

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.

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**

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
 - ❖ *Media fragmentation is increasing as well*
 - Improvements in information technology are facilitating segmentation

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 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

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.

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.

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

Developing Effective Communication

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 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*

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*

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*

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

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

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

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**

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**

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
 - ❖ *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*