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TCNJ AMA COVERS NEW YORK ADVERTISING WEEK

CONSUMER, CONNECT, CONTENT....& COFFEE
The Five “C’s” to Seattle’s Finest: Observations from Advertising Week

BY KAELYN DIGIARINO

The Bull, Bear & Lion

If there is one way for a coffee-addicted, espresso-obsessed marketing student to become completely and absolutely enamored with her major, it is to sit five rows away from Howard Schultz.

In the unseasonable heat of late September, Times Square buzzed with professionals of all different backgrounds and ages, industries and levels. As Advertising Week took over New York City for four days, Sessions were held throughout different venues across Midtown, as attendees were free to walk back and forth among the ones that piqued their interest the most. Topic tracks ranged from data analytics to storytelling, from brand innovation to the future of media, from Millennials to agency culture to leadership. Food trucks offered free wood fired pizza and coffee, while another sponsor’s booth challenged passersby to stop and anonymously divulge their deepest professional confessions. Tantalizing previews of the latest AR and VR innovations filled the Tech X exhibit, where there were convergent dragon robots, and holograms that offered recipe suggestions for dinner.

On Tuesday night, the Impact Awards showcased companies that were breaking ground in environmental, humanitarian, cultural, and economic awareness initiatives. But while all of that contributed to the energy and impressiveness of AdWeek, there was nothing that quite matched the brilliance of the speakers themselves, who each in their own way proved that great minds think unalike.

Notebook in hand, it was not possible to scribble down quickly enough the words that spilled offstage from industry leaders I never fathomed being a startup” can also transform collaboration and creativity. “In current times of political and social turmoil, it has become more important than ever for companies to join action, no matter how controversial they may be.”

As the consumer landscape is taken over by Millennials – the age group now accounts for $2.45 trillion in spending power – it is essential for brands to pay attention to shifts in values. According to the American Marketing Association, 70% of Millennials will spend more on brands supporting causes they care about. This value proposition, typically referred to as corporate social responsibility, has been proven historically to be successful when executed correctly. Companies that make it their mission to not only “do well,” but also “do good,” can foster a relationship between consumer and product/service that goes far beyond a value proposition.

Who are some leaders in the corporate social responsibility landscape? Google, Starbucks, and Ben & Jerry’s, to name a few. All three companies have commonalities: celebrated leadership, cult followings, and clear visions. It is no secret that intervening a good cause with a business strategy helps guide strategic brand decisions. As Howard Schultz, CEO of Starbucks, said during an interview at Advertising Week 2017 in New York City, “Our purpose is not to make money…we are a financially-driven performance-based company through the lens of humanity.”

In current times of political and social reaction, it has become more important than ever for companies to join active conversations, no matter how controversial their stances may be. This delicate balance can undoubtedly be a challenge. During a session at Advertising Week 2017 in New York City entitled “Red, White, and…Blue?” panelists discussed the concept of America as a brand and how certain companies have navigated the political commentary better than others. For example, Nike condemned President Trump’s immigration ban by writing an open letter, which was viewed as only 40% favorable and most frequently categorized as political mudslinging by consumers. Additionally, Budweiser ran a Super Bowl ad campaign addressing the topic entitled “Born the Hard Way,” which met a 50% favorable rating.

The message of this contrast is that not all activism is inherently appealing. Moving forward, brands must be willing to take a stand and be able to do the rigorous research – both qualitatively and quantitatively – that ensures that their campaigns will be viewed favorably amongst consumers. As Elcia Greenberg, program director of The Advertising Club of New York, reminded the audience attending Advertising Week, “Be the difference…it’s not about the talk – it’s about the doing. It’s time for advertisers and marketers and creatives to work to fix the problems in our nation and bring Brand America to new and innovative heights.”

“Brandivism”: How a Strategic Stand Can Help Companies Appeal to Millennials

Recap of the “Red, White, and…Blue?” Panel

By Taylor Nesney

“...to capture an audience, you must bring your brand message to life in a way too compelling to be ignored. You must think braver and bolder.”

