

Integrated Marketing Communications

Prepared by Dr. Perihan Salah

MKT728

An Introduction to Integrated Marketing Communications

Lecture 2



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The Role of IMC Planning Process

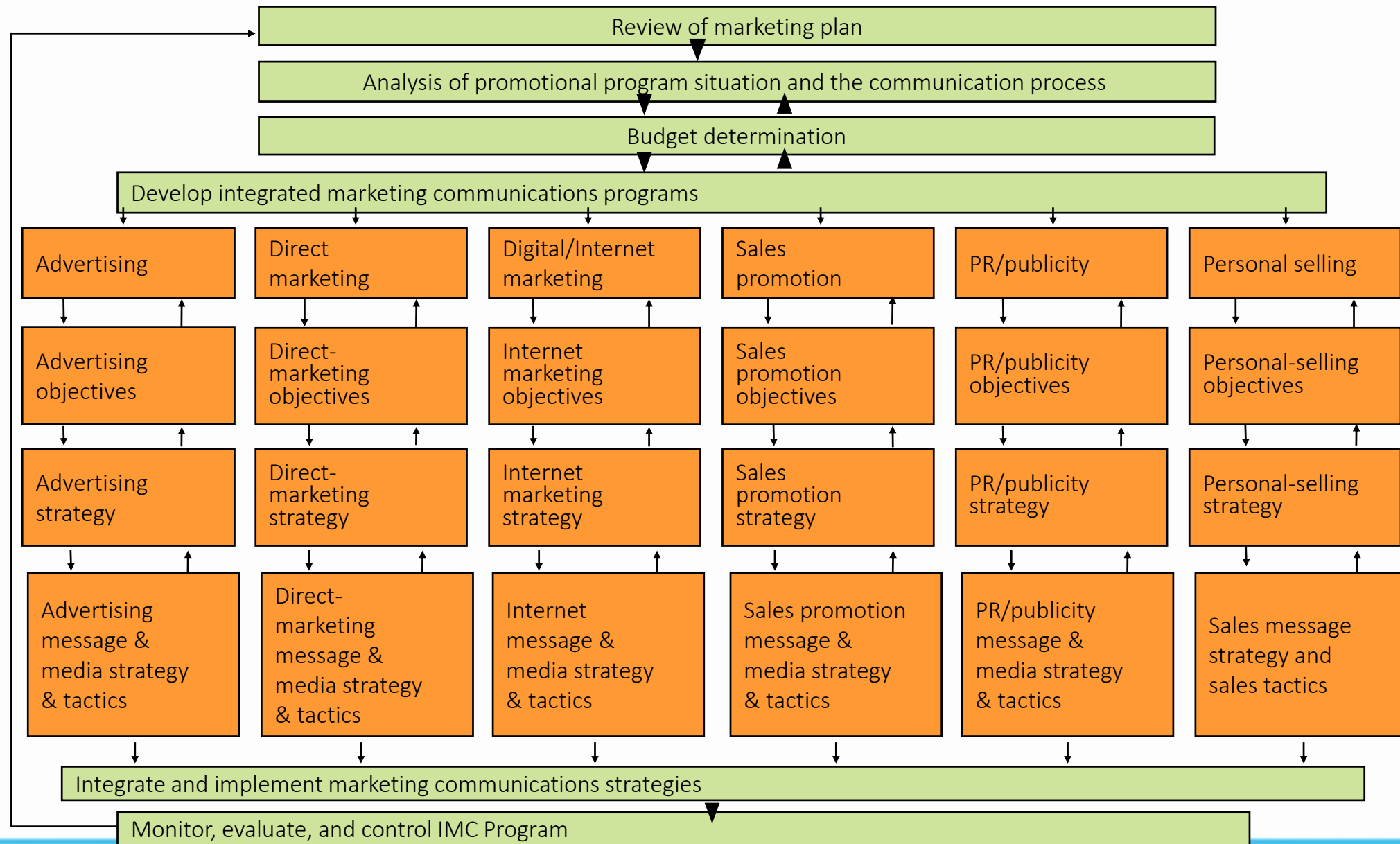
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Chapter
02

