PROMOTIONAL BUDGETS AND THE U. S. ARMY A STUDY OF DECISION MAKING

Thesis for the Degree of M. A.
MICHIGAN STATE UNIVERSITY
JOHN CHARLES BURKE
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ABSTRACT

PROMOTIONAL BUDGETS AND THE U. S. ARMY
A STUDY OF DECISION MAKING

By

John Charles Burke

This study examined the U. S. Army as one of the nation's largest advertisers. The Army's promotion budget increased from $3 million to $35 million in three years. This rapid expansion, coupled with the attendant challenges of selling the all-volunteer Army provides a unique basis for analysis.

The Army's promotional environment is composed of several atypical elements. Most prominent among these atypical elements are the prohibition against buying time in the broadcast media and the absence of profit incentives.

Without pressure from the draft, enlistments have fallen off in recent months. The Army has launched a major promotional offensive to counter the trend of declining accessions. The promotion budget for fiscal year 1974 is $34.9 million.

All of the Army's promotional activities are aimed at creating adequate leads for the 6,700-man sales force. The Pentagon determines the number of new recruits needed to meet force level requirements. The recruiters in the field must then meet their monthly objectives. Accessions currently are below expectations.

The Army's media mix relies heavily on print, outdoor

and direct mail because of the moratorium against the broadcast media. Magazine coupon responses are the main source of leads. Responses from this medium alone exceed 25,000 per month.

The primary target audience of 17-21 year old high school graduates is reached through the media described above. Their influencers are reached through the same media, as well as a massive public relations program. Major emphasis is placed on the high school graduate who does not plan to attend college.

The Army uses research findings and the experience of its agency, N. W. Ayer, to guide promotion decisions. The objective-task method is employed for determining the level of promotional appropriations.

The over-all Army promotion program has greatly matured. Each element reflects sophisticated planning based on research findings of the recruiting environment. Arbitrary promotional decisions are avoided and both the agency and the Army advertising management fully coordinate each element of the program. Still, recruiting objectives are not being met and the quality of enlistees is below expectations. These shortcomings have forced Army promotional planners to push for bold innovations in the Army's marketing program.

Three recommendations are discussed in Chapter V. First, it is recommended that a test be conducted to determine the feasibility of selling the Army to college-bound seniors. It is felt that a small, but significant, percentage of this segment of the target audience could be persuaded to try two or three years in the Army first. Secondly, the Army should standardize the direct sales techniques which have proven successful in the field. Finally, a major campaign should be waged against the paid broadcast moratorium.

Accepted by the faculty of the Department of Advertising, College of Communication Arts, Michigan State University, in partial fulfillment of the requirement for the Master of Arts degree.

Kenward L. Atkin, 11-73

Director of Thesis

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A THESIS

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CHAPTER I

INTRODUCTION

The U. S. government spent $16,508,800 on advertising in major media during 1972. This feat places it 79th on the 1972 list of the top 100 national advertisers.[1] The purpose of the expenditures was to gain more recruits for all the armed services. Enlistments fell sharply after the draft ended in 1973. Major expenditures in advertising and promotion are viewed as a necessity for filling the enlistment void created by a zero draft environment.

The U. S. Army is the largest of the services in both manpower and dollars spent on promotion. The Army's advertising and publicity budget for fiscal year 1974 is $34,900,000.[2] This large promotional appropriation will, in all likelihood, propel the Army past such big advertising spenders as Gulf Oil Corporation, Revlon, Firestone Tire and Rubber Company, Pillsbury Company, DuPont Company, and Joseph Schlitz Brewing Company.

Perhaps even more eye-opening than the size of the Army's current advertising budget, is the rapid increase in the budget over time. In 1970 Army advertising expenditures were at the $3 million level. Today they are ten times that. The Army's emergence as a major advertiser occurred virtually overnight. This rapid growth and the attendant lack of advertising experience caused many management challenges.

The Army is unique among major advertisers for several reasons. First, a product or service is not being sold to the consumer in the conventional sense. Thus, profit incentives do not exist. The absence of a profit-loss environment necessitates major modifications in the framework for advertising budget decisions. For instance, producers of such consumer products as alcoholic beverages, soft drinks, drugs, soaps, cosmetics and toiletries, ". . . find that their advertising expenditures are equal to or even exceed their after-tax profits."[3] This implies that minimum profit objectives will retard the upward spiral of advertising appropriations in these, and many other, industries. The Army, on the other hand, appears headed into an era wherein promotional monies will continue to increase at a relatively unimpeded rate.

Secondly, the Army is not faced with the problem of long and complicated channels of distribution. Marketing intermediaries, such as wholesalers and retailers, do not exist in recruiting channels as they do in most industrial channels. The absence of the middleman or the reseller eliminates the challenge of stimulating reseller support which faces most manufacturers. This, in turn, releases promotional appropriations which would otherwise be tied up in activities aimed at gaining reseller support.

A third promotional activity which is peculiar in the military realm is personal selling. On the surface it appears that the Army is not unlike most multi-million dollar advertisers in this area. That is, the Army employs a direct selling force of thousands. They are located in every city in this country with a population of 100,000 or more. Many are found in smaller communities. Their job is to enlist qualified young men and women into the Army. This promotional function, direct selling, is the most important aspect of all military recruiting programs. To expect a young person to make the enlistment decision solely as a result of mass media communication is foolhardy. The personal impact of such a decision is simply too great. Thus, the Army has doubled the size of its recruiting force over what it was two years ago. The advantages of such a move are obvious; however in industry its wisdom would be seriously questioned. In discussing sales forces, Kotler states that expansion should occur, ". . . up to the point where an additional salesman would impose more cost on the company than he generates in the way of gross margin on sales."[4] Cost effectiveness, then, is not a factor in the decision of the Army to expand its sales force.

A fourth unique factor is the source of the funds for the Army's advertising appropriation. The source is the American taxpayer; however, it is Congress who makes the funding decision.

While the budget approval will be discussed in a later chapter, some general discussion is appropriate at this point. Military decision makers are generally reluctant to comment officially on the moods and trends of Congress, but one can, nevertheless, derive what they are by simple observation. As the post-Vietnam demobilization continues, appropriations for military spending are rapidly shrinking. Additionally, Congress has set the statutory strength of the Army at about 800,000, down from a peak of 2,500,000 in 1970. Similar trends occurred after each major war this country has fought. The end of the draft and subsequent all-volunteer Army are major variables in this demobilization. Public demand and congressional sentiment forced the ending of the draft, and Congress appears to be willing to accept a portion of the responsibility for the success or failure of the all-volunteer Army.

These factors have created a spirit of benevolence in Congress with regard to military recruiting activities. Pentagon department heads have adopted similar attitudes. For instance, the United States Army Recruiting Command (USAREC) is the only organization in the Department of the Army that is authorized to conduct funded public relations campaigns. This aura of financial permissiveness in Congress and the Pentagon places the Army advertising manager in an enviable position. Such is seldom the case in commerce and industry.

Another unusual aspect of the Army advertising setting is the prohibition against buying time in the broadcast media. Except for a thirteen week blitz in early 1971, the Army has not bought time on radio or television. This gaping hole in media strategy is forced upon the Army by lack of Congressional authority to spend advertising dollars in the broadcast media. The Army did receive a one-time $10.6 million appropriation beginning in March, 1971. This classical saturation campaign was designed to establish a high awareness level of the new theme: Today's Army Wants to Join You.

Several reasons are given for the denial of funds for radio and television advertising. Don Reath, Army Account Executive at N. W. Ayer, summed up the reasons before the Louisiana Broadcasters Convention in September, 1973.

> The argument, voiced by responsible critics both outside and inside of the government, goes like this: the government shouldn't have to pay for the use of broadcast media since airwaves belong to all and broadcasters are merely licensed to use them. Critics also allude to the danger of government using TV and radio on a paid basis to propagandize the public. And they go on to cite the possibility of implicit government censorship through the allocation of large budgets to media with sympathetic editorial policies, while withholding funds from others.[6]

Regardless of the reasons cited, the absence of the broadcast media in the Army's media plan is astonishing. Table 1 is a comparison of leading advertisers. It dramatizes the issue. Data were derived from Advertising Age figures.[7]

Table 1[8]

Comparison of Media Expenditures in 1972

Ad Rank	Company	Total $	% of Total Dollars				
			Spot TV	Net TV	Spot Radio	Net Radio	Sub Total
36	Johnson & Johnson	30,203,100	14.4	56.2	5.4	1.3	77.3
37	Rapid-America Corp.	29,930,600	7.5	54.5	0.9	---	62.9
38	General Electric Co.	29,721,500	18.5	27.4	0.8	---	46.7
39	Campbell Soup Co.	28,550,000	25.0	43.6	5.5	4.5	78.6
40	Volkswagen of America	28,162,000	29.5	32.9	1.2	0.2	63.8
41	Carter-Wallace Inc.	27,950,800	15.5	73.1	4.7	1.4	94.7
42	Shell Oil Co.	27,741,200	42.5	34.8	5.2	2.9	85.4
	U. S. Army	27,672,900	----	----	----	---	----
43	Quaker Oats Co.	26,671,800	42.3	44.0	0.3	0.3	86.9
44	Anheuser-Busch Inc.	26,325,200	26.1	21.9	42.2	1.3	91.5
45	Liggett & Myers Inc.	25,978,900	7.4	26.6	1.4	0.3	35.7
46	RCA Corp.	25,948,300	27.2	19.3	2.0	1.6	50.1
47	Wm. Wrigley Jr. Co.	25,599,400	77.8	2.7	14.7	2.6	97.8
48	American Brands Inc.	25,032,400	4.6	14.9	1.5	0.1	21.1
49	Block Drug Co.	25,018,000	14.9	58.6	5.1	---	78.6

The facts outlined above clearly illustrate the unique aspects of the advertising environment in which the Army must function. These conditions multiply the difficulty of the advertising budget decision which, under ideal conditions, is complex and diverse.

CHAPTER II

THE ARMY AS AN ADVERTISER

Although the focus of this study is on the FY 1974 Army advertising budget, a summary of the spectacular growth of promotional activities in the Army is appropriate for it sets the foundation upon which the budget is built.

Fiscal Year 1970. A Presidential Commission headed by former Secretary of Defense Thomas Gates was appointed on January 29, 1969. The Commission's task was to study the feasibility of an all-volunteer armed force. During the same week, on February 3, 1969, the Army undertook its own study, entitled PROVIDE (Project Volunteer in Defense of the Nation). The PROVIDE study was to examine all possible methods to enhance the attractiveness of military life without sacrificing professionalism.

The Gates study went to President Nixon on February 20, 1970 with a recommendation of ending the draft. Meanwhile, the PROVIDE study was completed. It outlined what would be necessary to implement an all-volunteer armed force and maintain required force levels without the draft. The study envisioned a three-phase transition over a period of several years. The first phase would be in the general area of enhancing service attractiveness to permit a lower level of reliance upon the draft through methods not requiring legislative action. The second phase would include development and implementation of programs and policies considered essential to the early attainment of a zero-draft goal; these actions would require legislative authorization and the allocation by Congress of sufficient funds. Phase three concerned those additional actions that might be necessary in the event that the previous phases, after implementation and close evaluation, proved inadequate.

Fiscal Year 1971. The first, and most significant, Phase II recommendation was to, ". . . increase the advertising budget of the United States Army Recruiting Command from $3,000,000 to $36,000,000 annually to support an extensive advertising campaign."[9]

In the early fall of 1970, at the annual meeting of the Association of the U. S. Army held in Washington, D. C., the Chief of Staff, General William C. Westmoreland, addressed the convention and announced that the Army intended to make an all-out effort to reduce reliance upon the draft and to create a Modern Volunteer Army. Shortly thereafter, General Westmoreland appointed Lieutenant General George Forsythe as Special Assistant (to the Secretary of the Army and the Chief of Staff) for the Modern Volunteer Army (SAMVA). General Forsythe set about manning a small staff of outstanding officers and enlisted personnel to develop, and to assist in the implementation of new programs directed toward the MVA goal. The SAMVA staff was selected to reflect a cross section of rank and age, education and experience.

At this point in time the Army was spending approximately \$3,000,000 annually on advertising and publicity. The PROVIDE study forced Army planners to consider increasing this amount. The decision to significantly increase the recruitment advertising budget occurred on October 12, 1970. On that date Defense Secretary Laird sent a communique to each of the Service Secretaries affirming a zero-draft policy by FY 1973. This erased any doubts which may have existed about the all-volunteer decision. Secretary Laird's memo also created mild panic among the various recruiting commands. To help abate some of this panic a Joint Recruiting Conference was held in November, 1970, at Ft. Monroe, Virginia. The aim of this conference was to have all of the armed services assemble and discuss how they proposed to organize for the eventual end of the draft. Each of the services made a presentation announcing the manpower and resources required to meet recruiting objectives without the draft. One of the Army's proposals was a Spring 1971 test campaign in the broadcast media. This \$1.2 million proposal initially was met with general negative response. However, a classified Pentagon study was released in November, 1971. This study indicated that to meet proposed manpower levels, the Army would have to double its true volunteer enlistments. A true volunteer is an enlistee who was motivated to join for reasons other than draft pressure. The study revealed that slightly more than fifty per cent of all enlistments were entirely draft motivated.

