

LESSON 10: INTEGRATED MARKETING COMMUNICATIONS STRATEGY

10.1: THE MARKETING COMMUNICATION

Marketing communication mix is the last P (promotion) of the 4Ps of marketing mix which covers every method and medium of communicating with the target audience. Marketing communications perform many functions for consumers such as:

- To tell or show how and why a product is used
- To inform who is best suited for a product
- To inform where and when a product is used
- To educate consumers about a product, company and what it stands for,
- To allow consumers to be given an incentive or reward for usage or trial, and
- To allow companies to link their brands to people, places, feelings and events.

Marketing communications program plays an important role in the building up brand equity. Creating a brand image and building brand awareness is done through the medium of marketing communication; in its most common form called advertising.

To develop effective communications, marketers need to carry out the eight steps suggested below:

1. Identify the target audience
2. Determine the communication objectives
3. Design the communication
4. Select the communication channels
5. Establish the total communication budget
6. Decide on the communication mix
7. Measure the communications' results
8. Manage the integrated marketing communication process

10.2: INTEGRATED MARKETING COMMUNICATIONS

Integrated Marketing Communications (IMC) is defined as the strategic, coordinated use of promotion to create one consistent message across multiple channels to ensure maximum persuasive impact on the firm's current and potential customers. The **Importance of IMC**:

- Foster's long-term relationships
- Reduces or eliminates promotional redundancies
- Technology allows better targeting of customers

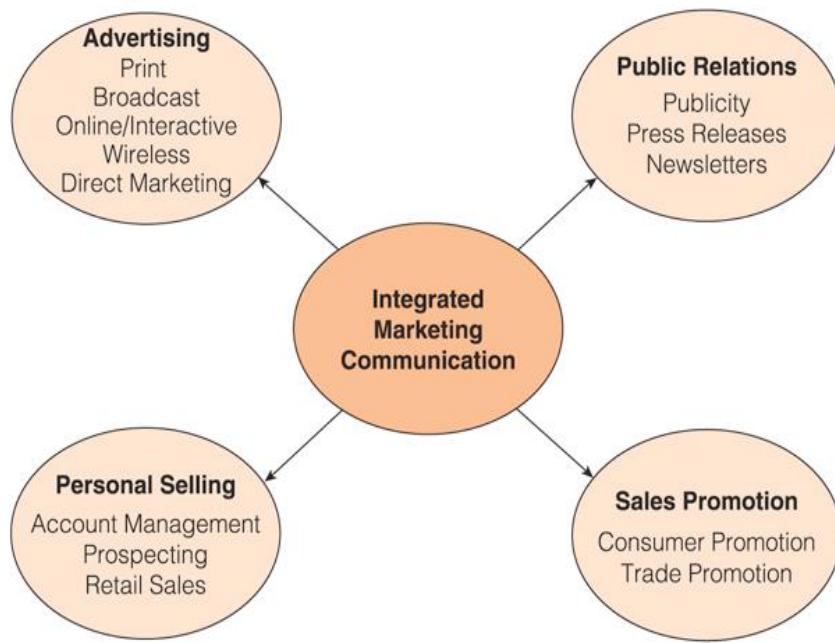


Figure 10.1: Components of IMC Strategy

Strategic Issues in Integrated Marketing Communications (IMC)

IMC must have clear promotional goals and objectives.

The AIDA Model – The acronym AIDA stands for Attention, Interest, Desire and Action. These are the four stages that a consumer goes through when watching or viewing an advertisement.

1. **Attention** – is usually grabbed by the use of image, color, layout, typography, size, celebrity, model etc.
2. **Interest** – Once attention is grabbed, it's necessary to create interest in the viewers mind so that they will read more about the brand being advertised. By the use of an attractive sub head, interest can be invoked.
3. **Desire** – The element of desire is usually created by the use of body copy where you write in detail about the necessity of buying the brand, thereby explaining the features of the brand, facts and figures.
4. **Action** – Towards the end, the contact information of the brand will be given where they expect the viewers to act immediately. It can be in the form of shop address, toll free numbers or website address

An advertisements success depends up on the viewer's ability to notice and understand its message. The AIDA model helps the copy writer to present the elements of a print ad, Headline, Subhead, Body copy, slogan and contact information in a format that makes the viewers read in a flow and understand about the product easily.

Promotional Strategy Over the Product Life Cycle

Introduction	Promotion depends on heavy advertising and public relations to build brand awareness and educate customers on the product's benefits. Personal selling ensures distribution coverage and supply chain cooperation. Consumer sales promotion stimulates product trial, while trade sales promotion facilitates or expedites distribution activities, especially in obtaining favorable shelf space or product display.
Growth	To sustain growth, firms spend heavily on advertising and public relations to build and maintain brand loyalty. Personal selling maintains distribution and supply chain cooperation. Sales promotion activities decline in importance.
Maturity	A firm's use of advertising shifts to emphasize reminding customers of the firm's products. Sales promotion efforts strongly encourage brand switching for both consumers and the trade. Personal selling remains important to ensure supply chain support and distribution coverage.
Decline	Firms begin to drastically reduce their advertising and public relations efforts in an attempt to reduce expenses. Sales promotion and personal selling drop to levels that are just sufficient enough to maintain product support.