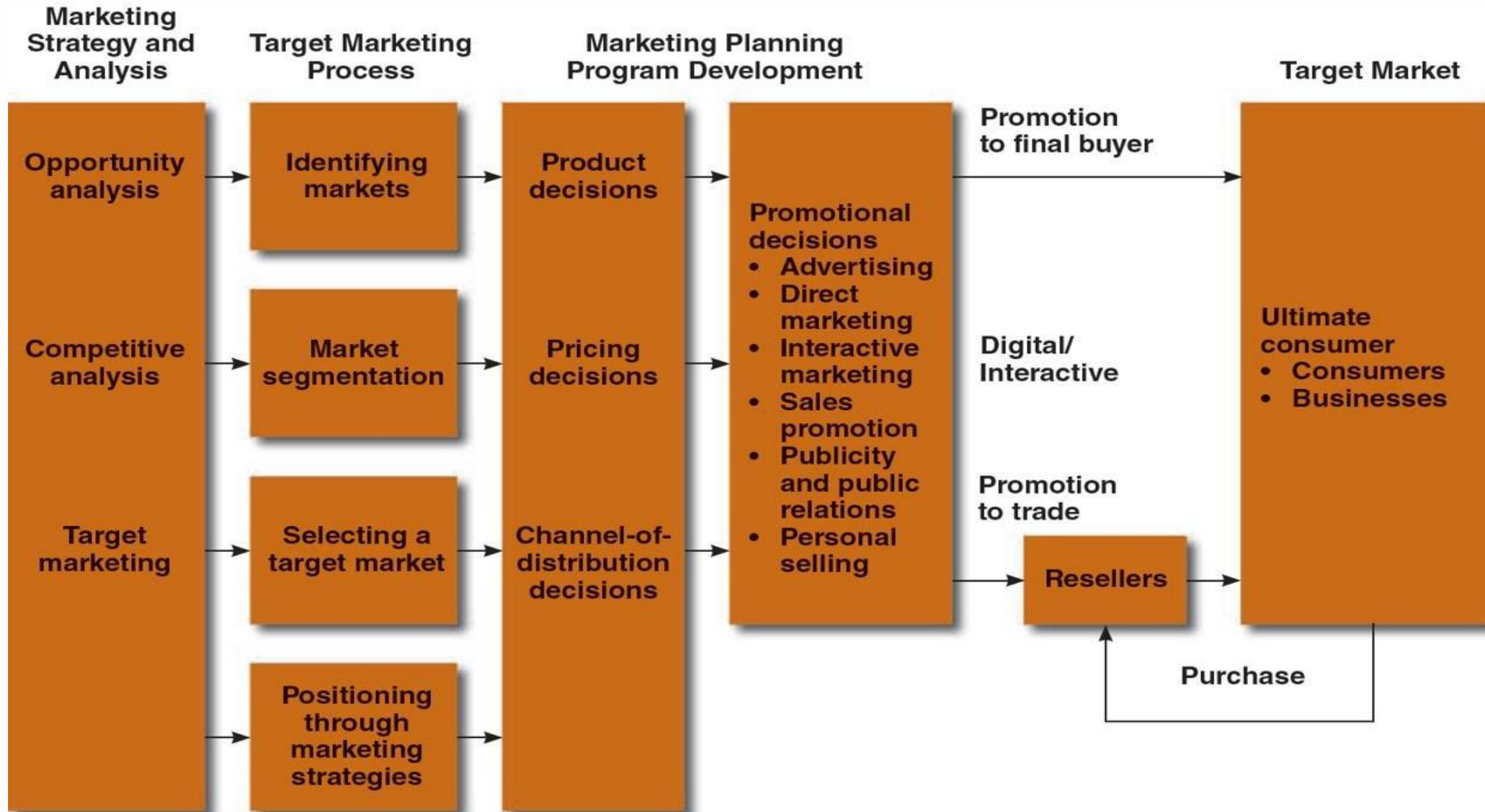
LEARNING OBJECTIVES

- Describe the role of advertising and promotion in an organization's integrated marketing program.
- Define target marketing.
- Discuss the role of market segmentation in an IMC program.
- Describe positioning and repositioning strategies.
- Identify the marketing-mix decisions that influence advertising and promotional strategy.

