

Integrated Marketing Communication

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Lecture 8



MGM204
PRINCIPLE OF MARKETING

1. Defining Promotion
2. Integrated Marketing communications
3. The Promotion Mix
4. The nature of each promotion tool
5. Promotion Mix strategies
6. Advertising



1. Defining Promotion

- Refers to any type of marketing communication used to inform or persuade target audiences for a product, service, brand or issue. It helps marketers to create a distinctive place in customers' mind.
- **Promotion** strategies and techniques that help communicate a product to the audience.
- It involves communication about the product or service
- The aim of promotion is to increase awareness, create interest, generate sales or create brand loyalty.
- Promotion covers the methods of communication that a marketer uses to provide information about its product. Information can be both verbal and visual

- This element of the marketing mix has evolved as follows:
 - It was named traditionally Promotion
 - The name changed to Marketing communication (MC)
 - Today it is known to be Integrated Marketing Communication (IMC).

MC VS. IMC

Integrated Marketing Communication	Traditional Marketing Communication
Synergy function: Integrated into one	Isolated function: Partitioning
Customer-oriented: start with customers' needs and wants	Organization-oriented: start with the goals and product
Coherent communication programs	Breaking communication programs
Brand/relationship building objective	Short-term sales objective
Targeted at segments	Mass audience

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- The diagram is titled "Carefully blended mix of promotion tools". It features a central purple box with the text "Consistent, clear, and compelling company and brand messages". Surrounding this central box are five white boxes, each representing a promotion tool: "Advertising" (top left), "Personal selling" (top right), "Public relations" (middle right), "Direct and digital marketing" (bottom), and "Sales promotion" (middle left). Double-headed teal arrows connect the central box to each of the five surrounding boxes. Additionally, a curved teal arrow connects the "Advertising" and "Personal selling" boxes at the top, and double-headed teal arrows connect "Advertising" to "Sales promotion", "Sales promotion" to "Direct and digital marketing", "Direct and digital marketing" to "Public relations", and "Public relations" to "Personal selling", forming a circular flow around the center.

3. The Promotion Mix



- **Advertising.** Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.
- **Sales promotion.** Short-term incentives to encourage the purchase or sale of a product or service.
- **Personal selling.** Personal customer interactions by the firm's sales force for the purpose of engaging customers, making sales, and building customer relationships.
- **Public relations (PR).** Building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.
- **Direct and digital marketing.** Engaging directly with carefully targeted individual consumers and customer communities to both obtain an immediate response and build lasting customer relationships.



- **ADVERTISING:**

- Advertising can reach masses of geographically dispersed buyers at a low cost per exposure
- It enables the seller to repeat a message many times.
- Television advertising can reach huge audiences.
- A popular TV ad's reach can be extended through online and social media
- Because of advertising's public nature, consumers tend to view advertised products as more legitimate.
- Advertising can be used to build up a long-term image for a product (such as Coca-Cola ads).
- It can trigger quick sales (Special sales).

4. The nature of each promotion tool

- **ADVERTISING:**

- Advertising can be very costly
- Mass-media advertising is impersonal and lacks the direct persuasiveness of company salespeople (One-way communication)



