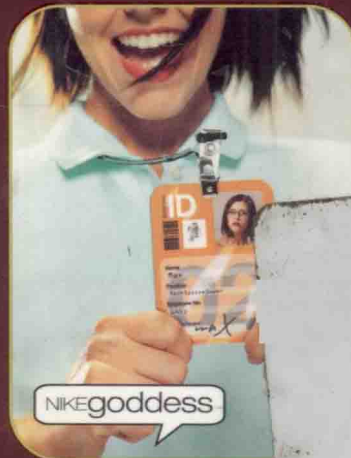
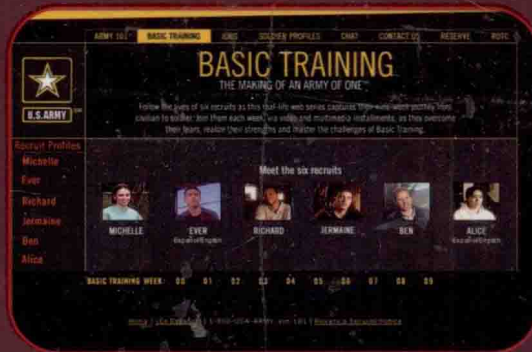


Advertising and Promotion

AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE

SIXTH EDITION



George E. Belch & Michael A. Belch



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**ADVERTISING AND PROMOTION:
AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE**

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To Mom

To whom we dedicate this book and a great deal more

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Preface

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 a 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. As the new millennium begins, 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. The large agencies are recognizing that they must change if they hope to survive in the 21st century. Keith Reinhard, chairman and CEO of DDB Worldwide, notes that the large agencies "have

finally begun to acknowledge that this isn't a recession we're in, and that we're not going back to the good old days."

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 BMW, Levi Straus & Co., Nike, and Skyy Spirits are among the marketers using "advertainment" as a way of reaching consumers: They create short films or commercials that are shown on their websites.

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 and Western Europe but in many 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. 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*, *Business Week*, *Fortune*, *Forbes*, *Sales & Marketing Management*, *Business 2.0*, *eMarketer*, *The Internet Advertising Report*, *Promo*, and many others, to find practical examples that are integrated 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 sixth 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 sixth 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, marketing, 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 pub-

licity/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 support media such as outdoor and transit advertising and some of the many new media alternatives.

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 the rapidly growing areas of direct marketing. This chapter examines database marketing and the way by which companies communicate directly with target customers through various media. Chapter 15 provides a detailed discussion of interactive media and marketing on the Internet and how companies are using the World Wide Web as a medium for communicating with customers. We discuss how this medium is being used for a variety of marketing 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. Some of the companies, brands, and organizations profiled in the opening vignettes include the U.S. Army, BMW, Samsung, TiVo, Red Bull, Nike, Skyy Spirits, and *Rolling Stone* magazine. In addition, some of the chapter openers discuss current topics and issues such as branding, convergence, the role of advertising versus public relations, and the controversy over the advertising of hard liquor on network television.

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 Jet Blue, Dell Computer, Jupiter Media Matrix, BMW Mini-Cooper, Intel, *USA Today*, PT-Cruiser, and Dunkin' Donuts. Issues such as the use of music to enhance the effectiveness of commercials, the value of stadium naming rights,

public relations blunders, 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, Microsoft, Sony, McDonald's, and Nike. Topics such as the Cannes international advertising awards, celebrities who appear in commercials in Japan while protecting their image in the United States, advertising in China, and the challenges of communicating with consumers in Third World countries are also discussed.

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 television networks and advertisers over tasteful advertising, and controversies arising from the increase in direct-to-consumer advertising of prescription drugs and the commercialization of schools.

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 and issues involved in communicating with this important segment, the emergence of Spanish-language television stations in the United States, and the use of sales promotion to target the African-American market.

Career Profiles

Also included are Career Profiles of successful individuals working in the communications industry. The individuals featured in Career Profiles include an account executive for the Leo Burnett advertising agency, a director of corporate communications for JetBlue airlines, the vice president of the iDeutsch interactive agency, the manager of Corporate Communications and Creative Services for Savin Corporation, a media salesperson for *Rolling Stone* magazine, the vice president of marketing and communication for Cox Target Media, a marketing and sales promotion analyst for Chicken of the Sea International, the president of *eMarketer*, and the president of the Ipsos-ASI, Inc., global marketing and advertising research firm.

