

Integrated Marketing Communications

Week 1

Advertising & the Marketing Process

Main Issues

- *What is marketing?*
- *Management process*
- *Promotional mix*
- *IMC*

What is Marketing?

Define marketing.

- Satisfying needs & wants through the exchange process.
 - Activity & processes for creating, communicating & delivering value for end-users.
 - *Exchange*: involved both parties in an exchange of 'value' & a way to communicate.
 - *Value*: Customer's perception of benefits versus costs (acquiring & consuming).
- The set of activities whereby businesses and other organisations create transfers of value (exchanges) between themselves and their customers.

The Marketing Management Process



Marketing Mix

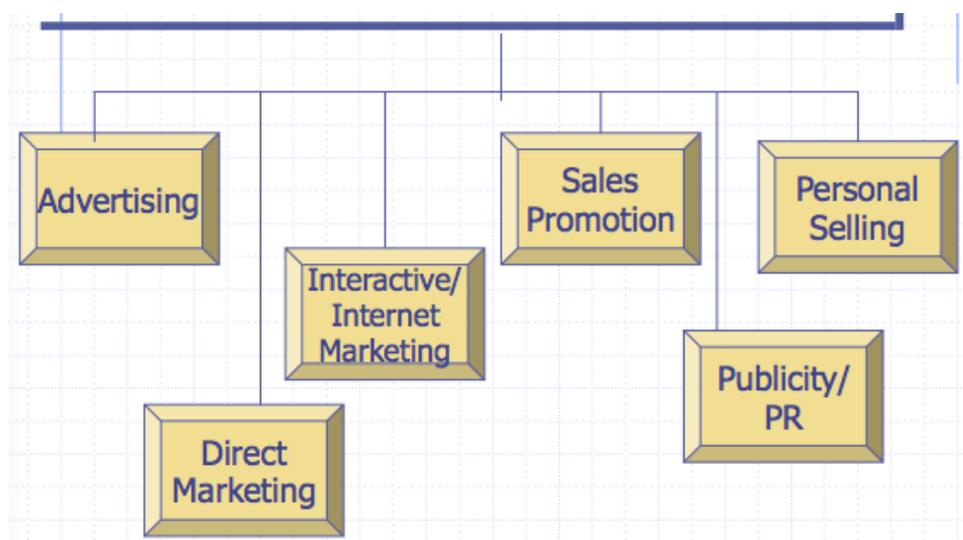
What does the Marketing mix consist of?

- Product, price, place and promotion
- To develop an effective marketing mix, marketers must:
 - Be knowledgeable about the issues and options of each element of the mix.
 - Know how to combine the elements to form an effective marketing program.
 - Analyse the market and use the data to develop the marketing strategy and mix.

The Marketing & Promotional Mixes

- Product or service
- Pricing policy
- Distribution (place) method
- Promotional mix:
 - Advertising
 - Direct marketing
 - Interactive/internet marketing
 - Sales promotion
 - Publicity/Public Relations
 - Personal selling

The Promotional Mix



Integrated Marketing Communications

What is IMC?

- A marketing communications planning concept.
- Recognizes the value of a comprehensive plan.
- A plan that evaluates the strategic roles of several communications disciplines:
 - Advertising
 - Direct marketing
 - Sales Promotion
 - Public Relations
- Combines disciplines to provide:
 - Clarity
 - Consistency
 - Maximum communications impact

Model of the IMC Planning Process



Week 2

IMC in the Marketing Process

Main Issues:

- *Promotional mix definitions – tools of IMC*
- *Marketing & Promotions Process Model*
- *IMC Plan*
- *IMC Participants – Advertisers, Ad, Agencies, Media and Potential Customers*

Advertising

What is Advertising?

- Any paid form of non-personal communication about an organisation, product, service, or idea by an identified sponsor (e.g. Business Firms, individuals, non-profit organisations).

Advertising to Consumer Markets

National Advertising

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

Retail/local advertising – Encourage consumers to:

- Shop at a specific store.
- Use a local service.
- Patronize a particular establishment.

