

# ***Integrated Marketing Communications Strategy***

## **Chapter 14**

# Learning Goals

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

# Case Study

## BMW MINI USA

- **BMW Challenges: small budget and staff**
  - **Broke with traditional auto advertising and used unconventional media**
  - **“Let’s Motor” campaign begins by mounting MINIs on SUV’s in 22 cities**
  - **Created integrated strategy with unified brand personality at every consumer “touchpoint”**
- **Campaign a success with a 10-month waiting list**
  - **Awareness growth from 2% to 53% of U.S. consumers**
  - **MINI sales are running better than 80% above original projections**

# 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.**

# Integrated Marketing Communications

- **The Marketing Communications Environment is Changing:**
  - **Mass markets have fragmented, causing marketers to shift away from mass marketing to target marketing**
  - **Improvements in information technology are facilitating segmentation**
  - **Media fragmentation has occurred with companies doing less broadcasting and more narrowcasting**

# **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**

# Integrated Marketing Communications

- **The Need for Integrated Marketing Communications**
  - **The Internet must be integrated into the broader IMC mix**
  - **Best bet is to wed traditional branding efforts with the interactivity and service capabilities of online communications**

# **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.**



# 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 a customer might have with the brand.**
- **Effective communication requires knowledge of how communication works.**

# The Communication Process

## Elements in the Communication Process

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

# 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

# Buyer-Readiness Stages

Awareness

Knowledge

Liking

Preference

Conviction

Purchase

# 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**

# 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.**

# 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

# 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



# Setting the Promotional Budget

- **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

# Setting the Promotional Budget

- **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**

# Setting the Promotional Mix

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

# Setting the Promotional Budget and Mix

## Promotion Tools

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- *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

# Setting the Promotional Budget and Mix

## Promotion Tools

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- *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**

# Setting the Promotional Budget and Mix

## Promotion Tools

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

# Setting the Promotional Budget and Mix

## Promotion Tools

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- *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**

# Setting the Promotional Budget and Mix

## Promotion Tools

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- *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**



# 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.

# 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**

# **Socially Responsible Communications**

- **Advertising and Sales Promotion**
  - **Avoid false and deceptive advertising**
  - **No bait-and-switch advertising**
  - **Trade promotions can not favor certain customers over others**
  - **Use advertising to promote socially responsible programs and actions**

# **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**