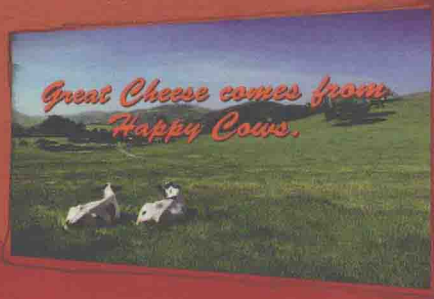


George E. Belch

Michael A. Belch



ADVERTISING *and* PROMOTION

An Integrated Marketing Communications Perspective



7e

Advertising and Promotion

AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE

SEVENTH EDITION

George E. Belch & Michael A. Belch

BOTH OF SAN DIEGO STATE UNIVERSITY



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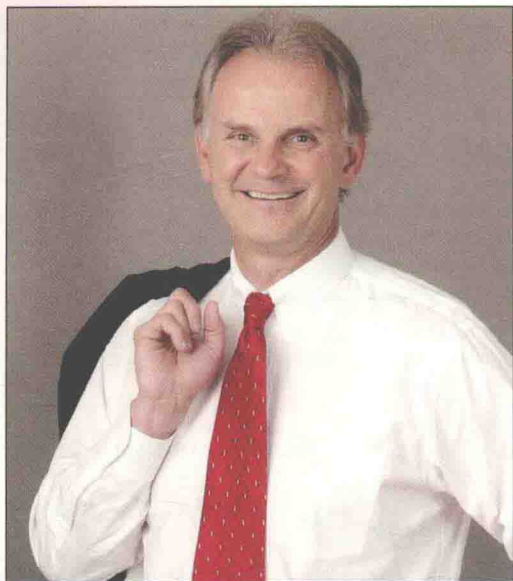
To Our Families:

Gayle, Danny, Derek
Melanie, Jessica, Milos

And a special dedication

To Mom

About the Authors



DR. GEORGE E. BELCH

George E. Belch is professor of marketing and chair of the marketing department at San Diego State University, where he teaches integrated marketing communications, strategic marketing planning, and consumer/customer behavior. Prior to joining San Diego State, he was a member of the faculty in the Graduate School of Management, University of California, Irvine. He received his PhD in marketing from the University of California, Los Angeles. Before entering academia, Dr. Belch was a marketing representative for the DuPont Company. He also worked as a research analyst for the DDB Worldwide advertising agency.

Dr. Belch's research interests are in the areas of consumer processing of advertising information as well as managerial aspects of integrated marketing communications. He has authored or coauthored more than 30 articles in leading academic journals including: *Journal of Marketing Research*, *Journal of Consumer Research*, *Journal of Advertising*, and *Journal of Business Research*. In 2000, he was selected as *Marketing Educator of the Year* by the Marketing Educators' Association for his career achievements in teaching and research. He also received the Distinguished Faculty Member Award for the College of Business Administration at San Diego State University in 2003.

Dr. Belch has taught in executive education and development programs for various universities around the world. He has also conducted seminars on integrated marketing communications as well as marketing planning and strategy for a number of multinational companies including Sprint, Microsoft, Qualcomm, MP3.com, Fluor Daniel, Square D Corporation, Armstrong World Industries, Sterling Software, Siliconix, and Texas Industries.



DR. MICHAEL A. BELCH

Michael (Mickey) A. Belch is a professor of marketing at San Diego State University and is also co-director of the Centre for Integrated Marketing Communications at San Diego State University. He received his undergraduate degree from Penn State University, his MBA from Drexel University, and his PhD from the University of Pittsburgh.

Before entering academia he was employed by the General Foods Corporation as a marketing representative, and has served as a consultant to numerous companies, including McDonalds, Whirlpool Corporation, Senco Products, GTI Corporation, IVAC, May Companies, Phillips-Ramsey Advertising and Public Relations, and Dailey & Associates Advertising. He has conducted seminars on integrated marketing and marketing management for a number of multinational companies and has also taught in executive education programs in France, Amsterdam, Spain, Chile, Argentina, Colombia, China, and Slovenia. He is the author or coauthor of more than 40 articles in academic journals in the areas of advertising, consumer behavior, and international marketing including: *Journal of Advertising*, *Journal of Advertising Research*, and *Journal of Business Research*. Dr. Belch is also a member of the editorial review board of the *Journal of Advertising*. He has also received outstanding teaching awards from undergraduate and graduate students numerous times.

The Changing World of Advertising and Promotion

Nearly everyone in the modern world is influenced to some degree by advertising and other forms of promotion. Organizations in both the private and public sectors have learned that the ability to communicate effectively and efficiently with their target audiences is critical to their success. Advertising and other types of promotional messages are used to sell products and services as well as to promote causes, market political candidates, and deal with societal problems such as alcohol and drug abuse. Consumers are finding it increasingly difficult to avoid the efforts of marketers, who are constantly searching for new ways to communicate with them.

Most of the people involved in advertising and promotion will tell you that there is no more dynamic and fascinating field to either practice or study. However, they will also tell you that the field is undergoing dramatic changes that are changing advertising and promotion forever. The changes are coming from all sides—clients demanding better results from their advertising and promotional dollars; lean but highly creative smaller ad agencies; sales promotion and direct-marketing firms, as well as interactive agencies, which want a larger share of the billions of dollars companies spend each year promoting their products and services; consumers who no longer respond to traditional forms of advertising; and new technologies that may reinvent the very process of advertising. We are experiencing perhaps the most dynamic and revolutionary changes of any era in the history of marketing, as well as advertising and promotion. These changes are being driven by advances in technology and developments that have led to the rapid growth of communications through interactive media, particularly the Internet.