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CASE STUDY

MADE IN AMERICA:
The Rise and Fall of American Apparel and Its Reinvention of “Cool”
By Nicholas Maldarelli

It seems that no matter where one shops today, every business has the same gimmick, “We do things differently.” Be it product or service differentiation, or customer service, or product design and quality, businesses want to be different. More importantly, however, is that businesses want their target markets to perceive them as different. This is especially true with clothing companies between which rivalry is high and product differentiation is relatively low. Companies that sell affordable yet stylish clothing have ultimately failed to achieve different; that is, except when Dov Charney created American Apparel in 1989.

The story of American Apparel’s rise and fall as the iconic “cool clothing” brand is one that could likely be featured in undergraduate business management and marketing textbooks for decades to come. The company existed as a vertically integrated manufacturer, distributor, and retailer of domestically produced apparel and accessories. Its business model of backtracking integration and a streamlined value chain propelled the company into the hundreds of millions of dollars range in gross revenue and facilitated its opening of over 200 locations across three different continents.

During American Apparel’s 28-year tenure as an emblem of non-conventional style and dress, the company prospered financially and socioculturally as both a lifestyle brand as well as a general statement to society. “Products of value and quality can and will be produced in America, and people will pay more for them.” This was the essence of the company’s mission statement, and it proved profoundly lucrative and scalable up until Dov Charney engaged in corporate misconduct. From a marketing perspective, Ameri
can Apparel thrived and simply did business different.

Before his inevitable downfall, Dov Charney had been an ambitious hustler. His entrepreneurial spirit, backed by a loan from his father, helped him enter the clothing business from his hometown in Canada across the border into the United States. This brought to life the beginnings of American Apparel. Charney opposed corporate America, suits and ties, HR departments, memos, weekly meetings, banter next to the coffee machine at break time, and the like. He relented everything that had to do with conventional American business; and so by building a textile importer whose values and business practices worked against the current of American corporations, Charney felt comfortable defying the status quo at nearly every turn during his tenure as CEO. For much of its existence, the apparel company was revered for being sweatshop-free, instituting a liberal hiring process for immigrants, paying above-industry average wages for employees, and implementing edgy and largely controversial advertising, which most often featured skimpy outfits worn by young women.

American Apparel®

It was by these latter means that American Apparel differentiated itself, albeit in a way that inevitably corroded its brand reputation.

Nearly three decades later, Charney was ousted by his executive board, the stock subsequently plummeted, the business began to crumble in all levels of management, and American Apparel eventually filed for Chapter 11 bankruptcy protection. (See Appendix A) As of June 2017, Canadian-American clothing manufacturer Gildan Activewear agreed to buy American Apparel as a company, but opted out of keeping any retail locations open for business. Since this past summer, the company has quietly withdrawn from gentrified neighborhoods and cities across the country and abroad, and is currently under capital and financial restructuring with Gildan at the head.

The reasons why American Apparel ultimately failed are numerous and complicated. Changing market conditions such as the rise of e-Commerce detracted from the company’s brick-and-mortar sales and branding, fashion trends changed over time, and management fiascos corroded company reputation. However, perhaps the most pernicious influence on American Apparel’s demise was its inability to keep up with its customers’ attitudes and values. American Apparel found its identity in basic apparel and marketing textbooks for decades to come.

American Apparel stock price, 2007 to present. [10/20/17: 80.007]

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Index to Writers

Thanks to the AMA members who contributed to this edition:

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Insights: advertising, social media, brand design

“Nearly three decades later, Charney was ousted by his executive board, the stock subsequently plummeted, the business began to crumble in all levels of management, and American Apparel eventually filed for Chapter 11 bankruptcy protection.”

“Insights: advertising, social media, brand design

American Apparel stock price, 2007 to present. [10/20/17: 80.007]”

CONTENT CREATION ISN’T EASY

But it is when you have someone with a passion for stories, a talent for research, and a love for visual expression. The BB&L needs a creative business mind to make vibrant graphics to appear alongside articles.

