

DESIGNING AND MANAGING INTEGRATED MARKETING COMMUNICATION



Planning marketing program without an understanding of the communication process is very difficult. Marketing is, you know, above all a communication activity. Therefore, a knowledge of the nature of communication can help the marketer to better understand his own organization and a number of marketing problems which he may confront in managing his activities.

School of Business

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Lesson-1: Marketing Communication - An Overview

Objectives of this lesson

After reading this lesson, you will be able to:

- Understand the role of communication in marketing
- Identify the aims of marketing communication
- Describe the concepts of communication and marketing communication
- Explain the communication process.

Role of Communication in Marketing

Once a product has been created and a price determined for it, the marketing focus switches to promotion or communication. However good a product, it will seldom sell itself. Knowledge about the product has to be communicated to the potential customers, either through word of mouth, advertising or some form of display. Marketers, therefore, do not restrict their activities in developing want satisfying products and services, price them, and make them available at customers' doorsteps. Market must be aware of the existence of a product in order to consider it in the list of alternatives of choice decision. To make present and potential customers aware of the presence of the product in the marketplace, a marketer must communicate with them using such means as advertising, sales promotion, and, public relations. Contemporary marketers not only communicate with their customers but also with the middlemen, various groups of publics, and suppliers using a complex marketing communication system or marketing communication mix consists of advertising, sales promotion, publicity, and personal selling.



It becomes meaningful if communication is effective.

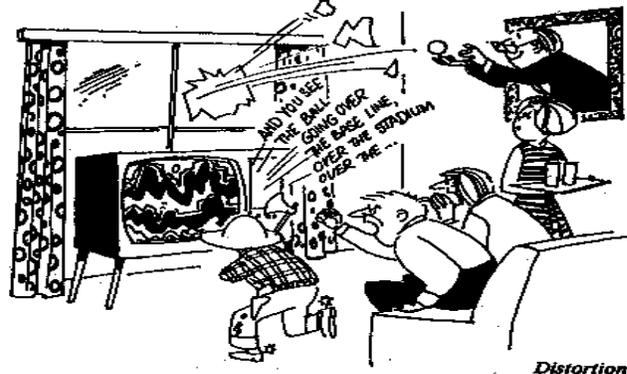
Communication is important in the sense that it links the seller with the potential buyers. It is used as an aid in convincing potential customers to turn them into actual buyers. Communication is therefore important in the promotion of a firm's product. Promotion, if fails getting potential customers attention, becomes a wasted effort. It becomes meaningful if communication is effective. Communication is the way marketers attempt to influence the customer to take the desired actions in the marketplace.

A product offers benefits; place utility is created by distribution; product's value is pointed out by price; communication promotes these other factors to potential buyers. Consumers need to know that a particular product is available and is able to provide need satisfaction to them. Communication helps marketers to let customers know what they have done to satisfy consumers' needs.

The role of communication is to contact and establish rapport with individuals, groups, or organizations to directly or indirectly facilitate exchanges by influencing one or more of the audiences to accept a firm's product. To facilitate exchanges directly, marketers communicate with selected audiences about a firm and/or its goods, services, and ideas. Marketers indirectly facilitate exchanges by focusing communication about company activities and products on interest groups, current and potential investors, regulatory agencies, and society in general. Viewed from this wider perspective, communication can play a comprehensive role for marketers. Some communication activities can be directed toward helping a company to justify its existence and to maintain positive, healthy relationships between itself and various groups in the marketing environment.

The cutting edge of marketing instrument is the message that is communicated to prospective buyers through the various elements in the promotional program. It is the promotional program that serves as the primary channel of communication to prospective customers. It will help us in the planning of effective promotional programs if we review communication theory briefly and show its application to the development of promotional strategy. In the next lesson we shall have a detail discussion on this.

□ Communication is never perfect, although you will always wish it



Marketers often design a communication precisely for a specific audience, although they can direct a single type of communication - such as an advertisement - toward numerous audience. To get most benefit from communication efforts, they must make every effort to be sure communications are properly planned, implemented, coordinated and controlled.

Aims of Marketing Communication

The communication component of the marketing mix includes four major elements. They are: advertising, personal selling, sales promotion, publicity and public relations. These elements are very often used together for a synergistic results. Marketing communication basically includes all aspects of the marketing mix designed to reach and influence target market segments. Generally speaking, marketing communication has four aims. They are: informing, persuading, reminding, and reinforcing. Let us now have a look at them:

The communication component of the marketing mix includes four major elements.

