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**Note:**

And please note we will have two guest speakers (Lectures 5 & 19)
WEEK 1: LECTURE 2

The Changing Advertising Landscape: An introduction to IMC

Traditional View of Advertising

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

- Paid: The space or time for an advertising message must be purchased.
- Non-personal: Involves mass media (e.g. TV, radio, newspapers, magazines) in one-way communications.

However, this traditional view is no longer appropriate...

- Rapidly changing media environment
  - Mass media losing viewers, readers, listeners
  - Digital media targets narrow audience
  - Consumers not content to be passive message recipients
  - Information now obtained from a myriad of sources
- Consequently, marketers have had to redefine the way in which they communicate with their target audiences in order to efficiently and with consistency deliver their brand message. This has led to the growth in Integrated Marketing Communications (IMC)

Integrated Marketing Communications (IMC): The cross-functional business process of developing and implementing various forms of persuasive communications programs with multiple relevant audiences such as customers and stakeholders over time in order to develop profitable relationships.
- Goal: to generate both short-term financial returns and build long-term brand relationships. The focus of IMC is on building brand awareness, identity, and eventually preference. IMC is a process rather than an immediate tool to drive sales.
Four key elements of the IMC Process

**Element 1: Affects Behaviour**
- The goal of IMC is to affect the behaviour of the audience and to build stronger brand relationships.
- The effectiveness of an IMC program is judged by its success in terms of its ultimate influence on behaviour.

**Element 2: Considers All Contacts**
- Considers all possible contacts or touchpoints a customer or stakeholder has with the brand or the organisation.
- Not all touchpoints are equally engaging.
- Objectives are not equally behavioural in all IMC disciplines.
- Levels of attitudinal engagement also vary.

**Element 3: Begins with the Customer**
- The IMC process begins with the customer and works back to determine the forms & methods through which persuasive communications should be developed.

**Element 4: Achieves Synergy**
- Fundamental to an integrated approach to communications is the need for a coordinated message across various media (achieving synergy) in order to present a clear idea of the brand in its target market’s mind.
- Strategic coordination is not just similar design/themes
  - Not a new idea: Y&R theory of the “Whole Egg” 1970s, Ogilvy 360 in the 1980s – ad agencies should coordinate all communication functions
  - The strategic coordination of all messages and media used by an organisation to collectively influence its perceived value
  - The assumption is that coordination results in synergy – interaction of individual parts makes the integrated whole greater than the sum of its parts
  - Not just similar looks – but true strategic integration

IMC is rooted in strategic marketing and business value creation - **What is value?**
- A customer’s perception of all the benefits of a product or service
  - Weighed against costs of acquiring and consuming it
- A brand’s value can be communicated via its positioning on three types of benefits:

**BENEFIT 1: Functional Benefits**
- Products that attempt to fulfil the consumer’s consumption-related problems.

**BENEFIT 2: Symbolic (or Psychological) Benefits**
- Products that potentially fulfil a consumer’s desire for self-enhancement, group membership, affiliation and belongingness.

**BENEFIT 3: Experiential Benefits**
- Brands such as Crown Casino that represent buyer’s needs for sensory pleasure, variety and cognitive simulation. This brings the brand message to life.
WEEK 2: LECTURE 3
The Communications Process I: Elements in the Communications Process & Semiotics

Elements in the Communications Process

1. Source Encoding
   - What are the characteristics of this source (Daniel Craig/007)?
     ◆ Product placement
     ◆ Because he is suave, sophisticated, wealthy and intelligent guy, He’s always associated with very high-end brand
     ◆ He always gets around the most exclusive
     ◆ The prestige that is associated with James Bond is simple reinforcing the positioning of Omega as a watch for the sort of suave, wealthy and sophisticated people.
   - Why do they make him attractive for Omega?
     ◆ Because as a franchise it’s an incredibly popular series of movies and he is one of the most popular of all the James Bond.
   - There are many reasons why companies use a celebrity as a source.
     ◆ Because the celebrity has a lot of meaning
     ◆ If there was somebody different, they would transfer a different source, connection or message.

