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How the top five automobile manufacturers reacted to the events of September 11, 2001 in their print advertisements

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How the top five automobile manufacturers reacted to the events of September 11, 2001 in their print advertisements

By

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B.Sc. University of Montana, 1998

Presented for the partial fulfillment of the requirements for the degree of

Masters of Business Administration

The University of Montana

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Chairperson

Dean, Graduate School
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Date
The reaction of the top five automobile manufacturers to the events of September 11 in their print advertising.

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Overview

The tragedy that occurred on September 11, 2001 set in motion many changes for the American people including the print advertisements they were exposed to. Many businesses reacted to the events quickly by pulling scheduled advertisements or preparing ads that reflected the growing sense of patriotism at the time. This paper examines the response to September 11 by automobile manufacturers in their advertising campaigns, as well as the strategic changes that occurred. The reason it is necessary for businesses to react timely to current events will also be discussed. This paper also examines how consumers behave in uncertain times and how they reacted to the strategy and advertisement changes that occurred following September 11.

Based on what the public was viewing on TV, I expected to see a correspondingly large number of print ads embracing patriotism as a central theme. With so many companies reacting to the attacks, there were a number of industries to study. The auto industry is the one that stood out the most. This industry struggled with a decrease in sales before September 11 and within days after the attacks; they offered a new incentive program. With fewer planes flying, people would need alternative means of transportation. Also, the industry was an interesting one because of the ads that appeared after September 11. The television commercials had patriotic images and words. Would this strategy of patriotism be reinforced in print ads? The interesting play on words and the use of colors and incentives in television also grabbed the attention of the audience. Would these tactics be used in print ads? Whether or not marketers should change their advertising strategy after a tragedy, by appealing to patriotism was something this paper focuses on in print advertisements because print is eternal, unlike television commercials.
The auto industry was already facing a decline in sales prior to September 11. Whether or not the incentives would boost sales, was an important question. In August 2001, Ford announced it planned on eliminating 5,000 salaried jobs and planned to reduce production in the fall.1 This was one of the signs that showed the auto industry was no longer able to prop up the stumbling American economy.2

**Initial reactions to tragedy; An historical perspective**

The last international terrorist disaster to affect the United States occurred in 1940, with the attack on Pearl Harbor. After that attack, advertisements were changed to reflect the growing outpouring of patriotism.

After the September 11 attacks, advertisers requested that their ads be pulled from magazines and newspapers. Requests to pull advertisements had been made at other times including when the Challenger space shuttle exploded; Iraqi invaded Kuwait; and the Oklahoma City Federal Building was bombed.3 While these events were not attacks on the U.S., the events still had a common thread: the loss of innocent lives.

It is common for businesses to use advertisements to display, and even boast, about their donations of money, time or products after tragedies. Many businesses made donations after the Oklahoma City bombing. Some say it would be difficult for anyone to surpass Makita power tools, which, after that tragedy spent a fortune thanking rescue workers by way of calling attention to its own donation of tools.4 Likewise, Philip Morris boasted about its donations of food aid in Kosovo to refugees in a multimillion dollar media buy. Still, philanthropy ceases to be philanthropy when you call attention to it.5
The definition of an appropriate message at a time like this is a message of sincerity, rather than one to get the company’s name in the press so people will be influenced to purchase products. Advertising at a time of crisis can be used as a great communication tool. It is an opportunity to show the public that the company does care about a cause.

It appears that a few companies exhibited this conduct after the World Trade Center tragedy. Bob Garfield, staff writer for Advertising Age, suggested that American Express was one company that expressed condolences correctly. “Even with American Express on the financial ropes and even with its clear self-interest in retail commerce, the focus here is on the primary beneficiaries and the message is proportionate to the circumstances.” 6 (see exhibit 1)

The auto manufacturing industry’s attempts to convey an appropriate message failed. Condolences were offered, but they were hard to find in ads promoting the new zero percent financing incentive. With the new incentives the companies offered, it appeared as if they were seizing the opportunity to play off of the American public’s emotions to turn a profit.

**Corporate reaction to the tragedy**

The response by many print advertisers in the aftermath of September 11 was in many ways modest, responsible, even touching. The first changes occurred in newspapers, where weekly retail display ads had their ordinary messages replaced with expressions of condolence. 7 Then came the spontaneous condolences, heartfelt expressions of sympathy, anger, and grief from sources as widely varied as Miller
Brewing Company, Delta Airlines and the Ford Motor Company. (see exhibit 2) The shock and sympathy heard all over the world, was reflected in corporate print ads.8

The corporate world reacted without hesitation. Some businesses viewed it as an opportunity to announce their goodwill contributions in the form of advertising. Many of these advertisements cost more to produce than the company actually donated to the cause. Other businesses, such as Kmart, used their ad space to create a message that showed the company was sincere in its condolences.9 The Kmart ads did not mention a new headline or slogan using a patriotic theme nor did they mention how much money or product the company donated. The ads simply had a picture of the US flag with the instructions to remove the ad from the paper and place in the window. This is one company others could have turned for guidance about “appropriate advertising” for the situation. (see exhibit 3)

**Effects on Print media**

Beyond the terrible human toll, September 11 sent ripples into every corner of United States society, including advertising, media and marketing.10 More than $700 million in newspaper and TV spending was wiped out in the days following the attacks.11 Goldman Sachs analyst Michael Beebe estimated the lost advertising for the week of September 11 would amount to 2% of 2001 ad revenue.12 Ad budgets as well as ad themes came under even greater scrutiny.

