

# Integrated Brand Communication



## It's a Winner

**Campaign:**

"Wii Would Like to Play"

**Company:**

Nintendo of America

**Agency:**

Leo Burnett USA,  
Golin Harris, Starcom  
Worldwide

**Award:**

Grand Effie and Gold Effie  
for New Product or Service  
Category

## CHAPTER KEY POINTS

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1. How is marketing defined, what is the marketing process, and what are marketing's key concepts?
2. How does marketing communication contribute to the development of a brand?
3. What is integrated marketing communication and what are its key concepts?
4. How is brand communication evolving during a time of change?

### Wii Wages Campaign in Video Game War

Imagine that you just landed your dream job with agency Leo Burnett, and you are in charge of marketing Wii, a new video game for Nintendo. Here's the situation you're facing. Once the category leader, Nintendo's sales have plummeted so much that one industry consultant advised your company to abandon the fight to compete in the video game war. You think about the formidable rivalry from the Microsoft's popular Xbox 360 and Sony's PlayStation 3. What do you do? Where do you start?

What makes Nintendo's Wii campaign *Ad Lesson #1* is the insightful thinking about those people whom the advertising aims to convince to become Wii consumers. Think about PlayStation 3 and Xbox 360 users. They're usually male and avid gamers—guys who like difficult and often violent games. Nintendo could have chased those hardcore users. But it didn't. Instead, Nintendo chose to appeal to an audience who'd been turned off by video games—moms, families, even residents in nursing homes. Nintendo zigged when the competition zagged.

Such a bold strategy was not without risk. Some in the industry scoffed at the daunting task of trying to persuade nonusers to become Wii enthusiasts. Nintendo's research showed that nonplayers voiced similar complaints about games for other systems: they were too hard or complicated to learn. The nonplayers said they enjoyed challenging games such as crossword puzzles and Sudoku, participating in sports leagues, and connecting with other people socially. They weren't game averse, but they held negative perceptions about video games.

Nintendo responded to the research findings with a Big Idea. Why not invite the nonplayers to participate? Rather than talking about the power of the processor or pixel count as its competitors did, the "Wii Would Like to Play" campaign focused on features that made its product different: motion-sensitive controllers and prices lower than the competition's. It lured people off their couches and intrigued them by showing a wide age range of people—family and friends—who actively and interactively played simple games together.

Proving that Wii isn't just for kids, Nintendo crafted a different kind of marketing effort for a different kind of video game. Its multimillion-dollar campaign let potential consumers touch, see, and experience the new game—*Ad Lesson #2*.

The image shows the official Wii logo, which consists of the word "Wii" in a stylized, rounded font. The letters are dark grey or black. A small trademark symbol (TM) is located to the right of the word.

Nintendo's ambassador program featured parties for multigenerational families, hard-core gamers, and modern moms. Others experienced Wii at malls, retail midnight madness events, music/video tours, and online social networking communities. Before Wii was even launched, it was featured in *South Park*, showed up on the front page of *The Wall Street Journal*, and other popular media including *People* magazine, NPR, and *BusinessWeek*.

Other efforts to spread the word included a MySpace page, which attracted a million page views, brand partnerships with 7-Eleven, Pringles Snack Stacks, and Comedy Central. Wii also showed up on the Discovery Channel, Animal Planet, and Discovery Kids Network.

Given the need to teach people how to play the game on their home TV screens, an important venue was in-person demonstrations either in stores or at events, such as trade shows and video game expositions. The opening photo of this chapter shows the president of Nintendo and the general manager of the entertainment division playing a game of tennis on a large video screen during the Electronic Entertainment Expo in Hollywood.

How well did the marketing communication strategy work in launching this new brand? Turn to the end of the chapter to see the amazing results for this new brand introduction. And if you want to see more of the campaign, check out [http://us.wii.com/viewer\\_tvcm\\_usa.jsp?vid=5](http://us.wii.com/viewer_tvcm_usa.jsp?vid=5).

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Sources: "Wii Would Like to Play," Effie Awards Brief of Effectiveness and Press Release, [www.nyama.org](http://www.nyama.org); "Leo Burnett Wins Grand Effie for Nintendo," June 4, 2008, [www.adweek.com](http://www.adweek.com); "Study Says Nintendo Tops in Game Ads," February 24, 2009, [www.mediapost.com](http://www.mediapost.com); Chris Kohler, "Nintendo's Wii Marketing Blitz Detailed," November 13, 2006, [www.wired.com](http://www.wired.com); David Eaves, "WiiNomics . . . Nintendo's Scarcity Strategy Keeps Paying Dividends," December 11, 2008, [www.eaves.ca](http://www.eaves.ca).

This chapter will give you a foundation for thinking about solving problems for clients. The Nintendo story demonstrates how marketing communication can help accomplish marketing objectives. It illustrates some fundamentals that will help you think through challenges you're likely to face in your career. This chapter starts with an explanation of the basic principles of marketing. We then explore the important concept of branding and why it is so heavily dependent on marketing communication. Finally we explain the concept of integrated marketing communication.

## WHAT IS MARKETING?

A company like Nintendo needs effective marketing communication in order for its products to succeed in the marketplace. However, to succeed, a product must also offer customers value, and much of a product's value is created by marketing decisions that determine the product's design and ease of use, distribution, and pricing, as well as its marketing communication.

Marketing is designed to build brand and customer relationships that generate sales and profits or, in the case of nonprofits, memberships, volunteers, and donations. In turbulent times like the marketing communication industry has been through with the Great Recession, it is useful to remember the point we made in the Part I opener—that most of the basic marketing practices and principles are not only still viable, but may provide the only way through the chaos. So let's start by defining basic marketing concepts and see how they relate to marketing communication.

### Why Marketing 101?

Some of you reading this textbook are marketing majors but others have not had and may never take a marketing course. For that reason, we will present here a quick crash course in those aspects of marketing that are most relevant to marketing communication.

A process and a discipline, **marketing** is the way a product is designed, tested, produced, branded, packaged, priced, distributed, and promoted. The American Marketing Association

(AMA) updated its definition of the term in 2007 as “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”<sup>1</sup> It is a function within an organization that focuses on managing customer relationships to benefit all of a brand’s **stakeholders**—by stakeholders we mean all the individuals and groups who have a stake in the success of the brand. Positive relationships create value for a brand.

Traditionally, the objective of most marketing programs has been to sell products, which we define as *goods, services, or ideas*. This is accomplished by matching a product’s availability—and the company’s production capabilities—to the consumer’s need, desire, or demand for the product. As you may remember from Wende Zomnir’s *The Inside Story* in Chapter 1, her role as a founder and creative director for Urban Decay Cosmetics is to lead the market with edgy product designs and formulations that appeal to fashion-conscious young women.

Goods and services are identified in terms of their **product category**. By category, we mean the classification to which the product is assigned. For example, Harley-Davidson is in the motorcycle category, Apple Macintosh is in the computer category, and Burger King is in the fast-food category. Marketing managers manipulate the **marketing mix**, also called the **four Ps**, which refers to the *product* (design, performance), its *price*, the *place* where it is made available (distribution), and its *promotion* (marketing communication).

**The Concept of Exchange** Marketing helps to create demand for a product leading to an **exchange**—that is, the act of trading something of value (money) for a desired product, either goods or service. The company makes a product and offers it for sale at a certain price; the customer gives money to the company to buy that product. Money is exchanged for goods or services. Demand, however, drives the exchange. With the Wii launch, for example, bloggers noted that Nintendo strategically controlled how many games were produced, and the scarcity seemed to create even more demand and, in turn, publicity for the new Wii system.

In addition to economic exchange, marketing also facilitates *communication exchange*. Marketing communication provides both information (facts, ideas, brand image cues) and the opportunity for customer–company interaction. In other words, people have to know about it before they can buy it or sign up for it or donate to it. That is why the Wii launch involved a large array of marketing communication tools, including new types of **contact points** with customers. Beyond awareness, the new social media, such as Facebook, MySpace, Twitter, and YouTube, also make it possible to have truly interactive communication with consumers. The Wii campaign illustrates how MySpace can be used to generate a conversation about a new product.

**Who Are the Key Players?** The marketing industry is a complex network of professionals, all of whom are involved in creating, producing, delivering, and selling something to customers. The four categories of key players include (1) marketers, (2) suppliers and vendors, (3) distributors and retailers, and (4) marketing partners, such as agencies. Consider also that these positions represent jobs, so you can use this information as a career guide should you be interested in working in marketing.

The **marketer**, also referred to (from the agency’s point of view) as the *client*, is any company or organization behind the brand—that is, the organization, company, or manufacturer producing the product or service and offering it for sale. The *Day in The Life* story describes the job of a marketing and communication manager, Peter Stasiowski, who works on the “client side.” Stasiowski first started his career as an art director at Gargan Communications



#### SHOWCASE

The Urban Decay product line of cosmetics projects a street-smart attitude embodied in its packaging and product names.

A graduate of the University of North Texas, Wende Zomnir was nominated by Professor Sheri Broyles to be featured in this book.





## A View from the Marketing Communication Front Line

Peter Stasiowski, Marketing and Communication Manager, Interprint, Inc.

There's a big difference between working for an ad agency, where the focus is on promoting many clients, and becoming an individual company's lone marketing professional, where the focus is on promoting the company that signs your paycheck.

The most obvious changes, such as fine-tuning one marketing plan instead of juggling several, give way to more subtle and important differences. When I traded my agency title of art director and creative director for my current position as marketing and communications manager for an industrial printing company, I went from working with a group of people dedicated to practicing good marketing communications to working with a group dedicated to printing good décor paper for its customers in the laminate industry.

In my case, the opportunities to expand my marketing skills beyond commercial art into areas like copywriting and financial planning came with the responsibility to make good marketing decisions without the security of an ad agency's team behind me.

At its core, a day in my life as the marketing and communications manager for Interprint is spent communicating clear messages to the right markets as efficiently as possi-

ble. For example, to the broad laminate market, I write 90 percent of the articles for Interprint's promotional magazine about everything from our latest printing technologies to our environmental stewardship programs.

I'm also responsible for speaking with newspaper reporters, either to answer their questions or to promote a press release. Then there's coordinating the construction of trade show exhibits, planning press conferences, and, yes, designing print advertising. It's all meant to get the good word out to the right eyes and ears.

At the end of the day, my reward is knowing that as I dive deeper into the fabric of one company and learn what messages and media resonate with its customers, I gain both a broader skill set and the unfiltered feedback that ensures increasingly successful marketing efforts into the future.

For more about Interprint, check out the company's fact sheet at <http://usa.interprint.com/media>.

Peter Stasiowski is a graduate of the advertising program at the University of West Florida. He and his work were nominated by Professor Tom Groth to be featured in this book.



in Massachusetts. In addition to his story, he has provided two business-to-business ads that he designed for his company.

The materials and ingredients used in producing a product are obtained from other companies, referred to as *suppliers* or *vendors*. The phrase **supply chain** is used to refer to this complex network of suppliers who produce components and ingredients that are then sold to the manufacturer. The **distribution chain** or **channel of distribution** refers to the various companies involved in moving a product from its manufacturer to its buyers. Suppliers and distributors are also partners

in the communication process and their marketing communication often supports the brand. Marketing relationships also involve cooperative programs and alliances between two companies that work together as *marketing partners* to create products and promotions. For example, Leo Burnett created brand partnerships for Wii with 7-Eleven, Pringles, and Comedy Central.

