

Lecture 1 - Introduction to IMC: What-Why-How

Learning Objectives

- Begin to explain the difference between Integrated Marketing Communication and the traditional approach to advertising
- Explain how IMC feeds into the development of a brand
- Identify the elements of the communication process
- Explain various approaches marketers use to communicate their messages with consumers.

The changing advertising landscape

- Consumer empowerment
- Push-pull marketplace
 - Push: PUSH the message out to your audience
 - Pull: Place ads or messages you hope will PULL people to your website.
- Digital media and interactive advertising
- Social media
- Essentially still Broadcast and Print – with different more options for execution and integration
- New rules of engagement

Message Sources

- Planned (Controlled)
 - Advertising
 - Sales Promotion
 - Marketing Public Relations
 - Direct marketing
 - Personal selling
 - Point-of-purchase & Merchandising Materials
- Unplanned (Uncontrolled)
 - Employee gossip & behaviour
 - Media Investigations
 - Government Investigations
- Often unconsidered
 - Facilities
 - Service
 - Distribution
 - Product Design & Performance
 - Price

Integrated Marketing Communications

A communication process involving, planning, creation, integration and implementation of diverse forms of marketing communications that are delivered over time to a brand's targeted customers and prospects.

- The concept relies on delivering the marketing message to all relevant stakeholders

- **Synergy** works to ensure that all marketing communications used by the organization are coordinated and consistent
- A **process** determines the types of messages and media channels that will best reach the chosen market segment

Key Features

1. Profile the identified target market
 - a. E.g. 18-23 year old females do not always think the same, may differ in terms of cultural background, opinions, feeling etc → important to understand the market
2. Use the relevant media channels
 - a. TV, Radio etc
3. Achieve communication synergy, i.e. speak with a single voice
4. Influence the target market's behaviour.
5. Build customer relationships

Changes in marketing communication practices

1. Reduced dependence on mass media advertising
 - Convergence of media and technology means that communication channels other than mass media often better serve the needs of many brand managers
 - Traditional mass media advertising (TV, radio, newspapers and magazines) may not be the most effective or cost-efficient media for reaching particular customer segments
 - Other marketing communication methods should be examined before mass media advertising is automatically assumed to be the best approach
 - ❖ When people watch TV online, advertisers cannot reach them through traditional TV
 - ❖ Advertisers try to make ads go viral e.g. Air New Zealand 'Nothing to Hide'
2. Increased reliance on focused communication methods
 - Direct mail, opt-in or permission emails, special interest magazines, pay TV and event sponsorships are some focused media that are less expensive and often more effective than mass media advertising
 - Targeted messages to selected consumer segments by using an organisation's database is a more focused form of marketing communications
3. Increased demands on communication suppliers
 - Marketing Communications suppliers: advertising agencies, sales promotion firms and public relations agencies, have traditionally offered a specialized range of marketing communications services
 - It is important for these suppliers to offer a diverse range of services that include advertising services and sales promotion assistance, public relations, direct marketing and event marketing support.
4. Increased efforts to assess communications' investment
 - A key feature of IMC is that it require systematic analysis to determine whether marketing communication programs yield a reasonable return on investment.
 - The investment in marketing communications must be assessed in terms of the profit-to-investment ratio to determine whether changes are needed, or whether other forms of marketing communications investment might be more profitable.

Fundamental MC Decisions

- Positioning
 - Key feature, benefit or image that it represents in the target audience's collective mind
 - Positioning statement: central idea that encourages a brand's meaning and distinctiveness vis-à-vis competitive brands in the product category
 - E.g. ANZ launched a new campaign to reposition its bank as a regional 'superbank' by creating a strong unified image for its brand, moving away from its 'more convenient banking' message to one that highlighted the bank's regional operations in 32 countries. The second stage of the campaign which began in 2012 featured actor Simon Baker telling consumers that ANZ understood their issues and needs and that the bank 'lived' in the same world as they did
- Targeting
 - Allows marketing communicators to deliver messages more precisely and so prevent wasted coverage to consumers who do not fit the target audience profile
 - Companies identify potential target markets in terms of demographic characteristics, values and lifestyles, product-purchasing behaviour and geographical considerations
- Setting objectives
 - Marcomm decisions are based on brand's underlying goals or objectives, and achieving these objectives will depend on the type of marketing communications and media that are used
 - E.g. While mass media advertising is suitable for creating consumer awareness of a new or improved brand, POP communications are more effectiveness for influencing in-store brand selection, while personal selling is the most effectiveness form of communication for informing B2B consumers and retailers about product improvements
- Budgeting