- **Informing:** Almost all marketing communications convey some kind of information about the product: its availability, features, name, use, benefits - in short, what functional and psychological needs the product is aimed to satisfy. A television commercial for a VCR, for example, tells the viewer that the machine will record while the buyer is away from home and that it can be operated by a remote control device. The commercial also claims that video cassette recorders are easy to use by showing a eight year old boy putting on a video cassette in the recorder. Marketing communication therefore provides prospective buyers both direct and indirect messages.
- **Persuading:** Marketing communication also attempts to persuade the audience to move toward some action or develop a positive attitude. When sales representatives of a new printer point out the features of the newly developed printer to potential customers and emphasize how fast and economically it operates, they are basically trying to persuade prospects to buy the printer.
- **Reminding:** This is another aim of marketing communication. Marketing communication reminds people that the product is still available in the marketplace. When the product is in the latter stages of its life cycle, reminding communications are used to offset competition from newer products. A company for example, can use newspaper coupons as a part of communication effort to remind customers that its product has been favorite since long and still desired by customers.
- **Reinforcing:** Marketing communication reinforces customers' satisfaction after a purchase is made. A reinforcement serves as a reward for some responses and reduces an individual's drive. The marketing communication by highlighting the positive aspects may reinforce a buyer to buy the same brand again, and also to convince others to buy the same.

A reinforcement serves as a reward for some responses and reduces an individual's drive.

The Concept of Communication and the Marketing Communication

“Marketing communications are attempts by a firm to influence the behavior of the markets for its products or services. The salesforce, advertising, and sales promotion are the three principal means of persuasion that are available to the firm.”¹ Using marketing promotion, marketing executive communicates with the target markets to inform and influence their attitudes and behaviors. Marketing communication tells the target customers that the right product is available at the right price and at the right place. The term communication comes from the latin word ‘communis’. When we communicate, we are trying to establish a commonsense with someone. The marketer, for example, is attempting to share information about the features of his product, the benefits it offers, and the needs its use will meet.

Promotion and communication is used synonymously in marketing literature.

Promotion and communication is used synonymously in marketing literature. Communication can also be viewed as the transmission of information. Thus the sending and receiving of form is communication. For promotional purposes, a more useful approach is to define communication as a sharing of meaning. Implicit in this definition is the idea of transmission of information, because sharing necessitates transmission. Marketing communication is the various tools used to inform and persuade people that a firm directs toward its target markets, channel members, and the public in general. These communications consist of advertising, personal selling, and sales promotion activities. Increasingly, marketing management is finding it profitable to combine advertising, personal selling, packaging, point of purchase, direct mail, product sampling, publicity, and public relations decisions into an integrated promotion strategy for communicating with buyers and others involved in making buying decisions.

Communication can be informative and/or persuasive.

Communication can be informative and/or persuasive. With persuasive communication the aim is to have some effect upon the attitude or behavior of the target audience. There are many forms of persuasive communication, a speaker addressing an audience, an institution appealing for support or parties employing sticks in negotiation situations. In any communication situation there will be a communicator, the sender or source of a message, the message itself, the channel that carries it and the audience that receives it. There should also be some feedback from the audience to the communicator.

Promotion is any form of communication an organization uses to inform, persuade, or influence consumers, middlemen, and various publics. It is an important variable in every organization's marketing program.

¹ Dalrymple D.J. and Parsons L.J. - Marketing Management - Strategy and Cases, John Wiley & Sons, Canada, 3rd Edition, p., 528

The major promotional methods that marketers use in their communication efforts are **advertising, sales promotion, publicity, and personal selling**. The American Marketing Association defines these terms as follows :

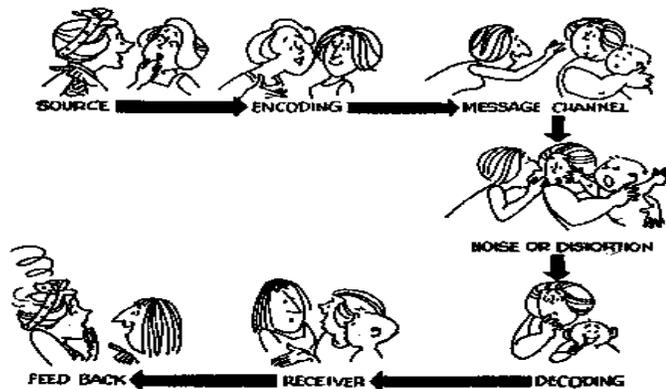
- **Advertising:** Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.
- **Personal Selling:** Oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales.
- **Public Relations and Publicity:** Nonpersonal stimulation of demand for a product, service, or business unit by planting commercially significant news about it in a published medium or obtaining favorable presentation of it upon radio, television, or stage that is not paid for by the sponsor.
- **Sales Promotion:** Those marketing activities, other than personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness. They include displays, shows and exhibitions, demonstrations, and various non-recurrent selling efforts not in the ordinary routine.

