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Designing and Managing Integrated Marketing Communication

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Abstract: Modern Marketing calls for more than developing a good product, pricing it attractively, and making it accessible. Companies must also communicate with present and potential stakeholders as well as the general public. For most companies, the question is not whether to communicate but rather what to say, to whom, and how often. In fact, every brand contact delivers an impression that can affect a customer's view of the company. Therefore, the entire marketing mix must be integrated to deliver a consistent message and strategic positioning. This chapter explores marketing communication, with a closer look at advertising, sales promotion, public relations, direct marketing.

Introduction

Today, communication is seen as an interactive dialogue between the company and its customers that takes place during the preselling, selling, consuming and postconsuming stages. Companies are asking not only "How can we reach our customers?" but also "How can our customers reach us?" Sellers now use a variety of communication platforms to stay in touch with customers. Increasingly, it is the newer technologies, such as the Internet, that have encouraged more firms to use targeted communication for one-to-one dialogues with customers and other stakeholders.

Steps to develop effective marketing communications:

1. Identify the target audience

A major part of audience analysis is assessing the audience's current image of the company, its products, and its competitors. If most respondents have unfavorable feelings towards the product, the organization needs to overcome a negative image problem, which requires great patience because images are persistent even long after the organization has changed. Once people havea certain image, they perceive what is consistent with that image. It will take highly disconfirming information to raise doubts and open their minds- but it can be done.

2. Determine the communication objectives

Here the marketer wants to decide that whether he wants to put something into consumer's mind, change an attitude, or get the consumer to act. "Learn-feel-do" sequence is appropriate when the audience has high involvements with a product category that is perceived to have differentiation, as in purchasing an automobile. An alternative sequence, "do-feel-learn," is relevant when the audience has high involvement but perceive little or no differentiation within the product category, as in purchasing aluminum siding. A third sequence, "learn-do-feel," is relevant when the audience has low involvement and perceives little differentiation within the category, as in purchasing salt.

3. Design the message

The communicator now moves next to developing an effective message. Ideally, the message should gain attention, hold interest, arouse desire, and elicit action. AIDA (Attention- Interest-Desire-Action) framework suggests the desirable qualities of any communication. Formulating the message involves decisions about message content, structure, format, and source.

4. Select the communication channels

The communicator must select an effective communication channel to carry the message. In general, firms use two types of communication channels: personal and non-personal. Personal communication channels involve two or more persons communicating directly with each other face to face, person to audience, over the telephone, or through e-mail. These channels derive their effectiveness through individualized presentation and feedback. Non-personal communication channels include media, atmospheres, and events. Media consists of print media, broadcast media, network media, electronic media, and display media. Most non-personal messages cone through paid media. Atmospheres are "packaged environments" that create or reinforce the buyer's learning's toward product purchase. Law offices, for instance, are decorated with fine rugs and furniture to communicate "stability" and "success". Events are occurrences such as news conferences, grand opening, and other activities designed to communicate particular message to target audiences.

5. Establish the communications budget

Industries and companies vary considerably in how much they spend on promotion. Expenditures might amount to 30-50 percent of sales in the cosmetics industry but only 5-10 percent in the industrial-equipment industry, with company-to-company variations. Four common methods of deciding on a budget include: Affordable method: Many companies set the promotion budget at what management thinks the firm can afford. Percentage-of-the-sales method: Many firms set promotion expenditure as a specified percentage of sales or of the sales price.

Competitive-parity method: Some companies set their promotion budget to achieve share-of-voice parity with competitors. But Company reputations, resources, opportunities and objectives differ so much that promotion budgets are hardly a guide. Objective-and-task method: In this, marketers develop promotion budgets by defining specific objectives, determining the tasks that must be performed to achieve these objectives, and estimating the costs of performing these tasks. The sum of these costs is the proposed promotion budget.

6. Decide on the media mix i.e. Marketing Communication Mix

Companies must decide how to allocate the budget over the five promotional tools. Even in the same industry, companies differ considerably in their media and channel choices. Advertising can reach geographically dispersed buyers efficiently. Certain forms of advertising require a large budget, while others do not. Sales promotion tools-coupons, contests, premiums and the like offer three key benefits: communication, incentive and invitation. The appeal of public relations and publicity is based on three qualities: high credibility, ability to catch buyers off guard and dramatization. Direct marketing can be in the form of direct mail, telemarketing and Internet Marketing. These share four characteristics- nonpublic, customized, up-to-date and interactive. Qualities of personal selling include personal confrontation, cultivation and response.