For decades the advertising business was dominated by large, full-service Madison Avenue-type agencies. The advertising strategy for a national brand involved creating one or two commercials that could be run on network television, a few print ads that would run in general interest magazines, and some sales promotion support such as coupons or premium offers. However, in today's world there are a myriad of media outlets—print, radio, cable and satellite TV, and the Internet—competing for consumers' attention. Marketers are looking beyond the traditional media to find new and better ways to communicate with their customers. They no longer accept on faith the value of conventional advertising placed in traditional media. Major marketers such as Procter & Gamble, American Express, and McDonald's

are moving away from a reliance on mass-media advertising and are spending more of their marketing communication budgets in specialized media that target specific markets. Companies are also spending more of their monies in other ways such as event marketing, sponsorships, cause-related promotions, and viral marketing. Advertising agencies are recognizing that they must change the way they do business.

In addition to redefining the role and nature of their advertising agencies, marketers are changing the way they communicate with consumers. They know they are operating in an environment where advertising messages are everywhere, consumers channel-surf past most commercials, and brands promoted in traditional ways often fail. New-age advertisers are redefining the notion of what an ad is and where it runs. Stealth messages are being woven into the culture and embedded into movies and TV shows or made into their own form of entertainment. Many experts argue that “branded content” is the wave of the future, and there is a growing movement to reinvent advertising and other forms of marketing communication to be more akin to entertainment. Companies such as American Express, Volkswagen, and Skyy Spirits are among those using branded entertainment as a way of reaching consumers. These companies create short films that can be viewed on their websites, arrange product placements, and integrate their products into movies and television shows to promote their products and services.

Marketers are also changing the ways they allocate their promotional dollars. Spending on sales promotion activities targeted at both consumers and the trade has surpassed advertising media expenditures for years and continues to rise. In his book *The End of Marketing as We Know It*, Sergio Zyman, the former head of marketing for Coca-Cola, declares traditional marketing is “not dying, but dead.” He argues that advertising in general is overrated as part of the marketing mix and notes that all elements of the marketing mix communicate, such as brand names, packaging, pricing, and the way a product is distributed. The information revolution is exposing consumers to all types of communications, and marketers need to better understand this process.

A number of factors are impacting the way marketers communicate with consumers. The audiences that marketers seek, along with the media and methods for reaching them, have become increasingly fragmented. Advertising and promotional efforts have become more regionalized and targeted to specific audiences. Retailers have become larger and more powerful, forcing marketers to shift money from advertising budgets to sales promotion. Marketers expect their promotional dollars to

generate immediate sales and are demanding more accountability from their agencies. The Internet revolution is well under way and the online audience is growing rapidly, not only in the United States but in most other countries as well. Many companies are coordinating all their communications efforts so that they can send cohesive messages to their customers. Some companies are building brands with little or no use of traditional media advertising. Many advertising agencies have acquired, started, or become affiliated with sales promotion, direct-marketing, interactive agencies, and public relations companies to better serve their clients' marketing communications needs. Their clients have become "media-neutral" and are asking that they consider whatever form of marketing communication works best to target market segments and build long-term reputations and short-term sales.

This text will introduce students to this fast-changing field of advertising and promotion. While advertising is its primary focus, it is more than just an introductory advertising text because there is more to most organizations' promotional programs than just advertising. The changes discussed above are leading marketers and their agencies to approach advertising and promotion from an integrated marketing communications (IMC) perspective, which calls for a "big picture" approach to planning marketing and promotion programs and coordinating the various communication functions. To understand the role of advertising and promotion in today's business world, one must recognize how a firm can use all the promotional tools to communicate with its customers.

To the Student: Preparing You for the New World of Advertising and Promotion

Some of you are taking this course to learn more about this fascinating field; many of you hope to work in advertising or some other promotional area. The changes in the industry have profound implications for the way today's student is trained and educated. You will not be working for the same kind of communication agencies that existed 5 or 10 years ago. If you work on the client side of the business, you will find that the way they approach advertising and promotion is changing dramatically.

Today's student is expected to understand all the major marketing communication functions: advertising, direct marketing, the Internet, interactive media, sales promotion, public relations, and personal selling. You will also be expected to know how to research and evaluate a company's marketing and promotional situation and how to use these various functions in developing effective communication strategies and programs. Marketers are also increasing their attention on the determination of return on investment (ROI) of various IMC

tools as well as the problems companies face in attempting to make this evaluation. This book will help prepare you for these challenges.

As professors we were, of course, once students ourselves. In many ways we are perpetual students in that we are constantly striving to learn about and explain how advertising and promotion work. We share many of your interests and concerns and are often excited (and bored) by the same things. Having taught in the advertising and promotion area for a combined 50-plus years, we have developed an understanding of what makes a book in this field interesting to students. In writing this book, we have tried to remember how we felt about the various texts we used throughout the years and to incorporate the good things and minimize those we felt were of little use. We have tried not to overburden you with definitions, although we do call out those that are especially important to your understanding of the material.

We also remember that as students we were not really excited about theory. But to fully understand how integrated marketing communications works, it is necessary to establish some theoretical basis. The more you understand about how things are supposed to work, the easier it will be for you to understand why they do or do not turn out as planned.

