Consumer Marketing 2020-2021

Richard K. Miller & Associates
since 1972
CONSUMER MARKETING
2020-2021

6th Edition

RKMA MARKET RESEARCH HANDBOOK SERIES

By: Richard K. Miller and Kelli Washington

Published by:

Richard K. Miller & Associates
2413 Main Street, Suite 331
Miramar, FL 33025
(888) 928-RKMA (7562)
www.rkma.com

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CONSUMER MARKETING 2020-2021
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PART I: OVERVIEW
1.1 Scope

*Consumer Marketing 2020-2021* focuses on the consumer marketplace from a marketer’s perspective and assesses marketing activities by companies that sell products and services of all types to the consumer.

Consumer marketing is an ongoing process of planning and executing the marketing mix (product, price, place, and promotion) of products and services to consumers. Marketing includes advertising, distribution, and selling, but it is also concerned with anticipating consumers’ needs and wants, which are typically revealed through market research.

Consumer marketing is also referred to as business-to-consumer (B2C) marketing.

1.2 Market Assessment

*Brandweek* estimates that U.S. companies spend about $550 billion annually on retail marketing, approximately 25% of which is spent on media advertising.

RKMA estimates that including non-retail sectors – from healthcare to restaurants, from autos to travel, from financial services to entertainment – annual spending on consumer marketing exceeds $1 trillion.

Other assessments of spending for consumer marketing estimate spending even higher. With the market defined to include advertising, branded entertainment, cause-related marketing, celebrity endorsements, consumer promotion, corporate communications, database/direct marketing, digital marketing, experiential marketing, grassroots marketing, in-store marketing, loyalty marketing, market research, package design, public relations, shopper marketing, sponsorships, and trade promotion, the Brand Activation Association ([http://www.ana.net/content/show/id/baalink](http://www.ana.net/content/show/id/baalink)) estimates annual consumer marketing spending at $2 trillion.

1.3 Consumer Behavior

*Consumer Marketing 2020-2021* has as a companion handbook, *Consumer Behavior 2019-2020*, which provides insight from the consumer perspective and assesses consumers’ shopping/spending behaviors.
2.1 Competitor Intelligence

Competitor analysis typically includes directories of current and potential competitors and the following profile measures:
• Background: history, location of offices, ownership, and personnel
• Financial information
• Products and services offered
• Marketing, channels of distribution, and pricing
• Corporate strategy
• Current research and product development that might reveal future product introductions
• Strengths that pose a competitive challenge
• Weaknesses that may be exploited

GreenBook provides a directory of competitor intelligence service providers at www.greenbook.org/market-research-firms/competitive-intelligence.
A directory of competitor intelligence providers is available online from Quirk’s at www.quirks.com/directory/sourcebook/Competitive_Intelligence.aspx.

2.2 Consumer Surveys

Surveys are popular tools for identifying consumer attitudes, preferences, and behaviors related to a broad spectrum of interests. There is a host of firms that specialize in this field; some of the major survey firms in the U.S. are as follows:
• ForeSee (www.foresee.com)
• Gallup Inc. (www.gallup.com)
• GfK MRI (www.mri.gfk.com)
• Harris Poll (www.theharrispoll.com)
• Ipsos (www.ipsos.com)
• J.D. Power and Associates (www.jdpower.com)
• Kantar Retail (www.kantarretail.com)
• Nielsen Local Market Consumer Insights (www.scarborough.com)
• Pew Research Center (www.pewresearch.org)
2.3 **Customer Satisfaction Surveys**

Questionnaires via email and postcards soliciting consumer feedback are the most popular formats for customer satisfaction surveys. Responses are used by companies to evaluate customer service and product quality – and to guide improvement.

The following companies specialize in customer satisfaction survey design and implementation:

- Clarion Research ([www.clarionresearch.com](http://www.clarionresearch.com))
- CustomerSure ([www.customersure.com](http://www.customersure.com))
- Informa Research Services ([https://financialintelligence.informa.com](https://financialintelligence.informa.com))
- KeyStat Marketing ([www.keystatmarketing.com](http://www.keystatmarketing.com))
- Leger ([www.leger360.com](http://www.leger360.com))
- Lifestory Research ([www.lifestoryresearch.com](http://www.lifestoryresearch.com))
- M/A/R/C Research ([www.marcresearch.com](http://www.marcresearch.com))
- Maritz CX Research ([www.maritzcx.com](http://www.maritzcx.com))
- MarketForce ([www.marketforce.com](http://www.marketforce.com))
- MarketProbe ([www.marketprobe.com](http://www.marketprobe.com))
- MAXimum Research ([www.maximumresearch.com](http://www.maximumresearch.com))
- Medallia ([www.medallia.com](http://www.medallia.com))
- National Business Research Institute Inc. ([www.nbrii.com](http://www.nbrii.com))
- Superior DataWorks ([www.superiordatavorks.com](http://www.superiordatavorks.com))
- Voter Consumer Research ([www.vcrhouston.com](http://www.vcrhouston.com))

In the healthcare field, hospitals are required by the Centers for Medicare & Medicaid Services ([CMS, www.cms.gov](http://www.cms.gov)) to measure patient satisfaction. The following are largest among companies that specialize in patient-satisfaction surveys (source: *Modern Healthcare*):

- Arbor Associates ([www.arbor-associates.com](http://www.arbor-associates.com))
- Avatar Solutions ([www.avatarsolutions.com](http://www.avatarsolutions.com))
- DSS Research ([www.dssresearch.com](http://www.dssresearch.com))
- NRC Health ([www.nrchealth.com](http://www.nrchealth.com))
- Patient Approved ([www.patientapproved.com](http://www.patientapproved.com))
- Pinnacle Quality Insight ([www.pinnacleiq.com](http://www.pinnacleiq.com))
- Press Ganey Associates ([www.pressganey.com](http://www.pressganey.com))
- Sullivan/Luallin ([www.sullivanluallingroup.com](http://www.sullivanluallingroup.com))
2.4 Focus Groups
Focus groups are unstructured settings where a group of people are interviewed about their opinions and attitudes towards a product, service, concept, advertisement, idea, or packaging. Questions are asked by a trained moderator with questionnaire answers typically collected using audience response keypads.

Focus group research is generally used in the consumer marketplace, but is also applicable to qualitative research on business products and services.

GreenBook provides a directory of focus group specialists at www.greenbook.org/#browseLocationArea.

2.5 Geodemographic Segmentation
Information about consumers based on where they live guides companies in siting new stores and offices. The data is also used to guide direct marketing campaigns as well as the placement of local spot ads. Various geodemographic segmentation tools, primarily based on geographic information system (GIS) technology, are available for this type of analysis.

The following are companies specializing in this field:
- Acxiom (www.acxiom.com)
- Applied Geographic Solutions (www.appliedgeographic.com)
- ESRI (www.esri.com)
- Phoenix Marketing International (www.phoenixmi.com)
- Pitney Bowes Software (www.pbinsight.com)

2.6 Market Research Companies
The 2018 AMA Gold Top 50 Report, by the American Marketing Association (www.ama.org), reported $11.24 billion in U.S. revenue for the 50 largest market research companies. These companies had $12.83 billion in international revenue.

Ranked by U.S. annual revenue, these companies are as follows:

- Nielsen: $3.73 billion
- IQVIA: $1.43 billion
- Kantar: $970 million
- Information Resources, Inc. (IRI): $733 million
- Ipsos: $569 million
- Westat: $551 million
- comScore: $332 million
- GfK: $300 million
- The NPD Group: $289 million
- ICF: $170 million
- Forrester Research Services: $166 million
- Wood Mackenzie: $132 million
- DRG (Decision Resources Group): $129 million
• MaritzCX: $124 million
• Lieberman Research Worldwide (LRW): $107 million
• dunnhumby: $103 million
• Informa Financial Intelligence: $102 million
• NRC Health: $99 million
• C Space: $67 million
• Burke: $67 million
• ORC International: $67 million
• Market Strategies International: $65 million
• Convergys Analytics: $63 million
• YouGov: $56 million
• The Macromill Group: $49 million
• Morpace: $48 million
• Market Force: $48 million
• PRS IN VIVO: $46 million
• Directions Research: $43 million
• Hanover Research: $42 million
• FocusVision: $39 million
• Phoenix Marketing International: $37 million
• SSRS: $36 million
• Cello Health plc: $36 million
• Radius GMR: $34 million
• Fors Marsh Group: $32 million
• Maru/Matchbox: $32 million
• MarketVision Research: $31 million
• LRA, a Deloitte business: $30 million
• Kelton Global: $27 million
• Screen Engine/ASI: $26 million
• Gongos: $24 million
• The Link Group: $24 million
• NAXION: $21 million
• Bellomy Research: $19 million
• Chadwick Martin Bailey: $19 million
• Edelman Intelligence: $18 million
• Hypothesis: $18 million
• KS&R (Knowledge Systems & Research): $16 million
• RTi Research: $14 million

2.7 Market Research Reports

The following are some firms that publish market research reports assessing consumer market segments and market characteristics:
• America’s Research Group (www.americasresearchgroup.com)
• BCC Research (www.bccresearch.com)
• Datamonitor (www.datamonitor.com)
• Euromonitor International (www.euromonitor.com)
• First Research (www.firstresearch.com).
• Frost & Sullivan (www.frost.com)
• GfK (www.gfk.com)
• Kantar Futures (www.thefuturescompany.com)
• Mintel (www.mintel.com)
• New Strategist Publications (www.newstrategist.com)
• Nielsen Local (www.scarborough.com)
• Packaged Facts (www.packagedfacts.com)
• Paramount Market Publishing (www.paramountbooks.com)
• Parks Associates (www.parksassociates.com)
• Prosper Business Development (www.goproper.com)
• Richard K. Miller & Associates (www.rkma.com)
• The NPD Group (www.npd.com)
• Unity Marketing (www.unitymarketingonline.com)
• WSL Strategic Retail (www.wslstrategicretail.com)

A comprehensive collection of market intelligence reports from over 720 publishers is available from MarketResearch.com.

### 2.8 Media Consumption Research

Several specialized companies offer survey-based data on consumer use of various media. This data is used by advertisers to guide marketing campaigns and ad placements. The following are leading companies in this field:

- Audience Research & Analysis (www.audienceresearch.com)
- Kantar Media (www.kantarmedia.com)
- Media Management, Inc. (www.mediaaudit.com)
- Nielsen (www.nielsen.com)
- PQ Media (www.pqmedia.com)

### 2.9 Mystery Shopping

Mystery shopping involves unidentified researchers who pose as shoppers to evaluate employee performance, customer service quality, and retail operational performance.

The following are among the largest companies that provide mystery shopping services:

- Deep See Research (www.deepseeresearch.com)
- Measure Consumer Perspectives (www.measurecp.com)
- Secret Shopper (www.secretshopper.com)
- Shoppers’ View (www.shoppersview.com)
A directory of market research companies that specialize in mystery shopping is available at www.greenbook.org/market-research-firms/mystery-shopping.

2.10 Neuroscience Research

Neuroscience research uses biometrics, electroencephalography (EEG), facial coding, implicit association, eye tracking, and other tools to determine what motivates shoppers.

“Today every major market research company has neuroscience offerings, spanning biometrics, facial coding, EEG, implicit association, and eye tracking. The reason for this rapid adoption is that they provide a new lens for understanding unconscious consumer response to stimuli which we know is critically important to decision-making. Neuro enables fresher, deeper, and richer insights, and can add unexpected perspective to evaluations of advertising, brand perceptions, and shopper experience.”

Elissa Moses
Exec. V.P. Neurosciences
Ipsos

At the leading edge of neuroscience research is the use of functional magnetic resonance imaging (fMRI) scanners to help understand why people make the decisions they do, the role of the subconscious mind in consumer decision-making, and what part of the brain guides them. This is accomplished by measuring the flow of blood in portions of the brain involved in emotions such as wanting and indecision.

Research groups and companies in this field include the following:
• Ahmanson Lovelace Brain Mapping Center at UCLA (www.bmap.ucla.edu)
• Emory University, Neuroscience and Behavioral Biology program (www.nbb.emory.edu)
• Human Neuroimaging Laboratory at the Virginia Tech Carilion Research Institute (http://labs.vtc.vt.edu/hnl/)
2.11 Public Opinion Polls

Opinion polls are popular tools for identifying consumer attitudes, preferences, and behaviors related to a broad spectrum of interests. There are a host of academic groups and firms that specialize in this field, including the following organizations:

- ABC News Polling Unit (http://abcnews.go.com/politics)
- American Research Group (www.americanresearchgroup.com)
- AP-GfK (http://ap-gfkpoll.com/)
- CBS News (www.cbsnews.com/latest/opinion/)
- Diageo/Hotline Poll (http://diageohotlinepoll.com/)
- Elon University Poll (www.elon.edu/e-web/elonpoll/)
- Fox News Poll (www.foxnews.com/official-polls/index.html)
- Gallup (www.gallup.com)
- GfK MRI (www.mri.gfk.com)
- Harris Poll (www.theharrispoll.com)
- ICR International Communications Research (www.icrsurvey.com)
- Marist College Institute for Public Opinion (www.maristpoll.marist.edu)
- Market Shares (http://marketsharescorp.com)
- Mason-Dixon (http://mason-dixon.com)
- Monmouth University Polling Institute (www.monmouth.edu/university/monmouth-university-polling-institute.aspx)
- National Opinion Research Center at the University of Chicago (www.norc.org)
- Pew Research Center (www.pewresearch.org)
- Polling Report (www.pollingreport.com)
- Pollster.com (www.huffingtonpost.com/news/pollster/)
- Public Agenda (www.publicagenda.org)
- Public Mind at Fairleigh Dickenson University (http://publicmind.fdu.edu/index.html)
- Public Policy Polling (www.publicpolicypolling.com)
- Quinnipiac University Polling Institute (www.quinnipiac.edu/institutes-and-centers/polling-institute/)
- Rasmussen Reports (www.rasmussenreports.com)
- Roper Center at the University of Connecticut (www.ropercenter.uconn.edu)
- Siena College Poll (www.siena.edu/pages/1167.asp)
- Suffolk University Poll (www.suffolk.edu/academics/1093.php)
- Survey USA (www.surveyusa.com)
- The Field Poll (www.field.com/fieldpoll/)
- TIPP Online (www.tipponline.com)
- World Public Opinion (http://worldpublicopinion.org/index.php)
Among the prominent annual opinion polls are the General Social Survey (www.norc.org/GSS+Website/), by the National Opinion Research Center at the University of Chicago, and the Survey of the American Consumer, by GfK MRI (www.gfkmri.com/Products/TheSurveyoftheAmericanConsumer.aspx).

### 2.12 Retail Sales Reporting

Sales reporting companies develop comprehensive retail analyses based on sales data provided to them by major retail chains. Reporting companies provide data as varied as products that consumers purchase as well as how much they spend. In addition to receiving a fee for their data, retailers gain access to information that includes their competitors’ sales figures. A few retailers, including Walmart, do not release sales data.

Companies that provide point-of-sale market research data include the following:

- Experian Consumer Insights (www.experian.com/marketing-services/marketing-services.html)
- IRI (www.iriworldwide.com)
- Market Decisions Research (www.marketdecisions.com)
- Nielsen (www.nielsen.com)
- SportScanINFO (www.sportscaninfo.com)
- The NPD Group (www.npd.com)

Such companies also develop retail market data based on statistical-sample monitoring of households. This approach (e.g., sampling and projecting) was the norm in the data gathering industry before scanner data became available.

### 2.13 Web Traffic Analysis

Assessments of online activities provide insight into consumers’ and businesses’ ever-changing habits as they surf the net or engage in e-commerce activities. They are used by marketers to guide the placement of online ads and promotions.

The following are some market research firms specializing in online tracking:

- Compete (www.compete.com)
- comScore (www.comscore.com)
- Forrester Research (www.forrester.com)
- Juniper Research (www.juniperresearch.com)
- Nielsen (www.nielsen.com)
- Quantcast (www.quantcast.com)
- Shop.org of the National Retail Federation (www.shop.org)

These companies gather data via tags placed on popular consumer websites. comScore, for instance, has a panel of two million worldwide Internet companies, half of which are in the United States, that opt to share their clickstream data. Nielsen has a
panel of more than 200,000 sites in the United States that collect data through tags on their websites.

“The online marketing world has never been more awash in quantifiable information on audience sizes, audience make-ups, and the paths they travel through the Web.”

Advertising Age

2.14 Market Resources
Academic centers of B2C market research are listed in Appendix A of this handbook.

Market analysts that focus on the B2C marketplace are listed in Appendix D of this handbook.

American Marketing Association, 130 E. Randolph Street, 22nd Floor, Chicago, IL 60601. (312) 542-9000. (www.marketingpower.com)

GreenBook, 116 East 27th Street, 6th Floor, New York, NY 10016. (212) 849-2752. (www.greenbook.org)


MarketResearch.com, 6116 Executive Boulevard, Suite 550, Rockville, MD 20852. (800) 298-5699. (www.marketresearch.com)

Quirk’s Marketing Research Media, 4662 Slater Road, Eagan, MN 55122. (651) 379-6200. (www.quirks.com)

Strategic & Competitive Intelligence Professionals (SCIP), 7550 IH 10 West, Suite 400, San Antonio, TX 78229. (703) 739-0696. (www.scip.org)
3.1 Overview
Conducted by Duke University’s Fuqua School of Business (www.fuqua.duke.edu) and sponsored by the American Marketing Association (www.marketingpower.com) and McKinsey & Company (www.mckinsey.com), The CMO Survey (www.cmosurvey.com) is a semi-annual poll of chief marketing officers (CMOs) from B2B and B2C companies.

3.2 B2C CMO Survey
The following are responses by CMOs in B2C products and B2C services companies in the February 2019 survey:

<table>
<thead>
<tr>
<th>Change in Company Performance, Prior 12 Months</th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sales:</td>
<td>4.3%</td>
<td>5.5%</td>
</tr>
<tr>
<td>• Profit:</td>
<td>4.8%</td>
<td>5.4%</td>
</tr>
<tr>
<td>• Marketing ROI:</td>
<td>3.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>• Customer acquisition:</td>
<td>2.1%</td>
<td>4.7%</td>
</tr>
<tr>
<td>• Customer retention:</td>
<td>0.9%</td>
<td>2.5%</td>
</tr>
<tr>
<td>• Brand value:</td>
<td>2.7%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of Company Sales Through The Internet</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• B2C Products:</td>
<td>11.9%</td>
<td></td>
</tr>
<tr>
<td>• B2C Services:</td>
<td>21.3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in Marketing Budget, Prior 12 Months</th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>• B2C Products:</td>
<td>1.5%</td>
<td></td>
</tr>
<tr>
<td>• B2C Services:</td>
<td>7.6%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expected Change in Marketing Budget, Next 12 Months</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• B2C Products:</td>
<td>2.9%</td>
<td></td>
</tr>
<tr>
<td>• B2C Services:</td>
<td>9.6%</td>
<td></td>
</tr>
</tbody>
</table>
### Expected Change in Marketing Knowledge Investments, Next 12 Months

<table>
<thead>
<tr>
<th></th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing knowledge about how to do marketing:</td>
<td>9.3%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Market research and intelligence:</td>
<td>3.0%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Marketing consulting services:</td>
<td>4.5%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Marketing training:</td>
<td>3.8%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

### Change in Social Media Spending

<table>
<thead>
<tr>
<th></th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td>12.6%</td>
<td>15.3%</td>
</tr>
<tr>
<td>Next five years - expected:</td>
<td>20.9%</td>
<td>24.7%</td>
</tr>
</tbody>
</table>

### Social Media Activities Performed By Outside Agency

<table>
<thead>
<tr>
<th></th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C Products:</td>
<td>33.2%</td>
<td></td>
</tr>
<tr>
<td>B2C Services:</td>
<td>25.1%</td>
<td></td>
</tr>
</tbody>
</table>

### Social Media Contribution To Performance (1 = not at all, 7 = very highly)

<table>
<thead>
<tr>
<th></th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C Products:</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td>B2C Services:</td>
<td>3.5</td>
<td></td>
</tr>
</tbody>
</table>

### Percentage of Marketing Budget Spent On Analytics

<table>
<thead>
<tr>
<th></th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019:</td>
<td>5.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td>2022:</td>
<td>7.2%</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

### Percentage Of Marketing Budget Spent On Mobile

<table>
<thead>
<tr>
<th></th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C Products:</td>
<td>25.4%</td>
<td></td>
</tr>
<tr>
<td>B2C Services:</td>
<td>27.0%</td>
<td></td>
</tr>
</tbody>
</table>

### Mobile Marketing Contribution To Performance (1 = not at all, 7 = very highly)

<table>
<thead>
<tr>
<th></th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C Products:</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td>B2C Services:</td>
<td>4.0</td>
<td></td>
</tr>
</tbody>
</table>

### Percent of Time Marketing Analytics Is Used in Decision Making

<table>
<thead>
<tr>
<th></th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C Products:</td>
<td>53.0%</td>
<td></td>
</tr>
<tr>
<td>B2C Services:</td>
<td>55.4%</td>
<td></td>
</tr>
</tbody>
</table>

### Marketing Analytics Contribution To Performance (1 = not at all, 7 = very highly)

<table>
<thead>
<tr>
<th></th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C Products:</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>B2C Services:</td>
<td>4.8</td>
<td></td>
</tr>
</tbody>
</table>

### Expected Change in Marketing Hires, Next 12 Months

<table>
<thead>
<tr>
<th></th>
<th>B2C Products</th>
<th>B2C Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C Products:</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>B2C Services:</td>
<td>4.4%</td>
<td></td>
</tr>
</tbody>
</table>
Expected Change in Outsourcing of Marketing Activities, Next 12 Months

- B2C Products: 2.0%
- B2C Services: 0.8%

Top Challenges For Marketing Leaders (percent ranking each challenge as #1)

<table>
<thead>
<tr>
<th></th>
<th>B2B Products</th>
<th>B2B Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driving Growth:</td>
<td>43.6%</td>
<td>31.3%</td>
</tr>
<tr>
<td>Providing ROI of marketing activities:</td>
<td>15.4%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Delivering a powerful brand that breaks through the clutter:</td>
<td>12.8%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Securing marketing budget:</td>
<td>12.8%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Hiring top talent:</td>
<td>5.1%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Generating customer insight:</td>
<td>5.1%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Identifying the right technologies to meet our needs:</td>
<td>2.6%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Training our team:</td>
<td>2.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Managing our online presence:</td>
<td>0.0%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Find sponsorship/support from the executive level:</td>
<td>0.0%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

3.3 Market Resources
Duke University, Fuqua School of Business, 100 Fuqua Drive, Box 90120, Durham, NC 27708. (www.fuqua.duke.edu)
PART II: ADVERTISING
ADVERTISING SPENDING

4.1 Overview

eMarketer (www.emarketer.com), Kantar Media (www.kantarmedia.com), Magna (www.magnaglobal.com), Winterberry Group (www.winterberrygroup.com), and Zenith Media (www.zenithmedia.com) publish annual assessments of advertising spending. This chapter presents a summary of the most recent assessments.

4.2 eMarketer Assessment

eMarketer assesses total media advertising spending as follows (change from previous year in parenthesis):

- 2015: $183.06 billion (4.4%)
- 2016: $195.76 billion (6.9%)
- 2017: $207.30 billion (5.9%)
- 2018: $219.27 billion (5.8%)
- 2019: $230.93 billion (5.3%)
- 2020: $242.77 billion (5.1%)

By media, U.S. advertising spending is assessed as follows (in billions):

<table>
<thead>
<tr>
<th>Media Type</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital:</td>
<td>$59.82</td>
<td>$72.09</td>
<td>$82.86</td>
<td>$93.18</td>
<td>$103.49</td>
<td>$113.18</td>
</tr>
<tr>
<td>- Mobile:</td>
<td>$31.69</td>
<td>$45.95</td>
<td>$57.44</td>
<td>$68.93</td>
<td>$77.89</td>
<td>$86.64</td>
</tr>
<tr>
<td>TV:</td>
<td>$68.88</td>
<td>$71.29</td>
<td>$72.72</td>
<td>$74.53</td>
<td>$76.02</td>
<td>$77.93</td>
</tr>
<tr>
<td>Print:</td>
<td>$28.16</td>
<td>$26.44</td>
<td>$25.78</td>
<td>$25.58</td>
<td>$25.51</td>
<td>$25.62</td>
</tr>
<tr>
<td>- Magazines:</td>
<td>$13.51</td>
<td>$12.97</td>
<td>$12.84</td>
<td>$12.90</td>
<td>$12.95</td>
<td>$13.01</td>
</tr>
<tr>
<td>Out-of-home:</td>
<td>$  7.33</td>
<td>$  7.52</td>
<td>$  7.67</td>
<td>$  7.78</td>
<td>$  7.86</td>
<td>$  7.94</td>
</tr>
<tr>
<td>Directories:</td>
<td>$  4.56</td>
<td>$  4.25</td>
<td>$  4.08</td>
<td>$  3.95</td>
<td>$  3.87</td>
<td>$  3.80</td>
</tr>
</tbody>
</table>

4.3 Kantar Media Assessment

According to Kantar Media, measured media* advertising spending in 2018 was $153.5 billion, distributed as follows:

- TV: $77.0 billion
- Desktop search: $19.5 billion
Advertising spending by sector in 2018 was as follows (change from previous year in parenthesis):

- Retail: $15.1 billion (-7.1%)
- Automotive: $12.9 billion (-9.7%)
- Telecommunications, Internet services, and ISP: $12.3 billion (3.2%)
- General services: $11.5 billion (1.1%)
- Medicine and remedies: $10.2 billion (0.9%)
- Financial services: $7.9 billion (6.9%)
- Insurance: $7.1 billion (8.1%)
- Food, beverages and candy: $6.9 billion (-7.0%)
- Airlines, hotels, car rental and travel: $6.3 billion (14.9%)
- Restaurants: $6.2 billion (-2.1%)

* Measured media advertising, as defined by Kantar Media, includes multimedia ad expenditures for the following: network TV (5 networks); spot TV (125 DMAs); cable TV (71 networks); syndication TV; Hispanic network TV (4 networks); consumer magazines (204 publications); Sunday magazines (8 publications); local magazines (29 publications); Hispanic magazines (18 publications); business-to-business magazines (304 publications); local newspapers (108 publications); national newspapers (3 publications); Hispanic newspapers (46 publications); network radio (5 networks); national spot radio (205 markets); local radio (32 markets); Internet search (Google search engine, excluding mobile); Internet display (1,911 sites monitored at least once a year); and outdoor advertising. Beyond these specific media platforms, there are thousands of small and local media in the U.S. which attract advertising dollars.

4.4 Magna Assessment

Magna estimates U.S. total (i.e., offline and digital) advertising spending in 2018, excluding cyclical event spending, at $209.0 billion.

Spending and growth by media, excluding cyclical event spending, are assessed as follows:

<table>
<thead>
<tr>
<th>Traditional Media</th>
<th>2018 Spending</th>
<th>2019 Growth</th>
<th>2020 Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>National TV:</td>
<td>$41.9 billion</td>
<td>-1.7%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Local TV:</td>
<td>$18.7 billion</td>
<td>-5.4%</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Print:</td>
<td>$15.1 billion</td>
<td>-14.8%</td>
<td>-16.3%</td>
</tr>
<tr>
<td>Radio:</td>
<td>$13.5 billion</td>
<td>-2.6%</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Out-of-home and cinema:</td>
<td>$8.4 billion</td>
<td>3.6%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Total:</td>
<td>$97.6 billion</td>
<td>-4.1%</td>
<td>-4.7%</td>
</tr>
</tbody>
</table>
Digital
- Mobile: $74.1 billion  22.0%  16.6%
- Search: $53.6 billion  13.5%  10.3%
- Desktop: $37.2 billion  -4.4%  -8.8%
- Social: $27.8 billion  24.0%  15.3%
- Video: $13.7 billion  19.7%  14.5%
- Total: $111.4 billion  13.2%  9.5%
- Total, offline and digital: $209.0 billion  5.1%  3.4%

In 2018, ad spending for cyclical events – Winter Olympics, FIFA World Cup, Midterm Elections – was $4.9 billion.

4.5 Winterberry Group
Winterberry Group assesses total U.S. media advertising and marketing spending as follows (change from previous year in parenthesis):

<table>
<thead>
<tr>
<th>Traditional Media</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linear TV:</td>
<td>$69.9 billion (-0.5%)</td>
<td>$69.2 billion (-1.0%)</td>
</tr>
<tr>
<td>Experiential/sponsorship:</td>
<td>$45.9 billion (4.0%)</td>
<td>$47.5 billion (3.5%)</td>
</tr>
<tr>
<td>Direct mail:</td>
<td>$42.9 billion (0.9%)</td>
<td>$44.3 billion (3.3%)</td>
</tr>
<tr>
<td>In-store:</td>
<td>$18.1 billion (-1.8%)</td>
<td>$17.8 billion (-1.5%)</td>
</tr>
<tr>
<td>Radio:</td>
<td>$14.4 billion (0.6%)</td>
<td>$14.4 billion (0.1%)</td>
</tr>
<tr>
<td>Newspapers:</td>
<td>$10.1 billion (-12.2%)</td>
<td>$8.8 billion (-13.5%)</td>
</tr>
<tr>
<td>Magazines:</td>
<td>$9.3 billion (-12.0%)</td>
<td>$8.0 billion (-14.0%)</td>
</tr>
<tr>
<td>Traditional outdoor:</td>
<td>$8.2 billion (2.1%)</td>
<td>$8.3 billion (1.1%)</td>
</tr>
<tr>
<td>Addressable TV:</td>
<td>$2.3 billion (78.7%)</td>
<td>$3.0 billion (35.3%)</td>
</tr>
<tr>
<td>Total traditional:</td>
<td>$221.0 billion (0.0%)</td>
<td>$221.2 billion (0.1%)</td>
</tr>
</tbody>
</table>

Digital
- Search: $45.8 billion (16.8%)  $53.3 billion (16.4%)
- Display: $30.1 billion (17.9%)  $34.4 billion (14.4%)
- Paid social: $25.2 billion (16.7%)  $29.4 billion (16.6%)
- Digital out-of-home: $3.4 billion (11.2%)  $3.7 billion (11.4%)
- Email/SMS: $3.4 billion (7.5%)  $3.6 billion (7.2%)
- Digital video (OTT/streaming): $2.2 billion (42.2%)  $2.6 billion (20.0%)
- Digital radio: $1.9 billion (20.0%)  $2.2 billion (15.0%)
- Total digital: $111.9 billion (17.1%)  $129.3 billion (15.5%)
- Total: $332.9 billion (5.7%)  $350.4 billion (5.7%)
### 4.6 Zenith USA Assessment

Zenith USA assesses major media and marketing services spending as follows:

<table>
<thead>
<tr>
<th>Major Media</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet:</td>
<td>$ 92.4 billion</td>
<td>$106.3 billion</td>
<td>$119.0 billion</td>
</tr>
<tr>
<td>TV:</td>
<td>$ 68.2 billion</td>
<td>$ 67.2 billion</td>
<td>$ 66.0 billion</td>
</tr>
<tr>
<td>Radio:</td>
<td>$ 17.6 billion</td>
<td>$ 17.6 billion</td>
<td>$ 17.6 billion</td>
</tr>
<tr>
<td>Newspaper:</td>
<td>$ 15.1 billion</td>
<td>$ 13.9 billion</td>
<td>$ 13.0 billion</td>
</tr>
<tr>
<td>Magazine:</td>
<td>$ 14.1 billion</td>
<td>$ 13.0 billion</td>
<td>$ 11.9 billion</td>
</tr>
<tr>
<td>Outdoor:</td>
<td>$ 9.8 billion</td>
<td>$ 9.8 billion</td>
<td>$10.0 billion</td>
</tr>
<tr>
<td>Cinema:</td>
<td>$ 1.0 billion</td>
<td>$ 1.0 billion</td>
<td>$ 1.1 billion</td>
</tr>
<tr>
<td><strong>Total - major media:</strong></td>
<td>$218.0 billion</td>
<td>$228.8 billion</td>
<td>$238.5 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing Services</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales promotion:</td>
<td>$ 82.7 billion</td>
<td>$ 85.2 billion</td>
<td>$ 86.7 billion</td>
</tr>
<tr>
<td>Telemarketing:</td>
<td>$ 59.6 billion</td>
<td>$ 60.8 billion</td>
<td>$ 61.4 billion</td>
</tr>
<tr>
<td>Direct mail:</td>
<td>$ 47.7 billion</td>
<td>$ 46.5 billion</td>
<td>$ 47.7 billion</td>
</tr>
<tr>
<td>Event sponsorship:</td>
<td>$ 39.9 billion</td>
<td>$ 42.7 billion</td>
<td>$ 45.3 billion</td>
</tr>
<tr>
<td>Directories:</td>
<td>$ 8.0 billion</td>
<td>$ 7.9 billion</td>
<td>$ 7.8 billion</td>
</tr>
<tr>
<td>Public relations:</td>
<td>$ 5.7 billion</td>
<td>$ 6.0 billion</td>
<td>$ 6.3 billion</td>
</tr>
<tr>
<td><strong>Total - marketing:</strong></td>
<td>$243.6 billion</td>
<td>$249.1 billion</td>
<td>$255.2 billion</td>
</tr>
</tbody>
</table>

**Total:** $461.6 billion $477.9 billion $493.7 billion

### 4.7 Market Resources

*Advertising Age*, 711 Third Avenue, New York, NY 10017. (212) 210-0100. ([www.adage.com](http://www.adage.com))

eMarketer, 11 Times Square, New York, NY 10036. (800) 405-0844. ([www.emarketer.com](http://www.emarketer.com))

Kantar Media, 100 Park Avenue, 4th Floor, New York, NY 10017. (212) 991-6000. ([www.kantarmedia.com](http://www.kantarmedia.com))

Magnal, 100 West 33rd Street, New York, NY 10001. (212) 883-4751. ([www.magnaglobal.com](http://www.magnaglobal.com))

Winterberry Group, 60 Broad Street, Suite 3810, New York, NY 10004. (212) 842-6000. ([www.winterberrygroup.com](http://www.winterberrygroup.com))

Zenith USA, 299 West Houston Street, 11th Floor, New York, NY 10014. (212) 859-5100. ([www.zenithmedia.com](http://www.zenithmedia.com))
5

CONSUMER RESPONSE TO ADVERTISING

5.1 Overall Attitude Toward Ads

A 2018 survey by Kantar Millward Brown (www.millwardbrown.com) asked U.S. Internet users their attitude toward ads. Responses were as follows (percentage of respondents):

- Ads are appearing in more places now: 79%
- I see more ads now: 74%
- Ads are more intrusive: 71%
- Ads now fit together better across different platforms: 47%
- Ads tell better stories than in the past: 41%
- Ads are now more confusing: 33%

“If you believe ads are becoming more invasive, you’re not alone.”

eMarketer, 4/10/18

The State of Digital Advertising 2018, by Adobe (www.adobe.com), reported that U.S. Internet users view ad relevancy now compared with two years prior as follows:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>More Relevant</th>
<th>Less Relevant</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 and 19</td>
<td>45%</td>
<td>18%</td>
</tr>
<tr>
<td>20-to-36</td>
<td>57%</td>
<td>10%</td>
</tr>
<tr>
<td>37-to-52</td>
<td>41%</td>
<td>13%</td>
</tr>
<tr>
<td>53-to-71</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>72 and older</td>
<td>10%</td>
<td>16%</td>
</tr>
</tbody>
</table>

5.2 Trust In Advertising

The Customer Satisfaction Research Survey, by MarketingSherpa (www.marketingsherpa.com), found ads that adults trust when making a purchase decision as follows (percentage of respondents):
• Newspapers and magazines/print media ads: 82%
• TV ads: 80%
• Ads/catalogs received in the mail: 76%
• Radio ads: 71%
• Outdoor advertising: 69%
• Search engine ads: 61%
• Video ads appearing prior to a digital video: 47%
• Sponsored posts on blogs: 43%
• Ads embedded in social media: 43%
• Online banner ads: 39%
• Mobile phone ads: 39%
• Ads in podcasts: 37%
• Digital pop-ups: 25%

5.3 Preferred Media For Ads

The Harris Poll (www.theharrispoll.com) found that consumers find the following most useful in deciding what products and services to purchase:

<table>
<thead>
<tr>
<th>Media Type</th>
<th>18-to-34</th>
<th>35-to-44</th>
<th>45-to-55</th>
<th>55 &amp; older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television commercials:</td>
<td>50%</td>
<td>38%</td>
<td>35%</td>
<td>23%</td>
<td>37%</td>
</tr>
<tr>
<td>Newspaper ads:</td>
<td>6%</td>
<td>13%</td>
<td>14%</td>
<td>31%</td>
<td>17%</td>
</tr>
<tr>
<td>Internet search engine ads:</td>
<td>10%</td>
<td>15%</td>
<td>16%</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Radio ads:</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Internet banner ads:</td>
<td>4%</td>
<td>1%</td>
<td>1%</td>
<td>&lt;1%</td>
<td>1%</td>
</tr>
<tr>
<td>All media viewed equally:</td>
<td>27%</td>
<td>29%</td>
<td>31%</td>
<td>27%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Harris Poll also found that consumers find the following most helpful when shopping for bargains:

<table>
<thead>
<tr>
<th>Media Type</th>
<th>18-to-34</th>
<th>35-to-44</th>
<th>45-to-55</th>
<th>55 &amp; older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper/magazine ads:</td>
<td>15%</td>
<td>16%</td>
<td>24%</td>
<td>33%</td>
<td>23%</td>
</tr>
<tr>
<td>Online ads:</td>
<td>22%</td>
<td>26%</td>
<td>17%</td>
<td>12%</td>
<td>18%</td>
</tr>
<tr>
<td>Direct mail/catalogs:</td>
<td>15%</td>
<td>13%</td>
<td>14%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>TV commercials:</td>
<td>17%</td>
<td>12%</td>
<td>8%</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>Radio ads:</td>
<td>2%</td>
<td>3%</td>
<td>&lt;1%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>All media viewed equally:</td>
<td>31%</td>
<td>31%</td>
<td>36%</td>
<td>36%</td>
<td>34%</td>
</tr>
</tbody>
</table>

CrossView (www.crossview.com) found shoppers’ preference for delivery of retail promotions as follows:

- Email: 37%
- Mailer: 23%
- Text message: 18%
- In-store: 11%
- Social media: 9%
- Other: 3%
5.4 Positive Response To Ads

A survey by McCann Worldgroup (www.mccannworldgroup.com) found that 71% of consumers feel positive about the advertising sector, 67% of consumers feel positive about the advertising they see around them, 57% of consumers say advertising gives them something to talk about, and 39% of consumers say they love advertising. When asked how advertising benefits them, survey participants responded as follows:

• Helps me keep informed about the latest offers: 87%
• Helps me know what the latest trends are: 83%
• Entertains me and makes me laugh: 77%

Microsoft Advertising (www.advertising.microsoft.com) found attitudes toward advertising through four specific platforms as follows:

<table>
<thead>
<tr>
<th>Platform</th>
<th>Computer</th>
<th>TV</th>
<th>Smartphone</th>
<th>Console</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fun to watch:</td>
<td>32%</td>
<td>54%</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>Generally like the ads:</td>
<td>29%</td>
<td>46%</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>Regularly notice ads:</td>
<td>54%</td>
<td>64%</td>
<td>39%</td>
<td>31%</td>
</tr>
<tr>
<td>More meaningful and relevant:</td>
<td>35%</td>
<td>48%</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>Helpful if targeted to preferences:</td>
<td>50%</td>
<td>54%</td>
<td>40%</td>
<td>33%</td>
</tr>
<tr>
<td>Rarely notice ads:</td>
<td>36%</td>
<td>29%</td>
<td>43%</td>
<td>38%</td>
</tr>
<tr>
<td>Very annoying:</td>
<td>58%</td>
<td>43%</td>
<td>62%</td>
<td>43%</td>
</tr>
</tbody>
</table>

5.5 Negative Response To Ads

Harris Poll found that consumers chose not to purchase a certain brand for advertising-related reasons as follows (percentage of respondents):

<table>
<thead>
<tr>
<th>Reason</th>
<th>18-to-34</th>
<th>35-to-44</th>
<th>45-to-55</th>
<th>55 &amp; older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Found the ads distasteful:</td>
<td>37%</td>
<td>34%</td>
<td>32%</td>
<td>37%</td>
<td>35%</td>
</tr>
<tr>
<td>Didn’t like the spokesperson:</td>
<td>29%</td>
<td>24%</td>
<td>27%</td>
<td>30%</td>
<td>28%</td>
</tr>
<tr>
<td>Didn’t like program or event sponsored by the brand:</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
<td>30%</td>
<td>27%</td>
</tr>
</tbody>
</table>

A separate survey by Harris Poll found that 91% of consumers ignore at least some types of ads. The following are the types of ads that consumers tend to ignore or disregard the most:

<table>
<thead>
<tr>
<th>Type of Ad</th>
<th>18-to-34</th>
<th>35-to-44</th>
<th>45-to-55</th>
<th>55 &amp; older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet banner ads:</td>
<td>43%</td>
<td>50%</td>
<td>48%</td>
<td>45%</td>
<td>46%</td>
</tr>
<tr>
<td>Internet search engine ads:</td>
<td>20%</td>
<td>14%</td>
<td>17%</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>Television commercials:</td>
<td>7%</td>
<td>10%</td>
<td>9%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Radio ads:</td>
<td>11%</td>
<td>10%</td>
<td>9%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Newspaper ads:</td>
<td>7%</td>
<td>7%</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>None of these:</td>
<td>14%</td>
<td>9%</td>
<td>6%</td>
<td>8%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Almost every online consumer has received information while visiting a website that has nothing to do with their personal interests or demographics. *Online Personal Experience*, a survey by Harris Poll, found that people are running out of patience with irrelevant ads. When asked about their response to irrelevant online ads, responses were as follows:

- I get frustrated with websites when content, offers, ads, promotions, etc. appear that have nothing to do with my interests: 74%
- I would leave the site if asked for donations from a political party that I dislike the most: 67%
- I would leave the site if shown ads for a dating service (response from married survey participants only): 57%
- I would leave the site if shown a recommendation to purchase underwear that is for the opposite gender: 50%

### 5.6 Ignoring Ads

A survey by Harris Poll assessing various types of media found that 92% of adults typically ignore at least one type of ad. Survey participants identified the ads they most ignore as follows (multiple responses allowed):

- Online banner ads: 73%
- Online social media ads: 62%
- Online search engine ads: 59%
- TV ads: 37%
- Radio ads: 36%
- Newspaper ads: 35%
6.1 Market Assessment

Marketers are using novel techniques to engage movie theater patrons, including use of on-screen ads and lobby displays that are interactive and entertainment-oriented.

Cinema Advertising Council (CAC, www.cinemaadcouncil.org) member companies reported in-theater ad revenue of $781.2 million in 2018, an increase from $750.7 million the previous year. (CAC members account for more than 90% of U.S. movie screens.) On-screen commercials accounted for $718.8 million, or 93% of cinema ad revenue. Off-screen advertising includes concession-area marketing and in-lobby product sampling promotions.

The top five cinema sales categories in 2018 were as follows:
• Telecommunication, Internet, and media
• Automotive
• Insurance and real estate
• Entertainment
• Consumer electronics

National and regional advertising account for 75% of in-cinema advertising spending; local ads contribute 25%.

In 2018, 185 new brands advertised in cinemas.

The largest movie theater advertising companies are National CineMedia (www.nationalcinemedia.com) and Screenvision (www.screenvision.com).

6.2 Moviegoer Demographics

According to Harris Poll (www.theharrispoll.com), 68% of adults go to the movies at least once a year. By gender and age demographic, those who go to movies are as follows:

<table>
<thead>
<tr>
<th>Gender</th>
<th>At Least One Movie</th>
<th>&gt;10 Movies</th>
<th>Mean Number Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>66%</td>
<td>14%</td>
<td>4.1</td>
</tr>
<tr>
<td>Male</td>
<td>70%</td>
<td>20%</td>
<td>5.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>At Least One Movie</th>
<th>&gt;10 Movies</th>
<th>Mean Number Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-36:</td>
<td>83%</td>
<td>24%</td>
<td>6.3</td>
</tr>
<tr>
<td>37-to-48:</td>
<td>73%</td>
<td>21%</td>
<td>5.3</td>
</tr>
</tbody>
</table>
According to the Motion Picture Association of America (MPAA, www.mpaa.org), 11% of people are frequent moviegoers, going to a cinema at least once a month. The following is a profile of frequent moviegoers:

<table>
<thead>
<tr>
<th>Gender</th>
<th>% of Frequent</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>57%</td>
<td>51%</td>
</tr>
<tr>
<td>Male</td>
<td>43%</td>
<td>49%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>% of Frequent</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-to-11</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>12-to-17</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td>18-to-24</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>25-to-39</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>40-to-49</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>50-to-59</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>60 and older</td>
<td>10%</td>
<td>20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>% of Frequent</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>African-American</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Caucasian</td>
<td>49%</td>
<td>63%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>32%</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
<td>8%</td>
</tr>
</tbody>
</table>

The percentage of frequent moviegoers in the most populous states is as follows:

- California: 20%
- Texas: 17%
- Michigan: 15%
- Georgia: 14%
- Illinois: 12%
- Ohio: 12%
- Virginia: 11%
- Florida: 9%
- New York: 8%
- North Carolina: 7%
- Pennsylvania: 6%
- Indiana: 5%
- Other states: 11%
According to The Media Audit (www.themediaaudit.com), approximately 36% of adults living in metropolitan areas visit movie theaters each month. The following metropolitan areas have the highest percentage of adults who do so:

- Ann Arbor, MI: 53.5%
- San Francisco, CA: 48.3%
- Salt Lake City, UT: 47.5%
- Reno, NV: 47.4%
- San Jose, CA: 47.1%
- Phoenix, AZ: 47.2%
- Spokane, WA: 47.1%
- San Diego, CA: 45.7%
- Nashville, TN: 44.1%
- Dallas-Ft. Worth, TX: 43.1%

The following metropolitan areas have the lowest percentages of adults visiting movie theaters each month:

- Charlotte, NC: 15.0%
- Greenville-Spartanburg, SC: 24.3%
- Pittsburgh, PA: 25.5%
- Louisville, KY: 25.8%
- New Orleans, LA: 26.8%
- Toledo, OH: 26.8%

6.3 Market Resources
Cinema Advertising Council, 3853 Whitman Road, Annandale, VA 22003. (703) 407-6705. (www.cinemaadcouncil.org)

7

MAGAZINE ADVERTISING

7.1 Readership

According to the Association of Magazine Media (AMM, www.magazine.org), 224.6 million adults read magazines in 2018, an increase from 221.9 million readers the year prior.

AMM assesses total U.S. annual magazine readership counts as follows:

- Subscriptions: 269,871,370
- Single copies: 22,336,481
- Total: 292,207,851

Including magazines in all formats, 1.64 billion editions were read in 2018.

Distribution by format was as follows:

- Print and digital editions: 803.6 million
- Mobile web/app: 555.4 million
- Web desktop/laptop: 165.8 million
- Video: 111.9 million

7.2 Circulation

According to the AMM, the top magazine titles, based on paid and verified circulation in March 2019, were as follows:

- ESPN The Magazine: 117,385,000
- People: 94,562,000
- WebMD Magazine: 62,493,000
- Allrecipes: 54,454,000
- AARP: 48,868,000
- Vanity Fair: 46,141,000
- Cosmopolitan: 41,322,000
- Good Housekeeping: 41,094,000
- Better Homes and Gardens: 40,838,000
- National Geographic: 38,874,000
- New York Magazine: 34,900,000
- Taste of Home: 31,897,000
- Bon Appétit: 30,606,000
- Country Living: 29,393,000
• GQ: 29,125,000
• Vogue: 28,947,000
• Reader’s Digest: 27,993,000
• The Atlantic: 27,871,000
• Sports Illustrated: 27,348,000
• Us Weekly: 27,222,000
• Entertainment Weekly: 26,198,000
• Southern Living: 26,091,000
• Wired: 24,922,000
• Women’s Health: 21,874,000
• Men’s Health: 21,414,000
• The New Yorker: 21,292,000
• Allure: 20,030,000
• Elle: 18,333,000
• Car and Driver: 18,323,000
• Health: 17,938,000
• Food Network Magazine: 17,554,000
• Woman’s Day: 17,546,000
• Parents: 15,296,000
• Travel + Leisure: 15,150,000
• Esquire: 14,908,000
• Food & Wine: 14,326,000
• Martha Stewart Living: 14,262,000
• Popular Mechanics: 13,199,000
• InStyle: 12,992,000
• Golf Digest: 12,803,000
• Harper’s Bazaar: 12,791,000
• Motor Trend: 12,727,000
• Real Simple: 12,690,000
• Smithsonian: 12,198,000
• Town & Country: 12,139,000
• Popular Science: 12,069,000
• EatingWell: 12,066,000
• O, The Oprah Magazine: 11,642,000
• HGTV Magazine: 11,467,000
• National Geographic Traveler: 11,430,000
• The Family Handyman: 11,397,000
• Family Circle: 11,355,000
• Marie Claire: 10,898,000
• House Beautiful: 10,485,000
• In Touch: 10,432,000
• Fast Company: 10,206,000
• This Old House: 9,897,000

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• 43 •
• Architectural Digest: 9,411,000
• Field & Stream: 9,322,000
• Condé Nast Traveler: 9,250,000
• Shape: 9,201,000
• Prevention: 9,156,000
• Brides: 9,023,000
• Money: 8,739,000
• Men’s Journal: 8,430,000
• People en Español: 8,059,000
• National Geographic Kids: 7,271,000
• Muscle & Fitness: 7,184,000
• OK! Magazine: 6,986,000
• Outdoor Life: 6,645,000
• Magnolia Journal: 6,525,000
• Rachael Ray Every Day: 6,408,000
• Runner’s World: 6,294,000
• Road & Track: 6,262,000
• Life & Style Magazine: 5,996,000
• W: 5,785,000
• National Enquirer: 5,756,000
• Birds & Blooms: 5,665,000
• Hot Rod: 5,631,000
• The Economist: 5,252,000
• Star: 5,249,000
• Diabetic Living: 5,032,000
• Departures: 4,454,000
• Petersen’s Hunting: 4,272,000
• Traditional Home: 4,196,000
• Game & Fish: 3,975,000
• Scientific American: 3,895,000
• Elle Decor: 3,557,000
• Midwest Living: 3,412,000
• Mother Earth News: 3,401,000
• Motorcyclist: 3,386,000
• In-Fisherman: 3,302,000
• Automobile: 3,292,000
• Soap Opera Digest: 3,291,000
• 4 Wheel & Off-Road: 2,917,000
• Yoga Journal: 2,865,000
• Saveur: 2,771,000
• Street Rodder: 2,678,000
• Bicycling: 2,668,000
• Four Wheeler: 2,541,000
7.3 Advertising Spending

eMarketer (www.emarketer.com) assesses magazine advertising spending as follows (change from previous year in parenthesis):

<table>
<thead>
<tr>
<th>Year</th>
<th>Print</th>
<th>Digital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$13.51 billion (-7.0%)</td>
<td>$4.09 billion (8.5%)</td>
<td>$17.60 billion (-3.8%)</td>
</tr>
<tr>
<td>2016</td>
<td>$12.97 billion (-4.0%)</td>
<td>$4.40 billion (7.4%)</td>
<td>$17.36 billion (-1.4%)</td>
</tr>
<tr>
<td>2017</td>
<td>$12.84 billion (-1.0%)</td>
<td>$4.67 billion (6.2%)</td>
<td>$17.51 billion (0.8%)</td>
</tr>
<tr>
<td>2018</td>
<td>$12.90 billion (0.5%)</td>
<td>$4.87 billion (4.3%)</td>
<td>$17.77 billion (1.5%)</td>
</tr>
<tr>
<td>2019</td>
<td>$12.95 billion (0.4%)</td>
<td>$5.02 billion (3.1%)</td>
<td>$17.98 billion (1.1%)</td>
</tr>
<tr>
<td>2020</td>
<td>$13.01 billion (0.4%)</td>
<td>$5.16 billion (2.8%)</td>
<td>$18.17 billion (1.1%)</td>
</tr>
</tbody>
</table>

7.4 Ad Spending By Sector

Consumer magazine advertising is distributed by category as follows (source: Association of Magazine Media):

- Cosmetics & toiletries: 17%
- Apparel & accessories: 11%
- Drugs & remedies: 11%
- Food & food products: 9%
- Media & advertising: 7%
- Retail: 6%
- Direct response companies: 5%
- Home furnishings and supplies: 5%
- Automotive: 5%
- Financial, insurance & real estate: 5%
- Technology: 4%
- Public transportation, hotels & resorts: 4%
- Other: 11%

7.5 Top Advertisers

According to Advertising Age, the top magazine advertisers in 2018, ranked by spending, were as follows:

- L’Oréal: $690 million
- Procter & Gamble: $444 million
7.6 Interactive Media

Over the past few years, magazine publishers have begun to develop and roll out a spate of new formats and platforms for readers. From content viewable via e-reader and tablet to digital distribution to interactive, publishers are positioning themselves among the other enhanced media.