Table 10.1: Promotional Strategy Over the Product Life Cycle

Buyer Readiness Stage

- Advertising and publicity play the most important roles in the awareness building stage
- Customer comprehension is primarily affected by advertising and personal selling.
- Customer conviction is influenced mostly by personal selling
- Closing the sale is influenced mostly by personal selling and sales promotion
- Reordering is affected mostly by personal selling, sales promotion, and somewhat by advertising.

10.3: THE MAJOR MODES OF COMMUNICATION IN MARKETING MIX

Communication Platforms

1. Advertising:

- Print and broadcast ads
- Packaging
- Cinema
- Brochures
- Posters
- Billboards
- Display signs
- Point of purchase displays

2. Sales Promotion

- Contests, games, sweepstakes, lotteries
- Premiums and gifts
- Sampling
- Fairs and trade shows
- Coupons
- Rebates
- Trade-in allowances
- Tie-ins

3. Events and Experiences

- Sports
- Entertainment
- Festivals
- Arts
- Causes
- Factory tours
- Company museums
- Street activities

4. Public Relations and Publicity

- Press kits
- Speeches
- Seminars
- Annual reports
- Charitable donations
- Publications
- Lobbying
- Company magazine

5. Direct and Interactive Marketing

- Catalogues
- Mailings
- Telemarketing
- Electronic shopping
- TV shopping
- Email
- Company blogs
- Web sites

6. Personal Selling

- Sales presentations
- Samples
- Incentive programs
- Fairs / trade shows

7. Word-of-Mouth

- Person-to-person
- Chat rooms/Blogs

Modes of Communication in Marketing Mix**1. Advertising:**

- Advertising can be used to build up a long-term image for a product or trigger quick sales.
- It can efficiently reach geographically dispersed buyers, and it creates presumption in consumers that the advertised brand must offer a "good value".
- Certain types of advertising require large budgets; others do not
- The presence of advertisement itself has impact on sales
- It is hard to make generalization on advertising.
- Very cost efficient when used to reach a mass audience
- Traditional mass audiences are fragmenting due to increasing media options

- Digital communication (Internet, mobile) is the fastest growing form of advertising.
- Traditional media (newspapers, radio, magazines) are struggling for relevance.

Types of Advertising:

- Institutional advertising – focused on establishing an image or identity of a company into the minds of the audience.
- Advocacy advertising – advertisement that attempts to influence public opinion on specific political, economic & social issues
- Product advertising – promotes the sale of products and services

Determining the Advertising Budget:

- Percentage of sales approach
- Objectives and task approach
- Competitive matching approach
- Arbitrary approach

Evaluating Advertising Effectiveness:

- Key Considerations:
 - Evaluating the achievement of advertising objectives
 - Assessing the effectiveness of advertising copy, illustrations, and layouts
 - Evaluating the effectiveness of various media
- Timing of Evaluations:
 - Pre-test
 - During
 - Post-test

2. Public Relations

Public relations (PR) involve a variety of programs designed to promote or protect a company's image to its individual products. Wise company takes concrete steps to manage successful relations with its key publics.

The PR department in most companies monitor attitudes of the organizations' public and distributes information & communication to build goodwill.

Public relations are often under-used by marketers, yet a well-thought out program coordinated with the other promotion-mix elements can be extremely effective.

The appeal of public relations and publicity is based on three distinctive qualities:

- High credibility
- Ability to catch buyers of guard
- Dramatization

Marketing public relations (MPR) support corporate or product promotion and image-making.

MPR plays an important role in the following tasks:

- Assisting in the launch of new products
- Assisting in repositioning a mature product
- Building interest in a product category
- Influencing specific target groups
- Defending product that have encountered public problems, and
- Building the corporate image in a way that reflects favorably on its products.

Corporate Affairs

- A collection of strategic activities aimed at marketing an organization, its issues, and its ideals to potential stakeholders (consumers, general public, shareholders, media, government, and so on).

Goal of Public Relations

- To track public attitudes, identify issues that may elicit public concern, and develop programs to create and maintain positive relationships between a firm and its stakeholders

Use of Public Relations

- To promote the firm, its people, its ideas, and its image
- To create an internal shared understanding among employees

Public Relations Methods

- News/press releases
- Feature articles
- White papers
- Press conferences
- Event sponsorship
- Product placement
- Employee relations

3. Events & Experiences (Sponsorship)

Marketers report a number of reasons why they sponsor events:

- To identify a particular target market of lifestyle.
- To increase awareness of company or product name.
- To create or reinforce consumer perceptions of key brand image associations.
- To enhance corporate image dimensions.
- To create experience & evoke feelings.
- To express commitment to the community or on social issues
- To permit merchandising or promotional opportunities.

