

# Strategic Planning

**ARE YOU A VICTIM OF TASTE CONFUSION?**

- ✦ If you experienced real Coke® taste while drinking Coke Zero®, we can help.
- ✦ Protect your right to taste what you thought you were tasting in the first place!!!

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*We want to Represent YOU!*

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**It's a Winner**

**Campaign:**

"Coke/Coke Zero  
Taste Infringement"

**Company:**

Coca-Cola

**Agencies:**

Crispin Porter + Bogusky,  
Mediavest USA

**Award:**

2009 Silver Effie Winner



## CHAPTER KEY POINTS

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1. What is the difference between objectives, strategies, and tactics in strategic planning and how are the three levels of planning connected?
2. How is a campaign plan constructed, and what are its six basic sections?
3. What is account planning, and how is it used in advertising?
4. In what ways does an IMC plan differ from an advertising plan?

### How to Sell Diet Drinks to People Who Don't Like the Idea of Diet Drinks

**H**ow many guys do you know who admit they are on a diet? Probably not many. Diets are kind of a girl thing. So you can imagine the job Coca-Cola had when it wanted to convince young men ages 18 to 34 to try its no-calorie Coke Zero. The very dudes Coca-Cola wanted to appeal to said that diet sodas tasted bad and were far too feminine for them.

Although Coke Zero had been around for three years and was gaining acceptance, Coca-Cola wanted to grow its share of market by adding the 18- to 34-year-old male demographic. This wouldn't be an easy sell. Enter Crispin Porter + Bogusky (CP+B), an agency that has made its award-winning reputation on edgy work that reaches the target market.

CP+B knew from Coca-Cola's research that these guys liked the taste of regular sugary sodas, but as they aged they began to drink more lower calorie options like energy drinks, water, or sports drinks and less pop. To accomplish the client's three main objectives—increase brand awareness, motivate the target audience to try Coke Zero, and convince men 18–34 that Coke Zero tastes like Coke—CP+B relied on consumer research, which indicated that those who tried Coke Zero really thought it tasted like Coke.

Knowing that young men had a negative perception of anything “diet,” CP+B proposed to the client that the advertising should focus on the taste similarity of the two products in a funny campaign that would appeal to the skeptical audience. CP+B thought Coke Zero would be a great alternative if, and it's a big if, these young 18–34 men could be convinced it tasted as good as regular Coca-Cola. CP+B's strategy then was to convince guys that calorie-free (note they don't say “diet”) Coke Zero was as good as “the real thing.” But how?

The communication strategy focused on appealing to the male target through wide-reaching media such as out-of-home media and cinema (a whopping 87 percent of all U.S. theaters) to build awareness, and print, TV, digital, and radio to encourage product trial. Where Coke had big brand presence, such as with NASCAR, the NCAA, and Fantasy Football, there too went Coke Zero. And why there?



The creative strategy was based on the self-deprecating humor you recognize from *The Daily Show* and *The Office*. The gist of the big idea was that the legal department from Coca-Cola wanted to sue Coke Zero for taste infringement. The company made fun of itself proposing imaginary lawsuits and provided a non-traditional campaign for Coke Zero. In one commercial, an unsuspecting real attorney warns actors portraying Coke Classic executives not to sue Coke Zero, lest the suit be dismissed and they be utterly humiliated.

So where you might expect to see a Coke message, you might also see the lawyers ranting about Coke Zero stealing its taste. Here's a fun example. At the NCAA Final Four event in San Antonio, passersby could see a "Stop Coke Zero" rally and sample the taste similarity, providing an opportunity to prove to the targeted males that Coke Zero really did taste like Coke. CP+B even created an advergame, called *Rooftop Racer*. The object of this NASCAR game was to invite players to step into a virtual car and race with other fellow drivers to the finish line while balancing a Coke Zero bottle on top of their car. Visitors to the CokeZero.com site could "Sue a Friend."

This campaign signifies a shift in thinking about media strategy for Coca-Cola products, according to Katie Bayne, senior vice president for Coca-Cola brands in North America at Coca-Cola in Atlanta. "It's not just about a television spot," she said. That is especially true for Coke Zero as we look at where we need to be to connect with the target audience. So what lesson do we learn from Coke Zero? Sometimes you've got to take calculated risks, and sometimes they pay off, especially when you use well-conceived message and media strategies to connect with a carefully targeted audience.

To see more of this campaign, check out the Coke Zero website, [www.cokezero.com](http://www.cokezero.com). To see how well this oddball campaign connected with young males, turn to the end of this chapter and read the *It's a Wrap* feature.

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Sources: "Coke/Coke Zero Taste Similarity," Effie Awards Brief of Effectiveness, [www.nyama.org](http://www.nyama.org); Stuart Elliott, "Can't Tell Your Cokes Apart? Sue Someone," March 5, 2007, [www.nytimes.com](http://www.nytimes.com); Paul van Veenendaal, "CP+B Launches Rooftop Racer for Coke Zero," [www.viralblog.com](http://www.viralblog.com); "Coke v. Coke Zero: A Winning Case," [www.adforum.com](http://www.adforum.com).

Marketing and advertising strategies are chosen from an array of possible alternatives. In most cases, there is no one completely right way to do anything in advertising, but if you understand how advertising works, you may be able to identify the best strategy to accomplish the objectives. This chapter explains the concept of strategic planning as it is used in business, marketing, and advertising and integrated marketing communication (IMC) plans. It covers key planning decisions, such as identifying critical problems and opportunities, targeting the right audience, positioning or repositioning the brand against the competition, and making implementation decisions. It also introduces the concept of account planning and explains its critical role in determining the consumer insights that lead to message and media strategies.

## WHAT IS STRATEGIC PLANNING?

For marketing communication, **strategic planning** is the process of identifying a problem that can be solved with marketing communication, then determining **objectives** (what you want to accomplish), deciding on **strategies** (how to accomplish the objectives), and implementing the **tactics** (actions that make the plan come to life). This process occurs within a specified time frame. Objectives are usually long-term propositions, strategies are more medium term in focus, and tactics are more short term.



Even those experienced in advertising sometimes have a hard time telling the difference between an objective and a strategy. Remember, an *objective* is a goal to be accomplished; in advertising, objectives are determined by the effects you want to achieve. A *strategy* is the means, the design or plan, by which the objective is accomplished—the advertising message and media strategies, for example. In advertising, *tactics* are the way the ads and other marketing communication efforts are executed—how they are designed and what they say.

In the Coke Zero case, the objective was to position Coke Zero as tasting like regular Coke. The strategy was to use taste tests so the young male target could experience how similar the tastes were. The tactic was to use the idea of “taste infringement” complete with lawyers, actors, and imaginary lawsuits.

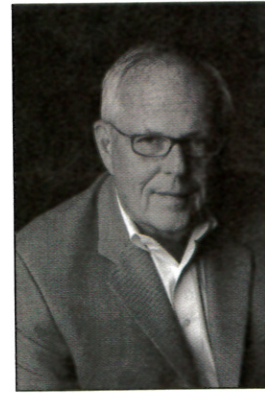
We talk a lot about creativity in this book and we’d like to emphasize that strategic thinking is just as creative as coming up with a Big Idea for a marketing communication campaign. Both processes involve searching for ideas to solve problems, whether they are found in marketing situations or communication challenges. Pat Fallon and Fred Senn, cofounders of the legendary agency Fallon Worldwide, explain that principle in their book, *Juicing the Orange: How to Turn Creativity into a Powerful Business Advantage*. They have identified seven principles that link creative thinking and strategic planning to business results<sup>1</sup>:

1. **Always Start from Scratch** Simplify the problem. You know too much. There’s a good chance that you know so much that you can’t see how the problem could be solved in a fresh way.
2. **Demand a Ruthlessly Simple Definition of the Business Problem** Smart people tend to make things too complicated. Be a relentless reductionist. Einstein said, “Make things as simple as possible, but no simpler.”
3. **Discover a Proprietary Emotion** The key component of any communication program is a powerful consumer insight that leads to a ruthlessly smart strategy executed brilliantly across all platforms. It all starts with the insight, which is the central truth of what you are going to say and how you are going to operate. Once you find an emotional truth, you can make it proprietary through execution.
4. **Focus on the Size of the Idea, Not the Size of the Budget** It’s our credo that it’s better to outsmart than outspend.
5. **Seek Out Strategic Risks** Understand the benefits of prudent risk. Great big ideas in the early stages are often scary ideas. When Darwin taught us about the survival of the fittest, he didn’t mean the strongest. He meant that it’s the most nimble—the quickest to adapt to a changing environment—who prosper both in nature and in a capitalist economy.
6. **Collaborate or Perish** This is more than “getting along”; it is about recognizing that the rules of engagement have changed. We live in an era in which victory goes to the best collaborators. This means teams from different disciplines and different corporate cultures will be working together. Teams that are aligned and motivated can make history.
7. **Listen Hard to Your Customers (Then Listen Some More)** Listening is often step Number One on the road to understanding. Listening often yields that precious insight that gives you a competitive advantage; something your competitors have overlooked.

## The Business Plan

Strategic planning is a three-tiered process that starts with the business plan and then moves to functional areas of the company such as marketing where a marketing plan is developed that outlines objectives, strategies, and tactics for all areas of the marketing mix. As illustrated in Figure 7.1, both the business plan and the marketing plan provide direction to specific plans for specialist areas, such as advertising and other areas of marketing communication.

A business plan may cover a specific division of the company or a **strategic business unit (SBU)**, which is a line of products or all the offerings under a single brand name. These divisions, or SBUs, share a common set of problems and factors. Figure 7.2 depicts a widely used framework for the strategic planning process in business. The objectives for planning at this level tend to focus on maximizing profit and **return on investment (ROI)**. ROI is a measurement that shows whether, in general, the costs of conducting the business—the investment—are more than matched by the revenue produced in return. The revenue above and beyond the costs is where profit lies.

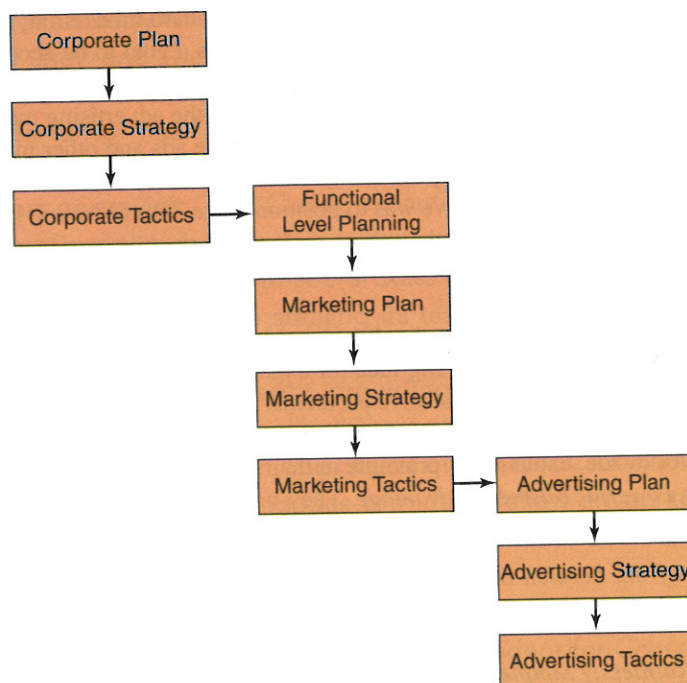


Pat Fallon (top) and Fred Senn were cofounders of Fallon Worldwide, the agency behind NBC, Holiday Inn Express, Travelers Insurance, Sony, and many other major brands.



**FIGURE 7.1****Strategic Planning from Top to Bottom**

Business planning involves a set of cascading objectives and strategies. Corporate objectives and strategies are achieved through planning at the level of marketing (and other areas, such as production), and marketing objectives and strategies give direction to marketing communication programs.

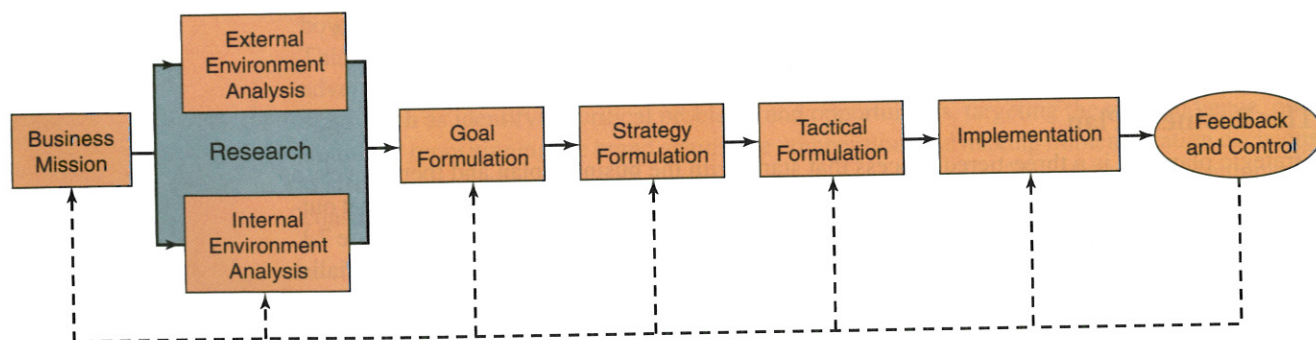


Note that the business planning process starts with a business **mission statement**, a concise expression of the broad goals and policies of the business unit. The mission statement is unique, focused, and differentiating. Tom's of Maine states its mission clearly on its website:

"Through the years, we have been guided by one simple notion—do what is right, for our customers, employees, communities, and environment. We call this Natural Care—a philosophy that guides what we make and all that we do."

**The Marketing Plan**

A **marketing plan** is developed for a brand or product line and evaluated annually, although sections dealing with long-term goals might operate for a number of years. To a large extent, the marketing plan mirrors the company's business plan and contains many of the same components, although they are focused on a specific brand rather than the larger organization or corporation. Figure 7.3 illustrates the steps involved in creating a marketing plan.

**FIGURE 7.2****Steps in the Development of a Business Plan**

The business planning process begins with a mission statement and moves through research, goal setting, strategy statements, identifications of tactics, implementation processes, and controls (meeting the budget and quality standards, for example). The entire process is monitored through feedback.

Source: Philip Kotler, *Marketing Management*, 13th ed., Upper Saddle River, NJ: Prentice Hall, 2009: 48. Reproduced by permission of Pearson Education, Inc., Upper Saddle River, NJ.



