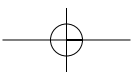
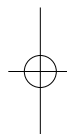
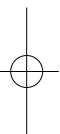
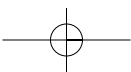
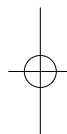
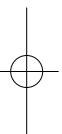
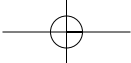


■ PART ONE

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# Overview of Advertising and Promotion





# 1

## What are Advertising and Promotion?

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### KEY CONCEPTS

- 1 The basic difference between advertising and promotion is that advertising is strategically more long term, 'turning' the consumer towards the brand by creating positive brand attitude, while promotion is more short term, focusing on immediate sales.
  - 2 Advertising 'works' when the desired communication effect is achieved, and this must *always* include creating brand awareness and a positive brand attitude.
  - 3 Strategies for building positive brand attitude depend upon understanding the type of purchase decision and what motivates purchase behaviour, because this will dictate the creative tactics needed.
  - 4 While there are many criticisms of advertising, if responsibly considered and presented it will benefit the consumer and the market.
- 

In this first chapter we will be taking a broad introductory look at just what we mean by traditional advertising and promotion, and how they are seen in today's world. This will provide a foundation and perspective for the subject in general before we begin to look specifically at the role advertising and promotion can and do play in support of brands, and how to manage them strategically in order positively to position and build brands.

### Defining Advertising and Promotion

If we look up the word 'advertise' in the *New Shorter Oxford English Dictionary* we find the following definition: 'Make an announcement in a public place; describe or present goods publicly with a view to promoting sales.' Right after that we find advertisement defined as: 'A public announcement (formerly by the town-crier, now usually in newspapers, on posters, by television, etc.).'<sup>1</sup>

This is certainly what most people have in mind when they think of advertising—adverts in the newspaper or magazines and commercials on radio or TV. But this really does not begin to tell us much about what advertising actually is. In fact, we are about to spend most of this book in effect defining advertising.

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A better feel for what advertising is really all about may be gained by looking back to the Latin root of the word ‘advertising’. It was Daniel Starch, one of the early pioneers of advertising theory in the twentieth century, who, back in the 1920s, reminded us that the Latin root for advertising is *advertere*. This roughly translates as ‘to turn towards’.<sup>2</sup> Returning to the *New Shorter OED*, we find that the word ‘advert’ is colloquial for advertisement, and when used as a verb means ‘turn towards’. This definition is more relevant, because it implies more than simply ‘an announcement in a public place’. In a very real sense, advertising is meant to turn us towards a product or service by providing information or creating a positive feeling—something that goes well beyond simply calling our attention to it. Advertising is an *indirect* way of turning a potential customer towards the advertised product or service by providing information that is designed to effect a favourable impression, what we will call a positive brand attitude. This favourable positive brand attitude then helps place the consumer on the path towards seeking out the product or service advertised.

If advertising is meant to encourage consumers to ‘turn towards’ a brand, what is the traditional function of promotion? Returning to the *New Shorter OED* we see that a promotion ‘helps forward’. This definition is quite consistent with the Latin root of promotion, *promovere*. Roughly translated, this means ‘move forward’.<sup>3</sup> Contrasting the Latin root of ‘promotion’, ‘move forward’, with the Latin root of ‘advertising’, ‘turn towards’, illustrates the fundamental difference between the traditional ideas of advertising and promotion. Advertising is aimed towards the long-term building of positive brand attitude by ‘turning’ the consumer towards the brand; promotion is aimed at the more short-term tactical goal of ‘moving forward’ brand sales now.

### Advertising and Promotion within the Marketing Plan

It is important to realize that advertising and promotion are only one part of the marketing plan. Other key marketing considerations include product configuration (for example, making sure the product is offered in the right sizes, shapes, or colours), pricing structure, and distribution—what E. Jerome McCarthy has called the ‘Four P’s of Marketing’ (Promotion, Product, Price, and Place).<sup>4</sup>

In fact, advertising is only one of the elements in the ‘promotion’ or marketing communication section of the marketing plan. We will be dealing with the idea of the marketing mix again in Chapter 7. In addition to traditional advertising and promotion, the ‘promotion’ component of the marketing mix also includes public relations and personal selling. We will be discussing the close strategic relationship between promotion and advertising in Chapter 14. This is not to suggest that there is no relationship between advertising and public relations or personal selling; of course there is, especially with industrial and corporate advertisers. However, the budgets and staff involved with personal selling and public relations tend to be separate from those of advertising and promotion.

While a simple definition of public relations is that it is ‘unpaid promotion’, there is a lot more to it than that, and one can take whole courses in the various aspects of public relations. For our purposes, we need to remember that the position being taken in advertising must be consistent with the story being told through public relations. The same holds true for any collateral material used in personal selling, including catalogues, brochures, and presentations used by the sales force. An added responsibility for advertising is to help pre-sell

a prospect for the salesman. To do this, the selling message must be consistent with *all* other aspects of a brand's marketing communication.

## A Closer Look at Advertising

Keeping in mind how advertising fits into a company's marketing plan, and our definition of how advertising turns a potential customer towards an advertised product or service, let us look at an example to illustrate how this definition of advertising applies. Remember, we are suggesting that advertising deals indirectly with potential action on the part of someone by providing information or creating feelings that turn them towards the product or service advertised. This will be true regardless of whether we are dealing with fast-moving consumer package goods (fmcgs) such as food or household cleaners, industrial manufacturer advertising of heavy equipment, corporate advertisers talking about their company, or non-profit organizations soliciting funds or reminding us to take better care of ourselves.

What do you think Nestlé is trying to do with its advert for Nescafé Gold Blend (Advert 1.1)? What does it wish us to 'turn towards'? We can never really know exactly what an advertiser has in mind without actually reading his or her marketing plan and creative strategy. But from looking at this advert it would appear that Nestlé wants us to think about the aroma of coffee brewing, and to associate Nescafé Gold Blend with this experience. It wants us to 'turn towards' the idea that Nescafé Gold Blend creates this pleasant experience better than any other brand of coffee. Of course, much more is *implied*. We are also asked to associate this wonderful 'golden aroma' with rich, good-tasting coffee, a truly satisfying experience, almost sensual.

