

extremely low brand awareness necessitated the development of a non-traditional campaign that would uniquely position the MINI brand and break through the cluttered automotive advertising environment. In the pre-launch phase, MINIs were stacked on top of SUVs that toured the country to bring attention to the brand. Then, seats were removed from sports stadiums in Oakland, CA and New Orleans, and MINIs were put on display at Major League Baseball and NFL football games. At these events, wallet cards were handed out encouraging interested parties to visit the MINIUSA.com website to create their own customized MINI and sign up to become a "MINI Insider." For launch, traditional media (magazine and out-of-home) was used in non-traditional ways and complemented by extensive public relations activities. The campaign yielded over 115,000 "MINI Insider" registrants on the website, and record click-through rates on outbound email campaigns. Thousands of MINIs were pre-ordered even before the car was available in dealer showrooms, putting MINI well on track to reach its sales goal of 20,000 units.⁸

Direct-response advertising is one type of advertising that evaluates its effectiveness on the basis of sales. Merchandise is advertised in material mailed to customers, in newspapers and magazines, through the Internet, or on television. The consumer purchases the merchandise by mail, on the Net, or by calling a toll-free number. The direct-response advertiser generally sets objectives and measures success in terms of the sales response generated by the ad. For example, objectives for and the evaluation of a direct-response ad on TV are based on the number of orders received each time a station broadcasts the commercial. Because advertising is really the only form of communication and promotion used in this situation and response is generally immediate, setting objectives in terms of sales is appropriate. The SkyTel interactive messaging system shown in Exhibit 7-5 is an example of a product sold through direct-response advertising.

Retail advertising, which accounts for a significant percentage of all advertising expenditures, is another area where the advertiser often seeks a direct response, particularly when sales or special events are being promoted. The ad for Mattress Gallery's special purchase sale shown in Exhibit 7-6 is designed to attract consumers to stores during the sales period (and to generate sales volume). Mattress Gallery's management can determine the effectiveness of its promotional effort by analyzing store traffic and sales volume during sale days and comparing them to figures for nonsale days. But retailers may also allocate advertising and promotional dollars to image-building

Exhibit 7-5 Sales results are an appropriate objective for direct-response advertising

WHAT IF YOU COULD COMMUNICATE WITHOUT ANNOYING EVERYONE AROUND YOU?

Get SkyTel's 3-Way Interactive Messaging. You know it's the only way to get a message without disturbing anyone else. SkyTel's 3-Way Interactive Messaging lets you send a text message to a phone number and get a reply without disturbing anyone else. SkyTel's 3-Way Interactive Messaging lets you send a text message to a phone number and get a reply without disturbing anyone else. SkyTel's 3-Way Interactive Messaging lets you send a text message to a phone number and get a reply without disturbing anyone else.

SKYTEL
1-800-818-9637
www.skytel.com

Exhibit 7-6 Retail ads often seek sales objectives

OOPS! THE FACTORY GOOFED
SPECIAL PURCHASE SALE

California's Largest Simmons Beautyrest® Retailer... That Means

WE PAY LESS, SO YOU PAY LESS!

LARGEST SELECTED SIMMONS BEAUTYREST®

SAVE UP TO 44% OFF

SPECIAL PURCHASE BEAUTYREST WAS \$769 NOW \$488

Choose From Truckloads of First Quality Beautyrest® Sets. A Fraction of The Original Price.

MATTRESS GALLERY
"BETTER SLEEP FOR LESS"

Exhibit 7-7 Hitachi creates an image of speed and reliability



campaigns designed to create and enhance favorable perceptions of their stores. In this case, sales-oriented objectives would not be appropriate; the effectiveness of the campaign would be based on its ability to create or change consumers' image of the store.

Sales-oriented objectives are also used when advertising plays a dominant role in a firm's marketing program and other factors are relatively stable. For example, many packaged-goods companies compete in mature markets with established channels of distribution, stable competitive prices and promotional budgets, and products of similar quality. They view advertising and sales promotion as the key determinants of a brand's sales or market share, so it may be possible to isolate the effects of these promotional mix variables.⁹ Many companies have accumulated enough market knowledge with their advertising, sales promotion, and direct-marketing programs to have considerable insight into the sales levels that should result from their promotional efforts. Referring to the cereal companies, mentioned earlier, Jeff Montie, president of Kellogg's Morning Foods Division, now believes that it takes at least \$20 million to "do it right" in promoting a cereal brand.¹⁰ Thus, many companies believe it is reasonable to set objectives and evaluate the success of their promotional efforts in terms of sales results. Established brands are often repositioned (as discussed in Chapter 2) with the goal of improving their sales or relative market share.

Advertising and promotional programs tend to be evaluated in terms of sales, particularly when expectations are not being met. Marketing and brand managers under pressure to show sales results often take a short-term perspective in evaluating advertising and sales promotion programs. They are often looking for a quick fix for declining sales or loss of market share. They ignore the pitfalls of making direct links between advertising and sales, and campaigns, as well as ad agencies, may be changed if sales expectations are not being met. As discussed in Chapter 3, many companies want their agencies to accept incentive-based compensation systems tied to sales performance. Thus, while sales may not be an appropriate objective in many advertising and promotional situations, managers are inclined to keep a close eye on sales and market share figures and make changes in the promotional program when these numbers become stagnant.

Communications Objectives

Some marketers do recognize the problems associated with sales-oriented objectives. They recognize that the primary role of an IMC program is to communicate and that planning should be based on communications objectives. Advertising and other promotional efforts are designed to achieve such communications as brand knowledge and interest, favorable attitudes and image, and purchase intentions. Consumers are not expected to respond immediately; rather, advertisers realize they must provide relevant information and create favorable predispositions toward the brand before purchase behavior will occur.

For example, the ad for Hitachi in Exhibit 7-7 is designed to inform consumers of the speed and reliability of the company's products and technologies. While there is no call for immediate action, the ad creates favorable impressions about the company by creating a distinct image. Consumers will consider it when they enter the market for products in this category.

Advocates of communications-based objectives generally use some form of the hierarchical models discussed in Chapter 5 when setting advertising and promotion objectives. In all these models, consumers pass through three successive stages: cognitive, affective, and conative. As consumers proceed through the three stages, they move closer to making a purchase. Figure 7-2 shows the

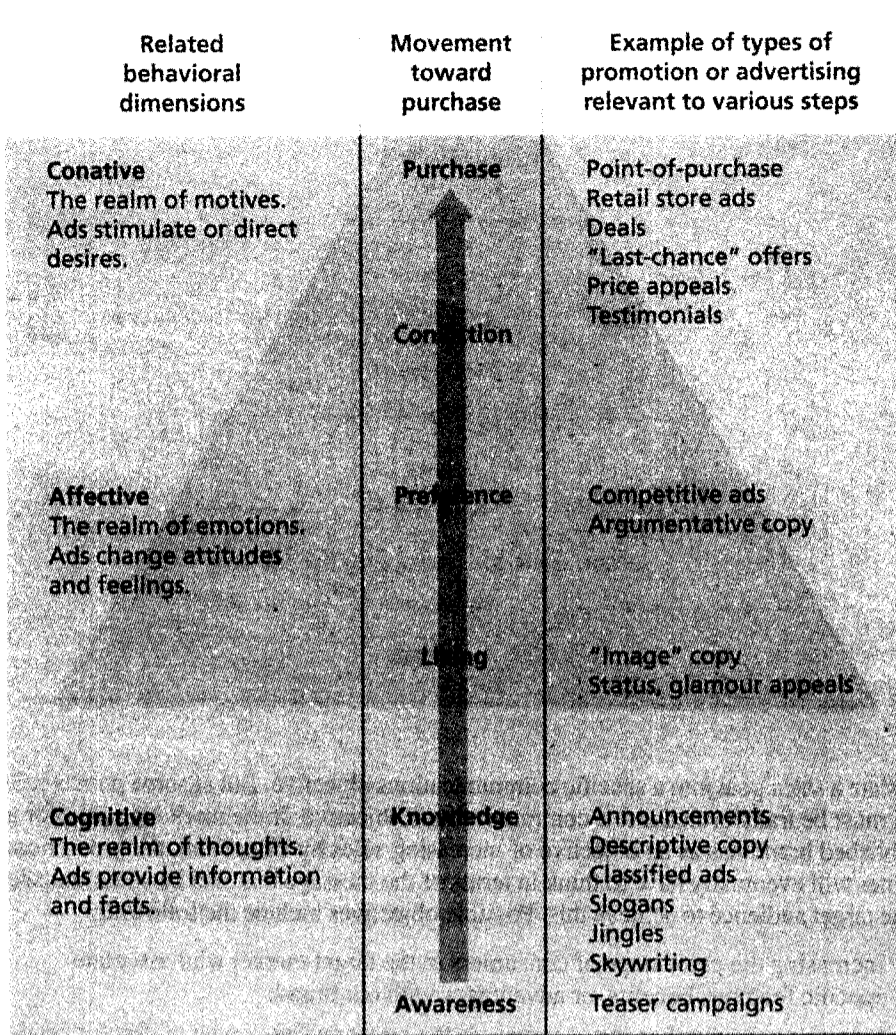


Figure 7-2 Effect of advertising on consumers: movement from awareness to action

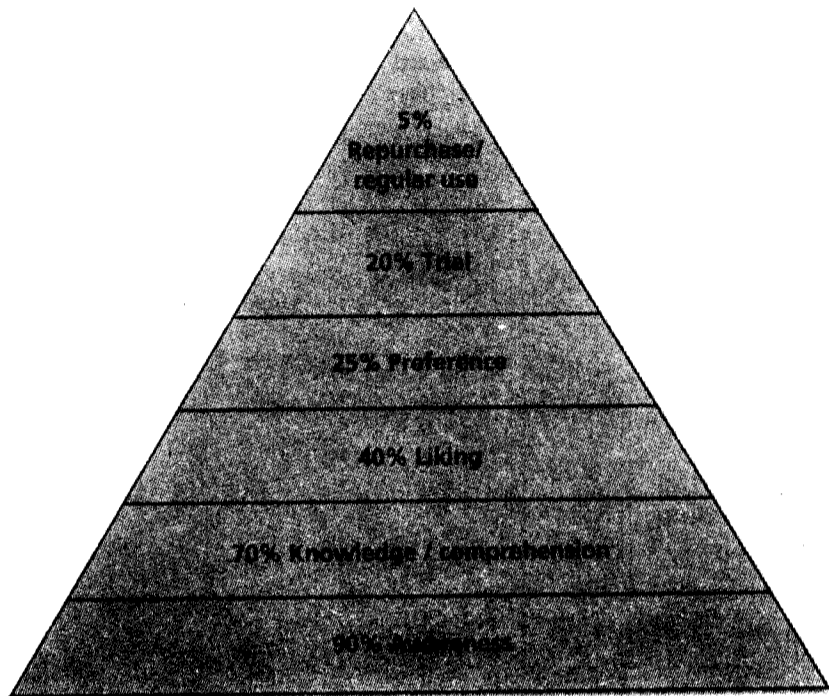
various steps in the Lavidge and Steiner hierarchy of effects model as the consumer moves from awareness to purchase, along with examples of types of promotion or advertising relevant to each step.

Communications Effects Pyramid Advertising and promotion perform communications tasks in the same way that a pyramid is built, by first accomplishing lower-level objectives such as awareness and knowledge or comprehension.¹¹ Subsequent tasks involve moving consumers who are aware of or knowledgeable about the product or service to higher levels in the pyramid (Figure 7-3). The initial stages, at the base of the pyramid, are easier to accomplish than those toward the top, such as trial and repurchase or regular use. Thus, the percentage of prospective customers will decline as they move up the pyramid. Figure 7-4 shows how a company introducing a new brand of shampoo targeted at 18- to 34-year-old females might set its IMC objectives using the communications effects pyramid.

The communications pyramid can also be used to determine promotional objectives for an established brand. The promotional planner must determine where the target audience lies with respect to the various blocks in the pyramid. If awareness levels for a brand and knowledge of its features and benefits are low, the communications objective should be to increase them. If these blocks of the pyramid are already in place, but liking or preference is low, the advertising goal may be to change the target markets' image of the brand and move consumers through to purchase.

Problems with Communications Objectives Not all marketing and advertising managers accept communications objectives; some say it is too difficult to

Figure 7-3
Communications effects pyramid



translate a sales goal into a specific communications objective. But at some point a sales goal must be transformed into a communications objective. If the marketing plan for an established brand has as an objective of increasing sales by 10 percent, the promotional planner will eventually have to think in terms of the message that will be communicated to the target audience to achieve this. Possible objectives include the following:

- Increasing the percentage of consumers in the target market who associate specific features, benefits, or advantages with our brand.
- Increasing the number of consumers in the target audience who prefer our product over the competition's.
- Encouraging current users of the product to use it more frequently or in more situations.
- Encouraging consumers who have never used our brand to try it.

Figure 7-4 Setting objectives using the communications effects pyramid

Product: Backstage Shampoo

Time period: Six months

Objective 1: Create awareness among 90 percent of target audience. Use repetitive advertising in newspapers, magazines, TV and radio programs. Simple message.

Objective 2: Create interest in the brand among 70 percent of target audience. Communicate information about the features and benefits of the brand—i.e., that it contains no soap and improves the texture of the hair. Use more copy in ads to convey benefits.

Objective 3: Create positive feelings about the brand among 40 percent and preference among 25 percent of the target audience. Create favorable attitudes by conveying information, promotions, sampling, etc. Refer consumer to website for more information, beauty tips, etc.

Objective 4: Obtain trial among 20 percent of the target audience. Use sampling and cents-off coupons along with advertising and promotions. Offer coupons through website.

Objective 5: Develop and maintain regular use of Backstage Shampoo among 5 percent of the target audience. Use continued-reinforcement advertising, fewer coupons and promotions. Increase communications efforts to professionals.

In some situations, promotional planners may gain insight into communications objectives' relationship to sales from industry research. Evalucom, Inc., conducted a study of commercials for new products. Some succeeded in stimulating anticipated levels of sales; others did not. Figure 7-5 shows four factors the study identified that affect whether a commercial for a new product is successful in generating sales.

In attempting to translate sales goals into specific communications objectives, promotional planners often are not sure what constitutes adequate levels of awareness, knowledge, liking, preference, or conviction. There are no formulas to provide this information. The promotional manager will have to use his or her personal experience and that of the brand or product managers, as well as the marketing history of this and similar brands. Average scores on various communications measures for this and similar products should be considered, along with the levels achieved by competitors' products. This information can be related to the amount of money and time spent building these levels as well as the resulting sales or market share figures.

At some point, sales-oriented objectives must be translated into what the company hopes to communicate and to whom it hopes to communicate it. For example, in the highly competitive office supply industry Boise Cascade has been around for over 35 years. In a market where differentiation is difficult to achieve due to the fact that many companies make the same products at about equal prices, Boise lacked personality. The company needed to change the consumers' focus from price to the advantages provided by its knowledge and experience in the industry. After identifying the target market as women 18 to 54 with a high school diploma, the company combined with its agency to develop a "personality test" that customers and potential customers could take to learn more about their personalities and interactive styles. In addition, participants could learn more about the styles of coworkers, relatives, and so on, to improve communications. The "You've Got to Have Personality" campaign was designed in an attempt to have participants learn more about themselves as well as Boise Cascade. Initially using advertising, direct mail, the Internet, and sales promotions, the program was later extended to include trade shows and other promotions. The results were obvious—a 30 percent increase in web traffic and a 250 percent jump in visitors to the company's online magazine. Most important, recognition of the Boise name increased, a personality was established, and sales of the products promoted in the "Personality" flyer increased 15.8 percent over the previous year.¹²

Many marketing and promotional managers recognize the value of setting specific communications objectives and their important role as operational guidelines to the planning, execution, and evaluation of the promotional program. Communications objectives are the criteria used in the DAGMAR approach to setting advertising goals and objectives, which has become one of the most influential approaches to the advertising planning process.

- **Communicating that something is different about the product.** Successful introductory commercials communicated some point of difference for the new product.
- **Positioning the brand difference in relation to the product category.** Successful commercials positioned their brand's difference within a specific product category. For example, a new breakfast product was positioned as the "crispiest cereal" and a new beverage as the "smoothest soft drink."
- **Communicating that the product difference is beneficial to consumers.** Nearly all of the successful commercials linked a benefit directly to the new product's difference.
- **Supporting the idea that something about the product is different and/or beneficial to consumers.** All the successful commercials communicated support for the product's difference claim or its relevance to consumers. Support took the form of demonstrations of performance, information supporting a uniqueness claim, endorsements, or testimonials.

Figure 7-5 Factors related to success of advertising for new products

DAGMAR: An Approach to Setting Objectives

In 1961, Russell Colley prepared a report for the Association of National Advertisers titled *Defining Advertising Goals for Measured Advertising Results* (DAGMAR).¹³ In it, Colley developed a model for setting advertising objectives and measuring the results of an ad campaign. The major thesis of the **DAGMAR** model is that communications effects are the logical basis for advertising goals and objectives against which success or failure should be measured. Colley's rationale for communications-based objectives was as follows:

Advertising's job, purely and simply, is to communicate to a defined audience information and a frame of mind that stimulates action. Advertising succeeds or fails depending on how well it communicates the desired information and attitudes to the right people at the right time and at the right cost.¹⁴

Under the DAGMAR approach, an advertising goal involves a **communications task** that is specific and measurable. A communications task, as opposed to a marketing task, can be performed by, and attributed to, advertising rather than to a combination of several marketing factors. Colley proposed that the communications task be based on a hierarchical model of the communications process with four stages:

- *Awareness*—making the consumer aware of the existence of the brand or company.
- *Comprehension*—developing an understanding of what the product is and what it will do for the consumer.
- *Conviction*—developing a mental disposition in the consumer to buy the product.
- *Action*—getting the consumer to purchase the product.

As discussed earlier, other hierarchical models of advertising effects can be used as a basis for analyzing the communications response process. Some advertising theorists prefer the Lavidge and Steiner hierarchy of effects model, since it is more specific and provides a better way to establish and measure results.¹⁵

While the hierarchical model of advertising effects was the basic model of the communications response process used in DAGMAR, Colley also studied other specific tasks that advertising might be expected to perform in leading to the ultimate objective of a sale. He developed a checklist of 52 advertising tasks to characterize the contribution of advertising and serve as a starting point for establishing objectives.

Characteristics of Objectives

A second major contribution of DAGMAR to the advertising planning process was its definition of what constitutes a good objective. Colley argued that advertising objectives should be stated in terms of concrete and measurable communications tasks, specify a target audience, indicate a benchmark starting point and the degree of change sought, and specify a time period for accomplishing the objective(s).

Concrete, Measurable Tasks The communications task specified in the objective should be a precise statement of what appeal or message the advertiser wants to communicate to the target audience. Advertisers generally use a copy platform to describe their basic message. The objective or copy platform statement should be specific and clear enough to guide the creative specialists who develop the advertising message. For example, Foster's Beer, after a successful introduction, saw sales decline significantly. Knowing that to reverse the downward trend something significant had to be done, Fosters developed an entirely new positioning campaign with the following objectives:

- Strengthen the brand's image
- Maximize brand presence
- Broaden the market base beyond traditional import beer drinkers
- Increase sales

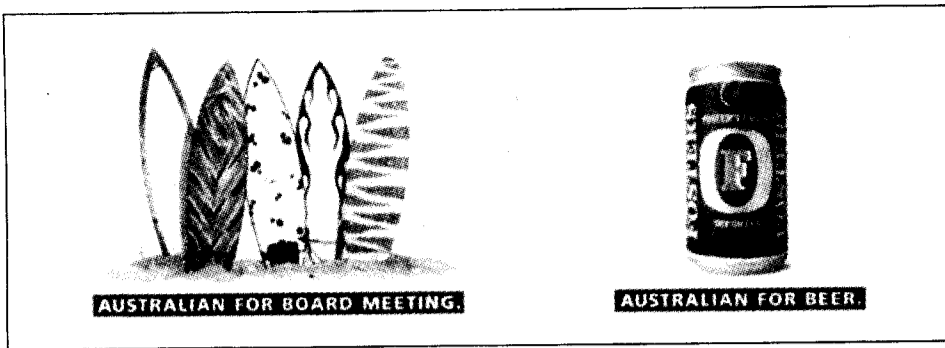


Exhibit 7-8 Foster's Beer delivers a very successful new campaign

Using a variety of tools including billboards, videos, point-of-sale promotions, and spot television (Exhibit 7-8), the program doubled its unaided awareness scores, tripled trial, and increased brand awareness by 40 percent. In addition, beer sales doubled in test markets, and overall beer sales increased by 12.1 percent in the first year of the campaign.¹⁶

According to DAGMAR, the objective must also be measurable. There must be a way to determine whether the intended message has been communicated properly. For example Midwest Express measured its communications objective by asking airline travelers whether they thought Midwest's airfares were higher than those of competing airlines.

Target Audience Another important characteristic of good objectives is a well-defined target audience. The primary target audience for a company's product or service is described in the situation analysis. It may be based on descriptive variables such as geography, demographics, and psychographics (on which advertising media selection decisions are based) as well as on behavioral variables such as usage rate or benefits sought. Figure 7-6 demonstrates the objective-setting process involved in the launch of the new Subaru Outback. Notice how specifically the target audience was defined.

- Target Market: Male, 35–55, married, household income \$55,000+, active lifestyle
- Positioning: Carlike qualities without sacrificing SUV qualities
- Objectives: Convince SUV buyers to consider the Outback rather than SUV under consideration; generate high awareness, generate high numbers of showroom visits, avoid discounts, generate high sales volume, attract at least 50% of sales from those intending to buy Ford, Chevy, or Jeep
- Budget: \$17 million
- Media: Advertising:
 - TV: Prime-time programs, local news and sports
 - Cable TV: National Geographic Explorer, Discovery, Learning Channel
 - Print: *Backpacker*, *Outside*, *National Geographic*, *Smithsonian*
 - Support Media: Outdoor and POP
 - Public Relations: Press kits and PR campaign
 - Direct Marketing: Prospective buyers; dealers
- Results: Recall increased from 33 to 38% in first 60 days; 50% by completion of campaign
 - Dealer traffic increased by 15 to 20%
 - Sales were highest in 9 years—four times projections; 55% from non-Subaru owners; top three models traded in: Jeep Grand Cherokee, Ford Explorer, Chevy Blazer

Figure 7-6 Subaru Outback Objective Setting

Benchmark and Degree of Change Sought To set objectives, one must know the target audience's present status concerning response hierarchy variables such as awareness, knowledge, image, attitudes, and intentions and then determine the degree to which consumers must be changed by the advertising campaign. Determining the target market's present position regarding the various response stages requires **benchmark measures**. Often a marketing research study must be conducted to determine prevailing levels of the response hierarchy. In the case of a new product or service, the starting conditions are generally at or near zero for all the variables, so no initial research is needed.

Establishing benchmark measures gives the promotional planner a basis for determining what communications tasks need to be accomplished and for specifying particular objectives. For example, a preliminary study for a brand may reveal that awareness is high but consumer perceptions and attitudes are negative. The objective for the advertising campaign must then be to change the target audience's perceptions of and attitudes toward the brand. In the case of Outback, the objectives were to generate high levels of awareness, given that existing levels were so low.

Quantitative benchmarks are not only valuable in establishing communications goals and objectives but essential for determining whether the campaign was successful. Objectives provide the standard against which the success or failure of a campaign is measured. An ad campaign that results in a 90 percent awareness level for a brand among its target audience cannot really be judged effective unless one knows what percentage of the consumers were aware of the brand before the campaign began. A 70 percent precampaign awareness level would lead to a different interpretation of the campaign's success than would a 30 percent level.

Specified Time Period A final consideration in setting advertising objectives is specifying the time period in which they must be accomplished. Appropriate time periods can range from a few days to a year or more. Most ad campaigns specify time periods from a few months to a year, depending on the situation facing the advertiser and the type of response being sought. For example, awareness levels for a brand can be created or increased fairly quickly through an intensive media schedule of widespread, repetitive advertising to the target audience. Repositioning of a product requires a change in consumers' perceptions and takes much more time. The repositioning of Marlboro cigarettes from a feminine brand to one with a masculine image, for instance, took several years.

Assessment of DAGMAR

The DAGMAR approach to setting objectives has had considerable influence on the advertising planning process. Many promotional planners use this model as a basis for setting objectives and assessing the effectiveness of their promotional campaigns. DAGMAR also focused advertisers' attention on the value of using communications-based rather than sales-based objectives to measure advertising effectiveness and encouraged the measurement of stages in the response hierarchy to assess a campaign's impact. Colley's work has led to improvements in the advertising and promotional planning process by providing a better understanding of the goals and objectives toward which planners' efforts should be directed. This usually results in less subjectivity and leads to better communication and relationships between client and agency.

Criticisms of DAGMAR While DAGMAR has contributed to the advertising planning process, it has not been totally accepted by everyone in the advertising field. A number of problems have led to questions regarding its value as a planning tool:¹⁷

- *Problems with the response hierarchy.* A major criticism of the DAGMAR approach is its reliance on the hierarchy of effects model. The fact that consumers do not always go through this sequence of communications effects before making a purchase has been recognized, and alternative response models have been developed.¹⁸ DAGMAR MOD II recognizes that the appropriate response model depends on the situation and

emphasizes identifying the sequence of decision-making steps that apply in a buying situation.¹⁹

- *Sales objectives.* Another objection to DAGMAR comes from those who argue that the only relevant measure of advertising objectives is sales. They have little tolerance for ad campaigns that achieve communications objectives but fail to increase sales. Advertising is seen as effective only if it induces consumers to make a purchase.²⁰ The problems with this logic were addressed in our discussion of communications objectives.
- *Practicality and costs.* Another criticism of DAGMAR concerns the difficulties involved in implementing it. Money must be spent on research to establish quantitative benchmarks and measure changes in the response hierarchy. This is costly and time-consuming and can lead to considerable disagreement over method, criteria, measures, and so forth. Many critics argue that DAGMAR is practical only for large companies with big advertising and research budgets. Many firms do not want to spend the money needed to use DAGMAR effectively.
- *Inhibition of creativity.* A final criticism of DAGMAR is that it inhibits advertising creativity by imposing too much structure on the people responsible for developing the advertising. Many creative personnel think the DAGMAR approach is too concerned with quantitative assessment of a campaign's impact on awareness, brandname recall, or specific persuasion measures. The emphasis is on passing the numbers test rather than developing a message that is truly creative and contributes to brand equity.

Although the DAGMAR model suggests a logical process for advertising and promotion planning, most advertisers and their agencies fail to follow these basic principles. They fail to set specific objectives for their campaigns and/or do not have the proper evidence to determine the success of their promotional programs. A classic study conducted by Stewart H. Britt examined problems with how advertisers set objectives and measure their accomplishment.²¹ The study showed that most advertising agencies did not state appropriate objectives for determining success and thus could not demonstrate whether a supposedly successful campaign was really a success. Even though these campaigns may have been doing something right, they generally did not know what it was.

Although this study was conducted in 1969, the same problems exist in advertising today. A more recent study examined the advertising practices of business-to-business marketers to determine whether their ads used advertising objectives that met Colley's four DAGMAR criteria.²² Entries from the annual Business/Professional Advertising Association Gold Key Awards competition, which solicits the best marketing communications efforts from business-to-business advertisers, were evaluated with respect to their campaigns' objectives and summaries of results. Most of these advertisers did not set concrete advertising objectives, specify objective tasks, measure results in terms of stages of a hierarchy of effects, or match objectives to evaluation measures. The authors concluded: "Advertising practitioners have only partially adopted the concepts and standards of objective setting and evaluation set forth 25 years ago."²³

Improving Promotional Planners' Use of Objectives

As we have seen, it is important that advertisers and their agencies pay close attention to the objectives they set for their campaigns. They should strive to set specific and measurable objectives that not only guide promotional planning and decision making but also can be used as a standard for evaluating performance. Unfortunately, many companies do not set appropriate objectives for their integrated marketing communications programs.

Many companies fail to set appropriate objectives because top management has only an abstract idea of what the firm's IMC program is supposed to be doing. In a study by the American Business Press that measured the attitudes of chairs, presidents, and other senior managers of business-to-business advertising companies, more than half of the 427 respondents said they did not know whether their advertising was

Problems in Setting Objectives

working and less than 10 percent thought it was working well.²⁴ This study showed overwhelmingly that top management did not even know what the company's advertising was supposed to do, much less how to measure it.

Few firms will set objectives that meet all the criteria set forth in DAGMAR. However, promotional planners should set objectives that are specific and measurable and go beyond basic sales goals. Even if specific communications response elements are not always measured, meeting the other criteria will sharpen the focus and improve the quality of the IMC planning process.

Setting Objectives for the IMC Program

One reason so much attention is given to advertising objectives is that for many companies advertising has traditionally been the major way of communicating with target audiences. Other promotional mix elements such as sales promotion, direct marketing, and publicity are used intermittently to support and complement the advertising program.

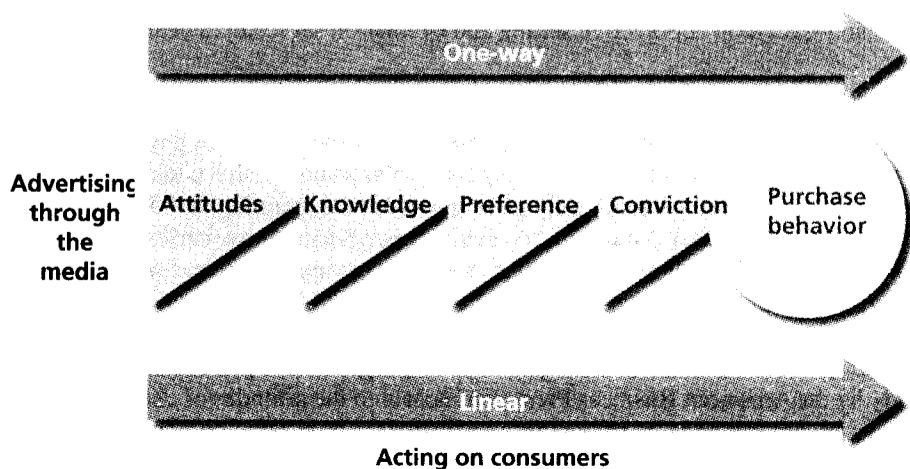
Another reason is that traditional advertising-based views of marketing communications planning, such as DAGMAR, have dominated the field for so long. These approaches are based on a hierarchical response model and consider how marketers can develop and disseminate advertising messages to move consumers along an effects path. This approach, shown in Figure 7-7, is what professor Don Schultz calls *inside-out planning*. He says, "It focuses on what the marketer wants to say, when the marketer wants to say it, about things the marketer believes are important about his or her brand, and in the media forms the marketer wants to use."²⁵

Schultz advocates an *outside-in planning* process for IMC that starts with the customer and builds backward to the brand. This means that promotional planners study the various media customers and prospects use, when the marketer's messages might be most relevant to customers, and when they are likely to be most receptive to the message.

A similar approach is suggested by Professor Tom Duncan, who argues that IMC should use **zero-based communications planning**, which involves determining what tasks need to be done and which marketing communications functions should be used and to what extent.²⁶ This approach focuses on the task to be done and searches for the best ideas and media to accomplish it. Duncan notes that as with a traditional advertising campaign, the basis of an IMC campaign is a big idea. However, in IMC the big idea can be public relations, direct response, packaging, or sales promotion. Duncan suggests that an effective IMC program should lead with the marketing communications function that most effectively addresses the company's main problem or opportunity and should use a promotional mix that draws on the strengths of whichever communications functions relate best to the particular situation.

Many of the considerations for determining advertising objectives are relevant to setting goals for other elements of the integrated marketing communications program.

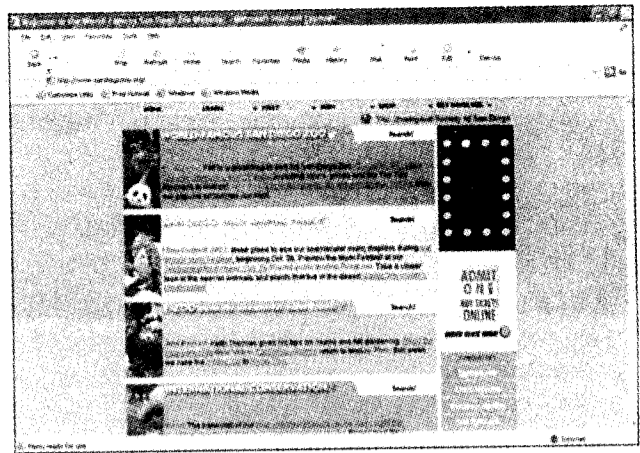
Figure 7-7 Traditional advertising-based view of marketing communications



The promotional planner should determine what role various sales promotion techniques, publicity and public relations, direct marketing, and personal selling will play in the overall marketing program and how they will interact with advertising as well as with one another.

For example, the marketing communications program for the San Diego Zoological Society has a number of objectives. First, it must provide funding for the society's programs and maintain a large and powerful base of supporters for financial and political strength. The program must educate the public about the society's various programs and maintain a favorable image on a local, regional, national, and even international level. A major objective of the IMC program is drawing visitors to the two attractions (Exhibit 7-9).

To achieve these objectives, the San Diego Zoological Society and its advertising agency developed an IMC program. As can be seen in Figure 7-8, this program employed a variety of integrated marketing communication tools. When setting objectives for these promotional elements, planners must consider what the firm hopes to communicate through the use of this element, among what target audience, and during what time period. As with advertising, results should be measured and evaluated against the original objectives, and attempts should be made to isolate the effects of each promotional element. Objectives for marketing communications elements other than advertising are discussed more thoroughly in Part Five of the text.



The San Diego Zoo attempts to attract visitors through advertising

If you take a minute to look back at Figure 1-4 on page 26, you will see that while the arrows from the review of the marketing plan and the promotional situation analysis to analysis of the communications process are *unidirectional*, the flow between the communications analysis and budget determination is a *two-way interaction*. What this means is that while establishing objectives is an important part of the planning process, the limitations of the budget are important too. No organization has an unlimited budget, so objectives must be set with the budget in mind.

Often when we think of promotional expenditures of firms, we think only about the huge amounts being spent. We don't usually take the time to think about how these monies are being allocated and about the recipients of these dollars. The budgeting decisions have a significant impact not only on the firm itself but also on numerous others involved either directly or indirectly. The remainder of this chapter provides insight into some underlying theory with respect to budget setting, discusses how companies budget for promotional efforts, and demonstrates the inherent strengths and weaknesses associated with these approaches. Essentially, we focus on two primary budgeting decisions: establishing a budget amount and allocating the budget.

Establishing the Budget

The size of a firm's advertising and promotions budget can vary from a few thousand dollars to more than a billion. When companies like Ford, Procter & Gamble, and General Motors spend over 2 billion dollars per year to promote their products, they expect such expenditures to accomplish their stated objectives. The budget decision is no less critical to a firm spending only a few thousand dollars; its ultimate success or failure may depend on the monies spent. One of the most critical decisions facing the marketing manager is how much to spend on the promotional effort.

Unfortunately, many managers fail to realize the value of advertising and promotion. They treat the communications budget as an expense rather than an investment. Instead of viewing the dollars spent as contributing to additional sales and market share, they see budget expenses as cutting into profits. As a result, when times get tough, the advertising and promotional budget is the first to be cut—even though there

Establishing and Allocating the Promotional Budget

Figure 7-8 The San Diego Zoo sets objectives for various promotional elements

Advertising	
Objectives:	Drive attendance to Zoo and Wild Animal Park. Uphold image and educate target audience and inform them of new attractions and special events and promotions.
Audience:	Members and nonmembers of Zoological Society. Households in primary and secondary geographic markets consisting of San Diego County and 5 other counties in southern California. Tertiary markets of 7 western states. Tourist and group sales markets.
Timing:	As allowed and determined by budget. Mostly timed to coincide with promotional efforts.
Tools/media:	Television, radio, newspaper, magazines, direct mail, outdoor, tourist media (television and magazine).
Public Relations	
Objectives:	Inform, educate, create, and maintain image for Zoological Society and major attractions; reinforce advertising message.
Audience:	From local to international, depending on subject, scope, and timing.
Timing:	Ongoing, although often timed to coincide with promotions and other special events. Spur-of-the-moment animal news and information such as acquisitions, births, etc.
Tools/media:	Coverage by major news media, articles in local, regional, national and international newspapers, magazines and other publications such as visitors' guides, tour books and guides, appearances by Zoo spokesperson Joanne Embery on talk shows (such as "The Tonight Show").
Cause Marketing/Corporate Sponsorships/Events Underwriting	
Objectives:	To provide funding for Zoological Society programs and promote special programs and events through cooperation with corporate sponsor. Must be win-win business partnership for Society and sponsor.
Audience:	Supporters of both the Zoological Society and the corporate or product/service partner.
Timing:	Coincides with needs of both partners, and seasonal attendance generation needs of Zoo and Wild Animal Park.
Tools:	May involve advertising, publicity, discount or promotional codes, trade, hospitality vouchers. Expense is directly proportional to amount of underwriting by corporate sponsor, both in scope and duration.
Direct Marketing	
Objectives:	Maintain large powerful base of supporters for financial and political strength.
Audience:	Local, regional, national and international. Includes children's program (Koala Club), seniors (60+), couples, single memberships, and incremental donor levels.
Timing:	Ongoing, year-round promotion of memberships.
Tools:	Direct mail and on-grounds visibility.
Group Sales	
Objectives:	Maximize group traffic and revenue by selling group packages to Zoo and Wild Animal Park.
Audience:	Conventions, incentive groups, business associations, youth groups, church, family, school, club members, fraternal, civic, domestic and foreign travel groups.
Timing:	Targeted to drive attendance in peak regions, or at most profitable times of year for Zoo and Wild Animal Park.
Tools:	Travel and tour operator trade shows, telemarketing, direct mail, on-grounds visibility.
Internet	
Objectives:	Provide information regarding the Zoo, programs, memberships and other programs/offerings.
Audience:	All audiences interested in acquiring more information about the Zoo.
Timing:	Ongoing, updated frequently, quarterly.
Tools:	Websites, including mobile, and e-mail newsletters.

is strong evidence that exactly the opposite should occur, as Exhibit 7-10 argues. Moreover, the decision is not a one-time responsibility. A new budget is formulated every year, each time a new product is introduced, or when either internal or external factors necessitate a change to maintain competitiveness.

