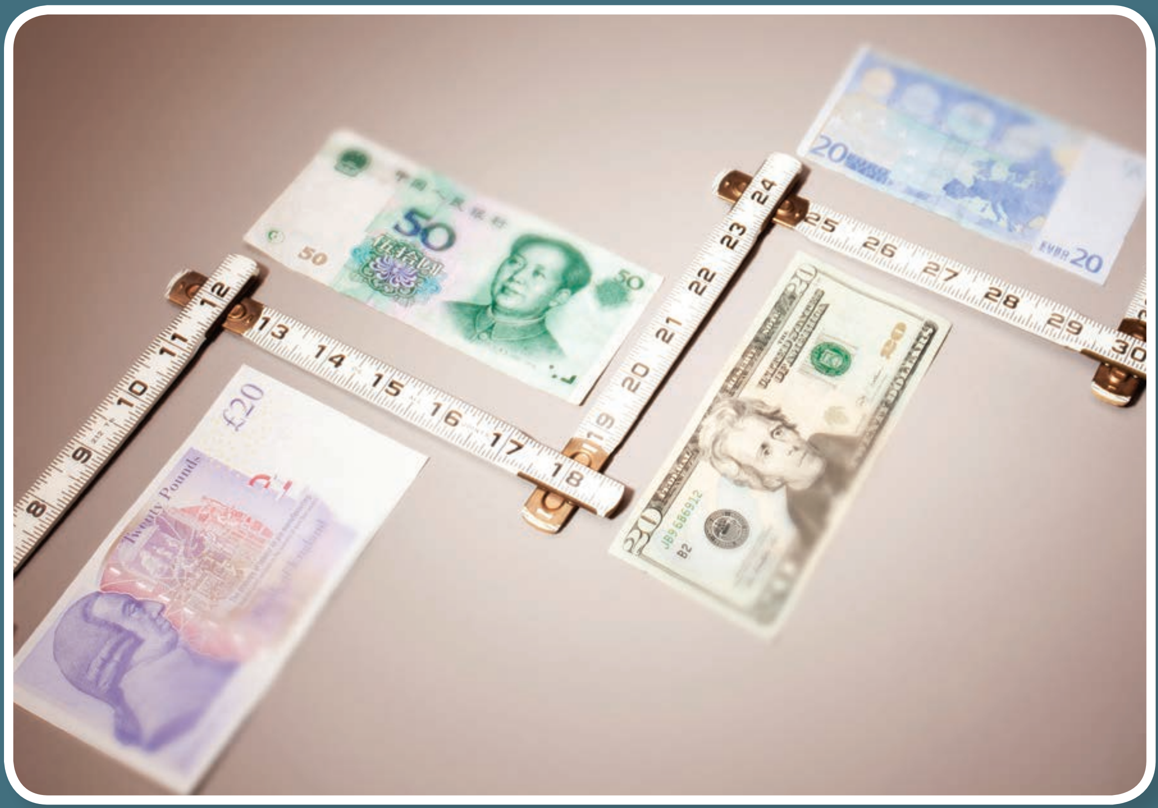
Evaluation, Control, Laws, and Ethics

11



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Learning Objectives

Upon completion of this chapter the student will be able to:

- Describe the processes involved with evaluation and control of the IMC plan.
- Understand where and how measurement is used in assessing an IMC plan.
- Explain why ethics are important and the different laws and legal constraints that may impact the IMC plan.
- State the importance of self-regulation and the primary functions of the Advertising Self-Regulatory Council.

Pre-Test

1. Why do many companies make the mistake of not undertaking the process of IMC plan evaluation?
   a) There are too many variables that cannot be controlled.
   b) It is costly in terms of both time and money.
   c) They lack the expertise to carry out an effective evaluation.
   d) They wrongly believe that it will not help them improve.
2. Which of the following is true about qualitative research?
   a) It can be generalized to an entire population.
   b) It is most useful for research with a clearly defined problem.
   c) It is a more structured and less flexible form of research.
   d) It is useful for exploratory research with relatively small samples.
3. In which perspective on profits and principles do companies weigh both profits and principles and seek the best balance between the two?
   a) The win-win perspective
   b) The license-to-operate perspective
   c) The acceptable-profit perspective
   d) The integrated perspective
4. When was the National Advertising Review Board (NARB) formed?
   a) 1925
   b) 1971
   c) 1998
   d) 2006

Answers

1. b) It is costly in terms of both time and money. The correct answer can be found in Section 11.1
2. d) It is useful for exploratory research with relatively small samples. The correct answer can be found in Section 11.2
3. d) The integrated perspective. The correct answer can be found in Section 11.3
4. b) 1971. The correct answer can be found in Section 11.4

Introduction

Jessica Alba is a television and movie actress. After becoming a new mother, she found it difficult to find safe yet stylish products for her baby. She partnered with Brian Lee, a successful entrepreneur, and Christopher Gavin, a children's health expert, to launch The Honest Company in January 2012.The company sells children's clothing that is free of chemicals and safe for the environment. According to the company website (www.honest.com), a monthly subscription service of baby products is available. It includes the most often used products (diapers, bath supplies, skin care).

Even startups that have money and famous executives can run into problems. After launching, the company received notice of a trademark infringement from HonestBaby, a small clothing manufacturer. The parties were able to come to an agreement and the issue was dropped.

The Honest Company then initiated a trademark infringement suit against Honest Toddler, a humorous blog and social media feed owned by Bunmi Laditan. At first, these two companies coexisted peacefully but when Honest Toddler filed a trademark application with the United States Patent and Trademark office for the Honest Toddler blog and website, The Honest Company requested Honest Toddler to withdraw the application and cease all activities that infringe on Honest Company's established trademarks.

No agreement has yet been reached and both sides are fighting to retain their company names. The negative buzz on social media does not help either company (Frankel, 2013). While the companies continue with their marketing communications, the legal issues interrupt their efforts.

PRNewsFoto/The Honest Company

▲ The Honest Company makes and sells nontoxic and eco-friendly items for infants.

Although a lot of work and effort go into the development of the IMC plan, the execution of the plan can be difficult to manage. Objectives help guide the development of the plan. Company executives, or in some cases the client, will also use objectives to see if the plan is performing the way it was presented. Once the plan is in play, the job of the IMC manager is to make sure the plan is performing and delivering value. If the plan isn't on track to achieve the desired objectives, changes must be made and adjustments in each of the variables may be required.

This chapter focuses on the evaluation and measurement of an IMC plan and suggests changes that can be made during the plan's duration (called control). Although a thorough understanding of methods needed to develop integrated marketing communications metrics is not required, an understanding of what those metrics mean is required in order to effectively manage the plan.

11.1 Evaluation and Control of the IMC Plan

The information necessary to generate a comprehensive integrated marketing communications plan has been provided in this text. For example, to create a plan, a company will have generated information and data to successfully execute a campaign. The company will have determined mission, vision, and objectives. Marketing experts will have assessed the market and selected media. Tactical executions and dates and times have been placed into a flowchart. It is time to execute and manage the plan.

Advantages and Disadvantages of Evaluation

Using a system of evaluation and control allows managers to control the plan and make the required changes in order to achieve the objectives. Three major advantages occur when an IMC plan undergoes a thorough evaluation process:

1. Different perspectives add value. Often hardworking and creative professionals are caught up in the day-to-day operation of the business. This creates myopia on the part of IMC professionals. An outside view of their work and an evaluation process points out to professionals where they're doing great work and where they need to adjust their plans.
2. Mistakes can be avoided. Any mistake in integrated marketing communications is costly. Industry expenditures in advertising and IMC are in the billions of dollars. By creating a plan and inserting evaluation areas, the IMC planner can be sure that the dollar investment is spent correctly and that time is saved (Ogden and Rarick, 2010).
3. The effectiveness of the overall IMC, advertising tactics, and strategies can be measured to create integration. Because the executions are measurable, IMC planners, over time, begin to understand what works and what doesn't. Additionally, the media expenditures tied to the budget can be assessed. If poorly developed strategies are highlighted in the evaluation, these can be deleted from the plan. If the executions aren't working, they can be deleted or modified in order to strengthen the plan (Ogden, 1998).

Although evaluation should occur throughout the campaign, the end of a campaign is most often the time to measure success.

A disadvantage of evaluation and control is that there are other variables that impact a campaign (weather, natural disasters, competition). These variables often affect the achievement of objectives and are difficult to measure. Competitors may change their executions or devote money and other resources to their marketing communications operations. The economy may take a downturn, causing businesses to fail to achieve objectives. When assessing and evaluating the objectives, managers must make sure the reasons for achieving or not achieving the objectives are understood.

Another disadvantage is the lag time between the end of the campaign and when the company experiences results. Campaign results may not be realized until months or years later. Finally, one of the biggest disadvantages of undergoing evaluation and control is the high cost in terms of money and time. Because of the costs associated with the functions of evaluation and control, many companies do not undertake this process. This is a mistake. Although it takes time, money, and effort to do an evaluation, the effort will result in future savings of time and money.

