

UNIT 4

Exercises

CHAPTER 4: Campaigns & Cases

Lesson 39: Cases 1 & 2

Case 1

With kid gloves

Why understanding a child's mind is important for a marketer

(Source: Business Standard)

Whatever the mood of economy, children will not stop running to the kirana store to buy that new chocolate bar or pester their parents to go for a flat TV from Sony. Kids form three markets, all rolled into one.

As a primary market, children have access to money from various sources and spend part or all of it on themselves. They generally spend on products like beverages, books, confectionery, snacks and sports gear. Many brands are now affordable, and brand messages are flashed continuously on various television channels.

As influencers, they play a key role in the purchase process by making requests or demands for certain products. Some products like cars, air-conditioners, refrigerators and washing machines (normally an adult domain) catch their fancy and they would like to own them.

This segment has been fuelled by factors like double-income parents willing to meet their kids' demands (maybe as a substitute for their attention, time etc), and easy access to market information via the media and peer pressure.

Yet another segment formed by them is the future market. Wooing them early with market programmes enable companies to convert them into loyal customers when they reach market age. A six-year-old could aspire for a bicycle, which say a nine-year-old is riding.

This nine-year-old might be dreaming of owning a stereo system, which his 13-year-old cousin blasts at full volume. And this 13-year-old might be impatient to buy his own mobike, which his 19-year-old brother zooms around in.

Kids have been used in a number of advertisements to provide an emotional platform so that the ad has a chance of being unique. Also the presence of a child communicates “family” and not individual values. Some common positioning ideas used in TV commercials have been:

Kids being naughty, defying parents (eg, Videocon Internet TV where he creates havoc at a movie shooting),

Doing things differently (Carrier air-conditioners making teenagers’ drinks freeze),

Concern/love and fulfillment of wishes by parents(Kissan Tom Tom Sauce, where the father spruces up the kids’ lunch). However, in order to target them effectively it is essential to have a thorough understanding of who they are.

Kids-Link, the market research arm of Kidstuff Promos & Events, carried out a number of focus group discussions among SEC-A, seven to 15-year-old boys and girls in Delhi on various aspects.

People who matter most in life

A majority of seven- to 12-year-olds said it was parents and siblings with an appreciable number conveying that teachers and cousins also played a key role. Among 13- to 15-year-old boys, other than parents and siblings, advice from friends with experience in the profession they wished to choose also mattered. Teachers played a key role in imbibing moral values.

The girls had almost similar views; but they said “We are more formal with teachers; parents are almost like friends.”

A brand can play a key role in kids’ lives by understanding who matter most to them and then trying to create a relationship based on that insight. For instance, the Maggi ad showed kids coming to their mother saying, “Mummy, bhokh lagi”, an Annapurna Iodised Salt ad shows teachers playing a game with the students, while a grandmother is seen telling her grandchildren not to take short-cuts in an ad for Himalaya Chyavanaprash.

Biggest fears or worries

The seven- to 12-year-olds are petrified by lions, snakes, ghosts and lesser evils like the class teacher, specially when they haven't done their homework, losing a good position in class, exams, board exams and friendships breaking up.

For the boys, the stress was more performance-related: "How to be a successful man, how to come first in class, difficulties in my career and studies, what if I'm not able to do what my parents expect from me, board exams". Some others were pollution, not owning a cellphone and losing near and dear ones.

The girls were perturbed by "failure in achieving anything you want, failing in board exams, relationship with parents, fight with mothers losing friends and World War III".

Fears and worries are powerful emotions and marketers who can help comfort a child by resolving a fear will have gained a loyal patron.

The most important thing in life

"Fun, fame, money, doing good to others, becoming a cricketer, discovering what scientists have yet not discovered, becoming a doctor to help the poor," are some of the most vital things in the life of seven- to 12-year-olds. For 13- to 15-year-old boys it was simple: Money only or money and fame. The girls were more explicit with answers like fame, respect, money and satisfaction.

Technology in their lives

Most seven- to 12-year-olds are familiar with a PC and use it for e-mail, games, project work and surfing sites like cartoonnetworkindia.com, classteacher.com, pitara.com and ealoz.com. Computers are mostly used in school as only a few had PCs at home.

