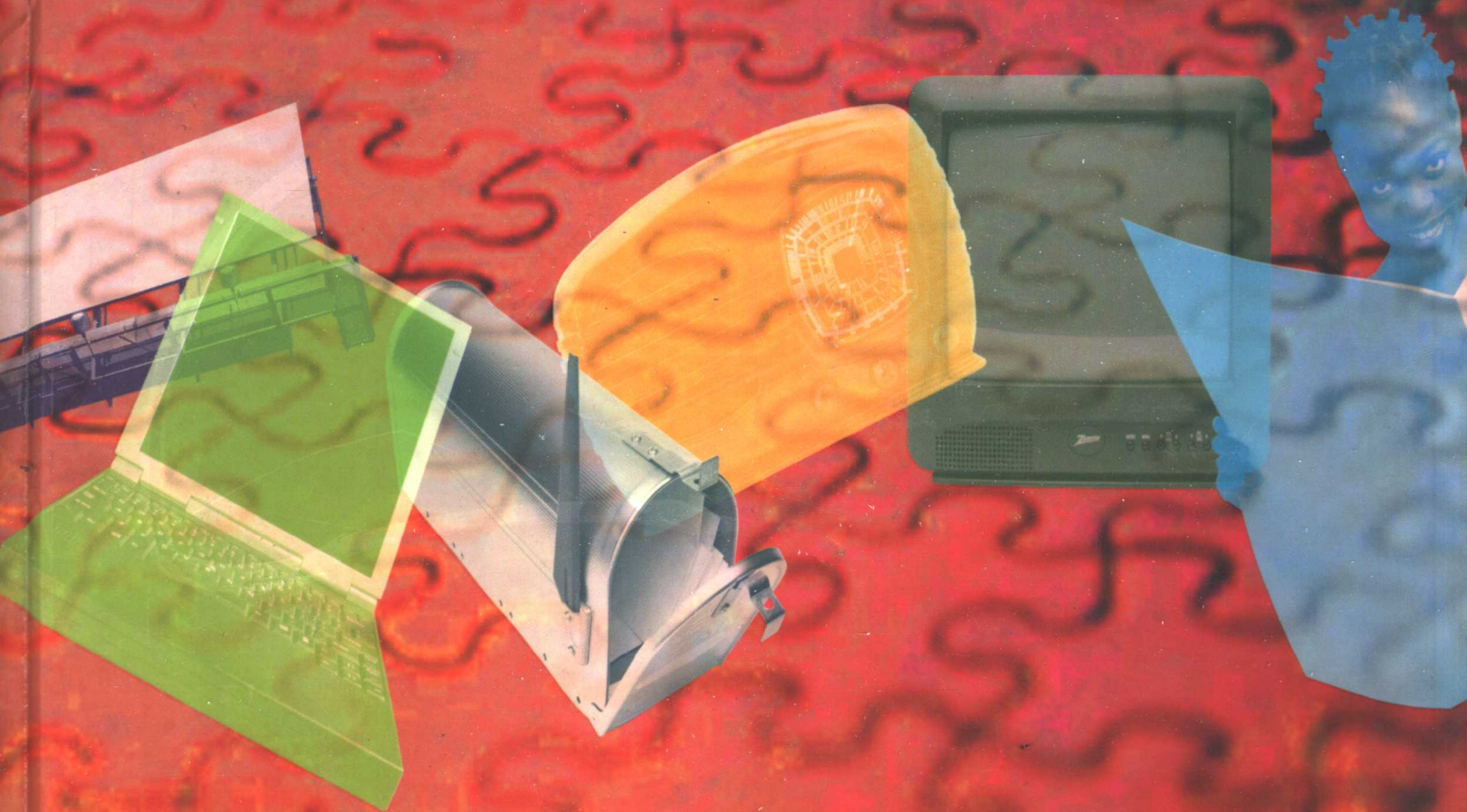


George E. Belch & Michael A. Belch



Advertising and Promotion

An Integrated Marketing Communications Perspective

Fifth Edition

Advertising and Promotion

An Integrated Marketing Communications Perspective

Fifth Edition

George E. Belch & Michael A. Belch

Both of San Diego State University



Boston Burr Ridge, IL Dubuque, IA Madison, WI
New York San Francisco St. Louis
Bangkok Bogotá Caracas Lisbon London Madrid Mexico City
Milan New Delhi Seoul Singapore Sydney Taipei Toronto