According to a survey by GfK MRI (www.mri.gfk.com), 67% of tablet users say they would rather read an electronic version of a magazine than a paper version. However, the preference may be based more on convenience than aesthetic. Sixty-five percent (65%) of tablet magazine readers say they find the print magazine experience more satisfying. Many tablet magazine readers are dissatisfied with formatting; 72% say they would prefer all digital magazines be formatted the same way. In terms of digital magazine advertisements, 70% would like to be able to buy items by clicking on the ads, and 70% would like electronic ads that are personalized to their interests.

The Association of Magazine Media reported a median age of 44.6 years for digital-only magazine readers; the mean age for print-only readers is 54.8 years.

According to iMonitor, by McPheters & Company (www.mcpheters.com), there are 2,234 U.S. magazine branded apps.

“Apps are the new magazines. I know if I have brand affinity [for a publisher], it’s because I get what I need and I find it a useful part of my daily media diet – that’s the underlying philosophy for the app.”

Scott Havens
Global Head of Digital
Bloomberg Media
7.7 Market Resources
Association of Magazine Media, 757 Third Avenue, 11th Floor, New York, NY 10017. (212) 872-3700. (www.magazine.org)
NEWSPAPER ADVERTISING

8.1 Readership

State of the News Media 2019, by Pew Research Center (www.journalism.org), estimated total U.S. daily newspaper circulation (print and digital combined) in 2018 at 28.6 million for weekday and 30.8 million for Sunday, down 8% and 9%, respectively, from the previous year. Weekday print circulation decreased 12% and Sunday print circulation decreased 13%.

Pew estimates there were 11.7 million monthly unique visitors to the Top 50 newspaper websites in 2018, a figure that is relatively unchanged since 2016.

8.2 Circulation

According to Alliance for Audited Media (www.auditedmedia.com), the following are the largest U.S. newspapers ranked by circulation:

- USA Today: 2,301,917
- The New York Times: 2,101,611
- The Wall Street Journal: 1,337,376
- Los Angeles Times: 467,309
- New York Post: 424,721
- Chicago Tribune: 384,962
- The Washington Post: 356,768
- Newsday: 321,296
- Daily News: 299,538
- am New York: 298,759
- Star Tribune (Minneapolis): 285,129
- Houston Chronicle: 276,445
- Austin American: 246,963
- Tampa Bay Times: 245,042
- Honolulu Star-Advertiser: 243,376
- The Record (Woodland Park, NJ): 242,567
- Boston Globe: 232,546
- Philadelphia Inquirer: 227,245
- Fort Worth Star-Telegram: 215,476
- The Denver Post/The Sunday Denver Post: 196,286
- Arizona Republic: 188,467
<table>
<thead>
<tr>
<th>Newspaper/Metro Area</th>
<th>Circulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro New York</td>
<td>180,866</td>
</tr>
<tr>
<td>The Star-Ledger (Newark)</td>
<td>170,077</td>
</tr>
<tr>
<td>San Francisco Chronicle</td>
<td>167,602</td>
</tr>
<tr>
<td>Columbus Dispatch</td>
<td>164,995</td>
</tr>
<tr>
<td>Tribune Review (Pittsburgh)</td>
<td>161,665</td>
</tr>
<tr>
<td>The Palm Beach Post</td>
<td>160,299</td>
</tr>
<tr>
<td>San Antonio Express-News</td>
<td>158,986</td>
</tr>
<tr>
<td>Milwaukee Journal Sentinel</td>
<td>154,763</td>
</tr>
<tr>
<td>El Nuevo Dia</td>
<td>153,957</td>
</tr>
<tr>
<td>The Salt Lake Tribune/Deseret News</td>
<td>152,210</td>
</tr>
<tr>
<td>Express (Washington DC)</td>
<td>148,928</td>
</tr>
<tr>
<td>Kansas City Star</td>
<td>146,730</td>
</tr>
<tr>
<td>Chicago Sun-Times</td>
<td>146,539</td>
</tr>
<tr>
<td>The Virginian-Pilot</td>
<td>143,682</td>
</tr>
<tr>
<td>Pittsburgh Post-Gazette</td>
<td>140,987</td>
</tr>
<tr>
<td>The Miami Herald/El Nuevo Herald</td>
<td>139,735</td>
</tr>
<tr>
<td>South Florida Sun Sentinel</td>
<td>135,404</td>
</tr>
<tr>
<td>Arkansas Democrat Gazette</td>
<td>130,552</td>
</tr>
<tr>
<td>Indianapolis Star</td>
<td>127,180</td>
</tr>
<tr>
<td>Advocate (Baton Rouge)</td>
<td>126,976</td>
</tr>
<tr>
<td>St. Louis Post-Dispatch</td>
<td>124,712</td>
</tr>
<tr>
<td>The Baltimore Sun</td>
<td>121,840</td>
</tr>
<tr>
<td>Buffalo News</td>
<td>121,413</td>
</tr>
<tr>
<td>Hartford Courant</td>
<td>114,227</td>
</tr>
<tr>
<td>Investor’s Business Daily (Los Angeles)</td>
<td>113,038</td>
</tr>
<tr>
<td>Charlotte Observer</td>
<td>107,321</td>
</tr>
<tr>
<td>Omaha World-Herald/Sunday World-Herald</td>
<td>104,958</td>
</tr>
<tr>
<td>Cincinnati Enquirer</td>
<td>104,354</td>
</tr>
<tr>
<td>Telegram &amp; Gazette (Columbia, SC)</td>
<td>102,974</td>
</tr>
<tr>
<td>Courier-Journal (Louisville)</td>
<td>102,895</td>
</tr>
<tr>
<td>News &amp; Observer (Raleigh)</td>
<td>98,158</td>
</tr>
<tr>
<td>Oklahoman</td>
<td>96,885</td>
</tr>
<tr>
<td>La Opinion (Los Angeles)</td>
<td>92,365</td>
</tr>
<tr>
<td>Richmond Times-Dispatch</td>
<td>90,946</td>
</tr>
<tr>
<td>Albuquerque Journal</td>
<td>89,635</td>
</tr>
<tr>
<td>Fresno Bee</td>
<td>87,007</td>
</tr>
<tr>
<td>Tennessean</td>
<td>83,645</td>
</tr>
<tr>
<td>Democrat And Chronicle (Rochester, NY)</td>
<td>82,510</td>
</tr>
<tr>
<td>Des Moines Register</td>
<td>82,371</td>
</tr>
<tr>
<td>Boston Herald, Boston Sunday Herald</td>
<td>81,933</td>
</tr>
<tr>
<td>Metro Philadelphia</td>
<td>79,044</td>
</tr>
<tr>
<td>Daily Herald/The Sunday Herald (Arlington Heights, IL)</td>
<td>78,878</td>
</tr>
<tr>
<td>Toledo Blade</td>
<td>76,642</td>
</tr>
</tbody>
</table>

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• 49 •
- Republican (Springfield, MA): 76,353
- Asbury Park Press (Neptune, NJ): 73,194
- Post And Courier (Charleston): 69,433
- Metro Boston: 68,966
- Wisconsin State Journal: 67,965
- Akron Beacon Journal, Sunday Akron Journal: 65,783
- Tulsa World: 61,817
- Morning Call (Allentown): 60,962
- The News Journal Media Group (New Castle, DE): 60,620
- Florida Times-Union: 60,399
- Arizona Daily Star: 57,735
- Roanoke Times: 54,293
- Chattanooga Times Free Press: 53,552
- News Tribune (Tacoma, WA): 53,510
- Standard-Examiner (Ogden, UT): 53,298
- LNP/Sunday LNP (Lancaster, PA): 52,976
- Daytona Beach News-Journal: 52,414
- Press Democrat (Santa Rosa): 51,710
- Daily Gazette (Schenectady, NY): 50,974
- Journal News (White Plains, NY): 50,699
- New Haven Register: 50,658
- Modesto Bee: 49,406
- Journal Gazette/News Sentinel (Fort Wayne, IN): 48,199
- Times Union (Albany): 48,144
- Lincoln Journal Star: 47,831
- Sarasota Herald-Tribune: 47,400
- Journal Star (Peoria, IL): 46,947
- Wichita Eagle: 46,709
- South Bend Tribune: 44,951
- Register-Guard (Eugene, OR): 44,697
- Gazette (Colorado Springs): 44,072

### 8.3 Advertising Spending

eMarketer ([www.emarketer.com](http://www.emarketer.com)) assesses newspaper advertising spending as follows (change from previous year in parenthesis):

<table>
<thead>
<tr>
<th></th>
<th>Print</th>
<th>Digital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015:</td>
<td>$14.65 billion (-8.0%)</td>
<td>$3.96 billion (6.9%)</td>
<td>$18.61 billion (-5.2%)</td>
</tr>
<tr>
<td>2016:</td>
<td>$13.48 billion (-8.0%)</td>
<td>$4.08 billion (3.2%)</td>
<td>$17.56 billion (-5.6%)</td>
</tr>
<tr>
<td>2017:</td>
<td>$12.94 billion (-4.0%)</td>
<td>$4.24 billion (3.9%)</td>
<td>$17.18 billion (-2.2%)</td>
</tr>
<tr>
<td>2018:</td>
<td>$12.68 billion (-2.0%)</td>
<td>$4.37 billion (3.1%)</td>
<td>$17.05 billion (-0.7%)</td>
</tr>
<tr>
<td>2019:</td>
<td>$12.55 billion (-1.0%)</td>
<td>$4.48 billion (2.5%)</td>
<td>$17.03 billion (-0.1%)</td>
</tr>
<tr>
<td>2020:</td>
<td>$12.61 billion (0.5%)</td>
<td>$4.59 billion (2.3%)</td>
<td>$17.20 billion (1.0%)</td>
</tr>
</tbody>
</table>

**CONSUMER MARKETING 2020-2021**

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8.4 Ad Spending By Sector

By sector, measured newspaper advertising spending is distributed as follows (sources: Kantar Media and Advertising Age):

- Retail: 24%
- Automotive: 15%
- General services: 14%
- Financial services: 8%
- Media: 6%
- Telecommunications and Internet services: 4%
- Airlines, hotels, car rental, and travel: 4%
- Real estate: 4%
- Government, politics, and religion: 3%
- Movies, recorded music, and video: 2%
- Direct-response advertising: 2%
- Medicine and remedies: 2%
- Insurance: 2%
- All other: 10%

8.5 Top Advertisers

According to Advertising Age, the top newspaper advertisers, ranked by 2018 ad spending, were as follows:

- Andersen Corp.: $97 million
- News Corp.: $92 million
- Serta Simmons Bedding: $63 million
- Realogy Holdings Corp.: $56 million
- LVMH Moët Hennessy Louis Vuitton: $56 million
- Dell: $54 million
- Rooms To Go: $54 million
- Comcast: $53 million
- Sandals Resorts: $49 million
- Hobby Lobby: $49 million

8.6 Alternative Weeklies

According to the Association of Alternative Newsmedia (AAN, www.aan.org), there are 114 alternative newsmedia organizations in the U.S., reaching more than 38 million adults in print, on the web, and on mobile devices.

Differing in many ways from mainstream newspapers, most alternative papers focus heavily on arts and entertainment, restaurant reviews, and local events.

Pew Research Center reports the top alternative weekly newspapers, ranked by overall circulation, as follows:
The following is a list of the Top 10 alternative newspaper websites, based on cumulative ratings of readers ages 18 and older (source: The Media Audit [www.themediaaudit.com]):

- **C-ville** (Charlottesville, VA; www.c-ville.com): 14.7
- **The Daily Page** (Madison, WI; www.thedailypage.com): 11.7
- **The Austin Chronicle** (Austin, TX; www.austinchronicle.com): 11.3
- **The Hook** (Charlottesville, VA; www.readthehook.com): 10.9
- **alibi** (Albuquerque, NM; www.alibi.com): 10.5
- **Nashville Scene** (Nashville, TN; www.nashvillescene.com): 9.9
- **Arkansas Times** (Little Rock, AR; www.arkansastimes.com): 9.4
- **Miami New Times** (Miami-Ft. Lauderdale, FL; www.newtimes.com): 8.9
- **City Paper** (Baltimore, MD; www.citypaper.com): 8.9
- **Best of New Orleans** (New Orleans, LA; www.bestofneworleans.com): 8.1

### 8.7 Market Resources

Alliance for Audited Media, 48 West Seegers Road, Arlington Heights, IL 60005.
(224) 366-6939.  [www.auditedmedia.com](http://www.auditedmedia.com)

Association of Alternative Newsmedia, 116 Cass Street, Traverse City, MI 49684.
(231) 487-2261.  [www.aan.org](http://www.aan.org)
News Media Alliance (known as the Newspaper Association of America until 2016), 4401 N. Fairfax Drive, Suite 300, Arlington, VA 22203. (571) 366-1000. (www.newsmediaalliance.org)

9.1 Market Assessment

According to the Outdoor Association of America (OAAA, www.oaaa.org), out-of-home (OOH) advertising spending has been as follows:

- 2006: $6.8 billion
- 2007: $7.3 billion
- 2008: $7.0 billion
- 2009: $5.9 billion
- 2010: $6.1 billion
- 2011: $6.4 billion
- 2012: $6.7 billion
- 2013: $6.9 billion
- 2014: $7.0 billion
- 2015: $7.3 billion
- 2016: $7.6 billion
- 2017: $7.8 billion
- 2018: $8.0 billion

Digital platforms represented 29% of total 2018 OOH revenue, or $2.3 billion, according to OAAA.

_________________________________________________________

“Out-of-home advertising is the only advertising medium unaffected by the Internet. Except for a slight dip in 2014, it’s the only ad medium outside of the Internet that’s shown consistent growth since 2008 and the only one expected to show year-to-year growth over the next five years.”

Center for Media Research

_________________________________________________________
9.2 Spending By Format

By format, out-of-home spending is distributed as follows (source: Outdoor Advertising Association of America):

- Billboards: 64%
- Transit: 17%
- Alternative: 12%
- Street furniture: 7%

In 2018, OOH experienced increases in all four primary formats – billboards, street furniture, transit, and place-based.

9.3 Market Leaders

According to Advertising Age, the following are the top out-of-home advertising companies, ranked by annual revenue:

- Clear Channel Outdoor: $2.7 billion
- Lamar Advertising Co.: $1.5 billion
- Outfront Media: $1.5 billion

The following are other market leaders:

- City Outdoor
- Fairway Outdoor Advertising
- Intersection
- JCDecaux
- NextMedia Outdoor
- Reagan National Advertising

Outdoor is very much a local business; almost two-thirds of ad revenue comes from local establishments. In all, there are 2,190 out-of-home advertising companies, according to Borrell Associates (www.borrellassociates.com).

9.4 Ad Spending By Sector

By sector, measured out-of-home advertising spending is distributed as follows (source: Kantar Media and OAAA):

- Misc. services & amusements: 25%
- Retail: 14%
- Media & advertising: 11%
- Restaurants: 9%
- Public transportation, hotels & resorts: 9%
- Financial: 7%
- Insurance & real estate: 7%
- Government, politics & organizations: 6%
• Communications: 6%
• Automotive dealers & services: 5%

The following categories had the greatest growth in 2018 (source: OAAA):
• Government, politics and organizations: 15%
• Insurance and real estate: 14%
• Schools, camps and seminars: 13%
• Local services & amusements: 8%
• Retail: 7%
• Financial: 6%

9.5 Top Advertisers
Ranked by 2018 spending, the Top 15 OOH advertisers were as follows (sources: Kantar Media and OAAA):
1. Apple
2. McDonald’s
3. Geico
4. Netflix
5. Google
6. American Express
7. Metro By T-Mobile
8. Amazon
9. M&Ms
10. Chevrolet
11. Facebook
12. Universal Pictures
13. Coca-Cola
14. AT&T
15. Comcast

9.6 High Mileage Drivers
Exposure to billboard and outdoor advertising is generally proportional to time spent driving.

The Federal Highway Administration (FHWA, www.fhwa.dot.gov) estimates that Americans drove 3.23 trillion miles in 2018, a figure that has been unchanged since 2015.

According to The Media Audit (www.themediaaudit.com), 15.8% of adults are high-mileage drivers, driving more than 350 miles in a typical week. Among high-mileage drivers, 45% earn more than $75,000 in household income, a figure that is 46% higher when compared to the typical U.S. adult. Further, 29.2% of high mileage
drivers earn more than $100,000 in income, compared to 18.8% of all U.S. adults who fall into the same income category.

The following metropolitan areas have the highest percentages of high-mileage drivers:

- Charlotte, NC: 22.4%
- San Antonio, TX: 21.5%
- Columbia-Jefferson City, MO: 21.5%
- Little Rock, AR: 21.2%
- Columbia, SC: 21.0%

### 9.7 Digital Place-Based Advertising

In addition to exposure while driving, consumers view place-based advertising while at airports, restaurants, retail stores, movie theaters, sports venues, and other locations. This advertising is further assessed in Chapter 22 of this handbook.

### 9.8 Market Resources

10.1 Audience

According to The Nielsen Total Audience Report Q1 2019, by Nielsen (www.nielsen.com), radio reaches 92% of U.S. adults over the course of a typical week.

By age, average time spent per adult per day listening to radio in 1st Quarter 2019 was as follows (hours:minutes):

- 18-to-34: 1:20
- 35-to-49: 1:45
- 50-to-64: 2:05
- 65 and older: 1:46
- All adults: 1:42

The diversity of radio formats attracts advertiser-coveted target demographics. According to Arbitron, 93% of African-Americans and 95% of Hispanic-Americans ages 12 and older tune into radio over the course of a week.

By race/ethnicity, average time spent per adult per day listening to radio in 1st Quarter 2019 was as follows (hours:minutes; source: Nielsen):

- Hispanic: 1:46
- African-American: 1:45
- Caucasian: 1:41

Radio reaches 96% of adults ages 18-to-49 with a college education and a household income of more than $75,000.

According to eMarketer (www.emarketer.com), 232.6 million adults listened to radio at least once per month in 2018.

10.2 Market Assessment

The Radio Advertising Bureau (www.rab.com) assesses radio advertising spending as follows:

- Spot: $12.2 billion
- Off-Air: $2.0 billion
- Network: $1.1 billion
- Digital: $1.0 billion
- Total: $17.4 billion
10.3 Ad Spending by Sector
By sector, radio advertising spending is distributed as follows (source: Kantar Media [www.kantarmedia.com]):

- Retail: 21%
- General services: 14%
- Automotive: 11%
- Telecommunications and Internet services: 8%
- Financial services: 7%
- Restaurants: 6%
- Insurance: 6%
- Media: 5%
- Government, politics, and religion: 4%
- Airlines, hotels, car rental, and travel: 3%
- Education: 2%
- Medicine and remedies: 2%
- Food, beverages, and candy: 2%
- Movies, recorded music, and video: 2%
- All other: 7%

10.4 Top Radio Advertisers
According to Advertising Age and Kantar Media, the top network, national, spot, and local radio advertisers, ranked by 2018 measured spending, were as follows:

- T-Mobile: $176 million
- Comcast: $164 million
- Berkshire Hathaway: $112 million
- Home Depot: $109 million
- AT&T: $105 million
- Fiat Chrysler: $72 million
- Recruit Holdings: $71 million
- Walt Disney Co.: $70 million
- Procter & Gamble: $69 million
- Macy’s: $65 million

10.5 Digital Radio
eMarketer assesses U.S. monthly digital radio listeners as follows:

- 2013: 147.8 million
- 2014: 160.2 million
- 2015: 169.9 million
- 2016: 176.7 million
- 2017: 181.2 million
- 2018: 184.8 million
- 2019: 191.6 million

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“Digital radio has evolved into a viable, robust digital channel that complements social media, video sites and other mainstream venues. Audio streaming services are aggressively growing their user bases, advertising revenues and integration with technology platforms ranging from game consoles and connected TVs to automobiles and wearables. Virtually any device that can deliver music is fair game for streaming apps, and for many users, these apps are the main conduit to their listening experiences.”

eMarketer

10.6 Market Resources

Radio Advertising Bureau, 125 West 55th Street, 21st Floor, New York, NY 10019. (800) 252-7234. (www.rab.com)


TELEVISION ADVERTISING

11.1 Audience

According to The Nielsen Total Audience Report Q1 2019, by Nielsen (www.nielsen.com), average time spent per adult per day watching live and time shifted TV, by age, in 1st Quarter 2019 was as follows (hours:minutes):

- 18-to-34: 1:20
- 35-to-49: 1:45
- 50-to-64: 2:05
- 65 and older: 1:46
- All adults: 1:42

11.2 Market Assessment

Kantar Media (www.kantarmedia.com) estimates measured television advertising spending at $78.9 billion, distributed as follows:

- Broadcast network TV: $28.5 billion
- Cable TV networks: $28.0 billion
- Broadcast spot TV: $17.0 billion
- National syndicated TV: $ 5.4 billion

11.3 Ad Spending By Sector

By sector, TV advertising spending is distributed as follows (sources: Kantar Media and Advertising Age):

- Automotive: 13%
- Retail: 10%
- Telecommunications and Internet services: 9%
- Food, beverages, and candy: 8%
- Restaurants: 7%
- Medicine and remedies: 7%
- Direct-response advertising (infomercials): 6%
- Movies, recorded music, and video: 5%
- Financial services: 5%
- Personal care: 5%
- Insurance: 5%
• General services: 4%
• Home supplies and cleaners: 2%
• Airlines, hotels, car rental, and travel: 2%
• Beer, wine, and liquor: 2%
• All other: 10%

11.4 Top Advertisers

According to Advertising Age (June 2019), the top TV advertisers, ranked by 2018 spending, were as follows:

Broadcast Network TV
- Procter & Gamble: $1.12 billion
- AT&T: $842 million
- Pfizer: $734 million
- General Motors: $611 million
- Berkshire Hathaway: $609 million
- T-Mobile: $540 million
- Apple: $519 million
- Verizon Communications: $494 million
- Ford Motor Co.: $493 million
- Amazon: $448 million

Broadcast Spot TV & National Syndicated TV
- Comcast: $378 million
- General Motors: $306 million
- Nissan Motor Co.: $262 million
- Charter Communications: $259 million
- Ford Motor Co.: $240 million
- Fiat Chrysler: $204 million
- Volkswagen: $117 million
- Rooms To Go: $107 million
- Toyota: $102 million
- Berkshire Hathaway: $97 million

Cable TV Networks
- Procter & Gamble: $710 million
- AT&T: $561 million
- Berkshire Hathaway: $541 million
- PepsiCo: $437 million
- Nestlé: $420 million
- Yum! Brands: $404 million
- Walt Disney Co.: $353 million
- Comcast: $314 million
• General Motors: $302 million
• Progressive: $274 million

11.5 Market Resources
Kantar Media, 100 Park Avenue, 4th Floor, New York, NY 10017. (212) 991-6000. (www.kantarmedia.com)

Leichtman Research Group, 567 Bay Road, Durham, NH 03824. (603) 397-5400. (www.leichtmanresearch.com)

Television Bureau of Advertising, 120 Wall Street, 15th Floor, New York, NY 10005. (212) 486-1111. (www.tvb.org)

Nielsen, 770 Broadway, New York, NY 10003. (212) 708-7500. (www.nielsen.com)
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TOP ADVERTISERS

12.1 Overview

Based on data from Kantar Media (www.kantarmedia.com), Advertising Age publishes an annual list of the top advertisers ranked by annual U.S. advertising spending. This chapter lists the top advertisers from the June 2019 assessment.

12.2 Top Spending Advertisers

The following companies had the highest spending on advertising in 2018 (source: Kantar Media):

- Comcast: $6.12 billion
- AT&T: $5.36 billion
- Amazon: $4.47 billion
- Procter & Gamble: $4.30 billion
- General Motors: $3.14 billion
- Walt Disney Co.: $3.13 billion
- Charter Communications: $3.04 billion
- Alphabet [Google]: $2.96 billion
- American Express: $2.80 billion
- Verizon Communications: $2.68 billion
- Walmart: $2.60 billion
- JPMorgan Chase & Co.: $2.51 billion
- Ford Motor Co.: $2.33 billion
- Pfizer: $2.28 billion
- Nestlé: $2.20 billion
- Samsung Electronics: $2.15 billion
- Berkshire Hathaway: $2.14 billion
- L’Oréal: $2.13 billion
- Fiat Chrysler: $2.12 billion
- Capital One: $2.06 billion
- Expedia Group: $1.95 billion
- Johnson & Johnson: $1.76 billion
- T-Mobile: $1.70 billion
- LVMH Moët Hennessy Louis Vuitton: $1.56 billion
- McDonald’s: $1.54 billion
• Anheuser-Busch InBev: $1.53 billion
• Merck & Co.: $1.50 billion
• Target: $1.49 billion
• PepsiCo: $1.48 billion
• Bank of America: $1.47 billion
• Toyota: $1.45 billion
• Nike: $1.44 billion
• Honda: $1.39 billion
• Unilever: $1.38 billion
• Macy’s: $1.36 billion
• GlaxoSmithKline: $1.28 billion
• Progressive: $1.19 billion
• Kohl’s: $1.13 billion
• Sprint Corp.: $1.10 billion
• Estée Lauder: $1.09 billion
• Nissan: $1.07 billion
• Home Depot: $1.06 billion
• U.S. Government: $1.04 billion
• Netflix: $1.02 billion
• Yum Brands!: $1.01 billion
• Sanofi: $939 million
• Coca-Cola: $913 million
• State Farm: $903 million
• Apple: $890 million
• Lowe’s: $869 million
• Wells Fargo: $858 million
• Discover Financial Services: $857 million
• Mars: $824 million
• Diageo: $823 million
• Allstate: $816 million
• Microsoft: $811 million
• Molson Coors: $810 million
• Sony: $796 million
• IAC/InterActive Corp.: $795 million
• Eli Lilly: $769 million
• Kroger: $752 million
• Volkswagen: $728 million
• J.C. Penney: $724 million
• AbbVie: $723 million
• Best Buy: $712 million
• Citigroup: $710 million
• Uber: $701 million
• Daimler: $689 million
• Constellation Brands: $682 million
<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adidas</td>
<td>$681 million</td>
</tr>
<tr>
<td>Wayfair</td>
<td>$664 million</td>
</tr>
<tr>
<td>Viacom</td>
<td>$650 million</td>
</tr>
<tr>
<td>Walgreen</td>
<td>$646 million</td>
</tr>
<tr>
<td>Coty</td>
<td>$635 million</td>
</tr>
<tr>
<td>Luxottica</td>
<td>$615 million</td>
</tr>
<tr>
<td>Keurig Dr. Pepper</td>
<td>$605 million</td>
</tr>
<tr>
<td>Amigen</td>
<td>$598 million</td>
</tr>
<tr>
<td>Reckitt Benckiser Group</td>
<td>$585 million</td>
</tr>
<tr>
<td>Intuit</td>
<td>$584 million</td>
</tr>
<tr>
<td>eBay</td>
<td>$570 million</td>
</tr>
<tr>
<td>Hyundai</td>
<td>$560 million</td>
</tr>
<tr>
<td>Restaurant Brands International</td>
<td>$556 million</td>
</tr>
<tr>
<td>Booking Holdings</td>
<td>$555 million</td>
</tr>
<tr>
<td>Kia Motors</td>
<td>$544 million</td>
</tr>
<tr>
<td>Lions Gate Entertainment</td>
<td>$543 million</td>
</tr>
<tr>
<td>Dell</td>
<td>$540 million</td>
</tr>
<tr>
<td>IBM</td>
<td>$536 million</td>
</tr>
<tr>
<td>Liberty Mutual</td>
<td>$535 million</td>
</tr>
<tr>
<td>Albertsons</td>
<td>$524 million</td>
</tr>
<tr>
<td>Bristol-Myers Squibb</td>
<td>$524 million</td>
</tr>
<tr>
<td>Gap</td>
<td>$523 million</td>
</tr>
<tr>
<td>AstraZeneca</td>
<td>$520 million</td>
</tr>
<tr>
<td>Marriott</td>
<td>$518 million</td>
</tr>
<tr>
<td>Takeda Pharmaceutical</td>
<td>$515 million</td>
</tr>
<tr>
<td>Clorox</td>
<td>$514 million</td>
</tr>
<tr>
<td>Quicken Loans</td>
<td>$502 million</td>
</tr>
<tr>
<td>Bed Bath &amp;Beyond</td>
<td>$500 million</td>
</tr>
<tr>
<td>Novarix</td>
<td>$498 million</td>
</tr>
<tr>
<td>Henkel</td>
<td>$497 million</td>
</tr>
<tr>
<td>Facebook</td>
<td>$475 million</td>
</tr>
</tbody>
</table>

**12.3 Market Resources**

*Advertising Age*, 711 Third Avenue, New York, NY 10017. (212) 210-0100. (www.adage.com)

Kantar Media, 100 Park Avenue, 4th Floor, New York, NY 10017. (212) 991-6000. (www.kantarmedia.com)
13

TOP ADVERTISING AGENCIES

13.1 Overview
Advertising Age publishes an annual list of the top agencies ranked by annual U.S. revenue. This chapter lists the top U.S. agencies from the April 2019 assessment (parent companies or networks also given).

13.2 Top 100 Agencies
Ranked by U.S. revenue, the 100 largest advertising agencies in 2018 were as follows:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognizant Interactive</td>
<td>$3.67 billion</td>
</tr>
<tr>
<td>Accenture Interactive</td>
<td>$3.52 billion</td>
</tr>
<tr>
<td>Deloitte Digital</td>
<td>$2.81 billion</td>
</tr>
<tr>
<td>PwC Digital Services (PricewaterhouseCoopers)</td>
<td>$2.49 billion</td>
</tr>
<tr>
<td>Epsilon (Alliance Data Systems Corp.)</td>
<td>$1.87 billion</td>
</tr>
<tr>
<td>IBM Interactive</td>
<td>$1.75 billion</td>
</tr>
<tr>
<td>Advantage Marketing Partners</td>
<td>$1.29 billion</td>
</tr>
<tr>
<td>R.R. Donnelley</td>
<td>$1.18 billion</td>
</tr>
<tr>
<td>Sapient (Publicis)</td>
<td>$1.10 billion</td>
</tr>
<tr>
<td>Wunderman Thompson (WPP)</td>
<td>$1.03 billion</td>
</tr>
<tr>
<td>Ogilvy (WPP)</td>
<td>$  729 million</td>
</tr>
<tr>
<td>Merkle</td>
<td>$  659 million</td>
</tr>
<tr>
<td>BBDO Worldwide (Omnicom)</td>
<td>$  641 million</td>
</tr>
<tr>
<td>Acxiom (Interpublic)</td>
<td>$  631 million</td>
</tr>
<tr>
<td>McCann (Interpublic)</td>
<td>$  610 million</td>
</tr>
<tr>
<td>Publicis Health (Publicis)</td>
<td>$  546 million</td>
</tr>
<tr>
<td>Edelman (DJE Holdings)</td>
<td>$  545 million</td>
</tr>
<tr>
<td>Rapp (Omnicom)</td>
<td>$  517 million</td>
</tr>
<tr>
<td>Spark Foundry/Blue 449 (Publicis)</td>
<td>$  489 million</td>
</tr>
<tr>
<td>Digitas (Publicis)</td>
<td>$  470 million</td>
</tr>
<tr>
<td>Mindshare (WPP)</td>
<td>$  459 million</td>
</tr>
<tr>
<td>Starcom (Publicis)</td>
<td>$  430 million</td>
</tr>
<tr>
<td>Weber Shandwick (Interpublic)</td>
<td>$  430 million</td>
</tr>
<tr>
<td>Leo Burnett Worldwide (Publicis)</td>
<td>$  425 million</td>
</tr>
<tr>
<td>Havas Creative (Vivendi’s Havas)</td>
<td>$  415 million</td>
</tr>
<tr>
<td>Agency Name</td>
<td>Revenue</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>FleishmanHillard (Omnicon)</td>
<td>$394 million</td>
</tr>
<tr>
<td>VMLY&amp;R (WPP)</td>
<td>$388 million</td>
</tr>
<tr>
<td>FCB (Interpublic)</td>
<td>$387 million</td>
</tr>
<tr>
<td>Horizon Media</td>
<td>$386 million</td>
</tr>
<tr>
<td>DDB Worldwide (Omnicon)</td>
<td>$374 million</td>
</tr>
<tr>
<td>TBWA Worldwide (Omnicon)</td>
<td>$363 million</td>
</tr>
<tr>
<td>R/GA (Interpublic)</td>
<td>$342 million</td>
</tr>
<tr>
<td>Freeman</td>
<td>$336 million</td>
</tr>
<tr>
<td>OMD Worldwide (Omnicon)</td>
<td>$335 million</td>
</tr>
<tr>
<td>Burson Cohn &amp; Wolfe (WPP)</td>
<td>$334 million</td>
</tr>
<tr>
<td>Zenith (Publicis)</td>
<td>$333 million</td>
</tr>
<tr>
<td>Publicis Worldwide (Publicis)</td>
<td>$331 million</td>
</tr>
<tr>
<td>Grey (WPP)</td>
<td>$314 million</td>
</tr>
<tr>
<td>Wavemaker (WPP)</td>
<td>$313 million</td>
</tr>
<tr>
<td>Ketchum (Omnicon)</td>
<td>$301 million</td>
</tr>
<tr>
<td>MediaCom (WPP)</td>
<td>$291 million</td>
</tr>
<tr>
<td>FBC Health (Interpublic)</td>
<td>$285 million</td>
</tr>
<tr>
<td>iCrossing (Hearst Corp.)</td>
<td>$270 million</td>
</tr>
<tr>
<td>MRM/McCann (Interpublic)</td>
<td>$269 million</td>
</tr>
<tr>
<td>Saatchi &amp; Saatchi (Publicis)</td>
<td>$262 million</td>
</tr>
<tr>
<td>ICFNext (ICF)</td>
<td>$261 million</td>
</tr>
<tr>
<td>EPAM Continuum (EPAM)</td>
<td>$252 million</td>
</tr>
<tr>
<td>Essence (WPP)</td>
<td>$244 million</td>
</tr>
<tr>
<td>Harte Hanks</td>
<td>$243 million</td>
</tr>
<tr>
<td>Havas Health &amp; You (Vivendi’s Havas)</td>
<td>$243 million</td>
</tr>
<tr>
<td>Syneos Health Communication</td>
<td>$242 million</td>
</tr>
<tr>
<td>Hearts &amp; Science (Omnicon)</td>
<td>$241 million</td>
</tr>
<tr>
<td>George P. Johnson (Project Worldwide)</td>
<td>$226 million</td>
</tr>
<tr>
<td>Engine</td>
<td>$221 million</td>
</tr>
<tr>
<td>Huge (Interpublic)</td>
<td>$220 million</td>
</tr>
<tr>
<td>MullenLowe (Interpublic)</td>
<td>$212 million</td>
</tr>
<tr>
<td>Wieden &amp; Kennedy</td>
<td>$208 million</td>
</tr>
<tr>
<td>Mosaic (Acosta)</td>
<td>$205 million</td>
</tr>
<tr>
<td>Deutsch (Interpublic)</td>
<td>$201 million</td>
</tr>
<tr>
<td>Performics (Publicis)</td>
<td>$198 million</td>
</tr>
<tr>
<td>Richards Group</td>
<td>$196 million</td>
</tr>
<tr>
<td>Havas Media Group (Vivendi’s Havas)</td>
<td>$195 million</td>
</tr>
<tr>
<td>Zimmerman Advertising (Omnicon)</td>
<td>$190 million</td>
</tr>
</tbody>
</table>

### 13.3 Market Resources

*Advertising Age*, 711 Third Avenue, New York, NY 10017. (212) 210-0100. ([www.adage.com](http://www.adage.com))
PART III: DIGITAL MARKETING
14.1 Internet Advertising Revenue

According to the *IAB Internet Advertising Revenue Report*, by the Interactive Advertising Bureau (IAB, www.iab.net) and PricewaterhouseCoopers (PwC, www.pwc.com), digital advertising spending has been as follows:

<table>
<thead>
<tr>
<th></th>
<th>Desktop/Laptop</th>
<th>Mobile</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$12.5 billion</td>
<td>-</td>
<td>$12.5 billion</td>
</tr>
<tr>
<td>2006</td>
<td>$16.9 billion</td>
<td>-</td>
<td>$16.9 billion</td>
</tr>
<tr>
<td>2007</td>
<td>$21.2 billion</td>
<td>-</td>
<td>$21.2 billion</td>
</tr>
<tr>
<td>2008</td>
<td>$23.4 billion</td>
<td>-</td>
<td>$23.4 billion</td>
</tr>
<tr>
<td>2009</td>
<td>$22.7 billion</td>
<td>-</td>
<td>$22.7 billion</td>
</tr>
<tr>
<td>2010</td>
<td>$25.4 billion</td>
<td>-</td>
<td>$26.0 billion</td>
</tr>
<tr>
<td>2011</td>
<td>$30.1 billion</td>
<td>$1.6 billion</td>
<td>$31.7 billion</td>
</tr>
<tr>
<td>2012</td>
<td>$33.2 billion</td>
<td>$3.4 billion</td>
<td>$36.6 billion</td>
</tr>
<tr>
<td>2013</td>
<td>$35.7 billion</td>
<td>$7.1 billion</td>
<td>$42.8 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$37.0 billion</td>
<td>$12.5 billion</td>
<td>$49.5 billion</td>
</tr>
<tr>
<td>2015</td>
<td>$38.9 billion</td>
<td>$20.7 billion</td>
<td>$59.6 billion</td>
</tr>
<tr>
<td>2016</td>
<td>$35.9 billion</td>
<td>$36.7 billion</td>
<td>$72.6 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$38.2 billion</td>
<td>$50.1 billion</td>
<td>$88.3 billion</td>
</tr>
<tr>
<td>2018</td>
<td>$37.6 billion</td>
<td>$69.9 billion</td>
<td>$107.5 billion</td>
</tr>
</tbody>
</table>

Advising spending by format in 2018 was distributed as follows:

<table>
<thead>
<tr>
<th>Format</th>
<th>Desktop</th>
<th>Mobile</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search</td>
<td>48%</td>
<td>43%</td>
<td>45%</td>
</tr>
<tr>
<td>Banner</td>
<td>23%</td>
<td>36%</td>
<td>31%</td>
</tr>
<tr>
<td>Digital video</td>
<td>16%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
<td>6%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Social media advertising revenue has been as follows:

- 2012: $2.9 billion
- 2013: $4.5 billion
- 2014: $6.0 billion
- 2015: $10.8 billion
- 2016: $16.3 billion
- 2017: $22.1 billion
- 2018: $28.9 billion
### 14.2 Spending by Sector

eMarketer (www.emarketer.com) assesses digital ad spending in 2018 and the 2016-2019 compound annual growth rate (GAGR) by sector as follows:

<table>
<thead>
<tr>
<th>Sector</th>
<th>2018 Spending (billion)</th>
<th>2016-2019 CA GR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>$23.50</td>
<td>14.9%</td>
</tr>
<tr>
<td>Automotive</td>
<td>$13.57</td>
<td>14.4%</td>
</tr>
<tr>
<td>Financial services</td>
<td>$13.05</td>
<td>14.8%</td>
</tr>
<tr>
<td>Telecom</td>
<td>$11.43</td>
<td>13.5%</td>
</tr>
<tr>
<td>Consumer goods</td>
<td>$ 9.40</td>
<td>15.2%</td>
</tr>
<tr>
<td>Travel</td>
<td>$ 8.59</td>
<td>13.2%</td>
</tr>
<tr>
<td>Computing/electronics</td>
<td>$ 8.33</td>
<td>16.6%</td>
</tr>
<tr>
<td>Media</td>
<td>$ 6.52</td>
<td>16.8%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>$ 5.45</td>
<td>17.7%</td>
</tr>
<tr>
<td>Healthcare/pharma</td>
<td>$ 2.84</td>
<td>11.7%</td>
</tr>
<tr>
<td>Other</td>
<td>$ 4.61</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

### 14.3 Market Leaders

eMarketer assesses revenue share of the $107.5 billion digital ad spending in 2018 as follows:

- Google: 38.2%
- Facebook: 21.8%
- Amazon: 6.8%
- Microsoft/LinkedIn: 4.1%
- Verizon/Yahoo!/AOL: 3.4%
- All other: 25.7%

### 14.4 Digital Agencies

According to Advertising Age (April 2019), the following are the largest digital ad agencies and networks ranked by 2018 revenue (parent companies also given):

- Cognizant Interactive: $3.67 billion
- Accenture Interactive: $3.52 billion
- Deloitte Digital: $2.81 billion
- IBM Interactive: $1.75 billion
- PwC Digital Services: $1.53 billion
- Epsilon-Conversant (Alliance Data Systems): $1.16 billion
- Publicis.Sapient: $1.14 billion
- Wunderman Thompson (WPP): $ 968 million
- Rapp (Omnicom): $ 549 million
- Ogilvy (WPP): $ 505 million
- Digitas (Publicis): $ 471 million
• Merkle (Dentsu): $393 million
• Havas (Vivendi): $387 million
• R/GA (Interpublic): $343 million
• VMLY&R (WPP): $314 million

14.5 Top Advertisers
According to Advertising Age (July 2019), the top desktop Internet display advertisers, ranked by 2018 spending, were as follows:
• Amazon: $428 million
• Comcast: $182 million
• Verizon Communications: $143 million
• Expedia: $135 million
• Axel Springer: $104 million
• Dish Network: $103 million
• U.S. Government: $91 million
• Fiat Chrysler: $91 million
• Progressive: $90 million
• Bed Bath & Beyond: $82 million

14.6 Real-Time Bidding On Ad Exchanges
Buying and selling digital ads in real time takes place on ad exchanges. The Interactive Advertising Bureau defines real-time bidding (RTB) as a data-driven model allowing advertisers or their agencies to bid on digital media (display, video, mobile, social, etc.) in real time at the impression level.
IAB defines an ad exchange as a virtual marketplace where participating suppliers auction their impressions to eligible buyers. The ad exchange announces each impression in real time and asks buyers if they are interested and at which price. Larger ad exchanges include Facebook Exchange, Google’s AdX, and Yahoo’s Right Media.

14.7 Market Resources
Advertising Age, 711 Third Avenue, New York, NY 10017. (212) 210-0100. (www.adage.com)
eMarketer, 11 Times Square, New York, NY 10036. (800) 405-0844. (www.emarketer.com)
Interactive Advertising Bureau, 116 East 27th Street, 7th Floor, New York, NY 10016. (212) 380-4700. (www.iab.net)
15

CONSUMER RESPONSE TO DIGITAL ADS

15.1 Overall Attitude Toward Digital Ads

A 2018 survey by Janrain (www.janrain.com) asked U.S. Internet users their overall opinion about digital ads. Responses were as follows (percentage of respondents):

- Too aggressive in following me on every device or browser: 42%
- Understand my interests and needs, but that’s creepy: 19%
- Appeal to certain interests when I’m no longer interested: 11%
- Don’t understand my interests or needs at all: 8%
- Don’t come from brands that I know or trust: 6%
- Understand my interests and needs: 6%
- No opinion: 9%

AdReaction, a 2018 study by Kantar Millward Brown (www.millwardbrown.com), reported Internet users’ attitudes toward digital ads now compared with three years ago as follows (percentage of respondents):

- Ads are appearing in more places now: 79%
- I see more ads now: 74%
- Ads are more intrusive now: 71%
- Ads now fit together better across different ad formats: 47%
- Ads tell better stories now: 41%
- Ads are now more confusing: 33%

“While many people understand that advertising is a necessary burden that comes with viewing free content, the current state of digital advertising is still annoying a lot of folks.”

eMarketer, 10/16/18

CONSUMER MARKETING 2020-2021

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15.2 Ad Frequency And Content
A majority of consumers would like more control over the branded content they receive from marketers. When asked in a March 2019 survey by Alliance Data (www.alliancedata.com) about their expectations about control of receiving branded digital content, responses were as follows (percentage of respondents):
- Would like more control over frequency of receiving branded content: 69%
- Would like more control over content: 63%

The Shopper’s Journey To Loyalty, a June 2019 report by Yes Marketing (www.yesmarketing.com), reported digital shoppers’ feelings about the frequency of retailer communications as follows (percentage of respondents):

<table>
<thead>
<tr>
<th></th>
<th>Just Right</th>
<th>Too Frequent</th>
<th>Not Frequent Enough</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media:</td>
<td>64%</td>
<td>29%</td>
<td>7%</td>
</tr>
<tr>
<td>Display ads:</td>
<td>62%</td>
<td>32%</td>
<td>6%</td>
</tr>
<tr>
<td>SMS:</td>
<td>61%</td>
<td>29%</td>
<td>10%</td>
</tr>
<tr>
<td>Email:</td>
<td>60%</td>
<td>36%</td>
<td>5%</td>
</tr>
<tr>
<td>Push notifications:</td>
<td>57%</td>
<td>34%</td>
<td>9%</td>
</tr>
</tbody>
</table>

15.3 Influence On Purchase Decisions
A survey by Fluent (www.fluentco.com) asked Millennials the affect of digital ads and promotions on purchase decisions. Responses were as follows (percentage of respondents):

Ads On News And Entertainment Websites
- All the time: 11%
- Most of the time: 13%
- Some of the time: 20%
- On a few occasions: 19%
- Never: 37%

Ads On Social Media
- All the time: 12%
- Most of the time: 12%
- Some of the time: 20%
- On a few occasions: 19%
- Never: 37%

Promotional Emails
- All the time: 13%
- Most of the time: 13%
- Some of the time: 22%
- On a few occasions: 20%
- Never: 32%
Promotional Text Messages (SMS)

- All the time: 11%
- Most of the time: 14%
- Some of the time: 17%
- On a few occasions: 14%
- Never: 44%

A survey by PricewaterhouseCoopers (www.pwc.com) asked Internet users which social media activities influence their online shopping. Responses were as follows (percentage of respondents):

- Reading reviews, comments, feedback: 45%
- Receiving promotional offerings: 44%
- Viewing ads: 30%
- Staying on top of current fashion and product trends: 25%
- Writing reviews, comments, feedback: 22%
- Associating with particular brands or retailers: 20%
- Purchasing products directly via a social media channel: 16%

15.4 Ad Blocking

eMarketer (www.emarketer.com) assessed the percentage of U.S. Internet users that block ads as follows:

- 2018: 24.9%
- 2019: 25.8%
- 2020: 26.4%
- 2021: 27.0%

A 2018 survey by GlobalWebIndex (www.globalwebindex.com) asked Internet users the primary reasons that they block ads. Responses were as follows (percentage of respondents):

- Too many ads are annoying or irrelevant: 51%
- There are too many ads on the Internet: 50%
- Ads are too intrusive: 47%
- Ads sometimes contain viruses: 42%
- Ads take up too much screen space: 40%
- To speed up page loading times: 37%
- Generally try to avoid ads of all types on TV and online: 29%
- To avoid having to see video ads before watching clips/shows: 29%
- Ads might compromise my online privacy: 27%
- Want to stop data allowance from being used up: 25%

Omnicom Media Group (www.omnicom.com) found reasons that U.S. Internet users use ad blockers as follows:
• Don’t want to deal with pop-up ads: 45%
• Tired of being bombarded by ads: 40%
• Want to block pre-roll ads that prevent access to content: 30%
16.1 Market Assessment
According to Winterberry Group (www.winterberrygroup.com), email marketing spending in 2018 was $3.4 billion.

One of the most appealing aspects of email marketing is that sending an email is free – marketing costs are essentially related to campaign administration.

“In terms of ROI, the Direct Marketing Association found that email marketing delivers a $40 return for every $1 spent. No other marketing channel comes even close. While email has been around since the early 1970s, it shows no signs of slowing down.”

SuperOffice, 7/19

16.2 Marketer Use Of Email
According to the ANA Data Marketing & Analytics (www.thedma.org), U.S. marketers who use email marketing are as follows (percentage of respondents):

- Healthcare and pharmaceuticals: 100%
- Travel and hospitality: 100%
- Nonprofit organization: 96%
- Media and publishing: 93%
- Consumer packaged goods: 89%
- Insurance: 89%
- Technology: 89%
- Banks: 88%
- Retail: 81%
Goals in use of brand emails are as follows (source: Campaigner [www.campaigner.com]):

- Attracting new customers: 67%
- Increased brand awareness: 45%
- Customer retention: 41%
- Increased ecommerce activity: 26%
- Brand loyalty: 21%

*Email Marketing Survey*, by Clutch (www.clutch.com), asked email marketers the methods used to build email subscriber lists. Responses were as follows (percentage of respondents):

- Opt-in form on company website: 61%
- Social media: 60%
- Online purchases: 58%
- Event, contest, loyalty program: 53%
- Paid online ads: 43%
- Organic outreach: 40%
- White paper/ebook downloads: 29%
- Purchased lists: 28%

**16.3 Consumer Response To Emails**

*The Inbox Report 2018*, by Fluent (www.fluentco.com), reported that 26% of adult Internet users had visited a brands store or website after receiving a promotional email in the past six months; 25% made a purchase.