Among 13- and 15-year-old boys, the PC applications were nearly the same as seven- to 12-year-olds. Some pointed out "chatting with cousins" and "working on different software" as additional use. Some popular sites were rediff.com, indiatimes.com, yahoo.com, egurucool.com and espn.com. Majority used PCs at school, some at home and few at cyber cafés.

The girls' responses were similar to the boys. They used the PC mostly for chatting, e-mail and games. Some singled out playing cards, using PaintBrush software and collecting news and articles. Favourite sites were yahoo.com, indiatimes.com, hotmail.com and baazee.com.

Children today are much more sophisticated and computer literate than we were. In order to sell to them, marketers need to understand implications of technology in their lives — for example, it has made them less social to some extent.

Some favourite brands Seven- to 12-year-olds

Cornetto: -"because the cone is very crisp"

Boomer: "because it's sweeter and softer (than other gums)"

MAX Candy: "because there are so many different types"

Frooti: "because it's mango and natural"

Head & Shoulders: "because it keeps hair silky"

Sunsilk: "because it nourishes"

Doy: "because it comes in different colours and sizes"

Band Aid: "because of free stickers"

MRF Cricket Bat: "because it has a firm stroke"

13- to 15-year-old boys

Cadbury Dairy Milk: "because it's tasty"

Nirula's ice cream: "because the flavours are very nice and there is variety"

Alpenliebe: "because it tastes good"

Hero Cycles: "because they are cool, better than others and run very faster"

Britannia: "because of its wide range of biscuits"

Reebok: "because they are durable and fashionable"

Benetton: "because it's cool"

13- to 15-year-old girls

Pepsodent: "because it is in fashion and I like the ads"

McDonald's burger: "because it's very tasty and they are the best"

Top Ramen Noodles: "because they taste good"

Temptations chocolate: "because it is tempting"

Lakme: "because it is the best"

Domino's pizza: "because they are yummy"

Compared to adults, kids are less capable of processing product information, and they have lesser product experience to realize in their decision-making process. They search for bits and pieces of information that they can make sense of and tend to develop brand

loyalty based on these. Marketers need to understand how kids receive brands while targeting them.

While marketing to kids we need to adapt the marketing programmes. Based on their nuances they need to be treated specially. Some simple steps are:

Keep the positioning simple and childlike: The communication message must be based on simple ideas and appeal to the kids' imagination.

Example: Boomer chewing gum with the jingle "Boom boom boomer" and Boomer Man, the super hero.

Give them instant gratification: Kids are overjoyed by instant gratification, however small the gift may be. Tattoos with candy, dinky cars with Maggi noodles and cricket bats with Milo are some examples of freebies that have successfully driven sales among kids. These premiums appeal to kids who are constantly seeking excitement and novelty on a short-term basis. Also collectibles work well in peer groups, which are strong among kids.

Reach their height and sell to them: Retail outlets selling to kids need to realize that children who come to their store must be made comfortable — for instance, give a sweet to every kid who comes in.

Display products at their level so that they can conveniently interact with them. Kids love bright colours and cartoon characters — make sure your store has those.

A little special effort in selling to these little consumers will go a long way.

Case 2

PR or Advertising - Who's on Top?

By Richard Nemeč

It's a quintessential communication story for the 1990s: The client is a start-up venture with a few million dollars in current revenues and billions of dollars' worth of potential. Their product is on the low end of high tech, but with a broad range of new market potential. Where does this new enterprise turn for its marketing communication needs?

A virtual marketing department serves as the corporate communication arm of this company, which produces both hardware and software, operates a clinic in Los Angeles,

and through the Internet has created a nationwide network of 300 professionals in the psychological counseling field, using an evolving electronic health-care tool.

One lone experienced communication professional provides the start-up enterprise's combined advertising, PR, marketing and sales operation. The uniqueness of the product and the professional counseling service providers' market make the traditional marketing approaches obsolete. Big national publicity splashes are in the works and two books are already being published.

"There is no question that we are absolutely going to hire a PR firm before we hire an ad agency," says Kent Pelz, sole proprietor of AdVantage, providing virtual marketing/advertising departments for start-up companies and others, most of which have not gone public yet and have visions of exploiting the Internet. Pelz has a real client, EEG Spectrum, a biofeedback firm in southern California owned by some creative venture capitalists, for whom his statement above applies.