These factors made Army planners realize that timidity was inappropriate and that a major promotional campaign was in order. The Army was making bold changes from within to make the proposition of military service more palatable. Something had to be done fast to bring this to the attention of the target audience and the general American public.

Colonel Gerald Childress, the Army's advertising manager, sums up how the Army became a big advertising spender.

> At Department of Defense level there was quite a bit of foot-dragging during the Fall of 1970. They were reluctant to authorize any major expenditure for advertising because no one knew what would result. Our attitude was that if we are going to impact our message quickly all across the country, then we had to use the broadcast media in a big way. So, John Kester, Deputy Assistant Secretary of the Army for Manpower, sent a memo to Roger T. Kelley, Assistant Secretary of Defense for Manpower and Reserve Affairs. The memo stated that we were planning to conduct a modest $10.6 million advertising test on the broadcast media. Well, in fact that was a damned saturation campaign. The memo went on to say that we were planning to do this beginning March 1, 1971, unless we heard otherwise. Well, we never heard otherwise and the campaign is history.[10]

By the end of FY 71 the Army's advertising budget bulged to $18,000,000 because the high impact radio and television campaign was later reinforced with magazine ads and outdoor displays. One would assume that many of the major decisions made during this turbulent period were arbitrary in nature. Don Reath corrects this mistaken notion.

> The radio and TV test campaign was undoubtedly one of the most intensively researched advertising efforts in history. For our client we conducted two major national surveys on a pre and post basis to assess its effects. In addition, studies were commissioned by the Department of Army, the other armed forces and the Department of Defense. In all, over one-half million dollars worth of research was done on this campaign.[11]

Table 2 is a summary of some of the startling results of the ninety day, $10.6 million broadcast saturation campaign conducted in the Spring of 1971.

Table 2[12]

Results of $10.6 Million Radio and TV Campaign

	April-June 1970	April-June 1971
Recall of Army Ads 17-21 year old males	38%	84%
Recall of Army Ads Fathers of 17-21 year old males	14%	70%
Traffic through U.S. Army Recruiting Stations	87,000	129,000
Non-prior Service Enlistments	66,000	75,000
Increase in Combat Arm Enlistments	--	728%

These results are further dramatized by the fact that by April, 1971 monthly draft quotas were down considerably from the previous year. This, of course, reduced the number of draft-induced enlistments, which increased the proportion of true volunteers in the 75,000 figure cited in Table 2. Additionally, the Army was getting extremely bad press during the ninety days the campaign was running. Drug problems, racial squabbles, PX scandals, the My Lai prosecution--these were among the stories which broke in the Spring of 1971. The CBS documentary, "The Selling of the Pentagon," appeared during prime time on network television immediately prior to the massive broadcast campaign. Colonel Childress outlines the devastating effect this program had on the future of paid Army advertising on the broadcast media.

> Just about the time that we had signed all our contracts and bought the air space, "The Selling of the Pentagon" broke on CBS. If you think that wasn't a mastication, you're mistaken. Representative F. Edward Hebert, Chairman of the House Armed Services Committee, was infuriated. He immediately became very hostile towards CBS and announced that, "CBS taking money from the Army after denouncing it on TV is like Mary Magdalene pleading she is a virgin." His hostility towards CBS spread to television in general. If he would have had his way at that time we would have been forced to cancel all our contracts and the campaign would have died right there. Even today he maintains that since the air waves belong to the public, the armed services should be satisfied with what little public service time they can get. Mr. Hebert is the roadblock which prevents us from buying time. But we're not going to let him stop us. We are currently preparing a position paper for presentation to appropriate Department of Defense officials. We are stating that we are being denied access to one of the principal media which reaches and impacts on our primary target audience.

> We will show that if you use a total media approach, you can do the job better, and in fact, you can do it cheaper.[13]

From the turbulent Spring of 1971 the Army advertising program has increased in size and grown in sophistication. Appendix A is a summary of advertising expenditures for the three most recent fiscal years. Figures shown for FY 74 represent proposed expenditures as opposed to recorded expenditures for FY 72 and 73.

The slogan, "Today's Army Wants to Join You," has been the central advertising theme of Army copy since the Spring of 1971. Since its adoption, it has been the point of departure for all messages and appeals aimed at the primary target audience. Although the slogan has been the target of some criticism, research indicates that it communicates effectively. Table 3 illustrates a relative high level of acceptance and favorability among all groups surveyed. Additionally, the majority of respondents regard the theme as suitable for Army use.

Fiscal Year 1972. Optimism over the apparent success of the $10.6 million saturation campaign caused Army planners to schedule another big radio and television buy for August-September 1971. In early July, 1971, the Secretary of Defense approved the interim six-week campaign and $3 million was budgeted for that purpose. The media schedule closely resembled the earlier, more costly campaign except for a reduction in the frequency of

Table 3[14]

Attitudes About Army Slogan

	% Young Men	% Young Women	% Fathers	% Mothers
Theme Awareness:				
1973	92.0	90.0	74.0	68.0
1972	83.3	82.7	64.2	59.5
1971	85.6	82.6	68.6	59.3
Ad Awareness:				
1973	77.0	69.3	68.7	52.7
1972	71.0	60.0	49.3	47.3
1971	73.3	64.0	52.6	50.0
Favora-bility:				
1973	72.2	75.3	71.2	72.8
1972	60.7	67.3	70.3	67.6
1971	61.3	66.7	69.4	64.1
Suita-bility:				
1973	77.3	77.0	77.8	81.4
1972	64.7	66.0	68.9	77.7
1971	65.0	59.3	68.0	64.6

announcements.[15] However, Congressman Hebert's disillusionment with the broadcast media had spread to other members of his committee and they disapproved the proposal.

The Army refused to let this setback dampen their enthusiasm for the broadcast media. The FY 72 Army advertising budget request was $27.7 million. This request included $9 million for magazines and another $9 million for paid radio and television. On November 17, 1971 the House passed the armed forces appropriation bill which included the Army's request for $27.7 million. Later that week the Senate Appropriations Committee deleted the $9 million paid broadcast proposal from the bill before it went to the floor. It appeared that the Army's advertising budget would be cut by one-third.[16]

The FY 72 advertising budget request for all of the armed services totaled $48.1 million. The Army was clearly the leader as Table 4 illustrates.

Table 4

FY 72 Advertising Budget Requests

Army	$27,700,000
Marine Corps	7,600,000
Air Force	7,100,000
Navy	5,700,000

The Army's relatively large request, coupled with the paid broadcast proposal, created considerable resentment among the other services. It is clear that at this point only the Army felt the need to advertise in a big way to meet the challenge of a zero-draft environment. The other services resented the Army's initiative and their objections influenced the Senate to put the ax to the $9 million requested for radio and television. However, the presence of the Yuletide season may have created an aura of benevolence in the Congress. A week before Christmas the House and Senate jointly voted to give half the $9 million back with the caveat that it be used for buying other than broadcast time. Thus, the Army's FY 72 advertising appropriation was $23.2 million.

As the fiscal year progressed, several changes were made in the overall promotional mix. A number of public relations consultants were hired through N. W. Ayer. They were initially employed in the largest cities. Later this concept was expanded and an agency field representative was placed at all sixty-nine main recruiting stations. This "field force" is the backbone of Army public relations activities. Responsibilities of the field representatives include: generating cooperation among educators and guidance counselors, improving rapport with the local media, arranging and promoting Army exhibits and other special performances, formulating marketing plans, and a host of other important projects in support of recruiting and recruiters.

The quantity and quality of production of public service announcements was increased during this period. Automatic, national distribution of Army messages also was upgraded. The Army and N. W. Ayer conducted a major campaign, by letter and personal visit, aimed at encouraging the broadcast media to air Army messages free.

Promotional aid kits were developed and mailed monthly to every field recruiter. The kits contained printed materials and tapes as well as instructions about how to use them. In one handy kit, the recruiter would receive a supply of a weekly column written for him to be placed in weeklies or dailies under his byline. The kit also contained radio news "beeper" reports and special tips on how to enlist prospects.

Media expenditures were confined to magazines and direct mail. Of the $12,445,566 spent for media placement, only $400,000 was used for direct mail. The remaining $12 million plus went to magazines. This lack of diversification indicates that the Army media strategy for FY 72 was extremely unsophisticated. However, the current staff of Army advertising managers indicate that during this period extensive research was under way to determine the most cost-effective method of reaching the primary target audience. In the interim magazines were selected, to the exclusion of other media, as the safest bet.

Fiscal Year 1973. An analysis of events occurring between July 1, 1972 and June 30, 1973 reveals that the Army advertising plan was rapidly becoming more refined and sophisticated. Not only was the media mix more sensible, but the message content was totally research-based.

Throughout FY 1973, attempts to evaluate the effects of the overall advertising and publicity program continued. Research results were incorporated into the development of specific advertising material as they became available. Additionally, new advertising techniques were utilized to reach the target audience such as outdoor billboards, transit advertising, and yellow pages. Research provided further identification of the needs perceived by the target audience which would be satisfied by Army enlistment. These needs are:

1. To obtain a fair rate of pay for the work I do.
2. To gain respect as a person.
3. To have work that is really interesting.
4. To have good living conditions.
5. To become a better person.

These findings enabled the Army to orient overall appeals and specific messages directly to these needs. Examples of copy themes employed during FY 1973 are as follows:

1. Learn useful trade or skill in the Army.
2. Can choose the job or training you want.
3. Have chance at a good career in Army.

4. Can pick unit you want to join.
5. Get chance to travel and meet people.
6. Can continue education after school.
7. Will make you more mature.
8. Be proud to serve your country.

Another major innovation of FY 1973 was the development of a magazine coupon response fulfillment system. Coupon inquiries are the main source of leads for the recruiter. The upward spiral of inquiries, shown in Table 5, caused the Army to seek a more efficient method of handling the coupon and evaluating the effectiveness of the particular medium in which it was placed.

Table 5[17]

Army Coupon Inquiries

Fiscal Year	Inquiries Received
1970	71,051
1971	98,685
1972	251,509
1973	312,469

On January 1, 1973 the Rapid Elective Ad Coupon Transmission System was implemented. REACT employs the services of World Wide Mailing Services in Philadelphia and all coupons are pre-addressed to them. The system is designed to process all inquiries within twenty-four hours. The mechanics of the system are explained below.

> The inquirer is mailed a packet of information thanking him for his inquiry and telling him exactly how to get in touch with his nearest Army representative. This is done in the form of an individually addressed, computer letter which is keyed to the specific type ad from which the coupon resulted, such as an offer of jobs, benefits, travel, education, etc.
>
> The computer also prints the data received about the prospect onto a card that can be divided into two parts. One is the prospect card. It contains all the information the recruiter would have gotton on the coupon, but it is ready to be used and then placed in his prospect file. The second part is called the "Lead Evaluation Report" and is to be "ripped off," filled in, and returned to the Area Commander by the recruiter. This gives the Area Commander a method for evaluating the recruiter's ability to convert a lead into an enlistment, will insure that all prospects are in fact being called upon, and will provide information on the effectiveness of different ads in producing enlistments.
>
> The Area Commander then mails the evaluation to the REACT Center. At the center the information serves several purposes. First it is tabulated to determine the number of leads which result in enlistments. It is also used to inform districts and RMS of recruiter success in turning leads into enlistments. This information helps determine the effectiveness of the "quick-response" system. The reports also show which ads in which magazines at what time of the year provide the best prospects. In short, the evaluation reports help in analyzing advertising effectiveness in terms of enlistments produced. It is also a check to make sure recruiters are effectively using the leads they are provided. At random, prospects will be contacted by telephone to determine the effectiveness of the recruiter sales effort.
>
> A duplicate copy of the letter to the prospect is mailed to the recruiting main station for information and on a monthly basis a report is prepared for each district providing information on the number of coupons received by District, RMS and indidivual recruiting

> stations. Although this system is very complex, it provides timely leads to the recruiters, speedy response to the prospect, and management information to better enable the supervisors of the recruiter force to accomplish their jobs.[18]

Recognizing the desire of the young prospective enlistees to want: guaranteed special training for the development of future careers, to pick the location they want, along with higher pay, the advertising program continued to promote enlistment options and Army opportunities so that a higher level of awareness of these offers were maintained.

