



*it's good and  
good for you*

# **Chapter 14**

## **Communicating customer value: integrated marketing communications strategy**

# Communicating customer value: integrated marketing communications strategy

## Topic outline

- The promotion mix
- Integrated marketing communications
- A view of the communications process
- Steps in developing effective marketing communication
- Setting the total promotion budget and mix
- Socially responsible marketing communication



# The promotion mix

- The promotion mix (or marketing communications mix) is the specific blend of promotion tools that the company uses to persuasively communicate customer value and build customer relationships.



# The promotion mix (Continued)

## The promotion mix

**Advertising** is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.

- Broadcast
- Print
- Internet
- Outdoor



# The promotion mix (Continued)

## The promotion mix

**Sales promotion** is the short-term incentive to encourage the purchase or sale of a product or service.

- Discounts
- Coupons
- Displays
- Demonstrations



# The promotion mix (Continued)

## The promotion mix

**Personal selling** is the personal presentation by the firm's sales force for the purpose of making sales and building customer relationships.

- Sales presentations
- Trade shows
- Incentive programs



# The promotion mix (Continued)

## The promotion mix

**Public relations** involves building good relations with the company's various publics by obtaining favourable publicity, building up a good corporate image and handling or heading off unfavourable rumours, stories and events.

- Press releases
- Sponsorships
- Special events
- Web pages



# The promotion mix (Continued)

## The promotion mix

**Direct marketing** involves making direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships—through the use of direct mail, telephone, direct-response television, e-mail and the Internet to communicate directly with specific consumers.

- Catalogue
- Telemarketing
- Kiosks





# Integrated marketing communications

## The new marketing communications model

- Consumers are better informed
- More communications
- Less mass marketing
- Changing communications technology.



# Integrated marketing communications (Continued)

## The need for integrated marketing communications

**Integrated marketing communications** is the careful integration and coordination of a company's many communications channels to deliver a clear, consistent and compelling message about an organisation and its products.