**What Are the Most Common Types of Markets?** The word **market** originally meant the place where the exchange between seller and buyer took place. Today we speak of a market not only as a place (the New England market), but also as a particular type of buyer—for example, the youth market or the motorcycle market. The phrase **share of market** refers to the percentage of the total sales in a product category a particular brand has.

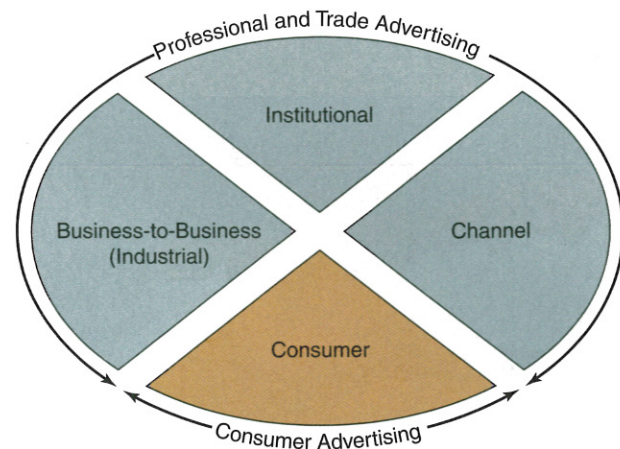
As Figure 2.1 shows, the four main market types are (1) consumer, (2) business-to-business (industrial), (3) institutional, and (4) channel markets. We can further divide each of these markets by size or geography (local, regional, national, or international).

- **Consumer markets** consist of people who buy goods and services for personal or household use. As a student, you are considered a member of the consumer market for companies that sell jeans, athletic shoes, sweatshirts, pizza, music, textbooks, backpacks, computers, education, checking accounts, bicycles, and a multitude of other products that you buy at drug-stores and grocery stores, which the marketing industry refers to as **package goods** (In Europe these are called **fast-moving consumer goods** or **fmcg**.)
- **Business-to-business (B2B) markets** consist of companies that buy products or services to use in their own businesses or in making other products. General Electric, for example, buys computers to use in billing and inventory control, steel and wiring to use in the manufacture of its products, and cleaning supplies to use in maintaining its buildings. Advertising in this category tends to be heavy on factual content and information but it can also be beautifully designed as Peter Stasiowski's ads for Interprint demonstrate (see the previous *Day in the Life* feature).
- **Institutional markets** include a wide variety of nonprofit organizations, such as hospitals, government agencies, and schools that provide services for the benefit of society. Universities, for example, are in the market for furniture, cleaning supplies, computers, office supplies, groceries, audiovisual material, paper towels, and toilet paper, to name a few. Such ads are similar to B2B ads in that they are generally heavy on facts and light on emotional appeals.
- **Channel markets**, as discussed earlier, include members of the distribution chain, which is made up of businesses we call **resellers**, or **intermediaries**. **Channel marketing**, the process of targeting a specific campaign to members of the distribution channel, is more important now that manufacturers consider their distributors to be partners in their marketing programs. As giant retailers such as Walmart become more powerful, they can even dictate to manufacturers what products their customers want to buy and how much they are willing to pay for them.

Most advertising dollars are spent on consumer markets, although B2B advertising is becoming almost as important. Firms usually reach consumer markets through mass media and other marketing communication tools. They typically reach the other three markets—industrial, institutional, and channel or reseller—through trade and professional advertising in specialized media, such as trade journals, professional magazines, and direct mail, but even more so through personal sales and trade shows and promotions.

**Why Is Services Marketing Important?** When some people think about “products,” they only think about goods. This is unfortunate because services are the dominant part of the economy in most developed countries. Health care, for example, is one of the largest industries in the United States and it is a service industry.

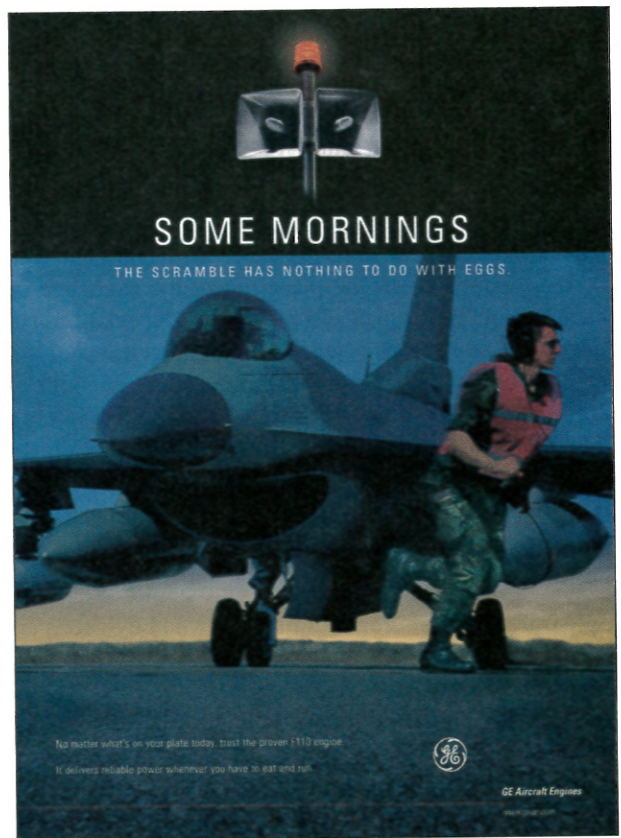
Marketing a service-based business, however, is different in a number of ways from marketing goods. For one thing, the product—insurance, banking, travel planning—is often intangible, although some services that “touch things” have a more tangible dimension, such as lawn



**FIGURE 2.1**

**Four Types of Markets**

The consumer market, which is the target of consumer advertising is important but it is only one of four types of markets. The other three are reached through professional and trade advertising.



This group of ads demonstrates advertising directed at the three types of markets: consumer (Keds), institutional (GE aircraft engines), and channel ("Ka-ching"). What are the similarities and differences in these three types of advertisements?

## Principle

In many economies, services marketing, which is intangible and creates a more personal relationship with the customer, dominates goods marketing.

care, car rentals, restaurants, and dental work. But even those services are not as tangible as buying a car or a video game.

Note that many goods manufacturers also offer a service—technical advice and setup, parts and repair, financing, and so forth. Most companies have a **customer service** operation that provides follow-up services for many goods and also answers questions and deals with complaints about products. But it's more than just customer service. The global media VP at Kraft Foods, for example, refers to Kraft's iPhone application as providing important "connectivity between consumers, brands, and content that they love."<sup>2</sup>

Another difference between a good and a service is the relationship between the provider of the service and the customer. In services marketing, the relationship is often closer and more personal than the relationship between a manufacturer and the buyer of its goods. Another difference is that a service usually involves a delivery process that may present many opportunities for messages to be delivered. Think about your last airline flight—how many contact points did you encounter in the experience—making a reservation, checking in, the flight itself, and getting your baggage. How many messages did you receive during that process and were they all positive?

### How Does the Marketing Process Work?

The primary goal of the marketing process is to create and execute a **marketing plan**, which is a document that sets up objectives and proposes strategies for using marketing elements to achieve the objectives. The process of creating a marketing plan—and managing its execution—begins with marketing research. The research process helps marketers make a set of key strategic and tactical decisions that guide deployment of the marketing mix. The marketing planning process is outlined below. In later chapters on research and planning, we'll explore these topics in more detail.

#### Steps in the Marketing Planning Process

**Step 1.** Research the consumer market and the competitive marketplace and develop a **situation analysis** or a **SWOT analysis** (strengths, weaknesses, opportunities, threats).

**Step 2.** Set *objectives* for the marketing effort.

**Step 3.** Assess consumer needs and wants relative to the product; *segment* the market into groups that are likely to respond; *target* specific markets.

**Step 4.** *Differentiate* and *position* the product relative to the competition.

**Step 5.** Develop the *marketing mix strategy*: develop strategies for product design and performance criteria, pricing, distribution, and marketing communication.

**Step 6.** Execute the strategies.

**Step 7.** Evaluate the effectiveness of the strategy.



#### CLASSIC

Ads for Lydia Pinkham's Vegetable Compound appeared in newspapers in the 1870s with claims that the product "goes to the very root of all female complaints." How do products and advertising like this compare with modern-day pharmaceutical advertising?

### What Key Concepts Drive Marketing Practices?

Historically marketers developed a product and then found a market for it. This is referred to as a **product-driven philosophy**. The great inventive period surrounding the Industrial Revolution saw patent medicines and over-hyped advertising flourish. Lydia Pinkham's Vegetable Compound, for example, made outrageous claims for a tonic with a base of 18 percent alcohol.<sup>3</sup> It was certainly good for what ails you.

The marketing concept, which turned marketers' attention toward consumer needs and wants, has nudged marketing closer to a customer-focused philosophy rather than one based on production.

**Focus on Consumers** The **marketing concept** says marketing should focus first on identifying the needs and wants of the customer, rather than just the company's production capabilities. The marketing concept involves two steps: (1) determine through research what the customer needs and wants and (2) develop, manufacture, market, and service goods that fill those needs and wants—that is, create solutions for customers' problems.

#### Principle

Customer-focused marketing is designed to address consumer needs and wants.

A STAR ALLIANCE MEMBER

After eight years of being voted best frequent flyer program, where else is there to go? Up, of course.

Mileage Plus is proud to have been voted the best frequent flyer program for the past eight years by the readers of *Business Traveler* magazine. And we know the best way to thank you is to make the program even better. To join or to find out more, visit [united.com/joinmp](http://united.com/joinmp) today.

**UNITED**  
Mileage Plus

This United Airlines ad demonstrates a corporate orientation. Do you believe it is effective? Why?

distinction between consumer and trade products and promotions, which recognizes that businesses and organizations also buy and use products and services, as well as individual consumers.) The word **customer**, however, refers to someone who has purchased a specific brand or visited a specific retailer. Customers have a closer link to a brand or a store because they have taken action by buying or visiting. By virtue of that action, these people can be said to have a relationship with a brand or store.

**Differentiation, Competitive Advantage, and Positioning** Although customer-centric marketing is important, marketing experts also point to the importance of **differentiation** as a selling strategy. They recommend strategies that are informed by consumers, but led by fundamental marketing decisions that make the brand stand out as different from its competition, a process known as **positioning**.<sup>5</sup>

How a brand is different and superior in some way is called **competitive advantage**. This concept is referred to in marketing strategy as **product differentiation**. The point of difference is seen in the way the product is positioned relative to its competitors. We'll talk about positioning more in the branding discussion later in this chapter and in Chapter 7. A product can be differentiated and therefore positioned in a variety of ways: by price, design, performance, distribution, and brand image. In a market-driven economy, product features and claims, such as quality and cheaper price, help marketers establish an advantage over the competition.

