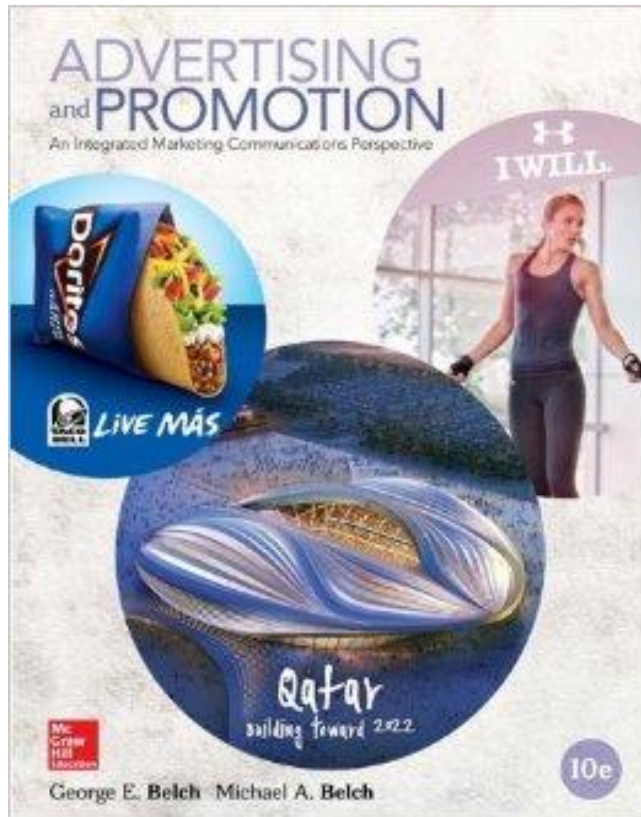


# Chapter 1

## An Introduction to IMC



By  
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Mkt 337 (sections 3)

# The age old question: What is Marketing ?

- ▶ **Marketing** is the activity, set of institutions and process of creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.
- ▶ **Exchange** occurs between two parties with something of value to one another, a desire and ability to give up that something to the other party, and a way to communicate with other.
- ▶ **Value** is a customer's perception of all the benefits of a product or service weighted against all costs of acquiring and consuming it.

# The marketing mix

- ▶ The Four Ps (product marketing)

- ▶ Product
- ▶ Price
- ▶ Place
- ▶ Promotion



- ▶ Four Ps + Three Ps (service marketing)

- ▶ People
- ▶ Process
- ▶ Physical Evidence



# Evolution of IMC

- ▶ According to American Association of Advertising Agencies, IMC focused on the process of using all forms of promotions to achieve maximum communication impact.
- ▶ However, others argue for an even broader perspective. They noted that the process of IMC calls for a bigger approach to planning marketing & promotional program & coordinating the communication functions.
- ▶ The contemporary definition of IMC says that IMC is a strategic business process plan, develop, execute and evaluate coordinated, measurable persuasive brand communication programs over time with consumers, customers, prospects, employees, associates, and other targeted relevant external and internal audiences.

# The growing importance of IMC

- ▶ The shift from traditional mass media to non traditional media, micromarketing and the Internet.
- ▶ Shift of consumers from traditional TV channels to satellite channels
- ▶ ‘Broad’cast to ‘Narrow’cast.
- ▶ Media Fragmentation.

# IMC & Branding

- ▶ Develops and sustains brand equity and identity.
- ▶ Brand equity is the overall value derived from a consumer's perception of the brand name from its brand image rather than the actual product itself.
- ▶ Brand identity is the combination of factors including name , logo, symbol, design, packaging and performance of a product or services as well as the image or type of association that comes to mind when consumers think about a brand.
  - ▶ Encompasses awareness, knowledge and image of the brand as well as the company behind it.

# Tools for IMC : promotional mix

## Promotional Mix Diagram Example



# Tools for IMC : promotional 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



It's a common consumer gripe that the handle is the first thing to come apart in any cookware. To address this problem, TTK Prestige launched the Omega range of non-stick cookware with strong handles. To communicate this, an innovative handling was put up in Bangalore. What made this idea powerful was the fact that the handling carrying a giant non-stick fry pan actually rested on the handle.



# Types of advertisement

## ▶ National Advertising

- ▶ Done by companies on a nationwide basis or in most regions of the country.

## ▶ Retail/Local advertising

- ▶ Advertisement done by retailer or local merchants to encourage customers to buy from a certain retail store or use a specific local service.

## ▶ Primary versus Selective demand advertisement

- ▶ Primary demand advertisement is designed to generate demand for the general product class or entire industry.
- ▶ Selective demand advertisement focuses on creating demands for a specific company's brands.