"Traditionally, that is pretty unusual," Pelz, who has more than three decades in the advertising/marketing business, admits. "At least in my experience, hiring an ad agency always came first. "The business world hasn't been its traditional self for a long time now - ever since microchips and Microsoft and the Net consumed our lives. A globalization of the world's economies and consolidation of the largest companies and industries have followed suit. No wonder PR-advertising isn't the same old game.

As the international business giants get ever bigger, myriad niche businesses are springing up in health care, telecommunication, energy, banking and entertainment. We live in a business climate that has shifted radically in less than a decade, but it promises to shift some more before the millennium is only a few years old.

The communication drivers for these still-to-be defined markets have been turned upside down or totally reinvented.

"There is no doubt that the communication paradigm has shifted," said Gerald Swerling, former Porter/Novelli West Coast operations head and now an independent counselor and head of the graduate PR program at the University of Southern California Annenberg School of Communication. He notes that a "tremendous maturity" has taken place in the public relations function this decade. He sees CEOs "demanding" that there be PR professionals at the strategic planning table for new products and initiatives, although he

is realistic enough to note that the situation could change just as quickly as it has developed.

Nevertheless, the perception remains that advertising is still king of the communication mix in any serious marketing effort. And it is true that there is more advertising being sold these days than ever before. (A projected U.S. \$112 billion in the U.S. alone in 1998, with another \$88 billion collectively in Japan, Germany, the United Kingdom and France.)

The Wall Street Journal technology supplement in November quoted Marian Salzman, Young & Rubicam's futurist and the co-author of the book "Next: The Flow of the Future" on communication's future role: "By 2008, we'll be even more bombarded by advertising messages than we are in 1998! They'll add to the stress of info overload."

The raw numbers, however, may belie the dynamics in today's global markets that make branding and focus more important than ever - even for the mega-organizations with consolidated breadth and depth to their businesses. Relative apples-to-oranges comparisons arise if advertising placement dollars are used; more accurate is a comparison of PR and advertising agency fees for clients.

"The birth of a brand is achieved with publicity, not advertising," write Al and Laura Ries in their newest book, "The 22 Immutable Laws of Branding," in which "Law Three" (the third chapter) is devoted to publicity's new prevalence over advertising in creating brands for consumers.

"Today brands are born, not made," write the Rieses, a father-daughter marketing consultancy based in Atlanta, Ga. "A new brand must be capable of generating favorable publicity in the media or it won't have a chance in the marketplace."

They cite Anita Roddick's personal publicity approach to building her Body Shop stores worldwide; Starbucks Coffee, which has reportedly spent only about U.S. \$10 million in advertising over the past 10 years; and Wal-Mart as examples of successful multi-billion-dollar, late-20th century businesses that have used no, or relatively little, advertising to gain their success. The Rieses think most of today's successful new brands have reached their success by being first in new categories of products.

"There is a strong relationship between the two," according to the Rieses. "The news media wants to talk about what's new, what's first, and what's hot, not what's better.

When your brand can make news, it has a chance to generate publicity. And the best way to make news is to announce a new category, not a new product."

One of the harbingers of the Rieses' observation is the fact that communication professionals increasingly are serving senior management or clients that want to combine the old separate business disciplines of PR, advertising, marketing and opinion research. Regarding the latter, I have personally observed a growing tendency to combine previously separate and tightly segmented disciplines for marketing, advertising, public opinion and political research. Traditional political polling techniques are now routinely used among employee or niche advertising audiences to find out what's on people's minds, but also what moves, or motivates, them.

Communication is increasingly behavior-focused - whether it is political, commercial or public policy-based. The critical question to answer: What is moving, or will move, important narrow audiences?

"Many of my clients are demanding an integrated marketing approach to their issues," says Gwen Young, president and founder of Young Communications, Los Angeles. "This is particularly true in the social marketing area [anti-smoking, birth control, safe sex, and utility deregulation, to cite a few]."