Included were not only public service advertisements for radio, TV and magazines, but also locally procured ads in individual newspaper columns. During FY 1973, a total of $1,001,889.47 was spent to place 13,383 classified ads in 27,290 newspapers 77,063 times. These ads generated 74,485 inquiries and resulted in a total of 15,195 enlistments. The average cost per inquiry during the period was $13.59.[19]

Finally, while a campaign directed against the prime target audience is of paramount importance, USAREC recognized the continued need for appealing to those individuals who exert a significant degree of influence on the young. These include but are not necessarily limited to parents, teachers, coaches and guidance counselors. To reach this element, advertisements stressing the more traditional values obtained from Army service were employed. These included appeals to patriotism, and Army service as a road to maturity, as well as those previously mentioned appeals dealing with the guaranteed job training, Army benefits, continued schooling, etc.

In summary, the Army has grown from a small-time advertiser to one of the nation's largest in only a few years. This growth has been accompanied by constant refinement and bold innovation. A hunger for audience and media research characterizes current marketing planning and the turmoil of the rapid expansion has served to create a new breed of executive--the Army advertising manager.

CHAPTER III

DEVELOPMENT OF THE FY 74 BUDGET

The Army's advertising budget is a combination of the over-all promotion plan and the funds necessary to implement it. The promotion plan embodies all activities considered necessary to achieve adequate enlistments and is based on Department of the Army manpower requirements. The annual advertising budget is prepared by the Advertising and Information Directorate of USAREC. Prior to its approval, the Army budget runs a gauntlet of assessments which terminates on the floor of the Congress of the United States. This chapter describes the development and management of the Army's FY 1974 advertising budget.

Fact Finding. Promotional decisions are seldom made in a vacuum and the magnitude of the Army promotional budget necessitates that all decisions must be founded on a thorough knowledge of the marketplace. Army planners are constantly measuring the pulse of the enlistment market, specifically the primary target audience of 17-21 year olds and their influencers. Additionally, the general state of the economy, the job market, and the promotional activities of the other armed services are items of interest to Army advertising managers. The Army, like many large companies, makes research and marketing planning year-round propositions which culminate in the annual advertising budget. CPT Don Carfagna outlines the Army's point of view regarding fact finding in a memorandum which synopsizes advertising related research.

> . . . The mission of Army advertising research is to supply the necessary audience feedback on a mass scale, and in such a way as to represent the attitudes and behavior of virtually millions of identified target audience members.
>
> The following diagram shows the attitude and behavior continuum that leads to enlistment.
>
> AWARENESS ⟶ KNOWLEDGE ⟶ FAVORABILITY ⟶
>
> SERVICE PREFERENCE ⟶ CONVICTION ⟶ ENLISTMENT
>
> The mission of advertising is to provide adequate information and a favorable Army image at each of the first four points and to provide reinforcement for the fifth point, "conviction." By the time the prospect reaches the point of "conviction" he will most probably have contacted a recruiter; and, the recruiter must "make the final sale." Therefore, the mission of Army advertising research is to: (1) measure the progress of Army advertising at each point on the continuum, and (2) supply feedback to the Army and its advertising agency which will enable the Army to communicate more effectively at each point on the continuum.
>
> Finally, there are two additional points to consider. First, the above attitudinal continuum also applies to the "Influencers." Second, there is no ultimately effective method of communication and therefore, Army advertising can always be improved and Army advertising research will always be necessary to initiate these improvements.[20]

Appendix B is an illustrative summary of some of the research projects, past and present, conducted for the Advertising and Information Directorate. In addition to these projects, USAREC has officially requested that funds be made available to develop a marketing information system. A study is under way to determine the feasibility of the proposal. USAREC wants the system to be capable of providing continuous feedback on the effectiveness and cost effectiveness of its advertising.

The competition for recruits is at an all-time high and the Army is more interested than ever before in the recruiting activities of the other services. Most of the facts gathered in this regard are not available for release. However, Table 6 is an example of this type of fact finding activity. The table is a comparison of promotion costs per recruit. This category of data is invaluable when used to defend budget requests.

Captain Carfagna outlines the current emphasis on feedback systems in USAREC:

> Our research effort is undergoing a transition. A few years ago most of our effort was attitudinal in nature. We needed this type of research because we had to have something to back up and justify our copy strategy. Now we have reached a point where we know that our advertising program will continue for many years to come. As our advertising program grows, so must our research effort. We realize that our research must be more sophisticated than merely identifying certain susceptible attitudes in our target audience and then aiming our advertising at those susceptibilities. Now we are conducting research which will identify the most effective, as well as cost effective, advertising strategies. We are building a data bank which will help us better segment our target audience. We are finding that certain segments are susceptible to a given appeal, while others are not. We want to establish a good professional relationship with the research field in this country. We are seeking to become affiliated with the commercial research organizations as well as institutes of higher

Table 6[21]

Comparison of Promotion Costs Per Recruit

	Army	Navy	USMC	USAF	Total
		FY 73			
Ad Budget*	$26.7	$20.0	$6.4	$12.7	$65.8
Objectives					
Male NPS**	187,200	96,100	52,300	90,400	426,000
Female NPS**	10,800	5,000	1,200	6,200	23,200
Prior Service	12,800	6,500	4,000	7,100	30,400
Total	210,800	107,600	57,500	103,700	479,600
Average $ Per Individual Req.	$127.	$186.	$111.	$122.	$137.
		FY 74			
Ad Budget*	$34.9	$24.8	$7.4	$17.1	$84.2
Objectives					
Male NPS**	181,000	74,600	51,800	65,400	372,800
Female NPS**	12,000	5,000	1,200	8,000	26,200
Prior Service	7,000	6,900	3,000	7,500	24,400
Total	200,000	86,500	56,000	80,900	423,400
Average $ Per Individual Req.	$175.	$287.	$132.	$211.	$199.

*In millions.
**Non-prior Service.

> learning. The idea is to keep abreast of any finding which may have a bearing on the recruitment of volunteers in a zero-draft environment.[22]

Army Recruiting Objectives. Congress sets the force levels for each of the armed services each year. Each of the services must then establish the number of accessions needed to achieve its authorized strength. In the Army the Deputy Chief of Staff for Personnel is responsible for determining annual recruiting objectives. These objectives are determined by applying a number of complex formulae and forecasts to the force levels set by Congress. Retirements, promotions, separations, troop reductions, shortages in critical skills and organizational changes are but a few of the factors considered. The recruiting objectives are broken down by month and passed on to USAREC for fulfillment. Table 7 is a comparison of recruiting objectives and the number of accessions accomplished for non-prior service males for the past two fiscal years. The table illustrates the seasonal fluctuation in enlistments.

These recruiting objectives for each month are the total marketing objectives for USAREC. They are comparable to the marketing objectives set by any large advertiser.

Marketing Strategy. Selling the Army to potential enlistees is a unique marketing challenge, as discussed in Chapter I. Nevertheless, each element of the marketing mix is considered by the Army's marketing managers. The Army must be a product which satisfies the needs, desires,

Table 7[23]

Comparison of Army Non-Prior Service Production

	Objective	Accessions	%	Objective	Accessions	%
		FY 72			FY 73	
July	13,500	13,549	100.4	16,115	17,478	108.5
August	15,500	14,321	92.4	17,535	19,656	112.1
Sept.	17,500	16,244	92.8	20,305	21,264	104.7
Oct.	10,300	8,981	87.2	16,360	17,980	109.9
Nov.	10,600	9,056	85.4	14,500	14,414	99.4
Dec.	13,000	11,653	89.6	14,000	13,757	98.3
Jan.	15,000	14,701	98.0	17,900	17,527	97.9
Feb.	15,000	11,499	76.7	11,500	9,448	82.2
Mar.	15,000	10,815	72.1	9,300	6,958	74.8
April	12,000	8,910	74.3	9,000	4,334	48.2
May	10,000	8,347	83.5	8,000	5,017	62.7
June	20,000	18,175	90.9	16,500	14,538	88.1
Total	167,400	146,251	87.4*	171,015	162,371	95.0*

*Average percentage for fiscal year.

attitudes and other influences which motivate young men and women to join. This fact has been recognized from the outset and a number of policy changes have been implemented to present the Army in better light. Many of the irritants in Army life such as, early morning formations, make-work projects and lack of privacy were removed. Colonel Childress outlines the Army's emphasis on product improvement.

> Early in the game we asked outselves, "What will it take to make the Army more attractive?". After all, in any sales environment the product is the most important element. If your product isn't any good, you can create all the awareness you want to and people still won't buy it. They will know it's a lousy product. So we went about the controversial task of improving our product from within. We eliminated many of the unnecessary irritants, raised the pay, added numerous special enlistment options and then started telling our target audience about it.[24]

But, the product must be offered at a price which will produce an acceptable return on investment. Travel opportunities, education, training and excitement are stressed in Army messages. Research has identified these as important aspects in the enlistment decision. Channel decisions are also a part of the Army's general marketing strategy. The number of field recruiters has more than doubled over the past three years. Likewise, the number of recruiting offices increased. The offices have also been moved out of post office buildings and into shopping malls and other high visibility locations. Most important of all, has been the predominance of promotion in the marketing mix. The size of the advertising and publicity budget alone, illustrates the emphasis on this element of the marketing mix. Studies are under way to determine the relative importance of advertising versus personal selling in the enlistment decision. Some facts which are known could serve as guidelines for setting the general promotional objectives. For instance, the Army's most successful recruiters will eventually enlist one out of every three persons who walks in to the recruiting office with inquiries. The least successful recruiters may not even tally a single enlistment for a given month despite conducting up to twenty interviews. During August, 1973, 400 of the Army's 4,300 recruiters failed to produce a single enlistment. Another interesting fact is that between two and five per cent of all coupon inquiries culminate in an enlistment.

Promotional Objectives and Strategy. The objective of the Army's advertising and publicity program is, ". . . to present an advertising and publicity program which will provide adequate support for the achievement of the manpower requirements of the Army in a zero-draft environment."[25]

The following priorities have been established:

1. Influencing 17-21 year old high school graduates or high school students about to graduate to seek enlistment in the United States Army, and retention of qualified individuals who are completing their first term of service.

2. Obtaining sufficient enlistments in the combat arms (infantry, armor and artillery).

3. Obtaining sufficient enlistments in specific Military Occupational Specialties, as may from time to time be designated by the Department of the Army.

4. Securing an equitable proportion of enlistments in all programs from minority groups.

5. Attracting sufficient volunteers for special programs such as Judge Advocate General's Corps, Officer Candidate School, Women's Army Corp and Army Nurse Corps.

6. Enhancing the general public knowledge of the U. S. Army.

Emphasis is placed on continuity of advertising appeals and messages to the target audiences and their influencers with sustained momentum reflecting a response to the traditional seasonal peaks and valleys of the recruiting cycle. The plan, while annual in scope is implemented on a quarterly basis thereby retaining flexibility of response to the results of continuing research development and to the modifications of recruitment and reenlistment objectives and procedures as may from time to time be required by the needs of the Army.

The Army's general promotional strategy for FY 1974 is stated below:

The strategy for implementing this plan will concentrate on the following:

(1) <u>NPS Male and Female</u>

(a) <u>Prospects</u>: to sell enlistment in the United States Army to high school graduates, age 17-21. Other key target audiences include college drop-outs, junior college students, and vocational students. Primary emphasis will be placed on the higher mental categories among seniors about to graduate. Advertising will concentrate on jobs and training, choice of jobs, and job security, with strong emphasis on civilian-negotiable skill training. Critical career group needs of the Army, as communicated to USAREC from time to time, will be featured in both national and local programs, as will pay and benefits, physical and psychological self-development and maturity, overseas options (with special emphasis on Europe), and the delayed entry option. Special weight will be assigned to combat arms enlistment options, with more use of teamwork in training and hands-on learning experiences in a more rugged environment, in keeping with a more conducive popular attitude toward service in a peacetime military force. This advertising will all be positioned within the framework of a changing Army and its attractiveness to young people--more confident and more candid in its posture than ever before.

(b) Influencers: to enhance the general public knowledge of the United States Army, with specific emphasis on key influencer groups: parents, guidance counselors and other educational influencers, peer groups, etc. This emphasis will extend beyond advertising into the areas of public affairs and sales promotion, with the development of support materials to implement recruiter activity with influencer groups. It will also be augmented by advertising weight placed on appeals to minority prospects and influencers, especially Black and other minority high school graduates in the higher mental categories. Service in the Army will be presented throughout as a beneficial step between high school and adult career decisions.

(2) Reenlistment

(a) Prospects: to retain qualified individuals who are completing their first term of service. This program will utilize on-post media (including, but not limited to, post newspapers, general service publications, AFRTS broadcast services, and collateral and outdoor material) to remind the first-term soldier of the advantages of remaining on active duty. Overseas editions of mass publications will also be used where appropriate and efficient.

(b) Influencers: to inform the wives and other influencers of first-term soldiers of the advantages--both to them and to the soldier--of remaining on active duty. Special publications for service dependents will be employed to elicit their favorable attitude toward reenlistment and career service.