Organizations have to decide on the proper role of each of these methods in their promotional program.

The Communication Process

Marketers need to understand the communication process to develop an effective promotional program. Communication, the process of sharing meaning, involves the elements shown in figure –11.1. It begins when one party (the Sender) wishes to communicate with another party (the receiver).

□ The diagram given below shows how the message travels from source to the receiver.



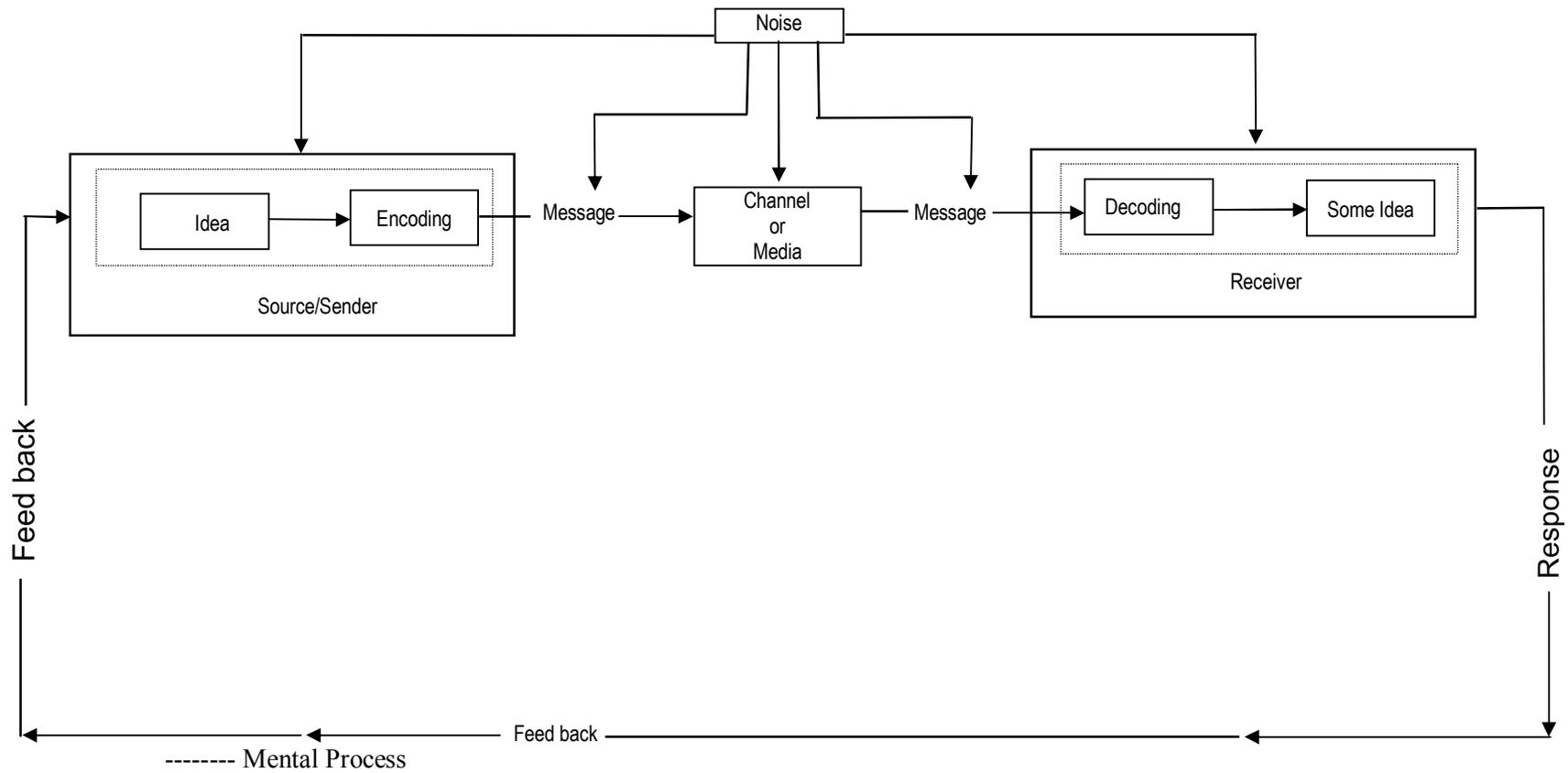
The source, is the party who wants to share information with someone else. This information must first be encoded. Encoding is the process of choosing symbols (words, pictures, figures) that convey the thoughts to be communicated. The message is the set of symbols that the sender transmits through communication channels (television, radio, magazines, news-papers, telephone, cellular phone, fax, e-mail, pagers, person-to-person interaction). Communication channels, are the paths through which the messages flow. The messages are then decoded. Decoding is the process by which the receiver assigns meaning to the symbols transmitted by the source or sender. The receiver, or audience, is the individual or group with whom the sender wants to share meaning.