While it is one of the most critical decisions, budgeting has perhaps been the most resistant to change. A comparison of advertising and promotional texts over the past 10 years would reveal the same methods for establishing budgets. The theoretical basis for this process remains rooted in economic theory and marginal analysis. (Advertisers also use an approach based on **contribution margin**—the difference between the total revenue generated by a brand and its total variable costs. But, as Robert Steiner says, *marginal analysis* and *contribution margin* are essentially synonymous terms.)²⁷ We begin our discussion of budgeting with an examination of these theoretical approaches.

Theoretical Issues in Budget Setting Most of the models used to establish advertising budgets can be categorized as taking an economic or a sales response perspective.

Marginal Analysis Figure 7-9 graphically represents the concept of **marginal analysis**. As advertising/promotional expenditures increase, sales and gross margins also increase to a point, but then they level off. Profits are shown to be a result of the gross margin minus advertising expenditures. Using this theory to establish its budget, a firm would continue to spend advertising/promotional dollars as long as the marginal revenues created by these expenditures exceeded the incremental advertising/promotional costs. As shown on the graph, the optimal expenditure level is the point where marginal costs equal the marginal revenues they generate (point A). If the sum of the advertising/promotional expenditures exceeded the revenues they generated, one would conclude the appropriations were too high and scale down the budget. If revenues were higher, a higher budget might be in order. (We will see later in this chapter that this approach can also be applied to the allocation decision.)

While marginal analysis seems logical intuitively, certain weaknesses limit its usefulness. These weaknesses include the assumptions that (1) sales are a direct result of advertising and promotional expenditures and this effect can be measured and (2) advertising and promotion are solely responsible for sales. Let us examine each of these assumptions in more detail.

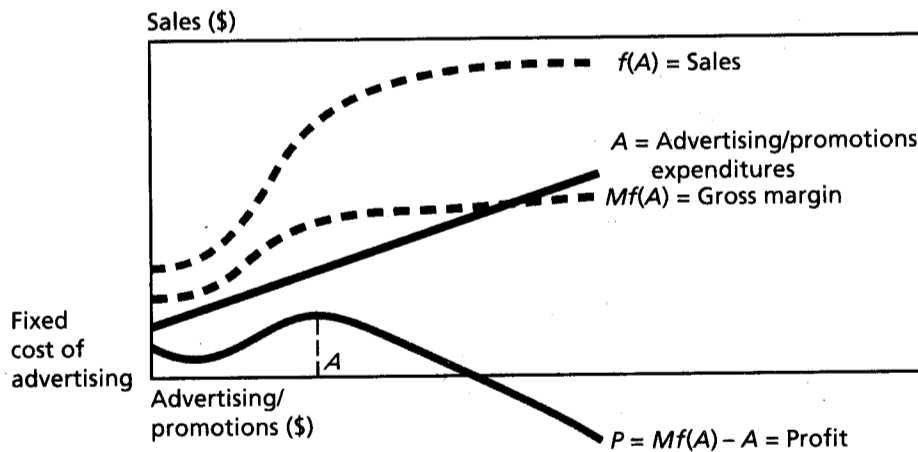
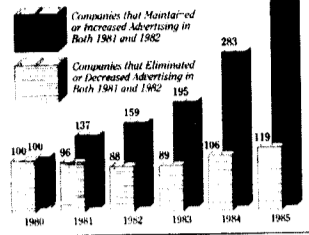


Exhibit 7-10 The AAAA promotes the continued use of advertising in a recession

IN A RECESSION, THE BEST DEFENSE IS A GOOD OFFENSE.

It's a recession. Your instincts demand that you cut the ad budget. But, as the McGraw-Hill Research' analysis of business-to-business advertising expenditures during the 1981-82 recession shows, it's those with the courage to maintain or increase advertising in a recession who reap a major sales advantage over their competitors who panic and fall back into a defensive posture.

Effects of Advertising in a Recession on Sales (Indices)



And this advantage continues to expand long after the recession is over. Recessioners last an average of 11 months, but any advertising decision made during one can have permanent repercussions. The McGraw-Hill study demonstrates that nervous advertisers lose ground to the brave and can't gain it back. In 1980, according to the chart seen here, sales indices were identical, but by 1985 the brave had racked up a 3.2 to 1 sales advantage. A similar study done by McGraw-Hill during the 1974-75 recession corroborates the 1980's research.

A recession is the single greatest period in which to make short and long term gains. And, surprisingly, increasing advertising modestly during one has much the same effect on your profits as cutting advertising does. According to The Center for Research & Development's October 1990 study of consumer advertising during a recession, advertisers who yield to the natural inclination to cut spending in an effort to increase profits in a recession find that it doesn't work. This study, relying on the PIMS' database, also uncovered that aggressive recessionary advertisers picked up 4.5 times as much market share gain as their overcautious competitors, leaving them in a far better position to exploit the inevitable recovery and expansion.

Chevrolet countered its competitors during the 1974-75 recession by aggressively beefing up its ad spending and attained a two percent market share increase. Today, two slaug points in the automotive industry are worth over \$4 billion. Delta Airlines and Revlon also boosted ad spending in the 1974-75 recession and achieved similar results.

Continuous advertising sustains market leadership. And it's far easier to sustain momentum than it is to start it up again. Consider this list of market category leaders: Campbell's, Coca-Cola, Ivory, Kellogg, Kodak, Lipton and Wrigley. This is the leadership list for 1925. And 1990. These marketers have maintained a relentless commitment to their brands in both good times and bad. Kellogg had the guts to pump up its ad spending during the Great Depression and cemented a market leadership it has yet to relinquish. These are the success stories. Space and diplomacy don't allow the mention of the names of those who lacked gusto and chose to cut their ad spending in recessionary times.

But if you would like to learn more about how advertising can help make the worst of times the best of times, please write to Department C, American Association of Advertising Agencies, 666 Third Avenue, New York, New York 10017, enclosing a check for five dollars. You will receive a booklet covering the pertinent research done on all the U.S. recessions since 1923. Please allow 4 to 6 weeks for delivery.

McGraw-Hill Research, 1986. The Center for Research and Development, 1990. Public Impact of Market Strategies, The Strategic Planning Institute, Cambridge, MA.

AAAA

Figure 7-9 Marginal analysis

1. *Assumption that sales are a direct measure of advertising and promotions efforts.* Earlier in this chapter we discussed the fact that the advertiser needs to set communications objectives that contribute to accomplishing overall marketing objectives but at the same time are separate. One reason for this strategy is that it is often difficult, if not impossible, to demonstrate the effects of advertising and promotions on sales. In studies using sales as a direct measure, it has been almost impossible to establish the contribution of advertising and promotion. As noted by Frank Bass, “There is no more difficult, complex, or controversial problem in marketing than measuring the influence of advertising on sales.”²⁸ In the words of David Aaker and James Carman, “Looking for the relationship between advertising and sales is somewhat worse than looking for a needle in a haystack.”²⁹ Thus, to try to show that the size of the budget will directly affect sales of the product is misleading. A more logical approach would be to examine the impact of various budgets on the attainment of communications objectives.

As we saw in the discussion of communications objectives, sales are not the only goal of the promotional effort. Awareness, interest, attitude change, and other communications objectives are often sought, and while the bottom line may be to sell the product, these objectives may serve as the basis on which the promotional program is developed.

2. *Assumption that sales are determined solely by advertising and promotion.* This assumption ignores the remaining elements of the marketing mix—price, product, and distribution—which do contribute to a company’s success. Environmental factors may also affect the promotional program, leading the marketing manager to assume the advertising was or was not effective when some other factor may have helped or hindered the accomplishment of the desired objectives.

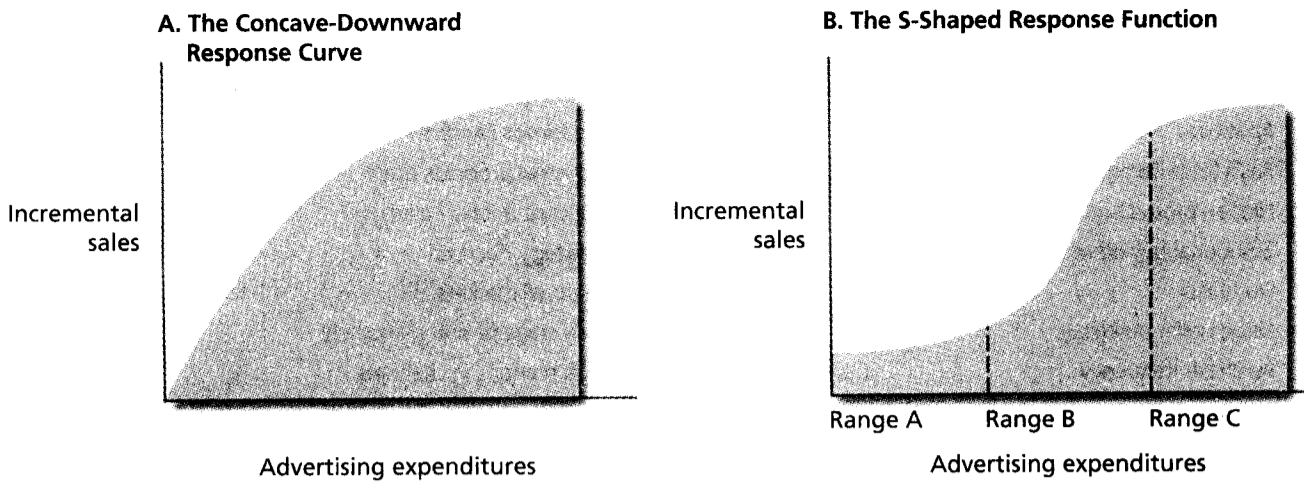
Overall, you can see that while the economic approach to the budgeting process is a logical one, the difficulties associated with determining the effects of the promotional effort on sales and revenues limit its applicability. Marginal analysis is seldom used as a basis for budgeting (except for direct-response advertising).

Sales Response Models You may have wondered why the sales curve in Figure 7-9 shows sales leveling off even though advertising and promotions efforts continue to increase. The relationship between advertising and sales has been the topic of much research and discussion designed to determine the shape of the response curve.

Almost all advertisers subscribe to one of two models of the advertising/sales response function: the concave-downward function or the S-shaped response curve.

- *The concave-downward function.* After reviewing more than 100 studies of the effects of advertising on sales, Julian Simon and Johan Arndt concluded that the effects of advertising budgets follow the microeconomic law of diminishing returns.³⁰ That is, as the amount of advertising increases, its incremental value decreases. The logic is that those with the greatest potential to buy will likely act on the first (or earliest) exposures, while those less likely to buy are not likely to change as a result of the advertising. For those who may be potential buyers, each additional ad will supply little or no new information that will affect their decision. Thus, according to the **concave-downward function model**, the effects of advertising quickly begin to diminish, as shown in Figure 7-10A. Budgeting under this model suggests that fewer advertising dollars may be needed to create the optimal influence on sales.
- *The S-shaped response function.* Many advertising managers assume the **S-shaped response curve** (Figure 7-10B), which projects an S-shaped response function to the budget outlay (again measured in sales). Initial outlays of the advertising budget have little impact (as indicated by the essentially flat sales curve in range A). After a certain budget level has been reached (the beginning of range B), advertising and promotional efforts begin to have an effect, as additional increments of expenditures result in increased sales. This incremental gain continues only to a point, however, because at the beginning of range C additional expenditures begin to return little or nothing in the way of sales. This model suggests a small advertising budget is likely to have no impact beyond the sales that may have been generated through other means

Figure 7-10 Advertising sales/response functions



(for example, word of mouth). At the other extreme, more does not necessarily mean better: Additional dollars spent beyond range B have no additional impact on sales and for the most part can be considered wasted. As with marginal analysis, one would attempt to operate at that point on the curve in area B where the maximum return for the money is attained.

Weaknesses in these sales response models render them of limited use to practitioners for direct applications. Many of the problems seen earlier—the use of sales as a dependent variable, measurement problems, and so on—limit the usefulness of these models. At the same time, keep in mind the purpose of discussing such models. Even though marginal analysis and the sales response curves may not apply directly, they give managers some insight into a theoretical basis of how the budgeting process should work. Some empirical evidence indicates the models may have validity. One study, based on industry experience, has provided support for the S-shaped response curve; the results indicate that a minimum amount of advertising dollars must be spent before there is a noticeable effect on sales.³¹

The studies discussed in earlier chapters on learning and the hierarchy of effects also demonstrate the importance of repetition on gaining awareness and on subsequent higher-order objectives such as adoption. Thus, while these models may not provide a tool for setting the advertising and promotional budget directly, we can use them to guide our appropriations strategy from a theoretical basis. As you will see later in this chapter, such a theoretical basis has advantages over many of the methods currently being used for budget setting and allocation.

Additional Factors in Budget Setting While the theoretical bases just discussed should be considered in establishing the budget appropriation, a number of other issues must also be considered. A weakness in attempting to use sales as a *direct* measure of response to advertising is that various situational factors may have an effect. In one comprehensive study, 20 variables were shown to affect the advertising/sales ratio. Figure 7-11 lists these factors and their relationships.³² For a product characterized by emotional buying motives, hidden product qualities, and/or a strong basis for differentiation, advertising would have a noticeable impact on sales (see Exhibit 7-11). Products characterized as large-dollar purchases and those in the maturity or decline stages of the product would be less likely to benefit. The study showed that other factors involving the market, customer, costs, and strategies employed have different effects.

The results of this study are interesting but limited, since they relate primarily to the percentage of sales dollars allocated to advertising and the factors influencing these ratios. As we will see later in this chapter,

Exhibit 7-11 A strong basis for differentiation could show a noticeable effect of advertising on sales



Figure 7-11 Factors influencing advertising budgets

Factor	Relationship of Advertising/Sales	Factor	Relationship of Advertising/Sales
Product Factors		Customer Factors	
Basis for differentiation	+	Industrial products users	—
Hidden product qualities	+	Concentration of users	+
Emotional buying motives	+	Strategy Factors	
Durability	—	Regional markets	—
Large dollar purchase	—	Early stage of brand life cycle	+
Purchase frequency	Curvilinear	High margins in channels	—
Market Factors		Long channels of distribution	+
Stage of product life cycle:		High prices	+
Introductory	+	High quality	+
Growth	+	Cost Factors	
Maturity	—	High profit margins	+
Decline	—		
Inelastic demand	+		
Market share	—		
Competition:			
Active	+		
Concentrated	+		
Pioneer in market	—		

Note: + relationship means the factor leads to a positive effect of advertising on sales; — relationship indicates little or no effect of advertising on sales.

the percentage-of-sales method of budgeting has inherent weaknesses in that the advertising and sales effects may be reversed. So we cannot be sure whether the situation actually led to the advertising/sales relationship or vice versa. Thus, while these factors should be considered in the budget appropriation decision, they should not be the sole determinants of where and when to increase or decrease expenditures.

The *Advertising Age* Editorial Sounding Board consists of 92 executives of the top 200 advertising companies in the United States (representing the client side) and 130 executives of the 200 largest advertising agencies and 11 advertising consultants (representing the agency side). A survey of the board yielded the factors shown in Figure 7-12 that are important in budget setting.

Overall, the responses of these two groups reflect in part their perceptions as to factors of importance in how budgets are set. To understand the differences in the relative importance of these factors, it is important to understand the approaches currently employed in budget setting. The next section examines these approaches.

Figure 7-12 Factors considered in budget setting

Changes in advertising strategy and/or creative approach	51%
Competitive activity and/or spending levels	47
Profit contribution goal or other financial target	43
Level of previous year's spending, with adjustment	17
Senior management dollar allocation or set limit	11
Volume share projections	8
Projections/assumptions on media cost increases	25
Modifications in media strategy and/or buying techniques	17

Budgeting Approaches

The theoretical approaches to establishing the promotional budget are seldom employed. In smaller firms, they may never be used. Instead, a number of methods developed through practice and experience are implemented. This section reviews some of the more traditional methods of setting budgets and the relative advantages and disadvantages of each. First, you must understand two things: (1) Many firms employ more than one method, and (2) budgeting approaches vary according to the size and sophistication of the firm.

Top-Down Approaches The approaches discussed in this section may be referred to as **top-down approaches** because a budgetary amount is established (usually at an executive level) and then the monies are passed down to the various departments (as shown in Figure 7-13). These budgets are essentially predetermined and have no true theoretical basis. Top-down methods include the affordable method, arbitrary allocation, percentage of sales, competitive parity, and return on investment (ROI).

The Affordable Method In the **affordable method** (often referred to as the “all-you-can-afford method”), the firm determines the amount to be spent in various areas such as production and operations. Then it allocates what’s left to advertising and promotion, considering this to be the amount it can afford. The task to be performed by the advertising/promotions function is not considered, and the likelihood of under- or overspending is high, as no guidelines for measuring the effects of various budgets are established.

Strange as it may seem, this approach is common among small firms. Unfortunately, it is also used in large firms, particularly those that are not marketing-driven and do not understand the role of advertising and promotion. For example, many high-tech firms focus on new product development and engineering and assume that the product, if good enough, will sell itself. In these companies, little money may be left for performing the advertising and promotions tasks.

The logic for this approach stems from “We can’t be hurt with this method” thinking. That is, if we know what we can afford and we do not exceed it, we will not get into financial problems. While this may be true in a strictly accounting sense, it does not reflect sound managerial decision making from a marketing perspective. Often this method does not allocate enough money to get the product off the ground and into the market. In terms of the S-shaped sales response model, the firm is operating in range A. Or the firm may be spending more than necessary, operating in range C. When the

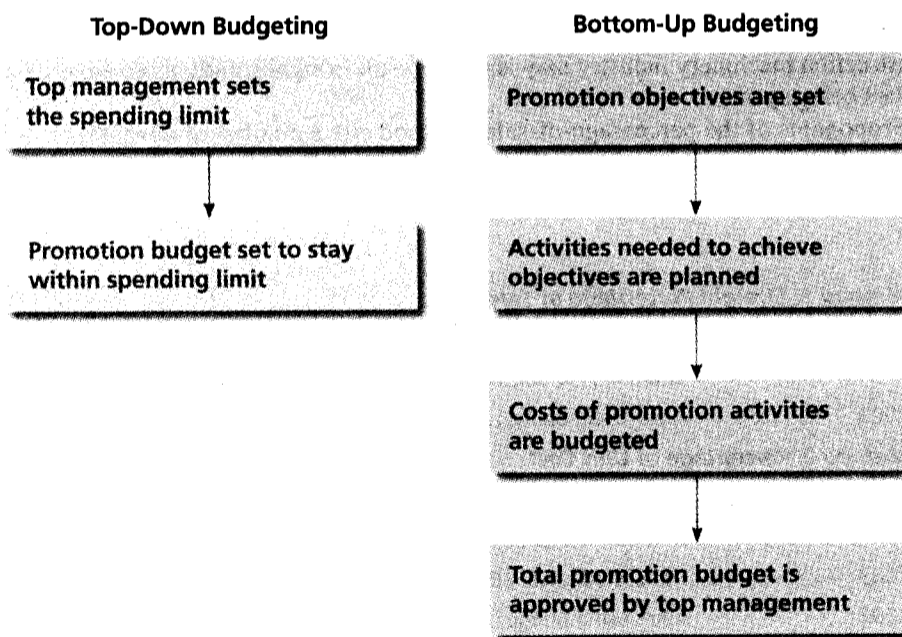


Figure 7-13 Top-down versus bottom-up approaches to budget setting

market gets tough and sales and/or profits begin to fall, this method is likely to lead to budget cuts at a time when the budget should be increased.

Arbitrary Allocation Perhaps an even weaker method than the affordable method for establishing a budget is **arbitrary allocation**, in which virtually no theoretical basis is considered and the budgetary amount is often set by fiat. That is, the budget is determined by management solely on the basis of what is felt to be necessary. In a discussion of how managers set advertising budgets, Melvin Salveson reported that these decisions may reflect “as much upon the managers’ psychological profile as they do economic criteria.”³³ While Salveson was referring to larger corporations, the approach is no less common in small firms and nonprofit organizations.

The arbitrary allocation approach has no obvious advantages. No systematic thinking has occurred, no objectives have been budgeted for, and the concept and purpose of advertising and promotion have been largely ignored. Other than the fact that the manager believes some monies must be spent on advertising and promotion and then picks a number, there is no good explanation why this approach continues to be used. Yet budgets continue to be set this way, and our purpose in discussing this method is to point out only that it is used—not recommended.

Percentage of Sales Perhaps the most commonly used method for budget setting (particularly in large firms) is the **percentage-of-sales method**, in which the advertising and promotions budget is based on sales of the product. Management determines the amount by either (1) taking a percentage of the sales dollars or (2) assigning a fixed amount of the unit product cost to promotion and multiplying this amount by the number of units sold. These two methods are shown in Figure 7-14.

A variation on the percentage-of-sales method uses a percentage of projected future sales as a base. This method also uses either a straight percentage of projected sales or a unit cost projection. In the straight-percentage method, sales are projected for the coming year based on the marketing manager’s estimates. The budget is a percentage of these sales, often an industry standard percentage like those presented in Figure 7-15.

One advantage of using future sales as a base is that the budget is not based on last year’s sales. As the market changes, management must factor the effect of these changes on sales into next year’s forecast rather than relying on past data. The resulting budget is more likely to reflect current conditions and be more appropriate.

Figure 7-15 reveals that the percentage allocated varies from one industry to the next. Some firms budget a very small percentage (for example, 0.7 percent in lumber and wood products), and others spend a much higher proportional amount (12.0 percent in the games and toy industry). Actual dollar amounts spent vary markedly according to the company’s total sales figure. Thus, a smaller percentage of sales in the construction machinery industry may actually result in significantly more advertising dollars being spent.

Proponents of the percentage-of-sales method cite a number of advantages. It is financially safe and keeps ad spending within reasonable limits, as it bases spending on the past year’s sales or what the firm expects to sell in the upcoming year. Thus,

Figure 7-14 Alternative methods for computing percentage of sales for Eve Cologne

Method 1: Straight Percentage of Sales		
2002	Total dollar sales	\$1,000,000
	Straight % of sales at 10%	\$100,000
2003	Advertising budget	\$100,000
Method 2: Percentage of Unit Cost		
2002	Cost per bottle to manufacturer	\$4.00
	Unit cost allocated to advertising	1.00
2003	Forecasted sales, 100,000 units	
2003	Advertising budget (100,000 × \$1)	\$100,000

Figure 7-15 2001 advertising-to-sales ratios for the 200 largest ad-spending industries

Industry	Ad Dollars				Industry	Ad Dollars			
	SIC Code	As % of Sales	As % of Margin	Annual Ad Growth Rate		SIC Code	As % of Sales	As % of Margin	Annual Ad Growth Rate
Accident & health insurance	6321	0.9%	10.6%	11.3%	Drugs and proprietary-whsl	5122	2.6%	28.9%	11.6%
Advertising	7310	4.5	10.6	30.8	Eating and drinking places	5810	3.8	27.9	5.7
Agricultural chemicals	2870	8.1	25.8	16.6	Eating places	5812	4.2	16.4	6.6
Agriculture production—crops	100	2.1	8.2	3.0	Educational services	6200	4.2	10.2	9.3
Air courier services	4513	1.5	12.2	56.7	Elec meas & test instruments	3825	2.9	6.1	7.2
Air transport, scheduled	4512	1.2	7.8	2.7	Electr, oth elec eq, ex cmp	3600	1.3	5.3	-5.7
Air cond., heating, refrig. equipment	3585	1.4	5.3	6.1	Electric housewares and fans	3634	6.4	18.3	6.9
Amusement & recreation svcs	7900	5.1	20.9	23.1	Electric lighting, wiring eq	3640	1.9	5.0	1.5
Apparel & other finished products	2300	5.5	15.3	1.6	Electrical indi apparatus	3620	2.3	6.7	8.0
Apparel and accessory stores	5600	6.3	14.2	9.6	Electromedical apparatus	3845	1.3	2.1	10.1
Auto and home supply stores	5531	1.1	2.7	8.1	Electronic comp, accessories	3670	2.2	5.4	1.6
Auto dealers, gas stations	5500	1.7	10.1	29.6	Electronic computers	3571	1.5	4.4	10.5
Auto rent & lease, no drivers	7510	2.7	6.0	14.4	Engines and turbines	3510	2.4	8.2	9.5
Bakery products	2050	1.4	2.7	5.0	Engr, acct, research, mgmt. rel svcs	8700	1.7	5.7	22.2
Beverage	2080	7.4	12.1	-6.4	Equip rental & leasing, nec	7359	2.0	3.4	9.4
Biological pds, except diagnostics	2836	2.4	5.2	10.2	Fabricated plate work	3443	2.7	13.8	12.9
Blankbooks, binders, bookbind	2780	4.2	7.1	-0.4	Fabricated rubber products, nec	3060	1.8	5.8	11.7
Bldg matl, hardwr, garden-retl	5200	2.6	6.8	5.9	Family clothing stores	5651	3.7	10.0	14.1
Books: pubg, pubg & printing	2731	8.5	19.0	5.4	Farm machinery and equipment	3523	1.1	3.8	4.6
Btld & can soft drinks, water	2086	5.3	10.9	11.7	Food and kindred products	2000	10.2	24.0	-0.4
Business services, nec	7389	0.5	1.6	5.6	Food stores	5400	4.0	12.6	15.2
Cable and other pay TV svcs	4841	1.3	2.8	-1.6	Footwear, except rubber	3140	4.5	11.2	10.1
Can, frozn, presrv fruit & veg	2030	4.7	10.7	5.0	Furniture stores	5712	6.9	17.4	9.4
Catalog, mail-order houses	5961	8.4	27.8	10.6	Games, toys, chld. veh, except dolls	3944	12.0	21.1	4.3
Chemicals & allied products	2800	1.9	4.4	1.7	General indi mach & equip, nec	3569	0.9	2.3	13.9
Cigarettes	2111	3.9	6.8	-8.7	Grain mill products	2040	7.5	15.0	-5.6
Cmp and cmp software stores	5734	1.1	7.2	-2.2	Greeting cards	2771	3.5	5.1	1.5
Cmp integrated sys design	7373	0.7	2.4	7.6	Groceries & related products-whsl	5140	2.2	14.7	5.5
Cmp processing, data prep svc	7374	1.1	2.4	3.2	Grocery stores	5411	1.1	3.8	8.6
Cmp programming, data process	7370	6.8	16.7	5.3	Hardwr, plumb, heat equip-whsl	5070	4.1	27.5	9.6
Communications equip, nec	3669	1.3	3.4	5.3	Health services	8000	8.7	21.1	20.8
Communications services, nec	4899	3.4	6.0	29.4	Heating equip, plumbing fixture	3430	6.6	15.4	-11.8
Computer & office equipment	3570	1.6	5.3	1.8	Help supply services	7363	0.8	3.8	19.5
Computer communication equip	3576	2.7	4.5	15.1	Hobby, toy and games shops	5945	3.0	11.3	1.0
Computer peripheral equip. nec	3577	2.2	4.6	7.7	Home furniture & equip store	5700	3.0	7.3	10.3
Computer storage devices	3572	1.8	6.1	12.7	Hospital & medical svc plans	6324	0.4	2.6	10.2
Computers & software-whsl	5045	0.3	3.8	13.1	Hotels and motels	7011	2.7	11.4	-1.8
Construction machinery & equip	3531	0.5	1.4	7.9	Household appliances	3630	3.0	10.3	6.0
Construction-special trade	1700	3.2	8.4	10.6	Household audio & video equip	3651	4.2	12.3	8.8
Convenience stores	5412	1.2	3.0	-5.3	Household furniture	2510	7.6	24.0	12.6
Convrt papr, papbrd, except boxes	2670	3.8	8.0	4.8	Ice cream & frozen desserts	2024	2.0	7.6	-6.6
Cookies and crackers	2052	3.5	6.2	10.0	In vitro, in vivo diagnostics	2835	1.1	2.6	-6.9
Cutlery, hand tools, gen hrdwr	3420	11.8	24.1	10.6	Indi inorganic chemicals	2810	1.1	2.6	3.2
Dairy products	2020	0.9	34.5	20.7	Indi trucks, tractors, trailers	3537	1.7	7.0	6.6
Dental equipment & supplies	3843	1.6	2.9	9.1	Industrial measurement instr	3823	0.8	1.8	7.7
Department stores	5311	3.7	13.0	5.3	Industrial organic chemicals	2860	1.1	3.2	-3.1
Distilled and blended liquor	2085	4.3	33.1	10.8	Investment advice	6282	5.4	16.1	10.5
Dolls and stuffed toys	3942	15.2	29.5	11.2	Jewelry stores	5944	4.6	10.3	9.4
Drawng, insulatng nonfer wire	3357	0.8	2.0	2.2	Knit outerwear mills	2253	2.9	10.4	3.5
Drug & proprietary stores	5912	0.9	3.2	18.2	Knitting mills	2250	3.6	12.5	-2.5

Figure 7-15 Concluded

Industry	SIC Code	Ad Dollars			Industry	SIC Code	Ad Dollars		
		As % of Sales	As % of Margin	Annual Ad Growth Rate			As % of Sales	As % of Margin	Annual Ad Growth Rate
Lab analytical instruments	3826	1.7%	3.2%	11.6%	Petroleum refining	2911	0.7%	3.4%	2.8%
Leather and leather products	3100	8.8	15.5	12.2	Pharmaceutical preparation	2834	5.8	8.2	3.1
Lumber & oth bldg matl-retl	5211	0.7	2.3	8.4	Phone comm except radiotelephone	4813	3.0	6.5	9.9
Malt beverages	2082	7.5	16.2	-1.5	Phono records, audiotape, disk	3652	13.4	37.8	15.1
Management services	8741	1.0	6.6	10.0	Photographic equip & supply	3861	4.3	8.7	-1.5
Manifold business forms	2761	9.7	26.5	7.5	Plastics products, nec	3089	5.1	15.0	5.7
Meat-packing plants	2011	7.8	26.0	7.2	Plastics, resins, elastomers	2821	0.5	1.8	-31.1
Membership sport & rec clubs	7997	5.6	13.5	-2.5	Poultry slaughter & process	2015	3.4	18.4	9.4
Men's, boys' frnsh, work clthing	2320	3.0	7.0	11.6	Prefab wood bldgs, components	2452	1.8	6.1	22.3
Metal forgings and stampings	3460	1.7	8.1	47.5	Prepackaged software	7372	3.7	5.1	12.2
Metalworking machinery & equip	3540	4.5	11.5	1.7	Prof & coml eq & supply-whsl	5040	1.3	3.8	8.7
Milwork, veneer, plywood	2430	3.5	9.9	12.8	Racing, incl track operations	7948	2.5	5.8	14.0
Misc amusement & rec service	7990	3.7	8.9	18.0	Radio broadcasting stations	4832	6.3	18.6	31.1
Misc business services	7380	1.3	2.4	12.4	Radio, TV broadcast, comm equip	3663	0.4	1.2	8.1
Misc durable goods-whsl	5090	3.5	14.5	25.6	Radio, TV, cons electr stores	5731	3.9	15.5	6.8
Misc elec machy, equip, supplies	3690	4.2	12.3	4.4	Radiotelephone communication	4812	4.6	8.4	21.9
Misc fabricated textile products	2390	1.0	3.8	14.4	Real estate dealers	6532	3.9	5.4	17.2
Misc food preps, kindred products	2090	3.0	7.7	17.8	Real estate investment trust	6798	3.8	12.2	30.6
Misc furniture and fixtures	2590	2.3	6.4	10.2	Record and tape stores	5735	1.4	3.7	7.0
Misc general mdse stores	5399	4.5	19.5	-4.5	Refrig & service ind machine	3580	2.0	6.4	12.9
Misc manufacturing industries	3990	4.2	7.9	9.7	Retail stores, nec	5990	3.7	9.9	15.1
Misc nondurable goods-whsl	5190	0.5	2.3	-17.9	Rubber and plastics footwear	3021	10.4	27.8	12.5
Misc shopping goods stores	5940	3.2	11.0	12.7	Scrap & waste materials-whsl	5093	4.7	48.5	28.1
Misc transportation equip	3790	5.3	17.3	3.0	Security brokers & dealers	6211	1.1	1.8	9.1
Miscellaneous publishing	2741	27.1	41.0	18.2	Semiconductor, related device	3674	3.2	5.6	14.9
Miscellaneous retail	5900	0.7	2.3	0.4	Shoe stores	5661	3.0	7.8	8.4
Mortgage bankers & loan corr	6162	4.9	10.5	16.7	Soap, detergent, toilet preps	2840	10.7	21.9	4.4
Motion pict, videotape prodtn	7812	8.0	25.4	2.8	Spec outpatient facility, nec	8093	0.9	2.7	17.6
Motion pict, videotape distr	7822	5.6	14.7	-1.3	Special clean, polish props	2842	12.8	22.1	7.9
Motion picture theaters	7830	2.8	15.8	10.4	Special industry machinery	3550	2.1	6.0	9.6
Motor veh supply, new pts-whsl	5013	0.4	1.5	-1.7	Special industry machy, nec	3559	1.2	2.9	2.7
Motor vehicle part, accessory	3714	0.9	3.3	10.9	Sporting & athletic gds, nec	3949	5.6	14.8	13.9
Motor vehicles & car bodies	3711	2.7	10.9	6.8	Steel works & blast furnaces	3312	1.9	21.0	17.0
Motorcycles, bicycles & parts	3751	1.7	4.9	9.6	Structural clay products	3250	2.7	5.9	10.2
Motors and generators	3621	0.9	3.2	6.4	Subdivide, dev, except cemetery	6552	6.9	20.2	8.8
Newspaper: pubg, pubg & print	2711	2.2	5.0	2.5	Sugar & confectionery prods	2060	12.7	32.6	3.8
Office furniture, except wood	2522	1.0	2.5	16.2	Surgical, med instr, apparatus	3841	1.7	2.6	12.2
Operative builders	1531	1.0	8.1	11.9	Tele & telegraph apparatus	3661	1.0	2.8	-2.2
Ophthalmic goods	3851	7.8	11.4	16.4	TV broadcast station	4833	5.6	13.8	12.8
Ordnance and accessories	3480	2.1	7.2	2.2	Tires and inner tubes	3011	1.8	5.8	2.0
Ortho, prosth, surg appl, supply	3842	2.1	3.8	4.1	Tobacco products	2100	3.9	5.7	7.2
Paints, varnishes, lacquers	2851	3.1	7.3	11.1	Trucking, courier svc, except air	4210	0.6	9.9	10.7
Paper & paper products-whsl	5110	0.4	1.9	12.1	Variety stores	5331	1.1	5.0	4.7
Paper mills	2621	1.8	4.3	-1.4	Watches, clocks and parts	3873	13.7	23.3	17.4
Patent owners and lessors	6794	7.5	11.8	-34.3	Water transportation	4400	7.3	18.5	15.6
Pens, pencils, oth artist matl	3950	8.1	19.3	-0.2	Wine, brandy & brandy spirits	2084	11.3	19.2	10.5
Perfume, cosmetic, toilet prep	2844	11.9	19.0	4.8	Wmns, miss, chld, infnt undgrmt	2340	5.4	15.0	9.4
Periodical: pubg, pubg & print	2721	6.0	12.6	6.5	Women's clothing stores	5621	4.7	12.3	6.8
Personal credit institutions	6141	2.5	5.0	25.3	Women's, misses, jrs outerwear	2330	3.7	12.6	7.5
Personal services	7200	2.4	7.1	6.1	Wood hshld furn, except upholsrd	2511	3.5	11.6	7.4

there will be sufficient monies to cover this budget, with increases in sales leading to budget increases and sales decreases resulting in advertising decreases. The percentage-of-sales method is simple, straightforward, and easy to implement. Regardless of which basis—past or future sales—is employed, the calculations used to arrive at a budget are not difficult. Finally, this budgeting approach is generally stable. While the budget may vary with increases and decreases in sales, as long as these changes are not drastic the manager will have a reasonable idea of the parameters of the budget.

At the same time, the percentage-of-sales method has some serious disadvantages, including the basic premise on which the budget is established: sales. Letting the level of sales determine the amount of advertising and promotions dollars to be spent reverses the cause-and-effect relationship between advertising and sales. It treats advertising as an expense associated with making a sale rather than an investment. As shown in Figure 7-16, companies that consider promotional expenditures an investment reap the rewards.

A second problem with this approach was actually cited as an advantage earlier: stability. Proponents say that if all firms use a similar percentage, that will bring stability to the marketplace. But what happens if someone varies from this standard percentage? The problem is that this method does not allow for changes in strategy either internally or from competitors. An aggressive firm may wish to allocate more monies to the advertising and promotions budget, a strategy that is not possible with a percentage-of-sales method unless the manager is willing to deviate from industry standards.

The percentage-of-sales method of budgeting may result in severe misappropriation of funds. If advertising and promotion have a role to perform in marketing a product, then allocating more monies to advertising will, as shown in the S-shaped curve, generate incremental sales (to a point). If products with low sales have smaller promotion budgets, this will hinder sales progress. At the other extreme, very successful products may have excess budgets, some of which may be better appropriated elsewhere.

The percentage-of-sales method is also difficult to employ for new product introductions. If no sales histories are available, there is no basis for establishing the budget. Projections of future sales may be difficult, particularly if the product is highly innovative and/or has fluctuating sales patterns.

