

Chapter

14

# Communicating Customer Value: Integrated Marketing Communications Strategy

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# The Promotion Mix

## Marketing Communication Mix

▶ The promotion mix or marketing communication mix is the specific blend of advertising, public relations, personal selling, and direct-marketing tools that the company uses to persuasively communicate customer value and build customer relationships.



# The Promotion Mix

## Major Promotion Tools

**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

## Major Promotion Tools

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

- Discounts
- Coupons
- Displays
- Demonstrations



# The Promotion Mix

## Major Promotion Tools

**Public relations** involves 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.

- Press releases
- Sponsorships
- Special events
- Web pages





## The Promotion Mix



## Major Promotion Tools

**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

## Major Promotion Tools

**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



# Integrated Marketing Communications

## The Shifting Marketing Communications Model

- The explosive developments in communications technology and changes in marketer and customer communication strategies have had a dramatic impact on marketing communications.
- Many large advertisers are shifting their advertising budgets away from network television in favor of more targeted, cost-effective, interactive, and engaging media.



# Integrated Marketing Communications

## The Need for Integrated Marketing Communications

**Integrated marketing communications** is the integration by the company of its communication channels to deliver a clear, consistent, and compelling message about the organization and its brands.



# Integrated marketing Communications

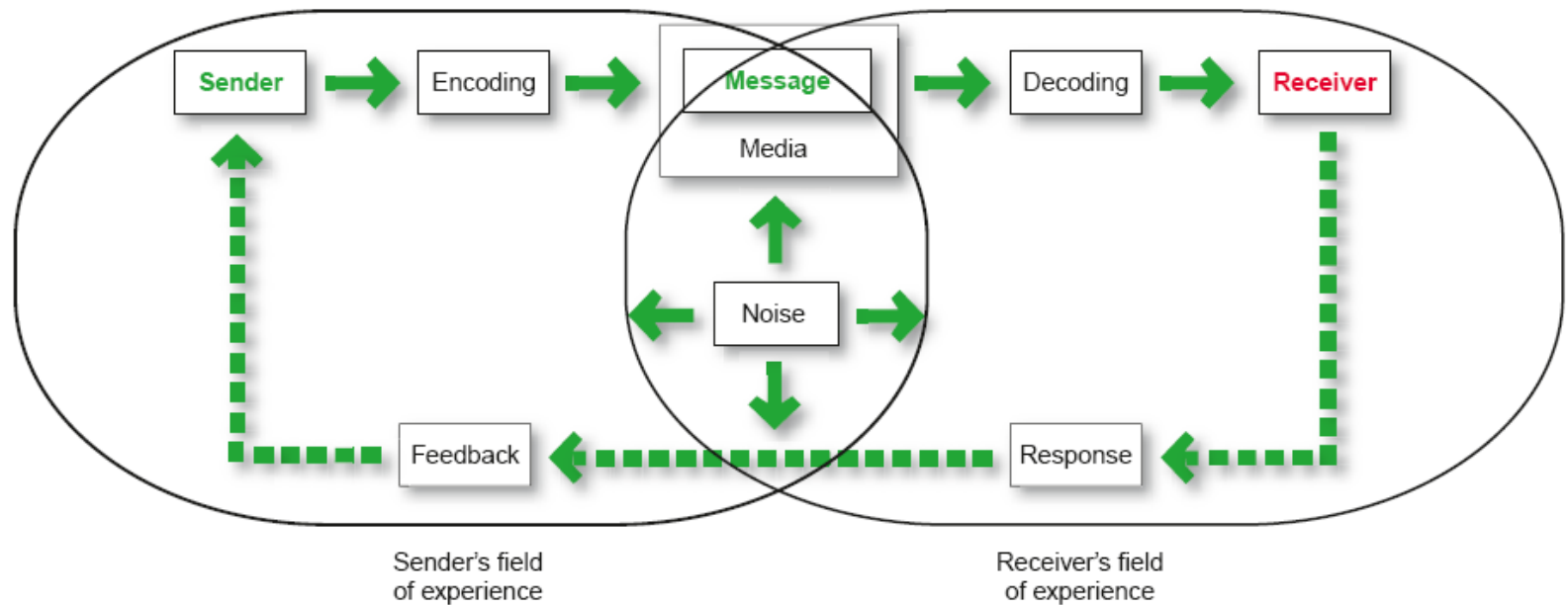
**FIGURE | 11.1**  
Integrated Marketing Communications



# A View of the Communication Process

**FIGURE | 11.2**  
Elements in the  
Communications Process

There is a lot going on in this figure! For example, apply this model to McDonald's. To create great advertising—such as its long-running "I'm lovin' it" campaign—McDonald's must thoroughly understand its customers and how communication works.