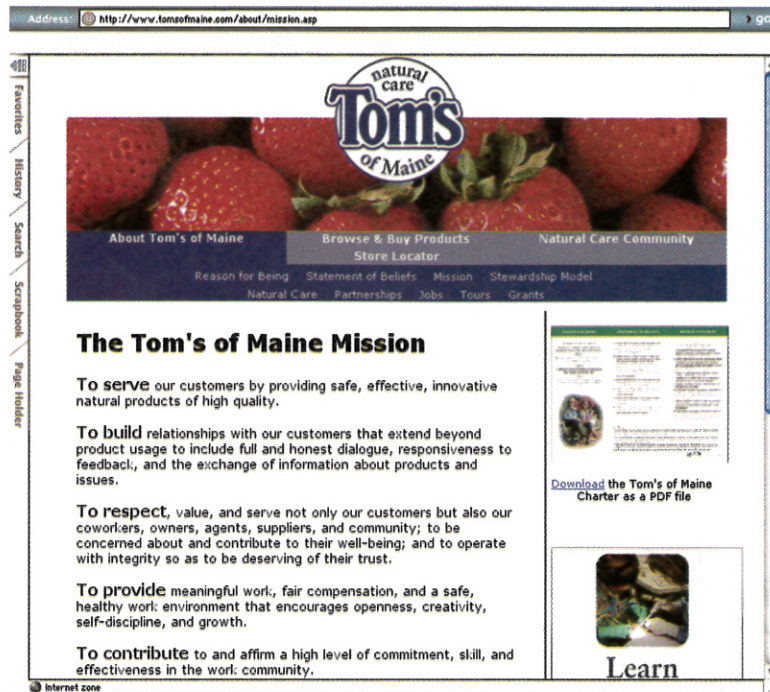
A *market situation analysis* is based on extensive market research that assesses the external and internal environments that affect marketing operations—the company's history, products, and brands, as well as the competitive environment, consumer trends, and other marketplace trends that have some impact on the product category. A set of “what’s going on” questions helps structure this market analysis. Answers to these questions help define the key marketing problem and, ultimately, the SWOTs, which stands for strengths, weaknesses, opportunities and threats:

- What is happening with the brand and the category?
- How is it happening?
- Where is it happening?
- When is it happening?
- To whom is it happening?

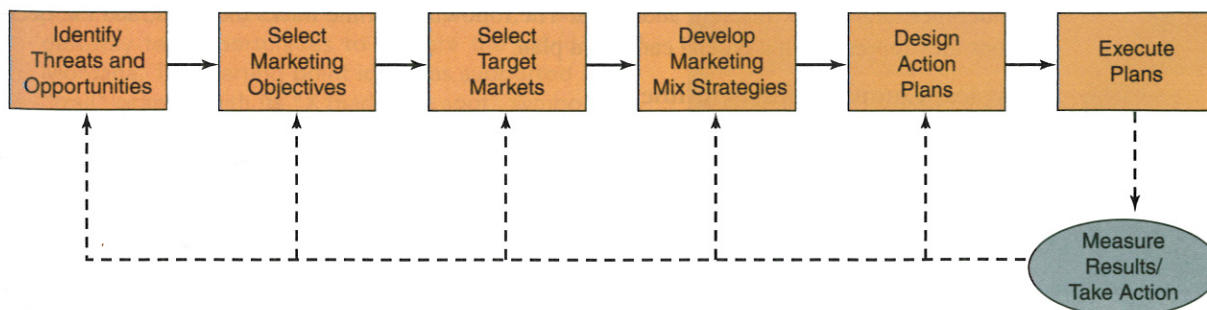
We could answer those questions for Coke Zero by summarizing the market situation and the key problem facing Coke Zero as a marketplace for diet drinks that appealed primarily to women, thus leaving out the large number of young male pop drinkers who make up the largest portion of the soft drink market.

The objectives at the marketing level tend to be focused on sales levels and **share of market**, measurements referring to the percentage of the category purchases that are made by the brand's customers. Other objectives deal with specific areas of the marketing mix, such as distribution, where an objective might detail how a company will open a new territory.

For marketing communication (marcom) managers, the most important part of the marketing plan is the *marketing mix strategy*, which includes decisions about the target market, brand position, product design and performance, pricing, and distribution, as well as marketing communication. Product design and formulation decisions are sometimes responses to consumer trends, such as the increase in the number of packaged foods making high-fiber claims (think Fiber One with its expanded line of cereals and snack bars). Other challenges to marketing planners came from the competition. When McDonald's began advertising its Angus burger in 2009, the Hardee's and Carl's Jr. chains responded with taste challenges, mail-in refund promotions, and parodies of Big Mac advertisements.<sup>2</sup>



This mission statement for Tom's of Maine helps its managers develop specific business objectives and goals. It also guides all of the company's marketing communication efforts.



**FIGURE 7.3**

**Steps in the Development of a Marketing Plan**

A marketing plan begins with an analysis of the marketing situation in terms of strengths, weaknesses, opportunities, and threats. Setting objectives is the next step. Target markets are selected and marketing strategies are developed, as well as action plans and specific executions of ideas and programs. The plan is evaluated and that information feeds back into the next generation of planning.



This marketing analysis—and the marketing mix strategy derived from it—link the overall strategic business plan with specific marketing programs, including advertising and other IMC areas. Whether to use a frequency club, an advertising campaign, or a sales promotion strategy to increase brand loyalty, for example, are marketing communication decisions that support marketing strategies.

A new contributor to this process is crowdsourcing, which we mentioned in the previous chapter. This practice mobilizes a digital crowd to provide collective intelligence. For example, consider how Wikipedia operates with experts contributing and reviewing entries. In a marketing environment, crowdsourcing can be used to channel the latent wisdom of online crowds including experts as well as average citizens. John Fluevog Open Source Footwear is a company that invites anyone to contribute ideas for shoes. Decisions about the best ideas are made through peer voting, feasibility, and admittedly what the owner John Fluevog likes. The design ideas become public domain but the company adds the winners to its line of shoes. Check out this interesting company at [www.fluevog.com/files\\_2/os-1.html](http://www.fluevog.com/files_2/os-1.html). Procter & Gamble uses InnoCentive.com, a digital think tank for innovation, to engage some 140,000 scientists and engineers worldwide to help with its research and development.<sup>3</sup>

### Principle

An advertising plan seeks to match the right audience to the right message and present the message in the right medium to reach that audience

## The Advertising or IMC Plan

Advertising and marketing communication planning operates with the same concern for objectives, strategies, and tactics that we've outlined for business and marketing plans. It outlines all of the communication activities needed to deliver on the business and marketing objectives in terms of communication objectives, strategies, tactics, timing, costs, and evaluation. In general, an advertising plan seeks to match the right audience to the right message and present the message in the right medium to reach that audience. These three elements—audience insight, message, and medium—are at the heart of an advertising plan.

An example of how all of these elements come together in a plan comes from a brand identity campaign for the city of Billings, Montana. *The Inside Story* feature gives you a look inside the planning of a branding campaign for a place. Pay particular attention to the "Brand Standards" online guidebook at the website [www.brandbillings.com](http://www.brandbillings.com). This online guidebook explains how the campaign is designed to create a unified voice for the community with a consistent image and message, one that reinforces Billings' unique geography, resources, and heritage.

Let's now look at how an advertising or marketing communication plan is developed. The following discussion outlines the basic steps in planning a campaign, as well as the critical strategic decisions planners must make.

## WHAT'S IN A CAMPAIGN PLAN?

In addition to or instead of an annual marketing plan, a firm may develop a **campaign plan** that is more tightly focused on solving a particular marketing communication problem in a specified time. Such a plan typically includes a variety of marcom messages carried in different media and sometimes targeted to different audiences. The following outline traces the steps, and the decisions they represent, in a typical campaign plan.

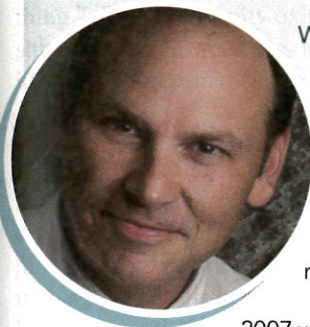
### Typical Campaign Plan Outline

- I. Situation Analysis
  - Background research
  - SWOTs: strengths, weaknesses, opportunities, threats
  - Key communication problem(s) to be solved
- II. Key Strategic Campaign Decisions
  - Objectives
  - Target audience (or stakeholder targets in an IMC plan)
  - Brand position: product features and competitive advantage
  - Campaign strategy: key strategic approach and marcom tools
- III. Media Strategy (or Points of Contact in an IMC Plan)
  - Media objectives
  - Media selection



# Branding Billings

John Brewer, President & CEO, Billings (Montana) Chamber of Commerce/Convention & Visitors Bureau



What do you think of when you think of Montana? Big Sky, right? That's an example of an incredibly successful branding campaign for a place.

What do you think of when you think of Billings, Montana? . . . uh . . . , probably not much, right?

That's the problem I faced in 2007 when our steering committee took on the problem of branding Billings. So this is a story of our two-year effort to create a brand identity campaign for the city.

You can check out the results of this plan at the website [www.brandbillings.com](http://www.brandbillings.com). In addition to beautiful scenery, the first thing you may notice on the site is a logo with the slogan: "Billings—Montana's Trailhead." Here's how the city arrived at that theme line.

The campaign began with research including more than a thousand online surveys, community workshops, and presentations to clubs and service groups followed by countless hours of strategic envisioning sessions. The research and analysis determined that Billings is a very special place that merges its location with an attitude—a position that combines "open space" and "western pace."

The important brand characteristics begin with its location—shaped by the Yellowstone River and sheltered by the Rims geographic formation. The community is progressive and a regional center for finance, health care, transportation, arts and culture, and diverse educational opportunities. Its hard-working citizens have a unique Montana perspective that combines warmth with an appreciation of scenery and history. But what also defines them most is a lifestyle that loves the adventure of an untamed wilderness right outside the door.

Those characteristics translated into a statement of Billings brand essence as "Montana's city connects you to the authentic historical west." The "trailhead" idea springs from the recognition that Billings is a starting point for business growth and development, as well as a gateway for opportunities to explore the wonders of Montana. The starting point idea was supported in the "trail" graphic with its "X marks the spot" symbol. The "Where Ya Headin'?" tagline expresses the idea that Billings is the gateway for adventure.

The campaign's objective was to create a position that expresses this brand essence and to create a consistent and cohesive brand message that unifies the city's efforts to encourage business and workforce development, individual and family relocation, tourism, and community pride.

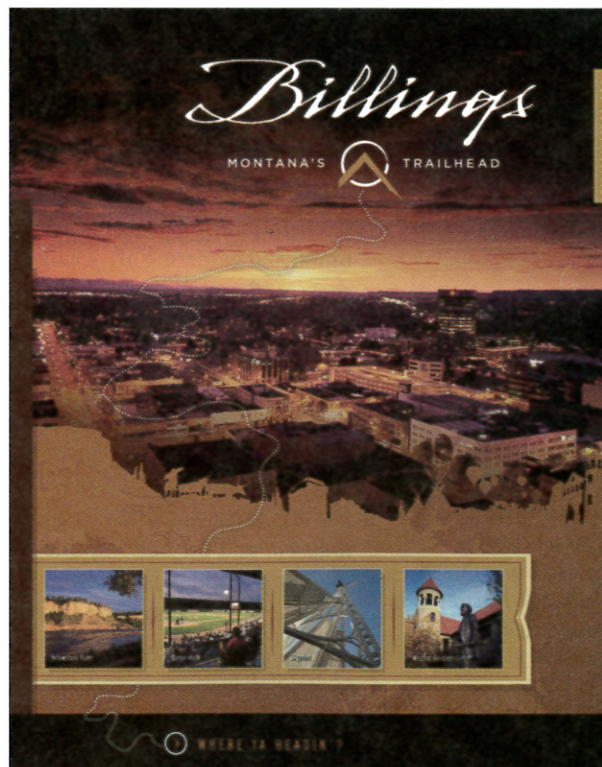
An ongoing identity development project, the campaign is spreading out to local businesses and community events. For example, the airport etched the brand logo into its five main terminal entryways. Newspaper

ads by local merchants proclaimed billings as the trailhead for great shopping. The local Walmart carries Trailhead apparel with the new logo. Pepsi branded half a million Pepsi cans with a picture of Trailhead hats for a joint promotion with the Chamber of Commerce.

To sustain the campaign, a Trailhead Marketing Committee meets regularly. Using the brand standards website and tool kit as a guide, this committee encourages:

1. Businesses to adopt the brand
2. General local awareness
3. Individual and family relocation
4. Community pride through public relations and other marketing opportunities.

Success will be determined on an annual basis from media clips, and the increased number of businesses that are using the brand in their messaging and the frequency of that use. In terms of results as of this writing, in the first eight months of the campaign following the brand launch, the site ([www.brandbillings.com](http://www.brandbillings.com)) has had 7,913 visitors and a daily average total of 33 per day.



The Travel Planner is the primary piece sent to visitors by the Billings Chamber of Commerce/Convention & Visitors Bureau. Its cover uses an appealing photo of Billings, as well as the new logo and Trailhead slogan, and the "trail" graphics.



- Media planning and buying:
  - Vehicle selection
  - Budget allocation
  - Scheduling
- IV. Message Strategy
  - Key consumer insight (brand relationship insight in IMC)
  - Message objectives
  - Selling premise
  - Big idea
  - Message design and executions
- V. Other Marcom Tools Used in Support
  - Public relations
  - Direct marketing
  - Sales promotion
  - Personal selling
  - Sponsorships
  - Merchandising, packaging, point-of-purchase
  - Integration strategy (maximize synergy)
- VI. Campaign Management
  - Evaluation of effectiveness
  - Campaign budget

This outline is useful as a guide for the planning document, but more importantly, it identifies the key strategic decisions that guide various sections of a campaign plan. Decisions include (1) identifying the key problem to be solved based on analysis of the SWOTs, (2) stating objectives, (3) targeting the audience, (4) creating or reinforcing a position, (5) identifying the key strategic approach that will deliver the objectives, and (6) using management controls to determine efficiency in budgeting and effectiveness through evaluation. Let's look at these strategic planning decisions in more detail.

### Situation Analysis

The first step in developing an advertising plan, just as in a marketing plan, is not planning but *backgrounding*—researching and reviewing the current state of the business that is relevant to the brand and gathering all pertinent information. After the research is compiled, planners try to make sense of the findings, a process sometimes referred to as a **situation analysis**. The goal is to identify a problem that can be solved with communication. As Fallon and Senn explained in their “Juicing the Orange” list, you have to start by simplifying the problem. The information collection will probably be huge, but the problem statement should simplify the task.