McGraw-Hill Higher Education

A Division of The McGraw-Hill Companies

ADVERTISING AND PROMOTION:

AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE

Published by Irwin/McGraw-Hill, an imprint of the McGraw-Hill Companies, Inc. 1221 Avenue of the Americas, New York, NY, 10020. Copyright © 2001, 1998, 1995, 1993, 1990, by The McGraw-Hill Companies, Inc. All rights reserved. No part of this publication may be reproduced or distributed in any form or by any means, or stored in a data base or retrieval system, without the prior written consent of The McGraw-Hill Companies, Inc., including, but not limited to, in any network or other electronic storage or transmission, or broadcast for distance learning. Some ancillaries, including electronic and print components, may not be available to customers outside the United States.

This book is printed on acid-free paper.

domestic 4 5 6 7 8 9 0 VNH/VNH 0 9 8 7 6 5 4 3 2
international 4 5 6 7 8 9 0 VNH/VNH 0 9 8 7 6 5 4 3 2

ISBN 0-07-231445-1

Vice president/Editor-in-chief: *Michael W. Junior*

Publisher: *David Kendrick Brake*

Developmental editor: *Barrett Koger*

Marketing manager: *Kim Kanakes*

Senior project manager: *Susan Trentacosti*

Production supervisor: *Heather D. Burbridge*

Senior supplement coordinator: *Cathy L. Tepper*

Media technology producer: *Burke Broholm*

Cover images: © *PhotoDisc*

Senior designer: *Kiera Cunningham*

Photo research coordinator: *Sharon Miller*

Compositor: *Precision Graphics Services, Inc.*

Typeface: *10.5/12 Times Roman*

Printer: *Von Hoffmann Press, Inc.*

Library of Congress Cataloging-in-Publication Data

Belch, George E. (George Edward)

Advertising and promotion : an integrated marketing communications perspective /

George E. Belch & Michael A. Belch. -- 5th ed.

p. cm. -- (The McGraw-Hill/Irwin series in marketing)

Includes bibliographical references and index.

ISBN 0-07-231445-1

1. Advertising. 2. Sales promotion. 3. Communication in marketing. I. Belch, Michael

A. II. Title. III. Series.

HF5823.B387 2001

659.1--dc21

00-040688

INTERNATIONAL EDITION ISBN 0-07-118026-5

Copyright © 2001. Exclusive rights by The McGraw-Hill Companies, Inc. for manufacture and export.