# Integrated marketing communications (Continued)



Figure 14.1 Integrated marketing communications

# A view of the communication process

## Elements in the communication process

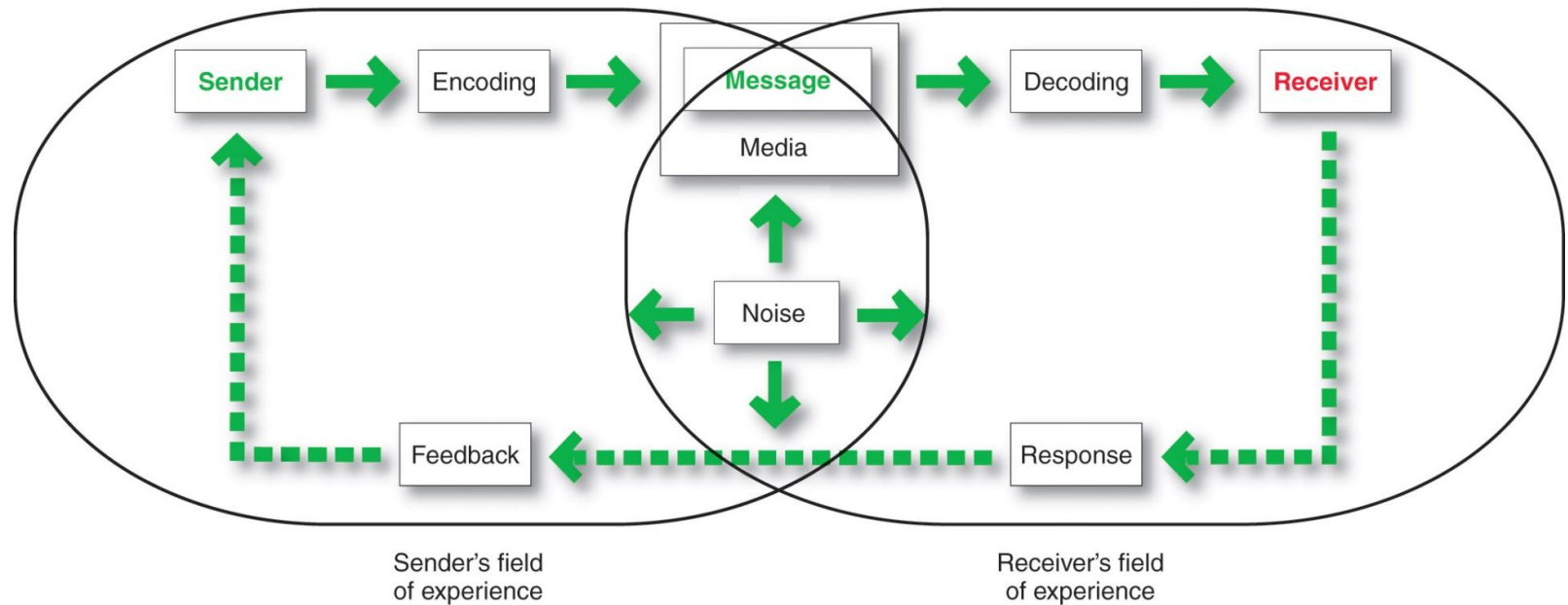


Figure 14.2 Elements in the communication process



# Steps in developing effective marketing communication

Identify the target audience

Determine the communication objectives

Design the message

Choose the media

Select the message source



# Steps in developing effective marketing communication (Continued)

## Identifying the target market

What will  
be said

How it will  
be said

When it will  
be said

Where it  
will be said

Who will  
say it



# Steps in developing effective marketing communication (Continued)

## Determining the communication objectives

- Marketers seek a purchase response that results from a consumer decision-making process that includes the stages of buyer readiness.



Figure 14.3 Buyer-readiness stages



# Steps in developing effective marketing communication (Continued)

## Designing a message

AIDA model

- Get **A**ttention
- Hold **I**nterest
- Arouse **D**esire
- Obtain **A**ction





# Steps in developing effective marketing communication (Continued)

## Designing a message

**Message content** is an appeal or theme that will produce the desired response.

- Rational appeal
- Emotional appeal
- Moral appeal



# Steps in developing effective marketing communication (Continued)

## Designing a message

**Rational appeal** relates to the audience's self-interest.

**Emotional appeal** is an attempt to stir up positive or negative emotions to motivate a purchase.



# Steps in developing effective marketing communication (Continued)

## Designing a message

**Moral appeal** is directed at the audience's sense of right and proper.



# Steps in developing effective marketing communication (Continued)

## Choosing media

**Personal communication** involves two or more people communicating directly with each other.

- Face to face
- Phone
- Mail
- E-mail
- Internet chat



# Steps in developing effective marketing communication (Continued)

## Choosing media

**Personal communication** is effective because it allows personal addressing and feedback.

Control of personal communication

- Company
- Independent experts
- Word of mouth



# Steps in developing effective marketing communication (Continued)

## Choosing media personal communication

**Opinion leaders** are people within a reference group who, because of their special skills, knowledge, personality or other characteristics, exert social influence on others.

**Buzz marketing** involves cultivating opinion leaders and getting them to spread information about a product or service to others in their communities.



# Steps in developing effective marketing communication (Continued)

## Non-personal communication channels

**Non-personal communication** is media that carry messages without personal contact or feedback, including major media, atmospheres and events that affect the buyer directly.



# Steps in developing effective marketing communication (Continued)

## Non-personal communication channels

**Major media** include print, broadcast, display and online media.

**Atmospheres** are designed environments that create or reinforce the buyer's leanings toward buying a product.





# Steps in developing effective marketing communication (Continued)

## Non-personal communication channels

**Events** are staged occurrences that communicate messages to target audiences.

- Press conferences
- Grand openings
- Exhibits
- Public tours



# Steps in developing effective marketing communication (Continued)

## Selecting the message source

The message's impact on the target audience is affected by how the audience views the communicator.

- Celebrities
  - Athletes
  - Entertainers
- Professionals
  - Health-care providers



# Steps in developing effective marketing communication (Continued)

## Collecting feedback

Involves the communicator understanding the effect on the target audience by measuring behaviour resulting from the behaviour.



# Setting the total promotion budget and mix

## Setting the total promotion budget

**Affordable budget method** sets the promotion budget at the level management thinks the company can afford

- Ignores the effects of promotion on sales.



# Setting the total promotion budget and mix (Continued)

## Setting the total promotion budget

**Percentage-of-sales method** sets the budget at a certain percentage of current or forecasted sales or as a percentage of the unit sales price.

- Easy to use and helps management think about the relationship between promotion, selling price and profit per unit.
- Wrongly views sales as the cause rather than the result of promotion.



# Setting the total promotion budget and mix (Continued)

## Setting the total promotion budget

**Competitive-parity method** sets the promotion budget to match competitors' outlays.

- Represents industry standards
- Avoids promotion wars



# Setting the total promotion budget and mix (Continued)

## Setting the total promotion budget

**Objective-and-task method** sets the promotion budget based on what the firm wants to accomplish with promotion and includes:

- Defining specific promotion objectives
- Determining the tasks needed to achieve these objectives
- Estimating the costs of performing these tasks.



