



ADVERTISING AND PROMOTION

AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE

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Both of San Diego State University





ADVERTISING & PROMOTION: AN INTEGRATED MARKETING COMMUNICATIONS PERSPECTIVE, ELEVENTH EDITION

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To Jessica and Milos—thanks for making me so proud! (MAB)

To Gayle and all those who S12C—Keep up the fight! (GEB)

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George E. Belch is professor of marketing and chair of the marketing department at San Diego State University, where he teaches integrated

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Dr. Belch's research interests are in the area of consumer processing of advertising information as well as managerial aspects of integrated marketing communications. He has authored or coauthored more than 30 articles in leading academic journals and proceedings, including the *Journal of Marketing Research*, *Journal of Consumer Research*, *International Journal of Advertising*, *Journal of Promotion Management*, *Journal of Advertising*, and *Journal of Business Research*. In 2000, he was selected as Marketing Educator of the Year by the Marketing Educators' Association for his career achievements in teaching and research. He also received the Distinguished Faculty Member Award for the College of Business Administration at San Diego State University in 1994 and 2003.

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



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Before entering academia he was employed by the General Foods Corporation as a marketing representative, and has served as a consultant to numerous companies including McDonald's, Whirlpool Corporation, Senco Products, GTI Corporation, IVAC, May Companies, Phillips-Ramsey Advertising and Public Relations, and Daily & Associates Advertising. He has conducted seminars on integrated marketing and marketing management for a number of multinational companies and has also taught in executive education programs in France, Amsterdam, Spain, Chile, Peru, Argentina, Colombia, China, Slovenia, and Greece. He is the author or coauthor of more than 50 articles in academic journals and proceedings in the areas of advertising, consumer behavior, and international marketing including the *Journal of Advertising*, *Journal of Advertising Research*, *Journal of Business Research*, *Journal of Promotion Management*, and *International Journal of Advertising*. Dr. Belch is also a member of the editorial review board of the *Journal of Advertising* and the *International Journal of Advertising*. He received outstanding teaching awards from undergraduate and graduate students numerous times. He also received the Distinguished Faculty Member Award for the College of Business Administration at San Diego State University in 2007. He was recently awarded the Giep Franzen Fellowship from the University of Amsterdam.

PREFACE

THE CHANGING WORLD OF ADVERTISING AND PROMOTION

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

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

Companies from outside the traditional advertising industry are rapidly changing the process of making and delivering advertising messages to consumers. Marketers are looking beyond traditional mass-media advertising to find new and more effective ways to communicate with their target audiences. They recognize there are numerous ways to reach their current and prospective customers and bring them into contact with their products and services. Many marketers view digital ads as a more cost-effective way to reach specific target markets and measure the results of their marketing efforts. Major changes are taking place in the way marketers are using the Internet for marketing communications, including new applications that facilitate

interactive information sharing and collaboration and bilateral, as opposed to unilateral, communication. Web 2.0 developments mean that digital users are no longer limited to the passive viewing of information and can interact with one another as well as companies and/or organizations. These applications have led to the development of social networking sites, video sharing sites, blogs, and online communities which have all experienced explosive growth. A little more than a decade ago Facebook, Twitter, YouTube, Instagram, and LinkedIn did not even exist. Facebook now has more than 1.6 billion users around the world, Twitter boasts over 300 million, and nearly 5 billion videos are viewed each day on YouTube, including many of the TV commercials and other promotional videos created by marketers. Nearly all companies or organizations have a Facebook, Instagram, and Twitter page that they use to keep in constant contact with their customers while many marketers are also beginning to use Snapchat to reach younger consumers. These tools, along with other types of social media, have become an integral part of most marketers' marketing communications programs. However, the increased use of the Internet and social media is only the latest in a number of fundamental changes that have been occurring in the way companies plan, develop, and execute their marketing communications programs.

For decades the advertising business was dominated by large, full-service Madison Avenue-type agencies. The advertising strategy for a national brand involved creating one or two commercials that could be run on network television, a few print ads that would run in general-interest magazines, and some sales promotion support such as coupons or premium offers. However, in today's world there are a myriad of media outlets—print, radio, cable and satellite TV, and mobile to mention a few—competing for consumers' attention. Marketers are looking beyond traditional media to find new and better ways to communicate with their customers because they no longer accept on faith the value of conventional advertising placed in traditional media. Major marketers have moved away from a reliance just on mass-media advertising and are spending more of their marketing communications budgets in specialized media that target specific markets. Companies are also spending more of their monies in other ways such as event marketing, sponsorships, cause-related promotions, and viral marketing. Advertising agencies are recognizing that they must change the way they do business.