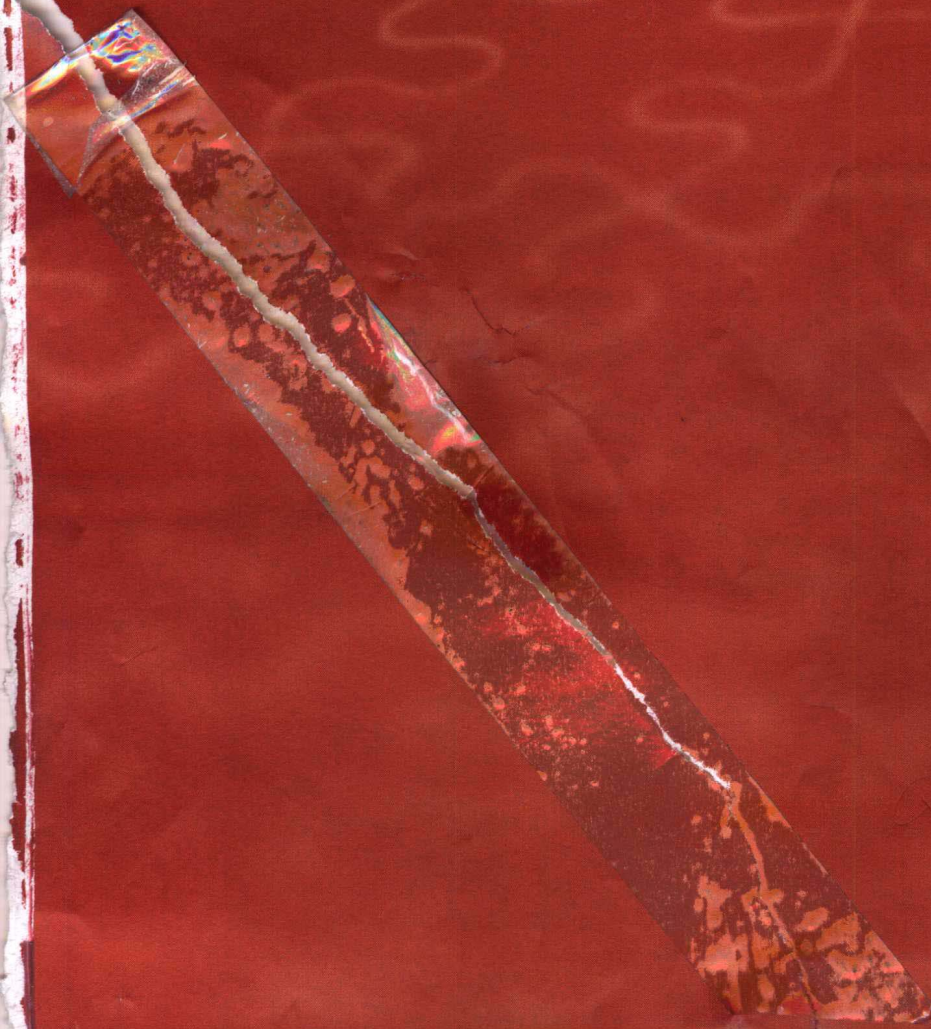
This book cannot be re-exported from the country to which it is sold by McGraw-Hill.

The International Edition is not available in North America.