Perhaps the question students ask most often is, How do I use this in the real world? In response, we provide numerous examples of how the various theories and concepts in the text can be used in practice. A particular strength of this text is the integration of theory with practical application. Nearly every day an example of advertising and promotion in practice is reported in the media. We have used many sources, such as *Advertising Age*, *Adweek*, *Brandweek*, *The Wall Street Journal*, *BusinessWeek*, *Fortune*, *Forbes*, *Sales & Marketing Management*, *Business 2.0*, *Promo*, and numerous online sites such as eMarketer, AdAge.com, MediaPost.com, and ClickZ News to find practical examples that are discussed throughout the text. We have spoken with hundreds of people about the strategies and rationale behind the ads and other types of promotions we use as examples. Each chapter begins with a vignette that presents an example of an advertising or promotional campaign or other interesting insights. Every chapter also contains several **IMC Perspectives** that present in-depth discussions of particular issues related to the chapter material and show how companies are using integrated marketing communications. **Global Perspectives** are presented throughout the text in recognition of the increasing importance of international marketing and the challenges of advertising and promotion and the role they play in the marketing programs of multinational marketers. **Ethical Perspectives** focus attention on important social issues and show how advertisers must take ethical considerations into account when planning and implementing advertising and promotional programs. **Diversity Perspectives** discuss the opportunities, as well as the challenges, associated with

marketers' efforts to reach culturally and ethnically diverse target markets. There are also a number of **Career Profiles**, which highlight successful individuals working in various areas of the field of advertising and promotion.

Each chapter features beautiful four-color illustrations showing examples from many of the most current and best-integrated marketing communication campaigns being used around the world. We have included more than 350 advertisements and examples of numerous other types of promotion, all of which were carefully chosen to illustrate a particular idea, theory, or practical application. Please take time to read the opening vignettes to each chapter, the IMC, Global, Ethical, and Diversity Perspectives, and the Career Profiles and study the diverse ads and illustrations. We think they will stimulate your interest and relate to your daily life as a consumer and a target of advertising and promotion.

To the Instructor: A Text That Reflects the Changes in the World of Advertising and Promotion

Our major goal in writing the seventh edition of *Advertising and Promotion* was to continue to provide you with the most comprehensive and current text on the market for teaching advertising and promotion from an IMC perspective. This seventh edition focuses on the many changes that are occurring in areas of marketing communications and how they influence advertising and promotional strategies and tactics. We have done this by continuing with the *integrated marketing communications perspective* we introduced in the second edition. More and more companies are approaching advertising and promotion from an IMC perspective, coordinating the various promotional mix elements with other marketing activities that communicate with a firm's customers. Many advertising agencies are also developing expertise in direct marketing, sales promotion, event sponsorship, the Internet, and other areas so that they can meet all their clients' integrated marketing communication needs—and, of course, survive.

The text is built around an integrated marketing communications planning model and recognizes the importance of coordinating all of the promotional mix elements to develop an effective communications program. Although media advertising is often the most visible part of a firm's promotional program, attention must also be given to direct marketing, sales promotion, public relations, interactive media, and personal selling.

This text integrates theory with planning, management, and strategy. To effectively plan, implement, and evaluate IMC programs, one must understand the overall marketing process, consumer behavior, and communications theory. We draw from the extensive research in advertising, consumer behavior, communications, mar-

keting, sales promotion, and other fields to give students a basis for understanding the marketing communications process, how it influences consumer decision making, and how to develop promotional strategies.

While this is an introductory text, we do treat each topic in some depth. We believe the marketing and advertising student of today needs a text that provides more than just an introduction to terms and topics. The book is positioned primarily for the introductory advertising, marketing communications, or promotions course as taught in the business/marketing curriculum. It can also be used in journalism/communications courses that take an integrated marketing communications perspective. Many schools also use the text at the graduate level. In addition to its thorough coverage of advertising, this text has chapters on sales promotion, direct marketing and marketing on the Internet, personal selling, and publicity/public relations. These chapters stress the integration of advertising with other promotional mix elements and the need to understand their role in the overall marketing program.

Organization of This Text

This book is divided into seven major parts. In Part One we examine the role of advertising and promotion in marketing and introduce the concept of integrated marketing communications. Chapter 1 provides an overview of advertising and promotion and its role in modern marketing. The concept of IMC and the factors that have led to its growth are discussed. Each of the promotional mix elements is defined, and an IMC planning model shows the various steps in the promotional planning process. This model provides a framework for developing the integrated marketing communications program and is followed throughout the text. Chapter 2 examines the role of advertising and promotion in the overall marketing program, with attention to the various elements of the marketing mix and how they interact with advertising and promotional strategy. We have also included coverage of market segmentation and positioning in this chapter so that students can understand how these concepts fit into the overall marketing programs as well as their role in the development of an advertising and promotional program.

In Part Two we cover the promotional program situation analysis. Chapter 3 describes how firms organize for advertising and promotion and examines the role of ad agencies and other firms that provide marketing and promotional services. We discuss how ad agencies are selected, evaluated, and compensated as well as the changes occurring in the agency business. Attention is also given to other types of marketing communication organizations such as direct marketing, sales promotion, and interactive agencies as well as public relations firms. We also consider whether responsibility for integrating the various communication functions lies with the client

or the agency. Chapter 4 covers the stages of the consumer decision-making process and both the internal psychological factors and the external factors that influence consumer behavior. The focus of this chapter is on how advertisers can use an understanding of buyer behavior to develop effective advertising and other forms of promotion.

Part Three analyzes the communications process. Chapter 5 examines various communication theories and models of how consumers respond to advertising messages and other forms of marketing communications. Chapter 6 provides a detailed discussion of source, message, and channel factors.

In Part Four we consider how firms develop goals and objectives for their integrated marketing communications programs and determine how much money to spend trying to achieve them. Chapter 7 stresses the importance of knowing what to expect from advertising and promotion, the differences between advertising and communication objectives, characteristics of good objectives, and problems in setting objectives. We have also integrated the discussion of various methods for determining and allocating the promotional budget into this chapter. These first four sections of the text provide students with a solid background in the areas of marketing, consumer behavior, communications, planning, objective setting, and budgeting. This background lays the foundation for the next section, where we discuss the development of the integrated marketing communications program.