Primary VS Selective-Demand Advertising

- Primary-demand: stimulates demand for the general product class of entire industry.
- Selective-demand: creates demand for a specific company's brands.

Business-to-Business Advertising

- Targets individuals who buy or influence the purchase of individual goods or services for their companies.

Professional Advertising

- Targets professionals, encouraging them to use a company's product in their business operations.

Trade Advertising

- Targets marketing channel members, encouraging them to stock, promote, and resell the manufacturer's branded product to their customers.

Direct Marketing

Define.

- Whereby organisations communicate directly with target customers to generate a response and/or a transaction.
- E.g. telemarketing, direct selling, direct response ads – direct mail, direct response TV, direct radio etc.
- Direct Mail: letters, flyers, brochures, catalogues etc.

Interactive/Internet Marketing

- Allows for a back-to-forth flow of information whereby users can participate in & modify the form and content of the information they receive in real time.
 - Users can receive information and images, make enquiries, respond to questions, and make purchases.
 - Interactive media: Internet, social media, mobiles, kiosks and CD-ROMs.

Sales Promotion

- Those marketing activities that provide extra value or incentive to the sales force, distributors, or the ultimate consumer and can stimulate immediate sales.
 - Consumer-oriented (e.g. discounts, point-of-purchase materials)
 - Trade-oriented (e.g. sales contests, price deals).

Publicity

- Non-personal communications regarding an organisation, product, service, or idea that is not directly paid for or run under identified sponsorship.
- Comes in the form of a news story, editorial, or announcement about an organisation and/or its products and services.

Public Relations

What is PR?

- It's a management function, which manages & controls a program of action to earn public understanding and acceptance.
 - It encompasses a wide variety of communication efforts to foster goodwill and gain public understanding.
 - Used to build rapport with the various publics (e.g. employees, customers, stockholders, voters, competitors or the general population.)

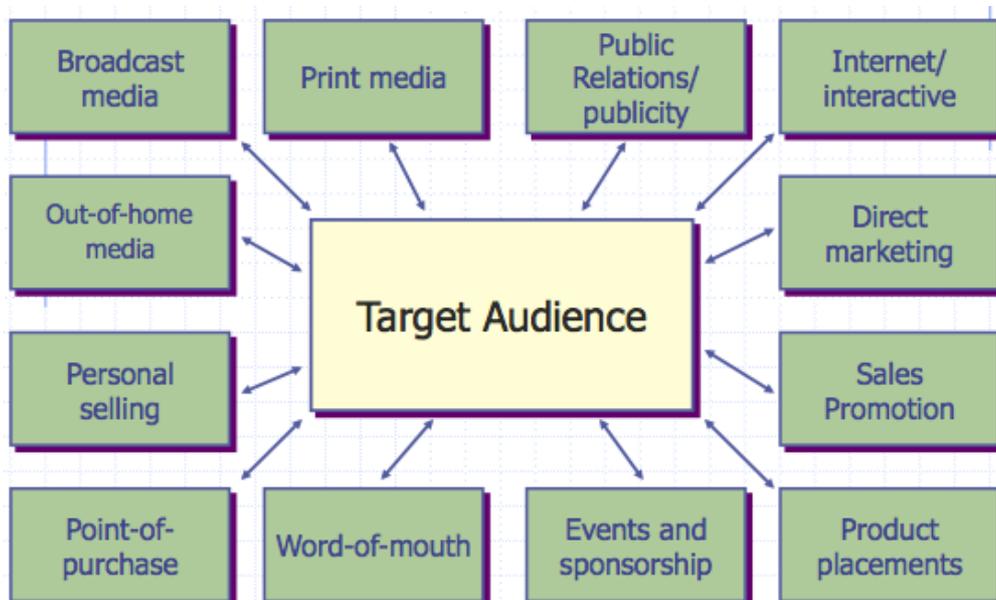
Personal Selling

- A form of person-to-person communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product/service or act on an idea.