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 Sixth Edition

We have made a number of changes in the sixth 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 sixth edition continues to place a strong emphasis on studying advertising and promotion from an integrated marketing communications perspective. We examine developments that are impacting the way marketers communicate with their customers, such as the movement toward "branded content," whereby marketers and agencies are becoming more involved in creating an entertainment product and integrating their messages into it. New technologies such as personal 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 the Internet and Interactive Media** The sixth edition includes up-to-date information on the Internet and other forms of interactive media and how they are being used by marketers. 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 also 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 sixth edition.

- **Diversity Perspectives—New to This Edition**

In this edition we introduce a new 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 new feature focuses on the opportunities and challenges facing companies as they develop integrated marketing communications programs for markets that are becoming more ethnically diverse.

- **Online Cases** Six short cases written to correspond to various sections of the text are available online and can be downloaded for classroom use and assignments. These cases are designed to build on the material presented in the text and provide students with the opportunity to apply various IMC tools and concepts. The cases include companies and organizations such as Gateway, the U.S. Armed Forces, Chicken of the Sea International, the Partnership for a Drug Free America, and the U.S. Office of National Drug Control Policy. The online cases include information beyond that provided in the text and require that students evaluate an advertising and promotional issue and make a decision and recommendation.

- **New Chapter Opening Vignettes** All of the chapter opening vignettes in the sixth 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 fifth 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 sixth 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 eight 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 sixth 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 sixth 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.business/marketing/

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 over 100 four-color acetate transparencies that present print ads, photo-boards, sales promotion offers, and other materials that do not appear in the text. 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 nearly 200 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. Included on this video are three segments showing campaigns chosen as Ogilvy Award Winners by the Advertising Research Foundation. Each segment shows how research was used to guide the development of an effective advertising campaign. Other segments include highlights of promotions that won Reggie Awards (given each year to the best sales promotion campaigns) and case studies of the integrated marketing communications programs used by the U.S. Army, Skyy Spirits, Mazda, and Chicken of the Sea International.

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George E. Belch
Michael A. Belch

Your guide through the exciting

Why It's a Powerful Learning Tool

The sixth 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 U.S. Army, BMW, Samsung, TiVo, Red Bull, Nike, Skyy Spirits, and *Rolling Stone* magazine.

An Introduction to Integrated Marketing Communications

1

Chapter Objectives

1. To examine the promotional 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.

"An Army of One" Campaign Accomplishes Its Mission

During the early to mid 1990s, the U.S. Army had little trouble attracting enough young men to enlist for military service. The collapse of the Soviet Union had all but ended, and the cold war and military warfare was becoming more high-



tech, which meant that fewer soldiers were needed. Thus, the Army was downsized by 40 percent, making it easy to reach modest recruitment goals. Recruitment advertising used the "Be All That You Can Be" tagline and relied primarily on expensive television commercials to deliver the self-actualization message. The ads also emphasized how joining the Army provided opportunities for career training, college scholarships, and other financial incentives.

While its recruitment marketing strategy worked well in the early to mid '90s, by the latter part of the decade the Army found itself losing the battle to recruit America's youth. The military recruiting environment had changed as the booming economy of the '90s created many other opportunities for high school graduates. The Army's financial package was not enough to attract qualified recruits, and many high school graduates were not willing to endure the demands of basic training. However, the core

challenge facing the Army was deeply rooted negative perceptions of the military. Research showed that 63 percent of young adults 17-24 said there was no way they would enlist in the military, and only 12 percent indicated an interest in military service. Comments such as, "not for people like me," "for losers," and, "only for those with no other options" were typical of the feelings young people held toward military service. Moreover, even for many of those who would consider enlisting in the service, the Army was their fourth choice among the branches of the military as it had major image problems on key attributes considered important in a post-high school opportunity.

All of these factors resulted in the Army missing its recruiting goals three out of the five years during the late '90s, despite spending more money on recruitment advertising than any branch of the military. In early 2000, Secretary of the Army Louis Caldera announced that: "We are totally changing the way we do Army advertising. We have to adopt the kinds of practices that the best marketing companies use to attract today's youth." His new marketing strategy called for a new advertising campaign and a new media strategy that included less reliance on television ads and greater use of the Internet, and "re-recruiting" to complement the Army's transformation into a more mobile, high-tech force. In June of 2000, Caldera announced the hiring of Leo Burnett USA, Chicago, as its new agency, replacing Young & Rubicam which had created Army ads since 1987.