Changes in print media revenue after September 11. (13)

<table>
<thead>
<tr>
<th>Revenue Types</th>
<th>Decrease in revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magazine ads</td>
<td>9.6%</td>
</tr>
<tr>
<td>Newspaper ads</td>
<td>11.5%</td>
</tr>
<tr>
<td>New accounts</td>
<td>81%</td>
</tr>
</tbody>
</table>
Some print advertising revenue may have shifted to television, because TV is the best medium for people to get updates on current events. And with the events changing daily and new facts surfacing by the hour, many Americans sat transfixed to their television sets. Other reasons for the loss of advertising dollars for print was that many magazines created special editions, covering the events of September 11 without running advertisements. Other print vehicles, such as the New York Times, ran issues without any ads, devoting their entire contents to current events.

Media’s reaction time

Why it is necessary for a print medium to react quickly to current events was demonstrated by an outpouring of complaints from readers and advertisers about the September 24 issue of People magazine. That issue was redesigned at the last minute to devote its entire editorial content to coverage of the attacks. Like issues of People covering the Oklahoma City bombing or the Challenger explosion, all normally scheduled advertising, created prior to September 11, appeared in the issue. 14

By not pulling or changing the advertisements, the magazine appeared indifferent to the events that had taken place. It appeared as though People magazine cared more about revenue than responsible journalism. The companies that had their regular ads appear in the issue of People could have been affected by negative consumer reaction because these companies would also appear to care more about sales than the current events. In a time of great national tragedy, no company wants to appear as if profit is its only concern.

All media vehicles need to react quickly. Television reacted by pulling regularly scheduled commercials and ran continuous coverage for days following the tragedy.
Websites, such as MSNBC, appeared everywhere with the flag waving and heartfelt words of sympathy on the front page.

Growing importance of print in the marketing communications mix

The newspaper medium is timely to use for current events, because of the short lead-time necessary for placing ads. Print mediums are not intrusive like radio and TV; they generally require some effort on the part of the reader for the advertising message to have impact. For this reason, newspapers and magazines are often referred to as high-involvement media.

Newspapers

Newspapers are one of the oldest, most highly regarded communication vehicles in the U.S. This medium consists of daily, weekly, national, and specialty audience newspapers. Daily newspapers, which are published each weekday, are found in cities and larger towns across the country. Weekly newspapers mostly originate in small towns or suburbs where the volume of news and advertising cannot support a daily newspaper. National newspapers, such as USA Today and the Wall Street Journal have national circulation and appeal primarily to large national advertisers. Specialty audience newspapers, such as Advertising Age, offer specialized editorial content and are published for a specific audience.

Newspapers have a high degree of familiarity, acceptance, credibility, and respect among their loyal readers. The newspaper’s combination of text and graphics creates a visual appeal that reinforces the messages of its advertising. Newspapers reach a relatively large mass audience throughout a market with a single exposure. This medium offers a variety of ad sizes, allowing advertisers to communicate effectively within their
budget. Newspaper ads also have the ability to communicate lengthy, complex, or detailed information and descriptions, which other media vehicles may not.

Magazines

Magazines are the most specialized of all advertising media.19  There are classifications of magazines: Consumer, farm publications and business publications. The general public for information and/or entertainment buys consumer magazines, such as People, Time and Newsweek. Consumer magazines have a lot to offer advertisers. It is still true that specialty magazines, with their infinite spectrum of niche readers, can offer fairly tight targeting opportunities. Consumer magazines represent the major section of the magazine industry, accounting for nearly two-thirds of all advertising dollars spent in magazines.20

Moreover, magazines’ portability means that a magazine ad may be read and passed along anytime. According to Spring 1999 Simmons data, 81.5 percent of adults age 18 and up say they read one or more magazines.21 Specialty magazines allow advertisers to target consumers demographically, by product affinity, or by lifestyle. Magazine ads can be highly creative and aesthetically appealing through the effective use of photography, graphics, color, and copy. An in-depth advertising message can be created to appear more like editorial copy than an advertisement, although most magazines require such advertorials to be clearly designated as ads. Regional/local editions, poly-wrap inserts, and local "vista" magazines also offer local advertising opportunities, which may be hard to find in other media vehicles.
Newsweeklies

Newsweeklies are usually distributed on hundreds of racks throughout a city, ready to be picked up on an impulse by the target audience. Most are available free of charge, so potential readers don’t even need to part with any money to read the advertiser’s message. People carry newsweeklies with them everywhere, often leaving them behind when they’re done.22

The newsweeklies can then be picked up and read by someone else. Newsweeklies are targeted to Generation X and Y readers who rarely look at daily newspapers.23 In particular, the local newsweekly is the medium of choice for entertainment news among this demographic segment. Advertisers can take advantage of the reputation to be hip and different to enhance their own images. While an ad in a newsweekly offers many of the same characteristics as a newspaper ad, rates are usually lower than those of the local newspaper.