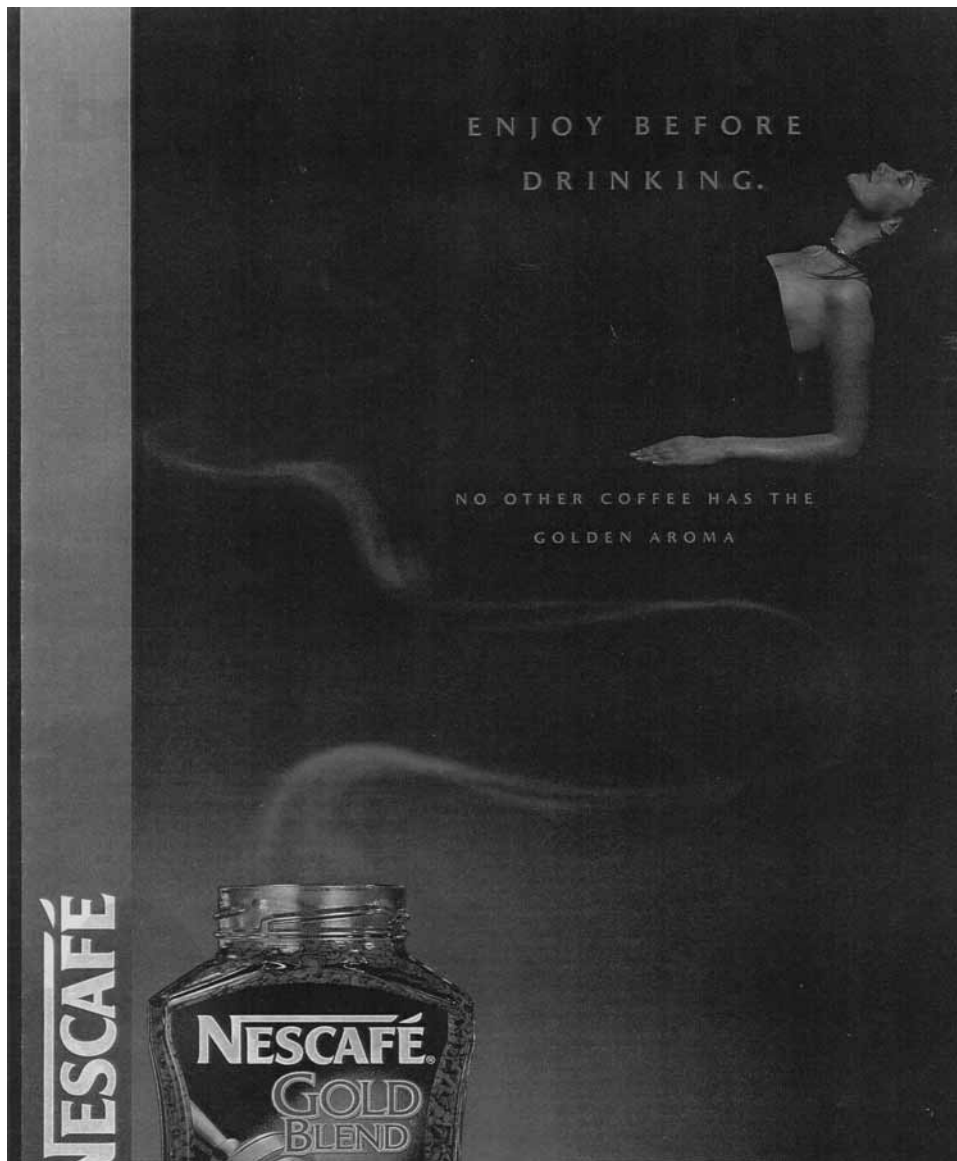
The point is, this advert is not *explicitly* asking you to buy Nescafé Gold Blend now, but rather is helping to create a positive feeling and attitude for the brand. This positive brand attitude is what will lead to purchase. At the same time, the other components of the marketing mix, mediated by competitive activity in the market, will all contribute to the likelihood of someone actually purchasing Nescafé Gold Blend after seeing this advert. Advertising for a brand only plays a part, but, as we shall see through the course of this book, it is a very important, often critical part.

## How does Advertising Work?

In a very real sense, the remainder of this book is dedicated to answering this question. But in this section we will provide a very brief introduction and overview of what is involved. Some very basic things must occur if any type of communication is to work. A person must have the opportunity to see or hear the message, must pay attention to it, understand what is being presented, and then act upon the message in the desired manner. This sequence is the same whether the message is from a parent, a boss, a friend, or an advertiser. In advertising we call these four steps the buyer response sequence, and it is covered in detail in Chapter 3.

Consider the Nescafé Gold Blend advert again. What must happen for this advert to work? It ran in a women's magazine, so the first step is that potential buyers see the magazine and at least skim through it. While doing this, they must notice the advert and spend

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**Advert 1.1** Advert for Nescafé Gold Blend that illustrates a positive experience with the brand and provides a strong brand identification. *Courtesy Société des Produits Nestlé SA, Trade Marks Owners*

enough time with it to 'get the meaning'. They must then associate a positive feeling with the brand in response to the idea of a 'golden aroma' and think to themselves, 'I'd like to try Gold Blend.'

Realistically, of course, this is *not* likely to happen all at one go. You may glance at this advert several times without paying much attention to it. But over time, the visual imagery and headline 'Enjoy before drinking' will begin to register and be associated with the

brand. As this happens, it will help to build or reinforce a positive attitude for the brand. Then one day while shopping, you see the brand on the shelf and 'remember' the positive feelings and think 'I'll give it a try.'