IMC Planning Model



Marketing and Promotions Process Model



- Strategic marketing plan:
 - Guides allocation of organization's resources
 - Guides specific marketing programs and policies
 - Evolves from an organization's overall corporate strategy
 - Allows for an understanding of market opportunities, competition, and market segments
 - **Market segments:** distinct consumer groups within a market who have common needs

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- Market opportunities: Areas where:
 - There are favorable demand trends
 - Customers' needs and opportunities are not being satisfied
 - Firm can compete effectively
- Steps to identify market opportunities
 - Examine the marketplace
 - Observe demand trends and competition in various market segments



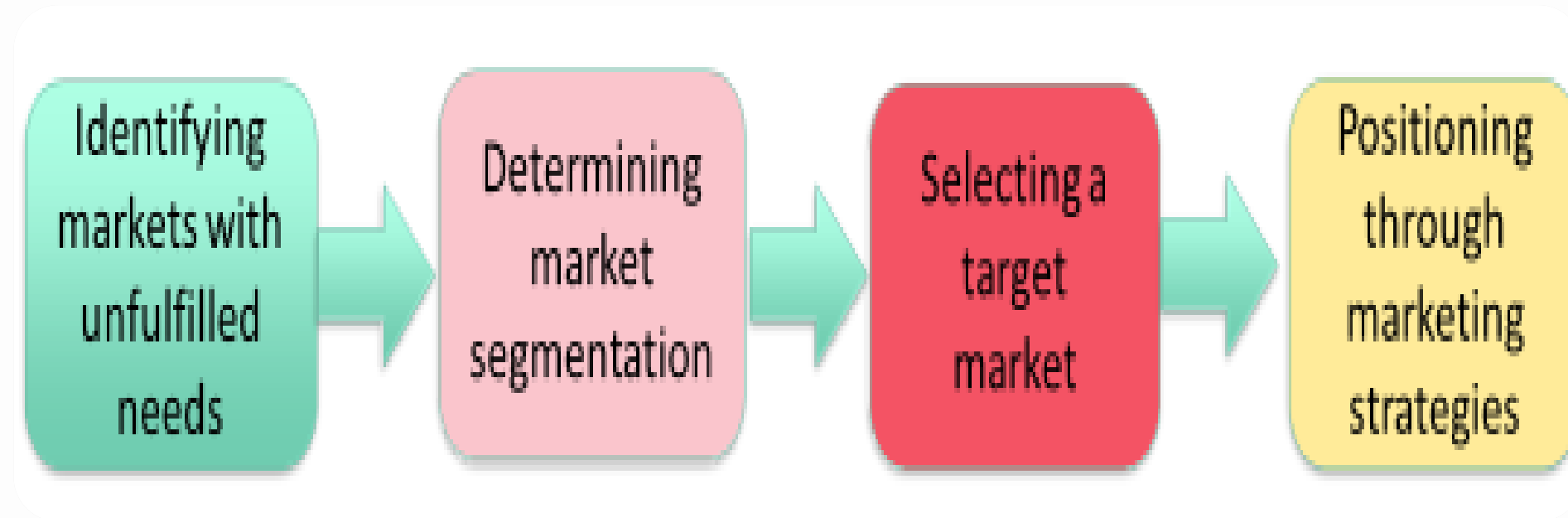
- Analyzing the competition in the marketplace and searching for a competitive advantage
 - **Competitive advantage:** Attributes that give a firm an edge over competitors
 - Better quality products
 - Superior customer service
 - Low production costs and lower prices
 - Dominating channels of distribution
 - Advertising