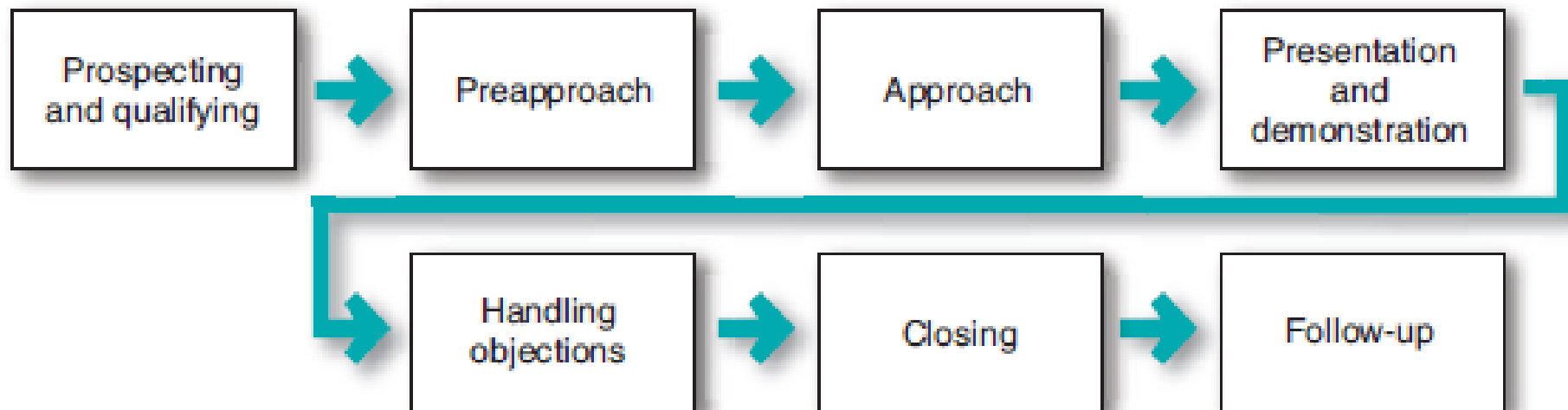
Example extended tv ad



- 100-plus million TV viewers + 6.2 million YouTube views during the ensuing two months 
- The one-minute Microsoft “Empowering” Super Bowl ad cost \$9 million for media time alone, not counting the costs of producing the ad. 

4. The nature of each promotion tool

- **PERSONAL SELLING:**



Building and maintaining profitable customer relationships

STEPS IN THE SELLING PROCESS

4. The nature of each promotion tool

• PERSONAL SELLING:



- Personal selling is the most effective tool at certain stages of the buying process, particularly in building up buyers' preferences, convictions, and actions.
- It involves personal interaction between two or more people, so each person can observe the other's needs and characteristics and make quick adjustments.
- Personal selling also allows to build a long-term relationship by solving a customer's problems.



- Personal selling is costly.
- A sales force requires a longer-term commitment than does advertising

4. The nature of each promotion tool

- **SALES PROMOTION:** Sales promotion includes a wide assortment of tools—coupons, contests, discounts, premiums, and others—all of which have many unique qualities.

PROS

They attract consumer attention, engage consumers, offer strong incentives to purchase, and can be used to dramatize product offers and boost sagging sales.

Sales promotions invite and reward quick response. Whereas advertising says, “Buy our product,” sales promotion says, “Buy it now.”

CONS

Sales promotion effects can be short lived

They are not as effective as advertising or personal selling in building long-run brand preference and customer relationships

Chapter

4. The nature of each promotion tool

PUBLIC RELATIONS:

- Public relations is very believable—news stories, features, sponsorships, and events seem more real and believable to readers than ads do.
- PR can also reach many prospects who avoid salespeople and advertisements—the message gets to buyers as “news and events” rather than as a sales-directed communication.
- Marketers tend to underuse public relations or use it as an afterthought. Yet a well-thought-out public relations campaign used with other promotion mix elements can be very effective and economical.



- **News**
- **Special events** (news conferences and speeches, brand tours, sponsorships, laser light shows, multimedia presentations, educational programs designed to reach and interest target publics).
- **Written materials** to reach and influence their target markets (annual reports, brochures, articles, and company newsletters and magazines).
- **Audiovisual materials**, such as DVDs and online videos.
- **Corporate identity materials** (Logos, stationery, brochures, signs, business forms, business cards, buildings, uniforms, and company cars).
- **Public service activities.**
- **Web and social media** (Web sites, blogs, and social media such as YouTube, Facebook, Instagram, Snapchat, Pinterest, and Twitter) are providing new ways to reach and engage people. Storytelling and engagement are core PR strengths, and that plays well into the use of online, mobile, and social media.

Chapter 08

EXAMPLE PR CAMPAIGN

优酷



DIRECT AND DIGITAL MARKETING:

- Forms of direct and digital marketing: direct mail, catalogs, and telephone marketing to online, mobile, and social media
- Direct marketing is more targeted: It's usually directed to a specific customer or customer community.
- Direct marketing is immediate and personalized: Messages can be prepared quickly—even in real time—and tailored to appeal to individual consumers or brand groups.
- Direct marketing is interactive: It allows a dialogue between the marketing team and the consumer, and messages can be altered depending on the consumer's response.
- Thus, direct and digital marketing are well suited to highly targeted marketing efforts, creating customer engagement, and building one-to-one customer relationships



EXAMPLE DM CAMPAIGN

Video produced solely for the purpose of advertising
judgement panel. No commercial value.