#### Principle

SWOT analysis is the process of finding ways to address a brand's weaknesses and threats and leverage its strengths and opportunities.

**SWOT Analysis** The primary tool used to make sense of the information gathered and identify a key problem related to a brand or product is a **SWOT analysis**, which, as we have said, stands for strengths, weaknesses, opportunities, and threats. The strengths and weaknesses are *internally focused*, and the opportunities and threats lie in the *external* marketing environment. In strategic planning the idea is to *leverage* the strengths and opportunities and *address* the weaknesses and threats, which is how the key problems and opportunities are identified.<sup>4</sup>

- The **strengths** of a business are its positive traits, conditions, and good situations. For instance, being in a growth industry is a strength. Planners ask how they can leverage this strength in the brand's advertising.
- The **weaknesses** of a business are traits, conditions, and situations that are perceived as negatives. Losing market share is a weakness. If this is an important weakness, then planners ask how they can address it with advertising.
- An **opportunity** is an area in which the company could develop an advantage over its competition. Often, one company's weakness is another company's opportunity. Planners strive to identify these opportunities and leverage them in the brand's advertising.
- A **threat** is a trend or development in the environment that will erode business unless the company takes action. Competition and economic downturns are common threats. Advertis-



ing planners ask themselves how they can address a threat if it is a critical factor affecting the success of the brand.

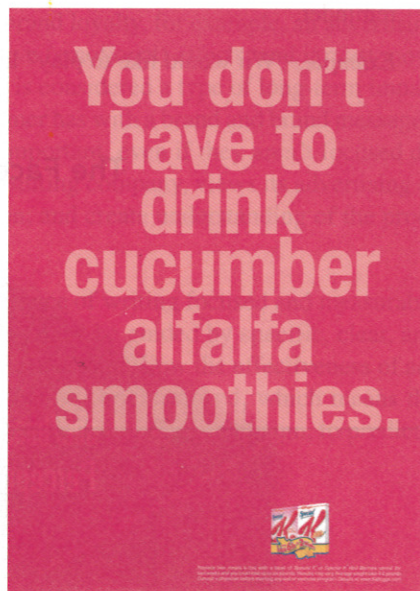
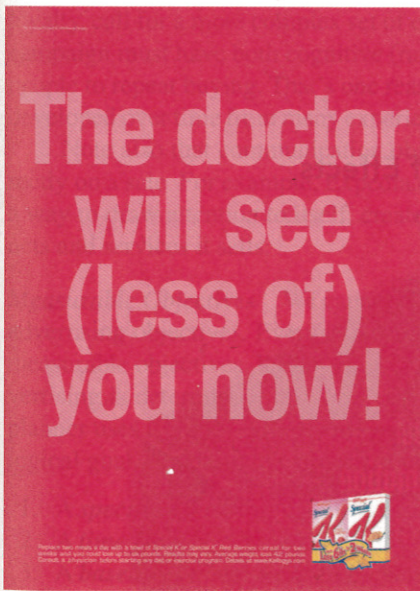
In the Coke Zero case, the strength of the brand lies with the Coca-Cola tradition as “the real thing.” The opportunity existed to transfer that Coke magic to a calorie-free version of the flagship brand. The weakness is the association of diet drinks with women. The threat lies with the idea that “diet drinks” have an unpleasant taste.

**Key Problem(s)** The key word in the title of this section is *analysis*, or making sense of all the data collected and figuring out what the information means for the future success of the brand. Advertising planners must analyze the market situation for communication problems that affect the successful marketing of a product, as well as opportunities the advertising can create or exploit. Analyzing the SWOTs and identifying any problems that can be solved with an advertising message are at the heart of strategic thinking. An example of locating a timing opportunity is illustrated by the Special K “2-Week Challenge” that capitalized on consumers’ goals to lose weight after the holidays.

Advertising can solve only message-related problems such as image, attitude, perception, and knowledge or information. It cannot solve problems related to price, availability, or quality, although it can address the perception of these marketing mix factors. For example, a message can speak to the perception that the price is too high, or it can portray a product with limited distribution as exclusive. In other words, advertising can affect the way consumers perceive price, availability, and quality. The advertiser’s basic assumption, however, is that the campaign works if it creates an impression, influences people to respond, and separates the brand from the competition.

#### Principle

Advertising can only solve message-related or perception problems.



#### SHOWCASE

This two-week Kellogg’s Special K challenge promises customers they will lose up to six pounds in two weeks by replacing two meals a day with Special K and eating a sensible third meal. Reaching consumers at the moment they are in need of a weight-loss solution and delivering a simple diet in the context of their environment—in this case posters in department store dressing rooms, health clubs, doctor’s offices, hair or nail salons, and bridal salons—was very effective. Business results included an overall increase in the poster markets of 20 percent over nonposter markets.

These two posters for Special K were contributed by Amy Hume, communications consultant in the Integrated University Communications office at the University of Colorado–Denver. Hume is a graduate of the University of Colorado–Boulder and was an associate media director at Starcom Worldwide where she handled this mini-campaign for Special K. She and her work were nominated for inclusion in this book by professor Tom Duncan.





## Objectives

After planners have examined the external and internal environments and defined the critical areas that need to be addressed, they can develop specific objectives to be accomplished during a specified time period. Objectives are formal statements of the goals of the advertising or other marketing communication. They outline what the message is designed to achieve in the long term and how it will be measured.

**Main Effects and Objectives** Remember from Chapter 4 the six categories in The Facets Model of Effects: perception, emotion, cognition, persuasion, association, and behavior. These main effects also can be used to identify the most common consumer-focused objectives. For example, here are some sample objectives for each category, as well as sample ads and campaigns that we have discussed in this or previous chapters:

- **Perception Objectives** Grab attention; create awareness; stimulate interest; stimulate recognition of the brand or the message; create brand reminder.

*Example:* “1984” ad for Macintosh launch

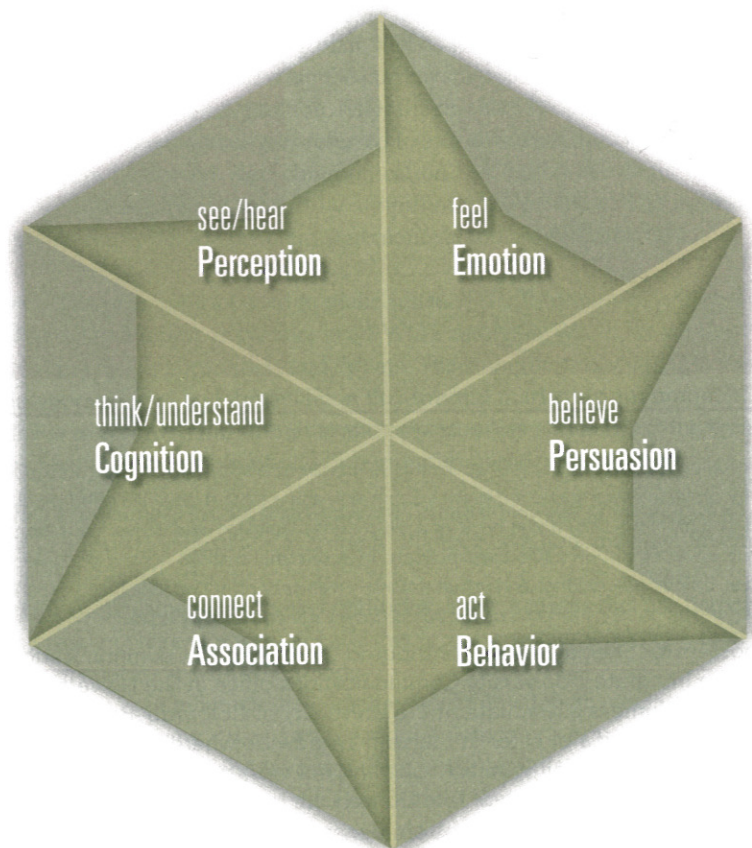
- **Emotional/Affective Objectives** Touch emotions; cue the psychological appeal; create brand or message liking; stimulate brand loyalty; stimulate desire.

*Example:* Burger King “Whopper Freakout” campaign

- **Cognition Objectives** Establish brand identity; establish or cue the brand position; deliver information; aid in understanding features, benefits, and brand differences; explain how to do or use something; stimulate recall of the brand message; stimulate brand loyalty; brand reminder.

*Example:* “Wii would like to play” launch

## The Facets Model of Effects





- **Association Objectives** Establish or cue the brand personality or image; create links to symbols and associations; connect to positive brand experiences.

*Examples:* Ford's "SYNC" campaign for Hispanics, Old Navy's "SuperModelquins"

- **Persuasion Objectives** Stimulate opinion or attitude formation; change or reinforce opinion or attitude; present argument and reasons; counterargue; create conviction or belief; stimulate brand preference or intent to try or buy; reward positive or desired response; stimulate brand loyalty; create buzz or word of mouth; energize opinion leaders; create advocacy and referrals.

*Example:* Coke Zero "Taste Infringement"

- **Behavior Objectives** Stimulate trial, sample, or purchase; generate other types of response (coupon use, attendance, test drive, visit store or dealer, volunteering, sign up, call in, visit website, clicks, attend, participate); create word-of-mouth buzz; create advocacy and referrals.

*Example:* Special K "2-Week Challenge," campaigns encouraging participation in the 2010 census

Given the huge amounts of money spent on advertising, it is important for advertisers to know what to expect from a campaign or ad. Although a rule of thumb for advertising is that it should be single minded, we also know from Chapter 4 that multiple effects are often needed to create the desired impact. Some ads may use an emotional strategy while others are informational, but sometimes the message needs to speak to both the head and the heart. That was particularly true for the Coke Zero campaign: customers needed to understand that the taste of Coke Zero was similar to regular Coke but it had to do it with a style and attitude that twenty-something males would like.

Although some objectives are tightly focused on one particular effect, others, such as brand loyalty, call for a more complex set of effects. To create brand loyalty, for example, an advertising campaign must have both cognitive (rational) and affective (emotional) effects, and it must move people to repeat buying. That's one reason brand loyalty is considered a type of long-term impact developed over time from many experiences that a consumer has with a brand and brand messages.

Note also that communication objectives may be important, even if they aren't focused directly on a sale. For example, Expedia.com, a travel consulting company, views its advertising as a way to draw attention to itself, create name recognition, and create understanding of the products and services it sells.

**Measurable Objectives** We cannot overstate the importance of writing focused and measurable advertising objectives. Every campaign, and the ads in it, must be guided by specific, clear, and measurable objectives. We say *measurable objectives* because that's how the effectiveness of advertising is determined. It is also critical that an objective be **benchmarked**, which means the planner uses a comparable effort, such as a similar product or prior brand campaign, to predict a logical goal. A measurable objective includes five requirements:

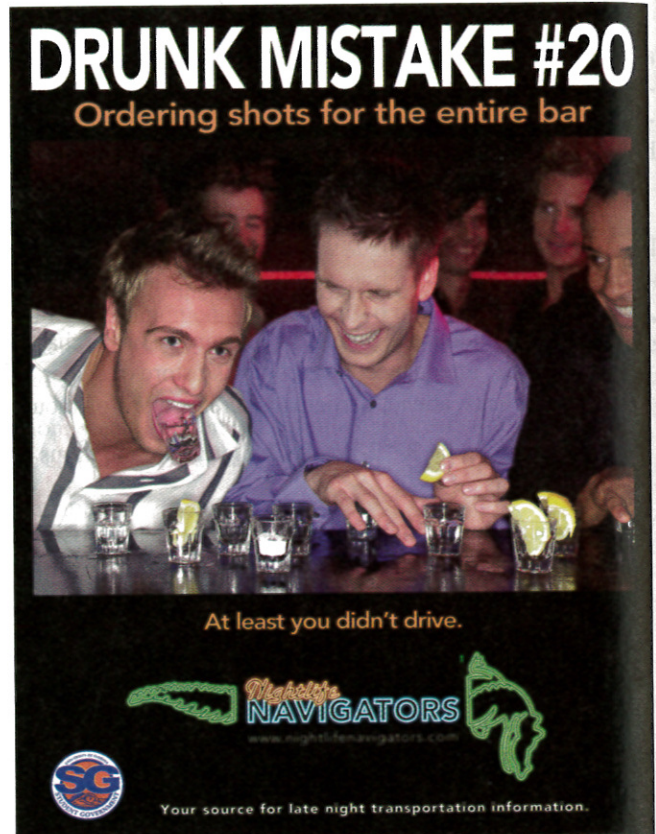
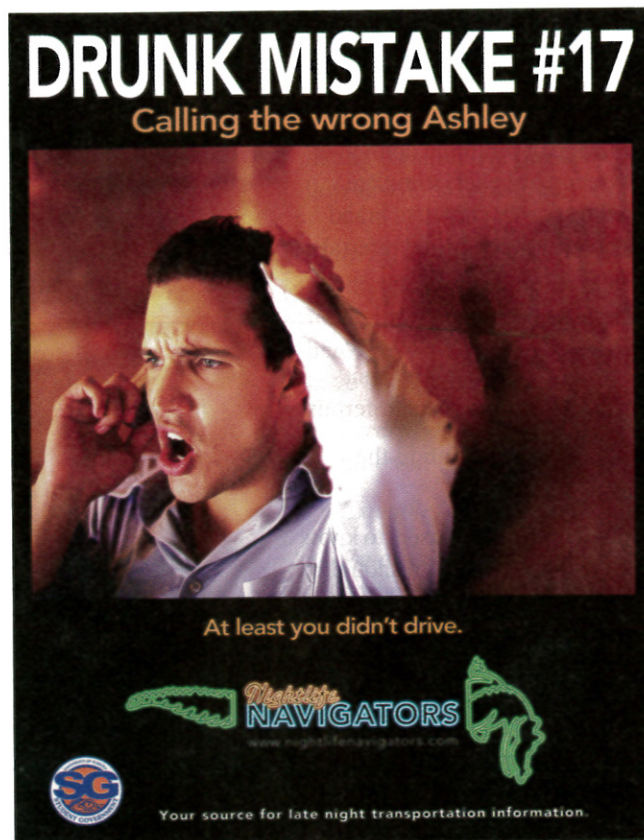
1. A **specific effect** that can be measured
2. A **time frame**
3. A **baseline** (where we are or where we begin)
4. The **goal** (a realistic estimate of the change the campaign can create; benchmarking is used to justify the projected goal)
5. **Percentage change** (subtract the baseline from the goal; divide the difference by the baseline).