(3) Professional Services: to seek out and expose quality students and practitioners to service in the Army professional corps as a viable alternative. This program will utilize professional journals to acquaint their readerships (especially medical, dental, veterinary, nursing, and legal) about the specific options and benefits of Army service, including and emphasizing scholarship assistance and continuing education where applicable.[26]

Message Objectives and Strategy. The Army's message objectives and strategy are outlined below:

OBJECTIVES.

a. To maintain the consistent dialogue with prospects, influencers and the American public gained during previous advertising campaigns.

b. To increase appeal to the quality NPS market of high school graduates and their influencers.

c. To increase the credibility of Army advertising prospects, influencers and the public.

d. To target specific MOS areas and other recruiting requirements within the creative program.

EXECUTION.

a. General Strategy.

(1) Adherence to fundamental advertising disciplines.

(2) Maintain the successful recruiting signature "Today's Army Wants to Join You."

(3) Continue the central theme.

(4) Maintain the consistent graphic format.

(5) Produce consistent copy tone of voice.

(6) Maintain high production values.

b. Copy Stance.

(1) The country is wondering if the Army will succeed in achieving necessary manpower for a volunteer force. And, most personally, the prospects and their influencers are wondering: "What kind,

what quality volunteer is the Army after?" To meet the quality goals, FY 74 copy will address more directly the quality prospect and his key influencers; parents, uncles and aunts, teachers, guidance counselors, and his peers.

(2) The Army's involvement in Vietnam is ended. It does not have to be announced, or even mentioned in advertising, but FY 74 copy will capitalize on it. In addressing the traditional benefits of Army service: getting out on your own, gaining maturity, meeting people, travel, job-training, challenge and adventure, the quick mental reply won't be, "Yeah, but I might have to die for it." This more confident attitude will be reflected not only in headlines and copy, but in visuals as well. Now that soldiers in battle are off the front pages and the TV screens, FY 74 advertising will be more soldier/uniform oriented and directly relate to the prospect who might want to try soldiering for a while.

(3) FY 74 advertising will begin to position, more explicitly service in the Army as a natural, beneficial step between high school and adulthood for many young Americans; not just something you do in wartime, but something you do as a part of life--to test yourself--to grow mentally, physically, and socially--a way to serve your country as you serve yourself.[27]

To insure consistency in its theme presentation, the Army has developed six standards or disciplines which are applied to all messages. These standards are:

1. Present Army offers and information in a way that is credible.

2. Use quality language and graphics to attract the quality individual.

3. Emphasize the Army's awareness of the importance of the individual's enlistment decision.

4. The message must have personality, wit, a sense of humor, and a style consistent with the prospect's own.

5. Make the prospect feel needed, not just informed.

6. Each advertising message must contain an idea, not just a headline and graphics.

Colonel Childress discusses his concept of the objectives which Army advertising seeks to achieve.

> I am asked on a daily basis questions like, "How do you know if your ads are effective?" "Why is your budget so big?" The tendency is for people to want us to directly correlate advertising expenditures to a specific number of enlistments. That is very difficult. The enlistment decision is simply too complex. It involves the prospect's personality, the job market, the fluctuating state of the economy and many other factors. But, we can measure our advertising in terms of the communication goals that we have established for it. After all, advertising is communication, and if you want to measure it then you have to go about that measurement from a communication standpoint. We have three goals for our advertising. They are:
>
> 1. To create awareness in our target audience of Army opportunities. We do that through messages delivered in magazines, billboards, direct mail and newspapers. Of course, we would also use radio and TV, if we could.
>
> 2. To gain public acceptance of the Army among the many influencers of our target audience. I'm speaking of parents, guidance counselors, coaches and the general public. The country wants a volunteer Army and that is what we're trying to give it. But, we need to improve the Army's image.
>
> 3. The most important goal is to convince the prospect to go down and talk to the recruiter, eye-ball to eye-ball.
>
> Now, these goals we can measure. We use awareness and motivational surveys on a quarterly basis. We are constantly evaluating magazine advertising by the number of coupon responses received, and how many of those responses lead to enlistments. The same applies to our direct mail campaigns. For instance, right now our cost per lead from magazine advertising is about $39 for males and about $24 for females, averaged out over the year.[28]

<u>Media Objectives and Strategy</u>. The congressional prohibition of paid broadcast advertising predetermines much of the Army's media strategy. In order to reach its target audience with the desired reach and frequency; magazines, outdoor, newspapers and direct mail are the only reasonable media. In general, the Army plans to reach ninety-five per cent of each of its male target audiences, at a frequency of three times each quarter. The female prospect will be reached to a lesser extent (See Tables 8 and 9).

Media selection is an item of major concern within the Army's advertising management. Each media decision is weighed against alternatives, both within and without the medium under consideration. Projected purchases are developed using the best available evaluations of advertising markets to reach the various recruiting target audiences, and are based on:

1. Market and audience research
2. Response to previous advertising
3. Seasonal variations in target audience consumption behavior
4. Dollar cost
5. Professional market experience.

Media effectiveness is under continuous review. Proposed purchases are refined and updated prior to actual placement. Those media producing exceptional results are exploited. Non-productive media are excluded from the buy.

Table 8[29]

Non-prior Service Male and Influencer Reach and Frequency Tabulations

1st Quarter FY 74

	# Insertions	Men 18-24 H.S.G. Some College (000)	Total Adults (000)
Senior Scholastic (H.S.B.)	1	1867 (15-17)	N.A.
Hot Rod	2	1250	4112
Motor Trend	2	1313	3988
Car Craft	2	455	1579
Popular Hot Rodding	2	250 (est)	1000 (est)
Mechanix Illustrated	2	657	4970
Popular Science	2	744	5171
Field and Stream	2	762	7507
Outdoor Life	2	711	6469
Sports Afield	2	494	5022
Sport	2	1143	5541
Sports Illustrated	2	2196	11417
Pro Quarterback	1	150 (est)	300 (est)
Letterman	1	200 (15-17)	400 (est)
Exploring	1	375 (16-18)	500 (est)
National Future Farmer	1	400 (16-20)	500 (est)
Reader's Digest	1	2222	42107
Playboy	1	3316	17927
Esquire	1	1337	7096
True	1	451	2929
Time	1	2003	20832
Newsweek	1	1620	13894
U. S. News	1	588	9025
Personnel & Guidance Guidance Journal	1	N.A.	36
School Counselor	1	N.A.	16
Guidepost	1	N.A.	29

First Quarter Reach and Frequency

	Men 18-24 H.S.G.-Some College	Total Adults
Reach:	7,511,000 (92.3%)	77,659,000 (58.2%)
Average Frequency:	4.8	3.0

Table 9[30]

Non-prior Service Female Reach and Frequency Tabulations

1st Quarter FY 74

Publication	# Insertions	Women 18-24
Seventeen	2	1,521,000
Glamour	2	1,943,000
Mademoiselle	2	1,290,000
Cosmopolitan	1	1,650,000
Teen	1	445,000
Ingenue	1	445,000

Total Population Women 18-24	Net Reach	% Coverage	Average Frequency
12,432,000	6,205,000	49.91	1.94

Media Plan. In addition to the magazine schedule cited at Tables 8 and 9, the Army will advertise in a number of medical and law journals to reach the professions. This year 1,260 yellow page renewals will be purchased and 225 directories will carry Army listings for the first time.

The Army will place full-page ads eight times during FY 74 in each of the following newspapers:

1. New York Times
2. Washington Post
3. Chicago Tribune
4. Pittsburgh Press, Post-Gazette
5. Los Angeles Times
6. St. Louis Globe-Democrat
7. Philadelphia Inquirer
8. Atlanta Journal, Constitution
9. Detroit Free Press
10. Cleveland Plain Dealer
11. Boston Globe
12. Minneapolis Star, Tribune
13. San Francisco Chronicle, Examiner
14. Milwaukee Journal, Sentinel
15. Miami Herald, News.

Additionally, during FY 74 a test of free-standing inserts in Sunday newspapers will be made. These inserts are separate units, "stuffed" into the papers along with the TV booklets, magazine sections, etc. Such inserts are used as a direct response type of medium and are becoming more and more productive for direct response advertisers. It is planned to conduct this test in the first quarter of FY 74 and "roll out" to additional markets during the balance of the year if the test proves productive.

Essentially, two things are being tested, the medium and creative approach. From a media standpoint, a test will run in seven papers in the following seven major cities throughout the U. S. (covering all five recruiting districts), and providing approximately 3,700,000 total circulation.

Newark Star Ledger	Minneapolis Tribune
Atlanta Journal Constitution	Los Angeles Herald Examiner
Kansas City Star	Seattle Post Intelligencer
Cleveland Plain Dealer	

Four creative/format alternatives have been developed and will be tested. All four center or critical skills requirements.

1. A single sheet, 10-7/8" x 12", four-color, two sides with a reply card perforated for each tear out.

2. More of an "involvement" piece, it utilizes the stamp approach wherein the prospect would punch out his area of interest and attach it to the reply card.

3. An alternative of number two utilizes a numbering system (instead of the tear-me-out-stick-me-on-the-reply-card approach). In this case, the critical skills would be listed and the prospect picks the one he wants by number.

4. Number four is a "his and hers" approach, again utilizing the critical skills and the numbering approach.

The REACT system will process and respond to coupon returns. Once the test results have been analyzed, future "roll-outs" of the most successful approach will be announced in subsequent quarterly plans.

The following outdoor purchases are envisioned during FY 74.

a. A number 50 showing in the top 200 metropolitan markets during August-September and May-June. A showing of this size will include over 7,200 billboards and on any given day should deliver the number of advertising impressions equal to 50% of the population of each market.

b. A supplemental number 25 showing in 81 markets of special opportunity during September and June. These markets have been found to be areas where the Army's share of enlistees is considerably below the other services.

The direct mail plan is shown at Appendix D.

Two public service announcement spots will be produced each quarter for both radio and television usage. The spots will be delivered to all commercial stations accompanied by appropriate correspondence encouraging station managers to air the messages as a public service.

In the meantime, the Army continues its fight for authorization to purchase time in the broadcast media. A contingency plan has been prepared for this eventuality. This plan calls for the same $34.9 million allocation as the current budget. Major differences between the two plans occur in the media plan. A comparison of the media plans is shown at Table 10.

Table 10[31]

Comparison of Current Media Plan and Media Plan for Paid Broadcast Contingency

Media	Millions of Dollars	
	Paid Broadcast	No Paid Broadcast
Magazines	2.552	5.044
Outdoor	.130	3.834
Newspapers	.392	1.852
Yellow Pages	.190	.185
Direct Mail	1.584	1.585
Minority Media	.500	.500
Radio	2.892	----
TV	4.060	----
Total	12.300	13.000

Details of the paid broadcast contingency plan are at Appendix D.

The Army will reach its minority group audience primarily through print advertising in magazines having a predominantly black or Spanish-speaking audience. One-half million dollars is allocated for buying space in magazines such as: Black Sports, Ebony, Jet, Reader's Digest--U. S. Spanish Edition, Essence and Vanidades. Periodic buys are also slated in monthly newspaper supplements directed to blacks and the Spanish-speaking population in the West, Southwest and Midwest. Examples are Tuesday and Vida Nueva.

Public Relations Program. The Army will expend $6.8 million during FY 74 on a public relations campaign designed to reinforce the paid advertising. Table 11 is a break-down of public relations expenses.

Table 11[32]

FY 74 Public Relations Expenses

Program	Cost
N. W. Ayer Field Force	$2,500,000
National Varsity Club	1,100,000
Syndicated TV Series	600,000
Exhibits and Displays	350,000
Educator Support Program	1,750,000
Miscellaneous Programs	500,000
Total	$6,800,000

The objectives of the Army's public relations program are as follows:

1. To increase the number of high school graduates seeking enlistment in the Army in the critical skills.

2. To increase public awareness of the Army as a viable alternative to civilian employment for high school graduates.

3. To increase public awareness of the Army as a worthwhile organization making significant contributions to the quality of American life.

4. To increase public appreciation of Army men and women as dedicated members of an honorable profession, worthy of respect.[33]

Sales Promotion Plan. This year the Army has recognized that a major flaw in the promotion plan, to date, has been a lack of emphasis on sales promotion. A number of Army field studies indicate that recruiters often lack certain basic direct sales disciplines. Further, sales incentives have tended to be negative in nature (harsh letters from higher up when monthly quotas are not met). To professionalize the recruiter force, $3.9 million has been allocated for FY 74.

These funds will be used for a number of sales promotion activities. Special recruiter kits will be furnished twice a year. The kits will contain numerous merchandising and sales promotion devices. Contents will include posters, advertising schedules and reprints, telephone technique cards, tie-in suggestions, etc. A series of films is in production to assist the recruiter in sales presentations. A special guidance counselor package is also being prepared. The objective of this package is to re-educate this important audience about the total Army offer. Contents will include: a manual entitled The Guidance Counselor Career and Education Guide, supporting film strips and record scripts, pamphlets and posters.