A 2018 survey by The Relevancy Group (www.relevancygroup.com) asked Internet users how brand emails aid in purchasing decisions. Responses were as follows:

- Provides the latest discounts and offers: 49%
- New products to discover: 32%
- Reminds me to purchase: 32%
- Product reviews: 29%
- Similar products to items I have shopped online: 26%
- Similar products to my previous purchases: 25%
- Spurs me to purchase immediately: 20%
- Reviews from publications (e.g., Cnet, Wired): 19%
- Ability to share with family/friends: 17%

**16.4 Ignoring Emails**

When asked in a 2018 survey by Yes Marketing (www.yesmarketing.com) why they ignore emails from retailers, adult digital buyers responded as follows (percentage of respondents):
• Get too many emails: 55%
• Irrelevant product recommendations: 50%
• Content isn’t helpful or interesting: 41%
• Does not offer a discount or free shipping: 33%
• Got it at the wrong time: 17%
• Over-personalization creeps me out: 12%
• Difficult to navigate: 12%
• Lack of personalization: 11%

16.5 Factors Influencing Email Open Rate

A survey by Campaigner (www.campaigner.com) asked U.S. Internet users the primary influence for reading promotional emails. Responses were as follows (percentage of respondents):
• Familiarity of sender name: 24%
• Email subject line: 16%
• It depends on my email reading device: 10%
• Email body length: 6%
• Awareness of a deal or promotion: 6%

Blue Hornet Networks (www.bluehornet.com) reported consumers are most likely to open the following types of emails (percentage of respondents):
• Emails from brands whose products I often purchase online: 70%
• Emails from brands whose products I often purchase in-store: 70%
• Emails from brands that I don’t usually purchase from, but I like to get inspiration from their styles and products: 18%
• Emails that contain news and content, not specifically product-related: 16%

People typically scan the subject lines in their inbox before deciding what messages are worth their time and attention. A study of 24 million emails by MailChimp (http://mailchimp.com) looked at response rates for various subject lines. The metric of assessment was the standard deviation from the mean open rate for a user/list. Words with positive impacts resulted in increased open rates, and words with negative impacts hurt those same rates. The following is a summary of findings:

Announcements, Invitations and Cancellations

Recipients are much more intrigued by announcements and event invitations than cancellations and reminders. The impact of these words on open rate in standard deviations is as follows:
• Announcement: 0.46
• Invitation: 0.34
• Invited: 0.34
• Announcing: 0.32
• Invite: 0.28
Free vs. Freebie

While including “free” in the subject line entices potential readers to open the message, use of the word “freebie” was found to result in a much larger increase in open rates. The impact of these words on open rate in standard deviations is as follows:

- Freebie: 0.26
- Free: 0.02

Name Personalization

Though the use of both first and last names in a subject line is less common than the use of either alone, it has the largest positive impact on open rates. The impact of name personalization on open rate in standard deviations is as follows:

- First and last name: 0.33
- Last name only: 0.17
- First name only: 0.09

Word Choice

Retention Science (www.retentionscience.com) reported email open rates by subject line length as follows:

- 1 or 2 words: 25%
- 3-to-5 words: 17%
- 6-to-10 words: 13%
- 12-to-14 words: 8%

Words Associated with Charity

Words related to charitable actions and donations had a generally negative impact on open rates. The impact of words associated with charity on open rate in standard deviations is as follows:

- Helping: 10.12
- Fundraising: 0.13
- Raffle: -0.14
- Fundraiser: -0.17
- Charity: -0.18
- Donate: -0.56
Words That Imply Time Sensitivity

Attention-grabbing words like “urgent” and “important” result in open rates that are much higher than normal. The impact of these words on open rate in standard deviations is as follows:

- Urgent: 0.79
- Breaking: 0.68
- Important: 0.55
- Alert: 0.31

Frequently used word pairs often have significant impacts on open rates. Sometimes two words can provide context that a single word can’t convey. The impact of word pairs on open rate in standard deviations is as follows:

- Thank you: 0.57
- Supreme Court: 0.51
- Appeals Court: 0.32
- Sneak peek: 0.08
- Sign up: -0.18
- Breast cancer: -0.27
- Last chance: -0.45

A survey by Howling Mad (www.howlingmad.com) found marketers split-test email campaign subject lines as follows (percentage of respondents):

- All campaigns: 7%
- Most campaigns: 21%
- A few campaigns: 49%
- Never: 22%

“All email marketers want opens, clicks, and conversions, but to get there they need something to draw in readers – that’s where subject lines come in.”

eMarketer

16.6 Day- and Time-Of-Delivery Effectiveness

Responses to promotional emails vary with the day and time of delivery. The following is a summary of studies that shows response variations.
Based on analysis of 7 billion emails deployed in 2016, Yesmail (www.yesmail.com) assessed marketing email effectiveness as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Email volume:</td>
<td>15.0%</td>
<td>15.0%</td>
<td>15.0%</td>
<td>20.0%</td>
<td>14.0%</td>
<td>11.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Open rate:</td>
<td>13.5%</td>
<td>13.8%</td>
<td>13.9%</td>
<td>16.0%</td>
<td>13.1%</td>
<td>13.7%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Unique click rate</td>
<td>1.4%</td>
<td>1.3%</td>
<td>1.3%</td>
<td>2.0%</td>
<td>1.2%</td>
<td>1.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Click-to-open rate</td>
<td>10.4%</td>
<td>9.5%</td>
<td>9.6%</td>
<td>12.0%</td>
<td>9.2%</td>
<td>7.8%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Conversion rate:</td>
<td>2.3%</td>
<td>2.9%</td>
<td>2.6%</td>
<td>2.3%</td>
<td>3.1%</td>
<td>4.6%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Experian CheetahMail (www.experian.com/cheetahmail.com) reports the following day-of-week analytics:

<table>
<thead>
<tr>
<th></th>
<th>Unique Open Rate</th>
<th>Unique Click Rate</th>
<th>Transaction Rate</th>
<th>Revenue Per Email</th>
<th>Average Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday:</td>
<td>17.3%</td>
<td>2.5%</td>
<td>0.08%</td>
<td>$0.11</td>
<td>$186</td>
</tr>
<tr>
<td>Tuesday:</td>
<td>17.9%</td>
<td>2.5%</td>
<td>0.07%</td>
<td>$0.10</td>
<td>$193</td>
</tr>
<tr>
<td>Wednesday:</td>
<td>17.2%</td>
<td>2.2%</td>
<td>0.07%</td>
<td>$0.09</td>
<td>$181</td>
</tr>
<tr>
<td>Thursday:</td>
<td>17.3%</td>
<td>2.3%</td>
<td>0.07%</td>
<td>$0.09</td>
<td>$184</td>
</tr>
<tr>
<td>Friday:</td>
<td>16.9%</td>
<td>2.2%</td>
<td>0.07%</td>
<td>$0.10</td>
<td>$187</td>
</tr>
<tr>
<td>Saturday:</td>
<td>18.3%</td>
<td>2.5%</td>
<td>0.09%</td>
<td>$0.12</td>
<td>$201</td>
</tr>
<tr>
<td>Sunday:</td>
<td>17.5%</td>
<td>2.7%</td>
<td>0.09%</td>
<td>$0.13</td>
<td>$174</td>
</tr>
</tbody>
</table>

An assessment by Docstoc (www.docstoc.com) reported the following open rate (OR) and click-through rate (CTR):

<table>
<thead>
<tr>
<th></th>
<th>Pct. of Emails</th>
<th>OR</th>
<th>CTR</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 a.m. to 6 a.m.</td>
<td>5.9%</td>
<td>6.3%</td>
<td>2.2%</td>
</tr>
<tr>
<td>6 a.m. to 12: p.m.</td>
<td>38.7%</td>
<td>7.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>12 p.m. to 6 p.m.</td>
<td>25.8%</td>
<td>10.6%</td>
<td>2.2%</td>
</tr>
<tr>
<td>6 p.m. to 12: a.m.</td>
<td>29.6%</td>
<td>8.3%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

MailerMailer (www.mailermailer.com) provides the following assessment:

- Open rates fluctuate marginally throughout the week, with Sundays, Tuesdays, and Fridays generating the highest open rates.
- Email messages that are scheduled to be delivered between 1:00 a.m. and 5:00 a.m. can expect higher volumes of email opens and clicks. Emails delivered between 6:00 p.m. and 7:00 p.m. also experience a considerable jump in their open and click rates. There is a notable drop off during the middle of the day in which email opens and clicks tend to be stagnant for several hours.

According to SimpleRelevance (www.simplerelevance.com), most consumers have limited windows of time allocated for responding to emails. While people open email several times throughout the day, 62% only click through to a commercial website during one single hour per day. Email use varies by gender and income as follows:

- Men tend to open email an average of eight time-periods throughout the day, while women average seven.
Men click more frequently in the early morning, 4:00 a.m. until 9:00 a.m., while women click more frequently in the afternoon to evening, 10:00 a.m. until 9:00 p.m.

For all hours in which men and women open their email, 57% of men and 66% of women prefer one single hour per day in which they actually click through. Twenty-two percent (22%) of men and 19% of women have two one-hour time-periods per day to click through an email.

People earning $150,000 or more are more likely to click in the early morning from 5:00 a.m. until 8:00 a.m., while people earning $75,000 or less are more active from 9:00 a.m. until 8:00 p.m.

“In everyday life, most people don’t want to be bothered late at night. But the opposite seems to be true when it comes to email.”

eMarketer

16.7 Email Marketing Services

Email marketing services provide campaign management, database management, analytics, reporting, and tracking.

The following are major email marketing services providers:

- Acxiom Corp. (www.acxiom.com)
- Anchor Computer (www.anchorcomputer.com)
- Applied Information Group (www.appliedinfogroup.com)
- Arial Software (www.arialsoftware.com)
- AWeber Communications (www.aweber.com)
- Boomerang (www.boomerang.com)
- Bridgeline Digital (www.bridginedigital.com)
- Bronto Software (www.bronto.com)
- Campaigner Email Marketing (www.campaigner.com)
- Constant Contact (www.constantcontact.com)
- Dyn (http://dyn.com)
- EchoMail Inc. (www.echomail.com)
- Email Answers (www.emailanswers.com)
- Ennect (www.ennect.com)
- Epsilon (www.epsilon.com)
- Experian CheetahMail (www.experian.com/marketing-services/cheetahmail.html)
- FreshAddress (www.freshaddress.com)
- GetResponse (www.getresponse.com)
• Global IntelliSystems (www.gliq.com)
• GreenRope (www.greenrope.com)
• IBM Enterprise Management
  (http://www-01.ibm.com/software/marketing-solutions/email-marketing-solution)
• iContact (www.icontact.com)
• IMN Inc. (www.imninc.com)
• Infogroup (www.infogrouplistservices.com)
• iPost (www.ipost.com)
• Lift Network (www.liftdynamics.com)
• Listrak Inc. (www.listrak.com)
• MailChimp (http://mailchimp.com)
• Merkle (www.merkleinc.com)
• Net Atlantic (www.netatlantic.com)
• PulsePoint (www.pulsepoint.com)
• Puresend (www.puresend.com)
• Reach Marketing (www.reachmarketing.com)
• Real Magnet (www.realmagnet.com)
• Return Path (www.returnpath.com)
• Sailthru (www.sailthru.com)
• Savicom (www.savicom.net)
• SDL International (www.sdl.com)
• Socket Labs (www.socketlabs.com)
• SourceLink (www.sourcelink.com)
• StreamSend Email Marketing (www.streamsend.com)
• SubscriberMail (www.subscribermail.com)
• TailoredMail (www.tailoredmail.com)
• Topica (www.topica.com)
• VerticalResponse (www.verticalresponse.com)
• WhatCounts (www.whatcounts.com)
• Xert Communications (www.xert.com)
• Xtenit (http://xtenit.com)
• Yesmail (www.yesmail.com)

16.8 Market Resources
Email Experience Council, 225 Reinekers Lane, Suite 325, Alexandria, VA 22314.
(202) 861-2429.  (www.emailexperience.org)

Email Insider, MediaPost Communications, 1460 Broadway, New York, NY 10036.
(212) 204-2000.  (www.mediapost.com/publications/email-insider/)
17.1 Market Assessment

eMarketer (www.emarketer.com) assesses U.S. mobile advertising spending as follows (change from previous year in parenthesis):

- 2015: $31.69 billion (65.5%)
- 2016: $45.95 billion (45.0%)
- 2017: $57.44 billion (25.0%)
- 2018: $68.93 billion (20.0%)
- 2019: $77.89 billion (13.0%)
- 2020: $86.84 billion (11.5%)

“This year, mobile will surpass TV ad spending by more than $6 billion. By 2020, mobile will represent 43% of total media ad spending in the U.S., a greater percentage than all traditional media combined.”

eMarketer, 10/16/18

By format, mobile ad spending is assessed by eMarketer as follows (in billions):

- Search: $14.17 $20.28 $25.06 $29.87 $33.60 $37.43
- Display*: $13.29 $19.14 $23.75 $28.36 $31.98 $35.61
- Video: $ 2.89 $ 4.47 $ 5.87 $ 7.11 $ 8.11 $ 9.08
- Messaging**: $ 0.27 $ 0.29 $ 0.29 $ 0.29 $ 0.28 $ 0.28
- Other***: $ 1.06 $ 1.78 $ 2.47 $ 3.30 $ 3.93 $ 4.45

* Other than video; includes banners, rich media, and sponsorship
** SMS/MMS/P2P
*** Classifieds, email, and lead generation
17.2 Market Leaders

eMarketer assesses U.S. mobile ad revenues by company as follows (in billions):

<table>
<thead>
<tr>
<th>Company</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google</td>
<td>$10.02 billion</td>
<td>$14.69 billion</td>
<td>$18.89 billion</td>
<td>$23.28 billion</td>
</tr>
<tr>
<td>Facebook</td>
<td>$ 6.18 billion</td>
<td>$10.14 billion</td>
<td>$13.37 billion</td>
<td>$16.71 billion</td>
</tr>
<tr>
<td>Twitter</td>
<td>$ 1.12 billion</td>
<td>$ 1.18 billion</td>
<td>$ 1.25 billion</td>
<td>$ 1.31 billion</td>
</tr>
<tr>
<td>Yahoo!</td>
<td>$ 879 million</td>
<td>$ 1.07 billion</td>
<td>$ 1.24 billion</td>
<td>$ 1.38 billion</td>
</tr>
<tr>
<td>Pandora</td>
<td>$ 723 million</td>
<td>$ 847 million</td>
<td>$ 986 million</td>
<td>$ 1.12 billion</td>
</tr>
<tr>
<td>YP</td>
<td>$ 638 million</td>
<td>$ 766 million</td>
<td>$ 896 million</td>
<td>$ 1.02 billion</td>
</tr>
<tr>
<td>Snapchat</td>
<td>$  58 million</td>
<td>$ 348 million</td>
<td>$ 804 million</td>
<td>$ 1.32 billion</td>
</tr>
<tr>
<td>Yelp</td>
<td>$ 211 million</td>
<td>$ 272 million</td>
<td>$ 331 million</td>
<td>$ 406 million</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>$ 151 million</td>
<td>$ 206 million</td>
<td>$ 252 million</td>
<td>$ 308 million</td>
</tr>
<tr>
<td>Amazon</td>
<td>$ 106 million</td>
<td>$ 189 million</td>
<td>$ 258 million</td>
<td>$ 398 million</td>
</tr>
<tr>
<td>All others</td>
<td>$11.60 billion</td>
<td>$16.24 billion</td>
<td>$19.16 billion</td>
<td>$21.67 billion</td>
</tr>
</tbody>
</table>

17.3 Mobile Marketing Agencies

According to Advertising Age, the following are the ad agencies with the highest mobile marketing revenue (parent companies or networks also given):

- Epsilon (Alliance Data Systems): $227 million
- DigitasLBi (Publicis): $139 million
- SapientNitro (Sapient Corp.): $131 million
- PwC Digital Services: $128 million
- R/GA (Interpublic): $105 million

17.4 Mobile Marketing Tactics

Salesforce (www.salesforce.com) reported use of mobile marketing tactics as follows (percentage of respondents):

- Mobile apps: 54%
- SMS: 51%
- Push notifications: 45%
- Location-based mobile tracking: 44%

17.5 In-App Ads

eMarketer assesses in-app ad spending as follows (change from previous year in parenthesis):

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$22.06 billion (71.0%)</td>
<td>$34.23 billion (55.2%)</td>
<td>$44.62 billion (30.3%)</td>
<td>$61.59 billion (38.0%)</td>
</tr>
<tr>
<td></td>
<td>$34.23 billion (55.2%)</td>
<td>$44.62 billion (30.3%)</td>
<td>$61.59 billion (38.0%)</td>
<td>$77.03 billion (25.1%)</td>
</tr>
</tbody>
</table>

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A 2018 survey by Fyber (www.fyber.com) asked ad agency professionals the most effective in-app ad format. Responses were as follows (percentage of respondents):

- Playable ads: 28%
- Interactive ads: 23%
- Rewarded videos/opt-in: 22%
- Rich media ads: 20%
- Native ads: 4%
- Meta ads: 1%

### 17.6 Mobile Banner Ads

There are three general types of mobile banner ads, as follows:

**Expandable Banner**
- The expandable banner expands beyond the confines of the traditional banner. Multiple flash panels can be launched by a click, roll-over, or auto-initiation.

**Polite Banner**
- The polite banner is a flash-enabled banner that uses “polite” sequential downloading and proprietary compression technology to allow extra large file sizes to fit within standard publisher specs.

**Standard Banner**
- The standard banner does not support interactions or banner expansion.

*Mobile Performance Benchmarks*, by DG MediaMind (www.mediamind.com), assessed the relative performance of mobile ad formats, analyzing more than one billion impressions across more than one thousand mobile campaigns. The study reported click-through rates (CTRs) as follows:

- Expandable banners: 0.63%
- Polite banners: 0.28%
- Standard banners: 0.09%

Within expandable banners, the verticals that generated the highest user expansions were entertainment (9.0%), electronics (8.9%), and automotive (5.5%).

### 17.7 Mobile Shopping Apps

With usage of mobile devices steadily increasing among consumers, more retailers are integrating mobile technologies with the store experience to accommodate the wired and always-connected lifestyle. Mobile apps send alerts to smartphones announcing special deals, wish lists can be synched from a customer’s device to a...
store’s handheld unit or computer, and checkout is made speedier when a customer pays instantly via mobile cashier.

These in-store mobile efforts are helping retailers to combat showrooming, which is when a customer visits a store to see and touch a product but browses online – sometimes while still in the store – for a better deal.

The following are examples of mobile shopping apps used by retailers:

**Geolocation**
- Customers accepting a retailer’s invitation to receive mobile alerts receive texts or other messaging announcing a special sale or deal once they are within a certain area designated by the store. For example, if a customer comes within 5 miles of a particular store during a rainstorm, he or she may get an alert about umbrellas or rain boots.
- Foursquare and other mobile services track shoppers’ location and offer coupons or promotional deals at nearby stores.

**Mobile-specific Deals**
- L.L. Bean and Target have made available mobile-only deals or experiences, including access for customers to scan an in-store QR code to make a purchase or have an item delivered.
- Some mall-based retailers post ads at their storefront that shoppers can scan for coupons.
- Shopkick gives mobile shoppers points toward gift cards. Participating stores include Best Buy, Macy’s, and Target.
- Chains have launched apps offering customers gift cards in exchange for permission to share data about their purchases.

**Store Navigation**
- Several big-box retailers like Walmart and Home Depot have navigation apps that help customers find departments and items inside their stores. Store layouts, aisle numbers locating specific items, and mapped shopping lists are a few of the features of some of the apps. In-store location services like Meridian and Indoor Atlas track shoppers’ paths and promote coupons for nearby items.

**Tablet-assisted Shopping**
- PacSun and Guess have installed iPads in some stores and allow customers to browse through “look books,” check in-store inventory, and even to make purchases. An Aéropostale store installed iPads in fitting rooms so customers could choose their own music while trying on clothes. The store also has kiosks throughout offering style guides. In select Target stores, iPads are on hand to help employees in the beauty department assist customers with brands and advice.

**Wi-Fi**
- Retailers have added Wi-Fi in their stores to provide mobile access to customers who may have a smart device but not a mobile connection. This connectivity allows...
customers to log on and engage with a store’s mobile platform as well as gives access to merchandise and product information.

17.8 Market Resources
Mobile Marketing Association, 41 East 11 Street, 11th Floor, New York, NY 10003. (646) 257-4515. (www.mmaglobal.com)

Mobile Marketing Center of Excellence, Interactive Advertising Bureau, 116 E. 27th Street, 7th Floor, New York, NY 10016. (212) 380-4700. (www.iab.com/topics/mobile/)
18

SEARCH

18.1 Organic Vs. Paid Search

There are two categories of search: organic search (i.e., listings on search engine results pages that appear because of their relevance to the search terms) and paid search (i.e., listings that are paid based on number of clicks on search engines). Paid search is also referred to as pay-per-click advertising.

Comparing organic search with paid search, a study by Experian Marketing Services (www.experian.com/marketing-services/marketing-services.html) reported search traffic distribution as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Organic</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print media:</td>
<td>99%</td>
<td>1%</td>
</tr>
<tr>
<td>Multimedia entertainment:</td>
<td>96%</td>
<td>4%</td>
</tr>
<tr>
<td>Retail:</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>Banking:</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>Travel:</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td>Shopping and classified:</td>
<td>64%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Experian reported that search engines deliver 41% of all website traffic for the 1,000 largest retailers.

Marketers use separate strategies for the two types of search. Search engine optimization (SEO) is deployed to gain placement of listings near the top of search engine results pages. Search engine marketing (SEM) is the method of gaining traffic by purchasing ads on search engines.

18.2 Market Assessment

eMarketer assesses search ad spending as follows (change from previous year in parenthesis):

- 2015: $14.17 billion (16.4%)
- 2016: $20.28 billion (15.4%)
- 2017: $25.06 billion (12.5%)
- 2018: $29.87 billion (12.6%)
- 2019: $33.60 billion (11.1%)
- 2020: $37.43 billion (9.6%)
By company, U.S. search ad revenues are as follows (change from previous year in parenthesis):

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google:</td>
<td>$20.47 billion</td>
<td>$24.77 billion</td>
<td>$28.67 billion</td>
<td>$32.54 billion</td>
</tr>
<tr>
<td>Microsoft:</td>
<td>$2.42 billion</td>
<td>$2.77 billion</td>
<td>$3.11 billion</td>
<td>$3.38 billion</td>
</tr>
<tr>
<td>Yahoo!:</td>
<td>$1.25 billion</td>
<td>$1.03 billion</td>
<td>$1.04 billion</td>
<td>$1.06 billion</td>
</tr>
<tr>
<td>Yelp:</td>
<td>$0.44 billion</td>
<td>$0.59 billion</td>
<td>$0.71 billion</td>
<td>$0.85 billion</td>
</tr>
<tr>
<td>IAC:</td>
<td>$0.73 billion</td>
<td>$0.55 billion</td>
<td>$0.54 billion</td>
<td>$0.55 billion</td>
</tr>
<tr>
<td>Amazon:</td>
<td>$0.18 billion</td>
<td>$0.24 billion</td>
<td>$0.26 billion</td>
<td>$0.28 billion</td>
</tr>
<tr>
<td>Verizon (AOL):</td>
<td>$0.21 billion</td>
<td>$0.21 billion</td>
<td>$0.21 billion</td>
<td>$0.21 billion</td>
</tr>
</tbody>
</table>

### 18.3 Search Agencies

According to *Advertising Age*, the following are the ad agencies with the highest annual search revenue (parent companies or networks also given):

- Performics (Publicis): $180.2 million
- iProspect (Dentsu): $126.1 million
- iCrossing (Hearst Corp.): $123.9 million
- GroupM (WPP): $112.5 million
- Merkle: $106.5 million

### 18.4 Top Advertisers

According to *Advertising Age* (July 2019), the top search marketing advertisers, ranked by 2018 spending, were as follows:

- Expedia: $647 million
- Booking Holdings: $626 million
- Amazon: $277 million
- LendingTree: $255 million
- Trip Advisor: $213 million
- AT&T: $173 million
- Capital One: $145 million
- Experian: $143 million
- Progressive: $141 million
- Discover Financial Services: $118 million

### 18.5 Local Search

BIA Advisory Services ([www.biakelsey.com](http://www.biakelsey.com)) assesses the distribution of local searches performed on desktops/laptops and on mobile devices (i.e., smartphones and tablets) as follows:
<table>
<thead>
<tr>
<th>Year</th>
<th>Desktop</th>
<th>Mobile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>54.9 billion</td>
<td>19.7 billion</td>
</tr>
<tr>
<td>2012</td>
<td>61.6 billion</td>
<td>30.7 billion</td>
</tr>
<tr>
<td>2013</td>
<td>69.2 billion</td>
<td>46.0 billion</td>
</tr>
<tr>
<td>2014</td>
<td>65.6 billion</td>
<td>66.5 billion</td>
</tr>
<tr>
<td>2015</td>
<td>64.6 billion</td>
<td>81.8 billion</td>
</tr>
<tr>
<td>2016</td>
<td>63.8 billion</td>
<td>94.7 billion</td>
</tr>
<tr>
<td>2017</td>
<td>63.2 billion</td>
<td>113.2 billion</td>
</tr>
<tr>
<td>2018</td>
<td>62.7 billion</td>
<td>127.5 billion</td>
</tr>
<tr>
<td>2019</td>
<td>62.3 billion</td>
<td>141.9 billion</td>
</tr>
</tbody>
</table>

### 18.6 Market Resources

eMarketer, 11 Times Square, New York, NY 10036. (800) 405-0844. ([www.emarketer.com](http://www.emarketer.com))

Search Engine Marketing Professional Organization (SEMPO), 401 Edgewater Place, Suite 600, Wakefield, MA 01880. (781) 876-8866. ([www.sempo.org](http://www.sempo.org))

19

VOICE SEARCH

19.1 Use Of Digital Voice Assistants
Built into smartphones and other smart devices, digital voice assistants, or personal assistants, are bots that use voice interaction to provide information and perform various tasks for users much like a human assistant would. Siri, introduced by Apple in 2011, was the first voice assistant to enter the mainstream.

eMarketer (www.emarketer.com) estimates that 90.1 million adults used smartphone voice assistants monthly in 2018; 45.7 million used smart speakers.

19.2 Voice Search Shopping
Connecting With Shoppers In The Age Of Choice, by Navar (www.navar.com), reported ways in which voice assistant users, ages 21-to-65, shop with their devices (percentage of respondents):

- Research products: 51%
- Add to shopping list: 36%
- Track a package: 30%
- Make a purchase: 22%
- Provide ratings or reviews: 20%
- Contact customer support: 18%
- Reorder items: 17%

The eMarketer E-Commerce Survey, conducted in December 2018 by Bizrate Insights (www.bizrateinsights.com), reported activities by adults who own a smart speaker as follows (percentage of respondents):

<table>
<thead>
<tr>
<th>Activity</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Browsed products:</td>
<td>14%</td>
<td>20%</td>
</tr>
<tr>
<td>Asked for product recommendations:</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>Ordered movies, TV shows, music, etc.:</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Added products to shopping cart, then finished checkout on another device:</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>Reordered products that you’ve bought before:</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>Added products to shopping cart, then purchased on smart speaker:</td>
<td>6%</td>
<td>11%</td>
</tr>
<tr>
<td>Ordered electronic devices:</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>Ordered groceries or household items:</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>None of the above:</td>
<td>64%</td>
<td>61%</td>
</tr>
</tbody>
</table>
“Smart speaker shopping aligns more with male buying behaviors; 70% of men use the devices to research products and prices. Men are less browser-focused, and their replenishment cases are a lot higher. They are also looking for a greater number of brands and items earlier in their journey, so automation is easier with men.”

eMarketer, 2/13/19

19.3 Local Business Queries

Sapio Research (www.sapioresearch.com) asked voice assistant and smart speaker users about use of their devices related to shopping with local businesses. Responses were as follows (percentage of respondents):

<table>
<thead>
<tr>
<th></th>
<th>Address/Directions</th>
<th>Hours</th>
<th>Specific Item</th>
<th>Call Store</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female:</td>
<td>43%</td>
<td>32%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Male:</td>
<td>41%</td>
<td>30%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-to-24:</td>
<td>53%</td>
<td>27%</td>
<td>8%</td>
<td>11%</td>
</tr>
<tr>
<td>25-to-34:</td>
<td>34%</td>
<td>35%</td>
<td>17%</td>
<td>14%</td>
</tr>
<tr>
<td>35-to-44:</td>
<td>42%</td>
<td>32%</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td>45-to-54:</td>
<td>44%</td>
<td>31%</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>55-to-64:</td>
<td>43%</td>
<td>29%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>65 and older:</td>
<td>51%</td>
<td>22%</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42%</td>
<td>31%</td>
<td>13%</td>
<td>13%</td>
</tr>
</tbody>
</table>

19.4 Voice-Search Promotions

Brands are exploring ways to attract customers to their products via voice-search.

According to Advertising Age, brands can offer voice-only deals exclusive to Amazon via the Echo device. Using Alexa, Tide’s Stain Remover app, for example, doles out advice for more than 200 types of stains. Campbell’s Kitchen helps
consumers choose recipes and then helps guide the cooking process. And Nestlé has rolled out a “GoodNes” skill, which pairs voice cooking instructions with an online guide.

In 2018, Google introduced Shopping Actions, an evolution of Google Express offering products on newer platforms like Google Assistant to let people add products to a universal basket that connects mobile, browser and voice platforms for easier ordering. Early results from Shopping Actions, including the Target coupon program, found that the number of items in customers' Google Express carts jumped an average of 20%.

Target and Google teamed up using Shopping Actions for a voice-activated coupon on Google Assistant. Consumers could activate the discount by saying or typing “spring into Target” on their Google Assistant app on iOS or Android or other device that has the voice-based feature built in. Those who activated the coupon received $15 credit toward their next Target order through Google Express.

“As consumers become increasingly accustomed to shopping and completing transactions with voice technology, it’s a natural progression to receive product or retailer coupons through the same medium.”

Center for Media Research
20.1 Use Of Social Networking Sites

eMarketer (www.emarketer.com) assesses the total number of social network users (all ages) in the U.S. as follows:

- 2015: 180.1 million
- 2016: 185.7 million
- 2017: 191.1 million
- 2018: 196.3 million
- 2019: 200.6 million
- 2020: 204.1 million

Among social network users, average time spent on social sites is assessed as follows (source: eMarketer):

- 2015: 1 hour 8 minutes
- 2016: 1 hour 15 minutes
- 2017: 1 hour 14 minutes
- 2018: 1 hour 14 minutes
- 2019: 1 hour 15 minutes
- 2020: 1 hour 15 minutes

Pew Research Center (www.pewresearch.org) reported social media use in 2019 as follows (percentage of U.S. adults):

- YouTube: 73%
- Facebook: 69%
- Instagram: 37%
- Pinterest: 28%
- LinkedIn: 27%
- Snapchat: 24%
- Twitter: 22%
- WhatsApp: 20%
- Reddit: 11%

20.2 Business Use Of Social Media

Dartmouth Center for Marketing Research at the University of Massachusetts
reported the percentage of Fortune 500 companies with a public-facing social media page in 2018 as follows:

- LinkedIn: 98%
- Twitter: 91%
- Facebook: 89%
- YouTube: 77%
- Instagram: 63%
- Blog: 53%
- Pinterest: 32%

20.3 Social Media Ad Spending

According to the Interactive Advertising Bureau (IAB, www.iab.net), social media advertising spending has been as follows:

- 2012: $2.9 billion
- 2013: $4.5 billion
- 2014: $6.0 billion
- 2015: $10.8 billion
- 2016: $16.3 billion
- 2017: $22.1 billion
- 2018: $28.9 billion

Ad spending by social platform is distributed as follows:

- Facebook: 83%
- Twitter: 7%
- LinkedIn: 6%
- Snapchat: 4%

20.4 Social Media Marketing Tactics

In a survey by Forrester Research (www.forrester.com), U.S. advertisers who spend at least $100,000 annually on social media marketing reported marketing tactics on social media channels as follows (percentage of respondents):

- We create branded social network pages and post messages on those pages: 73%
- We buy social network ads: 56%
- We create branded accounts (microblogs) and post messages to these accounts: 52%
- We pay to promote content (social networks): 51%
- We create branded tabs on social networks: 40%
- We create branded apps: 38%
- We pay to promote content (microblogs): 37%
20.5 Social Media Posts

TrackMaven (www.trackmaven.com) recommends the best day of week and time to post content on the following social media platforms:

<table>
<thead>
<tr>
<th>Day of Week</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>Thursday 8:00 p.m.</td>
</tr>
<tr>
<td>Instagram</td>
<td>Friday 7:00 p.m.</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>Wednesday 9:00 p.m.</td>
</tr>
<tr>
<td>Pinterest</td>
<td>Friday 1:00 a.m.</td>
</tr>
<tr>
<td>Twitter</td>
<td>Thursday 5:00 p.m.</td>
</tr>
</tbody>
</table>

Fannit Marketing Services (www.fannit.com) recommends the following as optimal times for social media posts:

**Blogs**
- Best times to post are Monday, Friday and Saturday at 11:00 a.m
- Worst times to post are 11:00 p.m. to 8:00 a.m.

**Facebook**
- Best times to post are weekdays, 6:00 a.m. to 8:00 a.m. and 2:00 p.m. to 5:00 p.m.
- Worst times to post are weekend days, 10:00 p.m. to 4:00 a.m.

**LinkedIn**
- Best times to post are 7:00 a.m. to 8:30 p.m. and 5:00 p.m. to 6:00 p.m.
- Worst times are Monday and Friday from 9:00 a.m. to 5:00 p.m.

**Pinterest**
- Best times to post are on Saturday from 2:00 p.m. to 4:00 p.m. and 8:00 p.m. to 11:00 p.m.
- Worst times to post are 5:00 p.m. to 7:00 pm, and 1:00 a.m. to 7:00 a.m.

**Twitter**
- Best times to post are weekends from 1:00 p.m. to 3:00 p.m.
- Worst times to post are 8:00 p.m. to 8:00 a.m.
- Engagement goes up 30% on weekends compared to weekdays.

_________________________________________________________________
"If you aren’t posting to a social media site when most of your audience members are on it, all the time spent crafting the update goes to waste.”

Center for Media Research
20.6 Challenges In Social Media Marketing

A survey of social media marketers by Simply Measured (www.simplymeasured.com) found the top challenges in social media marketing as follows (percentage of respondents):

- Measuring ROI: 61%
- Securing budget and resources: 38%
- Tying social to business goals: 34%
- Tracking results in a centralized dashboard: 28%
- Understanding performance across social channels: 25%
- Developing social marketing strategy: 25%
- Publishing content: 18%
- Integrating social tools: 13%
- Monitoring competition: 12%

20.7 Market Resources

The Social Graf, MediaPost Communications, 1140 Broadway, 4th Floor, New York, NY 10001. (212) 204-2000. (www.mediapost.com/publications/the-social-graf/)
21

DIGITAL VIDEO ADVERTISING

21.1 Market Assessment

eMarketer (www.emarketer.com) assesses U.S. digital video ad spending as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Desktop</th>
<th>Mobile</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$16.0 billion</td>
<td>$13.0 billion</td>
<td>$29.0 billion</td>
</tr>
<tr>
<td>2019</td>
<td>$19.6 billion</td>
<td>$16.4 billion</td>
<td>$36.0 billion</td>
</tr>
<tr>
<td>2020</td>
<td>$22.6 billion</td>
<td>$20.0 billion</td>
<td>$42.6 billion</td>
</tr>
<tr>
<td>2021</td>
<td>$25.6 billion</td>
<td>$23.4 billion</td>
<td>$49.0 billion</td>
</tr>
<tr>
<td>2022</td>
<td>$27.2 billion</td>
<td>$26.8 billion</td>
<td>$54.0 billion</td>
</tr>
<tr>
<td>2023</td>
<td>$28.4 billion</td>
<td>$30.0 billion</td>
<td>$58.4 billion</td>
</tr>
</tbody>
</table>

21.2 Digital Content NewFronts

In 2012, the Interactive Advertising Bureau launched Digital Content NewFronts (https://www.iab.com/events/digital-content-newfronts-2018/), a meeting where high-end video ads are sold in a format similar to TV upfronts. The week-long gala event has taken hold, with events hosted in theaters around New York City. Digital Content NewFronts 2019 was held April 29-May 3.

According to eMarketer upfront digital video ad spending has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$2.09 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$2.90 billion</td>
</tr>
<tr>
<td>2018</td>
<td>$3.64 billion</td>
</tr>
<tr>
<td>2019</td>
<td>$4.39 billion</td>
</tr>
</tbody>
</table>

21.3 Video Ads On Social Networks

eMarketer assesses video ad spending on social media, excluding YouTube, as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$ 5.68 billion</td>
</tr>
<tr>
<td>2018</td>
<td>$ 7.84 billion</td>
</tr>
<tr>
<td>2019</td>
<td>$ 9.82 billion</td>
</tr>
<tr>
<td>2020</td>
<td>$11.69 billion</td>
</tr>
</tbody>
</table>

Spending in 2018 was distributed by platform as follows:

- Facebook: $6.81 billion
- Twitter: $ 663 million
- Snapchat: $ 397 million
- All others: $6.30 billion
21.4 Video Ad Engagement
Consumers are 27 times more likely to click through online video ads than standard banners, according to Media Mind (www.mediamind.com).
According to a report from Unruly (www.unrulymedia.com), online video viewers are almost three times more likely to click through to a brand’s website from their smartphone or tablet than from their laptop or desktop computer. The average click through rate (CTR) for mobile campaigns is 13.6%, compared with 5.4% for desktop.
Nielsen (www.nielsen.com) reports that native online video ads can generate an 82% brand lift.

21.5 Video Ad Completion Rates
FreeWheel (www.freewheel.tv) reported digital video ad completion rates as follows:
Device
• Over-the-top device: 93%
• Tablet: 85%
• Desktop: 84%
• Smartphone: 78%

Duration
• Live: 95%
• Long: 94%
• Mid: 80%
• Short: 71%

TubeMogul (www.tubemogul.com) reported digital video ad completion rates as follows:
• Connected TV: 95%
• Pre-roll: 72%
• Mobile: 64%

21.6 Assessing Effectiveness
A survey by Eyeview (www.eyviewdigital.com) asked brand marketers how they measure digital video ad performance. Responses were as follows (percentage of respondents):
• Site traffic: 71%
• ROI: 52%
• Store traffic: 49%
• Cost per acquisition, order, or sale: 40%
• Brand metrics: 30%
• Return on ad sales/sales lift per dollar spent: 29%
21.7 Market Resources
Video Advertising Bureau, 830 3rd Avenue, 2nd Floor, New York, NY 10022. (212) 508-1200. (www.thevab.com)

Web Video Marketing Council, 17 Colonial Road, Dover, MA 02030. (508) 686-2802. (www.webvideomarketing.org)
22 DIGITAL PLACE-BASED VIDEO ADVERTISING

22.1 Market Assessment
Digital place-based (DPB) advertising is thought to be the fastest-growing medium after search.

The Digital Place-Based Advertising Association (www.dpaaglobal.com) estimates that 70% of the teen and adult population, or 181 million people, view digital video displays at various venues each month; 52%, or 135 million people, do so each week.

Annual digital placed-based media revenue is $1.0 billion, according to the Digital Place-Based Advertising Association; spending is increasing at 10% to 12% annually.

22.2 Video Ads In Public Venues
The Digital Place-Based Video Study, a report by the Digital Place-Based Advertising Association, provides the following assessment of visits to various venues (each month) and exposure to place-based video advertising at these venues:

<table>
<thead>
<tr>
<th>Visit Venue</th>
<th>View Video Ad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pct.          Number         Pct.         Number</td>
<td></td>
</tr>
<tr>
<td>• Airport:              21%     54 million     11%     28 million</td>
<td></td>
</tr>
<tr>
<td>• Bar:                  29%     65 million     9%      20 million</td>
<td></td>
</tr>
<tr>
<td>• Coffeehouse or sandwich shop:          50%     130 million   8%      21 million</td>
<td></td>
</tr>
<tr>
<td>• Convenience store:        72%     187 million   12%      31 million</td>
<td></td>
</tr>
<tr>
<td>• Drug store:              69%     179 million   12%      30 million</td>
<td></td>
</tr>
<tr>
<td>• Elevator:                58%     150 million   4%       10 million</td>
<td></td>
</tr>
<tr>
<td>• Fast food or casual dining restaurant: 79%     204 million   16%      42 million</td>
<td></td>
</tr>
<tr>
<td>• Gas station:             88%     227 million   17%      43 million</td>
<td></td>
</tr>
<tr>
<td>• Grocery store:           90%     232 million   28%      72 million</td>
<td></td>
</tr>
<tr>
<td>• Health club:             22%     86 million     7%       18 million</td>
<td></td>
</tr>
<tr>
<td>• Hospital or medical test facility: 41%     106 million   13%      34 million</td>
<td></td>
</tr>
<tr>
<td>• Large retail or department store: 72%     186 million   27%      69 million</td>
<td></td>
</tr>
<tr>
<td>• Medical office (doctor, dentist, veterinarian): 58%     151 million   20%      52 million</td>
<td></td>
</tr>
<tr>
<td>• Movie theater:           41%     107 million   19%      50 million</td>
<td></td>
</tr>
<tr>
<td>• Office building lobby:    51%     132 million   13%      34 million</td>
<td></td>
</tr>
<tr>
<td>• Shopping mall:           65%     169 million   27%      70 million</td>
<td></td>
</tr>
<tr>
<td>• Stadium or arena:        20%     51 million     11%      28 million</td>
<td></td>
</tr>
<tr>
<td>• Transportation, interior (bus, taxicab, train): 27%     69 million     4%       9 million</td>
<td></td>
</tr>
</tbody>
</table>

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22.3 DPB Video Ad Networks

The following are out-of-home networks that distribute place-based video programming to retail outlets, transportation systems, and airports:

Blue Line Media (www.bluelinemedia.com)
- Gas pump toppers, as they are known in the industry, are the most popular form of advertising in gas stations. Blue Line Media provides this advertising format in over 300 cities across the U.S.

Captivate Network (www.captivate.com)
- Captivate Network has a network of over 10,000 high-resolution, flat-panel elevator displays in approximately 1,000 office buildings and suburban office campuses across North America.

CNN Airport Network (www.cnn.com/services/advertise/specs/specs_airport.html)
- CNN Airport Network, a satellite television network owned by Turner Private Networks, a division of Turner Broadcasting Company, broadcasts general news, weather, stock market updates, entertainment, and travel content to airports across North America.

Gas Station TV (www.gstv.com)
- Gas Station TV provides television programming on screens at gas station pumps around the country. Its content and advertisements reach 52 million people monthly.

Home Team Sports (HTS, www.hometeamsports.com)
- HTS, a Fox Sports-owned sales group that sells in-arena signs, promotions, and sponsorships, formed a partnership in March 2014 with Access Sports Media (www.acesssportsmedia.com) to sell in-arena video ads on concourse TVs at more than 50 MLB, NBA, NFL, and NHL venues.

InStore Broadcasting Network (www.instoreaudionetwork.com/in2/)
- InStore Broadcasting Network, or IBN, provides narrowcast in-store background music, in-store video content, and advertising for delivery within over 18,000 supermarkets and drugstores across the U.S.

Premier Retail Networks (www.prn.com)
- Premier Retail Networks provides programming and advertising for big-box retail stores, restaurants, and supermarkets. The network provides services for approximately 64,000 digital screens deployed in over 10,000 venues across the U.S.

Target’s Channel Red (www.target.com)
- Target-owned Channel Red runs product promos and some entertainment in the electronics/music/movies department at all 1,760-plus Target stores in the U.S.
Walmart Smart Network (www.walmartsmartnetwork.com)
• The Walmart Smart Network, installed in several departments in Walmart’s 4,400-plus U.S. stores, influences over 7.9 million shoppers per week.

22.4 Market Resources
Digital Place-Based Advertising Association, 205 East 42nd Street, 20th Floor, New York, NY 10017. (212) 371-8961. (www.dpaaglobal.com)
23

DIGITAL AUDIO ADVERTISING

23.1 Audience

The Wall Street Journal estimates there are approximately 30,000 Internet radio stations in the U.S.

According to a survey by Triton Media Group (www.tritondigital.com), of all Americans ages 12 and older, 47% of the population – roughly 124 million people – listen to Internet radio at least once a month.

Higher percentages of teens and younger adults make up the listening audience, with 75% of Americans ages 12-to-24 listening to Internet radio over a given month compared to 50% of those ages 25-to-54.

A report by Edison Research (www.edisonresearch.com) and Triton Digital put the number of weekly digital radio listeners at 44% of the population ages 12 and older.

One of the growth areas for radio is connected radio, where users connect through the Internet (wired or wireless) to radio stations or audio streams throughout the world. Content aggregators let users choose from hundreds of music and talk categories.

One site offering the service is RadioTime.com, which provides access to more than 100,000 radio stations and shows. Another site, Reciva.com, is like an electronic TV guide for online audio streams and offers more than 60 genres. Both of these companies generate revenue from a license fee they charge each radio manufacturer carrying their playlists.

Connected technology also includes devices that access Internet content. Livio Connect (www.livioradio.com), for example, has contracted to stream select content to these devices. In a venture with National Public Radio, Livio developed the NPR Radio, which retails for $200 and features more than 800 NPR stations. A Pandora Livio Radio is available and provides users with automatic music selections from 20,000 Internet radio streams from around the world and without subscriptions or monthly fees.

23.2 Advertising Spending

According to the Interactive Advertising Bureau (IAB, www.iab.net), digital audio advertising spending in 2018 was as follows (change from previous year in parenthesis):

- Mobile audio: $1.73 billion (26%)
- Desktop audio: $522 million (13%)
- Total: $2.25 billion (23%)
WEBSITE STRATEGY

24.1 Overview

Websites are an essential element of most businesses. The primary function of a business website is to inform consumers about the company and its products or services. Nearly three-quarters (74%) of consumers indicate that they use company sites to get information about products or services, according to a survey by Oracle (www.oracle.com), and 44% believe the information available on most company’s websites meets their needs.

A recent study from the Corporate Executive Board (www.executiveboard.com) concluded that the best thing a company can do in terms of its digital strategy is to optimize its website.

“Websites are one area of importance when it comes to branding, providing companies with an opportunity to inform visitors what their brand is all about, on their own turf. As such, it’s important for sites to be in tip-top shape.”

eMarketer

24.2 Professional-Looking Sites

In a survey of small- and medium-size business owners and managers by 99designs (www.99designs.com), 76% said that a professional-looking website attracted more/better customers. By sector, those of this opinion are as follows (percentage of respondents):

- Entertainment: 88%
- Retail: 87%
- Advertising & marketing: 87%
- Healthcare: 81%
Consumers hold small businesses to the same standards as large businesses when it comes to websites. In a survey by Vistaprint (www.vistaprint.com), 60% of respondents said they would be less likely to purchase something from a small business based on a bad impression of its website.

### 24.3 Engaging New Visitors

According to a survey by Episerver (www.episerver.ecom), 92% of consumers visit a brand’s website for the first time to do something other than make a purchase. Forty-five percent (45%) of shoppers are searching for a product/service, 26% are comparing prices or other distinctions between brands, and 11% are looking for store details like hours, location, and contact information. Even when visiting a brand’s website or mobile app with the intent of purchasing, 32% of consumers rarely or never make a purchase on the initial visit to a site. To best accommodate first-time visitors to their website, brands must provide an engaging experience for visitors as well as provide a platform for sales transactions.

“What some brands fail to realize is that consumers don’t always visit their site to buy. Like a 21st century version of the mall, where shoppers often went to hang out first and purchase second, consumers are visiting websites with buying as a secondary concern. Brands overly focused on transactional affairs too often miss out on other key engagement opportunities.”

Episerver
24.4 Domain Names
There is a benefit to a brand with an eponymous domain name or a generic but clever domain name that describes its products or service. Well-chosen domain names can make it easier for consumers to link to the brand on the Internet.

Prime domain names hold great value, and a brokerage industry has developed specializing in their sale. According to DN Journal, more than 500 URLs have been bought and sold for $1 million or more. The record is Insurance.com, which sold for $35.6 million in 2010.

24.5 Landing Page Optimization
A 2018 survey of marketing and sales professionals by Ascend2 (www.ascend2.com) explored strategies for landing page optimization (LPO). The following is a summary of the findings of the survey (percentage of respondents):

Most Important Objectives In Landing Page Optimization Strategy
• Increase conversion rates: 66%
• Increase visitor traffic: 48%
• Improve lead quality: 38%
• Improve segmentation/targeting: 33%
• Increase brand awareness: 33%
• Improve testing and analytics: 27%

Most Effective Methods For Optimizing Conversion Rates
• On-page optimization: 50%
• Keyword research: 43%
• Lead capture forms: 40%
• A/B testing: 37%
• SEO-friendly URLs: 32%
• Paid ads: 30%
• Rich multimedia: 24%

Most Useful Metrics For Measuring Landing Page Performance
• Conversion rate: 75%
• Cost per conversion: 40%
• Revenue per conversion: 33%
• Bounce rate: 31%
• Landing page views: 27%
• Traffic by source: 23%
• Time on page: 22%
• Device (i.e., desktop vs. mobile): 7%
Most Critical Challenges To Landing Page Optimization Success

- Increasing conversion rates: 57%
- Increasing visitor traffic: 46%
- Improving lead data quality: 35%
- Improving segmentation/targeting: 31%
- Improving testing and analytics: 29%
- Increasing brand awareness: 29%

24.6 Product Detail Pages

In a 2018 survey by Field Agent (www.fieldagent.com), adults that shop via smartphone said the following product detail page features are important in digital purchase decisions (percentage of respondents):

- Product images/photos: 83%
- Product descriptions/specs: 82%
- Product reviews by customers: 75%
- Star ratings: 64%
- Comparison charts: 45%
- FAQs: 45%
- Product videos: 36%
- Product recommendations: 33%

24.7 Site Search

A survey by RichRelevance (www.richrelevance.com) asked online shoppers about their use of site search. The following is a summary of the findings of the survey:

- Online shoppers consider the importance of site search when shopping on a retailer’s website as follows:
  - Extremely important: 56%
  - Important: 27%
  - Somewhat important: 12%
  - Not important: 5%

- Seventy-six percent (76%) of shoppers always or often use the search box when shopping on a retailer’s site; 7% say they rarely or never use the search box.
- Seventy-three percent (73%) of adult consumers say they are likely to leave a retail site that doesn’t provide good search results; 37% say they are not at all likely to return.
- Thirty-seven percent (37%) of online shoppers find site search is ‘more important’ when shopping for gifts than for other types of online shopping.
- Forty-eight percent (48%) of online shoppers rank the ability to ‘easily search and find products’ as the single most important thing when shopping for gifts on a
retailer’s site. For comparison, 26% consider product ratings and reviews most important.

- Thirty-eight percent (38%) of online shoppers say they get worse search results when shopping on their mobile device than laptop or desktop; 35% are generally unsatisfied with the search results they receive on a mobile device.
- Thirty-six percent (36%) of online shoppers would like to see search results personalized based on their previous shopping behavior.

### 24.8 Confirmation Page

A 2018 survey by Rokt (www.rokt.com) found retailer use of select offers and opportunities on the confirmation page as follows (percentage of respondents):

- Feedback opportunities (e.g., surveys, reviews): 57%
- Internal offers (e.g., loyalty clubs, newsletters, apps): 46%
- Strategic partner offers via display ads: 22%
- Strategic partner offers via native integration: 19%
- Other third-party offers via display ads: 35%
- Other third-party offers via native integration: 22%
PART IV: MARKETING FOCUS
25.1 Overview

Market researchers typically categorize adult consumers into five generations, as follows:

- **Seniors (Silent Generation):** 1945 and before, 74 and older
- **Baby Boomers:** 1946-1964, 55-to-73
- **Generation X:** 1965-1979, 40-to-54
- **Millennials (Gen Y):** 1980-2000, 19-to-39
- **Generation Z:** 2001-present, 18 and younger

25.2 Generational Comparison

A survey by Pew Research Group (www.pewresearch.com) asked adults what descriptions applied to their generation. Responses were as follows:

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Millennials</th>
<th>Gen X</th>
<th>Boomers</th>
<th>Seniors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compassionate</td>
<td>27%</td>
<td>33%</td>
<td>47%</td>
<td>60%</td>
</tr>
<tr>
<td>Cynical</td>
<td>31%</td>
<td>24%</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>Entrepreneurial</td>
<td>35%</td>
<td>33%</td>
<td>35%</td>
<td>32%</td>
</tr>
<tr>
<td>Environmentally-conscious</td>
<td>40%</td>
<td>37%</td>
<td>41%</td>
<td>40%</td>
</tr>
<tr>
<td>Greedy</td>
<td>43%</td>
<td>24%</td>
<td>19%</td>
<td>8%</td>
</tr>
<tr>
<td>Hard-working</td>
<td>36%</td>
<td>54%</td>
<td>77%</td>
<td>83%</td>
</tr>
<tr>
<td>Idealistic</td>
<td>39%</td>
<td>28%</td>
<td>31%</td>
<td>26%</td>
</tr>
<tr>
<td>Moral</td>
<td>17%</td>
<td>27%</td>
<td>46%</td>
<td>64%</td>
</tr>
<tr>
<td>Patriotic</td>
<td>12%</td>
<td>26%</td>
<td>52%</td>
<td>77%</td>
</tr>
<tr>
<td>Politically active</td>
<td>17%</td>
<td>20%</td>
<td>37%</td>
<td>42%</td>
</tr>
<tr>
<td>Religious</td>
<td>12%</td>
<td>21%</td>
<td>42%</td>
<td>63%</td>
</tr>
<tr>
<td>Responsible</td>
<td>24%</td>
<td>43%</td>
<td>66%</td>
<td>78%</td>
</tr>
<tr>
<td>Self-reliant</td>
<td>27%</td>
<td>37%</td>
<td>51%</td>
<td>65%</td>
</tr>
<tr>
<td>Self absorbed</td>
<td>59%</td>
<td>30%</td>
<td>20%</td>
<td>7%</td>
</tr>
<tr>
<td>Tolerant</td>
<td>33%</td>
<td>33%</td>
<td>38%</td>
<td>36%</td>
</tr>
<tr>
<td>Wasteful</td>
<td>49%</td>
<td>29%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Willing to sacrifice</td>
<td>15%</td>
<td>27%</td>
<td>45%</td>
<td>61%</td>
</tr>
</tbody>
</table>

Nielsen (www.nielsen.com) reported the following themes resonate most with adults in North America (percentage of respondents):
• Real-life situations: 40% 44% 43% 45% 44%
• Humorous: 37% 37% 38% 46% 46%
• Health-themed: 31% 37% 38% 42% 40%
• Value-oriented: 31% 32% 33% 37% 39%
• High-energy action: 28% 28% 21% 16% 8%
• Aspirational: 25% 25% 20% 16% 13%
• Family-oriented: 24% 35% 42% 39% 32%
• Sentimental: 17% 18% 17% 15% 8%
• Celebrity endorsements: 16% 14% 8% 7% 2%
• Sports-themed: 16% 14% 14% 12% 10%
• Competitive: 13% 14% 11% 10% 9%
• Pets/animals-centered: 13% 14% 16% 23% 24%
• Sexual: 13% 12% 9% 7% 3%
• Kids-centered: 9% 19% 23% 16% 12%
• Athlete endorsements: 8% 8% 6% 6% 4%
• Car-themed: 8% 12% 11% 9% 9%

“Trying to connect with consumers emotionally? Start by considering whom you’re trying to reach. Some messages resonate well across every generation. Other messages, however, have niche appeal.”