Chapter 08

Content Marketing

- **Content marketing:** Creating, inspiring, and sharing brand messages and conversations with and among consumers across a fluid mix of paid, owned, earned, and shared channels.
- Marketers create, inspire, and share brand messages and conversations with and among customers across a fluid mix of *paid, owned, earned, and shared* communication channels. These channels include media that are both traditional and new as well as controlled and not controlled



- The new classification identifies four major types of media: paid, owned, earned, and shared (POES):
- ***Paid media***—promotional channels paid for by the marketer, including traditional media (such as TV, radio, print, or outdoor) and online and digital media (paid search ads, mobile ads, email marketing, or Web and social media display ads and sponsored content).
- ***Owned media***—promotional channels owned and controlled by the company, including company Web sites, corporate blogs, owned social media sites, proprietary brand communities, sales forces, and events.
- ***Earned media***—PR media channels, such as television, newspapers, blogs, online video sites, and other media not directly paid for or controlled by the marketer but that incorporate the content because of viewer, reader, or user interest.
- ***Shared media***—media shared by consumers with other consumers, such as social media, blogs, mobile media, and viral channels as well as traditional word of mouth

Example of Content Marketing



Samsung chose 32 prominent Instagramers and challenged them to use the new camera to prove that their cities—from London, Amsterdam, Berlin, Madrid, and Milan to Paris, Sydney, and San Francisco—were the most photogenic in the world.

Their photos were uploaded to Tumblr, and fans voted for their favorites via Tumblr, Facebook, Twitter, and Pinterest. The winning city—Berlin—hosted a massive final event, where influencers took photos with the connected camera and saw them projected onto giant, inflatable, 3D-projection cubes. The campaign was an unqualified success. During its three-month run, it reached more than 79 million people worldwide. Awareness of the Galaxy Camera rose 58 percent; purchase intent jumped 115 percent.

5. Promotion Mix strategies

- Marketers can choose from two basic promotion mix strategies: push promotion or pull promotion.
- **Push strategy:** A promotion strategy that calls for using the sales force and trade promotion to push the product through channels. The producer promotes the product to channel members who in turn promote it to final consumers.
- **Pull strategy:** A promotion strategy that calls for spending a lot on consumer advertising and promotion to induce final consumers to buy the product, creating a demand vacuum that “pulls” the product through the channel.

