

## **Part 1: An Introduction to Integrated Marketing Communications**

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#### *The growth of advertising and promotion*

- An integral part of our social and economic systems
- Vital communication system- rely on
- Deliver carefully prepared messages to target markets/ audiences
- Market-based economies
- Dominant in 1980s
- Traditional 'below-the-line' promotion transformed to digital-originated formats
- \$100b by 2020; 45% of all media spending
- Google, Yahoo!, Bing
- Mobile marketing
  
- IMC plays an important role in the marketing programs of companies in their efforts to communicate with and sell their products and services to customers.

#### *The role of marketing*

**Marketing:** is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large.

- Focus on exchange; two or more parties with something of value to one another, a desire and ability to give up something to the other party, and a way to communicate with each other.
- Basic marketing activities to create and sustain relationships with customers
- Satisfy needs and wants.
- Profit and non-for-profit organisations

**Value:** customers perception of all the benefits a product or service weighed against all the costs of acquiring and consuming it.

- Functional (performance) , experimental (feeling to use), and psychological (self-esteem/ emotion)
- Costs- time, money, learning, maintaining, disposing.

#### *The marketing mix*

- Product, price, place, promotion
- Facilitates the potential exchange with customers in the market place.
- Develop a product that satisfies a need or want, offering at a certain price, making it available through channels of distribution, and a program of promotion or communication to create awareness and interest.

#### *Integrated marketing communications*

##### *The evolution of IMC*

**IMC:** a concept of marketing communication planning that recognises the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines.

E.g. ads, direct response, sales promotion, public relations – combined to provide clarity, consistency, maximum communications impact.

- Coordinates various promotional elements and other marketing activities that communicate with a firm's customers
- Rather than solely relying on media advertising
- Centralised messaging
- Customer perception, actions, behaviour

##### *A contemporary Perspective of IMC*

- IMC is a strategic business process used to plan, develop, execute, and evaluate coordinated measurable, persuasive brand communications programs overtime with customers, consumers, 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.
- Ongoing, dynamic audience/ shareholders- internal and external.
- Critical view- Merely reinvents and renames existing ideas and concepts and questions its significance for marketing and advertising thought and practice

##### *Reasons for the growing importance of IMC*

- Understands the value of strategically integrating the various communications functions rather than having them operate autonomously

- Takes advantage of 'synergy' among promotional tools; develop more efficient and effective marketing programs.
- Maximise the return on company investments in marketing and promotion.
- Adapts to changing environment- technology, micromarketing, internet, media fragmentation
- Consumers being less responsive to traditional advertising.

#### *The role of IMC in branding*

- Major role in developing and sustaining brand identity and equity.
- Well-known brands have major competitive advantage in today's marketplace- with more customers having less time to make choices.
- Favourable, strong, unique associations in the mind of the consumer.
- **Brand identity:** name, logo, symbols, design, packaging, performance
- Encompasses consumer awareness, knowledge, and image of brand and the company behind it.
- All points of encounter or contact, and extends beyond experience or outcome.
- **Sustainability:** development that meets the needs of the current generation without compromising the ability of future generations.
- Social and environmental impacts
- "Word-of-mouth" to "word-of-mouse"- power of the internet; carries wealth of information.

#### *The promotional mix: the tools for IMC*

**Promotion:** the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea.

**Advertising:** any paid form of non-personal communication about an organisation, product, service, or idea by an identified sponsor.

- Media advertising
- Build company or brand equity; a powerful way to provide consumers with information as well as to influence their perceptions.
- Nature and purpose of advertising differ from one industry to the other across situations.

**Direct marketing:** organisations communicate directly with targeted customer to generate a response and/ or a transaction.

- **Direct response advertising:** product is promoted through an ad that encourages the consumer to purchase it directly from the manufacturer.
- **Omni channel retailing:** companies sell their products through multiple distribution channels including retail stores, online, catalogues, and mobile apps.