2. Message Encoding
   - A message is a communication containing information or meaning that a source wants to convey to a receiver.
   - Messages must be put into a transmittable form appropriate to the channel.
   - Messages communicate meaning at multiple levels:
     ◆ literal meaning (conscious)
     ◆ symbolic meaning (sub-conscious)
   - Marketers use people trained in semiotics and cultural anthropology to understand literal and symbolic meanings
The Semiotic Perspective

Three components to every message

- **Object** (e.g., brand or product attribute)
- **Interpretant** (e.g., sexy, glamorous, individualistic)
- **Sign or symbol** (representing intended meaning)

Semiotics
- The study of meaning, signs and symbols

Meaning
- Perceptions (thoughts) and affective reactions (feelings) to stimuli evoked within an individual when presented with a sign (e.g., brand) in a particular context
- Internal response that you have as a person to external stimuli
- Meaning arises from the interaction of the sender and receiver
- Meaning is subjective – can differ based on countries, culture, background, past experiences with the brand

Cultural Meaning Transfer
- Cultural values, beliefs & artefacts are charged with meaning
- Marketers transfer meaning embodied in culture to consumer goods and services
- THEREFORE, a sign (i.e., a brand) can derive its meaning from the brand’s cultural context, i.e.,
  - Swiss/German -> Artisanship
  - Italian -> Styling; Fast sports cars
  - French -> Chic
- Use of cultural icons to install meaning in the brand
  - (i.e. ‘Ferrari is as Italian & as important to Italy’s history as Leonardo da Vinci’s ‘Mona Lisa’)

Figurative Language (Rhetorical Tropes)
- **Simile** – use of a comparative term (e.g. like or as)
- **Metaphor** – comparative term omitted
- **Allegory** – convey meaning through a story
- How do Rhetorical Tropes increase an Ad’s effectiveness?
  - More interpretative effort is required in making sense of metaphors than of more literal signifiers, but this interpretative effort may be experienced as pleasurable.
3. Channel Message
- The method by which the communication travels from the source or sender to the receiver

4. Decoding/Receiver
- **Receiver**: the person with whom the sender shares thoughts or information
- **Decoding**: the process of transforming the sender’s message back into thought
- This process is heavily influenced by the *receiver’s frame of reference or field of experience* (the experiences, perceptions, attitudes and values they bring to the communication situation)
  - Advertisers spend many millions of dollars investigating the audience’s reference frames
  - Pre-testing also provides insights into how messages are received & interpreted

5. Noise
- Extraneous factors that create unplanned distortion or interference in the communications process
- Advertising clutter; EG playing phone while watching Ad
- Given you have forces beyond your control that are reducing the amount of attention that people pay to your ad, it becomes even more crucial to make your ads not only as clear and easy to interpret as possible but also as interesting as possible to increase the likelihood that people actually pay attention to the ads.
- A couple of strategies that you can use to decrease the negative of nullifying effects of noise on your ads.
WEEK 2: LECTURE 4

The Communications Process II: The Foote, Cone & Belding (FCB) Grid & the Elaboration Likelihood Model (ELM) of Persuasion

Analysing the Receiver

- The Communications Process begins when the marketer identifies the target audience (i.e., receiver) that will be the focus of the message.

- Marketers can approach these audiences differently, for example:
  
  i. **The FCB Grid**:
     
     With an alternative response hierarchy that provides an Advertising Planning Platform based on **how involved** customers are in the product and **how much they think versus feel** about its purchase; or
  
  ii. **The Elaboration Likelihood Model (ELM)**:
     
     With a dual processing model that provides a platform for how companies can **frame** their Advertising messages to **influence attitude formation and change** amongst their customers.

The Foote, Cone & Belding Grid (FCB)

- “The FCB Grid can be seen as an extension of the traditional hierarchy model to different types of purchase decisions. The grid postulates that the hierarchy varies depending on whether the decision is:
  
  1. high vs. low in involvement;
  2. thinking vs. feeling.