Three additional elements in the communication process are response, feedback and noise.

There are three additional elements in the communication process. They are response, feedback and noise. Response is the reaction of the receiver against the decoded message. Feedback is the receiver's response that is communicated back to the sender or source. It may take one of several forms: awareness or attitude change, a purchase or a non-purchase. The sender is thereby provided with information to be used in evaluating the effectiveness of the communication process. Face-to-face communication, as in personal selling, provides immediate and direct feedback. On the other hand, mass communication feedback (television, magazine, and radio advertising), could take weeks to obtain and evaluate.

Noise is an element which may enter the communication process at any of its stage. It is anything that distorts or interferes with the communication process. For example, the message may be encoded into symbols unknown to the receiver. Noise also occurs when a particular communications channel does not match the receiver's listening, viewing, or reading habits. Other examples of noise are lack of sender credibility, external interference introduced from outside the communications process and the competitive noise deliberately introduced by another sender. External noise can also come from rumors that disparage companies or their products.

Figure -11.1 : Elements of the Communication Process



The effectiveness of communication depends to a great extent on the similarity between the encoded message and that of decoded one.

The communication process, thus, starts with the sender who intends to send some message to the receiver. Sender, in the beginning, must know who his target audience/s is/are and what response he expects from his receiver. In encoding the message, the sender must keep in mind the nature, characteristics, abilities, and knowledge of the receiver so that the receiver decodes it in such a way that matches with the encoded message. Sender should also transmit the message through efficient media so that it reaches the target receiver and should also develop a feedback system to see how the receiver is reacting to the message being transmitted to him. The effectiveness of communication depends to a great extent on the similarity between the encoded message and that of decoded one.

Questions for Review

1. Market must be aware of the existence of a product in order to consider it in the list of alternatives –
 - a. Of choice decision
 - b. For purpose of selling it
 - c. For purpose of utilizing it
 - d. None of the above.
2. A marketer communicates with the target market using such means as –
 - a. Advertising
 - b. Sales promotion
 - c. Public relations
 - d. All of the above.
3. Contemporary marketers not only communicate with their customers but also with the –
 - a. Middlemen
 - b. Various groups of publics
 - c. Suppliers
 - d. All of the above.
4. Marketing communication mix consists of –
 - a. Advertising
 - b. Sales promotion
 - c. Publicity and personal selling
 - d. All of the above.
5. Communication is important in the sense that it links the seller with the –
 - a. Potential buyers
 - b. Public in general
 - c. Both a & b
 - d. None of the above.
6. The role of communication is to contact and establish rapport with–
 - a. Individuals
 - b. Groups
 - c. Organizations
 - d. All of the above.
7. To get most benefit from communication efforts, marketers must make every effort to be sure communications are –
 - a. Properly planned
 - b. Implemented
 - c. Coordinated and controlled
 - d. All of the above.

8. Marketing communication has four aims. They are:
 - a. Informing, persuading, reminding, and coordinating
 - b. Informing, persuading, reminding, and reinforcing
 - c. Planning, persuading, reminding, and reinforcing
 - d. All of the above.
9. Marketing communications are attempts by a firm to –
 - a. Influence the behavior of the markets
 - b. Influence the behavior of the markets for buying more
 - c. Influence the behavior of the markets for its products or services
 - d. None of the above.
10. The source is the party who wants –
 - a. To share information with someone else
 - b. To sell his product
 - c. Both a & b
 - d. None of the above.
11. Feedback is the receiver's response –
 - a. That is communicated back to the receiver himself
 - b. That is communicated back to the sender
 - c. That is passed back to other public
 - d. All of the above.
12. Simply stated, noise is anything –
 - a. That distorts or interferes with the communication process
 - b. That interferes with the sender
 - c. That interferes with the receiver
 - d. All of the above.
13. Cost that does not vary with the quantity of production can be termed as –
 - a. Fixed cost
 - b. Semi-fixed cost
 - c. Variable cost
 - d. Marginal cost.
14. Explain the role of communication in marketing. Discuss in detail the aims of marketing communication.
15. Describe the concepts of communication and marketing communication. Explain the communication process showing the model of communication.

Answers



1. a, 2. d, 3. d, 4. d, 5. c, 6. d, 7. d, 8. b, 9. c, 10. a, 11. b, 12. a, 13. a.