Part Five examines the various promotional mix elements that form the basis of the integrated marketing communications program. Chapter 8 discusses the planning and development of the creative strategy and advertising campaign and examines the creative process. In Chapter 9 we turn our attention to ways to execute the creative strategy and some criteria for evaluating creative work. Chapters 10 through 13 cover media strategy and planning and the various advertising media. Chapter 10 introduces the key principles of media planning and strategy and examines how a media plan is developed. Chapter 11 discusses the advantages and disadvantages of the broadcast media (TV and radio) as well as issues regarding the purchase of radio and TV time and audience measurement. Chapter 12 considers the same issues for the print media (magazines and newspapers). Chapter 13 examines the role of traditional support media such as outdoor and transit advertising, the yellow pages, and promotional products as well as the tremendous increase in the use of nontraditional branded entertainment strategies such as product placements and product integration.

In Chapters 14 through 17 we continue the IMC emphasis by examining other promotional tools that are used in the integrated marketing communications process. Chapter 14 looks at direct marketing. This chapter examines database marketing and the way by which

companies communicate directly with target customers through various media including direct mail, infomercials, and direct-response TV commercials. Chapter 15 provides a detailed discussion of marketers' increasing use of interactive media, including the Internet and wireless technologies to market their products and services. We examine the increasing use of blogs, RSS, paid search, and other digital media strategies. We also give attention to how the Internet is used to implement various IMC activities including advertising, sales promotion, and even the selling of products and services. Chapter 16 examines the area of sales promotion including both consumer-oriented promotions and programs targeted to the trade (retailers, wholesalers, and other middlemen). Chapter 17 covers the role of publicity and public relations in IMC as well as corporate advertising. Basic issues regarding personal selling and its role in promotional strategy are presented in Chapter 18.

Part Six of the text consists of Chapter 19, where we discuss ways to measure the effectiveness of various elements of the integrated marketing communications program, including methods for pretesting and posttesting advertising messages and campaigns. In Part Seven we turn our attention to special markets, topics, and perspectives that are becoming increasingly important in contemporary marketing. In Chapter 20 we examine the global marketplace and the role of advertising and other promotional mix variables such as sales promotion, public relations, and the Internet in international marketing.

The text concludes with a discussion of the regulatory, social, and economic environments in which advertising and promotion operate. Chapter 21 examines industry self-regulation and regulation of advertising by governmental agencies such as the Federal Trade Commission, as well as rules and regulations governing sales promotion, direct marketing, and marketing on the Internet. Because advertising's role in society is constantly changing, our discussion would not be complete without a look at the criticisms frequently levied, so in Chapter 22 we consider the social, ethical, and economic aspects of advertising and promotion.

Chapter Features

The following features in each chapter enhance students' understanding of the material as well as their reading enjoyment.

Chapter Objectives

Objectives are provided at the beginning of each chapter to identify the major areas and points covered in the chapter and guide the learning effort.

Chapter Opening Vignettes

Each chapter begins with a vignette that shows the effective use of integrated marketing communications by a

company or ad agency or discusses an interesting issue that is relevant to the chapter. These opening vignettes are designed to draw the students into the chapter by presenting an interesting example, development, or issue that relates to the material covered in the chapter. Companies, brands, and campaigns profiled in the opening vignettes include the Las Vegas Convention and Visitors Authority, Major League Baseball, the Apple iPod, the Crispin Porter & Bogusky advertising agency, Go Daddy.com, Nike, and Dove's Campaign for Real Beauty. Some of the chapter openers discuss current topics and issues such as the use of neuroscience to study the processing of advertising messages, measuring return-on-investment (ROI) for advertising and promotion, the growing popularity of celebrity magazines, and the controversy surrounding the growth in direct-to-consumer advertising of prescription drugs.

IMC Perspectives

These boxed items feature in-depth discussions of interesting issues related to the chapter material and the practical application of integrated marketing communications. Each chapter contains several of these insights into the world of integrated marketing communications. Some of the companies/brands whose IMC programs are discussed in these perspectives include AFLAC, LG Electronics, the U.S. Army, General Motors, AXE deodorant, Miller Lite beer, and ESPN. Issues such as the use of music to enhance the effectiveness of commercials, the repositioning of companies and brands, the fragmentation of media markets, the new age of micro-marketing, and problems that companies have encountered when using contests and sweepstakes are also discussed in the IMC Perspectives.

Global Perspectives

These boxed sidebars provide information similar to that in the IMC Perspectives, with a focus on international aspects of advertising and promotion. Some of the companies/brands whose international advertising programs are covered in the Global Perspectives include MTV India, McDonald's, and Coca-Cola. Global Perspectives also discuss topics such as the Cannes International Advertising Awards, celebrities who appear in commercials in Japan while protecting their image in the United States, communication problems in international advertising, and the developing IMC programs to reach consumers in Third World countries.

Ethical Perspectives

These boxed items discuss the moral and/or ethical issues regarding practices engaged in by marketers and are also tied to the material presented in the particular chapter. Issues covered in the Ethical Perspectives include subliminal advertising, the battle between televi-

sion networks and advertisers over tasteful advertising, and controversies arising from the increase in advertising of hard liquor on television and the use of video news releases as promotional tools.

Diversity Perspectives

These boxed items discuss topics related to the opportunities and challenges facing companies as they develop integrated marketing communications programs for markets that are becoming more ethnically diverse. The Diversity Perspectives include the rapid growth of the Hispanic market, issues involved in communicating with this important segment, and the emergence of Spanish-language television stations in the United States.