Nielsen

The Affluent Survey, by Ipsos (www.ipsos.com), reported Generation X households comprise 37% of households with $100,000 or more in annual income; 44% of affluent households are Baby Boomer households.

According to the U.S. Census Bureau (www.census.gov), there are 34.7 million families (44%) with children under age 18 living at home. By generation of householder, Families And Living Arrangements, by the U.S. Census Bureau, reported households with children under age 18 as follows:
• Millennials: 47%
• Generation X: 56%
• Baby Boomers: 12%
• Older Americans: 1%
The *Current Population Survey*, by the Census Bureau, reported 34.9 million single-person households, or 28.0% of all U.S. households. The percentages of single-person households, by generation, are as follows:

- **Millennials**: 20%
- **Generation X**: 19%
- **Baby Boomers**: 30%
- **Seniors**: 49%

### 25.3 Trusted Forms Of Advertising

According to the *Trust In Advertising Survey*, by Nielsen, the following percentages of adults in North America “trust completely” or “trust somewhat” the following forms of advertising/recommendations:

<table>
<thead>
<tr>
<th>Source of Advertising</th>
<th>Gen Z</th>
<th>Millennials</th>
<th>Gen X</th>
<th>Boomers</th>
<th>Seniors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendations from acquaintances</td>
<td>83%</td>
<td>85%</td>
<td>83%</td>
<td>80%</td>
<td>79%</td>
</tr>
<tr>
<td>Branded websites</td>
<td>72%</td>
<td>75%</td>
<td>70%</td>
<td>59%</td>
<td>50%</td>
</tr>
<tr>
<td>Consumer opinions posted online</td>
<td>63%</td>
<td>70%</td>
<td>69%</td>
<td>58%</td>
<td>47%</td>
</tr>
<tr>
<td>Editorial content</td>
<td>68%</td>
<td>68%</td>
<td>66%</td>
<td>60%</td>
<td>55%</td>
</tr>
<tr>
<td>Ads on TV</td>
<td>58%</td>
<td>67%</td>
<td>64%</td>
<td>55%</td>
<td>48%</td>
</tr>
<tr>
<td>Brand sponsorships</td>
<td>62%</td>
<td>66%</td>
<td>62%</td>
<td>52%</td>
<td>42%</td>
</tr>
<tr>
<td>Ads in magazines</td>
<td>57%</td>
<td>62%</td>
<td>61%</td>
<td>50%</td>
<td>46%</td>
</tr>
<tr>
<td>Ads in newspapers</td>
<td>57%</td>
<td>62%</td>
<td>62%</td>
<td>55%</td>
<td>53%</td>
</tr>
<tr>
<td>Ads before movies</td>
<td>54%</td>
<td>60%</td>
<td>55%</td>
<td>42%</td>
<td>31%</td>
</tr>
<tr>
<td>Billboards/outdoor advertising</td>
<td>59%</td>
<td>60%</td>
<td>57%</td>
<td>46%</td>
<td>38%</td>
</tr>
<tr>
<td>TV program product placements</td>
<td>51%</td>
<td>60%</td>
<td>56%</td>
<td>42%</td>
<td>39%</td>
</tr>
<tr>
<td>Opt-in emails</td>
<td>54%</td>
<td>57%</td>
<td>56%</td>
<td>53%</td>
<td>54%</td>
</tr>
<tr>
<td>Ads on radio</td>
<td>51%</td>
<td>55%</td>
<td>57%</td>
<td>49%</td>
<td>42%</td>
</tr>
<tr>
<td>Online video ads</td>
<td>45%</td>
<td>53%</td>
<td>50%</td>
<td>37%</td>
<td>27%</td>
</tr>
<tr>
<td>Ads served in search engine results</td>
<td>43%</td>
<td>52%</td>
<td>50%</td>
<td>41%</td>
<td>33%</td>
</tr>
<tr>
<td>Ads on social networks</td>
<td>45%</td>
<td>51%</td>
<td>47%</td>
<td>35%</td>
<td>26%</td>
</tr>
<tr>
<td>Ads on mobile devices</td>
<td>42%</td>
<td>48%</td>
<td>45%</td>
<td>31%</td>
<td>20%</td>
</tr>
<tr>
<td>Online banner ads</td>
<td>36%</td>
<td>47%</td>
<td>43%</td>
<td>34%</td>
<td>25%</td>
</tr>
<tr>
<td>Text ads on mobile phones</td>
<td>32%</td>
<td>41%</td>
<td>38%</td>
<td>27%</td>
<td>18%</td>
</tr>
</tbody>
</table>

A survey by Salesforce ([www.salesforce.com](http://www.salesforce.com)) asked consumers their most trusted sources for accurate product information. Responses were as follows:

<table>
<thead>
<tr>
<th>Source of Information</th>
<th>Millennials</th>
<th>Gen X</th>
<th>Boomers</th>
<th>All Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online reviews</td>
<td>40%</td>
<td>32%</td>
<td>24%</td>
<td>31%</td>
</tr>
<tr>
<td>Friends/family/colleagues</td>
<td>24%</td>
<td>25%</td>
<td>21%</td>
<td>23%</td>
</tr>
<tr>
<td>The brand itself</td>
<td>19%</td>
<td>17%</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Retailers/retail associates</td>
<td>11%</td>
<td>11%</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>News articles</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Other/none of these</td>
<td>4%</td>
<td>13%</td>
<td>15%</td>
<td>12%</td>
</tr>
</tbody>
</table>
“Different generations ascribe different levels of trust to various sources of information. Take for example a survey by Salesforce which examined the most trusted sources for accurate product information by generation. While Baby Boomers put more trust in brands themselves than their younger peers, generations like the Millennials were more favorable toward online reviewers than corporate-sponsored messages.”

eMarketer

25.4 Marketing To Baby Boomers

AARP (www.aarp.org) provides the following insight into Baby Boomer households:
• Thirty-seven percent (37%) of Baby Boomers have a child age 18 or younger living in the household.
• Over five million Baby Boomer parents have recently had an adult child move back into the home, partially due to the rise of “adultolescents” who’ve boomeranged back into the parental household.
• Four million Baby Boomers have a parent living with them.
• Eighty-two percent (82%) of Boomers use the Internet, engaging in activities such as instant messaging, downloading music or movies, financial transactions, and online gaming.
• Contrary to popular perception, few Baby Boomers are downsizing. Only 6% expect to be living in a smaller home within five years.
• Just 11% of Baby Boomers plan to stop working altogether when they reach retirement age.

Nielsen provides the following facts about Baby Boomers:
• They dominate 1,023 out of 1,083 consumer packaged goods categories.
• They watch the most video among demographic groups: 9:34 hours per day.
• They comprise ⅓ of all TV viewers, online users, and social media users.
• They watch time-shift TV more than 18-to-24 year olds (2:32 vs. 1:32).
According to Nielsen, while Baby Boomers account for 38.5% of spending on consumer packaged goods; less than 5% of advertising spending targets them.

“Retailers that overlook customers in the Baby Boomer demographic risk missing out on valuable financial opportunities. This age group controls 70% of the disposable income in the U.S., making them the most affluent generation of customers.”

Center for Media Research

According to Pew Research Center’s Social & Demographic Trends Project (www.pewsocialtrends.org), 52% of Baby Boomers say they are considering delaying retirement because of the financial setbacks of the Great Recession.

25.5 Marketing To Generation X

Several recent surveys have shown that younger workers, especially those in Generation X, hold a work/life balance, opportunities for growth, and good work relationships higher in importance than generations before them. Gen X employees view work as secondary to their lives outside the office, which may mean more time with their children or time to pursue a hobby.

Almost half of Gen X have a 2- or 4-year college degree, and more than 10% have a graduate degree. Gen X households typically include two income-earning spouses; 68% have dual incomes.

Generation X has often been characterized as being non-materialistic, shunning fashion, brand names, and technological advancements. These values, to some extent, were the generation’s effort to distinguish itself from the Baby Boomer’s preppy era of the early 1980s. However, while they may not yet have the affluence of Baby Boomers, Gen X have plenty of style and a desire to show it off. This segment initially affected fashion and style, then music and movies, and now is influencing the marketing of furniture and housewares.

For all its individuality and the promise that might have been for marketers as Generation X approached its peak earning years, Gen X reached the height of its earnings power during the Great Recession. Now holding mortgages on homes worth less than when they bought, saddled with tens of thousands of dollars in student loans, on average, and raising children under age 18 who are dependent upon them, the
timing of the Great Recession could not have been worse for this generation. This generation has earned more than their parents, but their net worth is significantly less as a result of debt.

According to eMarketer (www.emarketer.com), 91.3% of Gen X use the Internet regularly; 77.7% watch digital video. Forty percent (40%) say they spend at least 11 hours per week online outside of work.

__________________________________

“Forget the notion that Gen X is a small market: It isn’t. And Gen X digital usage, along with their TV viewing, makes them eminently reachable. Plus, being less eager than younger people to jump on the latest new trend makes them easier for digital marketers to find.”

eMarketer

__________________________________

25.6 Marketing To Millennials

Already the largest generation in the U.S. at 94 million, immigration will further boost the number of Millennials by 2020, according to the Census Bureau. Their buying power, over $2.5 billion, eclipsed that of Baby Boomers in 2017, according to Pew Research Center (www.pewresearch.org).

Advertising Age provides the following characteristics of Millennials:

• Millennials spend almost 15 hours a day interacting with various media and communications technologies.
• More than one-half of Millennials talk on the phone regularly while watching television.
• Twenty percent (20%) of adult Millennials (ages 18-to-31) have at least 25 friends in their social network.
• Fifty-nine percent (59%) of Millennials spend at least an hour a day talking on their cellphones.
• Console gaming is, by far, the leading leisure activity for Millennial males. Watching television and talking on cellphones are most popular with Millennial females.
• Approximately 11 million Millennials are married – two-thirds of those who are married have children.
• Forty-five percent (45%) of Millennials refer to themselves as non-white.
• Eighty-four percent (84%) of Millennials believe that getting a college degree is important.
Fifty-one percent (51%) of Millennials say it’s important to volunteer for community service, and 48% have done so.

Many of the young adult Millennials who expected to be in the early stage of a career saw their plans derailed by the Great Recession. Financial recovery was a slow process for many Millennials, but the majority were back on track by 2015.

The term Boomerang Generation has been coined to reflect those young adults who have returned to their parents' home, many overburdened with student loan debt as well as unemployment. According to Pew Research Center, 24% of Millennials have moved back home at least once during or shortly after the Great Recession.

While many Millennials are struggling with their careers and personal finances, others are achieving financial success.

International Demographics (www.themediaaudit.com) reported that 7.3 million households headed by a Millennial in the 81 largest metropolitan areas had an annual income in excess of $100,000.

In a survey by the Urban Land Institute (www.uli.org), Millennials expressed their attitude toward shopping as follows:

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Love to shop:</td>
<td>44%</td>
<td>29%</td>
</tr>
<tr>
<td>Shop when necessary and enjoy it:</td>
<td>45%</td>
<td>51%</td>
</tr>
<tr>
<td>Shopping is a necessary chore; I can deal with it:</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td>Hate shopping:</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Still, shopping at bricks-and-mortar stores dominates among Millennials. The following are percentages based on retail formats they visit at least once a month (source: Urban Land Institute):

- Discount department stores: 91%
- Neighborhood and community shopping centers: 74%
- Enclosed malls: 64%
- Full-line department stores: 64%
- Big-box power centers: 63%
- Chain apparel stores: 58%
- Neighborhood business districts: 54%

In a survey by DDB Worldwide (www.ddb.com), Millennials profiled their e-commerce activities as follows:

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideally would buy everything online:</td>
<td>33%</td>
<td>40%</td>
</tr>
<tr>
<td>Typically shop on auction sites:</td>
<td>31%</td>
<td>43%</td>
</tr>
<tr>
<td>Typically use shopping apps on mobile phone:</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>Typically use retail store apps:</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td>An extreme couponer:</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>Have requested a price match using mobile phone:</td>
<td>21%</td>
<td>25%</td>
</tr>
</tbody>
</table>
• Typically use mobile phone to scan and find the best price in town for a specific item: 20% 25%
• Typically shop for and buy items on mobile phone: 19% 24%

A survey by Adroit Digital (www.adroitdigital.com) asked Millennials which advertising media is most influential in how they perceive brands. Responses were as follows (multiple responses allowed):

• Television: 70%
• Magazines: 60%
• Online display: 42%
• Online video: 39%
• Freestanding kiosks: 31%
• Mobile: 33%
• Radio: 21%
• Billboards: 21%

25.7 Marketing To Generation Z

The generation born in or after 2001 has been dubbed ‘Generation Z.’ They are also simply called ‘youth.’ Youth ages 10-to-12 are often referred to as tweens; teens are ages 13-to-17.

Youth buying power is challenging to assess because personal spending by teens and tweens, by parents on their behalf, and spending for general costs of raising a family are intertwined.

Mintel (www.mintel.com) estimates that 8-to-12 year olds are spending an estimated $30 billion of their own money and $150 billion of their parents’ money annually.

Packaged Facts (www.packagedfacts.com) estimates annual spending by U.S. teens at $250 billion, a figure which includes spending by parents on behalf of teens. Other estimates of teen spending are as high as $400 billion.

The National Retail Federation (www.retail.org) estimates Gen Z buying power – spending their own money, not their parent’s – at $44 billion.

Piper Jaffrey (www.piperjaffrey.com) conducts semi-annual surveys of teens about their spending. According to their report Taking Stock With Teens, annual spending by teens for fashion goods is about $1,100.

Taking Stock With Teens reported the spending mix by category as follows:

• Food: 22%
• Clothing: 20%
• Accessories/personal care: 10%
• Shoes: 9%
• Electronics: 8%
• Auto: 7%
• Video games: 7%
• Concerts/movies/events: 6%
• Music/movies: 6%
• Books/magazines: 2%
• Furniture: 1%
• Other: 3%

A survey by Euclid Analytics (www.euclidanalytics.com) provided the following assessment of Generation Z shopping preferences:
• Sixty-six percent (66%) prefer the in-store experience over shopping online because they like to see, hold, and try on products before buying.
• Fifty-three percent (53%) visit retail stores with the intent of making a purchase; 47% do so to browse.
• Thirty-one percent (31%) believe it is hard to find items they are looking for in a store. This is the highest among all generations.
• Twenty-eight percent (28%) want to engage with store associates while shopping, the most of any generation.
• Twenty-six percent (26%) expect retailers to offer a personalized shopping experience and tailored experience based on their shopping preferences. For comparison, 22%, 17%, and 11%, respectively, of Millennials, Gen X, and Baby Boomers have this expectation.

Generation Z: Unique And Powerful, a 2018 report by MNI Targeted Media (www.mni.com), provided the following assessment:
• Ninety percent (90%) agree that media helps them keep in touch with what’s going on in the world, but 76% also feel that media can be overwhelming.
• Eighty-three percent (83%) turn to newspapers for trusted information and content; 34% turn to magazines.
• Sixty-eight percent (68%) say that doing their part to make the world a better place is important to them.
• Fifty-six percent (56%) consider themselves to be socially conscious.
• Fifty-four percent (54%) look forward to continued enhancements in technology that will make life easier, 50% wish they had more time away from technology, and 48% wish they put their phones down more and think they use social media too much.
• Fifty percent (50%) say that knowing a brand is socially conscious influences purchase decisions.
• Forty-eight percent (48%) agree that advertising helps them learn about new products, 47% appreciate relevant ads, and 44% expect ads to be relevant to them.
• Forty-seven percent (47%) intentionally put their phones away at least once a day.

The following are findings of a 2018 survey by DoSomething Strategic (https://dosomethingstrategic.org):
• Fifth-three percent (53%) of survey respondents have purchased a brand/product because they wanted to show support for the issues they stood up for. Another 40% haven’t done this yet, but would consider doing it in the future.
• Forty percent (40%) have stopped purchasing or boycotted a brand or company because they stood for something or behaved in a way that didn’t align with their values. Another 49% haven’t done this yet, but would consider doing it in the future.

• Twenty-nine percent (29%) actively seek out brands based on values versus stumble upon them; African-American Gen Z actively seeking out these brands 33% of the time.

• Twenty-five percent (25%) say they always/often buy a product or service based solely because they believe that brand’s values and want to support them and 67% said they do this at least some of the time. People of color act even more frequently, with African-American Gen Z buying this way 33% and 76% of the time, respectively.
26.1 Gender Comparison

According to the Census Bureau (www.census.gov), the U.S. female population as of April 2018 was 166.2 million, which represents 50.8% of the population. The male population was 161.0 million, which represents 49.2% of the population.

The median age for women is 40.8 and for men is 36.7 years. The average life expectancies are 81.8 and 77.0, respectively, for females and males.

Educational Attainment in the United States 2018, a report from the Census Bureau, counted 40.8 million women and 36.7 million men ages 25 and older with a bachelor's degree or higher education. More men than women have a professional or doctoral degree, but have a lower share of high school diplomas as well as associate's, bachelor's, and master's degrees.

According to School Enrollment in the United States, by the U.S. Census Bureau, 56.5 of college students were female during the 2018-2019 academic year; 43.5% were male.

26.2 Purchasing Decision-Making

Eighty-five percent (85%) of purchasing decisions are made or influenced by women, according to The 85% Niche (www.85percentniche.com). Frank About Women (www.frankaboutwomen.com) puts the figure at 80%.

Findings of a study by Fleishman-Hillard (www.fleishman.com) reveal that women consider themselves the primary decision-maker in their home. Seventy-nine percent (79%) say their opinion determines family financial decisions, 74% are primarily responsible for buying groceries and basic supplies, and 55% are primarily responsible for paying the bills.

Marketing to Men, a study by Jacobs Media (www.jacobsmedia.com), reported that men and women share purchase decision-making for big ticket items as follows:

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole decision maker:</td>
<td>24.4% 27.9%</td>
</tr>
<tr>
<td>Play a key role but share in decision:</td>
<td>34.7% 27.8%</td>
</tr>
<tr>
<td>Share decision equally:</td>
<td>36.7% 37.6%</td>
</tr>
<tr>
<td>Have some, but not primary, influence:</td>
<td>2.8% 4.8%</td>
</tr>
<tr>
<td>No role in decision:</td>
<td>0.5% 0.6%</td>
</tr>
</tbody>
</table>

A survey by Crosstap (www.crosstap.com) found the primary decision maker for family-related purchases in Millennial households as follows:
• We try to share the decision-making evenly: 53%
• I definitely am the decision maker: 25%
• My spouse is the decision maker: 23%

In a survey by Yahoo!, men reported that they had become more involved in decision-making related to the following household purchases (percentage of respondents):
• Consumer packaged goods: 60%
• Apparel: 54%
• Housewares and household goods: 54%
• Personal care products: 53%
• Baby and child care products; toys: 50%

“As patterns of motherhood in the U.S. have shifted, so have patterns of fatherhood – with hyper-involved new dads getting much attention even as fathers who do not live with their kids at all have become common. Some aspects of father behavior get disproportionate attention, while others are neglected.”

eMarketer

26.3 Engaging Moms
With significant influence over $2.4 trillion in annual household spending, mothers are an important market for brands. Determining the preferences of moms and keeping this cohort engaged is critical for businesses.

A recent study by PunchTab (www.punchtab.com) found that 81% of moms will engage more with a brand when offered some type of reward. The following is an assessment of engagement motivators:
• Would like free products and services from the brand: 83%
• Moms will engage more with a brand when some type of reward is in place: 81%
• Would be interested in a loyalty program for a parent company: 73%
• Would be interested in receiving perks associated with elite status (e.g., free shipping or branded merchandise) as reward: 67%
• Would sign up for regular mail updates when reward is offered: 59%
• Would share content on Facebook when offered reward: 50%
• Would share personal details and purchase behavior if offered incentive: 41%

A study by Babycenter (www.babycenter.com) found that moms are great at engaging other moms, with 59% of moms saying they’ve responded to a recommendation from other moms on parenting sites.

A survey by Burst Media (www.burstmedia.com) found the following are digital channels where mothers post about products/services:

<table>
<thead>
<tr>
<th>Channel</th>
<th>18-34</th>
<th>35-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social network and sharing sites:</td>
<td>69.6%</td>
<td>55.4%</td>
<td>61.6%</td>
</tr>
<tr>
<td>Shopping/retail and e-commerce sites:</td>
<td>56.8%</td>
<td>51.7%</td>
<td>48.2%</td>
</tr>
<tr>
<td>Independent sites and blogs:</td>
<td>36.1%</td>
<td>29.8%</td>
<td>40.1%</td>
</tr>
<tr>
<td>Portals and news sites:</td>
<td>23.3%</td>
<td>10.5%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Other:</td>
<td>22.9%</td>
<td>22.0%</td>
<td>20.5%</td>
</tr>
</tbody>
</table>

**26.4 Blurring Gender Roles**

While women still do the majority of work in the home, studies have found that men are more involved domestically than in past decades.

According to Prof. Scott Coltrane, Ph.D., a sociologist and dean of the College of Arts & Sciences at University of Oregon, compared with the 1960s, the portion of housework done by men in couple households has doubled, with men now doing 30% of housework compared with only 15% in the past. Men have also tripled the amount of childcare they give.

According to *Meet The Modern Dad*, a study by The Parenting Group (www.parenting.com), fathers say the following tasks are mostly their responsibility:

- Grocery shopping: 49%
- Cooking: 43%
- Driving kids to/from school, activities and appointments: 39%
- Getting kids ready for school or daycare: 36%

A survey by Yahoo! (www.yahoo.com) found that 51% of men are primarily responsible in their household for grocery shopping. For laundry and cooking the percentages are 41% and 39%, respectively.

__________________________________________________________

“Men have long been discouraged from playing an equal role at home. That is, at last, starting to change.”

*The Economist*

__________________________________________________________
Despite the increase in their roles in the household, the vast majority of men still take a secondary role in household chores and childcare. Less than 3% of men are stay-at-home dads.

26.5 Avoiding Gender Stereotypes

A 2019 survey by Kantar Media (www.kantarmedia.com) asked male and female senior marketing professionals if they were confident that they were creating advertising that avoids gender stereotypes and is gender balanced. The responses, published in Getting Media Right, were as follows (percentage of positive responses in each group):

**Female**
- Creating advertising that avoids gender stereotypes: 76%
- Creating advertising that contains gender-balanced content: 76%

**Male**
- Creating advertising that avoids gender stereotypes: 88%
- Creating advertising that contains gender-balanced content: 90%

26.6 Gender-Specific Blogs And Websites

The following links to blogs and websites for men and women: www.rkma.com/GenderSpecificBlogs.pdf.
27

HISPANIC MARKETING

27.1 Overview

Census 2010 counted 50.5 million people of Hispanic or Latino origin, or 16% of the total U.S. population, a 43% increase from 10 years prior; the non-Hispanic population increased 5% during that period. The Hispanic-American population is projected to grow 167% from 2010 to 2050, compared to 42% for the total U.S. population.

The Hispanic- and Latino-American population at mid-year 2018 was 57.32 million, or 17.5% of the total U.S. population.

The Census Bureau (www.census.gov) projects that by 2050 there will be 102.6 million Hispanics living in the U.S., constituting 24% of the population. The percentage is projected to rise to 28.6% by 2060.

27.2 Spending

The U.S. Census Bureau reported median income among Hispanic or Latino households at $54,644; the median for all U.S. households is $72,641.

The Selig Center for Economic Growth at the University of Georgia (www.selig.uga.edu) estimated Hispanic-American buying power in 2019 at $1.5 trillion, or 10% of total U.S. spending.

_________________________________________________________________
“The nation’s Hispanics command $1.5 trillion in spending power – larger than the GDP of Australia.”

Selig Center, 3/21/19
_________________________________________________________________

According to the Consumer Expenditure Survey, by the Bureau of Labor Statistics (www.bls.gov), Hispanic households spend more than the average non-Hispanic household on telephone services, men’s and boys’ clothing, children’s clothing, and footwear. Also, Hispanics spend a higher proportion of their money on
food (groceries and restaurants), housing, utilities, and transportation. Hispanics spend about the same as non-Hispanics on housekeeping supplies, furniture, appliances, women’s and girls’ clothing, and personal care products and services. Compared to non-Hispanics, they spend substantially less on alcoholic beverages, healthcare, entertainment, reading materials, education, tobacco products, cash contributions, and personal insurance and pensions.

### 27.3 Multicultural Agencies

According to *Advertising Age* (April 2019), the following are the agencies with the highest revenue in Hispanic-American marketing:

- The Community (Publicis): $47 million
- Alma DDB (Omnicom): $43 million
- Conill (Publicis): $38 million
- Dieste (Omnicom): $31 million
- Republica Havas (Vivendi’s Havas): $31 million

### 27.4 Use Of Media

Weekly media consumption among Hispanic-Americans and, for comparison, non-Hispanics is as follows (source: comScore [www.comscore.com]):

<table>
<thead>
<tr>
<th>Media Type</th>
<th>Hispanic</th>
<th>Non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet (all screens)</td>
<td>8.7 hours</td>
<td>11.6 hours</td>
</tr>
<tr>
<td>TV</td>
<td>8.3 hours</td>
<td>10.9 hours</td>
</tr>
<tr>
<td>Mobile phone</td>
<td>4.1 hours</td>
<td>3.6 hours</td>
</tr>
<tr>
<td>Radio (including in-car)</td>
<td>3.5 hours</td>
<td>3.9 hours</td>
</tr>
<tr>
<td>Newspaper</td>
<td>1.9 hours</td>
<td>2.0 hours</td>
</tr>
<tr>
<td>Magazine</td>
<td>1.7 hours</td>
<td>1.6 hours</td>
</tr>
</tbody>
</table>

Pew Research Center ([www.pewinternet.org](http://www.pewinternet.org)) found that 60% of Hispanic mobile Internet users go online mostly using their smartphone; 34% of the overall U.S. population do so.

A survey by comScore found that Hispanics are more receptive to online advertising than are non-Hispanics. Responses of each group are as follows:

<table>
<thead>
<tr>
<th>Response</th>
<th>Hispanic</th>
<th>Non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am more likely to remember the brands I see advertised on my tablet than on offline media:</td>
<td>46%</td>
<td>37%</td>
</tr>
<tr>
<td>I am more likely to remember the brands I see advertised on my smartphone than on offline media:</td>
<td>38%</td>
<td>27%</td>
</tr>
<tr>
<td>Digital customer reviews and posts from friends or fans have compelled me to further inquire about the product being discussed:</td>
<td>38%</td>
<td>24%</td>
</tr>
<tr>
<td>If online advertising speaks to me, I am inclined to visit the website of the advertised brand:</td>
<td>38%</td>
<td>24%</td>
</tr>
</tbody>
</table>
• Internet ads have motivated me to visit a retail store for the product or service being advertised: 38% 22%
• I usually remember the brands I see advertised online, across all devices: 36% 20%
• I think brands that advertise on digital platforms are more innovative than those that advertise offline: 36% 20%
• I remember the brands advertised on a viral video: 31% 16%

27.5 Hispanic Media Spending

Based on data from Kantar Media (www.kantarmedia.com), Advertising Age reported annual Hispanic major media spending at $7.40 billion, distributed by media as follows:

• Network TV: $4.62 billion
• Spot TV: $1.28 billion
• Newspaper: $787 million
• Spot radio: $435 million
• Magazine: $378 million
• Cable TV: $288 million

The largest spenders in Hispanic media are as follows (source: Kantar Media):

• Genomma Lab International: $427 million
• Procter & Gamble Co.: $315 million
• Dish Network: $165 million
• AT&T: $135 million
• L’Oreal: $120 million
• T-Mobile: $117 million
• Johnson & Johnson: $101 million
• Verizon: $98 million
• General Motors: $95 million
• McDonald’s: $91 million
• SABMiller: $90 million
• Nissan Motor Co.: $86 million
• Walmart: $84 million
• Comcast: $79 million
• State Farm Mutual: $78 million
• Sprint: $75 million
• Univision: $74 million
• Toyota: $71 million
• PayPal: $68 million
• Anheuser-Busch InBev: $66 million
• Mars: $63 million
• General Mills: $62 million
• U.S. Government: $59 million
• Grupo Televisa: $ 58 million
• Ford Motor Co.: $ 55 million
• Constellation Brands: $ 53 million
• Hershey: $ 51 million
• Church & Dwight: $ 51 million
• Expedia: $ 51 million
• AllState: $ 50 million
• Target: $ 49 million
• ITT Educational Services: $ 47 million
• Charter Communications: $ 45 million
• Samsung Electronics: $ 43 million
• Fiat Chrysler: $ 43 million
• Home Depot: $ 42 million
• Yum! Brands: $ 42 million
• PepsiCo: $ 42 million
• Nestlé: $ 40 million
• Macy’s: $ 40 million
• Honda Motor Co.: $ 39 million

27.6 Top Hispanic Media

Media usage among Hispanic households is as follows (sources: Advertising Age, Arbitron, Cision, comScore, Media Economics Group, Nielsen):

**Magazines**
- People en Español: 1,098 ad pages
- Latina: 699 ad pages
- TV Notas: 676 ad pages
- Vanidades: 562 ad pages
- TV y Novelas: 509 ad pages
- Cosmopolitan en Español: 334 ad pages
- Simpre Mujer: 285 ad pages

**Newspapers**
- El Nuevo Dia: 190,099 circulation
- Primera Hora: 129,700 circulation
- La Opinion: 92,289 circulation
- El Nuevo Herald: 71,318 circulation
- El Visitante Catolico: 65,000 circulation
- Hoy: 62,000 circulation
- El Bravo - Brownsville Edition: 55,000 circulation
- El Diario/La Prensa: 52,780 circulation
- El Mexicano: 50,000 circulation
- Diario Las Americas: 47,390 circulation
### Radio Stations
- KIIS-FM (Los Angeles): 1.93 million weekly cumulative listeners
- KBIG-FM (Los Angeles): 1.80 million weekly cumulative listeners
- KLVE-FM (Los Angeles): 1.76 million weekly cumulative listeners
- KOST-FM (Los Angeles): 1.67 million weekly cumulative listeners
- WSKQ-FM (New York): 1.66 million weekly cumulative listeners
- KRTH-FM (Los Angeles): 1.57 million weekly cumulative listeners
- KPWR-FM (Los Angeles): 1.52 million weekly cumulative listeners
- KAMP-FM (Los Angeles): 1.45 million weekly cumulative listeners
- KLYY-FM (Los Angeles): 1.37 million weekly cumulative listeners
- WXNY-FM (New York): 1.37 million weekly cumulative listeners

### Social Networks
- Facebook: 31.42 million unique monthly visitors
- Twitter: 19.88 million unique monthly visitors
- LinkedIn: 18.91 million unique monthly visitors
- Google+: 13.93 million unique monthly visitors
- Pinterest: 17.62 million unique monthly visitors
- Tumblr: 16.35 million unique monthly visitors
- Snapchat: 16.05 million unique monthly visitors
- Reddit: 8.46 million unique monthly visitors
- Goodreads: 2.82 million unique monthly visitors
- VK.com: 2.59 million unique monthly visitors

### Spanish-Language Cable Networks
- Galavisión: 67.7% of all Hispanic TV households
- NBC Universo: 50.6% of all Hispanic TV households
- Univision Deportes: 50.6% of all Hispanic TV households
- Fox Deportes: 42.5% of all Hispanic TV households
- ESPN Deportes: 38.1% of all Hispanic TV households
- BeIN Sport Español: 33.5% of all Hispanic TV households
- Discovery en Español: 26.5% of all Hispanic TV households
- Discovery Familia: 25.4% of all Hispanic TV households
- Nat Geo Mundo: 22.4% of all Hispanic TV households
- Fox Life: 19.1% of all Hispanic TV households

### TV Networks
- Univision: 1.12 million Hispanic households
- Telemundo: 908,000 Hispanic households
- ABC: 369,000 Hispanic households
- NBC: 319,000 Hispanic households
- UniMás: 313,000 Hispanic households
- CBS: 295,000 Hispanic households
- Fox: 232,000 Hispanic households
27.7 Use Of Coupons

The *Coupon Intelligence Report*, by Valassis ([www.valassis.com](http://www.valassis.com)), reported coupon-related activities by Hispanic-Americans and, for comparison, the total U.S. adult population, as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Hispanics</th>
<th>All Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search for deals in store circulars:</td>
<td>91%</td>
<td>84%</td>
</tr>
<tr>
<td>Find print coupons (newspapers, mail, coupon books):</td>
<td>88%</td>
<td>83%</td>
</tr>
<tr>
<td>Print coupons from the Internet:</td>
<td>85%</td>
<td>75%</td>
</tr>
<tr>
<td>Download paperless discounts onto store ID/loyalty card:</td>
<td>81%</td>
<td>68%</td>
</tr>
</tbody>
</table>

“U.S. Hispanic Internet users overindex for every activity related to coupons, discounts and deals – digital or not – compared with Internet users overall, according to a survey from direct marketing company Valassis.”

*eMarketer*

27.8 Market Resources

Center for Hispanic Marketing Communications, Florida State University, 3127, Building C, FSU University Center, Tallahassee, FL 32306. ([http://hmc.comm.fsu.edu/](http://hmc.comm.fsu.edu/))


*The Multicultural Economy*, The Selig Center for Economic Growth at the University of Georgia, 2019. ([www.terry.uga.edu/selig/buying_power.html](http://www.terry.uga.edu/selig/buying_power.html))
PART V: ANALYSES
28.1 Overview

Artificial intelligence (AI) is a collection of technologies that deal with emulating human intelligence. The following are disciplines of AI:

- Chatbot
- Cognitive computing
- Computer vision
- Deep learning
- Machine learning
- Natural language generation
- Natural language processing
- Neural networks
- Predictive analytics
- Recommender systems
- Voice-enabled digital assistants

The following is a link to a discussion of these disciplines of AI: www.rkma.com/ai.pdf.

28.2 Applications In Marketing

A 2018 survey by Ecoconsultancy (https://econsultancy.com/us/) asked agency and client-side creative/design professionals about their use of AI. Responses were as follows (percentage of respondents):

<table>
<thead>
<tr>
<th>Task</th>
<th>Client-Side</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis of data</td>
<td>54%</td>
<td>45%</td>
</tr>
<tr>
<td>Email marketing</td>
<td>29%</td>
<td>40%</td>
</tr>
<tr>
<td>Creative and design work</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>Programmatic advertising</td>
<td>24%</td>
<td>34%</td>
</tr>
<tr>
<td>Automated campaigns</td>
<td>22%</td>
<td>36%</td>
</tr>
<tr>
<td>Content creation</td>
<td>22%</td>
<td>34%</td>
</tr>
<tr>
<td>On-site personalization</td>
<td>22%</td>
<td>36%</td>
</tr>
<tr>
<td>Optimization and testing</td>
<td>20%</td>
<td>28%</td>
</tr>
<tr>
<td>Video recognition or processing</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>Image recognition or processing</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>Digital asset management</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>Automated offers (e.g., coupon codes)</td>
<td>7%</td>
<td>21%</td>
</tr>
</tbody>
</table>
Ecoconsultancy also asked senior marketers in ad agencies and brand advertisers about use within their organization of AI for select digital ad tactics.

<table>
<thead>
<tr>
<th>Use Case</th>
<th>Currently Use</th>
<th>Plan to Use</th>
<th>No Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audience targeting:</td>
<td>47%</td>
<td>34%</td>
<td>19%</td>
</tr>
<tr>
<td>Audience segmentation:</td>
<td>45%</td>
<td>35%</td>
<td>20%</td>
</tr>
<tr>
<td>Dynamic creative:</td>
<td>42%</td>
<td>27%</td>
<td>31%</td>
</tr>
<tr>
<td>Campaign planning and modeling:</td>
<td>41%</td>
<td>30%</td>
<td>29%</td>
</tr>
<tr>
<td>Media spend optimization:</td>
<td>39%</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>Personalized offers:</td>
<td>38%</td>
<td>35%</td>
<td>27%</td>
</tr>
</tbody>
</table>

### 28.3 Personalization In Email Marketing

According to Forbes, sales reps spend 33% of their time writing emails, almost as much as the 35% of their time spent actually selling. AI can be effective in assisting sales staff with drafting personal emails to potential and existing customers.

> “Personalization is a huge part of how AI-powered emails can help sales reps better target prospects with more accuracy and better messaging. Pulling data from previous interactions logged in your CRM will add individualized context to the email. Some solutions can even incorporate industry research including trends and statistics into email communication to add further personalization.”

Center For Media Intelligence

Research Brief, 12/4/18

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### 28.4 Chatbots

AI-powered chatbots have the potential to provide customer service communications in lieu of using a call center. If properly programmed, responses could, in theory, be 100% accurate.
Chabots, however, haven’t caught on with most marketers. A 2018 survey by Freedman International (www.freedmaninternational.com) and ClickZ (www.clickz.com) found only 7% of marketers were using chatbots; 27% were considering their use.

In a 2018 survey by Helpshift (www.helpshift.com), 51% of adults said they liked the idea of email and messenger chatbots that collect information and pass it along to the right support agent; 76% felt that chatbot-based messaging would be a preferred means to contact customer service if they knew they would get an immediate response. Still, customer experience with chatbots has not been good. The survey identified problems as follows (percentage of respondents):

- Too many unhelpful responses: 48%
- Redirects to self-serve FAQs: 40%
- Bad suggestions: 28%
- Pop-up chatbox prompts: 25%
- Unnecessary pleasantries: 25%
- Takes too long to respond: 24%
- They never have enough data about me: 20%
BRANDING

29.1 Overview
The American Marketing Association (www.ama.org) defines a brand as a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers.

Branding is the process of giving a meaning to a specific company, products or services by creating and shaping a brand in consumers’ minds.

29.2 Elements Of Branding
The integral elements of branding are name, logo, and slogan.

Brand Names
- According to Prof. Jennifer J. Argo, Ph.D., an expert on branding at the School of Business at the University of Alberta, “Companies have spent millions of dollars choosing their brands and their brand names, and they’ve been picked explicitly to have an influence on consumers.”

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“We often hear comments like: ‘Names don’t matter. What matters is the quality of the product and service. But names do matter. Names are the way consumers file ideas in their minds.”

Laura Ries, President
Ries & Ries

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- Researchers have identified several strategies that companies could use to create effective brand names. Some naming strategies produce brand names that explicitly convey information about the product or its attributes (e.g., DieHard auto batteries). Other strategies may result in names that are not obviously connected to
the product’s features. An example is the use of sound symbolism, which focuses on the impact of the linguistic structure of brand names on consumer perceptions (e.g., Prozac communicates efficacy through the letter ‘z’).

- Hearing the spoken names of certain brands is known to stimulate cravings and subsequently influence spending habits. Investigating this influence on consumer behavior, Prof. Argo found that audible exposure to repetitive-sounding brand names across several product categories favorably affects how consumers perceive and choose items. The research, published in the *Journal of Marketing*, showed that exposure to a brand name that has sound repetition in its phonetic structure and is spoken aloud produces a positive response, favorably affecting consumers’ brand evaluations, reactions to cross-selling, and product choice. Examples include Coca-Cola, Jelly Belly, and Kit Kat.

- Domino’s Pizza recently changed its name to Domino’s. Domino’s dropped the term ‘pizza’ because its stores have a wide variety of other items, including pasta, salad, wings, chicken sandwiches, dessert, and more. The word ‘pizza’ was deemed unnecessary because most consumers still associate the fast-food chain named Domino’s with pizza.

- Famous corporate name changes include About.com (originally The Mining Co.), America Online - AOL (originally Quantum Computer Services), Best Buy (originally Sound of Music), Cingular (originally Cellular One), Compaq (originally Bridge Gate Computers), Ebay (originally AuctionWeb), Google (originally Backrub), Hertz Rent-A-Car (originally DrivUrSelf), International Business Machines – IBM (originally Computing Tabulating Recording Company), Java (originally Oak Software), L’Oréal (originally Cosmair), MySpace.com (originally FreeDiskSpace.com), Navistar (originally International Harvester), Netscape (originally Mosaic Systems), Nike (originally Blue Ribbon Sports), Nintendo (originally Marafuku), Nissan (originally Datsun), Oracle (originally Software Development Labs), Paypal (originally Confinity), Playboy (originally Stag Party), Starbucks (originally Il Giornale Coffee Company), Subway (originally Peter’s Super Submarines), Tide (originally Dreft), United Parcel Service - UPS (originally Merchant’s Parcel Delivery), Walkman (originally Sound Around), Yahoo! (originally Jerry’s Guide to the World Wide Web), and Yum! Brands (originally Tricon).

**Logo**

- “If in the business of communications, ‘image is king,’ the essence of this image, the logo, is the jewel in its crown,” according to Paul Rand, a graphic designer who designed the IBM, ABC, Cummins Engine, and Westinghouse logos, which have been in use for decades.

- *50 Best Logos Ever* (2018; Future Publishing Limited) ranked logos as follows:

  1. FedEx
  2. Shell
  3. Nike
  4. Woolmark
  5. Apple
  6. Target
  7. The Red Cross
  8. London Underground
  9. IBM
  10. I Love New York
Advertising Age estimated that a logo change can cost a large corporation several hundred million dollars. A major part of that cost is removing the old logo everywhere it appears and putting up new material. For a brand like Pepsi, for example, which changed its logo in 2008, this includes logo changes on trucks, vending machines, stadium signage, point-of-sale materials, and more – around the world.

Slogans

Slogans are coined to crystallize defining characteristics of a brand. A good slogan is short – thus easy to remember – and clever. Some slogans have become so famous they have entered day-to-day lingo.

The following are some current brand slogans:

- American Express: "Don’t Live Life Without It"
- Apple: "Think Different"
- Burger King: "Be Your Way"
- Capital One: "What’s in your wallet?"
- Coca-Cola: "Taste The Feeling"
- Ford: "Go Further"
- KFC: "Finger Lickin’ Good"
- M&M: "Melts in your mouth, not in your hand"
- Pepsi: "More Happy"
- Revlon: "Live Boldly"
- State Farm: "Here To Help Life Go Right"
Aside from the most popular slogans, consumer association of brands with slogans is poor. In a survey published in the Journal of Advertising Research, of 649 slogans of national brands that were tested by Chiranjeev Kohli, Ph.D., a marketing professor at California State University Fullerton, three fourths were recalled by less than 1% of consumers. Even the most memorable slogans don’t perform that great. The most memorable slogan – “Just do it” for Nike – was recalled by 58% of those interviewed, followed by 38% for McDonald’s “I’m lovin’ it,” and 28% for Burger King’s “Have it your way.”

Among the best slogans are those that are two-sided. It says something about a brand and also differentiates the brand from its competition. “Eat Fresh” is an example of a two-sided slogan. It implies that Subway serves only fresh food, and also that other fast-food chains do not. “Have It Your Way” is another two-sided slogan. It says that Burger King will prepare your hamburger the way you like it while its major competitors will not.

“A two-sided slogan is like a two-sided knife, it cuts both ways. It says something positive about your brand and something negative about the competition. It’s difficult to find many examples of two-sided slogans. [Companies] seldom give much thought about what to say about the competition.”

Laura Ries, President
Ries & Ries

29.3 Brand Reputation

Brands are increasingly concerned about their ads showing up in places that may tarnish their image.

A survey by Teads (www.teads.com), a video advertising platform, found that 92% of CMOs have made changes to their digital strategy to address concerns about brand safety. Specific actions taken were as follows:
• Increased spending on channels that can prove they are brand safe: 58%
• Reviewed agency relationships: 55%
• Reviewed supplier relationships: 48%
• Demanded more transparency from agencies and suppliers: 44%
• Increased third-party measurement: 39%
• More direct involvement in execution of digital strategy: 39%
• Increased spend with premium publishers: 38%
• Reduced spend on boycotted channels that cannot guarantee: brand safety: 30%

“Brands want their ads to run against content they’re proud to associate with. But because of the programmatic nature of most digital advertising, brands have been forced to hand over control of ad placement to the algorithms of companies like Google and Facebook. Unfortunately, some brands have been seeing their advertisements placed next to extremist or controversial content just because those pieces are generating a lot of engagement or activity. Companies in every market need to ensure the safety of their brand by assuring the quality and nature of the content that brands are running ads against.”

Forbes

29.4 Personal Brands

Most people have favorite brands of apparel, automobiles, beverages, coffeeshops, restaurants, retail stores, and more. Liking a product is, of course, important in bonding with a brand but there are other influences. Personal image and perceiving a brand to be ethical are among other factors that influence the choice of personal brands.
“Do you have a personal brand? For most, the answer is yes. Even if you haven’t made a conscious effort to do so, you developed your brand the moment you stepped online. Before social media became as ubiquitous as it is today, an individual’s ‘brand’ was largely built around what they were like in person, how they dressed, spoke and behaved. Today, it is easier than ever to shape a personal brand and carve your digital footprint.”

GlobalWebIndex, 10/2/18

In 2018, GlobalWebIndex (www.globalwebindex.com) conducted a study of the attitudes, behaviors, and interests that influence personal branding for Gen X, Millennials, and Generation Z. The following is a summary of findings:

**Generation X**
- Sixty percent (60%) of Gen X agree that once they find a brand they like, they’ll stick with it. Reflecting this, Gen X are less inclined to try new products and are more risk averse, they like to stick with what they know.
- Gen X is more likely to be brand loyal than Millennials or Gen Z.

**Millennials**
- Millennials care more about uniqueness and standing out in a crowd than Gen X; this attribute is shared with Gen Z.
- Millennials’ are concerned with how they look online and use social media to showcase their unique personalities, meticulously curating their personal brand to reflect how they want to be perceived by others.
- Seventeen percent (17%) of Millennials want brands to make them feel cool/trendy.
- Fifteen percent (15%) of both Millennials and Gen Z say they would advocate a brand that enhances their online reputation.

**Generation Z**
- Gen Z are image-conscious and care about others’ opinions. This is reflected in their interest in subjects relating to their personal image, like fashion and style, which is 34% higher compared to other generations.
- Forty-two percent (42%) of Gen Z say that they are swayed by other people’s...
opinions; 31% of Gen X are similarly influenced by others.

- Thirty-seven percent (37%) of Gen Z say they would buy a product/service simply for the experience of being part of the community built around it.
- Twenty-one percent (21%) of Gen Z want brands that make them feel cool/trendy.
30

BUY AMERICAN INITIATIVES

30.1 Preference For U.S.-Made Products

In a recent Harris Poll (www.harrisinteractive.com), 61% of adults said they are more likely to purchase something when an ad touts it is ‘Made in America,’ 3% said they are less likely to buy it, and 35% said they are uninfluenced either way.

The following are demographics of consumer influence by ‘Made in America’:

<table>
<thead>
<tr>
<th>Age</th>
<th>Much More Likely</th>
<th>Somewhat More</th>
<th>Neither</th>
<th>Less Likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-34:</td>
<td>15%</td>
<td>29%</td>
<td>52%</td>
<td>4%</td>
</tr>
<tr>
<td>35-to-44:</td>
<td>20%</td>
<td>42%</td>
<td>37%</td>
<td>1%</td>
</tr>
<tr>
<td>45-to-54:</td>
<td>29%</td>
<td>37%</td>
<td>30%</td>
<td>4%</td>
</tr>
<tr>
<td>55 and older:</td>
<td>39%</td>
<td>37%</td>
<td>22%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Much More Likely</th>
<th>Somewhat More</th>
<th>Neither</th>
<th>Less Likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>East:</td>
<td>22%</td>
<td>38%</td>
<td>36%</td>
<td>3%</td>
</tr>
<tr>
<td>Midwest:</td>
<td>32%</td>
<td>35%</td>
<td>31%</td>
<td>2%</td>
</tr>
<tr>
<td>South:</td>
<td>25%</td>
<td>35%</td>
<td>36%</td>
<td>4%</td>
</tr>
<tr>
<td>West:</td>
<td>26%</td>
<td>32%</td>
<td>38%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Overall

<table>
<thead>
<tr>
<th>Much More Likely</th>
<th>Somewhat More</th>
<th>Neither</th>
<th>Less Likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>26%</td>
<td>35%</td>
<td>35%</td>
<td>3%</td>
</tr>
</tbody>
</table>

A poll by The New York Times had findings consistent with Harris Poll.

“Two-thirds of Americans say they check labels when shopping to see if they are buying American goods, according to a New York Times poll taken early this year. Given the example of a $50 garment made overseas, 46% said they would be willing to pay from $5 to $20 more for a similar garment made in the United States.”

The New York Times
Other surveys have found preference to be even higher. In a survey by Boston Consulting Group (BCG, www.bcg.com), 80% of adults said they preferred U.S.-made goods and that they are willing to pay more for them.

30.2 **Buy American Initiatives**

Recognizing consumers’ preference for domestic products, many companies incorporate Made In America messaging into their marketing and advertising campaigns.

*Mass Market Retailers* identified the following suppliers of retail products that are committed to manufacturing in the United States and who promote this in their ads:

- Advanced Beauty Inc. (www.advancedbeauty.com)
- Alliance Rubber Co. (www.rubberband.com)
- American Greetings Corp. (www.americangreetings.com)
- Annin Flagmakers (www.annin.com)
- AP&G Inc. (www.catchmaster.com)
- Arcadia Farms Inc. (www.arcadiafarms.com)
- Beaumont Products (www.beaumontproducts.com)
- Bryson Industries (www.brysonusa.com)
- Bullet Aids (www.bulletacneaid.com)
- Burke Brands LLC (http://alternativeorigincoffee.com)
- California Scents (www.californiascents.com)
- Cameron Smith & Associates Inc. (www.csarecruiters.com)
- Capital Cups Inc. (www.usakidscups.com)
- Carma Laboratories Inc. (www.mycarmex.com)
- Chemence Inc. (www.chemence-us.com)
- Continental Consumer Products (www.salongrafix.com)
- Garcoa Laboratories (www.garcoa.com)
- Gloria Duchin Inc. (www.gloriaduchin.com)
- Huhtamaki Inc. (www.us.huhtamaki.com)
- Kraft Foods Group (www.kraftfoodsgroup.com)
- Lion Brand Yarn (www.lionbrandyarn.com)
- LNK International (www.lnkintl.com)
- McLane Co. (www.mclaneco.com)
- Onyx Brands (www.onyxbrands.com)
- Osram Sylvania Inc. (www.sylvania.com)
- Red Heart Yarns (www.redheart.com)
- Scandinavian Tobacco Group Lane Ltd. (www.stglane.com)
- Seventh Generation Inc. (www.waterbobble.com)
- Shiloh Technologies (www.shilohtech.com)
- Splintek (www.sleepright.com)
- Vitatech Nutritional Sciences Inc. (www.vitatech.com)
- Wahl Clipper Corp. (www.wahlhomeproducts.com)
“The slogan ‘Buy American’ may strike some as a sales pitch, or as a way to push American manufacturing. But it can be more than that. By promoting a made-in-the-USA brand, we believe that impression could generate further brand loyalty.”