7. Measure the results

After implementing the promotional plan, the company must measure its impact. Members of the target audience are asked whether they recognize or recall the message, how many times they saw it, what points they recall, how they felt about the message, and their previous and current attitude towards the product and company. The communicator should also collect behavioral measures of audience response, such as how many people bought the product, like it, and talked to others about it.

8. Manage the integrated marketing communication process.

Given the fragmenting of mass markets, the proliferation of new media, and the growing sophistication of customers, companies need to use a wider range of tools and messages through integrated marketing communications. Integrated marketing communications (IMC) is a concept of marketing communications planning that recognizes the added value of a comprehensive plan evaluating the strategic roles of a variety of communications disciplines-such as advertising, direct response, sales promotion and public relations- and combine these disciplines to provide clarity, consistence and maximum communications impact through the seamless integration of discrete messages. Properly implemented, IMC improves the firm's ability to reach the right customers with the right messages at the right time and in the right place.

Developing and Managing the advertising Campaign

Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. Advertisers include not only business firms but also museums, charitable organizations and government agencies that direct messages to target publics. Ads are a cost-effective way to disseminate messages, whether to build brand preference for absolute vodka or to educate people about the dangers of drugs.

In developing an advertising program, marketing managers make five critical decisions. These are known as 5 M's:

Mission- What are the advertising objectives?
Money- How much can be spent?
Message- What message should be sent?

Media- What media should be used?
Measurement- How should the results be evaluated?

Setting Advertising Objectives

Advertising Objectives can be classified according to whether their aim is to perform, persuade, remind or reinforce. Informative advertising aims to create awareness and knowledge of new products or new features of existing products. Persuasive advertising aims to create liking, preference, conviction and purchase of goods or service. Some persuasive advertising is comparative advertising, which explicitly compares two or more brands.Reminder advertising aims to stimulate repeat purchase of products. Reinforcement advertising seeks to convince current purchasers that they made the right choice. If the product class is mature, the company is the market leader, and brand usage is low, the proper objective should be to stimulate more usage. If the product class is new, the company is not the market leader but the brand is superior to the leader, the proper objective is to convince the market of the brand's superiority.

Deciding on the Advertising Budget

Management should consider five factors when setting the advertising budget. These are Product life cycle, Market share and consumer base, Competition and clutter, Advertising frequency, Product Substitutability.

Choosing the Advertising Message

In developing a creative strategy, advertising follow four steps: Message generation, message evaluation and selection, message execution and social responsibility review.

Message Generation- Creative people can use several methods to generate possible advertising appeals. Many proceed inductively by talking to consumers, dealers, experts and competitors, while others use a deductive framework.

Message and Selection- A good ad normally focuses on one core selling proposition. Twedt suggested that messages be rated on desirability, exclusiveness and believability.

Message Execution- The message's impact depends not only upon what is said but also on how it is said. Some ads aim for rational positioning and others for emotional positioning. The actual words in an ad must be memorable and attention-getting to make an impression on the audience.

Social Responsibility Review- Advertisers and their agencies must be sure their "creative" advertising does not overstep social and legal norms. More marketers work hard to communicate openly and honestly with consumers. Still abuses occur and public policymakers have developed a substantial body laws and regulations to govern advertising. To be socially responsible, advertisers try not to offend ethnic groups, racial minorities or special-interest groups.

Developing Media Strategies

It includes the following steps:

Deciding on Reach, Frequency and Impact - Media Selection means finding the most cost-effective media to deliver the desired number of exposures to the target audience. The effect of exposures on audience awareness depends on the exposures reach, frequency and impact. The media planner must figure out the most cost-effective combination of reach, frequency and impact.

Selecting Media and Vehicles - The media planner has to know the capacity of the major media types to deliver reach, frequency and impact. Media planners choose media categories by considering four main variables. First is the target audience's media habit. Second is the product. Media types have different potentials for demonstration, visualization, explanation, believability and color. Third is the message. A message announcing a major sale tomorrow will require radio, TV or newspaper. A message containing technical data might require specialized magazines or mailings. Fourth is cost. Television is more expensive than newspaper and radio advertising. What counts is the cost-per-thousand exposures.

