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Chapter Ten

Alternative Marketing

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The Video Game Market Reaches a New Niche

- Traditionally — teens and young adults
- Now 40% of gamers are females
- 130 million females play video games
- www.womengamers.com
- Women tend to play
  - Handheld casual games
  - Socially-oriented games
- Few women game developers
- Females now a prime target

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Chapter Objectives

1. How can buzz marketing, guerilla marketing, lifestyle marketing, and experiential marketing enhance a marketing communications program?

2. What methods can be used to effectively employ product placements and branded entertainment?

3. Why has the use of alternative media venues, especially video game advertising, grown in marketing communications programs?

4. How have in store marketing and point-of-purchase displays evolved into even more effective communications and sales tools?

5. How can brand communities enhance brand loyalty and devotion?

6. What methods are used to adapt alternative marketing programs to international marketing efforts?

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Alternative Marketing
Chapter Overview

- Traditional media faces challenges
- Alternative methods have emerged
- Alternative approaches
  - Buzz marketing
  - Guerilla marketing
  - Product placement
  - Branded entertainment
  - Lifestyle marketing
- Alternative media
- In-store marketing
- Brand communities

Alternative Marketing Programs

- Requires creativity and imagination
- Identify intersect paths
- Alternative media programs
  - Buzz marketing
  - Guerilla marketing
  - Lifestyle marketing
  - Experiential marketing
  - Product placement
  - Branded entertainment

Buzz Marketing

- Word-of-mouth marketing
  - Higher credibility
- Fast growth – now $1 billion annually
- Methods of generating buzz
  - Consumers who like a brand
  - Sponsored consumers
  - Company or agency generated buzz

Consumers Who Like a Brand

- Ideal ambassador

- Buzz spread

  - In person

  - Internet

    - Chat rooms

    - Blogs

    - E-mails

Sponsored Consumers

- Agent or advocate for a new brand
- Brand ambassadors or customer evangelists
  - Typically individuals who already like brand
  - Offer incentives in exchange for advocacy
  - Selection based on
    - Devotion to brand
    - Size of social circles
  - Expected to delivery messages
    - Grassroots efforts
    - Low-cost marketing events
    - Online social networks
  - Honest about relationship

House Parties

- Nestle Purina
  - Spent $50,000 on 1,000 house parties
  - Chef Michael's Canine Creations
  - Household
    - Incomes greater than $60,000
    - Pamper pets
- BzzAgent
  - Offers house parties and brand ambassadors
  - Suzanne Ermel, Black Box wine

Company Employees

- Employees posing as customers
- High risk approach
- Word of Mouth Marketing Association (WOMMA)
  - Honesty of relationship
  - Honesty of opinion
  - Honesty of identity

Buzz Marketing Stages

Inoculation ⟶ ***Incubation*** ⟶ ***Infection***

- Buzz marketing difficult during inoculation stage
- Must use brand ambassadors or customer evangelists
- True customer-generated buzz occurs after awareness
- Awareness generated through traditional advertising

Buzz Marketing Preconditions

- Brand must be unique, new, or perform better

- Brand must stand out

- Advertising should be

  - Memorable

  - Intriguing

  - Different

  - Unique

- Customers must get involved

- Buzz marketing works because

  - People trust someone else's opinion

  - People like to give their opinion

Stealth Marketing

- Surreptitious practices

- Thrives in online world

- Ethical debate

  - Shrewd method

  - Dishonest approach

Guerilla Marketing

- Developed by Jay Conrad Levinson
- Instant results with unique, low-cost approaches
- Focus on region or area
- Involve interacting with consumers
- Create excitement
- Goal is to generate buzz
- Grassroots efforts
- Alternative media
- Engobi (Integrated Campaign)

Reasons for Using Guerilla Marketing

- To find new ways to communicate with customers
- To interact with customers
- To make advertising accessible to consumers
- To impact a spot market
- To create buzz
- To build relationships with consumers

Lifestyle Marketing

- Associated with hobbies and entertainment
- Contacting consumers where they go for
  - Relaxation
  - Excitement
  - Socialization
  - Enjoyment

Experiential Marketing

Direct marketing **+** *Field Marketing* **+** *Sales Promotions*

- Direct marketing through interactive connection
- Engage consumers
- Cadillac
  - Current and perspective customers
  - Golf clinics
  - Culinary tour
  - High performance driving
- Cotton, Inc – Jack Morton Worldwide
  - Traveling mall exhibit
  - "The Fabric of Our Lives"

Experiential Marketing

Steps to create positive experience

1. Clear, concise target segment
2. Identify right time, right place
   - Engage emotionally
   - Engage logically
3. Clearly reveal brand's promise

Product Placement and Branded Entertainment

"Getting products noticed has become increasingly difficult, so companies have shifted more dollars to product placements and branded entertainment."