Finally, if the budget is contingent on sales, decreases in sales will lead to decreases in budgets when they most need to be increased. Continuing to cut the advertising and promotion budgets may just add impetus to the downward sales trend. On the other hand,

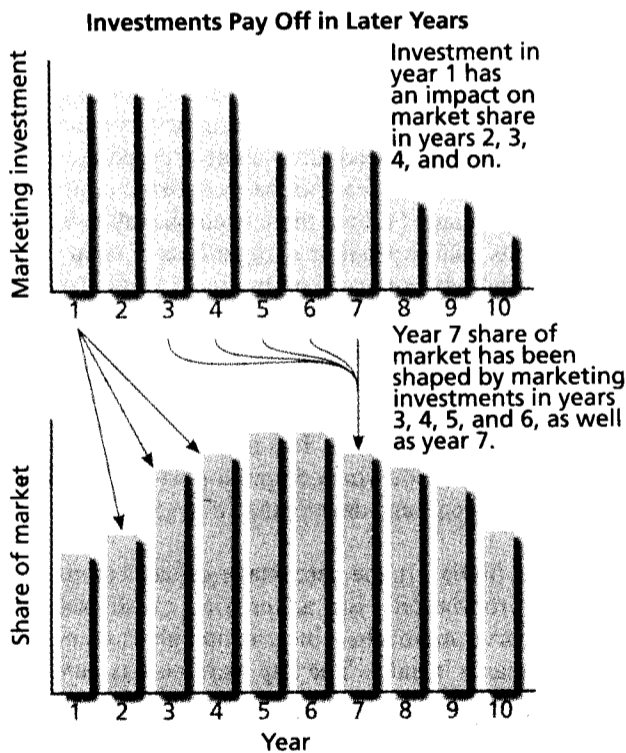


Figure 7-16 Investments pay off in later years

some of the more successful companies have allocated additional funds during hard times or downturns in the cycle of sales. Companies that maintain or increase their ad expenditures during recessions achieve increased visibility and higher growth in both sales and market share (compared to those that reduce advertising outlays). For example, Sunkist can attribute at least some of its success in maintaining its strong image to the fact that it has maintained consistent levels of advertising expenditures over 80 years, despite recessions.³⁴ IMC Perspective 7-2 discusses this issue in more detail.

While the percentage-of-future-sales method has been proposed as a remedy for some of the problems discussed here, the reality is that problems with forecasting, cyclical growth, and uncontrollable factors limit its effectiveness.

Competitive Parity If you asked marketing managers if they ever set their advertising and promotions budgets on the basis of what their competitors allocate, they would probably deny it. Yet if you examined the advertising expenditures of these companies, both as a percentage of sales and in respect to the media where they are allocated, you would see little variation in the percentage-of-sales figures for firms within a given industry. Such results do not happen by chance alone. Companies that provide competitive advertising information, trade associations, and other advertising industry periodicals are sources for competitors' expenditures. Larger corporations often subscribe to services such as Competitive Media Reporting, which estimates the top 1,000 companies' advertising in 10 media and in total. Smaller companies often use a **clipping service**, which clips competitors' ads from local print media, allowing the company to work backward to determine the cumulative costs of the ads placed.

In the **competitive parity method**, managers establish budget amounts by matching the competition's percentage-of-sales expenditures. The argument is that setting budgets in this fashion takes advantage of the collective wisdom of the industry. It also takes the competition into consideration, which leads to stability in the marketplace by minimizing marketing warfare. If companies know that competitors are unlikely to match their increases in promotional spending, they are less likely to take an aggressive posture to attempt to gain market share. This minimizes unusual or unrealistic ad expenditures.

The competitive parity method has a number of disadvantages, however. For one, it ignores the fact that advertising and promotions are designed to accomplish specific objectives by addressing certain problems and opportunities. Second, it assumes that because firms have similar expenditures, their programs will be equally effective. This assumption ignores the contributions of creative executions and/or media allocations, as well as the success or failure of various promotions. Further, it ignores possible advantages of the firm itself; some companies simply make better products than others.

Also, there is no guarantee that competitors will continue to pursue their existing strategies. Since competitive parity figures are determined by examination of competitors' previous years' promotional expenditures (short of corporate espionage), changes in market emphasis and/or spending may not be recognized until the competition has already established an advantage. Further, there is no guarantee that a competitor will not increase or decrease its own expenditures, regardless of what other companies do. Finally, competitive parity may not avoid promotional wars. Coke versus Pepsi and Anheuser-Busch versus Miller have been notorious for their spending wars, each responding to the other's increased outlays.

In summary, few firms employ the competitive parity method as a sole means of establishing the promotional budget. This method is typically used in conjunction with the percentage-of-sales or other methods. It is never wise to ignore the competition; managers must always be aware of what competitors are doing. But they should not just emulate them in setting goals and developing strategies.

Return on Investment (ROI) In the percentage-of-sales method, sales dictate the level of advertising appropriations. But advertising causes sales. In the marginal analysis and S-shaped curve approaches, incremental investments in advertising and promotions lead to increases in sales. The key word here is *investment*. In the **ROI budgeting method**, advertising and promotions are considered investments, like plant and equipment. Thus, the budgetary appropriation (investment) leads to certain

Cutting Budgets When Times Get Tough—Wise Strategy or Potential Pitfall?

A downturn in the U.S. economy led a number of companies to slash their advertising budgets significantly in 2001 and 2002. Even the top spenders cut deeply, with GM cutting the budget by 24 percent and the top 10 overall spending 7 percent less on the average. The companies seemed to be saying that since sales are down, advertising expenditures should go down. But is this the right thing to do? A lot of companies don't think so.

For example, not all of the top 10 advertisers slashed budgets (though 7 of them did). Some like AOL and AT&T actually increased expenditures. For these companies, the downturn is viewed as an opportunity rather than a threat. They take a "spend now, win later" approach, viewing such expenditures as an investment rather than a cost. Take Monster.com as an example. While many dot-coms announced advertising cuts for 2002, Monster indicated that it would maintain its advertising expenditures and number of ads constant. Not only that, but it announced that it would spend additional promotional dollars in other areas. In the first quarter of 2001 Monster invested \$37.4 million in measured media, as opposed to \$28.7 in the same period for 2000. The same amount was budgeted for 2002. In addition, Monster paid more than \$10 million

to be part of the Winter Olympics in Salt Lake City. The company is also negotiating for advertising on the 2003 Super Bowl. Monster has also kept its print budget the same, though it is increasing expenditures online.

What does Monster know that others do not? The goal of the new Monster campaign is to raise brand awareness. The company believes that in a time when the economy is down and layoffs may occur, a job placement firm has a golden opportunity to gain by increased investing. Jim Dietz, president of Andover Franchising, Inc., agrees with this philosophy. As Dietz notes, "Pink slips can help us. When downsizing is in the headlines, more folks are willing to look at making an investment in themselves." Andover has increased its expenditures, as well as its media options. Primarily an online advertiser, its 2002 plan included print ads in *Entrepreneur* and *Franchise Times* magazines.

To encourage advertisers to consider ad dollars as an investment rather than an expense, the American Advertising Federation (AAF) has initiated a "Great Brands" campaign, debuting with two 15-second TV spots and a number of print ads encouraging marketers not to neglect market spending during the slump. Wally Snyder, CEO of the AAF, notes: "The companies behind leading global brands . . . recognize that advertising dollars translate into increased market share." The first two companies featured in the campaign are Intel and Coca-Cola.

Thus, while some companies cut, others increase expenditures in a down economy. Much of the reason for this is rooted in the underlying philosophy as to what advertising is all about—an investment or a cost of doing business.



Sources: Erin Strout, "Spend Now, Win Later," *Sales & Marketing Management*, April 2002, pp. 65-66; Hillary Chura, "Monster.com Beefs Up Ad Plans," www.Adage.com, Dec. 3, 2001, pp. 1-2; Vanessa O'Connell, "Ad Spending in All Media Is Slashed 5.2%," *The Wall Street Journal*, June 8, 2001, p. B6.

returns. Like other aspects of the firm's efforts, advertising and promotion are expected to earn a certain return.

While the ROI method looks good on paper, the reality is that it is rarely possible to assess the returns provided by the promotional effort—at least as long as sales continue to be the basis for evaluation. Thus, while managers are certain to ask how much return they are getting for such expenditures, the question remains unanswered and as shown in the chapter introduction, depends on the criteria used to determine effectiveness. ROI remains a difficult method to employ.

Summary of Top-Down Budgeting Methods You are probably asking yourself why we even discussed these budgeting methods if they are not recommended for use or have severe disadvantages that limit their effectiveness. But you must understand the various methods used in order to recognize their limitations, especially since these flawed methods are commonly employed by marketers throughout the United States, Europe, and Canada, as demonstrated in the results of a number of research studies shown in Figure 7-17. Tradition and top management's desire for control are probably the major reasons why top-down methods continue to be popular.

As shown in Figure 7-17, the use of percentage-of-sales methods remained high over the periods included, particularly the method based on anticipated sales. Unfortunately, the affordable method appeared to be on the increase. On the decrease are two methods not yet discussed: quantitative models and the objective and task method. Let us now turn our discussion to these methods as well as one other, payout planning.

Build-Up Approaches The major flaw associated with the top-down methods is that these judgmental approaches lead to predetermined budget appropriations often not linked to objectives and the strategies designed to accomplish them. A more effective budgeting strategy would be to consider the firm's communications objectives and budget what is deemed necessary to attain these goals. As noted earlier, the promotional planning model shows the budget decision as an interactive process, with the communications objectives on one hand and the promotional mix alternatives on the other. The idea is to budget so these promotional mix strategies can be implemented to achieve the stated objectives.

Objective and Task Method It is important that objective setting and budgeting go hand in hand rather than sequentially. It is difficult to establish a budget without spe-

Figure 7-17 Comparison of methods for budgeting

Study	San Augustine and Foley (1975)	Patti and Blasko (1981)	Lancaster and Stern (1983)	Blasko and Patti (1984)	Hung and West (1991)
Population	Large Consumer/Industrial Advertisers	Large Consumer/Services Advertisers	Large Consumer Advertisers	Large Industrial Advertisers	Large & Medium Advertisers in U.K., U.S., & Canada
Sample	50/50	54	60	64	100
Methods					
Quantitative models	2/4	51	20	3	NA
Objective and task	6/10	63	80	74	61
Percent anticipated sales	50/28	53	53	16	32
Unit anticipated sales	8/10	22	28	NA	9
Percent past year's sales	14/16	20	20	23	10
Unit past year's sales	6/4	NA	15	2	NA
Affordable	30/26	20	13	33	41
Arbitrary	12/34	4	NA	13	NA
Competitive parity	NA	24	33	21	25
Previous budget	NA	NA	3	NA	NA
Share of voice	NA	NA	5	NA	NA
Others	26/10	NA	12	NA	NA

Note: Figures exceed 100% due to multiple responses. NA = No answer.

cific objectives in mind, and setting objectives without regard to how much money is available makes no sense. For example, a company may wish to create awareness among X percent of its target market. A minimal budget amount will be required to accomplish this goal, and the firm must be willing to spend this amount.

The **objective and task method** of budget setting uses a **buildup approach** consisting of three steps: (1)-defining the communications objectives to be accomplished, (2) determining the specific strategies and tasks needed to attain them, and (3) estimating the costs associated with performance of these strategies and tasks. The total budget is based on the accumulation of these costs.

Implementing the objective and task approach is somewhat more involved. The manager must monitor this process throughout and change strategies depending on how well objectives are attained. As shown in Figure 7-18, this process involves several steps:

1. *Isolate objectives.* When the promotional planning model is presented, a company will have two sets of objectives to accomplish—the marketing objectives for the product and the communications objectives. After the former are established, the task involves determining what specific communications objectives will be designed to accomplish these goals. Communications objectives must be specific, attainable, and measurable, as well as time limited.
2. *Determine tasks required.* A number of elements are involved in the strategic plan designed to attain the objectives established. (These strategies constitute the remaining chapters in this text.) These tasks may include advertising in various media, sales promotions, and/or other elements of the promotional mix, each with its own role to perform.
3. *Estimate required expenditures.* Buildup analysis requires determining the estimated costs associated with the tasks developed in the previous step. For example, it involves costs for developing awareness through advertising, trial through sampling, and so forth.
4. *Monitor.* As you will see in Chapter 19 on measuring effectiveness, there are ways to determine how well one is attaining established objectives. Performance should be monitored and evaluated in light of the budget appropriated.
5. *Reevaluate objectives.* Once specific objectives have been attained, monies may be better spent on new goals. Thus, if one has achieved the level of consumer awareness sought, the budget should be altered to stress a higher-order objective such as evaluation or trial.

The major advantage of the objective and task method is that the budget is driven by the objectives to be attained. The managers closest to the marketing effort will have specific strategies and input into the budget-setting process.

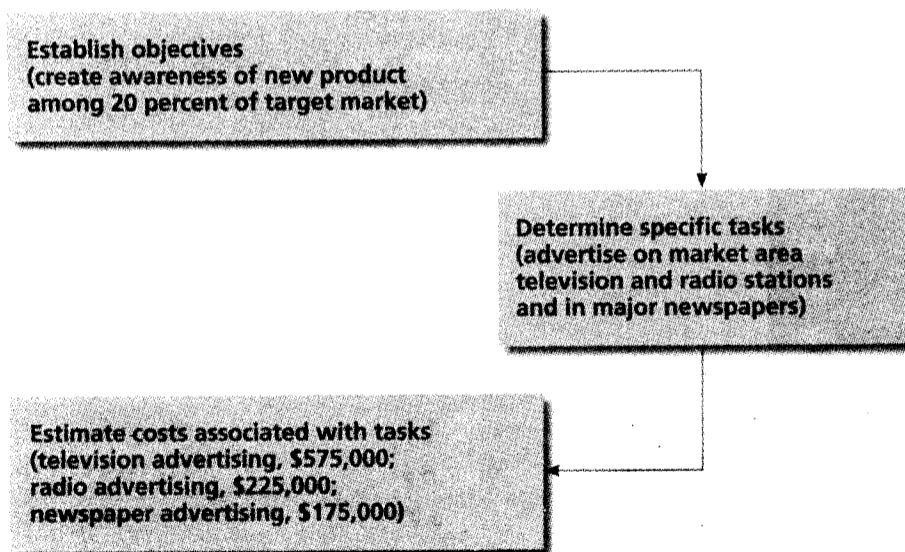


Figure 7-18 The objective and task method

The major disadvantage of this method is the difficulty of determining which tasks will be required and the costs associated with each. For example, specifically what tasks are needed to attain awareness among 50 percent of the target market? How much will it cost to perform these tasks? While these decisions are easier to determine for certain objectives—for example, estimating the costs of sampling required to stimulate trial in a defined market area—it is not always possible to know exactly what is required and/or how much it will cost to complete the job. This process is easier if there is past experience to use as a guide, with either the existing product or a similar one in the same product category. But it is especially difficult for new product introductions. As a result, budget setting using this method is not as easy to perform or as stable as some of the methods discussed earlier. Given this disadvantage, many marketing managers have stayed with those top-down approaches for setting the total expenditure amount.

The objective and task method offers advantages over methods discussed earlier but is more difficult to implement when there is no track record for the product. The following section addresses the problem of budgeting for new product introductions.

Payout Planning The first months of a new product's introduction typically require heavier-than-normal advertising and promotion appropriations to stimulate higher levels of awareness and subsequent trial. After studying more than 40 years of Nielsen figures, James O. Peckham estimated that the average share of advertising to sales ratio necessary to launch a new product successfully is approximately 1.5:2.0.³⁵ This means that a new entry should be spending at approximately twice the desired market share, as shown in the two examples in Figure 7-19. For example, in the food industry,

Figure 7-19 Share of advertising/sales relationship (two-year summary)

A. New Brands of Food Products

Brand	Average share of advertising	Attained share of sales	Ratio of share of advertising to share of sales
101		12.6%	2.7
102		10.0	1.6
103		7.6	1.1
104		2.6	1.5
105		2.1	1.4

B. New Brands of Toiletry Products

Brand	Average share of advertising	Attained share of sales	Ratio of share of advertising to share of sales
401		19.5%	1.5
402		16.5	1.5
403		16.2	1.2
404		9.4	1.3
405		8.7	1.8
406		7.3	2.6
407		7.2	1.9
408		6.0	1.7
409		6.0	1.2
410		5.9	1.0
411		5.9	1.7
412		5.2	1.2

brand 101 gained a 12.6 percent market share by spending 34 percent of the total advertising dollars in this category. Likewise, brand 401 in the toiletry industry had a 30 percent share of advertising dollars to gain 19.5 percent of sales.

To determine how much to spend, marketers often develop a **payout plan** that determines the investment value of the advertising and promotion appropriation. The basic idea is to project the revenues the product will generate, as well as the costs it will incur, over two to three years. Based on an expected rate of return, the payout plan will assist in determining how much advertising and promotions expenditure will be necessary when the return might be expected. A three-year payout plan is shown in Figure 7-20. The product would lose money in year 1, almost break even in year 2, and finally begin to show substantial profits by the end of year 3.

The advertising and promotion figures are highest in year 1 and decline in years 2 and 3. This appropriation is consistent with Peckham's findings and reflects the additional outlays needed to make as rapid an impact as possible. (Keep in mind that shelf space is limited, and store owners are not likely to wait around for a product to become successful.) The budget also reflects the firm's guidelines for new product expenditures, since companies generally have established deadlines by which the product must begin to show a profit. Finally, keep in mind that building market share may be more difficult than maintaining it—thus the substantial dropoff in expenditures in later years.

While the payout plan is not always perfect, it does guide the manager in establishing the budget. When used in conjunction with the objective and task method, it provides a much more logical approach to budget setting than the top-down approaches previously discussed. Yet on the basis of the studies reported on in Figure 7-17, payout planning does not seem to be a widely employed method.

Quantitative Models Attempts to apply *quantitative models* to budgeting have met with limited success. For the most part, these methods employ **computer simulation models** involving statistical techniques such as multiple regression analysis to determine the relative contribution of the advertising budget to sales. Because of problems associated with these methods, their acceptance has been limited, as demonstrated in the figures reported earlier in Figure 7-17. Quantitative models have yet to reach their potential. As computers continue to find their way into the advertising domain, better models may be forthcoming. Specific discussion of these models is beyond the scope of this text, however. Such methods do have merit but may need more refinement before achieving widespread success.

Summary of Budgeting Methods There is no universally accepted method of setting a budget figure. Weaknesses in each method may make it unfeasible or inappropriate. As Figure 7-17 shows, the use of the objective and task method continues to stay high, whereas less sophisticated methods vary. More advertisers are also employing the payout planning approach.

In a more recent study of how managers make decisions regarding advertising and promotion budgeting decisions, George Low and Jakki Mohr interviewed 21 managers in eight consumer-product firms. Their research focused on the decision processes and procedures used to set spending levels on the factors that influence the allocation of advertising and promotion dollars.

	Year 1	Year 2	Year 3
Product sales	15.0	35.50	60.75
Profit contribution (@ \$0.50/case)	7.5	17.75	30.38
Advertising/promotions	15.0	10.50	8.50
Profit (loss)	(7.5)	7.25	21.88
Cumulative profit (loss)	(7.5)	(0.25)	21.63

Figure 7-20 Example of three-year payout plan (\$ millions)

Figure 7-21 How advertising and promotions budgets are set

The Nature of the Decision Process

- Managers develop overall marketing objectives for the brand.
- Financial projections are made on the basis of the objectives and forecasts.
- Advertising and promotions budgets are set on the basis of quantitative models and managerial judgment.
- The budget is presented to senior management, which approves and adjusts the budgets.
- The plan is implemented (changes are often made during implementation).
- The plan is evaluated by comparing the achieved results with objectives.

Factors Affecting Budget Allocations

- The extent to which risk taking is encouraged and/or tolerated.
- Sophistication regarding the use of marketing information.
- Managerial judgment.
- Use of quantitative tools.
- Brand differentiation strategies.
- Brand equity.
- The strength of the creative message.
- Retailer power.
- Short- versus long-term focus.
- Top-down influences.
- Political sales force influences.
- Historical inertia.
- Ad hoc changes.

On the basis of their results (shown in Figure 7-21), the authors concluded that the budget-setting process is still a perplexing issue to many managers and that institutional pressures led to a greater proportion of dollars being spent on sales promotions than managers would have preferred. In addition, the authors concluded that to successfully develop and implement the budget, managers must (1) employ a comprehensive strategy to guide the process, avoiding the piecemeal approach often employed, (2) develop a strategic planning framework that employs an integrated marketing communications philosophy, (3) build in contingency plans, (4) focus on long-term objectives, and (5) consistently evaluate the effectiveness of programs.³⁶

By using these approaches in combination with the percentage-of-sales methods, these advertisers are likely to arrive at a more useful, accurate budget. For example, many firms now start the budgeting process by establishing the objectives they need to accomplish and then limit the budget by applying a percentage-of-sales or another method to decide whether or not it is affordable. Competitors' budgets may also influence this decision.

Allocating the Budget

Once the budget has been appropriated, the next step is to allocate it. The allocation decision involves determining which markets, products, and/or promotional elements will receive which amounts of the funds appropriated.

Allocating to IMC Elements As noted earlier, advertisers have begun to shift some of their budget dollars away from traditional advertising media and into sales promotions targeted at both the consumer and the trade. Direct marketing, the Internet, and other promotional tools are also receiving increased attention and competing for more of the promotional budget. Figure 7-22 reports the results of a survey conducted on 197 marketing executives, asking how they would allocate their dollars if the budget were

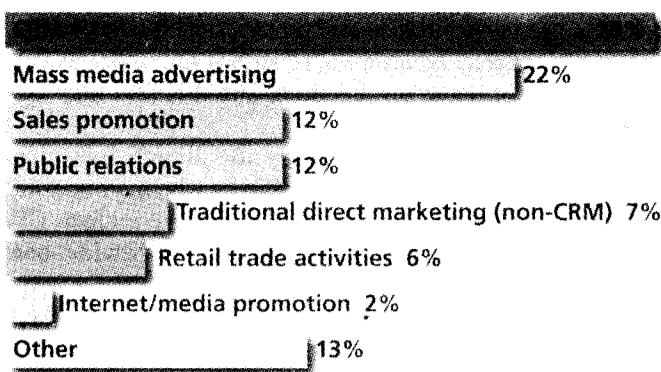


Figure 7-22 How U.S. marketers would invest the majority of their marketing dollars if budget were not an issue, May 2002 (as a percent of respondents)

not an issue. While no comparative figures were available from previous years, you can see how the monies would be spread around. Figure 7-23, from a different source, shows how some of these dollars were allocated. The advantage of more target selectivity has led to an increased emphasis on direct marketing, while a variety of new media have given marketers new ways to reach prospective customers. Rapidly rising media costs, the ability of sales promotions to motivate trial, maturing of the product and/or brand, and the need for more aggressive promotional tools have also led to shifts in strategy.³⁷ (We will discuss consumer and trade promotions and the reasons for some of these changes in Chapter 16.)

Some marketers have also used the allocation decision to stretch their advertising dollar and get more impact from the same amount of money. For example, General Motors recently reevaluated its advertising and promotional expenditures and made significant shifts in allocations by both media and product.³⁸ Other companies have reevaluated as well, including Procter & Gamble, Apple Computer, and Dow Chemical.

Client/Agency Policies Another factor that may influence budget allocation is the individual policy of the company or the advertising agency. The agency may discourage the allocation of monies to sales promotion, preferring to spend them on the

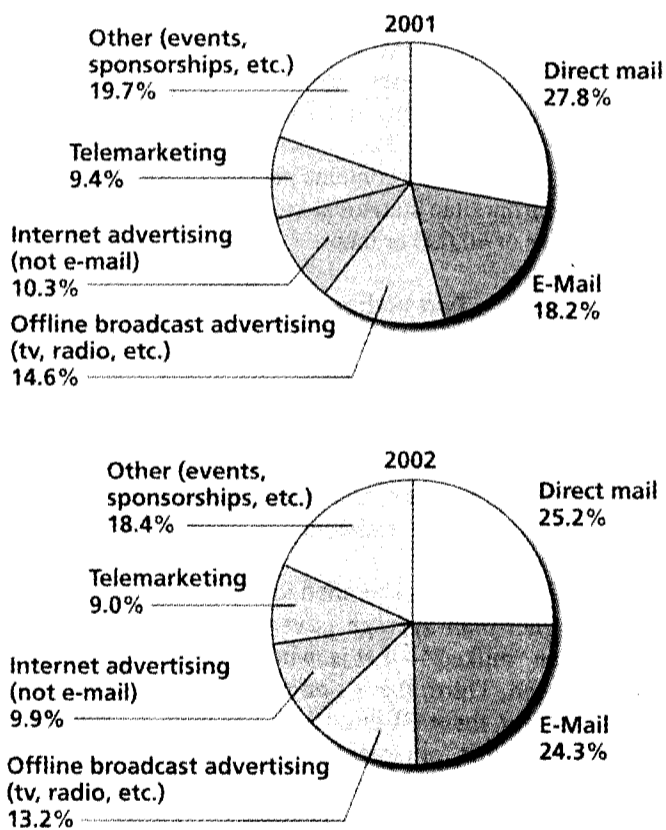


Figure 7-23 U.S. marketing budgets, by marketing vehicle, 2001 and 2002 (as percent of overall budget)

advertising area. The agency position is that promotional monies are harder to track in terms of effectiveness and may be used improperly if not under its control. (In many cases commissions are not made on this area, and this fact may contribute to the agency's reluctance.)³⁹

The orientation of the agency or the firm may also directly influence where monies are spent. Many ad agencies are managed by officers who have ascended through the creative ranks and are inclined to emphasize the creative budget. Others may have preferences for specific media. For example, BBDO Worldwide, one of the largest advertising agencies in the United States, has positioned itself as an expert in cable TV programming and often spends more client money in this medium. McCann-Erickson is spending more monies on the Internet. Both the agency and the client may favor certain aspects of the promotional program, perhaps on the basis of past successes, that will substantially influence where dollars are spent.

Market Size While the budget should be allocated according to the specific promotional tools needed to accomplish the stated objectives, the *size* of the market will affect the decision. In smaller markets, it is often easier and less expensive to reach the target market. Too much of an expenditure in these markets will lead to saturation and a lack of effective spending. In larger markets, the target group may be more dispersed and thus more expensive to reach. Think about the cost of purchasing media in Chicago or New York City versus a smaller market like Columbus, Ohio, or Birmingham, Alabama. The former would be much more costly and would require a higher budget appropriation.

Market Potential For a variety of reasons, some markets hold more potential than others. Marketers of snow skis would find greater returns on their expenditures in Denver, Colorado, than in Fort Lauderdale, Florida. Imported Mexican beers sell better in the border states (Texas, Arizona, California) than in the Midwest. A disproportionate number of imported cars are sold in California and New England. When particular markets hold higher potential, the marketing manager may decide to allocate additional monies to them. (Keep in mind that just because a market does not have high sales does not mean it should be ignored. The key is *potential*—and a market with low sales but high potential may be a candidate for additional appropriations.)

There are several methods for estimating marketing potential. Many marketers conduct research studies to forecast demand and/or use secondary sources of information such as those provided by government agencies or syndicated services like Dun & Bradstreet, A. C. Nielsen, and Audits and Surveys. One source for consumer goods information is the *Survey of Buying Power*, published annually by *Sales & Marketing Management* magazine. The survey contains population, income, and retail sales data for states, counties, metropolitan statistical areas, and cities in the United States and Canada with populations of 40,000 or more.

Market Share Goals Two studies in the *Harvard Business Review* discussed advertising spending with the goal of maintaining and increasing market share.⁴⁰ John Jones compared the brand's share of market with its share of advertising voice (the total value of the main media exposure in the product category). Jones classified the brands as "profit taking brands, or underspenders" and "investment brands, those whose share of voice is clearly above their share of market." His study indicated that for those brands with small market shares, profit takers are in the minority; however, as the brands increase their market share, nearly three out of five have a proportionately smaller share of voice.

Jones noted that three factors can be cited to explain this change. First, new brands generally receive higher-than-average advertising support. Second, older, more mature brands are often "milked"—that is, when they reach the maturity stage, advertising support is reduced. Third, there's an advertising economy of scale whereby advertising works harder for well-established brands, so a lower expenditure is required. Jones concluded that for larger brands, it may be possible to reduce advertising expenditures and still maintain market share. Smaller brands, on the other hand, have to continue to maintain a large share of voice.

James Schroer addressed the advertising budget in a situation where the marketer wishes to increase market share. His analysis suggests that marketers should:

- Segment markets, focusing on those markets where competition is weak and/or underspending instead of on a national advertising effort.
- Determine their competitors' cost positions (how long the competition can continue to spend at the current or increased rate).
- Resist the lure of short-term profits that result from ad budget cuts.
- Consider niching strategies as opposed to long-term wars.

Figure 7-24 shows Schroer's suggestions for spending priorities in various markets.

Economies of Scale in Advertising Some studies have presented evidence that firms and/or brands maintaining a large share of the market have an advantage over smaller competitors and thus can spend less money on advertising and realize a better return.⁴¹ Larger advertisers can maintain advertising shares that are smaller than their market shares because they get better advertising rates, have declining average costs of production, and accrue the advantages of advertising several products jointly. In addition, they are likely to enjoy more favorable time and space positions, cooperation of middlepeople, and favorable publicity. These advantages are known as **economies of scale**.

Reviewing the studies in support of this position and then conducting research over a variety of small package products, Kent Lancaster found that this situation did not hold true and that in fact larger brand share products might actually be at a disadvantage.⁴² His results indicated that leading brands spend an average of 2.5 percentage points more than their brand share on advertising. More specifically, his study concluded:

1. There is no evidence that larger firms can support their brands with lower relative advertising costs than smaller firms.
2. There is no evidence that the leading brand in a product group enjoys lower advertising costs per sales dollar than do other brands.
3. There is no evidence of a static relationship between advertising costs per dollar of sales and the size of the advertiser.

The results of this and other studies suggest there really are no economies of scale to be accrued from the size of the firm or the market share of the brand.⁴³

Organizational Characteristics In a review of the literature on how allocation decisions are made between advertising and sales promotion, George Low and Jakki Mohr concluded that organizational factors play an important role in determining how communications dollars are spent.⁴⁴ The authors note that the following factors influence the allocation decision. These factors vary from one organization to another, and each influences the relative amounts assigned to advertising and promotion:

- The organization's structure—centralized versus decentralized, formalization, and complexity.
- Power and politics in the organizational hierarchy.
- The use of expert opinions (for example, consultants).

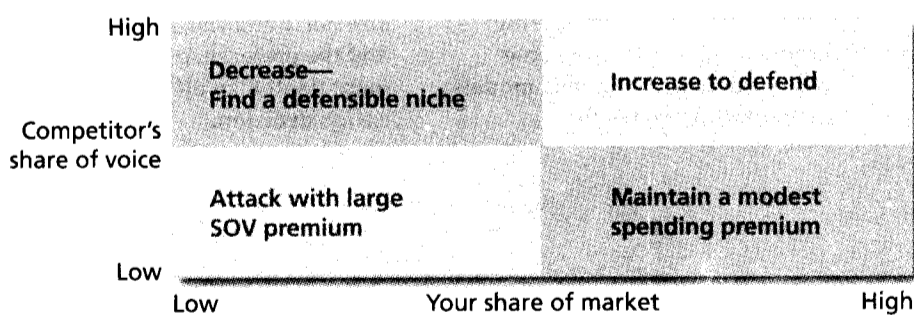


Figure 7-24 The share of voice (SOV) effect and ad spending: priorities in individual markets

- Characteristics of the decision maker (preferences and experience).
- Approval and negotiation channels.
- Pressure on senior managers to arrive at the optimal budget.

One example of how these factors might influence allocations relates to the level of interaction between marketing and other functional departments, such as accounting and operations. The authors note that the relative importance of advertising versus sales promotion might vary from department to department. Accountants, being dollars-and-cents minded, would argue for the sales impact of promotions, while operations would argue against sales promotions because the sudden surges in demand that might result would throw off production schedules. The marketing department might be influenced by the thinking of either of these groups in making its decision.

The use of outside consultants to provide expert opinions might also affect the allocation decision. Trade journals, academic journals, and even books might also be valuable inputs into the decision maker's thinking. In sum, it seems obvious that many factors must be taken into account in the budget allocation decision. Market size and potential, specific objectives sought, and previous company and/or agency policies and preferences all influence this decision.

Summary

This chapter has examined the role of objectives in the planning and evaluation of the IMC program and how firms budget in an attempt to achieve these objectives. Specific objectives are needed to guide the development of the promotional program, as well as to provide a benchmark against which performance can be measured and evaluated. Objectives serve important functions as communications devices, as a guide to planning the IMC program and deciding on various alternatives, and for measurement and evaluation.

Objectives for IMC evolve from the organization's overall marketing plan and are based on the roles various promotional mix elements play in the marketing program. Many managers use sales or a related measure such as market share as the basis for setting objectives. However, many promotional planners believe the role of advertising and other promotional mix elements is to communicate because of the various problems

associated with sales-based objectives. They use communications-based objectives like those in the response hierarchy as the basis for setting goals.

Much of the emphasis in setting objectives has been on traditional advertising-based views of marketing communications. However, many companies are moving toward zero-based communications planning, which focuses on what tasks need to be done, which marketing communication functions should be used, and to what extent. Many of the principles used in setting advertising objectives can be applied to other elements in the promotional mix.

As you have probably concluded, the budget decision is not typically based on supporting experiences or strong theoretical foundations. Nor is it one of the more soundly established elements of the promotional program. The budgeting methods used now have some major problems. Economic models are limited, often try to

demonstrate the effects on sales directly, and ignore other elements of the marketing mix. Some of the methods discussed have no theoretical basis and ignore the roles advertising and promotion are meant to perform.

One possible way to improve the budget appropriation is to tie the measures of effectiveness to communications objectives rather than to the broader-based marketing objectives. Using the objective and task approach with communications objectives may not be the ultimate solution to the budgeting problem, but it is an improvement over the top-down methods. Marketers often find it advantageous to employ a combination of methods.

As with determining the budget, managers must consider a number of factors when allocating advertising and promotions dollars. Market size and potential, agency policies, and the preferences of management itself may influence the allocation decision.

Key Terms

- marketing objectives, 196
- integrated marketing communications objectives, 198
- carryover effect, 199
- DAGMAR, 206
- communications task, 206
- benchmark measures, 208
- zero-based communications planning, 210
- contribution margin, 213
- marginal analysis, 213
- concave-downward function model, 214
- S-shaped response curve, 214
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- objective and task method, 225
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- payout plan, 227
- computer simulation models, 227
- economies of scale, 231

Discussion Questions

1. The lead-in to the chapter discusses the fact that the companies that spend the most on advertising do not necessarily achieve the highest brand value for their products. Sometimes, those who spend very little are able to achieve this objective. Explain what factors may lead to these results. Provide examples.
2. Some marketers feel that the cereal companies have focused too much on sales objectives, creating a situation in which price cutting and couponing have become essential to selling the product. Do you think that these companies may be able to reverse this situation? Describe some of the options available to the cereal manufacturers.
3. Figure 7-1 notes the numerous factors that influence sales. Provide examples of products and/or services that have been directly influenced by each of these factors.
4. What is DAGMAR? Explain how marketers might use DAGMAR in establishing objectives. What are some of the problems associated with the use of DAGMAR?
5. Discuss the two sales response models described in the text. Explain the differences between the two models. Provide examples of types of products that might follow each of these response curves.
6. Critics of the percentage-of-sales method of budget setting contend that this method “reverses the advertising and sales relationship” and that it “treats advertising as an expense rather than an investment.” Explain what these arguments mean and discuss their merits.
7. In meeting with your new boss, he informs you that the only goal of advertising and promotion is to generate sales. Present your argument as to why communications objectives must also be considered.
8. Discuss some of the reasons managers continue to set budgets using “top-down” budgeting methods.
9. What are some of the organizational characteristics that influence the budgeting decision? Give examples of each.
10. In Figure 7-21, Low and Mohr list a number of factors that affect the budget allocation decision. Describe and provide examples of each.

Creative Strategy: Planning and Development

8

Chapter Objectives

1. To discuss what is meant by advertising creativity and examine the role of creative strategy in advertising.
2. To examine creative strategy development and the roles of various client and agency personnel involved in it.
3. To consider the process that guides the creation of advertising messages and the research inputs into the stages of the creative process.
4. To examine various approaches used for determining major selling ideas that form the basis of an advertising campaign.

Nike Targets Women

Perhaps no company in the world has been as successful in capitalizing on the fitness boom of the past few decades as Nike. Since its inception



Nike has been a leader in the high-performance athletic-shoe market and has become one of the world's great brand names. The company ran past all its competitors to become the largest seller of athletic footwear and apparel in the world, with sales of nearly \$10 billion in 2002. The Nike ethos of pure, brash performance is captured in the "Just Do It" slogan, which has become a catchphrase for the sports world and has been personified in advertising featuring some of the world's greatest athletes.

Nike is the overall leader in the \$15.6 billion market for athletic shoes and apparel in the United States. However, the industry has been stagnant for years, and Nike, along with its com-

petitors, is looking for new growth opportunities and areas where the company can gain market share and attract first-time customers. One of the areas Nike is targeting is the women's market, which has been experiencing strong sales growth but has been the company's Achilles' heel. Women's athletic footwear accounts for one-third of the total industry sales and apparel for more than 50 percent, but women's products account for only 20 percent of Nike's revenue. Although the company has been selling shoes and apparel to women for years, Nike has been better known as a brand catering to male athletes and building its image around superstars such as Michael Jordan, Pete Sampras, Lance Armstrong, and Tiger Woods. These efforts have resulted in Nike's dominance of the male market, where the company has a 50 percent market share.

For much of its 30-year history, Nike has been about men and either treated women like men or didn't give them much attention. However, sometimes Nike did get it right in communicating with women. In 1995 the company ran a campaign titled "If You Let Me Play" that struck a responsive chord with many women. The campaign featured ads showing female athletes talking about how sports could change women's lives, from reducing teen pregnancy to increasing the chances of getting a college education. The campaign, along with subsequent ads featuring top female athletes such as sprinter Marion Jones, helped make Nike the market leader, but it was focused primarily on the high-performance segment of the female market.

In 2001 Nike launched a new strategic initiative termed "Nike Goddess," which is a companywide, grassroots effort that has the goal of changing how the company does business with women. The

new strategy appeals to a broader segment of the female market and is designed to take advantage of the differences between women and men in how they conceive of sport, how they shop for clothing and shoes, and even how they view celebrity athletes. Nike wants to appeal more to women's desire for an active lifestyle than to any image they have of themselves as hard-core athletes.