Career Profiles

Also included are Career Profiles of successful individuals working in the communications industry. The individuals featured in the Career Profiles include creative directors for R&R Partners as well as Deutsch LA, an account executive for the Margeotes Fertitta Powell advertising agency, the vice president of the Adcentive Group, the marketing manager for the San Diego Padres baseball team, the vice president of communications for the California Milk Advisory Board, the advertising manager for IBM Global Services, an assistant media buyer for the PHD advertising agency, the director of Internet marketing for KFMB television, and the senior marketing manager for the Dove Masterbrand.

Key Terms

Important terms are highlighted in boldface throughout the text and listed at the end of each chapter with a page reference. These terms help call students' attention to important ideas, concepts, and definitions and help them review their learning progress.

Chapter Summaries

These synopses serve as a quick review of important topics covered and a very helpful study guide.

Discussion Questions

Questions at the end of each chapter give students an opportunity to test their understanding of the material and to apply it. These questions can also serve as a basis for class discussion or assignments.

Four-Color Visuals

Print ads, photoboards, and other examples appear throughout the book. More than 400 ads, charts, graphs, and other types of illustrations are included in the text.

Changes in the Seventh Edition

We have made a number of changes in the seventh edition to make it as relevant and current as possible, as well as more interesting to students:

- **Updated Coverage of the Emerging Field of Integrated Marketing Communications** The seventh edition continues to place a strong emphasis on studying advertising and promotion from an integrated marketing communications perspective. We examine contemporary perspectives of integrated marketing communications that have been developed by those doing research and theory development in the area. We also consider developments that are impacting the way marketers communicate with consumers, such as the integration of brands and messages into television programs and other forms of entertainment and increased reliance on buzz marketing and other viral techniques. New technologies such as digital video recorders and the convergence of television, computers, and the Internet are changing the way companies are using advertising along with other marketing tools to communicate with their customers. In this new edition we examine how these cutting-edge developments are impacting the IMC program of marketers.
- **Updated Chapter on Support Media and Entertainment Marketing** The seventh edition continues to cover traditional support media including outdoor advertising, promotional products (advertising specialties), and the Yellow Pages. However, a restructuring of the presentation of these support media facilitates their understanding. New to this edition is the expansion of the discussion of branded entertainment. While branded entertainment techniques have been used by marketers in the past, the increase in both dollar expenditures and the various forms used has grown significantly over the past several years. The use of product placements has skyrocketed. TV shows such as *The Apprentice* have introduced a new form of product integration. Advertising in videogames and sponsored video-on-demand have also become more popular. In this new edition, we provide a state-of-the-art perspective on the use of entertainment marketing.
- **Updated Chapter on the Internet and Interactive Media** The seventh edition includes up-to-date information on the Internet and other forms of interactive media and how they are being used by marketers. We discuss a number of new Internet-based tools and strategies being used by marketers, including paid search, behavioral targeting, RSS, and others. We also discuss developments such as wireless communications as well as regulations affecting the use of the Internet and important issues such as privacy. This chapter discusses the latest developments in areas such as audience measurement and methods for determining the effectiveness of Internet advertising. Discussion of the emerging role of the Internet as an important integrated marketing communications tool and of the ways it is being used by marketers is integrated throughout the seventh edition.
- **New Diversity Perspectives** In the sixth edition we introduced a feature called Diversity Perspectives. These boxed items are designed to focus attention on the increase in the diversity of the consumer market in the United States. The 2000 census showed that the Hispanic market grew by 58 percent over the past decade, and another 35 percent increase is forecast over the next 10 years. Marketers are recognizing the importance of being able to communicate with a diverse market that includes Hispanics, African-Americans, Asian-Americans, and other ethnic groups. This feature focuses on the opportunities and challenges facing companies as they develop integrated marketing communications programs for markets that are becoming more ethnically diverse.
- **New Online Cases** A number of new short cases have been written for the seventh edition. The cases are available online and can be downloaded for classroom use and assignments. These cases are designed to build upon the material presented in the text and provide students with the opportunity to apply various IMC tools and concepts. The cases include companies and brands such as IBM, SoBe energy drinks, XM Satellite Radio, the Apple iPod, and the California Milk Advisory Board (the “Happy Cows” campaign). Cases from the previous edition have been updated and are also available online. These cases examine companies such as Gateway, Mazda, Chicken of the Sea International, Benetton, and the Partnership for a Drug Free America and the U.S. Office of National Drug Control Policy’s War on Drugs.
- **New Chapter Opening Vignettes** All of the chapter opening vignettes in the seventh edition are new and were chosen for their currency and relevance to students. They demonstrate how various companies and advertising agencies use advertising and other IMC tools. They also provide interesting insights into some of the current trends and developments that are taking place in the advertising world.
- **New and Updated IMC Perspectives** All of the boxed items focusing on specific examples of how companies and their communications agencies are using integrated marketing communications are new or updated, and they provide insight into many of the most current and popular advertising and promotional campaigns being used by marketers. The IMC

Perspectives also address interesting issues related to advertising, sales promotion, direct marketing, marketing on the Internet, and personal selling.