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Bloomberg Business Week Ranks TCNJ School of Business #1 in NJ, #35 in Nation, Undergraduate Business School Programs

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at Google, and Keith Weed, the CMO and CEO of Unilever, that discussed marketing in the age of assistance. The age of assistance is characterized by increased empowerment of consumers, a result of the democratization of information and connectivity through the rise of mobile, social, and real-time web.

Thygesen began by remarking that for these reasons, today’s consumer is more demanding, more curious, and more impatient than ever before. The hyper-connected consumer is changing how they engage with products and in turn is transforming the traditional path to purchase. To navigate this new landscape, Weed suggested following a framework of “5Gs” to resonate with today’s consumers: consumer, connect, content, community, and commerce. Give users real utility and real value in the moment. Because the best strategy a brand and its marketers can have is to become consumer centric.

Jessica Alba, founder of The Honest Company, Neil Blumenthal, co-founder and co-CEO of Warby Parker, and Harry Kargman, founder and CEO of Kargo, took on the topic of building a brand in a mobile-first world. Both Alba and Blumenthal believe that the best businesses are those that solve real problems. The Honest Company and Warby Parker each reworke the way consumerr-packaged goods were sold when they began their online, direct-to-consumer business models. Both companies received unprecedented attention from the start because their ideas innovatively launched entirely online, and because both supported ethical initiatives. Blumenthal credited the phenomenal success of Warby Parker to good timing in entering the market, and to deliberate serendipity—putting in the work to help create luck, and then taking advantage of it when it appeared. Warby Parker and The Honest Company thrive because they are simple solutions to customer pain points, because they clearly define the purpose of their brands, because they use details and specificity to create authenticity, and because they understand that consumers buy products based on attributes and price, not just for the good of other people.

My time at Advertising Week ended with Howard Schultz, and as he began, it became clear his session would be the most impactful. Schultz started with a provocative statement, one that might have made accountants shudder: not every business decision should be a financial one. Schultz used Starbucks’ purpose as a business to build shareholder value, but making money is not its mission. Starbucks is a financially driven company. But, it is one so that it can scale for good and through the lens of humanity. He challenged the audience: what is the courage of your convictions? Schultz explained that he is adamantly against the way people and companies are conditioned not to talk about certain subjects, such as race and sex. Schultz believes that there are some topics you simply cannot start the workday without first discussing and addressing. Furthermore, Schultz emphasized the need to be curious and the need to see around corners, but not just in terms of products and innovations. We, as marketers and people, cannot be indifferent; companies must use their sphere of influence to demonstrate that there is another way. The need is to be sensitive to human experience, because that is where you learn.

Advertising Week was impactful in ways that cannot fully describe. The train ride home from New York was a bittersweet one, as I sat with mixed feelings of melancholy and exhaustion. But also with feelings of excitement and new experience, because that is where you learn.

NEW YORK ADVERTISING WEEK 2017
September 25th - 29th
NY, NY

PANELS

Is Your Brand Prepared for the Hip-Hop Future?

The Power of the Fan: How to Win Them (and Their Friends)

“Not Your Parents’ Branded Content”

“Is Your Brand Prepared for the Hip-Hop Future?”

“Digital & Experiential: A Love Story”

“Will the Rewards of AI Outweigh the Risks?”

“Make: Them Laugh: How Humor Builds Brands”


PITCHES

“The Power of the Fan: How to Win Them (and Their Friends)”

“Not Your Parents’ Branded Content”

“Digital & Experiential: A Love Story”

“Make: Them Laugh: How Humor Builds Brands”


PERSONAS

Jim Baloff  Malcolm Claborn  Mchnet Oz

Victor Cruz  Arianna Huffington  Joan Jeff

Robin Roberts  Sarah Jessica Parker  Venus Williams

When it comes to marketing products or services, there is one basic rule every student will come to know: you can’t please everyone. This is why we spend millions of dollars analyzing trends to break customers up into target market segments. These segments can come from demographics, age, interests, or gender. There has been a lot of buzz around the topic of gendered marketing, especially in the last few years. In a quick search of the term “gendered products,” millions of results come up featuring lists of the most ridiculous gendered merchandise: ‘my personal favorite: men’s bread’ and ‘outries for the trend to stop. One criticism that blew up was Ellen DeGeneres’ comedic critique of pens made specially for women: “You can use it to write down a grocery list, or even recipes for when you need to feed your man.”