Lesson-2 & 3: Developing and Managing Effective Marketing Communication

Objectives of these lessons

After reading these lessons, you will be able to:

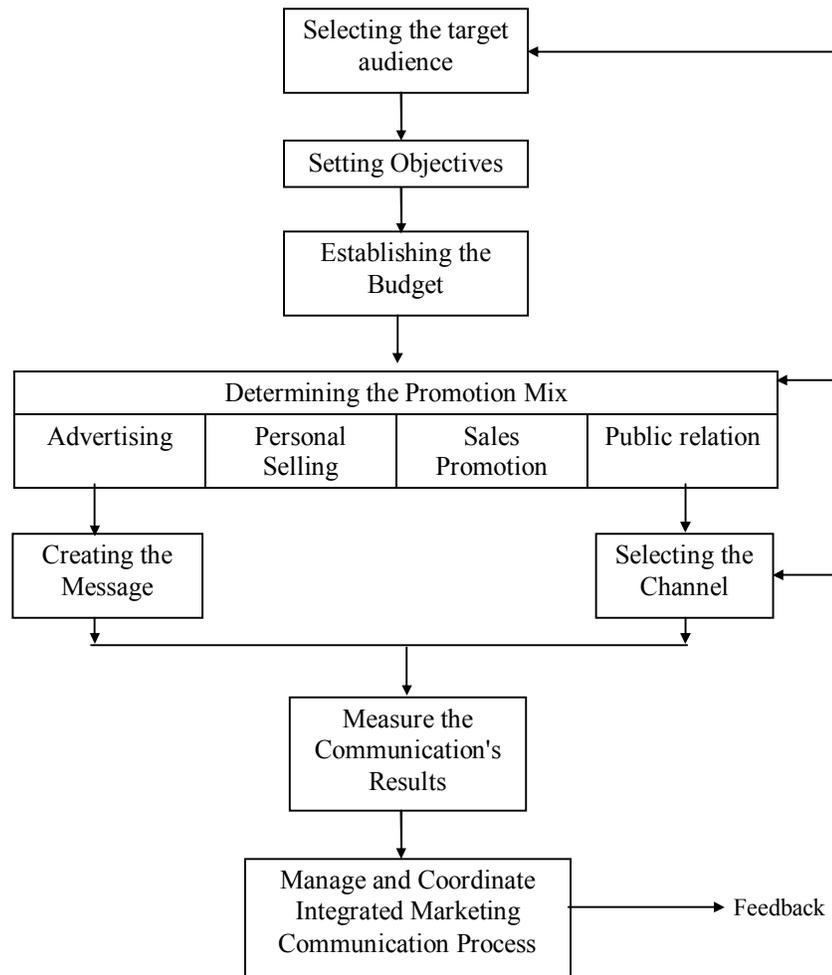
- To select the target audience for communication
- Set communication objectives
- Understand how marketing communication budget is established and determine the promotional mix
- Form an idea on message creation and choose the appropriate media for communication
- Know how to measure the promotion's results
- Understand how integrated marketing communication process is managed and coordinated.

A **marketing communication program** design consists of closely coordinated communication efforts planned to achieve specific objectives. The important factors bearing on a communication program design are illustrated in figure-11.2. These factors include :



- Selecting the target audience
- Setting objectives
- Establishing the budget
- Determining the promotional mix
- Creating the message
- Selecting the channel
- Measure the Communication's Results
- Manage and Coordinate Integrated Marketing Communication Process,

Figure - 11.2 : Designing a Communication Program



Selecting the Target Audience

The starting point in designing the communication or promotional program is to identify the receiver or target audience. They may be present or potential customers, people influencing the buying process, special interest groups, or the general public.

In developing communication program, the communicator should have the clear idea about who the target audience are, because they determine the message to be communicated, how, when, and where it is to be communicated. Audience analysis calls for assessing the audience current image of the company, its products or the competitors of the company.

Dr. Kotler defines image as the set of beliefs, ideas, and impressions that a person holds regarding an object. In measuring the target audience's knowledge of the object, a familiarity scale as identified by Kotler shown

below can be used:

| | | | | |
|----------------|---------------|-------------------|--------------------|----------------|
| Never Heard of | Heard of only | Know a Little bit | Know a Fair Amount | Know Very Well |
|----------------|---------------|-------------------|--------------------|----------------|

The pattern of responses will determine the level of company's challenge to build awareness among target audience; if majority of the respondents lean toward the first two categories of responses, then the company should take measure of extensive communication to make more people aware about its product.