One of the first decisions facing Leo Burnett was whether to continue with the long running "Be All That You Can Be" tagline. Although highly recognizable, the agency felt that the

world of advertising and promotion.

Exhibit 2-21 Advertising for designer clothing



Branding Choosing a brand name for a product is important from a promotional perspective because brand names communicate attributes and meaning. Marketers search for brand names that can communicate product concepts and help position the product in customers' minds. Names such as Safeguard (soap), I Can't Believe It's Not Butter! (margarine), Easy-Off (oven cleaner), Arrid (antiperspirant), and Spic and Span (floor cleaner) all clearly communicate the benefits of using these products and at the same time create images extending beyond the names themselves. (What about Le-Z-Boy?) One important role of advertising in respect to branding strategies is creating and maintaining **brand equity**, which can be thought of as an intangible asset of added value or goodwill that results from the favorable image, impressions of differentiation, and/or the strength of consumer attachment to a company name, brand name, or trademark. Brand equity allows a brand to earn greater sales volume and/or higher margins than it could without the name, providing the company with a competitive advantage. The strong equity position a company and/or its brand enjoys is often reinforced through advertising. For example, Rado watches command a premium price because of their high quality as well as the strong brand equity they have developed through advertising (Exhibit 2-22).

Exhibit 2-22 Rado creates strong brand equity through advertising



Packaging becomes an important benefit role and funerals of vision are made as two-thirds. The package must make a



Exhibit 8-5 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 wide, and he says, "I'll be there in 10 minutes." Another humorous spot from the campaign shows a dog, wrongfully being accused for upsetting the trash while an evil-looking cat sneers from the other side of the kitchen. The owner leaves, and the cat goes for the trash once again. However, this time the dog takes a Polaroid snapshot of the cat, beside the trash with a chicken bone in its mouth, and then patiently waits, intermittently photo in mouth, as the door opens and the owner returns. "Oh dear," we hear as the picture fades (Exhibit 8-5).

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.¹⁷

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."¹⁸

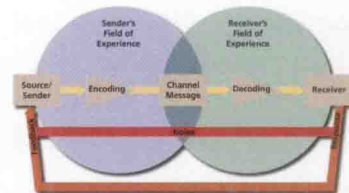
Chapter Pedagogy

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.

Over the years, a basic model of the various elements of the communication process has evolved, as shown in Figure 5-1.¹⁹ Two elements represent the major participants in the communication process, the sender and the receiver. Another two are the major communication tools, message and channel.

A Basic Model of Communication

Figure 5-1 A model of the communication process



Key Terms

| | | | |
|-----------------------------------|--------------------------------|--------------------------------|--|
| selectivity, 395 | magazine networks, 408 | classified advertising, 416 | standard advertising units (SAUs), 423 |
| gatefolds, 398 | multimarket deals, 411 | preprinted inserts, 416 | flat rates, 424 |
| bleed pages, 398 | cross-media advertising, 411 | city zone, 421 | open rate structure, 424 |
| split runs, 401 | selective binding, 411 | retail trading zone, 421 | run of paper (ROP), 424 |
| controlled-circulation basis, 405 | inkjet imaging, 412 | general advertising rates, 422 | preferred position rate, 425 |
| pass-along readership, 405 | total audience/readership, 406 | retail advertising rates, 422 | combination rates, 425 |