Although this message may be true of quirky products, like sausages for girls and “mansize” facial tissues, gendering may not be favorable for all mainstream products. A prime example of a popular industry that may need to change is children’s toys. In a recent TED Talk about the subject, Elizabeth Sweet analyzes the issue from the perspective of a mother. She explains that strict gendering of toys does not allow children to fully explore all of their interests. Instead, they are shamed and teased for wanting to do things outside their gender “labels,” and are not given the opportunity to fully express all of their interests. In many cases, this means that little girls will not want to buy a boy’s science kit and little boys will shy away from girls’ dolls or cooking sets.

If these psychological effects weren’t enough to make marketers think twice about promoting strict gender guidelines for kids, the feelings of customers might. In a recent consumer report by Havas that studied over 15,000 consumers from 55 countries, it was found that 60% of women and 46% of men felt that, as much as possible, parents should raise their children in a gender-neutral way. The demographic most likely to express this opinion was Millennials, the generation that will be responsible for the next generation of kids and the products they consume. If these psychological effects weren’t enough to make marketers think twice about promoting strict gender guidelines for kids, the feelings of customers might. In a recent consumer report by Havas that studied over 15,000 consumers from 55 countries, it was found that 60% of women and 46% of men felt that, as much as possible, parents should raise their children in a gender-neutral way. The demographic most likely to express this opinion was Millennials, the generation that will be responsible for the next generation of kids and the products they consume.
CONTAGIOUS

by Jonah Berger

Review by Kaelyn DiGiammarino

Philadelphia is the City of Brotherly Love, and $100 cheesesteaks, too. Wharton professor Jonah Berger opens Contagious with the story of a restaurant that did not just create a cheesesteak, but instead a conversation piece. Barclay Prime steakhouse transformed the city’s staple, the Philly cheesesteak, into a social transmission sensation. Made with Wagu ribeye, foie gras, and truffle cheese whirl, the Barclay Prime cheesesteak is an experience worth talking about.

Every day, people exchange more than 16,000 words. Every hour, there are more than 100 million conversations about brands. How do you make your brand the topic these conversations center around?

The first of the six steps is social currency, or “self-sharing.” This driver of social transmission happens online; a number that most people did not sit right with him: Gladwell’s theories were powerful, but they were mainly descriptive. It was while sitting in a science class that he first started to wonder if the same scientific method did not create content that harnesses that power? Berger points out that only 7% of this word of mouth transmission happens online; a number that most people, when asked, expect to be a lot higher. The reality is that while consumers are spending an increasing amount of time online, they are still participating in offline conversation and interactions in the majority of their day.

Conversational word of mouth is difficult, if not impossible, to measure quantitatively. That said, it is still undeniably important to pay attention to, and Berger teaches his readers how to do just that. Word of mouth is incredibly persuasive because consumers place greater trust in people than in advertisements. Consumers know that their friends will be honest, be open, and tell it as it is. Furthermore, word of mouth is naturally more targeted because conversation centers on topics about which its participants are interested.

Berger recalls his initial intent as an undergraduate to be an environmental engineer. It was while sitting in a science class that he first started to wonder if the same scientific method he was learning about could be applied to social phenomena to understand social influence and interpersonal communication. After reading and embracing Malcolm Gladwell’s The Tipping Point, Berger was hooked. Nonetheless, there was something about The Tipping Point that did not sit right with him: Gladwell’s theories were powerful, but they were mainly descriptive. Berger decided to spend his career applying data to the questions of human behavior pertaining to why trends, ideas, and products catch on. Contagious is the product of that ambition, and it draws from concepts of both The Tipping Point, and Made to Stick, by Chip and Dan Heath. Invasive Influence is the second book written by Jonah Berger; it is a follow-up to Contagious, and has a greater focus on the subtle, secret influences that the average person does not notice when making choices.