A hypothetical objective, then, would read like this: *The goal of this campaign is to move the target's awareness of Coke Zero's taste similarity with regular Coke from 18 to 23 percent within 12 months, an increase of 28 percent.*

## Targeting

We discussed targeting and segmenting in Chapter 5, which are strategic decisions made possible because of a deep knowledge of consumers. In particular, this research-based knowledge identifies what makes specific groups of consumers different from people in other groups. These characteristics also identify how consumers are similar to others in ways that characterize a specific type of viewpoint or lifestyle, such as the student partying lifestyle on many campuses, a problem addressed by the Navigators' posters.





### SHOWCASE

These anti-drunk driving posters were used in the Nightlife Navigators campaign at the University of Florida. They were created by the Adwerks student-run advertising agency.

As we discussed in Chapter 5, segmenting and targeting are important because marketing communication strategy is based on accurately targeting an audience that will be responsive to a particular type of message, one that will deliver the objectives.

There is more to targeting than just identifying and profiling a possible audience. How does the target audience relate to the brand? General Mills, for example, during the recent recession was able to maintain significant marketing increases by concentrating on its big-name brands, but also on its multicultural consumers, which the marketer saw as a “high ROI area.”<sup>5</sup> Advertising planners also want to know what’s going on in people’s heads and hearts—what motivates them to attend to a message and respond to it. Getting deeper insight into consumers is the responsibility of the account planning function. We’ll return to that role later in this chapter.

We want to emphasize that understanding a target audience demands an appreciation of diversity—and the empathy that results from such an appreciation. Professor Peggy Kreshel defines diversity as “the acknowledgment and inclusion of a wide variety of people with differing characteristics, attributes, beliefs, values, and experiences.” In advertising, diversity tends to be discussed primarily in terms of *representations of gender, race, and ethnicity in advertising content*, although as she points out in the *A Principled Practice* feature, diversity goes beyond the images used in ads. This is the heart of the issue raised in the excerpt in Chapter 5 from *Madison Avenue and the Color Line* by historian Jason Chambers, which Kreshel references in her essay.

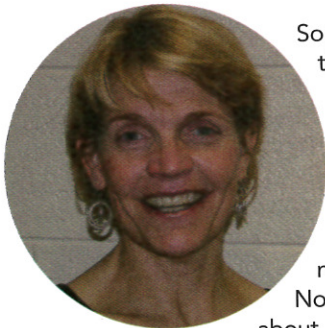
In recognition of the importance of this diversity issue, the American Advertising Federation (AAF) sponsors multicultural programs such as the Most Promising Minority Students and the AAF Mosaic Awards. The leader of those programs, Constance Cannon Frazier, is on this book’s Advisory Board and the work of some of the Most Promising Minority Students are featured in this book. Another effort is the AdColor Industry Coalition and its AdColor



## A PRINCIPLED PRACTICE

## What Is Diversity and Why Is It Important?

Peggy Kreshel, Associate Professor, Department of Advertising, University of Georgia



Sometimes we forget that diversity isn't only about gender, race, and ethnicity. Consider, for example, language use, spiritual practices, sexual orientation, socioeconomic status, and age.

Nor is diversity simply about images. Certainly ads

and the professionals who create them frequently are criticized for lack of inclusiveness and reliance on denigrating stereotypes. However, diversity affects every aspect of the advertising profession: professional culture, production of content, content itself, the manner in which that content is placed and received, and the ways in which the profession is regulated.

One of the most visible barometers of diversity in the advertising industry is hiring and promotion practices. In *Madison Avenue and the Color Line*, historian Jason Chambers examines African American participation in the advertising industry. He found that African Americans positioned themselves as experts on the black consumer market and worked from outside the industry because the doors to most advertising agencies were closed to them. A 1978 New York City Commission on Human Rights report concluded that minority employees continued to be excluded from significant participation in advertising jobs. Nearly thirty years later, the commission again challenged the industry's record of minority hiring, calling it "an embarrassment for a diverse city."<sup>6</sup>

The advertising industry has attempted to address the diversity problem in a variety of ways. In 2005, the AdColor Industry Coalition of advertisers, agency professionals, and trade associations was formed to increase diversity in the industry and celebrate the accomplishments of diverse role models and leaders. The AAAA has partnered with Howard University's School of Communication to create a professional development and research center at that historically black university. The industry has made progress, but diversity in hiring and retention remains a highly charged issue.

Who creates the ads we see? The industry's troubled, largely unsuccessful efforts to create a racially and ethnically diverse workplace tell part of the story. Minority-owned advertising agencies provide opportunities for diversity but are frequently viewed as being capable of speaking only to minority audiences. Women comprise the majority of the advertising workforce, yet an Adweek study a few years ago found only four female creative directors in the top 33 advertising agencies. We can only guess at the impact, knowing that creative directors are chiefly responsible for an agency's output.

Content reflects those who create it and their perceptions of audiences. Advertisers' persistent emphasis on 18- to 34-year-olds, a group they view to be impressionable trendsetters who haven't yet formed brand loyalties, has occurred largely to the exclusion of other demographic groups. This preoccupation shapes our business (which constructs itself as youthful, rebellious, and cutting edge), media (where reality programming, the "entertainmentization" of news, and technological wizardry target 18- to 34-year-olds), and culture (reinforcing our celebration of the young, beautiful, and white).

Similarly, marketers routinely define the Hispanic market primarily as "Spanish speaking." The richness and diversity of the many cultures that comprise that group—from Puerto Rico, to Mexico, to Central and South America—have been lost in the desire to construct a homogeneous market large enough to be economically viable. It is only recently that a conversation about the complexity of the Latino market—a complexity that goes beyond merely language or ethnic predilections—has begun to appear in the trade press.

As our lives, professional and personal, become increasingly global, diversity will continue to develop and its influence will be experienced in increasingly complex, sometimes tangled ways. It is essential that advertising professionals adopt broad interpretations of advertising's impact on diversity, and diversity's impact on advertising. Creating an inclusive advertising industry is not only a social responsibility; it is a social and economic necessity.



**Principle**

The goal of positioning is to locate a product in the consumer's mind based on its features and advantages relative to its competition.

**Principle**

Positioning identifies the features that make a brand different from its competitors and relevant to consumers

Awards,<sup>7</sup> which are sponsored by the Association of National Advertisers (ANA), the Advertising Club of New York, the American Association of Advertising Agencies (4As), Arnold Worldwide, Omnicom Group, and AAF. In addition to the AAF and AdColor programs, many local advertising and marketing groups are sponsoring diversity programs in their communities.

**Positioning**

Another reason we revisit targeting here is because understanding the target is the first step in understanding the brand's position within the competitive marketplace. The objective is to establish in the consumer's mind what the brand offers and how it compares with the competition. A **position**, then, is how consumers define the product or brand in comparison to its competitors. A position is based on two things: first, a particular feature or attribute—Coke Zero is low calorie but tastes like regular Coke. The feature also can be psychological, such as heritage (Kodak or Hallmark). Secondly, that feature must be important to the consumer.

A classic example of positioning is the campaign for Avis, which used the line "We Try Harder" to describe how it competes against category leader Hertz. The line was not only a good positioning statement, it also was named as one of the Top 10 Slogans of the 20th Century. The campaign was described by the fathers of positioning, Jack Trout and Al Ries, in their groundbreaking book *Positioning: The Battle for Your Mind*.<sup>8</sup>

A position is based on some notion of comparison. Is the brand more expensive or less; is it a status product or a symbol of frugality; is it sporty, functional, safe or extremely risky? Walmart's position, for example, is encompassed in its slogan, "Always Low Prices." Positioning, then, is about locking the brand in consumers' minds based on some quality relevant to them where the brand stands out. Compare the positioning strategies of the various arms of the U.S. military as they represent themselves in their ads.

Positions are difficult to establish and are created over time. Once established, they are difficult to change, as Kodak discovered with its ownership of the film category when the market moved to digital pictures. Category dominance is important, as Al Ries, one of the founders of the positioning concept, argues, but sometimes the category changes and the brand has to change as well or get left behind. To better understand positioning strategy, let's consider related concepts used to define the competitive situation—product features and attributes, differentiation, and competitive advantage. Then we'll return to how advertising establishes a position in a competitive marketplace.

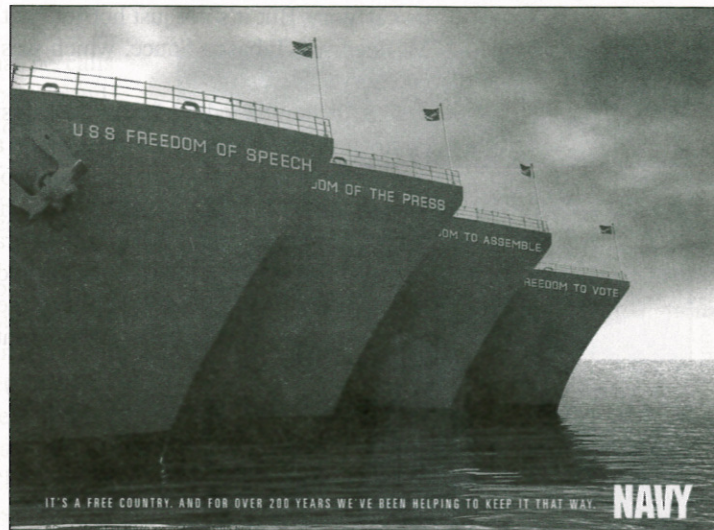
**Product Features and Attributes** An initial step in crafting a position is to identify the **features** of the brand, as well as those of the competition, to determine where the brand has an advantage over its competitors. A marketer carefully evaluates the product's tangible features (such as size, color, design, price, and ease of use) and other intangible attributes (such as quality, status, value, fashion, and safety) to identify the dimensions of the product that are relevant to its customers and that make it different from its competitors.

An interesting twist on features developed when the electric hybrid cars, such as GM's Volt, were introduced to the market. The standard MPG estimate of fuel efficiency was turned upside down with projections of 230 MPG for Volt and 367 MPG for the Nissan Leaf. Of course, these cars use very little gas as long as they are running on their batteries—gas is only used when the charge runs out. If you only use the car to run around town, theoretically you could get unlimited gas mileage.<sup>9</sup> So what does this changing standard do to traditional car-buying marketing and decision making?

**Differentiation and Competitive Advantage** Most markets involve a high level of competition. How does a company compete in a crowded market? It uses **product differentiation**, a strategy designed to focus attention on product differences that are important to consumers and that distinguish the company's product from that of its competitors. We refer to products that really are the same (examples include milk, unleaded gas, and over-the-counter drugs) as **undifferentiated** or **parity products**. For these products marketers often promote intangible, or psychological, differences, particularly through branding.

The creation of a unique brand image for a product (think Swatch) is the most obvious way to differentiate one product from another. Internet-based Mozilla and Craigslist are small companies but big brands that are strong because they have the support of dedicated users. This strong customer-brand relationship reflects a leadership position—a brand that has defined or created





International space stations, stealth technology and a few projects that technically don't exist — these are just a few of the perks when you're in the United States Air Force. From day one, you'll have a chance to work on the highest applied technology in the world, from communications to aerospace to weaponry. And with us, you'll be able to work your way up. Way up. Call 1-800-423-USAF or log on to AIRFORCE.COM to find out how you can be a part of the world's high tech leader. Which leads us to another perk: We're always hiring.

In these four ads for the Navy, Army, Air Force, and Marines, can you perceive a difference in their positioning strategies? How do they communicate their positions in the style, copy, and graphics? Which do you think would be most effective in recruiting volunteers?



its category. But it's not just hot Internet companies that have achieved this type of leadership—McIlhenny's Tabasco Sauce, which was launched in 1868, created and still owns the hot sauce category.

A technique called **feature analysis** helps structure an assessment of features relative to competitors' products to identify where a brand has an advantage. To conduct a feature analysis, first, make a chart of the product and competitors' products, listing relevant features, as the following table illustrates. Then evaluate how well the product and the competitors' products perform on those features. What are the brand's strong points or weak points? Next, evaluate how important each feature is to the target audience using opinion research. In other words, how much do consumers care about various features (which ones are most important to them) and how do the various brands compare on these features?

How to Do a Feature Analysis

Feature	Importance to Prospect	Product Performance			
		Yours	X	Y	Z
Price	1	+	—	—	+
Quality	4	—	+	—	+
Style	2	+	—	+	—
Availability	3	—	+	—	—
Durability	5	—	+	+	+

Using the two factors of importance and performance, **competitive advantage** is found where (1) the product has a strong feature (2) in an area that is important to the target and (3) where the competition is weaker. The product in the preceding table would compete well on both price and style against X, on price against competitor Y, and on style against competitor Z. Competitor X seems the most vulnerable on two features, price and style, that consumers rate as the most important decision points.

An example of a product launch that was built on a competitive advantage strategy was Sprint's Palm Pre, which was launched in direct competition with Apple's iPhone. The Pre's advantage was multitasking, especially the ability to switch between several open applications and websites.

**Locating the Brand Position** Let's return now to the concept of a position to see how it is created. In addition to specific product attributes, a number of factors can be used to locate a position for a brand including the following:

- **Superiority Position** Jack Trout suggests that positioning is always easy if something is faster, fancier, safer, or newer.
- **Preemptive Position** Being first in the category often creates category leadership and dominance.
- **Value Position** Walmart's "Always Low Prices" is the epitome of offering good value for the money. Hyundai rode that position through the economic downturn and picked up market share faster than its competitors, passing both Honda and Ford to become the 4th largest automaker in the world.<sup>10</sup>
- **Psychological Position** Often brands are designed around nonproduct differences. For psychological positions, consider these examples: Volvo owns the safety position, Coke owns a position of authenticity for colas ("It's the real thing"), and Hallmark a quality position ("When you care enough to send the very best").
- **Benefit Position** How does the product help the consumer?
- **Usage Position** How, where, and when is the product used and who is using it?
- **Competitor's Strategy** How can the product go head to head with or move completely away from the competition?
- **Category Factors** Is the competition coming from outside the category and, if so, how does the brand compare to these other categories and how does that change the analysis of strengths and weaknesses?

### Principle

Strong brands are known for one thing—the test is "What do you think of when you mention the brand's name?"

As we've mentioned the differences have to be distinctive to the brand, as well as important to the consumer. The point is that strong brands become well known for one thing. When you think of Google or eBay, what's the first thing that comes to mind? (Google = search engine; eBay = online auctions.)



