MKF3461: Marketing Communication

Integrated Marketing Communication (IMC) 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.
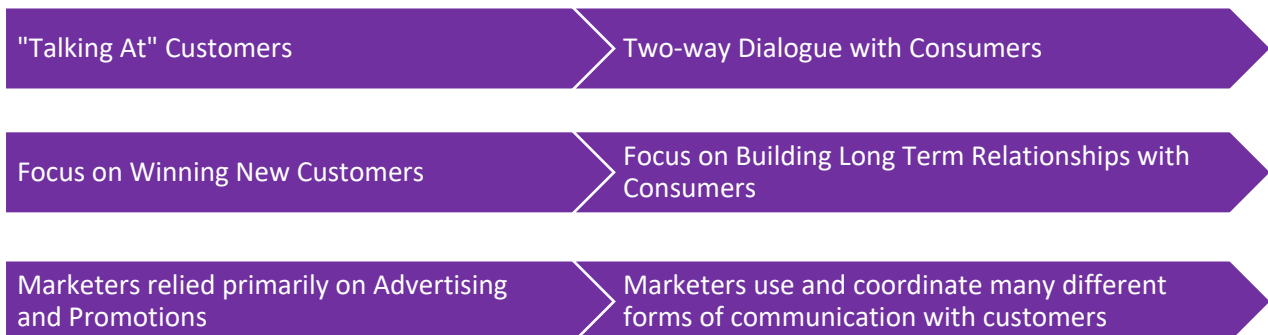
IMC

- Recognised as a business process
- Multiple relevant audiences
- Demands accountability and measurement of outcomes
- Generates brand value

IMC Evolved

Factors contributing to the rise of IMC:
- consumer empowerment
- changing demographics
- altered lifestyles
- media fragmentation
- technology
- the rise of 'new' media
- professionalism of and competition between agencies
- better managed brands

"Talking At" Customers	Two-way Dialogue with Consumers
Focus on Winning New Customers	Focus on Building Long Term Relationships with Consumers
Marketers relied primarily on Advertising and Promotions	Marketers use and coordinate many different forms of communication with customers

Integration Continuum

Dysfunction   **Synergy**

Message Integration
Message and Strategic Integration

Message Integration is about verbal and visual consistency.
It is achieved by integrating factors such as:
- logo
- colours
- theme line
- consistency of message
- common tone
- share personality

Strategic Integration brings together all the elements of the IMC mix.
Factors include:
- coordination strategy
- common objectives
- contribution to corporate mission
- multiple communications disciplines
- multiple audiences
- share budget, measures, outcomes
- strong leadership
- cross-functional teams

The key elements/tools/functions of marketing communication:

Advertising
Direct, digital and interactive
Sales promotion
Public relations and Publicity
Sponsorship and events
Personal selling

Brand Defined

Concepts of a Brand	"A name, a symbol, logo, trademark that identifies and differentiates a product or service" – Kevin Keller

What does brand mean?

- A successful brand is an identifiable product, service, person or place
- Augmented in such a way that the buyer or user perceives relevant unique added values which match their needs most closely
- Furthermore, its success results from being able to sustain these added values in the face of competition

What does brand mean from a sociologist's view?

- Constancy of brand yields a pleasant degree of comfort, measure of reassurance in the familiar advertisements

What does brand mean from a customer's view?

- A brand is what differentiates one offer from another
- Brands have tangible and intangible qualities
- Brands have economic importance
- Brands provide both value for business and "brand utility" for consumers

Emotional Bonds

<div align="center">

Emotions
Personality
Product Benefits

</div>

Behavioural Bonding with Brands – Develop Links to Develop Relationship
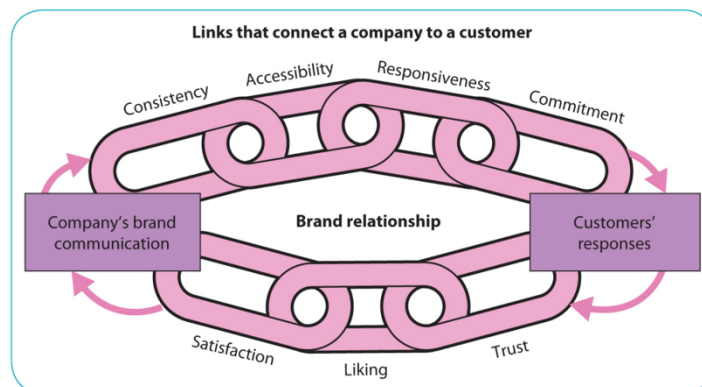
IMC and Branding

IMC plays a major role in the process of developing and sustaining brand identity.
Companies recognise that brand identity is an asset.
Brand equity requires the creation of well-known brands that have favourable, strong and unique identities.
IMC tools can be used to make contacts with customers, strengthen bonds, deliver the branding message and build customer relationships.