www.mhhe.com

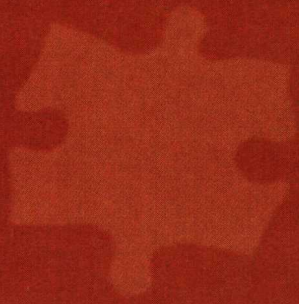
Advertising and Promotion

An Integrated Marketing Communications Perspective



The McGraw-Hill/Irwin Series in Marketing

- Alreck & Settle
THE SURVEY RESEARCH HANDBOOK, SECOND EDITION
- Anderson, Hair & Bush
PROFESSIONAL SALES MANAGEMENT, SECOND EDITION
- Arens
CONTEMPORARY ADVERTISING, SIXTH EDITION
- Bearden, Ingram & LaForge
MARKETING: PRINCIPLES & PERSPECTIVES, SECOND EDITION
- Belch & Belch
ADVERTISING & PROMOTION: AN INTEGRATED MARKETING COMMUNICATIONS APPROACH, FIFTH EDITION
- Bernhart & Kinnear
CASES IN MARKETING MANAGEMENT, SEVENTH EDITION
- Berkowitz, Kerin, Hartley & Rudelius
MARKETING, SIXTH EDITION
- Bowersox and Closs
LOGISTICAL MANAGEMENT, FIRST EDITION
- Bowersox and Cooper
STRATEGIC MARKETING CHANNEL MANAGEMENT, FIRST EDITION
- Boyd, Walker & Larreche
MARKETING MANAGEMENT: A STRATEGIC APPROACH WITH A GLOBAL ORIENTATION, THIRD EDITION
- Cateora & Graham
INTERNATIONAL MARKETING, TENTH EDITION
- Churchill, Ford, Walker, Johnston, & Tanner
SALES FORCE MANAGEMENT, SIXTH EDITION
- Churchill & Peter
MARKETING, SECOND EDITION
- Cole & Mishler
CONSUMER AND BUSINESS CREDIT MANAGEMENT, ELEVENTH EDITION
- Cravens
STRATEGIC MARKETING, SIXTH EDITION
- Cravens, Lamb & Crittenden
STRATEGIC MARKETING MANAGEMENT CASES, SIXTH EDITION
- Crawford & Di Benedetto
NEW PRODUCTS MANAGEMENT, SIXTH EDITION
- Dwyer & Tanner
BUSINESS MARKETING, FIRST EDITION
- Etzel, Walker & Stanton
MARKETING, TWELFTH EDITION
- Futrell
ABC'S OF RELATIONSHIP SELLING, SIXTH EDITION
- Futrell
FUNDAMENTALS OF SELLING, SIXTH EDITION
- Hair, Bush & Ortinau
MARKETING RESEARCH, FIRST EDITION
- Hasty and Rearden
RETAIL MANAGEMENT, FIRST EDITION
- Hawkins, Best & Coney
CONSUMER BEHAVIOR, EIGHTH EDITION
- Hayes, Jenster & Aaby
BUSINESS TO BUSINESS MARKETING, FIRST EDITION
- Johansson
GLOBAL MARKETING, SECOND EDITION
- Lambert & Stock
STRATEGIC LOGISTICS MANAGEMENT, THIRD EDITION
- Lambert, Stock & Ellram
FUNDAMENTALS OF LOGISTIC MANAGEMENT, FIRST EDITION
- Lehmann & Winer
ANALYSIS FOR MARKETING PLANNING, FOURTH EDITION
- Lehmann & Winer
PRODUCT MANAGEMENT, SECOND EDITION
- Levy & Weitz
RETAILING MANAGEMENT, FOURTH EDITION
- Mason & Perreault
THE MARKETING GAME, SECOND EDITION
- Malhotra
DIRECT MARKETING AN INTEGRATED APPROACH, FIRST EDITION
- Meloan & Graham
INTERNATIONAL AND GLOBAL MARKETING CONCEPTS AND CASES, SECOND EDITION
- Monroe
PRICING, SECOND EDITION
- Oliver
SATISFACTION: A BEHAVIORAL PERSPECTIVE ON THE CONSUMER, FIRST EDITION
- Patton
SALES FORCE: A SALES MANAGEMENT SIMULATION GAME, FIRST EDITION
- Pelton, Strutton, Lumpkin
MARKETING CHANNELS: A RELATIONSHIP MANAGEMENT APPROACH, FIRST EDITION
- Perreault & McCarthy
BASIC MARKETING: A GLOBAL MANAGERIAL APPROACH, THIRTEENTH EDITION
- Perreault & McCarthy
ESSENTIALS OF MARKETING: A GLOBAL MANAGERIAL APPROACH, EIGHTH EDITION
- Peter & Donnelly
A PREFACE TO MARKETING MANAGEMENT, EIGHTH EDITION
- Peter & Donnelly
MARKETING MANAGEMENT: KNOWLEDGE AND SKILLS, SIXTH EDITION
- Peter & Olson
CONSUMER BEHAVIOR AND MARKETING STRATEGY, FIFTH EDITION
- Rangan
BUSINESS MARKETING STRATEGY: CASES, CONCEPTS & APPLICATIONS, FIRST EDITION
- Rangan, Shapiro & Moriarty
BUSINESS MARKETING STRATEGY: CONCEPTS AND APPLICATIONS, FIRST EDITION
- Rossiter & Percy
ADVERTISING COMMUNICATIONS AND PROMOTION MANAGEMENT, SECOND EDITION
- Stanton, Spire, & Buskirk
MANAGEMENT OF A SALES FORCE, TENTH EDITION
- Sudrajat, Man & Blair
MARKETING RESEARCH: A PROBLEM SOLVING APPROACH, FIRST EDITION
- Ulrich & Eppinger
PRODUCT DESIGN AND DEVELOPMENT, SECOND EDITION
- Walker, Boyd and Larreche
MARKETING STRATEGY: PLANNING AND IMPLEMENTATION, THIRD EDITION
- Weitz, Castleberry and Tanner
SELLING: BUILDING PARTNERSHIPS, FOURTH EDITION
- Zeithaml & Bitner
SERVICES MARKETING, SECOND EDITION



To Gayle and Melanie

With a special dedication to the kids:

Danny, Derek, Jessica, and Trevor Milos



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 the AIDS crisis and 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, who 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 now 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.

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 an article titled "Agencies: Change or Die," Joe Cappel, *Advertising Age* senior vice president, wrote, "What is happening in the advertising industry right now is a massive revolution that is changing the rules of marketing. This revolution is taking place not only in the United States, but in all affluent countries where advertising and media are well developed." In his new 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 fueling this revolution. 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 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, 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 40-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*, *Marketing Tools*, *Sales & Marketing Management*, *Business Marketing*, *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.