Marsha Martin, CEO
Onyx Brands
Mass Market Retailers

Walmart announced plans to spend an additional $50 billion through 2023 on U.S.-made goods over the next decade. Other companies also recently announced initiatives to bring manufacturing back to the U.S. Apple, for example, announced that it would manufacture some of its Mac product line domestically. Apparel retailer Club Monaco has launched lines and products marketed specifically as Made in America.

“Not since the 1970s has ‘Made in America’ been such a hot way to market your product.”

Advertising Age

30.3 Maker’s Row

Maker’s Row (www.makersrow.com) is an online marketplace that connects American manufacturers with other U.S.-based businesses. An online directory contains profiles of over 14,000 U.S. manufacturers and over 100,000 brands.

On the Maker’s Row website, manufacturers get a basic listing for free or pay about $50 a month for more elaborate profile pages. An online store showcases the wares of U.S. designers.

In 2013, Maker's Row launched Maker’s Row City Series to highlight how manufacturing contributes to the local community, economy, and city.
30.4 Market Resources
Buy American and Hire American: Putting American Workers First.  
(www.uscis.gov/legal-resources/buy-american-hire-american-putting-american-workers-first)

Maker's Row, 20 Jay Street, Suite 312, Brooklyn, NY 11201.  (www.makersrow.com)
BUY LOCAL INITIATIVES

31.1 Buying Local

According to the Institute for Local Self-Reliance (www.ilsr.org), for every $100 spent at a locally owned store, $45 remains in the local economy, compared with about $13 per $100 spent at a national chain retailer.

“Locally owned businesses create more jobs locally and, in some sectors, provide better wages and benefits than chains do. Compared to chain stores, locally owned businesses recycle a much larger share of their revenue back into the local economy, enriching the whole community.”

Stacy Mitchell, Senior Researcher
Institute for Local Self-Reliance

Civic Economics (www.civiceconomics.com) estimated that if San Francisco Bay Area consumers shifted 10% of their spending from national chains to local businesses, the impact would be $192 million in increased economic activity for the region and almost 1,300 new jobs.

According to Time, 82% of consumers actively support local or neighborhood businesses.

31.2 Select Initiatives

Most states have programs that encourage residents to buy local. The following is a selection of programs:

- Alabama: www.fma.alabama.gov/buy_fresh.htm
- Alaska: www.buyalaska.com

CONSUMER MARKETING 2020-2021
• Arizona: http://localfirstaz.com
• Colorado: www.coloradolocalfirst.com
• Hawaii: http://hdoa.hawaii.gov/add/md/buy-local-it-matters/
• New York: www.ny.gov/programs/buy-ny
• Utah: www.localfirst.org
• Virginia: www.buylocalvirginia.org
• Wisconsin: http://datcp.wi.gov/Business/Buy_Local_Buy_Wisconsin/

Similarly, some cities have launched initiatives to encourage residents to shop at locally owned businesses. The following are some example programs:
• Buffalo, NY: www.thepartnership.org/buylocal
• Gainesville, FL: www.gainesvillechamber.com/member-services/buylocal/
• Pasadena, CA: http://cityofpasadena.net/Pasadena_First/
• Philadelphia, PA: www.sbnphiladelphia.org/initiatives/
• Portland, ME: www.portlandbuylocal.org
• Portsmouth, VA: www.portsmouthva.gov/buy-local.aspx
• Scarborough, ME: www.buylocalscarborough.org
• Steamboat Springs, CO: www.steamboat-chamber.com/info/buy.local.asp

### 31.3 Impact Of Initiatives
In a survey of more than 3,000 business owners by the American Independent Business Alliance (www.amiba.net), independent business in communities with a long-term ‘buy local and independent campaign’ reported average revenue growth of 7.4%, nearly double the 4.2% increase for independent businesses not served by such efforts.

### 31.4 Market Resources
Business Alliance for Local Living Economies (BALLE), 2323 Broadway, Oakland, CA 94612. (510) 587-9417. (www.bealocalist.org)

Institute for Local Self Reliance, 2720 E. 22nd Street, Minneapolis, MN 55406. (612) 276-3456. (www.ilsr.org)

*The Keys to Effective Buy Local Campaigns*, American Independent Business Alliance, 222 S. Black Avenue, Bozeman, MT 59715. (406) 582-1255. (www.amiba.net)
32

CAUSE MARKETING

32.1 Overview

Today’s consumers are looking more and more at the societal impacts of companies they do business with. For many, the actions and perceived attitudes of companies are strong influences. As such, companies are increasing their roles among today’s causes and issues.

Cone Inc. (www.coneinc.com) defines cause marketing, also called cause branding, as a business strategy that helps an organization stand for social issues and social impacts while making an emotional and relevant connection to customers. Cause branding is a powerful vehicle that brings a company’s values to life. It is a multi-dimensional strategy, integrating and maximizing philanthropy, community relations, marketing, and human resources to build brand equity, enhance reputation, cultivate trust, and positively influence stakeholder behavior, while also improving society.

According to Barkley (www.barkley.com) and PR Week, 75% of companies engage in some form of cause marketing.

32.2 Effectiveness

According to Performance Research (www.performanceresearch.com), 41% of U.S. consumers believe companies can best improve brand perceptions by increasing their cause sponsorships – this ahead of sports and arts/cultural categories. Wendy Liebmann, chief executive at WSL Strategic Retail (www.wslstrategicretail.com), found that a store that “supports the community or worthwhile causes” ranked No. 8 in a list of the 10 reasons shoppers consider a store as their favorite.

Though mothers and Millennials are generally noted as most strongly supporting causes, a survey by Barkley found that patronage of companies that support causes cuts across generational and gender lines. Fifty-five percent (55%) of men said they would pay more for a brand or product that supported a cause they cared about, and 67% said they would try a new brand because of a cause.

In the Barkley survey, men said they are most likely to support the following types of causes (percentage of respondents):

- Causes that affect children: 20%
- General health-related causes: 18%
- Poverty-related causes: 12%
- Animal welfare-related causes: 11%
• Disaster-related causes: 10%
• Health-related causes that affect men: 9%
• Environmental causes: 8%

In a recent survey by Cone Inc., 41% of people said they have bought a product because it was associated with a cause.

32.3 Cause Marketing Halo Awards
The Cause Marketing Halo Awards (13th annual), presented since 2004 by Engage for Good (www.engageforgood.com), recognize one business and one nonprofit organization each for their leadership and outstanding efforts in the pursuit of doing well by doing good.

Recent Cause Marketing Halo Award winners have been as follows:

Business
• 2010: Macy's
• 2011: eBay
• 2012: Procter & Gamble
• 2013: Subaru
• 2014: TOMS
• 2015: CVS Health
• 2016: JetBlue
• 2017: Allstate
• 2018: Salesforce
• 2019: REI

Nonprofit
• 2010: Feeding America
• 2011: DonorsChoose.org
• 2012: U.S. Fund for UNICEF
• 2013: DoSomething.org
• 2014: Children's Miracle Network Hospitals
• 2015: United Nations Foundation
• 2016: Safe Kids Worldwide
• 2017: WE
• 2018: Save the Children
• 2019: National Park Foundation

The following campaigns were also honored in 2019:

Consumer Activated Corporate Donation Category
• Gold: Buy A Lady A Drink (Stella Artois & Water.org)
• Silver: Day of Inclusion (Special Olympics Canada & Tim Hortons)

Consumer Donation/Crowdfunding Category
• Gold: Dark Star Cho’Gath Global Fundraiser (Riot Games & multiple NGOs)
• Silver: The Literacy Project (Pizza Hut & First Book)

Digital Category
• Gold: #CreateForACause (TikTok & Best Friends Animal Society)
• Silver: Play Pink For The Cure (Zynga’s Words with Friends 2 & Susan G. Komen)
Education Category
• Gold: Hands Only CPR (Anthem Foundation & American Heart Association)
• Silver: #BestSchoolDay (Ripple & DonorsChoose.org)

Employee Engagement Category (Group Volunteering)
• Gold: PPG’s Colorful Communities Program (PPG & multiple charities)
• Silver: Anthem Volunteer Days (Anthem Foundation & multiple charities)

Employee Engagement Category (Skilled Volunteering)
• Silver: Digital Career Accelerator (Google & Goodwill)
• Gold: Connecting Expertise With Opportunity (General Mills & Partners in Food Solutions)

Environmental Category
• Gold: Zero Hunger, Zero Waste (Kroger & Feeding America)
• Silver: Next Wave Plastics (Lonely Whale and a variety of member companies)

Experiential Category
• Gold: Scooby-Doo Doo Good (Warner Bros. & generationOn)
• Silver: Grow with Google (Google & local community organizations)

Health Category
• Gold: Hands Only CPR (Anthem Foundation & American Heart Association)
• Silver: My Special Aflac Duck (Aflac & Children’s Miracle Network Hospitals)

Inclusion Category
• Gold: Turn Up The Love (AT&T & The Trevor Project)
• Silver: Day of Understanding (PwC – CEO Action for Diversity & Inclusion)

Social Services Category
• Gold: Stirring Up Change (Williams Sonoma & Share Our Strength)
• Silver: Vivint Gives Back (Vivint Smart Home)

Video Category
• Gold: WestJet Thanks (Giving Hope: WestJet & Hope Air)
• Silver: Stop Bullying (Speak Up: Cartoon Network)

32.4 Compassionate Consumerism
Brands that donate a percentage of sales proceeds to humanitarian causes, a concept that retail analysts call compassionate consumerism, are increasingly popular. The following are some such brands:
Ethos Water
• Ethos Water, a subsidiary of Starbucks, was created with the mission of helping children get clean water. Five cents (5¢) of each sale of Ethos Water goes to the Starbucks Foundation, which supports water, sanitation, and hygiene education programs in water-stressed countries. As of May 2019, $12.3 million had been granted to support programs benefitting more than 500,000 people around the world.

FEED Projects
• FEED Projects sells handbags, T-shirts, and accessories and donates a percentage of profits to United Nations anti-hunger programs.

Krochet Kids
• Founded in 2008, Krochet Kids International, whose slogan is “Buy a Hat. Change a Life”, empowers women in Uganda and Peru by training and employing them to craft hats and other clothing. Items are sold at most Whole Foods stores, at boutiques, and online.

Threads for Thought
• Urban Outfitters stores feature apparel by Threads for Thought, which gives part of its sales proceeds to humanitarian groups including the International Rescue Committee and the National Resources Defense Council.

TOMS
• Launched in 2007, TOMS is the originator of the one-for-one concept and is credited with giving rise to the compassionate consumerism phenomenon. TOMS donates a pair of shoes to a child who lives in poverty for every pair of shoes sold.

Treasure & Bond
• Owned by Nordstrom and located in the SoHo district of New York City, Treasure & Bond sells apparel and accessories from smaller brands and designers, with store profits going to a rotating roster of local charities.

Warby Parker
• Warby Parker, an eyeware company founded in 2010, donates a pair of glasses for each pair it sells. Rather than donate glasses using a more traditional “one-for-one” model, Warby Parker funds the production of a pair of eyeglasses for non-profit organization VisionSpring, which VisionSpring in turn sells either directly to consumers or companies. As of May 2019, Warby Parker had distributed over five million pairs of eyeglasses to people in need.
“When done right, altruistic retailing strategies do good and make donors feel good, too.”

*Bloomberg Businessweek*

**32.5 Market Resources**
Engage for Good (formerly Cause Marketing Forum), 63 Overlook Place, Rye, NY 10580. (914) 921-3914. ([www.engageforgood.com](http://www.engageforgood.com))
33.1 Effectiveness of Celebrity Endorsements

According to CivicScience (www.civicscience.com), the following percentages of social network users have made a purchase based on a celebrity recommendation:

- Instagram: 28%
- Twitter: 22%
- Facebook: 18%
- YouTube: 14%

“17% of Millennials and 21% of Gen Z want brands to make them feel cool/trendy. For this reason, celebrity endorsements remain significant opportunities.”

GlobalWebIndex, 10/2/18

33.2 Influence By Age Demographic

In a recent Harris Poll (www.theharrispoll.com), consumers said they found the following types of celebrities most persuasive when endorsing a product in an ad:

<table>
<thead>
<tr>
<th>Type</th>
<th>18-to-34</th>
<th>35-to-44</th>
<th>45-to-55</th>
<th>55 &amp; older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business leaders</td>
<td>28%</td>
<td>33%</td>
<td>38%</td>
<td>46%</td>
<td>46%</td>
</tr>
<tr>
<td>Athletes</td>
<td>24%</td>
<td>21%</td>
<td>20%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Television or movie stars</td>
<td>23%</td>
<td>21%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Singers or musicians</td>
<td>13%</td>
<td>15%</td>
<td>17%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Former political figures</td>
<td>13%</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>

For brands using celebrity endorsers, the possibility of a scandal poses a risk. But the actual impact of scandals is actually less than might be expected. Harris Poll found that 74% of consumers are not impacted when a celebrity endorser gets involved in a scandal. The following are opinions by age:
<table>
<thead>
<tr>
<th>Age Group</th>
<th>No Impact</th>
<th>Feel Worse</th>
<th>Feel Better</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-34</td>
<td>68%</td>
<td>21%</td>
<td>11%</td>
</tr>
<tr>
<td>35-to-44</td>
<td>77%</td>
<td>18%</td>
<td>5%</td>
</tr>
<tr>
<td>45-to-55</td>
<td>70%</td>
<td>18%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>55 &amp; older</td>
<td>81%</td>
<td>19%</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>74%</td>
<td>22%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Celebrity endorsements are particularly effective for cause marketers. Fifty-three percent (53%) of adults said in a Harris Poll that celebrities make a positive difference for their cause; 15% said they made a large difference. By generation, those who said celebrity endorsers make a difference were as follows (percentage of respondents):

<table>
<thead>
<tr>
<th>Generation</th>
<th>Large Difference</th>
<th>Some Difference</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>18%</td>
<td>39%</td>
<td>57%</td>
</tr>
<tr>
<td>Generation X</td>
<td>14%</td>
<td>39%</td>
<td>53%</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>15%</td>
<td>34%</td>
<td>49%</td>
</tr>
<tr>
<td>Seniors</td>
<td>12%</td>
<td>38%</td>
<td>50%</td>
</tr>
<tr>
<td>All adults</td>
<td>15%</td>
<td>37%</td>
<td>53%</td>
</tr>
</tbody>
</table>

**33.3 Celebrity-Branded Merchandise**

According to *The Licensing Letter*, annual retail sales of celebrity-licensed merchandise in the U.S. are $5.5 billion. Entertainment celebrities account for $2.6 billion of the total.

“With the fragmentation of today’s marketplace and the constantly evolving consumer trends, brands face more challenges than ever before in retailing loyalty. One thing that has not changed, however, is Americans’ fascination with celebrities. Increasingly, brands and celebrities are finding opportunities with each other through licensing partnerships. A recent brand-license survey indicates that 75% of retail buyers believe that celebrity-endorsed products sell better than non-endorsed merchandise.”

*Mass Market Retailers*
34

CONTENT MARKETING

34.1 Overview

Branded content includes anything created on behalf of a brand – be it company website content, a YouTube video, Facebook page, or mobile app – and hosted directly by the brand. Branded content, also referred to as sponsored content and native advertising, educates, entertains, amuses, informs, and otherwise serves a function or satisfies a customer need.

“Content marketing differs from advertising in two fundamental ways. First, content resides on owned or earned media. If there’s a media buy involved, it’s advertising, not content marketing. Second, content marketing is a pull, rather than a push, strategy. Content doesn’t interrupt, it attracts.”

Advertising Age

Paid content that looks like editorial content can be deceptive. In a recent Harris Poll (www.theharrispoll.com), 82% of adults said that if a company pays to place content that looks like an article and doesn’t look like an ad, the news media should disclose the paying company. Still, 62% of adults said they are comfortable with companies paying to publish articles that look like news as long as there is a disclaimer.

34.2 Content Spending

According to The Content Council (www.thecontentcouncil.com), businesses spend $43.9 billion annually for content marketing. Distribution is as follows:
### 34.3 Use Of Content Marketing

The Content Marketing Institute (CMI, [www.contentmarketinginstitute.com](http://www.contentmarketinginstitute.com)) reports that 86% of business-to-consumer marketers use content marketing.

_B2C Content Marketing: Benchmarks, Budgets and Trends_, by CMI, reported the percentage of B2C marketing budgets allocated to content marketing as follows:

- 0%: 2%
- 1% to 9%: 25%
- 10% to 24%: 17%
- 25% to 49%: 12%
- 50% to 74%: 8%
- 75% to 99%: 3%
- 100%: 2%
- Budget data not available: 31%

### 34.4 Content Marketing Tactics

_The State of B2C Content Marketing_, by CMI and Advertising Age, reported content marketing tactics used by marketers as follows (percentage of respondents):

- Social media (excluding blogs): 88%
- Articles on website: 78%
- E-newsletters: 76%
- Videos: 72%
- Blogs: 72%
- In-person events: 65%
- Articles on other websites: 61%
- Mobile content: 46%
- Microsites: 43%
- Case studies: 41%
• Infographics: 40%
• Mobile apps: 39%
• Online presentations: 39%
• Print magazines: 37%
• Branded content tools: 37%
• White papers: 31%
• Digital magazines: 30%
• Webinars/webcasts: 30%
• Annual reports: 30%
• Print newsletters: 29%
• Research reports: 28%
• Licensed/syndicated content: 25%
• Books: 24%
• eBooks: 23%
• Podcasts: 19%
• Virtual conferences: 18%
• Games/gamification: 17%

Among marketers that use social media in their content marketing programs, social media sites used to distribute content are as follows (percentage of respondents):
• Facebook: 89%
• Twitter: 80%
• YouTube: 72%
• LinkedIn: 71%
• Google+: 55%
• Pinterest: 53%
• Instagram: 32%
• SlideShare: 19%
• Flickr: 18%
• Tumblr: 18%
• foursquare: 16%
• Vimeo: 16%
• StumbleUpon: 13%

34.5 Blogs
According to a survey by WP Engine (www.wpengine.com), 46% of consumers read the blogs of their favorite brands. The following are other key findings of the survey:
• Forty-eight percent (48%) feel that it’s important for a brand to include brand content on their blog to assure customers have the most up-to-date information.
• Forty percent (40%) believe there are negative effects if brands do not provide content on their blogs to prevent losing communication with customers and keeping the brand more relevant.
• Forty percent (40%) prefer to read content directly from a company blog rather than a news magazine or website.
• Fifty-two percent (52%) prefer to go directly to the company website for content about the brand, vs. 25% going to social media and 22% to third-party articles.
• Sixty percent (60%) want to see content directly from brands, including articles on important issues (27%), research on the company’s industry (16%), and funny stories (12%).
• Ninety-six percent (96%) of consumers do not want to see stories about how celebrities use a company’s products.

34.6 Assessing ROI
In a survey by the Content Marketing Institute, content marketers reported using the following metrics to measure the ROI of content campaigns (percentage of respondents):
• Web traffic: 62%
• Sales: 54%
• SEO ranking: 39%
• Higher conversion rates: 39%
• Time spent on website: 38%
• Qualitative feedback from customers: 35%
• Subscriber growth: 34%
• Customer renewal rates: 26%
• Benchmark lift of company awareness: 23%
• Inbound links: 23%
• Benchmark lift of product/service awareness: 21%
• Sales lead quantity: 16%
• Sales lead quality: 15%
• Cost savings: 15%

34.7 Market Resources
Content Marketing Institute, 17040 Amber Drive, Cleveland, OH 44111. (888) 554-2014. (www.contentmarketinginstitute.com)

The Content Council, 355 Lexington Avenue, 15th Floor, New York, NY 10017. (212) 297-2191. (www.thecontentcouncil.org)

The following links to a list of content marketing agencies:
35

COUPONS

35.1 Consumer Use Of Coupons

According to the 2K19 Valassis Coupon Intelligence Report, by Valassis (www.valassis.com), 91% of adults used coupons in 2018, relatively unchanged for six years.

- Millennials: 92%
- Generation X: 93%
- Baby Boomers: 89%
- All adults: 91%

The types of coupons used in 2018 were as follows (percentage of respondents):

<table>
<thead>
<tr>
<th>Type</th>
<th>Millennials</th>
<th>Gen X</th>
<th>Boomers</th>
<th>All Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail</td>
<td>87%</td>
<td>91%</td>
<td>86%</td>
<td>88%</td>
</tr>
<tr>
<td>In-store</td>
<td>89%</td>
<td>91%</td>
<td>83%</td>
<td>87%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>86%</td>
<td>90%</td>
<td>84%</td>
<td>87%</td>
</tr>
<tr>
<td>Print from Internet</td>
<td>80%</td>
<td>83%</td>
<td>75%</td>
<td>79%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>88%</td>
<td>83%</td>
<td>64%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Consumers prefer the following types of coupons:

- Mail: 50%
- Newspaper: 44%
- Internet downloaded to loyalty card: 42%
- Smartphone: 38%
- Print from Internet: 34%

“There’s still one way paper beats digital – paper coupons are still far more commonly used.”

eMarketer
Websites used to search for coupons were as follows:

- Retailer websites: 71%
- Brand websites: 70%
- Coupon websites: 68%
- Search engines: 67%
- Lines from blogs: 61%
- Social networks: 50%

Consumers say they are most interested in using coupons for the following types of retail:

- Groceries: 94%
- Cosmetics/beauty products: 60%
- Restaurants: 60%
- Apparel: 54%
- Household items: 46%

### 35.2 Redemption

Inmar ([www.inmar.com](http://www.inmar.com)) estimates the total number of consumer packaged goods (CPG) coupons redeemed as follows:

- 2000: 4.4 billion
- 2001: 3.9 billion
- 2002: 3.7 billion
- 2003: 3.5 billion
- 2004: 3.2 billion
- 2005: 3.0 billion
- 2006: 2.6 billion
- 2007: 2.6 billion
- 2008: 2.6 billion
- 2009: 3.3 billion
- 2010: 3.3 billion
- 2011: 3.5 billion
- 2012: 2.9 billion
- 2013: 2.9 billion
- 2014: 2.8 billion
- 2015: 2.5 billion
- 2016: 2.2 billion
- 2017: 2.1 billion
- 2018: 1.8 billion

Note: Estimate based on coupons that are processed through clearinghouses; mobile coupons and some digital coupons do not go through clearinghouses.

Coupon redemption in America peaked in 1992, at the end of a recession, when 7.9 billion coupons were redeemed. There was a significant drop off in coupon redemption in 2012 as the U.S. economy improved from the 2009 recession, a trend which continued through 2017.

Of the approximately 350 billion coupons issued each year, the redemption rate is about 0.6%. Consumers collectively saved $3.5 billion by redeeming coupons in 2018, according to NCH Marketing Services ([www.nchmarketing.com](http://www.nchmarketing.com)).

Redemption is distributed by retail category as follows (source: *Coupon Facts*):

- Grocery stores: 55%
- Mass merchandisers: 27%
• Drug stores: 8%
• Military commissaries: 4%
• Other: 7%

35.3 Influence On Purchases
According to The 2019 Shopper Behavior Study, by Inmar, 80% of shoppers reported that coupons changed their behavior in some way. Response to coupons were as follows:
• Bought sooner than they would have because of a coupon: 37%
• Bought a particular brand that they would not otherwise have purchased because of a coupon: 35%
• Bought more than they would have otherwise because of a coupon: 35%
• Bought an alternative product within the brand they planned to purchase because of a coupon: 24%
• Switched to another brand that they had purchased previously because of a coupon: 18%

Valassis reported the following influence of coupons on purchase decision-making (percentage of respondents):
• Store choice is influenced by coupons: 84%
• Switch stores to take advantage of weekly specials: 82%
• Decide which store to shop based on use of paper coupons: 77%
• Decide which store to shop based on use of paperless discounts received on a smartphone or mobile device and/or downloaded onto store ID/loyalty card: 67%

35.4 Mobile Coupons
Redemption captured by offers that shoppers load directly to their retailer loyalty accounts via a mobile device is dubbed ‘load-to-card’ (L2C). According to Inmar, L2C coupons accounted for 1.6% of all coupons distributed in 2018, a 29% increase from 2017, and 15% of all coupons were redeemed. In comparison, total coupon distribution and redemption declined by 12% and 16%, respectively, due primarily to decline in distribution and redemption of the free-standing insert (FSI).

For many people, engagement with redeeming discounts with their mobile device is more than simply saving money. In a survey by Valassis, one-third say they feel “rewarded” by the number of deals/savings received in a given day via text, social, and app notification.
“The couponing industry is undergoing a transformational shift as marketers are revising their plans and adjusting their methods to address consumer demand for more targeted, personalized digital offers.”

Inmar, 2/13/19

According to the 2019 Valassis Coupon Intelligence Report, by Valassis, 75% of adults use smartphone coupons. By generation, those that do so are as follows:

- Millennials: 88%
- Generation X: 83%
- Baby Boomers: 64%

Smartphone/mobile device use in shopping is as follows (percentage of U.S. adults):

- Download paperless discounts onto store ID/loyalty card while at the store: 61%
- Switch brands based on a discount notification I receive on smartphone/mobile device in the store: 58%
- Search for discounts on smartphone/mobile device in the store: 55%
- Make a purchase based on a mobile notification in the store: 51%

Use of smartphone apps in 2019 was as follows (percentage of U.S. adults):

- Grocery/drug store/supercenter savings app: 56%
- Coupon app: 47%
- Cash back/points app: 44%
- In-store shopping rewards app: 40%
- Shopping list app: 35%
- Deal comparison app: 34%
36.1 Overview
Customer analytics involves the collection of multiple data points about consumers, assessments of the data using market segmentation and predictive analytics, and development of complementary marketing.

“Collecting data about customers is virtually as old as marketing itself, but the trillions of data points now available online make it a sophisticated piece of weaponry. Marketers can map a consumer’s journey across the web and potentially even augment their findings with Facebook data collected by apps that will tell people’s leisure activities. Advertisers can enlist services to follow users on their mobile devices and tablets. Traditional data brokers sell offline data culled from public records and survey results to marketers, who can then overlay it with their purchase data and the data they’ve already mined online.”

Advertising Age

Consumer analytics and consumer tracking have dramatically changed the field of consumer marketing. Marketers are beginning to find that it is more effective to identify the right people who are ready to buy a particular product than to try to persuade people to buy a product they may, or may not, need through advertising.
“Is consumer tracking the new advertising? Has the ad industry finally reached the point where it’s no longer necessary for marketers to motivate consumers to buy their products? Has the business evolved to the point of being able to track down pre-sold consumers at the precise time when they’re ready to buy? Do marketers no longer need to waste money trying to motivate uninterested buyers into trying their products? Is the concept of advertising no longer applicable to today’s marketplace, and should we call what marketers do now consumer tracking?”

Advertising Age

36.2 Customer Databases

According to the CMO Council (www.cmocouncil.org), 65% of corporate marketers use customer profiles in their marketing programs.

Retailers and their suppliers are constantly analyzing sales data, which is linked to shoppers through loyalty programs, email registrations, and other in-house databases.

One example is Target, which for decades has collected vast amounts of data on customers. Target assigns each shopper a unique code – known internally as the Guest ID number – that records and monitors purchases.

Linked to each Guest ID is demographic information like the customer’s age, whether they are married and have kids, which part of town they live in, how long it takes them to drive to the nearest Target location, their estimated salary, whether they have moved recently, what credit cards they carry, and what websites they visit.

According to The New York Times, Target can buy data and link to each Guest ID information about a customer’s ethnicity, job history, the magazines they read, if they’ve ever declared bankruptcy or gotten divorced, the year they bought (or lost) their house, where they went to college, what kinds of topics they talk about online, whether they prefer certain brands of coffee, paper towels, cereal or applesauce, their political leanings, reading habits, charitable giving, the number of cars they own, and more.
“If you use a credit card or a coupon, or fill out a survey, or mail in a refund, or call the customer help line, or open an e-mail we’ve sent you or visit our website, we’ll record it and link it to your Guest ID. We want to know everything we can.”

Andrew Pole, Group Manager
Guest Marketing Analytics
Target Corporation
The New York Times

36.3 Sharing Customer Data
A survey by Forrester Research (www.forrester.com) asked digital marketers the extent to which they share data about their customers. Responses were as follows:

- We use customer data and analytics results only internally: 63%
- We make some data or analytics results available to our business partners: 38%
- We make some data or analytics results available to our customers: 34%
- We are considering selling data or data services in the future to our business partners and/or customers: 10%
- We sell data and data services to our business partners and/or customers: 9%

Forrester Consulting also found that 93% of digital marketers use third-party data in their digital marketing strategy; 58% do so extensively.

“Data is critical for any marketer looking to effectively reach an audience. More than one-third ... share or sell customer data. The majority of digital marketers ... are also mixing their data with that of outside sources.”

eMarketer
36.4 Data Brokers

Data brokers, also called database marketing companies, collect and sell data about consumers’ financial, shopping, and leisure activities. Brokers provide large-scale data mining and analytics that is primarily based on information available in public records and consumer surveys, among other sources.

Forrester Research estimates annual spending for third-party data from database marketing companies at more than $2 billion. The market leader is Acxiom Corp.

“With more than 23,000 computer servers collecting, collating, and analyzing consumer data ... Acxiom Corp. is the quiet giant of a multibillion-dollar industry known as database marketing. Analysts say it has amassed the world’s largest commercial database on consumers – and that it wants to know much, much more. Its servers process more than 50 trillion data transactions a year. Company executives have said its database contains information about 500 million active consumers worldwide, with about 1,500 data points per person. That includes a majority of adults in the United States. In a fast-changing digital economy, Acxiom is developing even more advanced techniques to mine and refine data. It has recruited talent from Microsoft, Google, and Amazon.com and is using a powerful, multiplatform approach to predicting consumer behavior that could raise its standing among investors and clients.”

The New York Times
Credit reporting agencies Equifax, Experian, and TransUnion have consumer analytics divisions. Datalogix, Epsilon, LexisNexis Data & Analytic Solutions, Merkle, Nielsen Claritas, and Rapleaf are other major brokers of consumer data (see 36.9.1).

36.5 Consumer Valuation Scores

Consumer valuation scores, also called buying-power scores and e-scores, measure consumers’ potential value to marketers.

“What’s your e-score? You’ll probably never know. That’s because scores are largely invisible to the public. But they are highly valuable to companies that want – or in some cases, don’t want – to have you as their customer. Online consumer scores are calculated by a handful of start-ups, as well as a few financial services stalwarts, that specialize in the flourishing field of predictive consumer analytics. It is a Google-esque business, one fueled by almost unimaginable amounts of data and powered by complex computer algorithms. The result is a private, digital ranking of American society unlike anything that has come before. A growing number of companies, including banks, credit and debit card providers, insurers, and online educational institutions are using these scores to choose whom to woo on the Web. These scores can determine whether someone is pitched a platinum credit card or a plain one, a full-service cable plan or none at all. They can determine whether a customer is routed promptly to an attentive service agent or relegated to an overflow call center.”

The New York Times
Consumer valuation scores can take into account facts like occupation, salary, home valuation, spending on luxury goods, and more. Unlike credit scores, consumer valuation scores are unregulated and data is not available to consumers for review.

The largest e-score data providers include eBureau, Neustar, and TruSignal (see 36.9.2). eBureau scores about 20 million adults each month and provides data primarily to financial businesses. TruSignal scores about 110 million consumers monthly for advertisers seeking select audiences for online ads.

36.6 Product Use Insight

Any Internet-connected device can transmit product usage data that can be tracked and assessed. One example is e-readers. Over 20% of U.S. adults own either a tablet or an e-reader. Those who own the devices read about 65% of their books in digital form; few are aware that their digital-format books are also reading them.

The major players in e-book publishing – Amazon, Apple, and Google – can track which search terms readers use to find books, how long they spend reading, and how far they get into the books they have read. Book apps for tablets like the iPad, Kindle Fire, and Nook record how many times readers open the app and how much time they spend reading. Retailers and some publishers are sifting through the data and gaining unprecedented insight into how people engage with books.

Start-ups Smashwords (www.smashwords.com) and Entitle (www.entitle.com), among others, are using tracking technologies to provide insight for writers that will help them produce more of what readers want.

“The move to exploit reading data is one aspect of how consumer analytics is making its way into every corner of the culture. Amazon and Barnes & Noble already collect vast amounts of information from their e-readers but keep it proprietary. Now the start-ups ... are hoping to profit by telling all.”

The New York Times

The diversity of products and applications for assessing consumers through their personal smart devices is vast.

Other data-producing products include Internet-synced bathroom scales and calorie-and-exercise systems like Fitbit and Nike+ FuelBand.
“Beyond fitness and healthcare, the data mined from sensor-equipped products could hold huge advantages for marketers. The biggest opportunity could be in more simple product categories, such as consumer packaged goods, in which general data-gathering technology helps marketers test ideas and could eventually guide everything from product positioning to distribution.”

Advertising Age

Ad agencies are becoming involved in the field. SapientNitro, for instance, launched Iota Partners (www.iota-partners.com), a consumer research agency that equips products with sensors that monitor consumer activities.

36.7 Data Integration

In a survey by McKinsey & Company (www.mckinsey.com), 32% of marketing executives said the ability to generate and leverage deep customer insights was the most important digital challenge they faced.

A survey by DataXu (www.dataxu.com) found that just 30% of U.S. executives reported that their company had the ability to leverage the value of their customer data.

To analyze customer data and segment their audiences for personalized marketing, companies often turn to specialty software companies like Monetate, MyBuys, RichRelevance, and SmartFocus (see 36.9.3).

Among large companies, the integration of customer databases is advancing rapidly. According to Internet Retailer, over 50% of the 500 largest online retailers in the U.S. use customer databases for personalized marketing.

36.8 Regulatory Oversight

The Fair Credit Reporting Act requires that consumer reporting agencies, the companies that compile credit data, show people their credit reports and allow them to correct errors. Personal data that falls outside of the Act is largely unregulated. Although the Federal Trade Commission has issued a consumer privacy report urging companies that collect and share customer information to give people more notification
and control over the proliferation of their personal details, the recommendations don’t have the force of binding regulations.

Data brokers, for their part, are beginning to offer some transparency of the data they collect. Acxiom, for example, launched a website that gives consumers a glimpse of some of the data the company has collected about them. Visitors who log in to Aboutthedata.com may review data about themselves – ranging from their pet ownership to their leisure activities.

“
They’re the lifeblood of a marketing industry bent on efficiency and accurate targeting, but data-mining companies have for decades operated under a shroud of mystery and are not so easily trusted when it comes to consumers and privacy activists. Data giant Acxiom is aiming to quell concerns with a little transparency in the hopes it will pacify lawmakers threatening to curb the industry’s practices and preempt heightened consumer concern about data security and privacy.”

Advertising Age

36.9 Key Players

36.9.1 Data Brokers

Datalogix, 10075 Westmoor Drive, Westminster, CO 80021. (303) 327-1600. (www.datalogix.com)

Epsilon, 6021 Dallas Connection Drive, Irving, TX 75039. (800) 309-0505. (www.epsilon.com)

Equifax, 1550 Peachtree Street NE, Atlanta, GA 30309. (866) 816-8573. (www.equifax.com)
36.9.2 Consumer Valuation Data Sources

- **eBureau**, 25 6th Avenue North, St. Cloud, MN 56303. (320) 534-5000. (www.ebureau.com)
- **Neustar**, 21575 Ridgetop Circle, Sterling, VA 20166. (571) 434–5400. (www.neustar.biz)

36.9.3 Data Integration Software

- **Monetate**, 951 E. Hector Street, Conshohocken, PA 19428. (877) 666-3828. (www.monetate.com)
- **MyBuys**, 411 Borel Avenue, Suite 100, San Mateo, CA 94402. (650) 544-2400. (www.mybuys.com)
- **SmartFocus Inc.**, 18 West 18th Street, 11th Floor, New York, NY 10011. (646) 356-1169. (www.smartfocus.com)
36.9.4 Trade Associations
Chief Marketing Officer [CMO] Council, 1494 Hamilton Way, San Jose, CA 95125. (408) 677-5300. (www.cmocouncil.org)


Direct Marketing Association, 1120 Avenue of the Americas, New York, NY 10036. (212) 768-7277. (www.the-dma.org)


36.9.5 Privacy Advocacy Groups

Future of Privacy Forum, 919 18th Street NW, Suite 901, Washington, DC 20006. (877) 842-2226. (www.futureofprivacy.org)

United States Public Interest Research Group, 218 D Street SE, First Floor, Washington, DC 20003. (202) 546-9707. (www.uspirg.org)

36.9.6 Federal Agencies
CUSTOMER COMMUNICATIONS

37.1 Preferred Communications By Sector

A survey by Principal Financial Group (www.principal.com) found that consumers generally prefer communications with companies and brands via email. In lieu of email communications, consumers are open to in person, postal mail, and telephone communications when appropriate. Less than 10% of consumers prefer to be contacted via social media, online chat, and text message.

When asked by Principal Financial Group their preferred method of contact by brands in various sectors, responses were as follows:

**Financial Institutions**
- Email: 43%
- In person: 22%
- Postal mail: 15%
- Telephone: 11%
- Online chat: 5%
- Text message: 3%
- Social media: 2%

**Insurance Companies**
- Email: 42%
- Telephone: 19%
- In person: 14%
- Postal mail: 13%
- Online chat: 5%
- Social media: 4%
- Text message: 4%

**Retailers**
- Email: 47%
- In person: 28%
- Postal mail: 8%
- Social media: 6%
- Telephone: 5%
- Online chat: 5%
- Text message: 2%
Wellness Centers
• Email: 43%
• In person: 28%
• Postal mail: 9%
• Social media: 9%
• Telephone: 6%
• Text message: 3%
• Online chat: 2%

37.2 Promotions
CrossView (www.crossview.com) found shoppers’ preference for delivery of retail promotions as follows:
• Email: 37%
• Mailer: 23%
• Text message: 18%
• In-store: 11%
• Social media: 9%
• Other: 3%

37.3 Customer Service
According to the Customer Service Barometer, by American Express (www.americanexpress.com), the preferred channel for making customer service inquiries is as follows:

Simple Inquiry
• Email or company website: 36%
• Speaking with a person by telephone: 14%
• Telephone automated voice-response system: 12%
• Face-to-face: 9%
• Online chat/instant messaging: 9%
• Smartphone app: 9%
• Text message: 6%
• Social network: 5%

More Complex Inquiry
• Speaking with a person by telephone: 37%
• Face-to-face: 19%
• Email or company website: 17%
• Online chat/instant messaging: 12%
• Telephone automated voice-response system: 5%
• Social network: 4%
• Smartphone app: 3%
• Text message: 3%
**Difficult Inquiry**
- Speaking with a person by telephone: 48%
- Face-to-face: 24%
- Email or company website: 10%
- Telephone automated voice-response system: 5%
- Online chat/instant messaging: 4%
- Smartphone app: 3%
- Social network: 3%
- Text message: 2%

According to *The 2018 eMarketer Ecommerce Insights Report*, the preferred method for interacting with a brand/website’s customer support team is as follows (percentage of respondents):

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Email</th>
<th>Live chat</th>
<th>Phone</th>
<th>Website inquiry</th>
<th>Social media</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-29</td>
<td>28%</td>
<td>37%</td>
<td>23%</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>30-39</td>
<td>23%</td>
<td>46%</td>
<td>24%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>40-49</td>
<td>32%</td>
<td>37%</td>
<td>22%</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>50-59</td>
<td>37%</td>
<td>26%</td>
<td>27%</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>60+</td>
<td>31%</td>
<td>25%</td>
<td>36%</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>32%</td>
<td>30%</td>
<td>29%</td>
<td>7%</td>
<td>1%</td>
</tr>
</tbody>
</table>

**37.4 Text Message Communications**

While consumers generally do not like receiving unsolicited text messages from brands, they often prefer texting when they initiate the communications.

In a survey by Ovum (www.ovum.com), respondents said they would prefer to send a text rather than call a company for the following reasons (percentage of respondents):
- Less time consuming: 44%
- More convenient: 42%
- Less frustrating: 30%
- Enables me to ask the company to text: 26%
- To have a record of the communication: 19%
- Less expensive way of contacting a company: 17%

A survey by Mobile Ecosystem Forum (https://mobileecosystemforum.com) found that 65% of mobile users have communicated with businesses via mobile apps; 76% have done so via SMS. Messaging with businesses was reported as follows (percentage of respondents):
- Bank or financial institution: SMS 33% App 22%
- Consumer goods provider: SMS 26% App 15%
- Website/email service provider: SMS 24% App 17%
- Order information communication: SMS 23% App 16%
- School or university: SMS 17% App 14%
<table>
<thead>
<tr>
<th>Service Type</th>
<th>Unfavorable</th>
<th>Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointment confirmation</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>Healthcare professional</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Employer</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Social or sports club</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Airline</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Utility</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Government department/local authority</td>
<td>9%</td>
<td>6%</td>
</tr>
</tbody>
</table>

### 37.5 Social Media Communications

The 2018 National Tracking Poll, by Morning Consult (www.morningconsult.com), found adult Internet users’ attitudes toward brands that interact with people on social media as follows (percentage of respondents):

- Like it and think it’s genuine: 12%
- Like it but don’t think it’s genuine: 21%
- Don’t like it but think it’s genuine: 12%
- Don’t like it and don’t think it’s genuine: 28%
- No opinion: 28%

“Be wary of how far you tilt your customer service toward social media. Even among Millennials, Internet users still prefer more old-fashioned types of communication – including digital ones, of course. Email is Millennials’ channel of choice for communicating with retailers.”

emMarketer
38.1 Overview

Customer relationship management, or CRM, is defined as the tools, technologies, and procedures to manage, improve, or facilitate sales, support, and related interactions with customers, prospects, and business partners throughout a company.

CRM involves the use of technology to optimize business processes through organization, synchronization, and automation. This optimization primarily involves activities related to sales, but may also involve activities related to technical support, marketing, and customer service. The primary goals of CRM are related to discovering and engaging new customers as well as maintaining relationships with established customers, restoring relationships with former customers, and minimizing resources used on marketing and serving customers.

“The universal rule of thumb in businesses, or the 80-20 rule, states that 80% of a business’s sales come from 20% of its customers; this goes to show the importance of customer relationship management. Without a CRM, a sale is just a one-time sale; you create a loyal customer and improve his buying frequency only by ensuring proper service.”

RelationshipManagement.org

Successful implementation of CRM may yield higher productivity in sales; streamlined marketing and sales processes; improved levels of service, retention and loyalty; increases in cross-selling and up-selling; higher rates of closes; increased efficiency in call centers; reductions in expenses; more accurate targeting and profiling; higher overall levels of profit; increases in market shares, and marginal costs.
CRM is used extensively in B2C sectors where a close relationship with clients is essential. CRM is most applicable for high cost products or services, and where spending per customer is high.

### 38.2 Benefits Of CRM

A survey by Insightly (www.insightly.com) asked marketing executives the ways in which use of CRM has improved their business. Responses were as follows (percentage of respondents):

- Better customer service/customer responsiveness: 44%
- Easier to manage projects across departments: 38%
- Increased ability to collaborate across teams and departments: 36%
- Sales and marketing teams are better connected: 34%

“Based on Insightly’s survey, roughly two-thirds of respondents also saw sales increase between 10% and 49% as a result of their CRM solution use, a statistic which suggests many more executives will be giving the technology a closer look in the near future.”

eMarketer

### 38.3 CRM Spending

Markets and Markets (www.marketsandmarkets.com) assesses total CRM spending (B2C and B2B) as follows:

- 2013: $17.2 billion
- 2014: $18.4 billion
- 2015: $19.7 billion
- 2016: $21.1 billion
- 2017: $22.6 billion
- 2018: $24.2 billion

The CMO Survey, conducted biennially by Duke University’s Fuqua School of Business (www.fuqua.duke.edu), found that CRM spending growth consistently outpaces brand spending growth by around 2 to 3 percentage points.
38.4 CRM Technology Products
A list of vendors of customer relationship management software is provided in Appendix E.

38.5 Market Resources
CRM Directory (www.crmdirectory.com)
RelationshipManagement.org (www.relationshipmanagement.org)
39.1 The Importance of Customer Retention

Researchers at The Center for Retail Management at Northwestern University (www.kellogg.northwestern.edu/research/retail/) assessed that 12% to 15% of a business’s most loyal customers comprise 55% to 70% of the company’s total sales. Bain Consulting (www.bainllc.com) found the average company loses 20% to 40% of its customers every year. Reducing customer attrition by a mere 5% can improve a business’s bottom line profits by 25% to 85%. Similarly, increasing customer loyalty by 1% is equivalent to reducing costs by 10%.

39.2 Retention Strategies

According to a survey by Loyalty 360 - The Loyalty Marketer’s Association (www.loyalty360.org), 84% of business-to-consumer (B2C) companies use customer retention marketing strategies; 49% believe their strategies are working. Forty-nine percent (49%) of companies believe they know or have identified their best, most loyal customers.

Eighty percent (80%) of companies collect and assess data to help evaluate retention program performance. Respondents claim the most important outcomes of data insight are better understanding of customers’ attitudes and behavior (32%) and improved customer experience (25%).

The following are the most commonly used strategies for customer retention (percentage of respondents):

- Rewards programs: 65%
- Social media: 65%
- Personal interaction; 1-on-1 marketing: 64%
- Mobile: 49%

39.3 Retention Of Online Customers

In a survey conducted by e-tailing Group (www.e-tailing.com), executives in online retail companies said they take the following measures for customer retention (percentage of respondents):

- Pricing or promotional strategies: 81%
- Easier online search relevance/options: 79%
Site redesign or enhancements: 79%
Email on pre-established frequency: 76%
Right in-stock assortment: 76%
Usability testing: 71%
Rich media: 64%
Editorial, expert reviews, user content: 62%
Elevated brand differentiation: 54%
Social media elevation: 44%

Ninety-three percent (93%) of executives said their companies use analytics to see what customer retention measures are effective.

39.4 Benefits Of Customer Retention Programs
Respondents to a survey of marketing executives by Forbes Insights (www.forbes.com/forbesinsights) found the most important benefit of customer retention programs as follows (percentage of respondents):
• Referrals and recommendations from existing customers: 32%
• Driving incremental purchase from existing customers: 19%
• Reduction of marketing costs: 16%
• Increased revenue per customer over time: 14%
• Predictable revenue: 10%
• Profitable revenue: 9%

“Customer retention is a key area of focus for many marketing organizations. In research conducted by Forbes Insights, 32% of executives polled said their customer retention efforts were instrumental in creating sources of referrals and recommendations from existing customers.”

eMarketer

The Forbes Insights survey identified the primary barriers to investing more in customer retention (percentage of respondents):
• Inability to measure ROI of retention tactics: 42%
• Technology limitations: 37%
• Company business model strategy on acquisition over retention: 28%
• Lack of buy-in from executives: 28%
• Lack of expertise on the marketing team: 23%
• Lack of budget: 23%
• Organizational structure does not support it: 19%
40

CUSTOMER SERVICE

40.1 Overview

In the Brand Loyalty Survey, by ClickFox (www.clickfox.com), survey respondents said providing exceptional customer service is the #1 way companies can build brand loyalty.

The NPD Group (www.npd.com) found that 56% of consumers consider customer service an extremely important factor in deciding where they shop.

A survey by Dimensional Research (www.dimensionalresearch.com) asked consumers about recent interactions with customer service departments of mid-sized companies. Responses were as follows:

**Good Customer Service**

- The problem was resolved quickly: 69%
- The person who helped me was nice: 65%
- The problem was resolved in one interaction: 63%
- The outcome was what I was originally hoping for: 47%

**Bad Customer Service**

- I had to explain my problem to multiple people: 72%
- The person I dealt with was unpleasant: 67%
- My problem took too long to resolve: 65%
- The problem was not resolved: 51%

*What Do Consumers Really Think About Customer Service*, a 2018 report by Genesys (www.genesys.com) reported that 57% of adult consumers sometimes make purchase decisions based on customer service reputation; 15% nearly always do so.

“Customer service can make or break a company’s reputation.”

eMarketer, 10/23/18
40.2 Perspectives On Customer Service
Customers, retail management, and retail employees have differing views on what constitutes good customer service.

A May 2019 survey by Pega (www.pega.com) asked each of the three groups about the most important aspect of customer service. Responses were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Customers</th>
<th>Management</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quick resolution of the issue:</td>
<td>59%</td>
<td>46%</td>
<td>53%</td>
</tr>
<tr>
<td>Knowledgeable service agents:</td>
<td>48%</td>
<td>39%</td>
<td>49%</td>
</tr>
<tr>
<td>Fast response:</td>
<td>47%</td>
<td>38%</td>
<td>41%</td>
</tr>
</tbody>
</table>

“Marketers and business leaders often prioritize customer service initiatives that don’t always align with the needs of the customer.”

eMarketer, 6/1/19

40.3 Customer Service Channels
A wide range of channels is available for customer service: chat, email, online, social media, and text/SMS.

Aspect (www.aspect.com) reported the following percentages of adults feel it is very important for companies to offer a variety of customer service channels (percentage of respondents):

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials:</td>
<td>74%</td>
<td>73%</td>
<td>74%</td>
</tr>
<tr>
<td>Gen X:</td>
<td>72%</td>
<td>70%</td>
<td>71%</td>
</tr>
<tr>
<td>Baby Boomers:</td>
<td>70%</td>
<td>72%</td>
<td>71%</td>
</tr>
<tr>
<td>Total:</td>
<td>73%</td>
<td>72%</td>
<td>73%</td>
</tr>
</tbody>
</table>

40.4 Consumer Opinions Of Customer Service
Customer Service Barometer, by American Express (www.americanexpress.com), asked consumers about their opinions and recent experiences related to customer service. The following are findings among U.S. adults (percentage of respondents):

General Customer Service Experiences
- Exceed expectations: 62%
- Meet expectations: 29%
- Miss expectations: 5%
Influence Of The Current Economy
- Businesses pay less attention to good customer service: 38%
- Businesses have increased their focus on providing good customer service: 29%
- Businesses’ attitudes about customer service have not changed: 26%

Spending With Companies That Provide Good Customer Service
- Willing to spend >20% more: 16%
- Willing to spend 10% more: 24%
- Willing to spend 5% more: 29%
- Not willing to spend more: 14%
- Uncertain: 18%

Ways A Company Can Stand Out With Customer Service
- Deliver the promised value at the right price: 29%
- Make it easy to do business with them online and offline: 22%
- Recognize customer as an individual who deserves personalized service: 21%
- Provide products and services that meet customer needs: 19%
- Make it easy to find information about products and services: 9%

Very Important Factors In Providing An Excellent Customer Service Experience
- Provide a satisfactory answer to questions: 86%
- Connect customer with someone who is knowledgeable: 78%
- Provide thanks for being a customer: 45%
- Provide personalized service: 45%
- Follow-up regarding customer’s shopping experience: 27%
- Address customer by name: 21%

Most Important Attribute Of A Successful Customer Service Professional
- Efficient - answers questions or handles transactions quickly: 33%
- Empowered - handles requests without transfers or escalations: 29%
- Courteous - is polite and cordial: 17%
- Human - connects personally; shows empathy: 14%
- Consultative - gives relevant information about product or experience: 7%

Frequency Of Telling Others About Good Experiences
- All the time: 46%
- Sometimes: 47%
- Rarely: 6%
- Never: 1%

Frequency Of Telling Others About Bad Experiences
- All the time: 60%
- Sometimes: 35%
- Rarely: 5%
- Never: 0%
Most Likely Influences To Try A New Company

- Recommendations from a friend or family member: 42%
- Sale or promotion: 34%
- Company reputation: 15%
- Online or social media review: 5%
- Interesting advertisement: 3%
- Engaging website: 2%

Number Of Poor Service Instances Before Switching Companies

- Immediately after initial experience: 37%
- Two or three instances: 58%
- Four or five instances: 4%
- Six or more instances: 1%

Maximum Time (in minutes) Willing To Hold On Phone With A Call Center

- Less than 5 minutes: 22%
- 5 to 10 minutes: 27%
- 10 to 15 minutes: 22%
- 15 to 30 minutes: 17%
- More than 30 minutes: 12%

When asked to rank the most important factors when choosing a company with which to do business, responses were as follows:
1. Good value for the price
2. Excellent customer service
3. Better products
4. Easy to do business online
5. Convenience

40.5 Impact By Segment

A survey by Corra (www.corra.com) asked U.S. adults which sectors they have had the most trouble with when it comes to customer service. Responses were as follows (percentage of respondents):

- Cable companies: 71%
- Cellphone providers: 56%
- Airlines: 44%
- Restaurants: 36%
- Retail stores: 27%
- Banks: 21%
- Online stores: 17%
- Hotels: 14%
While customer service is important across all consumer sectors, the influence varies by segment. The following are some industry-specific influences:

**Airlines**
An assessment by *Forbes* found airline quality ratings (i.e., on-time arrivals, denied boardings, mishandled baggage, and customer complaints) do not seem to influence revenue.