Importance of print media vehicles

Mediamark Research Inc, (MRI) is the leading US supplier of multimedia audience research.24 More than 10,000 respondents recorded their daily magazine reading behavior in written diaries provided by MRI as part of the new methodology.25 The information gathered was then presented to MRI clients in the form of audience accumulation, or velocity curves for individual magazines and groups of magazines. Advertisers and their agencies can use the curves to establish the timing of the delivery of print advertising, and to more tightly integrate magazine advertising into a firm’s media strategies.
"Without this new magazine data, magazine publishers are at a disadvantage: TV and other media when advertisers and agencies use so-called optimization programs to create media plans," said Alain J. Tessier, Chairman and CEO of MRI.26 "There have been many assumptions, some of them dead wrong, about how quickly people read certain magazines once the publications go on-sale. Now, with empirical data, advertisers and agencies can more clearly assess the contribution of print advertising within the entire marketing mix." 27

As shown in the chart below, traditional print media vehicles suffered a decrease in advertising revenue during the previous year. While print media has the advantage of withstanding the test of time and consumers are able to read it at their leisure, this can also be a disadvantage. The decrease in print advertisement dollars might have occurred because consumers may read print information at any time, they may be inclined to purchase magazines or newspapers when they have time to read them.

<table>
<thead>
<tr>
<th>Media Vehicles</th>
<th>Zenith Optimedia</th>
<th>2000</th>
<th>20001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network TV</td>
<td>$15.80</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Spot TV</td>
<td>$22.63</td>
<td>1.50%</td>
<td></td>
</tr>
<tr>
<td>Cable TV</td>
<td>$10.23</td>
<td>4.10%</td>
<td></td>
</tr>
<tr>
<td>Syndicated TV</td>
<td>$2.12</td>
<td>-5.40%</td>
<td></td>
</tr>
<tr>
<td>Natl./network radio</td>
<td>$0.98</td>
<td>2.10%</td>
<td></td>
</tr>
<tr>
<td>Local/spot radio</td>
<td>$18.05</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td>Newspapers</td>
<td>$43.95</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td>Magazines</td>
<td>$14.97</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>Outdoor</td>
<td>$2.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct mail</td>
<td>$38.73</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>Internet</td>
<td>$7.46</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$39.92</td>
<td>1.50%</td>
<td></td>
</tr>
<tr>
<td>Total traditional media</td>
<td>$133.65</td>
<td>-1.50%</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$219.76</td>
<td>-0.80%</td>
<td></td>
</tr>
</tbody>
</table>

Increases or decreases in advertisement dollars spent per media vehicle from 2000 to 20001 (28)
Consumer attitudes after a national tragedy

A picture is beginning to emerge of how consumers may change their behavior and attitudes as a result of the terrorist attacks based on research conducted by several agencies taken after September 11. The results, for the most part, seem to indicate that the attacks and their aftermath "will have a long-term impact" and even perhaps "profound implications," said Ted Nelson, managing partner and director for brand planning at Mullen in Wenham, Mass. "This will fundamentally affect strategies and what campaigns say to people," he predicted. "Brands that respond appropriately will succeed."  

According to the research, many brands did succeed. For instance, 61 percent of the respondents to a survey by Strategy One, a research company in New York, said they agreed that it was appropriate for marketers to take and communicate a position on the attacks. At the same time, 64 percent said they agreed marketers should focus on talking about their products and services. "People want to see both," said Steve Lombardo, chief executive at Strategy One, part of the Edelman Public Relations Worldwide division of Daniel J. Edelman Inc. "They want to move forward rather than recapitulate what happened," he added, but they also want marketers to be sensitive to the new environment.

One important result of the survey, Mr. Lombardo said, was that 8 of 10 respondents said it was "a relief" to see the return of "the programming and advertising they are accustomed to seeing" in the media.
How Consumers are Thinking and Behaving in Uncertain Times

A Cultural Compass Survey released October 31, 2001 by Leo Burnett USA analyzed consumer attitudes and behaviors post September 11, and profiled four key groups through an in-depth segmentation study. Based on results of broad surveys conducted with 543 people nationally, the study not only uncovered shared consumer needs and interests, but also suggested strategies and themes that marketers can leverage to address customer concerns and sustain brand belief following a crisis. 35

"To guide our clients through these uncertain times, we have to constantly monitor the context in which their brands operate. ‘In launching this study, we are helping clients understand and respond to American attitudes towards brands and marketing in the wake of September 11,’ said Bob Brennan, president of Leo Burnett Worldwide.36 "Generally we found that while Americans are on the same page in many respects, several pockets of difference exist. To be successful, brands must craft messages subtly customized to the people most likely to believe in them." 37

Four Distinct Sets of Attitudes/Behaviors

Four groups were identified and analyzed in the Cultural Compass survey: 38

The Close To Home group, representing 27 percent of the U.S. population, appears to be struck by lasting, negative repercussions of September 11. More than 40 percent strongly believe the attacks will cause economic depression, and they're buying only the necessities. This group adopted more price sensitive strategies, and is seen as more likely to turn to familiar brands.
Business As Usual group, accounts for 30 percent of the population, is opposite to the Close to Home set. Terrorism appeared to have little impact on this group's attitudes or the way they went about their lives. Approximately 80 percent reported no change in their likelihood to go to shopping at malls or gather in large crowds. Only 3 percent planned to delay major purchases and overall their consumer confidence did not change.