Integrated Marketing Communications

- Integrated marketing communication is a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communications programs over time with consumers, customers, prospects, employees, associates and other targeted relevant external and internal audiences.
- The goal is to generate both short-term financial returns and build long-term brand and shareholder value.

IMC Audience Contact Tools

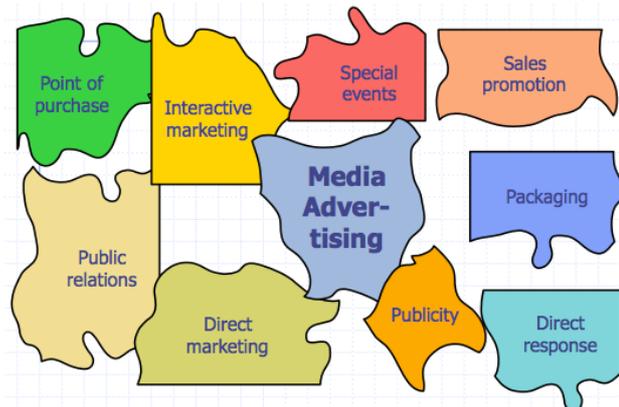


Touch Points

What is a touch point?

- A touch point refers to each and every opportunity the customer has to see or hear about the company and/or its brands or has an encounter or experience with it.

Traditional Marketing Approach

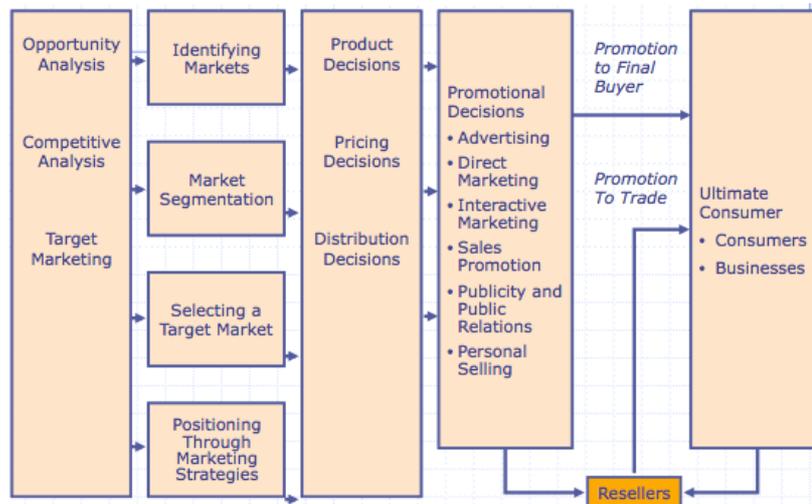


Contemporary IMC Approach



- A concept of marketing communications planning that recognises the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines—for example, general advertising, direct response, sales promotion, and public relations—and combines these disciplines to provide clarity, consistency, and maximum communications impact.

Marketing and Promotions Process Model



A. Marketing Strategy and Analysis

Opportunity Analysis

- Favourable demand trends.
- Customer needs &/or wants not being satisfied where a firm could compete effectively.

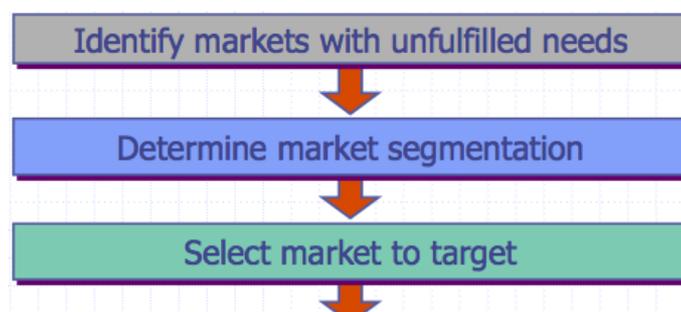
Competitive Analysis

- Other brand competition (DIRECT) or other product competition (INDIRECT)
- Search for a competitive advantage
- Reactions of competitors to a company's marketing and promotional strategy

Target Market Selection

- After evaluating marketing opportunities for products/services in various markets, a company selects one or more as a target market for which it will develop a marketing program(s).
- Selecting target markets has implications for advertising and promotional strategy and tactics.