**Drugstores and Pharmacies**
The *National Pharmacy Study*, conducted by J.D. Power and Associates ([www.jdpower.com](http://www.jdpower.com)), found customer service, not price, was most important among consumers with respect to store loyalty at drugstores and pharmacies.

**E-Commerce**
Customer service ranks low among attributes most important to online shoppers. In a survey by A.T. Kearney ([www.atkearney.com](http://www.atkearney.com)), the ability to find specific products, free shipping, finding favorite brands, best prices, ease of navigation, site security, special promotions, free samples, peer reviews, and the availability of new products all ranked above customer service.

Still, many online shoppers do expect some level of customer service. In a survey by OneUpWeb ([www.oneupweb.com](http://www.oneupweb.com)), 32% of Internet users said they expect live chat. A survey by comScore ([www.comscore.com](http://www.comscore.com)) found 35% of online shoppers would like online retailers to improve the availability of live customer service.

**Restaurants**
Empathica ([www.empathica.com](http://www.empathica.com)) found that 20% of consumers value good service over good food at fine- and casual-dining establishments. Even in fast-food restaurants, service trumps food quality.

A *Gallup Poll* ([www.gallup.com](http://www.gallup.com)) found that the biggest driver of engagement in a fast-food restaurant is being treated as a valued customer. Warmth of the greeting ranked second in the survey; taste of food ranked third. Gallup found that a fully engaged customer will spend $33.90 on fast food per month, 16% more than the $29.24 spent by a non-engaged consumer.
41.1 Overview
Consumer marketing has evolved from a creative process into a highly data-driven process. Data-driven marketing refers to acquiring, analyzing, and applying information about consumer wants, needs, context, behavior, and motivations.

“While data-driven marketing refers to a wide range of marketing tactics, many executives mention cross-channel and cross-device marketing and advertising, along with lookalike targeting, as three of the most popular data-fueled marketing tactics.”

eMarketer

41.2 Market Assessment
Winterberry Group (www.winterberrygroup.com) estimates 2018 spending by marketers in the United States on data and data-related services at $20.1 billion, a 10.8% increase from the previous year. The spending distribution was as follows (change from previous year in parenthesis):

- Offline data: $9.6 billion (-1.3%)
- Digital data: $7.0 billion (34.1%)
- Email data: $1.7 billion (15.8%)
- TV data: $1.7 billion (3.5%)

41.3 Customer Data Platforms
At the heart of data-driven marketing is the customer database. The customer data platform (CDP) creates a unified customer database that is accessible to other systems. Data is pulled from multiple sources and combined to create a single
customer profile. This data provides real-time segmentation for personalized marketing.

“Customer data platforms are the hot thing in marketing tech right now, but many of their functions are not that novel. CDPs are similar to other types of data storage vendors such as data management platforms (DMPs), which are used to manage advertisers’ and publishers’ audience data. Vendors who sell CDPs claim that their differentiation comes from dealing exclusively with first-party data and having use cases that extend beyond media and advertising.”

eMarketer, 8/17/18

According to a survey by The Relevancy Group (www.relevancygroup.com), B2C marketers have integrated data/sources/systems into their CDP as follows (percentage of respondents):
- CRM data: 64%
- Customer profiles, demographics: 61%
- Customer online spending: 54%
- Customer service/support information: 48%
- Website behavior: 39%
- Email marketing response data: 33%
- Digital advertising response data: 29%
- Customer offline spending: 22%
- Mobile behaviors, app utilization: 22%
- Previous marketing offers: 21%

41.4 Challenges In Data-Driven Marketing
A survey by Winterberry Group for the Global Alliance of Data-Driven Marketing Associations (GDMA, www.globaldma.com) found the leading challenges of data driven
marketing as follows (percentage of respondents; each respondent selected up to three challenges):
• Heightened regulation of personal/audience data: 43%
• Ad blocking: 38%
• General economic conditions: 34%
• Lack of visibility into performance/results generated by advertising/marketing efforts: 31%
• Ad fraud caused by bots (or non-human traffic): 27%
• Changes to search engine algorithms: 25%
• Lack of expertise to lead efforts (related to technology, analytics, best practices): 22%
• Lack of capable marketing technology:
• Lack of appropriate audience data: 16%
• “Walled gardens” and/or lack of transparency into the nature of audiences delivered by large publishers: 14%
• Advertising viewability issues: 12%

A survey by Experian Marketing Services (www.experian.com/consumer-insights/consumer-insights.html) found the effects of having bad quality data are as follows (percentage of respondents):
• Lost sales opportunities: 56%
• Wasted time/efficiency of process: 51%
• Diminished relationships with customers/prospects: 39%

41.5 Measuring ROI
In theory, marketing return-on-investment (ROI) can be calculated using marketing spending and customer purchase data. In practice, however, accurately ascertaining these numbers and correlating market drivers with specific purchases is complex.

A survey by Forbes Insights (www.forbes.com/forbesinsights) found marketing executives used analytics to measure campaign ROI as follows:
• For all marketing engagements: 21%
• For most marketing engagements: 34%
• For some, but less than half of marketing engagements: 12%
• Only for a few select projects: 13%
• Not at all: 4%

In a survey by Millward Brown Digital (www.millwardbrowndigital.com), 74% of marketing executives said they would invest more in social media if better ROI metrics existed. Seventy-nine percent (79%) said they would invest more in mobile, and 78% would spend more on digital if ROI could be tracked better.
In a survey by Webmarketing123 (www.webmarketing123.com), B2C marketers said they can ascertain clear ROI for campaigns in the following channels (percentage of respondents):
• Paid search: 51%
• Email: 44%
• Search engine optimization: 31%
• Social media: 27%
• Display ads: 25%

41.6 Attribution
The primary challenge in assessing ROI is attribution, or assigning credit to a particular marketing-driven interaction or other brand touchpoint.

When asked in a survey by Webmarketing123 about the attribution models used to measure ROI, marketing executives responded as follows:
• Multichannel (all influencing touchpoints): 21%
• Last touch (conversion): 19%
• First and last touchpoint (lead source and conversion): 18%
• First touch (lead source): 15%
• Don’t have an attribution model in place: 38%

41.7 Implementation
When U.S. advertising and marketing professionals were asked in a survey by Winterberry Group for GDMA which area data-driven marketing their company practice, responses were as follows (percentage of respondents):
• Maintain databases to host information on customers or prospects: 92%
• Segment data to better engage with addressable customer audiences: 91%
• Measure campaign results across multiple marketing channels: 86%
• Purchase third-party data: 74%

41.8 Market Resources

Winterberry Group, 60 Broad Street, Suite 3810, New York, NY 10004. (212) 842-6000. (www.winterberrygroup.com)
**42.1 Market Assessment**

Winterberry Group (www.winterberrygroup.com) assessed direct mail spending in 2019 at $44.3 billion, a 3.3% increase over the previous year.

IBISWorld (www.ibisworld.com) estimated telemarketing and call centers revenue in 2019 at $28.0 billion; the growth rate was 4.7%.

**42.2 Direct Mail**

The U.S. Postal Service (USPS, www.usps.com) reported marketing mail volume as follows:

- 2007: 103.5 billion
- 2008: 98.4 billion
- 2009: 81.8 billion
- 2010: 81.8 billion
- 2011: 84.0 billion
- 2012: 79.5 billion
- 2013: 80.8 billion
- 2014: 80.3 billion
- 2015: 80.0 billion
- 2016: 80.9 billion
- 2017: 78.3 billion
- 2018: 77.3 billion

Marketing mail postage spending in 2018 was $16.5 billion. Marketing mail accounted for 52.7% of USPS volume in 2018 and 23.3% of revenue.

**42.3 Effectiveness**

A survey by Target Marketing (www.targetmarketing.com) found direct marketers rate various marketing efforts for ROI with respect to customer acquisition and retention as follows (percentage of respondents):

<table>
<thead>
<tr>
<th></th>
<th>Acquisition</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct mail</td>
<td>34%</td>
<td>33%</td>
</tr>
<tr>
<td>Email</td>
<td>24%</td>
<td>37%</td>
</tr>
</tbody>
</table>
42.4 Direct Marketing Agencies

According to *Advertising Age* (April 2019), the following are the largest direct marketing agencies (parent company in parenthesis):

- Deloitte Digital: $2.51 billion
- Wunderman Thompson (WPP): $1.97 billion
- Epsilon-Conversant (Alliance Data Systems Corp.): $1.94 billion
- Merkle (Dentsu): $847 million
- Rapp (Omnicom): $795 million

42.5 Direct Marketing List Providers

Direct marketing lists provide contact information for marketers. Lists are available from list brokers, list compilers, and list managers. The following are major list providers:

- Acton International (www.acton.com)
- Acxiom Corp. (www.acxiom.com)
- ALC (www.alc.com)
- AllMedia (www.allmediainc.com)
- Bethesda List Center (www.bethesda-list.com)
- Carney Direct Marketing (www.carneydirect.com)
- Database USA (www.databaseusa.com)
- DataJoe (www.datajoe.com)
- Dun & Bradstreet (www.dnb.com)
- Dunhill International List Co. (www.dunhills.com)
- Every Market Media (www.everymarketmedia.com)
- Experian Marketing Services (www.experian.com/marketing-services/marketing-services.html)
- Harte-Hanks Market Intelligence (www.hartehanks.com)
- Hoovers (www.hoovers.com)
- Hugo Dunhill Media (www.hdml.com)
• IDG List Services (www.idglist.com)
• Infogroup Targeting Solutions (www.infogrouptargeting.com)
• International B2B Marketing Database (www.everymarketmedia.com/b2b-data/)
• Kompass North America (http://us.kompass.com)
• Kroll Direct Marketing (www.krolldirect.com)
• Lake Group Media (www.lakegroupproma.com)
• Leon Henry Inc. (www.leonhenryinc.com)
• Lighthouse List Co. (www.lighthouselist.com)
• List Services Corp. (www.listservices.com)
• Mardevdm2 (www.mardevdm2.com)
• Marketry Inc. (www.marketry.com)
• Mazzone Marketing Group (www.mazzonemarketinggroup.com)
• MCH Strategic Data (www.mchdata.com)
• Merit Direct (www.meritdirect.com)
• MetaResponse Group (www.metaresponse.com)
• Neustar Information Services (www.neustar.biz/infoservices)
• Noble Ventures (www.nobleventures.com)
• Oceanos (www.oceanosinc.com)
• PMX Agency (www.pmxagency.com)
• Q Interactive (www.qinteractive.com)
• Reach Marketing (www.reachmarketing.com)
• SMS Marketing Services (www.sms-inc.com)
• TriMax Direct (www.trimaxdirect.com)
• Valassis Lists (www.valassislists.com)
• World Innovators (www.worldinnovators.com)
• Worlddata (www.worlddata.com)
• Zoominfo (www.zoominfo.com)

42.6 Market Resources
Direct Marketing News, 201 N. Main Street, Fort Atkinson, WI 53538. (800) 538-5544. (www.dmnews.com)

Multichannel Merchant, 761 Main Avenue, Second Floor, Norwalk, CT 06851. (203) 358-5823. (www.multichannelmerchant.com)
43

DIRECT SELLING

43.1 Overview

Direct selling is person-to-person selling of a consumer product or service away from a fixed retail location. Products and services are typically marketed to customers by independent salespeople. Depending upon the company, the salespeople may be called distributors, representatives, consultants, or various other titles. With direct selling, products are sold primarily through in-home product demonstrations, parties, and one-on-one selling.

According to the Direct Selling Association (DSA, www.dsa.org), 74% of U.S. adults have purchased products from a direct seller.

43.2 Market Assessment

According to the Direct Selling Association, U.S. retail sales in the sector in 2018 were $35.6 billion, a 1.3% increase over the previous year.

There were 1.0 million full-time and 5.2 million part-time sellers in the U.S. in 2018; there were 36.6 million customers.

Sales were distributed by category as follows:

- Home/family care/home durables: 25%
- Wellness (weight loss products, vitamins, etc.): 23%
- Personal care: 22%
- Service/other: 17%
- Clothing and accessories: 10%
- Leisure/educational (books, videos, toys, etc.): 3%

Percent sales by region were as follows:

- South: 35% (South Atlantic: 15.9%; West South Central: 11%; East South Central: 5%)
- West: 27% (Pacific: 19%; Mountain: 8%)
- Midwest: 22% (East North Central: 14%; West North Central: 7%)
- Northeast: 16% (Middle Atlantic: 12%; New England: 4%)

Percent sales by location/medium were as follows:

- Person-to-person selling: 71%
- Party plan: 20%
- Other (Internet, phone, etc.): 9%

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43.3 Market Leaders
According to the Direct Selling Association, the following companies are market leaders based on U.S. annual net sales:
• AdvoCare International
• Ambit Energy
• Amway
• Arbonne International
• CUTCO/Vector Marketing Corporation
• Herbalife
• Isagenix International
• The Juice Plus+ Company
• Mary Kay Inc.
• Melaleuca Inc.
• Nerium International
• Nu Skin Enterprises
• Rodan + Fields
• Scentsy Inc.
• Stream Energy
• Take Shape for Life, Inc.- Medifast
• Team Beachbody
• Thirty-One Gifts
• USANA Health Sciences Inc.
• Young Living

43.4 Market Resources
Direct Selling Association, 1667 K Street NW, Suite 1100, Washington, DC 20006. (202) 452-8866. (www.dsa.org)
44

ENGAGEMENT

44.1 Defining Engagement

The Advertising Research Foundation (ARF, www.thearf.org) defines engagement as follows: Engagement is turning on a prospect to a brand idea enhanced by the surrounding context. The definition has not been universally recognized and the ARF, as well as others, has been working to refine the definition and establish metrics for measuring engagement.

According to the Interactive Advertising Bureau (IAB, www.iab.net), while engagement is a prevalent buzzword without a single definition, it actually describes three distinct aspects, as follows:

- Ad engagement: reviewing whether the creative is compelling and whether a consumer interacted with the ad in some way
- Content engagement: gauging which content is most captivating on a site
- Audience engagement: identifying which viewers are paying the most attention and are contributing to the conversation

In general, most industry executives agree that engagement includes an ad’s ability to break through to capture a consumer’s attention and to drive an attitudinal change.

“Even without a universally accepted definition of engagement, there is the widely held belief that engagement is an important component of online advertising. Leave it out and you miss an important diagnostic tool.”

Scott McDonald, SVP
Condé Nast
44.2 Measuring Engagement

Engagement is historically rooted in metrics such as click-through rate. The IAB report suggests that the advertising industry can move beyond its reliance on click-through as a salient measure and consider the following measures of engagement for the following three digital mediums:

**Mobile**
- Click-to-call
- Click-to-download
- Click-to-play
- Interaction rates
- Map retail location
- Share rates

**Rich Media**
- Display times
- Expansion times
- Expansions
- Form responses
- Game play
- Interaction time/rate
- Share rates

**Video**
- Completion rates
- Median video viewing time
- Play rate
- Play-through rate
- Share rates

Social media introduces even more metrics to the engagement concept, as follows:

**Collaboration**
- Commenting
- Liking
- Rating
- Sharing
- Voting

**Consumption**
- Listening
- Reading
- Viewing
44.3 Brand Engagement

Brands face a major challenge when trying to increase customer engagement: Consumers are busy and spend little time ‘engaging’ with brands while shopping. According to a study by the Ehrenberg-Bass Institute of Marketing Science (www.marketingscience.info), the average consumer spends 13 seconds purchasing a brand in-store. Online, the average consumer spends 19 seconds purchasing; the majority spend less than 10 seconds.

“The idea that consumers ‘engage’ with brands is no doubt true for a small set of consumers and a small set of high involvement categories and brands, but for the vast majority of brands, consumers are not engaged to or with brands. They’re just buying them. The simple truth is this: for most categories, consumers have a small repertoire of brands that are acceptable, and they spend little time thinking about purchase decisions. Their lives are already full of spouses, kids, events and other activities, and most people simply don’t have the time or energy to engage with brands in any meaningful way. Consumers most often default to making purchase decisions based on simple habit (e.g., previous purchase) or instinct.”

Randall Beard, President
Nielsen North America
44.4 Brand Activation
Brand activation is a relatively new marketing buzzword with a meaning similar to engagement. It is also a term without a universally recognized definition.

In general, brand activation involves bringing the spirit of a brand to life by creating brand experience. It aims to present an authentic reflection of the brand and brand values. Brand activation focuses on building a long-term emotional connection between a brand and its customers, includes interactive activities or content, and extends a brand's power to communicate.

Brand activation is sometimes used interchangeably with brand engagement.

44.5 Market Resources
Advertising Research Foundation, 432 Park Avenue South, 6th Floor, New York, NY 10016. (212) 751-5656. (www.thearf.org)

Interactive Advertising Bureau (IAB), 116 East 27th Street, 7th Floor, New York, NY 10016. (212) 380-4700. (www.iab.net)
45.1 Overview

Event marketing, also called engagement marketing and experiential marketing, is broadly defined as live events where audiences interact with a product or a brand. Popular events include sports events, fairs and festivals, parties, and concerts.

With consumers overwhelmed by the 5,000 or so ads they are exposed to daily – many shutting out much of this promotional content – the engagement offered by event marketing can be highly effective.

“While traditional marketing is based on a volume of target audience impressions, experiential marketing involves engaging with consumers in a manner than enables them to feel the brand versus simply being exposed to it. The payoff? Marketers taking the experiential plunge find they are gaining deeper, more genuine connections with consumers.”

Advertising Age

45.2 Market Assessment

PQ Media (www.pqmedia.com) estimates annual event marketing spending at $37 billion. This figure reflects only consumer events where the sponsoring brand owns the event and receives top billing; sponsorships of third-party events, such as sporting events and concerts, are not included. Spending on trade shows, parties, and other such events is also excluded.

IEG (www.sponsorship.com) estimates that U.S. brands spent $936 million in 2018 for festivals, fairs, and annual events.
45.3 Event Specialists

According to Advertising Age (April 2019), the following are the largest event marketing agencies:

- Advantage Marketing Partners: $1.28 billion
- Freeman: $336 million
- George P. Johnson (Project Worldwide): $226 million
- Mosaic (Acosta): $205 million
- Momentum Worldwide (Interpublic): $173 million

45.4 Effectiveness

The Advertising Research Foundation (ARF, www.thearf.org) recently completed an assessment of the impact of event marketing on consumer purchasing habits. ARF studied 12 companies, including Coca-Cola, Frito-Lay, and State Farm Insurance, that hosted events. The study, conducted by Harris Poll (www.theharrispoll.com), polled about 5,000 consumers after they had attended sponsored events. The study found that purchase intent rose 11% to 52% among consumers who attended brand-sponsored events such as sports competitions, walk-a-thons, and theme park outings. Such purchase intent translated to sales about 50% of the time. Sports-related events were found to have the greatest impact.

A survey by Jack Morton Worldwide (www.jackmorton.com) provides the following assessment of the effectiveness of experiential marketing:

- Respondents ranked experiential marketing as the #1 medium most likely to result in purchase.
- Eighty-five percent (85%) agree they would tell others about participating in a live event.
- Eight-two percent (82%) agree that participating in experiential marketing is more engaging than other forms of communication.
- Eight-one percent (81%) agree that experiential marketing would make them more receptive to other marketing from the product/brand.
- Eighty percent (80%) agree that experiential marketing is more likely to give them information than other forms of communication.
- Over 50% sampled a product, told others via word-of-mouth, went online, or contacted the company after participating in a brand experience.

According to a survey by Group M Next (www.groupmnext.com), 33% of concertgoers remember the show partner of the last live event they attended. Forty-four percent (44%) said music partnerships were most likely to increase positive feelings toward a sponsor brand. Forty percent (40%) said they were more likely to consider purchasing from a music event sponsor brand in the future.
45.5 Music Festivals

Nearly 700 music festivals are held across the U.S. each year. Most attract a local audience, but people travel from across the U.S. and internationally for some of the major festivals. According to Advertising Age, the average music festival has more than 15 sponsors; CMA Fest had 58 official sponsors in 2018, the most of any festival.

“Savvy marketers know that offering fun, unique experiences at music festivals can make brands stick in consumers’ minds in ways that go beyond more traditional marketing approaches. Festival sponsorships can include everything from sponsoring a stage to securing pouring rights to quench the thirsts of thousands. Brands can set up areas where fans can meet their favorite stars, or at least be able to hear them a bit better from the comfort of a limited-access lounge.”

Advertising Age, 7/29/19

The following are annual music festivals that attract a national and international audience:

• Austin City Limits Music Festival (Austin, TX; October)
• Bonnaroo Music Festival (Manchester, TN; June)
• Budweiser Made In America (Philadelphia, PA; September)
• Classic East (New York, NY; July)
• Classic West (Los Angeles, CA; July)
• Coachella Valley Music and Arts Festival (Indio, CA; April)
• Essence Music Festival (New Orleans, LA; July)
• Hard Summer Music Festival (San Bernardino, CA; August)
• Life Is Beautiful Festival (Las Vegas, NV; September)
• Lollapalooza (Chicago, IL; July-August)
• New Orleans Jazz and Heritage Festival (New Orleans, LA; April-May)
• Outside Lands Music & Arts Festival (San Francisco, CA; August)
• Rock On The Range (Columbus, OH; May)
• Summerfest (Milwaukee, WI; June-July)
• Ultra Music Festival (Miami, FL; January)
• Voodoo Experience (New Orleans, LA; October)
• Winter Music Conference (Miami Beach, FL; March)

45.6 Market Resources
Event Marketing Institute, 10 Norden Place, Norwalk, CT 06855. (203) 852-5693. (www.eventmarketing.com)
46

GREEN MARKETING

46.1 Impact On Consumer Spending

As more and more people “go green” – recycling, conserving energy, reducing
consumption, buying eco-friendly products, etc. – companies’ green initiatives, or lack
thereof, have become increasingly important.

The Green Gap Trend Tracker survey, by Cone Communications
(www.conecomm.com), found that 71% of American consumers routinely or sometimes
consider the environment when making a purchasing decision.

In a survey by Nielsen (www.nielsen.com), 34% of adults said that within the past
30 days they had purchased a product because they perceived it as environmentally
responsible.

“Any way you cut it, green is big business.
Sales of environmentally friendly products in
the U.S. exceeded $40 billion last year. This
includes $29.2 billion for organic food, more
than $10 billion for hybrid, electric, and clean-
diesel vehicles, more than $2 billion on energy-
efficient light bulbs, and $640 million on green
cleaning products.”

Advertising Age

According to Mintel (www.mintel.com), 12% of the U.S. population are True
Greens, consumers who seek out and regularly buy green products; an additional 68%
are Light Greens, or consumers who buy green sometimes.

While consumers are increasingly purchasing products with an environmental
benefit, they are more reluctant to pay a premium for these items than they were a few
years ago. The Harris Poll (www.theharrispoll.com) found consumers’ willingness to
pay more for green products as follows:
• Seek out green products as long as cost is the same: 30%
• Seek out green products even if I have to pay a little extra: 24%
• Seek out green products even if I have to pay a lot extra: 2%

46.2 Green Initiatives

Nothing speaks more for a company’s eco-conscious commitment that its actions. Some operations have programs to purchase electric power generated by renewable sources, such as wind or solar, or to purchase credits that offset their carbon footprint. Others are focused on use of green materials and waste reduction.

Big-box retailers such as Target and Walmart have begun to require their private-label suppliers to reduce oversized and over-wrapped packaging. Everything from laundry detergent to cardboard boxes used for shipping cereal is being packaged in smaller containers. PVC packages have been replaced with recyclable material or eliminated entirely for some products. Walmart also has set a goal of producing “zero waste” by 2025, including all waste flowing through its stores and offices.

Companies also demonstrate their environmental concerns through the design and operation of their facilities. The most recognized designation for efficient buildings is the Leadership in Energy and Environmental Design (LEED) certification developed by the U.S. Green Building Council (USGBC, www.usgbc.org). To be LEED-certified, buildings must earn points in five categories: sustainable sites, water efficiency, energy, materials and resources, and indoor environmental quality. At year-end 2018, there were over 40,000 registered and LEED-certified commercial buildings in the U.S.

46.3 Credibility Of Green Marketing Claims

A survey by GfK (www.gfk.com) found that many consumers are confused by green marketing. Twenty-two percent (22%) of survey respondents said they don’t know if companies’ claims are accurate, and 10% said they don’t know how well businesses fulfill their responsibility to the environment. Among consumers who weren’t confused, more than 40% thought green claims were inaccurate.

In 1992, the Federal Trade Commission issued Green Guides (www.ftc.gov/news-events/media-resources/truth-advertising/green-guides) to help marketers ensure that the claims they make about the environmental attributes of their products are truthful and non-deceptive. The Green Guides have been revised four times, most recently in 2012.

The FTC has brought several actions in recent years related to deceptive recyclability, biodegradable, bamboo, and environmental certification claims as part of its overall effort to ensure that environmental marketing is truthful and substantiated.
46.4 Green Ad Agencies

Marketers are increasingly partnering with ad agencies who share philosophies on social changes, and larger companies looking to shift focus on new efforts are also using Green Teams to help develop ad campaigns. Advertising Age notes the following agencies as active in working with clients to develop green promotions:

- Droga5
- Edelman
- GolinHarris
- Hanning Savage & Lee
- Hill & Knowlton
- Horizon Media
- ICM2
- Ketchun
- Landor Associates
- Leo Burnett Worldwide
- Ogilvy Public Relations Worldwide
- Porter Novelli
- Rapp Collins Worldwide
- Saatchi & Saatchi
- Weber Shadwick

46.5 Market Resources


IN-STORE TRACKING

47.1 Overview
Observing customers while in stores in order to understand their shopping habits dates to the mid-1990s, when Envirosell (www.envirosell.com) used video cameras to observe shopping patterns as shoppers navigated various retail environments. The 1999 book Why We Buy, authored by Paco Underhill, the founder of Envirosell, is the classic book on observational customer research.

In-store tracking has evolved from the rudimentary ‘beam-break’ systems of the 1990s to sophisticated electronic detection systems that are linked to each store visitor’s smartphone. The expanded use of in-store tracking technologies is, in part, an effort by bricks-and-mortar retailers to catch up with their online competitors.

47.2 Beacons
Beacons – small, inobtrusive electronic devices placed throughout retail stores – communicate with smartphone apps and tell the retailer a customer’s whereabouts while in the store. The accuracy is a few inches, allowing the retailer to know things like where a customer has lingered while in the store.

“When a beacon is detected, it can notify the app, even if the app is closed. Once the app recognizes the beacon, it sends information (like the products you walked by or the departments you’re lingering in) back to a company’s server. Foot traffic information can reveal personal details such as your income and exercise habits. When paired with other information about you, companies can build a rich profile of who you are, where you are, and what you buy – all without your knowledge.”

The New York Times, 6/14/19
Retailers use beacon information for location-based marketing. For example, a customer’s device can be served an ad for products that their profile and previous shopping history suggest they are likely to buy. Location-based marketing is further discussed in Chapter 50.

Beacon information can be supplemented with information from customer profiles, allowing integration with demographic and income data. The tracking data allows retailers to optimize store layouts, display placement, and signage.

In-store beacon tracking, of course, raises privacy issues. As such, implementation varies among retailers depending on their privacy policies.

“Most people aren’t aware they are being watched with beacons. Most of our concerns about privacy are tied to the online world, and can feel theoretical at times. But there is nothing theoretical about Bluetooth beacon technology that follows you into retail stores (and other venues) and tracks your movement down to the meter.”

*The New York Times, 6/14/19*

### 47.3 Smartphone Tracking

According to ABI Research ([www.abiresearch.com](http://www.abiresearch.com)), over 200,000 retail shops have installed systems to track phones, including via free Wi-Fi. The often-overlooked terms and conditions for Wi-Fi typically allow stores to see a shopper’s online search history as well as track their location.

Some retailers already use tracking to target extremely personal, location-based advertisements to customers’ phones. According to *The Economist*, some retailers even send customers discount offers via smartphone if they search a competitor about a specific product while in their store.
“Soon the world of physical shopping may come to resemble that online. At the center of it will be your phone, knowing exactly what you want, and able to lead you to within one foot of it.”

The Economist

According to Aisle411 (www.asile411.com), an indoor positioning firm, one-third of the top 100 U.S. retailers are experimenting with some mapping technology from either Google or Apple.

The day has not yet arrived when retailers greet each customer individually on their device. That is, in large part, because most retailers are wary of tracking people quite so closely – the technology is already in place for such personalization, however.

47.4 Facial Recognition

Facial recognition technology is in the early stages of development. Commercial systems are being used by retailers to determine general characteristics like age range, gender, ethnicity, and level of attention. This information is used to personalize display ads, optimize the placement of displays, and match sales staff to the customer mix.

Almax (www.almax-italy.com) has developed SeeEye, a mannequin with a camera embedded in one eye used to log customers. The $5,000 device is used by several U.S. retailers. The mannequin prompted one retailer to change its window displays after observing differences in the gender mix of customers.

Brickstream (www.brickstream.com) uses a stereoscopic camera to separate adults from children and counts people in different parts of a store to determine which aisles are most popular.

Synqera (www.synqera.com) sells software for checkout devices that tailors marketing messages to a customer’s gender, age, and mood as measured by facial recognition.

Realeyes (www.realeyes.com) analyzes facial cues for responses to ads and monitors shoppers’ so-called happiness levels in stores and their reactions at the register.
“Cameras have become so sophisticated, with sharper lenses and data-processing, that companies can analyze what shoppers are looking at, and even what their mood is.”

_The New York Times_

Fast-food restaurant chains have used facial recognition to tailor promotions to customers while they view the menu board based on their age and gender.

To dispense food samples in supermarkets, Kraft Foods uses a kiosk that can qualify shoppers by age or gender before providing a sample. Only when an adult is detected is a sample dispensed.

### 47.5 RFID Tracking

Some large retailers are implementing systems that involve RFID tags attached to the merchandise. Although not yet implemented nationwide by any major U.S. retailer, such systems are envisioned as a way to provide automated checkout by detecting every item in a shopping cart and debiting customers’ accounts so they avoid conventional checkout lines. The systems also allow precise inventory control by sending information on merchandise to the retailer and product manufacturers. The tags also will allow retailers to track merchandise back to the point of manufacture in case of a recall, or to make sure it isn’t counterfeit.

Walmart, which for many years has used RFID tags to track pallets of merchandise traveling through their supply chains, began installing on a trial basis ‘smart tags’ on apparel at some stores.

JCPenney has also announced plans to install RFID tags on inventory storewide and to replace traditional cash-wrap stations with automated self-checkout.

RFID inventory systems will provide retailers with a wealth of information beyond inventory control. Retailers will gain insight into which items are typically purchased together, track shopping navigation patterns, and more. Retailers could even track individual customers’ purchases for those who identify themselves through a location-based smartphone app, loyalty program registration, or digital coupon use.

Retailers can take steps to insure customer privacy when RFID tags are used. Walmart, for instance, requires that suppliers add the tags to removable labels or packaging instead of embedding them into clothes, to minimize fears that they are being used to track shopper’s movements outside the store.
47.6 Privacy Issues

Katherine Albrecht, founder of the advocacy group Consumers Against Supermarket Privacy Invasion and Numbering (www.nocards.org), believes that it is inevitable that some technologies such as facial recognition will advance to the point that data and shopping behaviors can be linked to individuals.

___________________________________________________________

“Privacy advocates are troubled by the array of video cameras, motion detectors, and other sensors monitoring the nation’s shopping aisles. While taping shoppers is legal, critics say it is unethical to observe people as if they were lab rats. They are concerned that the practices will lead to an even greater invasion of privacy.”

The New York Times

___________________________________________________________

Privacy advocates also have raised issues about the expanded use of RFID technology, such as identifying customers through their personal ID cards. Several states, including Washington and New York, have begun issuing enhanced driver’s licenses with embedded RFID tags and retailers could theoretically scan customers’ licenses as they make purchases, combine this identification with their credit card data, and then know the person’s identity the next time they step into the store.
48.1 Overview
People with a large following on social media or blogs are dubbed influencers. Some brands have sought out influencers who promote their products and services. It is estimated that 5% to 10% of social media users are responsible for 80% of influence. As such, brands turn influencers into brand advocates by providing them with personalized experiences that motivate them to share positive brand impressions with others.

48.2 Market Assessment
Points North Group (www.pointsnorthgroup.com) estimated payments to influencers spending by brands in the U.S. and Canada in 2018 at $845 million; $600 million was devoted to influencers on Instagram. Forbes assessed spending higher, reporting that major brands spend $255 million a month just for Instagram posts.

48.3 Influencer Marketing Tactics
The 2018 State Of Influencer Marketing Study, by Activate (https://try.activate.social), reported ways in which influencers work with branded campaigns as follows (percentage of respondents):

- I organically post about brands before eventually engaging in a paid sponsorship with them: 49%
- I am provided comprehensive brand guidelines to adhere to: 39%
- The campaigns I work on are to raise awareness: 37%
- I am often asked for my opinion by brands on content for a campaign: 30%
- The campaigns I work on are for sales conversation: 22%

In a survey by Schlesinger Associates (www.schlesingerassociates.com), marketing professionals identified tactics used for influencer marketing as follows:

- Content promotion: 67%
- Product launch: 59%
- Content creation: 59%
• Event management: 45%
• Corporate communications: 32%
• Search engine optimization: 23%
• Crisis management: 14%

In a survey of U.S. marketers, Tapinfluence (www.tapinfluence.com) and Altimer Group (www.altimergroup.com) found the most effective influencer marketing tactics as follows (percentage of respondents):
• Ongoing ambassadorships: 71%
• Product reviews: 67%
• Brand mentions: 54%
• Event coverage: 53%
• Sponsored content: 50%
• Affiliate links: 11%

48.4 Response To Influencer-Sponsored Posts

According to CivicScience (www.civicscience.com), the following percentages of social network users have made a purchase based on an influencer recommendation (percentage of respondents):
• Instagram: 34%
• Twitter: 29%
• YouTube: 26%
• Facebook: 23%

The 2018 Influencer Marketing Report, by CPC Strategy (www.cpcstrategy.com), reported that social media users had made purchases due to an influencer’s post as follows (percentage of respondents):

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail product:</td>
<td>25%</td>
<td>18%</td>
<td>22%</td>
</tr>
<tr>
<td>Concert, show, or other event:</td>
<td>15%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Travel attraction, destination, or hotel:</td>
<td>11%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Restaurant or service:</td>
<td>12%</td>
<td>12%</td>
<td>11%</td>
</tr>
</tbody>
</table>

A consumer survey by Bloglovin (www.bloglovin.com) found actions taken after seeing an influencer’s sponsored posts as follows (percentage of respondents):
• Have purchased a product/service: 54%
• Followed a brand: 45%
• Unfollowed an influencer because of too much sponsored content: 37%
• Followed an influencer because they work with a preferred brand: 30%
• Have followed influencer just for the discount: 21%
• Would pay more for a product endorsed by favorite influencer: 9%

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48.5 FTC Guidelines

The FTC requires that all influencers disclose as close to the beginning of the content as possible related sponsorships. Sponsored social media posts must include clear disclosures such as “#sponsored,” "#paid," or “#ad” before any links that lead back a brand’s landing page. In a blog post, the disclosure statement must come before the affiliate link and above the “fold” or “scroll.” Influencers also cannot use tiny fonts or pale colors in an attempt to disguise sponsorship disclosure. For videos and audio content, there must be either an audible verbal disclosure at the start or a written disclosure on a clearly legible title card at the beginning of the video.


“The FTC has signaled that it will continue to vigorously enforce truth-in-advertising compliance related to influencers.”

Advertising Age, 1/21/19

48.6 Influencer Marketing Management
Influencer Marketing 2019, by Mediakix (www.mediakix.com), reported influencer marketing challenges according to U.S. marketers as follows (percentage of respondents):

• Difficult to find the right influencers for a campaign: 61%
• Spotting fake followers and inauthentic engagement: 50%
• Social algorithm changes making content less viable: 49%
• Building an always-on strategy rather than one-off campaigns: 41%
• Rising influencer costs: 38%
• Keeping up with social media trends to stay relevant: 33%
• Building a strong creative strategy: 33%
• Reducing time spent managing campaigns: 30%
• Brand safety and alignment: 28%
• FTC regulations and requirements: 18%
• Tapping into emerging channels (e.g., Twitch): 17%
• Moving influencer marketing in-house: 12%
48.7 List Of Influencer Marketing Agencies

- 1000 Heads (www.1000heads.com)
- Agency Entourage (www.agencyentourage.com)
- AKQA (www.akqa.com)
- Buzz Marketing Group (http://buzzmg.com)
- Cramer-Krasselt (www.c-k.com)
- Dynamic Signal (www.dynamicsignal.com)
- Evolve! (www.evolveinc.com)
- Fohr Card (www.fohrcard.com)
- HireInfluence (www.hireinfluence.com)
- INF Influencer Agency (www.infagency.com)
- Infinite (www.theinfiniteagency.com)
- Influence & Co. (www.influenceandco.com)
- Influence People (www.influencepeople.com)
- Influencer Marketing Agency - IMA (www.imagency.com)
- InstaBrand (www.instabrand.com)
- JCP Digital (http://jcp.no/jcp-digital/) and JCP Ignite (http://jcp.no/jcp-ignite/)
- Medixkix (www.medixkix.com)
- Organic Inc. (www.organic.com)
- SapientNitro (www.sapientnitro.com)
- SCX Influencer Exchange (www.stylecoalition.com)
- SocialRank (https://socialrank.com)
- Socialyte Collective (www.socialyte.co)
- Something Massive (www.somethingmassive.com)
- TapInfluence (https://www.tapinfluence.com)
- Terakeet (www.terakeet.com)
- The Amplify (www.theamplify.com)
- The Media Kitchen (www.mediatour.com)
- The Mobile Media Lab (www.themobilemedialab.com)
- TopRank Marketing (www.toaprakemarketing.com)
- Tribe Dynamics (www.tribedynamics.com)
- VaynerMedia (www.vaynermedia.com)
- VentureRadar (www.ventureradar.com)
- Viral Nation (www.viralnation.com)

48.8 List Of Influencer Marketing Platforms

- Adly (www.adly.com)
- BlogDash (www.blogdash.com)
- Blogmint (www.blogmint.com)
- BrandBacker (www.brandbacker.com)
- Buzzoole (www.buzzoole.com)
- BuzzStream (www.buzzstream.com)
• Buzzsumo (www.buzzsumo.com)
• Content BLVD (www.contentblvd.com)
• Crowdly (www.crowdly.com)
• Experticity (https://business.experticity.com)
• Exposely (www.exposely.com)
• FameBit (www.famebit.com)
• Find Your Influence (www.findyourinfluence.com)
• Grapevine Logic (www.grapevinelogic.com)
• GroupHigh (www.grouphigh.com)
• Influenser (www.influenser.com)
• Influitive (www.influitive.com)
• Inkybee (www.inkybee.com)
• InNetwork (www.innetwork.net)
• InstaBrand (www.instabrand.com)
• Instafluence (www.instafluence.com)
• Izea (www.izea.com)
• Jamballa (www.jamballa.com)
• Julius (www.juliusworks.com)
• Keyhole (www.keyhole.co)
• Klear (www.klear.com)
• Klout (www.klout.com)
• Kred (www.kred.com)
• Launch Metrics (www.launchmetrics.com)
• Lithium (www.lithium.com)
• Little Bird (www.getlittlebird.com)
• Markerterly (www.marketerly.com)
• Mustr (www.mustr.com)
• NeoReach (www.neoreach.com)
• Niche.com (www.niche.co)
• Ninja Outreach (www.ninjaoutreach.com)
• Octoly (www.octoly.com)
• Onalytica (www.onalytica.com)
• Pitchbox Influencer Marketing (www.pitchbox.com)
• Popular Pays (www.popularpays.com)
• Publishr (www.publishr.io/)
• Revfluence (www.revfluence.com)
• Right Relevance (www.rightrelevance.com)
• SociaBuzz (www.socialbuzz.com)
• Speakr (www.speakr.com)
• Sverve (www.sverve.com)
• TapInfluence (www.tapinfluence.com)
• Traackr (www.traackr.com)
• Viral Nation (www.viralnation.com)
• Vizified (www.vizified.com)
• Webfluential (www.webfluential.com)
• Zoomph Influencer Marketing (www.zoomph.com)
• Zuberance (www.zuberance.com)
49.1 Market Assessment

BIA Advisory Services (www.biakelsey.com) assessed total local media advertising and marketing spending in 2019 at $148.8 billion. Traditional media spending was $89.2 billion, or 60% of the total and a 1.4% drop from the previous year. Online/digital local ad revenue is $59.5 billion, a 9% increase over the previous year.

The highest local media ad spending was in the following areas:

- Direct mail: $37.2 billion
- Local video: $29.5 billion
- Mobile: $21.8 billion
- Online/interactive: $20.2 billion
- Local radio: $14.5 billion

49.2 Sources Of Local Search Information

The Local Media Tracking Study, by the Local Search Association (www.thelsa.org), asked consumers three questions about their sources of local business information, as follows:
- What is your most trusted source for finding local business information?
- What is the most accurate source for finding local business information?
- What is the source you turn to when ready to make a purchase?

Responses were as follows (percentage of respondents):

<table>
<thead>
<tr>
<th>Source</th>
<th>Most Trusted</th>
<th>Most Accurate</th>
<th>Go-To Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print Yellow Pages</td>
<td>9%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Internet Yellow Pages</td>
<td>4%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Search engines</td>
<td>37%</td>
<td>32%</td>
<td>24%</td>
</tr>
<tr>
<td>Ratings/reviews</td>
<td>7%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Social networks</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Online videos</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Print White Pages</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Newspapers/magazines</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Circulars/email/coupons</td>
<td>4%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Daily deals</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Company website</td>
<td>11%</td>
<td>18%</td>
<td>27%</td>
</tr>
<tr>
<td>Friends/family</td>
<td>13%</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Mobile apps</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>
49.3 Top Local Search Categories

The Local Media Tracking Study ranked the most-searched categories as follows:

- Restaurants
- Supermarkets
- Physicians
- Beauty salons
- Pizza
- Clothing
- Auto repair
- Food products
- Pharmacies
- Auto parts
- Banks
- Discount stores
- Plumbing contractors
- Auto dealers
- Service stations
- Shoe stores
- Electrical equipment
- Internet
- E-merchant services
- Dentists
- Hardware stores
- Department stores
- Furniture
- Hotels
- Theaters
- Tire dealers
- Home Improvement

49.4 Local Marketing By National Brands

According to Balihoo (www.balihoo.com), 88% of national brands in North America spend some portion of their budget on local marketing. The percentage of marketing budgets allocated to local marketing is as follows:

- None: 12%
- 1% to 5%: 29%
- 6% to 10%: 14%
- 11% to 15%: 8%
- 16% to 20%: 7%
- 21% to 25%: 8%
- 25% or more: 21%
BIA Advisory Services assessed national brand spending on local media in 2019 at $62.7 billion.

49.5 Market Resources
BIA Advisory Services, 14150 Parkeast Circle, Suite 110, Chantilly, VA 20151. (703) 818-2425. (www.biakelsey.com)

Local Search Association, 820 Kirts Boulevard, Suite 100, Troy, MI 48084. (248) 244-6200. (www.thelsa.org)

Search Engine Land blog. (http://searchengineland.com)
LOCATION-BASED MARKETING

50.1 Use Of Location-Based Apps

A survey by ISACA (www.isaca.com) found that 58% of smartphone users have used location-based apps, 15% use mobile apps but have not used location-based apps, and 27% do not use apps of any type. ISACA reported that 22% of smartphone users have disabled location-based features on all apps and services; 38% have done so on some apps.

A January 2019 study by The Manifest assessed the use of location-based apps by smartphone users. The following is a summary of findings:

- Thirty-seven percent (37%) of smartphone users enable location tracking. They typically do so on 6-to-11 apps.
- Eighty-one percent (81%) of smartphone users know how to adjust their device’s location settings but may not realize their attempts to block location tracking are actually ineffective.
- Most users feel safe when using apps that track their locations. Fifty-seven percent (57%) are comfortable with apps that track their location compared to 15% of smartphone users who do not want apps knowing their whereabouts.
- Forty-two percent (42%) of people find location tracking apps convenient; an additional 29% feel safer when apps know their location.
- More than double the number of men (35%) are willing to share their location with dating apps compared to women (16%).
- Among people who feel uncomfortable using location tracking apps, 52% say it’s because they feel unsafe.
- Thirty-one percent (31%) of people want complete privacy and don’t trust companies with their information.

“Many people recognize the potential benefits of location tracking features, which offer a more unique and useful experience. Still, not everyone is comfortable with or aware of how much information apps can acquire.”

The Manifest, 1/23/19
50.2 Location-Based Marketing

Location-based marketing is a marketing strategy that serves advertising or content based on someone’s current or previous location. This allows marketers to make meaningful contact with their intended customer and improve the customer experience.

Location-based marketing is enabled when people opt-in to share their location with mobile apps on their smartphone. The location data is used in three ways, as follows:

• To serve an ad in real-time
• To serve location-based content, or push notification
• Matched to a real-world point-of-interest to create a historical audience segment for advertising at a later time

50.3 Location-Targeted Ads

BIA Advisory Services (www.biakelsey.com) assesses U.S. mobile location-targeted ad spending as follows:

• 2017: $17.1 billion
• 2018: $22.1 billion
• 2019: $26.5 billion
• 2020: $31.1 billion
• 2021: $35.5 billion
• 2022: $38.7 billion

50.4 Location Data Brokers

At least 75 companies receive anonymous, precise location data from apps whose users enable location services to get local news and weather or other information, according to The New York Times. These location data brokers include IBM, which got into the business with its purchase of the Weather Channel’s apps, and Foursquare, which remade itself from a social network into a location marketing company.

Several of the location data brokers claim to track up to 200 million mobile devices in the United States. The databases reveal people’s travels in detail, accurate to within a few yards and in some cases updated more than 14,000 times a day. These companies sell, use, or analyze the data to cater to advertisers, retail outlets, and even hedge funds seeking insights into consumer behavior.
“Many location companies say that when phone users enable location services, their data is fair game. It’s a hot market, with sales of location-targeted advertising reaching an estimated $21 billion this year.”

*The New York Times, 12/10/18*

### 50.5 Barriers To Implementation

A March 2019 survey by Retail System Research (www.rsrresearch.com) asked senior marketing executives the biggest organizational barriers in implementing location-based marketing. Responses were as follows:

- Overarching concerns about privacy prevent us from even considering these types of applications: **59%**
- Need more proof about ROI: **53%**
- Our business leaders are concerned about the ‘creepiness’ factor in tracking: **49%**
- Our company’s profitability model is based on standardized assortments and store layouts: **44%**
- Technology seems unproven: **39%**
- Business leadership can’t see value of location intelligence beyond site selection: **39%**
- Other omnichannel priorities take this off the table: **17%**
LOYALTY PROGRAMS

51.1 Participation

According to Colloquy (www.colloquy.com), there are 3.8 billion loyalty memberships in the United States. However, participation is low: roughly 2 billion memberships, or 54%, are inactive. Twenty-eight percent (28%) of consumers have dropped a program without ever having redeemed a single point.

The number of memberships by sector are as follows:

- Retail: 1.6 billion
- Travel & Hospitality: 1.1 billion
- Financial: 664 million
- Other: 462 million

*The Loyalty Report 2018*, by Bond Brand Loyalty (www.bondbrandloyalty.com), reported that U.S. consumers participate in an average of 6.7 loyalty programs.

*Promo Magazine* estimates annual spending for loyalty program development and implementation at $2.0 billion. This figure does not include the value of program rewards.

51.2 Member Demographics

YouGov (www.yougov.com) reported loyalty program member demographics as follows (percentage of participants in each group):

**Gender**

- Female: 68%
- Male: 59%

**Age**

- 18-to-24: 43%
- 25-to-34: 57%
- 35-to-44: 66%
- 45-to-54: 69%
- 55-to-64: 71%
- 65 and older: 65%
According to a 2019 survey by YouGov, among U.S. adults that are members of a loyalty program, types of programs subscribed to are as follows (percentage of respondents):

<table>
<thead>
<tr>
<th></th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail (including online)</td>
<td>58%</td>
<td>55%</td>
<td>55%</td>
<td>50%</td>
<td>44%</td>
</tr>
<tr>
<td>Supermarkets:</td>
<td>43%</td>
<td>53%</td>
<td>67%</td>
<td>70%</td>
<td>71%</td>
</tr>
<tr>
<td>Pharmacies:</td>
<td>42%</td>
<td>49%</td>
<td>56%</td>
<td>58%</td>
<td>60%</td>
</tr>
<tr>
<td>Restaurants/coffeeshops:</td>
<td>32%</td>
<td>35%</td>
<td>38%</td>
<td>33%</td>
<td>27%</td>
</tr>
<tr>
<td>Movie theaters:</td>
<td>25%</td>
<td>23%</td>
<td>28%</td>
<td>22%</td>
<td>15%</td>
</tr>
<tr>
<td>Gas stations:</td>
<td>23%</td>
<td>27%</td>
<td>29%</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>Airlines:</td>
<td>17%</td>
<td>25%</td>
<td>27%</td>
<td>30%</td>
<td>29%</td>
</tr>
<tr>
<td>Hotels:</td>
<td>12%</td>
<td>20%</td>
<td>28%</td>
<td>31%</td>
<td>28%</td>
</tr>
</tbody>
</table>

“Loyalty programs have drawn in many consumers over the years, but Millennials and Gen Z are not participating at the same levels as generations before them.”

eMarketer, 5/6/19

51.3 Customer Incentives

Technology Advice (www.technologyadvice.com) found in its survey of loyalty program reasons for participation as follows (percentage of respondents):

- Save money: 58%
- Receive rewards: 38%

When asked their preference for type of program, responses were as follows:

- Card-based: 37%
- Digital: 33%
- Either: 30%

_Pulse Of The Online Shopper_, by UPS (www.ups.com), reported the most valuable loyalty benefits as follows (percentage of respondents):

- Free product, gift certificate, or cash back for frequent purchases: 61%
- Product discounts: 58%
- Free shipping: 57%
- Exclusive access to sales, promotions, and new products: 30%
- Low-cost one- or two-day shipping: 15%
- Convenience or higher priority service: 8%
- Elevated status: 7%
- Personalization - knowing customer upon sign-on: 7%
- Customized recommendations based on shopping preferences: 6%

A survey by Colloquy reported reasons that people continue to participate in a loyalty program as follows (percentage of respondents):
- The program is easy to understand: 81%
- Relevant rewards and offers: 75%
- Supports lifestyle/personal preferences: 54%
- Provides lots of ways to earn rewards faster: 50%
- Has a smartphone app: 48%

51.4 Member Satisfaction

According to The Loyalty Report 2018, 71% of members say that loyalty programs are a meaningful part of their brand relationships. By demographic, those that feel this way are as follows:
- Affluent consumers: 78%
- Older Millennials: 75%
- Households with children: 73%
- Females: 72%

Member satisfaction by sector is as follows:
- Groceries: 50%
- Credit cards: 48%
- Dining: 48%
- Auto fuel: 47%
- Hotels: 47%
- Drug stores: 44%
- Specialty retail: 44%
- Auto rental: 43%
- Consumer packaged goods: 42%
- Movie cinemas: 40%
- Apparel: 38%
- Airlines: 36%
52.1 Overview
The sale of naming rights for venues helps facilities raise new capital for construction and operations. The concept was developed with the naming of professional sports venues during the late 1980s. It has spread over the past decade to venues of all types, such as college sports venues, performing arts and concert venues, convention centers, and other facilities. Deal-makers include banks and financial institutions – which maintain about a third of naming-rights deals – energy companies, insurers, airlines, telecoms, auto companies, quick-service restaurants, brewers, and software makers.