Whose Job Is It to Evaluate an IMC Plan?

An important issue that often comes up in the evaluation process is who should conduct evaluations. One of the advantages of using an agency is that agency staff often perform the evaluation process. Almost all advertising and IMC agencies will help track ad placements and audience members. They can also help with make-goods (discussed in the next paragraph), preevaluations and other evaluation processes that will help make the campaign more effective. In addition to using outside sources, it is recommended that an inside evaluation be undertaken. Because IMC managers know the business and audiences, their insight is invaluable. The more evaluation and control methods that are built into the campaign, the more effective the marketing communications will be.

There are many areas in IMC that must be managed. Usually, each division that developed a portion of the plan manages that portion of the plan. For example, the media department makes sure that the ads they've purchased actually appear in print, online, or are broadcast. Just because a company representative scheduled media, doesn't mean that the execution (advertisement, commercial, magazine ad) will run as scheduled. For example, suppose you just booked a 60-second television commercial on NBC. Right before the commercial runs there is "breaking news" so the network breaks in to air the news and your commercial doesn't appear where and when it's supposed to appear. If you're doing your job, you know that the commercial didn't air, so you request a make-good. A **make-good** is a commercial or ad credit the media gives due to an error in the running of the intended advertisement. Although make-goods are a fairly common occurrence, other issues also pop up that will impact the plan, as illustrated by the introduction regarding The Honest Company's legal issues. IMC managers must think fast and have a strategic response ready for problems and issues that creep into the IMC plan.

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▲ While all IMC professionals are involved in evaluation, it is the IMC executives' role to ensure it occurs.

It is the job of the IMC vice president or manager to make sure all sections of the plan are evaluated, and to approve any changes made to the plan. IMC professionals typically use systematic evaluation and control to make sure they're on plan.

Evaluation and Control Processes

Evaluation processes help determine whether the IMC plan is operating the way it was envisioned. Each piece of the plan is assessed and compared to the objectives. If objectives aren't being met, the IMC manager must take steps to correct this problem. Taking the necessary corrective steps in the process is known as control. It's not enough to simply identify what is going wrong with the plan, the IMC manager must step in and correct the problems. Often, especially when dealing with the creative executions, steps are taken to test the creative executions prior to the launch of the full-scale campaign. There are numerous ways to test the creative elements. Many of these will be discussed in the next section.

Typically, the process used when evaluating the IMC plan is to start from the bottom of the IMC flowchart (tactics) and work back to the beginning (mission and vision). It's less expensive to correct the tactical executions than it is to change overall strategy. By assessing and evaluating the plan from the bottom to the top, IMC planners save time and money as most errors in the plan occur during executions and creative development.

With a process in hand, the next step is to determine what should be evaluated and when the evaluations should occur. There are four key times when evaluations should be performed (Ogden and Rarick, 2010).

1. At the beginning of the campaign.
2. At the end of the development of the creative platform.
3. During the IMC campaign period (especially when assessing and evaluating the media placements and media executions).
4. After the IMC campaign has been executed (post-testing).

Each period offers the IMC planner an opportunity to create the evaluation and put controls into play. If the campaign isn't working, changes can be made. When evaluating a plan, IMC managers use measurement tools and metrics to help them create averages from which to compare the campaign effectiveness. A **measurement** is a dimension, a quantity, or a capacity ascertained by measuring. It's a reference standard that is used for comparison purposes. A **metric**, on the other hand, is a system that helps to quantify a trend, dynamic, or characteristic (Farris et al., 2009). Although there are literally thousands of measurements and metrics that can be used to evaluate the effectiveness of the IMC plan, this text focuses on those that are the most popular.

Typically, objectives are measured and evaluated for every area of the IMC plan. Measurement tools and systems help collect and compare the data. A manager may want to know how the company performed last quarter compared to this quarter. Comparing the company to competitors is a common area of evaluation. Comparisons can be made on sales, profits, and IMC expenditures. These and other areas of measurement will help the IMC planner create better campaigns in the future. Taking frequent measurements keeps the plan on track.

In the next section, we will discuss the process of measuring a campaign and some popular metrics used in that evaluation.

Learning Check

Reflect on your learning by answering the following questions:

1. What are advantages and disadvantages of evaluation and control?
2. Why do you think many companies do not invest in evaluation and control?
3. Who should be responsible for evaluation and control of IMC areas?

11.2 Measurement and Testing

Measurement and testing are activities used to evaluate and assess the effectiveness of an IMC campaign. In addition to the main campaign objectives, objectives for each of the tactical executions are measured. Thus, it is necessary to evaluate the media objectives, the creative objectives, the public relations and publicity objectives, the personal selling objectives, and so on. Each of the objectives must be evaluated to learn why these objectives were reached, and perhaps more worthwhile, why the objectives weren't reached.

Concept Tests

It is always a good idea to begin the measurement process prior to executing the campaign. In that regard, the first measurement to run is a concept test. A **concept test** uses qualitative data and sometimes quantitative data to evaluate an idea before it's launched. Concept tests should be run after the IMC plan has been completed, but prior to actually executing the plan. The concept test will provide an indication of the audience's reaction to the campaign. Audience members are recruited in a variety of ways including online, in person, or by phone. When choosing audience members it is important to select people in the target market.

In a concept test, a sample of the IMC execution is provided to the audience. Ideally, this is in the finished form, but more often companies use storyboards or animation because it is expensive to invest money in an execution that may be changed. The audience is informed of the benefits and unique selling proposition of the brand or product. In addition, price ranges are given for the product or service. Based upon the data, audience members record, either verbally or on paper, how they see the product.

Concept Test

This is a video of how a storyboard is used to concept test an ad prior to full production:

http://www.youtube.com/watch?v=9YXBPBNhMBk

Concept tests generate a lot of data and information. The test may also indicate how the product would perform in the marketplace. In order to generate a concept test, statistics and research methodologies are employed. Many methods for generating data for a concept test are provided in Table 11.1. Keep in mind that these methodologies can be used elsewhere in the overall IMC plan, and in particular for evaluation and control.

Table 11.1 Methods of generating concept test data

Type	Description	Example
Focus groups	Perhaps the most common method used in concept testing is the focus group. Focus groups are small groups of people that represent the target market (or population sample) who are brought together to talk about issues related to a product or brand.	A group of 6–12 individuals that provides ideas and opinions to the focus group facilitator about a new brand of watches. IMC executives use this insight to assess the effectiveness of their plan, their messaging, or some other component of the IMC plan that is under study.
Delphi technique	The Delphi technique is a specialized form of executive opinion research that is used in conjunction with other research tools. The process is secretive and each member of the sample does not know who the other members are.	Upper level executives (or experts) are asked their opinions about issues related to a specific IMC problem. Results are tallied and the research results are shared with all members of the IMC staff who will benefit.
Scaling or rating scales	Scaling is used when researchers are trying to ascertain the strength of some type of a relationship between variables.	Someone has indicated interest in purchasing a new product a company plans to market. Although this person has an interest in the product, what is not known is how strong that interest is. Scaling can provide an indication of how strong the need or want is for that consumer. In advertising, scales are widely used and there are different types of scales that can be developed. Here is a scale question: On a scale of 1 to 5 with 5 equal to "will definitely purchase" and 1 equal to "will definitely not purchase," how likely are you to buy the product?

(continued)

Type	Description	Example
In-depth interviews	In-depth interviews are used to generate additional, deeper information. Customers provide in-depth information on their likes and dislikes of a campaign, brand, or any other topic under study. Additionally, IMC researchers may uncover other ideas to help in the communication of the brand. If the best customers like the product or brand's concept, the brand has a good chance of succeeding in the market place. Because a small amount of customers typically provide the majority of revenue for a business, IMC professionals may wish to speak to only the best customers (defined as those who purchase the highest quantities of goods and services) to gain insight about a new IMC campaign.	A researcher interviews the top 50 customers of a bank to determine what likes and dislikes were associated with the banking services.
Questionnaires	Questionnaires allow IMC researchers to generate data from the entire target market or population under study. Perceptions, opinions, and ideas can be discovered from questionnaires. Developing a questionnaire is a difficult task. The researcher must correctly word and sequence the questions. The length of a questionnaire is important in order to generate the responses needed. Questionnaires are typically sent to large sample groups and are used to represent the projected population (or target market).	A questionnaire is sent to a sample of 100 customers to determine their perceptions of the company's public relations efforts.
Paired comparison tests	As on a rating scale, consumers are asked to give their opinions about brands, products, media, etc. Each of the responses is "paired" with a brand in the product category. Paired comparison tests allow IMC planners and managers to measure consumer preferences based upon competing products. It gives the advertiser an idea of which products or brands are preferred over others and why.	The respondent may be asked which type of peanut butter tastes thicker: Peter Pan or Jif®?
Projective techniques	IMC professionals often want respondents or consumers to project their own ideas or thoughts into a situation where a product or brand is used. This technique is also effective in testing media channels. The goal is to discover opinions, feelings, or attitudes about a company, product, or brand.	A group of consumers is shown an advertisement and asked to build a story about what they see.