One of the latest examples of this flip-flop in advertising-public relations in late 1998 was the PR senior executive chosen to head Young & Rubicam, Inc., the U.S.-based international ad agency. It made headlines in the national business press when Thomas Bell, a former president and CEO of Burson-Marsteller Worldwide, was picked to head the operations of Y&R Worldwide, the fifth largest international communication company. Speculation is that Bell eventually will be chairman and CEO of a vast multinational communication empire in which PR and advertising are increasingly blurred, although Y&R's roots are firmly planted in the ad business. If current indications are borne out, communication efforts may, in fact, be driven more by public relations and broad public policy considerations focused on narrow audiences who can be moved to act. But the other side for communication professionals is the fact that the riskiness of their jobs and projects will continue to grow. There is nowhere to hide. Adaptability and flexibility will be necessities for anyone trying to build and carry out successful, integrated communication programs.

"Those who adapt are most likely to prosper; those who resist are most likely to wake up one day and say, 'What happened?'" writes New York City based executive recruiter Elaine Goldman in an article in the Public Relations Society of America's quarterly professional publication, *Strategist* (Spring 1998).

But seasoned professional communicators - in both advertising and public relations - are reluctant to make sweeping judgments because the footprint of advertising is so large in our increasingly market-driven society. Our electronic and technological revolution has increased exponentially the numbers of products and services. This, in turn, has created unlimited choices for consumers. All of this means big bucks for advertising.

What is more subtle and less recognized as yet is the inherent need to be able to focus and differentiate products and services better in this cacophonous competing data stream. In this increasingly crowded, complicated marketplace, tethered as it is to its electronic moorings, advertising will not differentiate your client or product. It is not a good branding mechanism.

Example: A fledgling part of the multi-billion-dollar U.S. electric generation industry that deals with producing power from environmentally clean sources - so-called "green" power - illustrates how complex our consumer products and services are becoming. (Color-coded electricity!) Necessarily, the communication campaigns for these items must be more strategically focused and conceived.

"If you look at the standard ways green power has been advertised so far, it hasn't been getting a really great response," says John Giese, green power manager for the nation's largest municipal utility, the City of Los Angeles Department of Water and Power. "We feel we've got to use some nontraditional ways to get the word out, so people understand that this really does make a difference.

"I don't think people really understand that when you bring green power on the grid, you're starting to actually clean up the air for your kids. It is a tough message to get out there. Traditional advertising is very expensive and since you're in a thin margin business, you have to find ways to reach people with a good message for a lot less money than having full-on TV ads every day."

You need news value and a human side to your messages in today's world. This is why integrated marketing communication has been such a buzz word, although only the

insiders know what it really means. (I am still unsure.) I prefer to think that, realistically, the concept is still being defined, just as markets and market segments are being constantly redefined in our cyberspace-driven world. Audiences shift with the click of a mouse.

So the challenge for communicators to ponder is that today's constantly shifting business/communication climate involving more and more consolidations and increasing niche companies and markets may be turned upside down in regard to communication drivers. The perception, nevertheless, remains that advertising is top dog in any major marketing effort. It is probably only a "perception," however.

"Your premise is right on," says veteran communication executive and counselor Lloyd Dennis, from his seaside home office in southern California. "Advertising, however, is still viewed as the major marketing tool. I don't think publicity will supplant it. Senior management still doesn't appreciate how public positioning can help create a better image."

Dennis thinks the trend will continue toward integration of advertising and public relations, but the speed and scope of advertising will always attract support from business leaders. It can make a splash and be done quickly if necessary. Effective PR programs take more time, and their value isn't always related as readily to the overall company marketing effort.

What we miss sometimes is that the communication function has become much more strategic and broad-based. Thus advertising keeps a high, big-budget profile, but it should not drive communication strategy. In this arena, the public relations aspects should drive, and increasingly are driving, integrated communication strategies. This is true because advertising increasingly is used to reinforce and maintain points of view, but not create them.

In Gerald Swerling's graduate PR program at University of Southern California's Annenberg School, students are prepared to be "strategists" and general problem-solvers for organizations. Swerling no longer sees them as solely communication specialists; rather they are "organizational strategists" familiar and comfortable with organizational dynamics. "They are people with a grasp of the whole business structure, just as any good marketing or accounting professionals would be, too," Swerling says.

Today's world has many more voices and diverse cultural backgrounds to be dealt with in integrated communication efforts. The open space of the Internet tends to accentuate this diverse landscape. In this environment, there is more emphasis on strategic focus and a need to educate audiences.