A classic example of differentiation is Maytag washers, which are sold based on their quality of design and construction and, hence, reliability. This perception of reliability has been instilled by marketing communication and the use of the famous "lonely repairman" brand character. The brand's slogan, "The Dependability People," also personalizes the product and adds a note of employee responsibility to the image. This differentiation strategy is based on the



The Wii video game has the advantage of a large video screen. It was important with the Nintendo Wii introduction to provide hands-on demonstrations in places like malls and stores so prospects could feel how the Wii works. Experiencing how the product performs by getting potential customers to try it was a key to the success of the new product introduction.

quality of the product, as well as on creating a brand position in the minds of consumers.

**Added Value** Another reason marketing communication activities are useful, both to consumers and to marketers, is that they add value to a product. **Added value** refers to a marketing communication activity that makes the product more valuable, useful, or appealing to the consumer. With no added value, why pay more for one brand over the competition? A motorcycle is a motorcycle, but a Harley-Davidson is a highly coveted bike because of the brand image created by its advertising. Advertising and other marketing communication not only showcase the product's value but also may add value by making the product appear more desirable. Providing news and useful information of interest to consumers is another way that advertising adds value, as the United ad demonstrates. An example comes from a commercial for Idaho Potatoes, which provides information about peeling potatoes as a strategy to reinforce its dominance of its category.

Other aspects of marketing strategy can add value. For example, the more convenient the product is to buy, the more valuable it is to the customer. Likewise, the lower the price, the more useful features a product has, or the higher its quality, the more a customer may value it. Ensuring the product's utility and convenience is one of the tasks of customer-oriented marketing and the point of many advertisements. These other aspects that add value are found in the marketing mix strategy.

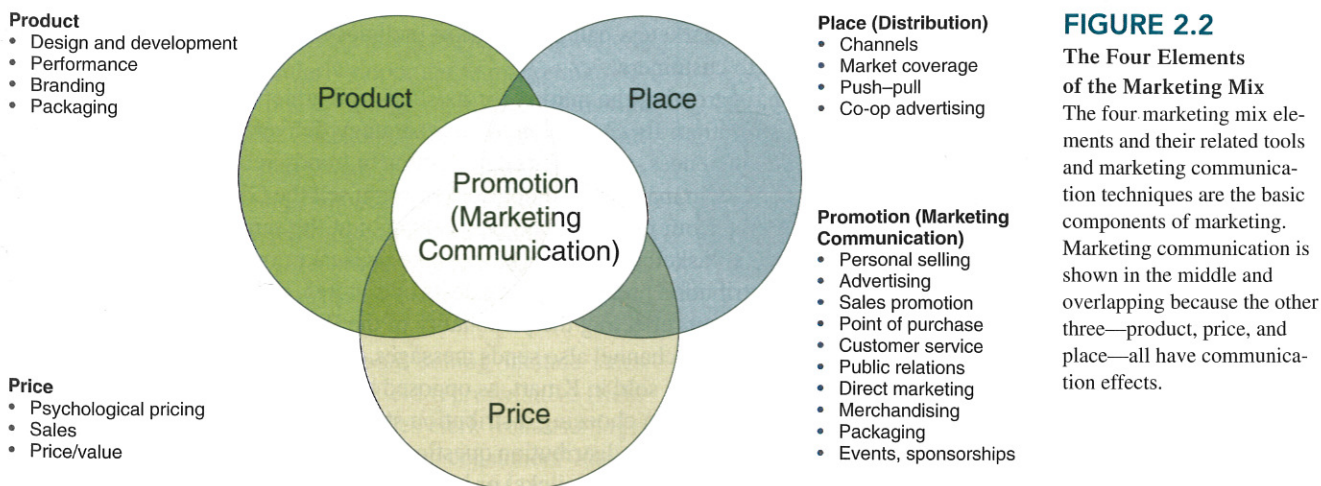
### What Is the Marketing Mix?

As mentioned earlier and as shown in Figure 2.2, the traditional marketing mix includes four primary elements, sometimes referred to as the “four Ps”: the product, its price and place of distribution, and its promotion (marketing communication).<sup>\*</sup> To a marketing manager, marketing communication is just one part of the marketing mix. The importance of marketing communication relative to the other three Ps differs by product category and sometimes even by brand. The following list explains the components of the marketing mix:

**The Product** The focus of the Four Ps is the product (goods, service, or ideas). Design, performance, and quality are key elements of a product's success. Some products, such as Puma's athletic shoes and apparel, are known for their design, which becomes a major **point of differentiation** from competitors. Performance is important for technical products, such as Nintendo's Wii, particularly when they are introduced to the market. A product launch for a new brand such as Sprint's Android or Apple's iPad depends on announcements in the media usually involving both publicity and advertising. The goals of the communication are to build awareness of the new



Dawn Wells, who played Mary Ann on *Gilligan's Island*, demonstrates a trick about peeling potatoes in this commercial for Idaho Potatoes, the only potato that has successfully been branded.



<sup>\*</sup>The term *marketing mix* was introduced by Harvard advertising management professor Neil Border in 1953; the four Ps were popularized by Michigan State marketing professor E. Jerome McCarthy in 1960.



This sign for McDonald's highlights its \$1 items. The \$1 menu has become a competitive battleground for the fast-food category.

brand and to explain how this new product works and how it differs from competitors.

Product performance—how it handles or is used—sends the loudest messages about a product or brand and determines whether or not the product is purchased again or the buyer recommends it to others. Computer buyers, for example, will assess performance by asking: Is it easy to use? Does it crash? How big is its memory? Quality is another product feature that is often linked to upscale brands, such as Mercedes and Rolex. The idea is that if the product is well engineered and its manufacturer maintains a high standard of quality, then the brand will last and perform at a high level.

**Pricing** The price a seller sets for a product is based not only on the cost of making and marketing the product, but also on the seller's expected margin of profit. Ultimately, the price of a product is based on what the market will bear, the competition, the economic well-being of the consumer, the relative value of the product, and the consumer's ability

to gauge that value, which is referred to as the *price/value proposition*. An example is the familiar Redbox kiosks offering videos for rent at \$1 a night. These started in McDonald's and now are found in many other locations.<sup>6</sup>

With the exception of price information delivered at the point of sale, advertising is often the primary vehicle for telling the consumer about price, as the McDonald's breakfast promotion flyer demonstrates. The term **price copy**, which is the focus of much retail advertising, refers to advertising copy devoted primarily to this type of information. A number of other pricing strategies, however, can affect how the price is communicated or signaled in advertising. During the Great Recession, fast-food chains, as well as Walmart and, of course, discount and dollar stores, depended on a *value pricing* strategy using the \$1 price to signal money-saving offers.<sup>7</sup> Some prices are relatively standard, such as those at movie theaters. In contrast, *promotional pricing* is used to communicate a dramatic or temporary price reduction through terms such as *sale*, *special*, and *today only*.

The price sends a message. **Psychological pricing** strategies use marketing communication to manipulate the customer's judgment of value. For example, ads showing *prestige pricing*—in which a high price is set to make the product seem worthy or valuable—may be illustrated by photographs of the “exceptional product” in luxury settings or by copy explaining the reasons for a high price. Consider a watch that costs \$500—what does that price say? On one hand, it may say that it's a prestige or quality product; on the other hand, it might suggest that the watch is expensive, maybe too expensive. In fact, the meaning of the price is dependent on the context provided by the marketing communication, which puts the price in perspective.

**Place (Distribution)** It does little good to offer a good or service that will meet customers' needs unless you have a mechanism for making the product available and handling the exchange of payment for the product. What marketers call **distribution** includes the channels used to make the product easily accessible to customers.

Puma, for example, is growing the market for its shoes and athletic apparel because of its unusual approach to distribution. Its *channel marketing* strategy delivers Puma products to exclusive and mass-market audiences, selling its edgy designs to trendy retailers and then placing its more mainstream products in mall stores. Foot Locker might sell the GV special, a style based on a retro Puma tennis shoe from its glory days 30 years ago; at the same time an independent fashion store might carry a basketball shoe in fabrics like snakeskin or lizard. In recent years, Puma has expanded its distribution program to include its own stores, which greet customers with a unique shopping environment reflecting the personality of the Puma brand.

The choice of a distribution channel also sends messages. The image of an athletic shoe, like Puma, can be quite different if it's sold in Kmart, as opposed to Nordstrom. Marketing managers consider a variety of channels when choosing distribution strategies.

The Internet has brought another distribution question. “Clicks or bricks” is a phrase used to describe whether a product is sold online (clicks) or in a traditional store (bricks). Another distribution strategy involves the use of intermediaries, such as retailers. **Direct marketing** companies, such as Lands' End and Dell, distribute their products directly without the use of a reseller.

The sale is totally dependent on the effectiveness of the direct-response advertising. The more familiar strategy of distributing the product through one or more distributors and retailers is what we described earlier as *channel marketing*.

Another distribution-related strategy involves the distinction between push and pull strategies. A **push strategy** directs marketing efforts at resellers, and success depends on the ability of these intermediaries to market the product, which they often do with their own advertising. In contrast, a **pull strategy** directs marketing efforts at the consumer and attempts to pull the product through the channel by intensifying consumer demand. The decision to use a push or pull strategy determines, to some extent, the audience to be targeted and the nature of the demand to be addressed by the message.

**Marketing Communication** The last of the Four Ps is *promotion*, or what we call **marketing communication** (marcom, for short), which includes such tools as advertising, public relations, sales promotion, direct response, events and sponsorships, point of sale, digital media, and the communication aspects of packaging, as well as personal sales, and a number of new forms of online and place-based communication that have emerged recently. The rest of the book is focused on this element—our goal is to help you understand how marketing communication works to support a marketing plan.

In Figure 2.2, note how we positioned marketing communication in the center of the Four Ps. The point is, as you may remember from our **First Principle of IMC** in Chapter 1 that *everything communicates*. In practice, we can rephrase that to say *everything in the marketing mix can send a message*. How the product is designed and how it performs, where the brand is sold, and at what price—all of these marketing decisions send messages about the brand's position, quality, and image.

In fact, we can rephrase that first principle again as “*Everything a brand does, and sometimes what it doesn't do, can send a message*.” Unintentional messages come from brand experiences; for example, a long wait on a customer service help line or the inability of a company representative to answer a product safety question sends the message that the company doesn't value a customer's time or safety. Those messages can be more powerful—in a negative way—than anything said in the advertising. That's why it's necessary to monitor all marketing elements from a communication perspective.

The same creative spirit that drives Puma's product design also drives its marketing communication, which typically uses nontraditional ways to connect with customers, such as word of mouth and other marcom programs that promote the brand on the street and on the feet of its devotees, as well as on the Internet. Retailers praise Puma for its eye-catching, in-store merchandising displays. Other clever ideas include promotions at sushi restaurants during the World Cup held in Japan and South Korea. Puma got a well-known sushi chef to create a special Puma sushi roll that was served in select Japanese restaurants in cities around the world. These restaurants also discretely announced the sponsorship through Puma-branded chopsticks, sake cups, and napkins. At the same time, Puma partnered with the U.K.-based Terence Conran design shop to sell an exclusive version of its World Cup soccer boot and held weekend sushi-making events at the Conran home furnishings store.