Forging Ahead group, contains about 33 percent of the population. They responded with optimism, determination and a high degree of patriotism. Possessing strong purchasing power based on demographics, this group had the highest levels of confidence - exceeding 80 percent - in American business and the economy's ability to rebound. This group was almost defiant in its desire to get back to business. According to Burnett analysts, keeping this group on track is very important to the economy, and a clients' ability to keep their brand preference with this group is key to brand health.

The Different Drummer group, represents 11 percent of the U.S. population. This group is the most demographically and idealistically distinct. Overall, this group believed American policies and practices are partially to blame for the September 11 attacks, and they sensed an opportunity for Americans to re-evaluate their thinking and feelings on tolerance. The most economically challenged, this group's unique demography renders them critical to specific brands, products and geographies.

Marketers need to know the characteristics of these groups and their clients target markets within these groups. By having an understanding of the target market after the
attacks, advertising campaigns can be altered, if necessary, to continue to appeal to the
target audience. With a better understanding of consumer changes after a crisis,
advertising agencies can create ads for their clients that will speak to the target market
and positively impact sales.

**Business reaction time to current events**

For decades, many marketers, on the advice of Madison Avenue, avoided running
print advertisements that would appear near news stories deemed too downbeat or
depressing. The rationale behind this was a belief that it would be counterproductive to
make sales presentations to consumers, made too anxious to consider shopping, due to
words and pictures of events like wars or terrorist attacks.

Because of this advice, many corporate marketers and ad agencies were forced to
hurriedly pull or adjust advertisements in the wake of the terrorists' attacks. This proved
for some to be a far more difficult task than anticipated. Many advertisers, agencies
and media groups were bombarded with angry and concerned calls and emails about
withdrawing or changing TV commercials and print ads.

What complicates the ability to make necessary changes ranges from the time
frame available to change the advertisements to the acceptability standards across the
country. The inability to adequately gauge the public's opinion of what would be
appropriate after a tragedy of this nature, is another complication for the advertisers.
Not only must an agency, but the media must react quickly to current events. According
to O. Burtch Drake, president and chief executive at the American Association of
Advertising Agencies in New York, an industry professional organization. “ultimately it's
the agency acting on behalf of the client to determine the appropriateness of advertising
material in print and on the air, but the media need to have a more heightened awareness” of what the public views as appropriate.43

Changing a company’s advertising strategy to reflect current events may seem like a logical step. By altering its advertising strategy during a time of terrorism, a company can appear to have an understanding of the American people. After a crisis, people look at the world they live in differently than they did before. Behaviors appear to change and consumers begin to reflect on what is important. They discover that having the latest fashion is not as important as it once was. Companies that want to compete will want to alter their advertising strategies with the change in consumer behavior. This alteration may be the slightest change to show the public that the firm is aware of the changes in the world we live in.

The question arises then, why not change a current advertising strategy to reflect the new found patriotism of the American people?44 One critic, Allen Adamson, managing director of Landor Associates said, "If this [patriotism] was never part of your message to begin with, now is not the time to latch on."45

Mr. Adamson also stated, “It would be a mistake for marketers to alter strategies based on the belief that consumers have been wholly transformed and, by extension, that their priorities and product preferences have changed. That’s not to say there won’t be changes or that marketers shouldn’t study them and shift their approaches as needed. But most would be wise to avoid drawing conclusions too quickly. So long as their messages aren’t inappropriate in the current context, they should continue with their existing strategies.”46
Handled poorly, a patriotic message can be interpreted as opportunistic or in bad
taste. Yet advertising executives do believe those brands which were perceived prior to
September 11 as icons of certain American values, such as wholesomeness, may benefit
from recent political events. Companies such as Tommy Hilfiger, that already use
patriotic images in their advertisements, had the luxury of not altering their
advertisements, but still being perceived as patriotic. An ad that was simply just another
advertisement for Tommy Girl fragrance on September 10, might now be viewed as a
very patriotic message weeks after the attacks, even without any changes. (see exhibit 4)

Corporate America’s use of the patriotic appeal in advertising

The terrorist attacks on the World Trade Center and Pentagon stimulated a
patriotic fervor among consumers that was echoed within hours by marketers, advertising
agencies and media companies. Flags were unfurled in television commercials and print
ads as well as on Web site banners, signs and billboards. Broadcast and cable networks
like NBC and MTV began draping studio windows in stars and stripes as publications
from Parade to Premiere added flags to their covers.

This trend continued longer than some would have thought. A month after the
terrorist attacks on the United States, Madison Avenue continued to wrap itself in red,
white and blue in an outpouring of patriotism not seen in mainstream advertising since
World War II. Until it was exposed by acts of war on Sept. 11, generations of
Americans had never found a compelling reason to “take a stiff drink of patriotism or
take comfort in its unifying high.” “A heartfelt and reinvigorating love of country has
not been universally experienced in the United States since the Kennedy assassination,”
said Gary Gerstle, a professor of history at the University of Maryland and author of

After the attacks on September 11, it became popular overnight to show country pride and wave the red, white and blue everywhere. Optimism and pride in the U.S. became more appropriate than ever, but as Donny Deutsch, chief executive at the Deutsch agency in New York said, "companies that arbitrarily wrap themselves in the flag run the risk of having it backfire." He added, "If you glom onto patriotism to pull you through, consumers will see through that."