Defining Advertising and Promotional Expenses. The decision of exactly what should be charged to the advertising and promotional budget is entirely up to the top management of the individual firm. Outside influences are irrelevant because the environment of the firm is individually unique. The important issue is that company policy be clear cut. Otherwise, those charged with developing the budget may begin their labors under a cloud of doubt. When top management is preoccupied with advertising cost per unit sold, the tendency is to trim the advertising budget of the "gray" areas. _Printer's Ink_ provides two articles on the topic (December 16, 1960 and September 24, 1964). These articles do not attempt to recommend which items are legitimate promotional expenses and which are not. Rather, the articles are a listing of how a number of national advertisers handle their promotional budgets.

The Army divides its $34.9 million promotional budget into two broad categories. The largest subdivision contains all advertising agency fee categories. They are: media costs, ad production costs, research contracts, public relations and sales promotion. The other category groups all promotional expenses for which N. W. Ayer is not commissioned. Examples are government printing, locally controlled promotion campaigns, and miscellaneous military expenses.

Promotional Chart of Accounts. To facilitate orderly expenditure control, the Army pays its promotional bills by recruiting programs. These programs include:

Non-prior Service, Women's Army Corps, Surgeon General's Office, Judge Advocate General, and reenlistment. These programs are further subdivided by media and by fiscal quarter.

The system is quite complicated and can be best illustrated by example. In July, N. W. Ayer submitted a media proposal for the second quarter of FY 74 in support of the Women's Army Crops (WAC) program. The Advertising and Information Directorate (A & I) reviewed the proposal and returned it to the agency for implementation. The agency then formalized the proposal and requested A & I to initiate a delivery order in the amount of the proposal. A & I reviewed the formalized proposal and initiated the delivery order. The Army comptroller prepared the purchase or delivery order and forwarded it to the agency. N. W. Ayer then placed the insertion order and invoiced the Army for eighty-five per cent of the delivery order. A & I certified the invoice and instructed the Finance and Accounting Office to make payment. The agency then forwarded tear sheets to A & I together with an invoice for the outstanding fifteen per cent of the delivery order. Final payment is made as outlined above.

Figure 1 is a flow chart of the procedures described above. The process is similar for other programs and media.

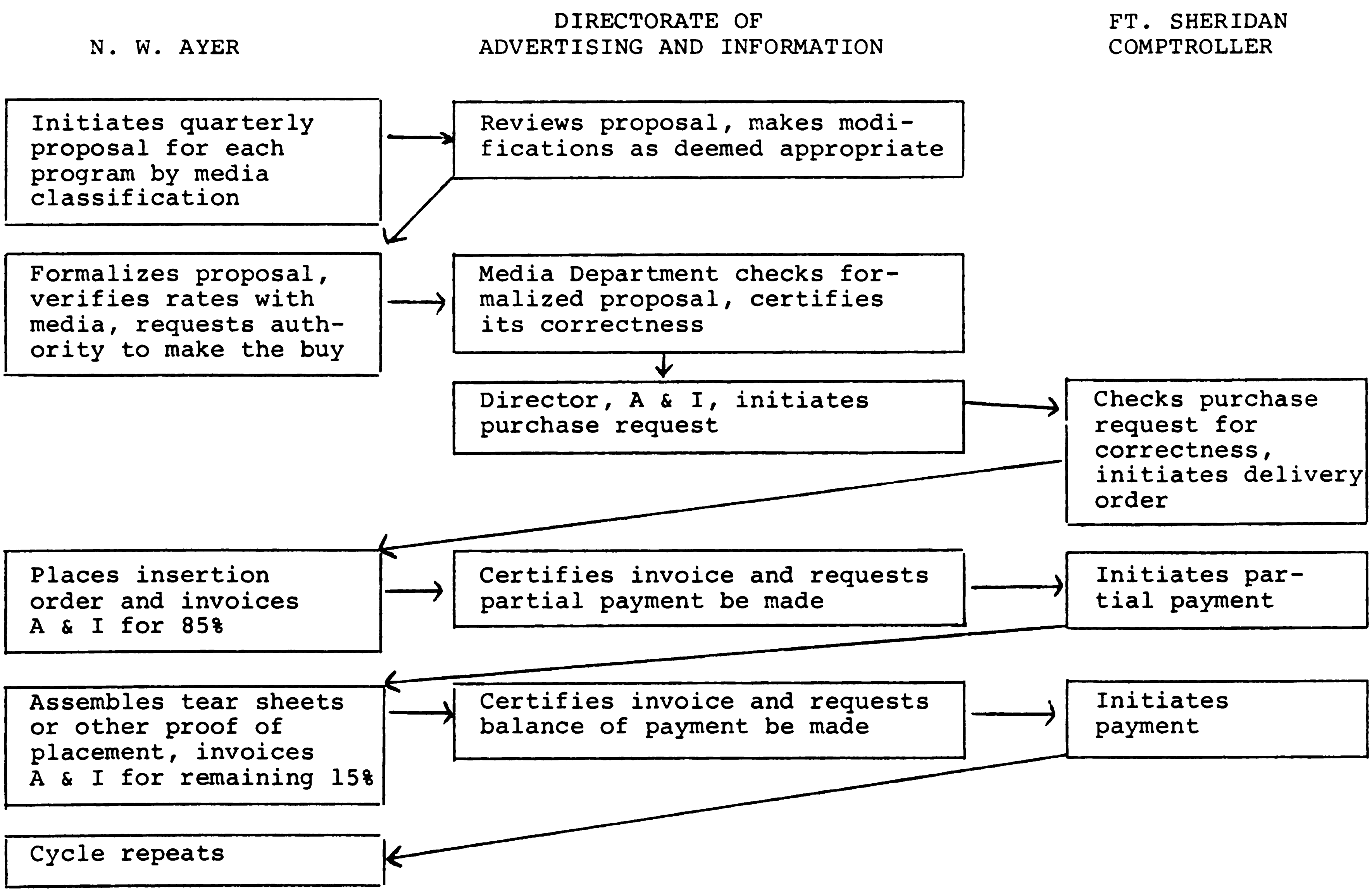

Figure 1

Flow Chart of Advertising Expenditure Control

<u>Budgetary Responsibilities</u>. The advertising manager is the executive responsible for the orderly preparation, administration and control of the budget. In practice, much of the work involved in the budget cycle is delegated to the advertising agency. Such is the case with the Army account.

During the second fiscal quarter the Director of Advertising and Information forwards a budget estimate to the Deputy Chief of Staff for Personnel (DCSPER) in Washington. This estimate is reviewed and analyzed. A guidance letter is sent to USAREC in January announcing enlistment quotas and a dollar figure for budget planning. For the past three years USAREC has been told that it should plan its promotional budget on the amount of the initial estimate. For FY 74, USAREC estimated it would need $34.9 million for promotion. The DCSPER guidance letter instructed USAREC that the promotion budget should be based on that amount. The Director of Advertising and Information then instructed N. W. Ayer to prepare a $34.9 million advertising and promotion plan. The agency prepared the plan and presented it to the Director of A & I and his staff in February. The written plan, although prepared by the agency, is a compilation of strategies resulting from research, experience, and inputs from many sources, both military and agency. Following the February presentation, the plan is massaged and refined. In March, the plan is jointly presented to the Commanding General of

USAREC by the account executive and the Director of A & I. After approval at that level, the promotional budget request must face the gauntlet in the Pentagon and later in Congress. The two persons directly responsible for "selling" this year's $34.9 million plan are Colonel Childress and Ayer account executive, Don Reath.

Costing Out the Advertising and Promotion. Once the general promotion plan has been approved, it is necessary to estimate the costs of the various promotion activities. Accuracy is key in estimating the cost of each of the promotion projects and programs. Once an accurate cost estimate has been compiled, the advertising manager and his staff must review the proposed budget in detail to insure that the promotional mix, media selection and costs represent the best possible combination.

The Army enters its third year as a major advertiser with a growing sophistication in this area of promotion management. By the end of this fiscal year, the Army will have expended more than $35 million in media costs during a thirty-six month period. This high level of media experience enables the Army to accurately estimate media costs. Production costs are more difficult to estimate. The agency has experience in this regard and can estimate production costs based on the media plan. However, these estimates are seldom precise. Complicating the issue is the fact that the Army uses the Government

Printing Office for all printing of pamphlets and posters. This year printing costs are estimated to be $3.1 million, an increase of more than $1 million over last year. The estimate is based on increasing paper costs, an announced increase in rates of eighteen per cent and introduction of a series of new pamphlets and posters.

Film production costs are based on an experience factor which averages $60,000 per film in creation costs and $50,000 for reprints. The REACT system is well into its second year and its annual cost is predicted on an estimated $1 cost per coupon processed.

The N. W. Ayer field force of professional public relations practitioners is entering its third year as a part of the Army's promotion campaign. The $2.5 million estimated cost of this program is based on a negotiated salary rate with the agency. The sixty-nine members of the force average an annual salary of $27,000. This includes actual salary plus fringe benefits (retirement, insurance, profit sharing). Additionally, the field force is reimbursed about $700,000 for legitimate expenses incurred while performing their duties.

The budget lists an estimated expenditure of $1.180 million for "USAREC Support." A more accurate label for this expense category would be miscellaneous or contingency. If minor cost over-runs occur, they can be absorbed by these funds. Major over-runs must be identified before they reach unmanageable proportions and additional funds requested.

USAREC divides the United States into five recruiting districts for control purposes. Each of the districts conducts its own local promotional campaigns. Although these campaigns are integrated with the national effort, they are locally funded. This fiscal year $3.1 million has been allocated for district level promotion. Previously, the district allocation was completely arbitrary. This year the system changed. The districts were asked how much they needed. The requests were evaluated by A & I, and the decision was made to equally divide $1 million among the five districts. $2.1 million was allocated based on enlistment objectives per district.

From time to time, special enlistment options are developed which were not planned for in the general promotion plan. Examples are: combat arms bonus, unit of choice and the European travel option. When these unforeseen options are developed, promotion funds must be shifted in one of two ways. Funds may be diverted from elsewhere in the USAREC budget or certain programs within the general promotional plan are cancelled, and those funds used to promote the new option.

A non-typical aspect of the Army's promotional budget is that Congress does not officially authorize the total dollar amount until late in the calendar year. Thus, the first half of the promotional fiscal year is conducted with only interim approval. If Congress were to reverse

its previous promotional benevolence toward the armed services, the promotion capaign would die each fiscal year at its mid-point. Although this appears unlikely, there are recent examples which illustrate Congress' unpredictable nature regarding approving funds for the military. The following events are illustrative:

1. During the peak of the Vietnam conflict, Congress ordered the battleship New Jersey into mothballs.

2. After digesting volumes of technical research proving the obsolescence of U. S. tanks, Congress ordered that production of the superior Main Battle Tank-70 be halted.

Budget Implementation. The Army executes its promotional plan by fiscal quarter. The Advertising and Publicity Program Plan, published in April, contains the over-all promotional objectives and strategy for the entire fiscal year, plus the details of the first quarter implementation of the plan. A detailed promotion plan is prepared for each quarter and published well in advance. The plan is executed by quarter for a number of reasons. First, yearly trends indicate that the first and fourth quarters are the most productive in terms of enlistments. Quarterly execution of the promotion campaign enables the Army to better focus on these seasonal variations. Secondly, the media plan can be easily altered each quarter to exploit lucrative media. Finally, penetration and awareness studies are conducted on a quarterly basis. These studies indicate the effectiveness of the over-all promotion program. Thus, adjustments can be made each quarter based on the findings of these studies. The quarterly production schedule is at Appendix F.

Table 12 shows the cumulative projected quarterly budget allocation for FY 74. The funds must be available as shown in order to meet closing dates and production schedules. The table shows that heaviest spending occurs during the first quarter. This is because a number of the annual programs must be purchased at the start of the fiscal year. Although many of the promotion programs are paid for early in the year, they continue throughout the year. Thus, the Army does not squander more than half of its promotional budget during the first quarter, as the table seems to illustrate.

Table 12

Cumulative Quarterly Budget Allocation

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
$17,555,100	$24,795,625	$32,332,400	$34,900,000

It was mentioned above that Congress does not give final approval to the Army's promotional budget until sometime in November or December. It is possible that Congress will not authorize the full $34.9 million requested. To handle this possibility, the Army actually plans four budgets. They are: $34.9 million, $34.9 million with paid broadcast, $29.9 million and $26.7 million. If, in November or December, Congress denies the Army the full amount requested for the promotion program, then implementation would be based on one of the lesser contingency budgets.