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, and Ethical 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 fifth 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. The fifth 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. A recent study found that an overwhelming majority of marketing managers believe IMC can enhance the effectiveness and impact of their marketing communications efforts. Many advertising agencies are also developing expertise in direct marketing, sales promotion, event sponsorship, the Internet, and other areas so 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. 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 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 foundation lays the foundation for the next section where we discuss the development of the integrated marketing communication 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 new medium is being used for a variety of marketing activi-

ties 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 post-testing 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 whose advertising and promotion programs are profiled in the opening vignettes include Mazda, Gap, Hewlett-Packard, Jenny Craig, Fosters, Jack in the Box, AOL, Time Warner, *Fast Company* magazine, and the TBWA/Chiat/Day advertising agency.

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 are General Motors, Enron, IBM, Nortel Networks, Subaru, Savin, Apple Computer, Chevrolet Trucks, and Intel.

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 are the Ford Motor Company, Coca-Cola, Pepsi Cola, IBM, Colgate, New Balance, and McDonalds'.

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 the use of the Internet to preempt negative publicity, subliminal advertising, the use of shock ads by companies such as Calvin Klein, Benetton, and others, the controversy over the use of sweepstakes in the direct marketing of magazine subscriptions, invasion of consumer privacy by direct marketers as well as Internet companies, the issue of whether advertisers can influence the editorial content of the media, and the advertising of hard liquor on television.

Career Profiles

Also included are Career Profiles of successful individuals working in the communications industry. Some examples of the individuals featured in the Career Profiles are an agency vice president/management supervisor, an assistant account executive, a creative director for a promotion agency, a media sales person for a major magazine, a director of research for a major media company, a vice president and director of research for a public relations firm, and a vice president/client service director for a Canadian direct and interactive agency.

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 Fifth Edition

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

- **A Continuing Emphasis on Integrated Marketing Communications** The fifth edition continues to place a strong emphasis on approaching the field of advertising and promotion from an integrated marketing communications perspective. We continue to focus on how the various elements of an organization's promotional mix are combined to develop a total marketing communications program that sends a consistent message to customers. The first chapter now includes an updated discussion of the evolution of IMC and factors that have contributed to the increased attention to IMC on both the client and agency side, including the rapid growth of the Internet. Chapter 3 focuses even more attention on other communication agencies, such as sales promotion and direct-response firms, as well as interactive agencies. More attention is also given to setting objectives for IMC programs (Chapter 7) and measuring their effectiveness (Chapter 19).
- **New Chapter on the Internet and Interactive Media** The fifth edition has added an entire new chapter to provide detailed coverage of interactive media with a focus primarily on how companies are using the Internet as an integrated marketing communications tool. This chapter discusses objectives and strategies for using the Internet and integrating it into marketing communications programs. Advantages and disadvantages of Web advertising are discussed, along with issues such as audience measurement and methods for determining the effectiveness of Internet advertising. Discussion of the Internet as an integrated marketing communications tool is also incorporated throughout the book.
- **New Chapter Opening Vignettes** All of the chapter opening vignettes in the fifth 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 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 fourth 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** In the fourth edition we added a new feature called 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 the 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 the fifth edition we provide eight new profiles. Moreover, these profiles have been written by individuals themselves and provide students with insight into the educational background of the person, 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.

- **Same Number of Chapters and More Concise Writing** The fifth edition still has 22 chapters even though we have added a new chapter on the Internet and interactive media. To maintain the same length, the chapter on business-to-business communications was eliminated by integrating this material into other chapters and using business-to-business examples throughout the text. The fifth edition has been carefully edited to continue making the writing style tighter and more concise. In making these changes, we were careful not to reduce relevant content or the many examples that are such a popular feature of this text. However, students will find the writing in the new edition more active, direct, and succinct and thus easier to read.

Support Material

A high-quality package of instructional supplements supports the fifth 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, and Ethical Perspectives, and are categorized by level of learning (definitional, conceptual, or application).