Discussion Questions

1. The vignette at the beginning of the chapter discusses how Rolling Stone magazine is undergoing major changes to update its image and make it more appealing to a younger audience. Evaluate the changes being made by Rolling Stone to reposition itself and the challenges the magazine faces in trying to compete against other magazines that are targeting young adults.
2. Discuss the role of newspapers and magazines in the development and implementation of an integrated marketing communications program. What advantages are offered by each medium?
3. What is meant by selectivity with regard to the purchase of advertising media? Discuss the various ways magazines offer selectivity to advertisers.
4. Choose a specific target market that an advertiser might want to reach. Discuss how magazines and/or newspapers might be used to reach this particular market in a cost-effective manner.
5. IMC Perspective 12-1 discusses the challenges marketers targeting products and services to the young male market face in trying to reach this segment. Why do you think teenage males are such a difficult market to reach with magazines? Do you think a magazine such as *Stance* will be successful in appealing to the teen male market?
6. Discuss why many companies such as Nike, Kodak, Ford, and others are choosing to publish their own custom magazines. Do you think these custom publications are an effective way to reach their customers?
7. If you were purchasing magazine advertising space for a manufacturer of golf clubs such as TaylorMade or Callaway, what factors would you consider? Would your selection of magazines be limited to golf publications? Why or why not?
8. Discuss how the use of newspapers as an advertising medium would differ for national versus local advertisers. Find examples of newspaper advertising used by a national and a local advertiser and evaluate the type of ad used by each.
9. Discuss the reasons why USA Today has become the leading national newspaper. What challenges do other national newspapers such as *The Wall Street Journal* and *The New York Times* face in trying to compete against USA Today for national advertising?
10. Why has newspaper readership in the United States been declining over the past decade? Do you think campaigns such as the Newspaper Association of America's "It all starts with newspapers" can help reverse the decline in newspaper readership among young people?

Real life examples

The authors have used many sources to find practical examples to use throughout the text. In addition to the integration of the strategy and rationale behind the ads and other types of promotion that are used for current examples of in-depth discussions highlighted in boxed sections. **IMC Perspectives** present in-depth discussion 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 important 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 then 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.

IMC PERSPECTIVE 19-1

The ARF David Ogilvy Research Awards—No Longer Just Ad Campaign Awards

One of the most prestigious awards an advertiser can receive is the David Ogilvy Award. The award is given by the Advertising Research Foundation (ARF) in honor of researcher-turned-adman David Ogilvy, whose own work always stressed the role of research in developing, evaluating, and improving advertising. To win an Ogilvy Award, the candidate must demonstrate how research was used in developing a program and show marketing success. Awards are given in three areas—(1) services, (2) durable, and (3) packaged goods—and an overall grand-prize winner is announced. Judges come from academia, advertising agencies, companies, and research firms. This year's winners included:

• **Grand Winner: Robert Wood Johnson Foundation—"The Covering Kids Campaign."** To cover the federal government allocated money to each state to offer health coverage to children in low-income families. Unfortunately, much of this money went unused. The Robert Wood Johnson Foundation used its own money to determine why this was the case, as well as to develop a campaign to communicate to parents. The foundation worked with Worldwide Worldwide, a marketing research company to determine the motivations, or lack of motivations, for taking advantage of this opportunity. The research demonstrated that financial aid and emotional issues were involved and that while low-income families were concerned with insuring their children, there was a lack of knowledge of the

program as well as a number of misconceptions regarding qualifications. In addition, semantics mattered, as many families felt that "insurance" was synonymous with high cost and that if it was free, it was a "handout."

Based on this research, the advertising agency of Green Margolis, Mitchell, Burns and Associates developed a "values approach" in which ad messages stated "You could be eligible" and furnished callers directly into the program. The campaign included TV, outdoor, radio, and print ads differentiated for various ethnic groups. An Internet site was also included, as was a toll-free number to call for more assistance.

The results reflected the value of the research, as a not of every 10 persons who called the national hotline did so after seeing a Covering Kids ad, and the number of calls doubled during the time the ad campaign ran. Calls to regional toll-free numbers increased by as much as 145 percent.

• **Distinguished Finalist: United States Navy—"No URL in Every Port."** Joining the armed services is not an easy decision. The U.S. Navy had found that its competitors included colleges, trade schools, the work force, and other branches of military services. To come to a decision, the Navy felt that it had to conduct research into the motivations and attitudes of high school students—the primary target audience. Working with advertising agency Campbell Ewald, the Navy created an extensive research portfolio that included interviews with Navy personnel, recruiters, and decision influencers such as parents and teachers. Focus groups, brand metaphor exercises, and a quantitative survey of teens were all used to explore the values and attitudes of teens. The resulting psychological profile showed that "Adventurers" (active, fun-oriented outdoor types), "Vocationalists" (concerned about the future and looking for vocational skills to improve their job prospects), and "Independent Skill Seekers" (concerned about their future looking for vocational



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CAREER PROFILE

Greg Hancock

Sales Representative for Rolling Stone Magazine

I chose the University of Southern California to get my undergraduate degree because they had one of the top rated Business Entrepreneurship programs, which I felt would prepare me to start my own business. However, after graduating, I realized it takes a lot of money and experience to start up a new business. I lacked that, so I searched for a job to learn sales, marketing and advertising. These are important skills, no matter what industry you work in.