Deciding on media Timing- In choosing media, the advertiser faces both a macro-scheduling and a micro-scheduling problem. The macro-scheduling problem is scheduling the advertising in relation to seasons and the business cycle. The micro-scheduling problem calls for allocating advertising expenditures within a short period to obtain maximum impact. Over a given period, advertising messages can be concentrated, dispersed continuously or dispersed intermittently. The advertiser must also decide whether to leave and messages level, increase them, decrease them or alternate them in the schedule.

Deciding on Geographical Allocation- In allocating media geographically, the company should consider area differences in market size, advertising response, media efficiency, competition and profit margins. The company makes "national buys" when it places ads on national TV and radio network or in circulated publications. It makes "spot buys" when it buys TV or radio time in just few markets or in regional editions of national publications. The company makes "Local buys" when it uses local advertising media. Despite itsefficiency, national advertising may fail to address differing local situations, such as market-to-market variations in share and competitive standing.

Evaluating Advertising Effectiveness

Good planning and control of advertising depend on measures of advertising effectiveness. Yet the amount of fundamental research on advertising effectiveness is appallingly small. Most advertisers try to measure the communication effect of an ad- its potential effect on awareness, knowledge or preference-as well as the ad's effect.
Communication –effect research seeks to determine whether an ad is communicating effectively. Called copy testing, it can be done before an ad is placed and after it is placed. Advertisers also need to post the overall impact of a completed campaign.

Sales-effect research is complex because sales are influenced by many factors beyond advertising, such as product features, price and availability, as well as competitor's actions. The sales impact is easiest to measure on direct marketing situations and hardest to measure in brand or corporate-image-building advertising.

Sales Promotion

Sales promotion is key ingredient in many marketing campaigns, consists of a diverse collection of incentive tools, mostly short term, designed to stimulate trial, or quicker or greater purchase of particular products or services by consumers or the trade. Whereas advertising offer a reason to buy, sales promotion offers an incentive to buy. Sales promotion includes tools for consumer promotion, trade promotion and business-and-sales-force promotion.

Purpose of Sales Promotion

Sales promotion tools can be used to achieve a variety of objectives. Sellers use incentive-type promotions to attract new triers, to reward loyal customers and to increase the repurchase rates of occasional users. Sales promotions often attract the brand switchers, who are primarily looking for low price, good value, or premiums, so sales promotions are unlikely to turn them into loyal users. Sales promotions used in markets of high brand similarity produce a high sales response in the short term but little permanent gain in market share. In markets of high brand dissimilarity, however, sales promotions can alter market shares permanently.

Major Decisions in Sales Promotion

In using sales promotion, a company establishes its objectives, selects the consumer-promotion tools, selects trade-promotion tools, selects business and sales force promotion tools, develops the program, pretests the program, implements and controls it, and evaluates the result.

PUBLIC Relations

Public relation involves a variety of programs that are designed to promote or protect a company's image or its individual products. The wise company takes concrete steps to manage successful relations with its key publics. PR departments typically perform five functions: Press relations, product publicity, corporate communication, lobbying and counseling.

Marketing Public Relations

Many companies are turning to marketing public relations to directly support corporate or product promotion and image making. MPR plays an important role in:

Assisting in the launch of a new product, assisting in repositioning of mature product, building interest in a product category, influencing specific target group, defending products that have encountered public problems and building the corporate image in a way that reflects favorably on its products. As the power of mass advertising weakens, marketing managers are turning to MPR to cost-effectively build awareness and brand knowledge and to reach local communities and specific audiences. The company does not pay for the space or time obtained in the media; it only pays for a staff to develop and circulate the stories and manage certain events.

Major Decisions in Marketing PR

Management must:

Establish the market objectives: MPR can build awareness of a product, service, person, organization or an idea; add credibility by communicating a message in an editorial context; boost sales force and dealer enthusiasm and hold down promotion costs because it costs less than media advertising.

