

PRINCIPLES OF  
**Marketing**

## **Chapter Fourteen**

### **Communicating Customer Value: Integrated Marketing Communications Strategy**



# Communicating Customer Value: Integrated Marketing Communications Strategy

## Topic Outline

- The Promotion Mix
- Integrated Marketing Communications
- A View of the Communications Process
- Steps in Developing Effective Communication
- Setting the Total Promotion Budget and Mix
- Socially Responsible Marketing Communication



# The Promotion Mix

**The promotion mix** is the specific blend of advertising, public relations, personal selling, and direct-marketing tools that the company uses to persuasively communicate customer value and build customer relationships



# The Promotion Mix

## Major Promotion Tools

**Advertising** is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor

- Broadcast
- Print
- Internet
- Outdoor



# The Promotion Mix

## Major Promotion Tools

**Sales promotion** is the short-term incentives to encourage the purchase or sale of a product or service

- Discounts
- Coupons
- Displays
- Demonstrations



# The Promotion Mix

## Major Promotion Tools

**Public relations** involves building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events

- Press releases
- Sponsorships
- Special events
- Web pages



# The Promotion Mix

## Major Promotion Tools

**Personal selling** is the personal presentation by the firm's sales force for the purpose of making sales and building customer relationships

- Sales presentations
- Trade shows
- Incentive programs



# The Promotion Mix

## Major Promotion Tools

**Direct marketing** involves making direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships—through the use of direct mail, telephone, direct-response television, e-mail, and the Internet to communicate directly with specific consumers

- Catalog
- Telemarketing
- Kiosks





# Integrated Marketing Communications

## The New Marketing Communications Landscape

- Consumers are better informed
- More communication
- Less mass marketing
- Changing communications technology



# Integrated Marketing Communications

## The Need for Integrated Marketing Communications

**Integrated marketing communications** is the integration by the company of its communication channels to deliver a clear, consistent, and compelling message about the organization and its brands



# Steps in Developing Effective Marketing Communication

Identify the target audience

Determine the communication objectives

Design the message

Choose the media

Select the message source



# Steps in Developing Effective Marketing Communication

## Identifying the Target market

What will  
be said

How it will  
be said

When it  
will be said

Where it  
will be said

Who will  
say it



# Steps in Developing Effective Marketing Communication

## Determining the Communication Objectives

- Marketers seek a purchase response that results from a consumer decision-making process that includes the stages of buyer readiness



# Steps in Developing Effective Marketing Communication

## Designing a Message

### AIDA Model

- Get Attention
- Hold Interest
- Arouse Desire
- Obtain Action



# Steps in Developing Effective Marketing Communication

## Designing a Message

**Message content** is an appeal or theme that will produce the desired response

- Rational appeal
- Emotional appeal
- Moral appeal



# Steps in Developing Effective Marketing Communication

## Designing a Message

**Rational appeal** relates to the audience's self-interest

**Emotional appeal** is an attempt to stir up positive or negative emotions to motivate a purchase





# Steps in Developing Effective Marketing Communication

## Designing a Message

**Moral appeal** is directed at the audience's sense of right and proper



# Steps in Developing Effective Marketing Communication

## Choosing Media

**Personal communication** involves two or more people communicating directly with each other

- Face to face
- Phone
- Mail
- E-mail
- Internet chat



# Steps in Developing Effective Marketing Communication

## Choosing Media

**Personal communication** is effective because it allows personal addressing and feedback

Control of personal communication

- Company
- Independent experts
- Word-of-mouth



# Steps in Developing Effective Marketing Communication

## Choosing Media

### Personal Communication

**Opinion leaders** are people within a reference group who, because of their special skills, knowledge, personality, or other characteristics; exerts social influence on others

**Buzz marketing** involves cultivating opinion leaders and getting them to spread information about a product or service to others in their communities



# Steps in Developing Effective Marketing Communication

## Nonpersonal Communication Channels

**Nonpersonal communication** is media that carry messages without personal contact or feedback, including major media, atmospheres, and events that affect the buyer directly



# Steps in Developing Effective Marketing Communication

## Nonpersonal Communication Channels

**Major media** include print, broadcast, display, and online media

**Atmospheres** are designed environments that create or reinforce the buyer's leanings toward buying a product



# Steps in Developing Effective Marketing Communication

## Nonpersonal Communication Channels

Events are staged occurrences that communicate messages to target audiences

- Press conferences
- Grand openings
- Exhibits
- Public tours



# Steps in Developing Effective Marketing Communication

## Selecting the Message Source

The message's impact on the target audience is affected by how the audience views the communicator

- Celebrities
  - Athletes
  - Entertainers
- Professionals
  - Health care providers





# Steps in Developing Effective Marketing Communication

## Collecting Feedback

Involves the communicator understanding the effect on the target audience by measuring behavior resulting from the behavior



# Setting the Total Promotion Budget and Mix

## Setting the Total Promotion Budget

**Affordable budget method** sets the budget at an affordable level

- Ignores the effects of promotion on sales



# Setting the Total Promotion Budget and Mix

## Setting the Total Promotion Budget

**Percentage-of-sales method** sets the budget at a certain percentage of current or forecasted sales or unit sales price

- Easy to use and helps management think about the relationship between promotion, selling price, and profit per unit
- Wrongly views sales as the cause rather than the result of promotion



# Setting the Total Promotion Budget and Mix

## Setting the Total Promotion Budget

**Competitive-parity method** sets the budget to match competitor outlays

- Represents industry standards
- Avoids promotion wars



# Setting the Total Promotion Budget and Mix

## Setting the Total Promotion Budget

**Objective-and-task method** sets the budget based on what the firm wants to accomplish with promotion and includes:

- Defining promotion objectives
- Determining tasks to achieve the objectives
- Estimating costs



# Setting the Total Promotion Budget and Mix

## Shaping the Overall Promotion Mix The Nature of Each Promotion Tool

**Advertising** reaches masses of geographically dispersed buyers at a low cost per exposure, and it enables the seller to repeat a message many times



# Setting the Total Promotion Budget and Mix

## Shaping the Overall Promotion Mix The Nature of Each Promotion Tool

**Personal selling** is the most effective method at certain stages of the buying process, particularly in building buyers' preferences, convictions, actions, and developing customer relationships



# Setting the Total Promotion Budget and Mix

## Shaping the Overall Promotion Mix The Nature of Each Promotion Tool

**Sales promotion** includes coupons, contests, cents-off deals, and premiums that attract consumer attention and offer strong incentives to purchase, and can be used to dramatize product offers and to boost sagging sales





# Setting the Total Promotion Budget and Mix

## Shaping the Overall Promotion Mix The Nature of Each Promotion Tool

**Public relations** is a very believable form of promotion that includes news stories, features, sponsorships, and events

**Direct marketing** is a non-public, immediate, customized, and interactive promotional tool that includes direct mail, catalogs, telemarketing, and online marketing



# Setting the Total Promotion Budget and Mix

## Integrating the Promotion Mix Checklist