Nike began its new women's movement by spending time listening to women and learning how they balance their lives, what they like to wear, where and how they shop, and what moves them. Nike designers and researchers spent time scouring trendy workout spots like London's Third Space to pick up on new fitness trends. One key insight that emerged from the research is that for most women, high performance isn't about sports; it's about fitness fitting in with their active lifestyles. Nike stepped up its product development and introduced flashier shoe designs such as the Air Max Craze, which has a strap for a heel and a zipper over the lace. Another new line, the Air Visi Havoc, features materials not normally seen on a playing field, such as a faux snakeskin look, baby-blue satin, and red mesh.

Nike Goddess also includes new ways to reach women and communicate better with them. A new ad campaign takes a different look at women and sports and veers away from Nike's traditional strategy of relying on big-name endorsers and producing product lines named after them. Jackie Thomas, Nike's U.S. brand marketing director for women, notes: "Women love that Nike is aggressive, that it is competitive. The difference between women and men is that women don't treat athletes like heroes. No woman thinks that she'll be able to run like Marion Jones because she wears

shoes that are named after her." Rather than dwell on superstars, the new advertising campaign consists of print and TV ads that show ordinary women taking part in sport—from a swimmer to a young fencer to the "Yogini," a yoga instructor who stands on her hands on a hardwood floor and arches her back until her feet touch her head.

Nike has also launched a new website for women: nikegoddess.com. The site offers profiles of both famous athletes and everyday women who are trying to meet the challenges of balancing their hectic lives. It includes product information, health and fitness tips, city profiles to help women find fitness and fun when they are traveling, links to other sites, and online shopping for Nike products. Nike also launched *NikeGoddess*, the company's first "magalog" (a cross between a magazine and a catalog), to help roll out the name and communicate with today's active women.

One analyst noted that for many years, even within Nike there was a "general sense that it's by guys for guys." However, if Nike is to continue to grow, a company built on brash ads and male athletic fantasies is going to have to connect with female customers as well. The goal for the Nike Goddess initiative is to double Nike's sales to women by mid-decade. This will require that Nike change the way it sells to, designs for, and communicates with women. However, it appears that Nike is rising to the challenge. And lest anyone forget, Nike is named after a woman—the Greek goddess of victory.

Sources: Fara Warner, "Nike's Women's Movement," *Fast Company*, August 2002, pp. 70–75; Edward Wong, "Nike Trying New Strategies for Women," *The New York Times*, June 19, 2001, p. C1; Hillary Cassidy, "Hail the Goddess," *Brandweek*, Feb. 5, 2001, p. 42.

One of the most important components of an integrated marketing communications program is the advertising message. While the fundamental role of an advertising message is to communicate information, it does much more. The commercials we watch on TV or hear on radio and the print ads we see in magazines and newspapers are a source of entertainment, motivation, fascination, fantasy, and sometimes irrita-

tion as well as information. Ads and commercials appeal to, and often create or shape, consumers' problems, desires, and goals. From the marketer's perspective, the advertising message is a way to tell consumers how the product or service can solve a problem or help satisfy desires or achieve goals. Advertising can also be used to create images or associations and position a brand in the consumer's mind as well as transform the experience of buying and/or using a product or service. Many consumers who have never driven or even ridden in a BMW perceive it as "the ultimate driving machine" (Exhibit 8-1). Many people feel good about sending Hallmark greeting cards because they have internalized the company's advertising theme, "when you care enough to send the very best."

One need only watch an evening of commercials or peruse a few magazines to realize there are a myriad of ways to convey an advertising message. Underlying all of these messages, however, are a **creative strategy** that determines what the advertising message will say or communicate and **creative tactics** for how the message strategy will be executed. In this chapter, we focus on advertising creative strategy. We consider what is meant by creativity, particularly as it relates to advertising, and examine a well-known approach to creativity in advertising.

We also examine the creative strategy development process and various approaches to determining the *big idea* that will be used as the central theme of the advertising campaign and translated into attention-getting, distinctive, and memorable messages. Creative specialists are finding it more and more difficult to come up with big ideas that will break through the clutter and still satisfy the concerns of their risk-averse clients. Yet their clients are continually challenging them to find the creative message that will strike a responsive chord with their target audience.

Some of you may not be directly involved in the design and creation of ads; you may choose to work in another agency department or on the client side of the business. However, because creative strategy is often so crucial to the success of the firm's promotional effort, everyone involved in the promotional process should understand the creative strategy and tactics that underlie the development of advertising campaigns and messages, as well as the creative options available to the advertiser. Also, individuals on the client side as well as agency people outside the creative department must work with the creative specialists in developing the advertising campaign, implementing it, and evaluating its effectiveness. Thus, marketing and product managers, account representatives, researchers, and media personnel must appreciate the creative process and develop a productive relationship with creative personnel.

For many students, as well as many advertising and marketing practitioners, the most interesting aspect of advertising is the creative side. We have all at one time or another been intrigued by an ad and admired the creative insight that went into it. A great ad is a joy to behold and often an epic to create, as the cost of producing a TV commercial can exceed \$1 million. Many companies see this as money well spent. They realize that the manner in which the advertising message is developed and executed is often critical to the success of the promotional program, which in turn can influence the effectiveness of the entire marketing program. Procter & Gamble, Levi Strauss, Nissan, General Motors, Coca-Cola, PepsiCo, Nike, McDonald's, and many other companies spend millions of dollars each year to produce advertising messages and hundreds of millions more to purchase media time and space to run them. While these companies make excellent products, they realize creative advertising is also an important part of their marketing success.

Good creative strategy and execution can often be central to determining the success of a product or service or reversing the fortunes of a struggling brand. Conversely, an

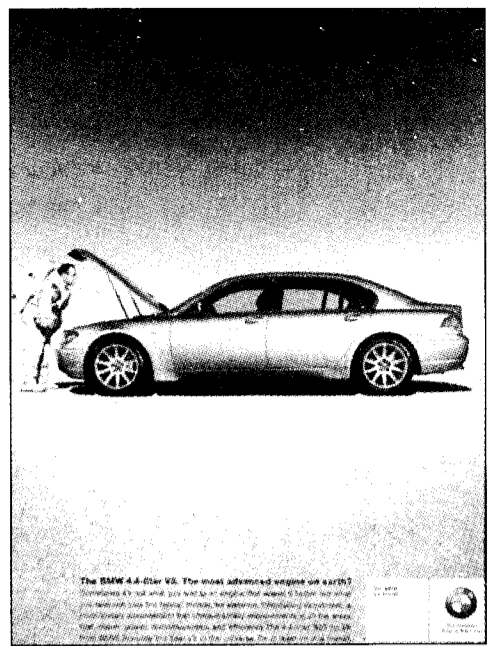


Exhibit 8-1 Excellent advertising helps create an image for BMW automobiles as "the ultimate driving machine"

The Importance of Creativity in Advertising

Figure 8-1 Burger King advertising themes and agencies

- “We Do It Like You Do It” (1987–1989)
Agency: NW Ayer
- “Sometimes you gotta break the rules” (1989–1991)
- “Your way. Right away” (1991–1992)
- “BK Tee Vee: I Love This Place” (1992–1994)
Agency: D’Arcy Masius Benton & Bowles
- “Back to Basics” (1994)
Agency: UniWorld Group, Inc.
- “Get Your Burger’s Worth” (1994–1996)
- “It Just Tastes Better” (1996–1998)
- “Go the Distance—When You Have It Your Way It Just Tastes Better” (1999)
- “Got the Urge” (2000)
Agency: Lowe Lintas & Partners
- “The Whopper Says” (2001–2002)
Agency: McCann-Erickson
- “At Burger King, You Got It” (2002–)
Agency: Amoeba

advertising campaign that is poorly conceived or executed can be a liability. Many companies have solid marketing and promotional plans and spend substantial amounts of money on advertising, yet have difficulty coming up with a creative campaign that will differentiate them from their competitors. For example, Burger King has changed its advertising theme 11 times in the past 15 years and changed agencies 6 times in search of a campaign that would give the chain a strong identity in the fast-food market (Figure 8-1). During many of these campaigns, market share dropped and franchises were unhappy with the company’s inability to come up with an effective campaign.¹ In July 2002, Burger King was sold by parent company Diageo to an investment consortium led by Texas Pacific Group.² The company also added an additional agency, Deutsch, to its roster to handle the advertising for its *value menu* and some local franchisee associations. It will be interesting to see if the agencies can develop an effective campaign to reposition Burger King in the fast-food market (and how long it will be before the company changes agencies once again).

Just because an ad or commercial is creative or popular does not mean it will increase sales or revive a declining brand. Many ads have won awards for creativity but failed to increase sales. In some instances, the failure to generate sales has cost the agency the account. For example, many advertising people believe some of the best ads of all time were those done for Alka-Seltzer in the 1960s and 70s, including the classic “Mama Mia! That’s a spicy meatball!” and “I can’t believe I ate the whole thing.” While the commercials won numerous creative awards, Alka-Seltzer sales still declined and the agencies lost the account.³ In the late 90s, Nissan asked its agency to change the popular “Enjoy the ride” campaign that was widely praised for its amusing, creative executions but was not helping increase sales.⁴ Nissan dealers complained that the ads did not focus enough attention on the product, and in some cases comparisons with the competition were used. However, in late 2002 Nissan launched a new advertising campaign using “Shift” as the umbrella tagline.⁵ The new campaign uses a combination of emotional and product-focused ads that are designed to strengthen Nissan’s brand image while showing its revitalized product line, which includes the new 350Z sports car (Exhibit 8-2).

Many advertising and marketing people have become ambivalent toward, and in some cases even critical of, advertising awards.⁶ They argue that agency creative people are often more concerned with creating ads that win awards than ones that sell their clients’ products. Other advertising people believe awards are a good way to recognize

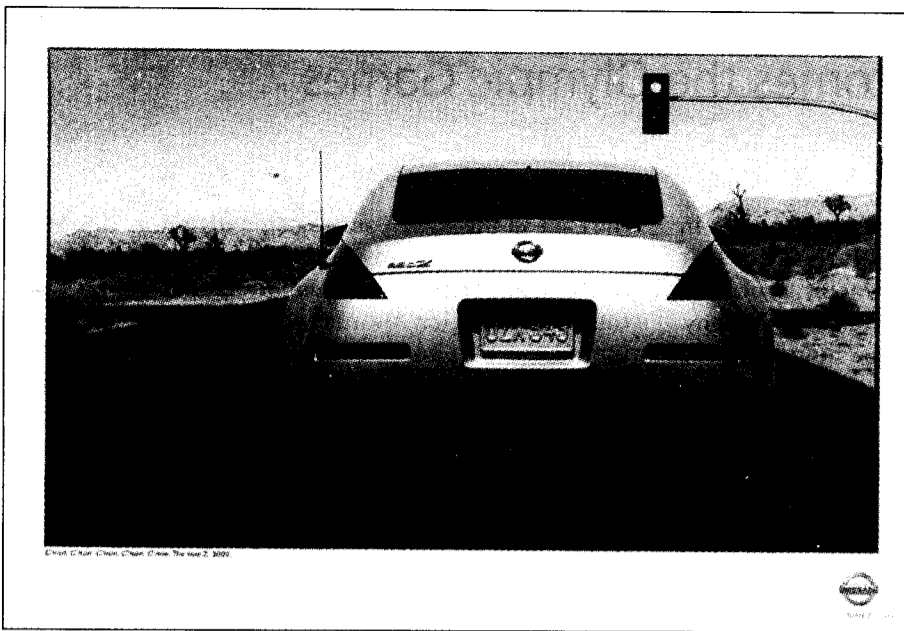


Exhibit 8-2 In Nissan's new ads, the cars are once again the stars

creativity that often does result in effective advertising. Global Perspective 8-1 discusses how the emphasis on creative awards has shifted to the international arena with awards like the Cannes Lions.

As we saw in Chapter 7, the success of an ad campaign cannot always be judged in terms of sales. However, many advertising and marketing personnel, particularly those on the client side, believe advertising must ultimately lead the consumer to purchase the product or service. Finding a balance between creative advertising and effective advertising is difficult. To better understand this dilemma, we turn to the issue of creativity and its role in advertising.

What Is Creativity?

Creativity is probably one of the most commonly used terms in advertising. Ads are often called creative. The people who develop ads and commercials are known as creative types. And advertising agencies develop reputations for their creativity. Perhaps so much attention is focused on the concept of creativity because many people view the specific challenge given to those who develop an advertising message as being creative. It is their job to turn all of the information regarding product features and benefits, marketing plans, consumer research, and communication objectives into a creative concept that will bring the advertising message to life. This begs the question: What is meant by *creativity* in advertising?

Advertising Creativity

Different Perspectives on Advertising Creativity

Perspectives on what constitutes creativity in advertising differ. At one extreme are people who argue that advertising is creative only if it sells the product. An advertising message's or campaign's impact on sales counts more than whether it is innovative or wins awards. At the other end of the continuum are those who judge the creativity of an ad in terms of its artistic or aesthetic value and originality. They contend creative ads can break through the competitive clutter, grab the consumer's attention, and have some impact.

As you might expect, perspectives on advertising creativity often depend on one's role. A study by Elizabeth Hirschman examined the perceptions of various individuals involved in the creation and production of TV commercials, including management types (brand managers and account executives) and creatives (art director, copywriter, commercial director, and producer).⁷ She found that product managers and account executives view ads as promotional tools whose primary purpose is to communicate favorable impressions to the marketplace. They believe a commercial should be evaluated in terms of whether it fulfills the client's marketing and communicative objectives.

GLOBAL PERSPECTIVE 8-1

Cannes Festival Becomes the Olympic Games of Advertising

For many years the most coveted prize for creativity in advertising was a Clio Award. However, the Clios lost much of their prestige after financial problems resulted in cancellation of the 1992 awards ceremony. And even though they still sponsor an annual awards competition, the Clios have never regained their former status as the advertising industry's premier award for creative excellence. There are a number of other popular and well-recognized U.S.-based advertising award competitions that recognize outstanding creative work. These include the Kelley Awards given by the Magazine Publishers of America, the Best Awards sponsored by *Advertising Age*, the One Show sponsored by the One Club for Art & Copy, and the Effies, which are given each year by the New York American Marketing Association.

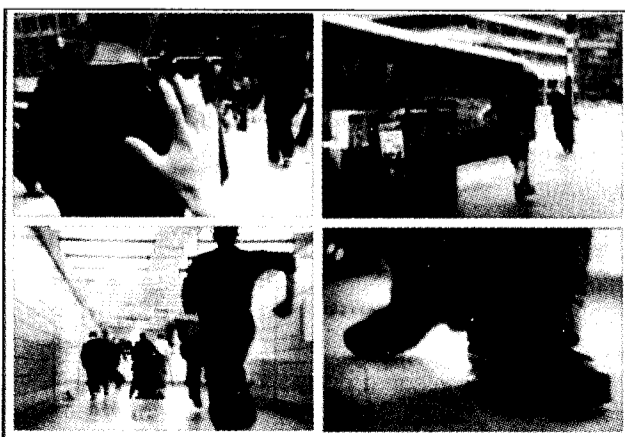
While these contests remain very popular in the United States, on a global level the Cannes Lions International Advertising Festival is now widely considered the most prestigious advertising award competition. Inspired by the movie industry's more famous Cannes Film Festival, the Cannes Lions Festival is considered by many to be the "Olympics of Advertising." The Cannes competition receives entries from agencies around the world hoping to win Lions (the name of the awards) in each of the major categories—television, press and poster (print and outdoor ads), cyber (online marketing and ads for websites), media planning and buying, and direct marketing (which was added in 2002).

Agencies from the U.S. generally focus their entries on the TV part of the competition, where they fare much better than in the print and poster category, which is usually dominated by agencies from the United Kingdom whose style of advertising is considered more popular among the Cannes jury. Such was

the case in the 2002 Cannes competition, as U.S. agencies failed to win any Gold Lions in the print and poster competition. However, while U.K. agencies won the most Gold Lion Awards for film, U.S. agencies dominated the category, winning 4 Gold Lions, 3 Silver Lions, and 13 Bronzes. For the third consecutive year, a U.S. agency won the Grand Prix Award for the world's best TV commercial, as Wieden & Kennedy took home the honors for the "Tag" spot it created for Nike. The commercial features an inventive game of tag set to a techno beat as young adults play the kid's game and chase each other around the streets, office buildings, and subways of a major city. A young man wearing Nike sneakers runs and hides from the other urbanites during the commercial, which ends with the simple one-word message "Play." The Nike spot narrowly beat out an eye-popping commercial created for Microsoft's Xbox; called "Champagne," it showed a newborn being shot out of a window, aging rapidly, and landing in a grave. The theme: Life is short, play more. The spot was created by Microsoft's European agency, Bartle Bogle Hegarty, based in London.

One of the other big winners at the 2002 competition was the campaign for BMW Films from Fallon Worldwide, of Minneapolis. The campaign (discussed in the opening vignette to Chapter 3) won a Grand Prix in the cyber category and in many ways dominated the festival. The Cannes jury had problems deciding how to categorize the breakthrough campaign, which combined a website, short films, and movie trailers in ways no one in the industry had seen before. The president of the cyber-category jury noted: "BMW Films is probably the most innovative and important marketing program in the last year. This work has made people stop and pause and reconsider what they are doing."

While many advertising people in the United States are critical of creative awards, the Cannes competition attracted over 5,000 entries in 2002 from 61 countries, so someone must think they are important. And don't try to downplay their importance in advertising-crazy countries like Brazil and Argentina, where agency creative directors are treated like rock stars, or in Europe, where agency leaders are seen as titans of industry, on par with top CEOs. Agencies like Saatchi & Saatchi, of London, which was selected as the Agency of the Year, know that the prestige of a Cannes Lion Award enhances their image and helps attract new business.



Sources: Laurel Wentz and Stefano Hatfield, "Nike 'Tag' Bags Grand Prix," *Advertising Age*, June 24, 2002, pp. 1, 76-77; Michael McCarthy, "Nike's 'Tag' Ad Runs Away with Top Honors at Cannes," *USA Today*, June 24, 2002, p. 7B.

The perspective of those on the creative side was much more self-serving, as Hirschman noted:

In direct contrast to this client orientation, the art director, copywriter, and commercial director viewed the advertisement as a communication vehicle for promoting their own aesthetic viewpoints and personal career objectives. Both the copywriter and art director made this point explicitly, noting that a desirable commercial from their standpoint was one which communicated their unique creative talents and thereby permitted them to obtain “better” jobs at an increased salary.⁸

In her interviews, Hirschman also found that brand managers were much more risk-averse and wanted a more conservative commercial than the creative people, who wanted to maximize the impact of the message.

What constitutes creativity in advertising is probably somewhere between the two extremes. To break through the clutter and make an impression on the target audience, an ad often must be unique and entertaining. As noted in Chapter 5, research has shown that a major determinant of whether a commercial will be successful in changing brand preferences is its “likability,” or the viewer’s overall reaction.⁹ TV commercials and print ads that are well designed and executed and generate emotional responses can create positive feelings that are transferred to the product or service being advertised. Many creative people believe this type of advertising can come about only if they are given considerable latitude in developing advertising messages. But ads that are creative only for the sake of being creative often fail to communicate a relevant or meaningful message that will lead consumers to purchase the product or service.

Everyone involved in planning and developing an advertising campaign must understand the importance of balancing the “it’s not creative unless it sells” perspective with the novelty/uniqueness and impact position. Marketing and brand managers or account executives must recognize that imposing too many sales- and marketing-oriented communications objectives on the creative team can result in mediocre advertising, which is often ineffective in today’s competitive, cluttered media environment. At the same time, the creative specialists must recognize that the goal of advertising is to assist in selling the product or service and good advertising must communicate in a manner that helps the client achieve this goal.

Advertising creativity is the ability to generate fresh, unique, and appropriate ideas that can be used as solutions to communications problems. To be *appropriate* and effective, a creative idea must be relevant to the target audience. Many ad agencies recognize the importance of developing advertising that is creative and different yet communicates relevant information to the target audience. Figure 8-2 shows the perspective on creativity that the former D’Arcy, Masius Benton & Bowles agency developed to guide its creative efforts and help achieve superior creativity consistently. The agency views a creative advertising message as one that is built around a creative core or power idea and uses excellent design and execution to communicate information that interests the target audience. It has used these principles in doing outstanding creative work for Procter & Gamble’s Charmin and Pampers brands, Norelco, and many other popular brands for many years.

Advertising creativity is not the exclusive domain of those who work on the creative side of advertising. The nature of the business requires creative thinking from everyone involved in the promotional planning process. Agency people, such as account executives, media planners, researchers, and attorneys, as well as those on the client side, such as marketing and brand managers, must all seek creative solutions to problems encountered in planning, developing, and executing an advertising campaign. An excellent example of creative synergy between the media and creative departments of an agency, as well as with the client, is seen in the TBWA/Chiat/Day agency and its relationship with Absolut vodka. As discussed in Chapter 1, the creative strategy for the brand plays off the distinctive shape of its bottle and depicts it with visual puns and witty headlines that play off the Absolut name. The agency and client recognized they could carry the advertising campaign further by tailoring the print ads for the magazines or regions where they appear. Absolut’s media schedule includes over 100 magazines, among them various consumer and business publications. The

Figure 8-2 D’Arcy, Masius Benton & Bowles’s universal advertising standards

1. *Does this advertising position the product simply and with unmistakable clarity?*

The target audience for the advertised product or service must be able to see and sense in a flash *what* the product is for, *whom* it is for, and *why* they should be interested in it.

Creating this clear vision of how the product or service fits into their lives is the first job of advertising. Without a simple, clear, focused positioning, no creative work can begin.

2. *Does this advertising bolt the brand to a clinching benefit?*

Our advertising should be built on the most compelling and persuasive consumer benefit—not some unique-but-insignificant peripheral feature.

Before you worry about how to say it, you must be sure you are saying *the right thing*. If you don’t know what the most compelling benefit is, you’ve got to find out before you do anything else.

3. *Does this advertising contain a Power Idea?*

The Power Idea is the vehicle that transforms the strategy into a dynamic, creative communications concept. It is the core creative idea that sets the stage for brilliant executions to come. The ideal Power Idea should:

- Be describable in a simple word, phrase, or sentence without reference to any final execution.
- Be likely to attract the prospect’s attention.
- Revolve around the clinching benefit.
- Allow you to brand the advertising.
- Make it easy for the prospect to vividly experience our client’s product or service.

4. *Does this advertising design in Brand Personality?*

The great brands tend to have something in common: the extra edge of having a Brand Personality. This is something beyond merely identifying what the brand does for the consumer; all brands *do* something, but the great brands also *are* something.

A brand can be whatever its designers want it to be—and it can be so from day one.

5. *Is this advertising unexpected?*

Why should our clients pay good money to wind up with advertising that looks and sounds like everybody else’s in the category? They shouldn’t.

We must dare to be different, because sameness is suicide. We can’t be outstanding unless we first stand out.

The thing is not to *emulate* the competition but to *annihilate* them.

6. *Is this advertising single-minded?*

If you have determined the right thing to say and have created a way to say it uncommonly well, why waste time saying anything else?

If we want people to remember one big thing from a given piece of advertising, let’s not make it more difficult than it already is in an overcommunicated world.

The advertising should be all about that one big thing.

7. *Does this advertising reward the prospect?*

Let’s give our audience something that makes it easy—even pleasurable—for our message to penetrate: a tear, a smile, a laugh. An emotional stimulus is that special something that makes them want to see the advertising again and again.

8. *Is this advertising visually arresting?*

Great advertising you remember—and can play back in your mind—is unusual to look at: compelling, riveting, a nourishing feast for the eyes. If you need a reason to strive for arresting work, go no further than Webster: “Catching or holding the attention, thought, or feelings. Gripping. Striking. Interesting.”

9. *Does this advertising exhibit painstaking craftsmanship?*

You want writing that is really written. Visuals that are designed. Music that is composed.

Lighting, casting, wardrobe, direction—all the components of the art of advertising are every bit as important as the science of it. It is a sin to nickel-and-dime a great advertising idea to death.

Why settle for good, when there’s great? We should go for the absolute best in concept, design, and execution.

This is our craft—the work should sparkle.

“Our creative standards are not a gimmick,” Steve emphasizes. “They’re not even revolutionary. Instead, they are an explicit articulation of a fundamental refocusing on our company’s only reason for being.

“D’Arcy’s universal advertising standards are the operating link between our vision today—and its coming reality.”

creative and media departments work together selecting magazines and deciding on the ads that will appeal to the readers of each publication. The creative department is often asked to create media-specific ads to run in a particular publication. Exhibit 8-3 shows an Absolut ad that was developed specifically for *Los Angeles Magazine*.

Planning Creative Strategy

The Creative Challenge

Those who work on the creative side of advertising often face a real challenge. They must take all the research, creative briefs, strategy statements, communications objectives, and other input and transform them into an advertising message. Their job is to write copy, design layouts and illustrations, or produce commercials that effectively communicate the central theme on which the campaign is based. Rather than simply stating the features or benefits of a product or service, they must put the advertising message into a form that will engage the audience's interest and make the ads memorable.¹⁰

The job of the creative team is challenging because every marketing situation is different and each campaign or advertisement may require a different creative approach. Numerous guidelines have been developed for creating effective advertising,¹¹ but there is no magic formula. As copywriter Hank Sneider notes in his book *Advertising Pure and Simple*:

Rules lead to dull stereotyped advertising, and they stifle creativity, inspiration, initiative, and progress. The only hard and fast rule that I know of in advertising is that there are no rules. No formulas. No right way. Given the same problem, a dozen creative talents would solve it a dozen different ways. If there were a sure-fire formula for successful advertising, everyone would use it. Then there'd be no need for creative people. We would simply program robots to create our ads and commercials and they'd sell loads of product—to other robots.¹²

Taking Creative Risks

Many creative people follow proven formulas when creating ads because they are safe. Clients often feel uncomfortable with advertising that is too different. Bill Tragos, former chair of TBWA, the advertising agency noted for its excellent creative work for Absolut vodka, Evian, and many other clients, says, "Very few clients realize that the reason that their work is so bad is that they are the ones who commandeered it and directed it to be that way. I think that at least 50 percent of an agency's successful work resides in the client."¹³

Many creative people say it is important for clients to take some risks if they want breakthrough advertising that gets noticed. One agency that has been successful in getting its clients to take risks is Wieden & Kennedy, best known for its excellent creative work for companies such as Nike, Microsoft, and ESPN. The agency's founders believe a key element in its success has been a steadfast belief in taking risks when most agencies and their clients have been retrenching and becoming more conservative.¹⁴ The agency can develop great advertising partly because clients like Nike are willing to take risks and go along with the agency's priority system, which places the creative work first and the client-agency relationship second. The agency has even terminated relationships with large clients like Gallo when they interfered too much with the creative process.

An example of a company that has begun taking more creative risks with its advertising is Wrigley. For many years the company, which has long dominated the market for chewing gum, was very conservative with its advertising and relied on more traditional, attribute-focused messages. However, in recent years Wrigley has taken a more dynamic approach to its marketing by introducing new products and using an edgier creative approach in its ads.¹⁵ For example, advertising for the company's Big Red brand used the tried and true "Kiss a Little Longer" campaign, featuring smooching couples, for many years. However, in 2000 Wrigley decided to develop a new image for the brand



Exhibit 8-3 Absolut vodka creates ads specifically for the publications in which they appear, such as this one for *Los Angeles Magazine*



Exhibit 8-4 Wrigley's takes more of a creative risk with its new ads

and began using a new campaign that focuses on the product's bold cinnamon taste and little "wisdoms" regarding fresh breath (Exhibit 8-4).

Not all companies or agencies agree that advertising has to be risky to be effective, however. Many marketing managers are more comfortable with advertising that simply communicates product or service features and benefits and gives the consumer a reason to buy. They see their ad campaigns as multimillion-dollar investments whose goal is to sell the product rather than finance the whims of their agency's creative staff. They argue that some creative people have lost sight of advertising's bottom line: Does it sell? IMC Perspective 8-2 discusses the ongoing debate over the artsy, image-oriented approach to advertising taken by many creative types versus the more hard-sell approach that many clients prefer.

The issue of how much latitude creative people should be given and how much risk the client should be willing to take is open to considerable debate. However, clients and agency personnel generally agree that the ability to develop novel yet appropriate approaches to communicating with the customer makes the creative specialist valuable—and often hard to find.

Creative Personnel

The image of the creative advertising person perpetuated in novels, movies, and TV shows is often one of a freewheeling, freethinking, eccentric personality. The educational background of creative personnel is often in nonbusiness areas such as art, literature, music, humanities, or journalism, so their interests and perspectives tend to differ from those of managers with a business education or background. Creative people tend to be more abstract and less structured, organized, or conventional in their approach to a problem, relying on intuition more often than logic. For example, Arthur Kover conducted a study of advertising copywriters and found that they work without guidance from any formal theories of communication. However, those interviewed in his study did have similar informal, implicit theories that guide them in creating ads. These theories are based on finding ways to break through the ad clutter, open the consciousness of consumers, and connect with them to deliver the message.¹⁶

Advertising creatives are sometimes stereotyped as odd, perhaps because they dress differently and do not always work the conventional 9-to-5 schedule. Of course, from the perspective of the creatives, it is the marketing or brand managers and account executives (the "suits") who are strange. In many agencies, you can't tell the creative personnel from the executives by their dress or demeanor. Yet the differences between creative and managerial personalities and perspectives must be recognized and tolerated so that creative people can do their best work and all those involved in the advertising process can cooperate.

Most agencies thrive on creativity, for it is the major component in the product they produce. Thus, they must create an environment that fosters the development of creative thinking and creative advertising. Clients must also understand the differences between the perspectives of the creative personnel and marketing and product managers. While the client has ultimate approval of the advertising, the opinions of creative specialists must be respected when advertising ideas and content are evaluated. (Evaluation of the creative's ideas and work is discussed in more detail in Chapter 9.)

The Creative Process

Some advertising people say creativity in advertising is best viewed as a process and creative success is most likely when some organized approach is followed. This does not mean there is an infallible blueprint to follow to create effective advertising; as we saw earlier, many advertising people reject attempts to standardize creativity or develop rules. However, most do follow a process when developing an ad.

One of the most popular approaches to creativity in advertising was developed by James Webb Young, a former creative vice president at the J. Walter Thompson agency. Young said, "The production of ideas is just as definite a process as the production of Fords; the production of ideas, too, runs an assembly line; in this production the mind follows an operative technique which can be learned and controlled; and

The Perpetual Debate: Creative versus Hard-Sell Advertising

For decades there has been a perpetual battle over the role of advertising in the marketing process. The war for the soul of advertising has been endlessly fought between those who believe ads should move people and those who just want to move product. On one side are the “suits” or “rationalists,” who argue that advertising must sell the product or service and that the more selling points or information in the ad, the better its chance of moving the consumer to purchase. On the other side are the “poets” or proponents of creativity, who argue that advertising has to build an emotional bond between consumers and brands or companies that goes beyond product advertising. The debate over the effectiveness of creative or artsy advertising is not new. The rationalists have taken great delight in pointing to long lists of creative and award-winning campaigns over the years that have failed in the marketplace, such as the humorous commercials for Alka-Seltzer from the 1960s and 70s and the Joe Isuzu spokes-liar ads from the late 80s. They also point to the recent dot-com explosion that brought with it a lot of creative and award-winning ads but proved that great advertising alone cannot make consumers buy a product or service they really do not want or need.

There are many examples of creative campaigns that moved consumers’ emotions but were terminated because they failed to move the sales needle and they put accounts and reputations on the line. In 1998 Levi Strauss & Co. terminated Foote, Cone & Belding, of San Francisco, from its Levi’s jean account after 67 years because of declining sales, even though the agency had consistently earned rave reviews and awards for its creative work. The company moved its account to TBWA/Chiat/Day, which won accolades for its creative work on campaigns such as “Opt for the Original” and “Make Them Your Own.” However, the popularity of Levi’s among young people plummeted 74 percent from 1996 to 2001, with only 8 percent citing the brand as their favorite jean, down from 31 percent in 1996. In early 2002 Levi Strauss parted company with TBWA/Chiat/Day and moved its business to Bartle Bogle Hegarty, the agency that has handled advertising for Levi’s in Europe for a number of years.

Another company that had differences of opinion with its agency over artsy versus more hard-sell advertising is Norwe-

gian Cruise Lines. The company’s marketing director, Nina Cohen, felt that the sensual “It’s different out here” campaign produced by Goodby, Silverstein & Partners in the mid-90s was gorgeous but irrelevant. She said, “Every frame of those ads was frameable, but we’re not in the framing business.” Cohen added that “while there are some creative icons out there who feel they have some higher voice to answer to, as clients, we’re the ones you have to answer to.” However, the agency’s co-creative director, Jeff Goodby, considered his agency’s creative work for Norwegian both beautiful and effective and argues that the impact of creative and entertaining advertising on sales isn’t always quantifiable for good reason. He notes: “It’s where the magic happens in advertising, and you can never predict that. It’s dangerous to be suspicious of that.” Many of the “poets” on the creative side agree with Goodby and like to cite the teaching of legendary adman Bill Bernbach, who preached that persuasion is an art, not a science, and that its success is dependent on a complex mix of intangible human qualities that can be neither measured nor predicted.

Most of the “poets” who support advertising that connects on an emotional level insist that selling product is as much a priority for them as it is for those on the rational side of the debate. One top agency executive notes, “We’ve proven that this kind of advertising works; otherwise we wouldn’t be in business, us or the agencies that practice the craft at this level.” However, Brent Bouchez, founder of Bouchez Kent and Company and a creative director for 20 years, argues that the poets are losing sight of the fact that advertising is



about selling things and that being really creative in advertising means solving problems and building interesting brands that people want to buy. He notes: "It's time we stopped teaching young creative people to consider it a victory if the logo in an ad is hard to find, or if the product doesn't appear in the commercial at all. It's time we stopped using "break through the clutter" as an excuse to say nothing about what it is we're selling or why you should buy it."

It is unlikely there will ever be peace between the warring factions as long as there are "rationalists" and "poets" who make a point of arguing over which approach works best. Steve Hayden, vice-chairman of Ogilvy Worldwide, says, "It's the ad industry's reflec-

tion of the essential Platonic/Aristotelian split in the world, pitting two groups of people against each other who usually can't agree which end is up." However, Nina Cohen, who has worked on both the agency and the client side of the business, is bewildered by the intense opinions held by people on each side and asks, "Aren't we all here to do the same thing?" meaning to build brands and business. While the answer is, of course, yes, the debate over how to do it is likely to continue.

Sources: Alice Z. Cuneo, "Bartle Bogle Tapped to Cure Levi's Blues," *Advertising Age*, Jan. 14, 2002, p. 6; Brent Bouchez, "Trophies Are Meaningless," *Advertising Age*, July 30, 2001; Anthony Vagnoni, "Creative Differences," *Advertising Age*, Nov. 17, 1997, pp. 1, 28, 30

that its effective use is just as much a matter of practice in the technique as in the effective use of any tool."¹⁷ Young's model of the creative process contains five steps:

1. *Immersion.* Gathering raw material and information through background research and immersing yourself in the problem.
2. *Digestion.* Taking the information, working it over, and wrestling with it in the mind.
3. *Incubation.* Putting the problems out of your conscious mind and turning the information over to the subconscious to do the work.
4. *Illumination.* The birth of an idea—the "Eureka! I have it!" phenomenon.
5. *Reality or verification.* Studying the idea to see if it still looks good or solves the problem; then shaping the idea to practical usefulness.

Young's process of creativity is similar to a four-step approach outlined much earlier by English sociologist Graham Wallas:

1. *Preparation.* Gathering background information needed to solve the problem through research and study.
2. *Incubation.* Getting away and letting ideas develop.
3. *Illumination.* Seeing the light or solution.
4. *Verification.* Refining and polishing the idea and seeing if it is an appropriate solution.

Models of the creative process are valuable to those working in the creative area of advertising, since they offer an organized way to approach an advertising problem. Preparation or gathering of background information is the first step in the creative process. As we saw in earlier chapters, the advertiser and agency start by developing a thorough understanding of the product or service, the target market, and the competition. They also focus on the role of advertising in the marketing and promotional program.

These models do not say much about how this information will be synthesized and used by the creative specialist because this part of the process is unique to the individual. In many ways, it's what sets apart the great creative minds and strategists in advertising. However, many agencies are now using a process called *account planning* to gather information and help creative specialists as they go through the creative process of developing advertising.

Account Planning

To facilitate the creative process, many agencies now use **account planning**, which is a process that involves conducting research and gathering all relevant information about a client's product or service, brand, and consumers in the target audience. Account planning began in Great Britain during the 1960s and 70s and has spread to agencies in the United States as well as throughout Europe and Asia. The concept has

become very popular in recent years as many agencies have seen the successful campaigns developed by agencies that are strong advocates of account planning.¹⁸ One such agency is Goodby, Silverstein & Partners, which has used account planning to develop highly successful campaigns for clients such as Polaroid, Hewlett-Packard, Sega, and Nike, as well as the popular “Got milk?” ads for the California Milk Processor Board.

Jon Steel, vice president and director of account planning at the agency’s San Francisco office, has written an excellent book on the process titled *Truth, Lies & Advertising: The Art of Account Planning*.¹⁹ He notes that the account planner’s job is to provide the key decision makers with all the information they require to make an intelligent decision. According to Steel, “Planners may have to work very hard to influence the way that the advertising turns out, carefully laying out a strategic foundation with the client, handing over tidbits of information to creative people when, in their judgment, that information will have the greatest impact, giving feedback on ideas, and hopefully adding some ideas of their own.”

Account planning plays an important role during creative strategy development by driving the process from the customers’ point of view. Planners will work with the client as well as other agency personnel, such as the creative team and media specialists. They discuss how the knowledge and information they have gathered can be used in the development of the creative strategy as well as other aspects of the advertising campaign. Account planners are usually responsible for all the research (both qualitative and quantitative) conducted during the creative strategy development process. In the following section we examine how various types of research and information can provide input to the creative process of advertising. This information can be gathered by account planners or others whose job it is to provide input to the process.