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 fifth 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 Web sites) as well as various other items of interest. For instructors, the home page will offer updates of examples; chapter opener vignettes; 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 1999 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 Airwalk, Mazda, and Chicken of the Sea International.

Acknowledgments

While this fifth edition represents a tremendous amount of work on our part, it would not have become a reality without the assistance and support of many other people. Authors tend to think they have the best ideas, approach, examples, and organization for writing a great book. But we quickly learned that there is always room for our ideas to be improved on by others. A number of colleagues provided detailed, thoughtful reviews that were immensely helpful in making this a better book. We are very grateful to the following individuals who worked with us on earlier editions. They include Lauranne Buchanan, *University of Illinois*; Roy Busby, *University of North Texas*; Lindell Chew, *University of Missouri–St. Louis*; Catherine Cole, *University of Iowa*; John Faier, *Miami University*; Raymond Fisk, *Oklahoma State University*; Geoff Gordon, *University of Kentucky*; Donald Grambois, *Indiana University*; Stephen Grove, *Clemson University*; Ron Hill, *University of Portland*; Paul Jackson, *Ferris State College*; Don Kirchner, *California State University–Northridge*; Clark Leavitt, *Ohio State University*; Charles Overstreet, *Oklahoma State University*; Paul Prabhaker, *DePaul University, Chicago*; Scott Roberts, *Old Dominion University*; Harlan Spotts, *Northeastern University*; Mary Ann Stutts, *Southwest Texas State University*; Terrence Witkowski, *California State University–Long Beach*; Robert Young, *Northeastern University*; Terry Bristol, *Oklahoma State University*; Roberta Ellins, *Fashion Institute of Technology*; Robert Erffmeyer, *University of Wisconsin–Eau Claire*; Alan Fletcher, *Louisiana State University*; Jon B. Freiden, *Florida State University*; Patricia Kennedy, *University of Nebraska*; Don Kirchner, *California State University–Northridge*; Susan Kleine, *Arizona State University*; Tina Lowry, *Rider University*; Elizabeth Moore-Shay, *University of Illinois*; Notis Pagiaslavas, *University of Texas–Arlington*; William Pride, *Texas A&M University*; Joel Reedy, *University of South Florida*; Denise D. Schoenbachler, *Northern Illinois University*; James Swartz, *California State University–Pomona*; Robert H. Ducoffe, *Baruch College*; and Robert Gulonsen, *Washington University*.

We are particularly grateful to the individuals who provided constructive comments on how to make this edition better: Craig Andrews, *Marquette University*; Subir Bandyopadhyay, *University of Ottawa*; Beverly Brockman, *University of Alabama*; John H. Murphy II, *University of Texas–Austin*; Glen Reicken, *East Tennessee State University*; Michelle Rodriguez, *University of Central Florida*; and Elaine Scott, *Bluefield State College*. We also received many valuable comments from survey respondents.

We would also like to acknowledge the cooperation we received from many people in the business, advertis-

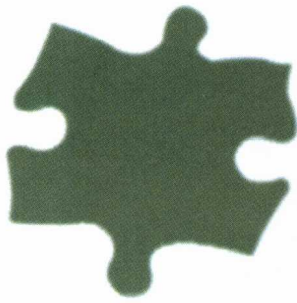
ing, and media communities. This book contains several hundred ads, illustrations, charts, and tables that have been provided by advertisers and/or their agencies, various publications, and other advertising and industry organizations. Many individuals took time from their busy schedules to provide us with requested materials and gave us permission to use them. A special thanks to all of you.

A manuscript does not become a book without a great deal of work on the part of a publisher. Various individuals at Irwin/McGraw-Hill have been involved with this project over the past several years. Our sponsoring editor on the fifth edition, Jill Braaten, provided valuable guidance and was instrumental in making sure this was much more than just a token revision. A special thanks goes to Barrett Koger, our developmental editor, for all of her efforts and for being so great to work with. Thanks also to Susan Trentacosti for doing a superb job of managing the production process. We also want to acknowledge the outstanding work of Charlotte Goldman for her help in obtaining permissions for most of the ads that appear

throughout the book. Thanks to the other members of the product team, Kiera Cunningham, Sharon Miller, Cathy Tepper, Heather Burbridge, and Burke Broholm, for all their hard work on this edition.