- **New and Updated Global and Ethical Perspectives** Nearly all of the boxed items focusing on global and ethical issues of advertising and promotion are new; those retained from the sixth edition have been updated. The Global Perspectives examine the role of advertising and other promotional areas in international markets. The Ethical Perspectives discuss specific issues, developments, and problems that call into question the ethics of marketers and their decisions as they develop and implement their advertising and promotional programs.
- **New Career Profiles** The seventh edition has all new Career Profiles that discuss the career path of successful individuals working in various areas of advertising and promotion, including clients, advertising agencies, and the media. These profiles provide students with insight into various types of careers that are available in the area of advertising and promotion on the client and agency side as well as in media. They discuss the educational backgrounds of the individuals profiled, some of the responsibilities and requirements of their positions, and their career paths. This feature has been very popular among students, and in this edition we provide 10 new profiles. These profiles have been written by the individuals themselves and provide students with insight into the educational background of the persons profiled, how they got started in the field of advertising and promotion, their current responsibilities, and interesting aspects of their jobs as well as experiences.
- **Contemporary Examples** The field of advertising and promotion changes very rapidly, and we continue to keep pace with it. Wherever possible we updated the statistical information presented in tables, charts, and figures throughout the text. We reviewed the most current academic and trade literature to ensure that this text reflects the most current perspectives and theories on advertising, promotion, and the rapidly evolving area of integrated marketing communications. We also updated most of the examples and ads throughout the book. *Advertising and Promotion* continues to be the most contemporary text on the market, offering students as timely a perspective as possible.

Support Material

A high-quality package of instructional supplements supports the seventh edition. Nearly all of the supplements have been developed by the authors to ensure their

coordination with the text. We offer instructors a support package that facilitates the use of our text and enhances the learning experience of the student.

Instructor's Manual

The instructor's manual is a valuable teaching resource that includes learning objectives, chapter and lecture outlines, answers to all end-of-chapter discussion questions, transparency masters, and further insights and teaching suggestions. Additional discussion questions are also presented for each chapter. These questions can be used for class discussion or as short-answer essay questions for exams.

Manual of Tests

A test bank of more than 1,500 multiple-choice questions has been developed to accompany the text. The questions provide thorough coverage of the chapter material, including opening vignettes and IMC, Global, Diversity, and Ethical Perspectives.

Computerized Test Bank

A computerized version of the test bank is available to adopters of the text.

Instructor CD-ROM

This exciting presentation CD-ROM allows the professor to customize a multimedia lecture with original material from the supplements package. It includes video clips, commercials, ads and art from the text, electronic slides and acetates, the computerized test bank, and the print supplements.

Electronic Slides

A disk containing nearly 300 PowerPoint slides is available to adopters of the seventh edition for electronic presentations. These slides contain lecture notes, charts, graphs, and other instructional materials.

Home Page

A home page on the Internet can be found at

www.mhhe.com/belch7e

It contains Web Exploration Links (hot links to other websites) as well as various other items of interest. For instructors, the home page will offer updates of examples, chapter opener vignettes and IMC, Global, and Ethical Perspectives; additional sources of advertising and promotion information; and downloads of key supplements. Adopters will be able to communicate directly with the authors through the site (contact your McGraw-Hill/ Irwin representative for your password).

Four-Color Transparencies

Each adopter may request a set of more than 100 four-color acetate transparencies that present print ads, photo-boards, sales promotion offers, and other materials that do not appear in the text. (The same materials are available on the Instructor CD-ROM.) A number of important models or charts appearing in the text are also provided as color transparencies. Slip sheets are included with each transparency to give the instructor useful background information about the illustration and how it can be integrated into the lecture.

Video Supplements

A video supplement package has been developed specifically for classroom use with this text. The first set of videos contains more than 300 television and radio commercials that are examples of creative advertising. It can be used to help the instructor explain a particular concept or principle or give more insight into how a company executes its advertising strategy. Most of the commercials are tied to the chapter openings, IMC and Global Perspectives, or specific examples cited in the text. Insights and/or background information about each commercial are provided in the instructor's manual written specifically for the videos. The second set of videos contains longer segments on the advertising and promotional strategies of various companies and industries. We have produced three new video cases for the seventh edition. The companies or campaigns featured in the new video include the "What happens here, stays here . . ." campaign developed by R&R Partners for the Las Vegas Convention and Visitors Authority; the "Happy Cows" campaign developed by Deutsch LA for the California Milk Advisory Boards; and the integrated marketing campaign used by the San Diego Padres Major League Baseball team. We include three video cases from the sixth edition which examine the IMC campaigns developed for the U.S. Army, Skyy Spirits, and Chicken of the Sea International. Also included on the second set of video are segments featuring campaigns chosen as Ogilvy Award Winners by the Advertising Research Foundation and Reggie Award Winners by the Promotional Marketing Association. Short segments examining the use of celebrities in advertising and outdoor advertising in America are also included.

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George E. Belch
Michael A. Belch

Your guide through the exciting

Why It's a Powerful Learning Tool

The seventh edition continues to provide you with the most comprehensive and current text on the market in the area of advertising and promotion from an integrated marketing communications perspective. The following features in each chapter enhance students' understanding of the material as well as their reading enjoyment.

Chapter Openers

Chapter Objectives are provided at the beginning of each chapter to identify the major areas and points covered in the chapter and guide the learning effort. Each chapter also begins with a **Chapter Opening Vignette** that shows the effective use of integrated marketing communications by a company or ad agency or discusses an interesting issue that is relevant to the chapter. Some of the companies profiled in the opening vignettes include the Las Vegas Convention and Visitors Authority (LVCVA), the San Diego Padres, Apple, iPod, Dove, and Nike.

An Introduction to Integrated Marketing Communications

1

Chapter Objectives

1. To examine the marketing communication function and the growing importance of advertising and other promotional elements in the marketing programs of domestic and foreign companies.
2. To introduce the concept of integrated marketing communications (IMC) and consider how it has evolved.
3. To examine reasons for the increasing importance of the IMC perspective in planning and executing advertising and promotional programs.
4. To introduce the various elements of the promotional mix and consider their roles in an IMC program.
5. To examine how various marketing and promotional elements must be coordinated to communicate effectively.
6. To introduce a model of the IMC planning process and examine the steps in developing a marketing communications program.