Product Placement

- Planned insertion

- Used since 1890s

- Biggest surge in 1982 – *E.T.* and Reese's Pieces

- Product placements
  - Increased awareness
  - More positive attitude toward brand
  - No immediate impact on sales

- Low cost per viewer
  - Movies
  - DVD movie rental
  - Pay-per-view television
  - Television

Product Placement

Nielsen Research

- Brands in "emotionally engaging" programs recognized by 43% more viewers

- Brand recognition increased 29% in "highly enjoyed programs"

- Positive brand feelings increased 85% for brands in popular programs

Source: Based on Linda Moss, "Nielsen: Product Placements Succeed in "'Emotionally Engaging' Shows," *Multichannel News*, *www.multichannel.com/ index.asp*, December 10, 2007.

Branded Entertainment

- Brand woven into the storyline
- Use increased sharply with reality shows
- Also found in novels, plays, songs, and movies

Top Television Product Placements

Top Brands
(Total occurrences/month)

Top Shows
(Total occurrences/month)

Top Brands		Top Shows	
• Coca-Cola	99	• American Idol	208
• AT&T	76	• Celebrity Apprentice	127
• Chevrolet	45	• America's Next Top Model	88
• Ford	39	• Biggest Loser	88
• Apple	32	• Amazing Race	69
• Everlast	32	• Shedding the Wedding	40
• Nike	32	• Dancing with the Stars	38

Source: Based on "Product Placement Hits High Gear on American Idol, Broadcast's Top Series for Brand Mentions," Advertising Age, April 18, 2011, http://adage.com/pring/227041.

Key Factors in Product Placement and Branded Entertainment

- **Media**
- **Supporting promotional activities**
- **Consumer attitudes toward placements**
- **Placement characteristics**
- **Regulations**

Company Tactics

Product Placement – Branded Entertainment

Reasons for increased spending:

- Appeal stronger in non-advertising context
- Perception of what others think is important
- Provides post-purchase reassurance
- Reach individuals who place little value on brands
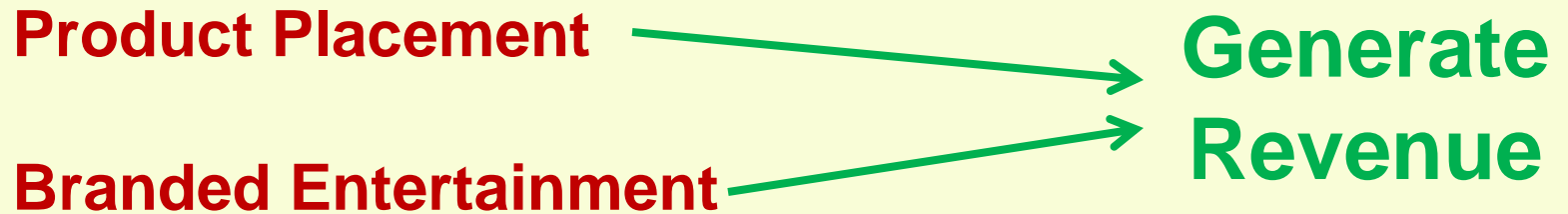
Media Perspective

Product Placement → **Generate Revenue**

Branded Entertainment →

Alternative Media Venues

- **Video games**
- **Cinemas**
- **Subways**
- **Street and mall kiosks**
- **Escalators**
- **Parking lots**
- **Airlines**
- **Shopping bags**
- **Clothes**

Video Game Advertising

- $7 billion per year spent on in-game ads
- Very attractive market
  - 75% of online households spend at least 1 hour per month playing online games
  - 27% average 30 hours or more
  - Primary market is 17-34 year old males
    - Have become difficult to reach
    - Play shooting games
  - Fastest growing market is females
    - Now 40% of market
    - Play puzzle and cerebral games