James Stengel, former global marketing chief at Procter & Gamble, has developed a new positioning approach that he calls “purpose-based marketing.” He points to P&G’s Pampers brand, which moved from just keeping babies’ bottoms dry to a higher purpose—helping moms nurture healthy, happy babies. The company created new programs offering parenting advice and conducted research on infant-related problems such as sleeping that led to product redesigns.<sup>11</sup>

Many ad campaigns are designed to establish the brand’s position by giving the right set of cues about these decision factors to help place the brand in the consumer’s mind. If a position is a point in a consumer’s mind, planners can map that—in fact, the way planners compare positions is by using a technique called a **perceptual map** that plots all of the competitors on a matrix based on the two most important consumer decision factors. Figure 7.4 illustrates how positions can be mapped for automobiles.

**Repositioning** Positions are difficult to establish and take years of marketing communication but experts Al and Laura Ries recommend the difficult challenge of **repositioning** when the market changes. Kodak, for example, has always stood for pictures and over the years has owned the moment of capturing an image with a photo: “the Kodak moment.” But Kodak also stands for film (think yellow box) and that was the reason for its recent marketplace problems as the camera industry moved to digital formats. Kodak’s agency, Ogilvy, developed a repositioning strategy to adapt Kodak’s position from “the Moment” to “the gallery”—a place where pictures are kept. This place, of course, can be a digital photo album and that builds on Kodak’s tradition and understanding of the importance of pictures in people’s lives.

Repositioning, in the view of the Ries’s, can only work if the new position is related to the brand’s core concept. They are wary of Kodak’s move and wonder if the link between the Kodak brand and film is too strong to stretch to digital products. Instead, they recommend using a new brand name for the line of digital products.<sup>12</sup> It will be interesting to see how this repositioning strategy turns out and if Kodak’s position can be redefined as galleries of pictures rather than film and photo albums.

For an example of an effective repositioning effort, Ries and Ries point to IBM as a company that repositioned itself from a computer manufacturer to a provider of services. Even though the market for mainframe computers has been declining, they observe that the connection with IBM’s brand essence is still there in IBM’s new position as a global computer service company. An example comes from China where IBM is marketing an urban-planning tool called Smart City that connects public services and infrastructure projects through information technology. IBM sees China, with its huge public sector and infrastructure projects, as a huge market for its services.

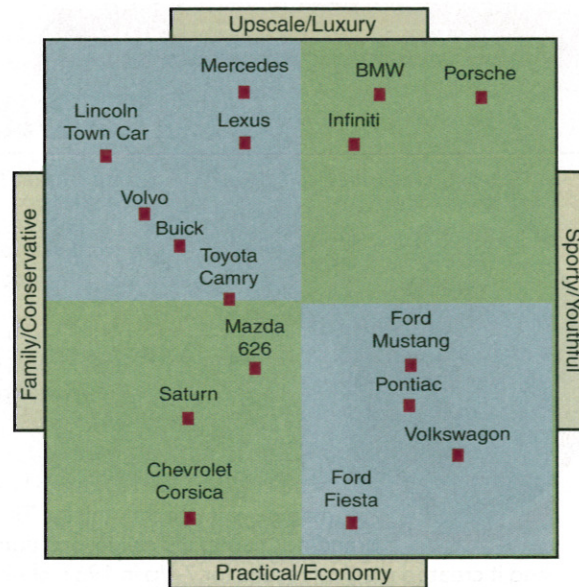
Advertising may express the position, but personal experiences anchor it in the target audience’s mind. The role of the brand communication strategy, then, is to relate the product’s position to the target market’s life experience and associations. The principle in repositioning is to move ahead while at the same time retaining the brand essence. A classic example of an effective repositioning campaign that retains the brand essence as it carves out a new location in consumers’ minds is 7-Up, which is described in the *A Matter of Principle* feature.

But sometimes the repositioning strategy may not work. How will it work, for example, when Rolls-Royce unveils an economy car, or at least one that costs a third less than its \$380,000 flagship Phantom. Can Rolls use a cheaper car to pump up volume sales or will that strategy dilute the brand’s exclusive image?

## Brand Communication Strategy

After the objectives, targeting, and positioning have been stated, the next step is to decide the key strategic approach that will deliver the objectives. We’ll discuss this in more detail later in this chapter as we explain the “communication brief” created by the account planner to give direction to the creative team. It will also be discussed in more depth in the Chapter 8 on message strategy.

For now, however, consider that the six main effects outlined in the Facets Model all lead to different communication objectives and, therefore, to different strategies. Let’s just consider the two



**FIGURE 7.4**

### Perceptual Map

Perceptual maps illustrate the positions occupied by competitors relative to important decision factors. These positions are determined by research into the perceptions of the target market.



## A MATTER OF PRINCIPLE

## 7-Up: The Uncola Story

Bill Barre, Lecturer, Department of Communication/Journalism, University of Wisconsin-Eau Claire



How do you turn what was originally a medicinal product (intended to cure hangovers) and then a mixer with whisky into a soft drink without changing anything about the product or its packaging?

If you said “magic,” you’d be correct. But it’s not the kind of magic you might think. This is branding magic. It’s called positioning.

And it created magical results for 7-Up in 1967 when the company repositioned the brand as the Uncola.

Preceding 1967, during the first 37 years that 7-Up was marketed, consumers didn’t think of 7-Up as a soft drink, just as we don’t think of club soda and tonic water as soft drinks. In 1967, a soft drink was a cola, and a cola was a soft drink.

Four people were in the room when the term “uncola” was first uttered. Three of them are deceased—Orville Roesch, 7-Up’s ad manager; Bill Ross, creative director at JWT; and Bob Taylor, senior art director at JWT. Charlie Martell was the fourth person and just a young writer at JWT at the time of the meeting.

“I remember the meeting to this day,” recalls Martell. “We realized that we had to be a lot more specific if we hoped to change people’s minds about 7-Up. We had to find a way to pick up that green bottle (7-Up), pick it up mentally in consumers’ minds, and move it

over to here, where Coke and Pepsi were. And until we did that, anything we did that smacked of soft-drink advertising was going to be rejected by consumers.”

The objective was clear, yet getting there proved to be completely perplexing. “They had to find a way to attach the word *cola* to 7-Up. Nobody had ever done that before. This was before the word *positioning* was even used in advertising and marketing,” says John Furr, a management supervisor at JWT at the time.

Martell remembers that the strategy meeting started as it always started for 7-Up. “We got to talking about how to get somebody to move this green bottle from here to there. And I think Orville said something like we had to associate ourselves with the colas. And Bill Ross started talking about, ‘Well, how about, maybe, we call ourselves the non-cola.’ And Orville nodded. Thought that sounded good. And I chimed in with ‘Maybe we could call it the uncola.’ And everyone nodded and said that was an interesting thought. Didn’t blow anybody away at that point. They filed it away in their collective consciousness. Few days later, came back and said, ‘Maybe we just got something here.’ Uncola—it did everything we had been wanting to do. In one word, it did it all. It positioned 7-Up as a cola, yet not a cola. We said, ‘Hey . . . let’s make some advertising.’”

Today, the 7-Up Uncola campaign is regarded as perhaps the classic example of brand repositioning—and a classic example of how the right brand positioning can lead to marketing magic.

most basic approaches, which we sometimes refer to as appealing to the head or the heart. **Hard-sell approaches** use reasons to *persuade* consumers, whereas **soft-sell approaches** build an *image* for a brand and touch consumers’ emotions. An ad trumpeting a special reduced price on a tire or claims about its performance is an example of a hard-sell approach. On the other hand, the long-running Michelin ad campaign that shows a baby sitting inside a tire is a soft sell; it symbolizes the brand’s safety and reliability with an image that touches your emotions. Go back to the four military ads in the positioning discussion and decide which are hard sell and which are soft sell.

In addition to brand position, let’s also consider how a consumer response to messages creates a brand perception. Brand managers use many terms to explain how they think branding works, but they all relate in some way to communication. To better understand how a brand can be linked to a perception, we propose an outline of the communication dimensions of branding using the same six effects we presented in the Facets Model in Chapter 4:

#### Advertiser’s Brand Objective

Create **brand identity**  
 Cue **brand personality, liking**  
 Cue **brand position, understanding**  
 Cue **brand image**  
 Create **brand promise, preference**  
 Inspire **brand loyalty**

#### Consumer’s Response

See/Hear  
 Feel  
 Think/Understand  
 Connect  
 Believe  
 Act/Do



- **Brand Identity** A brand identity must be distinctive. In other words it only represents one particular product within a category, and it must be recognizable and, therefore, memorable. Recognizing the brand means that the consumer knows the brand's identification markers—name, logo, colors, typeface, design, and slogan—and can connect those marks with a past experience or message. All of these can be controlled by the advertiser. The Billings brand identity campaign described earlier in *The Inside Story* included brand reminders in places, as well as conventional marketing communication materials.
- **Brand Personality and Liking** Brand personality—the idea that a brand takes on familiar human characteristics, such as loving (Hallmark, Kodak), competent (IBM), trustworthy (Volvo, Michelin), or sophisticated (Mercedes, Hermes, Rolex)—contributes an affective dimension to the meaning of a brand. Green Giant, for example, built its franchise on the personality of the friendly giant who watches over his valley and makes sure that Green Giant vegetables are fresh, tasty, nutritious, and appealing to kids. Larry Kelley and Donald Jugenheimer explain in their account planning textbook that it is important to measure the way these personality traits are associated with a brand or a competitor's brand. They observe, "Sometimes it is as important to understand what your brand isn't as much as what it is."<sup>13</sup> The point is to profile the brand as if it were a person, someone you like.
- **Brand Position and Understanding** What does it stand for? Brand strategists sometimes focus on the *soul* or *essence* of the brand. This is related to position, but it goes deeper into the question of what makes the brand distinctive. As Jack Trout explained, "You have to stand for something," and it has to be something that matters to consumers.<sup>14</sup> Kodak is a classic example of a brand with a soul, one deeply embedded in personal pictures and memories. Hallmark's soul is found in the expression of sentiment. Brand essence is also apparent when a brand dominates or defines its category. Category leadership often comes from being the first brand in the market—and with that comes an ownership position. ESPN, for example, owns sports information, Silk is *the* soy milk drink, Starbucks created the high-end coffeehouse, and eBay owns the world of online auctions.
- **Brand Image** Understanding brand meaning involves understanding the symbolism and associations that create **brand image**, the mental impression consumers construct for a product. The richness of the brand image determines the quality of the relationship and the strength of the associations and emotional connections that link a customer to a brand. Advertising researchers call this **brand linkage**.
- **Brand Promise and Brand Preference** A brand is sometimes defined as a promise because it establishes an expectation based on familiarity, consistency, and predictability. And believing the brand promise leads to brand preference and intention to buy. That's what has driven McDonald's to its position as a worldwide leader in the fast-food category. You know what to expect when you walk into a McDonald's anywhere in the world—quality fast food at a reasonable price.
- **Brand Loyalty** A personal experience with a brand can develop into a brand relationship, which is a connection over time that results in customers preferring the brand—thus brand loyalty—and buying it over and over. People have unique relationships with the brands they buy and use regularly, and this is what makes them brand loyal. The company's attitude toward its customers is another factor in loyalty.

To put all this together, a brand perception is created by a number of different fragments of information, feelings, and personal experiences with a brand. You could say that a brand is an *integrated perception*<sup>15</sup>—in other words, all of these different aspects of brand communication work together to create brand meaning. In the best of all worlds, these meanings would be



The Billings airport used the new "Trailhead" identity campaign in its interior architecture as a welcome to the community and a statement of the Billings brand identity.

#### Principle

A brand is an integrated perception that includes fragments of information, feelings, and personal experience, all of which come together to give the brand meaning.



## ALLY's ALLEY.



Carl Ally. Tough manager, persuasive salesman, creative rebel. Founder of Carl Ally, Inc., an agency noted for clear and to-the-point advertising that works with devastating effectiveness. Here, from a recent interview, are some verbal ten-strikes that went rolling right down Ally's alley.

## On ad effectiveness:

"You have to satisfy three groups of people if you want an ad to work. The people who make the ad. The people who pay for the ad. And the people who read the ad. If you aren't smart enough to satisfy all three groups, the whole thing will be a bummer."

## On what makes a great agency:

"Great clients make great agencies, not vice-versa. If you have an agency that produces great work, but the clients won't publish the work, you're not going to get anywhere. We've been lucky. We've had some very bright, very tough, very talented, very daring clients. They've given us our head. And that's what's made us. Clients make agencies – good or bad. It's easy for some agency guy to come up with a wild idea. If it bombs, he can go and get another job. But it takes a lot of courage for a client to put his money behind that idea. Because if it bombs, the whole company can go down the drain."

## On manipulation:

"Advertising doesn't manipulate society. Society manipulates advertising. Advertisers respond to social trends. Agencies respond to advertisers. It's that simple. The advertising business only reflects the moods of advertisers – and their moods only reflect the moods of the people they want to sell."

## On making great ads:

"Look, it's easy to say water is wet and fire is hot. But it takes something special to figure out that if you put water on fire, the fire will go out. That's what I really enjoy about this business, the whole thing of figuring out what you can do that will make a real difference. Then there's execution, the technical stuff. We're great, technically – but so are a lot of people. The real trick is figuring out what the substance of an ad should be, and then in handling that substance in the best way possible."

## On budgets:

"Good work begets good results. Results beget bigger budgets. Federal Express started with us at \$300,000. This year, they'll spend \$3 million. Next year, maybe \$5 million. Why? Because they know that the money they put into advertising comes back to them multiplied. That's what the advertising business is all about."

## On greatness:

"There's a tiny percentage of all the work that's great. And a tiny percentage that's lousy. But most of the work – well, it's just there. That's no knock on advertising. How many great restaurants are there? Most aren't good nor bad, they're just adequate. The fact is, excellence is tough to achieve in any field. But you have to try."

## On The Wall Street Journal:

"I'm a writer, a wordsmith. I started as a copywriter. I was a creative director. I began by writing tons – literally – tons of copy. So I like The Journal because it is great copy. I use The Journal because I'm in business. And if you're trying to run a business, make it grow, you need The Journal. I put a lot of advertising in The Journal because I know advertising has to make things happen. The Journal gives me the kind of platform I need. The kind of advertising we do – plain, honest, no nonsense, but with flair and imagination – works like crazy in The Journal. The Journal's helped us build an advertising agency because it's helped us build the business of the people for whom we work."

consistent from one customer to another, but because of the vagaries of personal experience, different people have different impressions of a brand.