Inputs to the Creative Process: Preparation, Incubation, Illumination

Background Research Only the most foolish creative person or team would approach an assignment without first learning as much as possible about the client’s product or service, the target market, the competition, and any other relevant background information. The creative specialist should also be knowledgeable about general trends, conditions, and developments in the marketplace, as well as research on specific advertising approaches or techniques that might be effective. The creative specialist can acquire background information in numerous ways. Some informal fact-finding techniques have been noted by Sandra Moriarty:

- Reading anything related to the product or market—books, trade publications, general interest articles, research reports, and the like.
- Asking everyone involved with the product for information—designers, engineers, salespeople, and consumers.
- Listening to what people are talking about. Visits to stores, malls, restaurants, and even the agency cafeteria can be informative. Listening to the client can be particularly valuable, since he or she often knows the product and market best.
- Using the product or service and becoming familiar with it. The more you use a product, the more you know and can say about it.
- Working in and learning about the client’s business to understand better the people you’re trying to reach.²⁰

To assist in the preparation, incubation, and illumination stages, many agencies provide creative people with both general and product-specific preplanning input. **General preplanning input** can include books, periodicals, trade publications, scholarly journals, pictures, and clipping services, which gather and organize magazine and newspaper articles on the product, the market, and the competition, including the latter’s ads. This input can also come from research studies conducted by the client, the agency, the media, or other sources.

Another useful general preplanning input concerns trends, developments, and happenings in the marketplace. Information is available from a variety of sources,



Exhibit 8-5 Advertising industry publications are excellent sources of information on market trends

Exhibit 8-6 DDB Needham's Life Style Study provided valuable input in the development of this campaign for Westin

including local, state, and federal governments, secondary research suppliers, and various industry trade associations, as well as advertising and media organizations. For example, advertising industry groups like the American Association of Advertising Agencies and media organizations like the National Association of Broadcasters (NAB) and Magazine Publishers of America (MPA) publish research reports and newsletters that provide information on market trends and developments and how they might affect consumers. Those involved in developing creative strategy can also gather relevant and timely information by reading publications like *Adweek*, *Advertising Age*, *BrandWeek*, and *The Wall Street Journal* (Exhibit 8-5).

Product/Service-Specific Research In addition to getting general background research and preplanning input, creative people receive **product/service-specific preplanning input**. This information generally comes in the form of specific studies conducted on the product or service, the target audience, or a combination of the two. Quantitative and qualitative consumer research such as attitude studies, market structure and positioning studies such as perceptual mapping and lifestyle research, focus group interviews, and demographic and psychographic profiles of users of a particular product,

service, or brand are examples of product-specific preplanning input.

Many product- or service-specific studies helpful to the creative team are conducted by the client or the agency. A number of years ago, the BBDO ad agency developed an approach called **problem detection**²¹ for finding ideas around which creative strategies could be based. This research technique involves asking consumers familiar with a product (or service) to generate an exhaustive list of things that bother them or problems they encounter when using it. The consumers rate these problems in order of importance and evaluate various brands in terms of their association with each problem. A problem detection study can provide valuable input for product improvements, reformulations, or new products. It can also give the creative people ideas regarding

attributes or features to emphasize and guidelines for positioning new or existing brands.

Some agencies conduct psychographic studies annually and construct detailed psychographic or lifestyle profiles of product or service users. DDB Needham conducts a large-scale psychographic study each year using a sample of 4,000 U.S. adults. The agency's Life Style Study provides its creative teams with a better understanding of the target audience for whom they are developing ads.

For example, information from its Life Style Study was used by DDB Needham's creative department in developing an advertising campaign for Westin a few years ago. The agency's Life Style Study showed that the younger business travelers the luxury hotel chain was targeting are highly confident, intelligent, assertive, and classy and considered themselves to be "winners." Rather than using the traditional images that feature buildings and golf courses, the creative team decided to "brand the users" by playing to their ego and reinforcing their strong self-image. The ad campaign used the tagline "Who is he/she sleeping with? Westin. Choose your travel partner wisely" (Exhibit 8-6).

Recently a number of advertising agencies have been conducting branding research to help better identify clients' customers and how they connect to their brands. Agencies use this research to determine how a brand is perceived among consumers, and these insights, in turn, are used to develop more effective advertising campaigns.²² IMC Perspective 8-3 discusses how some of the

Westin Hotels & Resorts
"Male/No Jeans" :30TV ZONE 6103

 (MUSIC) UNDER THROUGHOUT	 (MUSIC) Broke his neck to get this job	 (MUSIC)
 (MUSIC) ...then broke the corporate "no jeans" rule	 Even broke the corporate "no jeans" rule	 When he sleeping with?
 (MUSIC)	 (MUSIC)	 Westin
 Cheese	 Your travel partner wisely	 (MUSIC)
 (MUSIC)	 (MUSIC)	 (MUSIC)

Advertising Agencies Find Ways to Build Stronger Brands

Branding has become more important than ever to companies competing in today's marketplace. At a time when battered investors, customers, and even employees are questioning whom they can trust, the ability of a familiar brand to deliver proven value has become extremely important. A belief in the power of brands has spread beyond the traditional consumer-goods marketers, and branding has become a very important part of the marketing strategy for companies in almost every industry. Purveyors of products ranging from Gillette razors to BMW automobiles to Starbucks coffee have been able to use their strong brands to keep growing without succumbing to the pricing pressure of an intense promotional environment. However, many of the traditional big-brand companies are striving to reinvent themselves and to restore value to their venerable brands. And as they do so, many are looking to their advertising agencies to help them determine the best way to build strong brands and connect with their customers.

Advertising agencies often conduct research studies for their clients, using techniques such as surveys, focus groups, and ethnographic studies to help them better understand their customers and determine the best way to communicate with them. However, in recent years a number of agencies have been conducting branding research and developing proprietary models to help better identify clients' customers and determine how they connect to their brands.

DDB Worldwide provides clients with branding insights through its *Brand Capital Study*, which amasses information on more than 500 brands ranging from Wal-Mart to Yahoo and from Budweiser to Michelin. The proprietary branding research is based on a global marketing study consisting of quantitative surveys conducted among 14,000 consumers in 14 countries. The surveys consist of a battery of questions focusing on consumer attitudes, interests, desired self-image, values, and product use as well as various subjects and issues including family, religion, politics, advertising, and brands. The agency uses the information from the Brand Capital Study to compare the desired self-images and lifestyles of consumers who love a brand with those who have a less strong connection. The study also measures *brand magnetism*, which is the brand's ability to strengthen its connection with consumers and is based on four factors: high quality, leadership in the category, growth in popularity, and uniqueness in the category. According to the agency's worldwide brand planning director, the success of a product or brand is tied to how it is per-

ceived in popular culture: "In category after category, around the world, the evidence is clear. As a brand's breadth of connection with consumers increases, its depth of connection increases exponentially." DDB describes this phenomenon of each consumer's feelings about a brand being directly affected by other consumer's feelings as "brand contagion."

Young & Rubicam is another agency that has developed a proprietary tool for building and managing brands, a tool it refers to as the *Brand Asset Valuator*. The agency has invested over \$70 million and conducted over 120 studies in building a comprehensive global database of consumer perceptions of brands. This tool views brands as developing through a very specific progression of four consumer perceptions, including differentiation, relevance, esteem, and knowledge. Differentiation measures the strength of the brand's meaning, while relevance measures the personal appropriateness of the brand to consumers. These two measures together form *brand strength*, which is viewed as an important indicator of future performance and potential. Esteem is the extent to which consumers like a brand and hold it in high regard, while knowledge represents awareness of the brand and what it stands for and is the culmination of brand-building efforts. Esteem and knowledge form *brand stature*, which is a more traditional measure of the status of a brand and its current performance, which is a strong strategic indicator of the health of a brand. The Brand Asset Valuator uses measures of these four factors to identify core issues for the brand and to evaluate current brand performance and potential.

The Leo Burnett agency relies on its *Brand Belief System* to guide its global brand-building philosophy and practice. This system focuses on the development of the brand-believer bond, which is at the core of the relationship between a brand and its believers, and considers four fundamental questions. The first question involves the category and asks, Where does the brand truly belong? The second involves the content and asks, How will the brand inspire belief? The third question considers the culture and asks, What shapes belief in the brand? The final question involves the customer and asks, With whom and how will the brand belong? Leo Burnett uses a set of proprietary research tools to provide information that can be used as part of the Brand Belief System and provide the agency with a basis for brand analysis and planning.

Nearly all the major agencies are conducting branding research and/or developing models or systems

that they can use to gain better insight into consumers and develop more effective campaigns for their clients. The importance of building and maintaining strong brands is likely to become even greater in the future. This will put even more pressure on agencies to develop new and better tools and techniques

that can be used to guide their clients' advertising campaigns.

Sources: Kathryn Kranhold, "Agencies Beefing Up on Brand Research," *The Wall Street Journal*, Mar. 9, 2000, p. B14; Brand Asset Valuator White Paper, www.yr.com; "DDB Worldwide Explores What Makes Big Brands Big," www.ddb.com, March 2000.

major agencies are conducting branding research and developing models to determine how consumers connect with their client's brands.

Qualitative Research Input Many agencies, particularly larger ones with strong research departments, have their own research programs and specific techniques they use to assist in the development of creative strategy and provide input to the creative process. In addition to the various quantitative research studies, qualitative research techniques such as in-depth interviews or focus groups can provide the creative team with valuable insight at the early stages of the creative process. **Focus groups** are a research method whereby consumers (usually 10 to 12 people) from the target market are led through a discussion regarding a particular topic. Focus groups give insight as to why and how consumers use a product or service, what is important to them in choosing a particular brand, what they like and don't like about various products or services, and any special needs they might have that aren't being satisfied. A focus group session might also include a discussion of types of ad appeals to use or evaluate the advertising of various companies.

Focus group interviews bring the creative people and others involved in creative strategy development into contact with the customers. Listening to a focus group gives copywriters, art directors, and other creative specialists a better sense of who the target audience is, what the audience is like, and who the creatives need to write, design, or direct to in creating an advertising message. Focus groups can also be used to evaluate the viability of different creative approaches under consideration and suggest the best direction to pursue.²³

Another form of qualitative input that has become popular among advertising agencies is **ethnographic research**, which involves observing consumers in their natural environment.²⁴ Some agencies send anthropologists or trained researchers into the field to study and observe consumers in their homes, at work, or at play. For example, the Ogilvy & Mather agency has a research unit called the Discovery Group which moves into consumers' homes, follows consumers in their leisure pursuits, or trails them as they move through their daily lives.²⁵ For Ogilvy client Miller beer, Discovery staffers traveled around the country filming Miller drinkers, as well as those drinking competitive brands. They used the tapes to study group dynamics and how the dynamics changed while people were drinking. The agency used the insights gained from the study to help develop a new advertising campaign for Miller Lite beer, which will be discussed later in the chapter. Many marketing and agency researchers prefer ethnographic research over the use of focus groups, as the latter technique has a number of limitations. Strong personalities can often wield undue influence in focus groups, and participants often will not admit, or may not even recognize, their behavior patterns and motivations. However, ethnographic studies can cost more to conduct and are more difficult to administer.

Generally, creative people are open to any research or information that will help them understand the client's target market better and assist in generating creative ideas. The advertising industry is recognizing the importance of using research to guide the creative process. The Advertising Research Foundation recently initiated the David Ogilvy Awards, named after the advertising legend who founded Ogilvy & Mather. These awards are presented to teams of advertising agencies, client companies, and research companies in recognition of research that has been used successfully to determine the strategy and effectiveness of ad campaigns. For example, the California Milk Processor Board, which is a past winner of the David Ogilvy Award, has used both quantitative and qualitative research in developing the popular "Got

Exhibit 8-7 Research helped in the development of the popular “got milk?” campaign



“got milk?” advertising campaign. Focus groups and survey research studies were conducted to help understand companion foods that are consumed with milk and how consumers react to the effect of “milk deprivation,” which is the key idea behind the humorous ads in the campaign.²⁶ (Exhibit 8-7)

Inputs to the Creative Process: Verification, Revision

The verification and revision stage of the creative process evaluates ideas generated during the illumination stage, rejects inappropriate ones, refines and polishes those that remain, and gives them final expression. Techniques used at this stage include directed focus groups to evaluate creative concepts, ideas, or themes; message communication studies; portfolio tests; and evaluation measures such as viewer reaction profiles.

At this stage of the creative process, members of the target audience may be asked to evaluate rough creative layouts and to indicate what meaning they get from the ad, what they think of its execution, or how they react to a slogan or theme. The creative team can gain insight into how a TV commercial might communicate its message by having members of the target market evaluate the ad in storyboard form. A **storyboard** is a series of drawings used to present the visual plan or layout of a proposed commercial. It contains a series of sketches of key frames or scenes along with the copy or audio portion for each scene (Exhibit 8-8).

Testing a commercial in storyboard form can be difficult because storyboards are too abstract for many consumers to understand. To make the creative layout more realistic and easier to evaluate, the agency may produce an **animatic**, a videotape of the storyboard along with an audio soundtrack. Storyboards and animatics are useful for research purposes as well as for presenting the creative idea to other agency personnel or to the client for discussion and approval.

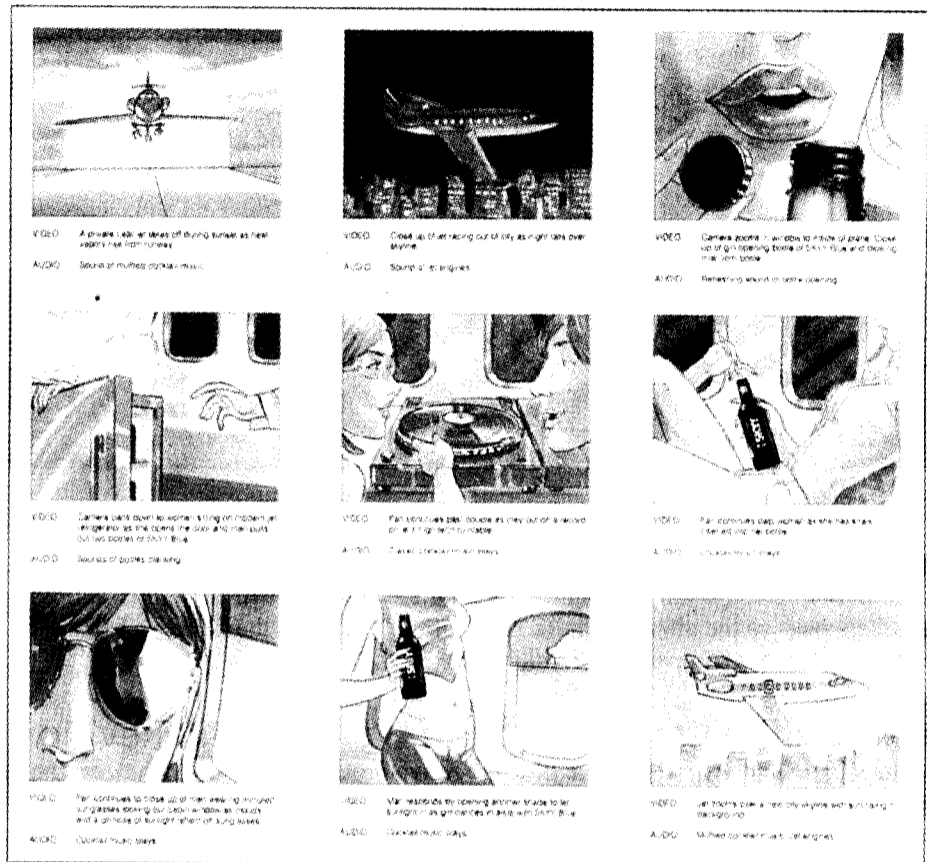
At this stage of the process, the creative team is attempting to find the best creative approach or execution style before moving ahead with the campaign themes and going into actual production of the ad. The verification/revision process may include more formal, extensive pretesting of the ad before a final decision is made. Pretesting and related procedures are examined in detail in Chapter 19.

Advertising Campaigns

Most ads are part of a series of messages that make up an IMC or **advertising campaign**, which is a set of interrelated and coordinated marketing communication activities that center on a single theme or idea that appears in different media across a specified time period. Determining the unifying theme around which the campaign will be built is a critical part of the creative process, as it sets the tone for the individual ads and other forms of marketing communications that will be used. A **campaign theme** should be a strong idea, as it is the central message that will be communicated in all the advertising and other promotional activities.

Creative Strategy Development

Exhibit 8-8 Marketers can gain insight into consumers' reactions to a commercial by showing them a storyboard



Advertising campaign plans are short-term in nature and, like marketing and IMC plans, are done on an annual basis. However, the campaign themes are usually developed with the intention of being used for a longer time period. Unfortunately, many campaign themes last only a short time, usually because they are ineffective or market conditions and/or competitive developments in the marketplace change. IMC Perspective 8-4 discusses the problems the Miller Brewing Co. has had in trying to find an effective ad campaign for its Miller Lite brand.

While some marketers change their campaign themes often, a successful campaign theme may last for years. Philip Morris has been using the "Marlboro country" campaign for over 40 years, General Mills has positioned Wheaties cereal as the "Breakfast of Champions" for decades, and BMW has used the "ultimate driving machine" theme since 1974. Even though BMW has changed agencies several times over the past three decades, the classic tagline has been retained. Figure 8-3 lists the top 10 advertising slogans of the past century, as selected by *Advertising Age*.

Figure 8-3 Top 10 advertising slogans of the century

Company or Brand	Campaign Theme
1. DeBeers	Diamonds are forever
2. Nike	Just do it
3. Coca-Cola	The pause that refreshes
4. Miller Lite	Tastes great, less filling
5. Avis	We try harder
6. Maxwell House	Good to the last drop
7. Wheaties	Breakfast of champions
8. Clairol	Does she . . . or doesn't she
9. Morton Salt	When it rains it pours
10. Wendy's	Where's the beef?

Miller Lite Searches for the Right Campaign Theme

One of the most memorable and successful advertising campaigns of all times was the “Tastes Great, Less Filling” theme for Miller Lite beer, which began in 1974. The campaign used humorous commercials featuring famous (and not-so-famous) ex-athletes and other celebrities arguing over whether the brand’s main appeal was its great taste or the fact that it contained fewer calories than regular beer and was less filling. The campaign ran for 17 years and helped make Miller Lite the second-best-selling beer in the United States for many years, as well as making light beer a legitimate segment of the beer market.

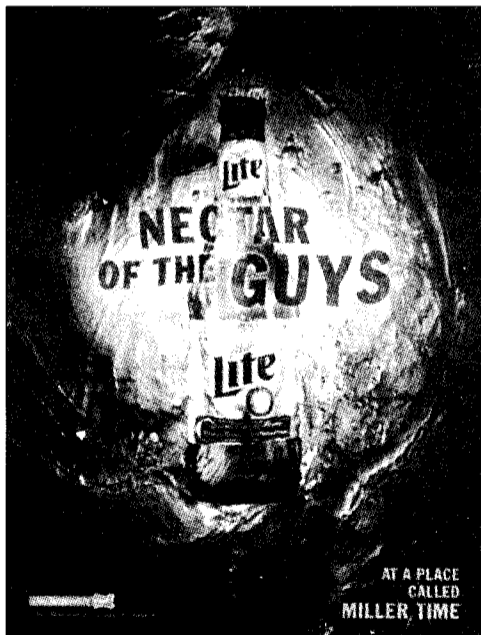
In the late 80s, Miller began taking the campaign in a new direction, and the ads began moving away from the use of ex-athletes. Although the tagline was still being used, the executions started using rock bands, old movie and party scenes, the Miller Lite girls, and other images in order to appeal to a broader and younger market. Miller Lite was also facing strong competition in the light-beer market from other brands such as Bud Light and Coors Light. Despite not entering the market until 1982, Anheuser-Busch had developed Bud Light into a strong brand and Coors Light had replaced the flagship brand as the company’s best-selling product. By the early 90s, Miller Lite was continuing to lose market share and the company decided to drop the “Tastes great, Less Filling” campaign. What followed was a six-year odyssey of advertising flip-flops that included adolescent humor and far-out wit to chase young male beer drinkers. Spots featuring cowboys singing good-bye to their beer on the way to the bathroom didn’t help sell a lot of Miller Lite.

In early 1999 Miller dusted off the 24-year-old formula of having people debate the merits of the brand. The new ad theme, “The Great Taste of a True Pilsner Beer,” pitted celebrities against one another in mock arguments over whether Miller Lite tastes great because its smooth or because of its choice hops. Miller marketing people felt the celebrity-bickering approach would work a second time because the new campaign was different from the original ads. In the new campaign there was no more talk about “less filling,” since this claim had lost its uniqueness as other light beers appeared. The ads focused on Miller Lite’s taste and ingredients, which is what the company felt really mattered to beer

drinkers. This campaign lasted less than a year: Miller switched agencies as well as ad themes and revived the 30-year-old “Miller Time” tagline that was used in the 1970s for the Miller High Life brand. The new ads, from the Ogilvy & Mather agency, modified the theme to “Grab a Miller Lite. It’s Miller Time” and featured guys bonding over beer, sexy women, and humorous vignettes. They showed friends doing things and enjoying their time together and focused on the ritual and camaraderie of having a beer. The agency’s creative director noted: “When we get down to the heart and soul of the brand, it’s always been about the occasion and the time guys spend together—the banter and the real talk.”

In 2002 the agency took the bonding concept in a slightly different direction with a new campaign for Miller Lite featuring ads that focus on real consumer insights and storytelling. The commercials open with a flashback to an embarrassing moment and end showing the embarrassed person telling the story. For example, one of the ads begins with a couple in a car, each with something he or she wants to discuss. The young man talks first, telling the woman he doesn’t want to marry her. She then tells him that she won millions in the lottery. The commercial ends with the man telling the story to friends while playing pool and, afterward, one of the friends sneaking off to phone the woman for a date. Each ad closes with the slogan “Life is best told over a great-tasting Miller Lite at a place called Miller Time.” Print executions also focus on the theme of friends getting together to enjoy a Miller Lite.

The new Miller Lite ads have been received very favorably by Miller beer distributors and by consumers. Some critics have argued that, with the storyteller ads, Miller has created one of its most popular campaigns since “Tastes Great, Less Filling.” A Miller executive notes: “This whole storytelling metaphor is very powerful. Consumers tell us, ‘This is how I drink beer with my friends.’” Of course, the company hopes that the new ads ensure that Miller Lite is the brand consumers are drinking when they get together with their friends.



Sources: Michael McCarthy, “Miller Turns to Classic Strategy,” *USA TODAY*, Aug. 5, 2002, p. 2B; Sally Beatty, “Philip Morris Taps Old Formula to Help Boost Miller Lite Brand,” *The Wall Street Journal*, Mar. 15, 1999, p. B5.

Like any other area of the marketing and promotional process, the creative aspect of advertising and the development of the campaign theme is guided by specific goals and objectives. A creative strategy that focuses on what must be communicated will guide the selection of the campaign theme and the development of all messages used in the ad campaign. The creative strategy is based on several factors, including identification of the target audience; the basic problem, issue, or opportunity the advertising must address; the major selling idea or key benefit the message needs to communicate; and any supportive information that needs to be included in the ad. Once these factors are determined, a creative strategy statement should describe the message appeal and execution style that will be used. Many ad agencies outline these elements in a document known as the copy or creative platform.

Copy Platform

The written **copy platform** specifies the basic elements of the creative strategy. Different agencies may call this document a *creative platform* or *work plan*, *creative brief*, *creative blueprint*, or *creative contract*. The account representative or manager assigned to the account usually prepares the copy platform. In larger agencies, an individual from research or the strategic account planning department may write it. People from the agency team or group assigned to the account, including creative personnel as well as representatives from media and research, have input. The advertising manager and/or the marketing and brand managers from the client side ultimately approve the copy platform. Figure 8-4 shows a sample copy-platform outline that can be used to guide the creative process. Just as there are different names for the copy platform, there are variations in the outline and format used and in the level of detail included.

Several components of the copy platform were discussed in previous chapters. For example, Chapter 7 examined the DAGMAR model and showed how the setting of advertising objectives requires specifying a well-defined target audience and developing a communication task statement that spells out what message must be communicated to this audience. Determining what problem the product or service will solve or what issue must be addressed in the ad helps in establishing communication objectives for the campaign to accomplish. For example, in developing a campaign for Polaroid a few years ago, Goodby, Silverstein & Partners was faced with the challenge of redefining the relevancy of instant photography and bringing Polaroid cameras out of the closet and back into everyday use. Working with Polaroid's marketing personnel, the agency came up with the idea of focusing on an instant picture as a solution to a problem, an instant tool or "catalyst" to make something happen. The advertising message is designed to give people ideas about how to use their forgotten Polaroid cameras.

Two critical components of the copy platform are the development of the major selling idea and creative strategy development. These two steps are often the responsibility of the creative team or specialist and form the basis of the advertising campaign theme. For Polaroid, the major selling idea was "the picture is only the beginning," and the resulting campaign theme built around this idea was "See what develops." The creative strategy was to have each ad in the campaign tell a story in which a Polaroid camera sets off a chain reaction. For example, one of the TV commercials featured a harried architect in a meeting telling his wife on the phone that he can't possibly come

Figure 8-4 Copy platform outline

1. Basic problem or issue the advertising must address.
2. Advertising and communications objectives.
3. Target audience.
4. Major selling idea or key benefits to communicate.
5. Creative strategy statement (campaign theme, appeal, and execution technique to be used).
6. Supporting information and requirements.



Exhibit 8-9 The major selling idea behind this Polaroid commercial is that the picture is only the beginning of the story

home for lunch. But in a sultry voice she tells him to look in his briefcase, saying “I left you something this morning.” He pulls out a Polaroid photo, his eyes widen, and he says, “I’ll be there in 10 minutes.” Another humorous spot from the campaign shows a dog, wrongfully being scolded for upsetting the trash while an evil-looking cat sneers from the other side of the kitchen. The owner leaves, and the dog goes for the trash once again. However, this time the dog takes a Polaroid snapshot of the cat, astride the trash with a chicken bone in its mouth, and then patiently waits, incriminating photo in mouth, as the door opens and the owner returns. “Oh dear,” we hear as the picture fades (Exhibit 8-9).

Many copy platforms also include supporting information and requirements (brand identifications, disclaimers, and the like) that should appear in any advertising message. This information may be important in ensuring uniformity across various executions of the ads used in a campaign or in meeting any legal requirements. One of the major challenges for the creative team is determining the major selling idea that will be used as the basis of the campaign. We examine below some approaches often used for determining the major selling idea and campaign theme.

The Search for the Major Selling Idea

An important part of creative strategy is determining the central theme that will become the **major selling idea** of the ad campaign. As A. Jerome Jeweler states in his book *Creative Strategy in Advertising*:

The major selling idea should emerge as the strongest singular thing you can say about your product or service. This should be the claim with the broadest and most meaningful appeal to your target audience. Once you determine this message, be certain you can live with it; be sure it stands strong enough to remain the central issue in every ad and commercial in the campaign.²⁷

Some advertising experts argue that for an ad campaign to be effective it must contain a big idea that attracts the consumer’s attention, gets a reaction, and sets the advertiser’s product or service apart from the competition’s. Well-known adman John O’Toole describes the *big idea* as “that flash of insight that synthesizes the purpose of the strategy, joins the product benefit with consumer desire in a fresh, involving way, brings the subject to life, and makes the reader or audience stop, look, and listen.”²⁸

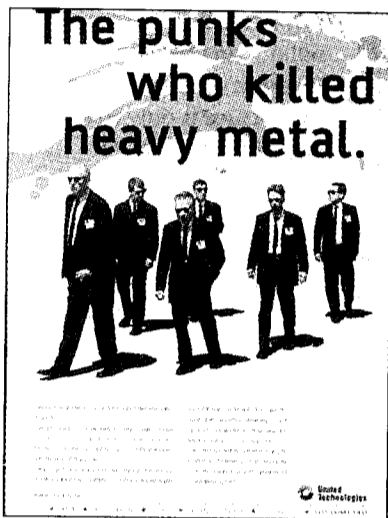


Exhibit 8-10 United Technologies “punks” ad is an excellent example of a big idea in business-to-business advertising

Of course, the real challenge to the creative team is coming up with the big idea to use in the ad. Many products and services offer virtually nothing unique, and it can be difficult to find something interesting to say about them. The late David Ogilvy, generally considered one of the most creative advertising copywriters ever to work in the business, has stated:

I doubt if more than one campaign in a hundred contains a big idea. I am supposed to be one of the more fertile inventors of big ideas, but in my long career as a copywriter I have not had more than 20, if that.²⁹

While really great ideas in advertising are difficult to come by, there are many big ideas that became the basis of very creative, successful advertising campaigns. Classic examples include “We try harder,” which positioned Avis as the underdog car-rental company that provided better service than Hertz; the “Pepsi generation” theme and subsequent variations like “the taste of a new generation” and “GenerationNext”; the “Be all you can be” theme used in recruitment ads for the U.S. Army; and Wendy’s “Where’s the beef?” which featured the late, gravelly voiced Clara Peller delivering the classic line that helped make the fast-food chain a household name. More recent big ideas that have resulted in effective advertising campaigns include the “Intel inside” campaign for Intel microprocessors that go in personal computers; Nike’s “Just do it”; the “It keeps going and going” theme for Energizer batteries, featuring the pink bunny; and the “Like a rock” theme for Chevrolet trucks.

Big ideas are important in business-to-business advertising as well. For example, United Technologies Corp., a company that provides high-technology products to aerospace and building-systems industries throughout the world, recently began a major advertising campaign to increase awareness of the firm and its various subsidiaries. One of the first advertisements in the campaign was the eye-catching ad shown in Exhibit 8-10, which uses the headline “the punks who killed heavy metal,” with the headline atop of what vaguely looks like a movie blood splotch. The copy explains that the punks are actually scientists (notice the white pocket protectors) from the company’s research center and touts their role in developing metal foams—materials much lighter than traditional metals—that will help make a variety of UTC products, from helicopters to jet engines to elevators, lighter and more economical to operate. The ad was very effective in cutting through the clutter of corporate advertising in publications such as the *Wall Street Journal*, *Barron’s* and *BusinessWeek*.

It is difficult to pinpoint the inspiration for a big idea or to teach advertising people how to find one. However, several approaches can guide the creative team’s search for a major selling idea and offer solutions for developing effective advertising. Some of the best-known approaches follow:

- Using a unique selling proposition.
- Creating a brand image.
- Finding the inherent drama.
- Positioning.

Unique Selling Proposition The concept of the **unique selling proposition (USP)** was developed by Rosser Reeves, former chair of the Ted Bates agency, and is described in his influential book *Reality in Advertising*. Reeves noted three characteristics of unique selling propositions:

1. Each advertisement must make a proposition to the consumer. Not just words, not just product puffery, not just show-window advertising. Each advertisement must say to each reader: “Buy this product and you will get this benefit.”
2. The proposition must be one that the competition either cannot or does not offer. It must be unique either in the brand or in the claim.
3. The proposition must be strong enough to move the mass millions, that is, pull over new customers to your brand.³⁰

Reeves said the attribute claim or benefit that forms the basis of the USP should dominate the ad and be emphasized through repetitive advertising. An example of advertising based on a USP is the campaign for Colgate's new Total toothpaste (Exhibit 8-11). The brand's unique ingredients make it the only toothpaste that provides long-lasting protection and has been proved effective in fighting cavities between brushings.

For Reeves's approach to work, there must be a truly unique product or service attribute, benefit, or inherent advantage that can be used in the claim. The approach may require considerable research on the product and consumers, not only to determine the USP but also to document the claim. As we shall see in Chapter 21, the Federal Trade Commission objects to advertisers' making claims of superiority or uniqueness without providing supporting data. Also, some companies have sued their competitors for making unsubstantiated uniqueness claims.³¹

Advertisers must also consider whether the unique selling proposition affords them a *sustainable competitive advantage* that competitors cannot easily copy. In the packaged-goods field in particular, companies quickly match a brand feature for feature, so advertising based on USPs becomes obsolete. For example, a few years ago Procter & Gamble invented a combination shampoo and conditioner to rejuvenate its struggling Pert brand. The reformulated brand was called Pert Plus and its market share rose from 2 to 12 percent, making it the leading shampoo. But competing brands like Revlon and Suave quickly launched their own two-in-one formula products.³²

Creating a Brand Image In many product and service categories, competing brands are so similar that it is very difficult to find or create a unique attribute or benefit to use as the major selling idea. Many of the packaged-goods products that account for most of the advertising dollars spent in the United States are difficult to differentiate on a functional or performance basis. The creative strategy used to sell these products is based on the development of a strong, memorable identity for the brand through **image advertising**.

David Ogilvy popularized the idea of brand image in his famous book *Confessions of an Advertising Man*. Ogilvy said that with image advertising, "every advertisement should be thought of as a contribution to the complex symbol which is the brand image." He argued that the image or personality of the brand is particularly important when brands are similar:

The greater the similarity between brands, the less part reason plays in brand selection. There isn't any significant difference between the various brands of whiskey, or cigarettes, or beer. They are all about the same. And so are the cake mixes and the detergents and the margarines. The manufacturer who dedicates his advertising to building the most sharply defined personality for his brand will get the largest share of the market at the highest profit. By the same token, the manufacturers who will find themselves up the creek are those shortsighted opportunists who siphon off their advertising funds for promotions.³³

Image advertising has become increasingly popular and is used as the main selling idea for a variety of products and services, including soft drinks, liquor, cigarettes, cars, airlines, financial services, perfume/colognes, and clothing. Many consumers wear designer jeans or Ralph Lauren polo shirts or drink certain brands of beer or soft drinks because of the image of these brands. The key to successful image advertising is developing an image that will appeal to product users. For example, the sports apparel company No Fear uses this type of advertising to create a unique image for the brand as representing the outer limits of human performance. Ads like the one in Exhibit 8-12 have helped create this image for No Fear.

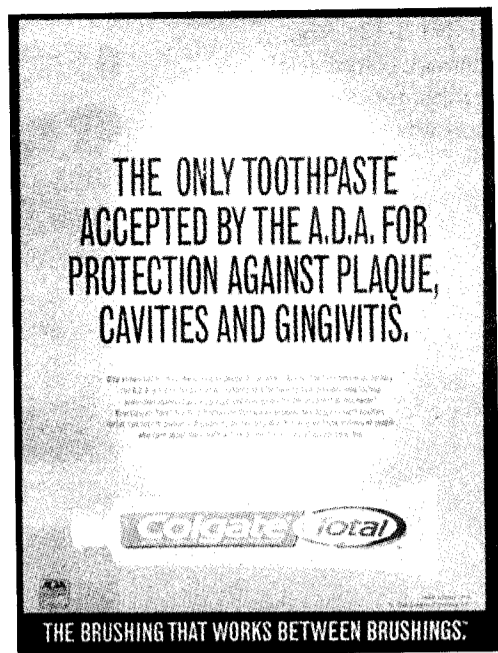


Exhibit 8-11 This Colgate Total ad uses a unique selling proposition

Exhibit 8-12 Advertising for No Fear creates a unique image for the brand as representing the outer limits of human performance

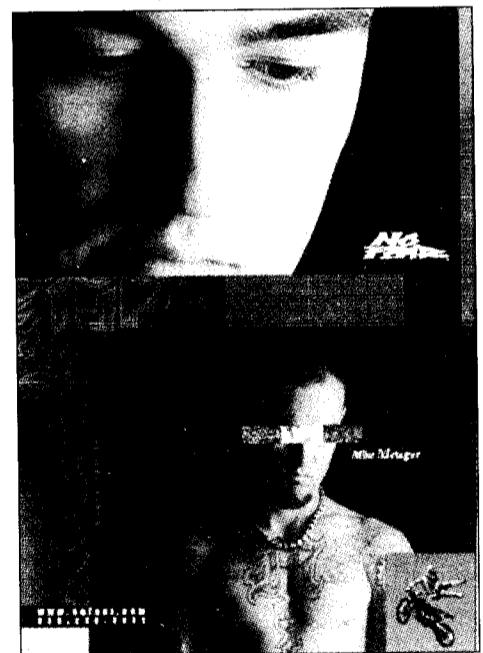


Exhibit 8-13 This Hallmark commercial uses an inherent-drama approach



Finding the Inherent Drama Another approach to determining the major selling idea is finding the **inherent drama** or characteristic of the product that makes the consumer purchase it. The inherent drama approach expresses the advertising philosophy of Leo Burnett, founder of the Leo Burnett agency in Chicago. Burnett said inherent-drama “is often hard to find but it is always there, and once found it is the most interesting and believable of all advertising appeals.”³⁴ He believed advertising should be based on a foundation of consumer benefits with an emphasis on the dramatic element in expressing those benefits.

Burnett advocated a down-home type of advertising that presents the message in a warm and realistic way. Some of the more famous ads developed by his agency using the inherent-drama approach are for McDonald’s, Maytag appliances, Kellogg cereals, and Hallmark cards. Notice how the Hallmark commercial shown in Exhibit 8-13 uses this approach to deliver a poignant message.

Positioning The concept of *positioning* as a basis for advertising strategy was introduced by Jack Trout and Al Ries in the early 1970s and has become a popular basis of creative development.³⁵ The basic idea is that advertising is used to establish or “position” the product or service in a particular place in the consumer’s mind. Positioning is done for companies as well as for brands. For example, the ad shown in Exhibit 8-14 is part of a campaign designed to reinforce 3M’s image and position as an innovative company.

This ad
positions 3M as an
innovative company

How do you lure visitors
to a new theme park?



2 Let dolphins reel them in.

When companies need to make a splash in the marketplace, 3M[®] Scotchprint[™] Graphics make big waves. Because now any image, of any size, can be applied to virtually any surface quickly and inexpensively.

Scotchprint Graphics. A highly intelligent form of marketing. And another way we make the leap *from need to...*

3M Innovation

© 1994 3M
THE 3M COMPANY, 1400 BEECHER DRIVE, ST. PAUL, MN 55121

Trout and Ries originally described positioning as the image consumers had of the brand in relation to competing brands in the product or service category, but the concept has been expanded beyond direct competitive positioning. As discussed in Chapter 2, products can be positioned on the basis of product attributes, price/quality, usage or application, product users, or product class. Any of these can spark a major selling idea that becomes the basis of the creative strategy and results in the brand's occupying a particular place in the minds of the target audience. Since positioning can be done on the basis of a distinctive attribute, the positioning and unique selling proposition approaches can overlap. Positioning approaches have been used as the foundation for a number of successful creative strategies.