One type of communication that we don't discuss in depth in this book is personal sales because in most companies it is managed separately from marketing communication. Because that area is particularly important to marketing programs, however, we'll briefly introduce it here. **Personal sales** relies on face-to-face contact between the marketer and a prospective customer, rather than contact through media. In contrast to most advertising, whose effects are often delayed, marketers use **personal selling** to create immediate sales to people who are shopping for a product. In Nintendo's case, it was important to have trained salespeople demonstrate how to play the Wii video game.

The different types of personal selling include sales calls at the place of business by a field representative (field sales), assistance at an outlet by a sales clerk (retail selling), and calls by a representative who goes to consumers' homes (door-to-door selling). Marketing communication works as a partner with sales programs to develop **leads**, the identification of potential customers, or **prospects**. **Lead generation**

#### Principle

Every part of the marketing mix, not just marketing communication—sends a message.



Founded in Germany in 1948, Puma was famous initially as a producer of innovative athletic-training shoes. A global brand that now includes fashion-statement apparel and accessories, as well as footwear, it has left its paw prints in more than 80 countries. Go to [www.puma.com](http://www.puma.com) to see Puma's newest designs. How important is design to this manufacturer and how can you assess that and other marketing mix decisions from this website?

is a common objective for trade promotion and advertising. Personal sales are even more important in business-to-business marketing for reaching key decision makers within a company who can authorize a purchase.

The management challenge, then, is to manage all of the messages delivered by all aspects of the marketing mix, including marketing communication, so they work together to present the brand in a coherent and consistent way.<sup>8</sup>

## WHAT IS MARCOM'S ROLE IN BRANDING?

A management function that creates the tangible and intangible elements of a brand is called **branding**. Through effective marketing communication that establishes a unique identity, the brand engages the hearts and minds of consumers in a process that differentiates similar products from each other.

Given your experience, how would you define a brand? You have pieces of a definition from our previous questions: past positive experience, familiarity, a promise, a position, an image. Here's how we would define a **brand**: *A perception, often imbued with emotion, which results from experiences with and information about a company or a line of products.* Other definitions point to a mixture of tangible and intangible attributes, as well as the symbolic importance of the trademark, which stands for the brand, and the value the brand offers to both the consumer and the company. We'll explain these factors in the following discussion.

### Principle

A brand is more than a product. Companies make products but sell brands.

A brand is more than a product. Hamburgers are products—but the Big Mac and Whopper are brands. Toothpaste is a product (also the product category)—Colgate and Crest are brands of toothpaste. Branding applies to services as well as goods—State Farm and the U.S. Postal Service (USPS) are also brands—and to nonprofits, such as United Way and Habitat for Humanity.

In fact, all organizations with a name can be considered brands. The *A Matter of Practice* feature explains how organization brands are distinct from product brands. In particular, as international branding expert Giep Franzen explains: "Organizations should be aware that simply by existing and interacting with others, an organization is branding itself. So branding the organization is inevitable. It is going to happen whether the process is managed or not."

Sometimes the difference between brands in the same product category lies in product features—how the hamburger is made and the chemistry of the toothpaste—but often we choose one brand over another because of a difference in the brand impressions we carry. Companies make products but they sell brands. A brand differentiates a product from its competitors and makes a promise to its customers.

### Second Principle of IMC

A brand is a unified vision (the art) and a complex system (the science).

Branding involves a complex set of philosophies and activities. A successful brand is the product of both science—in the management of a complex system of activities—and art—a vision of the essence of the brand in which all the pieces and parts fit together perfectly in a coherent brand perception.<sup>9</sup> This is the **Second Principle of IMC**: *A brand is a unified vision (the art) and a complex system (the science).* In other words, marketing communicators are managing a multiplicity of brand activities and programs that are interrelated and only work well to the extent that they work together. When they work together with a single vision of the brand essence, like a great orchestra, the pieces and parts fit together perfectly generating meaning and creating something value. That's the art of **brand management**.

## How Does a Brand Acquire Meaning?

A brand is, in fact, a perception—an identification that we assign to the products we know and use. What do we mean by that?

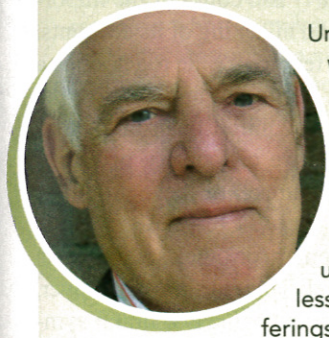
Think about this: why does one brand sell twice the number of products as another when there is no basic difference in product attributes or performance and both brands sell for the same price? The answer is—a difference in the brand meaning. Meaning-making ideas and images are what marketing communication delivers to brands. This perception, this **brand meaning**, is the one thing a brand has that can't be copied. Competitors can make a similar product, but it's difficult for them to make the same brand because brand meaning is built on personal impressions.

**A Brand Is a Perception** A brand, then, is basically a perception loaded with emotions and feelings (intangible elements), not just a trademark or package design (tangible elements). Tangible features are things you can observe or touch, such as a product's design, ingredients, components,

## A MATTER OF PRACTICE

# The Complex World of Organization Branding

Giep Franzen, Founder of FHB/BBDO, a leading advertising agency in the Netherlands, and also founder of SWOCC, a foundation at the University of Amsterdam for scientific research in brand communication



Until about the 1990s brands were mainly attached to products and services. Companies, retailers, and media operating under a corporate name were aware of the fact that their entity had a "corporate image," but they usually did not look upon their name as a brand unless it was used to identify their offerings to the consumers.

Banks were banks, shops were shops, magazines were just magazines. That has changed dramatically. Bank names, retail names, and magazine titles almost overnight became brands. And now, at the end of the first decade of the 21st century, almost anything with a name is regarded as a brand—persons, communities, locations, countries, orchestras, baseball teams, and what have you. *Branding* no longer is the exclusive realm of package goods, durables, and services—it is an all-encompassing phenomenon that relates to all organizations and entities in society.

The word *corporate* is less appropriate to represent this new kind of branding because its connotations are so much dominated by "business." But *corporate* also implies "organizations"—both profit and nonprofit—and therefore we prefer to refer to "organization branding," which also better distinguishes this class of brands from product brands.

Before accepting the concept of *organization branding*, we need to understand what organizations are. This is where the concept of "identity" comes in. Identity is the set of interdependent, central, unique, and salient characteristics that define an entity. It is the essence of an organization. Identity refers to a relative consistency of appearances, values, beliefs, attitudes, and behaviors—agreement in the defining and meaningful attributes of an organization.

Organizational branding is a harmonization of the organization's identity and its image. The values inside the organization should be compatible with the brand values that are being communicated, recognized, and valued by customers and other consumers.

The brand is the linchpin between an organization and stakeholders. It

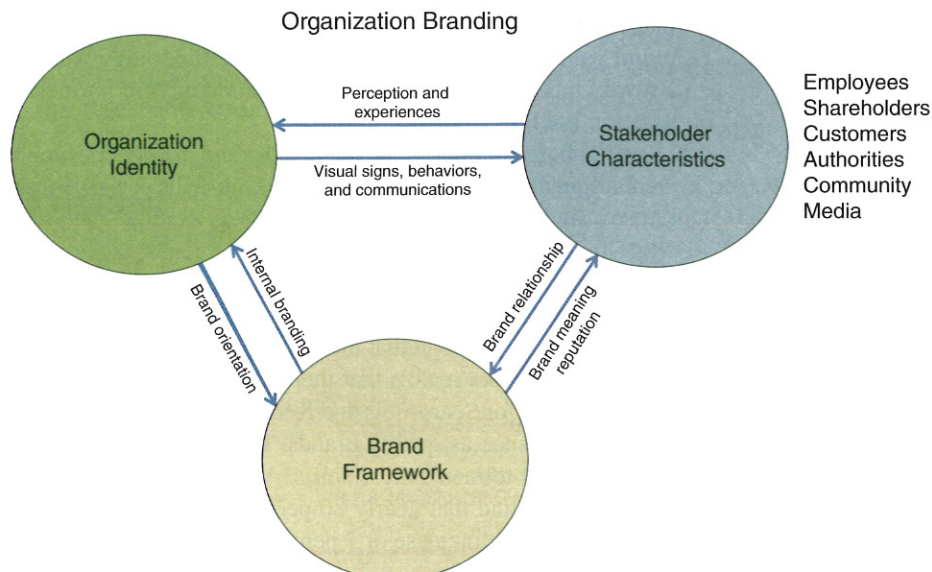
expresses the organization, lives in the minds of consumers, and should be relevant for their interests.

The model below illustrates the three building blocks that our team of scholars at the SWOCC Foundation believe are important in managing an organization brand. The categories are Organization Identity, Consumer/Customer Characteristics, and a category we call "Brand Framework," which includes all the components attached to the brand by the organization, and related to it by the consumers and other stakeholders. Here is a brief summary of the elements included in these categories and in this model:

- **Organization Identity** Identifiers, business category, physical identity, history, organization culture, behaviors, outlook, ideology, performance, and reputation.
- **Consumer/Customer Characteristics** Sociodemographics, needs and goals, values and lifestyles situations, category experiences and attitudes, and brand relationships.
- **Brand Framework** Brand signs, brand architecture, brand domains and products, brand presence, brand experiences, brand meanings, brand essence, brand function, brand positioning, brand evaluation, brand relationships, market brand equity.

The model below illustrates the nature of the relationship between the three building blocks. They are mostly self-evident. "Brand Orientation" is an approach in which the management of an organization revolves around the creation, development, and protection of its brand.

Obviously the influence of the elements varies over different types of organizations. This means that there cannot be a "one-size-fits-all" model for organization branding. For each type of organization, the most relevant elements have to be identified and assembled in a situation-specific model.



size, shape, and performance. Intangibles include the product's perceived value, its brand image, positive and negative impressions and feelings, and past experiences customers have had with the brand or company. Intangibles are just as important as the tangible features because they create the emotional bonds people have with their favorite brands and because they are impossible for the competition to copy.

But even intangibles can lend monetary value and legal protection to a brand's unique identity. Read Tales of Twitterjacking at [www.pearsonhighered.com/moriarty](http://www.pearsonhighered.com/moriarty) and consider the importance of a brand presence in a situation faced by Twitter: the hacking and hijacking of its accounts.

All the impressions created by a brand's tangible and intangible features come together as a brand concept—the brand and what it means—that exists in people's hearts and minds. It results not only from experiences with the product, but also from messages acquired from marketing communication. Such impressions are particularly important in what we call **parity products** such as soap, gasoline, and other products with few distinguishing features. For these products, feelings about the brand can become the critical point of difference.

The meaning of a brand is an aggregation of everything a customer (or other stakeholder) sees, hears, reads, or experiences about a company or a specific brand. This meaning, however, cannot be totally controlled by management. A company can *own* a brand name and brand symbol and *influence* to some degree what people think about the brand, but it can't dictate the brand impression because that exists in people's minds and is derived, as we've said, from their personal experiences.

### Principle

A brand transforms products into something more meaningful than the product itself.