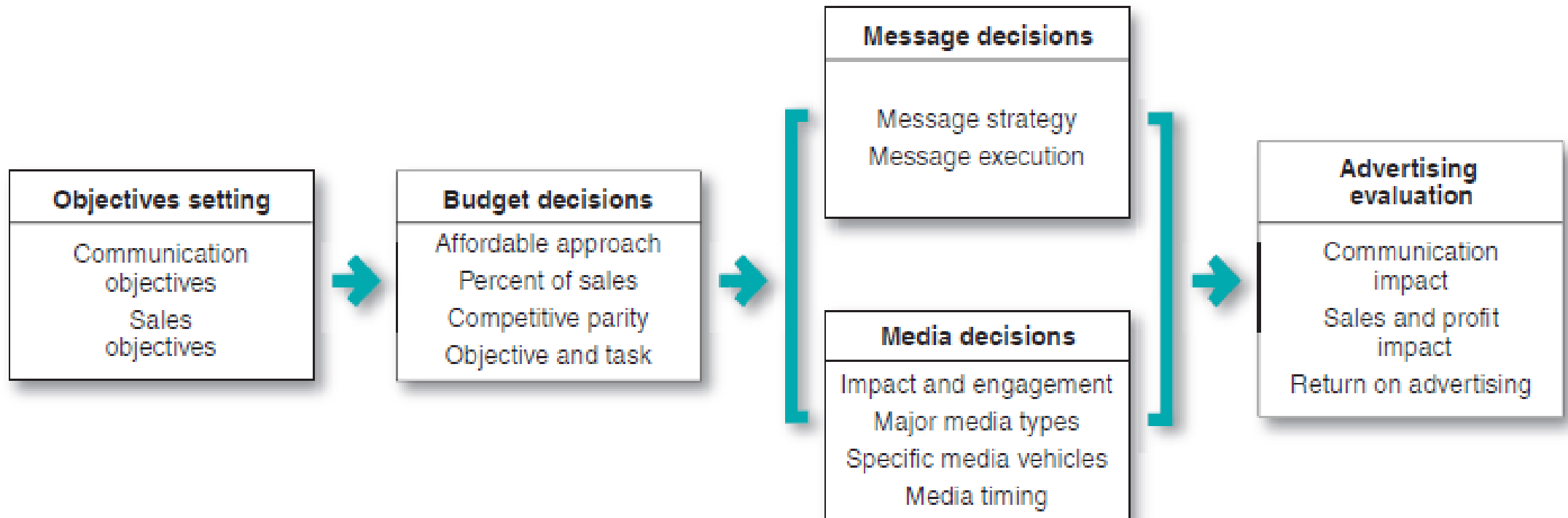


PUSH AND PULL STRATEGIES



Push versus Pull Promotion Strategy

MAJOR ADVERTISING DECISIONS



Advertising: objectives setting



Informative advertising is used heavily when introducing a new product category. In this case, the objective is to build primary demand

Persuasive advertising becomes more important as competition increases. Here, the company's objective is to build selective demand. Some persuasive advertising has become ***comparative advertising (or attack advertising)***, in which a company directly or indirectly compares its brand with one or more other brands.

Reminder advertising is important for mature products; it helps to maintain customer relationships and keep consumers thinking about the product

Advertising: objectives setting



Possible Advertising Objectives

Informative Advertising

Communicating customer value
Building a brand and company image
Telling the market about a new product
Explaining how a product works

Suggesting new uses for a product
Informing the market of a price change
Describing available services and support