Although the techniques listed in Table 11.1 are widely used, they're not the only techniques available (Wilson and Ogden, 2008). IMC professionals often leverage new technologies when developed.

Qualitative Versus Quantitative Measurement

Because concept testing involves the generation of ideas and opinions and uses a relatively small sample, the data generated are referred to as **qualitative data**. These types of data cannot be easily quantified, but can be used to get an idea of how well the campaign's concept will be received by the targeted audiences. Qualitative data are soft data, based on opinions and attitudes. The findings can't be generalized to the entire population under study. Qualitative data are used more for exploratory research, or research in which a problem is not clearly defined. This type of research is less structured and more flexible in comparison to quantitative data methods. Drawbacks to qualitative data methods include differences in data interpretation between researchers, small sample sizes, and coding tends to be subjective. Coding involves condensing verbal data into variables and categories that can be more easily entered into a database for analysis.

To create hard numbers that are representative of the entire population (in this case the target market) **quantitative data** must be generated. The focus is on results that are valid and reliable. Valid results mean the measurement is accurate. Reliable results mean that the measurement instrument consistently performs the same when multiple tests are conducted. With quantitative data, statistics are generated through the use of a scientific or experimental design. Findings from quantitative data are generalizable to the general public and are germane to the population and target market (Clow and James, 2014). Because of that, quantitative data are most often used to make marketing and marketing communication decisions. When a consumer takes a customer satisfaction survey, the data generated are quantitative. The company compiles the results and develops averages on the responses to provide information for improvement. Drawbacks to quantitative research include researcher bias, tools that don't correctly measure what they are supposed to measure, a sample that is not random, and error that may appear in the results.

Copy Tests

After the initial concepts tests are completed and sample executions created, a copy test is often run. **Copy testing** is used to evaluate the effectiveness of a marketing communication's copy to determine potential impact. Based on the results, changes may be made to change the tone or improve the comprehension of the ad. Almost all major advertising includes some type of copy testing. Copy tests are also helpful in selecting one execution from among several choices. Summaries of the techniques used in copy testing are shown in Table 11.2. Keep in mind that IMC researchers will often use multiple methods rather than rely on only one measure.

Table 11.2 Techniques used in copy testing

Type	Description	Example
Memory tests	There are two types of memory tests: recall and recognition. With recall testing, subjects are asked whether they are able to recall any of the ads in the relevant product category. If the person recalls seeing an ad without help, it is called "unaided recall." If the person is given a prompt or hint, it is called "aided recall." With recognition tests, subjects are asked if they recognize an IMC execution among several presented.	Consumers are contacted via telephone to determine whether they watched a television drama and if so, what commercials they can recall.
Theater tests	IMC executions (and in particular advertisements) are tested in a movie theater setting. Theaters are chosen based upon the demographics of their audiences and their geographical setting or location. Subjects are asked recall and recognition questions the next day or after a predetermined time has passed.	A group of consumers are contacted the day after watching a movie to determine if they recognize ads that they were exposed to before the movie was shown.
Central location tests	Respondents or test subjects are asked to report to a central location where everyone is tested. The benefit to central location tests is that the researchers can exercise more control in a laboratory-type setting.	A group of college students is recruited to view social media communication efforts. They report to a computer lab on campus where everyone is shown the same content.

(continued)

Type	Description	Example
Television (TV) tests	TV tests are run directly through an audience's television set with a device that measures what is being viewed. Researchers select the respondents or subjects for the study based upon the target market or audience.	A group of consumers who agree to participate in a television test are asked questions the day after an evening of television viewing to determine recall (memory) of commercials viewed.
Direct response	Direct response tests measure whether consumers behave differently as a result of exposure to the IMC execution. Often the execution contains a telephone number, email or website address, which allows a company to measure the response.	A direct mail piece for a new product encouraged a group of consumers to go to the company website for more information. The company can measure how effective the piece was by counting the number of people who logged on to the site.
Persuasion tests	These tests measure the effectiveness of an IMC execution on changing attitudes and behavioral intentions.	Prior to being exposed to a magazine advertisement, people are asked about their attitudes regarding the product and the probability of purchasing the product within the month. After exposure to the ad, the same questions are asked to determine if attitudes or behavioral intentions to purchase the product changed as a result of exposure to the ad.
Continuous measurement tests	A group of viewers are given hand-held devices that contain a dial or other measurement device. As each person views or listens to an IMC execution, they indicate their dislike or like by twisting the dial.	A group of people use devices to indicate like or dislike of an ad for a new brand of potato chips.
Physiological measures	These tests measure involuntary responses from consumers such as eye movement, pupil dilation, skin response, or brain waves.	Consumers are asked to view magazine advertisements while hooked up to a galvanic skin-response measuring device.

When copy testing IMC executions, the closer the execution is to the finished form, the more useful the results will be.

The Use of Eye Tracking Measurements

This video explains how companies use eye tracking measurements to measure advertising effectiveness:

http://www.youtube.com/watch?v=b72j1n1qwJ4

Concurrent Tests

When testing IMC executions companies can opt for concurrent tests. **Concurrent testing** and evaluation are used while an IMC campaign is up-and-running. The idea of utilizing concurrent testing is that the advertising and other IMC executions can be changed or modified according to the research or test results. There are two key methods of concurrent testing. These are referred to as coincidental studies and tracking studies.

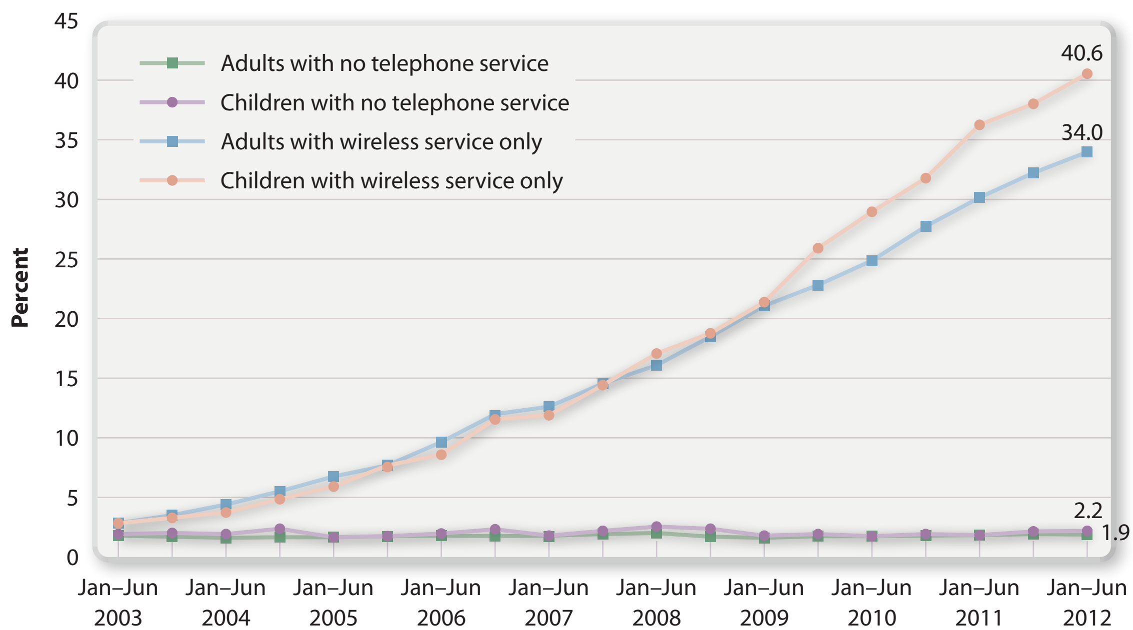
In **coincidental studies**, the audience is tested while being exposed to the various IMC media. The most effective and the most common types of coincidental studies are used for broadcast media. This method was popularized by Claude E. Hooper, a pioneer in audience measurement. A random group of people is called and asked three questions.

1. Are you listening to the radio or watching television?
2. What program are you listening to or watching?
3. Which station or channel is it?

There has been a decline in the usage of coincidental studies in recent years because of what has been termed, "the cell phone challenge." As shown in Figure 11.1, as cell phone use increases many families are eliminating the landline telephone. This creates a problem for survey researchers. Adding consumers who use cell phones to the sample costs more and it is more difficult to obtain cooperation (Christian, Keeter, Purcell, and Smith, 2010). With fewer people having landlines, noncoverage bias increases, which means that the results can't be trusted because a large portion of the population is not included in the survey. Sometimes the cost of additional information or data is simply not worth it to the IMC planner. Other approaches are used such as the use of handheld devices with a dial that helps respondents indicate like or dislike of an IMC execution.

Figure 11.1 Increase in wireless telephone service

Wireless only means there are no telephone landlines in the household.



Source: Blumberg, S. J., Luke J. V. (2012). Wireless substitution: Early release of estimates from the National Health Interview Survey, January–June 2012. National Center for Health Statistics. (December). Available from: http://www.cdc.gov/nchs/nhis.htm.