What Happens in Las Vegas, Stays in Las Vegas

Las Vegas is one of the most popular destinations in the world. More than 37 million people visit the entertainment and gambling mecca each year including tourists from around the globe, businesspeople attending trade shows and conventions, and weekend visitors who come for three days of



partying. The daunting task of filling the city's nearly 130,000 hotel rooms each night and attracting new, as well as repeat, visitors to the city lies primarily with the Las Vegas Convention and Visitors Authority (LVCVA), which represents hotels, county, municipal, and private business association interests in the area. And for the past 25 years the LVCVA has worked closely with the advertising agency R & R Partners to help in the marketing of the city and to guide the branding of Las Vegas through its many incarnations.

While most people are aware of Las Vegas and its gaming heritage, the LVCVA and R & R Partners have been constantly challenged to position the city as a vibrant and contemporary player in the resort industry. Once known mainly for 24-hour gambling, all-you-can-eat buffets, and lounge shows, the new Las Vegas has evolved into a world-class shopping, dining, and entertainment destination. However, the city has also been facing greater competition as gambling and shows are now readily available in Atlantic City as well as in a myriad of riverboat and Native American gaming casinos that are only a few hours' drive or less from hundreds of cities across the country. Travelers and conventioners interested in great dining and shopping could find these attractions in a variety of cities such as San Francisco, New Orleans, or New York.

In early 2000, Billy Vassiliadis, the CEO of R & R Partners, and Ross Ralenkottier, the LVCVA president and CEO, reviewed agency research studies and came to the same conclusion: Las Vegas was losing its exclusivity, and the branding campaign for the city lacked a unifying idea that could break through all the clutter. They felt that they had done a good job of educating consumers about the new megaresorts and other attractions that had been built and helped transform Vegas from a gaming destination to an international gateway. However, the challenge was to find a unified way of marketing the city that would create a unique brand identity for Vegas that would resonate with and motivate a wide range of people.

R & R Partners approached the challenge by going back to basics and talking to consumers. The agency conducted qualitative account planning expeditions to Los Angeles, Las Vegas's primary feeder market, as well as major cities such as

world of advertising and promotion.

Chapter Pedagogy

Four-Color Visuals throughout the book consist of photoboards, commercial shots, charts, graphs, and over 400 print ads. **Key Terms** are highlighted in boldface throughout the text and listed at the end of each chapter with a page reference. **Chapter Summaries** serve as a quick review of important topics covered and as a study guide. **Discussion Questions** at the end of each chapter give students an opportunity to test their understanding of the material and to apply it. These questions can also serve as a basis for class discussion or assignments.

available within each of these categories—see Figure 10-1) as well as out-of-the-home media such as window advertising, transit advertising, and electronic billboards. A variety of support products such as direct marketing, the Internet, promotional products, and others such as sales promotions, and in-store point-of-purchase options must also be considered. A proliferation of new media, including branded entertainment and interactive media, has also provided the marketer with many options to consider.

While at first glance the choices among these alternatives might seem relatively straightforward, this is rarely the case. Part of the reason media selection becomes so involved is the nature of the media themselves. TV combines both sight and sound, an advantage not offered by other media. Magazines can convey more information and may keep the message available to the potential buyer for a much longer time. Newspapers also offer their own advantages, as do outdoor, direct media, and each of the others. The Internet offers many of the advantages of other media but is also limited in its capabilities. The characteristics of each alternative must be considered, along with many other factors. This process becomes even more complicated when the manager has to choose between alternatives within the same medium—for example, between *Time* and *Newsweek* or between *Grey's Anatomy* and *CSI*.

Many companies, large and small, have come to realize the importance of a sound media strategy. They are focusing additional attention on the integration of creative work and media, as well as the use of multiple media vehicles to achieve the optimal impact. For example, Buick, which has advertised on *Desperate Housewives* since its inception, has had its products integrated into the program's scripts and has launched an Internet campaign on AOL to promote the integration. The auto manufacturer also sponsors four-minute recaps of the show each week online, as well as video highlights. Other auto companies, like Toyota and Hyundai, are launching advertising and promotional campaigns more in line with the TV shows which they will appear, as well as seeking new ways to get their products seen (Exhibit 10-1).

The product and/or service being advertised affects the media planning process. As demonstrated in Figure 10-2, firms have found some media more useful than others in conveying their messages to specific target audiences. For example, GM and Procter & Gamble spend heavily on broadcast media, while others like Time Warner and Verizon allocate higher percentages of the budget to the Internet. The result is placement of advertising dollars in these preferred media—and significantly different media strategies.

Figure 10-1 The Traditional Media Landscape

Medium	Number
TV stations	3,510
Broadcast networks (TV and cable)	105
Radio stations	15,898
Satellite radio stations	2
Consumer magazines	5,340
Newspapers (daily and weekly)	6,100

Source: Mediamark, May 10, 2005.

Exhibit 10-1 Some companies are focusing more attention on product placement

Some Basic Terms and Concepts

Before beginning our discussion of media planning, we review some basic terms and concepts used in the media planning and strategy process.

Media planning is the series of decisions involved in delivering the promotional message to the prospective purchasers and/or users of the product or brand. Media planning is a process, which means a number of decisions are made, each of which may be altered as the plan develops.

The media selection consists of a series of steps and plans of action.

