



## If You Were in Charge, How Would You Market These Products?

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With more and more advertising vehicles crowding today's marketing environment -- including traditional print, television and radio ads, product placements, Internet buzz, viral campaigns and cell phone messaging -- marketers have new opportunities to reach vast pools of potential customers.

But the tangle of options also requires any successful marketing plan to take into account the nature of the product, its durability in the public's mind and the advertising budget needed to make it all work. As Wharton professor [David Bell](#) notes: It's very hard to find "the one big lever that can reach a whole lot of people in a way that is cost-effective."

Knowledge@Wharton asked four Wharton marketing professors -- [Eric Bradlow](#), [Jehoshua Eliashberg](#), [David Schmittlein](#) and Bell -- to suggest strategies for launching two hypothetical products, a summer blockbuster movie and a cell phone. While each professor had specific ideas, all agreed that the best way to spend marketing dollars wisely is to know the potential upsides and downsides of your product, and identify your target audience as precisely as possible.

### Go for the Soft Launch

According to Eric Bradlow, no matter what the product, marketers should consider a preliminary soft launch in sample markets to determine what works best before investing in a full-scale campaign. "You have to measure the efficiencies of any given vehicle. Many companies run test launches because, as the number of options expands, it makes it more difficult for a company to know how to allocate its advertising dollars. Before I spend a lot of money, I would want to empirically validate what is going to work."

Bradlow suggests that the producers of a blockbuster action film do pre-launch advertising in several different ways. First, they should form co-branding deals with manufacturers of products to extend awareness of the movie beyond theater aisles. He also suggests sending clips to web sites to create early buzz about the upcoming film, as well as showing trailers in theaters screening similar films that might draw the same audience back for the coming attraction. "The pre-launch is to build the hype around the movie, but you must make sure you are targeting the right segment. If you are thinking about spending marketing dollars efficiently, you need to reach the most appropriate audience."

A new cell phone might benefit from product placements -- in which marketers pay to place their product in television and/or movie scenes as a more subtle form of advertisement, says Bradlow. Yet while product placement "can be an effective way to get high initial visibility, it can also be controversial. Producers of movies, sitcoms, and so forth are reluctant to do product placement too much because they feel it hurts the integrity of their shows. Also, it's not really known what the optimum level of product placement is." For example, the first couple of times you see Dr. Pepper in a movie, Bradlow adds, "it increases your awareness and is good for the product. But by the fiftieth time, you're probably going to like Dr. Pepper less."

Cell phone give-aways to celebrities or to consumers on a free-trial basis would also help generate



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word-of-mouth about the products, Bradlow says, noting, however, that many cell phones are now considered to be a commodity -- an ancillary item that comes with a wireless service plan. "To move it away from becoming a commodity, you might want to connect it to a show or a star to differentiate it" from other cell phones that technically many have the same features.

### **Smash Hit or Big Bomb?**

According to Jehoshua Eliashberg, who studies the entertainment industry, movie-marketing strategies differ depending on whether the studio believes it has a hit on its hands, or smells a bomb. Studios now test films with small audiences in the weeks before the movie is released to gauge reactions. If the movie is not doing well, Eliashberg says the studio should advertise it on television, in print and on some outdoor billboards. "I would do it very close to the release date and I would prevent any special showings to the critics," he says.

Eliashberg points to the release of the 2003 film *Gigli*, starring Ben Affleck and Jennifer Lopez, as an example of a film that the studio kept away from critics as long as possible. When it was released, the movie was widely panned. That strategy, however, has its limits because audiences now know that if critics are not given early screenings, the movie is likely to be flawed, Eliashberg says.

This spring, Sony kept the widely anticipated movie *The Da Vinci Code* away from critics and it has met with lukewarm reviews. "It's hard for me to tell whether Sony made a deliberate decision not to let the critics see the movie because of what the reviews might say, or whether it felt the movie had generated enough controversy -- and awareness was high enough -- that there was no upside to previews, only a downside," Eliashberg notes.

With a bad movie, the strategy is for the studio to remain in control of the marketing and avoid spontaneous word-of-mouth. On the other hand, if the film is a gem, studios should go all out to promote buzz in public, says Eliashberg. "If the testing indicates I have something that is really good, then my strategy will be different. I will go with email and viral or buzz marketing. I will spend less on TV because that is the most costly media vehicle. The rationale is, if I know it will generate positive word-of-mouth, I can save the money I would spend on TV ads."