Brand Knowledge

Different types of knowledge:

Transactional
- Quantitative sales data collected via scanner, credit cards, membership cards
- Businesses generate transactional data in the normal course of business

Relational
- Add qualitative data about lifestyles, values, beliefs, captured via buyer-seller relationships, customer touchpoints, online contacts etc.
- They key is to add value to transactions and turn them into relationships

A strong brand:
- Differentiates an offer from its competitors
- Makes a promise to consumers and delivers
- Serves as the driving, unifying force directing all functional areas, including IMC

Understanding Brands

Measuring the Brand

Measures: Brand Audit, Brand Equity, Brand Relationship

Interbrand – Leading Brand Consultancy

- Accountants see brand equity as the current value of a future flow of income from a brand
- Brand equity is also seen as the strength of consumer reputation of a brand, measured by surveys

Brand as a Still-Developing Concept

If we do not try to understand what is possible for our brands, our competitors or our customers will make the decisions for us.
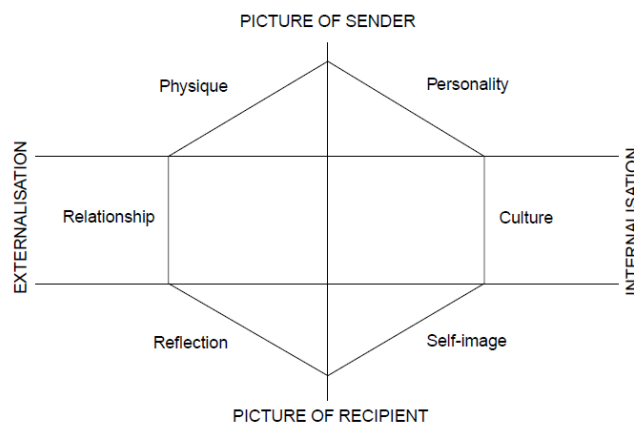
Brand Identity Dimensions

Personality and Physique help define the Sender
Reflection and Self Image define the Receiver
Relationship and Culture reflects how the two interact
Facets on the left are social, physical and visible
Facets on the right are intangible, felt and individual

Brands are a major source of long-term business strength.
A brand is a relationship between the brand owner and the brand's customer and other stakeholders.
Integrated Marketing Communication is used to build and to sustain brands.
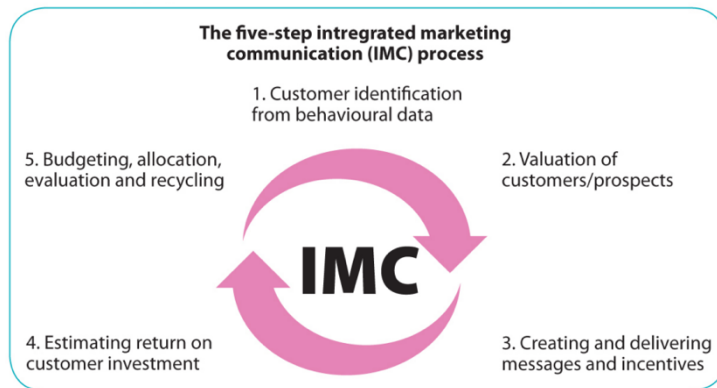
IMC Planning Process

An integral part of the overall marketing planning process.
Similar in that there is a situational analysis stage (internal and external).
There is a communication planning stage.