Again, after identifying the familiarity of target audience with the company's product, company should take measure to know how they feel about the product. Using a favorability scale (as developed by Kotler), feelings toward the company's product can be measured, i.e., image in the minds of the present and potential buyers can be ascertained. The scale can be seen below:

| | | | | |
|------------------|----------------------|-----------------------|----------|----------------|
| Very Unfavorable | Somewhat Unfavorable | Indifferent Favorable | Somewhat | Very Favorable |
|------------------|----------------------|-----------------------|----------|----------------|

Responses found using this scale tell us about the image of a company's product that exists in the minds of people. If majority of the respondents check the first two categories of response, than the company should take measure to overcome negative image since the first two categories represent negative aspects. To decide on communication program, management should decide what position it wants to occupy in the marketplace, in the first instance, and then accordingly design communication program.

Once the target audience is determined, the desired response must be specified. The communicator may then establish the budget and decide how to split the funds among the promotional elements. Creating the message, choosing the media or channels, planning for implementation, and collecting feedback are the other activities involved in designing a communication/promotion program.

Setting Objectives

A Marketer communicates to achieve various responses from the target audience. The objective may be to influence the consumer's mind to change consumer behavior, or to affect others (see figure-11.3). Several models have been developed by the researchers to show the mental stages a buyer passes through before responding. One of such models is known by the acronym *AIDA*: awareness, interest, desire, and action. According to the said model, marketers must first build awareness among consumers about a particular subject. Once consumers become aware about the subject, such as a new brand of shampoo, persuasive communication is used to build interest in and desire for the shampoo and, ultimately, to obtain action i.e., sale.

Another widely used model that also shows buyers passing through a series of stages prior to purchase is the *hierarchy-of-effects model*. This model (figure-11.4) indicates that buyers move through stages such as awareness, knowledge, liking, preference, conviction, and purchase. The actual purchase depends on achieving each of the stages that precede it.

Figure - 11.3 : Possible Marketing Communication Objectives

- | |
|---|
| <ol style="list-style-type: none">1. Desired conditions to achieve in the consumer's mind<ol style="list-style-type: none">a. Increase brand awarenessb. Increase product knowledgec. Improve brand imaged. Improve the company imagee. Increase brand preference2. Desired conditions to achieve in the consumer's behavior<ol style="list-style-type: none">a. Increase store trafficb. Increase telephone inquiriesc. Increase brand trial purchased. Increase repurchasese. Increase frequency of purchase3. Desired conditions to achieve for corporate position<ol style="list-style-type: none">a. Increase cooperation from the tradeb. Enhance the company's reputation in the financial communityc. Enhance the company's reputation among employeesd. Increase the influence of public opinion related to corporate welfaree. Build-up management ego |
|---|

Source: Adapted from M. Wayne De Lozier, *The Marketing Communications Process* (New York McGraw-Hill, 1976), pp. 279-80.

Figure -11. 4 : Promotion and the Hierarchy of Effects Model

| Hierarchy-of-Effects Stages (movement toward purchase) | Promotion that might be relevant to various stages |
|---|---|
| <p>Awareness</p> <p>↓</p> <p>knowledge</p> | <p>Teaser campaigns</p> <p>Jingles and slogans</p> <p>Classified ads</p> <p>Point-of-purchase displays</p> <p>Publicity</p> |
| <p>Liking</p> <p>↓</p> <p>Preference</p> | <p>Informative or descriptive acts</p> <p>Status or glamour appeals</p> <p>Demonstrations</p> <p>Image ads</p> <p>Comparative ads</p> |
| <p>Conviction</p> <p>↓</p> <p>Purchase</p> | <p>Testimonials</p> <p>Coupons, discounts, other incentives</p> <p>Point-of-purchase displays</p> <p>Retail store ads</p> <p>Reminder ads</p> |

Source: Adapted from Rober J. Lavidge and Gary A. Steiner, "A Model for Predictive Measurement of Advertising Effectiveness". Journal of Marketing 25(October, 1961), p.61

.Establishing the Budget

Determining how much to spend for marketing communication or promotion is one of the most difficult marketing decision areas. Researches have not provided usable standards nor have practitioners. Economists use the concept of marginal analysis to determine an optimal level of expenditures on marketing communication. According to marginal analysis, the optimum marketing communication/promotional budget is one where marginal cost and marginal revenue are equal. Economists say that expenditures should be made until the last addition to the budget equals the amount of revenue generated by the addition. In the real world of promotion, no one has been able to make this theory work. Rather the question tends to be answered all too often "with politics, irrationality, opportunism, and vanity."²

It is very difficult indeed to assess the results of communication expenditures. moreover, achieving objectives does not automatically mean that the expenditures made to obtain the results were worthwhile. One department store executive pointed out "I know that half of my

It is very difficult indeed to assess the results of promotional expenditures.

² T. Kirk Parrish, "How much to spend for advertising," *Journal of Advertising Research*, February, 1974, p. 9.

advertising is wasted. Unfortunately, I don't know which half."