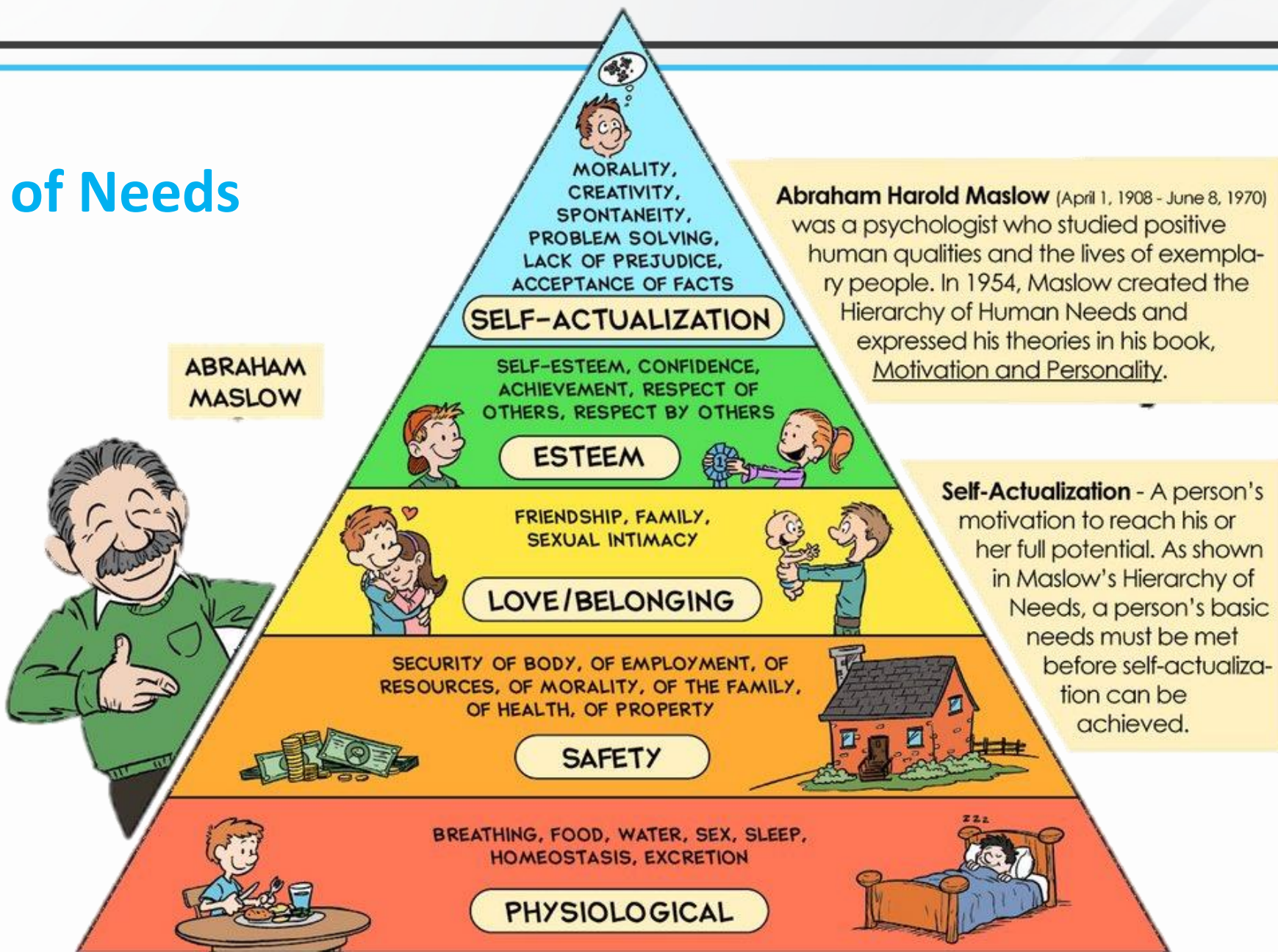
- Done after evaluating market opportunities and doing a competitive analysis
- Has direct implications on a firm's advertising and promotional efforts