If someone does pay attention to our advertising, we want them to 'get' something specific. Of course, each advert will have a particular message to deliver, consistent with its creative strategy. But at a more general level, the advertising must satisfy a communication objective. All advertising and marketing communication has the ability to stimulate four communication effects: need for the category, brand awareness, brand attitude, and brand purchase intention.<sup>5</sup>

In a very real sense, when you pay attention to advertising, all these effects could run through your mind. While we will later devote a complete chapter to them, at this point it will be helpful to understand briefly what is meant by each of the four communication effects, because communication objectives are determined by the communication effect desired.

*Category need.* Before any purchase decision is made, there must be at least some interest in the product category. This is true of even the most trivial purchase. If you stop to think of it, if there were no 'reason' or need for something, why would you buy it?

*Brand awareness.* You must be able to identify a brand in order to purchase it. There are two types of brand awareness: recognition and recall. With recognition, at the point of purchase you recognize the brand on the shelf. With recall, you must think of the brand on your own prior to purchase.

*Brand attitude.* Unless a product is inexpensive or trivial, brand awareness alone will not be enough to drive you to an actual purchase. For purchase to occur, you must have a favourable attitude towards the brand. This attitude will be some combination of what you know or learn about the brand, and any feelings you associate with it.

*Brand purchase intention.* Someone's mind could be full of different attitudes towards various brands. And quite possibly, people may hold generally favourable attitudes towards several of these brands. Brand purchase intention refers to such thoughts as 'I think I'd like to try that' or 'I'll buy that', and these follow from favourable brand attitudes.

This discussion should provide you with a brief introduction to what we mean by communication effects. As you can see, the effects are simply a reflection of the process your mind is likely to go through prior to almost any purchase. Do you have a need? Are you aware of alternatives? What do you think about those alternatives? Will you buy one? Before you make any purchase you will probably need to give a positive answer to each of these questions.

While each of these four communication effects can be part of the response to an advert, they are not all required to be a specific part of the execution. Some may be implied or already understood. Those that are not become communication objectives. The correct communication objective is critical to effective advertising. We will learn that brand awareness and brand attitude are *always* communication objectives given their importance to a brand, and that under particular circumstances either of the other two communication effects may also serve as a communication objective.

Let us return to the Nescafé Gold Blend advert. This advert assumes that a category need already exists. For this advertising to work, the reader must already drink coffee. But is he or

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she aware of the brand? If not, the advert provides good brand name and package visibility, essential for recognition brand awareness, as we shall learn. Earlier we discussed how the advert should stimulate a positive feeling for the brand. This translates to a positive brand attitude, and could also include a positive brand purchase intention. The actual communication objective for the Nescafé Gold Blend advert cannot be known for sure without seeing the original creative brief, but it appears to reflect the primary communication objectives of brand awareness and brand attitude. There is no attempt to 'sell' the category, to convince people to drink coffee, or to buy soluble coffee (often called 'instant' coffee), and there is no *specific* call to purchase action. Rather, the advert does a good job of creating an impression of a positive experience with the brand, and provides strong brand identity.

### Brand Attitude Strategies

We have just suggested that brand awareness and brand attitude are always communication objectives. Obviously, people must be aware of a brand if they are going to buy it, aware of a service if they are to avail themselves of it, aware of a company if they are going to do business with it. But the real heart of most advertising messages conveys information or communicates a feeling about the product or service being advertised. This is what comprises brand attitude.

There are four brand attitude strategies that we will be concerned with in this text, and they are covered in depth in Chapter 8. These four strategies are based upon two dimensions critical to consumer behaviour: the type of purchase decision, and the type of motivation that drives the decision.<sup>6</sup>

*Type of purchase decision.* In terms of the type of decision, we will be classifying all consumer decisions as either low involvement or high involvement.<sup>7</sup> When a decision is *low involvement*, it means that there is very little, if any, risk attached to the consequences of making that decision. For example, if you think you might like a new candy bar, trying it would no doubt be a low-involvement decision, because you would not really be risking much money. But when a decision requires a lot of information prior to deciding, and a great deal of conviction that you are making the right decision, it is *high involvement*. A good example here would be buying a car.

*Type of motivation.* We will be devoting a lot of time in this book to motivation. For now, in order to begin to understand brand attitude strategies, you need to know only that people do some things because of negative motivations (for example, to remove or avoid a problem) and some things because of positive motivations (for example, to make them 'feel good').

Since decisions in the marketplace are governed by type of decision and type of motivation, we know that development of brand attitude strategy in advertising must take this into account. As a result, brand attitude strategies in adverts will reflect one of the four combinations of decision types and motivation:

- low-involvement decisions driven by negative motivations;
- low-involvement decisions driven by positive motivations;
- high-involvement decisions driven by negative motivations;
- high-involvement decisions driven by positive motivations.<sup>8</sup>

Again, looking at the Nescafé Gold Blend advert, what brand attitude strategy has been followed? Under most circumstances, there will probably be little risk attached to the purchase of coffee. An exception might be if you were entertaining someone very special and wanted a specific brand or blend of coffee in order to impress your guest. But in most cases, if you try a brand of coffee and do not like it, you will not have lost much. So, we can be fairly safe in assuming that coffee is a low-involvement decision. And what is likely to motivate a person to buy a particular brand of coffee? It is unlikely to be a negative motive. You may buy soluble coffee for its convenience (a negative motive), but that is a *category*, not a brand, decision. Once you have decided upon the type of coffee you want, the *brand* selected is likely to be the one you think you will most enjoy (the positive motive of sensory gratification). This Nescafé Gold Blend advert is a good execution of a brand attitude strategy for a low-involvement decision driven by positive motivations.

As we shall see later, in Chapter 11, the creative tactics differ significantly for each of the four possible brand attitude strategies. If the wrong brand attitude strategy is used, the target audience will not be as likely to pay attention to the advertising or ‘get’ the message.