The second type of concurrent study is called a tracking study. **Tracking studies** help measure behavior and are typically conducted throughout the integrated marketing communications campaign. Researchers generate information on the effect of the campaign and the amount of actual exposure (as opposed to forecasted exposure) the campaign is generating for the targeted audience.

A popular method for tracking studies is using the Internet. Respondents are shown some images from an IMC execution and asked to answer questions relating to recognition and awareness.

The use of the Internet makes tracking easier because it is easy to determine if a sale or other action occurred as a result of a banner ad, pop-up ad, social media request, or other type of execution. Several browser companies such as Google offer an ad tracking service. Advertising agencies also have their own tracking systems, as do other third party companies that specialize in this area.

With tracking studies, the schedule for study execution is developed prior to the campaign and should be followed. Data from tracking studies can help the IMC professional by providing data and information on

- product satisfaction or dissatisfaction,
- consumer awareness (or lack of),
- attitudes of the market,
- consumer desires,
- how the product is used or other product usage data,
- media habits, and
- other consumer feedback.

Because of the value of the information obtained, there are many different methods of collecting data. The methods are summarized in Table 11.3.

Table 11.3 Tracking methods

Type	Description
Consumer diaries	Consumers are asked to keep a diary and record types of products, brands, coupon use, etc.
Dustbin checks	Consumers are asked what types of products and services they've used over an extended period of time. The researchers physically remove the packages from the trash or dustbin and count the different types of brands and products in order to determine product usage.
Mall intercept studies	Researchers generate data by interviewing consumers in a mall. While not typically used in tracking studies, it can be useful for determining attitudes and satisfaction after purchase.
Pantry checks	Researchers physically go to consumers' homes (with permission) and record what types of brands, products, and services the consumers are using.
Scanner data	Large companies generally hire Symphony IRI or Nielsen Media Research, who use optic scanners like the ones that scan grocery purchases at check-out counters, to generate information and data on consumers' purchase patterns and habits.
TV panels and electronic monitoring	Nielsen is the leader in tracking television-viewing habits. They use electronic technology, which tracks viewing behavior down to the second. Audience measurement is integrated across TVs, PCs, and mobile phones. Families participating agree to have their electronic devices monitored.

Concurrent testing is very useful. It allows IMC planners to get the big picture of their IMC campaign in real time. Concurrent evaluation and testing allows IMC planners to make changes to a plan in real time (while the campaign is running). Because of these benefits, companies save resources on their IMC initiatives. Although concurrent testing is beneficial and useful, it should be used in conjunction with the other measurement techniques.

Post-Testing

In addition to the use of copy testing, concept testing, and concurrent testing, IMC researchers also utilize post-testing to generate additional insight into individual IMC execution and overall campaigns. Although the concept and execution of post-testing is much the same as the processes used in concurrent testing, post-testing takes place *after* the IMC campaign has run. The idea behind concurrent testing and post-testing is to assess the impact of the campaign during exposure and after the audience has been exposed to the message. Researchers try to measure the impact of the communications with the audience and they may wish to measure behavioral changes that have occurred as a result of the IMC campaign. In order to test changes in behavior, researchers must look at sales and product inquiries. The communication efforts are measured by the use of recognition and recall. Associated with recall and recognition is, to some extent, awareness and attitude of the consumers. Because of this association, awareness and attitude are often studied as well.

Industry Metrics

Marketers and integrated marketing communications professionals need to be able to see how well their plan is doing when compared to their competitors' efforts. This task can be accomplished utilizing *industry metrics*. Some of these metrics have been covered in earlier chapters because they are used to evaluate individual IMC areas. Industry metrics provide data and information on the competition, which provides valuable benchmark data. Investors, managers, and executives like to know how well their dollars are performing. IMC workers can generate this information by comparing their data against industry metrics. Agency or third-party providers often compute commissions based on industry metrics, which makes reliability important. The following metrics are useful in helping an IMC planner know how well the plan is performing (Farris et al., 2009).

*Market Share***.** Market share can be calculated to determine the level of competitiveness a company has in relation to the industry. Market share can be calculated in sales or units. For market share in sales, managers look at the sales revenue as a percentage of their market sales (revenues). In assessing unit market share, the unit sales are looked at as a percentage of the market's unit sales.

Relative Market Share. Many times managers want to know how their market strength compares to that of their competition. In order to generate a relative market share metric, brand market share is divided by the largest competitor's market share. This can be accomplished using either revenues or unit sales.

Brand Development Indices (BDI). Because brands perform differently in different markets, managers want to know which markets provide the best sales for their brands. Using a BDI, managers can determine differences in consumption and purchases for each of their market segments. In developing a BDI, brand purchases and consumption in each segment are compared to the overall market.

Category Development Indices (CDI). Much like a BDI, a category development index allows managers to look at market segment differences or regional differences for an entire product category. With this information, managers may determine why their brands aren't performing in areas where they should be performing better.

Heavy Usage Index. Businesses like to know where their heavy brand or product users are located. The heavy usage index measures the usage (by customers) of a category for a specific brand. Managers look at the category purchases by customers for specific brands. This is compared with purchases of other brands in that category by comparing other average customer purchases and usage. Both revenue and unit sales may be measured. For example, a company is interested in heavy usage of "Quench Plus" bottled water (a high-end brand of water) by students. Over the period of one semester the average purchases by students of Quench Plus was 10 six-packs of 12-ounce bottles. The average purchase of any type of bottled water for this market was five six-packs of 12-ounce bottles. When the Heavy Usage Index is calculated (10/5 = 2), we find that for this particular market Quench Plus is preferred over other water brands. The students in this market are heavy users of Quench Plus. In fact, these students buy twice as much Quench Plus than the average consumer buys of any brand of bottled water.

Awareness, Attitudes, and Usage (AAU). Because consumers don't purchase products they're not aware of, IMC planners like to know the awareness levels of their customers. Once awareness is understood, IMC planners will seek information on the consumers' attitudes toward the brand, and finally, their usage levels. These three terms go hand-in-hand when assessing this metric. Thus, the IMC planner may want to know the awareness level of a brand and will ask the consumer if he or she has heard of the brand. If the consumer has heard of the brand, the IMC planner would then like to know what the consumer's attitude is about the brand. They may ask a consumer for a brand's strengths and weaknesses. Does the consumer like the brand? Is the brand for him or her? Why does the consumer like the brand? Once planners understand the brand attitude, an assessment of how often consumers use the product will help in the IMC executions. The IMC planner or researcher may ask, "How often do you use this brand?" in order to generate this information. If a customer is aware of a brand, the IMC planner may seek to generate more information by assessing where the brand is in the customer's mind. Is it top-of-mind awareness? These results are compared against other brands in the category. By measuring how many consumers identify a company's brand, one can assess the brand awareness level of the customer(s).

Customer Satisfaction. It's important to know a customer's level of satisfaction with a product. Repeat purchases are made only when a customer is happy or satisfied with the brand he or she purchased. By identifying what customers don't like about a product or brand, changes can be made to the brand (or the marketing of the brand) that will enhance customer satisfaction. Typically, data are generated through primary research studies that use either a 1–5 or 1–10 point scale. Customer satisfaction levels can be compared to direct competitors in the industry (when known).

Return on Investment (ROI). Return on investment is a good metric because it allows IMC executives to compare how well their dollars are performing in comparison to competitors. It also allows the executives to explain to their clients how well the plan is working. ROI forces accountability and has been used as an overall metric for corporate or business performance. With marketing however, the ROI metric is a bit harder to define. "Little agreement can be found regarding what 'ROI' means when applied to a marketing program" (Clow and Baack, 2014, p. 429). We recommend that IMC planners use the overall ROI coupled with a return-on-sales (ROS) metric and a return-on-marketing investment (ROMI) metric. The easiest way to generate a ROMI metric is to divide the generated sales by the marketing spending. For example, divide the sales generated by a direct mail piece by the cost of the direct mail piece.

Other metrics such as impressions, gross rating points, net reach, frequency, share of voice, click-through rate, cost per click, etc., are used in the development of the media plan. The more metrics that can be generated, the better idea a manager will have on how effective the plan is or was.

Learning Check

Reflect on your learning by answering the following questions:

1. When should qualitative measurements be used instead of quantitative measurements?
2. How can copy tests be useful?
3. Why is it important to use industry metrics?

11.3 Laws and Ethics

It can be difficult to determine the line between right and wrong. Many unethical activities are also illegal. However, in some instances, an act is legal but unethical and in others, an act is illegal but ethical. If you are confused, you are not alone. Every year marketing professionals release IMC content that falls in gray areas of acceptable ethical and legal activities.

