

Integrated Marketing Communications Strategy

Lesson 10

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, humour, 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, colour, 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 behavioural 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

- *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*
- 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
 - No bait-and-switch advertising
 - Trade promotions can not favour 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