Though there is no largely acceptable one best practical approach to determine a communication budget, several methods can be used. Five basic methods of determining the said budget are by percentage-of-sales, fixed-sum-per-unit, available funds, competitive comparison, and by objective-and-task.

- **Percentage-of-Sales Method:** The *percentage-of-sales method* is probably the most widely used way of determining the communication budget. This method has become popular because of its simplicity. Percentage figures may be based on last year's sales or on projected sales for the next year. Basing the percentage on past sales could be considered a regressive method. On the other hand, basing the percentage on a future time period may be too optimistic. The point is that arriving at a correct percentage is difficult from practical point of view. Even within an industry, what may be a perfectly adequate amount for one firm may be woefully small or large for the other.

Though it is a widely used, it is logically inconsistent. If communication is intended to stimulate demand, then it should be viewed as the cause of sales instead of a result of past or future sales. Another weakness of this method is its lack of flexibility. Unanticipated economic and competitive conditions may warrant higher or lower expenditures than the amount allocated for communication.

- **Fixed-Sum-Per-Unit Approach:** This approach establishes a promotional budget by setting aside a specified amount for each sales or production unit. For example, a toothpaste company might apply a figure of seventy paisa per tube of toothpaste sold of a particular brand.
- **All Available Funds Method:** This approach calls for communication expenditures on the basis of "all we can afford". Here, communication is viewed as a luxury that can be cut out altogether during difficult times. This approach may lead to heavy expenditures at one time and insufficient budgets at another.
- **Competitive Comparison Method:** This *method* is, a defensive rather than an aggressive posture. Here, a company is "keeping up with the Joneses" and assumes the Joneses know what they are doing. In practice, competitors may be just as confused over how much to allocate for the communication budget. More so, competitors' promotional objectives might be quite different from one another because of the particular needs of each individual enterprise. While individual firms may not release how much they spend for communication, these figures can usually be found in different publications.

- **Objective-and-Task Method:** Under this *method*, an organization first determines its communication objectives and then calculates how much it will cost to achieve those objectives. This is the most defensible basis for determining the budget because it forces management to define specific communication objectives. Such objectives, in turn, provide a standard for control. If the objectives are not reached, the elements of the communication process can be reevaluated and appropriate adjustments may be made by the management.

Objective and task method is the most defensible basis for determining promotion budget.

This method is based on two assumptions. First, the objective is realistic and worthwhile. However, a danger exists that the objective, especially if stated in terms of sales response or market share, is too optimistic for the money available. The stated objective of a promotion campaign might be to obtain a given percent of the market share within six months of product launch.

Second, the existence of a cause and effect relationship and an ability to measure it. This is difficult because the results of a promotional campaign are affected by other marketing mix variables and uncontrollable forces in the environment.

- **Determining the Communication Mix**

The communication tools- advertising, sales promotion, publicity, personal selling - used by an organization represent its *promotional or marketing communications mix*. The make-up of the such varies from product to product, market to market, industry to industry. For example, the communication mix of such consumer goods as cosmetics, usually relies heavily on advertising and sales promotion. Industrial goods such as forklift trucks, and transistors, rely more heavily on personal selling and trade publicity. Now a days, educational institutions make extensive use of advertising, sales promotion, and personal selling to boost lagging enrollments. Marketers face the challenge of determining the proper mix of the communication elements so that all work together to reach the intended audience.



Factors Influencing the Marketing Communication Mix : There are quite a few factors influence companies in developing a given communication mix. Even though companies have similar objectives, a different emphasis might be placed on each communication tool. For example, company “A’s” products may rely extensively on personal selling whereas company “B” may devote most of its promotional budget to advertising and sales promotion. Above examples show that there is no one best method of determining how the communication budget should be allocated among the main promotional elements.

Factors That influence the Marketing Communication are: (1) characteristics of the target market, (2) the communication budget, (3) type of product, (4) stage in the product's life cycle and (5) distribution strategy. Let us now briefly discuss the above mentioned factors in the following paragraph:

- **Characteristics of the Target Market:** The nature of the market itself should be a fundamental factor influencing the marketing communication or promotional mix. The number, geographic location, and type of customer are important market characteristics that a marketer should consider in deciding the communication mix.

When the number of customers is very large, advertising and sales promotion are the appropriate communication tools to emphasize. Markets, consisting of millions of people, can be reached economically only through advertising. Personal selling tends to dominate the mix when there are relatively few customers.

The type of customers consisting the target market also influences the communication mix.

The type of customers consisting the target market also influences the communication mix. For household consumers, advertising and sales promotion are relied upon at the national level. On the other hand, at the local retail level, advertising and personal selling are emphasized. Communication programs aimed at industrial customers and middlemen consist largely of personal selling, although advertising plays an important role here..