**Brand Transformation** A basic principle of branding is that a brand transforms a product—goods as well as services—into something more meaningful than the product itself. A Tiffany watch is more than a timepiece—it is also different from a Swatch even if they both have the same basic components, and both are different from a generic Kmart watch with an unknown brand name. **Brand transformation** creates this difference by enriching the brand meaning. Brand meanings are more complex than impressions because of what they symbolize. The Tiffany brand symbolizes quality, sophistication, and luxury; a Swatch brand is fun and fashionable; a generic watch is inexpensive and utilitarian.

The development of the Ivory Soap brand by Procter & Gamble in 1879 represented a major advance in branding because of the way its makers built a meaningful brand concept to transform a parity product—soap—into a powerful brand—Ivory. Just as the Macintosh “1984” commercial in Chapter 1 represents one of the all-time great ads, Ivory represents one of the all-time great marketing stories.

For some products and categories, the brand is a huge factor in consumer decision making. We say a brand creates value for consumers in the sense that it makes it easier to find and repurchase a familiar product. Table 2.1 lists the top 20 brands in the world based on estimates of their brand value. Google is the first \$100 billion brand and has been in the number one spot for the previous three years. Analyze this list and see if you can determine how many of the global leaders are also U.S. leaders. These rankings are typically based on financial performance of the brand, as well as the brand's strength as measured by various types of proprietary brand valuation formulas. The BrandZ methodology was used to create this list by Millward Brown Optimor, a brand consultancy company, in partnership with the WPP global communication holding company.

Compare the value of a recognized brand to a generic brand and a store brand. **Generic brands** were originally sold in a black-and-white no-frills package at low prices. **Store brands**, also called **house brands** or **private labels**, are products manufactured to the store's requirements and labeled with a brand distinctive to that store. In supermarkets, 15 percent of the sales, on average, are store brands for total sales of \$54.7 billion in 2009.<sup>10</sup> Originally these store brands were assigned to inexpensive products and customers bought them based on their price. In periods of economic downturn, retailers have found that these inexpensive products hold more value for frugal customers.

Some retailers realize that their store brands can stand for quality and value. Craftsman is the store brand for Sears tools and Kenmore is the Sears brand for appliances—both of these have gained acceptance as quality brands. Kirkland, Costco's private label, shows up on everything from groceries to men's dress shirts. A 2009 study by the market research firm Information Resources Inc. found that nearly 80 percent of U.S. shoppers now think positively about private-label products, an increase of 7 percent from 2008.<sup>11</sup>

## A MATTER OF PRINCIPLE

*It's Pure and It Floats*

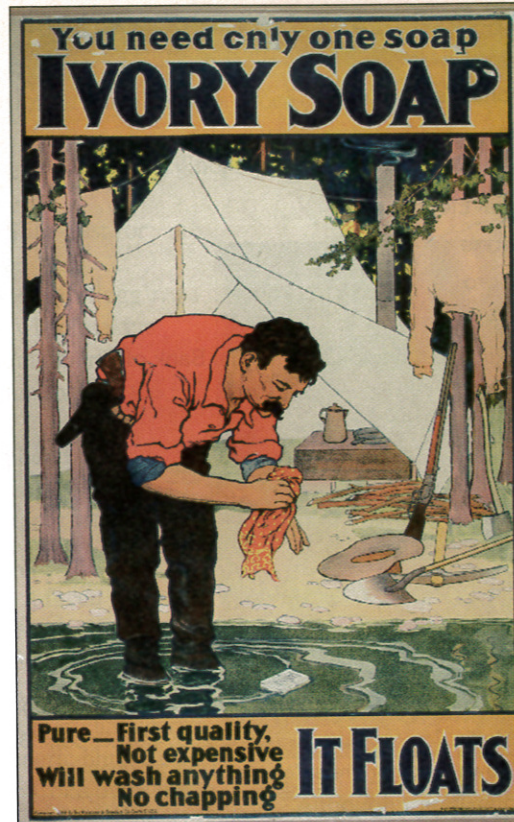
A basic principle of branding is that a brand takes on meaning when it makes a product distinctive within its product category. Procter & Gamble accomplished that by creating identity elements for its soap brand Ivory before anyone had thought of making a bar of soap a distinctive product. The Ivory brand identity system also called attention to innovative features of the product. Here's the background story about how Ivory came to be one of the first and most successful brands of all time.

Before the Civil War, homemakers made their own soap from lye, fats (cooking grease), and fireplace ashes. It was a soft, jelly-like, yellowish soap that would clean things adequately, but if it fell to the bottom of a pail, it dissolved into mush. In Victorian times, the benchmark for quality soap was the highly expensive castile bar—a pure white soap imported from the Mediterranean and made from the finest olive oil.

William Procter and James Gamble, who were partners in a candle-making operation, discovered a formula that produced a uniform, predictable bar soap, which they provided in wooden boxes to both armies during the Civil War. This introduced the concept of mass production and opened up a huge market when the soldiers returned to their homes with a demand for the bars of soap. But back at home the bars of soap were still yellow and sunk to the bottom.

Procter & Gamble hired a chemist to create a white bar equivalent to the legendary castile bar. The chemist's work represented the first time scientific-based research and development (R&D) was used to design a product. In 1878 P&G white soap was invented. It was a modest success until the company began getting requests for the "soap that floats." One legend is that a worker in 1879 accidentally left the soap-mixing machine operating during lunch, resulting in an unusually frothy mixture. Recent research, however, has found that James Gamble may have always intended for Ivory to float. Whether accident or intention, it led to one of the world's greatest statements of a product benefit: "It floats."

Other decisions also helped make it a branding breakthrough. In 1879 one of the P&G family was in

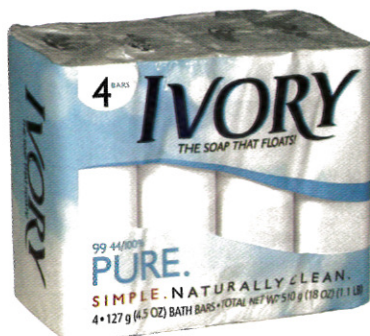


church listening to a scripture about ivory palaces and proposed that the white bar be renamed Ivory Soap. Now the great product had a great name as well as a great product benefit. Rather than asking for soap—soap was soap—and taking a bar from the barrel, customers could now ask for a specific product they liked by name.

But that wasn't the end of P&G's branding innovations. A grandson who was determined to match the quality of the legendary castile soap again turned to chemists and independent laboratories to determine the purity of both castile and Ivory. In 1882 the research found that the total impurities in Ivory added up to only 0.56 percent, which was actually lower than that of the castile bars. By turning that into a positive, Harley Procter wrote the legendary slogan that Ivory is "99 and 44/100 percent pure." Thus was born a pledge of quality that became one of the most famous brand slogans in marketing history.

Note: To read more about the history of this famous brand, check out [www.ivory.com/purefun\\_history.htm](http://www.ivory.com/purefun_history.htm).

Sources: Charles Goodrum and Helen Dalrymple, *Advertising in America*, New York: Harry N. Abrams, 1990; Laurie Freeman, "The House That Ivory Built: 150 Years of Procter & Gamble," *Advertising Age*, August 20, 1987: 4–18, 164–220; "P&G History: History of Ivory," June 2004, [www.pg.com](http://www.pg.com).



**Table 2.1 Top 20 Brands Based on Brand Value**

Global Brand Top 20	2009 Brand Value (\$m)	% Change from 2008
1. Google	\$100,039	16
2. Microsoft	76,249	8
3. Coca-Cola	67,625	16
4. IBM	66,622	20
5. McDonald's	66,575	34
6. Apple	63,113	14
7. China Mobile	61,283	7
8. General Electric	59,793	-16
9. Vodafone	53,727	45
10. Marlboro	49,460	33
11. Walmart	41,083	19
12. ICBC (Industrial and Commercial Bank of China)	38,056	36
13. Nokia	35,163	-20
14. Toyota	29,907	-15
15. UPS	27,842	-9
16. BlackBerry	27,478	100
17. Hewlett-Packard	26,745	-9
18. BMW	23,945	-15
19. SAP	23,615	9
20. Disney	23,110	-3

Sources: "BrandZ™ Top 100 Most Valuable Global Brands 2009," Millward Brown Optimor Report, [www.millwardbrown.com/Sites/Optimor/Media/Pdfs/en/BrandZ/BrandZ-2009-Report.pdf](http://www.millwardbrown.com/Sites/Optimor/Media/Pdfs/en/BrandZ/BrandZ-2009-Report.pdf); "BRANDZ™ Top 100 Most Valuable Global Brands Now Worth \$2 Trillion," Millward Brown Optimor Press Release, April 29, 2009.

### What Are the Key Components of a Brand?

Although Franzen and the SWOCC team investigating the nature of organization branding (see the earlier *A Matter of Practice* feature) identified many elements in branding, for our discussion here we will only consider three key strategic decisions—identity, position and promise, and image and personality—that guide the development and management of a brand.

#### Principle

If branding is successful, then you refer to a specific brand by name, rather than its general category label.

**Brand Identity** A critical function of branding is to create a separate **brand identity** for a product within a product category. Analyze the language you use in talking about your own things. Do you buy chips or Doritos? Do you drink a soft drink or a Pepsi? Do you wear tennis shoes or Nikes?



Logos help identify a product or idea. Which of these logos do you think are the most effective?

If branding works, then you refer to a specific brand by name, rather than a generic category when discussing a product. Brand identity cues are generally the brand name and the symbol used as a logo—think of the “swish” graphic that symbolizes Nike and the leaping cat for Puma.

The choice of a brand name for new products is tested for memorability and relevance. The idea is that the easier it is to recognize the identity cues, the easier it will be to create awareness of the brand. That also makes it easy to find and repurchase a brand, which is an important factor in customer repurchase decisions. Successful brand names have several characteristics:

- **Distinctive** A common name that is unrelated to a product category, such as Apple for a computer, ensures there will be no similar names creating confusion. It can also be provocative, as in the Virgin line.
- **Association** Subaru, for example, chose Outback as the name for its rugged SUV hoping the name would evoke the adventure of the Australian wilderness.
- **Benefit** Some brand names relate to the brand promise, such as Slim-Fast for weight loss and Head & Shoulders for dandruff control shampoo.
- **Heritage** Some brand names reflect the maker, such as H&R Block, Kellogg’s, and Dr. Scholl’s. The idea is that there is credibility in a product when makers are proud to put their names on it, particularly in some international markets, such as Japan, where the company behind the brand is an important part of the brand image.
- **Simplicity** To make a brand name easier to recognize and remember, brand names are often short and easy to pronounce, such as Tide, Bic, and Nike. Because of the increase in multinational marketing, it is also important that names properly translate into other languages.

