



*it's good and
good for you*

Chapter 14

Communicating customer value: integrated marketing communications strategy

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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

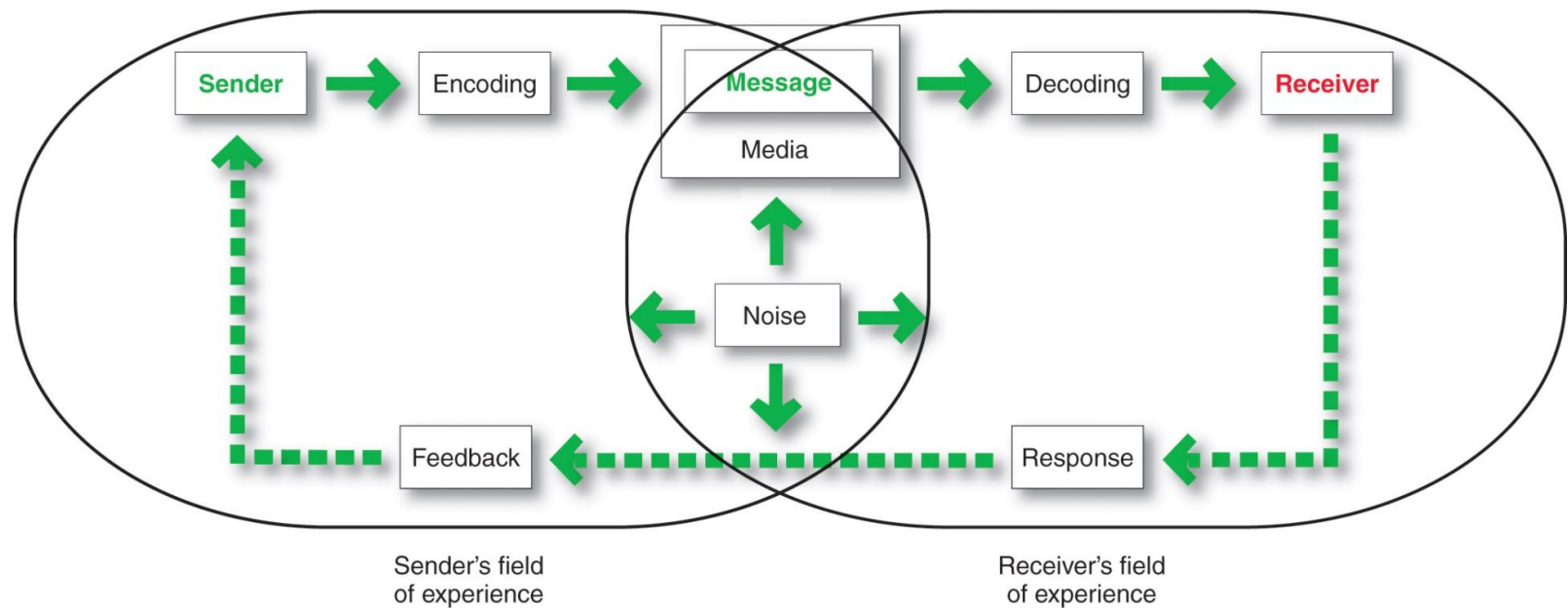


Figure 14.2 Elements in the communication process



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

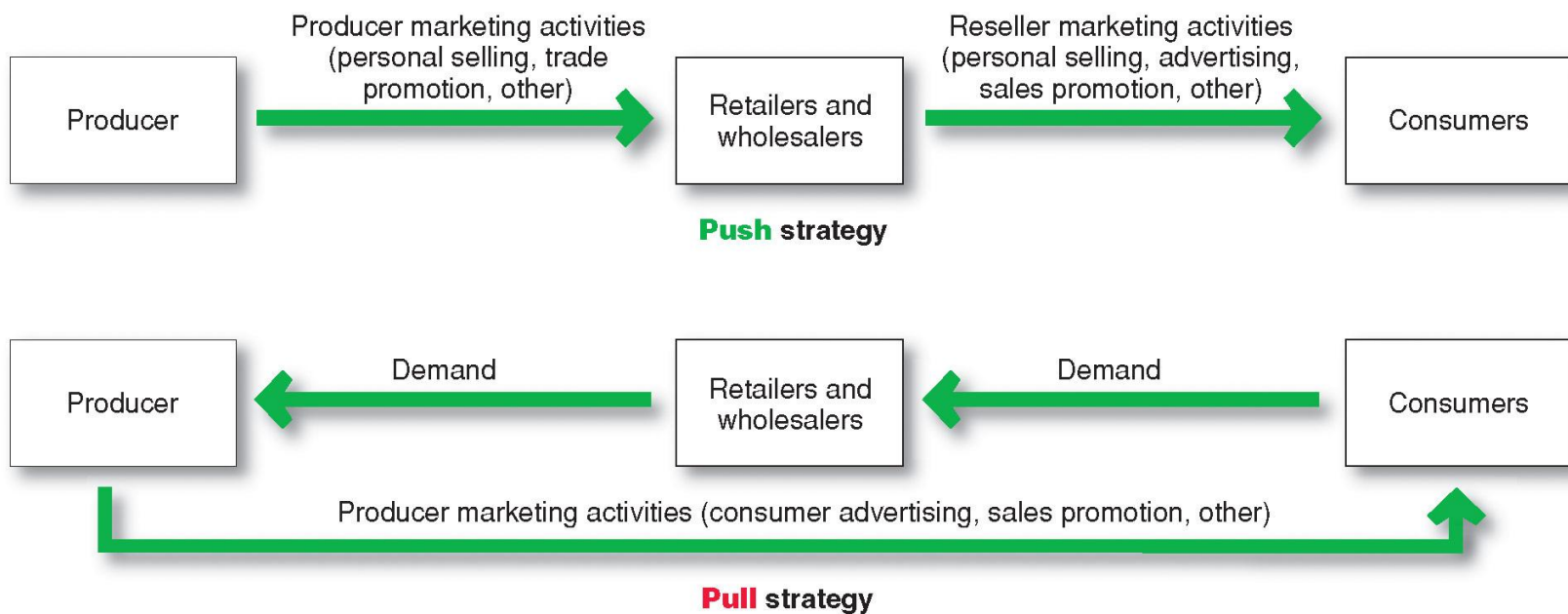


Figure 14.4 Push versus pull promotion strategy



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.