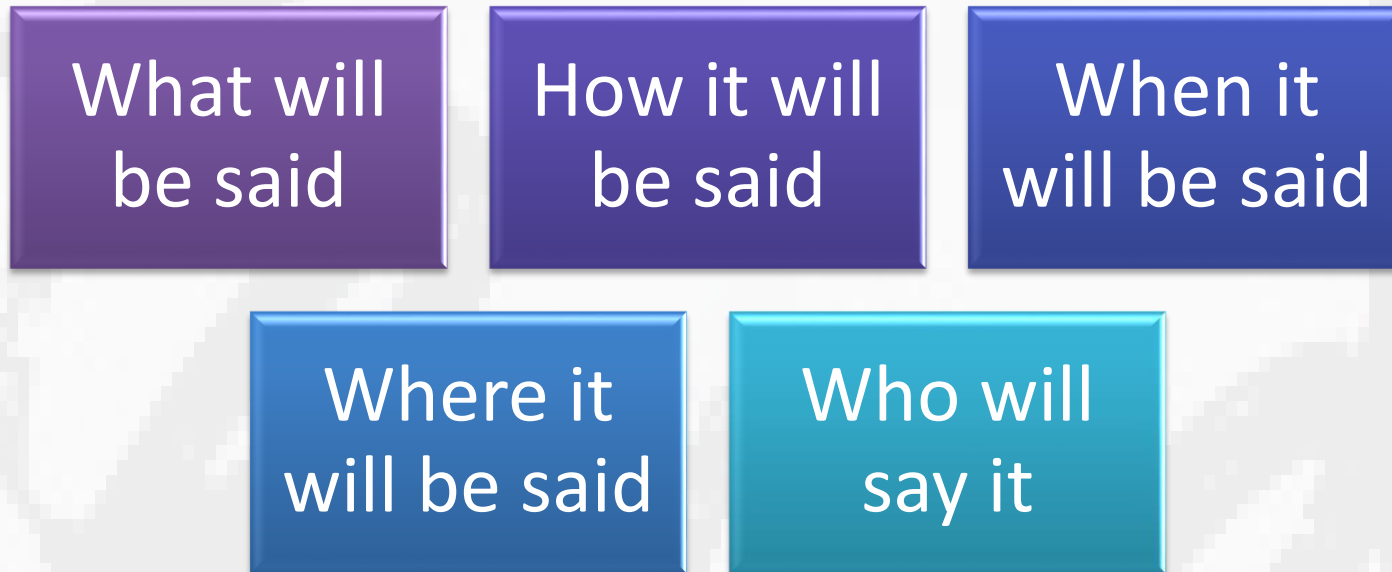


# Steps in Developing Effective Marketing Communications



# Steps in Developing Effective Marketing Communications

## Step : Identifying the Target market



# Steps in Developing Effective Marketing Communications

## Step 2: Determining the Communication Objectives

- Marketers seek a purchase response that results from a consumer decision-making process that includes the stages of **buyer readiness**.



# Steps in Developing Effective Marketing Communications

FIGURE | 11.3  
Buyer-Readiness Stages



# Steps in Developing Effective Marketing Communications

## Step 3: Designing a Message

**AIDA Model:** Get **A**ttention, Hold **I**nterest, Arouse **D**esire, Obtain **A**ction

- When putting the message together, the marketing communicator must decide:
  - What to say ( *message **content*** )
  - How to say it ( *message **structure** and **format*** )



## Steps in Developing Effective Marketing Communications

**Message content** is an appeal or theme that will produce the desired response.

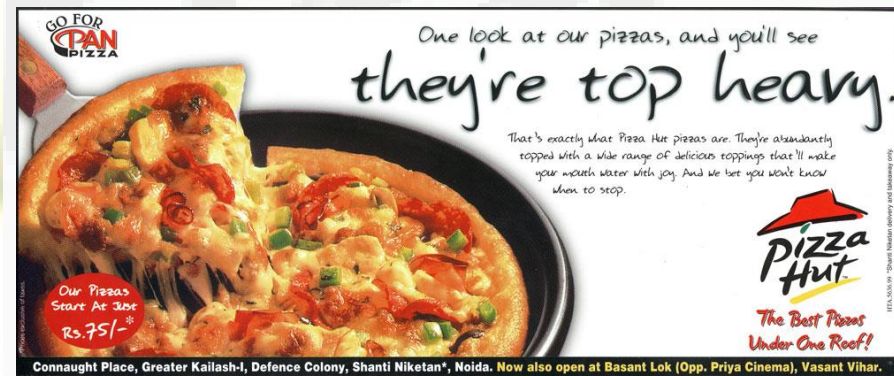
- **Rational appeal** relates to the audience's self-interest.
- **Emotional appeal** is an attempt to stir up positive or negative emotions to motivate a purchase.
- **Moral appeal** is directed at the audience's sense of right and proper.



# Steps in Developing Effective Marketing Communications

## Message Structure:

- Do they draw a conclusion or leave it to the audience?
- Do they present the strongest arguments first or last?
- Is the message one sided (strengths only) or two-sided?



# Steps in Developing Effective Marketing Communications

## Message Format:

- Color, text, copy, images, headline, illustration, color, message size and position, body language...