MC Implementation Decisions

- Selecting the mix of marketing communication elements
 - How to allocate resources among the various elements of the marcom mix
 - For B2B companies, the mixture typically emphasizes personal selling, with support from trade advertising, technical journal and trade shows.
 - 'Push' and 'Pull' marketing are used to capture how marketing communication funds should be allocated
 - Push: forward movement from a manufacturer to the wholesalers/ retailers and on to the consumer
 - Pull: manufacturer promotes directly to consumers, in the expectation that the consumers will pressure retailers to stock the promoted product.

- Manufacturers use a combination of push and pull techniques, techniques complement one another and are not perfectly substitutable.
- Creating messages
 - Creation of messages in the form of advertisements using both mass and social media channels, online MPR releases, promotions, package designs and other forms of marketing communication messages.
 - Message needs to align with brand's positioning strategy and with the communications objective for the target audience.
- Selecting media
 - Media alternatives have different costs and effectiveness
 - POP materials are delivered via in-store signs, electronically and verbally, and each represents a different medium.
- Establishing momentum
 - The effectiveness of each advertising message/ Marketing PR release requires both a sufficient amount of effort and continuity of that effort to sustain the marketing communications; insufficient momentum is ineffective at best and a waste of money at worst.
 - More recent brands, versus mature brands, must spend a larger portion of their sales to become established and to create strong, favourable and perhaps unique brand images
 - Critical to the concept of momentum is the need to sustain consistent effort
 - Brands are easily forgotten if they are not kept in consumers' consciousness
 - Some companies never create or sustain momentum because their presence in the market is inadequate
 - Consumers require continuous reminders of brand names and the brands' benefits if those brands are to be considered serious purchase contenders

Two dimensions of brand knowledge

1. Brand awareness
 - a. Whether a brand name comes to mind when consumers think about a particular product category and the ease with which the name is evoked
 - b. Brand awareness is the basic dimension of brand equity
 - c. A brand has no equity unless the consumer is at least aware of the brand
 - d. Brand recognition reflects a relatively superficial level of awareness, whereas brand recall elicits a deeper form of awareness
 - e. MarComm imperative is to move brands from a state of unawareness to recognition, on to recall and ultimately to top of mind awareness (TOMA)
2. Brand image
 - a. Types of associations (thoughts and feelings) come to consumers' minds when deciding whether to purchase a particular brand
 - b. Brand associations can be conceptualized in terms of type, favourability, strength and uniqueness
 - c. Even established brands e.g. Qantas need to build and maintain brand image.

The Communication Process

- Establishing commonality of thought, or 'shared meaning', between the message sender (advertiser) and the receiver (consumer)
 - Important to know who you are talking to/ what they're like
 - Source factors:
 - Daniel Craig/ James Bond wearing an Omega watch → as James Bond wears cool watches, the transfer to association makes Omega watches cool
- Noise
 - Can occur at the point of encoding a message, where the sender may be unclear about what the message is intended to accomplish, which may result in poorly focused and perhaps even contradictory messages. Noise can also occur within channels: fuzzy television signal, crowded magazine page where an advertisement is surrounded by competitive clutter, or a personal sales interaction that is interrupted by a mobile call.
 - Marketers can remove noise by:
 - Ensuring that there is a clear objective established before a message is encoded and allow feedback to ensure that message is properly encoded and can be decoded and interpreted properly.
 - Salespeople can be trained to reduce noise by employing techniques that limit customer distraction, such as scheduling meetings during non-busy times or by inviting potential customers into an environment that offers fewer distractions.
 - Advertising can be developed in ways that separate the marketer's ad from others, including the use of whitespace in magazine ads.
 - Marketers can also reduce noise by choosing the right audience – targeting the right message receiver will go a long way in improving the marketer's abilities to promote their products/services. Messages are more likely to be received and appropriately decoded by those who have an interest in the content of the message.