When Coke moved into the Chinese market in the late 1970s, it faced the immediate problem of translating its well-known brand name into Chinese. Of course, there are no equivalent Chinese words for *Coca* or *Cola*, and phonetic-based translations were meaningless. The ingenious solution was to use a group of four characters 可口可乐 the first half means “tasty” or “delicious,” the next two characters together mean “really happy.” Although it has come to stand as a generic phrase for cola, the name for Coke in Chinese is roughly “tasty happy” cola. So Coke owns the category. The effectiveness of the Chinese trademark has been an important factor in making Coca-Cola the leading soft drink in China.<sup>12</sup>


Brand names are important but recognition is often based on a distinctive graphic. In fact, the word *brand* comes from branding of cattle, a practice that used a distinctive design element to represent the name of the ranch to which the cattle belonged. A number of elements contribute to the visual identity—logos, trademarks, characters and other visual cues, such as color and distinctive typefaces.

A **logo** is similar to a cattle brand in that it stands for the product’s source. A **trademark** is a legal sign that indicates ownership. Originally these were simple symbols or initials that silversmiths etched into their products, the “mark of the trade.” In modern times, trademarks may include logos, other graphic symbols, or even unusual renderings of the brand name, such as the distinctive Coca-Cola script. A trademark is registered with the government and the company has exclusive use of its trademark as long as it is used consistently for that product alone.

Problems can arise when a brand name dominates a product category, such as Kleenex and Xerox. In such situations, the brand name becomes a substitute label for the category label. Refrigerator, laundromat, zipper, and aspirin lost the legal right to their names when they became generic category names. Band-Aid and Q-tips, although legally registered as indicated by their use of the registration symbol®,



Although the distinctive logo is known around the world, Coca-Cola’s brand name needed to be represented in Chinese characters that had meaning for the Chinese market.



If you use “Xerox” the way you use “zipper,” our trademark could be left wide open. **There’s a new way to look at it.**

No one likes to leave their name open to misuse. Which is what happens when you use our name in a generic manner. Basically you’re putting it in a compromising position which could cause it to lose its trademark status. That’s what happened to the name “zipper” years ago. So when

you use our name, please use it as an adjective to identify our products and services, such as “Xerox copiers.” Never as a verb: “to Xerox” in place of “to copy,” or as a noun: “Xeroxes” in place of “copies.” Now that you’re aware of all this, that should just about zip things up. Thanks.

**XEROX.**  
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Xerox has a long-running campaign that seeks to protect its name as a brand. Ads such as this warn against using Xerox as a general term for a copy machine or as a verb for making a copy.

**Principle**

Brand communication sets expectations for what will happen when the product is used through the virtual contract of a brand promise.

have also crept into common usage as generic names—“It’s a band-aid for the budget”—so they, too, are in danger of having their brand names become generic category labels.

**Brand Position and Promise** Beyond the basic identification elements, another strategic decision in brand development involves deciding the correct **brand position**. We mentioned earlier that positioning is a way to identify the location a product or brand occupies in consumers’ minds relative to its competitors—higher, lower, bigger, more expensive. Related to position is the **brand promise**. From a consumer viewpoint, the value of a brand lies in the promise it makes. “It floats” and “99 and 44/100 percent pure” are both promises that identify key selling points for Ivory Soap. In other words, the brand through its communication sets expectations for what a customer believes will happen when the product is used. Because of past experience and advertising messages, you know what to expect—that’s what a brand promise means.

Consistency is the backbone of a promise. The promise needs to be delivered not just by the advertising but at all points of contact with a brand. Furthermore, the brand has to deliver on the promise. Many weak brands suffer from overpromising. Using hype and exaggeration, they promise more than they can deliver and consumers end up disappointed. If a cough drop promises relief from throat irritation, then it better deliver that relief. If it also promises good taste, then it better not disappoint with a bitter medicinal flavor. Successfully identifying and then delivering the promise are part of the platform for building a long-term brand relationship with customers.

**Brand Image and Personality** Another aspect of brand meaning is brand image, which refers to something more complex than a brand impression. More specifically a **brand image** is a mental picture or idea about a brand that contains associations—luxury, durable, cheap—as well as emotions. These associations and feelings result primarily from the content of advertising and other marketing communication. For example, what do you think of when you think of the Marines, Ben & Jerry’s ice cream, the Chicago Cubs, or Celestial Seasonings teas?

A **brand personality** symbolizes the personal qualities of people you know—bold, fun, exciting, studious, geeky, daring, boring, whatever. Probably the greatest brand personality ever created was for Harley-Davidson. How do you describe the Harley brand personality? Partly it’s the people who you associate with the brand, people you may think of as black-leather, devil-may-care individuals who are a little on the outlaw side. It doesn’t matter that in their real lives, Harley owners may be doctors, lawyers, or professors. When they put on that black jacket and climb on the bike, they are renegades of the road. The Harley brand personality reflects the people who ride it, and the people who ride it reflect the Harley brand personality.

Each brand sends a different message because of the image or personality it projects through its marketing communication. If you give your mother a Tiffany watch, she knows you care and were willing to spend a lot of money to demonstrate your caring. If you give a friend a Swatch,

you may be saying you think she’s a *fashionista* and someone who likes to make a fashion statement. If you give your little brother a generic watch from Walmart, you might be saying that he needs a timepiece that works even though he may lose it or break it. Brands speak to us through their images and personalities.

A brand takes on a distinctive meaning as the branding elements—identity, position, promise, image, and personality—come together to create a coherent and unified perception.<sup>13</sup>

### How Is Brand Equity Developed?

Branding not only differentiates products, but also increases their value. A brand and what it symbolizes can affect how much people are willing to pay for it—and that’s true for computers, as well as cars and cornflakes. Brand studies consistently

**Principle**

Brands speak to us through their distinctive images and personalities.



Celestial Seasonings uses its distinctive packages to send messages to consumers about its brand image. In what way do packages like this reinforce the brand personality?

find that in blind taste tests, people perceive the recognizable brand as tasting better than an unknown brand, even when the sample is identical. It's only a perception in their minds, not an actual taste. And when identical products carry different labels, people will pay more for the recognizable brand. Why do you suppose that's so?

**Brand Value** Branding not only differentiates products, but also increases their value to consumers. The value of branding lies in the power of familiarity and trust to win and maintain consumer acceptance. If a well-known brand name has been tested over time, it's familiar and dependable, plus it carries the associations created through the marketing communication. All of these qualities add value to the brand and make it possible to give a familiar brand a premium price compared to unknown brands. The ACW Ironworks branding campaign is an example of how a brand identity is designed and conveyed through various types of marketing communication.

**Brand value** comes in two forms—the value to a consumer and the value to the corporation. The first is a result of the experiences a customer has had with a brand; the second is a financial measure, which we call brand equity.

On the customer side, some brands have loyal users who purchase the brand repeatedly. Powerful brands are those that retain their customers who will repeatedly buy the product or service. **Brand relationship** programs that lead to *loyalty* are important brand strategies. Brand relationship communication, therefore, aims to deliver reminders about familiar brands and build trust. **Brand loyalty** programs offer rewards for repeat business. The frequent flyer and frequent buy programs, for example, provide incentives to loyal customers.

Brands also have a financial value that can be plotted on corporate balance sheets. This **brand equity** is the intangible value of the brand based on the relationships with its

### Third Principle of IMC

Brand relationships drive brand value.



### SHOWCASE

This branding campaign by the AdLab student agency at Boston University for ACW Ironworks featured a logo design, a business card, and print advertising.



Intel Inside is an example of ingredient branding, in which a computer manufacturer advertises that it is using Intel chips as a testimony to the product's quality. On what brands have you seen this Intel Inside logo exhibited? Do you think ingredient branding like this works?

stakeholders, as well as intellectual property, such as product formulations. These are intangible assets beyond the tangible ones of plants, equipment, and land. When a company is sold, a figure is calculated for the value of its brands—that's the intangible side of corporate valuation.

Our **Third Principle of IMC**, then, is that *brand relationships drive brand value*. That's because brand relationships are built on a foundation of positive brand experiences and truthful brand communication. The part of brand equity that is based on relationships is also referred to as **goodwill**. It lies in the accumulation of positive brand relationships, which can be measured as a level of personal attachment to the brand that has revenue-producing potential.

**Leveraging Brand Equity** Brand managers will sometimes leverage brand equity through a **brand extension**, which is the use of an established brand name with a related line of products. In effect, they launch new products but use the established name because it is already recognized and respected. Because the brand is known, it carries with it associations and feelings, as well as a certain level of trust. The disadvantage is that the extension may dilute the meaning of the brand or may even boomerang negatively. Usually the extension practice is used for related products, although Virgin, which started out as a brand name for an airline, has had some success adapting its brand name to various unrelated categories from bottled beverages to mobile phone services, and music stores.

Another practice is **co-branding**, which is a strategy that uses two brand names owned by two separate companies to create a partnership offering. Co-branding is a common practice for credit cards, such as the Visa and United Airlines Mileage Plus card. The new brand name is Mileage Plus but the card carries both the Visa and United Airlines identity information. The idea is that the partnership provides customers with value from both brands.

A strong brand may be attractive to other business partners, as well, through a practice called **brand licensing**. In effect, a partner company rents the brand name and transfers some of its brand equity to another product. The most common example comes from sport teams whose names and logos are licensed to makers of all kinds of goods—shirts, caps, mugs, and other memorabilia. You may also be aware of the practice of brand licensing for your own school. Universities and colleges generate lots of money by licensing their names, logos, and mascots to apparel makers, among many others.

Another way to leverage a brand is through **ingredient branding**, which refers to the use of a brand name for a component used in manufacturing in advertising and other promotion. The most well-known example is the "Intel Inside" phrase and logo used by other computer makers to call attention to the quality of the chips it uses in manufacturing its products. Other examples of bragging about the quality of components are found in advertising for outdoor wear that announces the use of Gore-Tex, a lightweight, warm, water-resistant fabric, and in food advertising that promotes the use of NutraSweet or Hershey's chocolate. For ingredient branding to be successful, the ingredient must have a high level of awareness and be known as a premium product.

The point of this review of branding practices is that the way a product is made or how it performs its services is no longer the primary differentiating point. Marketing strategy isn't as much about promoting product features as it is about creating brand meanings. It isn't about gaining new customers, but rather about building strong brand relationships.

"I don't know who you are.  
I don't know your company.  
I don't know your company's product.  
I don't know what your company stands for.  
I don't know your company's customers.  
I don't know your company's record.  
I don't know your company's reputation.  
Now—what was it you wanted to sell me?"

**MORAL:** Sales start **before** your salesman calls—with business publication advertising.

**McGRAW-HILL MAGAZINES**  
BUSINESS • PROFESSIONAL • TECHNICAL

#### CLASSIC

This ad ran in 1958 but it continues to show up in marketing and communication books as an example of how important it is to understand the client's business and branding situation. Furthermore, it helps to have brand awareness and a positive brand identity before you try to make a sale.

Ultimately, the stronger a brand is, the more value it has to all its stakeholders. Understanding how brands are built and managed requires an understanding of relationship-building communication as the classic McGraw-Hill “client” ad illustrates.

Most of the added value that comes from an effective brand strategy is driven by marketing communication. Since positive brand relationships generate profits and accumulate as brand equity, the success of branding depends on communication. In other words, advertising and other marketing communication tools are the drivers of strong brands and create marketing success stories.