Impact of patriotism on consumer attitudes

Patriotism isn't going to be an important factor in determining consumer trends for some time to come. Brand America is certainly hot, with everything from flag-inspired items to firefighter gear flying off store shelves. Strategist Marian Salzman of ad agency Euro RSCG Worldwide predicts particular opportunities for "brands, images, and icons that recall the rebel or independent nature of the American spirit." Americans are very proud of their heritage and independence. Companies may temporarily benefit at a time when patriotism and American pride is at an all time high, if their product can be tied to either of these ideas.

Even so, "over a period of time, its relevance diminishes," Allen Adamson, managing director of Landor Associates, stated, "as consumers begin to ask what does it[patriotism] have to do with the brand. "And that could do damage," he added. Mr. Boyko at Ogilvy said he did not dispute that "the shelf life for this type of message will probably be short. 'The public wants to get back to normal, but everybody's still looking for answers.'"
While some feel the use of patriotism in advertisements is acceptable, others do not. "Patriotic appeals are potentially offensive because they can look like overt nationalism," said Simon Williams, chief executive at the Sterling Group, a brand consulting company in New York. "It's important to keep the nation together," he added, "but 'in-your-face' Americanism is not what we're looking for." 

**Saturation of patriotic appeal in advertising**

Marketers rallied around the flag while trying not to push patriotism too far. Two days after the September 11 attacks, posters showing a bold graphic of the American flag with the tagline, slightly altered from how it appeared in a past advertising campaign, were hung in windows of Kenneth Cole stores. They were not alone in hoisting Old Glory. Results of a September 15 Gallup survey showed 82% of U.S. citizens polled say they have flown or will fly the American flag in response to the attacks.

Everything from bed sheets to socks began suddenly boasting images of Old Glory. A number of companies started to push patriotic themes in their advertising, from subtle tugs on the heartstrings to the “Keep America Rolling mantra of General Motors.”

However, corporate America should be aware of the risk of pushing the patriotic angle too far. As Keith L. Reinhard, chairman of ad agency DDB Worldwide, puts it: "At a time like this, there's a very fine line between being appropriately patriotic and disgustingly opportunistic."

**Auto Sales**

The economic recession affected all industries, but it hit the auto industry particularly hard. For the Big Three (GMC, Ford and DaimlerChrysler) the outlook for
Analysts at Prudential Securities projected the lowest sales since 1992. David Healy of Burnham Securities believed the Big Three would have total sales for the year of 10.8 million, the lowest level since 1997. While 2001 was difficult for domestic vehicles, it was just the opposite for a number of foreign-based auto companies. Several of them set United States sales records in 2001 without having to offer widespread discounting. This success was due to the strength of the dollar, allowing the foreign makers to undercut domestic vehicle prices.

After September 11, many industries appeared to be in trouble as the economy headed for the threat of a recession. President Bush and his administration went to the auto industry manufacturers soon after the attacks and asked for help to keep the economy going. Prior to the meeting on September 15, the auto industry was ready to react to the lull in demand for automobiles by producing fewer vehicles. Sales for GMC had declined 7% and Ford’s sales had declined 7.5%.

The Bush administration preferred that automakers, instead of making fewer vehicles, address weakening demand by making vehicles cheaper to buy, even if such a step cut into profits. After the meeting, GMC announced it would offer interest-free loans over three, four or five years to buyers of all its 2001 model cars, an offer it has not made before. GMC offered three-year interest-free loans for its 2001 trucks and 2002 cars and trucks. The campaign was aptly titled, Keep America Rolling. Others in the industry soon followed.

**Initial response of the auto manufacturers to terrorism**

The top five automobile manufacturers are GMC, Ford, DaimlerChrysler, Toyota, and Honda. The reaction from all manufactures has been viewed as both appropriate and
distasteful. Critics include members of environmental groups who feel that the companies are encouraging excessive gas usage. "Detroit is treating this tragedy as a chance to pad their profits by pushing gas guzzlers. Real patriotism means showing responsibility by decreasing our oil dependency by producing more fuel-efficient cars," said Daniel F. Becker, director of the global warming and energy program for the Sierra Club.

With September 11th combined with the recession which resulted in decreasing car sales, GMC started a no-interest finance war. Ford and DaimlerChrysler followed days later. GMC's CEO believes the response was appropriate, "The auto industry is a major component of the U.S. economy and we're the largest company in the industry. The size and history of G.M. gives us a legitimate license to talk about our role in the economy. It is appropriate, if you don't cross the line." The Big Three need to be careful to not cross that line between appearing to help the economy and helping their profit margin. All of the companies needed to make sure it did not appear they were offering incentives to increase their sales.

The General Motors Corporation (GMC) began advertising individual models such as the new Buick Rendezvous all-wheel vehicle -- carrying the perhaps now counterintuitive theme, "It's all good" -- as well as a promotion, "Keep America Rolling," offering interest-free loans on cars and trucks through October 31. GMC did have the right idea of being the first to implement the zero financing incentive though. By offering this incentive first, it put pressure on its competitors to do the same. While all three of the participants hoped for an increase in present sales, they all would be facing the decrease in future sales together. By being the originator of the
zero financing incentive, GMC could be seen as the one car company that cared about the state of the economy. This would have worked, if not for the poor execution of the advertisements.