The marketing objectives and communication strategy that must be met by the event are:

- The audience delivered by the event must match the target market of the brand.
- The event must have sufficient awareness.
- The event must possess the desired image.
- The event must be capable of creating the desired effect with that target market.
- Consumers must make favorable attributions to the sponsors for the event.

An ideal event might be the one that:

- The audience closely matches the desired target market
- Generates much favorable attention
- Is unique but not encumbered with many sponsors
- Lends itself to ancillary marketing activities
- Reflects or enhances the brand or corporate image of the sponsor.

More and more firms are also using their names to sponsor the arenas, stadiums and other venues that actually hold the event.

Designing Sponsorship Programs

- The event itself does not guarantee sponsorship success but it is the marketing program accompanying an event sponsored that determines the sponsorship success.
- Companies should spend at least two to three times the amount of the sponsorship expenditure or related marketing activities.
- For non-profit organizations, event creation is very important in publicizing fund-raising event.

Measuring sponsorship activities

- As with public relations, measurement of the success of sponsorship events is difficult.
- Two basic approaches in measuring the effects of sponsorship activities:
 - **Supply side method** focuses on potential exposure to the brand by accessing the extent of media coverage.
 - **Demand side method** focuses on reported exposure from consumers.
- **Supply side methods** attempt to approximate the amount of time or space devoted to media coverage of an event.
 - This measure was then translated into an equivalent 'value' according to the fees associated in actually advertising product in the particular media vehicle.
 - However, validity of this method can be questioned:
 - In equating media, coverage with advertising product's content is ignored.
 - Even though advertisers fully use media space and time to communicate a strategically designed message, media coverage and telecasts only expose the brand, and do not necessarily embellish its meaning in any direct way.
- **The demand side method** attempts to identify the effects sponsorship has on consumers' brand knowledge. Tracking or customized surveys can explore the ability of the events sponsors they want to effect by:
 - Awareness,
 - Attitudes, and
 - Sales.

4. Personal Selling and Sales Management

- Focused less on "sales" and more on developing long-term, personal relationships with buyers
- The most precise form of communication, but with very high cost per contact
- Has evolved to take on elements of customer service and marketing research
- The frontline knowledge held by the sales force is one of the most important assets of the firm.
- It occurs when a salesperson sells a product, service, or solutions to client.
- Salespersons normally match the benefits of their offering to the specific needs of a client.

- Personal selling is the most effective tool at later stages of the buying process, particularly in building up buyer preference, conviction, and action.

Personal selling has three distinctive qualities:

- Personal interaction
- Cultivation, and
- Response

The Sales Management Process:

- Developing sales force objectives
- Determining sales force size
- Recruiting and training salespeople
- Controlling and evaluating the sales force

The Impact of Technology on Personal Selling

- Integrated supply chains and e-procurement have reduced the size of the sales force.
- How can firms use new technology to reduce costs and increase productivity while maintaining personalized, one-to-one client relationships?

5. Sales Promotion

- Accounts for the bulk of promotional spending in many firms
- Activities that create buyer incentives to purchase a product or that add value for the buyer or the trade
- Has one universal goal: to induce product trial and purchase
- Typically used to support other promotional activities rather than as a stand-alone promotional element
- Companies use sales-promotion tools to draw a stronger and quicker buyer response.

Sales promotion can be used for short-run effects. Sales promotion offer three distinct benefits:

- Communication
- Incentive
- Invitation

Sales Promotion in Consumer Markets:

- Coupons
- Rebates
- Samples
- Loyalty programs
- Point-of-purchase
- Premiums
- Contests and sweepstakes
- Direct mail

Sales Promotion in Business Markets:

- Trade allowances
- Free merchandise
- Training assistance
- Cooperative advertising
- Selling incentives

6. Direct and Interactive Marketing

- There are three main forms of direct marketing: direct mail, telemarketing, and Internet marketing.
- Interactive marketing is the newest channel that allows marketers to communicate with the target audience via electronic medium and the Internet.
- Both direct & interactive marketing share three distinctive characteristics. They are:
 - a. Customized
 - b. Up-to-date
 - c. Interactive

7. Word-of-mouth Marketing

- Word-of-mouth also takes many forms online or offline. Online can be social media, social networking and viral marketing.
- Three noteworthy characteristics are:
 - a. Influential
 - b. Personal, and
 - c. Timely
- Positive word-of-mouth can be sometimes considered a part of advertising, where it is effective for smaller businesses, with whom customers may feel a more personal relationship.

POINTS TO PONDER

1. Modern marketing calls for more than developing a good product, pricing it attractively, and making it accessible to target customers. Companies must also communicate with present and potential stakeholders and with the general public.
2. The marketing communications mix consists of eight major modes of communication: advertising, sales promotion, public relations and publicity, events and experiences, direct marketing, interactive marketing, word-of-mouth marketing, and personal selling.

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