What have we learned about brand attitude strategies up to this point? We have seen that one of the jobs of advertising is to generate a communication effect, and that brand attitude is one effect that is always a communication objective. In addition, we know that, in order to create advertising that will satisfy a brand attitude communication objective, one of four fundamental brand attitude strategies must be followed. The correct brand attitude strategy will reflect the involvement in the decision by the target audience as well as the likely motivation for its choice. Once the correct brand attitude strategy is selected, the creative and media tactics required to implement that strategy will be more easily identified.

## Message Appeal

Now that we have introduced the concept of brand attitude strategies, how does that relate to the appeal that should be used in creating the message? As mentioned, we shall spend a great deal of time looking specifically at creative tactics in Chapter 11, but it is also good to have a general idea about what is meant by ‘persuasive appeals’ in communication. Persuasion is studied by psychologists interested in attitude-change theory, and obviously what they know about persuasion informs our understanding of how advertising and other marketing communication works.

William J. McGuire, a social psychologist who taught at Yale University, is considered perhaps the foremost authority on attitude-change theory, and he has pointed out that the distinctions Aristotle made in the *Rhetoric* between logos, pathos, and ethos provide a very useful way of classifying the options available for message appeals.<sup>9</sup> Roughly speaking, logos appeals use logical arguments, pathos appeals address our passions, and ethos appeals deal with ethics (in a philosophical sense).

Logos and pathos appeals correspond closely to our brand attitude strategy ideas based upon involvement and motivation. Following Aristotle, logos appeals ask the recipient of a message to draw an inference or conclusion based upon arguments presented in the message. With low-involvement decisions when the underlying motivation is negative, where a problem is to be solved or avoided, this is exactly the appeal that is necessary. When the motive is negative and the decision is high involvement, the logos requirement—accepting

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as true what is presented or implied—applies. When we get to Chapter 8, you will see that we call the brand attitude strategies dealing with negative motivation *informational*, because you are providing information to help solve or avoid a problem. In essence, this means using a logos appeal.

On the other hand, a pathos appeal, as characterized by Aristotle, means a persuasive message that involves creating an appropriate *feeling* in the person receiving the message. This is exactly what we are looking for when the brand attitude strategy deals with positive motivations. We will be referring to such strategies as *transformational*, because the message appeal is meant to transform the target audience by creating an authentic emotional experience.<sup>10</sup>

The third message appeal suggested by Aristotle is ethos. By ethos he meant a persuasive message that relied more upon the *source* of the message than the message itself. An example would be a teacher who has the ability to ‘persuade’ students because they know the content of the lectures will probably be reflected in the examination. Rosenthal made the point that ethos appeals attempt to persuade by forcing the attention of the receiver of a message on the source, while logos and pathos appeals focus on message content.<sup>11</sup> We consider a correct understanding of ethos to be very important when using spokespersons in adverts. This is also related to brand attitude strategy, as we shall see in our discussion of the VisCAP model of source effectiveness in Chapter 11. For example, when dealing with logical or logos appeals, *credibility* in the message source is needed, but with a pathos or emotional appeal, *attractiveness* is needed. Aristotle talked about ethos appeals in terms of tapping into someone’s ‘moral principles’.

## Advertising and the Internet

What about advertising and the Internet? There is no question that many people, and many people in advertising, are keen on how the Internet can be used in advertising, and for marketing communication generally. So far we have talked briefly about advertising and promotion, and where they fit within the marketing plan. We have introduced the foundation of this book, the basics of how advertising works. This quite literally outlines what this book is all about.

So where does the Internet fit in this discussion? Unlike many people today, we do *not* see the Internet as something radically new and different, destined to change the face of marketing communication. As we begin the twenty-first century, the Internet is basically another medium, another way of delivering a message. There is an incredible potential for business and communication via the Internet, but is it really different in the sense that it will require new and different ways of thinking about delivering marketing communication? Much as advocates of the Internet would like us to think this is the case, we doubt it very much.

In fact, in many ways there is really nothing ‘new’ about how you communicate on the Internet. Yes, it does provide the potential for somewhat more specific targeting, but direct marketing already provides a number of ways to target specific individuals in a target audience. The Internet only provides *another* means of directly targeting specific audience

members, albeit it more effectively under certain circumstances. In other ways, it is very much like the traditional Yellow Pages, on the one hand, and posters and magazines, on the other. People use the Internet to search out information, much as they have used the Yellow Pages. They also 'surf' the Internet, just as they browse through magazines or pass by posters. In fact, 64 per cent of all spending on Internet advertising in the UK in 1998 was for banner adverts, and banner adverts are basically posters.<sup>12</sup> With advertising and the Internet we are essentially dealing with a print advert. It is simply being delivered in a new way, and under certain circumstances that offer the potential for increased processing of the message, and even interactive feedback.

The point we are making, and the reason why we are introducing the subject here in the first chapter, is that the success of advertising on the Internet will require attention to the very same strategic and tactical issues that are required for advertising to be successful anywhere. This book addresses the issue of how to identify a target audience and set communication objectives and strategy to maximize the likelihood of effective communication. This holds regardless of where the target audience confronts the message. This means that advertising on the Internet must follow the same 'rules' and principles as any other advertising if it is to be effective. Adverts on the Internet must attract and hold attention, and quickly communicate a positive benefit for the brand. With more detailed messages, it must also encourage reading and processing the entire advert. Consider the banner advert for amazon.com (Advert 1.2). For it to be effective, it must communicate quickly in very much the same way as a poster. It is unlikely the Internet user has hit this page looking for adverts. The banner advert must say something quickly if the user is going to respond. Just as with a poster, the number of words in the headline must be limited to ensure processing at a single glance, without actually requiring someone to read it. The message and the visual must work together to stimulate quickly a tentatively positive brand attitude, just as with a poster.

