Lecture 10
Integrated Marketing Communication: NNA
Structure

A. INTRODUCTION
1. Overview and Strategy Blueprint
2. Marketing Strategy: Analysis & perspectives

B. WHERE ARE WE NOW?
3. Environmental & Internal Analysis: Market Information & Intelligence

C. WHERE DO WE WANT TO BE?
4. Strategic Marketing Decisions, Choices & Mistakes
5. Segmentation, Targeting & Positioning Strategies
6. Branding Strategies
7. Relational & Sustainability Strategies

D. HOW WILL WE GET THERE?
8. Product Innovation & Development Strategies
9. Service Marketing Strategies
10. Pricing & Distribution
11. Marketing Communications
12. E-Marketing Strategies
13. Social and Ethical Strategies

E. DID WE GET THERE?
14. Strategy Implementation, Control & Metrics
Chapter Agenda

• Steps in coming up with an effective IMC.
Steps in developing effective communications

1. Identify target audience
2. Determine objectives
3. Design communications
4. Select communication channels
5. Establish budget
6. Measuring results
Step 1: Identify the Target Audience

• This step signifies who are the group of consumers a marketing communication is directed towards.

• Your target market is basically your target audience. Hence, the target market that you have generated through the process of segmentation and targeting – those consumers are your target audience (TA).
Step 2: Determining the communication objective

• Remember **communication objective** answers the question: Why do we need to communicate? Once you answer that question, then you have your communication objective.

• The communication objectives I am going to teach you all are the following:
  • To build brand knowledge
  • To inform
  • To persuade
  • To support other marketing efforts
  • To encourage action/purchase intention.
  • To create category need.
Communication Objective: Building Brand Knowledge

- **Brand Knowledge** = Brand Awareness + Brand Image
- **Brand Awareness** = Brand recognition + Brand recall.
- **Brand Image** = summation of all brand associations.
- More the Brand knowledge → stronger the brand equity.
- Stronger brand equity → consumer’s top choice.
• Communication can convince customers that a particular brand is superior/better.
Communication Objective: Supporting Marketing Activities

• Consumers need to know about the incentives provided to them such as coupons, sweepstakes, buy one get one frees.
• In order for that to happen, companies utilize advertisements via print, radio or television to communicate the incentive to the target customers.
Advertising can be used to encourage action of some type. The action does not necessarily have to be to make a purchase. It can encourage consumers (or businesses) to make an inquiry, to access a Web site for further information, to visit a retail outlet, or to send an e-mail or make a telephone call. The goal is to encourage the individual to do something rather than passively observe the ad.
Communication Objective: to create category demand

• This communication objective is to create demand for the product category.
• This can be done through primary demand communication.
Step 3: Designing a communication

• The design phase of a communication signifies the creation of the communication message and involves three phases:
  1. Message strategy (what to communicate)
  2. Message execution (how to communicate)
  3. Message source (who should communicate)
Step 3: Designing a communication

• **Message strategy:** explains what general message needs to be communicated in the communication. It is usually a statement which pinpoints the positioning that the advertiser wants to stress.

• 3 broad categories of message strategies:
  • Cognitive message strategies
  • Affective message strategies
  • Conative message strategies
Step 3: Designing a communication

• **Cognitive Message Strategy**: It is the presentation of rational arguments or pieces of information to consumers.

• When cognitive message strategy is used, the advertisement’s key message is about the product’s attributes or benefits (functional).

• The goal of a cognitive message strategy approach is to design an ad that will have an impact on a person’s knowledge structures.
Step 3: Designing a communication

• Affective messages strategies are messages that invoke feelings or emotions and connects those feelings with the good, service, or company.
Step 3: Designing a communication

• Conative message strategies are designed to lead directly to some type of action or response.
Step 3: Designing a communication

- **Message Execution**: signifies how will a marketer explain the message (cognitive, affective, conative). To understand this phenomena, I will teach you different execution styles/executional frameworks.
Animation

• Animation was originally an inexpensive way to advertise. Companies that could not afford actors, used animation to create adverts.

• In recent years, the use of animation in advertising has increased due to the growing sophistication of computer graphic programs.
In slice of life commercials, advertisers attempt to provide solutions to the everyday problems consumers face.

This format was made famous by P & G during the early days of television advertising in the 1950s.

The advertisements normally show the common experiences, and especially the problems people encounter. Then the good or service is made available to solve the problem.
Components of Slice of Life

- Encounter
- Problem
- Interaction
- Solution
Demonstration

• A demonstration execution shows how a product works. A demonstration is an effective way to communicate the attributes of a product to viewers.
Testimonial Evidence

• Testimonial evidence: features a highly believable or likable source endorsing the product. It could be ordinary people as well as celebrities presenting/talking about the product.
Fantasy

• Fantasy executions are designed to lift the audience beyond the real world to a make-believe experience.
• Some are meant to be realistic, but most are fantasies that are *irrational and would never really happen*.
• Most common fantasy themes still involve sex, love and romance.
• Fantasy is widely used for fragrances and other fashion items.
Informative

• Here, information is presented to the audience in a straightforward manner.

• Seen commonly in RDCs and sometimes print media, rather than in TVC – where consumers tend to ignore them.

• Consumers who are highly involved in a particular product category pay attention to such ads.