Choosing messages and vehicles: The MPR expert must identify or develop interest stories to tell about the product. If there are few stories, expert should propose newsworthy events to sponsor as a way of stimulating media coverage.
Implementing and evaluating the plan: PR implementation must be handled with care. A great story is easy to place, but other stories might not get past busy editors. The most satisfactory measure is sales-and –profit impact, allowing company to determine its return on MPR investment.

Direct Marketing

Direct marketing is the use of consumer-direct channels to reach and deliver goods and services to customerswithout intermediaries. These channels include direct mail, catalogs, telemarketing, interactive TV, kiosks, Websites and mobile devices. Direct marketers seek a measurable response typically a customer order. This is sometimes called direct-order marketing.

Benefits of Direct Marketing

Consumers find home shopping fun, convenient and hassle free, it saves time, introduces a large selection of merchandise and allows comparative shopping. Business customers also benefits by learning about products and services without meeting salespeople. Direct marketers benefit as well from this. They can buy mailing lists for almost any segment; customize and personalize messages; build relationships over time; reach the most interested prospects at the right moment; easily test alternative media and messages and easily measure campaign results.

Major Channels for Direct Marketing

1. Face-to-Face Selling: The original and oldest form of direct marketing is the field sales call. Most industrial firms rely heavily on a professional sales force to locate prospects, develop them into customers and grow the business. Or they hire manufacturers’ representatives and agents to carry out the direct-selling tasks.
2. Direct Mail: It involves sending an offer, announcement, reminder or other item to a person. Direct Mail is popular because it permits target market selectivity, can be personalized, is flexible and allows early testing and response measurement.
3. Catalog Marketing: Catalog marketing occurs when companies mail full-line merchandise catalogs, specialty consumer catalogs or business catalogs in print, on CD or online to selected people. Catalog companies must carefully manage their customers list to avoid duplication of names; carefully control inventory, offer quality merchandize to minimize returns and project a distinctive image. Some companies distinguish themselves by adding literary or information features to their catalogs, sending swatches, sending gifts to key customers or donating to good causes. Other invite customers to view their Web-based catalogs for more information or to check product availability.
4. Telemarketing: Telemarketing refers to the use of telephone operators and call centers to attract prospects, sell to existing customers and provide service by taking orders and answering questions. Companies use call centers for inbound telemarketing and outbound telemarketing. Telemarketing is a major direct-marketing tool.
5. Kiosk Marketing: A kiosk is a small building or structure that houses a selling or information unit. The term describes newsstands, refreshment stands and freestanding carts whose vendors sell watches, costume jewelry and other items often seen along the aisles in a mall. It also covers computer-linked vending machines placed in stores, airports and other location to sell directly to consumers.
6. E-Marketing: The internet provides marketers and customers with oppurtunities for much greater interaction and individualization. Instead of beaming messages in a monologue for a mass audience, marketers can now customize communications to create dialogues with specific individuals, thereby strengthening customer relationships.

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Conclusion

The marketing communications mix consists of five major modes of communication: advertising, sales promotion, public relations and publicity, personal selling and direct marketing. Developing effective marketing communications involve eight steps: Identify the target audience; determine the communication objectives; design the message; select the communication channels; establish the total communications budget; decide on the communication mix; measure the communications' results and manage the integrated marketing communication process. Integrated marketing communications (IMC) recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communications disciplines and combines these disciplines to provide clarity, consistency and maximum communications' impact through the seamless integration of discrete messages.

Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. Developing an advertising program involves setting objectives, setting a budget, choosing the advertising message, determining how the message will be generated, evaluating and selecting messages, executing the message, developing media strategies and evaluating results. Sales promotion consists of a diverse group of incentive tools, mostly short term, designed to stimulate trial or quicker or greater purchase of particular product by consumers. Sales promotion includes tools for consumer promotion, trade promotion and business and sales force promotion. In using sales promotion, as in using advertising, a company must set its objectives, select the tools, develop the program, pretest the program, implement and control it and evaluate the results. Public relations' involves a variety of programs designed to promote or protect a company's image or its individual products. Marketing public relations is often used to support corporate or product promotion and image-building through publications, events, news, speeches, public-service activities and identify media. Direct marketing is an interactive marketing system that uses one or more media to effect a measurable response or transaction at any location. Major channels for direct marketing include face-to-face selling, direct mail, catalog marketing, telemarketing, direct-response marketing, kiosk marketing and e-marketing.

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