Ford and DaimlerChrysler executives originally balked at the interest-free financing incentives, introduced by GMC after the attacks, but felt compelled to similarly respond to stay competitive. The new offerings had the potential of helping the industry leaders regain lost market share. As Mr. Ballew, GMC's general director for global market and industry analysis, stated "Our goal with this [new promotion] was not to break the bank. Given what occurred on September 11, we needed something to help drive traffic back into the showroom and help to bolster consumer confidence and consumer sentiment. That was our goal." 82

Without the loan deals, industry officials estimate, the industry's selling pace for the fourth quarter would have been 15 million vehicles, on a seasonally adjusted annual basis. The zero percent financing campaign led to double-digit sales increases during the fall, but at a cost, for both the companies' bottom line, and, therefore, for their 2001 results and their 2002 sales. 84

The Ford Motor Company created the “Ford Drives America” campaign, which asked consumers to applaud its generosity and self-sacrifice. “In light of these challenging times, we at Ford want to do our part to help move America forward”. 85 While it is true that America’s political leaders encouraged buyers to get back out into the economy, to use that message in a self-serving sales promotion can be viewed as an “exploitation of the terrorist’s victims and an unforgivable insult to those who grieve them”, according to Bob Garfield, Advertising Age. The incentive of zero financing was
a welcome one and the companies knew by offering it, the buyers would return. But in
the name of decency, the burial grounds of September 11 should have been left alone. 86

The other industry leaders, Toyota and Honda, did not need to enter the free financing war. In August of 2001, foreign automakers were already offering zero percent financing on many models. 87 The foreign automakers were able to absorb the discounts, because weak currencies kept their costs down. 88 Honda and Toyota seemed to just hang out on the sideline waiting to see what would happen next. The companies didn’t saturate the airwaves and magazines with advertisements stating that they also had zero percent financing. This strategy may hurt them in their sales volume.

Due to the fact that both Honda and Toyota are foreign vehicles may also explain why they did not enter the zero finance war. It would be difficult for a foreign company to use patriotism in their advertising and seem sincere. Many consumers would look at the ads and view them only as self-serving, rather than patriotic or supportive of the US.

**The impact of zero percent financing sales promotion on the auto industry brand**

The zero percent financing promotion succeeded in bringing buyers back into the dealerships, but at a cost. The cost was both the companies’ bottom line and their 2002 sales. 89 "They've upped the incentive ante and that seems to be working," Stephen J. Girsky of Morgan Stanley said. "But that poses the other question, that nobody is making any money with marketing costs this high." 90

Each loan cost the auto companies about $2,300 in lost interest payments. 91 Moreover, analysts and executives estimate that about 500,000 vehicle sales were cannibalized from 2002, as people bought vehicles sooner than they had planned. 92
interest spurred sales in October and November though analysts cautioned the incentives were stealing sales from future months. 93

**An advertising study: The top auto manufacturers advertising strategies changes found in Time magazine after September 11.**

Automobile and truck advertisements were collected from Time magazine, August 27, 2001 to January 14, 2002. Time magazine was chosen because it is a national magazine that is viewed as newsworthy. The study analyzed seven issues for a total of sixty-eight advertisements. None of the ads contained patriotism as defined by the use of the American flag, use of other American symbols such as the Uncle Sam or the Statue of Liberty or the change in color scheme to red, white and blue.

The study reviewed to see if the size of the ads altered at all. Due to the time the study was started, there are more advertisements after September 11th, but there are ads that appeared both before and after the attacks and those are looked at to see if any changes took place. (see table 1)

The study also looked at the advertising appeal in the ads and whether there was any change after September 11. Advertising appeal refers to the approach used to attract the attention of consumers and/or to influence their feelings toward the product, service or cause.94 An advertising appeal can also be viewed as "something that moves people, speaks to their wants or needs, and excites their interest."95 The creative execution style refers to the way a particular appeal is turned into an advertising message presented to the consumer. 96

Advertising appeals can be put into two categories: informational/rational and emotional. Informational/rational appeals focus on the consumer’s practical, functional,
or utilitarian need for the product or service and emphasize features of a product or service and/or the benefits or reasons for owning or using a particular brand. The content of these messages emphasizes facts, learning and the logic of persuasion. The GM Envoy ad in October 29th issue of Time magazine is an example of this type of advertisement. (see exhibit 5)

The auto industry both prior to and after the terrorist attacks, utilize informational/rational advertising appeals. The print advertisements focus on the rational motives including quality, dependability, durability, efficiency and performance. William Weilbacher identified several types of advertising appeals that fall under the category of rational approaches, among them feature, competitive advantage, and favorable price. Ads that use a feature appeal focus on the dominant traits of the product or service. The Hyundai Sonata advertisement found in the December 31 issue of Time is an example of this type of appeal. (see exhibit 6)

In a competitive advantage appeal, the advertiser makes either a direct or indirect comparison to another brand (or brands) and usually claims superiority on one or more attributes. A favorable price appeal makes the price offer the dominant point of the message. Retailers to announce, sales, special offers, or low every-day prices use price appeal advertising most often. National advertisers often use price appeal ads during recessionary times.

The number of people in the ads as well as what was the main object in the ads was also looked at since emotional appeals relate to the customers’ social and/or psychological needs for purchasing a product or service. Many of consumers’ motives for their purchase decisions are emotional, and their feelings about a brand can be more
important than knowledge of its features or attributes. Marketers use emotional appeals in hopes that the positive feelings they evoke will transfer to the brand. Research shows that positive mood states created by advertising can have a favorable effect on consumers’ evaluation of a product. It also shows that emotional advertising is better remembered than non-emotional messages.