IMC professionals must consider both laws and ethics when developing content. Often the "right" answer is not clear. According to the *Internet Encyclopedia of Philosophy*, the field of ethics involves "systematizing, defending, and recommending concepts of right and wrong behavior" (Fieser, 2001). The concept of what is right or wrong is often based on religious beliefs and moral codes of conduct. In contrast, laws are rules established by society. One problem in studying ethics is that people may not always agree on what is right and wrong. A person faced with making a judgment about another person's moral conduct bases that decision on his or her own system of ethics; when these systems differ, disagreement arises about whether a particular action is moral (Forsyth, 1980).

Ethics

The study of ethics is divided into three general categories: (1) metaethics, (2) normative ethics, and (3) applied ethics (Fieser, 2001). **Metaethics** is the study of the origin of ethical concepts and theories. **Normative ethics** involve deciding whether certain behaviors are right or wrong. It tells us what a person should do when confronted with a particular situation. It also assumes there is only one criterion to guide right and wrong behavior. The criterion could be a single rule such as the Golden Rule ("Do unto others as you would have them do unto you"). Alternatively, the criterion could be a set of principles that guides behavior, such as a code of ethics adopted by an advertiser. **Applied ethics** involve analyzing specific ethical dilemmas. IMC examples include deceptive advertising, developing fake websites, using unfair competitive practices, using hard sell techniques, and not fulfilling promises made to consumers.

Differences in Ethical Perspectives

One problem in studying ethics is that people may not always agree on what is right and wrong. An IMC professional faced with making a judgment about another person's moral conduct bases that decision on his or her own system of ethics; when these systems differ, disagreement arises about whether or not a particular action is moral (Forsyth, 1980). To help explain differing perspectives, a classification of ethical ideologies has been developed and is presented in Figure 11.2.

Figure 11.2 Difference in ethical perspectives

		Relativism	
		High	Low
Idealism	High	Situationists	Absolutists
	Low	Subjectivists	Exceptionists

Source: Forsyth, D. R. (1980). A Taxonomy of Ethical Ideologies, *Journal of Personality and Social Psychology*, 39:1 (1980) pp. 175–184.

The *relativism* dimension describes the extent to which a person rejects universal moral rules in favor of relativism. On the high end of the relativism dimension, an individual rejects the idea that there are universal codes to which one must adhere. On the low end, an individual believes there are universal rules of conduct that apply to all people. The *idealism* dimension describes the extent to which a person is idealistic in anticipation of outcomes. On the high end of the idealism dimension, an individual believes one can always realize desirable consequences by making the right decision. On the low end, a person believes that undesirable actions are often mixed with desirable actions.

Situationists are high in both relativism and idealism. These individuals reject universal moral rules and advocate analysis of moral problems by considering the situation and context in which the behavior occurs. They also believe that with the right action, desirable consequences are obtainable. For example, a situationist would be optimistic about the outcome of a company scandal if management comes clean. The situationist would also believe that the overall situation and context of the environment must be understood to explain why managers at the company broke laws or ethical standards.

Subjectivists are high in relativism but low in idealism. People in this category reject universal moral rules in favor of personal values and perspectives to guide behavior. They also believe that there are bound to be undesirable consequences mixed in with desirable consequences. Subjectivists would view a company scandal in terms of the personal ethics that guided management's behavior. Individuals in this category do not believe there are universal rules of right and wrong. Instead, ethical behavior is guided by a person's perspective. Subjectivists would expect undesirable consequences, even when right actions are taken.

Absolutists are low in relativism and high in idealism. People in this category assume the best possible outcome can always be achieved by following universal rules. An absolutist would say that if company executives follow laws, the company will experience good outcomes. This person does not believe that context is important.

Exceptionists are low in both relativism and idealism. These individuals believe that moral universal rules guide conduct but that the consequences of the action must also be considered to determine whether or not the behavior is moral. Exceptionists are pessimistic, believing that undesirable consequences will likely occur even when rules are followed. An exceptionist would say that when executives do not follow laws of behavior, to determine whether their behavior is ethical, a full examination of the consequences of the behavior would need to be conducted, because even when the rules are followed, there can be undesirable consequences.

A person's decision as to whether a particular behavior is right or wrong depends on his or her ideology. For clarification, consider the following IMC example: Is it morally right for an IMC professional to create an ad that overly exaggerates product capabilities? The situationist would say it depends on why the IMC professional created the ad. Perhaps the person knows that the competition is also exaggerating claims and chooses to match their actions.

The subjectivist would also examine the situation to determine what is right or wrong. The subjectivist would most likely believe that undesirable consequences would result from the exaggeration. The absolutist would say that a universal moral rule is to tell the truth. People in this category would agree that telling the truth (and not using exaggeration) is the best course of action in all circumstances. Finally, the exceptionist would say that moral absolutes guide judgments but that consequences should be considered; if necessary, exceptions should be made to universal standards of conduct. Thus, if exaggerating product capabilities were the best for all parties concerned, the exceptionist would agree that is the best course of action.

The Profit–Principle Relationship

According to the marketing concept, companies should strive to satisfy customer wants and needs at a profit. Sometimes ethical conflicts arise because the retailer is under pressure from stockholders and other publics to show profits. Four perspectives clarify the relationship between profits and principles (Graafland, 2002). The interplay of profits and principles varies depending on the perspective a particular company employs.

1. The *win-win perspective* assumes that the more ethically a business operates, the higher the profits for the business. Therefore, no conflict exists between ethics and profits. Instead, profits and principles reinforce each other. This perspective is the most ideal situation.
2. According to the *license-to-operate perspective*, a company maximizes profits under the condition that the level of principles adhered to by the company is enough for it to receive a "license" from society to operate. The license stands for the acceptance of a company's operations by all stakeholders (i.e., customers, stockholders, government) who can impact the profitability of the company. This perspective recognizes that not all ethical behavior will increase competitive advantage, especially when others are operating unethically. In the license-to-operate perspective, firms strive to maximize profits as opposed to principles.
3. The *acceptable-profit perspective* assumes that companies want to maximize principles but are restricted because the market demands that profitability reach a level required by the capital market to ensure financial continuity. In this perspective, firms strive to maximize principles as opposed to profits, but they are restricted by the need to generate a minimum level of profits to ensure the company survives.
4. The *integrated perspective* attaches an optimum intrinsic value to both profits and principles, and the company selects the optimal balance between the two. The optimal balance depends on the relative weights of profits and principles in company operations. This perspective is the most balanced of the four.

These divisions are not clear-cut, because changes in the environment may alter outlooks. But they provide a framework for viewing profit-principle conflicts.

Culture and Ethical Perspectives

A country's culture can have a significant effect on ethical perspectives. More and more companies are becoming global through the Internet and global expansion. Therefore, it is increasingly important to be aware that cultural differences exist. In addition, marketing professionals must understand the international laws that may affect the company.

Companies encounter difficulties when it is not clear which standards the company should follow: those of the home country or those of the country in which it conducts business. The importance of understanding the laws and ethical codes of the country in which the company operates cannot be overestimated. Globalization is forcing companies to examine their laws and ethical codes of conduct; in the future there may be international standards, which will make ethical choices easier.

Offensive Advertising Pushes Ethical Boundaries

This segment is from an Australian news program. It discusses offensive advertising and how companies are pushing the boundaries to get noticed. The video also displays offensive advertising from the Australian viewpoint. Warning. The video contains offensive advertising.

http://www.youtube.com/watch?v=n_C3nH2VzdY

Laws

Because of the fact that marketing communications permeate everyone's life, every day, IMC generates a lot of attention. Because of this attention, many laws and regulations impact the execution of IMC plans.

There are essentially two schools of thought in regard to consumer protection. In a capitalist society, the public generally views business operations as a necessity to keep the economy growing and moving. Consumers are expected to research and understand the products and services that they're purchasing. This school of thought subscribes to the theory of **caveat emptor**, a Latin phrase meaning "let the buyer beware." Consumers began to complain about products that were defective or didn't perform as stated. In the early 1900s, the U.S. Congress passed numerous laws to protect consumers from deceptive and exploitive business practices. As such, the consumer mantra became **caveat vendor**, meaning "let the seller beware."

The Pure Food and Drug Act was passed in 1906. In 1938 the Federal Food, Drug, and Cosmetic Act went into effect. These Acts were the beginning of consumer protection laws that protected consumers from adulteration of food and misbranding of food, drugs, and cosmetics (as well as therapeutic devices).

Consumer Protection

In the 1960s and 1970s, consumers were gaining more momentum and power, and the U.S. government enacted numerous acts that focused on consumer protection (Ogden and Ogden, 2005). These early regulations, acts, and laws had a huge impact on the development and execution of integrated marketing communication initiatives. Below are some of the major acts, laws, and regulations that affect the development of IMC plans. Please keep in mind that there are many more local, regional, and state laws that will also impact a plan. All these laws must be monitored and evaluated to ensure that the IMC plan is in compliance with all laws and regulations.

Table 11.4 summarizes the key regulations.