Outside-in Planning

The five-step intregrated marketing communication (IMC) process

1. Customer identification from behavioural data
2. Valuation of customers/prospects
3. Creating and delivering messages and incentives
4. Estimating return on customer investment
5. Budgeting, allocation, evaluation and recycling

Zero-Based Planning

Step	Description
1. Identify Target Audiences	Analyse the various customer and prospect segments, and determine which to target and to what extent
2. Analyse SWOTs	Summarise internal (strengths, weaknesses) and external (opportunities, threats) brand-related conditions; determine the success of the MC functions and media used in preceding year
3. Determine MC Objectives	Determine what marketing communication programs should accomplish
4. Develop Strategies and Tactics	Determine which MC functions should be used and to what extent. Choose brand messages and means of delivery. Support each strategy with a rationale. Decided when each MC program will begin and end.
5. Determine the Budget	Decide what the overall MC budget will be and then how money will be divided among the selected MC functions
6. Evaluate Effectiveness	Conduct ongoing MC tests in an effort to find more effective ways to do IMC. Monitor and evaluate all the IMC efforts to determine effectiveness and accountability.

Situation Analysis Stage

- Identify all the factors which might be relevant in deciding how marketing communication will be used
- Put the relevant issues in perspective and prioritise them
- Should be the first section of any brief
- Should be written in business language
- Should use/apply and reference, rather than reproduce, theoretical insights from text

Purpose of Using Checklists:
- Ensure important issues are not omitted
- Avoid tunnel vision

Available Checklists:
- BBKP (Chapter 8 and 9)
- Duncan SWOT prioritised (use to summarise)

Before starting IMC Plan:
- Take time to understand the market, the target, the brand and its competitors
- Use secondary information and observation for the situation analysis
- Be prepared to make and state sensible assumptions

<mark>**How Communication Works (Topic 3)**</mark>

Opening Case and Basic Communication Models

Word of Mouth – Most effective communication method

IMC's role is to initiate and influence the decision-making process:
- by acceptance of belief, attitude or behaviour using reasoning and emotional appeals
- by influencing what customers and prospects do, feel and think
= engage/persuade

What do we know about how communication works?
- Models involving feedback
- Models based on learning theory
- Models based on attitude development

Communication Feedback Model

Sender/Encoder	Messages	Channel	Receiver
The sender interprets ideas, decides that there is information/emotion to share and what it will be, encodes the idea in a message and sends it to the receiver.	An idea or feeling that is transmitted verbally, non-verbally or written.	How we communicate the message. Conversation, email, video, written etc.	Decodes the message, interprets it based on their mental models and responds.

Encoding

Working towards an effective/persuasive, targeted message
- Objectives
- Target audience
- Positioning the brand

Forms of Encoding			
Verbal	**Graphic**	**Musical**	**Animation/Games**
Spoken word	Pictures	Arrangement	Action/motion
Written word	Drawings	Instrumentation	Pace/speed
Song lyrics	Charts	Voices	Shape/form
Commonwealth Poem		VW Beetle High Five	Kit Kat Ultimate Break

Message

Contains information or meaning the source intends to convey
Put into a transmittable form appropriate to the channel
Messages communicate meaning at ultimate levels:
- Literal meaning (conscious)
- Symbolic meaning (subconscious)
Use of semiotics and cultural anthropology to understand conscious and subconscious meanings

The Semiotic Perspective

Interpretant, Object (brand or product attribute), Sign or symbol (representing intended meaning)

Falling in Lamb

Channel

Channel	The method by which the communication travels from the source or sender to the receiver

Receiver/Decoding Factors

The receiver is the person/s with whom the sender wishes to communicate.

Communication is heavily influenced by the receiver's frame of reference.

Pre-testing messages provides insights into how they may be received.

Noise

Noise	Extraneous factors that create unplanned distortion or interference in the communications process White noise (signal transmission), Clutter (competitive messages), Lack of common ground (improper encoding), Situational factors (distractions) Competition

Response/Feedback

Response	The set of reactions the receiver has after seeing, hearing or reading a message May include both non-observable and observable actions

Feedback

Feedback	Part of the message recipient's response that is communicated back to the sender Can take various forms and provides the sender with a way of monitoring how an intended message is decoded and received

Feedback closes the loop and allows marketers to monitor message effectiveness.