Marketing Communications and Meaning

- Semiotics
 - The study of signs
 - The analysis of meaning – producing events
 - E.g. Big Yellow M = Maccas
- Signs
 - Something physical and perceivable that signifies something (the referent) to somebody (the interpreter) in some context
 - Means different things to different people at different times and in different contexts and is subject to change over time
 - E.g. the use of red and gold colours vs white in advertising to Chinese consumers
- Meaning:
 - The perceptions (thoughts) and affective reactions (feelings) to stimuli evoked within a person when present with a sign (e.g. a brand name) in a particular context
 - E.g. Valentine's Day → love heart symbolism
 - E.g. Cherry Ripe Valentine's Day packaging

Meaning Transfer: Culture to Object to Consumer

- Marketing communicators draw meaning from the culturally constituted world and transfer it to products and services

- When exposed to an ad, a consumer draws information from it while actively assigning meaning to the advertised brand

Symbols and Figurative Language in MC

- A symbol relation is formed when an object (brand) become a symbol of something else (referent)
- Simile
- Metaphor
- Allegory

The 8 stages of consumer information processing

1. *Exposure* to information

- Exposure means that consumers come into contact with the market's message
- The consumers' exposure is only an opportunity to see the advertisement
- Gaining exposure is a necessary but insufficient condition for communication success
- Ultimate communication success generally depends upon message quality and frequency, or momentum.
- 'Truth Effect': repeated exposure to a message increases the likelihood that the receiver will judge that message to be true
- Exposing consumers to a brand's message is a function of two key managerial decisions:
 - i. Setting the marcomm budget
 - ii. Selecting the media vehicles to present a brand message.
 - iii. Insufficient budget or poor media selection will invariably result in low levels of exposure

2. *Selective attention*

- Attention means to focus cognitive resources on, and think about, a message to which one has been exposed
- Consumers are virtually bombarded with advertisements and other commercial messages, but their information-processing capacity is limited, therefore attention tends to be selective
- Effective utilization of that limited processing capacity requires consumers to allocate processing capacity only to messages that are **relevant** and **of interest to their current goals**
- E.g. Zyrtec Hay Fever medication: after their initial curiosity was satisfied most people who do not suffer from hay fever would pay relatively little attention to the detailed comments about the benefits offered by the product, because it has little relevance to them. Hay fever sufferers however, can be expected to devote **conscious attention** to the advertisement, because it has a high degree of relevance to their health and well-being
- Marketing communicators can most effectively gain consumers' attention by creating messages that appeal to their needs for product-relevant information

3. *Comprehension* of attended information

- The perceptual process of interpreting MC stimuli is called perceptual encoding and consists of two main stages:
 - i. Feature analysis

- Where receiver examines the basic features of a stimuli, such as size, shape colour and from those features make a preliminary classification
 - E.g. consumers can distinguish a motorcycle from a bicycle by examining features such as size, the presence of an engine and the type of controls
- ii. Active synthesis
- The context or situation in which information is received plays a major role in determining what is perceived and interpreted; the meaning is created by consumers
 - An individual's mood can also influence their perception of stimulus objects
 - Miscomprehension:
 - a. Messages are sometimes misleading or unclear
 - b. Consumers are biased by their own preconceptions and thus 'see' what they choose to see
 - c. The processing of advertisements and other marketing communications messages often takes place under time pressures and in noisy environments
4. *Agreement* with comprehended information
- Whether consumer agrees with (accepts) a message argument that they have comprehended
 - It is important that consumers not only comprehend a message but that they also agree with it, rather than countering it or rejecting it
 - Agreement depends on whether message is credible (believable or trustworthy) and whether it contains information and appeals that are compatible with the values that are important to the consumer
 - E.g. a consumer who is more interested in the symbolic implications of consuming a particular product than in acquiring its functional value is more likely to be persuaded by a message that associates the advertised brand with a desirable group of people than by one that focuses on product features
 - Using endorsers who are perceived as trustworthy is one means to enhance message credibility
 - Consumer credibility also can be boosted by structuring believable messages, rather than making confusing claims
5. *Retention* of accepted information
6. *Retrieval* of information from memory
- Memory consists of long-term memory, short-term (or working) memory and a set of sensory stores
 - Information is received by one or more sensory receptors and passed to the appropriate sensory store where it is rapidly lost unless attention is given to the stimulus
 - Information communicated about a brand must achieve long-term memory storage and be readily retrievable from memory because the point at which a consumer is exposed to information about a brand is typically separated in time, from when the customer needs to access and use the information to make a purchase decision
7. *Decision making* from alternatives
- Affect referral: individual simply recalls from memory their attitude, or affect, toward relevant alternatives and selects the alternative for which the affect is most positive