The Target Marketing Process



Maslow's Hierarchy of Needs



- Marketer identifies the specific needs of groups of people (or segments)
- Selects one or more of these segments as a target
- Isolates consumers with similar lifestyles, needs, and the like
- Increased marketer's knowledge of consumers' specific requirements

- Dividing a market into distinct groups with common needs, who respond similarly to a marketing situation

Customer characteristics segmentation criteria

- **Geographic:** Dividing the market on the basis of region, city size, metropolitan area, and/or density into different geographic units.
- **Demographic:** Dividing the market on the basis of age, sex, family size, marital status, etc.



- **Socioeconomic:** Dividing the market on the basis of income, education, or occupation
- **Psychographic:** Dividing the market on the basis of personality, lifecycles, and/or lifestyles



Buying Situations

- Markets can also be divided by customer buying situations
- Buying situations segmentation criteria
 - Outlet type
 - Benefits sought
 - Usage
 - Awareness and intentions
 - Behavior

- Behavioristic segmentation
 - Dividing consumers into groups according to their usage, loyalties, or buying responses to a product
 - **80-20 rule:** 20 percent of buyers account for 80 percent of sales volume
- Benefit segmentation
 - Grouping of consumers on the basis of attributes sought in a product



NESCAFÉ
3 IN 1

شاي
قهوة

نيسكافيه 3 في 1 كاشانه خاضرة

استمتعوا بنكهة نيسكافيه 3 في 1 في كل مكان
تحت العلامة التجارية نيسكافيه 3 في 1
رقم الاستدعاء: 100-452-251

NESCAFÉ

BUSINESS TO BUSINESS
SOLUTIONS

نيسكافية مش قاتل الحار

- Determine how many segments to enter
 - Utilizing market coverage alternatives
- Determine which segments offer the most potential
 - Selecting the most attractive segment

- Undifferentiated marketing
 - Ignoring segment differences and offering just one product or service to the entire market.
- (convenience products)



- Differentiated marketing
 - Involves marketing in a number of segments, developing separate marketing strategies for each



- Concentrated marketing
 - Selecting a segment and attempting to capture a large share of this market. (Niche market)





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Selecting the Most Attractive Segment



- Sales potential of segment
- Opportunities for growth
- Competition analysis
- Ability to compete
- Ability to market to this group

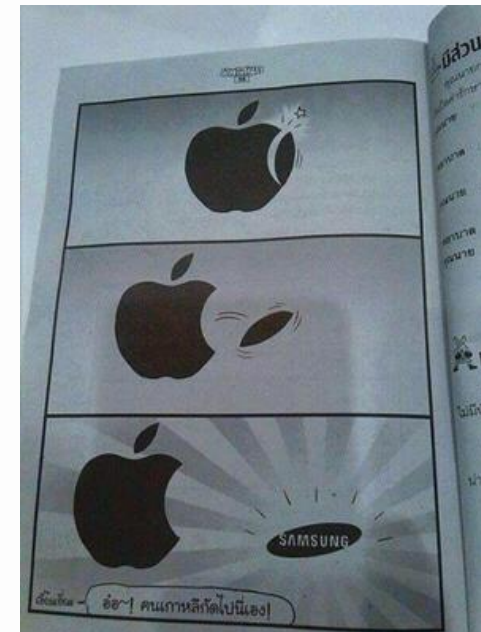
- **Positioning:** Fitting a product or service to one or more segments of the broad market to make it unique within the marketplace
- Approaches
 - Focusing on the consumer—
Linking the product with the
benefits the consumer will derive



- Focusing on competition—
Positions the product by
comparing the benefit it
offers versus the
competition



- Positioning by product attributes and benefits
 - Sets the brand apart from competitors on the basis of specific characteristics or benefits offered
 - **Salient attributes:** Important to consumers and are the basis for making a purchase decision





i'm lovin' it™

Recognize
this brand?