## WHY INTEGRATED MARKETING COMMUNICATION?

We mentioned earlier that advertising is only one type of marketing communication. The important thing to remember is that **integrated marketing communication (IMC)** is the practice of unifying all marketing communication messages and tools as well as the messages from the marketing mix decisions, so that they send a consistent message promoting the brand’s strategy.<sup>14</sup>

Lingwall’s study of IMC education observed that “IMC has gained significant ground among practitioners in public relations, advertising, and marketing over the past 15 years.”<sup>15</sup> In fact, IMC is still a new concept and both professionals and professors are engaged in defining the field and explaining how it works.

### Total Brand Communication

Several things make the practice of IMC different from advertising. One is its focus on branding and brand communication. Duncan and Mulhern, the authors of a symposium report, explain that, “IMC is, among other things, a process for doing advertising and promotion better and more effectively in the process of building brands.”<sup>16</sup>

Tom Duncan, one of the architects of this new professional area, explains that IMC originally started out as focused on creating “one voice, one look” marketing communication, but companies broadened that focus as they realized the need for greater consistency for all aspects of brand communication and customer relationships.<sup>17</sup> So the meaning of IMC has expanded beyond traditional marketing communication and encompasses what we are calling in this book “total brand communication.”

It might be helpful to consider how all of the communication we’ve been discussing fits together. Here’s the scheme: advertising and other marcom areas comprise the tools of marketing communication in an IMC program. On a broader level, traditional marcom tools work with other marketing mix communication messages to deliver brand communication. Those relationships are depicted in Figure 2.3.

### Organizing for IMC

One area of particular concern to managers is the coordination of all of the agencies involved in creating the various brand messages. Maurice Levy, CEO of the Paris-based Publicis Groupe holding company, has criticized the way his agencies coordinate their work on behalf of a brand. He contends that the giant company has suffered from a “silo mentality” that hurts clients. He asks, “How do we stop confusing clients with contradictory points of view coming from teams each defending their little piece of turf—to the detriment of the client’s interests?”<sup>18</sup> Check out the Publicis website, [www.publicisgroupe.com](http://www.publicisgroupe.com), to see how complex this problem can be for a large international agency.

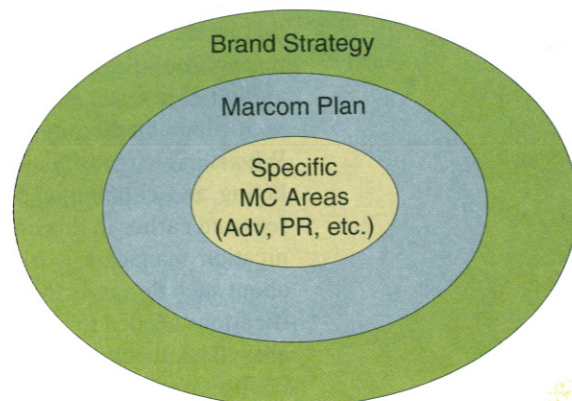
An IMC program is even more complex than a traditional advertising plan because it uses more marcom tools and addresses more audiences. So another principle, the **Fourth Principle of IMC**, states that *you can’t be integrated externally if you are not integrated internally*. This principle identifies the critical

#### Principle

Most of the added value that comes from an effective brand strategy and accumulates as brand equity is driven by marketing communication.

#### Fourth Principle of IMC

You can’t be integrated externally if you are not integrated internally.



**FIGURE 2.3**  
The Hierarchy of Brand Communication

## THE INSIDE STORY

## Who's the Integrator Here, Anyway?

Ed Chambliss, Vice President and Team Leader, The Phelps Group



I love smaller clients. I'm talking about clients who have little-to-no marketing department. Those clients who recognize the importance of integrated marketing communication (IMC), but don't know how to actually make it happen. They come to us and say, "Here—you be the integrator." That's because most smaller clients are smart enough to know they don't know everything and that's why you hire a specialist. In this case, a specialist in IMC.

Over time, however, smaller clients become larger clients. And larger clients need in-house marketing departments, and marketing departments need marketing directors, and marketing directors need to be the integrators because, well, that's their job.

Which leaves a lot of marketing directors wondering, "If I'm the integrator, why should I hire an IMC agency? Why don't I just hire a bunch of agencies that are each 'best in breed' and then I'll integrate all of them myself?" It's a fair question. And one that should be answered with other questions. To start, does the marketing director really know how to be an integrator? That is, do they have the formal training in how to create an organization and processes that can orchestrate all of the brand **touch points**, both outbound and inbound, across multiple suppliers? Or do they merely believe that integration sounds like a great idea and think they can make it happen?

Chances are, the marketing director isn't one of the handful of trained IMC specialists out there. More likely,

they're a specialist in one particular area of marketing communication who has been promoted into the "integrator" position. For these clients, hiring an IMC agency is a shortcut to integration. An IMC agency can advise the marketing director about how to best integrate their internal organization while doing all of the external heavy lifting that true integration requires.

If the marketing director is trained in IMC, then they'll already be asking these questions: "Are the 'best of breed' agencies I want to hire used to working in an integrated fashion? Or am I going to spend all of my time trying to get them to understand that the overall puzzle is more important than just their one piece?"

This is where an IMC agency shines again. Whether a client hires us to do everything or just one particular type of work, they know that we understand the bigger picture. As one of my IMC-trained clients (who, by the way, hires us only for online work) says, "You guys get it. You understand the big picture. With other agencies, it's like explaining color to a blind man."

In the end, integration needs to happen, so a smart marketing director will assemble the team that has the best possible chance of making it a reality. If it works, the marketing director can take all of the credit. But if integration doesn't happen, there's no credit to take. Only blame.

For more about the Phelps agency, check out [www.thephelpsgroup.com](http://www.thephelpsgroup.com).

*Chambliss graduated from the University of Colorado–Boulder with a master's degree in integrated marketing communication. He was nominated to be featured in this book by Professor Tom Duncan.*

management implications of IMC. In terms of practice, managing and monitoring all of these messages is an organizational problem best solved through **cross-functional organization**, which means a team is created involving members from all of the relevant parts of a company that interact with customers, other stakeholders, and with outside agencies. Its members represent all of the areas and tools that control contact points and interact with brand customers and other key stakeholders. This cross-functional team operates with a singular brand vision as it plans marketing communication, monitors its impact, and tracks consumer response. Who is in charge of planning all of these brand-building opportunities? On one hand the marketing and communication manager on the client side, such as Peter Stasiowski who was featured earlier in this chapter in the *Day in the Life* box, is in charge. But marketing communication managers work in partnership with agency managers who also provide guidance about such things as IMC strategies. Ed Chambliss, in his *The Inside Story*, discusses the qualifications needed to be an IMC manager, whether on the client side or the agency side. You can also check the website at the end of the *The Inside Story* feature for more information on The Phelps Group, a true IMC-focused agency.

## IMC Principles and Practices

In Chapter 1 and in this chapter we have introduced several IMC principles, as well as practices that guide the use of integrated marketing communication. We'll continue to introduce these principles in the chapters that follow, but just to help you summarize what we've discussed so far, here are the first four.

**First Principle of IMC:** Everything communicates.

**Practice 1.1:** Everything in the marketing mix can send a message.

**Practice 1.2:** Everything a brand does, and sometimes what it doesn't do, can send a message.

**Second Principle of IMC:** A brand is a unified vision (the art) and a complex system (the science).

**Third Principle of IMC:** Brand relationships drive brand value.

**Fourth Principle of IMC:** You can't be integrated externally if you are not integrated internally.

Integrated marketing communication is an important philosophy, as well as practice. It is a major theme in this book and we will continue to discuss it in the chapters that follow.

## BRAND COMMUNICATION IN A TIME OF CHANGE

In Chapter 1, we concluded that advertising is a dynamic industry and subject to challenges and change. The same is true of marketing and all areas of marketing communication. The recession of the late 2000s challenged many marketing practices but some companies came through it more easily than others. General Mills, for example, supported its big-name brands by increasing its marketing budgets. The company focused, however, on what it calls "high ROI (return on investment) areas," such as multicultural consumers, **digital marketing**, and its international markets and global brands.<sup>19</sup> So let's consider ways in which the practice of marketing is changing, particularly in this post-recession period.

### Accountability

Similar to the concern for effectiveness in advertising, accountability is a hot issue in marketing. Marketing managers are being challenged by senior management to prove that their decisions lead to the most effective marketing strategies. In other words, was this the best way to launch a new brand or expand into a new territory?

Jim Stengel, retired global marketing officer for P&G and now a UCLA business professor, mentioned several of these areas in an analysis of changing practices in marketing and the need they created for better measurement of effectiveness. He called attention to two major areas of concern—accountability and global marketing.<sup>20</sup> Accountability is what Stengel called for in his quest for better measurement.

Marketing managers are under pressure to deliver business results measured in terms of sales increases, the percentage share of the market the brand holds, and corporate **return on investment (ROI)**. The calculation of ROI determines how much money the brand made compared to its expenses. In other words, what did the marketing program cost, and what did it deliver in sales?

Advertising and other marketing communication agencies are creating tools and techniques to help marketers evaluate the efficiency and effectiveness of their marketing communication expenditures. The Interpublic Group, for example, a large marketing communication holding company, has created the Marketing Accountability Partnership to determine what marketers' dollars accomplish or how they can be better used.<sup>21</sup> The issue of accountability is made more complicated by the growing use of global marketing.

### Global Marketing

Marketers have moved into global markets, in some cases as a deliberate strategy and in other cases because international competitors have moved into their own markets. General Mills



Here are a few brands that represent different types of geographical marketing strategies. Sainsbury's, an example of regional marketing, is the largest grocery retailer in the United Kingdom with stores in Great Britain, Wales, Scotland, and Northern Ireland. IKEA furniture stores are found in various countries but the company keeps its base and image firmly anchored in Sweden and represents Scandinavian functional design and craftsmanship. Coca-Cola, of course, is one of the best known brands in the world and its logo is recognized everywhere.

survived the Great Recession by emphasizing its international markets and global brands, as well as multicultural consumers in all the markets, including in the United States.<sup>22</sup>

The growth in global marketing activities is increasing dramatically, so it's helpful to understand some of what makes global marketing different from national marketing. In most countries markets are composed of local, regional, international, and global brands. A **local brand** is one marketed in a single country. A **regional brand** is one marketed throughout a region (for example, North America, Europe, China, India). An **international brand** is available in a number of different countries in various parts of the world. A **global brand** is available virtually everywhere in the world, such as Coca-Cola.

Marketing programs that manage and promote the same brand in several countries or globally are practicing **international marketing**. International marketing communication did not appear in any organized manner until the 20th century.

International marketing and marketing communication are not the exclusive province of large companies. Bu Jin, an innovative small Colorado company, creates and markets martial

arts products worldwide. With only eight full-time employees, its products serve a high-end international market. Most of Bu Jin's business is driven by its catalog. (Check it out at [www.bujindesign.com](http://www.bujindesign.com).) Service providers also market internationally. Airlines and transportation companies that serve foreign markets, such as United and UPS, are, in effect, exporting a service.

Regardless of the company's form or style of management, the shift from national to international management requires new tools for marketers, including one language (often English), one control mechanism (the budget), and one strategic plan (the brand strategy).