Table 11.4 Key consumer protection laws

Regulation	Description
The Fair Packaging and Labeling Act of 1966	The law prohibits deceptive product labeling. This law also requires product information to be placed on a package to allow consumers to compare products.
The Truth in Lending Act of 1968	Creditors must disclose all costs and terms of credit in a clear manner. This law mainly affects financial institutions and how they market their products.
The Consumer Product Safety Act of 1972	This Act forces monitoring and regulation in regard to product safety issues, safety guidelines, and banning and recalling products.
Magnuson-Moss Warranty Act of 1975	Requires warranties to be written in clear, easy-to-understand language.
The Consumer Product Safety Commission Improvement Act of 1976	This Act allows consumers to file suit against the Consumer Product Safety Commission (CPSC).
Mail or Telephone-Order Merchandise Rule	This rule requires that any business using the telephone or catalogs as a channel ship products as promised or within 30 days. If a business cannot ship when promised, it must notify the customer, who then has the right to cancel the order. The Rule was amended in 2011 to make clear that Internet purchases were included. The FTC frequently files suit against companies that are in violation of this rule.
Children's Online Privacy Protection Act (COPPA)	This Act makes it illegal to collect information from children under 13 years of age without parental permission. Any company operating on the Internet that targets children must supply notice of its information collection practices, the type of information it collects, how it is used, parental permission prior to collection of personal information, and information on confidentiality of the information (Davis, 2002). The Act was revised in 2013 with stricter rules.
Market Place Fairness Act	Recent laws have been proposed that will force online retailers to collect sales tax on purchases sold to people in states that collect sales tax. If passed, online retailers will need to make major adjustments to billing practices and consumers will no longer be able to avoid paying taxes. IMC promotions will also have to be adjusted to inform patrons of the new law.
Testimonials and Endorsements	Many laws and guides have been developed that limit how testimonials and endorsements may be used in the development of IMC executions. Testimonials and endorsements must reflect typical consumer experiences unless otherwise clearly communicated. Testimonials and endorsements cannot be made unless the advertiser can substantiate all claims made in the advertisement and the advertiser must reveal any relationships between the endorser and the company. It must be disclosed if actors in the ad are compensated.

Children's Online Privacy Protection Act (COPPA)

This video explains the COPPA act and best practices:

http://www.youtube.com/watch?v=hJ1I1XQk0HQ

Antitrust Laws

Marketers operate under many antitrust laws. These laws include the Sherman Act, the Federal Trade Commission (FTC) Act, and the Clayton Act. Additionally, the Lanham Trademark Act of 1946 deals with issues of trademarks and copyrights. This Act has a major influence on how trademarks, brands, and service marks are developed. The laws are summarized in the following feature.

Summary of Antitrust Laws

Antitrust laws describe unlawful practices in general terms, leaving it to the courts to decide what specific practices are illegal, based on the facts and circumstances of each case.

- Section 1 of the Sherman Act outlaws "every contract, combination ..., or conspiracy, in restraint of trade," but long ago, the Supreme Court decided that the Sherman Act prohibits only those contracts or agreements that restrain trade unreasonably. Determining what kinds of agreements are unreasonable is up to the courts.
- Section 2 of the Sherman Act makes it unlawful for a company to "monopolize, or attempt to monopolize," trade or commerce. As that law has been interpreted, it is not necessarily illegal for a company to have a monopoly or to try to achieve a monopoly position. The law is violated only if the company tries to maintain or acquire a monopoly position through unreasonable methods. For the courts, a key factor in determining what is unreasonable is whether the practice has a legitimate business justification.
- Section 5 of the Federal Trade Commission Act outlaws "unfair methods of competition" but does not define unfair. The Supreme Court has ruled that violations of the Sherman Act are violations of Section 5, but Section 5 covers some practices that are beyond the scope of the Sherman Act. It is the FTC's job to enforce Section 5.
- The Wheeler-Lea Act of 1938 allows the FTC to investigate deceptive practices and to regulate advertising.
- Section 7 of the Clayton Act prohibits mergers and acquisitions where the effect "may be substantially to lessen competition, or to tend to create a monopoly." Determining whether a merger will have that effect requires a thorough economic evaluation or market study.
- Section 7A of the Clayton Act, called the Hart-Scott-Rodino Act, requires the prior notification of large mergers to both the FTC and the Justice Department.

Source: The Federal Trade Commission Fact Sheet http://www.ftc.gov/tips-advice/competition-guidance/guide-antitrust-laws/antitrust-laws.

Truth in Advertising

Much of marketing communication falls under the truth-in-advertising Federal Trade Commission Act (Advertising FAQs . . . , 2013) which says

- advertising must be truthful and non-deceptive,
- advertisers must have evidence to back up their claims, and
- advertisements cannot be unfair.

Additional laws apply to ads for specialized products like 900-telephone numbers, and products sold through mail order or telephone sales. Every state also has consumer protection laws, which apply to ads running in that state.

An ad is deceptive if it contains a statement—or omits information—that

- is likely to mislead consumers acting reasonably under the circumstances; and
- is "material"—that is, important to a consumer's decision to buy or use the product.

A business practice is unfair if

- it causes or is likely to cause substantial consumer injury which a consumer could not reasonably avoid, and
- it is not outweighed by the benefit to consumers.

In 2011, in a settlement with the Federal Trade Commission over false advertising claims, Reebok® agreed to pay $25 million (Eleazar, 2011). The FTC said the Reebok made unsupported claims that walking in Easy Tone footwear was "proven" to tone buttocks 28% and calf muscles by 11% more than other shoes. Before a company runs marketing communication, it has to have "reasonable basis" for any claims. This means there is objective evidence to support the claim. Reebok did not have proof of its claims. Expert witnesses, proof of study results, or scientific evidence can be provided as proof.

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▲ Companies should be able to support their product's claims. Reebok® paid $25 million to settle a false advertising suit related to Easy Tone shoes. There was no evidence to support the product's claim that it increased muscle activation.

Often companies use puffery to develop IMC materials. **Puffery** is the use of an exaggerated claim about a product or brand. In general, puffery is allowed as long as the claim is general and is not quantifiable. A coffee shop may advertise "the world's best cup of coffee," for example. It would be difficult to quantify whether the cup of coffee is the best in the entire world! Of course, most reasonable people know that these types of claims are not based on research. The court holds that a reasonable person is not likely to take puffery seriously. In *Pizza Hut, Inc. v. Papa John's International Inc.*, the courts recognized that Papa John's claims of "better ingredients, better pizza" was puffery. The terms used were generic and did not name specific competitors (Gurnani and Talati, 2008). Had the claim included a specific reference to Pizza Hut the courts may have ruled differently.

As consumerism increases there will be more legislation passed. A lot of the legislation will be aimed at marketers and advertisers. Certain pieces of legislation require research and evaluation. In order to make sure one is in compliance with all laws and regulations, IMC professionals need to become experts on laws that will impact them or their clients. A general assessment of the governing bodies may help in the quest for these types of data. While it is not in the scope of this text to cover all laws, IMC professionals must be aware of laws that cover the issues listed here:

- Postal fraud laws
- The Copyright Act of 1976
- Bait-and-switch advertising
- State consumer sales practices act(s)
- State uniform deceptive trade practices act(s)
- Impacts of product liability on advertising and IMC
- Rights of privacy
- Right of publicity

- Rules and regulations pertaining to contests and lotteries (note that the U.S. Postal Service; The Federal Communications Commission; The Bureau of Alcohol, Tobacco and Firearms; and the Federal Trade Commission all have jurisdiction and regulatory power over lotteries and contests)
- Nondisclosure agreements
- Client–Agency law
- Breach of contract
- Children's advertising
- Alcohol and tobacco advertising

11.4 Self-Regulation

During the early 60s and into the 70s, debates began to emerge about the ethical behavior of advertisers. Truth-in-advertising became important and several groups were formed to help self-regulate the industry. In 1971, the National Advertising Review Board (NARB) was formed as an offshoot of the Better Business Bureau to help ensure that the industry was operating in an ethical manner. The NARB changed its name and is now the Advertising Self-Regulatory Council (ASRC) (www.asrcreviews.org). The ASRC is a result of a partnership among the Association of National Advertising Agencies, The American Advertising Federation, Council of Better Business Bureaus, Electronic Retailing Association, Direct Marketing Association, and the Interactive Advertising Bureau. The self-regulatory system is administered by the Council of Better Business Bureaus.

The five compliance units of ASRC are as follows:

1. Children's Advertising Review Unit (CARU)—Reviews advertising directed to children
2. Electronic Retailing, Self-Regulation Program (ERSP)—Reviews truthfulness and accuracy of national direct-response advertising
3. Online Interest-Based Accountability Program (Accountability Program)—Determines whether companies comply with industry principles for transparency and online interest-based advertising
4. National Advertising Division (NAD)—Evaluates complaints involving truth and accuracy of national advertising
5. National Advertising Review Board (NARB)—An appeals court that hears appeals of NAD and CARU cases.

Self-regulation helps to develop standards and gain consumer trust.

› *Learning Check*

Reflect on your learning by answering the following questions:

1. What complications do organizations run into when laws and ethics are different for people and cultures?
2. What is the relationship between profits and principles?
3. What are three laws that impact IMC executions?
4. How does the FTC determine if an ad is deceptive?