Correcting false impressions

Persuasive Advertising

Building brand preference
Encouraging switching to a brand
Changing customer perceptions of product value

Persuading customers to purchase now
Creating customer engagement
Building brand community

Reminder Advertising

Maintaining customer relationships
Reminding consumers that the product may be needed in the near future

Reminding consumers where to buy the product
Keeping the brand in a customer's mind during off-seasons

Chapter 08

EXAMPLE OF INFORMATIVE AD

The new car.

The 100% electric, no-gas Nissan LEAF. Innovation for all.

**WHAT THE NEW CAR
HAS BEEN WAITING FOR.**

Introducing the WattStation™

It seems like we've been waiting a long time for the electric car, but maybe the electric car was waiting for this. Learn more about electric vehicle charging at ecomagination.com/wattstation.

a product of **ecomagination™**

NISSAN SHIFT... the way you move

NissanUSA.com

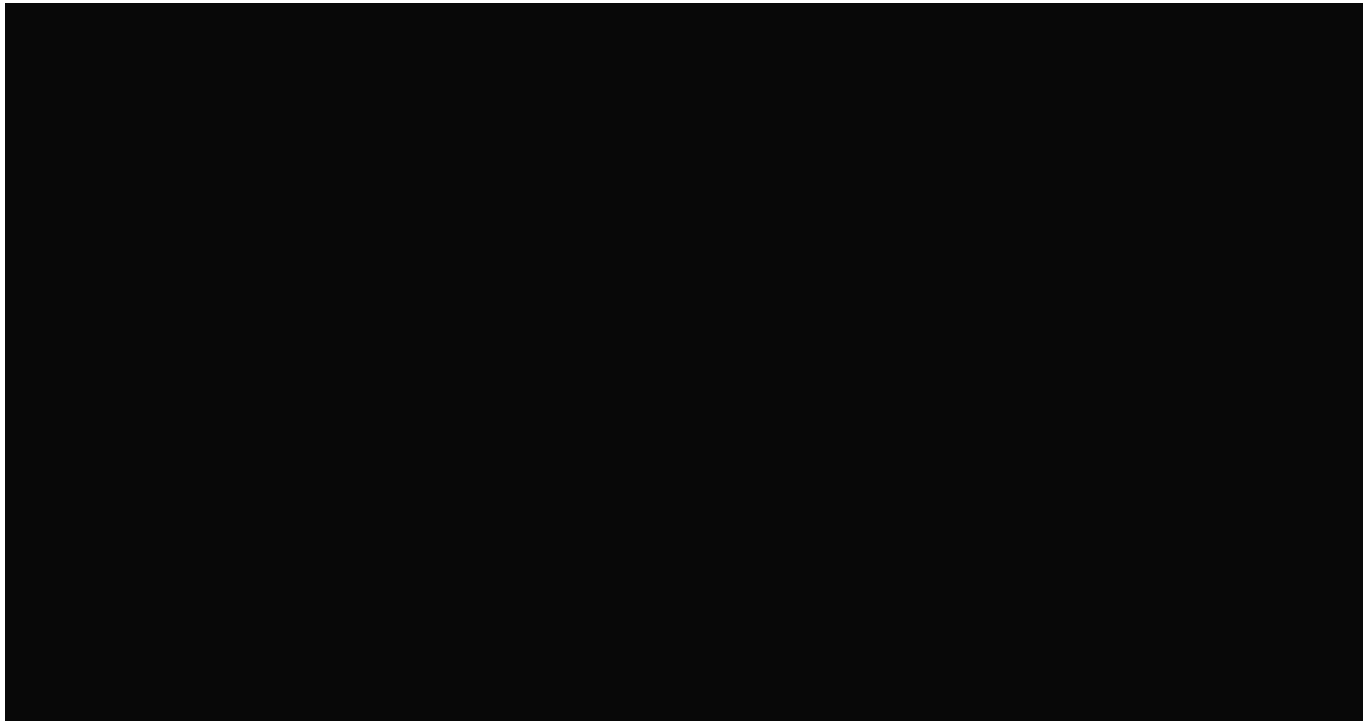
Always wear your seat belt, and please don't drink and drive. ©2013 Nissan North America, Inc.