Consumer Touch Points, Purchase Path and Alternative Models

Brand Contact Points (Moments of Truth)

Touchpoint Types: Customer-initiated, Company created, Intrinsic, Unexpected

Managing Touch Points

Identify the touch points, Prioritise them
Impact on brand loyalty, Ability of company to influence the touch point experience of a customer, Cost of making each contact a positive one, Extent contacts can be used to gather consumer data, Extent to which touch points can be integrated to ensure message consistency

Implications of Alternative Response Models

Not all response sequences and behaviours are explained adequately by any of the response hierarchies.

Marketing communication is just one source of information consumers use in learning about products, forming attitudes and making a purchase decision.

Consumers are likely to integrate information from all forms of marketing communication as well as direct experience in forming judgments.
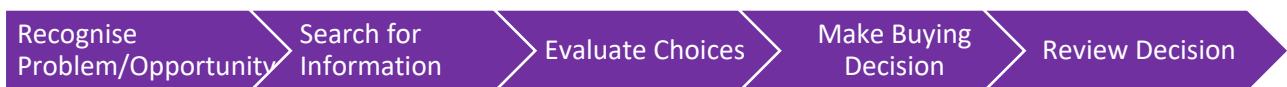
From a marketing communication planning perspective, it is important that marketers examine the communication situation for their product or service and determine which type of response process is most likely to occur.

Three pathways used in Brand Evaluations

Habit/Repeat Pathway (Cognitive Pathway)

| Recognise Problem/Opportunity | Make Buying Decision | Review Decision |

Cognitive Pathway

| Recognise Problem/Opportunity | Search for Information | Evaluate Choices | Make Buying Decision | Review Decision |

Emotional Pathway

| Recognise Problem/Opportunity | Evaluate Feelings about Choices/Benefits | Make Buying Decision | Review Decision |

Attitude Development Models

- Change consumer's perceptions of the importance or value of an attribute
- Increase or change the strength or belief rating of a brand on an important attribute
- Add a new attribute to the attitude formation process
- Change perceptions or belief ratings for a competing brand

Elaboration Likelihood Model

Elaboration depends on the motivation, opportunity and ability to process a message.

Motivation is a function of factors such as involvement, personal relevance, individual needs and arousal levels.

Opportunity and ability depend on knowledge, intellectual capacity etc.

Focuses on the way consumers respond to persuasive messages based on the amount and nature of elaboration.

Central Route – MAO is high, Close attention is paid to message content
Peripheral Route – MAO is low, Focus on peripheral cues than message content

Enhance Motivation

To attend to a message:
- appeal to hedonic needs/emotions
- use novel stimuli
- use intense or prominent cues

To process brand information:
- increasing relevance of brand itself
- increasing curiosity about brand
Absolut Unique

Enhance Opportunity

To decode information:
- repeat brand information
- repeat key scenes
- repeat message on multiple occasions

To reduce processing time:
- use pictures and imagery

Enhance Ability

To access knowledge structures:
- provide a context

To create knowledge structures:
- facilitating example-based learning through concretisation
- using demonstrations and analogies

Communication Objectives

Depends on consumer response path:
- Cognitive Path (Think)
- Affective Path (Feel)
- Behavioural Path (Do)

Cognitive Objectives: Change of ways of thinking, Learning of new theory
Behavioural Objectives: Trial, Purchase, Enquiry
Affective Objectives: Change how consumers feel about certain things

Learn: Personal Selling/Advertising/ PR
Feel: Personal Selling/Advertising/PR/Sponsorship
Do: Personal Selling/Direct Marketing/Sponsorship

Good objectives need to be SMARTT

Challenges for Insurance Brands
- High incentive needed to change
- Brand awareness
- People don't get excited for it

Interactive Communication = Two Way
Mass Media Communication = One Way

Rationale for Segmentation

Hard to communication 1 to 1 with all
Segmentation aggregates the audience and creates growth opportunities by showing:
- How to compete better in more places in the market
- How to 'cut' the market a different way to identify brand relationship opportunities

Targeting a Market Segment

Segmentable Database

Fusion of behaviour, relationship, demographic, psychographic and benefits data

IMC activities designed to initiate, maintain and increase loyalty (maybe switching)

Determining the Potential of the Behaviour Segments

New Users
+ High potential at introductory stage, i.e. communication to grow the category (Band-Aid Liquid, Yakult, Flora ProActiv)

Brand Loyals
+ Keep the customers you've got, i.e., zero defections (Reichheld & Sasser, HBR, 1990) with loyalty programs (Flybuys)