# Setting the total promotion budget and mix (Continued)

Shaping the overall promotion mix

The nature of each promotion tool

- Advertising reaches masses of geographically dispersed buyers at a low cost per exposure, and it enables the seller to repeat a message many times.





# Setting the total promotion budget and mix (Continued)

Shaping the overall promotion mix

The nature of each promotion tool

**Personal selling** is the most effective method at certain stages of the buying process, particularly in building buyers' preferences, convictions, actions and developing customer relationships.



# Setting the total promotion budget and mix (Continued)

Shaping the overall promotion mix

The nature of each promotion tool

**Sales promotion** includes coupons, contests, money-off deals and premiums that attract consumer attention and offer strong incentives to purchase, and can be used to dramatise product offers and to boost sagging sales



# Setting the total promotion budget and mix (Continued)

Shaping the overall promotion mix  
The nature of each promotion tool

**Public relations** is a very believable form of promotion that includes news stories, features, sponsorships and events.

**Direct marketing** is a non-public, immediate, customised and interactive promotional tool that includes direct mail, catalogues, telemarketing and online marketing.



# Shaping the overall promotion mix

## Promotion mix strategies

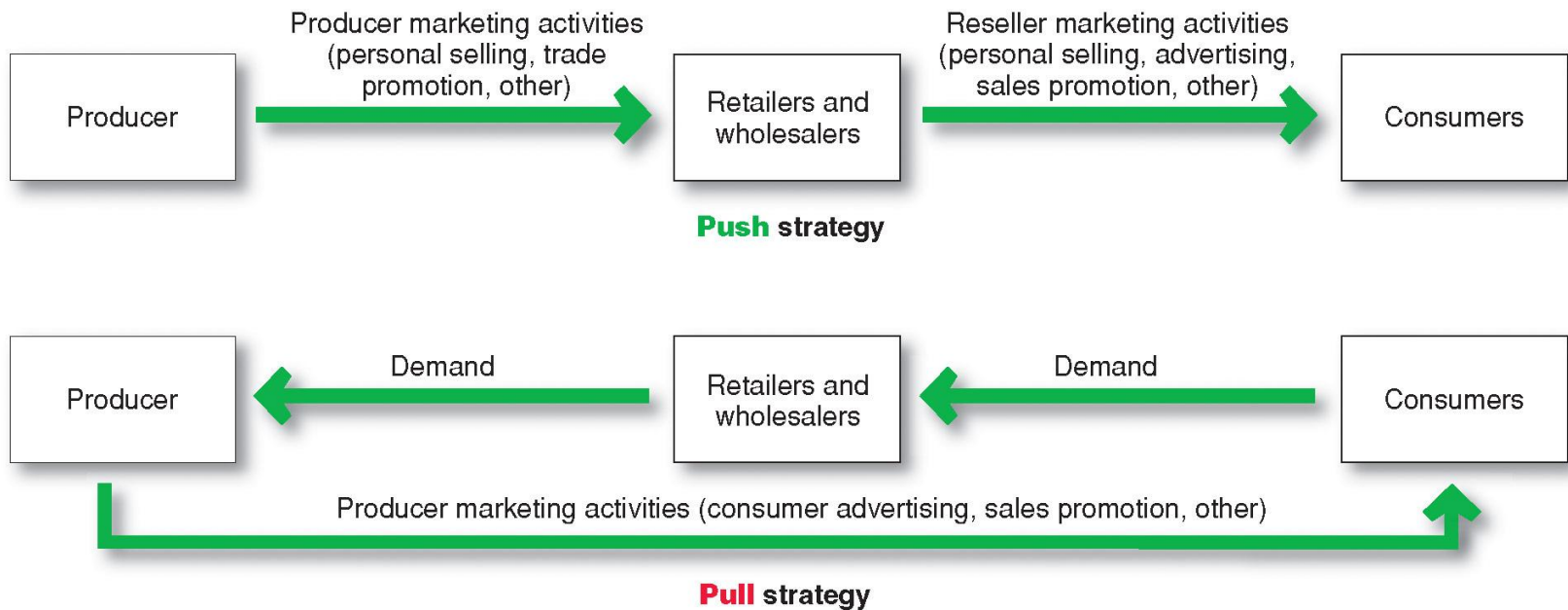


Figure 14.4 Push versus pull promotion strategy



# Socially responsible marketing communication

- Communicate openly and honestly with consumers and resellers.
- Avoid deceptive or false advertising.
- Avoid bait-and-switch advertising.
- Conform to all national and local regulations.

