

## CHAPTER 16 OUTLINE: INTEGRATED MARKETING COMMUNICATIONS

### NATURE OF INTEGRATED MARKETING COMMUNICATIONS

- **Integrated marketing communications**
  - Obtaining maximum informational and persuasive impact through the coordination of the marketing efforts and promotion
  - Goal is to send constant messages to the customers

### THE ROLE OF PROMOTION

- Communication with individuals, groups or organization to directly or indirectly facilitate exchange by informing and persuading one or more audiences to accept organizations products
- **Cause-related marketing**
  - Links purchase to philanthropic efforts for a particular cause
    - Boost sales
    - Good will
    - Sponsor special events that lead to news coverage

### PROMOTION AND THE COMMUNICATION PROCESS

- Transmission of information where sender and receiver must share some common ground
- Communications—sharing of meaning, circular process
  - Begins with **source** (person, group or organization with a message)
  - **Receiver** → individual, group, or organization that decodes a coded message
    - *Audience* → two or more receivers
  - **Encoding** → coding process in which a message has to have certain characteristics that are familiar to the targeted group
  - **Medium of transmission** → carries the coded message from the source to the audience (radio, television, etc.)
  - **Decoding process** → signs converted into concepts and ideas
  - **Feedback** → receiver's response
  - **Channel capacity** → limit of information that a communication channel can handle

### OBJECTIVES OF PROMOTION

- **Create awareness**
- **Stimulate demand**
  - **Primary demand:**
    - Demand for a product category rather than for a specific brand of product
    - Pioneer promotion is used to inform potential customers about the product
  - **Pioneer demand:**
    - Promotion that informs customers about a new product
    - What it is, what it does, how it is used, and where it can be purchased
  - **Selective demand:**
    - Build demand on strengths or attributes of product done through free samples, coupons, contest and sweepstakes
- **Encourage product trial:**
  - Coupons, samples, test drives, etc.
- **Identify prospects:**
  - Efforts to identify customers through customer response cards, toll free numbers, etc.
- **Retain loyal customers:**
  - Ex: frequent user/buyer programs, cheaper than getting new customers
- **Facilitate reseller support:**
  - Build strong support for product by good relationship between producers and resellers
- **Combat competitive promotional efforts:**

- Used in extremely competitive product markets → ex: fast food industry
- Reduce sales fluctuations:
  - Promotion techniques designed to stimulate sales during sales slumps

THE PROMOTION MIX → Four possible elements

ADVERTISING	
Definition	Paid nonpersonal communication about an organization and its products transmitted to a target audience through mass media
Advantages	<ul style="list-style-type: none"> <li>● Good for building awareness</li> <li>● Cost efficient when it reaches a vast number of people at a low cost per person</li> <li>● Effective at reaching a wide audience</li> <li>● User can repeat the message several times</li> <li>● Advertising a product a certain way can add to the product's value, and the visibility an organization gains from advertising can enhance its image</li> <li>● Repetition of main brand and product positioning helps build customer trust</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>● Impersonal - cannot answer all a customer's questions</li> <li>● Not good at getting customers to make a final purchasing decision</li> <li>● Measuring effect on sales is difficult</li> <li>● Less persuasive than personal selling</li> <li>● Dollar outlay can be high which can limit advertisements (TV ads during peak hours)</li> <li>● Slow feedback</li> </ul>
Notes	<ul style="list-style-type: none"> <li>● Advertising is changing as consumers' mass media consumption habits are changing.</li> <li>● Individuals and organizations use advertising to promote goods, services, ideas, issues, and people</li> <li>● Highly flexible, advertising can reach an extremely large target audience or focus on a small, precisely defined segment</li> <li>● Sometimes a firm tries to enhance its own or its product's image by including celebrity endorsers in advertisements.               <ul style="list-style-type: none"> <li>○ Downside is when celebrities act inappropriately (Nike has suspended or terminated many contracts because of its</li> </ul> </li> </ul>

PERSONAL SELLING	
Definition	Paid personal communication that attempts to inform customers and persuade them to buy products in an exchange situation
Advantages	<ul style="list-style-type: none"> <li>● Highly interactive - lots of communication between the buyer and seller</li> <li>● Excellent for communicating complex/detailed product information and features</li> <li>● Greater impact on customer</li> <li>● Relationships can be built up - important if closing the sale make take a long time</li> <li>● Immediate feedback – allows marketers to adjust their messages to improve communication, helps them determine and respond to customers' information needs</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>● Costly - employing a sales force has many hidden costs in addition to wages</li> <li>● Not suitable if there are thousands of important buyers</li> </ul>
Notes	<ul style="list-style-type: none"> <li>● <i>Purchase products</i> is interpreted broadly to encompass acceptance of ideas and issues</li> <li>● Most extensively used in the business-to-business market and also in the business-to-consumer market for high-end products (homes, cars, electronics furniture)</li> <li>● Involves more specific communication directed at one or several individuals</li> <li>● Several types of interpersonal communication:               <ul style="list-style-type: none"> <li>○ Predominant is spoken and written language</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ <b>Kinesic communication:</b> communicating through the movement of head, eyes, arms, hands, legs, torso or winking, head nodding, hand gestures, and arm motion</li> <li>○ <b>Proxemic communication:</b> communicating by varying the physical distance in face-to-face interaction</li> <li>○ <b>Tactile communication:</b> communicating through touching</li> <li>● Very useful in high-risk transactions</li> </ul>
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PUBLIC RELATIONS	
Definition	Communication efforts used to create and maintain favorable relations between an organization and its stakeholders
Advantages	<ul style="list-style-type: none"> <li>● Often seen as more "credible" - since the message seems to be coming from a third party (e.g. magazine, newspaper)</li> <li>● Cheap way of reaching many customers - if the publicity is achieved through the right media</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>● Risk of losing control - cannot always control what other people write or say about your product</li> <li>● Unpleasant situations and negative events (product tampering, environmental disaster, etc.) may generate unfavorable public relations for an organization</li> </ul>
Notes	<ul style="list-style-type: none"> <li>● Maintaining a positive relationship with one or more stakeholders can affect a firm's current sales and profits, as well as its long-term survival</li> <li>● Uses a variety of tools; annual reports, brochures, event sponsorships of socially responsible programs aimed at protecting the environment or helping disadvantaged individuals</li> <li>● Goal is to create and enhance a positive image of the organization</li> <li>● Marketers are increasingly going directly to consumers with their public relations efforts through social media</li> <li>● Publicity is nonpersonal communications in news story form about an organization or its products, or both, transmitted through a mass medium at no charge (news releases, press conferences, feature articles, and social media sites)</li> <li>● To generate publicity, companies sometimes give products to celebrities in hope they will be photographed with the product which will stimulate awareness and product trial among their fans</li> <li>● PR efforts may be the responsibility of an individual or of a department within the organization, or the organization may hire an independent public relations agency</li> <li>● Crisis management plans are policies and procedures used to minimize the damaging effects of unfavorable coverage and attempt to anticipate what can go wrong and how to respond</li> <li>● An organization should have someone responsible for public relations either internally or externally and should have an ongoing public relations program</li> </ul>

SALES PROMOTION	
Definition	An activity and/or material intended to induce resellers or salespeople to sell a product or consumers to buy it
Advantages	<ul style="list-style-type: none"> <li>● Can stimulate quick increases in sales by targeting promotional incentives on particular products</li> <li>● Good short term tactical tool</li> </ul>