

# Integrated Marketing Communication Strategy

## Chapter 15

## Objectives

- Know the tools of the marketing communications mix.
- Understand the process and advantages of integrated marketing communications.
- Learn the steps in developing effective marketing communications.
- Understand methods for setting promotional budgets and the factors that affect the design of the promotion mix.

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## Case Study

### UPS

- UPS is a \$31 billion corporate giant
- UPS wanted to reposition itself as a supply chain solutions provider
- Developed new theme based on customer input
- Implemented, "What Can Brown Do for You?" campaign
- Realigned its sales and marketing organization
- Ads, web sites, and salespeople deliver message daily

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## Definition

- **Marketing Communications Mix**
  - The specific mix of advertising, personal selling, sales promotion, and public relations a company uses to pursue its advertising and marketing objectives.

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## Integrated Marketing Communications

- **The Marketing Communications Environment is Changing:**
  - Mass markets have fragmented, causing marketers to shift away from mass marketing
    - ❖ *Media fragmentation is increasing as well*
  - Improvements in information technology are facilitating segmentation

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## Integrated Marketing Communications

- **The Need for Integrated Marketing Communications**
  - Conflicting messages from different sources or promotional approaches can confuse company or brand images
    - ❖ *The problem is particularly prevalent when functional specialists handle individual forms of marketing communications independently*

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## Integrated Marketing Communications

- **The Need for Integrated Marketing Communications**
  - The Web alone cannot be used to build brands; brand awareness potential is limited
  - Best bet is to wed traditional branding efforts with the interactivity and service capabilities of online communications
  - Web efforts can enhance relationships

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## Integrated Marketing Communications

- **Integrated Marketing Communications**
  - The concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear, consistent, and compelling message about the organization and its products.
  - IMC implementation often requires the hiring of a MarCom manager.

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## The Communication Process

- Communications efforts should be viewed from the perspective of managing customer relationships over time.
- The communication process begins with an audit of all potential contacts.
- Effective communication requires knowledge of how communication works.

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## The Communication Process

### Elements in the Communication Process

- Sender
- Message
- Media
- Receiver
- Encoding
- Decoding
- Response
- Feedback
- Noise

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## Developing Effective Communication

- **Step 1: Identifying the Target Audience**
  - Affects decisions related to what, how, when, and where message will be said, as well as who will say it
- **Step 2: Determining Communication Objectives**
  - Six buyer readiness stages

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## Developing Effective Communication

### Buyer-Readiness Stages

- Awareness
- Knowledge
- Liking
- Preference
- Conviction
- Purchase

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## Developing Effective Communication

- **Step 3: Designing a Message**
  - AIDA framework guides message design
  - Message content contains appeals or themes designed to produce desired results
    - ❖ *Rational appeals*
    - ❖ *Emotional appeals*
      - Love, pride, joy, humor, fear, guilt, shame
    - ❖ *Moral appeals*

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## Developing Effective Communication

- **Step 3: Designing a Message**
  - Message Structure: Key decisions are required with respect to three message structure issues:
    - ❖ *Whether or not to draw a conclusion*
    - ❖ *One-sided vs. two-sided argument*
    - ❖ *Order of argument presentation*
  - Message Format: Design, layout, copy, color, shape, movement, words, sounds, voice, body language, dress, etc.

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## Developing Effective Communication

- **Step 4: Choosing Media**
  - Personal communication channels
    - ❖ *Includes face-to-face, phone, mail, and Internet chat communications*
    - ❖ *Word-of-mouth influence is often critical*
    - ❖ *Buzz marketing cultivates opinion leaders*
  - Nonpersonal communication channels
    - ❖ *Includes media, atmosphere, and events*

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## Developing Effective Communication

- **Step 5: Selecting the Message Source**
  - Highly credible sources are more persuasive
  - A poor spokesperson can tarnish a brand
- **Step 6: Collecting Feedback**
  - Recognition, recall, and behavioral measures are assessed
  - May suggest changes in product/promotion

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## Setting the Promotional Budget and Mix