Favourable Brand Switchers
+ Potential to develop loyalty by buying more often - but watch churn (motivated only by sales promotion)

Brand Switchers
- Costly, usually necessary to buy their patronage

Their Brand Loyals
- Very hard to attract

Segmentation Bases

Relationship Segments – The Loyalty Ladder

<div align="center">

Advocates (Brand Loyals)
Clients (Brand Loyals)
Customers (Favourable Brand Switchers)
Prospects (New Users/Brand Switchers)
Suspects (Their Brand Loyals/Non-Users)

</div>

Behavioural/Demographic Segments

Geodemographic/Psychographic Segments

Major B2B Segmenting Criteria

Customer based variables (who/where):
- Types of business (SIC)
- Size of business $, employees, customer base
- Location
- Key accounts

Product/Service based variables (how used and how much):
- Usage quantity and type of application

Purchase process (who is involved and how they do it):
- Centralised v decentralised
- Relationship orientation (of the buyers)
- Power centres
- Competitive bidding
- General purchase policies

Brand Positioning and IMC Objectives

Positioning in a marketing sense:
- Against other brands
- With respect to customers

Positioning in a communication sense
- Addressing communication effects/outcomes which lead to communication objectives

Developing a Positioning Statement to Begin the Strategy

Positioning is the way in which the brand is seen in the mind of the target audience.

Single Sentence Positioning Statement

To (the target audience Y), BRAND is the brand of (category need X) that offers (brand benefit Z).

Ineffective:
To brand loyals and brand switchers concerned about their dental health, **Listerine** is the brand of mouthwash that offers a bad tasting medicine you take every night (instead of removing your teeth) to kill germs so you won't need false teeth.

Effective:
To new users and brand loyals concerned about their dental health, Listerine is the brand of mouthwash that offers a powerful force against germs that you can feel working – it's dynamite against germs.

Communication Objectives and Communication Effects:

1. Category need
2. Brand awareness
3. Brand attitude
4. Brand purchase intention
5. Purchase facilitation

Category Need (Learn)

- Primary demand
- All brands within the category
- Could be a communication objective if the target audience is New Users

Brand Awareness (Learn)

- Dependent upon how the purchase decision is entered into
- Two main types of choice situations in buyer behaviour
- Recall
- Recognition

Brand Attitude (Feel)

- The buyer's evaluation of the brand with respect to its perceived ability to meet a currently relevant motivation
- As communicators, we try to create, increase, maintain, modify or change attitudes
- Motivations may be negative (informational) or positive (transformational)

Informational
1. Problem removal Headache
2. Problem avoidance Insurance
3. Incomplete satisfaction Community Banks
4. Mixed approach-avoidance Courier Services
5. Normal depletion FMCGs

Transformational
6. Sensory gratification Ice Cream
7. Intellectual stimulation or mastery Lego
8. Social approval Clean-up day

Brand Purchase Intention (Do)

- The buyer's "self-instruction" to purchase the brand
- Low involvement brand choice + a Favourable attitude = Purchase at next buying opportunity
- High involvement brand choice + a Favourable attitude = Not necessarily a buying opportunity
- Explicit brand purchase intention is necessary

Purchase Facilitation (Do)

- Buyer is re-assured that all other elements will be in place, i.e. they know where to find it, that the price will be as expected etc.

The Basis for the Benefits or Value Proposition (Z)

Purchase motivations:
- Informational (negatively originated)
- Transformational (positively motivated)

Choice of Benefits (Z) to Emphasise

- Importance in consumers' mind
- Delivery: Can the brand provide the benefit?
- Uniqueness: Perceived ability to deliver on the benefit relatively better than other brands
- Emphasise the brand's unique benefits
- Mention its equal benefits
- Play down or omit its lower order benefits

To (the target audience Y), BRAND is the brand of (category need X) that offers (brand benefit Z).

The communication for this brand should emphasise (benefit/s U uniquely delivered); must mention (benefit/s I important); and will omit or trade off (benefit/s inferior D)

Positioning based on formal/formulaic process + experience:

+ Process is an objective way to quickly exclude inappropriate alternatives and get on track
+ Experience + subjective traditional approaches as a way to keep open more lateral thinking