

design ads that test well but do not necessarily perform well in the marketplace. Proponents maintain that useful diagnostic information can emerge from pretests but that they should not be used as the sole decision criterion. Nike, widely acknowledged as one of the best advertisers around, is known for doing very little ad pretesting. In addition to pretesting their communication campaigns, marketers might measure whether and how the communication campaign influences sales. Researchers can measure sales impact with the *historical approach*, which uses advanced statistical techniques to correlate past sales to past advertising expenditures. Other researchers use *experimental data* to measure advertising's sales impact. A growing number of researchers measure the *sales effect* of advertising expenditures, instead of settling for measures of communication effect.⁴⁰ Millward Brown International has conducted tracking studies for years to help advertisers decide whether their advertising is benefiting their brand.

MARKETING INSIGHT

Celebrity Endorsements

A well-chosen celebrity can draw attention to a product or brand—as Priceline found when it picked *Star Trek* icon William Shatner to star in campy ads reinforcing its low-price image. Other prominent celebrity endorsers include Tom Brady for Under Armour, Mark Wahlberg for AT&T, Kristen Bell for Old Navy, Reese Witherspoon for Crate and Barrel, and Drew Barrymore for Crocs.

Priceline's quirky campaigns have run for more than a decade, and Shatner's decision to receive stock options as compensation reportedly has netted him millions of dollars for his work. The right celebrity can also lend her or his image to a brand. To reinforce its high status and prestige image, American Express has used movie legends Robert De Niro and Martin Scorsese in ads.

Celebrities are likely to be effective when they are credible or personify a key product attribute. Statesman-like Dennis Haysbert for State Farm insurance, rugged Brett Favre for Wrangler jeans, and popular singer and actress Jennifer Hudson for Weight Watchers have all been praised by consumers as good fits. Celine Dion, however, failed to add glamour—or sales—to Chrysler, and even though she was locked into a three-year, \$14 million deal, she was let go. Ozzy Osbourne seems an odd choice to advertise "I Can't Believe It's Not Butter," given his seemingly perpetual confusion.

A celebrity should have high recognition, high positive affect, and high "fit" with the product. Paris Hilton and Howard Stern have high recognition but negative affect among many groups. Tom Hanks and Oprah Winfrey, on the other hand, could successfully advertise a large number of products because they have extremely high ratings for familiarity and likability (known as the Q factor in the entertainment industry).

Celebrities can play a more strategic role, too, not only endorsing but also helping to design, position, and sell merchandise and services. Nike often brings its elite athletic endorsers in on product design. Tiger Woods, Paul Casey, and Stewart Cink have helped to design, prototype, and test new golf clubs and balls at Nike Golf's research and development facility. Beyoncé (Pepsi), will.i.am (Intel), Justin Timberlake (Bud Light Platinum), Alicia Keys (BlackBerry), and Taylor Swift (Diet Coke) have all been designated "ambassadors" for their brands with various creative duties and responsibilities.

Some celebrities lend their talents to brands without directly using their fame. A host of movie and TV stars do uncredited commercial voice-overs, including Jon Hamm (Mercedes-Benz), Morgan Freeman (Visa), Matt Damon (TD Ameritrade), Jeff Bridges (Duracell), and George Clooney (Budweiser). Although advertisers assume that some viewers will recognize the voices, the main rationale for using them is the actors' incomparable voice talent and skill.

Using celebrities poses certain risks. The celebrity might hold out for a larger fee at contract renewal or might even withdraw. And just like movies and album releases, celebrity campaigns can be expensive flops. The celebrity might lose popularity or, even worse, get caught in a scandal or embarrassing situation, as did Tiger Woods, Michael Phelps, and Lance Armstrong. Besides carefully checking endorsers' backgrounds, some marketers are choosing to use more than one to reduce their brand's exposure to any single person's flaws.

Another solution is for marketers to create their own brand celebrities. Dos Equis beer, imported from Mexico, boosted U.S. sales by more than 20 percent during the last recession by riding on the popularity of its "Most Interesting Man in the World" ad campaign. Suave and debonair, with a distinct voice and a silver beard, the character has hundreds of thousands of Facebook friends, despite being completely fictitious. Videos of his exploits log millions of views on YouTube. Dos Equis has made it possible for customers to "call" him and listen to a series of automated voicemail messages.⁴¹

Summary

1. Modern marketing calls for more than developing a good product, pricing it attractively, and making it accessible to target customers. Companies must also communicate with current and potential stakeholders and with the general public.
2. The marketing communication mix consists of nine major modes of communication: advertising, online and social media, mobile communication, direct marketing, events and experiences, word of mouth, publicity and public relations, personal selling, and packaging.
3. The communication process consists of nine elements: sender, receiver, message, media, encoding, decoding, response, feedback, and noise. To get their messages through, marketers must take into account how the target audience usually decodes messages. They must also transmit the message through efficient media that reach the target audience and develop feedback channels to monitor response to the message.
4. Developing effective communication requires eight steps: (1) identify the target audience, (2) choose the communication objectives, (3) design the communication, (4) select the communication channels, (5) set the total communication budget, (6) choose the communication mix, (7) measure the communication results, and (8) manage the integrated marketing communication process.
5. In identifying the target audience, the marketer needs to close any gap that exists between current public perception and the image sought. Communication objectives can be to create a need for the category, to increase brand awareness, to improve attitude toward the brand, or to boost intention to purchase the brand.
6. Designing effective communication requires making three key decisions: what to say (message strategy), how to say it (creative strategy), and who should say it (message source). Communication channels can be personal (advocate, expert, and social channels) or nonpersonal (media, atmosphere, and events).
7. Although other methods exist, the objective-and-task method of setting the communication budget, which calls on marketers to develop their budgets by defining specific objectives, is typically the most effective.
8. In choosing the marketing communication mix, marketers must examine the distinct advantages and costs of each communication tool and the company's market rank. They must also consider the type of market in which they are selling, how ready consumers are to make a purchase, and the offering's stage in the company, brand, and product life cycle.

9. Measuring the effectiveness of the marketing communication mix requires asking members of the target audience whether they recognize or recall the communication, how many times they saw it, what points they recall, how they felt about the communication, what their previous attitudes toward the company, brand, and product were, and what those attitudes are now.

Marketing Spotlight

Red Bull

In 1982, businessman Dietrich Mateschitz was suffering from jet lag while on a trip to Bangkok. Locals told him about a popular tonic beverage called Krating Daeng that could relieve his symptoms of drowsiness and tiredness. He tried the beverage and found that it did alleviate his fatigue. Impressed, Mateschitz launched Red Bull GmbH two years later with Thai businessman Chaleo Yoovidhya, who owned a tonic drink company. It took three years for the company to create a drink formula that adapted the tonic beverage's taste to Western palates. Red Bull was sold for the first time in Austria in 1987.



Source: [chara_stagram/Shutterstock](#)

Red Bull was advertised as having three main benefits: increasing concentration for students, enhancing performance for athletes, and alleviating fatigue symptoms for business travelers. In addition to these uses, Red Bull was commonly sold as an alcohol mixer. Clubs began embracing Red Bull as a safer way for people to party longer without having to resort to drugs. Red Bull noted this unintended usage and used guerilla marketing to further entrench the product in the party scene. The company hired students and DJs to serve Red Bull at parties, which encouraged other patrons to try out the drink.