GE imagination at work

Chapter 08

EXAMPLE OF PERSUASIVE AD (COMPARATIVE)

DIRECT



INDIRECT



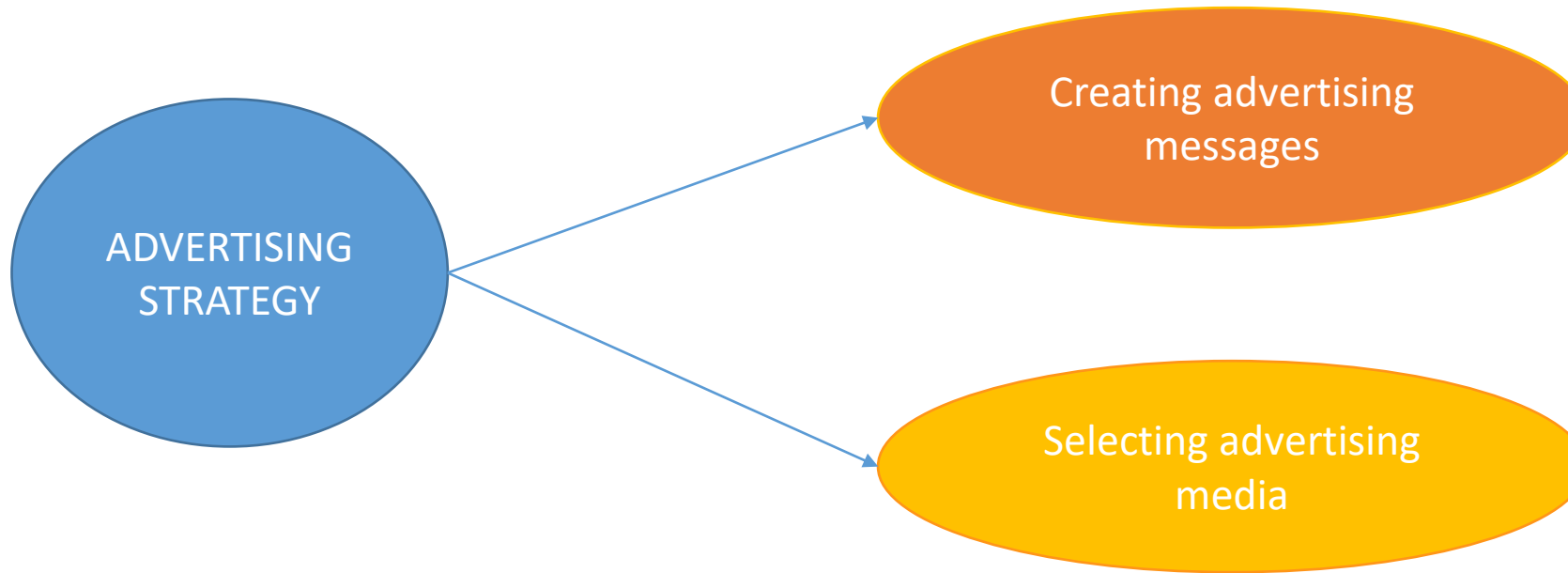
Chapter 08

EXAMPLE OF REMINDER AD



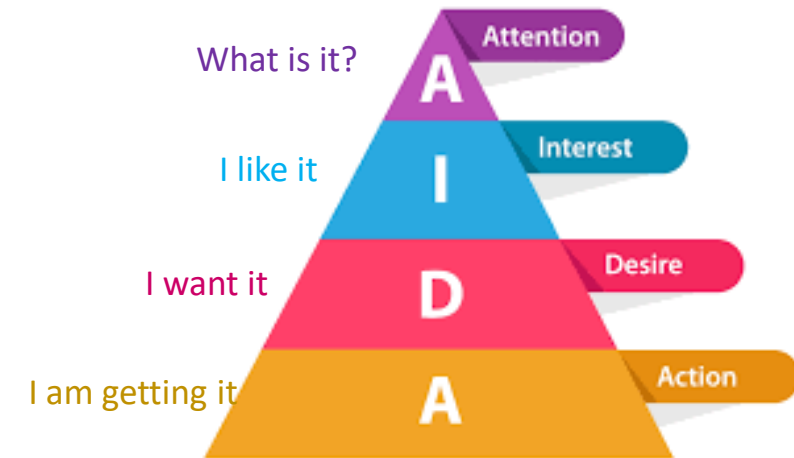
- **Advertising budget**
- The dollars and other resources allocated to a product or a company advertising program.
 - **Affordable method:** Setting the promotion budget at the level management thinks the company can afford.
 - **Percentage-of-sales method:** Setting the promotion budget at a certain percentage of current or forecasted sales or as a percentage of the unit sales price.
 - **Competitive-parity method:** Setting the promotion budget to match competitors' outlays.
 - **Objective-and-task method:** Developing the promotion budget by (1) defining specific promotion objectives, (2) determining the tasks needed to achieve these objectives, and (3) estimating the costs of performing these tasks. The sum of these costs is the proposed promotion budget.

Advertising strategy: The strategy by which the company accomplishes its advertising objectives. It consists of two major elements: **creating advertising messages** and **selecting advertising media**.



1. Creating advertising messages: AIDA MODEL

- **Awareness:** creating brand awareness or affiliation with your product or service.
- **Interest:** generating interest in the benefits of your product or service, and sufficient interest to encourage the buyer to start to research further.
- **Desire:** for your product or service through an 'emotional connection', showing your brand personality. Move the consumer from 'liking' it to 'wanting it'.
- **Action:** CTA - Move the buyer to interact with your company and taking the next step ie. downloading a brochure, making the phone call, joining your newsletter, or engaging in live chat, etc.



- The message can be presented in various **execution styles**:
 - ***Slice of life***. This style shows one or more “typical” people using the product in a normal setting.
 - ***Lifestyle***. This style shows how a product fits in with a particular lifestyle.
 - ***Fantasy***. This style creates a fantasy around the product or its use.
 - ***Mood or image***. This style builds a mood or image around the product or service, such as beauty, love, intrigue, serenity, or pride.
 - ***Musical***. This style shows people or cartoon characters singing about the product

- ***Personality symbol.*** This style creates a character that represents the product.
- ***Technical expertise.*** This style shows the company's expertise in making the product.
- ***Scientific evidence.*** This style presents survey or scientific evidence that the brand is better or better liked than one or more other brands
- ***Testimonial evidence or endorsement.*** This style features a highly believable or likable source endorsing the product. It could be ordinary people saying how much they like a given product.
- ***Storytelling.*** This style use fact and narrative to communicate something to your audience. It is a very powerful style