- Compensatory heuristic
8. *Action* taken on the basis of the decision
- People do not always behave in a manner consistent with their preferences

Lecture 2 – Persuasion and Segmentation

Learning Objectives

1. The role and nature of attitudes in MarComms
2. The role of persuasion in MarComms
3. The Elaboration Likelihood Model and its implications for MarComms
4. Attitude change strategies
5. The importance of market segmentation for MarComms
6. How positioning plays a role in MarComms

The nature and role of attitudes

- Attitude is a general and enduring positive or negative predisposition towards, or evaluative judgement of, some person, object or issue.
- Attitudes:
 - Are learned (parents, environments we grow up in, group of people etc)
 - Are relatively enduring
 - Influence behaviour

Components of Attitudes

- Cognitive (thinking)
 - A person's belief about an object or issue
 - Affective (feeling)
 - A person's feelings & evaluations
 - E.g. Kleenex Labrador puppy → subconscious thinks "so soft"
 - Conative (behaving)
 - A person's behavioural tendency towards an object
- ➔ *Does adding attributes change attitudes? Not really, e.g. BP carbon neutral fuel*

Attributes, Symbols and Positioning

- 'Woolies Cheap Cheap' was abandoned because Coles owns 'down down' and flying birds in their advertisements

Persuasion in marketing communications

- To guide people towards accepting some belief, attitude or behaviour by using reasoning and emotional appeals.
- It is sometimes viewed as unethical → e.g. Baker's Delight school lunch donut

Message arguments

- The strength or quality of message arguments is the main determinant.
- It is important to stress inter-brand differences and link with emotions.

Peripheral cues

- These cues are elements (e.g. background music, scenery, graphics) peripheral to the primary message arguments.

- Central/Peripheral messaging should not distract
- Involvement level: e.g. own a car but don't read car magazines
 - If people are not involved, they would not get the message because they are not interested

Receiver involvement

- The personal relevance that a marketing communication has for a receiver is a critical determinant of the extent and form of persuasion.
- Highly involved consumers are motivated to process message arguments.
- Uninvolved consumers may only process peripheral cues.

Hierarchies of Effects

- For high involvement decision making, there is a progression from initial cognition to affect to conation
- Consumers become aware of an object, such as a new brand, from marketing communications – which, if effective, motivates them to acquire more information about that brand
- They form beliefs about the brand's ability to satisfy their consumption needs (cognitive component) and those beliefs are integrated, and feelings towards the product and evaluations of it are developed (affective component)

Elaboration Likelihood

- Elaboration:
 - Deals with consumers' mental activity in response to a marketing message
 - Is determined by MOA
 - Motivation
 - High when a message relates to a person's present consumption-related goals and needs and is therefore relevant to that individual
 - Consumers are more likely to become motivated to process messages when they are more involved with the subject matter of a message
 - Opportunity
 - Whether is it physically possible for a person to process a message
 - Opportunity is restricted when a message is presented too quickly, the sound is too low or the individual is distracted
 - Ability
 - Based on whether a person is familiar with message claims and is capable of comprehending them
 - Consumers may be motivated but unable to process message claims

➔ *The EL is low when MOA factors are low*

➔ *The EL is high when MOA factors are high*

- Elaboration
 - Represents the chance that a message receiver will elaborate on the message
 - Can exist on a likelihood continuum ranging from low to high.