- **Involvement**, in its simplest form, is interest level or motivational intensity.

- **Think/feel** is left brain (logical, linear)/right brain (holistic, symbolic) information processing (see for example, Holbrook and Moore 1981, Zajonc and Marcus 1982, Batra and Ray 1985 for a discussion of this distinction)" (Ratchford & Vaughn, 1989, p. 293).

Alternative Hierarchy: The FCB Grid

<table>
<thead>
<tr>
<th>High Involvement</th>
<th>Thinking</th>
<th>Feeling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible implications</td>
<td>Test: Recall</td>
<td>Possible implications</td>
</tr>
<tr>
<td>Test:</td>
<td>Media: Long copy format</td>
<td>Media: Large space</td>
</tr>
<tr>
<td>Creative: Specific information</td>
<td>Creative: Image specials</td>
<td>Creative: Execution</td>
</tr>
<tr>
<td>Demonstration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Involvement</td>
<td>Thinking</td>
<td>Feeling</td>
</tr>
<tr>
<td>Possible implications</td>
<td>Test: Sales</td>
<td>Possible implications</td>
</tr>
<tr>
<td>Test:</td>
<td>Media: Small space ads</td>
<td>Media: Billboards</td>
</tr>
<tr>
<td>10-second IDs</td>
<td>POS</td>
<td>Newspapers</td>
</tr>
<tr>
<td>Creative: Reminder</td>
<td>Creative: Attention</td>
<td>Creative: Attention</td>
</tr>
</tbody>
</table>
The Elaboration Likelihood Model (ELM) of Persuasion

- The ELM shows that elaboration likelihood of a message is a function of:
  - Motivation:
    - To process the message depends on such factors as involvement, personal relevance and individuals' needs and arousal levels.
  - Ability:
    - Depends on the individual’s knowledge, intellectual capacity and opportunity to process the message.

CENTRAL Route to Persuasion (active receivers)

- When elaboration likelihood is high:
  - Focus on message argument, rather than peripheral cues
  - The receiver wants to acquire more information (motivation & ability are high)
  - More likely to lead to permanent attitude change because it uses an emotion-based, message-based form of persuasion (ie: a tendency to relate aspects of the message to the personal situation)

PERIPHERAL Route to Persuasion (passive receivers)

- Motivation & Ability are low
- Relying on interest, connection; connecting with audience via emotions or psychological aspects, getting people to feel rather than think
- Use of cues that are unrelated (peripheral) to primary selling points (ie. stimulus-response learning)
  - EG: music, scenery, attractive models
  - Attitude change via classical conditioning
    - Pairing an unconditioned stimulus (peripheral cue, i.e. Michael Jordan) with a conditioned stimulus (brand name, i.e. NIKE) to elicit a conditioned response (i.e. NIKE with Michael Jordan)
    - Attitude change is more likely to be temporary

DUAL Route to Persuasion (Hybrid)

- Motivation & Ability are moderate
- Therefore, consumers process BOTH message arguments AND peripheral cues

Implications of the ELM

- ELM is a model of attitude formation and change that recognises two main forms of information processing (the third being a hybrid of the two)
- 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
- Higher involvement (central route) is preferred because it leads to more lasting attitude formation.
WEEK 3: LECTURE 6

The Consumer Processing ‘hierarchy of effects’ Model (CPM)

Learning Objectives

- IMC can also be approached from a Consumer Behaviour perspective. In Lecture 6 we will analyse one model that does this called the Consumer Information Processing Model (CPM), which is one of the many variations of the ‘Hierarchy of Effects’ model (McGuire, 1976).
- The CPM model helps us to understand the consumer decision making process and how it varies for different types of purchases.
- The CPM model also helps us to understand various internal psychological processes, their influence on consumer decision making, and the implications for Integrated Marketing Communication (IMC).

What is Consumer Behaviour?