- **Setting the Total Promotional Budget**
  - Affordability Method
    - ❖ *Budget is set at a level that a company can afford*
  - Percentage-of-Sales Method
    - ❖ *Past or forecasted sales may be used*
  - Competitive-Parity Method
    - ❖ *Budget matches competitors' outlays*

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## Setting the Promotional Budget and Mix

- **Setting the Total Promotional Budget**
  - Objective-and-Task Method
    - ❖ *Specific objectives are defined*
    - ❖ *Tasks required to achieve objectives are determined*
    - ❖ *Costs of performing tasks are estimated, then summed to create the promotional budget*

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## Setting the Promotional Budget and Mix

- **Setting the Overall Promotion Mix**
  - Determined by the *nature of each promotion tool* and the selected *promotion mix strategy*

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## Setting the Promotional Budget and Mix

### Promotion Tools

- *Advertising*
- *Personal Selling*
- *Sales Promotion*
- *Public Relations*
- *Direct Marketing*

- Reaches large, geographically dispersed audiences, often with high frequency
- Low cost per exposure, though overall costs are high
- Consumers perceive advertised goods as more legitimate
- Dramatizes company/brand
- Builds brand image; may stimulate short-term sales
- Impersonal; one-way communication

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## Setting the Promotional Budget and Mix

### Promotion Tools

- *Advertising*
- *Personal Selling*
- *Sales Promotion*
- *Public Relations*
- *Direct Marketing*

- Most effective tool for building buyers' preferences, convictions, and actions
- Personal interaction allows for feedback and adjustments
- Relationship-oriented
- Buyers are more attentive
- Sales force represents a long-term commitment
- Most expensive of the promotional tools

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## Setting the Promotional Budget and Mix

### Promotion Tools

- *Advertising*
- *Personal Selling*
- *Sales Promotion*
- *Public Relations*
- *Direct Marketing*

- May be targeted at the trade or ultimate consumer
- Makes use of a variety of formats: premiums, coupons, contests, etc.
- Attracts attention, offers strong purchase incentives, dramatizes offers, boosts sagging sales
- Stimulates quick response
- Short-lived
- Not effective at building long-term brand preferences

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## Setting the Promotional Budget and Mix

### Promotion Tools

- *Advertising*
- *Personal Selling*
- *Sales Promotion*
- *Public Relations*
- *Direct Marketing*

- Highly credible
- Many forms: news stories, news features, events and sponsorships, etc.
- Reaches many prospects missed via other forms of promotion
- Dramatizes company or benefits
- Often the most underused element in the promotional mix

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## Setting the Promotional Budget and Mix

### Promotion Tools

- *Advertising*
- *Personal Selling*
- *Sales Promotion*
- *Public Relations*
- *Direct Marketing*

- Many forms: Telephone marketing, direct mail, online marketing, etc.
- Four distinctive characteristics:
  - Nonpublic
  - Immediate
  - Customized
  - Interactive
- Well-suited to highly targeted marketing efforts

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## Setting the Promotional Budget and Mix

- **Promotion Mix Strategies**
  - **Push strategy:** trade promotions and personal selling efforts push the product through the distribution channels.
  - **Pull strategy:** producers use advertising and consumer sales promotions to generate strong consumer demand for products.

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## Setting the Promotional Budget and Mix

- **Checklist: Integrating the Promotion Mix**
  - Analyze trends (internal and external)
  - Audit communications spending
  - Identify all points of contact
  - Team up in communications planning
  - Make all communication elements compatible
  - Create performance measures
  - Appoint an IMC manager

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## Socially Responsible Communications

- **Advertising and Sales Promotion**
  - Avoid false and deceptive advertising
    - ❖ *Bait and switch advertising*
  - Trade promotions can not favor certain customers over others
  - Use advertising to promote socially responsible programs and actions

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## Socially Responsible Communications

- **Personal Selling**
  - Salespeople must follow the rules of "fair competition"
  - Three day cooling-off rule protects ultimate consumers from high pressure tactics
  - Business-to-business selling
    - ❖ *Bribery, industrial espionage, and making false and disparaging statements about a competitor are forbidden*

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