As each new quarter approaches, the agency account executive and his team prepare a presentation outlining the specific strategy for that quarter. The presentation is made, modifications are applied, and the plan is set to action. Liaison between N. W. Ayer and USAREC is quite close. There are sixty-one persons at N. W. Ayer's Philadelphia office who service the Army account. Colonel Childress has twenty-nine military and civilian personnel working for him at Ft. Sheridan. These ninety-one advertising specialists are responsible for implementing the $34.9 million advertising and publicity plan.

CHAPTER IV

DEVELOPMENT OF THE ADVERTISING BUDGET

One of the most perplexing problems facing marketing managers is deciding on the level of advertising expenditures. Spending too much could result in unsatisfactory profit margins. Spending too little could result in a major decline in market share. No magic formula exists to guide management because advertising budget-setting is not an exact science. Thus, as competition increases in our consumer oriented economy, top management is vitally concerned with the advertising budget decision.

Basically, there are two approaches to fixing the amount to be spent on advertising for a given period. The first approach is passive. It relies on arbitrary guidelines and subjectivity in arriving at the advertising appropriation. Advertising is viewed as an expense, a necessary expense. Examples of the passive approach are: percentage of sales, arbitrary allocation, competitive parity and all-you-can afford. The alternative approach is analytical in nature. The basic philosophy is that advertising is an investment rather than a cost. Hurwood provides a good description of this method of budget determination,

> Advertising is treated as an activity whose purpose is to help achieve a defined company or marketing objective; the amount budgeted is the investment considered necessary for advertising to do this. Budget decisions reflecting this approach are analytical, taking into account the stipulated task and giving advertising the financing required to accomplish it. The ruling consideration is "what's needed." This is the essence of the method traditionally called the "task" or "objective and task" method.[34]

Percentage of Sales. This technique involves forecasting sales for a given period and allocating a percentage of that figure for advertising. "A fairly common variation is to allocate a fixed amount per unit for advertising and the budget is then accumulated by forecasting unit sales."[35] This method is not applicable to the Army's promotional environment because sales produce enlistments, not revenue.

Arbitrary Allocation. A few companies announce the advertising appropriation in a memo from top management. This arbitrary and highly subjective method is accomplished without prior discussion, research or coordination. Table 7, above, illustrates the trend toward declining enlistments, despite massive promotional outlays. Arbitrary decisions about how much to spend to increase enlistments would be foolhardy and irresponsible.

Competitive Parity. In this instance, the budget is set by first examining competitor's expenditures and then emulating that expenditure. The three most common practices are: equaling competitor's dollar expenditure, equaling competitor's percentage of sales ratio and conforming to an industry norm. Some false assumptions are inherent in this method. First, is the notion that all competitors spend dollars on advertising with equal effectiveness. Beyond that is the assumption that all competitors in a given industry have identical marketing objectives. These assumptions are invald. The Army's annual enlistment objective accounts for almost half of the entire Department of Defense objective. Further, the Army lacks the glamour of airplanes and ships. This means that the product is vastly different from service to service. Therefore, emulating the promotional expenditures of the Navy, Air Force and Marine Corps is not appropriate. It would lead to complacency regarding the moratorium on paid broadcast advertising.

<u>All-You-Can-Afford</u>. Advertising is sometimes treated as a marginal activity. When this occurs funding for advertising expenditures consist of leftovers. One of two extremes is likely to occur in this method of budget allocation. When profit maximization or support of a vast sales force is emphasized, the advertising budget may be too small. On the other hand, promotional budgets might well be excessive and wasteful if top management is too promotion oriented. The foundation of this method is the break-even point. Such a point does not exist in any of the armed services. Thus, it is irrelevant.

Objective and Task. The overriding consideration is simply what is needed to do the job. Advertising is viewed as a means of achieving specified marketing objectives. The previously mentioned methods establish the size of the budget first. In the objective and task method the advertising appropriation is determined last. This approach is both analytical and systematic. It deliberately ignores the arbitrary and illusory traits of the passive methods. This method is simple to describe and difficult to implement. The first step is to establish specific marketing or corporate objectives. These expectations can be expressed in a number of ways: sales volume, market share, profits, revenue, income and earnings. Next, the specific role which advertising is to play in achieving these goals is determined. Frey outlines five steps in the objective and task method.

1. Identification of reasonably attainable advertising goals
2. Selection of the media and number of insertions required to reach the goals
3. Computation of all media and production costs
4. Review of the costs and objectives, to determine whether the objectives warrant their costs and whether cost level is affordable
5. Revision of goals and methods, to adjust costs to goals and goals to financial constraints of the firm.[36]

This method is based on facts derived through research. Top management may well derive its corporate or marketing objectives from personal business experience and intuition. But, the decision of what advertising tasks or goals will achieve these objectives, can only come after exhaustive marketing research. Dean emphasizes the point, "The important problem is to measure the value of objectives and to determine whether they are worth the probable cost of attaining them."[37]

The advertising budget is clearly the most flexible of all marketing appropriations. This fact, coupled with the current emphasis on profit maximization, is causing top management to take a more jaundiced look at the advertising budget. Marketing decision makers are shifting to the objective and task method of setting the advertising budget in ever increasing numbers and it is clearly the most used method at this time.

The Marketing Communications Research Center conducted a survey of top management officials representing a large segment of commerce and industry. The purpose of the pool was to determine what top executives think about advertising and sales promotion. The results clearly indicate that these executives are becoming increasingly skeptical about the usefulness of advertising in general. Several complained that there was no apparent reason or logic behind the promotional budgets submitted to them. These same executives stated that they are now requiring that the budget be solidly based in analytical data which is more closely related to profits, sales and return on investment.[38]

Advertising and marketing managers unanimously agree that there is no panacean method for determining the advertising budget. Yet, the logic and objectivity inherent in the objective and task method set it far above the others in appeal. Kotler has identified the major shortcoming of employing this method.

> In its simplified form, this method suffers from one major flaw: it fails to question whether an objective is worth pursuing in terms of the cost. If, for example, the objective is to increase brand awareness by 20 per cent during the coming year, the required advertising expenditure may be too far out of line with the likely contribution of this objective to profits. The real need is to evaluate objectives in the light of their costs and to choose among the more productive objectives. With this particular modification, the objective-and-task approach reduces to the logically sound method of setting expenditures by reference to estimates of marginal revenues and costs. Criticism of the methods currently used by business to determine the advertising appropriation does not suggest that a superior practical method is available. Indeed, the objective-and-task method, in its refined form, represents about as reasonable a procedure as can be feasibly employed at the present time. It is superior to the other methods in that it builds up the total appropriation on the basis of specific advertising objectives, which are evaluated in terms of the cost of attaining them.[39]

Army promotion planners have adhered to the objective and task method of setting advertising expenditures since early 1969. The PROVIDE study, which began February 3, 1969, suggested that $36 million should be spent annually for promotion when the draft ended. This figure was derived from an assessment of the number of volunteers required to maintain force levels and the cost of reaching potential enlistees and their influencers through the mass media.

Establishing the Objective. Dean emphasizes the importance of selecting worthwhile and reasonable advertising objectives. Pursuit of an unrealistic advertising objective is likely to be a high-cost, low-yield proposition. Additionally, objectives which are too broad in scope make it difficult to measure results. Russell Colley's classic book, Defining Advertising Goals for Measured Advertising Results, highlights the proper methods of setting advertising objectives.

> The history of business teaches us of the power of advertising in bringing together buyer and seller. The history of all human endeavor--military, political, religious and industrial--teaches us of the power of a well-chosen objective.[40]

Colley points out that many companies are setting objectives in an illusionistic manner. For instance, a firm may announce that its advertising objectives for the coming year are:

1. To increase market share from 8% to 10%
2. To assist salesmen in reaching new prospects.

These broad, unspecific objectives belong under the heading: "Over-all Marketing Objectives." Measuring advertising effectiveness, already a difficult task, becomes impossible when such ludicrous objectives are identified as advertising objectives. Colley defines the advertising objective as, ". . . a specific communication task, to be accomplished among a defined audience to a given degree in a given period of time."[41]

Army advertising objectives lack the specificity which Dean and Colley claim is vital. The Army objectives stated in Chapter III usually cite a specific audience and time frame; however, the communication tasks are stated in broad terms. Likewise, the desired degree of accomplishment is seldom indicated.

Refinement of the Army's advertising objectives will not cause an immediate stampede among potential enlistees. Rather, it will provide a more stable base from which the over-all promotion function can be managed.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

A covey of hand-picked Army officers are busy managing the Army's $34.9 million advertising and promotion budget. These men are not particularly steeped with previous experience in the advertising "game." Rather, they bring with them years of practical management experience, coupled with a deep insight into the challenges of recruiting a volunteer Army without benefit of the draft. Their daily exposure to the rigors of managing such a massive promotional endeavor has developed a completely adequate foundation for decision making. Further, their freshness often enables them to see solutions more clearly than an advertising manager who has "been in the business for decades." Although the Army's contract renewal with N. W. Ayer is clouded by controversy, the marriage appears to be solid. Don Reath and the other Ayer people who service the account are a group of dedicated professionals. Their vigor is sparked by the desire to keep a major account happy, as well as a firm belief that a volunteer Army is what the nation wants and should have.

Research and experience have clearly identified the obstacles which must be overcome if recruiting objectives are to be met. The Army promotion effort is geared to selling the service as an alternative to civil employment. This sales effort is aimed at both the 17 to 21 year-old, and those who have a major influence on him.

One of the major stumbling blocks facing Army promotional practitioners is perception of the product. If the general public perceives the product to be sub-caliber, then they will not buy it. It's that simple. Such was the case in early 1970. Two things were done to erase negative public perception of the Army. First, the product was improved. The Army was modernized. Secondly, a massive promotional campaign was initiated to create awareness of new Army opportunities and convince the target audience to personally look into these opportunities. This campaign continues today to the tune of $34.9 million.

FY 73 is a critical year. Unlike FY 71 and 72, there is no draft now. This means that every enlistee is a true volunteer. Previously, a significant number of enlistees signed up because they held low lottery numbers. The Army is falling short of its enlistment objectives so far this year. Several factors contribute to the shortfall. First, the product is not as improved as it should be. Otherwise, more first term soldiers would reenlist. Higher reenlistment rates would lower the requirement for new recruits, thereby making the annual recruiting objectives more achievable. Secondly, the moratorium on buying broad-cast time denies the Army access to the media which provide the most cost-effective way of reaching its target audience. Further, the Army is forced to rely heavily on lower impact media such as newspapers and billboards.

The Army's manpower requirements span a range of skill areas. Doctors, lawyers, nurses and medical technicians are examples of specific shortages which must be filled each month. These career specialties, and others, are but a small segment of the over-all vacancies which must be filled each year. The greatest manpower shortage exists in the area of male, non-prior service high school graduates. For the past three years Army objectives for this critical category of accession have been in excess of 160,000. During FY's 72 and 73 male non-prior service enlistments were 87 per cent and 95 per cent, respectively, of the stated objectives. These shortfalls occurred despite the fact that the draft was still in effect. This fiscal year, male non-prior service accessions have barely exceeded eighty per cent of the objective. Additionally, the non-prior service males who do join the Army are not always of the highest caliber. Thus far this fiscal year, only about one-half of the male non-prior service enlistees are high school graduates.

A review of the promotional objectives stated in Chapter III indicates that Army promotion planners have set the highest priority to influencing 17-21 year-old high school graduates to join the Army. Special emphasis has been placed on attracting the higher mental categories among seniors about to graduate. The record indicates that this objective is not being achieved.

Speculation is rampant about why the Army fails to attract the brighter high school graduate. Research conducted by the Army and N. W. Ayer has not focused on this important question. However, numerous discussions with those responsible for managing the Army's promotion function, coupled with an analysis of the current advertising and publicity plan, provide some insight.

Approximately 1,500,000 males will graduate from high school this year. About 60 per cent of these, or 900,000, will go on to attend college. The remaining 600,000 will enlist in the military or seek employment in the civilian labor force. The Army tends to discount the 900,000 college-bound graduates as potential enlistees. This vast manpower pool is worthy of greater attention by the Army's promotional planners.

All aspects of the Army's promotional strategy concentrate on the segment of the primary target audience not headed for the college campus. This concept of market segmentation overlooks sixty per cent of the male primary target audience. The assumption appears to be that Army service cannot compete with a student's motivation to earn a college education. This notion is not based on research or market data. In fact, there are a number of advantages to serving in the military prior to attending college.

A young man who serves two or three years in the

Army prior to attending college accumulates several substantial benefits. Financially, the veteran earns thirty-six months of eligibility under the GI bill. These benefits, when added to savings earned while in the service, can be substantial. The Army sponsors a number of educational programs which lead to college credit. These programs are available worldwide, both during normal duty hours and in the evening. Most colleges and universities grant credit for active military service. The amount varies from campus to campus. Finally, and perhaps most important, is the maturity acquired through military service. This maturity enhances both the propensity to learn and the motivation to complete a college education.

These benefits can present the Army as a lucrative proposition for college-bound students. If a small percentage of college-bound students could be persuaded to try a tour in the Army first, monthly enlistments would increase.