The choice of an agency or agencies for international marketing depends, in part, on whether the brand's messages are *standardized* across all markets or *localized* to accommodate cultural differences. If the company wants to take a highly standardized approach in international markets, it is likely to favor international agencies that can handle marketing communication for the product in both the domestic and international markets. A localized effort, in contrast, favors use of local agencies for planning and implementation in all of the countries where the product is distributed. The issue of standardized versus global advertising is discussed in more detail in Chapter 18.

### Looking Ahead

In this changing marketplace, how responsible the brand is seen to be in terms of its impact on society and the environment can be important to the brand's strategy. Social responsibility is the focus of the next chapter and presents issues related to the social impact of marketing communication, as well as marcom ethics and regulation.



## IT'S A WRAP

### Winning Video Game War with Wii

Leo Burnett's Wii campaign for Nintendo beat the competition at their own game. The results of the campaign were nothing short of a blowout. For its short-term goal, Nintendo wanted to sell 600,000 units from its launch in November through the end of the year. It nearly doubled that goal, outselling its Sony rival by more than 50 percent during that period. A midterm objective aimed to make Nintendo a rival with Sony and Microsoft by gaining at least a third of the market by the end of 2007. It beat the year-end goal in less than six months. Amazingly in July sales topped the combined sales for both Xbox 360 and PlayStation 3. The long-term goal of fundamentally changing how people experience video games paid off too. Wii parties became the rage. The key purchasers, moms, decided that the Wii was okay for their families. All sorts of people from young families to retirees caught the Wii bug, got off the couch, and started to play.

Nintendo was honored for its effective efforts with a Grand Effie. "Leo Burnett's marketing strategy for the Wii will forever change the gaming industry and its dialogue with consumers," said Deborah Meyer, who chaired the Grand Effie jury. This phenomenal marketing effort continues to pay dividends, as Nintendo recently was judged tops in game ads for effectiveness and impact in print, television, and digital media.

## Key Points Summary

### 1. How is marketing defined, what is the marketing process, and what are marketing's key concepts?

Marketing is the way a product is designed, branded, distributed, and promoted, as well as a set of processes for creating customer relationships that benefit the organization and its stakeholders. Key concepts that affect the planning of marketing communication include the *marketing concept*, which refers to a focus on customers; the *exchange*, which refers to communication and interaction, as well as money traded for goods or services; *competitive advantage*, which means that the product is differentiated and superior in some way to its competitors, and *added value*, which refers to the way that a product takes on features that are valued by consumers at each step of the marketing process.

The *key players* are the marketer, the suppliers and vendors, the channels of distribution, and marketing partners such as agencies. In addition to services marketing, the four *types of markets* are consumer, business-to-business, institutional, and channels. The *marketing process* leads to the development and execution of a marketing plan and the steps moved from research, to setting objectives, assessing consumer needs and wants, segmenting and targeting the market, differentiating and positioning the product, developing the marketing mix, and evaluating the effectiveness of the plan. The *marketing mix* includes the product, its pricing and distribution, and the marketing communication.

2. **How does marketing communication contribute to the development of a brand?** A brand is a perception created from information as well as experiences with the company and its line of products. It's intangible but it generates value in the form of brand equity. A brand perception takes on meaning by *transforming* the product into something

unique and distinctive and by making a *promise* that sets customers' expectations. The *branding process* includes establishing a brand *identity* through both name and symbols, defining the *brand image* and *personality*, and developing *brand relationships* with loyal customers that contribute to the financial value of the brand, called *brand equity*. Marketing communication is the primary driver of brand meanings and brand relationships.

3. **What is integrated marketing communication and what are its key concepts?** IMC can be described as total communication, which means that everything that sends a message is monitored for its impact on the brand image. Central to IMC is the practice of unifying all marketing communication messages and tools to send a consistent brand message. Not only does this maximize consistency, it also creates *synergy*, such that a group of coordinated messages has more impact than marketing communications that are independent of each other. IMC recognizes a variety of *stakeholders* who contribute to the brand conversation, as well as a multitude of *touch points* where messages are delivered including marketing mix messages, as well as more formal planned marketing communication.

4. **How is brand communication evolving during a time of change?** Accountability and global marketing are two key emergent themes. Tough economic times have led to increased calls for accountability. Investments in marketing communication must show that they are money well spent. This focus highlights the need for developing tools to measure the effectiveness of the investments. Growth in global marketing demonstrates a strategic opportunity to build business internationally. With this dramatic growth comes a need for marketing communicators to fully understand those audiences with whom they are trying to build relationships.

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## Key Terms

- |                                |                              |                                 |                                |
|--------------------------------|------------------------------|---------------------------------|--------------------------------|
| added value, p. 41             | consumer, p. 40              | intermediaries, p. 37           | private labels, p. 46          |
| advertising plan, p. 53        | consumer markets, p. 37      | international brand, p. 56      | product category, p. 35        |
| brand, p. 44                   | contact points, p. 35        | international marketing, p. 56  | product development, p. 40     |
| brand equity, p. 51            | cross-functional             | lead generation, p. 43          | product differentiation, p. 40 |
| brand extension, p. 52         | organization, p. 54          | leads, p. 43                    | product-driven                 |
| brand identity, p. 48          | customer, p. 40              | local brand, p. 56              | philosophy, p. 39              |
| brand image, p. 50             | customer service p. 38       | logo, p. 49                     | prospects, p. 43               |
| brand licensing, p. 52         | differentiation, p. 40       | market, p. 37                   | psychological pricing, p. 42   |
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| brand meaning, p. 44           | distribution, p. 42          | marketing                       | regional brand, p. 56          |
| brand personality, p. 50       | distribution chain, p. 36    | communication, p. 43            | resellers, p. 37               |
| brand position, p. 50          | exchange, p. 35              | marketing concept, p. 39        | return on investment           |
| brand promise, p. 50           | fast-moving consumer goods   | marketing mix, p. 35            | (ROI), p. 55                   |
| brand relationship, p. 51      | (fmcg), p. 37                | marketing plan, p. 39           | share of market, p. 37         |
| brand transformation, p. 46    | four Ps, p. 35               | package goods, p. 37            | situation analysis, p. 39      |
| brand value, p. 51             | generic brands, p. 46        | parity products, p. 46          | stakeholders, p. 35            |
| branding, p. 44                | global brand, p. 56          | personal sales, p. 43           | store brands, p. 46            |
| business-to-business (B2B)     | goodwill, p. 52              | personal selling, p. 43         | supply chain, p. 36            |
| market, p. 37                  | house brands, p. 46          | point of differentiation, p. 41 | SWOT analysis, p. 39           |
| channel market, p. 37          | ingredient branding, p. 52   | positioning, p. 40              | touch points, p. 54            |
| channel marketing, p. 37       | institutional markets, p. 37 | price, p. 42                    | trademark, p. 49               |
| channel of distribution, p. 36 | integrated marketing commu-  | price copy, p. 42               |                                |
| co-branding, p. 52             | nication (IMC), p. 53        |                                 |                                |
| competitive advantage, p. 40   |                              |                                 |                                |

## Review Questions

1. What is the definition of marketing, and where does marketing communication fit within the operation of a marketing program?
2. In general, outline the structure of the marketing industry and identify the key players.
3. Explain how marketing communication relates to the four key marketing concepts and to the marketing mix.
4. Explain how brand meaning and brand value are created.
5. Define integrated marketing communication and explain its approach to audience, media, and message.

## Discussion Questions

1. When identical products carry different labels, people will pay more for the recognized brand. Explain why that is so.
2. Coca-Cola is the most recognizable brand in the world. How did the company achieve this distinction? What has the company done in its marketing mix in terms of product, price, distribution, and marketing communications that has created such tremendous brand equity and loyalty? How has advertising and other forms of marketing communication aided in building the brand?
3. List your favorite brands and from that list do the following analyses:
  - a. Think about the categories where it is important to you to buy your favorite brand. For which categories does the brand not make a difference? Why is that so?
  - b. In those categories where you have a favorite brand, what does that brand represent to you? Is it something that you've used and liked? Is it comfortable familiarity—you know it will be the same every time? Is it a promise—if you use this, something good will happen? Is it something you have always dreamed about owning? Why are you loyal to this brand?
4. **Three-Minute Debate** This chapter stressed integration of advertising with other components of the marketing mix. A classmate argues that advertising is a small part of the marketing process and relatively unimportant; another says advertising is the most important communication activity and needs to get the bulk of the budget. If you were in marketing management for Kellogg cereals, how would you see advertising supporting the marketing mix? Does advertising add value to each of these functions for Kellogg? Do you think it is a major responsibility for the marketing manager? What would you say either in support of or in opposition to your classmates' views? Working with a small team of your classmates, present your point of view to your class.

## Take-Home Projects

1. **Portfolio Project** Look through the ads in this textbook or in other publications and find an example of an advertisement that you think demonstrates the marketing concept, i.e., a focus on consumer needs and wants, and another ad that you think does not represent an effective application of the marketing concept. Compare the two and explain why you evaluated them as you did. Copy both ads and mount them and your analysis in your portfolio.
2. **Mini-Case Analysis** In the Wii case, Nintendo believed that the market for video games—primarily males and kids—could be broadened to include women, as well as an older family market. Summarize how Nintendo arrived at that insight. Pretend you have been assigned to the Wii account for the next year after this launch. What would you want to know to determine if this strategy has been successful? In terms of marketing and communication, what might Wii do in the next stage of this campaign to maintain its marketing edge? Write up your ideas in a one-page position paper to turn in to your instructor.

## Team Project: The BrandRevive Campaign

In Chapter 1, we introduced the need for old, forgotten, and minimally known brands to be revitalized and you were asked to choose from among a list of brands that need revitalization, rebranding, or repositioning. As we explained, this is an assignment that will continue throughout the book leading to a complete campaign for the brand you chose. For Chapter 1, you did an initial review of the brand and company history for that assignment.

For this chapter, the next step in your BrandRevive project is to do more in-depth background research on the brand and category. Split your team with some going online and others visiting your school's library to find all of the relevant articles and other marketing information that you can about the category and your brand's place in it. If you chose a consumer good or service with a physical location, visit a store and analyze what you see there in terms of its presentation and competitive situation. Also visit

the brand's home page and collect what information you can find there about the brand and its marketing strategy.

- Based on your background research, rough out what you believe to be the branding strategy.
- Then summarize what you believe to be the brand's marketing mix strategy.
- Find out what you can about advertising and marketing communication spending both for your brand, your competitors' brands, and the category. This will provide a benchmark for your budget.
- Write up your findings in a brand review that is no longer than four double-spaced pages. Convert your key findings into a PowerPoint presentation that is no longer than four slides. Prepare and practice to give this presentation to your class.

## Hands-On Case

### The Century Council

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

1. How might the marketing mix of major beer and liquor companies be relevant to a campaign to curb binge drinking on college campuses?
2. How might "teaching responsible drinking" curb binge drinking on campus?
3. Why do you think liquor companies would want to fund "The Stupid Drink" campaign to curb binge drinking on campus?
4. Prepare a one-page statement explaining how "The Stupid Drink" campaign will actually help beer and alcohol marketers.