We would like to acknowledge the support we have received from the College of Business at San Diego State University. On a more personal note, a great deal of thanks goes to our families for putting up with us over the past few years while we were revising this book. Gayle, Danny, Derek, Melanie, and Jessica have had to endure the deviation from our usually pleasant personalities and dispositions for a fifth time, while Trevor has now made it through two rounds. Once again we look forward to returning to normal. Finally, we would like to acknowledge each other for making it through this ordeal again. Our mother will be happy to know that we still get along after all this—though it is definitely getting tougher—most of the time.

George E. Belch
Michael A. Belch



Contents in Brief

Part One

The Role of IMC in Marketing

Chapter One

An Introduction to Integrated Marketing Communications 2

Chapter Two

The Role of IMC in the Marketing Process 36

Part Two

Integrated Marketing Program Situation Analysis

Chapter Three

Organizing for Advertising and Promotion:
The Role of Ad Agencies and Other Marketing
Communication Organizations 66

Chapter Four

Perspectives on Consumer Behavior 104

Part Three

Analyzing the Communication Process

Chapter Five

The Communication Process 136

Chapter Six

Source, Message, and Channel Factors 168

Part Four

Objectives and Budgeting for Integrated Marketing Communications Programs

Chapter Seven

Establishing Objectives and Budgeting
for the Promotional Program 198

Part Five

Developing the Integrated Marketing Communications Program

Chapter Eight

Creative Strategy: Planning and Development 242

Chapter Nine

Creative Strategy: Implementation and Evaluation 272

Chapter Ten

Media Planning and Strategy 302

Chapter Eleven

Evaluation of Broadcast Media 352

Chapter Twelve

Evaluation of Print Media 394

Chapter Thirteen

Support Media 436

Chapter Fourteen

Direct Marketing 468

Chapter Fifteen

The Internet and Interactive Media 492

Chapter Sixteen

Sales Promotion 522

Chapter Seventeen

Public Relations, Publicity, and
Corporate Advertising 574

Chapter Eighteen

Personal Selling 612

Part Six

Monitoring, Evaluation, and Control

Chapter Nineteen

Measuring the Effectiveness of
the Promotional Program 634

Part Seven

Special Topics and Perspectives

Chapter Twenty

International Advertising and Promotion 670

Chapter Twenty-one

Regulation of Advertising and Promotion 722

Chapter Twenty-two

Evaluating the Social, Ethical, and Economic Aspects of
Advertising and Promotion 762

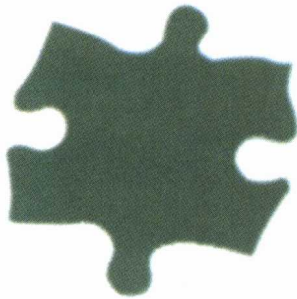
Glossary of Advertising and Promotion Terms GL

Endnotes EN

Credits and Acknowledgments CR1

Name and Company Index IN

Subject Index IN11



Contents

Part One

The Role of IMC in Marketing

Chapter One

An Introduction to Integrated
Marketing Communications

The Growth of Advertising and Promotion
CAREER PROFILE: Mike Morisette,
Vice President, Management Supervisor at
Doner Advertising

What is Marketing?

Marketing Focuses on Exchange

Relationship Marketing

The Marketing Mix

Integrated Marketing Communications

The Evolution of IMC

Reasons for the Growing Importance
of IMC

The Role of Promotion

The Promotional Mix: The Tools for IMC

Advertising

Direct Marketing

Interactive/Internet Marketing

Sales Promotion

Publicity/Public Relations

Personal Selling

Promotional Management

The Promotional Planning Process

Review of the Marketing Plan

Promotional Program Situation Analysis

Analysis of the Communications Process

Budget Determination

Developing the Integrated Marketing

Communications Program

Monitoring, Evaluation, and Control

Perspective and Organization of This Text

Chapter Two

The Role of IMC in the Marketing Process

Marketing Strategy and Analysis

Opportunity Analysis

Competitive Analysis

Target Market Selection

The Target Marketing Process

Identifying Markets

Market Segmentation

Selecting a Target Market

Market Positioning

Developing the Marketing Planning Program

Product Decisions

Price Decisions

Distribution Channel Decisions

Developing Promotional Strategies:

Push or Pull?