52.2 Sports Stadiums And Arenas
According to SportsBusiness Journal, over $10 billion has been committed to naming-rights deals for new major league sports facilities. An additional $500 million is committed for college and minor league venues. Many of the deals have 20-year and 30-year terms.

“In 1998, 45 big-league venues were called by a corporate name. Today, 114 such deals are in play.”

SportsBusiness Journal, 4/30/18

The following are the largest naming-rights deals among professional sports stadiums and arenas (source: SportsBusiness Journal):

<table>
<thead>
<tr>
<th>Stadium/Arena (Location)</th>
<th>Total Value/Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotiabank Arena:</td>
<td>$639 million; 2017-2038</td>
</tr>
<tr>
<td>MetLife Stadium:</td>
<td>$425-$625 million; 2010-2036</td>
</tr>
<tr>
<td>Chase Center:</td>
<td>$300-$400 million; 2016-2040</td>
</tr>
<tr>
<td>Citi Field:</td>
<td>$400 million; 2006-2028</td>
</tr>
</tbody>
</table>
- Mercedes-Benz Stadium: $324 million; 2015-2043
- NRG Stadium: $310 million; 2000-2032
- SunTrust Park: $250 million; 2014-2042
- Hard Rock Stadium: $250 million; 2016-2034
- Levi’s Stadium: $220 million; 2013-2033
- US Bank Stadium: $220 million; 2015-2041
- FedEx Field: $205 million; 1999-2025
- Barclays Center: $200 million; 2007-2032
- American Airlines Center: $195 million; 1999-2030
- Philips Arena: $185 million; 1999-2019
- Minute Maid Park: $178 million; 2002-2029
- Bank of America Stadium: $140 million; 2004-2023
- Lincoln Financial Field: $139 million; 2002-2022
- Little Caesars Arena: $125 million; 2016-2036
- Lucas Oil Stadium: $122 million; 2006-2027

Ranked by average annual value, the largest college stadium naming rights deals are as follows:

<table>
<thead>
<tr>
<th>School</th>
<th>Sponsor</th>
<th>Total Value/Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>USC:</td>
<td>United Airlines</td>
<td>$ 70 million; 15 years ending 2031</td>
</tr>
<tr>
<td>Washington:</td>
<td>Alaska Airlines</td>
<td>$ 41 million; 10 years ending 2025</td>
</tr>
<tr>
<td>Houston:</td>
<td>TDECU</td>
<td>$ 15 million; 10 years ending 2024</td>
</tr>
<tr>
<td>Kentucky:</td>
<td>Kroger</td>
<td>$ 22 million; 12 years ending 2028</td>
</tr>
<tr>
<td>Minnesota:</td>
<td>TCF National Bank</td>
<td>$ 35 million; 25 years ending 2034</td>
</tr>
<tr>
<td>North Texas:</td>
<td>Apogee</td>
<td>$ 20 million; 20 years ending 2030</td>
</tr>
<tr>
<td>Central Florida:</td>
<td>Charter Comm.</td>
<td>$ 15 million; 15 years ending 2022</td>
</tr>
<tr>
<td>College World Series:</td>
<td>TD Ameritrade</td>
<td>$ 15 million; 15 years ending 2022</td>
</tr>
<tr>
<td>Texas:</td>
<td>University Federal</td>
<td>$ 13 million; 15 years ending 2021</td>
</tr>
<tr>
<td>Boise State:</td>
<td>Albertsons</td>
<td>$ 12 million; 15 years ending 2029</td>
</tr>
</tbody>
</table>

52.3 Performing Arts Centers

The following are performing arts venues with naming rights sponsors:
- American Airlines Theatre (New York, NY)
- Bank of America Pavilion (Boston, MA)
- Cadillac Palace Theatre (Chicago, IL)
- Citi Performing Arts Center (Boston, MA)
- Cobb Energy Performing Arts Centre (Cobb County, GA)
- Cricket Wireless Pavilion (Phoenix, AZ)
- DTE Energy Music Theatre (Clarkston, MI)
- Ferguson Center for the Arts (Newport News, VA)
- FirstMerit Bank Pavilion (Chicago, IL)
- Hollywood Casino Amphitheatre (Tinley Park, IL)
- INB [Inland Northwest Bank] Performing Arts Center (Spokane, WA)
• National City Pavilion (Cincinnati, OH)
• PNC Bank Arts Center (Holmdel Township, NJ)
• PlayStation Theater (New York, NY)
• Post-Gazette Pavilion (Burgettstown, PA)
• PrivateBank Theatre (Chicago, IL)
• Progress Energy Center for the Performing Arts (Raleigh, NC)
• Raising Cane’s River Center (Baton Rouge, LA)
• Sleep Train Amphitheatre (Chula Vista, CA)
• Snapple Theater Center (New York, NY)
• Gexa Energy Pavilion (Dallas, TX)
• Susquehanna Bank Center (Camden, NJ)
• Time Warner Cable Amphitheater (Cleveland, OH)
• Times-Union Center for the Performing Arts (Jacksonville, FL)
• Toyota Amphitheatre (Wheatland, CA)
• USANA Amphitheatre (West Valley City, UT)
• Verizon Wireless Theater (Houston, TX)
• Wells Fargo Center for the Arts (Santa Rosa, CA)
• Wells Fargo Pavilion (Sacramento, CA)
• Xfinity Center (Mansfield, MA)
• Xfinity Theatre (Hartford, CT)

52.4 Transit Systems

Faced with shrinking state support and budgetary shortfalls, increasing ridership, and an estimated $100 billion shortfall just to get to a state of good repair, transit systems across the nation are selling the naming rights of systems, facilities, and stations. The following are some examples:

• Cleveland named its new Bus Rapid Transit system the HealthLine after it received $6.25 million (over 25 years) from the Cleveland Clinic and University Hospitals.
• In Brooklyn, the Metropolitan Transportation Authority is being paid $4 million over 20 years for naming rights to the Atlantic Avenue-Barclays Center subway stop.
• The Chicago Transit Authority sold the naming rights of 11 “L” stations.
• Naming rights to public transit stations have been sold in Las Vegas and Philadelphia. Deals have been under consideration in New York and Boston. In San Francisco, a sponsorship for the MBTA’s State Street station by Citizens Bank lasted from 1997 to 2000.
• In Tampa, naming rights for both streetcar stations and rolling stock are available.

The Washington Post announced that the Washington Metro was considering selling naming rights for several stations.
53

NATIVE ADVERTISING

53.1 Overview

Native advertising – also called branded content and sponsored content – refers to media where the ad experience follows the natural form and function of the user experience in which it is placed. The intent of native ads is to make the paid advertising feel less intrusive and thus increase the likelihood users will engage with it. Native ads contrast with generic display ads, which are sometimes considered intrusive.

“Native advertising ... encompasses a number of widely varying formats, including ads in social media feeds, content recommendation widgets, custom ads and sponsored content.”

eMarketer, 4/16/19

The strategy of having advertisers sponsor or create content that looks like traditional editorial content has become common. Publishers are driven to support the use of sponsored content because of fewer people clicking on banner ads, the abundance of advertising space, and other factors that make it more difficult to generate revenue from traditional online advertising. It is difficult to estimate what advertisers spend on branded content because of the many ways the content is defined and sold. A series of customized articles on one website, for instance, and a series of social media posts on another are hard to compare.

The lines between media news content and advertising have blurred as brands have now leaked into what has traditionally been the editorial space. One result is that it is increasingly difficult for readers to tell editorial content from advertising.
“Content providers maintain an uneasy alliance with advertisers. Both sides know that ads enjoy greater attention when they are hard to separate from the content that surrounds them. And both sides need the advertising to succeed. But the content people also know their customers will balk if they feel that content has been compromised by paid marketing. As consumers’ devices and desires to filter out ads continue to advance, the line of permissible intrusion keeps moving deeper.”

*Harvard Business Review*

### 53.2 Market Assessment

eMarketer ([www.emarketer.com](http://www.emarketer.com)) assesses native ad spending as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Display Ads</th>
<th>Video Ads</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017:</td>
<td>$24.50 billion</td>
<td>$ 7.66 billion</td>
</tr>
<tr>
<td>2018:</td>
<td>$35.24 billion</td>
<td>$11.06 billion</td>
</tr>
<tr>
<td>2019:</td>
<td>$43.90 billion</td>
<td>$13.73 billion</td>
</tr>
<tr>
<td>2020:</td>
<td>$52.75 billion</td>
<td>$16.46 billion</td>
</tr>
</tbody>
</table>

“We forecast that native advertising will account for 62.7% of total U.S. display ad spending in 2019, up from 54.2% in 2017. The bulk of native ad spend will go to social network platforms, with most of the money winding up in Facebook’s hands. This year, native will account for 95.6% of social digital display ad spend.”

eMarketer, 4/16/19
53.3 Online Media Branded Content

Online publications like The Huffington Post, The Atlantic, BuzzFeed, and Business Insider all use some form of branded content.

The Huffington Post has partnerships with brands such as Johnson & Johnson and Cisco Systems to sponsor topics for webpages that pair content written by the brand and content written by Huffington Post reporters independently.

Ad tracking by MediaRadar (www.mediaradar.com) found native ads labeled on consumer media websites as follows:
- Sponsored by: 54%
- No labeling at all: 12%
- Promoted by: 12%
- Presented by: 6%
- Provided by: 5%
- Brought to you by: 4%
- Partner content: 3%
- Other label: 5%

53.4 Print Media

Forbes has worked with about two dozen brands in its venture into branded content. Its branded content platform was introduced in 2010 as AdVoice and rebranded in 2012 as BrandVoice. Advertising Age reported that 20% of Forbes’ revenue comes from deals that allow advertisers to publish stories directly to the magazine’s website.


“Newspapers for years have run special sections to appeal to advertisers, and almost all of the publishers running branded content say they abide by the traditional church-and-state separation – news on one side of the wall, advertising on the other. But the sponsored content runs beside the editorial on many sites and is almost indistinguishable.”

The New York Times
53.5 Television

Television has long used product placement, itself a form of native advertising. According to a survey by the Association of National Advertisers (www.ana.com), approximately two-thirds of major advertisers have used product placement as a promotional vehicle, with 80% of the content embedded within commercial television programming.
54

ONLINE TRACKING

54.1 Behavioral Targeting

Behavioral targeting (BT), also called interest-based advertising, is the practice of seeking out consumers based on where they go and what they do as indicators of what their interests are most likely to be. BT is mostly being applied in online ad-targeting, where a consumer’s behavior on a website is tracked to determine his or her interests and ads are served relevant to those interests. The practice has become an integral part of most online marketing campaigns.

Forrester Research (www.forrester.com) defines online behavioral targeting as the aligning of ads with users whose online behavior implies interest in a particular product or service. Advertisers apply behavioral targeting when they buy media on sites that attract users who have shown target behaviors, even if the site is not contextually relevant to their ad. For example, a user who has frequented Kelley Blue Book, General Motors’ FastLane blog, and cars.com may see an ad for a new Toyota Highlander the next time he or she logs onto a general site.

Over 150 tracking entities routinely collect information about users of websites, and social network apps correlate to profiles of individuals’ browsing behavior across multiple web pages, according to PrivacyChoice (www.privacychoice.org).

The BT online approach was pioneered in the early 2000s by small specialist firms like Advertising.com (www.advertising.com), Revenue Science which rebranded as Audience Science (www.audiencescience.com), Tacoda which is now AOL Networks (www.aolnetworks.com), and Adknowledge (www.adknowledge.com). Two multibillion-dollar acquisitions in the online advertising market expanded the growth of BT. Internet giants entered the field in 2007 when Google acquired Internet-ad broker DoubleClick and Microsoft Corp. acquired aQuantative.

According to the Network Advertising Initiative (www.networkadvertising.org), behaviorally targeted advertising is more than twice as effective compared with conventional advertising at converting users who click on the ads into buyers (6.8% conversion vs. 2.8% for run-of-network ads).

54.2 Retargeting

One form of BT is retargeting, where Internet users are shown display ads about specific products they have looked at online. A person that looks at a pair of shoes on an e-commerce site, for example, may see display ads for that specific product for several days while visiting various other websites.
A study by comScore (www.comscore.com) and ValueClick (www.valueclick.com) found that compared with run-of-network ads, retargeted display ads give a 1,046% lift in searches on brand terms within four weeks after exposure. This is more than twice as high as the second most effective targeting method, audience targeting. Retargeting also brings a 726% lift in website visitation within four weeks after exposure. The study found retargeting to be the most effective among all types of online ad placement strategies.

### 54.3 BT Email

An offshoot from behavioral targeting is behaviorally triggered email, which marketers can designate as a tool to boost customers’ recency, frequency, average order value, and retention. Examples of behaviorally targeted email campaigns include the following (source: *Multichannel Merchant*):

- Thank you or welcome messages
- Abandoned shopping cart emails
- First-time buyer emails
- Second-time buyer emails
- Birthday and anniversary triggers

### 54.4 Privacy Concerns

The Harris Poll (www.theharrispoll.com) found that 92% of U.S. Internet users worry about their privacy online.

In a survey by the Pew Research Center (www.pewinternet.org), 59% of Internet users said they themselves have noticed targeted advertising online – specifically, they have noticed advertisements online that are directly related to things they had recently searched for or sites they had recently visited.

Sixty-eight percent (68%) of Internet users view online targeted advertising negatively, saying that they do not like their online behavior tracked and analyzed. By age, those that feel this way are as follows (source: Pew Research Center):

- 18-to-29: 59%
- 30-to-49: 65%
- 50-to-64: 78%
- 65 and older: 72%

Seventy-three percent (73%) of Internet users say they are not okay with search sites collecting user information to personalize search results. By age, those that feel this way are as follows (source: Pew Research Center):

- 18-to-29: 69%
- 30-to-49: 68%
- 50 and older: 83%
Thirty-eight percent (38%) of Internet users say they are generally aware of ways they themselves can limit how much information about them is collected by a website. Among this group, one common strategy people use to limit personal data collection is to delete their web history; 81% of those who know ways to manage the capture of their data do this. Seventy-five percent (75%) of this group use the privacy settings of websites to control what is captured about them; 65% change their browser settings to limit the information that is collected.

54.5 ‘Do Not Track’ Options

Responding to pressure from privacy advocates and the possibility of regulatory limits on online tracking, the leading companies in the BT sector have agreed to provide Internet users with ‘do not track’ options. AdChoices (www.youradchoices.com) was launched in 2011 to protect online users’ privacy by providing an opt-out option for BT ads. AdChoices is managed by the Digital Advertising Alliance (www.digitaladvertisingalliance.com), an alliance formed by American Association of Advertising Agencies (4As, www.aaaa.org), the Association of National Advertisers (ANA, www.ana.org), the American Advertising Federation (AAF), the Direct Marketing Association (DMA), the Interactive Advertising Bureau (IAB, www.iab.net), the Better Business Bureau (BBB, www.bbb.org), and the Network Advertising Initiative.

AdChoices was expanded to mobile apps in 2013. The 93 members of the Network Advertising Initiative, which include virtually all of the major BT companies, comply with consumer opt-out requests made on the NAI website (www.networkadvertising.org/choices/). The website displays member tracking policies and features a display tool where Internet users can see in real-time which companies are tracking them.
55.1 Personalized Marketing

*2019 Trends In Personalization*, by Evergage (www.evergage.com), reported drivers of personalization at U.S. B2C companies as follows (percentage of respondents):

- Deliver a better customer experience: 86%
- Generate measurable lift/ROI: 61%
- Increase loyalty: 58%
- Customers/prospects expect it: 39%
- Drive more leads: 36%
- Competitive pressures: 33%

“There are a slew of studies by trade groups and retail and marketing vendors showing that relevant ads increase engagement and purchasing. Adlucent found that seven in 10 consumers yearn for personalized ads. IAB presentations state that consumers want fewer, but more personalized ads. Epsilon found that four-fifths of consumers are more likely to make purchases when a brand gives them a personalized experience. In a Segment survey, 71% of consumers were frustrated that their shopping experiences were too impersonal. The consumer demand for personalized content is at an all-time high, according to Adobe.”

eMarketer, 3/4/19
### 55.2 Personalization Tactics

According to a 2018 survey by Retail Touchpoints (www.retailtouchpoints.com) and Oracle (www.oracle.com), retailers have focused on personalization efforts as follows (percentage of respondents):

- Email: 70%
- E-commerce/online: 64%
- Mobile app/site: 37%
- In-store: 29%

In a survey by Forrester Research (www.forrester.com), marketers reported using the following personalization tactics (percentage of respondents):

- Use personalization based on broad segmentation and simple clustering techniques to execute campaigns across digital channels: 86%
- Use personalization based on simple business rules and execute campaigns across digital channels: 83%
- Personalize products, offers, and content based on the collective insights of users with similar preferences: 81%
- Use real-time, self-learning analytics to drive personalization across digital channels: 71%
- Use artificial intelligence algorithms to personalize interactions across digital channels: 57%

Another survey by Forrester Consulting asked senior marketers about the approaches to personalized marketing at their company. Responses were as follows (percentage of respondents):

- Use data extracted from loyalty and customer value programs to create relevant personalized offers: 69%
- Use behavior-based data to develop the right content based on insights and emotions: 67%
- Use customer data to create individualized content and offers on a channel-specific basis: 64%
- Integrate customer data to create individualized content and offers that span across channels: 61%
- Use customer data to create targeted content and offers by demographics: 52%
- Use demographic categories to create at least some level of personalization for unidentified prospected customers: 37%

### 55.3 Implementation

A survey by CEB (www.ceb.com), a Gartner company, asked senior B2C marketing executives about the technologies used to enable digital personalization. Responses were as follows (percentage of respondents):
• Web analytics software: 71%
• CRM system: 64%
• Content management system: 56%
• A/B testing and campaign optimization software: 49%
• Marketing automation software: 42%
• Marketing operations dashboard: 38%
• Retargeting software: 32%
• Tag management system: 32%
• Data management platform: 26%
• Predictive analytics software: 18%
• Demand side platform: 10%
• Other: 3%

Data types being collected are as follows:
• Demographic data: 76%
• Purchase history: 66%
• Media consumption: 66%
• Browser history on owned sites: 59%
• Service history: 55%
• User preferences: 54%
• Primary/secondary research data: 52%
• Brand engagements: 52%
• Social graph data: 35%
• Psychographic data: 32%
• Browser data beyond owned sites: 27%
• Offline consumer behavior: 22%

2019 Trends In Personalization reported omnichannel personalization by U.S. B2C companies as follows (percentage of respondents):
• Have all channels connected: 3%
• Have most channels connected: 9%
• Have about half our channels connected: 14%
• Have a few channels connected: 53%
• Don’t have any channels connected: 21%

State of Marketing 2018, by Salesforce (www.salesforce.com), reported personalization approaches by B2C companies as follows (percentage of respondents):
• More mindful about balancing personalization and privacy than two years ago: 51%
• Our brand goes beyond regulations and/or industry standards to protect and respect customer privacy: 44%
• Balancing personalization and privacy is a challenge: 35%
55.4 Customer Response To Personalization

In a survey by MyBuys (www.mybuys.com), consumers reported the following responses to cross-channel personalization (percentage of respondents):

- Likely to engage with a new brand and purchase when they saw online ads for products they were interested in based on current and past purchases: 52%
- Purchased more from retailers that served personalized ads promoting offers and products from past website visits: 49%
- Purchased more from retailers that served personalized emails based on past browsing and buying behavior: 48%
- Feel that receiving a consistently personalized shopping experience from one channel to the next is an important omnichannel retail capability: 47%

The Art Of Personalization, published McKinsey (www.mckinsey.com), compared personalized content from companies that U.S. Internet users find appealing and content which they commonly receive as follows (percentage of respondents):

<table>
<thead>
<tr>
<th>Find Appealing</th>
<th>Commonly Receive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products related to interest:</td>
<td>50%</td>
</tr>
<tr>
<td>Similar product recommendations based on purchase/search:</td>
<td>43%</td>
</tr>
<tr>
<td>Updates on availability/price:</td>
<td>43%</td>
</tr>
<tr>
<td>Retargeting of exact product:</td>
<td>35%</td>
</tr>
<tr>
<td>Content based on customer location:</td>
<td>30%</td>
</tr>
<tr>
<td>Reminder about a special offer:</td>
<td>30%</td>
</tr>
<tr>
<td>Basket/repeat purchase reminder:</td>
<td>28%</td>
</tr>
<tr>
<td>Products left in stock:</td>
<td>18%</td>
</tr>
<tr>
<td>Contain customer name:</td>
<td>17%</td>
</tr>
</tbody>
</table>

“Finding the right balance when serving personalized content to consumers can be tricky. Sometimes, consumers receive more personalized content than they’d like and other times they don’t get enough. That misalignment may hurt brands in their efforts to improve the customer experience or drive loyalty.”

eMarketer, 5/19/19
56

PRICING

56.1 Overview
Along with product, promotion, and place, pricing is one of the Four Ps of the classic marketing mix.

According to a 2018 study by RIS (www.risnews.com), retailer executives said that getting pricing strategy right and executing at a high level is extremely important to financial performance, rating it a 9.2 on a 10-point scale.

_________________________________________________________________
“Price is one of the most important factors to shoppers, so it’s paramount that retailers get it right. While some may think there is an art to pricing, it’s one of the most data-driven aspects of retailing, online and offline.”

eMarketer, 10/29/18

_________________________________________________________________

A recent survey by The NPD Group (www.npd.com) asked consumers what factors they considered extremely important in deciding where to shop. Responses were as follows (percentage of respondents):

• Price: 85%
• Sales and special deals: 75%
• Convenience of location: 60%
• Ease of shopping: 60%
• Customer service: 56%
“Price trumps sales and special deals, customer service, and convenience as a factor in deciding where to shop for the majority of U.S. consumers. Eighty-five percent (85%) of consumers say the price needs to be right before they shop.”

The NPD Group

In a survey of Millennials (ages 18-to-34) by IRI (www.iriworldwide.com), item price ranked as the #1 influencer of brand selection, ahead of previous usage and trust of brands, shopper loyalty cards, and advertising. Eighty-seven percent (87%) of survey respondents said price was among the two top influences.

Retailers must strike a balance between offering prices that are attractive to customers, yet still provide themselves with a reasonable margin. Underpricing can drastically cut into a company’s bottom line.

“Companies leave millions of dollars on the table every year through sub-optimal pricing practices. The current abundance of customer data, in the context of increased global competition and the instant information sharing made possible by the Internet, requires companies to not only set the right prices, but to continually monitor and refine pricing.”

UC Berkeley Pricing for Profitability

Brands hurt their profits the most when deals that should be targeted just to price-sensitive shoppers also reach those who would pay full price without them.
56.2 Price Sensitivity
Dunnhumby USA (www.dunnhumby.com) has found that about 60% of consumers are price sensitive. Dunnhumby identifies price-sensitive shoppers based on how frequently they use coupons, how much they consistently purchase lower-price items, and how often they buy items on promotion. Income is only slightly correlated to price sensitivity.

The Electronic Retailing Association (www.retailing.org) estimates 70% of consumers are price sensitive.

Time reported that 40% of items purchased by consumers are at some discount, an increase from 10% of sales in 1990 that were discounted.

56.3 In-Store Vs. Online Pricing
In an analysis of in-store and online pricing trends, Anthem Marketing Solution (www.anthemedge.com) found 71% of items reviewed were listed at the same price online and offline. Where pricing differed, 65% of online prices were lower; 35% of in-store prices were lower.

In the Hardware/Home Improvement category, 90% of items had the same price both offline and online. The Beauty category had highest proportion of items priced lower online. Office/School Supplies was the only category with an offline price edge. Pharmacy retailers had lowest level of pricing consistency across channels.

56.4 Dynamic Pricing
Dynamic pricing, also called market-based pricing and variable pricing, adjusts prices based on demand. It was introduced by airlines in the 1980s when carriers began shifting capacity by offering discounts on full fare prices. Most travelers today are aware that fares fluctuate with demand. The dynamic pricing model is also popular in professional sports ticketing. Most MLB, NBA, NFL, and NHL teams adjust single-game ticket prices – up or down – as late as game day.

Using customers’ buying profiles, either from their online purchase history or loyalty program in-store purchases, retailers are able to make intelligent guesses about what customers will want to buy next, when they will want it, and how much they will be willing to pay. Retailers, particularly in the supermarket sector, are using customers’ buying history logged with their loyalty program purchases to customize coupon promotions for individuals. Promotions are then tailored to the customer profiles.

Dynamic pricing took hold in online retail in 2012 when Amazon and online sites for Best Buy, Kmart, Kohl’s, Sears, Target, Walmart, and other major retailers began regularly changed pricing based on demand and competitors’ discounting. The most aggressive sellers adjust prices in 10-to-15-minute windows.
“Dynamic pricing has a mixed reputation among shoppers, especially when they can see prices fluctuating day to day for seemingly no good reason. Shoppers are more receptive to non-static pricing when price changes don't feel arbitrary or are based on personal shopping habits.”

eMarketer, 10/29/18

### 56.5 Pricing Market Research

A host of monitoring services and software tools is available to guide online retailers in their pricing. According to RIS, 55% of retailers use a mix of pricing software and spreadsheets.

Market research companies offer two general types of pricing studies: those which determine acceptance of a product or service sold at a specified price, and those which determine the possible effect on demand of different price levels (i.e., elasticity).

A directory of companies that provide pricing consulting studies is available online at [www.greenbook.org/market-research-firms/price-research](http://www.greenbook.org/market-research-firms/price-research).

### 56.6 Pricing Research Centers


Fordham University Pricing Center, Graduate School of Business, 113 West 60th Street, New York, NY 10023. (212) 636-6296. ([www.fordham.edu/cba/pricecenter/](http://www7.fordham.edu/cba/pricecenter/))


University of California Berkeley, Pricing Program, Haas School of Business, 2000 Center Street, Berkeley, CA 94704. ([http://executive.berkeley.edu/programs/pricing-profitability-information-age](http://executive.berkeley.edu/programs/pricing-profitability-information-age))
57.1 Overview
Programmatic advertising is a general term that refers to the automation of buying and selling digital ads. An advertiser can buy a certain number of impressions on a website in advance at an agreed price and execute the order by computer, avoiding the need for paperwork. Originally the term was synonymous with real-time bidding (RTB) for digital ads. Use of the term has expanded to include serving the right ad to the right person at the right time using digital channels.

“Real-time bidding sounds high-tech but is straightforward. When a consumer visits a website, his browser communicates with an ad server. The server sends a message to an exchange to provide data about that user, such as his IP address, his location and the website he is visiting. Potential ad buyers send their bids to the exchange. The highest one wins and an ad is served when the website loads. All this typically takes about 150 milliseconds.”

_The Economist_

Programmatic bidding was first used over a decade ago in search advertising, in which advertisers would bid for search terms entered by users, and Google and other companies served relevant ads alongside the search results. It is now used for all types of digital advertising.

Using programmatic bidding, an advertiser typically uses a supply-side platform (SSP) that helps publishers sell their inventory, a demand-side platform (DSP) that gives access to buyers, and a data-management platform (DMP) to store and buy information about users.
“In the digital advertising world today, marketers are faced with an overwhelming level of inventory and audience fragmentation. Each customer interaction happens on a different device, different media channel and at a different time during the lifecycle of brand engagement. Data is generated throughout. Programmatic buying helps bring order to this fragmentation. It enables marketers to consolidate customer interactions across multiple channels into a single dashboard, and then use that dashboard to develop a single, overarching strategy for those audiences. Along the way, it helps marketers use data to increase advertising effectiveness by assigning a value to every impression. It then uses that value to ensure the marketer doesn’t waste budget by advertising to prospects who will never have an interest in their brand.”

AdExchanger

57.2 Market Assessment

eMarketer (www.emarketer.com) assesses programmatic ad spending by type of media as follows:

Digital Video Ads (connected TV, OOT video, and social video)

<table>
<thead>
<tr>
<th>Year</th>
<th>Desktop</th>
<th>Mobile</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$11.6 billion</td>
<td>$12.2 billion</td>
<td>$23.8 billion</td>
</tr>
<tr>
<td>2019</td>
<td>$13.9 billion</td>
<td>$15.4 billion</td>
<td>$29.2 billion</td>
</tr>
<tr>
<td>2020</td>
<td>$16.1 billion</td>
<td>$18.8 billion</td>
<td>$34.9 billion</td>
</tr>
<tr>
<td>2021</td>
<td>$18.7 billion</td>
<td>$21.7 billion</td>
<td>$40.4 billion</td>
</tr>
</tbody>
</table>

Display Ads

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$29.9 billion</td>
</tr>
<tr>
<td>2019</td>
<td>$35.6 billion</td>
</tr>
<tr>
<td>2020</td>
<td>$42.8 billion</td>
</tr>
<tr>
<td>2021</td>
<td>$48.6 billion</td>
</tr>
</tbody>
</table>
TV (live and PPV)
• 2018: $1.8 billion
• 2019: $2.8 billion
• 2020: $4.8 billion
• 2021: $7.0 billion

57.3 Benefits Of Programmatic Advertising
In a survey by Econsultancy (www.econsultancy.com), senior marketers reported the benefits of running programmatic brand advertising campaigns as follows (percentage of respondents):
• Increased efficiency: 64%
• Reduced overall advertising costs: 58%
• Ability to optimize and target the right audience in real time: 56%
• Higher ROI: 52%
• Opportunity to leverage first-party data: 52%
• Ability to build effective cross-device campaigns: 49%
• Greater data and insights to understand customers: 49%
• Ability to achieve scale: 48%
• Reduced time to launch campaigns: 45%
• Opportunity to leverage third-party data: 45%

According to a survey by Advertising Age, media ad buyers find the following factors important when buying programmatically (percentage of respondents):
• Ability to buy display: 68%
• Ability to buy inventory across channels via a single platform: 67%
• Ability to buy rich media: 60%
• Ability to buy video in-stream: 59%
• Ability to buy native: 52%
• Offer inventory from digital out-of-home: 26%
• Offer inventory from connected TV: 25%
• Offer inventory from wearables: 15%

“Programmatic advertising ... makes the ad placement market more efficient, helps sell unused inventory, reaches buyers or sellers that otherwise would not be accessible, and provides numerous filters to customize orders.”

Local Search Association
57.4 Challenges For Advertisers

According Advertiser Perceptions (www.advertiserperceptions.com), the following are the worst aspects of programmatic ad buying for U.S. agency and marketing professionals (percentage of respondents):

- Fraud: viewability, non-human traffic: 37%
- Brand safety concerns: 36%
- Poor inventory quality: 25%
- Data management complexity: 23%
- Difficult to measure impact: 23%
- Pricing transparency and hidden costs: 23%

“It goes without saying that advertisers are annoyed by the persistent fraud in their industry. In a poll of U.S. marketers by research firm Advertiser Perceptions, respondents said that fraud was one of the worst aspects of programmatic ad buying.”

eMarketer, 5/20/19

57.5 Conversion Rates And Offline Sales

Accordant Media (www.accordantmedia.com) compared people receiving programmatic ads to a control group not exposed to ads. The digital programmatic campaign resulted in an incremental increase of 35% more offline sales. This represented a 55% lift or increase in conversion rate.

Lift in conversion occurred at all stages of the purchase funnel: awareness, consideration, and transaction. Response to programmatic ads, by phase, was assessed as follows:

- Awareness phase: 20% incremental increase in conversion; 25% lift
- Consideration phase: 44% incremental increase in conversion; 78% lift
- Transaction phase: 44% incremental increase in conversion; 79% lift
“Most importantly ... advertising placed through the programmatic marketplace results in a huge lift to conversion and offline sales.”

Local Search Association

57.6 Programmatic Ad Pricing

Direct ad inventory often sells for higher rates than programmatic units. A survey of U.S. publishers by Operative (www.operative.com) identified factors that contribute to the price difference as follows (percentage of respondents):

- Lack of sales expertise in selling programmatic: 25%
- Difference in audience data available: 21%
- Lack of inventory visibility: 21%
- Programmatic inventory sold is lower quality: 21%
- Lack of analytics resources: 19%
- Perception that programmatic is inferior to direct: 18%
- Advertiser behavior beyond the control of publisher: 10%
- Lack of yield management: 5%
- Billing process impedes programmatic business: 5%

“Even as demand for programmatic grows with brands and media buyers, many publishers still struggle with how to manage, price and sell such inventory, leading to lower-than-expected revenues.”

eMarketer
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PROMOTIONS

58.1 Market Assessment
Overall spending on consumer promotions is estimated at $50 billion annually. This chapter provides a review of types and methods of promotions and identifies leading agencies serving this field. Specific types of promotion are assessed elsewhere in this handbook, as follows:
• Coupons (Chapter 35)
• Loyalty programs (Chapter 51)
• Shopper marketing and in-store promotions (Chapter 63)

58.2 Types of Promotions
Promotions involve the use of incentives designed to stimulate the purchase or sale of a product usually in the short term.
Types of premium promotions include the following (source: Promotional Products Association International [PPMI, www.ppai.org]):
Account opener
• Premium given to customers as a reward or thank you for opening an account.

Advance premium
• Premium given to new customers on condition they will earn it by later purchases.

Award
• Recognition merchandise, often personalized, used to acclaim performance or milestones; may be useful objects (e.g., paperweights, clocks) or for display only (e.g., plaques, trophies).

Bonded premium
• Point-of-purchase premium attached to a product.

Collectibles
• Premiums designed to have inherent value based upon their perceived collectibility.

Commemorative
• A merchandise keepsake used to mark a ceremony, anniversary, event, or milestone.
**Container premium**
- A product container, which when empty, may be used as a container for other items. These items are usually partially or completely self-liquidating since the consumer pays for the product.

**Continuity premiums**
- A series of related premiums offered over a period of six to eight weeks.

**Direct premium**
- An item given free with a purchase at the time of the purchase. These include on-packs, in-packs, and container premiums as well as those given separately.

**Door opener**
- An item of value offered by a salesperson to persuade potential buyers to listen to a sales presentation or to initiate interest in a product or service for a sales call follow-up.

**Giveaway**
- Direct premium given free of charge or obligation to generate awareness and goodwill.

**Incentive**
- Reward for a purchase or performance.

**In-pack**
- A premium offered inside a product package.

**Keeper**
- A premium offered in direct-mail marketing for accepting a free trial of the merchandise and to be kept by the consumer even if the trial item is returned.

**On-pack**
- A direct premium attached to the exterior of a product package or sometimes riding with it in a special sleeve, carton, or film wrap.

**Premium**
- A product or service offered free or at a reduced price if the recipient performs some task, such as purchasing an item.

**Prize**
- Reward given to winner in a contest, sweepstakes, or lottery, sometimes referred to as a sales incentive award.
Referral premium
• A premium offered to customers for helping to sell a product or service to friends or associates.

58.3 Methods of Promotions
The PPMI classifies promotional methods as follows:

Bounce back
• An advertisement sent along with an already ordered self-liquidating premium to sell other premiums on a self-liquidating basis.

Combination sale
• A tie-in of a premium with a purchase at combination prices; sometimes self-liquidating; often an on-pack.

Contest
• A competition based on skill, in which prizes are offered.

Continuity program
• An offer of products over time.

Direct mail
• A mailing of a package, other print collateral, or materials that are targeted directly to a predefined list of customers.

Marketing mix
• Combining marketing elements, including advertising, promotional products, direct mail, and public relations into one cohesive marketing program.

Perceived value
• What someone believes merchandise to be worth. To successfully sell premiums, the consumer must be convinced the proposed premium is worth putting forth the extra effort required to earn the item.

Traffic builder
• A promotional product or premium designed to get consumers to come to a store or a trade show.

58.4 Rewards-Based Promotions
Many retailers are sidestepping the relentless pressure to discount by offering rewards-based promotions instead of coupons or percentage-off offers.
A 2018 survey by Hawk Incentives (www.hawkincentives.com) found reasons that retailers use rewards-based promotions as follows (percentage of respondents):

- Foster customer engagement: 58%
- Minimize lost revenue potential due to discount: 44%
- Create the impression of a premium brand versus others that are consistently discounting prices: 43%
- Drive buyer purchase intent: 35%

“Many U.S. retailers would rather give out a rewards-based promotion – like a gift card or rebate – rather than a standard discount.”

eMarketer, 9/14/18

58.5 Promotions Agencies

According to Advertising Age (May 2019), the following are the largest promotions agencies:

- Advantage Marketing Partners (www.advantagemarketingpartners.com): $1.28 billion
- R.R. Donnelley Marketing Solutions (www.rrdonnelley.com/marketing-solutions/): $474 million
- Freeman (www.freemanco.com): $336 million
- George P. Johnson (www.georgepjohnson.com): $226 million
- Epsilon-Conversant (www.conversantmedia.com): $209 million

58.6 Giveaways

A 2018 survey by Dotcom Distribution (www.dotcomdist.com) asked adults if they would be more likely to make another digital purchase from a retailer if they received a free giveaway. Responses were as follows:

<table>
<thead>
<tr>
<th></th>
<th>18-to-21</th>
<th>22-to-37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>75%</td>
<td>60%</td>
</tr>
<tr>
<td>No</td>
<td>7%</td>
<td>13%</td>
</tr>
<tr>
<td>No preference</td>
<td>18%</td>
<td>27%</td>
</tr>
</tbody>
</table>
“Something as small as a free sticker can leave an impression and not only make consumers more likely to make future purchases, but to also recommend that brand to others. Younger Millennial digital buyers are more likely to buy again from a retailer if their online order included an extra something that they weren't anticipating.”

eMarketer, 9/10/18

58.7 Market Resources
Promotional Products Association International (PPMI), 3125 Skyway Circle North, Irving, TX 75038. (888) 426-7724. (www.ppai.org)
PSYCHOGRAPHIC SEGMENTATION

59.1 Overview
Marketers segment consumers into demographic, economic, and lifestyle categories for the purpose of targeting promotions. This chapter presents seven such segmentation schemes.

59.2 Community-Based Segmentation
Patchwork Nation (www.patchworknation.org), a reporting project of the Jefferson Institute (www.jeffersoninst.org), uses demographic and cultural data to cluster and organize communities into ‘types of place,’ categorizing America’s 3,141 counties into 12 community types based on characteristics such as income level, racial composition, employment, and religion.

The following links to segmentation categories: www.rkma.com/segmentation1.pdf.

59.3 Customer Personality-Based Segmentation
ELoyalty (www.eloyalty.com), a help-line service, categorizes consumers by temperament. This segmentation is used to guide customer service representatives in handling each customer appropriately.

The following links to segmentation categories: www.rkma.com/segmentation2.pdf.

59.4 Economic-Based Segmentation
Nielsen Claritas (www.claritas.com) licenses three segmentation systems (www.claritas.com/MyBestSegments/Default.jsp) to clients for use as customer development tools.

The following links to segmentation categories: www.rkma.com/segmentation3.pdf.

59.5 Household-Based Segmentation
Cohorts, a household-based segmentation system developed by IXI Corporation (www.ixicorp.com), identifies 30 distinct segments of the population based on the demographic and lifestyle makeup of each individual household.

Cohorts divides virtually all U.S. households into cohesive, homogeneous
groups of people who share distinct demographic, lifestyle, and consumer behavior characteristics. It does not assume that neighbors are in all cases similar or characterize households by the average characteristics of their neighborhood.

Clusters are associated with four major age breaks: under age 35 (Young), 35-to-54 (Working Years), 55-to-64 (Pre-Retirement), and 65 or older (Retired). Life-cycle/life-stage, marital status, and presence of children are also considered.

The following links to segmentation categories: www.rkma.com/segmentation4.pdf.

59.6 Lifestyle-Based Segmentation

Considering that 61% of U.S. adults are sports fans, according to the Marist College Institute for Public Opinion (www.maristpoll.marist.edu), sports-based segmentation can provide valuable insight into the American consumer.

Team Epic (www.anepiccompany.com), which classifies consumers by lifestyle, provides a tool for marketers to better evaluate sports fans’ emotional motivations, their purchasing and social media behavior, and their lifestyle habits both within and outside of sports. The methodology segments sports fans into five distinct clusters based on characteristics such as avidity, engagement with sponsors, socioeconomic status, and personal outlook on life.

While the Team Epic assessment focuses on sports, the methodology is applicable to a broader range of consumer assessments because the segmentation is based on lifestyle attributes rather than specific sport preferences.

The following links to segmentation categories: www.rkma.com/segmentation5.pdf.

59.7 Millennial Segmentation

Fizziology (www.fizziology.com) segments Millennial adults (ages 18-to-34) into four groups. This assessment focuses on Millennials’ media use and social activities and is used by advertisers to guide ad placement.

The following links to segmentation categories: www.rkma.com/segmentation6.pdf.

59.8 Socioeconomic Segmentation

Acxiom (www.acxiom.com), a database marketing company, developed the PersonicX Classic segmentation schema that categorizes households by socioeconomic metrics into 21 life-stage groups and 70 clusters. PersonicX Classic places each U.S. household in one of the segments based on financial, consumer behavior, and demographic characteristics.

The following links to segmentation categories: www.rkma.com/segmentation7.pdf.
60

SHOPPER [IN-STORE] MARKETING

60.1 Overview

Shopper marketing is the study of how shoppers behave in the store – to which marketers respond with various efforts aimed at influencing decision-making and buying. Strategy& (www.strategyand.pwc.com) estimates annual manufacturer investment in shopper marketing at $45 billion. Spending is increasing 15% annually.

“Shopper marketing is both a new discipline and an old practice. Marketers have long used the in-store environment to make that last-ditch effort to influence a purchase. But until a decade or so ago, that messaging was often largely disconnected from the brand-building outside the store that dominated marketing campaigns and budgets.”

Advertising Age

60.2 In-Store Decision-Making

A long-standing theory based on a 1995 study by Meyers Research Center (www.meyersresearch.com) for the Point of Purchase Advertising Institute (POPAI, www.popai.com) has held that 70% of buying decisions take place in-store. More recent studies, however, hold a different view.

A study by Ogilvy (www.ogilvy.com) found that only 39% of U.S. shoppers wait until they’re in the store to decide what brand to buy – about 10% change their minds about brands in the store, 29% buy from categories they didn’t intend to buy from, and almost 20% leave a product they’d planned to buy on the shelf. In all, the study found that 72% of shoppers make one of four major purchase decisions in the store. While significantly lower than the POPAI estimate, the Ogilvy assessment still confirmed that customers do a lot of decision-making in-store.
In even starker contrast to the findings by POPAI and Ogivly, IRI (www.iriworldwide.com) found that more than three-quarters (76%) of consumers were making their purchase decisions at home.

In spite of the newer reports, or perhaps because of them, marketers are making hard drives toward integrating campaigns as they aim to bridge the gap between in-store and out-of-store pitches.

### 60.3 In-Store Promotions

According to a survey by Prosper Insights & Analytics (www.goprosper.com), the following percentages of consumers are influenced by these select in-store promotions:

- Product sample: 52%
- Product labels: 43%
- Shelf coupons: 40%
- Special displays: 36%
- Store loyalty/card: 33%
- Coupon on register tape: 28%
- In-store events/contests: 28%
- Parking lot/sidewalk events: 18%
- Floor graphics: 12%
- In-store TV: 11%
- In-store radio: 8%

One of the most basic in-store marketing techniques is shelf coupons. According to NCH Marketing Services (www.nchmarketing.com), the redemption rate for instant on-pack coupons is 23%, the highest rate among all categories of coupons.

Stores now use a wide range of technology in their in-store promotions, from shelf-talkers to digital end-aisle displays to in-store video networks. Even the most distracted shopper has a difficult time ignoring some of the newest gadgets, like floors that talk, messages that swoop down from the ceiling, and motion sensors that trigger on-shelf light shows. Among the most recent innovations are apps that allow shoppers to request information via their cellphone or mobile device.

### 60.4 Sampling

Total annual spending on sampling at retail stores is approximately $2.5 billion. Sampling is most commonly associates with food samples offered in supermarkets and mall food courts. Sampling of beauty products and fragrances in retail stores is also popular.

It is estimated that about 70 million consumers every quarter receive some type of sample while shopping, with one-third of those who have sampled buying the product during the same shopping trip.
Advocates of sampling point to a simple reason for the sampling boom: It works. According to Scott Thurston, president of Street Sampling (www.streetsampling.com), a giveaway of 50,000 samples typically requires about 250 man hours, or about $15,000 to $20,000 in labor. This translates to a cost of 30¢ to 40¢ per sample, a relatively low cost considering the level of engagement which is achieved.

Still, marketers are craftily tailoring sampling programs more tightly these days with more narrowly focused markets.

_________________________________________________________________

“Long gone are the days when a brand is doling out three million to five million samples at a time. It’s become more expensive to get a sample out [so marketers are looking to maximize results.]”

Cindy Johnson, President
Sampling Effectiveness Advisors

_________________________________________________________________

Research by Arcature (www.arcature.com) has found that 80% of consumers prefer a free sample to a coupon, and one-third would be willing to come back and pay for something they had sampled and liked.

60.5 In-Store TV

TV-like monitors along aisles and near checkout are used by retailers to broadcast in-store promotions, shopping suggestions, and product-supported advertising.

Walmart TV, the largest in-store network, boasts more than 125,000 screens in over 3,000 of its U.S. stores, with a potential audience of more than 127 million shoppers per week. Other retailers using in-store networks include 7-11, Albertsons, BJ’s Wholesale Club, Costco, Fresh Market, Meijer, Pathmark, Sam’s Club, and Target, among others. Several restaurant chains including Arby’s, Denny’s, KFC, Taco Bell, and Wendy’s also use in-store networks.

Research from IZ-ON Media (www.izonmedia.com), the largest in-store network provider, shows that in-store TV marketing generates 56% average recall, compared with 21% for regular TV spots.
60.6 Market Resources
Path to Purchase Institute, 8550 W. Bryn Mawr, Suite 200, Chicago, IL 60631
(773) 992-4450. (www.p2pi.org)

Shop!, 4651 Sheridan Street, Suite 470, Hollywood, FL 33021. (954) 893-7300.
(www.shopassociation.org)
61.1 Overview

Definitions of small- and medium-sized businesses (SMBs) vary. One of the most common assessments is by employee counts: small businesses are those with fewer than 20 employees and a cut-off of 500 employees for medium-sized businesses. The U.S. Small Business Administration (www.sba.gov), reported 30.2 million business with 500 or fewer employees, with total employment of 58.9 million, or 47.5% of the U.S. workforce.

The Small Business Administration’s Table of Small Business Size Standards (www.sba.gov/content/small-business-size-standards) defines small businesses based on both number of employees and revenue by sector.

The National Center for the Middle Market (www.middlemarketcenter.org) at Ohio State University defines a medium-size company as one with average annual revenue of between $10 million and $1 billion. Approximately 197,000 U.S. companies comprise this range.

In a poll by the National Small Business Association (www.nsba.biz), 72% of SMBs are somewhat or very confident in the financial future of their companies, and 51% of SMBs pointed to new advertising and marketing strategies as their primary growth strategy.

In a survey by Gallup (www.gallup.com), attracting customers and finding new business was the top challenge among U.S. small business owners.

61.2 Market Assessment

BIA Advisory Services (www.biakelsey.com) estimated 2018 spending by SMBs for advertising and marketing at $39 billion. The compound annual growth rate was 12%, with distribution as follows:

- Traditional advertising: 53%
- Digital/online media: 24%
- Customer retention business solutions: 16%
- Performance-based commerce and transaction platforms: 8%

Among SMBs that spend at least $25,000 a year on advertising and promotions, BIA Advisory Services reported top media used as follows:
• Direct mail: 66%
• Internet Yellow Pages: 62%
• Facebook: 61%
• Website video: 55%
• Community sponsorships: 54%
• Facebook ad: 54%
• Email: 53%
• Giveaways: 52%
• Cable: 51%
• Magazines: 48%

61.3 SMB Marketing Tactics

According to a survey by Vistaprint Digital (www.vistaprint.com/digital), marketing tactics are used by small businesses as follows (percentage of respondents):

• Social media: 53%
• Website: 33%
• Print ads: 11%
• Posters/flyers: 11%
• Brochures: 7%
• Digital ads: 7%
• Signage: 6%
• Digital directory listings: 5%

SMB Digital Advertising Survey, by Magisto (www.magisto.com), reported primary ad formats that SMBs use to generate brand awareness and drive revenue as follows:

<table>
<thead>
<tr>
<th></th>
<th>Brand Awareness</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media:</td>
<td>44%</td>
<td>41%</td>
</tr>
<tr>
<td>Print (newspapers, magazines):</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Digital:</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>TV:</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Radio:</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Mobile:</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>None of above:</td>
<td>25%</td>
<td>29%</td>
</tr>
</tbody>
</table>

A survey by WBR Digital (https://digital.wbresearch.com) found the top customer acquisition and retention channels among retail SMBs as follows (percentage of respondents):

<table>
<thead>
<tr>
<th></th>
<th>Acquisition</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email marketing:</td>
<td>81%</td>
<td>80%</td>
</tr>
<tr>
<td>Organic search:</td>
<td>62%</td>
<td>36%</td>
</tr>
<tr>
<td>Paid search:</td>
<td>59%</td>
<td>43%</td>
</tr>
<tr>
<td>Social media:</td>
<td>51%</td>
<td>44%</td>
</tr>
</tbody>
</table>
61.4 Most Effective SMB Marketing

Thrive Analytics (www.thriveanalytics.com) reported that SMBs find their most effective marketing methods as follows (percentage of respondents):

- Company website: 45%
- Facebook and other social media sites: 39%
- Print yellow pages: 26%
- Internet yellow pages: 15%
- Email marketing: 15%
- Paid search: 15%
- Direct mail: 14%
- Traditional newspapers: 11%
- Event marketing: 11%
- Search engine optimization: 9%
- Outdoor ads: 9%
- Online video: 8%
- Online display ads: 8%
- Mobile ads/marketing: 7%
- Magazine ads: 7%
- TV: 6%
- Radio: 6%
- Press releases: 4%
- Blogging: 3%

In a survey by Huzzah Media (www.huzzahmedia.com), small business owners said the following were their most successful marketing tools (percentage of respondents):

- Friend referrals: 52%
- Advertising: 33%
- Local marketing (e.g., Chamber of Commerce): 19%
- Coupons: 4%
- Press articles: 1%
61.5 Social Media Marketing

U.S. Small Business Media Marketing Research Survey, by Ripl (www.ripl.com), reported that SMBs use social media to communicate with customers as follows (percentage of respondents):

- Facebook: 98%
- Instagram: 92%
- Twitter: 48%

For comparison, 65% of SMBs communicate with customers via email; 41% use text messages.

“Social media is a boon for U.S. small businesses that often lack the resources to invest in costlier marketing tools. In fact, for these marketers, social channels largely outpace email and mobile as customer communication methods.”

eMarketer, 1/24/19
62.1 Market Assessment

Companies that support activities and events do so, in part, to gain exposure for their brand.