Recommendation. That a test campaign be launched in one of the Army's prime enlistment markets to determine if male college-bound seniors can be persuaded to enlist prior to fulfilling their college education.

Strategy. The current media plan reaches ninety-five per cent of male high school seniors a minimum of three times each quarter. The direct mail plan, shown at Appendix C, illustrates that this frequency will increase

during the months when mass mailings are planned. This indicates that the Army message is reaching most college-bound seniors; however, the current message strategy is aimed at those not planning to continue their education. The appeals stressed in current Army copy are travel, excitement and learning a skill. In the test market, major modifications in the media plan would not be necessary. Existing media schedules could be followed, but the message would stress the benefits of joining the Army prior to entering college.

A special mailing to all male college applicants should be used to supplement existing media schedules in the test market. Messages aimed at influencers in the target market should also stress the benefits outlined above. Timing of the test campaign will be crucial. If the campaign is launched after the prospect has been admitted to college, its chances of success are limited. Thus, early fall is the best time to begin. The delayed entry program should be stressed in order to complete the enlistment prior to the end of the school year.

The support of guidance counselors in the test market will be vital. The N. W. Ayer field force and local recruiters should be employed to help foment this support.

The test campaign should not be designed to replace current promotional plans for the target market. This would only cause a reduction in the number of male non-prior service enlistments among students not planning to attend college after graduation. The objective of the test is to increase total non-prior service enlistments and up the average quality per enlistee. This can only occur if the test campaign augments existing promotion efforts in the test market.

The results of the test campaign can be compared to enlistments in similar markets. The feasibility of expanding the strategy can then be determined.

In view of the Army's inability to meet monthly enlistment quotas despite spiraling promotion expenditures, the following two recommendations are also provided for consideration.

Recommendation. A major effort should be made to professionalize the recruiting force. Standardized direct sales tools and techniques should be applied throughout USAREC.

Reasons. All of the Army's promotional efforts are oriented toward creating leads for the recruiter in the field. Although the recruiters are under a great deal of pressure to make their quotas, they often do not. This occurs in spite of what appears to be an adequate number of leads generated each month. This does not necessarily imply that the recruiters' efforts are weak. Rather, they may be attempting to slice paper with a dull knife. The solution is to determine which are the effective sales techniques proven in the field by successful recruiters.

These techniques must then be standardized throughout the field.

Recommendation. A major campaign should be waged against the paid broadcast moratorium.

Reasons. Every major advertiser whose target audience is millions of persons in all states, uses paid broadcast advertising. This is because the most cost-effective method of reaching large national audiences is to impact the message on the air waves and reinforce it with the other media. The reasons given by Congress for the prohibition are indeed flimsy. They are based primarily on Congressman Hebert's personality clashes with the networks over programming policies. Although the Army's fight to lift the prohibition has been far from timid, it has proved ineffective to date. Intensified efforts must be initiated. The Army should arm itself with facts and figures which irrefutably make the point. Whereas use of the broadcast media will not prove to be a panacea, it will greatly increase the impact of the Army's message on its target audience.

The over-all Army promotion program has greatly matured. Each element reflects sophisticated planning based on research findings of the recruiting environment. Arbitrary promotional decisions are avoided and both the agency and the Army advertising management fully coordinate each element of the program. Still, recruiting objectives are not being met and the quality of enlistees is below expectations. These shortcomings have forced Army promotional planners to push for bold innovations in the Army's marketing program. The success of the all-volunteer Army may well rest in the acceptance of these innovations by all concerned.

FOOTNOTES

[1]"Government Joins 100 Leader's List," Advertising Age, June 25, 1973, p. 1.

[2]All federal government agencies and departments operate on a July 1 to June 30 fiscal year.

[3]David L. Hurwood and James K. Brown, Some Guidelines for Advertising Budgeting, A Research Report from the Conference Board (New York: The Conference Board, Inc., 1972), p. 1.

[4]Philip Kotler, Marketing Management: Analysis, Planning and Control (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1967), p. 534.

[5]John E. Cooney, "Army Steals a March on Sister Services by Buying TV Ads," The Wall Street Journal, March 16, 1971, p. 1.

[6]Donald R. Reath, speech presented at Louisiana Broadcasters Convention, September, 1973.

[7]Advertising Age does not categorize government advertising expenditures by armed service or agency. Rather, all such expenditures are labeled under the broad label, "U. S. Government." In 1972 the U. S. Government ranked 22nd in total advertising expenditures, with an ad total of $65,828,000. U. S. Army expenditures shown on the table were provided by the Directorate of Advertising and Information, USAREC.

[8]"100 Leader's Media Expenditures Compared in 1972," Advertising Age, August 27, 1973, p. 30.

[9]U. S., Department of the Army, Project Volunteer in Defense of the Nation, Vol. I, "Executive Summary," p. 3.

[10]Colonel Gerald Childress, Director of Advertising and Information, U. S. Army Recruiting Command, private interview, Fort Sheridan, Ill., September 27, 1973.

[11]Reath, speech, September, 1973.

[12]Reath, speech, September, 1973.

[13]Childress, private interview, September 27, 1973.

[14]Captain Donald R. Carfagna, Research Coordinator, Advertising and Information Directorate, U. S. Army Recruiting Command, private interview, Fort Sheridan, Ill., July 26, 1973.

[15]"Army Gets Okay for Second Wave of Radio-TV Advertising," Advertising Age, July 19, 1971, p. 1.

[16]"Armed Forces Bill Points to Big Boost in Recruitment Ads," Advertising Age, November 22, 1971, p. 16.

[17]Carfagna, private interview, July 26, 1973.

[18]U. S., Department of the Army, Fiscal Year 1974 Advertising and Publicity Plan, USAREC, Hampton, Va., April, 1973, p. E-2-1.

[19]Carfagna, private interview, July 26, 1973.

[20]U. S., Department of the Army, Advertising Related Research Synopsis, USAREC, Hampton, Va., January 12, 1973, p. 1.

[21]Major R. M. Coombs, Plans and Programs Division, Advertising and Information Directorate, USAREC, private interview, Fort Sheridan, Ill., September 27, 1973.

[22]Carfagna, private interview, September 27, 1973.

[23]FY 74 Advertising and Publicity Program Plan, April, 1973, p. 1.

[24]Childress, private interview, September 27, 1973.

[25]FY 74 Advertising and Publicity Program Plan, April, 1973, p. 1.

[26]FY 74 Advertising and Publicity Program Plan, April, 1973, pp. 4-5.

[27]FY 74 Advertising and Publicity Program Plan, April, 1973, pp. A-1 and A-2.

[28]Childress, private interview, September 27, 1973.

[29]FY 74 Advertising and Publicity Program Plan, April, 1973, p. B-1-A-1.

[30]*FY 74 Advertising and Publicity Program Plan*, April, 1973, p. B-1-A-2.

[31]Carfagna, private interview, July 26, 1973.

[32]*FY 74 Advertising and Publicity Program Plan*, April, 1973, p. H-1-1.

[33]*FY 74 Advertising and Publicity Program Plan*, April, 1973, p. D-1.

[34]Hurwood and Brown, *Guidelines*, p. 5.

[35]James F. Engel, Hugh G. Wales and Martin R. Warshaw, *Promotional Strategy* (Homewood, Ill.: Richard D. Irwin, Inc., 1971), p. 197.

[36]Albert W. Frey and Jean C. Halterman, *Advertising* (New York: The Ronald Press Co., 1970), p. 382.

[37]Joel Dean, *Managerial Economics* (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1951), p. 371.

[38]Marketing Communication Research Center, *What Top Executives Think About Advertising*, Report No. 21 (Princeton, N. J.: 1970).

[39]Kotler, *Marketing Management*, p. 463.

[40]Russell H. Colley, *Defining Advertising Goals for Measured Advertising Results* (New York: Association of National Advertisers, Inc., 1961), p. 1.

[41]Colley, *Defining Advertising Goals for Measured Advertising Results*, p. 6.

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*All interviews were conducted at the Advertising and Information Directorate, United States Army Recruiting Command, Fort Sheridan, Ill.

APPENDICES

APPENDIX A

COMPARISON OF ARMY ADVERTISING BUDGETS

APPENDIX A

COMPARISON OF ARMY ADVERTISING BUDGETS

	FY 72	FY 73	FY 74
Media	12,445,566	10,255,687	13,000,000
Magazine	12,041,457	4,997,192	5,004,000
Newspaper		1,591,798	1,852,000
Outdoor		2,020,191	3,834,000
Transit		619,439	---
Airport Displays		62,739	---
Yellow Pages		152,325	185,000
Direct Mail	404,109	594,976	1,585,000
Other		217,027	500,000
Ad Production	6,088,707	3,878,582	3,300,000
Magazine	1,147,759	1,170,890	1,400,000
Newspaper		73,548	300,000
Outdoor	300,000	272,941	400,000
Transit		68,450	---
Airport Display		16,874	---
Radio/TV	230,794	301,431	400,000
Film Creation	1,627,435	770,567	---
Recruiting Publicity Items	1,671,075	530,129	800,000
Film Printing	1,111,644	673,752	---
Research	175,876	275,158	300,000
Recruiting Promotion	3,554,553	4,851,330	6,800,000
Direct Sales Support		1,830,108	3,900,000
Exhibits/Displays	26,301	130,654	350,000
1st QTR Next FY	106,972	2,107,764	1,000,000
Agency Total	22,397,975	23,329,283	28,300,000
USAREC Support	1,127,825	856,358	1,180,000
Districts	2,113,200	1,537,262*	3,100,000
TAGO Printing	2,041,000	1,950,000	3,100,000
TOTAL	27,680,000	27,672,903	34,900,000

*FY 73 figure does not include district projects accomplished under the N. W. Ayer contract.

Source: Directorate of Advertising and Information, U. S. Army Recruiting Command, Ft. Sheridan, Illinois.

APPENDIX B

SYNOPSIS OF ARMY ADVERTISING RESEARCH PROJECTS

APPENDIX B

SYNOPSIS OF ARMY ADVERTISING RESEARCH PROJECTS

1. Advertising Awareness, Penetration and Credibility Surveys - USAREC Project

Purpose: To investigate the progress of Army Communications through the commercial media by measuring changes in the awareness, recall and believability of Army advertising.

Scope: 250 telephone interviews conducted in five major cities, each quarter.

Due: Fourteen days after each quarter. (A briefing will be presented when 2d quarter comparisons are available.)

Contractor: Consumer Industrial Research

2. Reach and Frequency Tabulations - USAREC Project

Purpose: To determine the size of audiences for the magazine advertising campaign and to determine the number of times the audiences were exposed to Army magazine advertising.

Scope: Quarterly reach and frequency computer tabulations for the following audiences:

17 - 21 male
18 - 24 male
17 - 19 male
18 - 64 male
18 - 24 female
18 - 64 female

Due: Four days after each quarter in FY 73.

Contractor: N. W. Ayer Market Research Department

3. Attitudinal Study of the Target Audience - USAREC Project

Purpose: To determine the changes in the attitudes, motivations, and behavior of young men, 17-21 years of age, toward enlisting in the US Army.

Scope: Personal interviews with:

1,600 young men 17-21 (non-college)
300 young men 17-21 (college)
500 boys 14-16
125 parents of young men
125 girls 17-21
125 educators
125 male Army veterans
200 recent enlistees

Due: December 11, 1972

Contractor: Response Analysis Corporation

4. Evaluation of Theme - USAREC Project

Purpose: To evaluate the effect of the Army's major theme line "Today's Army Wants to Join You" in respect to awareness, attitude reaction, meaning, contemporary implications and appropriateness.

Scope: Two study phases containing 750 interviews with young men in three cities. Also 50 interviews in each city with young women fathers and mothers of young men.

Due: Phase I - completed.
Phase II - Due in 3d Quarter 1973

Contractor: N. W. Ayer Market Research Department.

5. Attitudinal Study of the Spanish Speaking Audience - USAREC Project

Purpose: To determine the attitudes and motivations of the Spanish-speaking youth population toward enlisting in the US Army.

Scope: 375 in-depth personal interviews in three major Spanish-speaking sub-culture locations.

Due: February 28, 1973

Contractor: Zebra Associates

6. HumRRO AFEES Study - OSD Project

Purpose: To gather demographic and opinion information concerning all military services from recent enlistees.

Scope: Personal interviews with enlistees at 32 selected AFEES for a period of one week during each month and maintaining a constant sample of 20% of all DOD enlistees.

Due: Monthly beginning February 1, 1973

Contractor: Human Resources Research Organization.

7. The ProsLab Experiment - USAREC Project Sponsored by DA

Purpose: To pre-test Army advertising to determine the probable success of any given ad in producing response; and to collect demographic and psychological information on the target audience.

Scope: Thirty in-depth group interviews each working day for a period of 15 months.