Using my social network, I found a friend of a friend that sold advertising for magazines. I offered to take her for lunch to learn more about her job. Following lunch, she introduced me to her boss, the owner of the James G. Elliott Company, a Los Angeles Rep Firm. The firm is sometimes used by a magazine to sell their advertising rather than using an in-house sales team. They had an entry-level position available, but unfortunately "entry-level" in the ad sales industry means at least a couple of years of experience. Most people selling advertising get their start by working at an ad agency. They learn the industry, and then move into sales. Although I did not have enough experience, I just kept calling. I told Jim Elliott, "Give me three months to prove myself and if I don't like me you don't have to pay me." It turns out persistence was more important than experience and they offered me the job.



"My job requires a lot of hard work but it is also a lot of fun."

Finally made it to one of the most recognizable and highly respected magazines in the industry.

Since 1967 Rolling Stone has been the largest music magazine in the US and arguably one of the most influential voices in matters of pop culture. With an audience of over 1,000,000 readers every two weeks, we reach an outstanding audience for advertisers to deliver their message. I'm responsible for over \$7 million dollars of advertising every year coming from a list of hundreds of potential advertisers including Toyota, Honda, and Nissan. High tech companies like Apple Computers and Symantec, and fashion accounts like Guess and Sketchers. The pressure is high, the workload is heavy, but the perks are outstanding. Sales is not just about selling a product, it's also about building relationships and friendships. We do this by entertaining our clients, lunches and dinners in the best restaurants, drinks at the coolest clubs, and of course, great seats to the hottest concerts.

Ultimately the sale of an ad comes down to the research we show the buyers regarding our readers. They want to know as much as possible about the reader of Rolling Stone including their demographic and psychographic profiles and how well our readers match the target market the advertiser wants to reach. Research is the key and it is best learned by working for an advertising agency first.

My job requires a lot of hard work but it is also a lot of fun and there are many things about it that suit me very well. I like to be in charge, I need flexibility, and I like to be paid well for what I do. So here are my words of advice for those of you who want to pursue a career in business: You can try to climb the corporate ladder quickly by skipping steps, but at some point, you'll need to know what steps you skipped or you'll end up falling back down faster than you went up! In the words of the Talking Heads, "And you may find yourself in a beautiful house, with a beautiful wife. And you may ask yourself—Well, how did I get here?"

DIVERSITY PERSPECTIVE 5-1

Communicating with the Hispanic Teen Market

A few years ago, Jeff Manning, the executive director of the California Milk Processor Board (CMPB), was considering ways to reverse a decline in milk sales in the heavily Hispanic southern California market. As he reviewed a report on the Latino market, a potential solution to the problem came to him: target one of the fastest growing market segments in the United States, which is Hispanic teenagers. The results from the 2000 census show that over the past decade the Hispanic market grew by 58 percent, compared with only 3 percent for the non-Hispanic white segment, and another 33 percent jump for Hispanics is forecast over the next 10 years. Moreover, the ranks of Hispanic teenagers are projected to swell to 18 percent of the U.S. teen population over the next decade, up from 12 percent in 2000. Nearly one in five children born in the United States today is of Latino American descent, and more than half of all children in Los Angeles alone are born to Latino mothers.

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

Advertising and marketing executives have different perspectives on how to best reach these "young biculturalists." For example, research Manning conducted for the California Milk Processor Board on targeting English versions of its popular "Got Milk?" ads to Hispanic teens found that they reacted enthusiastically to the ads. The CMPB had considered doing the ads in Spanish (a combination of English and Spanish) but found that the language used was not a major issue for teens, as they reacted to ideas, not language. However, a 2000 study of Hispanic teens by the Baseline Research Group found that advertising to bilingual Hispanics in Spanish is significantly more effective than advertising to them in English. English ads were 24 percent less effective than Spanish ads in terms of