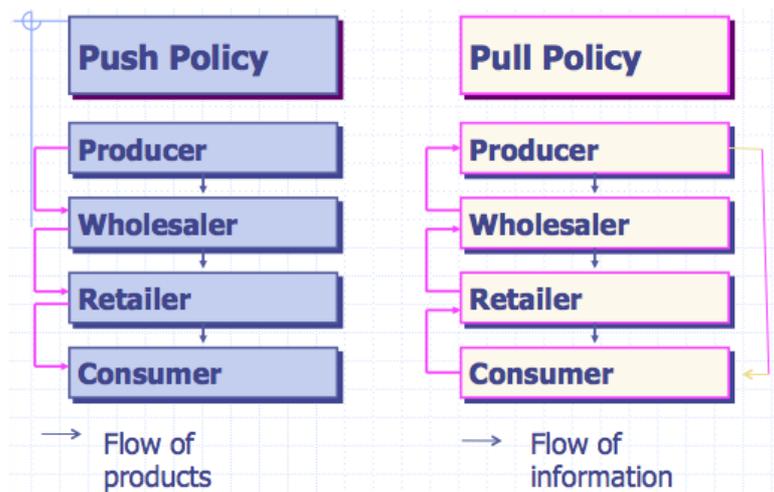
B. Target Marketing Process



C. Marketing Planning Program Development

- Involves combining the various elements of the marketing mix into a cohesive and effective marketing program.
- All elements of the marketing mix must be consistent with one another and must contribute to the overall IMC program.
- Product Decisions
- Pricing Decisions
- Distribution Decisions

Promotional Decisions



D. Promotion to Trade and Target Market (i.e. ultimate customer)

- The Marketing and Promotions Process Model ends with promotion to:
- *Target Market* (End or ultimate consumer – consumers and businesses) &/or *Trade* (resellers/channel members).

IMC Plan

What is an IMC Plan?

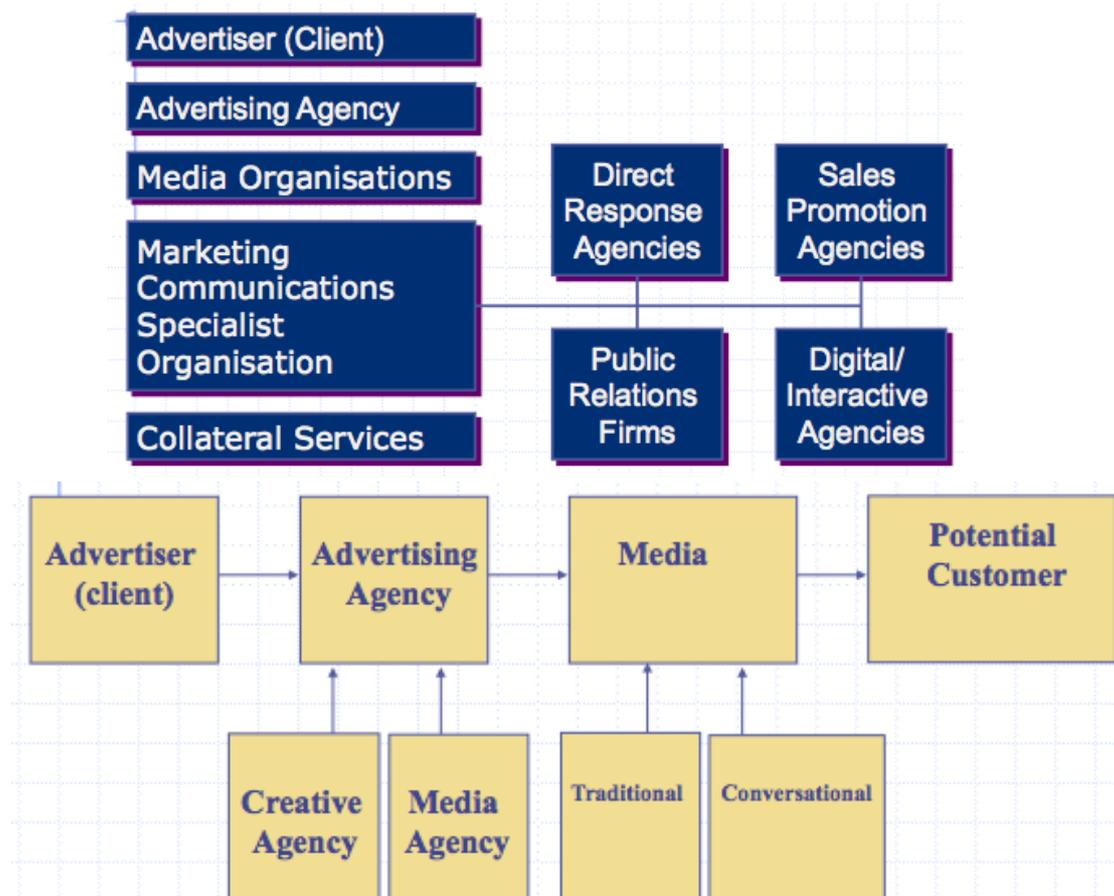
- Provides the framework for developing, implementing, & controlling the organisation's integrated marketing communications programs & activities