Global fast food giant KFC says it is halting its "Finger Lickin' Good" slogan given the current hygiene advice because of the coronavirus pandemic.

"We find ourselves in a unique situation - having an iconic slogan that doesn't quite fit in the current environment," the company said.

It has altered its packaging with the phrase obscured but KFC said the phrase would return when the time was right.

KFC outlets closed temporarily in March, but most have now reopened.

The company revealed its new look through a YouTube video, showing the slogan pixelated on posters and its food "buckets", saying: "That thing we always say? Ignore it. For now."

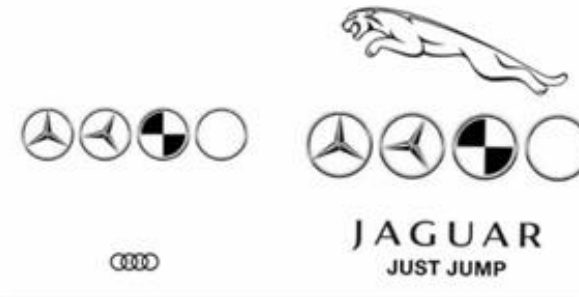
ADVERTISEMENT



- Positioning by price/quality
 - Done where cost comes secondary to quality
- Positioning by use or application
 - Used to enter a market on the basis of a particular use or application



- Positioning by product class
- Positioning by product user
- Positioning by competitor
- Positioning by cultural symbols
- Makes the brand easily identifiable and differentiated from others





OREO



Positioning by usage occasion



Positioning
by cultural
symbols



- Altering a product's or brand's position due to:
 - Declining or stagnant sales
 - Anticipated opportunities in other market positions
- Difficult to accomplish because of entrenched perceptions and attitudes toward the product or brand





telecoms

e& life

e& enterprise

e& capital



etisalat

by e&

- **Product symbolism:** Refers to:
 - What a product or brand means to consumers
 - What consumers experience in purchasing and using a product
- **Branding**
 - Building and maintaining a favorable identity of the company and its products

- Packaging
 - Provides functional benefits such as economy, protection, and storage
- Builds and maintains brand awareness and interest
- Develops and enhances attitudes toward the company or product
- Builds relationships between the consumer and the brand

- **Brand identity**
 - Combination of name, logo, symbols, design, packaging, image, and associations held by consumers
- **Brand equity**
 - Intangible asset of added value

- Traditionally, the package provided functional benefits:
economy, protection, and storage
- Role and function have changed due to:
 - Self-service emphases of many stores
 - More buying decisions at point of purchase
- First impressions matter
 - Often first exposure to product



- Price variable—Refers to what the consumer has to give in exchange for a purchase

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- Factors that determine price

- Costs
- Demand factors
- Competition
- Perceived value
- Product quality
- Advertising



pepsi



vodafone

- Interdependent organizations involved in making a product or service available for use
- **Direct channels:** Directly deal with customers
 - Driven by direct-response ads, telemarketing, the Internet
 - Used when selling expensive and complex products
- **Indirect channels:** Network of wholesalers and/or retailers

- Programs designed to persuade the trade to stock, merchandise and promote a manufacturer's products
- Goal
 - Push the product through the channels of distribution by selling and promoting it
- **Trade advertising:** Used to motivate wholesalers and retailers to purchase products for resale

- Spending money on advertising and sales promotion efforts directed toward the ultimate consumer
- Goals
 - Create demand among consumers
 - Encourage consumers to request the product from the retailer

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To Sum Up...

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Thank You

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