Emotional branding is one way to anchor a brand perception. As we have said, emotion is a powerful tool in marketing communication and brand liking leads to trust and loyalty. Branding expert John Williams explains, "Research shows that reason and emotions differ in that reason generates conclusions but not necessarily actions, while emotions more frequently lead to actions."<sup>16</sup> Brand liking is the most powerful differentiator.

The challenge to advertisers is to manage their communication efforts so the fragments fit together to form a coherent and integrated brand impression. An example of creating a brand meaning that connects with its audience is the classic *Wall Street Journal* campaign that ran for 25 years in advertising trade publications and established the *Journal* as a premier medium for advertising. You can find many of the ads from this campaign at [www.aef.com/industry/careers/2026](http://www.aef.com/industry/careers/2026).

## Campaign Strategies and Management

Once the situation has been analyzed and the objectives stated, planners decide *how to achieve* the objectives. That calls for a general statement of strategy. The general strategy that guides a campaign can be described in several ways. For example a strategy can focus on branding, positioning, countering the competition, or creating category dominance. Maybe the strategy is designed to change consumers' perception of the brand's price or price-value relationship. The strategy may also seek to increase the size of the market or what marketers call **share of wallet**, the amount customers spend on the brand. Other marketing efforts might involve launching a new brand or a brand extension or moving the brand into a new market.

The important thing to remember, as marketing professor Julie Ruth explains,<sup>17</sup> is that planners have to first analyze the situation to arrive at a great strategy before racing ahead to think about tactics. The decision to expand the mar-

ket (strategy) by increasing share of wallet (objective) is implemented through promotional tactics ("buy four and get one free").

Another factor in the brand communication strategy is determining the role and importance of the brand's competitive position and how to respond to competitor's messages. During the recession, for example, a number of major brands, such as Dunkin' Donuts, Burger King, and Campbell's Soup developed highly competitive advertising. Domino's Pizza, for example, used an aggressive campaign comparing its oven-baked sandwiches as tasting better than Subway's hoagies. This is a strategy often seen in economic downturns, which analysts describe as "a dogfight" for market share.<sup>18</sup>

Other strategy decisions involve the use of a celebrity spokesperson who becomes the face of the brand. A crisis in emotional branding happened when celebrity superstar Tiger Woods was caught up in a sex scandal. That event moved him from one of the most respected celebrity endorsers to a flawed figure with questionable integrity. His sponsors, including Nike and Accenture, among others, had to decide how to relate their brands not only to his long-time dominance of golf, but also his loss of honor. It's not just the brand images that were threatened by Tiger's infidelities; economists estimate the loss to shareholders of his nine corporate sponsors as close to \$12 billion.<sup>19</sup>

For another example, American Express sponsored a four-minute humorous online commercial featuring comedian Jerry Seinfeld and an animated Superman that was designed to create *brand liking*. The two sidekicks play the role of neurotic New Yorkers complaining about

### CLASSIC

This ad that features Carl Ally is one in a campaign series that the *Wall Street Journal* placed in advertising trade publications. The long-running campaign began in 1975 and featured leaders in advertising explaining their views on how advertising works and why the *Wall Street Journal* is a good medium in which to advertise.



such earth-shaking topics as the amount of mayonnaise on their tuna sandwiches. They also relate the benefits of using an American Express card. The message is soft sell and embedded in a gag, which makes the commercial feel more like cinema than advertising. Seinfeld jokes that it isn't going to be interrupted by a commercial because it is a commercial.<sup>20</sup>

Once the strategies have been identified, the next step is implementation. Next we discuss the budgeting and evaluation aspects of implementation. The budget is a critical part of planning an advertising campaign.

**Budgeting** A \$50,000 budget will only stretch so far and probably will not be enough to cover the costs of television advertising in most markets. Microsoft, for example, used a \$300 million ad blitz to launch its Windows 7 operating system in 2009. The budget also determines how many targets and media plans a company or brand can support and the length of time the campaign can run.

Determining the total appropriation allocated to advertising is not an easy task. Typically, a dollar amount, say \$370,000, is budgeted for advertising during the budget planning process (just before the end of the fiscal year). The big budgeting question at the marketing mix and marketing communication mix level is: How much do we need to spend? Let's examine five common budgeting methods used to answer that question:

- **Historical Method** Historical information is the source for this common budgeting method. A budget may simply be based on last year's budget, with a percentage increase for inflation or some other marketplace factor. This method, although easy to calculate, has little to do with reaching advertising objectives.
- **Objective-Task Method** The **objective-task method** looks at the objectives for each activity and determines the cost of accomplishing each objective. For example, what will it cost to make 50 percent of the people in the market aware of this product? This method's advantage is that it develops the budget from the ground up so that objectives are the starting point.
- **Percentage-of-Sales Method** The **percentage-of-sales method** compares the total sales with the total advertising (or marketing communication) budget during the previous year or the average of several years to compute a percentage. This technique can also be used across an industry to compare the expenditures of different product categories on advertising. For example, if a company had sales of \$5 million last year and an advertising budget of \$1 million, then the *ratio* of advertising to sales would be 20 percent. If the marketing manager predicts sales of \$6 million for next year, then the ad budget would be \$1.2 million. How can we calculate the percentage of sales and apply it to a budget? Follow these two steps:

$$\text{Step 1: } \frac{\text{Past advertising dollars}}{\text{Past sales}} = \% \text{ of sales}$$

$$\text{Step 2: } \% \text{ of sales} \times \text{Next year's sales forecast} = \text{New advertising budget}$$

- **Competitive Budgets** This method uses competitors' budgets as benchmarks and relates the amount invested in advertising to the product's share of market. This suggests that the advertiser's share-of-advertising voice—that is, the advertiser's media presence—affects the share of attention the brand will receive, and that, in turn, affects the market share the brand can obtain. Here's a depiction of these relationships:

$$\frac{\text{Share of media voice}}{\text{Share of consumer mind}} = \frac{\text{Share of market share}}{\text{Market share}}$$

Keep in mind that the relationships depicted here are only a guide for budgeting. The actual relationship between *share-of-media voice* (an indication of advertising expenditures) and **share of mind** or share of market depends to a great extent on factors such as the creativity of the message and the amount of clutter in the marketplace.

- **All You Can Afford** When a company allocates whatever is left over to advertising, it is using the "all you can afford" budgeting method. It's really not a method, but rather a philosophy



An online mini-film commercial for American Express featuring Jerry Seinfeld was designed to entertain and create brand liking. It also generated buzz, which extended its impact through the power of word of mouth.



about advertising. Companies using this approach, such as high-tech start-ups driven by product innovation, don't value advertising as a strategic imperative. For example, a company that allocates a large amount of its budget to research and has a superior product may find the amount spent on advertising is less important.

**Evaluation: Determining Effectiveness** Evaluation is an important part of an advertising plan because it is the process of determining the effectiveness of a campaign. Evaluation is impossible if the campaign has not established measurable objectives, so this part of the campaign plan specifies how exactly those objectives will be measured. In effect, it is a research proposal. All of these procedures and techniques for post-campaign evaluation will be discussed in more detail in Chapter 19. A tool for setting these measurable objectives is account planning, which provides information about what consumers think and feel in order to determine what the plan needs to do to have impact on the market.

## ACCOUNT PLANNING: WHAT IS IT?

As Fallon and Senn outlined in one of their principles earlier in this chapter, the key to effective advertising is a powerful consumer insight, a central emotional truth about a customer's relationship with a brand.

When the Eight O'Clock coffee brand, for example, wanted to know more about its audience to better target its message, it used videotaped observational research to identify key insights into how people relate to coffee. Rather than a rosy sunrise, the tapes showed that it was a struggle to get moving. "In real life," the strategic planner concluded, "people stumble around, trying to get kids out of bed. Coffee is the fuel that gets them dressed, fed, and out the door." On other tapes, it also showed that coffee was the reward for mom after the kids are out the door. "I have my cup of coffee when the kids leave," one mom observed. "It's my first moment to take a breather. And it gives me energy."<sup>21</sup>

Account planning is the tool that analyzes the research to uncover these consumer insights. Insight—that's what happens when the light bulb goes off and the planner sees something in a new way. As in the Eight O'Clock coffee example, the planner struck gold by finding out that coffee is the fuel that gets adults, particularly moms, through the morning rush—and it's also the reward for surviving that busy routine. From this insight come clues about how and when to reach the target audience and what to say to her. Here's the planner's mission:

- **Who?** Who are you trying to reach and what insight do you have about how they think, feel, and act? How should they respond to your advertising message?
- **What?** What do you say to them? What directions from the consumer research are useful to the creative team?
- **Where?** How and where will you reach them? What directions from the consumer research are useful to the media team?

**Account planning** is the research and analysis process used to gain knowledge of the consumer that is expressed as a key *consumer insight* about how people relate to a brand or product. An **account planner**, then, is a person in an agency who uses a disciplined system to research a brand and its customer relationships to devise advertising (and other marketing communication) message strategies that are effective in addressing consumer needs and wants. Account planning agencies are based in research but focus on deriving meanings about consumers. Hall & Partners, for example, has noted that with the new social media, the walls between private life and public life have been breached. (Check the company out at [www.hall-and-partners.com](http://www.hall-and-partners.com).) In case you're interested in account planning as a career, here is an actual job description for a vice president for global consumer insights for a major apparel company:

The role of the VP, Global Consumer Insights, is to create competitive advantage by delivering fact-based consumer/customer understanding and insights that facilitate speed and accuracy of strategic and tactical decision-making across all critical parts of the organization. In short, turning data into Insights, and then into Action. The planner will accomplish this



by placing consumers first, integrating their “voices” into the planning process, and creating sustaining value at the corporate and brand levels.

As the job description suggests, the account planning function develops the marketing communication strategy with other members of the client and agency team and guides its implementation in the creative work and media planning. Here’s an example from Dunkin’ Donuts of how account planning works to uncover, in this case, the barriers to purchasing fancy coffee drinks. This mini-case was provided by Regina Lewis, a member of this book’s Advisory Board and former vice president of consumer and brand insights at Dunkin’.<sup>22</sup>

We found through our research that people wanted to try espresso drinks like lattes and cappuccinos, but they were intimidated and thought such fancy coffee drinks were an ordeal to order. Dunkin’ Donuts, of course, is known for its coffee and we felt that to be a great coffee player, we had to have an espresso line. But our brand has always been hot regular coffee for average Joe. What we realized was that there was a place in the marketplace for espresso-based drinks for everybody. It doesn’t have to be a fancy treat. We learned that a lot of people like the milky steamed beverages, but they were intimidated by whether they would know how to order them.

When we launched our new line, we used the positioning umbrella of the *democratization of espresso*. We dramatically changed the way our customers view a latte and eliminated the whole barista thing. With push-button machines, we created a world where you can get espresso through the drive-through in less than two minutes. We made espresso available for everybody and we also priced our drinks under Starbucks. We launched with a big public relations campaign titled “The Espresso Revolution—a Shot Being Fired in New England.”

In contrast to account managers who are seen as the voice of the client, account planners are described as the voice of the consumer. As London’s Account Planning Group (APG) explains it, “The job is to ensure that an understanding of consumer attitudes and behavior is brought to bear at every stage of communications development via continuous involvement in the process.”<sup>23</sup>

Account planners don’t design the creative strategy for an ad, because this is usually a team process with the participation of the creative people. Rather, the planner evaluates consumers’ relationships with the brand to determine the kind of message to which they might respond. Ultimately, the objective is to help the creative team come up with a better idea—making their creative process easier and faster. Susan Mendelsohn, a leader in the U.S. account planning industry and another member of this book’s Advisory Board, explains the account planner’s task as the following<sup>24</sup>:

1. Understand the meaning of the brand.
2. Understand the target audience’s relationship to the brand.
3. Articulate communication strategies.
4. Prepare creative briefs based on an understanding of the consumer and brand.
5. Evaluate the effectiveness of the communication in terms of how the target reacts to it (so that planners can keep learning more about consumers and brand communication).

## The Research Foundation

As we said at the beginning of this chapter, understanding begins with consumer research, which is at the core of account planning. Some advertisers, such as Johnson & Johnson, insist that consumer researchers and creative teams need to work closely together.<sup>25</sup> That is the role, if not the goal, of most account planners.

Planners use a wide variety of research tools to do “insight mining.” In a sense they are social anthropologists who are in touch with cultural and social trends and understand how they take on relevance in people’s lives. To do that, the account planner is an *integrator* (who brings all of the information together) and a *synthesizer* (who expresses what it all means in one startlingly simple statement). The *A Matter of Practice* feature about anti-smoking campaigns provides insight about the role research plays in strategic decision-making for campaigns.

### Principle

The account manager is seen as the voice of the client, and the account planner is seen as the voice of the consumer.



## A MATTER OF PRACTICE

## *“Just Give Me My One Vice:” College Students and Smoking*

Joyce M. Wolburg, Professor and Associate Dean, Marquette University



A few years ago, I asked the students in my research class to bring in samples of magazine ads. One student came with anti-smoking messages, which prompted a classmate to say defiantly, “Those ads make me so mad, they just make me want to light up a cigarette.” One ad was from the Lorillard Tobacco Company’s Youth Smoking Prevention Program and used the slogan, “Tobacco is Whacko.” The other was from the American Legacy Foundation’s “truth” campaign and told readers, “Your pee contains urea. Thanks to tobacco companies, so do cigarettes. Enjoy.” The student’s response made me realize that if this reaction is common among other college students, millions of dollars devoted to changing attitudes and behavior toward smoking are missing the mark. As a qualitative researcher, I wanted to find out and decided to investigate what’s going on.

Using individual interviews among students, my first revelation was that college student smokers and non-smokers have dramatically different views of anti-smoking messages. Among other findings, non-smokers championed the ads—in fact, the more insulting the better. Many expressed feelings that they have suffered the effects of cigarette smoke long enough, and “it’s about time someone took responsibility for the deadly addiction that kills so many people.” Anti-smoking messages also reinforced their decision not to smoke. Smokers, on the other hand, rarely championed the ads and frequently showed defiance toward the ads. “I am going to die from something someday, so why shouldn’t this be my cause of death?” Students also felt a sense of entitlement toward smoking. “All I’m doing is smoking. I’m not doing heavy drugs or robbing banks or murdering people. This is as bad as I get. Let me have my cigarette.”