Berger’s writing is almost conversational, perhaps fitting for the topics of word of mouth and social transmission. He paraphrases the way ideas spread and he roots his arguments in data, experiments, and case studies. Contagious is an easy read, but nonetheless a thought-provoking one. With a Halloween-orange cover, it is undeniably an eye-catching read too. Berger has a unique way of taking complex experiments and translating the results into simple, understandable, and applicable terms. His book is truly enjoyable to read, with bits of humor and wow moments scattered among every chapter. He engages his readers, offering them the chance to participate in short cognitive experiments and quizzes as they read along. Berger originally wrote this book for his marketing students at Wharton, but the content of Contagious is applicable across industries and professions. Understanding how to craft contagious and compelling messages is a skill every person should master.

Berger defines the underlying psychological and sociological processes behind creating contagious content in an acronym: STEPPS. Through following these six STEPPS—Social currency, Triggers, Emotion, Practical, Public value, and Stories—he promises his readers a simple way to master the science of social transmission.

The first of the six steps is social currency, or “self-sharing.” This driver of social transmission is rooted in the inclination that people have to share things that make them look good to others. We talk about influences how others perceive us. People have an innate desire to share their thoughts, opinions, and experiences—the very reason that social media and online social networks have become so popular. Disseminating information about one’s self is intrinsically satisfying. So much so that, according to psychological research, 40% of what people talk about is their personal experiences or relationships. Berger suggests using social currency to achieve positive impressions among consumers by finding something remarkable and making people feel like insiders.

The second of the STEPPS is triggers—stimuli that prompt people to think about something. What do you immediately think of when you read the word “peanut butter” jelly? Berger writes that, “top of mind leads to tip of tongue,” meaning that people often talk about whatever comes to their mind. If you can increase the number of times in a day that a consumer thinks about your product or brand, you are likely to also increase the frequency that it is talked about. Triggers do not have to be words; triggers can be sights, smells, or sounds that bring related thoughts and ideas to the top of a consumer’s mind. Berger uses Kit Kat’s “Kit Kat and Coffee” campaign as an example. Kit Kat and coffee not only create an alliteration, but also pair well, because the classic Kit Kat candy bar “breaks” complement the existing notion of a coffee break.

Emotion is the next principle Berger touches on. The most contagious content naturally evokes emotion. Focus your marketing message on feelings; because when, “we care, we share.” Berger names awe as one of the most contagious emotions, and defines it as, “the sense of wonder and amazement that occurs when someone is inspired by great knowledge, beauty, sublimity, or might.”

Fourth in the STEPPS process is public, which draws on the notion of “monkey see, monkey do.” Humans have a tendency to imitate. Make your product and idea more public, because when it is observable, it is imitable. Social influence is stronger when consumers’ behavior is more visual and conspicuous. A classic example is Apple’s signature white earbuds. They are easy to identify and perpetuate the Apple feel. Berger recommends designing products that advertise themselves and make the private public, because if something is built to show then it is built to grow.

Practical value follows next, as Berger says that it is important for brands to highlight the particular value that their product or service provides. The knowledge and expertise offered to a consumer need to be packaged in a way that can be easily spread and passed on.

The last of the STEPPS is stories. To craft a contagious message, you must tap into the power of narrative. People embed ideas, information, and products into the stories they tell. The best marketers have their idea or product so deeply woven into a narrative that the messenger cannot tell the story without mentioning it.

Word of mouth is a force which is often underestimated, but it is one that you can greatly capitalize on. Berger teaches his readers how to recognize and capture content that captures attention and harnesses the true power of social transmission. “Virality isn’t born,” Berger states, “It’s made.” A cheesesteak is not all that phenomenal. But, a $100 one is literally, remarkable.

Social Currency

What we talk about affects how we are perceived

Triggers

Increasing the frequency your brand is thought about

Emotion

Focus your marketing message on feelings to make it even more contagious

Public

Design brands that are highly observable and advertise themselves

Practical Value

Highlight the value your company provides

Stories

Weave a narrative into what you are selling