# Steps in Developing Effective Marketing Communications

## Step 4: 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 Communications

**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 Communications

## 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 Communications

## Choosing Media: 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 Communications

## 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.

**Events** are staged occurrences that communicate messages to target audiences: press conferences, grand openings, exhibits, public tours.



# Steps in Developing Effective Marketing Communications

## Step 5: Selecting the Message Source

The message's impact on the target audience is affected by how the audience views the communicator.

### •Celebrities

- Athletes
- Entertainers

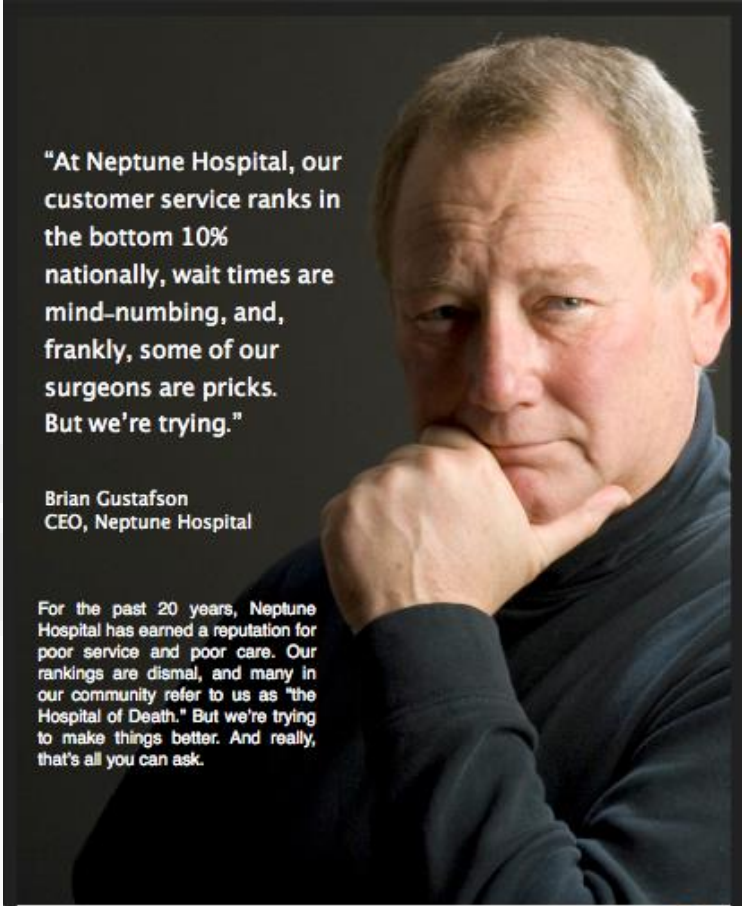


# Steps in Developing Effective Marketing Communications

## Step 5: Selecting the Message Source

### Professionals

- Health care providers



"At Neptune Hospital, our customer service ranks in the bottom 10% nationally, wait times are mind-numbing, and, frankly, some of our surgeons are pricks. But we're trying."

Brian Gustafson  
CEO, Neptune Hospital

For the past 20 years, Neptune Hospital has earned a reputation for poor service and poor care. Our rankings are dismal, and many in our community refer to us as "the Hospital of Death." But we're trying to make things better. And really, that's all you can ask.

Neptune Hospital – we're really trying.

NEPTUNE



# Steps in Developing Effective Marketing Communications

## Step 6: Collecting Feedback

The communicator must research the effect of the message on the target audience by measuring the behavior resulting from the message.

# Setting the Total Promotion Budget and Mix

## Setting the Total Promotion Budget

1. Affordable budget method
2. Percentage-of-sales method
3. Competitive-parity method
4. Objective-and-task method

## Setting the Total Promotion Budget and Mix

### Setting the Total Promotion Budget

**Affordable budget method** sets the budget at an affordable level.

- Ignores the effects of promotion on sales.

## Setting the Total Promotion Budget and Mix

### Setting the Total Promotion Budget

**Percentage of sales method** sets the budget at a certain percentage of current or forecasted sales or 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

### Setting the Total Promotion Budget

**Competitive-parity method** sets the budget to match competitor outlays.

- Represents industry standards
- Avoids promotion wars

## Setting the Total Promotion Budget and Mix

### Setting the Total Promotion Budget

**Objective-and-task method** sets the budget based on what the firm wants to accomplish with promotion and includes:

- Defining promotion objectives
- Determining tasks to achieve the objectives
- Estimating costs



# 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.

## 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.

# Shaping the Overall Promotion Mix

## The Nature of Each Promotion Tool

**Sales promotion** includes coupons, contests, cents-off deals, and premiums that attract consumer attention and offer strong incentives to purchase, and can be used to dramatize product offers and to boost sagging sales.

# 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, customized, and interactive promotional tool that includes direct mail, catalogs, telemarketing, and online marketing.

# Shaping the Overall Promotion Mix

**FIGURE | 11.4**  
Push versus Pull Promotion Strategy