Elaboration Likelihood Model

- ELM is a model of attitude formation and change that recognises two forms of information processing.

- Level of consumer involvement is directly related to information processing.
- In **low-involvement situations** consumers may rely on peripheral cues rather than detailed message arguments.
- In **high-involvement situations** consumers are motivated to process detailed message arguments.

- Focuses on the way consumers respond to persuasive messages based on the amount and nature of elaboration or processing of information
- Routes to attitude change:
 - Central Route – ability & motivation is high and close attention is paid to message content
 - When EL is high, receivers focus primarily on the message arguments rather than the peripheral cues
 - When the central route is activated, receivers listen to, watch or read about a brand's attributes and benefits but do not necessarily accept them at face value
 - Rather, because the consumers are motivated to acquire information about the product category, they will react to the arguments with cognitive and emotional responses
 - The consumer may accept some of the arguments, but offer counter-arguments to other brand messages
 - They may also develop emotional reactions to the arguments
 - The nature of the cognitive and emotional processing will determine whether the persuasive communication influences attitudes, as well as the direction of that influence
 - Peripheral Route – ability and motivation to process a message is low and receiver focuses more on peripheral cues than message content
 - When MOA factors are low, a different persuasion is required
 - When consumers are not motivated to pay attention to and comprehend message arguments, they may nonetheless attend to a message's peripheral features
 - Peripheral cues involve elements of a message that are unrelated to the primary selling points in the message
 - E.g. Background music, scenery or attractive models; IRL: physical appearance or accent
 - By paying attention to a peripheral cue, a consumer may experience thoughts or emotions in response to the cue → cognitive and emotional responses, which might produce an attitude toward the advertisement itself or the advertised brand
 - Classical conditioning provides an example of how attitudes toward a brand are formed through the peripheral route
 - E.g. Celebrities as peripheral cues → Princess Kate's sapphire ring
 - E.g. Product placement – Burberry coat, J brand Jeans

Enhancing Motivation to Attend to Messages

- Voluntary attention
 - Engaged when consumers devote attention to messages that are perceived as being relevant to their current purchase-related goals

- Involuntary attention
 - Occurs when consumer attention is gained by the use of attention-gaining techniques, rather than by the consumer's inherent interest in the product

Novel and Intense Stimuli

- Novel Messages
 - Unusual pictures, different ad formats, large number of scenes
- Intense Stimuli
 - Action, loud music, large pictures, colourful ads, celebrities
- Using Motion
 - Complex pictures; edits and cuts

Enhancing Motivation to Process Messages

- Increased processing motivation strengthens the impact of brand attitudes on purchase intentions
- Methods include
 - Rhetorical questions → because people already know the answer, so they get engaged before the ad starts
 - Fear appeals
 - Dramatic presentation

Enhancing Opportunity to Encode Information

- Encode information by
 - Repeating brand information
 - Repeating key scenes
 - Repeating the ad on multiple occasions
- Reduce processing time by
 - Creating Gestalt processing (using pictures and imagery)

Enhancing Consumers' Ability

- Access knowledge structures by
 - Providing a context
 - Using verbal framing
- Create knowledge structures by
 - Facilitating exemplar-based learning (using definite words and images, demonstrations, analogies)
 - E.g. Woolworths' slogan, 'The Fresh food people'
- Create definite brand benefits
 - Easier for consumers to recall and retrieve tangible information

The Influence Process: The Persuader's Perspective

- Six tools of persuasion
 1. Reciprocation
 - Marketing communicators sometimes offer gifts or samples in hope that customers will reciprocate by purchasing products
 - Rationale behind in-store sampling of food items in supermarkets

- Reciprocation tactics do not always achieve results; sometimes people see through the tactic and realize the 'gift' is not really a sincere offering but rather a ploy to get them to respond in kind
 - Effectiveness is contingent on the circumstances: whether, and when, a tactic is effective depends on the persuasion circumstances, and the characteristics of the persuader and the person being persuaded
 - E.g. we like what our friends like
2. Commitment and Consistency
- After people make a choice (commitment), there often is a strong tendency to remain faithful to that choice
 - People who are consistent in their opinions and actions tend to be admired for their consistency