Illustration 6.3
Some Perils of Image Advertising

On March 13, 1996, ***The Wall Street Journal*** reported that Time Warner had hired a new advertising agency to craft its first-ever corporate image campaign.* Time Warner was "poring over the thousands of cultural icons it produces—from characters in Loony Tunes cartoons to those in the hit show 'Friends'—searching for images that will strike a rich chord with the public." The ads would be designed to promote an emotional response, reminding people how often they are moved by Time Warner songs, books, movies, cartoons, and TV shows. The ***WSJ*** noted that Time Warner's corporate persona had never reflected the glory of its parts, which include some of the world's choicest entertainment properties—Warner Brothers Studio, Warner Music, and Time Inc. magazines—with some of the most popular brand names.

Instead, the company's image on Wall Street and in corporate America had been influenced more by its huge debt, depressed stock price, and seemingly perpetual management crises. It had been picketed by rap-music opponents at its annual meeting and subjected to lawsuits by former executives, having to pay more than $100 million in severance pay. And Time Warner was involved in a court dispute with a former partner over whether the company could go ahead with its planned purchase of Turner Broadcasting. Obviously something had to be done. But there was disagreement over what.

The ***WSJ*** noted, "Some studies show that corporate ad campaigns help attract new employees and even boost a company's stock price. But experts disagreed on the effectiveness of image advertising, particularly when a company is troubled or involved in controversy." A corporate-identity consultant stated, "It's the wrong time to stick your head over the bunker. There is a real risk that with so much hanging in the balance, particularly with the Turner situation, it could backfire." Time Warner and the advertising agency declined to comment. As of fall 1997, the huge campaign had not been put into effect.

When it succeeds, image advertising can be an extremely powerful and cost-effective method of persuading consumers to buy a company's product. Image advertising campaigns can, however, fail spectacularly. Since the advertised image is intended literally to become a characteristic of the product or the company, the success or failure of an image advertising campaign depends crucially upon finding and projecting an image that people will want "to buy." Even highly paid advertising agencies cannot guarantee that an image advertising campaign will be successful, for it can backfire if the projected image turns out to be unpopular.

Subaru of America learned just how perilous image advertising can be when it launched a bold advertising campaign designed to link Subaru cars with the image of practicality and reverse snobbery.† According to the Subaru ad, "A car is a car. If it improves your standing with the neighbors, then you live among snobs with distorted values. A car is steel, electronics, rubber, plastic, and glass. A machine." Subaru believed a trend was under way in the United States of rejecting "1980s-style greed" in favor of practicality and basic values. When the first ad appeared in fall 1991, advertising critics thought it was sensational. Six months later, however, Subaru sales had fallen sharply and began a lengthy decline.

According to ***The Wall Street Journal,*** Subaru "misjudged how important status is for car buyers willing to fork over $13,000 or more, and underestimated the powerful emotions involved in choosing a car." Subaru's image of practicality just didn't sell. By May 1992, Subaru abandoned its unsuccessful image advertising in favor of an informative advertising campaign that emphasized the special features of Subaru cars.

Image ads frequently employ celebrities to enhance the image of a company or product; however, this can be risky since celebrity images often change over time. Corporations may spend millions designing an image advertising campaign around a celebrity only to see the celebrity's popularity fade or, in some cases, even become negative or undesirable. Executives at Pepsi undoubtedly lost a lot of sleep over the alleged misdeeds of Madonna and Michael Jackson. The Florida Department of Citrus, which employed Burt Reynolds to promote Florida orange juice, decided to cancel its television commercials be-cause his highly publicized divorce from Loni Anderson was tarnishing Reynolds' image and had reduced the effectiveness of his commercials.

The risk of using celebrities in image advertising can be substantially reduced by resurrecting celebrities who are dead.‡ Some companies, such as PepsiCo, the Gap, and McDonald's, used deceased celebrities in their ads in order (practically) to eliminate the risk of embarrassment. The Gap featured Humphrey Bogart, Orson Wells, Rock Hudson, Sammy Davis Jr., and Marilyn Monroe in its ads for khaki trousers. Pepsi used a Buddy Holly look-alike in television ads overseas. While this illustration shows that image advertising can, and does, backfire on occasion, you should not conclude that purely informative advertising is somehow better, or less risky, than image advertising. Both forms of advertising involve some degree of risk, and neither type of advertising can be guaranteed to increase demand.

*"Time Warner Mulls Image Ads Starring Its Icons," ***The Wall Street Journal,*** Mar. 13, 1996.
†Joanne Lipman, "Subaru's New Ad Campaign Isn't Working" ***The Wall Street Journal,*** Mar. 31, 1992.
‡Kevin Goldman, "Dead Celebrities Are Resurrected as Pitchmen," ***The Wall Street Journal,*** Jan. 7, 1994.