- Introduction
- Situation Analysis: Market, Environment, Company, Customer, Competitor, & SWOT analysis
- Objectives
- Budget
- Target Audience
- Communication Strategy
- Creative Strategy
- Media Planning
- Media Strategy
- Campaign Research & Evaluation
- Conclusion
- Appendix

Participants of the IMC Process

- ❖ Advertiser (client)
- ❖ Ad Agencies
- ❖ Media
- ❖ Potential Customer



Advertiser/Client

- Organisations with the products, services, or causes to be marketed and for which advertising agencies and other marketing promotional firms provide services.

Advertising Agency

- A firm that specialises in the creation, production, and/or placement of advertising messages and may provide other services that facilitate the marketing communications process.

In-House Agencies

- Advantages:
 - Cost savings
 - More control
 - Better coordination
- Disadvantages:
 - Less experience
 - Less objectivity
 - Less flexibility

Reasons for using an Agency

- Obtain services of highly skilled specialists
 - Artists
 - Writers
 - Media analysts
 - Researches
 - Others with specific skills
- Obtain an objective point of view
 - Free of internal policy constraints and biases.
 - Broad range of experience, having worked with:
 - * diverse marketing problems
 - * various types of clients.

Other Agencies and Services

Creative Boutiques

- Provide only creative services.
- Other functions provided by the internal client departments.
- Full-service agencies may subcontract with creative boutiques.

Media Buying Services

- Specialize in buying media, especially broadcast time
- Agencies and clients develop media strategy
- Media buying organisations implement the strategy and buy time and space

Why Agencies Lose Clients

- Poor performance or service
- Poor communication
- Unrealistic demands by the client
- Personality conflicts
- Personnel changes
- Changes in size of the client or agency
- Changes in the client's corporate and/or marketing strategy
- Conflicts of interest
- Declining sales
- Conflicting compensation philosophies
- Changes in policies
- Disagreements over marketing and/or creative strategy
- Lack of integrated marketing capabilities

How Agencies gain Clients

- Referrals
- Solicitations
- Presentations
- Public Relations
- Image and Reputation

Media

- Organisation whose function is to provide information/entertainment to subscribers, viewers, or readers while offering marketers an environment for reaching audiences with print or broadcast messages.

Potential Customer

- You

Week 3

*** NO LECTURE
THIS WEEK ***