The Role of Advertising and Promotion

Part Two

Integrated Marketing Program

Situation Analysis

Chapter Three

Organizing for Advertising and Promotion:

The Role of Ad Agencies and Other Marketing

Communication Organizations

Participants in the Integrated Marketing

Communications Process: An Overview

Organizing for Advertising and Promotion

in the Firm: The Client's Role

The Centralized System

The Decentralized System

In-House Agencies

Advertising Agencies

The Ad Agency's Role

Types of Ad Agencies

CAREER PROFILE: Jana Clayton, Assistant

Account Executive at Doner Advertising

Other Types of Agencies and Services

Agency Compensation

Commissions from Media

Fee, Cost, and Incentive-Based Systems

Percentage Charges

The Future of Agency Compensation

Evaluating Agencies

Gaining and Losing Clients

Specialized Services

Direct-Response Agencies

Sales Promotion Agencies

Public Relations Firms	95	Summarizing the Response Process and the Effects of Advertising	164
Interactive Agencies	97		
Collateral Services	98	Chapter Six	
Marketing Research Companies	98	Source, Message, and Channel Factors	168
Integrated Marketing Communications Services	99	Promotional Planning through the Persuasion Matrix	170
Pros and Cons of Integrated Services	99	Source Factors	172
Responsibility for IMC: Agency versus Client	100	Source Credibility	173
Chapter Four		Source Attractiveness	175
Perspectives on Consumer Behavior	104	Source Power	182
An Overview of Consumer Behavior	107	Message Factors	184
The Consumer Decision-Making Process	108	Message Structure	184
Problem Recognition	108	Message Appeals	188
Examining Consumer Motivations	109	Channel Factors	192
Information Search	113	Personal versus Nonpersonal Channels	193
Perception	114	Effects of Alternative Mass Media	194
Alternative Evaluation	116	Effects of Context and Environment	194
Attitudes	118	Clutter	195
Integration Processes and Decision Rules	121		
Purchase Decision	121	Part Four	
Postpurchase Evaluation	123	Objectives and Budgeting for Integrated Marketing Communications Programs	
Variations in Consumer Decision Making	123		
The Consumer Learning Process	125	Chapter Seven	
Behavioral Learning Theory	125	Establishing Objectives and Budgeting for the Promotional Program	198
Cognitive Learning Theory	129	The Value of Objectives	201
Environmental Influences		Communications	201
on Consumer Behavior	129	Planning and Decision Making	202
Culture	129	Measurement and Evaluation of Results	202
Subcultures	130	Determining Promotional Objectives	202
Social Class	130	Marketing versus Communications Objectives	202
Reference Groups	132	Sales versus Communications Objectives	204
Situational Determinants	133	Sales-Oriented Objectives	204
Alternative Approaches to Consumer Behavior	134	Communications Objectives	208
		DAGMAR: An Approach to Setting Objectives	213
Part Three		Characteristics of Objectives	213
Analyzing the Communication Process		Assessment of DAGMAR	214
Chapter Five		Problems in Setting Objectives	216
The Communication Process	136	Improving Promotional Planners' Use of Objectives	217
The Nature of Communication	139	Setting Objectives for the IMC Program	217
A Basic Model of Communication	139	Establishing and Allocating the Promotional Budget	218
Source Encoding	141	Establishing the Budget	219
Message	142	Budgeting Approaches	225
Channel	143	Allocating the Budget	236
Receiver/Decoding	144		
Noise	144	Part Five	
Response/Feedback	146	Developing the Integrated Marketing Communications Program	
Analyzing the Receiver	146		
Identifying the Target Audience	147	Chapter Eight	
The Response Process	148	Creative Strategy: Planning and Development	242
Traditional Response Hierarchy Models	148	The Importance of Creativity in Advertising	245
Alternative Response Hierarchies	151	Advertising Creativity	247
The Integrated Information Response Model	154		
Understanding Involvement	157		
The FCB Planning Model	158		
Cognitive Processing of Communications	160		
The Cognitive Response Approach	160		
The Elaboration Likelihood Model	162		