Positioning is often the basis of a firm's creative strategy when it has multiple brands competing in the same market. For example, the two top-selling brands of motor oil, Pennzoil and Quaker State, were merged into the same company when the two companies merged a few years ago. The Pennzoil-Quaker State Co. creates separate identities for the two brands by positioning them differently.³⁶ Pennzoil is positioned as a brand that stands for protection, while Quaker State uses a performance positioning. Advertising for Pennzoil uses the "we're driving protection" tagline, while Quaker State ads use the "stay tuned" theme. (Exhibit 8-15)

The USP, brand image, inherent-drama, and positioning approaches are often used as the basis of the creative strategy for ad campaigns. These creative styles have become associated with some of the most successful creative minds in advertising and their agencies.³⁷ However, many other creative approaches are available.

Some of the more contemporary advertising visionaries who have had a major influence on modern-day advertising include Hal Riney of Hal Riney & Partners, Lee Clow and Jay Chiat of TBWA/Chiat/Day, Dan Wieden of Wieden & Kennedy, and Jeff Goodby and Rich Silverstein of Goodby, Silverstein & Partners. In describing today's creative leaders, Anthony Vagnoni of *Advertising Age* writes: "The modern creative kings don't write books, rarely give interviews or lay out their theories on advertising. They've endorsed no set of rules, professed no simple maxims like Mr. Ogilvy's

Advertising for Pennzoil and Quaker State positions the brands differently

CALIFORNIA DRIVER LICENSE
 CLASS: C
 JONAS SKIBERT
 485 F. MARSHALL BLVD
 FRESNO, CA 93706
 SEX: M HGT: 5'08" EYES: BRN
 HAIR: BLK WT: 155LB DOB: 09-22-69
 License No. 16002074
 Issued: 04-28-04

WHY DO MORE DRIVERS TRUST PENNZOIL?

PEOPLE ARE TOUGH ON CARS.

CARS HAVE ENGINES.

ENGINES NEED PROTECTION.

PENNZOIL
DRYING PROTECTION

Stay Tuned.
 Title: "Barber" - Rev./New Time: 30 seconds Code: PQS2-0003

AMNCR: Skip Barber
 Formula One Racer.
 Founder of one of America's best racing schools.
 He knows performance, he lives it, he also uses...

...new Quaker State oils are formulated for top-level performance...

...in different engines, like your Quaker State.

...Full Synthetic. The finest for advanced engines.

And now only Quaker State.

...offers a warranty covering all lubricated engine parts.

Even if you change your own oil.

JEFF GORDON
 He's been picking for me.
 For performance you can count on.

AMNCR
 For performance you can count on.

Quaker State. Stay Tuned.

famous 'When you don't have anything to say, sing it.' If pronouncements and books are out the window, what's replaced them is a conscious desire to lift the intelligence level of advertising. Today's leaders see advertising as an uplifting social force, as a way to inspire and entertain."³⁸

Goodby and Silverstein note: "Advertising works best when it sneaks into people's lives, when it doesn't look or feel like advertising. It's about treating people at their best, as opposed to dealing with them at their lowest common denominator." They describe their creative formula as doing intelligent work that the public likes to see and that, at the same time, has a sales pitch.³⁹ Lee Clow says: "No rule book will tell you how to target the masses anymore. The best of us understand the sociocultural realities of people and how they interact with the media. If we didn't, we couldn't make the kinds of messages that people would be able to connect with."⁴⁰

Specific agencies are by no means limited to any one creative approach. For example, the famous "Marlboro country" campaign, a classic example of image advertising, was developed by Leo Burnett Co. Many different agencies have followed the unique selling proposition approach advocated by Rosser Reeves at Ted Bates. The challenge to the creative specialist or team is to find a major selling idea—whether it is based on a unique selling proposition, brand image, inherent drama, position in the market, or some other approach—and use it as a guide in developing an effective creative strategy.

Summary

The creative development and execution of the advertising message are a crucial part of a firm's integrated marketing communications program and are often the key to the success of a marketing campaign. Marketers generally turn to ad agencies to develop, prepare, and implement their creative strategy since these agencies are specialists in the creative function of advertising. The creative specialist or team is responsible for developing an effective way to communicate the marketer's message to the customer. Other individuals on both the client and the agency sides work with the creative specialists to develop the creative

strategy, implement it, and evaluate its effectiveness.

The challenge facing the writers, artists, and others who develop ads is to be creative and come up with fresh, unique, and appropriate ideas that can be used as solutions to communications problems. Creativity in advertising is a process of several stages, including preparation, incubation, illumination, verification, and revision. Various sources of information are available to help the creative specialists determine the best campaign theme, appeal, or execution style.

Creative strategy development is guided by specific goals and objectives and is based on a num-

ber of factors, including the target audience, the basic problem the advertising must address, the objectives the message seeks to accomplish, and the major selling idea or key benefit the advertiser wants to communicate. These factors are generally stated in a copy platform, which is a work plan used to guide development of the ad campaign. An important part of creative strategy is determining the major selling idea that will become the central theme of the campaign. There are several approaches to doing this, including using a unique selling proposition, creating a brand image, looking for inherent drama in the brand, and positioning.

Key Terms

creative strategy, 237
creative tactics, 237
advertising creativity, 241
account planning, 246
general preplanning input, 247

product/service-specific preplanning input, 248
problem detection, 248
focus groups, 250
ethnographic research, 250

storyboard, 251
animatic, 251
advertising campaign, 251
campaign theme, 251
copy platform, 254

major selling idea, 255
unique selling proposition (USP), 256
image advertising, 257
inherent drama, 258

Discussion Questions

1. The opening vignette discusses Nike's strategic initiative to improve the way the company does business with women which includes finding new ways to reach and communicate with them. Evaluate the efforts of Nike to reach women from an integrated marketing communications perspective. Do you feel Nike will be successful in its efforts to communicate with women?

2. Explain what is meant by creative strategy and creative tactics in advertising. Find an example of an advertising campaign and evaluate the creative strategy and tactics used in the ads.

3. Figure 8-1 lists the various advertising campaign themes used by Burger King over the past 15 years. Why do you think the company has had such a difficult time finding an effective advertising theme and changed campaigns and agencies so many times? Find an example of a current Burger King ad and evaluate the advertising theme being used.

4. What is your opinion of advertising awards, such as the Cannes Lions, that are based solely on creativity? If you were a marketer, would you take these creative awards into consideration in your agency evaluation process? Why or why not?

5. Find an example of an advertising campaign for a company or brand that you feel is very good and evaluate it using the universal advertising standards of the D'Arcy Benton & Bowles agency that are shown in Figure 8-2. Discuss how the advertising reflects these standards.

6. IMC Perspective 8-2 discusses the debate over creative versus hard-sell advertising. Discuss the arguments for and against each perspective. Which do you support? Who should be responsible for judging the creativity of an ad—clients or agency creative personnel?

7. What are the various stages of the creative process? Do you agree with the notion that advertising creativity can or should follow a definitive process?

8. Assume that you have been hired as an account planner by an advertising agency and assigned to work on the advertising campaign for a new brand of bottled water. Describe the various types of general and product-specific pre-planning input you might provide to the creative team.

9. What are the differences between focus group research and ethnographic research? Discuss how each research method could be used to provide qualitative research input that could be used in the creative process.

10. IMC Perspective 8-4 discusses the problems Miller Lite has had in developing a successful advertising campaign. Evaluate the various campaign themes that have been used for Miller Lite in recent years

and discuss why they have not been effective. Evaluate the current campaign being used for the brand.

11. Find an example of an ad or campaign that you think reflects one of the approaches used to develop a major selling idea such as unique selling proposition, brand image, inherent drama, or positioning. Discuss how the major selling idea is reflected in this ad or campaign.

Creative Strategy: Implementation and Evaluation

9

Chapter Objectives

1. To analyze various types of appeals that can be used in the development and implementation of an advertising message.
2. To analyze the various creative execution styles that advertisers can use and the advertising situations where they are most appropriate.
3. To analyze various tactical issues involved in the creation of print advertising and TV commercials.
4. To consider how clients evaluate the creative work of their agencies and discuss guidelines for the evaluation and approval process.

Reaching for the Skyy

The last five years have been heady times for vodka as the product category has experienced strong growth and one wave of chic new brands has been followed by another. Consumption of vodka has increased steadily since 1998, and the vodka category is double the size of the next



distilled-spirits segment, rum. Ironically, a bland-tasting product that was best known for helping Russians make it through a cold, bleak winter has become a status symbol for many trendy 20- and 30-somethings in America. Marketers have been trying to capitalize on the growing popularity of vodka, and the growth of the "cocktail culture" that has brought more young adults to the spirits market, by creating a distinct image for their brands and getting consumers to think of them as cutting edge, edgy, and hip. While a myriad of new vodka brands have been introduced in recent years, none has been as successful at attracting the attention of consumers as Skyy. The brand has overtaken Stolichnaya as the number-two super-premium vodka in the United States, trailing only Absolut.

Skyy was founded in 1992 by Maurice Kanbar, who developed it as a premium brand for older connoisseurs, like himself, desirous of the perfect martini. Kanbar developed a four-stage distillations process that extracts many of the congeners, which are natural impurities that remain in alcohol after distillations and may contribute to headaches, and created what he believed to be the purest of vodkas. The Skyy name came to him one day when he was looking out the window of his San Francisco apartment and viewing a brilliant blue sky. The additional "y" in the brand name was simply an addition to make the name less common and develop a trademark, while the cobalt-blue bottle was selected to connote a distinctive, daring product.

Much of Skyy's initial growth was driven by word of mouth. The company was successful in getting its eye-catching blue bottle into swanky Hollywood parties and nightclubs known for attracting a hip crowd. Skyy quickly generated a buzz on the nightclub circuit, where word spread that its quadruple-distilled formula reduced the likelihood of hangovers. The company also spent much of its limited marketing budget on sponsoring independent film festivals and producing artsy short films that were shown at these events. Skyy commissioned these short films by well-known independent film directors as part of its commitment to the independent film industry, which is one of Kanbar's passions. The directors are not asked to create an advertisement for Skyy, although each film does include "a cocktail moment." The Oscar-winning director of the film *Europa* has directed one of the films, and supermodel Claudia Schiffer has costarred with Skyy in another cocktail moment. The company uses the Internet to feature these films as a way of expanding its presence on the Web and also shows them as part of the festivals and movie premieres that it sponsors.

Advertising has also become an important part of Skyy's brand-building efforts. When the

Lambesis agency took over the account in 1998, the challenge was to create a brand image that would generate buzz among young adults and create awareness and trial in a category already dominated by strong brands such as Absolut and Stolichnaya. The agency realized that it would be critical to establish an emotional connection with young adults, who were beginning to develop their brand loyalties, and set out to create image-based advertising that would distinguish the brand from competitors' more product-focused ads.

The "Skyy Cinema" campaign was launched in 1998 and targets 21- to 34-year-old urban, metro-consumers. To establish Skyy's brand platform, identifiable cinematic cocktail moments were created for the advertising. The high-impact ads do not contain any copy but, rather, rely on stylish, seductive visuals that set up various *noir*-inspired story lines but leave the actual scenarios up to the mind of the viewer. Chad Farmer, the creative director for Lambesis, notes that all the ads establish Skyy's distinctive cobalt-blue bottle as the "star" and have made it an iconic symbol while showcasing the brand as a catalyst for a great cocktail moment. To create a buzz about the campaign, a media plan was developed to reach style-conscious trendsetters through avant-garde publications such as *Paper* and *Interview*. As the buzz

developed, more mainstream magazines were added to the media mix, such as *Details*, *Spin*, *Vogue*, *Rolling Stone*, *InStyle*, *Movieline*, and *Entertainment Weekly*, along with outdoor ads in key influential markets.

Skyy's former brand manager, Teresa Zepeda, notes that Skyy is all about style, innovation, and quality. She notes: "We have to be disciplined and be focused, and make an impact speaking to our target rather than speaking to every consumer just a little bit." Skyy has achieved its tremendous growth despite spending only a fraction of the media dollars of its big-spending competitors such as Absolut and Stolichnaya. Zepeda adds, "We look bigger than we actually are and that is the strength of our creative and focus behind the brand." Actually Skyy is becoming quite big: Its sales have jumped from 3,000 cases in 1993 to more than 1.3 million cases in 2002. The liquor trade has recognized Skyy as the "fasting-growth spirit of the decade," and it has received *Impact* magazine's Hot Brand Award in the spirits category for six consecutive years. It appears the skyy may be the limit for this hot brand.

Sources: Kenneth Hein, "Strategy: Skyy Sets the Stage in Sultry Cinematic Scenes," *Adweek*, June 17, 2002; Melinda Fulmer, "Skyy Vodka Shoots for the Hip," *Los Angeles Times*, Apr. 17, 1999, pp. C1, 3; Theresa Howard, "Marketers of the Next Generation: Teresa Zepeda," *Brandweek*, Nov. 8, 1999, pp. 18-21.

In Chapter 8, we discussed the importance of advertising creativity and examined the various steps in the creative process. We focused on determining what the advertising message should communicate. This chapter focuses on *how* the message will be executed. It examines various appeals and execution styles that can be used to develop the ad and tactical issues involved in the design and production of effective advertising messages. We conclude by presenting some guidelines clients can use to evaluate the creative work of their agencies.

Appeals and Execution Styles

The **advertising appeal** refers to the approach used to attract the attention of consumers and/or to influence their feelings toward the product, service, or cause. An advertising appeal can also be viewed as "something that moves people, speaks to their wants or needs, and excites their interest."¹ The **creative execution style** is the way a particular appeal is turned into an advertising message presented to the consumer. According to William Weilbacher:

The appeal can be said to form the underlying content of the advertisement, and the execution the way in which that content is presented. Advertising appeals and executions are usually independent of each other; that is, a particular appeal can be executed in a variety of ways and a particular means of execution can be applied to a variety of advertising appeals. Advertising

appeals tend to adapt themselves to all media, whereas some kinds of executional devices are more adaptable to some media than others.²

Advertising Appeals

Hundreds of different appeals can be used as the basis for advertising messages. At the broadest level, these approaches are generally broken into two categories: informational/rational appeals and emotional appeals. In this section, we focus on ways to use rational and emotional appeals as part of a creative strategy. We also consider how rational and emotional appeals can be combined in developing the advertising message.

Informational/Rational Appeals Informational/rational appeals focus on the consumer's practical, functional, or utilitarian need for the product or service and emphasize features of a product or service and/or the benefits or reasons for owning or using a particular brand. The content of these messages emphasizes facts, learning, and the logic of persuasion.³ Rational-based appeals tend to be informative, and advertisers using them generally attempt to convince consumers that their product or service has a particular attribute(s) or provides a specific benefit that satisfies their needs. Their objective is to persuade the target audience to buy the brand because it is the best available or does a better job of meeting consumers' needs. For example, the Nordica ad shown in Exhibit 9-1 uses a rational appeal to explain the features and benefits of its Beast Synergy System ski collection.

Many rational motives can be used as the basis for advertising appeals, including comfort, convenience, economy, health, and sensory benefits such as touch, taste, and smell. Other rational motives or purchase criteria commonly used in advertising include quality, dependability, durability, efficiency, efficacy, and performance. The particular features, benefits, or evaluative criteria that are important to consumers and can serve as the basis of an informational/rational appeal vary from one product or service category to another as well as among various market segments.

Weilbacher identified several types of advertising appeals that fall under the category of rational approaches, among them feature, competitive advantage, favorable price, news, and product/service popularity appeals.

Exhibit 8-3 Nordica uses a rational appeal to advertise the features of its skis and bindings



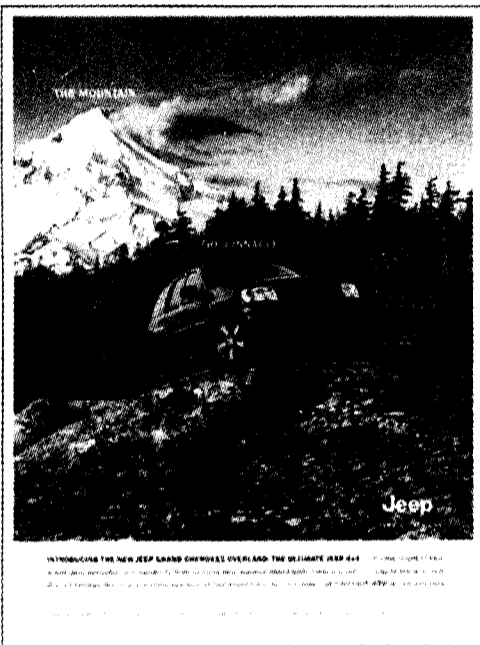


Exhibit 9-2
DaimlerChrysler uses a feature appeal ad to promote its new Jeep® Grand Cherokee Overland

Ads that use a *feature appeal* focus on the dominant traits of the product or service. These ads tend to be highly informative and present the customer with a number of important product attributes or features that will lead to favorable attitudes and can be used as the basis for a rational purchase decision. Technical and high-involvement products such as automobiles often use this type of advertising appeal. Notice how the ad shown in Exhibit 9-2 focuses on the various features of the new Jeep Grand Cherokee Overland.

When a *competitive advantage appeal* is used, the advertiser makes either a direct or an indirect comparison to another brand (or brands) and usually claims superiority on one or more attributes. This type of appeal was discussed in Chapter 6 under “Comparative Advertising.”

A *favorable price appeal* makes the price offer the dominant point of the message. Price appeal advertising is used most often by retailers to announce sales, special offers, or low everyday prices. Price appeal ads are often used by national advertisers during recessionary times. Many fast-food chains have made price an important part of their marketing strategy through promotional deals and “value menus” or lower overall prices, and their advertising strategy is designed to communicate this. Many other types of advertisers use price appeals as well, such as airlines and car-rental companies.

News appeals are those in which some type of news or announcement about the product, service, or company dominates the ad. This type of appeal can be used for a new product or service or to inform consumers of significant modifications or improvements. This appeal works best when a company has important news it wants to communicate to its target market. The Quaker Oatmeal ad shown in Exhibit 9-3, which announced the news from the Food and Drug Administration regarding the health benefits of eating oatmeal, is an example of a news appeal.

Product/service popularity appeals stress the popularity of a product or service by pointing out the number of consumers who use the brand, the number who have

Exhibit 9-3 Quaker Oatmeal uses a news appeal to promote the health benefits of oatmeal

Now he has another reason to smile!

Heart healthy news announced by the FDA.

Soluble fiber from oatmeal, as part of a low saturated fat, low cholesterol diet, may reduce the risk of heart disease.

Quaker Oatmeal. Oh, what those Oats can do.™

©1997 DOC <http://www.quakeroatmeal.com>

Exhibit 9-4 This ad promotes the popularity of Excedrin among doctors



Exhibit 9-5 Nutri-Grain appeals to consumers' self-esteem and respect in this clever ad



switched to it, the number of experts who recommend it, or its leadership position in the market. The main point of this advertising appeal is that the wide use of the brand proves its quality or value and other customers should consider using it. The Excedrin ad in Exhibit 9-4 uses this type of advertising appeal.

Emotional Appeals Emotional appeals relate to the customers' social and/or psychological needs for purchasing a product or service. Many consumers' motives for their purchase decisions are emotional, and their feelings about a brand can be more important than knowledge of its features or attributes. Advertisers for many products and services view rational, information-based appeals as dull. Many advertisers believe appeals to consumers' emotions work better at selling brands that do not differ markedly from competing brands, since rational differentiation of them is difficult.⁴

Many feelings or needs can serve as the basis for advertising appeals designed to influence consumers on an emotional level, as shown in Figure 9-1. These appeals are based on the psychological states or feelings directed to the self (such as pleasure or excitement), as well as those with a more social orientation (such as status or recognition). The ad for Kellogg's Nutri-Grain cereal bars shown in Exhibit 9-5 appeals to

Personal States or Feelings	Social-Based Feelings
Safety	Recognition
Security	Status
Fear	Respect
Love	Involvement
Affection	Embarrassment
Happiness	Affiliation/belonging
Joy	Rejection
Nostalgia	Acceptance
Sentiment	Approval
Excitement	
	Arousal/stimulation
	Sorrow/grief
	Pride
	Achievement/accomplishment
	Self-esteem
	Actualization
	Pleasure
	Ambition
	Comfort

Figure 9-1 Bases for emotional appeals

emotional motives such as self-esteem and respect by using a clever visual image to suggest what might happen to women who eat pastry in the morning. The “Respect yourself” campaign has been very effective in positioning Nutri-Grain as a healthy alternative for those who don’t take time to eat breakfast.

Advertisers can use emotional appeals in many ways in their creative strategy. Kamp and Macinnis note that commercials often rely on the concept of *emotional integration*, whereby they portray the characters in the ad as experiencing an emotional benefit or outcome from using a product or service.⁵ Ads using humor, sex, and other appeals that are very entertaining, arousing, upbeat, and/or exciting can affect the emotions of consumers and put them in a favorable frame of mind. Many TV advertisers use poignant ads that bring a lump to viewers’ throats. Hallmark, AT&T, Kodak, and Oscar Mayer often create commercials that evoke feelings of warmth, nostalgia, and/or sentiment. IMC Perspective 9-1 discusses how many marketers have been using nostalgic appeals by bringing back some of their classic advertising characters and commercials as well as using television stars from the 80s in their ads.

Marketers use emotional appeals in hopes that the positive feeling they evoke will transfer to the brand and/or company. Research shows that positive mood states and feelings created by advertising can have a favorable effect on consumers’ evaluations of a brand.⁶ Studies also show that emotional advertising is better remembered than nonemotional messages.⁷

McDonald’s changed its advertising strategy recently and is putting more emotion in its commercials to evoke a feel-good connection with consumers. The company’s senior vice president of marketing explained the change by stating, “Over the last couple of years, we had been very good on the humor side but we really hadn’t done a lot to reach and touch people with heartwarming or wholesome or romantic or heart-tugging emotions.”⁸ McDonald’s feels the emotional ads take advantage of the chain’s unique bond with consumers, which is a significant point of differentiation in the highly competitive fast-food business.

Another reason for using emotional appeals is to influence consumers’ interpretations of their product usage experience. One way of doing this is through what is known as transformational advertising. A **transformational ad** is defined as “one which associates the experience of using (consuming) the advertised brand with a unique set of psychological characteristics which would not typically be associated with the brand experience to the same degree without exposure to the advertisement.”⁹

Transformational ads create feelings, images, meanings, and beliefs about the product or service that may be activated when consumers use it, transforming their interpretation of the usage experience. Christopher Puto and William Wells note that a transformational ad has two characteristics:

1. It must make the experience of using the product richer, warmer, more exciting, and/or more enjoyable than that obtained solely from an objective description of the advertised brand.
2. It must connect the experience of the advertisement so tightly with the experience of using the brand that consumers cannot remember the brand without recalling the experience generated by the advertisement.¹⁰

Transformational advertising can differentiate a product or service by making the consumption experience more enjoyable. The “reach out and touch someone” campaign used by AT&T for many years to encourage consumers to keep in touch with family and friends by phone is an example of the successful use of transformational advertising. McDonald’s has also used transformational advertising very effectively to position itself as the fast-food chain where parents (or grandparents) can enjoy a warm, happy experience with their children. Norwegian Cruise Lines used transformational advertising to create a unique image of the cruise experience and differentiate itself from competitors with its “As far from the everyday as a ship can take you. That’s the Norwegian Way” campaign. The goal of the campaign was to demonstrate how Norwegian provides each guest with a unique reprieve from the mundane routines of everyday life. Both the dramatic visuals and ad copy depicted the vast array of

Everything Old Is New Again

Advertising generally prides itself on being ahead of the curve and helping to create and define popular culture rather than trying to revisit it. However, recently many advertisers have been bringing back some of their classic advertising characters and commercials rather than looking for new creative ideas. The D'Arcy Masius Benton & Bowles agency brought back the original "Mr. Whipple," the stern grocer known for his famous request, "Please don't squeeze the Charmin," in commercials for the brand. The ads, which ran over a period of 18 months, resulted in an onslaught of e-mails and letters from consumers indicating their fondness for the iconic character. The Quaker company brought back the classic "Mikey" commercial for Life cereal, which first aired in 1972 and ran for 12 years. The spot features a cute three-year-old boy who hates everything but likes the taste of Life cereal when he tries it. The director of account planning at the FCB agency noted that the commercial was successful because people had a warm and fuzzy feeling about Mikey, and it is still relevant today.

Other popular advertising characters from the past have resurfaced recently. Isuzu brought back Joe Isuzu, the sleazy pitchman with a creepy smile who satirizes the clichés of car ads, to hawk its Rodeo SUV after he had been off the air for 11 years. Several animated characters have also returned to the airways, including the Jolly Green Giant for Green Giant vegetables and Charlie the Tuna for Starkist. Music and fashion from the



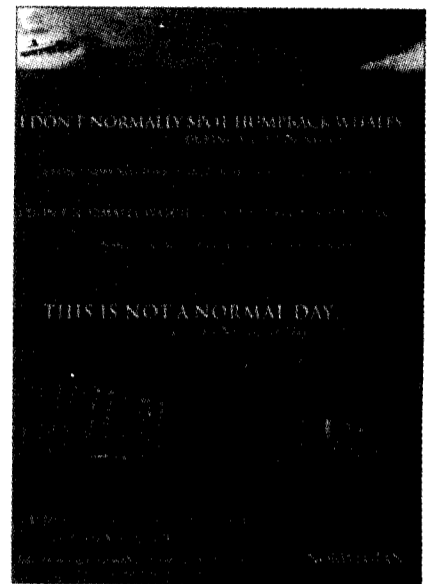
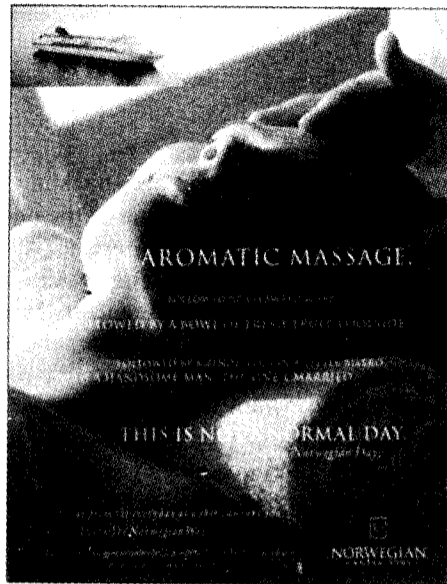
1980s are also back in vogue, so advertisers are bringing back some of the decade's iconic TV stars to appear in their commercials. Alien puppet ALF, whose show was popular in the late 80s, appears in ads for discount phone service 10-10-220, while Mr. T, from the hit show *The A-Team*, endorses 1-800-COLLECT. Robin Leach, who hosted the celebrity-watching show *Lifestyles of the Rich and Famous*, appears in ads for Courtyard by Marriott hotels. Robert Thompson, director of Syracuse University's Center for the Study of Popular Television, says that there's usually a two-decade break between a TV show and the resurrection of its stars.

Astute marketers recognize they cannot rely solely on the recognition and nostalgia generated by past ads and simply bring back the same thing. Thus, advertisers are seeking to avoid the inherent risks associated with retrospective marketing, primarily by contemporizing the classic elements of their ads to make them relevant to current consumers, especially young people. For example, Pepsi created an extravagant commercial featuring pop star Brittany Spears taking a trip through generations of Pepsi advertising and revisiting jingles while dressed in period garb. Although the commercial has a nostalgic tone, it also has a modern, forward-looking ending as it transitions to the current image for the brand. Fruit of the Loom recently brought back the "fruit guys," four obnoxious little men who dress up as pieces of fruit and appear in humorous commercials for the brand of underwear. However, the new ads indirectly poke fun at the four middle-aged fruit guys from the old days.

Reviving time-tested advertising characters, spokespeople, and commercials has long been a popular advertising tactic among marketers, particularly during uncertain times, such as the post-September 11 era. Experts note that new creative ideas are often put aside for the reassuringly familiar. One brand identity consultant notes: "When we feel less secure, with less control over our daily lives, we reach out in brands to connect with a time when things felt better, more comfortable. It's about finding security, what we can trust." However, marketers recognize that they must recalibrate the familiar if they want to make their ads relevant to the modern-day consumer.

Sources: Vanessa O'Connell, "Ad Campaign Again Bears Fruit Guys," *The Wall Street Journal*, July 19, 2002, p. B2; Stuart Elliott, "Ads from the Past with Modern Touches," *The New York Times*, Sept. 9, 2002, p. C8; Julia Cosgrove, "Listen Up Sucka, the '80s Are Back," *BusinessWeek*, Aug. 5, 2002, p. 16.

Exhibit 9-6 Norwegian Cruise Lines used transformational advertising to create a unique image of the cruise experience



experiences and activities to be enjoyed during one individual day on a Norwegian Cruise Line's voyage (Exhibit 9-6).

Combining Rational and Emotional Appeals In many advertising situations, the decision facing the creative specialist is not whether to choose an emotional or a rational appeal but, rather, determining how to combine the two approaches. As noted copywriters David Ogilvy and Joel Raphaelson have stated:

Few purchases of any kind are made for entirely rational reasons. Even a purely functional product such as laundry detergent may offer what is now called an emotional benefit—say, the satisfaction of seeing one's children in bright, clean clothes. In some product categories the rational element is small. These include soft drinks, beer, cosmetics, certain personal care products, and most old-fashioned products. And who hasn't experienced the surge of joy that accompanies the purchase of a new car?¹¹

Consumer purchase decisions are often made on the basis of both emotional and rational motives, and attention must be given to both elements in developing effective advertising. Exhibit 9-7 shows a very clever ad that uses the Freudian concepts of id and superego to suggest that there are both emotional and rational reasons for purchasing the Lexus SC 400 coupe.

Exhibit 9-7 Lexus addresses both rational and emotional appeals in this clever ad

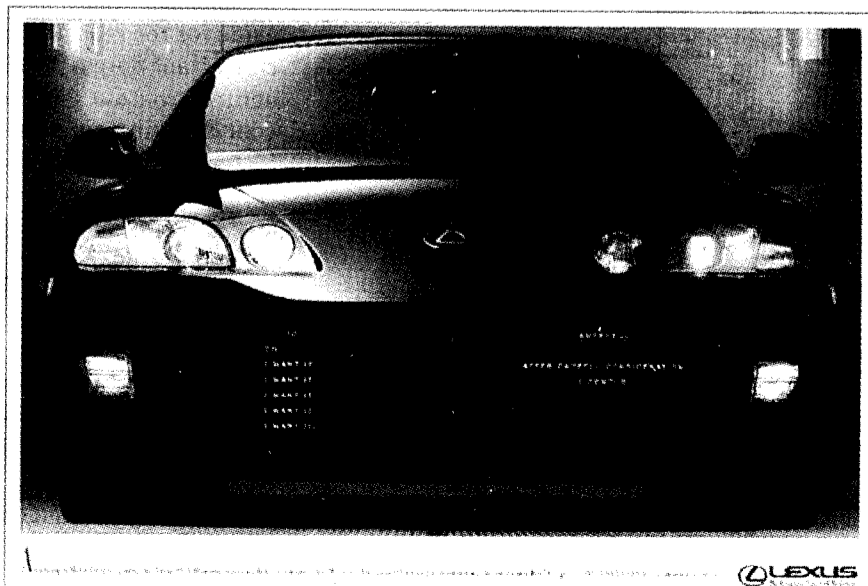
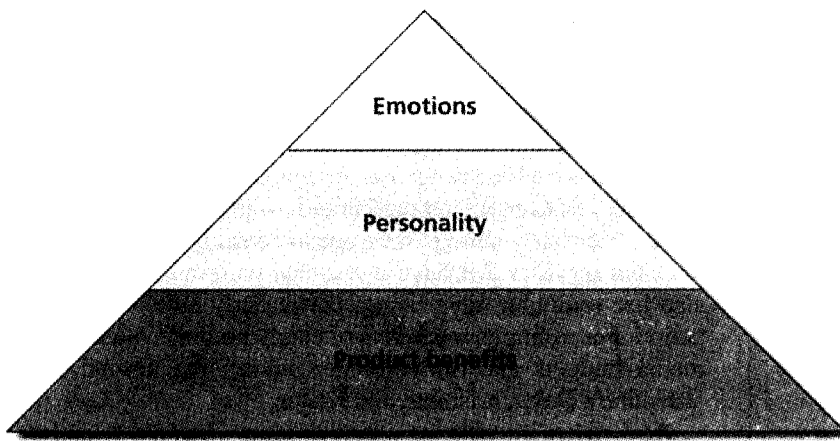


Figure 9-2 Levels of relationships with brands



Advertising researchers and agencies have given considerable thought to the relationship between rational and emotional motives in consumer decision making and how advertising influences both. McCann-Erickson Worldwide, in conjunction with advertising professor Michael Ray, developed a proprietary research technique known as *emotional bonding*. This technique evaluates how consumers feel about brands and the nature of any emotional rapport they have with a brand compared to the ideal emotional state they associate with the product category.¹²

The basic concept of emotional bonding is that consumers develop three levels of relationships with brands, as shown in Figure 9-2. The most basic relationship indicates how consumers *think* about brands in respect to product benefits. This occurs, for the most part, through a rational learning process and can be measured by how well advertising communicates product information. Consumers at this stage are not very brand loyal, and brand switching is common.

At the next stage, the consumer assigns a *personality* to a brand. For example, a brand may be thought of as self-assured, aggressive, and adventurous, as opposed to compliant and timid. The consumer's judgment of the brand has moved beyond its attributes or delivery of product/service benefits. In most instances, consumers judge the personality of a brand on the basis of an assessment of overt or covert cues found in its advertising.

McCann-Erickson researchers believe the strongest relationship that develops between a brand and the consumer is based on feelings or emotional attachments to the brand. Consumers develop *emotional bonds* with certain brands, which result in positive psychological movement toward them. The marketer's goal is to develop the greatest emotional linkage between its brand and the consumer. McCann-Erickson believes advertising can develop and enrich emotional bonding between consumers and brands. McCann and its subsidiary agencies use emotional bonding research to provide strategic input into the creative process and determine how well advertising is communicating with consumers. McCann-Erickson used emotional bonding research as the basis for its award-winning "Priceless" campaign for MasterCard International. When the agency took over the account a few years ago, MasterCard was perceived as an ordinary credit card you keep in your wallet. The challenge was to create an emotional bond between consumers and MasterCard without losing the brand's functional appeal. McCann-Erickson developed a sentimental campaign that uses ads that take the sum total of an experience and declare that it has no price tag. Each commercial and print ad ends with the theme "There are some things money can't buy. For everything else there's MasterCard" (Exhibit 9-8).

Exhibit 9-8 MasterCard's "Priceless" campaign creates an emotional bond with consumers

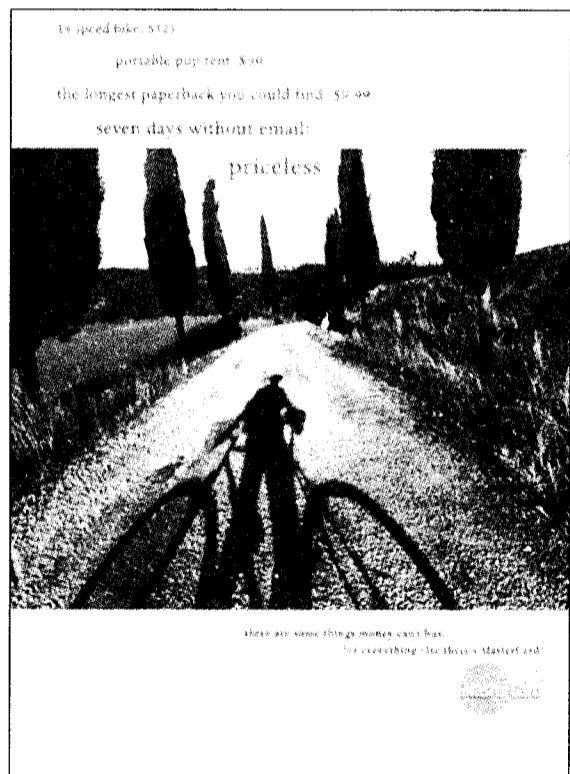




Exhibit 9-9 Altoids uses reminder advertising to build brand awareness

Additional Types of Appeals Not every ad fits neatly into the categories of rational or emotional appeals. For example, ads for some brands can be classified as **reminder advertising**, which has the objective of building brand awareness and/or keeping the brand name in front of consumers. Well-known brands and market leaders often use reminder advertising. For example, Altoids breath mints runs reminder ads to build national brand awareness and communicate its quirky “curiously strong” message to consumers (Exhibit 9-9). Products and services that have a seasonal pattern to their consumption also use reminder advertising, particularly around the appropriate period. For example, marketers of candy products often increase their media budgets and run reminder advertising around Halloween, Valentine’s Day, Christmas, and Easter.

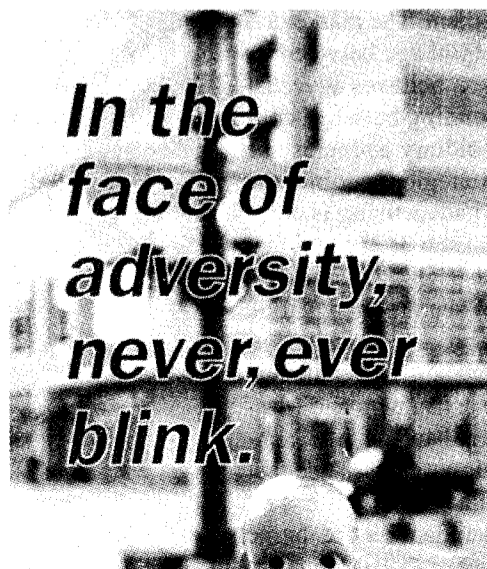
Advertisers introducing a new product often use **teaser advertising**, which is designed to build curiosity, interest, and/or excitement about a product or brand by talking about it but not actually showing it. Teasers, or *mystery ads* as they are sometimes called, are also used by marketers to draw attention to upcoming advertising campaigns and generate interest and publicity for them. For example, Lee Jeans used teaser ads as part of its successful “Can’t bust ‘em” campaign for its new Dungarees line that features the Buddy Lee doll (Exhibit 9-10).