Priceline®

Started by entrepreneur Jay S. Walker in 1998, Priceline.com is a web-based service that helps users get discount rates for travel-related purchases (airline tickets, hotels, cruises). Today, the Priceline.com brand includes Booking.com (hotel reservations), Priceline.com, Adogda.com (Asia-based hotel reservations), Rentalcars.com (multinational rental car service) and KAYAK (travel price-comparison website) (Priceline.com Letter to Shareholders, 2013).

Andrew Harrer/Bloomberg via Getty Images

Priceline.com introduced the innovative "Name Your Own Price" system. Initially the program received complaints because the customer, when bidding, did not know the exact location until after the purchase had been completed. Often the travel accommodations were not as expected. The system was improved to identify the name of the location prior to bidding.

In 2000, Priceline and its main officers were charged for violating the Securities and Exchange Act. The class action complaint alleged that the defendants issued "materially false and misleading information regarding Priceline's financial condition and prospects." Specifically, the complaint charged that defendants misrepresented that the company would soon be profitable, that the company's customer loyalty was accelerating, and that the company's business model would continue to be effective. In 2007, Priceline.com announced that it had agreed to settle the complaint for $80 million in return for a release of all claims against the company.

Actor William Shatner agreed to be the company spokesperson in exchange for stock in the company. The series of commercials that featured Shatner as the "Priceline Negotiator" were very successful and helped Priceline increase sales. The company tried to "kill" Shatner in one of the commercials but fans missed the spokesperson so much that he was resurrected later. The company's stock price rose 1.8% when the company announced Shatner's return (Scherzer, 2012).

Reflection Questions

1. How do lawsuits impact a company?
2. What is the role of a spokesperson in an IMC campaign?
3. Why do companies use spokespeople and what are reasons to get rid of a spokesperson?

Summary and Resources

This chapter focused on the methods of evaluating and controlling the plan's execution. For each section of the plan, assessment tools are used to make sure the plan is performing as expected. Laws and ethics are an important part of all IMC actions. Often decisions concerning right and wrong are not clear. Many of the laws and regulations that impact advertising and IMC were discussed. It was pointed out that effective IMC professionals must have knowledge of the legal environment in order to make sure the IMC is in compliance with country, regional, and local regulations. Evaluation and control is a long-term commitment and requires a monetary and time investment. When done properly, evaluation and control can guide a company in creating better IMC executions, and in many cases, help to avert disaster.

In the next and last chapter, tips on putting together the final IMC plan are presented and environmental trends that impact IMC planning are discussed.

Post-Test

1. Why do many companies make the mistake of not undertaking the process of IMC plan evaluation?
   a) There are too many variables that cannot be controlled.
   b) It is costly in terms of both time and money.
   c) They lack the expertise to carry out an effective evaluation.
   d) They wrongly believe that it will not help them improve.
2. Which of the following is true about qualitative research?
   a) It can be generalized to an entire population.
   b) It is most useful for research with a clearly defined problem.
   c) It is a more structured and less flexible form of research.
   d) It is useful for exploratory research with relatively small samples.
3. In which perspective on profits and principles do companies weigh both profits and principles and seek the best balance between the two?
   a) The win-win perspective
   b) The license-to-operate perspective
   c) The acceptable-profit perspective
   d) The integrated perspective
4. When was the National Advertising Review Board (NARB) formed?
   a) 1925
   b) 1971
   c) 1998
   d) 2006
5. In IMC planning, "control" refers to
   a) evaluating every aspect of the IMC plan and having power of approval over all changes.
   b) using focus groups, including control groups, to research the IMC tactics before the plan is launched.
   c) taking the steps necessary to correct problems when the plan's objectives are not being met.
   d) being able to predict consumers' responses to the tactics in the IMC plan.
6. Which type of testing is useful for choosing one execution for a campaign out of several choices?
   a) Concept testing
   b) Copy testing
   c) Concurrent testing
   d) Coincidental studies

7. Which criterion is used to determine whether a statement in an ad is deceptive?
   a) Whether any consumer viewing the statement is misled and makes a decision to buy a product
   b) Whether the statement is likely to mislead reasonable consumers and is important in the decision to buy the product
   c) Whether a consumer makes a purchase based on the statement and is dissatisfied with the product
   d) Whether the Federal Trade Commission Act rules that the ad is likely to cause substantial consumer injury, which outweighs its benefits
8. Which unit of the Advertising Self-Regulatory Council (ASRC) handles appeals regarding commercials targeting children?
   a) Electronic Retailing, Self-Regulation Program (ERSP)
   b) Children's Advertising Review Unit (CARU)
   c) Public Safety Advertising Division (PSAD)
   d) National Advertising Review Board (NARB)

Answers

1. b) It is costly in terms of both time and money. The correct answer can be found in Section 11.1.
2. d) It is useful for exploratory research with relatively small samples. The correct answer can be found in Section 11.2.
3. d) The integrated perspective. The correct answer can be found in Section 11.3.
4. b) 1971. The correct answer can be found in Section 11.4.
5. c) taking the steps necessary to correct problems when the plan's objectives are not being met. The correct answer can be found in Section 11.1.
6. b) Copy testing. The correct answer can be found in Section 11.2.
7. b) Whether the statement is likely to mislead reasonable consumers and is important in the decision to buy the product.
8. d) National Advertising Review Board (NARB). The correct answer can be found in Section 11.4.

Key Ideas

- All integrated marketing communications campaigns must be evaluated to understand their effectiveness. Metrics must be tied to campaign elements to allow for this evaluation. Remember, if you can't measure your success (or failure) you can't manage it.
- In evaluating a plan, IMC planners look to make sure the plan was executed exactly as designed. They look at the objectives to see if they were achieved, and if not, why.
- Control of the plan refers to making changes where executions (or strategies and objectives) were ineffective.
- In order to produce value to employers, each individual working in IMC must make sure the best plan possible is developed. The responsibility of evaluating the campaign falls not only on the top managers, but also on the individuals responsible for each element of the IMC plan such as media, creative, or account development.

- There are four key times to evaluate an IMC campaign: 1) at the beginning of the campaign, 2) at the end of the development of the creative platform, 3) during the campaign period (while the IMC campaign is being executed), and 4) after the campaign has been executed (post-testing).
- Metrics are systems that help quantify a trend, dynamic, or characteristic. Both metrics and measurements are important in planning and assessing IMC campaigns.
- There are numerous types of tests associated with IMC evaluation and control. One of the most important tests is called a concept test, which is used to test concepts prior, during, and after campaigns have been run.
- Researchers generate two types of data that are turned into useful information. These data types are called quantitative and qualitative data. Qualitative data are exploratory in nature and are typically used to generate ideas or additional questions that need answers. Quantitative data are typically hard numbers that represent some environmental variable.
- There are many laws that impact IMC workers. Each IMC professional should be aware of the laws that will impact them.
- Ethics are personal to individuals. Ethics help guide IMC planners in the development of their campaigns. The ethics of the target market, as well as the organization that executes the IMC campaign must be understood in order to create an effective campaign. Keep in mind that people do not always agree on what is right or wrong.

Key Terms

applied ethics The study of ethics that involves analyzing specific instances of ethical dilemmas.

caveat emptor Latin for "let the buyer beware." A school of thought that does not allow the buyer of a product or service recourse if the product or service is defective.

caveat vendor Latin for "let the seller beware." A school of thought that protects the consumer from exploitive business practices through the use of acts, laws, and regulations.

coincidental studies Measurement of IMC effectiveness in which the audience is tested while being exposed to the various IMC media.

concept test A concept test uses qualitative data to evaluate an idea before it's launched.

concurrent testing IMC testing that is undertaken while a campaign is in progress; the two major types of concurrent testing include coincidental studies and tracking studies.

consumer diaries Consumers are asked to keep a personal diary that deals with the products and brands purchased, how decisions are made, how much IMC they have been exposed to, coupon usage, etc. The data are used in the evaluation and control phase of an IMC plan.

copy testing Used to evaluate the effectiveness of marketing communication copy to determine potential impact.