According to this model, a celebrity's effectiveness as an endorser depends on the culturally acquired meanings he or she brings to the endorsement process. Each celebrity contains many meanings, including status, class, gender, and age as well as personality and lifestyle. In explaining stage 1 of the meaning transfer process, McCracken notes:

Celebrities draw those powerful meanings from the roles they assume in their television, movie, military, athletic, and other careers. Each new dramatic role brings the celebrity into contact with a range of objects, persons, and contexts. One of these objects, persons, and contexts are transferred meanings that they reside in the celebrity.⁶

Examples of celebrities who have acquired meanings include actor Bill Cosby as the perfect father (from his role on *The Cosby Show*), actor Jerry Seinfeld as the quirky comedian (from his role on the sitcom *Seinfeld*), and singer/actress Jessica Simpson as an attractive, dirty blonde (from her MTV reality show *Newlyweds: Nick & Jessica* and the movie *The Hot Chick*). Cyclist Lance Armstrong has developed a very favorable image as a fierce competitor and an All-American superhero by winning the grueling Tour de France cycling race seven times after overcoming a life-threatening form of testicular cancer.

McCracken suggests celebrity endorser brings their meanings and image into the ad and transfer them to the product they are endorsing (stage 2 of the model in Figure 6-4). For example, PowerBar, the leading brand of energy performance bars, takes advantage of Armstrong's image as a competitor and champion with great determination in ads such as the one shown in Exhibit 6-6. He is also an effective endorser for the product since he competes in a very grueling and demanding sport where the benefits of sustained energy are very important.

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

The meaning transfer model has some important implications for companies using celebrity endorsers. Marketers must first decide on the image or symbolic meanings important to the target audience for the particular product, service, or company. They must then determine which celebrity best represents the meaning or image to be projected. An advertising campaign must be designed that captures that meaning in the product and moves it to the consumer. Marketing and advertising personnel often rely on intuition in choosing celebrity endorsers for their companies or products, but some companies conduct research studies to determine consumers' perceptions of celebrities' meaning. Global Perspective 6-2 discusses how NBA basketball star Yao Ming has become a very effective endorser for companies trying to enter China and how his management team conducted research to determine how his image might appeal to the tastes of Chinese consumers.

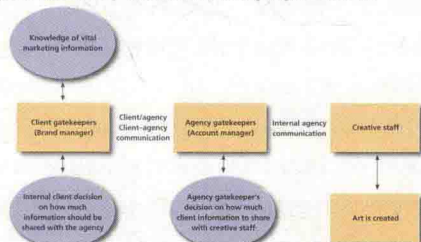
Marketers may also prefer ads to determine whether they transfer the proper meaning to the product. When celebrity endorsers are used, the marketer should track the campaign's effectiveness. Does the celebrity continue to be effective in communicating the proper meaning to the target audience? Celebrities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

As we have seen, marketers must consider many factors when choosing a celebrity to serve as an advertising spokesperson for the company or a particular brand. Studies have shown that advertising and marketing managers take these various factors into account when choosing a celebrity endorser.⁷ Among the most important factors are the celebrity's match with the target audience and the product/service or brand, the overall image of the celebrity, the cost of acquiring the celebrity, trustworthiness, the risk of controversy, and the celebrity's familiarity and likability among the target audience.



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

Figure 8-4 Model of Marketing Information Flow from the Marketing Manager to the Creative Staff



Source: John Quelch, Len Day, and Avery Aronow, "A Model of Marketing Information Flow," *Journal of Advertising*, 31 (Winter 2004), p. 42.

Summary

Promotion plays an important role in an organization's efforts to market its product, service, or ideas to its customers. Figure 2-1 shows a model for establishing how promotions fit into a company's marketing program. The model includes a marketing strategy and analysis, target marketing, program development, and the target market. The marketing process begins with a marketing strategy that is based on a detailed situation analysis and guides for target market selection and development of the firm's marketing program.

In the planning process, the situation analysis requires that the marketing strategy be assessed. The promotional program is developed with that strategy as a guide. One of the key decisions to be made pertains to the target marketing process, which includes identifying, segmenting, targeting, and positioning to target markets. There are several bases for segmenting the market and various ways to position a product.

Once the target marketing process has been completed, marketing program decisions regarding product, price, distribution, and promotions must be made. All of these must be coordinated to provide an integrated marketing communications perspective, in which the positioning strategy is supported by one voice. This all-product, strategic, pricing, and distribution choices must be made with the objective of contributing to the overall stage of the product or brand. Advertising and promotional decisions, in turn, must be integrated with the other marketing mix decisions to accomplish this goal.

Key Terms

strategic marketing plan, 41
market segments, 41
market opportunities, 41
competitive advantage, 41
target marketing, 44
market segmentation, 45
geographic segmentation, 47

demographic segmentation, 47
psychographic segmentation, 47
behavioristic segmentation, 49
benefit segmentation, 50
undifferentiated marketing, 51

differentiated marketing, 51
concentrated marketing, 51
positioning, 52
salient attributes, 53
repositioning, 55
product symbolism, 59
brand equity, 60

marketing channels, 62
resellers, 62
direct channels, 62
indirect channels, 63
promotional push strategy, 63
trade advertising, 63
promotional pull strategy, 63

Discussion Questions

1. Discuss the difference between a push and a pull strategy. What kinds of firms would be more likely to employ each strategy? Give examples.

2. The text describes a number of different positioning strategies. Give examples of products and/or brands that utilize each of these different strategies.

3. It has been said that benefit segmentation should be the starting

4. A number of companies have tried to reposition themselves in the marketplace. Some have been successful; others have not. Cite examples of both. What are the factors that you think led to their success or failure?

5. Companies price their products at different levels. Some are positioned as "premium" products while others take on a position of "luxury goods." Describe how the price positioning of a product or

6. Recently, some marketers have noted that it is easier to develop communications programs to Generation X members than Generation Y. Briefly describe the characteristics of Gen X and Gen Y, and whether or not you believe this to be true.

7. As companies increase their efforts to target the Hispanic segment, they are likely to encounter differences from other subcultural groups. Discuss some of the differences.