In addition to redefining the role and nature of their advertising agencies, marketers are changing the way they communicate with consumers. They know

they are operating in an environment where advertising messages are everywhere, consumers channel-surf past most TV commercials, and brands promoted in traditional ways often fail. New-age advertisers are redefining the notion of what an ad is and where it runs. Stealth messages are being woven into the culture and embedded into movies and TV shows or made into their own form of entertainment. Many experts argue that “branded content” is the wave of the future, and there is a growing movement to reinvent advertising and other forms of marketing communication to be more akin to entertainment. Companies are using branded entertainment as a way of reaching consumers by creating short films that can be viewed online, arranging product placements, and integrating their brands into movies and television shows to promote their products and services.

A number of factors are impacting the way marketers communicate with consumers. The audiences that marketers seek, along with the media and methods for reaching them, have become increasingly fragmented. Advertising and promotional efforts have become more targeted and are often retargeted to specific audiences over the Internet. Retailers have become larger and more powerful, forcing marketers to shift money from advertising budgets to sales promotion. Marketers often expect their promotional dollars to generate immediate sales and are demanding more accountability from their agencies. The digital revolution is in full force, and new ways to communicate with consumers are constantly being developed. Many companies are coordinating all their communications efforts so that they can send cohesive messages to their customers. Some companies are building brands with little or no use of traditional media advertising, relying instead on digital and social media. Many advertising agencies have acquired, started, or become affiliated with sales promotion, direct-marketing, interactive agencies, and public relations companies to better serve their clients' marketing communications needs. Their clients have become “media-neutral” and are asking that they consider whatever form of marketing communication works best to target market segments and build long-term reputations and short-term sales.

This text introduces students to this fast-changing field of marketing communications. While advertising is its primary focus, it is more than just an introductory advertising text because there is more to most organizations' promotional programs than just advertising. As marketers now have changed the mix of traditional media and new media in their communications strategies, the focus of this text has changed as well, placing additional emphasis on new media. The changes discussed previously are leading marketers and their agencies to approach advertising and promotion from an integrated marketing communications

(IMC) perspective, which calls for a “big picture” approach to planning marketing and promotion programs and coordinating the various communication functions. To understand the role of advertising and promotion in today's business world, one must recognize how a firm can use all the promotional tools to communicate with its customers. The eleventh edition of this text has addressed this issue, and more than any previous edition now offers a much broader IMC perspective.

TO THE STUDENT: PREPARING YOU FOR THE NEW WORLD OF ADVERTISING AND PROMOTION

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

Today's student is expected to understand all the major marketing communication tools: advertising, direct marketing, sales promotion, public relations, personal selling, and of course the Internet and the rapidly growing areas of social media and mobile marketing. You will also be expected to know how to research and evaluate a company's marketing and promotional situation and how to use various tools to develop effective communication strategies and programs. Marketers are also giving more attention to the determination of return on investment (ROI) of various IMC tools as well as the challenges they face in making this evaluation. This book will help prepare you for these challenges.

As professors we were, of course, once students ourselves. In many ways we are perpetual students as we are constantly striving to learn more about the constantly changing field of IMC. We share many of your interests and concerns and are often excited (and bored) by the same things. Having taught in the advertising and promotion area for a combined 80-plus years, we have developed an understanding of what makes a book in this field interesting to students. In writing this book, we have tried to remember how we felt about the various texts we used throughout the years and to incorporate the good things and minimize those we felt were of little use. We have tried not to overburden you with definitions, although we do call out those that are especially important to your understanding of the material.

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

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

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

TO THE INSTRUCTOR: A TEXT THAT REFLECTS THE CHANGES IN THE WORLD OF ADVERTISING AND PROMOTION

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

The book is built around an integrated marketing communications planning model and recognizes the importance of coordinating all of the promotional-mix elements to develop an effective communications program. Although traditional and new media advertising is often the most visible part of a firm's promotional program, attention must also be given to direct marketing, sales promotion, public relations, support media, and personal selling. The text also integrates theory with practice. To effectively plan, implement, and evaluate IMC programs, one must understand the overall marketing process, consumer behavior, and communications theory. We draw from the extensive research in advertising, consumer behavior, communications, marketing, sales promotion, and other fields to give students a basis for understanding the marketing communications process, how it influences consumer decision making, and how to develop promotional strategies.

While this is an introductory text, we do treat each topic in some depth. We believe the marketing and advertising student of today needs a text that provides more than just an introduction to terms and topics. The book is positioned primarily for the introductory advertising, marketing communications, or promotions course as taught in the business/marketing curriculum. It can also be used in journalism/communications courses that take an integrated marketing communications perspective. Many schools also use the text at the graduate level. In addition to its thorough coverage of advertising, this text has chapters on sales promotion, direct marketing, the Internet including social