Video Game Advertising

- **In-game advertisements**
- **Rotating in-game advertising**
- **Interactive ads**
- **Game-related Web sites**
- **Advergames**
- **Sponsored downloads**

Video Game Advertising

- **Benefits**
  - Game just as enjoyable with ads
  - Increases brand recall
  - Positive brand associations
- **New video game technology**
  - Change ads in real time
  - Rotate ads
  - Deliver time-sensitive ads
  - Use interactive ads

Cinema Advertising

- Ads prior to movie
- Captive audience
- Photosmart Premium Printer – HP
    - Cinema center of integrated campaign
    - 30-second spot in pre-feature program
    - 17,300 theaters
    - 2,600 plasma screens in lobbies
    - Delivered 50,000 demonstrations
    - Delivered 700,00 lobby impressions

Other Alternative Media

- Subways
- Public facilities
- Parking lots, stairs, escalators
- Airlines
- Unleashed Dog Parks
  - Bus wrap, street kiosk, and billboards
- Kraft Lunchables
  - Out-of-home component
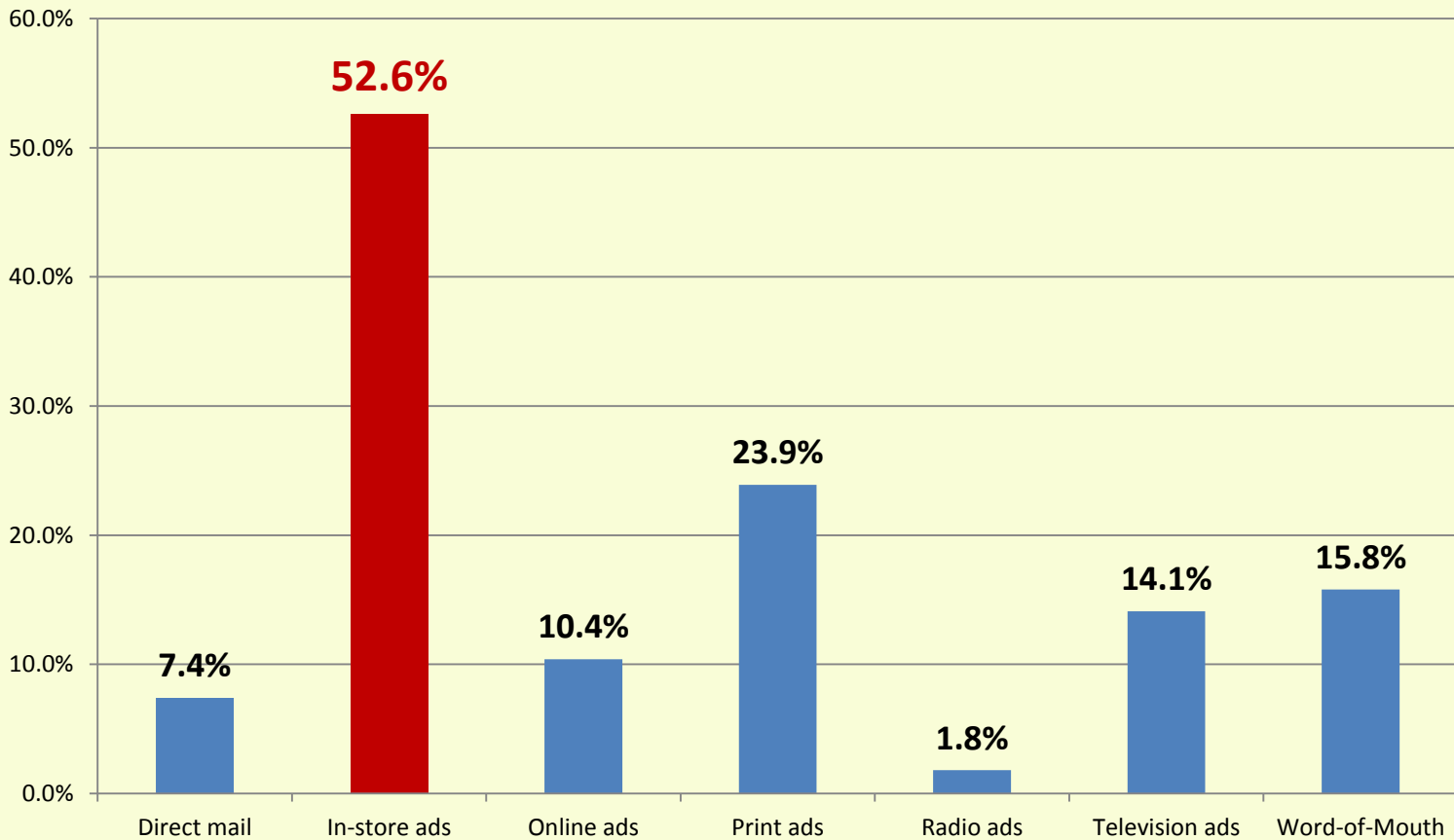- Facial recognition digital displays