In fact, the principal difference between advertising on the Internet and general advertising arises from the initial exposure to the advert. This is not in terms of content, but as a result of the hypertext structure of Internet adverts. Because of the structural difference, we encounter a potential change in the way an Internet advert is processed. While the initial processing of a banner advert is basically the same as that of any print advert, especially posters, further processing will require what Rossiter and Bellman have called a Web ad schema.<sup>13</sup> This Web schema takes over when someone clicks on the banner advert, and this is where the difference lies. We shall explore this idea in more depth when we talk about processing adverts in Chapter 10.

We do not wish to minimize the potential of the Internet as a means of delivering advertising messages. But at the same time it is critical that you do not think of Internet advertising



**Advert 1.2** Internet banner advert illustrating how pictures and words link together to communicate its message quickly. *Courtesy amazon.com, Inc. All rights reserved*

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as something so new and different that it requires a new way of thinking. With every evolution, or even revolution, in the *means* of communicating, from the printing press to radio to television, and now the Internet, the impulse has been to treat it as something totally new. But, as we hope to have shown, while the Internet does provide a new and even exciting potential for reaching people, the execution of the message must still follow the basic principles of communication. And it is these basic principles of communication that we are dealing with in this book. They can and should be applied to advertising on the Internet, just as they must be applied to all forms of marketing communication.

### Criticism of Advertising

Advertising seems to be everywhere. Perhaps because of this, many people are concerned with the potential impact advertising has upon society.<sup>14</sup> Critics of advertising raise several concerns about the impact of advertising upon society, and they are worth reviewing. As society evolved over the last half of the twentieth century, so too did the criticism of advertising. The left especially adjusted its criticism. As Martin Davidson has pointed out, the Marxist critique, for example, now sees advertising as doubly culpable. Not only is it highly suspect in its own right as an image, but it is an image of something even *more* suspect, the commodity.<sup>15</sup>

Perhaps the most widely made criticism of advertising is that it makes people buy things they neither want nor need. We will examine this charge first.

### Advertising Creates Unnecessary Desires

To begin with, by the time you have finished reading this book, you will be well aware that communicating with a target audience through advertising is very, very difficult. Even though people are bombarded with messages, they pay attention to very few of them. And even when they do pay attention, that does not mean they will actually learn anything from the advert, or be positively influenced by it. In fact, many studies have shown that not only do we not pay much, if any, attention to advertising, but we do not pay much attention to the newspapers, magazines, or television shows where the advertising runs. It is not an easy job to communicate at all with advertising. This is why advertisers go to such lengths to identify a target audience where consumers are already favourably disposed towards their product. The more philosophical question of whether advertising helps create unnecessary needs is a much more difficult question to answer. Critics of advertising feel that by its very nature advertising stimulates materialism, exaggerating the requirements of a good life. But these needs are driven by other social forces well beyond advertising. A much more serious charge is that advertising creates the desire for unobtainable goals. Again, we doubt that advertising alone must shoulder this charge. This is a problem with society in general. As long as contemporary movies, magazines, and television convey this image of life, some advertising is likely to reflect those images.

Nevertheless, there are areas where the images presented in advertising can and should be realistic. Remember, in advertising you are trying to match the attributes of a product

with the perceived needs of the target audience. The problem comes when the perceived need is unrealistic. In the end, the best advertising should be responsible advertising.

## Advertising is Misleading

The second most generally made criticism of advertising is that it is deceptive. It seems almost an article of faith that advertising is deceptive, and this has occasioned a rather general scepticism on the part of most people towards most advertising, as we shall see below. In certain cases, especially on the local level, there is no doubt that advertising can be misleading. But think for a moment about the consequences of such behaviour. If a product is misrepresented and you buy it, how likely are you ever to buy that brand again—or anything else from that company? In the long run, if advertising is deceptive, it will kill a brand.

One of the important results of advertising is the creation of brand names. Brand names bring with them almost an implied warranty of quality. Critics will argue that this image is false and that unbranded products are just as good. But are they? Is there not a social value in enhancing the benefit people perceive in a product? Research has shown that advertised brand names are felt to taste better, last longer, and so on. While advertising may have created these images, the products themselves must live up to the expectation. Davidson provides an interesting criticism here. He feels that the real problem with advertising is that it presents products in terms of values that are more important than the product itself, and this leads to a diminution of those values.<sup>16</sup>

The problem with the question of deception in advertising is that it is largely a subjective one. If a claim is truly deceptive, you can be sure that the competition will be quick to let government regulatory agencies know about it. In fact, long before an advertising run, attorneys for a brand will have considered it, and the censors at the media where it is to run will have taken a hard look at any claim the brand makes. Before a commercial is approved for showing on air or an advert is run in print media, it will require substantiation in terms of valid research for any major claim made for the brand.

In 1991 the European Union created the European Advertising Standards Alliance to provide a mechanism for dealing with false or misleading advertising. While it encourages self-regulation, the EU Misleading Advertising Directive requires member countries to institute powers to protect consumers against misleading claims.<sup>17</sup>

Although advertisers are permitted by law to make *obvious* exaggerations in their adverts, something called ‘puffery’ (for example, ‘best ever’, ‘great taste’), any attempt to misrepresent the overall nature of a brand is unlikely. An interesting example of just how restrictive this can sometimes be, even to the point of absurdity, is a commercial that ran in the USA several years ago for San Georgio spaghetti. The commercial told the story of ‘harvest time’ at the San Georgio ‘spaghetti farm’ where they grow the ‘best spaghetti’ and featured peasant farmworkers harvesting spaghetti from spaghetti trees. The claim ‘best spaghetti’ was considered puffery, and was acceptable. But the advertiser was required to include a disclaimer that said ‘of course you know spaghetti really doesn’t grow on trees’ before television networks would approve the commercial for use on air.

Responsible advertising will not be deceptive, for the simple reason that it is bad for business. But the grey area of misleading claims or images is more difficult to pin down. In the end, if the media let something slip by, it is unlikely that your competitors will.