The denim-dressed doll, which was used in Lee’s promotional displays from the 1920s through the 50s, was brought back and billed as a “Man of Action.” Lee’s agency, Fallon McElligott, introduced Buddy with a “phantom campaign” designed to intrigue influential trendsetters among the 17- to 22-year-old target market. Posters of Buddy Lee, unidentified and unbranded, were wild-posted in “cool” areas of 15 markets to generate curiosity. The agency then produced a six-minute film, *The Buddy Lee Story*, that was run on “graveyard cable,” 2 A.M. slots on Comedy Central and other cable channels. Again, the product was never mentioned, but the film did associate Buddy with the Lee Company and its “Can’t bust ‘em” spirit.

The goal of the teaser campaign was to let the trendsetters discover Buddy and spread the news about him. The teaser campaign was successful in generating word of mouth and helped accelerate the popularity of the brand as subsequent advertising featuring Buddy hawking the Dungarees line was introduced. The campaign helped make initial sales of the Dungarees line four times higher than anticipated and resulted in a 3 percent increase in market share for Lee even though overall denim sales were flat.¹³

Teaser ads are often used for new movies or TV shows and for major product launches. They are especially popular among automotive advertisers for introducing a new model or announcing significant changes in a vehicle. For example, Porsche used

Exhibit 9-10 Lee Jeans used a successful teaser campaign featuring Buddy Lee to help introduce its Dungarees line



teaser ads to generate interest in and excitement for the Cayenne SUV when it was introduced to the U.S. market (Exhibit 9-11). The ads used the theme “The next Porsche” and were part of an integrated campaign that included a website telling the story of the new Cayenne, from development through testing to its unveiling in fall 2002.

Teaser campaigns can generate interest in a new product, but advertisers must be careful not to extend them too long or they will lose their effectiveness.¹⁴ Many advertising experts thought the teaser campaign used by Infiniti to introduce its cars to the U.S. market in 1989 ran too long and created confusion among consumers.¹⁵ As one advertising executive says, “Contrary to what we think, consumers don’t hold seminars about advertising. You have to give consumers enough information about the product in teaser ads to make them feel they’re in on the joke.”¹⁶

Many ads are not designed to sell a product or service but rather to enhance the image of the company or meet other corporate goals such as soliciting investment or recruiting employees. These are generally referred to as corporate image advertising and are discussed in detail in Chapter 17.

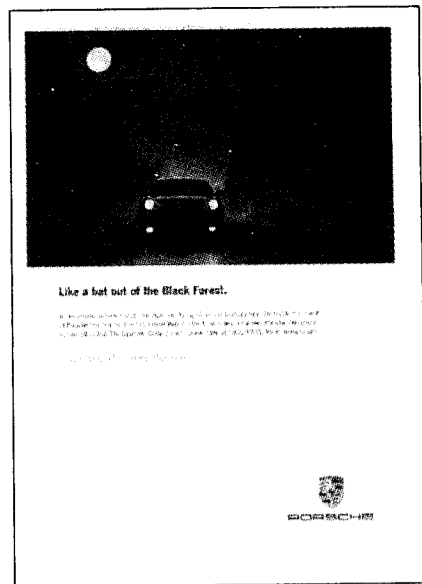


Exhibit 9-11 Porsche used teaser ads to create interest in the new Cayenne SUV

Advertising Execution

Once the specific advertising appeal that will be used as the basis for the advertising message has been determined, the creative specialist or team begins its execution. *Creative execution* is the way an advertising appeal is presented. While it is obviously important for an ad to have a meaningful appeal or message to communicate to the consumer, the manner in which the ad is executed is also important.

One of the best-known advocates of the importance of creative execution in advertising was William Bernbach, founder of the Doyle Dane Bernbach agency. In his famous book on the advertising industry, *Madison Avenue*, Martin Mayer notes Bernbach’s reply to David Ogilvy’s rule for copywriters that “what you say in advertising is more important than how you say it.” Bernbach replied, “Execution can become content, it can be just as important as what you say. A sick guy can utter some words and nothing happens; a healthy vital guy says them and they rock the world.”¹⁷ Bernbach was one of the revolutionaries of his time who changed advertising creativity on a fundamental level by redefining how headlines and visuals were used, how art directors and copywriters worked together, and how advertising could be used to arouse feelings and emotions. IMC Perspective 9-2 discusses how many in advertising thought the dot-com ad boom that occurred a few years ago would drive a new creative revolution in advertising.

An advertising message can be presented or executed in numerous ways:

- Straight sell or factual message
- Scientific/technical evidence
- Demonstration
- Comparison
- Testimonial
- Slice of life
- Animation
- Personality symbol
- Fantasy
- Dramatization
- Humor
- Combinations

We now examine these formats and considerations involved in their use.

Straight Sell or Factual Message One of the most basic types of creative executions is the straight sell or factual message. This type of ad relies on a straightforward presentation of information concerning the product or service. This execution is often used with informational/rational appeals, where the focus of the message is the product or service and its specific attributes and/or benefits.

Straight-sell executions are commonly used in print ads. A picture of the product or service occupies part of the ad, and the factual copy takes up the rest of the space. (See the ad for Castrol Syntec motor oil in Exhibit 9-12.)

Exhibit 9-12 Castrol uses a straight-sell execution style in this ad



IMC PERSPECTIVE 9-2

Dot-com Advertising Fails to Inspire a New Creative Revolution

"I'm always hoping that one day some young man will come into my office and say, 'Your 96 rules for creating good ads are for the birds. They're all based on research that is out of date and irrelevant. Here are 96 new rules based on new research. Throw yours out the window ... You're an old dodo, living in the past. Moreover, I have written a new dogma, a new dialectic, and I am the prophet of the future.'"

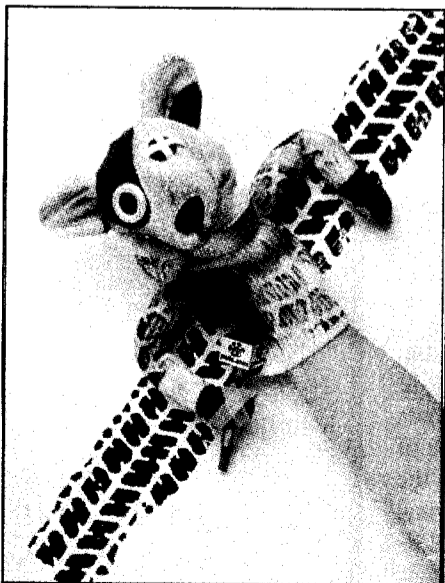
This appeal for someone to lead a new creative revolution in advertising was written by legendary adman David Ogilvy in his classic book *The Art of Writing Advertising*, which was published in 1965. In the 60s revolutionaries such as Ogilvy, Bill Bernbach, Leo Burnett, and Rosser Reeves turned advertising creativity on its head. The creative director of a major agency describes the state of advertising creativity before these revolutionaries came along as follows: "It was the Dark Ages, manufacturers shouting out the factory window. There was no emotional connection. It was basically what the client wanted you to say. The creative revolution was about finding a way to talk to people. It was like finding perspective."

The creative revolution that occurred during the 60s was in many ways inspired by the emergence of television as a dominant medium for advertising. Now the Internet is the new technology invading homes in the United States as well as other countries, and many felt it would be the catalyst for a new creative revolution in advertising. Madison Avenue had never seen a

boom as explosive, spectacular, and sudden as the "great dot-com ad boom" of the late 90s that continued on into the new millennium. Ads for Internet companies such as portals and e-commerce sites were everywhere. And as these companies competed for consumers' attention and a piece of their mind-set, many were producing a new type of advertising whose style was as daring and unconventional as the entrepreneurs who built the online companies.

Among the most creative and popular of the ads for the dot-com companies were the campaign created for the online trading firm Ameritrade that featured Stuart, the young, ponytailed, red-headed day trader; ads featuring Socks, the fast-talking dog sock puppet for Pets.com; ads with sci-fi celebrity William Shatner singing off key for Priceline.com; and commercials for the online financial services company E*Trade featuring a chimpanzee. There were also numerous dot-com ads that pushed the limits of good taste to get attention and build awareness. Commercials for online retailer Outpost.com included a spot showing gerbils being shot out of cannon into a backboard, and another featured a marching band on a football field forming the words *outpost.com* and then being attacked by a pack of wolves. Beyond.com, an online retailer of software and computer-related products, helped pioneer the crazy dot-com advertising genre with its "Naked Man" campaign that featured a fictitious character shopping for software at home *au naturel*.

Many of the ads for online companies were creative and fun to watch. However, critics argued that most of the ads were ineffective at communicating a meaningful message for the companies and much of the \$3 billion per year that was being spent on dot-com advertising was wasted. All of the dot-coms wanted their advertising to be the funniest or most outrageous. However, in the end it all started to look the same and became boring. The end of the great dot-com ad boom was perhaps best signified by an award-winning commercial for E*Trade that ran during the 2001 Super Bowl. The ad was a spoof of a 1971 "Keep America Beautiful" spot from the Ad Council and showed the E-Trade chimp riding on horseback into a deserted town replete with lots of dot-com businesses that had gone bust. After picking up a tattered sock puppet, the simian sheds a tear—just as the American Indian did in the much admired public service announcement years ago. E*Trade was one of the survivors of the dot-com shake-out and recently began a new campaign promoting the



change of its name to E*Trade Financial and poking fun at the excesses of the dot-com era.

Many in the advertising community believe that the next creative revolution in advertising will come not from ads for Internet companies but from the medium itself. They feel that the skill set of the creativity community will really be unleashed as technological limitations that handcuff web creativity, such as bandwidth problems, are solved and the Internet converges with other traditional media such as television and print. As discussed earlier, advertisers such as BMW, Skyy vodka, and Levi Strauss are taking advertising in a new direction by creating short films that can be viewed and/or

downloaded from their websites. This hybrid of advertising and entertainment is referred to in the ad world as “branded content.” The agency for Nike created a campaign with cliff-hanger commercials whose endings could be found only on the Nike website. A new creative revolution may indeed be under way. However, this time it may involve more than ads showing gerbils being shot out of cannons.

Source: Suzanne Vranica, “Dot-Com TV Ads Make a Comeback,” *The Wall Street Journal*, Apr. 10, 2002, p. B5; Suein L. Hwang and Kathryn Kranhold, “Where Have All the Gerbils Gone?” *The Wall Street Journal*, March 30, 2000, p. B1; Eleftheria Parpis, “You Say You Want a Revolution,” *Adweek*, Dec. 13, 1999, pp. 29–36.

They are also used in TV advertising, with an announcer generally delivering the sales message while the product/service is shown on the screen. Ads for high-involvement consumer products as well as industrial and other business-to-business products generally use this format.

Scientific/Technical Evidence In a variation of the straight sell, scientific or technical evidence is presented in the ad. Advertisers often cite technical information, results of scientific or laboratory studies, or endorsements by scientific bodies or agencies to support their advertising claims. For example, an endorsement from the American Council on Dental Therapeutics on how fluoride helps prevent cavities was the basis of the campaign that made Crest the leading brand on the market. The ad for Dermalisil Pharmaceutical Dry Skin Treatment shown in Exhibit 9-13 uses this execution style to emphasize the breakthrough from Vaseline Research.

Demonstration Demonstration advertising is designed to illustrate the key advantages of the product/service by showing it in actual use or in some staged situation. Demonstration executions can be very effective in convincing consumers of a product’s utility or quality and of the benefits of owning or using the brand. TV is particularly well suited for demonstration executions, since the benefits or advantages of the product can be shown right on the screen. Although perhaps a little less dramatic than TV, demonstration ads can also work in print, as shown in the ad for Du Pont’s Teflon Bakeware Liners (Exhibit 9-14).

Comparison Brand comparisons can also be the basis for the advertising execution. The comparison execution approach is increasingly popular among advertisers, since it offers a direct way of communicating a brand’s particular advantage over its competitors or positioning a new or lesser-known brand with industry leaders. Comparison executions are often used to execute competitive advantage appeals, as discussed earlier.

Testimonial Many advertisers prefer to have their messages presented by way of a testimonial, where a person praises the product or service on the basis of his or her personal experience with it. Testimonial executions can have ordinary satisfied customers discuss their own experiences with the brand and the benefits of using it. This approach can be very effective when the person delivering the testimonial is someone with whom the target audience can identify or who has an interesting story to tell. The testimonial must be based on actual use of the product or service to avoid legal problems, and the spokesperson must be credible.

Apple Computer made effective use of testimonials as part of its “Switch” campaign, which features computer users from various walks of

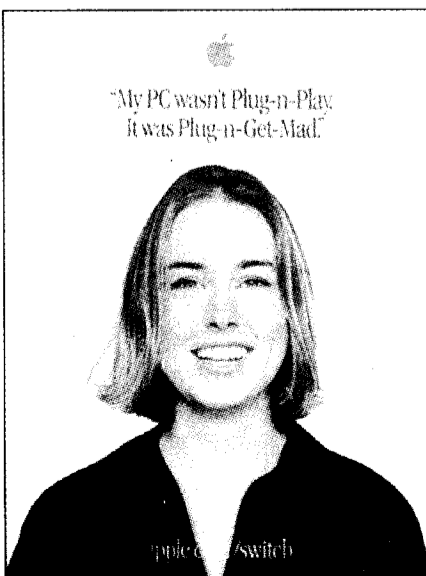
Exhibit 9-13 This Dermalisil ad cites a scientific study



Exhibit 9-14 This ad demonstrates the benefits of Du Pont's Teflon Bakeware Liners



Exhibit 9-15 Apple's "Switch" campaign makes effective use of testimonials



life discussing why they switched from Windows-based machines to Macintoshes (Exhibit 9-15). The people giving the testimonials in the ads are from various walks of life, including a writer, publisher, programmer, and Windows network administrator, and were chosen from a group of some 10,000 former PC users who wrote the company to proclaim their love for Apple. As part of the campaign Apple created a website that includes testimonials from PC users who switched to Macs and provides more detailed information for those considering switching.

A related execution technique is the *endorsement*, where a well-known or respected individual such as a celebrity or expert in the product or service area speaks on behalf of the company or the brand. When endorsers promote a company or its products or services, the message is not necessarily based on their personal experiences.

Slice of Life A widely used advertising format, particularly for packaged-goods products, is the slice-of-life execution, which is generally based on a problem/solution approach. This type of ad portrays a problem or conflict that consumers might face in their daily lives. The ad then shows how the advertiser's product or service can resolve the problem.

Slice-of-life executions are often criticized for being unrealistic and irritating to watch because they are often used to remind consumers of problems of a personal nature, such as dandruff, bad breath, body odor, and laundry problems. Often these ads come across as contrived, silly, phony, or even offensive to consumers. However, many advertisers still prefer this style because they believe it is effective at presenting a situation to which most consumers can relate and at registering the product feature or benefit that helps sell the brand.

For many years, Procter & Gamble was known for its reliance on slice-of-life advertising executions. In 1980, two-thirds of the company's com-

Exhibit 9-16 AT&T uses a slice-of-life execution to advertise its wireless services



mercials used either the slice-of-life or testimonial format. However, P&G has begun using humor, animation, and other less traditional execution styles and now relies less on slice-of-life or testimonials.¹⁸

Slice-of-life or problem/solution execution approaches are not limited to consumer-product advertising. Many business-to-business marketers use this type of advertising to demonstrate how their products and services can be used to solve business problems. For example, AT&T used this approach in executing the “It’s all within your reach” campaign that promoted a broad array of the company’s offerings. The ads in the campaign used emotionally charged moments to demonstrate how AT&T understands and helps individuals reach their goals by offering the most relevant solutions to the challenges of working and living in today’s fast-paced world and managing one’s personal life and business pressures.

An award-winning commercial from the campaign was a spot called “Beaches,” which focused on a working mother and her very busy life (Exhibit 9-16). The ad addressed the problem facing many working parents: They would like to spend more time with their children but need to go to work and kids don’t always understand why. This situation, and the frustration often associated with it, is captured in the ad when the little girl says to her mother, “Mom, when can I be a client?” Thanks to AT&T Wireless Services, the mother is able to take the kids to the beach and still conduct her important conference call as scheduled.¹⁹

Some business-to-business marketers use a variation of the problem/solution execution that is sometimes referred to as *slice-of-death advertising*.²⁰ This execution style is used in conjunction with a fear appeal, as the focus is on the negative consequences that result when businesspeople make the wrong decision in choosing a supplier or service provider. For example, FedEx has used this type of advertising for nearly three decades through humorous, but to-the-point, commercials that show what might happen when important packages and documents aren’t received on time.

Animation An advertising execution approach that has become popular in recent years is animation. With this technique, animated scenes are drawn by artists or created on the computer, and cartoons, puppets, or other types of fictional characters may be used. Cartoon animation is especially popular for commercials targeted at children.

Animated cartoon characters have also been used successfully by the Leo Burnett agency in campaigns for Green Giant vegetables (the Jolly Green Giant) and Keebler cookies (the Keebler elves). Another successful example of animation execution was the ad campaign developed for the California Raisin Advisory Board. A technique called Claymation was used to create the dancing raisin characters used in these ads.

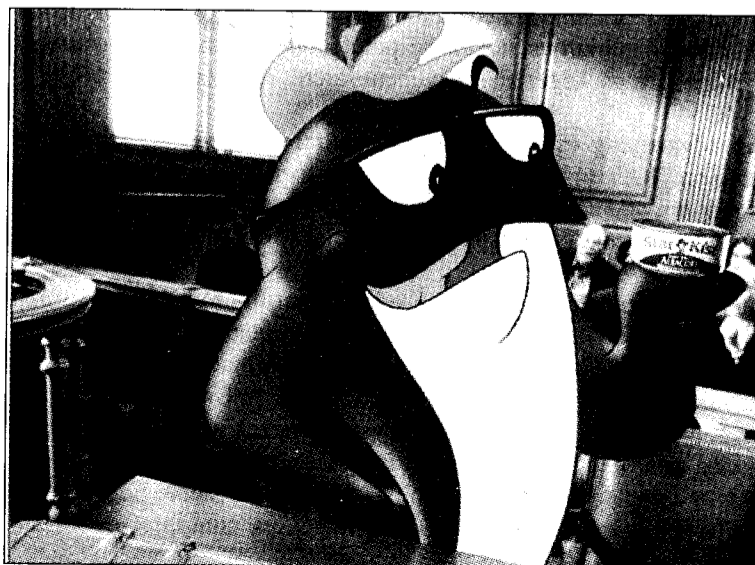
The use of animation as an execution style may increase as creative specialists discover the possibilities of computer-generated graphics and other technological innovations.²¹ Exhibit 9-17 shows an ad for Stagg Chili that uses computer-generated graphics and animation.

Exhibit 9-17 This ad for Stagg Chili uses computer-generated graphics and animation



Some advertisers have begun using Roger Rabbit-style ads that mix animation with real people. Nike has used this technique to develop several creative, entertaining commercials. One featured Michael Jordan and Bugs Bunny trouncing a foursome of bullies on the basketball court and was the inspiration for the movie *Space Jam*. The agency for Star-Kist tuna also used this technique when the H. J. Heinz Company recently brought its animated Charlie the Tuna character out of retirement to appear in commercials for the brand. While the old “Sorry Charlie” commercials portrayed Charlie as not being good enough for Star-Kist, the new ads used him in a different way, such as giving a courtroom address arguing that not all tunas are created equal and asking for jurors to judge for themselves (Exhibit 9-18).

Exhibit 9-18 This Star-Kist commercial mixes an animated character with real people.



Personality Symbol Another type of advertising execution involves developing a central character or personality symbol that can deliver the advertising message and with which the product or service can be identified. This character can be a person, like Mr. Whipple, who asked shoppers, “Please don’t squeeze the Charmin,” or the Maytag repairman, who sits anxiously by the phone but is never needed because the company’s appliances are so reliable.

Personality figures can also be built around animated characters and animals. As discussed in Chapter 5, visual image personalities (VIPs) such as Morris the Cat and Tony the Tiger have been used for decades to promote 9-Lives cat food and Kellogg’s Frosted Flakes, respectively. Recently, commercials featuring the AFLAC duck have made him a popular personality symbol and mascot for the insurance company and have helped build awareness and interest. The humorous spots show the quirky duck in all sorts of odd places—lounging in a sauna, conking his head on the ice at a skating rink, and fighting for the attention of a couple on a roller coaster—as he desperately tries to raise a flap about the supplemental insurance provider (Exhibit 9-19).

Anheuser-Busch created popular personality symbols in the talking lizards, Frank and Louie, who appeared in ads for Budweiser beer for five years. However, the company had to deal with complaints from some consumer groups who argue that the animated characters were popular among children and might encourage underage drinking. The company strongly denied that it was using the characters to target minors and argued that the ads did not have any effect on children or encourage underage drinking.²² Actually the controversy over the Budweiser lizards has been mild compared to the furor that was created by R. J. Reynolds’ use of Old Joe Camel, the cartoon character used in ads for Camel cigarettes for many years. Critics argued that Camel ads featuring the “smooth character” were more effective at marketing the brand to minors than to adults. The controversy surrounding the campaign eventually led to a settlement between the federal government and the tobacco industry that bans the use of cartoon characters in tobacco advertising.²³

Fantasy An execution technique that is popular for emotional types of appeals such as image advertising is fantasy. Fantasy executions are particularly well suited for television, as the commercial can become a 30-second escape for the viewer into another lifestyle. The product or service becomes a central part of the situation created by the advertiser. Cosmetics ads often use fantasy appeals to create images and symbols that become associated with the brand.

Dramatization Another execution technique particularly well suited to television is dramatization, where the focus is on telling a short story with the product or



Exhibit 9-19 The AFLAC duck has become a popular mascot and personality symbol for the company

Exhibit 9-20 This Zerex ad uses a dramatization execution

service as the star. Dramatization is somewhat akin to slice-of-life execution in that it often relies on the problem/solution approach, but it uses more excitement and suspense in telling the story. The purpose of using drama is to draw the viewer into the action it portrays. Advocates of drama note that when it is successful, the audience becomes lost in the story and experiences the concerns and feelings of the characters.²⁴ According to Sandra Moriarty, there are five basic steps in a dramatic commercial:

First is exposition, where the stage is set for the upcoming action. Next comes conflict, which is a technique for identifying the problem. The middle of the dramatic form is a period of rising action where the story builds, the conflict intensifies, the suspense thickens. The fourth step is the climax, where the problem is solved. The last part of a drama is the resolution, where the wrap-up is presented. In advertising that includes product identification and call to action.²⁵

The real challenge facing the creative team is how to encompass all these elements in a 30-second commercial. A good example of the dramatization execution technique is the ad for Zerex antifreeze in Exhibit 9-20, which shows a woman's sense of relief when her car starts at the airport on a cold winter night. The ad concludes with a strong identification slogan, "The temperature never drops below Zerex," that connects the brand name to its product benefit.

Humor Like comparisons, humor was discussed in Chapter 6 as a type of advertising appeal, but this technique can also be used as a way of presenting other advertising appeals. Humorous executions are particularly well suited to television or radio, although some print ads attempt to use this style. The pros and cons of using humor as an executional technique are similar to those associated with its use as an advertising appeal.

Combinations Many of the execution techniques can be combined to present the advertising message. For example, animation is often used to create personality symbols or present a fantasy. Slice-of-life ads are often used to demonstrate a product or service. Comparisons are sometimes made using a humorous approach. FedEx uses



humorous executions of the slice-of-death genre depicting businesspeople experiencing dire consequences when they use another delivery service and an important document doesn't arrive on time. It is the responsibility of the creative specialist(s) to determine whether more than one execution style should be used in creating the ad.

Our discussion thus far has focused on the development of creative strategy and various appeals and execution styles that can be used for the advertising message. Once the creative approach, type of appeal, and execution style have been determined, attention turns to creating the actual advertisement. The design and production of advertising messages involve a number of activities, among them writing copy, developing illustrations and other visual elements of the ad, and bringing all of the pieces together to create an effective message. In this section, we examine the verbal and visual elements of an ad and discuss tactical considerations in creating print ads and TV commercials.

Creative Tactics

Creative Tactics for Print Advertising

The basic components of a print ad are the headline, the body copy, the visual or illustrations, and the layout (the way they all fit together). The headline and body copy portions of the ad are the responsibility of the copywriters; artists, often working under the direction of an art director, are responsible for the visual presentation. Art directors also work with the copywriters to develop a layout, or arrangement of the various components of the ad: headlines, subheads, body copy, illustrations, captions, logos, and the like. We briefly examine the three components of a print ad and how they are coordinated.

Headlines The **headline** is the words in the leading position of the ad—the words that will be read first or are positioned to draw the most attention.²⁶ Headlines are usually set in larger type and are often set apart from the body copy or text portion of the ad to give them prominence. Most advertising people consider the headline the most important part of a print ad.

The most important function of a headline is attracting readers' attention and interesting them in the rest of the message. While the visual portion of an ad is obviously important, the headline often shoulders most of the responsibility of attracting readers' attention. Research has shown the headline is generally the first thing people look at in a print ad, followed by the illustration. Only 20 percent of readers go beyond the headline and read the body copy.²⁷ So in addition to attracting attention, the headline must give the reader good reason to read the copy portion of the ad, which contains more detailed and persuasive information about the product or service. To do this, the headline must put forth the main theme, appeal, or proposition of the ad in a few words. Some print ads contain little if any body copy, so the headline must work with the illustration to communicate the entire advertising message.

Headlines also perform a segmentation function by engaging the attention and interest of consumers who are most likely to buy a particular product or service. Advertisers begin the segmentation process by choosing to advertise in certain types of publications (e.g., a travel, general-interest, or fashion magazine). An effective headline goes even further in selecting good prospects for the product by addressing their specific needs, wants, or interests. For example, the headline in the ad for RCA's LYRA personal digital player shown in Exhibit 9-21 catches the attention of consumers who want the latest technology in audio products.

Types of Headlines There are numerous headline possibilities. The type used depends on several factors, including the creative strategy, the particular advertising situation (e.g., product type, media vehicle(s) being used, timeliness), and its relationship to other components of the ad, such as the illustration or body copy. Headlines can be categorized as direct and indirect. **Direct headlines** are

Exhibit 9-21 The headline of this ad catches the attention of young consumers



Exhibit 9-22 This ad uses a question-style headline and strong visual image that motivate consumers to read the copy

Lexus GS

At Lexus, we believe that luxury should never be compromised for sportiness. And vice versa. Which is why the Lexus GS is BMW's of both.

While making the GS stick to the eye for us here, we also track it deck to the wind. With a drag coefficient of just 0.29, it's one of the most aerodynamic sedans in its class, a Lexus GS doesn't just go from 0 to 60 quickly, but it reaches 100 mph in just 6.1 seconds. Plus, it has an environmental side to its story. It's a capable, fuel-saving 3.0-liter V6 engine with variable valve timing and a double wishbone suspension system that delivers

an incredible smooth, stable ride at high speeds. In other words, while you'll find a car that changes appearance through these long, open roads, it's doing it in a way that pleases the eye.

And the most convincing of all is the impeccable build quality. As the GS drives, you can see how the thickness of your seat, the feel of the seat, the way the car sits on the road, and a thousand, tiny details that you can't see but can feel. When all is said and done, you'll know you've found a car that's not just a car, but a Lexus GS. The Pleasure of Progress.

Lexus

straightforward and informative in terms of the message they are presenting and the target audience they are directed toward. Common types of direct headlines include those offering a specific benefit, making a promise, or announcing a reason the reader should be interested in the product or service.

Indirect headlines are not straightforward about identifying the product or service or getting to the point. But they are often more effective at attracting readers' attention and interest because they provoke curiosity and lure readers into the body copy to learn an answer or get an explanation. Techniques for writing indirect headlines include using questions, provocations, how-to statements, and challenges.

Indirect headlines rely on their ability to generate curiosity or intrigue so as to motivate readers to become involved with the ad and read the body copy to find out the point of the message. This can be risky if the headline is not provocative enough to get the readers' interest. Advertisers deal with this problem by using a visual appeal that helps attract attention and offers another reason for reading more of the message. For example, the ad for the Lexus GS sports sedan shown in Exhibit 9-22 uses a question as the headline that invites consumers to read the copy to learn more about the features of the car and decide how to categorize it. The visual portion of the ad supports the positioning theme by showing the GS 430 being driven on a windy road.

Subheads While many ads have only one headline, it is also common to see print ads containing the main head and one or more secondary heads, or **subheads**. Subheads are usually smaller than the main headline but larger than the body copy. They may appear above or below the main headline or within the body copy. The Cambridge SoundWorks ad shown in Exhibit 9-23 uses subheads within the body copy.

Subheads are often used to enhance the readability of the message by breaking up large amounts of body copy and highlighting key sales points. Their content reinforces the headline and advertising slogan or theme.

Exhibit 9-23 This ad uses subheads to make the copy easier to read

MegaTheater
Home Theater In-A-Box Done Right

Our new MegaTheater system uses our Revolution Series speakers and high power to deliver true high performance surround sound.

450 watts of power

Listen for Yourselves! There's No Risk

It's all about the speakers

CAMBRIDGE SOUNDWORKS www.hifi.com

1-800-FOR-HIFI

Body Copy The main text portion of a print ad is referred to as the **body copy** (or sometimes just *copy*). While the body copy is usually the heart of the advertising message, getting the target audience to read it is often difficult. The copywriter faces a dilemma: The body copy must be long enough to communicate the advertiser's message yet short enough to hold readers' interest.

Body copy content often flows from the points made in the headline or various subheads, but the specific content depends on the type of advertising appeal and/or execution style being used. For example, straight-sell copy that presents relevant information, product features and benefits, or competitive advantages is often used with the various types of rational appeals discussed earlier in the chapter. Emotional appeals often use narrative copy that tells a story or provides an interesting account of a problem or situation involving the product.

Advertising body copy can be written to go along with various types of creative appeals and executions—comparisons, price appeals, demonstrations, humor, dramatizations, and the like. Copywriters choose a copy style that is appropriate for the type of appeal being used and effective for executing the creative strategy and communicating the advertiser's message to the target audience.

Visual Elements The third major component of a print ad is the visual element. The illustration is often a dominant part of a print ad and plays an important role in determining its effectiveness. The visual portion of an ad must attract attention, communicate an idea or image, and work in a synergistic fashion with the headline and body copy to produce an effective message. In some print ads, the visual portion of the ad is essentially the message and thus must convey a strong and meaningful image. For example, the award-winning ad for Sims Snowboards shown in Exhibit 9-24 uses a powerful visual image. In a scene reminiscent of the protestor blocking military vehicles in Beijing's Tiananmen Square during the 1989 student uprising, a snowboarder stands in the path of snow-grooming machines (which pack the snow, to the distress of snowboarders). The single line of copy, "In a courageous act of solidarity, a lone snowboarder stands up for freedom," reinforces the message presented by the visual image.

Many decisions have to be made regarding the visual portion of the ad: what identification marks should be included (brand name, company or trade name, trademarks, logos); whether to use photos or hand-drawn or painted illustrations; what colors to use (or even perhaps black and white or just a splash of color); and what the focus of the visual should be.

Layout While each individual component of a print ad is important, the key factor is how these elements are blended into a finished advertisement. A **layout** is the physical arrangement of the various parts of the ad, including the headline, subheads, body

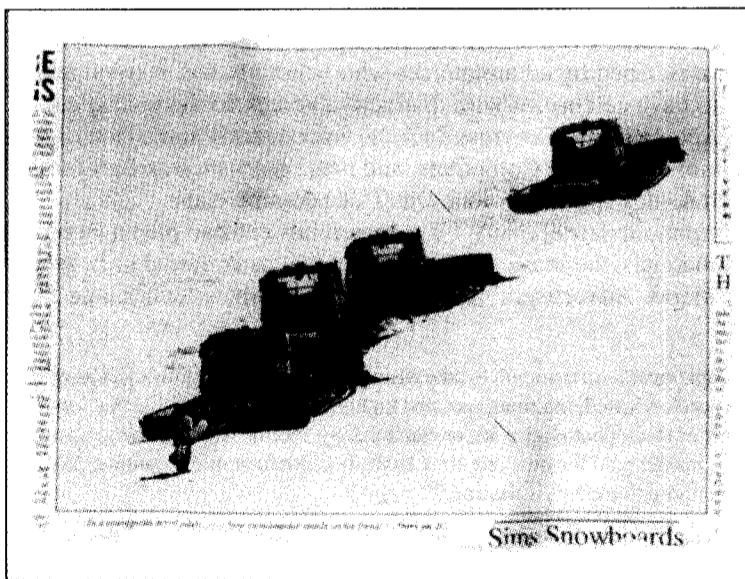


Exhibit 9-24 This ad for Sims Snowboards uses a strong visual image and a layout that resembles a newspaper page

copy, illustrations, and any identifying marks. The layout shows where each part of the ad will be placed and gives guidelines to the people working on the ad. For example, the layout helps the copywriter determine how much space he or she has to work with and how much copy should be written. The layout can also guide the art director in determining the size and type of photos. In the ad for Sims Snowboards shown in Exhibit 9-24, the layout is designed to make the ad look like it was reprinted from a newspaper page. Notice how this theme is carried through in the copy, which reads like a newspaper photo caption and ends with “Story on 2C.” Layouts are often done in rough form and presented to the client so that the advertiser can visualize what the ad will look like before giving preliminary approval. The agency should get client approval of the layout before moving on to the more costly stages of print production.

Creative Tactics for Television

As consumers, we see so many TV commercials that it’s easy to take for granted the time, effort, and money that go into making them. Creating and producing commercials that break through the clutter on TV and communicate effectively is a detailed, expensive process. On a cost-per-minute basis, commercials are the most expensive productions seen on television.

TV is a unique and powerful advertising medium because it contains the elements of sight, sound, and motion, which can be combined to create a variety of advertising appeals and executions. Unlike print, the viewer does not control the rate at which the message is presented, so there is no opportunity to review points of interest or reread things that are not communicated clearly. As with any form of advertising, one of the first goals in creating TV commercials is to get the viewers’ attention and then maintain it. This can be particularly challenging because of the clutter and because people often view TV commercials while doing other things (reading a book or magazine, talking).

Like print ads, TV commercials have several components. The video and audio must work together to create the right impact and communicate the advertiser’s message.

Video The video elements of a commercial are what is seen on the TV screen. The visual portion generally dominates the commercial, so it must attract viewers’ attention and communicate an idea, message, and/or image. A number of visual elements may have to be coordinated to produce a successful ad. Decisions have to be made regarding the product, the presenter, action sequences, demonstrations, and the like, as well as the setting(s), the talent or characters who will appear in the commercial, and such other factors as lighting, graphics, color, and identifying symbols.

Audio The audio portion of a commercial includes voices, music, and sound effects. Voices are used in different ways in commercials. They may be heard through the direct presentation of a spokesperson or as a conversation among various people appearing in the commercial. A common method for presenting the audio portion of a commercial is through a **voice-over**, where the message is delivered or action on the screen is narrated or described by an announcer who is not visible. A trend among major advertisers is to have celebrities with distinctive voices do the voiceovers for their commercials.²⁸ Actor Richard Dreyfuss does the voiceovers in some Honda commercials, Jeff Goldblum does Apple Computers, and mega-stars such as Ben Affleck, Renee Zellweger, and Ashley Judd have done Diet Coke commercials.

Music is also an important part of many TV commercials and can play a variety of roles.²⁹ In many commercials, the music provides a pleasant background or helps create the appropriate mood. Advertisers often use **needledrop**, which Linda Scott describes as follows:

Needledrop is an occupational term common to advertising agencies and the music industry. It refers to music that is prefabricated, multipurpose, and highly conventional. It is, in that sense, the musical equivalent of stock photos, clip art, or canned copy. Needledrop is an inexpensive substitute for original music; paid for on a one-time basis, it is dropped into a commercial or film when a particular normative effect is desired.³⁰

In some commercials, music is much more central to the advertising message. It can be used to get attention, break through the advertising clutter, communicate a key

selling point, help establish an image or position, or add feeling.³¹ For example, music can work through a classical conditioning process to create positive emotions that become associated with the advertised product or service. Music can also create a positive mood that makes the consumer more receptive toward the advertising message.³²

Because music can play such an important role in the creative strategy, many companies have paid large sums for the rights to use popular songs in their commercials. There are two kinds of works to which companies negotiate rights when licensing music for use in commercials. The *musical composition* includes the music notes and the words, while the *master recording* includes the voice(s) of the original artist.³³ The latter is usually much more expensive to buy, so advertisers will often negotiate for the rights to use the music and have it performed by someone with a similar voice. Rights to music can be held by various parties, such as the original artist, the artist's estate, or a music publishing company. For example, the rights to songs done by the late reggae star Bob Marley are held by his estate, while the rights to songs by the Beatles are controlled by a music publishing company. Nortel Networks licensed the composition rights to use the classic Beatles song "Come Together" (which it had performed by a different artist) and used the music as the central theme in the global advertising campaign the company ran recently.³⁴ While it is less expensive to rerecord the music, some advertisers are willing to pay millions of dollars to use the voices of the original artists in their commercials. IMC Perspective 9-3 discusses how companies such as Cadillac, Chevrolet Trucks, Microsoft, and Mitsubishi have made songs an important part of their commercials in recent years.

Another important musical element in both TV and radio commercials is **jingles**, catchy songs about a product or service that usually carry the advertising theme and a simple message. For example, Doublemint gum has used the well-known "Double your pleasure, double your fun with Doublemint, Doublemint gum" for years. The jingle is very memorable and serves as a good reminder of the product's minty flavor. Oscar Mayer has used the popular jingles for some of its products, such as the bologna song ("My bologna has a first name/ It's O-S-C-A-R") and the Oscar Mayer wiener song ("I'd love to be an Oscar Mayer wiener"), as the basis of integrated marketing programs. The company's fleet of wienermobiles travel the country as part of the Oscar Mayer Talent Search, where local auditions are held in search of children who will continue the 30-year tradition of singing the catchy bologna and wiener jingles.³⁵

Jingles can be used by themselves as the basis for a musical commercial. Diet Coke brought back its old slogan "Just for the taste of it," set it to a luxurious musical score, and made it the basis of a multimillion-dollar ad campaign. In some commercials, jingles are used more as a form of product identification and appear at the end of the message. Jingles are often composed by companies that specialize in writing commercial music for advertising. These jingle houses work with the creative team to determine the role music will play in the commercial and the message that needs to be communicated. Figure 9-3 shows the 10 jingles selected by *Advertising Age* as the best of the past century.