# Type of advertisement in B2B market

- ▶ B2B Advertising
- ▶ Professional advertising
- ▶ Trade Advertising

# Tools for IMC : promotional mix

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

- Discounts
- Coupons
- Displays
- Demonstrations



## Tools for IMC : promotional 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



# Tools for IMC : promotional 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.

- Catalog
- Telemarketing
- Kiosks





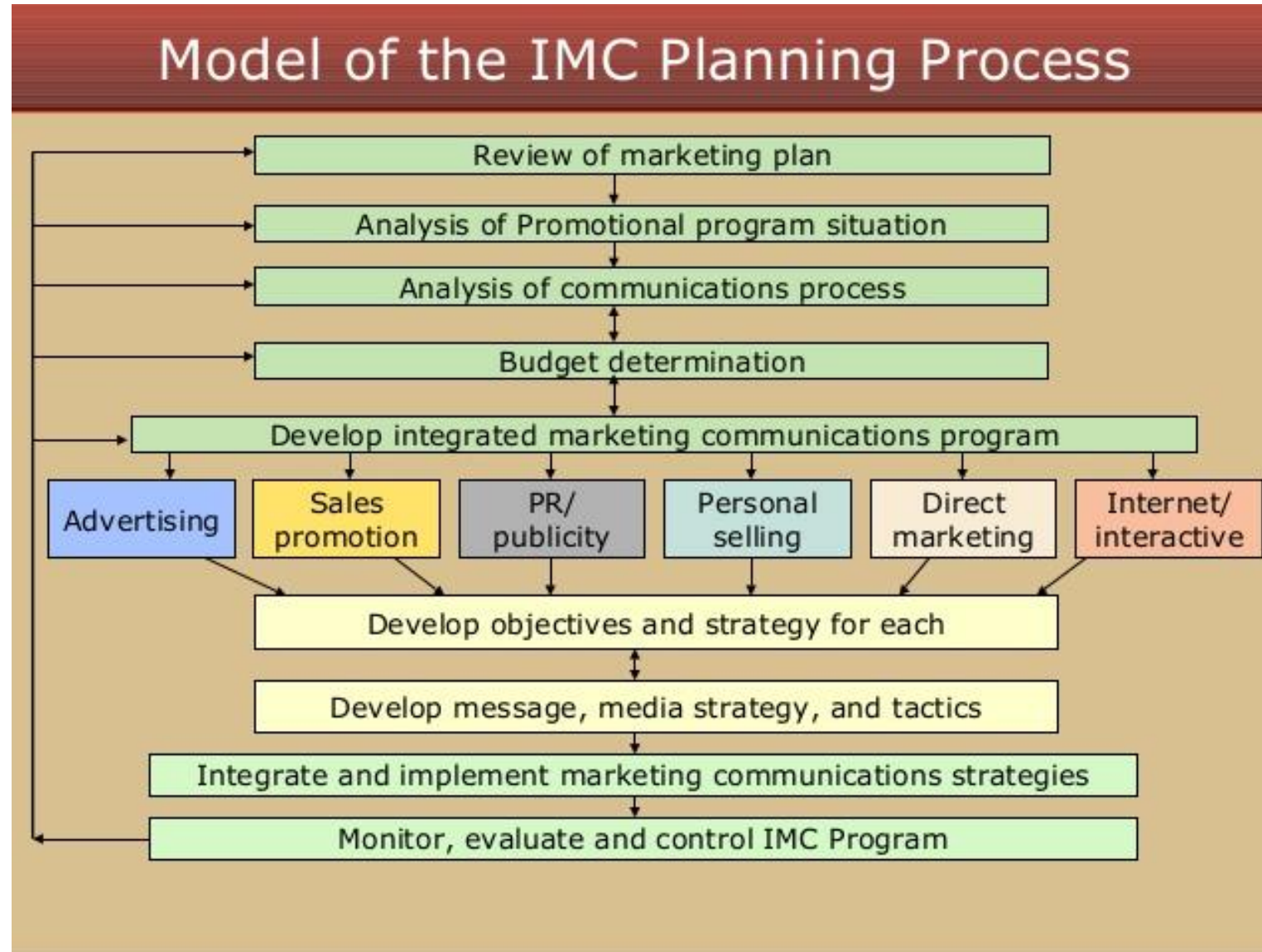
# Tools for IMC : promotional mix

## ▶ Public relations

- ▶ Non personal
  - ▶ Not really a paid job like advertisement
  - ▶ Makes people less skeptical about a product/service/person
  - ▶ Lower cost than advertisements
- 
- ▶ Good PR = Publicity+ image+ control+ favorable information



# The IMC planning process



# Review of the marketing plan

- ▶ Situation analysis
- ▶ Review marketing objectives
- ▶ Develop a marketing strategy that includes STP and 4P
- ▶ Implementation program
- ▶ Evaluation process

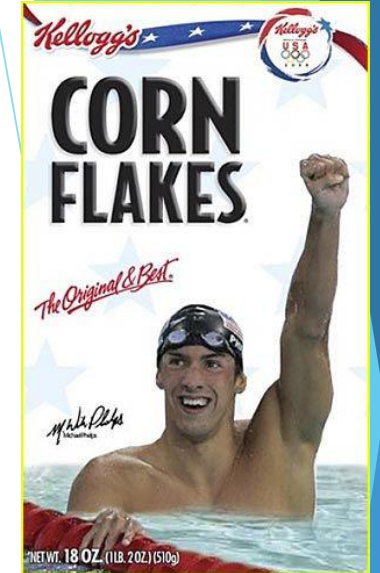


# Promotional program situation analysis

- ▶ Analyzing inhouse vs external advertisement
  - ▶ Success and failure of last programs are reviewed.
- ▶ Analyzing strength and weakness from a brand image perspective. e.g Starbucks (internal analysis)
- ▶ Analyzing competitors and customer buying decision process. (external analysis)

# Analysis of communication process

- ▶ Communication source, message and channel factors
- ▶ Marketing objectives vs communication objective
  - ▶ Marketing objectives will find out what is to be accomplished by the overall marketing program.
  - ▶ Communication objective refers to what the company seeks to accomplish with its promotional program.



# Budget determination

- ▶ How will the money be allocated?
- ▶ What will the promotion program cost?



# Developing the IMC program

- ▶ With the help of the promotional tools



# Evaluating and control

- ▶ How well the IMC program is meeting communication objectives
- ▶ This stage provides managers a continual feedback concerning the effectiveness of the IMC program.

- Excellent
  - Very good
  - Good
  - Average
  - Poor
- 

Thank you

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