Psychologists have long known that when people are told to change their behavior, they will dig in their heels and resist change if they feel their freedom is at stake. And initiatives against smoking and binge drinking have been known to backfire—the so-called “dark side” of social marketing cam-

paigns. Although many smokers believe that the messages are effective for others, the fact that they started smoking proves to them that anti-smoking messages don’t work. When they started smoking, they were well aware of the health risks—“you would have to be a moron to not know that it kills”—and they didn’t find the ads persuasive—“there isn’t an ad out there that would get me to quit.” Two things they didn’t count on were how addictive smoking is and how quickly people become addicted.

I was convinced that anti-smoking messages were not connecting with this audience and special cessation strategies were needed. I began to wonder how students who have succeeded in quitting were able to accomplish the task. A second qualitative study explored their decisions about quitting and examined the strategies that worked versus those that failed. By far the most common reason for quitting was a personal health scare, which convinced them that they were vulnerable to the risks after all; however, others quit because they no longer identified with smokers or were afraid they were losing control to nicotine. Unfortunately, they were so optimistic that quitting would be easy that they weren’t prepared for failure. Every student interviewed made multiple attempts before eventually succeeding

Every student also had a quit date in mind—“by my next birthday, by the time I graduate, by the time I get my first job, by the time I get married, by the time I have children . . .” But they didn’t have a plan for how to do it. One of the most common problems was not anticipating the times and places that triggered smoking, and bars seemed to be at the top of everyone’s list of places that triggered the impulse to smoke. The association between drinking and smoking was so strong that more than one student had to avoid bars for a period of time until they could handle the temptation.

Most students wanted to quit “cold turkey” without any help from others because they saw it as a badge of honor. However, this strategy only worked for a few. Other students sought support from various sources including the campus health facility. One met regularly with a physician’s assistant, who provided support and held him accountable. “Once a week, I would go see this guy and it gave me a sense of accountability. I knew that if I smoked,



I would have to tell him. Not only would I disappoint myself, but I would disappoint him."

Given these insights, I began to wonder if existing cessation programs are addressing the needs of students. I examined various online cessation programs—one from a non-profit organization, one from a government organization and one from the tobacco industry—and found that most offered tips based on the same strategies that worked with these students, but few communicated in a style that students could relate to. Many used testimonials from older smokers, who quit for reasons that were not relevant to most students, such as wanting to avoid exposing their children to secondhand smoke. One program offered targeted materials to groups including smokers over the age of 50, recent quitters, African-American smokers, and Hispanic smokers, but not college students.

So why do college students need a campaign specifically designed for them? One reason is that they operate on a different calendar than others.

Holidays, such as Halloween and St. Patrick's Day, are heavy drinking occasions on most campuses, and with heavy drinking comes heavy smoking. Events that could encourage them to quit smoking are not well timed either. The Great American Smokeout traditionally takes place on the third Thursday in November, days before they are leaving campus to go home for the Thanksgiving holiday.

So, what's the next step? Certainly, it is to implement these findings into a campus-wide campaign. I don't yet know the exact message, but the strategy will have to include storytelling about what worked and what didn't to engage students' interest. Messages must also originate from students in order to achieve relevance and gain credibility.

Sources: Joyce Wolburg, 2006, "College Students' Responses to Antismoking Messages: Denial, Defiance, and Other Boomerang Effects," *Journal of Consumer Affairs*, 40 (2) 294-323; Joyce Wolburg, 2009, "Misguided Optimism among College Student Smokers: Leveraging their Quit Smoking Strategies for Smoking Cessation Campaigns," *Journal of Consumer Affairs*, 43 (2) 305-331..

## Consumer Insight: The Fuel of Big Ideas

Advertising is sometimes thought to be an idea factory, but account planners look at advertising as an insight factory. As Mendelsohn says, "Behind every famously great idea, there is a perhaps less flashy, but immensely powerful insight." Insights are the fuel that fires the ideas. A great insight always intersects with the interests of the consumer and the features of the brand by identifying the value that the brand has for the consumer.

Through the process of strategic and critical thinking, the planner interprets consumer research in terms of a key consumer insight that uncovers the relevance factor—the reason why consumers care about a brand message. Consumer insights reveal the inner nature of consumers' thinking, including such things as mind-sets, moods, motivations, desires, aspirations, and motives that trigger their attitudes and actions.

Finding the "a-ha" in a stack of research reports, data, and transcripts, which is referred to as **insight mining**, is the greatest challenge for an account planner. The Account Planning Group (APG) association describes this process on its website ([www.apg.org.uk](http://www.apg.org.uk)) as "peering into nooks and crannies without losing sight of the big picture in order to identify a key insight that can transform a client's business."

Mendelsohn describes insight mining as "a deep dive" into the meaning of a brand looking for "major truths." She explains that the planner engages in unearthing the relationship (if there is any) that a target audience has with a brand or product and what role that brand plays in their lives. Understanding the brand/consumer relationship is important because account planners are taking on the position of the agency's brand steward. As Abigail Hirschhorn, chief strategic planning officer at DDB explains, "Our work puts our clients in touch with the souls of their brands."<sup>26</sup>

The account planning tool kit is made up of questions that lead to useful insights culled from research. Here is a set of questions that can lead to useful insights:

- What is a realistic response objective (perception, knowledge, feelings, attitudes, symbolic meanings, behavior) for this target group?
- What are the causes of their lack of response?
- What are the barriers to the desired response?
- What could motivate them to respond in the desired way?
- What is the role of each element in the communication mix to motivate them or remove a barrier?

### Principle

A great insight intersects with the interests of the consumer and the features of the brand.



Here's an example of how data analysis works: Imagine you are working on a cookie account. Here's your brand share information:

	2009 Share (%)	2010 Share (%)
Choco Nuts (your brand)	50	40
Sweet 'n Crunchy (your main competitor)	25	30

What's the problem with this situation? Obviously your brand is losing market share to your primary competitor. As a result, one of your goals might be to use a marketing communication mix to drive higher levels of sales. But that goal is so broad that it would be difficult to determine whether communication is sufficient to solve the problem. Let's dig deeper and consider another set of data about household (HH) purchases in a year.

	2009 HH Purchases	2010 HH Purchases
Choco Nuts	4	3
Sweet 'n Crunchy	2.5	3

What problem can you identify here? It looks like your loyal brand users are reducing their purchases at the same time Sweet 'n Crunchy customers are increasing their purchases. It may even be that some of your customers are switching over to Sweet 'n Crunchy. A strategy based on this information might be to convince people that your brand tastes better and to remind your loyal customers of the reasons they have preferred your brand. Those goals can be accomplished by marketing communication.

When you combine the two pieces of information and think about it, another insight might explain this situation. Perhaps people are simply eating fewer cookies. If that's a problem, then the communication opportunity lies in convincing people to return to eating cookies. That is more of a *category sell* problem (sell cookies) rather than a *competitive sell* (set the brand against the competition). In the Choco Nuts example, it would take more research to know which situation applies here. Here's a summary of these two different strategic approaches.

	Competitive/Brand Sell	Category Sell
What?	Challenger brand	Leader brand
Who?	Loyal buyers	Medium/light/lapsed buyers
What effect?	Compare cookie brands	Compare against other snacks
Objective?	Increase share of wallet	Increase total category sales
Message?	"Our cookies are better than theirs"	"Cookies are better than candy or salty snacks"

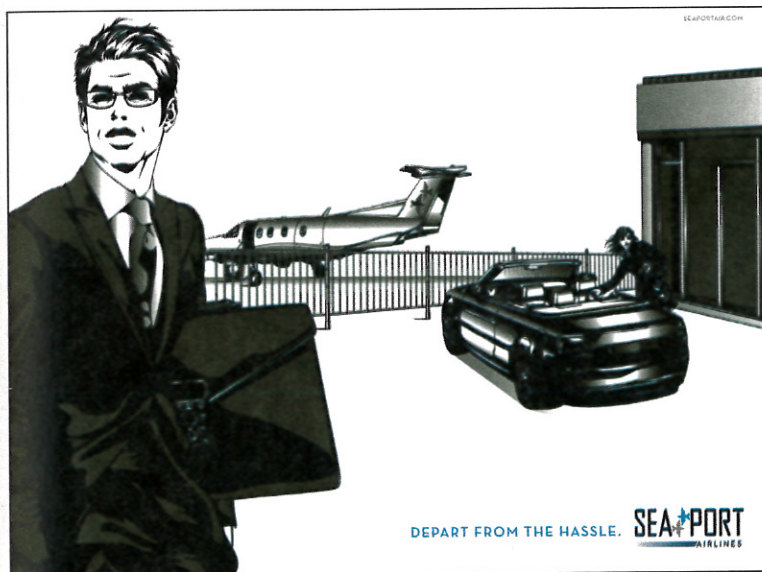
The important dimensions account planners seek to understand in planning brand strategies include relationship, perceptions, promise, and point of differentiation. Most importantly, planners are looking for clues about the brand's *meaning*, which is usually phrased in terms of the brand essence (core, soul), personality, or image, as the SeaPort outdoor boards illustrate.

## The Communication Brief

The outcome of strategic research usually reaches agency creative departments in the form of a strategy document called a **communication brief** or **creative brief**, which explains the consumer insight and summarizes the basic strategy decisions. Although the exact form of this document differs from agency to agency and from advertiser to advertiser, the brief is an outline of the message strategy that guides the creative team and helps keep its ideas strategically sound. As the planner's main product, it should be clear, logical, and focused. Here is an outline of a typical communication brief:

- **Problem** What's the problem that communication can solve? (establish position, reposition, increase loyalty, get people involved, increase liking, etc.)
- **Target Audience** To whom do we want to speak? (brand loyal, heavy users, infrequent users, competition's users, etc.)

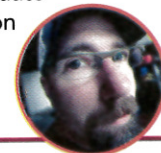




### SHOWCASE

These outdoor boards are for SeaPort Airlines, which serves Seattle, Juneau, Portland, and other West Coast cities. They make a statement about the SeaPort target audience—influential business travelers—and their lifestyle.

These ads were contributed by Karl Schroeder, copywriter at Coates Kokes in Portland, Oregon. A graduate of the University of Oregon advertising program, he was nominated by Professor Charles Frazer.



- **Consumer Insights** What motivates the target? What are the “major truths” about the target’s relationship to the product category or brand?
- **Brand Imperatives** What are the important features? What’s the point of competitive advantage? What’s the brand’s position relative to the competition? Also, what’s the brand essence, personality, and/or image. Ogilvy & Mather says, “What is the unique personality for the brand? People use products, but they have relationships with brands.”
- **Communication Objectives** What do we want customers to do in response to our messages? (perception, knowledge, feelings, symbolic meanings, attitudes and conviction, action)
- **The Proposition or Selling Idea** What is the single thought that the communication will bring to life in a provocative way?
- **Support** What is the reason to believe the proposition? Ogilvy & Mather explains, “We need to give consumers ‘permission to believe’—something that allows them to rationalize, whether to themselves or others, what is in reality an emotionally driven brand decision. The support should be focused on the insight or proposition, the truths that make the brand benefit indisputable.”
- **Creative Direction** How can we best stimulate the desired response? How can we best say it?
- **Media Imperatives** Where and when should we say it?

Source: This outline was compiled from one contributed by Susan Mendelsohn, as well as from the creative brief outline developed by the Ogilvy agency and presented on its website ([www.ogilvy.com](http://www.ogilvy.com)).



The brief is strategic, but it also should be inspirational. It is designed to ignite the creative team and give a spark to their idea process. A good brief doesn't set up limitations and boundaries but rather serves as a springboard. It is the first step in the creative process. Charlie Robertson, an account planner and brand consultant, likens the brief to a fire starter: "The match is the brief, the ignition is the inspiring dialogue [in the briefing], and the flare is the creative."<sup>27</sup>

## PLANNING FOR IMC CAMPAIGNS

An IMC plan follows the same basic outline as an advertising plan. The difference, however, lies with the scope of the plan and the variety of marketing communication areas involved in the effort. The more tools used, the harder it is to coordinate their efforts and maintain consistency across a variety of messages. The objective in IMC planning is to make the most effective and consistent use of all marketing communication functions and to influence or control the impact of other communication elements. Account planner Susan Mendelsohn, who is also a member of this book's Advisory Board, explains the intersections of IMC and account planning in the *A Matter of Practice* feature.

### IMC Campaign Planning

Effective IMC plans lead to profitable long-term brand relationships. The emphasis on brand building is one reason account planning is moving beyond advertising and being used in IMC campaign planning. Jon Steel, author of a book on advertising and account planning, says planning works best as it is integrated into the entire communication mix.<sup>28</sup> The three main areas where an IMC plan differs from an advertising plan are objectives, stakeholders, and contact points.

**Objectives** IMC objectives are tied to the effects created by the various forms of marketing communication. All marketing communication tools have strengths and weaknesses. You use public relations, for example, to announce something that is newsworthy, whereas you use sales promotion to drive immediate action. Therefore, an IMC plan operates with a set of interrelated objectives that specify the strategies for all of the different tools. Each area has a set of objectives similar to those outlined earlier for advertising; these will be presented in more detail in chapters later in the book that relate to those areas. For discussion at this point, however, the following list presents the main IMC areas in terms of their primary effects:

- **Public Relations** Announce news; affect attitudes and opinions; maximize credibility and likability; create and improve stakeholder relationships.
- **Consumer Sales Promotion** Stimulate behavior; generate immediate response, intensify needs, wants, and motivations; reward behavior; stimulate involvement and relevance; create pull through the channel.
- **Trade Sales Promotion** Build industry acceptance; push through the channel; motivate cooperation; energize sales force, dealers, distributors.
- **Point-of-Purchase** Increase immediate sales; attract attention at decision point; create interest; stimulate urgency; encourage trial and impulse purchasing.
- **Direct Marketing** Stimulate sales; create personal interest and relevance; provide information; create acceptance, conviction.
- **Sponsorship and Events** Build awareness; create brand experience, participation, interaction, involvement; create excitement.
- **Packaging** Increase sales; attract attention at selection point; deliver product information; create brand reminder.
- **Specialties** Reinforce brand identity; continuous brand reminder; reinforce satisfaction; encourage repeat purchase; reward loyal customers.