Jingle	Company or Brand
1. You deserve a break today	McDonald's
2. Be all that you can be	U.S. Army
3. Pepsi Cola Hits the Spot	Pepsi Cola
4. M'm, M'm Good	Campbell's Soup
5. See the USA in your Chevrolet	Chevrolet
6. I wish I was an Oscar Mayer Wiener	Oscar Mayer
7. Double your pleasure, double your fun	Wrigley's Doublemint gum
8. Winston tastes good like a cigarette should	Winston
9. It's the Real Thing	Coca-Cola
10. Brylcreem—A little dab'll do ya	Brylcreem

Figure 9-3 Top 10 jingles of the century

IMC PERSPECTIVE 9-3

Advertisers Marry Music with Their Products

While music has always been an important part of television commercials, more and more advertisers are using popular songs in their ads that resonate with consumers and help keep their products and services top-of-mind. Songs from artists and rock groups such as Madonna, Sting, Bob Seger, Led Zeppelin, the Rolling Stones, and the Beatles serve as the backdrop in commercials for just about everything, including cars, beer, fast food, computers, and insurance. Nike pioneered the commercial use of music from major artists in 1987 when it featured the original recording of the classic Beatle's song "Revolution" in ads for its shoes. Cadillac recently struck a multimillion-dollar deal with Led Zeppelin to use the legendary band's song "Rock and Roll" in its commercials. Service companies are also using popular songs as part of their ads as well. Tax preparation firm H&R Block recently used the words and music to the Beatle's tune "Tax Man," while AllState Insurance uses the famous group's "When I'm 64" to help sell life insurance.

There are a number of reasons why companies are paying large sums of money to use popular songs in their commercials. Music plays an important role in setting the tone for a commercial and can be used for entertainment, to target an audience, and/or to create an emotional or nostalgic connection with the viewer. When advertisers marry the right song with the right product, they can strike a responsive chord with consumers, which gets them to attend to the commercial and can help differentiate the company or brand. For

example, ads for Chevrolet trucks began using Bob Seger's hit song "Like a Rock" in 1991, and the agency made it the tagline for one of the most successful and long-lasting campaigns in automotive advertising. The manager for Chevy trucks says, "It is not just a marketing campaign. It captures the soul of the brand. It is how to build a truck, it is how to run a company."

Other companies have also used the lyrics of a song to help deliver their advertising message. Microsoft paid a reported \$12 million to the Rolling Stones for the use of its song "Start Me Up," which was featured in ads for its Windows 95 operating system. Six years later the company used the song from another megastar when it tapped Madonna for a multimillion deal to use the Material Girl's Grammy Award-winning song "Ray of Light" to introduce its new XP software. The creative director at McCann-Erickson, in San Francisco, which created the ad campaign, noted that the lyrics of the song were exactly what the agency was looking for to use in commercials for a technology product like the XP software. The upbeat electric song uses phrases like "faster than the speeding light she's flying." He also noted that the agency wanted music from an artist with some weight and star power and Madonna fit the bill because she still remains relevant and cool without being trendy.

For many years, many popular singers and rock groups would not allow their songs to be used in commercials. However, artists have learned that the benefits, exposure, and money often far outweigh an



outdated concern over the stigma of selling out to the advertising world. As it becomes more difficult to get airtime or become part of a radio station's playlist, many artists are finding that the exposure from commercials can actually help sell their music. For example, Sting sold the rights to his song "Desert Rose" to Jaguar for a commercial in March 2000. The song, which did not fit well with radio playlists, lingered on *Billboard's* top 100 list but didn't become a hit until the commercial started airing. "Start the Commotion" by the Wiseguys was released in 1999 but didn't hit *Billboard's* top 40 list until it was featured in a commercial for the Mitsubishi Eclipse two years later. A newly commissioned recording of "Ooh La La," originally performed by the Faces in 1973, is a key part of a Mitsubishi Galant commercial, and sales of the song have more than doubled since the ad debuted.

While more companies than ever are using music in their ads, an important issue for all of them is using it effectively and making sure the song fits with the advertiser's message. For example, Mitsubishi has made music a key element of its commercials, which usually show a group of young, fun adults in the car

bopping to the beat or singing to the tunes of songs such as "Start the Commotion" or "One Week" by the Barenaked Ladies. An executive for the Deutsch agency, which creates the ads, notes that the message the ads want to communicate, without actually saying it, is that "Cool people drive cool cars," and this campaign is about unspoken coolness. Apparently consumers are getting the message from the music as the coolness created by the ads has helped increase awareness of the Mitsubishi brand and its appeal to younger car buyers.

Watching television commercials these days is almost like turning the radio dial as more songs, from every kind of era and every kind of artist, can be heard during the commercial breaks. And as more artists open to the idea of having their music used in ads, it is likely we will hear our favorite songs as part of the pitch for a variety of products and services.

Sources: Donna De Marc, "TV Ads Go Pop," *Washington Times*, May 12, 2002, p. A1; Jean Halliday, "Caddy Goes 'Rock and Roll,'" *Advertising Age*, Feb. 4, 2002, p. 3; Joe Urschel, "Three Words That Evolved into a Corporate Hymn," *USA Today*, Feb. 19, 1996, p. 6B.

Planning and Production of TV Commercials One of the first decisions that has to be made in planning a TV commercial is the type of appeal and execution style that will be used. Television is well suited to both rational and emotional advertising appeals or combinations of the two. Various execution styles used with rational appeals, such as a straight sell or announcement, demonstration, testimonial, or comparison, work well on TV.

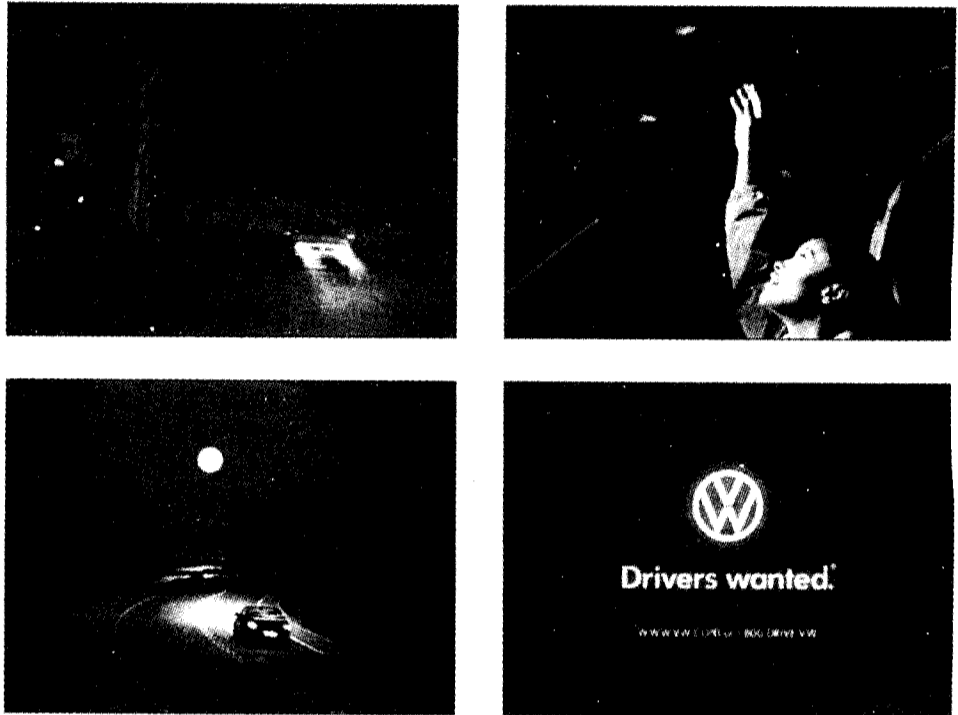
Advertisers recognize that they need to do more than talk about, demonstrate, or compare their products or services. Their commercials have to break through the clutter and grab viewers' attention; they must often appeal to emotional, as well as rational, buying motives. Television is essentially an entertainment medium, and many advertisers recognize that their commercials are most successful when they entertain as well as inform. Many of the most popular advertising campaigns are characterized by commercials with strong entertainment value, like the "Whassup?" campaign for Budweiser, the humorous "Got milk" ads, musical spots for the Gap, and the many stylish and engaging Nike ads. Some of the most popular commercials recently have been those created for Volkswagen's "Drivers wanted" campaign, which explores drivers' life experiences with their VWs³⁶ (Exhibit 9-25). TV is particularly well suited to drama; no other advertising medium can touch emotions as well. Various emotional appeals such as humor, fear, and fantasy work well on TV, as do dramatizations and slice-of-life executions.

Planning the Commercial The various elements of a TV commercial are brought together in a **script**, a written version of a commercial that provides a detailed description of its video and audio content. The script shows the various audio components of the commercial—the copy to be spoken by voices, the music, and sound effects. The video portion of the script provides the visual plan of the commercial—camera actions and angles, scenes, transitions, and other important descriptions. The script also shows how the video corresponds to the audio portion of the commercial.

Once the basic script has been conceived, the writer and art director get together to produce a storyboard, a series of drawings used to present the visual plan or layout of a proposed commercial. The storyboard contains still drawings of the video scenes and

Exhibit 9-25

Volkswagen's award-winning commercials are some of the most popular in recent years



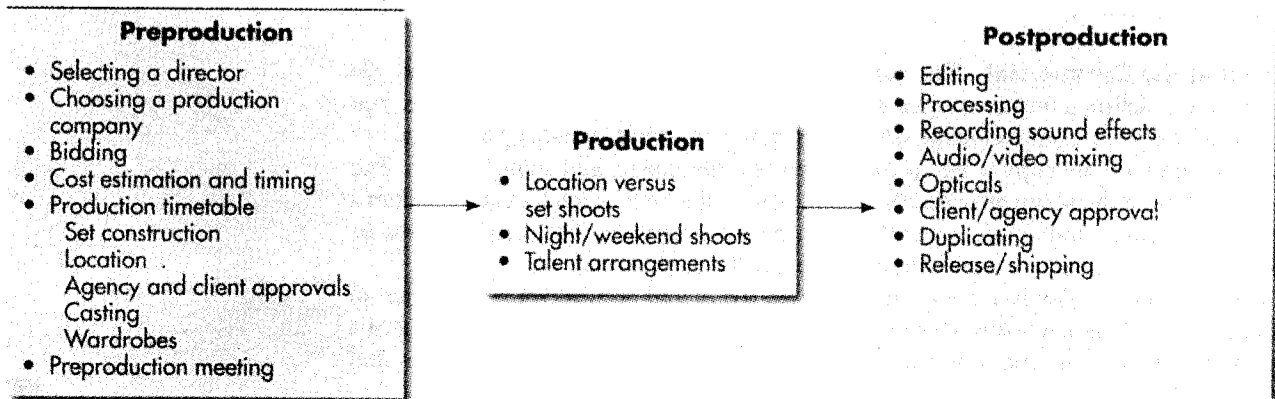
descriptions of the audio that accompanies each scene. Like layouts for print ads, storyboards provide those involved in the production and approval of the commercial with a good approximation of what the final commercial will look like. In some cases an animatic (a videotape of the storyboard along with the soundtrack) may be produced if a more finished form of the commercial is needed for client presentations or pretesting.

Production Once the storyboard or animatic of the commercial is approved, it is ready to move to the production phase, which involves three stages:

1. *Preproduction*—all the work and activities that occur before the actual shooting/recording of the commercial.
2. *Production*—the period during which the commercial is filmed or videotaped and recorded.
3. *Postproduction*—activities and work that occur after the commercial has been filmed and recorded.

The various activities of each phase are shown in Figure 9-4. Before the final production process begins, the client must usually review and approve the creative strategy and the various tactics that will be used in creating the advertising message.

Figure 9-4 The three phases of production for commercials



Client Evaluation and Approval of Creative Work

While the creative specialists have much responsibility for determining the advertising appeal and execution style to be used in a campaign, the client must evaluate and approve the creative approach before any ads are produced. A number of people on the client side may be involved in evaluating the creative work of the agency, including the advertising or communications manager, product or brand managers, marketing director or vice president, representatives from the legal department, and sometimes even the president or chief executive officer (CEO) of the company or the board of directors.

The amount of input each of these individuals has in the creative evaluation and approval process varies depending on the company's policies, the importance of the product to the company, the role of advertising in the marketing program, and the advertising approach being recommended. For example, the Chiat/Day agency had to convince Apple's board of directors to air the famous "1984" commercial used to introduce the Macintosh personal computer. Apple's board thought the commercial, which was based on the concept of Big Brother from George Orwell's classic novel *1984*, was too controversial and might be detrimental to its image, particularly in the business market. The spot used stark images of Orwell's dystopia, and a dramatic scene of a young woman throwing a mallet through a movie screen to destroy a controlling force, purportedly symbolizing its major competitor IBM (Exhibit 9-26). The agency convinced Apple's board to run the commercial during the 1984 Super Bowl, which is the only time it ever appeared as a commercial on TV, and the impact was tremendous. The spot was the focus of attention in the media and was the talk of the marketing and advertising industries. A few years ago, *TV Guide* named the "1984" spot the greatest television commercial of all time.

Earlier in this chapter, we noted that Procter & Gamble has been moving away from testimonials and slice-of-life advertising executions to somewhat riskier and more lively forms of advertising. But the company remains conservative and has been slow to adopt the avant-garde ads used by many of its competitors. Agencies that do the advertising for various P&G brands recognize that quirky executions that challenge the company's subdued corporate culture are not likely to be approved.³⁷ As discussed in the previous chapter, Wrigley was always very conservative in its advertising for its various brands of gum. However, since Bill Wrigley, Jr. took over the company in 1999 following the death of his more traditional father, the company has allowed its ad agency to take more creative risks and use more edgy advertising.³⁸

In many cases, top management is involved in selecting an ad agency and must approve the theme and creative strategy for the campaign. Evaluation and approval of the individual ads proposed by the agency often rest with the advertising and product managers who are primarily responsible for the brand. The account executive and a member of the creative team present the creative concept to the client's advertising and product and/or marketing managers for their approval before beginning production. A careful evaluation should be made before the ad actually enters production, since this stage requires considerable time and money as suppliers are hired to perform the various functions required to produce the actual ad.

The client's evaluation of the print layout or commercial storyboard can be difficult, since the advertising or brand manager is generally not a creative expert and must



Exhibit 9-26 Apple's famous "1984" commercial almost never made it to television

be careful not to reject viable creative approaches or accept ideas that will result in inferior advertising. However, personnel on the client side can use the guidelines discussed next to judge the efficacy of creative approaches suggested by the agency.

Guidelines for Evaluating Creative Output

Advertisers use numerous criteria to evaluate the creative approach suggested by the ad agency. In some instances, the client may want to have the rough layout or storyboard pretested to get quantitative information to assist in the evaluation. However, the evaluation process is usually more subjective; the advertising or brand manager relies on qualitative considerations. Basic criteria for evaluating creative approaches are discussed next:

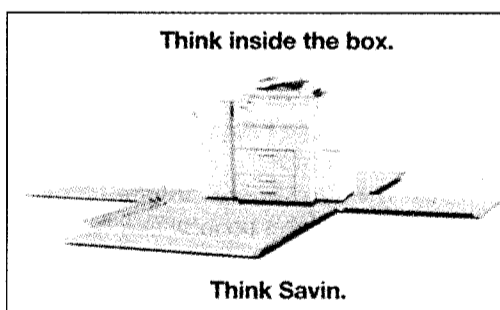
- *Is the creative approach consistent with the brand's marketing and advertising objectives?* One of the most important factors the client must consider is whether the creative appeal and execution style recommended by the agency are consistent with the marketing strategy for the brand and the role advertising and promotion have been assigned in the overall marketing program. This means the creative approach must be compatible with the image of the brand and the way it is positioned in the marketplace and should contribute to the marketing and advertising objectives. IMC Perspective 9-4 discusses how Savin Corporation has changed its advertising creative approach several times in recent years as its marketing strategy has changed.
- *Is the creative approach consistent with the creative strategy and objectives? Does it communicate what it is supposed to?* The advertising appeal and execution must meet the communications objectives laid out in the copy platform, and the ad must say what the advertising strategy calls for it to say. Creative specialists can lose sight of what the advertising message is supposed to be and come up with an approach that fails to execute the advertising strategy. Individuals responsible for approving the ad should ask the creative specialists to explain how the appeal or execution style adheres to the creative strategy and helps meet communications objectives.
- *Is the creative approach appropriate for the target audience?* Generally, much time has been spent defining, locating, and attempting to understand the target audience for the advertiser's product or service. Careful consideration should be given to whether the ad appeal or execution recommended will appeal to, be understood by, and communicate effectively with the target audience. This involves studying all elements of the ad and how the audience will respond to them. Advertisers do not want to approve advertising that they believe will receive a negative reaction from the target audience. For example, it has been suggested that advertising targeted to older consumers should use models who are 10 years younger than the average age of the target audience, since most people feel younger than their chronological age.³⁹ Advertisers also face a considerable challenge developing ads for the teen market because teenagers' styles, fashions, language, and values change so rapidly. They may find they are using an advertising approach, a spokesperson, or even an expression that is no longer popular among teens.
- *Does the creative approach communicate a clear and convincing message to the customer?* Most ads are supposed to communicate a message that will help sell the brand. Many ads fail to communicate a clear and convincing message that motivates consumers to use a brand. While creativity is important in advertising, it is also important that the advertising communicate information attributes, features and benefits, and/or images that give consumers a reason to buy the brand.
- *Does the creative execution keep from overwhelming the message?* A common criticism of advertising, and TV commercials in particular, is that so much emphasis is placed on creative execution that the advertiser's message gets overshadowed. Many creative, entertaining commercials have failed to register the brand name and/or selling points effectively.

For example, a few years ago the agency for North American Philips Lighting Corp. developed an award-winning campaign that focused on the humorous results when lightbulbs fail at just the wrong time. The spots included a woman who appears to accidentally vacuum up her screeching cat after a lightbulb blows out and an elderly

Savin Advertising Connects with Customers

In the late 1970s and early 80s Savin Corp. used a very effective comparative advertising campaign to overtake Xerox and become the top brand of office copiers in America. With the help of small, inexpensive copiers made by Ricoh Corporation of Japan but sold in the United States under the Savin brand, the company caught Xerox off guard by running advertising comparing its products directly against the market leader. However, a decision to manufacture the copiers in-house at a new factory in Binghamton, New York, caused a severe financial crisis that ultimately led to Savin's filing for bankruptcy protection in 1992. A year after emerging from bankruptcy proceedings in 1994, Savin agreed to be acquired by Ricoh. Since being acquired, Savin is getting back to what it did best: marketing copiers made by Ricoh under its own name primarily through its own network of dealers that sell directly to companies. And creative advertising has been an important part of its strategy for gaining market share by positioning Savin as a feisty and committed company with the best products, service, and support, as well as willingness to take on the competition.

Savin's first campaign after being purchased by Ricoh was launched in 1996 and used the tagline "We're going to win you over." The goal of the campaign was to build awareness of and add value to the brand name and to place Savin on the "considered list" of the middle managers who influence or make the copier purchase decisions for their company. A year later Savin launched the second phase of the campaign, which focused on document management and product line attributes, and the tagline evolved into "We've got what it takes to win you over." The first two phases of the campaign leveraged Savin's renewed focus on people, products, and programs and positioned the company as faster and easier to do business with. However, the market was changing rapidly with the emergence of digital technology that offered improved output quality in black and white and color as well as network connectivity.



The merging of printing and copying functionality changed the marketing focus, as more companies were offering products with similar benefits to the same customers. However, the target audience within companies was shifting. The traditional copier buyer, such as an office manager, was no longer the only person involved in the purchase decision or was losing power to information technology (IT) departments. Moreover, Savin's competitors such as Xerox, Canon, and Hewlett-Packard were seen as the safe choice, and there was still a need to position the company as a viable player in the digital office equipment market.

In 1998 Savin launched the "Alternative to Xerox" campaign. The comparative ads piggybacked off Xerox's efforts to promote new digital copiers and mocked Xerox for wanting to be the "biggest" document company. Savin's ads positioned the company as the "fastest, most responsive and easy to work with name in the business." Savin's CEO, Jim Ivy, noted: "Going toe to toe with Xerox is part of our history. People remember Savin going after Xerox." And since there was a need to reach both existing copier buyers and new customers in the IT space, Savin felt the ad campaign would ring a bell with them. When the comparative campaign began in mid-1998, Savin had a small 2.9 percent share of the U.S. office-copier market, placing it a lowly eleventh out of 14 brands, while Xerox led the industry with a 16.4 percent market share. However, in 1998 and 1999 Savin's growth in sales outpaced that of all major providers of document output systems, and the company nearly doubled its digital sales.

While Savin's comparative campaign was very successful, by 2000 market conditions had changed, causing the company to reconsider its creative strategy. Negative press reports about financial, sales, and marketing issues at Xerox raised concern about using the company as a reference point in Savin advertising and positioning itself as an alternative to the troubled competitor. Also, with the growth of the Internet, intranets, e-mail, and fax machines, the office environment was changing from a "print and distribute" approach to more of a "distribute and print" process. Thus in 2001 Savin decided to take its advertising in a different direction to position the company as an attractive player in the digital office equipment market with its "Think Inside the Box" campaign. The objective of the new creative strategy is to convince decision makers that Savin provides both the advanced digital imaging solutions they need and the customer-focused attitude they want to support all of

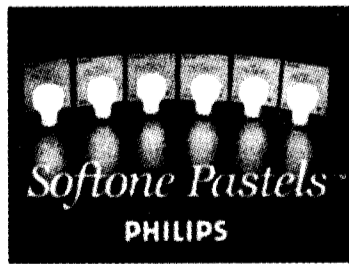
their network printing and copying requirements. A softening of media costs due to the advertising recession opened the opportunity for Savin to use television advertising for the first time in recent years as part of the campaign, and three 15-second spots were created. The shift to TV makes it possible to broaden awareness of Savin, maximize impact, and generate excitement among its dealer partners. However, creativity was important to enable the spots to break through the clutter, which they have done successfully. Savin is enjoying almost double-digit growth in a category that has experienced a 2 percent annual decline in recent years.

Companies have been responding very favorably to Savin's easy-to-do-business-with philosophy and its ability to provide solutions to all of their printing and copying needs. They also have been responding well to Savin's advertising, which has helped build awareness of the company and position it as a major player in the digital office equipment market.

Sources: Personal correspondence with Louise Stix, Manager of Corporate Communications and Creative Services, Savin Corporation; Raju Narisetti, "Savin Hopes Campaign Will Boost Image," *The Wall Street Journal*, May 19, 1998, p. B10; "Savin Corp. Having Award-Winning Year," *Business Wire*, June 8, 1999.

couple using Philips Pastel bulbs to create a romantic mood (Exhibit 9-27). While the purpose of the campaign was to help Philips make inroads into General Electric's dominance in the lightbulb market, many consumers did not notice the Philips brand name. A survey showed that many viewers thought the ads were for GE lightbulbs. Surveys taken a year later by the agency that created the campaign showed that brand

Exhibit 9-27 Some advertising experts think these Philips Lighting commercials may have been too creative and overwhelmed the message



(Partial overhead of living room. Man reads paper. Wife walks in with Pastel bulbs, goes straight to lamp).
 ANNCR: For a change of mood, (Wife turns off lamp, as husband ignores her).
 ANNCR: Change to Philips Softone Pastel lightbulbs. (Woman switches on lamp. It now gives a warm peach hue to the whole room).
 MUSIC. (Piano riff) (Shot over piano as man sings).

MAN: I'm in the mood for love. Simply because . . .
 (Woman slides into frame with bottle of champagne).
 MAN: (Singing) you're near me. (Suddenly, the cork pops out and flies at the man).
 MAN: Funny but when you're
 SFX: Cork pop. (Cork hits man on forehead, leaving a little impression).
 SFX: Bop! (He's stunned into silence for a brief moment. He launches back into the song with great enthusiasm).

MAN: near me.
 (Woman puts bottle in bucket at left of piano and slides next to him).
 MAN: I'm in the mood for love.
 ANNCR: Make everything seem more beautiful . . .
 (All the colors are represented. Each bulb lights up in sequence from left to right. "Philips" clicks on) . . .
 ANNCR: With new Softone Pastels. It's time to change your bulb to Philips.

CAREER PROFILE

Louise Stix

Manager of Corporate Communications and Creative Services, Savin Corporation

I graduated from Lake Forest College in Illinois with a degree in Art History. My first position out of college was as an Assistant Curator of the art collection at First Chicago Corporation, a large bank, where I observed many aspects of business and decided that a career in marketing was preferable to that of a museum curator. I first learned consumer package goods marketing disciplines as a product manager at American Can and then at Cadbury Schweppes. However, the allure of the advertising business was too great to resist and my experience as a brand manager was attractive to agencies like BBDO who were looking for this type of experience in their account management personnel. As an account executive at BBDO, New York, I worked on major brands such as GE Lighting, Black & Decker DustBuster, Wisk and others. While there I learned about advertising strategy, creative development and production. My expertise was attractive to public relations firms with package goods clients and I decided to round out my expertise by joining a PR firm where I worked on Colgate Oral Care products.

I returned to the corporate side in my present position at Savin Corporation where I draw on all of my experience in marketing, advertising and public relations to run the equivalent of a communications agency within a company. My department is responsible for most of the internal and external communications for Savin, and our primary focus is developing and implementing integrated marketing communications programs. We handle Savin's public relations, websites, e-communications, print and electronic product collateral, and, of course, advertising. This is where the fun comes in. It is exciting to see creative ideas come to life and to take something from an idea to execution in the marketplace and see how it works.

I work with copywriters, art directors, web designers, producers, printers, designers, photographers and other communication specialists. I also work closely with Savin's top management and our agency to develop a strategic communications plan that we can execute across many of the customer touch-points that are available. We extend our marketing communication strategy includes beyond advertising to our web site, direct marketing, electronic mail and other collateral.



“It is exciting to see creative ideas come to life and to take something from an idea to execution in the marketplace and see how it works.”

My career has been evolutionary in terms of the areas I have worked in, what I have learned, and what has taken place in communications the past 25 years. Every day brings new challenges and opportunities. It is important to be adaptable and never stop learning. When I began working in advertising, network television, magazines, newspapers, radio and out-of-home were the media options. All of the cable TV networks, different radio formats, the 11,000+ magazines, the Internet, and digital technology did not exist. Who could have ever imagined that the television commercials for Savin's new “Think Inside the Box” campaign could be produced entirely through computer technology and that the only “shoot” we had was a one-hour digital session to film the machine in the closing frames! The myriad of media options now available require creative thinking and a well-planned IMC program if a company wants to communicate effectively.

In addition to working at Savin, I am also an adjunct professor at Norwalk Community College where I teach Principles of Advertising and Introduction to Business. I am in the unique position of being able to “practice what I preach” and “preach what I practice.” I don't think there is a more interesting and dynamic field in which to work and teach. I hope you all have the opportunity to enjoy it as much as I have.

awareness and sales had increased considerably, but some advertising people still think the ads were so creative and entertaining that they overwhelmed the message.⁴⁰

With the increasing amount of clutter in most advertising media, it may be necessary to use a novel creative approach to gain the viewer's or reader's attention. However, the creative execution cannot overwhelm the message. Clients must walk a fine line: Make sure the sales message is not lost, but be careful not to stifle the efforts of the creative specialists and force them into producing dull, boring advertising.

- *Is the creative approach appropriate for the media environment in which it is likely to be seen?* Each media vehicle has its own specific climate that results from the nature of its editorial content, the type of reader or viewer it attracts, and the nature of the ads it contains. Consideration should be given to how well the ad fits into the media environment in which it will be shown. For example, the Super Bowl has become a showcase for commercials. People who care very little about advertising know how much a 30-second commercial costs and pay as much attention to the ads as to the game itself, so many advertisers feel compelled to develop new ads for the Super Bowl or to save new commercials for the game.
- *Is the ad truthful and tasteful?* Marketers also have to consider whether an ad is truthful, as well as whether it might offend consumers. For example, the Just For Feet athletic footwear chain ran a commercial on the 1999 Super Bowl that featured a Kenyan runner who was tracked like an animal by white mercenaries, drugged unconscious, and fit with a pair of running shoes—which goes against centuries of Kenyan tradition. The spot led to charges of neocolonialism and racism from outraged consumers and the media and created a major public relations problem for the company. Just For Feet had to pull the spot after running it only one time and ended up suing its ad agency.⁴¹ The ultimate responsibility for determining whether an ad deceives or offends the target audience lies with the client. It is the job of the advertising or brand manager to evaluate the approach suggested by the creative specialists against company standards. The firm's legal department may be asked to review the ad to determine whether the creative appeal, message content, or execution could cause any problems for the company. It is much better to catch any potential legal problems before the ad is shown to the public.

The advertising manager, brand manager, or other personnel on the client side can use these basic guidelines in reviewing, evaluating, and approving the ideas offered by the creative specialists. There may be other factors specific to the firm's advertising and marketing situation. Also, there may be situations where it is acceptable to deviate from the standards the firm usually uses in judging creative output. As we shall see in Chapter 19, the client may want to move beyond these subjective criteria and use more sophisticated pretesting methods to determine the effectiveness of a particular approach suggested by the creative specialist or team.

Summary

In this chapter, we examined how the advertising message is implemented and executed. Once the creative strategy that will guide the ad campaign has been determined, attention turns to the specific type of advertising appeal and execution format to carry out the creative plan. The appeal is the central message used in the ad to elicit some

response from consumers or influence their feelings. Appeals can be broken into two broad categories, rational and emotional. Rational appeals focus on consumers' practical, functional, or utilitarian need for the product or service; emotional appeals relate to social and/or psychological reasons for purchasing a product or service.

Numerous types of appeals are available to advertisers within each category.

The creative execution style is the way the advertising appeal is presented in the message. A number of common execution techniques were examined in the chapter, along with considerations for their use. Attention was also

given to tactical issues involved in creating print and TV advertising. The components of a print ad include headlines, body copy, illustrations, and layout. We also examined the video and audio components of TV commercials and various considerations

involved in the planning and production of commercials.

Creative specialists are responsible for determining the advertising appeal and execution style as well as the tactical aspects of creating ads. However, the client must review, evaluate, and approve the

creative approach before any ads are produced or run. A number of criteria can be used by advertising, product, or brand managers and others involved in the promotional process to evaluate the advertising messages before approving final production.

Key Terms

advertising appeal, 266
creative execution style, 266
informational/rational appeals, 267

emotional appeals, 269
transformational ad, 270
reminder advertising, 274
teaser advertising, 274

headline, 283
direct headlines, 283
indirect headlines, 284
subheads, 284
body copy, 285

layout, 285
voice-over, 286
needledrop, 286
jingles, 287
script, 287

Discussion Questions

1. The opening vignette to the chapter discusses the strong growth Skyy vodka has experienced over the past decade. Discuss how advertising and other forms of marketing communication have contributed to the success of Skyy.

2. Discuss the difference between an advertising appeal and a creative execution style. Find several ads and analyze the particular appeal and execution style used in each.

3. What are the differences between informational/rational and emotional advertising appeals and the factors that would lead to the use of one over the other. Find examples of advertising campaigns that use each type of appeal and discuss the reasons why it is used by the advertiser.

4. IMC Perspective 9-1 discusses how a number of companies have been bringing back classic adver-

tising characters, spokespeople and/or commercials. Why do you think companies are doing this? Discuss the pros and cons of this strategy.

5. What is meant by emotional bonding? Discuss how this concept can be used in developing an advertising campaign for a brand.

6. Discuss how teaser advertising might be used to introduce a new product or brand or to reposition an existing brand. What factors should marketers take into consideration when using a teaser campaign?

7. IMC Perspective 9-2 discusses how advertising for online companies failed to inspire a new creative revolution in advertising. Do you think Internet and dot.com companies relied too much on developing outrageous advertising? Might some of these companies be more successful if

they had used more traditional advertising approaches?

8. What is meant by slice-of-death advertising? Discuss some of the reasons business-to-business marketers might use this technique.

9. AFLAC, which is a provider of supplemental insurance, has been very successful in making a duck a popular personality symbol for the company in its advertising. Discuss why an insurance company would develop an advertising campaign featuring a duck.

10. Discuss the role of headlines and subheads in print advertisements. Find examples of print ads that use various types of direct and indirect headlines.

11. Discuss the role of music in advertising. Why might companies such as General Motors and Microsoft pay large sums of money to use popular songs in their commercials?

Media Planning and Strategy

10

Chapter Objectives

1. To understand the key terminology used in media planning.
2. To know how a media plan is developed.
3. To know the process of developing and implementing media strategies.
4. To be familiar with sources of media information and characteristics of media.

DSL, VOD, TiVo and PVR: They All Add Up to Convergence—Or Do They?

While you are probably already familiar with terms like *PIP* (picture in a picture), *DVD*, and *PDA* (personal digital assistant), you may not know about *DSL* (digital subscriber lines), *VOD*



(video on demand), and *PVRs* (personal video recorders). You may have heard of these technologies, but do you really know what they do? Media and entertainment people think they know about all of these things, but whether they do or not is open to debate.

The recent buzz in these industries is about *convergence* and how it is going to change the media landscape. The advent of digital television, mobile phones, and the Internet has led to the belief that the traditional means of watching television will be a thing of the past, with viewers now “multitasking,” that is, using more than one medium at once (e.g., surfing on the Internet while watching television). Such technologies will empower consumers to control their own

streams of information, entertainment, and content, where and when they want them. Should this be the case, media planning in the future will have to change demonstratively to keep pace. The new technologies may alter the communications landscape forever.

Consider the changes that may occur as a result of interactive television. Rather than being just a box that provides viewing entertainment, the television is being transformed into an interactive tool that allows the viewer to play games, access movies on demand, surf the Web, and make purchases. Microsoft is betting that in the future most of us will access the Internet through our television sets rather than on our PCs.

A recent study conducted by the Nielsen Interactive Group claimed that 30 percent of Internet users now have Internet access in the same room as their TV sets. Further, the study showed that 67 percent of active Internet users are on the Net at the same time that they are watching television. What this means—according to Nielsen and others—is that the likelihood of watching television commercials will decrease and advertising revenues to this medium will also go down. What it also means is that opportunities will exist to reach consumers through other media like the Internet and cell phones. To a degree, consumers will almost never be out of the reach of a commercial message, and advertisers will have the opportunity to send their messages through a variety of platforms.

Take Nissan, for example. The company’s launch of a new 4 × 4 in Britain employed interactive TV to provide specifications, additional information, and requests for brochures and test drives, all at the click of a button. Virgin Mobile, another British company, used iTV to ask potential customers what annoyed them about their

existing providers. The responses were used to establish a database and tailor Virgin's services more specifically to customer needs. In the United States, Sony Pictures Entertainment and Real Networks have developed 10-minute, "longer-format advertisements" to provide more information than 30-second commercials. The companies debuted the ads to the 420,000 TiVo subscribers in the summer of 2002, in an attempt to test the concept while getting consumers to choose to actually view ad content. Another company is experimenting with PIP technology to send commercials without interrupting the TV program. These examples demonstrate previously unforeseen uses of interactive media, and they are considered to be only the beginning of numerous new communications methods.

Not everyone is ready to embrace the new technologies just yet, however. Some experts feel the industries know much more about the technologies than they do about how to use them. Other observers feel that consumers are not as excited about these capabilities as the providers think they are. The Nielsen study cited earlier demonstrated that of the 67 percent of viewers who were multitasking by using the Internet while they watched TV, more than 90 percent were pursuing unrelated tasks (e.g., not co-using two media for the same

content and/or program). Studies in Britain indicate that most of the early programming developed for iTV was not around four years later and was not what consumers wanted. Other studies have shown that for the majority of consumers, television is an entertainment medium that they want to watch as "couch potatoes," not interact with. David Poltrack, head of research at CBS, notes that "TV is something you do when you don't want to do anything." Jeff Zucker, head of entertainment at NBC, agrees, noting: "The majority of people want to sit back and just passively enjoy TV." Add the cost of building the enormous infrastructure associated with interactive TV, and you will see that the interactive future is a long time away. Are the TV industry experts just fooling themselves? At least one study conducted by the Statistical Research Corporation says they are not. In the study, conducted in the summer of 2001, 72 percent of respondents said they are *not* interested in interactive TV. Maybe media planning won't be so hard after all?

Sources: Tobi Elkin, "TiVo Inks Pacts for Long-Form TV Ads," *Advertising Age*, June 17, 2002, p. 1; Paul Knight, "Let's Not Miss a Chance to Make iTV a Big Winner," *Marketing*, Feb. 21, 2002, p. 20; Ian Darby, "How the Ad Industry Has Learnt to Stop Worrying and Love TiVo," campaign, May 17, 2002, p. 16; "Survey: Entertain Me," *The Economist*, Apr. 13, 2002, pp. 4-6; "Interactive Television a Dud," *Inman News Features*, Aug. 31, 2001, p. 1.

The discussion in this chapter's opening vignette describes just one of the many changes taking place in the media environment. Perhaps at no other time in history have so many changes taken place that significantly alter the media decision process. As a result, media planning has become more complex than ever before. As you will see in the following chapters, these changes offer the marketer opportunities not previously available, but they also require in-depth knowledge of all the alternatives. Integrated marketing communications programs are no longer a luxury; they are a necessity. Media planners must now consider new options as well as recognize the changes that are occurring in traditional sources. New and evolving media contribute to the already difficult task of media planning. Planning when, where, and how the advertising message will be delivered is a complex and involved process. The primary objective of the media plan is to develop a framework that will deliver the message to the target audience in the most efficient, cost-effective manner possible—that will communicate what the product, brand, and/or service can do.

This chapter presents the various methods of message delivery available to marketers, examines some key considerations in making media decisions, and discusses the development of media strategies and plans. Later chapters will explore the relative advantages and disadvantages of the various media and examine each in more detail.