsible for planning and developing the promotional program. The creative and media people working on the account need some direction as to the nature of the advertising message the company hopes to communicate, the intended audience, and the particular effect or response sought. As you will see shortly, communications objectives are recommended because they provide operational guidelines for those involved in planning, developing, and executing the advertising and promotional program.

**Where Sales Objectives Are Appropriate** While there can be many problems in attempting to use sales as objectives for a promotional campaign, there are situations where sales objectives are appropriate. Certain types of promotion efforts are direct action in nature; they attempt to induce an immediate behavioral response from the prospective customer. A major objective of most sales promotion programs is to generate short-term increases in sales. The "ads" in Exhibit 7-4 were part of BMW Group's non-traditional integrated marketing campaign that simultaneously relaunched the MINI brand, introduced two new models; the MINI Cooper and MINI Cooper S and established a new automotive segment (MINI is the smallest car on the American road) to the American public. Over 5.3 million Classic Mini's were sold worldwide from 1959–2000 but only 10,000 Classic Minis were sold in the US from 1960–1967. Over the years, MINI became a British automotive icon, with milkmen, rock stars and royalty alike behind the wheel. Since the SUV dominated the American marketplace, the spirit of the MINI brand values and

**Exhibit 7-4** MINI USA used a non-traditional, integrated campaign to relaunch the MINI brand in the US market