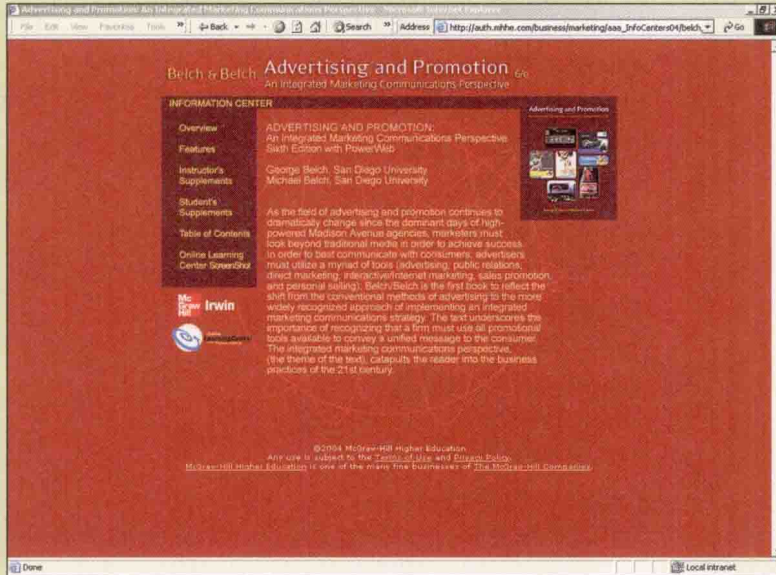
ad recall, 64 percent less effective in terms of persuasion, and 14 percent less effective in terms of communication.

The California Milk Processor Board has decided to focus on important to develop ads that appeal to bicultural teens. Recently its ad agency worked with Latino students from the Art Center College of Design in Pasadena to develop a commercial based on a Hispanic cultural myth that has long been used to scare kids straight. When Hispanic kids misbehave, their parents threaten that La Llorona (The weeping woman) will come to claim them. Basically she's a bogeywoman for bicultural teens. In the spot the ghostly figure, clad in flowing green and red, wails as she wanders through a house. Walking through a wall, the specter enters the kitchen and opens the refrigerator. Rather abruptly, her tears transform into milk. She screams, lunging at the half gallon of milk needed to wash down the milk. She gushes milk. But only for La Llorona, the cartoon is empty as the teen resumes the "Got Milk?" tagline appears.

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

Source: Baseline Research, "Most Lacking in Latent Hispanic," *Advertising Age*, Jan. 21, 2002, p. 25; Jeffery D. East, "Hispanic Teens Set New Best," *Advertising Age*, June 10, 2002, p. 30; Rick Weiss, "How 'New' Are 'New' Latinos?," *Advertising Age*, Oct. 14, 2001, p. 30; The Wall Street Journal, June 1, 1999, p. A1, 30.

WALKTHROUGH PREFACE

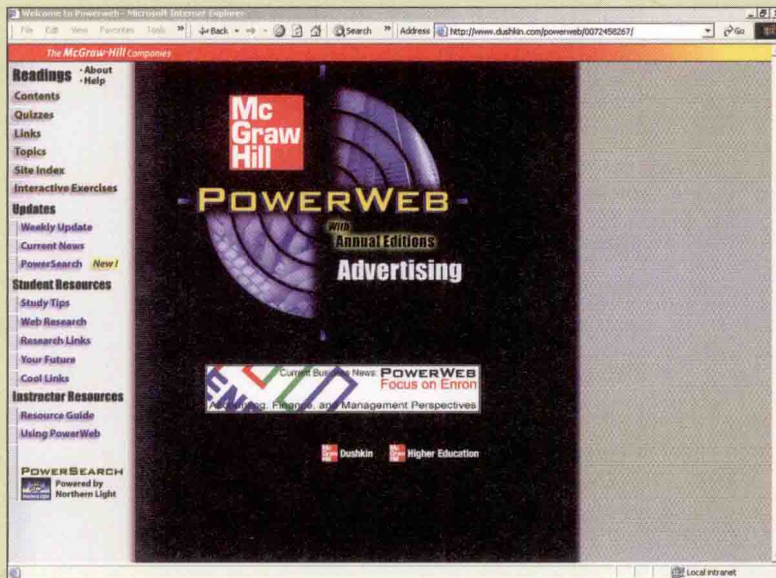


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A wealth of study tools is available for students at the site including self-assessing quizzes, an online Campaign Planner, key terms drills, and cases.

Both instructors and students also have the opportunity to access **Power-Web for Advertising** through our website. Daily news feeds, chapter specific article updates, and quizzes, are only a few of the resources available there.

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