An experienced social marketing/public relations professional acknowledges that more often than not she finds herself working more closely with clients' marketing staffs than with the traditional PR and community outreach professionals. Her clients continue to employ advertising, but with a more community-based approach. They tend to apply public relations skills to strengthen an advertising campaign's main message, provide more depth and offer more credibility through articulating third-party voices.

The creation of understanding and motivation, and eventually behavior changes, needs a more focused, people-to-people approach. And that is possible only in highly strategic PR/marketing efforts to create a cadre of third-party endorsers. This effort, albeit slower than an advertising campaign, will create the desired climate, which advertising will then be used to reinforce. And if research shows the climate has not been created, organizations can save their advertising dollars until the time is right.

Lotus Notes became the successful company that was eventually bought by IBM for U.S. \$3.5 billion through publicity, despite its disconnected advertising, according to Al and Laura Ries.

"Most companies develop their branding strategies as if advertising were the primary communication vehicle. They're wrong. Strategy should be developed first from a publicity point of view."

I would caution drawing too many conclusions from this provocative thought, knowing that with each individual communication leader and organizational head goes a different definition and expectation of what is meant by "publicity," "PR" and "promotion." Regardless, it is clear that something new is developing in the traditional relationships among communication disciplines.

Increasingly today, PR may be the "lead," or driver, for a communication program because it comes first in the timing sequence. The entertainment industry, which some professionals think has expanded its strategic communication tremendously since its historic narrow focus on the publicity function alone, provides a good example of this

new sequence in the way it now uses PR to build awareness of major new movies before moving into heavy advertising and hype. The late 1997 introduction of Paul Simon's short-lived Broadway musical, "Capeman," is another example where intense interest in the real-life character on which the production was based (the "news" value or PR) provided a rich communication mix long before the show opened and advertising dollars were used.

"Advertising in the 1990s may be too complex and expensive at times," says Swerling, who provides strategic PR counsel to various Fortune 1000 clients in addition to his ongoing academic ties. "You can't just run ads on the major networks anymore if you want a 'national campaign.' There are a lot more diverse channels now. Media are fragmented and the costs are up all over."

It is understood today that all corporate communication, in essence, exists to support the movement of a product or service into the hands of the consumer. So within a given organization, communicators are dealing with an audience that is going to produce a product, do it efficiently, and ultimately get it out the door and on a shelf.

"There is more of a bottom-line, net-income mentality that exists at all levels of communication now that I don't think had existed before," says Kathleen Des Rosiers, managing director with New York-based Marshall Consultants, Inc., a corporate and marketing communication executive search firm. "You see it in all areas of communication. I see striking changes in internal communication."

To cut through the thicket of theory and practice on this subject that is spread across organizations - both public and private - today, I talked with a number of communication veterans, survivors of various information wars over the past three decades. All of them see less distinction among marketing, public relations and advertising.

One such vet, Chuck Rossie, a former network-affiliate TV news director and more recently a crisis communication consultant to organizations around the U.S., referred to his old edition of Cutlip & Center's PR book, "Effective Public Relations," to recall the essence of the three fields. By the textbook definitions of old: (1) "marketing," which is spreading throughout even the public sector these days, is supposed to identify human needs or wants and fulfill them with products and services; (2) "advertising" then uses

paid media to support that effort; and (3) "PR" uses relationship-building to create publicity and third-party support.

Since the essence of all successful business, government and philanthropy at the close of the twentieth century is "relationships," PR has to be taken more seriously and used more fully and creatively. If it is, marketing should be more thorough and successful, and advertising will be more focused and creative.

"To me, the future leads to an integration in which the relationships on the old PR side have to expand to include emotional connections," Rossie says. "The 'transactions' on the old marketing side will have to expand to create or support relationships beyond plain cash exchange, and all of the messages to inform or persuade - including direct and indirect advertising - must meld together.

"This means that maybe the person who produces the online computer newsletter, and the person who writes the speeches for the bosses to put on video, and the person who buys the pop-up advertising online may have different roots, but will look more like each other in 25 years than they did 25 years ago."

It promises to be an exciting 25 years. But communicators had better buckle up for the ride!