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### Advertising Insults our Intelligence

The charge that advertising is often insulting to the reader's or viewer's intelligence is again one that is frequently heard, but hard to define. What is in bad taste for one segment of the population may not be so for another. There is no doubt that certain adverts will be found to be tasteless, insulting, or offensive to certain people—even large groups of people. If the advertising is seen as tasteless by the intended target audience, however, the advertising will be unlikely to communicate its intended message effectively. So once again we see that to the extent that the charge of 'insulting to my intelligence' is true, it will tend to be counter-productive for the advertiser. It is in the advertiser's best interest to provide advertising that will be well received by its target audience. This is one of the reasons you should test adverts before running them.

### Advertising and the Economy

Another general area of advertising criticism revolves around the role advertising does or does not play in the economy. Classical economics, as a rule, provides very little comfort for advertising. But most marketers believe advertising does indeed make a positive contribution to the economy—if by no other way than pumping a great deal of money into the economy. For example, it was estimated that spending on advertising in the UK for the year 2000 would be some 15,798 million euros, and in Germany 21,615 million euros.<sup>18</sup>

It is often argued that advertising drives up the cost of products, and that, without advertising, most things would cost less. This really is not the case. Of course, the cost of a product does include the cost of the advertising, but dropping the advertising would not necessarily drop the price of the product. Advertising helps increase consumption, which in its turn permits certain economies of scale that help drive *down* prices. For example, consider recent experiences with personal computers. Additionally, an argument can be made that price competition is enhanced by a broader awareness of price, which comes from advertising.

Another very real effect advertising has had on the economy is in the area of new product and new market development. Think of the enormous cost involved in the development of a new market. Without advertising it would be very difficult to generate enough sales fast enough to ensure a realistic payout. Advertising provides a rapid entrée to the consumer, and this encourages innovation on the part of companies. In the same sense advertising helps to expand existing markets, encouraging more and better products for the consumer.

We have already mentioned the idea of brand names and what their role is in today's market. From a business standpoint, a brand name is an *asset*, and is treated as one. In this sense advertising for brand names is often treated by a manufacturer as a long-term capital investment rather than an immediate cost. This is almost universally true of new product introductions. It is advertising that provides relative stability for a brand, building brand equity. There are many examples in almost any field of what happens to a company that does not protect its brand name through advertising. So, in a very real sense, advertising is one of the ways in which we are able to provide stability in our economy.

## Advertising and the Consumer

There is abundant evidence in the consumer behaviour and social psychology literature that suggests that global attitudes about something will condition how specific messages related to it are received. This is a rather fancy way of saying that, if you do not like coffee, you are unlikely to be persuaded to buy a particular brand. This same principle applies to marketing communication. If someone distrusts advertising generally, he or she will be less likely to trust certain advertising messages. However, this relationship is anything but simple or easily understood.

In an interesting report, Calfee and Ringold reviewed six decades of survey data dealing with consumer attitudes towards advertising.<sup>19</sup> What they found was a core set of beliefs about advertising that has remained relatively constant over time and across a variety of question formats. Roughly 70 per cent of consumers feel advertising is often untruthful, seeks to persuade people to buy things they do not want, should be more strictly regulated, but nevertheless provides valuable information. In fact, despite feeling advertising is more likely to 'seek unduly to persuade' than to 'provide useful information' (when asked to choose between the two), most people tend to feel the benefits of advertising outweigh the deficits. As we remarked, this relationship is not easily understood.

### A Question of Trust

One of the key relationships between a brand and its consumer is trust. Unfortunately, in many of today's markets there has been a significant erosion of this critical bond. What is, or has been, the role of advertising in this erosion? One can imagine problems here at many levels. If pricing policies (for example) have led to a certain distrust of a brand, this distrust could significantly affect consumers' perceptions of the brand's advertising. At the same time, a distrust of advertising in general impedes its credibility, and this not only reduces overall marketplace efficiencies, but acts like a cancer, attacking individual advertising messages. As Pollay and Mittal in their analysis of consumer criticism of advertising put it: 'High levels of distrust and cynicism put the professions of marketing and advertising in disrepute and *ultimately require greater advertising spending and creativity to accomplish the same ends*' (emphasis added).<sup>20</sup>

Should we expect this basic distrust of advertising to affect all advertising equally? No, and in fact there is some research available to help us identify types of advertising that are more or less likely to be believed. To the extent that a consumer feels a claim can be verified before purchase, consumer faith in that claim will be stronger than if it can be verified only after purchase ('5-year unconditional warranty', for example, versus 'tastes great'). Least credible are so-called credence claims, which ordinarily can never be verified ('best performance ever').

The alert reader will see that this could be at the heart of the seeming paradox that people often feel advertising is untruthful, yet find it a useful source of information. Some types of advertising are seen as more likely than others to be true. Following this reasoning, as we shall see when we get into this in more detail in Chapter 8, high-involvement brand attitude strategies (that is, those where there is a psychological or fiscal risk attached to the

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brand decision) should be seen as more credible than those for low-involvement brand attitude strategies. Again, some support for this has been found, but it is by no means something that occurs as a matter of course. Even if you are advertising a high-involvement product, credibility is far from guaranteed; and consumers are not sceptical of all low-involvement advertising. A lot of other things influence the perceived credibility of advertising in general, as we shall see.

Ippolito has talked about advertising's ability to create a bond, signalling product quality to the consumer. He goes so far as to suggest that this bond can enable advertisers to induce a useful level of credibility in their advertising simply by advertising heavily!<sup>21</sup> The implication here is that, if consumers are exposed to a message repeatedly over time, they will begin to assume that it must credibly reflect experience with the product. Consumers will reason that surely the product must be doing well since they see so much advertising for it. A rather complex notion, to be sure, but if true this would be one way to induce a certain level of credibility into a brand's advertising.

In any event, there certainly are important relationships between trust and advertising credibility, and these relationships should be monitored on a continual basis. The better these relationships are understood, the greater the likelihood of maximizing credibility for one's own advertising.