#### *Digital/ internet marketing:*

- Changes driven by advances in technology and developments that have led to the dramatic growth of communication through interactive, digital media; particularly the internet.
- Popularity of the smart phone
- **Interactive media:** allow for a two-way flow of communication whereby users can participate in and modify the form and content of the information they receive in real time.
- Multi-faceted marketing communication tool
- **Social media:** the online means of communication and interactions among people that are used to create, share, and exchange content such as information, insights, experiences, perspectives, and media themselves.
- $\frac{3}{4}$  Americans use social media
- **Mobile Marketing:** the promotional activity designed for delivery to cell phones, smartphone, tablets, and other handled devices including apps, messaging, commerce, and customer relationship management.
- Reach \$61b by 2018, increase from 10% to 30%

**Sales promotion:** those marketing activities that provide extra value or incentives to the sales force, the distributors, or the ultimate consumer and can stimulate immediate sales.

- **Consumer-oriented sales promotion:** targeted to the ultimate user of a product or service.

- e.g. couponing, sampling, premiums, rebates, contests, sweepstakes, and point-of-purchase exchanges.
- Encourages immediate purchase and thus can stimulate short-term sales.
- **Trade-oriented sales promotion:** targeted towards marketing intermediaries e.g. wholesalers, distributors, and retailers.
- Includes promotional and merchandising allowances, price deals, sales contests, and trade shows encourage the trade of stock and promote a company's products.

#### *Publicity/public relations*

- **Publicity:** refers to non-personal communications regarding an organisation, product, service, or idea not directly paid for or run under identified sponsorship.
- e.g. news story, editorial, announcement that is favourable; to affect awareness, knowledge, opinions and/or behaviour.
- Mass audience credibility, but negative stories damaging and unfavourable.
- **Public relations:** a strategic communication process that builds mutually beneficial relationships between organisations and their publics.
- Purpose is to establish and maintain a positive image of the company among its various publics.

**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 or service or to act on an idea.

- Direct, face-to-face, flexibility, modify messages accordingly
- Immediate and precise feedback.

#### *IMC involves audience contacts*

- **Audience contact/ Touchpoint:** refers to each and every opportunity the customer has to see or hear about the company and/or its brands or to have an encounter or experience

#### *Paid, owned, and earned media*

- **Paid media:** refers top channels a marketer pays to leverage and includes traditional advertising media such as tv, radio, print, outdoor, direct mail, online displays and video ads
- **Owned media:** refers to channels of marketing communication that a company controls, e.g. websites, blogs, mobile apps social media channels, e.g. facebook, twitter, Instagram, youtube
- **Earned media:** exposure for a company or brand that it did not have to pay for and is generated by outside entities such as the media or the general public.

#### *The IMC planning process*

- **Integrated marketing communications management:** involves the process of planning, executing, evaluating, and controlling the use of the various promotional-mix elements to effectively communicate with target audiences.
- **Integrated marketing communication plan:** the framework for developing, implementing, and controlling the organisation's IMC program.

#### *Review of the marketing plan*

- **Marketing plan:** a written document that describes the overall marketing strategy and programs developed for an organization, a particular product line, or a brand.
  1. **Promotional program situation analysis-** a detailed situation analysis that consists of an internal marketing audit and review and an external analysis of the marketing communication and environmental factors
  2. **Analysis of the communication process-** specific marketing objectives that provide direction, a time frame for marketing activities and a mechanism for measuring performance.
  3. **Budget determination-** a marketing strategy and program that includes selection of target markets and decisions and plans for the four elements of the marketing mix.
  4. **Developing the IMC program-** a program for implementing the marketing strategy, including determining specific tasks to be performed and responsibilities.
  5. **Monitoring, evaluation and control-** a process for monitoring and evaluating performance and providing feedback so that proper control can be maintained and any necessary changes can be made in the overall marketing strategy or tactics.