**Stakeholders** We introduced the concept of stakeholders in the IMC introduction in Chapter 2, but let's look a little deeper into this concept. The target in an IMC plan includes more than just consumers. The term **stakeholder** refers to any group of people who have a stake in the success of a company or brand. These audiences include all those who might influence the purchase of



## A MATTER OF PRACTICE

# The Crossover between Account Planning and IMC

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The distinction between account planning and IMC is becoming blurred. In today's multifaceted business world, account planners have to become immersed in all aspects of a client's business in order to address their numerous stakeholders, not just their consumers. To accomplish this, account planners first need to learn about most aspects of a company as possible using the techniques described earlier in this book. Second, planners must address every part of a business that could influence and impact the brand/product. Finally, the planner must craft meaningful communication messages and programs for each constituent.

Getting to know the unique components of each business and then understanding the interplay of these components is the account planners' new challenge. The planner must use multiple sources to uncover useful brand/product information about each business.

Example one: with nonprofits such as a museum, an account planner might need to examine the appropriate

scientific community, government agencies and foundations, donors/board of trustees/friends of the museum, and the public. It might be necessary to alter the communication messages for these different groups from the overarching main message of the museum in order to address the needs of each individual constituent.

Example two: when working with packaged-good companies, planners have to address industry specific business issues and develop an appropriate contact point mix. Here, the account planner typically considers the different needs and perspectives of consumer brands, marketing, cafés/kiosks, retail, sales force, and food service (restaurants, hotels, convenience stores).

Example three: addressing insurance or financial institutions, the mix changes again. Planners in the insurance area often examine consumers (current and prospective policy holders), corporate decision makers, sales agents, stockholders, and the financial community (including Wall Street).

It's an exciting time to be involved in the field of account planning. The planner's role is expanding and becoming more complex in order to address the new challenges of business, branding, and fragmented communication.

products and the success of a company's marketing program, as the table below shows. Employees are particularly important and their support or buy-in for marketing, advertising, and marketing communication programs is managed through an activity called **internal marketing**. Susan Mendelsohn, for example, describes the targets for one of her snack clients as brand marketing consumers, café and kiosk customers, food service operations, and sales staff.

## Types of Stakeholder Audiences

<i>Corporate Level</i>	<i>Marketing Level</i>	<i>Marcom Level</i>
Employees	Consumers	Target audiences
Investors, financial community (analysts, brokers, and the financial press)	Customers	Target stakeholders
Government bodies and agencies	Stakeholders	Employees
Regulatory bodies	Market segments	Trade audiences
Business partners	Distributors, dealers, retailers, and others in the distribution channel	Local community
	Suppliers and vendors, including agencies	Media (general, special interest, trade)
	Competitors	Consumer activist groups
		General public
		Opinion leaders

An important thing to remember is that people don't simply line up in one box or another. Here's a new principle: the **Sixth Principle of IMC**, which states that *stakeholders overlap*. Not

### Sixth Principle of IMC

Stakeholders overlap.



only do they play different roles, they also talk to one another. Employees, for example, may also be customers, shareholders, and members of the local community, perhaps even elected officials. Their primary medium is word of mouth, which is another reason why this type of communication is so important in IMC programs. The fact of overlapping membership complicates message strategy and demands that there be a certain core level of consistency in all brand messages both from a company but also within stakeholder conversations.

### **Seventh Principle of IMC**

All contact points deliver brand messages.

**Contact Points** IMC programs are designed to maximize all the contacts that a consumer and other stakeholders might have with a brand. As we explained in Chapter 2, **contact points**, also called **touch points**, are all the ways and places where a person can come into contact with a brand, all the points where a message is delivered about the brand. Contact points can be advertising and traditional marketing communication messages, but they can also include all of the other ways a brand communicates through personal experiences. This leads to the **Seventh Principle of IMC**: *all contact points deliver brand messages*. These messages can be both good and bad, creating positive or negative feelings. Marcom managers hope to maximize and leverage the good ones and minimize the bad ones.

### **Eighth Principle of IMC**

Consistency drives synergy.

## **Synergy and Strategic Consistency**

Given that an IMC plan involves a lot of messages delivered through multiple media at many different contact points, as well as interactive communication, the marcom planner's biggest concern is creating consistent messages. The ultimate difference between an advertising campaign and an IMC campaign is the creation, development, delivery, and evaluation of multiplatform messages. For that reason, IMC planners are looking for ways to intensify the synergy of the messages so that the brand impact is greater than what can be delivered by any one type of message. This leads to the **Eighth Principle of IMC**: *consistency drives synergy*.

Synergy is particularly important for marketers concerned about the efficiency of their marketing communication who are looking for ways to maximize the cost efficiency of their budgets. Andy Polansky, president of the Weber Shandwick agency, cautions managers to be efficient by making all communication efforts align with audience interests "so there is strategic consistency across how you are marketing online, in-person and in traditional media."<sup>29</sup>

The problem is that we know various stakeholders have different types of bonds with a brand, so the message, by necessity, will be different for different audiences. Kellogg's doesn't talk to moms the same way it talks to kids about a kid's cereal, such as Froot Loops. And it certainly has a different message for regulators at the Food and Drug Administration and activists concerned about children's health, as well as those messages for the investment community including its own shareholders. It isn't that the messages are inconsistent, they are just different in that they address different concerns and issues of the various stakeholder audiences. What is common, however, is faithfulness to the brand image and position. That's what we mean by **strategic consistency**—messages vary with the interest of the stakeholder but the brand strategy remains the same.

Synergy is an organizational problem, one that calls for **cross-functional planning**. In other words, everyone involved in delivering messages or responding to consumer messages needs to be involved in planning the campaign so no off-strategy messages undercut the consistency of the effort.

## **Looking Ahead**

Strategic consistency is the result of carefully researched marketing communication plans. The actual messages that bring the strategy to life are also a result of strategic planning, but also creative thinking. Part 3 of this book will review the creative side of marketing communication beginning with Chapter 8, which continues the strategy discussion in terms of message strategy.





## IT'S A WRAP

### Winning the Coke Zero Infringement Case

So how well did the Coke Zero campaign strategies work in exciting the interest of young males in a lower calorie soft drink and delivering the message that Coke Zero tastes similar to real Coke?

To evaluate the effectiveness, return to the three measurable objectives: increase brand awareness, motivate the target audience to try Coke Zero, and convince men ages 18 to 34 that Coke Zero tastes like Coke. Within a year Coke Zero's overall brand awareness far exceeded the goal, achieving awareness with more than 90 percent of its target audience. It succeeded in not only getting the men to know about Coke Zero, nearly half of the target audience of young men 18–34 tried it, too. The campaign was able to increase consumer recognition of the taste similarity message. Four out of 10 people who were interviewed recognized the message that Coke Zero tastes like Coke. The success of achieving the campaign goals is evident.

You might ask if this campaign was beneficial for the Coca-Cola company overall. Could it be that it cannibalized its audience by shifting Coke drinkers to Coke Zero drinkers? John D. Sicher, Jr., editor and publisher at *Beverage Digest*, believes the campaign's effects have been positive. He said, "Forty-five percent of Coke Zero sales are incremental rather than borrowed from Diet Coke."

Based on the evidence, this nontraditional campaign, and its unconventional message, Coke Zero was awarded a Silver Effie for effectiveness.

Case closed.

## Key Points Summary

- 1. What is the difference between objectives, strategies, and tactics in strategic planning and how are the three levels of planning connected?** Objectives are what you want to accomplish, or goals; strategies are how you will accomplish the objectives, or the design or plan; and tactics are the ways in which you implement the strategies, or the execution. The three-tiered process of strategic planning involves a set of cascading objectives and strategies. Corporate objectives and strategies as spelled out in a business plan are achieved through planning at the level of marketing (and other business areas, such as production), and marketing objectives and strategies give direction to marketing communication programs including advertising.
- 2. How is a campaign plan constructed, and what are its six basic sections?** An advertising or IMC plan summarizes the strategic decisions in the following areas: situation analysis (background research, SWOTs, key communication problem), objectives, targeting, positioning (features, attributes, differentiation, competitive advantage), strategic approach (branding, positioning, category dominance, marketing mix support, consumer response), and campaign management (budgeting, evaluation).
- 3. What is account planning, and how is it used in advertising?** Account planning matches the right message to the right audience and identifies the right media to deliver that message. The three key factors are consumer insight, message strategy direction, and media strategy direction.
- 4. In what ways does an IMC plan differ from an advertising plan?** The three additional factors you find discussed in an IMC plan are the stakeholders, the contact points, and a wider set of objectives that identify the interwoven effects of the various marketing communication tools.

## Words of Wisdom: Recommended Reading

Avery, Jim, *Advertising Campaign Planning*, Chicago: The Copy Workshop, 2000.

Fallon, Pat, and Fred Senn, *Juicing the Orange: How to Turn Creativity into a Powerful Business Advantage*, Boston: Harvard Business School Press, 2006.



Kelley, Larry, and Donald Jugenheimer, *Advertising Account Planning*, Armonk, NY: M.E. Sharpe, 2006.

Parente, Donald, *Advertising Campaign Strategy: A Guide to Marketing Communication Plans*, 4th ed., Florence, KY: South-Western, 2005.

Ries, Al, and Jack Trout, *Positioning: The Battle for Your Mind*, New York: McGraw-Hill, 1981 (20th anniversary ed., 2000).

Schultz, Don, and Beth Barnes, *Strategic Advertising Campaigns*, 4th ed., Lincolnwood, IL: NTC, 1995.

Steel, Jon, *Truth, Lies and Advertising: The Art of Account Planning*, Hoboken, NJ: Wiley, 1998.

Weichselbaum, Hart (Ed.), *Readings in Account Planning*, Chicago: The Copy Workshop, 2000.

## Key Terms

account planner, p. 210	features, p. 202	perceptual map, p. 205	soft-sell approaches, p. 206
account planning, p. 210	hard-sell approaches, p. 206	position, p. 202	stakeholder, p. 216
benchmarked, p. 199	insight mining, p. 213	product differentiation, p. 202	strategic business unit (SBU), p. 191
brand image, p. 207	internal marketing, p. 217	repositioning, p. 205	strategic consistency, p. 218
brand linkage, p. 207	marketing plan, p. 192	return on investment (ROI), p. 191	strategic planning, p. 190
campaign plan, p. 194	mission statement, p. 192	share of market, p. 193	strategies, p. 190
communication brief, p. 214	objectives, p. 190	share of mind, p. 209	SWOT analysis, p. 196
competitive advantage, p. 204	objective-task method, p. 209	share of wallet, p. 208	tactics, p. 190
contact points, p. 218	parity products, p. 202	situation analysis, p. 196	touch points, p. 218
creative brief, p. 214	percentage-of-sales method, p. 209		
cross-functional planning, p. 218			
feature analysis, p. 204			

## Review Questions

1. Define objectives, strategies, and tactics, and explain how they differ.
2. What information does an advertising plan derive from the business plan? From the marketing plan?
3. What is a situation analysis, and how does it differ from a SWOT analysis?
4. What are the requirements of a measurable objective?
5. Explain how the facets model of advertising effects can be used to structure a set of advertising objectives.
6. What is a position, and how is it established?
7. What is account planning, and what does the account planner bring to an advertising plan?
8. What are the key differences between an advertising plan and an IMC plan?

## Discussion Questions

1. Think of a product you purchased recently after seeing an advertisement. Which strategies can you discern in the advertising? Did the advertising help to convince you to purchase the product? How did that work?
2. Luna Pizza is a regional producer of frozen pizza. Its only major competitor is Brutus Bros. The following is a brief excerpt from Luna's situation analysis for the next fiscal year. Estimate the next year's advertising budgets for Luna under each of the following circumstances:
  - a. Luna follows an historical method by spending 40 cents per unit sold in advertising, with a 5 percent increase for inflation.
  - b. Luna follows a fixed percentage of projected sales method, using 7 percent.
  - c. Luna follows a share-of-voice method. Brutus, the primary competitive pizza brand, is expected to use 6 percent of sales for its advertising budget in the next year.

	<i>Actual Last Year</i>	<i>Estimated Next Year</i>
Units sold	120,000	185,000
\$ sales	420,000	580,000
Brutus \$ sales	630,000	830,000



3. The owners of the Vico brand of organic coconut water believe that it is the next big trend in the bottled water category, except it uses the clear liquid inside young, green coconuts (not coconut milk that is derived from pressing the coconut pulp). Healthy and natural, the product is popular in South America and is becoming a niche market in New York City and other cities with South American immigrant populations. Outline a preliminary situation analysis, objectives, targeting, positioning, and branding strategies. In each section, explain what other information you would need to fully develop this plan.
4. **Three-Minute Debate** You are in a meeting about the strategy for an automotive client who is proposing a new upscale luxury version of an electric car. One of your team members says positioning is an old strategy and no longer useful for modern products because the market is so complex and changes so fast. Another person argues strongly that you need to understand the position in the consumer's mind before you can even begin to develop an advertising strategy. As a team, take one side of this issue, for the launch of this new product and develop your position to present and defend in a class debate.

## Take-Home Projects

1. **Portfolio Project** Examine the following websites: [www.lexus.com](http://www.lexus.com), [www.infiniti.com](http://www.infiniti.com), and [www.mercedes-benz.com](http://www.mercedes-benz.com). Based on what you find on these sites, compare the positioning strategies for these top-of-the-line SUV models. Analyze the product features, competitive advantage, and points of differentiation.
2. **Mini-Case Analysis** Review the "Coke/Coke Zero Taste Infringement" case that opened and closed this chapter. As-

sume you are working on this account and have been asked to pull together a presentation for the brand team for the next year of this campaign. What research would you recommend conducting in order to decide if the campaign should be continued? What do you need to find out in order to make this decision?

## Team Project: The BrandRevive Campaign

After compiling as much information as you can for your BrandRevive campaign on your brand, the category, and consumers, the next step is to draft a campaign plan for the brand's revitalization.

- Review your research and develop a set of SWOTs and from that analysis the key communication problem to be solved with this campaign.
- Develop a set of objectives for this campaign and explain them.
- Identify the target audience for your campaign and explain your decision.
- Develop a brand positioning strategy for your brand and explain it. In particular, consider the wisdom and feasibility of a repositioning effort.
- Identify the key insight(s) that would make your brand more relevant and explain how you arrived at that conclusion. Summarize your findings about the target market in a creative brief.
- Present your findings in a two-page report and a PowerPoint presentation that is no longer than four slides. In the presentation explain and justify your recommendations.

## Hands-On Case

### The Century Council

Read the Century Council case in the Appendix before coming to class.

1. Create an outline of what you believe "The Stupid Drink" campaign plan looked like based on this chapter and the case study. Keep it to one page.
2. Develop at least three business objectives and strategies, three communications objectives and strategies, and three media objectives and strategies based on the case study.