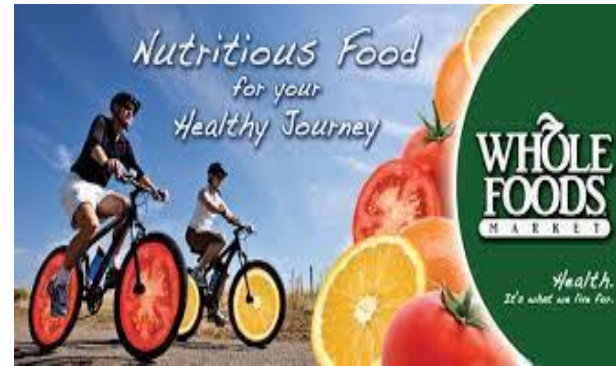
Chapter 08

Execution styles examples

Slice of life



Lifestyle



Mood



Fantasy



Chapter 08

Execution styles examples

Musical



Chapter 08

Execution styles examples

Personality symbol



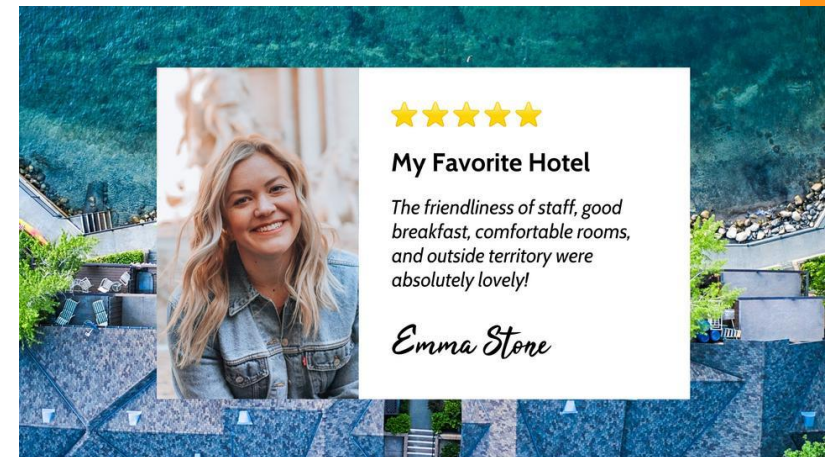
Technical expertise



Scientific evidence



Testimonial





McCann Erickson
MasterCard
PayPass
Elephant
:60
1.8.07

2. Selecting advertising media:

- **Advertising media:** The vehicles through which advertising messages are delivered to their intended audiences.
- The major steps in **advertising media** selection are:
 1. Determining reach, frequency, impact, and engagement;
 2. Choosing among major media types;
 3. Selecting specific media vehicles; and
 4. Choosing media timing.

Determining reach, frequency, impact, and engagement:

- To select media, the advertiser must determine the reach and frequency needed to achieve the advertising objectives.
- *Reach* is a measure of the *percentage* of people in the target market who are exposed to an ad campaign during a given period of time (For example, the advertiser might try to reach 70 percent of the target market during the first three months of a campaign)
- *Frequency* is a measure of how many *times* the average person in the target market is exposed to a message. (For example, the advertiser might want an average exposure frequency of three)
- The advertiser also must determine the desired *media impact*—the *qualitative value* of message exposure through a given medium. (For example, television ads or online videos may have more impact than radio messages because they use sight, motion, *and* sound).
- The advertiser wants to choose media that will *engage* consumers rather than simply reach them.

Developing advertising strategy

Choosing among major media types

Profiles of Major Media Types

Medium	Advantages	Limitations
Television	Good mass-marketing coverage; low cost per exposure; combines sight, sound, and motion; appealing to the senses	High absolute costs; high clutter; fleeting exposure; less audience selectivity
Digital, mobile, and social media	High selectivity; low cost; immediacy; engagement capabilities	Potentially low impact; high audience control of content and exposure
Newspapers	Flexibility; timeliness; good local market coverage; broad acceptability; high believability	Short life; poor reproduction quality; small pass-along audience
Direct mail	High audience selectivity; flexibility; no ad competition within the same medium; allows personalization	Relatively high cost per exposure; "junk mail" image
Magazines	High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life and good pass-along readership	Long ad purchase lead time; high cost; no guarantee of position
Radio	Good local acceptance; high geographic and demographic selectivity; low cost	Audio only; fleeting exposure; low attention ("the half-heard" medium); fragmented audiences
Outdoor	Flexibility; high repeat exposure; low cost; low message competition; good positional selectivity	Little audience selectivity; creative limitations