### Regulatory Environment

One of the findings in the Calfee and Ringold review of all that research into consumer beliefs about advertising mentioned earlier is that, when asked, some 60–70 per cent of consumers will support the idea of stronger regulation of advertising.<sup>22</sup> Somehow they seem to equate regulation with more credible advertising. Unfortunately, a real increase in regulation does not seem to translate into a perceived increase in advertising credibility. While increased regulation and intervention in advertising increased significantly during the 1970s in the USA, especially with the implementation of the US Federal Trade Commission (FTC)'s Advertising Substantiation Program, there was no perceived increase in advertising credibility on the part of the consumer. What is really interesting here is that, in objective terms, all the evidence suggests that actual claims made in advertising were indeed more credible after adoption of the substantiation requirements.<sup>23</sup>

Perhaps what we see happening here is another variation on the paradox discussed earlier. While people feel that increased regulation of advertising will make it more credible, as they become aware of the increased regulation, the very knowledge of this activity fuels scepticism. In other words, if it was not so bad, there would not be a need for this regulation. One thing is certain: in the USA, when the FTC does publicly act upon a case of false or misleading advertising, the advertiser in question will lose approximately 3 per cent of its share value in the stock market.<sup>24</sup> And the fall-out from an action against a particular advertiser for false or deceptive advertising increases consumer scepticism of all advertising, not just that of the advertiser accused.

### Understanding Consumer Attitudes towards Advertising

Researchers have for years been surveying the public's attitudes towards advertising and have noticed no significant change in beliefs about advertising. Precisely because there

is more to this than meets the eye, and its impact can significantly affect how *individual advertisers'* messages are perceived by consumers, it is important for an advertiser to have a good grasp of general consumer attitudes towards advertising. Beyond this, to the extent that someone in the business of advertising wishes truly to *understand* the business of advertising, it is critical to understand the market's perception of its 'product'. Just as it is important for an advertiser to track response to its specific advertising, it is important to track attitudes towards advertising in general. There are a number of reasons for this, and some should be evident from the paradoxes in consumer beliefs about advertising we have just discussed.

We have seen how trust can play an important role in people's beliefs about advertising, and how external factors such as regulation and publicity about 'false' advertising can influence consumers' feelings of trust. While the relationship among all these factors is far from clear, monitoring consumer trust in advertising along with things known to influence it puts advertisers in a better position to understand how their customers and prospects are likely to respond to advertising in general for their brand. As an example, what is the effect of political advertising upon how people respond to advertising for brands? There is no doubt that people seem fed up with the strident tone of political advertising, and, as an article in *Advertising Age* suggests: 'there's a growing concern that they also may be effective in turning off the public from all advertising.'<sup>25</sup> In that article, Sean Fitzpatrick (then a vice-chairman with McCann-Erickson Worldwide) is quoted as feeling that political advertising directly affects any advertising that is running at the same time, even to the extent of effectively blocking it out so that it is not heard. To what extent does political advertising negatively affect regular advertising? And just as important, how long does this negative carryover effect persist? Is it likely to affect some types or categories of advertising more than others, such as advertising with spokespeople or comparative ads?

Another important question to consider here is the 'universality' of consumer beliefs about advertising. In the Pollay and Mittal article mentioned earlier, they report some preliminary findings that show significant subsets or segments within the population in terms of core beliefs about advertising.<sup>26</sup> As one might expect from the general findings of Calfee and Ringold that 70 per cent of consumers held consistent basic beliefs about advertising, three of the four segments Pollay and Mittal identified reflected degrees of wariness. But one segment (amounting to about a third of the population) did hold positive global attitudes. This sort of segmentation raises interesting questions. Do these segments vary in size over time? Does their make-up differ over time? Do some of the wary segments react differently to external factors such as regulation, 'false' advertising publicity, product recalls, and corporate problems, or perhaps even the vast variety of new media? Is the depth of scepticism related more to some categories or types of advertising than others? These are important issues that could be dealt with tactically in a brand's advertising, given the right information.

At the end of their article, Pollay and Mittal ask the question: *What can the industry do?* They answer: 'The industry can profit from taking the public pulse every so often, utilizing a comprehensive belief inventory.'<sup>27</sup> For many reasons we feel strongly that a continuous reading of consumer beliefs and attitudes is superior to 'taking the pulse every so often', because of the dynamic nature of the factors that mediate those beliefs and attitudes. But, however it is measured, it does make sense to track consumer opinion of advertising in general.

## 18 OVERVIEW OF ADVERTISING AND PROMOTION

### ■ CHAPTER SUMMARY

In this chapter we have defined what we mean by advertising and promotion and introduced the key concepts related to communication effects, which will be used to organize our discussions throughout the book. We have discussed some of the common criticisms of advertising and the importance of consumer attitudes towards advertising and the important role played by trust. We have emphasized the vital role of continuous research in tracking consumer attitudes to advertising in general.

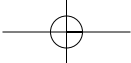
### ■ QUESTIONS TO CONSIDER

- 1.1 What is the major difference between advertising and promotion?
- 1.2 What is necessary for persuasive communication to work?
- 1.3 Why are brand awareness and brand attitude always communication objectives?
- 1.4 What is the basic difference between informational and transformational brand attitude strategies?
- 1.5 Is advertising on the Internet different from advertising in more traditional media?
- 1.6 In what ways does advertising make a positive contribution to the economy?
- 1.7 Do you feel there is merit to any of the traditional criticisms of advertising?
- 1.8 Why is it important for an advertiser to be aware of trends in public attitude toward advertising in general?