The basic components of a print ad are the headline, the body copy, the visual or illustrations and the layout (the way they all fit together). The headline refers to the words in the leading position of the ad—the words that will be read first or are positioned to draw the most attention. Most advertising people consider the headline the most important part of a print ad. The most important function of a headline is attracting readers’ attention and interesting them in the rest of the message. Research has shown the headline is generally the first thing people look at in a print ad, followed by the illustrations. Only 20 percent of readers go beyond the headline and read the body copy. Some print ads contain little if any body copy, so the headline must work with the illustration to communicate the entire advertising message. The strategy of using headlines over body copy can be seen in the Toyota Camry advertisement in the September 19th issue of Time. (see exhibit 7)

Headlines can be categorized as direct and indirect. Direct headlines are straightforward and informative in terms of the message they are presenting and the target audience they are directed toward. Common types of direct headlines include those offering a specific benefit, making a promise, or announcing a reason the reader should be interested in the product or service. Indirect headlines are not straightforward about identifying the product or service or getting to the point. But
they are often more effective at attracting readers' attention and interest because they provoke curiosity and lure readers into the body copy to learn an answer or get an explanation.

The main text portion of a print ad is referred to as the body copy. Body copy content often flows from the points made in the headline but the specific content depends on the type of advertising appeal and/or execution style being used. For example, straight-sell copy that presents relevant information, product features and benefits, or competitive advantages is often used with rational appeals. Emotional appeals often use narrative copy that tells a story or provides an interesting account of a problem or situation involving the product.

The illustration is often a dominant part of a print ad and plays an important role in determining its effectiveness. The visual portion of an ad must attract attention, communicate an idea or image and work in a synergistic fashion with the headline and body copy to produce an effective message. Many decisions have to be made regarding the visual portion of an ad: what identification marks should be included (brand name, company or trade name, trademarks, logos); whether to use photos or hand-drawn or painted illustrations; what colors to use (or even perhaps black and white or just a splash of color); and what the focus of the visual should be.

The tone and style of the advertisements was also studied. In the ads prior to September 11, the tone of the ads was both serious and playful. The car manufactures appear to want the consumer to think of fun and enjoyment when thinking of the vehicle. The ads also told about the stability of the vehicles, the vehicles ratings and what the special features where that came with the car or truck.
After September 11, the tone and style of the ads, remained the same. Humor as well as the benefits of owning that particular vehicle model appeared the majority of the time. As it has been stated before, it appears the auto manufacturers did not change their print ads to reflect current events or the current television commercials.

In the study, the majority of the campaigns, fifty of the sixty-eight studied, utilized full page ad buys. Other companies differed with nine advertisements that were two page ads, such as GMC and Mercedes. The Mercury Mountaineer was the one advertisement that appeared both before and after September 11, where both ads were identical. (see exhibit 8)

In the sixty-eight print advertisements in Time magazine studied, there was no reference to the American flag, patriotism or the events of September 11. The new promotion of zero percent financing was also not found, except for one. In the last issue for 2001 of Time magazine, Jeep’s new campaign offering of “Home for the Holidays” with zero percent financing was published. (see exhibit 9) This is the only advertisement that was found containing the special incentives the auto manufacturers began offering in September.

Based on this limited study, it can be deduced that the auto manufacturers did not utilize their print advertisements to reinforce their television campaigns as usual. Because the companies all claimed to have offered zero percent financing to help boost the economy, it is unusual that they would not want that offer mentioned in all their advertisements. The fact that none of the ads contained words of sympathy or any mention of the attacks is also puzzling. The answer may be that Time did not change the advertisements; it just ran the ads as planned. Since the incentives were not announced
until after September 19, it is logical that the incentives are not mentioned in the September 17th issue. The companies should have run the new campaign in the issues following that though. Pictures and words can easily be rearranged or replaced with others that would be more appropriate for the time, such as the mentioning of a new incentive program.

**Conclusion**

The automobile manufacturers reacted quickly to the events of September 11. Some felt the reaction was appropriate while others did not. The use of the American flag and other symbols of patriotism were not strewn all over print ad campaigns as they were in other industries such as the financial and airline industry. The automobile industry seemed to return to ‘normal’ advertising buy schedules and flight patterns about a month after the attacks. The cost to the industry will be especially keen in the next few years, as the sales that occurred in October and November will have hurt future sales.

The extent to which the zero percent financing campaigns were advertised was not significant in print media. Since most Americans were receiving their news and information about the state of the country and other current events via TV, it was the best way to reach the American people. Follow-up ads to the incentives were not prevalent in the print ads that ran in the same time frame. Due to these findings, it can be deduced that TV ads are more frequently updated or used as the primary communication driver in a time of tragedy.

The need for companies to react to current events with the consumer in mind is important. Marketers need to remember to take into account different acceptability tastes
as well as how consumers react to a tragedy when creating advertisements following an event such as September 11.

The tone and layout of the advertisements is also important. Following a tragedy, it would be best to use as little humor as possible, until advertising returns to previous levels. Humor is acceptable, but the advertisers must be aware of the acceptability tastes of the target market as well as how the market has reacted to the events. A serious tone might be the best to use for a while, if it fits the company's brand character. If it does not, the target market will see through that. It is possible years of strategy could be damaged with a move a way from the brand character.