In-Store Marketing

- 60% of purchase decisions made in store
- Funds represent small percent of budgets

FIGURE 10.10

Types of Advertising that Most Influenced Clothing Purchases

Source: Adapted from Amy Johannes, "Snap Decisions," Promo, Vol. 18, No. 11 (October 2005), p. 16.

In-Store Marketing Tactics

- In-store "make or break" time
- Engage customers
    - Most engaging
        - End-aisle displays
        - Merchandise displays
    - Lease engaging
        - Ceiling banners
        - Overhead mobiles
- Use color, light, sound, taste, and smell
- Motion
    - Video screens
    - Television monitors
    - Digital signage

In-Store Marketing Tactics

- Airplay America
  - Salon Channel
  - Patron averages 30-45 minutes in salon
- Wal-Mart
  - In-store television ads
  - Different ads for different departments within a store
  - Digital and flat-screen monitors
  - Reaches 127 million shoppers per week

Point-of-Purchase Tactics

- Location is key

- Last chance to reach buyer

- Effective for increasing sales because

  - 60% of decisions are in store

  - 50% of money spent at mass-merchandisers and supermarkets is unplanned

  - 50% of Coca-Cola products from displays

- Average increase in sales is 9%

- Half of POP displays not effective

  - Half that are effective – 20% increase in sales

F I G U R E   10.11

Effective Point of Purchase Displays

- Integrate the brand's image into the display.
- Integrate the display with current advertising and promotions.
- Make the display dramatic to get attention.
- Keep the color of the display down so the product and signage stand out.
- Make the display versatile so it can be easily adapted by retailers.
- Make the display re-usable and easy to assemble.
- Make the display easy to stock.
- Customize the display to fit the retailer's store.

Measuring POP Effectiveness

- Retailers and manufacturers want effective displays
- Point-of-sales (POS) data
- For retailers
  - Indicates time to withdraw or change display
  - Identify POP displays with largest impact
  - Test market different displays
- For manufacturers
  - Data can improve quality of displays
  - Strengthen relationships with retailers

Brand Communities

- Ultimate demonstration of
  - Brand loyalty
  - Brand devotion
- Symbolic meaning
- Interactions between brand and consumer
- Shared values and experiences
- Cannot be created by brands itself
- Marketing can enhance community experience

FIGURE 10.12

Reasons Brand Communities Form

- Affirmation of the buying decision
- Social identity and bond
- Swap stories
- Swap advice and provide help to others
- Feedback and new ideas

Ways to Enhance a Brand Community

- Create benefits to encourage new customers to join.
- Provide materials not available anywhere else.
- Involve firm representatives in the groups.
- Sponsor special events and regular meetings.
- Promote communications among members.
- Build a strong brand reputation.

Source: Adapted from "Brand Communities," Bulletpoint, No. 133 (July 2006), pp. 12-16.

International Implications

- Alternative marketing – U.S. minorities
- Alternative media used in other countries
  - "A Sunny Day" – China (Pepsi and Starbucks)
- Brand communities developing in other countries
  - Jeep – China
- Ad clutter a global problem
  - Growing use of alternative media tactics
  - New alternative marketing programs

Integrated Campaigns in Action

Engobi

- Guerrilla marketing
- Pink Jacket Creative