Delphi technique A qualitative research technique or method used to generate opinions or ideas from higher level executives.

direct response tests Direct response tests measure whether consumers behave differently as a result of exposure to the IMC execution; the execution contains a telephone number, email address, or website address, which allows a company to directly measure the response.

dustbin checks A type of tracking study where the researchers physically pick up consumer packages that have been thrown away and count the different types of brands and products to ascertain levels of consumer product usage.

focus group A research methodology employed to explore or generate ideas. A focus group is typically a sample of the population with 6–12 members of the sample; focus groups generate qualitative data.

in-depth interviews In-depth interviews are one-on-one interview sessions typically with a business's best customers; the interviews allow researchers to generate deeper meaning from their customer base as well as uncover new ideas.

make-good A commercial or ad credit the media gives due to an error in the running of the intended advertisement.

mall intercept studies Researchers physically intercept consumers shopping at a mall to gather information and data on their products, shopping habits, media usage, etc.

measurement A reference standard used in IMC for comparative purposes in campaign evaluation.

metaethics The study of the origin of ethical concepts and theories.

metric A measuring system used to explain, diagnose, and evaluate campaign effectiveness.

normative ethics The study of ethics using criteria to determine whether certain behavior is right or wrong.

paired comparison test A type of rating scale used to get opinions from consumers by pairing responses with brands.

pantry checks A research method (typically in a tracking study) where the researcher physically goes to consumers' homes and records the brands of products and services they use.

persuasion tests These tests measure the effectiveness of an IMC execution on changing attitudes and behavioral intentions.

projective techniques Methods used to generate insight about consumer thoughts or ideas.

puffery To make exaggerated claims about a product that a reasonable person does not take seriously.

qualitative data Used in exploratory research, qualitative data are soft data that include the opinions and attitudes of the respondents; these types of data are not scientific and will not generate objective information.

quantitative data Data that can be quantified; it is often collected through a scientific process, usually using statistics to understand the entire population.

scaling or rating scales The use of scales in questionnaire development to facilitate the interpretation of results.

scanner data Research information and data generated from the use of electronic scanners. SymphonyIRI and Nielsen Media Research are the leading companies that deal with scanner data research.

theater tests IMC executions (and in particular advertisements) are tested in a movie theater setting.

tracking studies A series of interviews undertaken with members of the targeted audience during an IMC campaign. The interviews are used to generate data and information for campaign evaluation and control.

Discussion Questions

1. Why are evaluation and control so important? What happens when companies do not invest in evaluation and control?
2. Explain the advantages and disadvantages of qualitative and quantitative measurement techniques to three copy test methods.
3. Why do many companies violate truth-in-advertising laws?
4. What are the advantages and disadvantages of running concurrent tests?

Critical Thinking Exercises

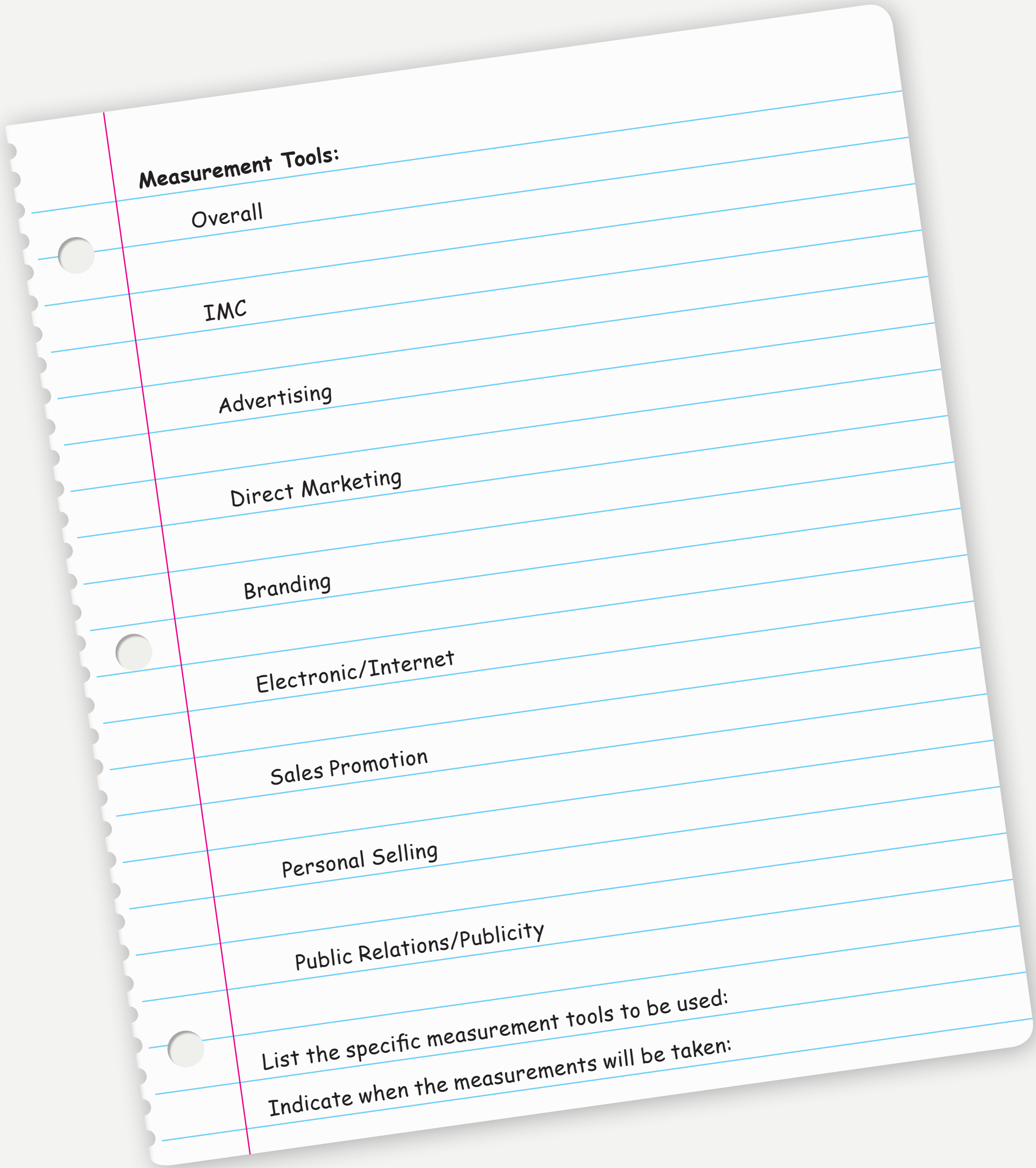
1. Find a company on the Internet that does a good job of evaluating its IMC executions and explain how the company does this.
2. Explore the following website on becoming a family that helps Nielsen develop television ratings. What is the process? Would you become a panel member? Why or why not?

   Nielsen website: http://www.nielsen.com/us/en/about-us/nielsen-families.html
3. Find a company that uses puffery in the IMC executions. Explain the execution and describe why it is not considered false advertising.
4. Find three advertisements from different countries and explain how culture and ethics play a role in understanding the ads.

Continuing Project

Using the following template, fill in each area with the evaluation and control methods you want to use for your IMC plan.

What measurement tools are you using to evaluate the campaign? What metrics will be associated with the evaluation? What will you do to control unexpected issues?



Additional Resources

Search Engine List–Lists all search engines on the Internet: http://www.thesearchenginelist.com/

Moody's–Provides credit ratings and research on global companies: https://www.moodys.com/

S&P Capital IQ–Research company: https://www.capitaliq.com/home.aspx

Small Business Administration–Resources for small companies: http://archive.sba.gov/aboutsba/sbaprograms/sbdc/

Advertising Research Foundation: http://thearf.org/

Federal Trade Commission: http://www.ftc.gov/

Institute for Global Ethics: http://www.globalethics.org/

Case Study: Dove and the Campaign for Real Beauty

In 2004, Dove® released a study that they used as a springboard to launch their *Campaign for Real Beauty*. Among the findings of the study, were the following statistics (Only two percent . . . , 2004):

Press Association via AP Images

▲ The models of Dove's® *Campaign for Real Beauty*.

- Only 2% of women describe themselves as beautiful.
- Sixty-three percent strongly agree that society expects women to enhance their physical attractiveness. Forty-five percent of women feel women who are more beautiful have greater opportunities in life.
- More than two-thirds (68%) of women strongly agree that "the media and advertising set an unrealistic standard of beauty that most women can't ever achieve."
- The majority (76%) wish female beauty was portrayed in the media as being made up of more than just physical attractiveness.
- Seventy-five percent went on to say they wish the media did a better job of portraying women of diverse physical attractiveness, including age, shape, and size.

The campaign was successful in part because it opened up conversations about the definition of beauty. Instead of the traditional models used in campaigns to exemplify beauty, Dove used women of all shapes, sizes, and color. Dove's message was that beauty is found in all women. Publicity over the campaign generated free exposure. The *Oprah Winfrey Show* aired the campaign daily for one week. The campaign's return on investment was $3 for every $1 spent and generated double-digit growth for Dove (Falcione and Henderson, 2007).

Not all people celebrated the campaign. For example, Richard Roeper, a movie reviewer for the *Chicago Sun Times* stated, "I find these Dove ads a little unsettling. If I want to see plump gals baring too much skin, I'll go to Taste of Chicago, OK? . . . When we're talking women in their underwear on billboards outside my living room windows, give me the fantasy babes, please. If that makes me sound superficial, shallow, and sexist—well yes, I'm a man" (Pozner, 2005).

Critical Thinking Questions:

1. How did the Dove campaign change perception?
2. How would you describe Dove's strategy?
3. Describe the target market for Dove's campaign.
4. Do you think Roeper's comments helped or hurt the campaign? Explain.
5. What measurements were used to evaluate the campaign's effectiveness?