The layout of a print ad does not need to change following a tragedy. The use of bold headlines and bright pictures can be continued. The important part of the advertisements will be what is said and how it is said. At all times the advertisers need to be aware of the current state of acceptability the target market is in and change the advertisements if necessary.
Endnotes

1. Bradsher, Keith. “Ford to curtain auto production and cut 5,000 jobs.”

2. Bradsher, Keith. “Ford to curtain auto production and cut 5,000 jobs.”

3. Elliott, Stuart. “Rapid developments in terror case and varying standards of taste

4. Garfield, Bob. “Patriot games, ads fly flags to get cash registers ringing”
   Advertising Age 15 October 2001: 1,49.

5. Garfield, Bob. “Patriot games, ads fly flags to get cash registers ringing”
   Advertising Age 15 October 2001: 1,49.

   Advertising Age 15 October 2001: 1,49.

7. Garfield, Bob. “Patriot games, ads fly flags to get cash registers ringing”
   Advertising Age 15 October 2001: 1,49.

8. Garfield, Bob. “Patriot games, ads fly flags to get cash registers ringing”
   Advertising Age 15 October 2001: 1,49.


10. Garfield, Bob. “Patriot games, ads fly flags to get cash registers ringing”
   Advertising Age 15 October 2001: 1,49.

   Advertising Age 15 October 2001: 1,49.

   Advertising Age 15 October 2001: 1,49.

   Advertising Age 15 October 2001: 1,49.


15. Belch, George and Michael Belch. Advertising and promotion, an integrated


47. Sanders, Lisa “Marketers rally around the flag; Patriotic messages abound, but many fear jingoism.” Advertising Age 24 September 2001: 3,72.


50. Harden, Blaine. “Put 'Em Up; Flag Fever: the Paradox of Patriotism.” 

51. Harden, Blaine. “Put 'Em Up; Flag Fever: the Paradox of Patriotism.” 

52. Harden, Blaine. “Put 'Em Up; Flag Fever: the Paradox of Patriotism.” 


63. Sanders, Lisa “Marketers rally around the flag; Patriotic messages abound, but many fear jingoism.” Advertising Age 24 September 2001: 3,72.

64. Sanders, Lisa “Marketers rally around the flag; Patriotic messages abound, but many fear jingoism.” Advertising Age 24 September 2001: 3,72.


Exhibit 1

A MESSAGE
FROM AMERICAN EXPRESS

Our hearts go out to those who suffered the tragedy of Tuesday, September 11. To our friends, colleagues, their families and everyone else who has been personally affected, we extend our sympathy.

One of the areas most affected was the country's financial center in New York. So, we know you must be concerned about the security of your financial assets and investments.

Please be assured that we at American Express Financial Advisors are absolutely committed to safeguarding the investments you entrusted to us. We have over 100 years of experience helping our clients with investments and financial expertise in good and difficult times. We maintain multiple electronic records of all your accounts and transactions at several secure locations throughout the country.

Your data and records are safe with us. Also, our offices around the country are open to assist you. And, as always, our Service Centers are open. In times like these you may have questions about your assets; please call any one of our 11,000 American Express financial advisors. They can help you review your financial situation and answer your questions. Call 1-800 GET ADVICE.
No matter where, no matter why—fly before December 15 and get double miles. Everyone has a reason to see somebody. That's the reason Delta flies.
Exhibit 3

Instructions for use: Remove from newspaper. Place in window. Embrace freedom.
TO CHOOSE THE BEST SUV, SPEND MONTHS TESTING THEM ALL...OR LET MOTOR TREND DO IT FOR YOU.
Finally, a sequel that's better than the original. 
Dramatically redesigned for 2002, the new Hyundai Sonata GLS 
fits the next big thing in midsize sedans.

- Room for five adults • 240-hp 2.4L DOHC V6 • AC
- Dual front airbags, front side airbags
- 4-speed automatic on 5-speed ** • Power windows, locks, heated mirrors
- AM/FM/Cassette/CD player • Cr beige control
- America's Best Warranty, the Hyundai Advantage

** America's Most Comfortable Car (comparative survey)

SONATA GLS, $17,499

HYUNDAI
DRIVING IS BELIEVING

www.2002Sonata.com • 1-800-HYUNDAI
Exhibit 7

IF IT LOOKS FAMILIAR, YOU'VE SEEN IT IN YOUR DREAMS.

THE NEW CAMRY.

GET THE FEELING. TOYOTA.
Every new Mercury Mountaineer provides a brilliant third-row seat. Fold it down and it disappears, yielding a cavernous amount of cargo space. Having it provides an SUV that feels even more spacious when you fold the third row up for a headroom of 63". Such engineering ingenuity requires no further investment in your wallet, thinking that the Mountaineer is just holding cargo for every price at any rate.
Exhibit 9

A limited-time offer from your Jeep dealer to help you get there.

7 YEAR/100,000 MILE POWERTRAIN PROTECTION* AND 0% APR Financing**


Check out our "You've Got Pictures" Contest at AOL.
Keyword: Home for the Holidays

See your local Jeep dealer.
## Table 1

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*Time magazine ads collected from August 2001 through January 2002*