Eliashberg says the Internet is already used as a place to market movies, with viewers passing along video clips and trailers at social network sites. He points to a new viral strategy used last year to promote the thriller *Lucky Number Slevin*. The studio posted the first eight minutes of the film on the movie's web site. "I'm not talking about an advertising trailer in which they show different scenes. I'm talking about giving consumers an opportunity to observe the first 10 minutes or so of the movie with the rationale being that this will whet their appetite and encourage them to start sending those video clips to others and generate demand."

This sort of viral campaign is easier to conduct than a so-called buzz campaign, which requires companies to identify opinion leaders and then convince them to market a product, Eliashberg suggests. Procter & Gamble Co., for example, has a new word-of-mouth campaign called Vocalpoint, in which 600,000 mothers, labeled "connectors", were recruited to promote P&G products with coupons and free samples.

### **Trying to Keep up the Buzz**

According to David Schmittlein, buzz marketing campaigns can be more expensive than they might seem. "I have seen some field tests saying these campaigns can make a real difference in sales, but the challenge is to keep the costs low enough that the real and substantial pay-off isn't overwhelmed by what you have to pay to get the buzz activity," he notes. "Even if you are just doing the usual kinds of freebie promotions to the buzz agents ... it's hard to make [the effort] pay for itself." It's not hard for marketers to encourage buzz agents to talk about the products initially, Schmittlein adds. "The challenge has been to get those people to keep talking to one another in such a way that it doesn't break the bank."

When it comes to marketing a summer action film, Schmittlein advises studios to seek out young males -- likely viewers of this type of movie. Sports programming, particularly on cable television, as well as web sites such as those produced by *Sports Illustrated* and ESPN, would be a place to start, he says, noting, however, that a viral campaign over the Internet might be hard to pull off. "It's difficult to think of a very good outbound e-mail to young males. There are some sites that will [send promotional email] if the [users] have already indicated an interest in movies, but that's a small fraction of young males. It's not good coverage overall."

In some countries, particularly China and Japan, advertisers could launch a cell phone campaign to interest viewers in a new movie, Schmittlein adds, pointing out that in the United States, most cell phones lack the technology to make this kind of marketing effort pay off. "The video cell phone campaigns are coming, but the amount of market penetration you can get is still limited. It's a place where advertisers want to experiment; they are seeing what works and what doesn't work. But it's hard to build around a cell phone campaign."

He says the future of cell phone marketing in the United States will depend on whether consumers want to view content on a tiny screen, and whether they will pay for new video cell phone content or be willing to view advertising that would reduce the cost.

To market a new cell phone itself, Schmittlein agrees that many of them have become commodities that depend more on the marketing efforts of wireless carriers. Spotty national wireless coverage causes problems when attempting to do television or print campaigns. To buy television time in individual markets adds about 25% to the cost of a campaign compared to a full national advertising purchase, he adds.

### **Hot Pink and Blue Models**

According to David Bell, for a summer blockbuster film aimed at a wide audience, marketers should focus on broad-based media such as newspaper and television advertisements. By contrast, an avant-garde film likely to appeal to a smaller set of viewers would call for a more targeted campaign using the Internet or possibly cutting-edge cell phone advertising. "The nature of the audience and the content of the movie dictate what media one would use," he notes. For a movie with merchandise tie-ins, such as action figures, toys or t-shirts, Bell suggests marketers co-promote the film with fast-foot outlets or retailers with a broad reach.

Marketing a new cell phone requires strategic advertising decisions to be based on the nature of the product, says Bell. If the phone is a basic model, marketers might simply let it be handled through wireless carriers and broad marketing campaigns on television and in newspapers. If the phone is designed to be more of a fashion accessory, marketers could try to develop social components in their campaign, such as a celebrity endorsement, Bell adds. For example, Madonna has promoted the super-slim Motorola Razr, which comes in hot pink and blue models.

Marketers with a phone that does have an edge with a new function, such as video or music capability, should focus on that, Bell advises. "The company should try something edgier. I might try to add something a little less traditional to generate some buzz around the product and promote it among particular users."

According to Bell, increasingly customized products and correspondingly complex marketing strategies can backfire if they overwhelm consumers. He points to Yellowtail, the Australian wine, as an example of a product that has been successful, mainly because, with a plain yellow label, it is simple and easy to understand. "It may not be the best wine, but for a large segment [of the market] it is very recognizable and simple. People know that if they buy it, they will be doing well enough."

The complexity that is now part of the marketing world represents a structural change and is not likely to recede, Bell adds. "We have turned the corner and can never go back to a world of homogenization."

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