Due: Continuing data feed to HQ USAREC commencing on January 9, 1973

Contractor: HumRRO

8. Evaluation of the Modern Volunteer Army Program - DA Project

Purpose: To determine the effect of unemployment, advertising, and over 30 other variables which affect Army recruiting.

Scope: A multiple regression analysis (mathematic formula) which will tabulate data from over 300 current sources of data relating to Army recruiting.

Due: January 1, 1974

Contractor: General Research Corp.

9. Enlistment Propensity Report - USAREC Project

Purpose: To conduct an experimental computerized cross tabulation of enlistment data to determine those areas of the United States which have the highest enlistment propensity for any given enlistment option.

Scope: The cross tabulation of enlistment option data and state of residence data for those MOS which are current recruiting sub-objectives.

Due: Currently in planning stages.

Contractor: Army in-home project (PERSINS COM)

10. Army Integrated Manpower Prediction System - DCSPER Project

Purpose: Otherwise known as the "Enke Study," this research will utilize an attitudinal approach to measure the effectiveness of all military personnel procurement efforts and is currently being undertaken by DCSPER. Dr. Enke is the project director for General Electric's Tempo Corporation who will be conducting this project.

Scope: Quarterly attitudinal studies will be conducted to determine attitudes toward Army personnel procurement policies. This project is proposed as a continuing research requirement.

Due: The estimated completion date of the initial effort of this project is June of 1974.

Contractor: General Electric Corp. TEMPO Division

Source: U. S., Department of the Army, Advertising Related Research Synopsis, USAREC, Hampton, Va., January 12, 1973.

APPENDIX C

DIRECT MAIL

1. During FY 74 direct mailings are planned to support the NPS male and female programs. An outline of the tentative mailing schedule is shown below.

a. Non Prior Service Male:

(1) High School Seniors (1974 graduates):

(a) A mailing in September will be addressed to 500,000 male high school seniors. In an attempt to get greater response from this mailing, several different copy and format approaches will be tested against the standard four-color self-mailer. Additional formats to be tested will include:

1. A package more aggressively emphasizing "critical skill" appeals featuring the use of "stamps." This includes a 6" x 9" mailing envelope with both an advertising and address window, a sheet of 54 gummed stamps, a letter, and a response card.

2. A computer-personalized letter that not only offers basic information but also specifically identifies the nearest recruiting station. The letter will include a tear-off reply device and the package will also have both a mailing envelope and a response envelope. The objective is to relate the recruiter and his accessibility more directly to the prospect.

3. This creative format will take a completely different track and will center around a special involvement device that focuses on the opportunity for a prospect to take advantage of the Delayed Entry Option. A special premium will be offered for pick up at the recruiting station and will create additional station traffic.

4. This will be a "control" package in the form of a four-color self-mailer and response from it will be measured against the above three alternatives. The test quantity for each form will be 50,000. The balance of the mailing (300,000) will also be a self mailer.

5. During the spring a mailing through "Mailbag" will be made. The first use of Mailbag in FY 72 produced more than 8,000 responses.

(b) In January, a second mailing will be made to 700,000 seniors. The creative format will depend on the results of the first mailing to this market in September.

APPENDIX C

DIRECT MAIL

(c) A final mailing to 900,000 1974 male high school seniors will be made in May. This mailing will include a four-color self-mailer with format dependent on results from creative testing.

(2) High School Graduates:

(a) A mailing during August/September will be directed to 1971 - 1972 - 1973 male high school graduates and will include a new record (sound sheet) nested in a folder with reply card, letter, and four-color mailing envelope.

(b) In January, a mailing will be made to recent high school graduates from 1972 and 1973. It is expected that a quantity of 1,500,000 male names will be available and the package will include a two-color self-mailer.

(c) In June, another mailing will be made to recent high school graduates in an estimated quantity of 800,000. The computer letter format will be used at this time with a tear-off reply card.

(3) High School Juniors (1975 graduates): Another market which has excellent potential is high school juniors. A mailing is planned in April to 350,000 names. In the mailing package, the "Uncle Sam" poster (or others) will be offered to prospects. A follow-up mailing will be sent one year later to those who ask for a poster and at that time the prospect's name will be forwarded to the recruiter.

(4) Junior and Community College Students: Another important market to be tested in January will be junior and community college students. A mailing will be made to 450,000 prospects and will include a two-color self-mailer. This market represents a mobile, changeable market with prospects not necessarily going on to four-year colleges and, therefore, ones that may respond to the Army offer.

(5) Other Prospects: Finally, testing will be made of additional lists that may offer some potential for NPS including college dropouts, inquiries to correspondence schools (in the proper age groups) and graduates of similar schools. In these instances the creative package will be a two-color self-mailer and will be tested in quantity of 200,000 names.

b. Non Prior Service Female:

(1) High School Seniors (1974 graduates):

(a) A mailing during September will be addressed to 500,000 high school seniors using a four-color self mailer.

(b) The second mailing to 700,000 high school seniors will be mailed in January. This mailing will include a letter, business reply card and mailing envelope.

(c) The final mailing to 900,000 high school seniors will occur in May and will again be in the form of a self-mailer.

(d) The NPS female recruiting program will also benefit from the "Mailbag" mailing included in the NPS male program during the spring.

(2) High School Graduates:

(a) A mailing in September will be directed to 1972 and 1973 high school graduates. The mailing will consist of a four-color self-mailer to 1,500,000 prospects. Another mailing to 1973 high school graduates is scheduled in June of 1974. An estimated quantity of 800,000 names will be available to which a letter and reply card will be mailed.

c. Influencers: A mailing in October will be aimed at 300,000 influentials and educators. It will be addressed to high school principals, administrators, school board members, teachers and presidents of PTA's. The mailing will be centered around the "influencers book" and will be generally informative in nature.

2. During FY 74 all direct mail response will be directed to, and processed through, the REACT fulfillment center in Philadelphia, Pennsylvania.

Source: <u>FY 74 Advertising and Publicity Program Plan</u>, April, 1973, pp. B-5-1 to B-5-3.

APPENDIX D

PAID BROADCAST CONTINGENCY PLAN

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PAID BROADCAST CONTINGENCY PLAN

1. PURPOSE. The purchase of radio and television time is currently not permitted. Because of the mass appeal of these media and their ability to pinpoint target audiences, stand-by plans are provided to permit entry into broadcast at the earliest appropriate opportunity if current restrictions are lifted.

2. OBJECTIVES.

a. Television. The objective of the Army's use of paid television would be to reach both the prospect (male and female) and influencers. While the mass appeal of TV makes it most difficult to isolate specific target audiences, selective buying of the medium can optimize delivery of Army advertising to male and female prospects. At the same time programs and time periods selected would deliver large numbers of other adult viewers (influencers).

b. Radio. Radio would be used primarily as a vehicle to communicate specifically with audience: male (17-21) and female (17-24) prospects. The ability to pinpoint these targets is perhaps more available in radio than any other medium. In virtually all major markets there are radio stations that have program formats designed to appeal to the youth audience.

3. EXECUTION.

a. General. Stand-by plans must have complete flexibility, and will be revised on a quarterly basis since the passage of time through the fiscal year dictates the commitment of funds to other media in order to maintain an effective advertising program. The major media being used for Army recruiting, magazines and outdoor, require relatively long lead times, generally two to three months. Naturally as funds are obligated to these media, they become unavailable for broadcast. As will be seen, the optimum use that could be made of broadcast would fall in two key time periods--late Summer and Spring. To accommodate the Summer flight, broadcast approval must be received by 1 July 1973. After that date second Quarter funds will have to be committed to other media, and addition of broadcast will necessitate additional funding. Similarly, a 1 February date becomes critical in regards to a Spring flight, after which 4th Quarter funds would have to be committed to other media.

b. Television.

(1) The strategy in the Army's use of TV would be twofold:

(a) a broad national campaign on TV networks to cover the entire country

(b) additional selective use of television to greatly increase the impact of the medium in the 81 markets of special opportunity

(2) Network - to establish the broad national basic TV campaign, 100 gross rating points* per week would be purchased on network TV. A mixture of 30 and 60 second commercials would be placed on prime time and sports programs. The Army campaign would run for a total of 14 weeks in two flights; six weeks in August-September, eight weeks in the April-June period.

(3) Local - an additional 100 gross rating points would be purchased on a local basis in the 81 markets of special opportunity defined elsewhere herein. Time periods in or adjacent to programming with maximum appeal for prospects would be used, but it is inevitable that these would also deliver large segments of "influencer" audience.

(4) It is estimated that in those markets receiving commercials only through network origination an average of 78-84% of all TV homes would be reached with a frequency of 5.4 times. In those markets where an additional 100 GRP's are purchased locally, the estimated reach would increase to 86-90% of TV homes, with an average frequency of 9.0 times.

c. Radio.

(1) To a large degree the radio campaign would be purchased on a local basis. Only one network, ABC contemporary network, is programmed to appeal to the younger audience, and a basic schedule would run on this network (subject to availability). On this base, contemporary stations in the top 200 markets would be added. Over a

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*Gross Rating Points (GRP's): A rating point is an expression of TV homes viewing a particular program or commercial. A rating of 10 indicates that 10% of all TV homes are tuned in. 100 gross rating points can be defined as the schedule necessary to deliver the number of commercial impressions in a week's time equal to the number of TV homes in the area being covered.

four week period it is estimated that these stations would deliver a reach of 66-70%, with an average frequency of six. Actual number of spots per week would vary depending on market size and station combinations needed. The goal in all cases would be to deliver a minimum of 100 GRP's against young adults, 18-24.

(2) As with TV, a total of 14 weeks of radio would be used, six in late Summer and eight in Spring. If possible these weeks would be staggered from the TV schedule, perhaps starting two weeks earlier, in order to expand the length of time Army advertising was gaining exposure in the broadcast field.

Source: FY 74 Advertising and Publicity Program Plan, April, 1973, pp. G-1 and G-2.

APPENDIX E

QUARTERLY PRODUCTION SCHEDULE

APPENDIX E

QUARTERLY PRODUCTION SCHEDULE

FY 74 Time Plan		Starting Dates			
Media	Assignment	1st Quarter (Jul-Aug-Sep)	2d Quarter (Oct-Nov-Dec)	3d Quarter (Jan-Feb-Mar)	4th Quarter (Apr-May-June)
Magazines	NPS Production	27 Mar 73	16 Apr 73	18 Jun 73	17 Sep 73
	NPS Space	1 Apr 73	2 Jul 73	1 Oct 73	1 Jan 74
Magazines	WAC Production	27 Mar 73	16 Apr 73	18 Jun 73	17 Sep 73
	WAC Space	1 Apr 73	2 Jul 73	1 Oct 73	1 Jan 74
Magazines	SGO Production	27 Mar 73	21 May 73	21 Aug 73	19 Nov 73
	SGO Space	16 Apr 73	16 Jul 73	16 Oct 73	14 Jan 74
Magazines	JAG Production	27 Mar 73	21 May 73	21 Aug 73	19 Nov 73
	JAG Space	16 Apr 73	16 Jul 73	16 Oct 73	14 Jan 74
Newspapers	NPS Production	9 Apr 73	9 Jul 73	9 Oct 73	7 Jan 74
	NPS Space	11 Jun 73	10 Sep 73	11 Dec 73	11 Mar 74
Outdoor	NPS Production	23 Mar 73			23 Nov 73
	NPS Space	21 May 73 (Aug-Sep Buy)			19 Feb 74 (May-Jun Buy)

Appendix E. Continued

FY 74 Time Plan		Starting Dates			
Media	Assignment	1st Quarter (Jul-Aug-Sep)	2d Quarter (Oct-Nov-Dec)	3d Quarter (Jan-Feb-Mar)	4th Quarter (Apr-May-June)
Television	Production of 2 PSA Spots (60 & 30 seconds) for each Quarter beginning with the 2d Quarter.		21 May 73	21 Aug 73	19 Nov 73
Radio	Production of 2 PSA Spots (60 & 30 seconds) for each Quarter.	*2 Apr 73	2 Jul 73	2 Oct 73	31 Dec 73
Yellow Pages		1 Apr 73	15 May 73	15 Aug 73	15 Nov 73
Direct Mail		1 Jul 73	1 Aug 73	1 Oct 73	1 Jan 74
Magazines	Reenlistment Production	2 Apr 73	*12 Jun 73	*1 Sep 73	*1 Jan 74
	Reenlistment Space	1 Apr 73	1 Jun 73	1 Sep 73	1 Jan 74
Newspapers	Reenlistment Produc.	2 Apr 73	*15 Aug 73	*15 Nov 73	*15 Feb 73
	Reenlistment Space	15 May 73	15 Aug 73	15 Nov 73	15 Feb 74

*Repeat 1st Quarter Ads.

Source: FY 74 Advertising and Publicity Program Plan, April, 1973, pp. C-1-1 and C-1-2.

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