• Such ads thus tend to work best for high-involvement situations.
• **Credibility** of the spokesperson affects receiver’s acceptance of the spokesperson and message. In other words, a credible source is believable.

• There are five parameters affecting the credibility of a spokesperson: attractiveness, trustworthiness, similarity, expertise, likeability.

• Most Sources do not score highly of all attributes, yet they need to score highly on multiple attributes to be viewed as credible.
Step 3: Designing a communication: Source Characteristics: Credibility Criterions

- Attractiveness
- similarity
- Likability
- Trustworthiness
- Expertise
Step 3: Designing a communication: Source Characteristics: Credibility Criteria

- **Attractiveness** comprises of: **Physical** (outer beauty) and **Personality** (inner psychological characteristics) attractiveness.

- **Likeability**: consumers respond more positively to spokespeople they like and have favourable feelings towards. The liking arises from various sources e.g. a consumer might like a celebrity because of a movie or an athlete because the athlete plays for his/her favourite team.
Step 3: Designing a communication: Source Characteristics: Credibility Criterions

- **Trustworthiness** signifies consumers knowing that the spokesperson is telling the truth and not a lie.
- **Expertise** signifies the knowledge that a spokesperson possesses about the product category being advertised.
- **Similarity** signifies whether the audience is aware of the spokesperson and know who he/she is. If the spokesperson is not popular, then consumers will not remember the brand the spokesperson is endorsing.
Step 4: Selecting Communication Channels

• Once you design a message, that message now needs to be released through some type of media.
• You can utilize both ATL and BTL media to generate a 360 branding platform to effectively communicate with your TA.
Percentage of sales method: It is a budget derived from either:

- i) sales from previous year
- ii) anticipated sales for the next year.

- The major reason for using this method is its simplicity.
- **Disadvantages 1:** when sales increase, communication budget increases and when sales decreases, so does the communication budget. However, when sales are declining, budget should be more to help reverse the trend. Furthermore, during growth periods, communication budget may not need to be increased.
- **Disadvantage 2:** it does not allocate money for special needs like combat competitive pressures.
Payout Planning: companies start by spending more at the beginning to create awareness and brand equity, then slowly lower the spending once people brand equity becomes stronger.

- Example: Senora and Chamak.
Step 5: Establishing Communication Budget

Competitive Parity Method: some companies set their communication budget to achieve share of voice parity with competitors.

- **Precaution:** matching competitor’s spending does not guarantee success.

- Hence, it is important to remember that it is not how much is spent, but rather how well the money is spent to attract new customers and retain existing customers to increase market share.
Step 5: Establishing Communication Budget

The “What We Can Afford” Method: This technique sets the marketing budget after all the companies other budgets have been determined.

• This method is utilized by companies who do not understand the significance of promotions and view it as a non revenue generating activity. Such companies do not understand that investing in promotions is an investment to build brand equity.
Step 5: Establishing Communication Budget

The objective and task method: To prepare this type of communication budget, management lists all of the communication objectives to pursue during the year and then calculates the cost of accomplishing each objective. Hence, the budget will be the total cost of the estimated costs for all objectives.

- Many marketing professional believe that the objective task method is the best practice because it relates money to achieving specific objectives.
Objective task method scenario

• Suppose you want to launch an energy drink called **VOLT**.

1. **Establish a marketing objective (share goal):** you estimate that there exists 50 million customers who drink energy drink. And in consequence, you want to grab 8% market share which is 4 million.

2. **Establish Communication objective:** to create brand awareness and brand knowledge.

3. **Determine the percentage of the market that should be reached by your campaign:** in this case, you set a reach percentage of 80% which is 40 million customers.
IMC Audience Communication Option Overlap

Communication Option A reaches 40%
Communication Option B reaches 20%
Communication Option C reaches 20%

Note: Circles represent the consumers reached by various communication options. Shaded portions represent areas of overlap in communication options.
Objective task method scenario

4. **Determine the frequency of exposure:** In this case you want your TA to see or hear your message at least 5 times.

5. **Generate a media plan to reach 80% of your TA while making sure that they see or hear your communication at least 5 times.**

6. **Establish budget against your media plan.**
A budget is finalized when the company has specified how funds will be spent on each of the major communication media.
Budgeting Expenditure: Zerocal

- Market activation: 27%
- Print advertisement: 32%
- Radio: 23%
- Events: 18%
Step 6: Measuring Communication Results

• You can measure communication results in terms of revenues generated.

• For example 1: the return on marketing investment in terms of revenue for the brand CLEAR is 500%.

• For example 2: the return on marketing investment in terms of revenue for the brand Kool is 300%.

• However, immediate returns may not be always possible as it takes time (and lots of investment) to build brand equity.
Step 7: Measuring Communication Results

• You can also pursue various consumer surveys to understand the impact of your communication campaign in terms of awareness, knowledge, brand purchase, satisfaction, and repeat purchase.

• For example 1:
  • 80% of the total target market are aware of your brand because of your campaign.
  • Out of these 80 percent, 60% of them have purchased your brand.
  • Out of these 60%, 50% are dissatisfied whereas, 10% are satisfied.
Step 7: Measuring Communication Results

• For example 2:
  • 40% of the total target market are aware of your brand because of your campaign.
  • Out of these 40 percent, 10% of them have purchased your brand.
  • Out of these 10%, all of them are satisfied from your brand.

Discussion: what has gone wrong with this communication campaign?