According to *IEG Sponsorship Report* (www.sponsorship.com), sponsorship spending by companies based in North America has been as follows (change from previous year in parenthesis):

- 2008: $16.6 billion (11.4%)
- 2009: $16.5 billion (-0.6%)
- 2010: $17.2 billion (3.9%)
- 2011: $18.1 billion (5.5%)
- 2012: $18.9 billion (4.4%)
- 2013: $19.8 billion (4.7%)
- 2014: $20.6 billion (4.0%)
- 2015: $21.4 billion (3.9%)
- 2016: $22.4 billion (4.7%)
- 2017: $23.1 billion (3.6%)
- 2018: $24.2 billion (4.5%)

62.2 Spending By Sector

*IEG Sponsorship Report* assessed sponsorship spending by sector in 2018 as follows (change from previous year in parenthesis):

- Sports: $17.05 billion (4.9%)
- Entertainment tours/attractions: $2.40 billion (4.8%)
- Causes: $2.14 billion (4.4%)
- Arts: $1.03 billion (3.7%)
- Festivals/fairs/annual events: $936 million (3.7%)
- Associations/membership organizations: $635 million (3.1%)

62.3 Top Sponsors

According to IEG, the following companies rank highest in sponsorship spending:

- PepsiCo: $375 million
- Anheuser-Busch InBev: $365 million
- Coca-Cola: $280 million
- Nike: $265 million
- AT&T: $205 million
- Toyota: $200 million
- Adidas: $195 million
• Ford Motor Company: $160 million  
• General Motors: $155 million  
• Verizon Communications: $150 million  
• MillerCoors: $130 million  
• FedEx: $100 million  
• Microsoft: $90 million  
• Procter & Gamble: $90 million  
• Bank of America: $85 million  
• Citigroup: $85 million  
• Hyundai North America: $85 million  
• Berkshire Hathaway: $80 million  
• Sprint: $75 million  
• AllState: $70 million

62.4 Sports Sponsorships

Approximately 70% of sponsorship spending is for sports events. The following are 2019 sponsors for professional sports, major sporting events, and racing circuits:

**Breeders’ Cup**

**College Football Playoff**
- Allstate, AT&T, Buick, CapitalOne, Chick-fil-A, Dos Equis, Dr. Pepper, Ford, Gatorade, Goodyear, Nissan, Northwestern Mutual, PlayStation, Reese’s, and Taco Bell

**Dew Tour**
- Adaptive Action Sports, Breck, Bud Light, Circle K, Motorola Moto Z Droid, Mountain Dew, Toyota, Ubisoft’s video game STEEP, U.S. Army, and Verizon

**IndyCar**
- Autodesk, BorgWarner Turbo Systems, Chevrolet, Coors Light, Dallara, Disney, Featherlite Trailers, Firestone, Holmatro, Honda, Jostens, Lincoln Electric, New Era, Panasonic, PerkinElmer, PFC Breaks, Racing Electronics, Safety Kleen, Sherwin-Williams, SiriusXM, Sunoco, TAGHeuer, United Rentals, Verizon, and Xtrac

**Ladies Professional Golf Association**
- Acer, All Nippon Airways, Andrews Sports Medicine & Orthopaedic Center, Arpin Van Lines, Getty Images, Global Rescue, Golfzon, Jeju SamDaSoo, Kia Motors, Leaders Cosmetics, National Car Rental, Passports and Visas.com, Prudential

**Major League Baseball**

**Major League Lacrosse**
- ’47 BRAND, A&R Sports, adidas, Body By Jake, Brine, Cascade, Channel Mesh, Coca-Cola, East Coast Dyes, Face Off Academy, GEICO, Hedgehog Lacrosse, Lumber Lax, Maverik, New Balance, Powell Lacrosse, Powerade, String King Lacrosse, STX, Teamworks, Trilogy Lacrosse, and Warrior Lacrosse

**Major League Soccer**
- adidas, Advocare, Alcatel, Allstate, AT&T, Audi, Coca-Cola, Continental Tire, EA Sports, Etihad Airways, Heineken, Johnson & Johnson, Kellogg’s, Makita Tools, SeatGeek, Southern New Hampshire University, TAGHeuer, The Home Depot, and Wells Fargo

**Minor League Baseball**
- Bush’s Beans, Crayola, E&J Gallo Winery, Esurance, John Deere, ServiceMaster, Sunrun, and Uncle Ray’s Potato Chips

**NASCAR**

**National Basketball Association**
- 2K Sports, American Express, adidas, Anheuser-Busch InBev, AutoTrader.com, BBVA, Cisco, Coca-Cola, Diageo, Foot Locker, Gatorade, Harman, Kaiser Permanente, Kia Motors, Kumho Tire, Nike, Samsung, SAP, Spalding, Sprint, State Farm, and Taco Bell

**National Football League**
- Anheuser-Busch, Barclaycard, Bose, Bridgestone, Campbell’s Soup Company, Castrol, Courtyard Marriott, Dairy Management Inc., Dannon, Extreme Networks, FedEx, Frito-Lay, Gatorade, Hyundai Motor America, Mars Snackfood, McDonald’s,
Microsoft (XBOX, Surface and Windows), Nationwide, News America, Papa John’s, Pepsi, Procter & Gamble, Quaker, SAP Americas, TD Ameritrade, Verizon, Visa, and USAA

National Hockey League
• AMP Energy, Anco Wipers, Bridgestone, Constellation, Coors Light, Discover, DraftKings, Dunkin’ Donuts, EA Sports, Enterprise Rent-A-Car, Gatorade, Geico, Honda, Kraft Heinz, Las Vegas Convention and Visitors Authority, Lay’s, Molson Canadian, Pepsi, Prime Sport, Reebok, SAP, Scotiabank, Sheraton Hotels & Resorts, SiriusXM, Ticketmaster, and Upper Deck

National Lacrosse League
• New Era, Pinty’s, Pointstreet Sports Technologies, Sports Interactive, Under Armour, and Warrior

NCAA
• AT&T, Capital One, and Coca-Cola

Olympic Games - Worldwide Top Sponsors
• Atos, Bridgestone, Coca-Cola, Dow, General Electric, McDonald’s, Omega SA, Panasonic, Procter & Gamble, Samsung, Toyota, Visa

Olympic Games - U.S. Olympic Committee
• 24 Hour Fitness, Allstate, Anheuser-Busch, Deloitte, Hilton Worldwide, Jet Set Sports, McDonald’s, Nike, Procter & Gamble, Tyson Foods, United Airlines, Visa

PGA Tour
• Ace Hardware, Astellas, Avis, BHSports, Bridgestone Tire, Career Builder, Carey International, CDW, Charles Schwab, Citi, Coca-Cola, EZLinks Golf, FedEx, Fortune, Getty Images, Golf Digest, Grey Goose, Hawaii Tourism Authority, John Deere, Konica Minolta, Mackenzie Investments, MasterCard, MD Anderson, MetLife, Michelob Ultra, Microsoft, Mitsubishi Electric, NetJets, O’Doul’s, PricewaterhouseCoopers (PwC), Quicken Loans, Rolex, ServPro, Southern Company, Stryker, teeoff.com, Tiffany & Co., TMC USA, Travelers, United Airlines, United Rentals, USA Today Sports, Valspar, William Hill Estate Winery, and Web.com

Special Olympics
United SportsCar Championship

U.S. Paralympics
• 24 Hour Fitness, Adecco, Allstate, AT&T, BMW, BP, Deloitte, GE, Hilton Hotels, Liberty Mutual Insurance, McDonald’s, Nike, Oroweat, Procter & Gamble, Samsung, The Hartford, United Airlines, and Visa

Women’s National Basketball Association
• adidas, American Express, Anheuser-Busch InBev, BBVA Compass, Cisco, Diageo, Gatorade, Harman, Kaiser Permanente, KIA, Nike, Pepsico, Samsung, SAP, Spalding, State Farm, Tissot, and Verizon

Women’s Tennis Association Tour
• Dubai Duty Free, iQIYI, SAP, and USANA Health Sciences.

X Games - Summer
• AT&T, Coors Light, Fruit of the Loom, Harley-Davidson, Intel, LifeProof, Monster Energy, Skype, TNT’s Animal Kingdom, Torchy’s Tacos, Toyota, and U.S. Navy

X Games - Winter
• AT&T, Coors Light, GEICO, GoPro, Harley-Davidson, Jeep, LifeProof, Monster Energy, Polaris, and U.S. Navy

62.5 Market Resources
63

THE SHOPPING EXPERIENCE - IN-STORE

63.1 Overview

In a March 2019 survey by The Harris Poll (www.theharrispoll.com), only 22% of U.S. adults believe that brands deliver an excellent customer experience, compared to 48% of marketers who said their company was providing an excellent customer experience.

Harris used the Customer Experience Index (CEI) to assess four categories of the customer experience. The CEI uses a 25-point scale to assess each attribute. Customer and marketer perceptions of the customer experience were assessed as follows:

<table>
<thead>
<tr>
<th></th>
<th>Customers</th>
<th>Marketers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privacy:</td>
<td>14.9</td>
<td>19.0</td>
</tr>
<tr>
<td>Personalization:</td>
<td>14.3</td>
<td>18.5</td>
</tr>
<tr>
<td>Customer understanding:</td>
<td>14.3</td>
<td>18.2</td>
</tr>
<tr>
<td>Omnichannel/consistency:</td>
<td>14.7</td>
<td>18.2</td>
</tr>
</tbody>
</table>

“Looking specifically at the four individual dimensions that comprise the Customer Experience Index, marketers consistently rate themselves approximately 1.2 times higher than consumers do across all four dimensions.”

The Harris Poll, 3/27/19

63.2 Benefits Of Improving The Customer Experience

According to eMarketer (www.emarketer.com), business executives view the benefits of improving the customer experience as follows (percentage of respondents):
• Fundamental to future success: 88%
• Improved brand reputation: 88%
• Better returns: 82%
• Loyalty: 76%
• Greatly increased profits: 66%

A survey of retailers by Retail Systems Research (www.rsresearch.com) found the opportunities for use of in-store technologies as follows (percentage of respondents):
• Help the company win new customers and retain current customers: 58%
• Maintain and/or improve the customer experience: 47%
• Increase revenues while holding down operational costs: 42%
• Bring more digital experience into stores: 34%
• Create competitive advantage: 28%
• Make employees better informed: 24%

Effective tactics to improve the in-store experience are as follows (percentage of respondents):
• Educate and empower in-store employees using technology: 53%
• Focus on a more convenient customer experience: 51%
• Find ways to make employees more productive: 47%
• Provide ability to locate and sell merchandise from anywhere: 41%
• More personalized attention from employees: 36%
• Add self-service customer-facing technologies: 33%

63.3 Store Atmospherics
According to a survey by Shapiro+Raj (www.shapiroraj.com), 63% of consumers remember occasions when the store atmosphere caused them to buy more or spend more time at a store. Among those who said they were influenced, 45% reported that they spent more money in the store, not just more time. The survey found that certain customers are more likely than others to be impacted by store atmospherics, in particular higher-income shoppers (83%) and younger shoppers (66%).

In conjunction with Chain Store Age, Shapiro+Raj conducted The Store Atmospherics study which included customer interviews. Of 13 atmospheric elements examined in the study, cleanliness (90%) ranked as the most important in deciding where to shop. In-store TV was rated as least important (9%) in deciding where to shop. The study found that consumers divide the elements of store atmospherics into the following three tiers:
• The basic condition of the store (how clean and well kept it is)
• Passive atmospherics (the essential but relatively static aspects of the store, such as lighting, temperature, and aisle width)
• Active atmospherics (the more interactive or stimulating elements such as music and in-store TV)
The key for retailers is to blend all three tiers in a deliberate, strategic way. Active atmospherics like loud music, for example, might be a distraction for certain shoppers and keep them from making purchases.

### 63.4 Self-Service

In a survey by Synqera (www.synqera.com), 73% of shoppers say waiting in the checkout line is their least favorite aspect of in-store shopping.

Retale (www.retale.com) reported that 85% of consumers have used in-store self-checkout kiosks; 91% of Millennials have done so. Reasons for using self-checkout are as follows (percentage of respondents):

- Limited number of items: 72%
- Shorter line: 55%
- Prefer to keep transactions private: 13%
- Don’t like interacting with cashiers: 12%

A survey by Buzzback Market Research (www.buzzback.com) found that 66% of shoppers feel that self-service technology creates a more positive perception of the deployer’s brand.

According to IHL Group (www.ihlservices.com), consumers made $385 billion in purchases through self-checkout lanes in 2018. Self-service transactions are growing at 7% per year.

A survey by Shapiro+Raj found consumers divided on the benefits of self checkout. Only 43% said it shortens checkout time, while 38% feel it lengthens checkout. Still, given a choice, 39% say they prefer self-checkout over a cashier.

### 63.5 Smartphone Use

An April 2019 survey by RetailMeNot (www.retailmenot.com) found that adult shoppers are more likely to look for the following types of information on their smartphone instead of speaking to a store associate (percentage of respondents):

- Customer reviews: 69%
- Comparable products or services: 58%
- Product specifications: 55%
- Deals of discounts: 53%
- Exclusive offers: 44%
- Availability of item not found in store: 40%
- Return policy or product warranty: 33%
“The gap between online and offline shopping continues to close as more customers engage with their mobile devices in-store. Some shoppers choose to engage this way over personal interaction, but that doesn’t mean retailers should give up entirely on educating their store associates.”

eMarketer, 5/8/19

*RIS News* reported that smartphone shoppers use a retailer’s mobile app as follows (percentage of respondents):

- Always: 3%
- Most of the time: 15%
- Sometimes: 56%
- Never: 27%

Uses of retailer mobile apps are as follows (percentage of respondents):

- Check promotional offers/discounts offered just to me: 66%
- Check promotional offers/discounts available to everyone: 61%
- Check prices: 57%
- Research products: 36%
- Navigate the store: 15%
- Order and pay for a product: 14%

A study by Deloitte ([www.deloitte.com](http://www.deloitte.com)) found that smartphone shoppers were 14% more likely than non-smartphone shoppers to convert in-store, even when those smartphone shoppers used a mobile app or site not belonging to the retailer. Seventy-two percent (72%) of shoppers who used their smartphone on their most recent in-store trip made a purchase while there, compared with 63% of shoppers who did not use a smartphone to assist in making a purchase during their last in-store trip.

63.6 Turning Shoppers Into Buyers

A survey by Deloitte concluded that the best way to turn a shopper into a buyer is not through marketing and advertising, but through the store experience. The study suggested that redirecting resources to improving the customer experience and building multichannels can help retailers increase sales and earnings.
The following is a summary of the findings from the Deloitte survey:

- Eight out of 10 respondents said their most recent store visit was not prompted by advertising or marketing.
- Consumers who went to a store intending to buy an item but did not said it was because they couldn’t locate the item, it was out of stock, or help was not available to find it. Of the consumers who said they received service in the store (31%), the majority (55%) did so to get help locating an item.
- Among those surveyed, online shoppers were frequently more satisfied than were in-store shoppers. More than half (55%) of online shoppers said their experience was better than store shopping, compared with 25% of store shoppers stating that their experience was better than online shopping.
64.1 Expectations Online

According to the *Future Of Retail Study*, by Walker Sands (www.walkersands.com), the following features make customers more likely to shop online (percentage of respondents):

- Free shipping: 83%
- Free returns: 65%
- One-day shipping: 62%
- Easier online returns: 51%
- Payment security: 48%
- Same day shipping: 42%
- Easier in store returns: 39%
- Entire order shipped together: 33%
- Visual try-on capability: 30%

According to a survey by OneUpWeb (www.oneupweb.com), Internet users expect the following from e-commerce sites (percentage of respondents):

- Pricing/shipping information clearly stated: 96%
- Site looks credible and trustworthy: 76%
- Product displayed on homepage: 71%
- Visually appealing: 67%
- Total cost calculator: 59%
- Search function: 48%
- Privacy statement: 46%
- Onsite customer reviews: 41%
- Online customer service (live chat): 32%
- Links to social networks (Facebook, Twitter): 23%

According to a survey by A.T. Kearney (www.atkearney.com), the following attributes are important to consumers when shopping online (percentage of respondents):

- Finding specific products: 96%
- Free shipping: 93%
- Finding favorite brands: 92%
- Best price: 90%
- Ease of navigation: 88%
A survey by comScore (www.comscore.com) asked online shoppers what drives them to shop with an online retailer. Responses were as follows (two responses per survey participant):

- The ability to buy online and then make returns at the store: 62%
- The push of a coupon/promotion to my smartphone: 47%
- The ability to buy online and pick up in store: 44%
- The availability of an application designed specifically for a tablet: 41%
- The option to conduct one-click check-out online: 40%
- The ability to complete a purchase in store using mobile device: 37%
- The availability of a mobile application for a smartphone: 36%
- The availability of an in-store kiosk to browse products: 25%
- The ability to start a purchase online and then complete the purchase in store: 23%
- The ability to make an appointment for an in-store consult after researching online: 18%

### 64.2 Omnichannel Shopping

Omnichannel shopping allows consumers to shop across multiple channels – in-store, online, and on a tablet or cellphone – potentially at the same time.

A survey by iModerate Research Technologies (www.imoderate.com) reported Internet users who believe it is important for e-commerce brands to operate physical stores as follows:

- Baby Boomers: 65%
- Generation X: 69%
- Millennials: 82%
- Generation Z: 80%

Forrester Research (www.forrester.com) found that 71% of consumers expect to view in-store inventory online.

In the Multichannel Consumer Survey, by PricewaterhouseCoopers (PwC, www.pwc.com), 56% of U.S. adults said they are likely to spend more with multichannel retailers than with either online-only retailers or stores with bricks-and-mortar-only locations.
“Our research shows that when consumers use multiple channels, they spend more. That flies in the face of conventional wisdom that launching an online store steals sales from physical stores.”

Lisa Feigen Dugel, Director
PwC Retail and Consumer Advisory Practice

Boston Retail Partners (www.bostonretailpartners.com) reported the following percentages of retailers offer select omnichannel options:

- Returns accepted across all channels: 62%
- Inventory visibility across channels: 60%
- Special order from any channel: 49%
- Order visibility across channels: 47%
- Buy in-store and ship from digital channel, other store, or vendor: 44%
- Buy online, pick up in-store: 42%
- Buy anywhere, ship anywhere: 41%
- Buy online, ship from store: 38%
- Reserve online, pick up in-store: 38%

64.3 Buy Online, Pick Up In-Store

A survey by King Retail Solutions (www.kingrs.com) found that 54% of online consumers have purchased products online, picked up in-store, and said they like the option. By demographic, the percentages are as follows:

**Gender**
- Female: 50%
- Male: 58%

**Generation**
- Baby Boomers: 41%
- Generation X: 57%
- Millennials: 63%

In a survey by Blackhawk Engagement Solutions (www.bhengagement.com), 86% of adults who shop online said they would consider purchasing online and picking
up in-store to save $10 to $50 per item; 78% said they would do so to receive an item three days earlier.

64.4 Same-Day Delivery

A survey by PricewaterhouseCoopers found 61% of Internet users would be willing to pay for same-day delivery for an item they urgently needed. LoyaltyOne (www.loyalty.com) found similar interest, reporting that 65% of online shoppers would pay an additional fee for same-day home delivery under certain circumstances.

Same-day delivery became an option for some online shoppers when Amazon launched the service for Amazon Prime Now customers in select cities in 2014. By 2016 the service had expanded the service to all major U.S. cities.
THE SHOPPING EXPERIENCE - OMNICHANNEL

65.1 Overview

2018 Customer Experience/Unified Commerce Survey, by Boston Retail Partners (www.brpconsulting.com), investigated the implementation of select omnichannel commerce capabilities among retail companies. This chapter presents the findings of the survey.

65.2 Implementation Of Omnichannel Commerce

When retail executives were asked about the status of their company’s implementation of select omnichannel retail commerce capabilities, responses were as follows (percentage of respondents):

**Consistent Pricing/Promotions**
- Implemented and working well: 31%
- Implemented and needs improvement: 34%
- Plan to implement within three years: 17%
- Do not plan to implement: 18%

**Consistent Product Assortment**
- Implemented and working well: 28%
- Implemented and needs improvement: 38%
- Plan to implement within three years: 14%
- Do not plan to implement: 20%

**Endless Sale**
- Implemented and working well: 3%
- Implemented and needs improvement: 28%
- Plan to implement within three years: 24%
- Do not plan to implement: 45%

**Inventory Visibility**
- Implemented and working well: 14%
- Implemented and needs improvement: 25%
- Plan to implement within three years: 39%
- Do not plan to implement: 22%
Order Tracking
- Implemented and working well: 14%
- Implemented and needs improvement: 28%
- Plan to implement within three years: 41%
- Do not plan to implement: 17%

Order Visibility
- Implemented and working well: 10%
- Implemented and needs improvement: 28%
- Plan to implement within three years: 38%
- Do not plan to implement: 24%

Returns Visible And Accepted
- Implemented and working well: 21%
- Implemented and needs improvement: 24%
- Plan to implement within three years: 38%
- Do not plan to implement: 17%

Start Anywhere, Finish Anywhere
- Implemented and working well: 7%
- Implemented and needs improvement: 52%
- Plan to implement within three years: 41%
- Do not plan to implement: 0%

65.3 Market Resources
Boston Retail Partners, 470 Atlantic Avenue, Boston, MA 02210. (617) 880-9355. (www.brpconsulting.com)
APPENDIX A

ACADEMIC CENTERS

A.C. Nielsen Center For Marketing Research
University of Wisconsin - Madison, Wisconsin School of Business, 975 University Avenue, Madison, WI 53706.
(http://bus.wisc.edu/centers/ac-nielsen-center-for-marketing-research)

Academy of Marketing Science
Louisiana Tech University, College of Business, BUS 347A, P.O. Box 3072, Ruston, LA 71272. (www.business.latech.edu/centers/ams/)

Center for Business Analytics
Villanova University, 800 E. Lancaster Avenue, Villanova, PA 19085. (http://www1.villanova.edu/villanova/business/centers/businessanalytics.html)

Center for Global Marketing Practice
Northwestern University, Kellogg School of Management, 2001 Sheridan Road, Evanston, IL 60208. (www.kellogg.northwestern.edu/research/fgmp/)

Center for Hispanic Marketing Communications
Florida State University, 3127, Building C, FSU University Center, Tallahassee, FL 32306. (http://hmc.comm.fsu.edu/)

Center for Marketing and Social Issues
Colorado State University, Department of Marketing, 111 Rockwell Hall, Fort Collins, CO 80523. (http://biz.colostate.edu/marketing/center/Pages/default.aspx)

Center for Marketing and Technology
Bentley University, 175 Forest Street, Waltham, MA 02452. (www.bentley.edu/centers/cmt)

Center for Marketing Research
Cleveland State University, Monte Ahuja Hall, Room 460, 2121 Euclid Avenue, Cleveland, OH 44115. (http://csuw3.csuohio.edu/business/academics/mkt/center.html)

Center for Marketing Research
University of Massachusetts Dartmouth, 285 Old Westport Road, North Dartmouth, MA 02747. (www.umassd.edu/cmr)
Center for Pharmaceutical Marketing  
University of Mississippi, Faser Hall Rooms 128-136, P.O. Box 1848, University, MS 38677. (www.pharmacy.olemiss.edu/cpmm/)

Center for Positive Marketing  
Fordham University, 113 W. 60th Street, New York, NY 10023. (www.centerforpositivemarketing.org/)

Center for Professional Selling  
Baylor University, Hankamer School of Business, One Bear Place, Waco, TX 76798. (www.baylor.edu/business/selling/)

Center for Professional Selling  
Kennesaw State University, 1000 Chastain Road, BB 255, Kennesaw, GA 30144. (http://professionalselling.kennesaw.edu/)

Center for Professional Selling  
University of Dayton, 300 College Park, Dayton, OH 45469. (www.udayton.edu/students/sales/index.php#3)

Center for Professional Selling and Marketing  
Western Carolina University, 104 Forsyth Building, Cullowhee, NC 28723. (www.wcu.edu/academics/departments-schools-colleges/COB/college-of-business-centers/center-for-professional-selling-and-marketing/index.asp)

Center for Relationship Marketing  
University at Buffalo - The State University of New York, School of Management, 215 Jacobs Management Center, Buffalo, NY 14260. (http://mgt.buffalo.edu/faculty/academic/marketing/CRM)

Center for Sales & Sales Management  
University of Wisconsin Eau Claire, Schneider Hall, P.O. Box 4004, Eau Claire, WI 54702. (www.uwec.edu/cob/salescenter/index.htm)

Center for Sales Leadership  
DePaul University, 1 E. Jackson, Suite 7500, Chicago, IL 60604. (www.salesleadershipcenter.com)

Center for Sales Leadership  
University of Alabama - Birmingham, Collat School of Business, 1720 2nd Avenue S, Birmingham, AL 35294. (www.uab.edu/business/departments-centers/centers-outreach/center-for-sales-leadership)
Center for Services Marketing & Management
Florida Atlantic University, College of Business, 777 Glades Road, Boca Raton, FL 33431. (www.fau.edu/csmm/)

Centre for Integrated Marketing Communications
San Diego State University, College of Business Administration, 5500 Campanile Drive, San Diego, CA 92182. (http://cbaweb.sdsu.edu/imc)

Institute For Applied Business Research
Florida State University, P.O. Box 3061110, Tallahassee, FL 32306. (http://tmi.cob.fsu.edu/)

Institute for Research In Marketing
University of Minnesota - Twin Cities Campus, Carlson School of Management, 321 19th Avenue South, Minneapolis, MN 55455. (http://carlonschool.umn.edu/faculty-research/institute-research-in-marketing)

Institute for the Study of Business Markets
Pennsylvania State University, 484 Business Building, University Park, PA 16802. (http://isbm.smeal.psu.edu/)

Interactive Marketing Institute
Virginia Commonwealth University, 901 W. Main Street, P.O. Box 84-2034, Richmond, VA 23284. (www.imi.vcu.edu/)

James M. Kilts Center for Marketing
University of Chicago, Booth School of Business, 5807 Woodlawn Avenue, Chicago, IL 60637. (http://research.chicagoboosth.edu/kilts/)

Kellstadt Marketing Center
DePaul University, Driehaus College of Business, 1 East Jackson, Chicago, IL 60604. (http://driehaus.depaul.edu/aboutcenters-and-institutes/kellstadt-marketing-center/about/pages/default.aspx)

Market Research Center
Seton Hall University, Stillman School of Business, 400 S. Orange Avenue, 677 Jubilee Hall, South Orange, NJ 07079. (www.shu.edu/academics/business/market-research/index.cfm)

National Strategic Selling Institute
Kansas State University, 110 Calvin Hall, Manhattan, KS 66506. (http://cba.k-state.edu/about-departments-initiatives/national-strategic-selling-institute/index.html)
Owen Entrepreneurship Center
Vanderbilt University, Owen Graduate School of Management, 401 21st Avenue South, Nashville, TN 37206. (http://www2.owen.vanderbilt.edu/oec/)

Sales Excellence Institute
University of Houston, C. T. Bauer College of Business, 334 Melcher Hall, Houston, TX 77204. (www.bauer.uh.edu/sei/index.php)

Southwest Marketing Advisory Center
Southwest Minnesota State University, Science & Technology 203, 1501 State Street, Marshall, MN 56258. (www.smsu.edu/smac/)

Warsaw Sports Marketing Center
University of Oregon, Lundquist College of Business, 1208 University of Oregon, Eugene, OR 97403. (http://business.uoregon.edu/centers/warsaw)
APPENDIX B

ANALYSTS

Accenture, 1345 Avenue of the Americas, New York, NY 10105.  (917) 452-4400.  (www.accenture.com)

American Customer Satisfaction Index (ACSI), 625 Avis Drive, Ann Arbor, MI 48108.  (734) 913-0788.  (www.theacsi.org)

Ascend2, 36 Links Lane, Marstons Mills, MA 02648.  (800) 762-1595.  (www.ascend2.com)


BIA Advisory Service, 14150 Parkeast Circle, Suite 110, Chantilly, VA 20151.  (703) 818-2425.  (www.biakelsey.com)


Boston Consulting Group, Exchange Place, 31st Floor, Boston, MA 02109.  (617) 973-1200.  (www.bcg.com)

Boston Retail Partners, 470 Atlantic Avenue, Boston, MA 02210.  (617) 880-9355.  (www.brpconsulting.com)

Brand Keys, 20 Beekman Place, 9th Floor, New York, NY 10022.  (212) 532-6028.  (www.brandkeys.com)

Chadwick Martin Bailey, 2 Oliver Street, 11th Floor, Boston, MA 02109.  (617) 350-8922.  (www.cmbinfo.com)

Concentric Marketing, 500 East Boulevard, Charlotte, NC 28203.  (704) 731-5100.  (www.getconcentric.com)

eMarketer, 11 Times Square, New York, NY 10036.  (800) 405-0844.  (www.emarketer.com)


First Research, 7700 West Parmer Lane, Building A, Austin, TX 78729. (866) 788-9389. (www.firstresearch.com)

ForeSee, 2500 Green Road, Suite 400, Ann Arbor, MI 48105. (800) 621-2850. (www.foresee.com)

Forrester Research, 60 Acorn Park Drive, Cambridge, MA 02140. (617) 613-5730. (www.forrester.com)


Gartner, 56 Top Gallant Road, Stamford, CT 06902. (203) 964-0096. (www.gartner.com)

GfK, 200 Liberty Street, 4th Floor, New York, NY 10281. (212) 240-5300. (www.gfk.com)

IEG, 350 North Orleans Street, Suite 1200, Chicago, IL 60654. (800) 834-4850. (www.sponsorship.com)

International Data Corporation, 5 Speen Street, Framingham, MA 01701. (508) 872-8200. (www.idc.com)

Ipsos, 360 Park Avenue South, 17th Floor, New York, NY 10010. (212) 265-3200. (www.ipsos.com)

IRI, 150 North Clinton Street, Chicago, IL 60661. (312) 726-1221. (www.iriworldwide.com)

J.D. Power and Associates, 2625 Townsgate Road, Westlake Village, CA 91361. (805) 418-8000. (www.jdpower.com)


Kantar, 3 World Trade Center, 16th Floor, New York NY 10007. (212) 991-6000. (www.kantar.com)
Luxury Institute, 200 West 67th Street, Suite 31B, New York, NY 10023. (646) 792-2669. (www.luxuryinstitute.com)

Mintel, 333 West Wacker Drive, Suite 1100, Chicago, IL 60606. (312) 932-0400. (www.mintel.com)

Multicultural Marketing Resources, 150 West 28th Street, Suite 1501, New York, NY 10001. (212) 242-3351. (www.multicultural.com)

New Strategist, 106 North Dunton Avenue, East Patchogue, NY 11772. (800) 848-0842. (www.newstrategist.com)

Nielsen, 770 Broadway, New York, NY 10003. (646) 654-5000. (www.nielsen.com)


Pew Research Center, 1615 L Street, Suite 700, Washington, DC 20036. (202) 419-4300. (www.pewresearch.org)

PricewaterhouseCoopers (PwC), 300 Madison Avenue, New York, NY 10017. (646) 471-4000. (www.pwc.com)


Richard K. Miller & Associates, 2413 Main Street, Suite 331, Miramar, FL 33025. (888) 928-7562. (www.rkma.com)

Service Management Group, 1737 McGee Street, Kansas City, MO 64108. (800) 764-0439. (www.smg.com)

Shapiro+Raj, 153 West Ohio Street, Suite 300, Chicago, IL 60654. (312) 321-8111. (www.shapiroraj.com)

Temkin Group, 48 White Oak Road, Waban, MA 02468. (617) 916-2075. (www.temkingroup.com)

The Conference Board, 845 Third Avenue, New York, NY 10022. (212) 759-0900. (www.conference-board.org)


The Media Audit, 1400 Broadfield Boulevard, Suite 200, Houston, TX 77084. (713) 626-0333. (www.themediaaudit.com)

The NPD Group, 900 West Shore Road, Port Washington, NY 11050. (516) 625-0700. (www.npd.com)

Unity Marketing, 206 E. Church Street, Stevens, PA 17578. (717) 336-1600. (www.unitymarketingonline.com)

Winterberry Group, 60 Broad Street, Suite 3810, New York, NY 10004. (212) 842-6000. (www.winterberrygroup.com)

WSL Strategic Retail, 307 Seventh Avenue, Suite 1104, New York, NY 10001. (212) 924-7780. (www.wslstrategicretail.com)
APPENDIX C

ASSOCIATIONS

Academy of Marketing Science, c/o College of Business, Louisiana Tech University
P.O. Box 3072, Ruston, LA 71272. (www.ams-web.org)

American Association of Advertising Agencies, 1065 Avenue of the Americas, 16th
Floor, New York, NY 10018. (212) 682-2500. (www.aaaa.org)

American Marketing Association, 130 E. Randolph Street, 22nd Floor, Chicago, IL
60601. (312) 542-9000. (www.ama.org)

Association of National Advertisers, 10 Grand Central, 155 E 44th Street, New York, NY
10017. (212) 697-5950. (www.ana.net)

Association of Strategic Marketing, 2510 Alpine Road, Eau Claire, WI 54703.
(866) 226-0828. (www.associationofmarketing.org)

Business Information Association, division of the Software & Information Industry
Association, 1090 Vermont Avenue NW, 6th Floor, Washington, DC 20005.
(202) 289-7442. (www.siia.net/connectiv)

Canadian Marketing Association, 55 University Avenue, Suite 603, Toronto, ON,
Canada M5J 2H7. (416) 391-2362. (www.the-cma.org)

Chief Marketing Officer (CMO) Council, 1494 Hamilton Avenue, San Jose, CA 95125.
(408) 677-5300 x5333. (www.cmocouncil.org)

Digital Place-Based Advertising Association, 205 East 42nd Street, 20th Floor,
New York, NY 10017. (212) 371-8961. (www.dpaaglobal.com)

Exhibitor Appointed Contractor Association, 2214 NW 5th Street, Bend, OR 97703.
(541) 317-8768. (www.eaca.com)

Exhibit & Event Marketers Association, 2214 NW 5th Street, Bend, OR 97701.
(541) 317-8768. (www.e2ma.org)

(202) 800.2545. (www.insightsassociation.org)
International Association of Exhibitions and Events (IAEE), 12700 Park Central Drive, Suite 308, Dallas, TX 75251. (972) 458-8002. (www.iaee.com)

Internet Marketing Association, 10 Mar Del Rey, San Clemente, CA 92673. (949) 443-9300. (www.imanetwork.org)

ITSMA, 91 Hartwell Avenue, Lexington, MA 02421. (781) 862-8500. (www.itmsa.com)

Online Marketing Institute, 2088 Union Street, #3, San Francisco, CA 94123. (415) 450-9524. (www.onlinemarketinginstitute.org)

Video Advertising Bureau, 830 3rd Avenue, 2nd Floor, New York, New York 10022. (212) 508-1200. (www.thevab.com)

Web Marketing Association. (www.webmarketingassociation.org)
APPENDIX D

MARKETING BLOGS

• Adages: The Blog (http://adage.com/blog)
• adfreak (www.adweek.com/adfreak)
• AdPulp (www.adpulp.com)
• Adrants (www.adrants.com)
• Ads of the World (www.adsoftheworld.com)
• Advertising Lab (http://adverlab.blogspot.com)
• Affiliate Marketing Blog by Shawn Collins (http://blog.affiliatetip.com/)
• Agency Spy (www.mediabistro.com/agencyspy)
• aimClear Blog (www.aimclearblog.com)
• Awaken Your Superhero (www.christopherspenn.com)
• BBH Labs (http://bbhlabs.com)
• Blogging Tips (www.bloggingtips.com)
• BrandFlakesForBreakfast (www.brandflakesforbreakfast.com)
• Branding Strategy Insider (www.brandingstrategyinsider.com)
• Brian Solis (www.briansolis.com)
• Bruce Clay Blog (www.bruceclay.com/blog/)
• Business 2 Community (www.business2community.com)
• CenterNetworks (www.centernetworks.com)
• ChrisBrogan.com (www.chrisbrogan.com)
• Church of the Customer (www.churchofthecustomer.com)
• ClickZ (www.clickz.com/type/news)
• Community Spark (www.communityspark.com)
• Compete Pulse (http://blog.compete.com)
• comScore blog (http://blog.comscore.com)
• Conversation Agent (www.conversationagent.com)
• ConverStations (www.converstations.com)
• Convince & Convert (www.convinceandconvert.com)
• Copyblogger (www.copyblogger.com)
• Creative Zone by MediaMind (http://creativezone.mediamind.com)
• crowdSPRING Blog (http://blog.crowdspring.com)
• Customer Experience Matters (http://experiencematters.wordpress.com)
• Daily Blog Tips (www.dailyblogtips.com)
• Damn, I Wish I’d Thought of That! (www.damniwish.com)
• Dan Zarrella (http://danzarrella.com)
• DigitalNext (http://adage.com/blog/digitalnext/603)
• PR. Differently (http://prdifferently.typepad.com)
• PRNewser (www.mediabistro.com/prnewser)
• Pronet Advertising (www.pronetadvertising.com)
• PSFK (www.psfk.com)
• Publishing 2.0 (www.publishing2.com)
• ReelSEO Video Marketing (www.reelseo.com)
• ReveNews (www.revenews.com)
• Richard Edelman - 6 a.m. (http://edelman.com/speak_up/blog/)
• Search Engine Guide (www.searchenginеguide.com)
• Search Engine Journal (www.searchenginejournal.com)
• Search Engine Land (http://searchengineland.com)
• Search Engine Optimization Journal (www.searchengineoptimizationjournal.com)
• Search Engine Roundtable (www.seroundtable.com)
• Search Engine Watch (http://searchenginewatch.com)
• Search Marketing Standard (www.searchmarketingstandard.com/blogging-for-masses)
• SearchRank Blog (www.searchrank.com/blog)
• SEO by the Sea (www.seobythesea.com)
• SEOBook (www.seobook.com)
• SEOmoz Blog (www.seomoz.org/blog)
• Seth’s Blog (www.sethgodin.typepad.com)
• Shoemoney (www.shoemoney.com)
• Small Business Branding (www.smallbusinessbranding.com)
• Small Business SEM (www.smallbusinesssem.com)
• SmartBlog on Social Media (http://smartblogs.com/socialmedia/)
• So Good (www.sogoodblog.com)
• Social @ Blogging Tracker (www.facebook.com/SocialBloggingTracker)
• Social Business (www.zdnet.com/blog/feeds)
• Social Media Examiner (www.socialmediaexaminer.com)
• Social Media Explorer (www.socialmediaexplorer.com)
• Spin Sucks (www.spinsucks.com)
• SpinWatch (www.spinwatch.org/blogs-mainmenu-29)
• Sugarrae SEO Blog (www.sugarrae.com)
• Super Affiliate Zac Johnson (http://zacjohnson.com/)
• Techipedia: Tamar Weinberg (www.techipedia.com)
• The Ad Contrarian (http://adcontrarian.blogspot.com)
• The BrandBuilder Blog (http://thebrandbuilder.wordpress.com)
• The Denver Egotist (www.thedenveregotist.com)
• The Future Buzz (http://thefuturebuzz.com)
• The Marketing Technology Blog (www.marketingtechblog.com)
• The Relationship Economy (www.relationship-economy.com)
• The Social Media Marketing Blog (www.scottmonty.com)
• This blog sits at the Intersection of Anthropology and Economics (http://cultureby.com)
• Threeminds (http://threeminds.organic.com)
• tompeters! (www.tompeters.com)
• Traffick (www.traffick.com)
• Vladimir Prelovac (www.prelovac.com/vladimir/)
• WATBlog (www.watblog.com)
• Web Ink Now (www.webinknow.com)
• Web Strategy by Jeremiah Owyang (www.web-strategist.com/blog/)
• What Consumes Me (http://whatconsumesme.com)
• What’s Next Blog (www.whatsnextblog.com)
• WhichTestWon? (http://whichtestwon.com)
• Windmill Networking - Social Media Strategy (http://windmillnetworking.com/blog/)
• Ypulse (www.ypulse.com)
APPENDIX E

MARKETING TECHNOLOGY VENDORS

Analytics Technology Products
The following are vendors of marketing analytics software:
CallSource
• Product: Results
• Website: www.callsource.com

IBM Corporation
• Product: IBM Real-Time Analytics Matching Platform (RAMP)
• Website: www.ibm.com/us/en

IBM SPSS
• Products: IBM SPSS Data Collection, IBM SPSS Modeler, IBM SPSS Statistics
• Website: http://www-01.ibm.com/software/analytics/spss

Infegy
• Product: Social Radar
• Website: www.infegy.com

Infor
• Product: Infor 10x Analytics
• Website: www.infor.com

MicroStrategy
• Products: MicroStrategy Intelligence, MicroStrategy Mobile
• Website: www.microstrategy.com

MLS Data Management Solutions
• Product: MLS Data Management Solutions
• Website: www.mlsc.com

Oracle
• Products: Oracle Business Development Foundation, Oracle Business Intelligence Applications, Oracle Scoreboard and Strategy Management
• Website: www.oracle.com
Sailthru
• Product: SmartData
• Website: www.sailthru.com

SAP
• Products: BusinessObjects Intelligent Search, BusinessObjects Text Analysis, BusinessObjects VizServer
• Website: www.sap.com

SAS
• Products: SAS Analytics, SAS Business Analytics, SAS Customer Intelligence
• Website: www.sas.com

Teradata
• Products: Data Warehouse Database Systems, Master Data Management
• Website: www.teradata.com

VeraCentra
• Products: VeraCentra Intelligence, VeraCentra Segmentation and Modeling Services
• Website: www.veracentra.com

Xert Communications Corp.
• Product: Xert Precision Suite
• Website: www.xert.com

Customer Relationship Management (CRM)
The following are vendors of customer relationship management software:
Amdocs
• Product: Amdocs Enterprise Customer Management
• Website: www.amdocs.com/Products/Customer-Management/Pages/Customer-Management.aspx

Avaya
• Product: Avaya Ace CRM Integration
• Website: www.avaya.com

GreenRope
• Product: GreenRope Complete CRM
• Website: www.greenrope.com

Infor
• Product: Infor 10x CRM
• Website: www.infor.com

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Infusionsoft
• Product: Small Business CRM
• Website: www.infusionsoft.com

Jive Software
• Product: Jive Software CRM
• Website: www.jivesoftware.com

Kana
• Product: CRM Solution
• Website: www.kana.com

Microsoft
• Product: Microsoft Dynamics CRM
• Website: www.microsoft.com/en-us/dynamics/crm.aspx

NetSuite
• Product: NetSuite CRM+
• Website: www.netsuite.com/portal/products/crm/main.shtml

Oracle
• Product: Oracle CRM
• Website: www.oracle.com

Oracle-PeopleSoft
• Product: PeopleSoft Enterprise CRM
• Website: www.oracle.com/us/products/applications/peoplesoft-enterprise/crm/052431.html

Pardot, a Salesforce company
• Product: Pardot Marketing Automation
• Website: www.pardot.com

Pegasystems
• Product: Pegasystems CRM
• Website: www.pegasystems.com

PhaseWare
• Product: PhaseWare CRM
• Website: www.phaseware.com/customerrelationshipmanagement/

Sage
• Product: Sage CRM Cloud
• Website: www.sagecrm.com/united_states/
Salesforce
  • Product: Sales Cloud
  • Website: www.salesforce.com

Salesnet
  • Product: Web Based CRM
  • Website: www.salesnet.com

SAP
  • Product: SAP 360 Customer powered by SAP HANA
  • Website: www.sap.com

SAS
  • Product: SAS Customer Intelligence
  • Website: www.sas.com

SugarCRM
  • Product: SugarCRM
  • Website: www.sugarcrm.com

Teradata Corp.
  • Product: Integrated Marketing Management Solution
  • Website: www.teradata.com

VeraCentra
  • Product: VeraCentra Customer Intelligence
  • Website: www.veracentra.com

Vertical Solutions
  • Product: Vertical Solutions CRM
  • Website: www.vertsol.com

Vtiger
  • Product: Vtiger CRM
  • Website: www.vtiger.com

Zoho
  • Product: Zoho CRM
  • Website: www.zoho.com/crm/

**Web Analytics Technology Products**
The following are vendors of web analytics software:
Adobe Systems
• Products: Adobe Analytics, Adobe Discover, Adobe Genesis Insight, DigitalPulse, Search&Promote, SiteCatalyst, TagManager, Test&Target
• Website: www.adobe.com

Bridgeline Digital
• Product: iAPPS Analyzer
• Website: www.bridgeline.com

Clicky Web Analytics
• Products: Clicky Web Analytics, Twitter Analytics
• Website: www.clicky.com

Google
• Product: Google Analytics
• Website: www.google.com/analytics

IBM Enterprise Marketing Management
• Products: IBM Digital Analytics, IBM Digital Analytics Accelerator, IBM Digital Analytics for Social Media, IBM Digital Analytics Impression Attribution, IBM Digital Analytics Lifecycle, IBM Digital Analytics Multichannel, IBM Digital Analytics Multisite
• Website: http://www-03.ibm.com/software/products/en/category/marketing

Pardot, a Salesforce company
• Product: Pardot Marketing Automation
• Website: www.pardot.com

Parker Software
• Product: WhosOn
• Website: www.parker-software.com

Sailthru
• Product: SmartData
• Website: www.sailthru.com

SAP
• Product: SAP Business Intelligence
• Website: www.sap.com

SAS
• Products: SAS Web Analytics
• Website: www.sas.com
APPENDIX F

ONLINE RESOURCES

AMA Guides and E-Books (www.ama.org/topics/white-paper/)
(www.ama.org/publications/eNewsletters/Pages/default.aspx)
• The American Marketing Association publishes eight e-newsletters: AMA Today, AMA Worldview, Career Update, College2Career, Marketing Health Services, Marketing Insights, and Marketing News Exclusives.

Bloomberg.com (www.bloomberg.com)
• The site of Bloomberg L.P., which includes Bloomberg Television, delivers business and financial news and draws on the resources of more than 2,300 journalists in 75 countries.

Business.com (www.business.com)
• More than 20 million small- and medium-sized businesses (SMBs) use Business.com to purchase products and services. The site attracts more than 10,000 advertisers.

Ecommerce Times (www.ecommercetimes.com)
• Ecommerce Times is published by ECT News Network, one of the largest e-business and technology news publishers in the United States. Membership is free.

MarketingProfs (www.marketingprofs.com)
• Marketing Profs provides business advice through newsletters, conferences, seminars, podcast, articles, and webcasts. The site serves a community of more than 621,000 entrepreneurs, small-business owners, and corporate marketers. Membership is free.

The CMO Survey (www.cmosurvey.org)
• Conducted by Duke University’s Fuqua School of Business (www.fuqua.duke.edu) and sponsored by the American Marketing Association (www.marketingpower.com), the CMO Survey is a semi-annual poll of chief marketing officers.
APPENDIX G

PERIODICALS

Advertising Age, 685 Third Avenue, New York, NY 10017. (212) 210-0100.  (www.adage.com)

Adweek, 261 Madison Avenue, 8th Floor, New York, NY 10016. (212) 493-4262.  (www.adweek.com)

eMarketer, 11 Times Square, New York, NY 10036. (800) 405-0844.  (www.emarketer.com)

Financial Times, Number One Southwark Bridge, London SE1 9HL, United Kingdom. Tel: +44 (0) 207 775 6248.  (www.ft.com)

International Journal of Market Research, 15 Northburgh Street, London EC1V 0JR, United Kingdom. Tel: +44 (0) 207 490 4911.  (www.mrs.org.uk/ijmr)


Journal of International Marketing, c/o American Marketing Association, 311 S. Wacker Drive, Suite 5800, Chicago, IL 60606.  (www.ama.org/journal-of-international-marketing/)

Journal of Marketing, c/o American Marketing Association, 311 S. Wacker Drive, Suite 5800, Chicago, IL 60606.  (www.ama.org/journal-of-marketing/)

Journal of Marketing Theory & Practice, c/o Prof. Greg W. Marshall, Crummer Graduate School of Business, Rollins College, 1000 Holt Avenue - 2722, Winter Park, FL 32789.  (www.jmtcp-online.org/)

Journal of Personal Selling & Sales Management.  (www.jpssm.org)


Marketing Week, Wells Point, 79 Wells Street, London W1T 3QN United Kingdom.  (www.marketingweek.com)

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MediaPost Communications, 1460 Broadway, New York, NY 10036. (212) 204-2000. (www.mediapost.com)

Sales & Marketing Management, c/o Mach1 Business Media, 27020 Noble Road, P.O. Box 247, Excelsior, MN 55331. (www.salesandmarketing.com)

Selling Power, 150 Riverside Parkway, Suite 201, P.O. Box 5467, Fredericksburg, VA 22406. (800) 752-7355. (www.sellingpower.com)

The Economic Times, 7 Bahadur Shah Zafar Marg, New Delhi, Delhi 110002, India. (www.economictimes.indiatimes.com)

The Economist, 25 St. James Street, London SW1A 1HG, United Kingdom. Tel: +44 (0) 020 7830 7000. (www.economist.com)
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Chapter 4: Advertising Spending
Advertising Forecasts (Summer 2019 Update), Magna, June 17, 2019.


Outlook For Data-Driven Marketing, Winterberry Group, January 17, 2019.

Chapter 5: Consumer Response To Advertising


Chapter 7: Magazine Advertising


Chapter 8: Newspaper Advertising

Chapter 10: Radio Advertising

Chapter 11: Television Advertising

Chapter 12: Top Advertisers
Chapter 13: Top Advertising Agencies

Chapter 14: Digital Advertising


Chapter 15: Consumer Response To Digital Ads


Chapter 16: Email
2018 Consumer Email Survey, Adobe, August 17, 2018.


“Email Isn’t Social Media, But It’s Still Pretty Popular,” eMarketer, September 27, 2018.

“Surviving The Retail Apocalypse,” Yes Marketing, September 26, 2018.


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“Mobile In-App Ad Spending,” eMarketer, October 2018.


Chapter 20: Social Media Marketing
“Are Marketers Leveraging Facebook?” eMarketer, December 12, 2018.


“The 2018 Fortune 500 Target Millennials,” Dartmouth Center for Marketing Research, University of Massachusetts, September 2018.

Chapter 21: Digital Video Advertising


Chapter 23: Digital Audio Advertising

Chapter 24: Website Strategy


**Chapter 25: Generational Marketing**


**Chapter 26: Gender-Specific Marketing**
“Are Marketers Stereotyping Gender In Ads?” eMarketer, February 26, 2019.

**Chapter 28: Artificial Intelligence In Marketing**

*Artificial Intelligence For Marketers 2018,* eMarketer, 2018.


**Chapter 29: Branding**

Chapter 33: Celebrity Endorsements


Chapter 35: Coupons


Chapter 37: Customer Communications
“Consumers Are More Likely To Use Emerging Technology When Communicating With Retailers,” eMarketer, August 7, 2019.

National Tracking Poll, Morning Consult, October 3, 2018.


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“How Do Consumers Feel About Brand Customer Experiences?” eMarketer, June 1, 2019.


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Biegel, Bruce, 2019 Outlook for Data-Driven Marketing, Winterberry Group, January 2019.


“Which Customers Are Your Most Valuable,” eMarketer, November 2, 2018.

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Chapter 45: Event & Experiential Marketing

Chapter 47: In-Store Tracking

Chapter 48: Influencer Marketing
“For Certain Types Of Purchases, Influencers Have More Sway,” eMarketer, August 1, 2018.


The 2018 State Of Influencer Marketing Study, Activate, April 24, 2018.


Chapter 49: Local Marketing

U.S. Local Advertising Forecast 2019, BIA Advisory Services, July 9, 2019.

Chapter 50: Location-Based Marketing

“Location Intelligence In Retail,” ESRI and Retail System Research, March 5, 2019.
“Retailers Are Interested In, But Wary Of, Location-Based Marketing,” eMarketer, April 11, 2019.


**Chapter 51: Loyalty Programs**

“Millennials And Gen Z Are Less Inclined To Participate In Loyalty Programs,” eMarketer, May 6, 2019.

**Chapter 52: Naming Rights**

**Chapter 53: Native Advertising**


**Chapter 55: Personalization**


**Chapter 56: Pricing**

**Chapter 57: Programmatic Advertising**


“U.S. Mobile Programmatic Ad Spending,” eMarketer, April 2019.

**Chapter 58: Promotions**


**Chapter 61: Small- And Medium-Sized Business Advertising & Marketing**

“How SMBs Are Leveraging Social Media,” eMarketer, January 24, 2019.

**Chapter 63: The Shopper Experience - In-Store**


“How Do Consumers Use Smartphones While In-Store Shopping?” eMarketer, May 8, 2019.


**Chapter 65: The Shopping Experience - Omnichannel**