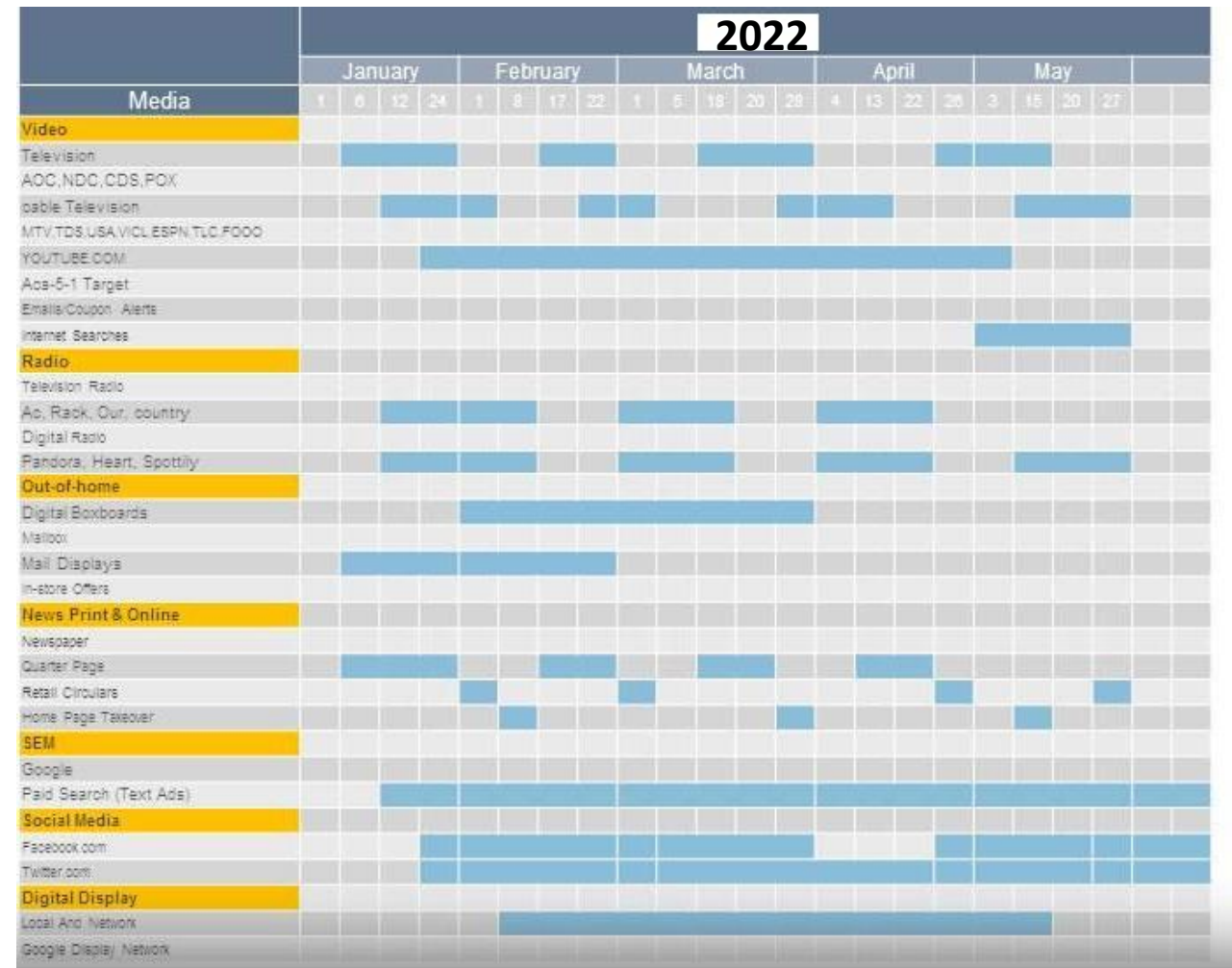
- Media planners must also choose the best media vehicles—specific media within each general media type.
- They look at cost (producing and broadcasting), reach, audience quality, audience engagement, the vehicle's editorial quality...



Chapter 08

Deciding on media timing.

- An advertiser must also decide how to schedule the advertising over time.



Evaluating advertising effectiveness and the return on advertising investment

- **Return on advertising investment:** The net return on advertising investment divided by the costs of the advertising investment.
- Advertisers should regularly evaluate two types of advertising results: the communication effects and the sales and profit effects.
- Measuring the *communication effects* of an ad or ad campaign tells whether the ads and media are communicating the ad message well. Individual ads can be tested before or after they are run.
- *Sales and profit* effects of advertising and other content are often much harder to measure. One way to measure the sales and profit effects of advertising is to compare past sales and profits with past advertising expenditures. Another way is through experiments. For example, to test the effects of different advertising spending levels, Coca-Cola could vary the amount it spends on advertising in different market areas and measure the differences in the resulting sales and profit levels.



that's all for today!