### ■ NOTES

1. *The New Shorter Oxford English Dictionary* (Oxford: Clarendon Press, 1990).
2. Daniel Starch, *Principles of Advertising* (Chicago: A. W. Shaw, 1926).
3. *Ibid.*
4. McCarthy introduces this idea of the so-called Four P's of the marketing mix in his original text, *Basic Marketing: A Management Approach* (Homewood, Ill.: Irwin, 1960).
5. The four communication effects introduced here and discussed extensively in the text were originally described by John Rossiter and Larry Percy in *Advertising and Promotion Management* (New York: McGraw-Hill, 1987).
6. This notion of type of decision, as well as the idea of motivation, is at the heart of the Rossiter–Percy grid, originally introduced *ibid.*, and discussed in much of the book.
7. While we talk about involvement in terms of 'risk', this is a function of the processing required, and this is reflected in traditional models of low- and high-involvement processing. Low-involvement models suggest that advertising and other forms of marketing communication cause brand awareness and a *tentative* brand attitude, but actual brand attitude is not formed until after experience with the brand. Perhaps the best example of a low-involvement model is the one advanced by A. S. C. Ehrenberg in his 'Repetitive Advertising and the Consumer', *Journal of Advertising Research*, 14 (Apr. 1974), 25–34, and 'Justifying Advertising Budgets', *Admap*, 30 (Jan. 1994), 11–13. Low-involvement models have been called the 'weak theory' of advertising by John Phillip Jones in 'Advertising: Strong Force or Weak Force? Two Views an Ocean Apart', *International Journal of Advertising*, 9 (1990), 233–46.

- The generally accepted model of high involvement is the so-called hierarchy-of-effects or H-O-E model. Here marketing communication first stimulates awareness, then affects brand attitude, which leads to brand purchase. In an interesting review of tests of the H-O-E model as applied to advertising, T. Barry and D. Howard suggest the results are 'inconclusive'. This is discussed in their paper 'A Review and Critique of the Hierarchy of Effects in Advertising', *International Journal of Advertising*, 9 (1990), 121–35. The reason the results are inconclusive, of course, is that the model applies only where high-involvement decisions operate.
8. This follows directly from the Rossiter–Percy grid referred to in n. 6.
  9. McGuire often refers to these distinctions when discussing persuasive message appeals. A good summary may be found in his seminal work on attitude change, 'The Nature of Attitude and Attitude Change', in G. Lindzey and E. Aronson (eds) *The Handbook of Social Psychology*, iii (Reading, Mass.: Addison-Wesley Publishing, 1969), 136–314. Another good reference is his 'Persuasion, Persistence, and Attitude Change', in I. deSala Pool *et al.* (eds), *Handbook of Communication* (Chicago: Rand McNally, 1973), 216–52.
  10. Larry Percy and John Rossiter provide a review of the psychological literature associated with logos, pathos, and ethos message appeals in their *Advertising Strategy: A Communication Theory Approach* (New York: Praeger Publishers, 1980), 102–4.
  11. P. I. Rosenthal, *Concepts of Ethos and the Structure of Persuasive Speech*, *Speech Monographs*, 33 (1996), 114–26.
  12. Juliana Korantegs, 'UK Internet Sites Enjoy Big Advertising Boost', *Advertising Age International* (Nov. 1999), 11.
  13. John R. Rossiter and Steven Bellman, 'A Proposed Model for Explaining and Measuring Web Ad Effectiveness', *Journal of Current Issues and Research in Advertising*, 21 (1999), 13–31.
  14. A good review of many criticisms of advertising may be found in William Leiss, Stephen Klein, and Sut Jally, *Social Communication in Advertising* (London: Routledge, 1997).
  15. Martin Davidson, *The Consumerist Manifesto: Advertising in Postmodern Times* (London: Routledge, 1992), 177.
  16. *Ibid.*
  17. Matti Alderson, 'Advertising: Self-Regulation and the Law', in Norman Hart (ed.), *The Practice of Advertising* (Oxford: Butterworth Heinemann, 1995), 259–72.
  18. These figures were supplied by Zenith Media and reported in *Advertising Age International* (Feb. 2000).
  19. John E. Calfee and Debra Jones Ringold, 'The 70% Majority: Endorsing Consumer Beliefs about Advertising', *Journal of Public Policy and Marketing*, 13 (1994), 228–30.
  20. Richard W. Pollay and Banwari Mittal, 'Here's the Beef: Factors, Determinants, and Segments in Consumer Criticism of Advertising', *Journal of Marketing*, 57 (1993).
  21. P. Ippolito, 'Bonding and Non-Bonding Signal of Product Quality', *Journal of Business*, 63 (1990), 41–60.
  22. Calfee and Ringold, 'The 70% Majority'.
  23. R. Sauer and K. Leffler, 'Did the Federal Trade Commission's Advertising Substantiation Program Promote More Credible Advertising?', *American Economic Review*, 80 (1990), 191–205.
  24. Calfee and Ringold, 'The 70% Majority'.
  25. Steven W. Colford, 'Fear of Being Painted with Pols' Dirty Brush', *Advertising Age*, 000 (1996), 000–000.
  26. Pollay and Mittal, 'Here's the Beef'.
  27. *Ibid.* 99–114.



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### ■ FURTHER READING

- Jef Richards and Catharine Curren, 'Oracles on "Advertising": Searching for a Definition', *Journal of Advertising*, 31/2 (Summer 2002), takes an in-depth look at trying to define 'advertising', looking first at a review of definitions in the literature, and then using a modified Delphi method to explore the issue.
- Special issues of the *Journal of Advertising Research* (Sept./Oct. 2002) and the *Journal of Advertising*, 31/3, Fall 2002) both deal with advertising and the Web, and with new media.
- A special issue of the *Journal of Consumer Psychology*, 13/1-2 (2003) deals with 'consumers in cyberspace', discussing a broad range of subjects relating to consumer behaviour and e-marketing.
- Stephanie O'Donohue, 'Living with Ambivalence: Attitudes to Advertising in Postmodern Times', *Marketing Theory*, 1/1 (Sept. 2001), provides a good review of research on the structure of attitudes to advertising, and then places it all within an interesting postmodern perspective.