- The process and activities that people engage in when searching for, selecting, purchasing, using, evaluating and disposing of products and services so as to satisfy their needs and desires.

IMC and Consumer Behaviour

- Besides from a communication perspective (i.e., Lectures’ 3 & 4), IMC can be approached from a consumer behavioural perspective. This is where the ‘Hierarchy of Effects CPM’ model comes in; it helps companies to understand how consumers process and respond to advertising stimuli and make choices among brands.
- The theoretical question is: what is the role of marketing communication in consumers’ attitude formation and purchase behaviours?
- The practical question is: What consumer insights can we gather to spark creative magic?

Consumer Decision Making

1. Maslow’s Hierarchy of Needs – examining Consumer Motivations

- With the consumer behaviour perspective of IMC which we will discuss now, we can see how consumers follow a series of stages in their buying behaviour.
- The drivers that influence each of the stages and underlies consumer purchases is Maslow’s Hierarchy of Needs; Maslow’s model helps marketers to better understand customer motives (i.e., those factors that compel a consumer to take a particular action).
2. The Hierarchy of Effects Model
   - There are many variations of the ‘Hierarchy of Effects’ model, ranging from the AIDA model, to the one above in Chapter 6 of the Textbook.
   - The ‘Hierarchy of Effects’ model we will be using in this class is a variation of the above called the “CONSUMER PROCESSING MODEL” (CPM), which has seven steps instead of five.

3. The Consumer Information Processing Model (CPM)
   **STAGE 1: Exposure to information**
   - Opportunity for one or more of the five senses to be activated by a stimulus
   - Thresholds that limit exposure to information (e.g., talking on the phone, lagging internet etc)
   - Consumer contact with communications is necessary but (usually) insufficient for success alone

   **STAGE 2: Selective Attention**
   - Attention
     - Allocation of processing capacity to incoming stimuli
     - Consumer information processing capability is limited
     - Attention can be:
       - **Involuntary**: Basic; Attention is grabbed but not necessarily held
       - **Non-voluntary**: Attention is grabbed AND held right through the end; whatever they’ve seek captures their interest that they want to be exposed to the ad
       - **Voluntary**: You pay attention to things that are relevant to you
   - Hedonic & cognitive appeals (Strategies to get audiences’ attention)
     - **Hedonic appeals** - aspects of life that consumers value highly (i.e., emotional connection)
     - **Cognitive appeals** - message congruent with information needs of consumers (i.e., rational connection)
   - Use of novel and intense stimuli
     - **Novel Stimuli** - Unexpected stimuli is more likely to be noticed over competitive stimuli; generates non-voluntary attention
     - **Intense Stimuli** - Consumers are more likely to notice stronger than weaker stimuli; generates involuntary or non-voluntary attention
STAGE 3: Comprehension

• Comprehension is our understanding or interpretation of stimuli

• Is facilitated by 3 ways:
  ♦ Features
  ♦ Context
  ♦ Mood: positive mood will be attached to the ad; the liking to the ad will transfer across to the brand being advertised

STAGE 4: Agreement

• Does the consumer agree with (i.e., accept) the message argument that they have comprehended?

• Agreement depends on:
  ♦ Message credibility
  ♦ Compatibility with customer values (This is a key aspect of IMC – beginning with your customers)

STAGE 5: Retention in Memory

• Memory
  ♦ Short term memory
  ♦ Long term memory (what you’re aiming for) – increases likelihood that your brand will be a part of the consideration set

• Learning (Ways to achieve long term memory)
  ♦ strengthen link between existing stimuli and objects
  ♦ establish new link between stimuli and object
  ♦ via concrete, creative, & repeated claims

STAGE 6: Retrieval of Information

• Use of imagery
  ♦ Representation of experiences in working memory
  ♦ Elicit images through verbal or visual cues

• Dual-coding theory: Pictures are represented in memory in both verbal & visual form

• Concrete imagery
  ♦ Easier for consumers to retrieve tangible rather than abstract information