In the early stage of the buying process, when there is general lack of awareness, advertising and publicity are effective communication methods. During the intermediate stages, when interest and preference are important, demonstrations or samples may be appropriate. In the final stage, personal selling, point-of-purchase displays, or retailer ads are emphasized more by a marketer.

The size of the total communication budget affects the relative usage of communication tools.

- **The Communication Budget:** The size of the total communication budget affects the relative usage of communication tools. Small firms normally lack funds to launch an advertising campaign on television or in widely circulated publications. They rather resort to personal selling and various joint promotional efforts with retailers, such as point-of-purchase displays. Large promotional budgets clearly allow for greater flexibility in using a combination of

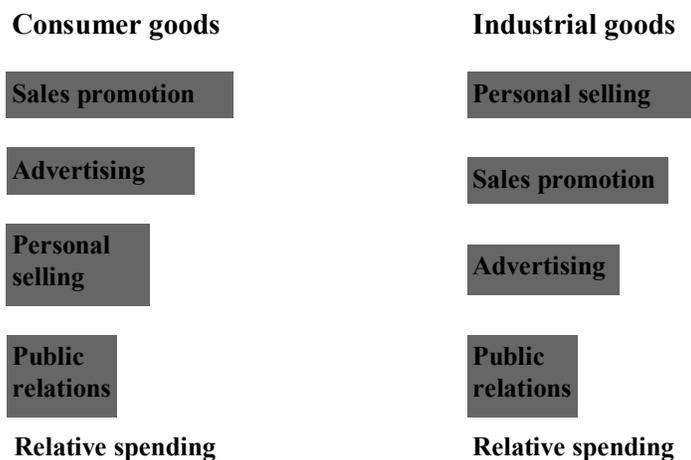
communication tools and communication media. Organizations who do not or cannot budget for promotion must rely on publicity, word-of-mouth, and voluntary efforts of existing customers and channel members.

- **Type of Product :** In case of consumer goods sales promotion and advertising are considered the most important marketing communication tools while personal selling is the predominant promotional activity for marketing industrial or business goods. In most industrial goods industries, media advertising expenditures are minimal. The bulk of the communication budget here goes to personal selling. These communication mix differences in consumer and industrial goods marketing are illustrated in figure-11.5.

Each element of the marketing communication/promotional mix has its unique advantages. Advertising requires a far lower expenditure per sales unit than personal selling. Advertising normally plays a large role in the communication strategy for convenience and shopping goods. Here personal selling, has more impact than advertising because an individual message can be tailored for each prospective customer. The higher expenditure per sales unit is compensated for by its greater effectiveness compared to advertising.

Advertising requires a far lower expenditure per sales unit than personal selling.

Figure - 11.5 : Relative Spending on Promotional Tools in Consumer versus Business Markets

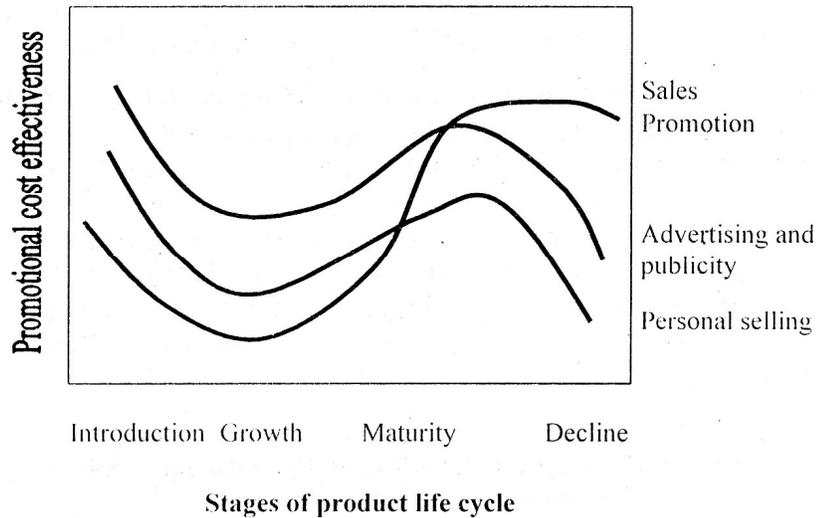


- **Stage in the Product's Life Cycle:** The discussion in *unit 7* indicated that products pass through several stages of market development, namely: introduction, growth, maturity, and decline. That different communication mix elements should be used in each stage of the product life cycle.

While a product is introduced in the market, advertising plays an important role in building consumers awareness about the product and in stimulating *primary demand*. The demand for a particular brand of product (Yamaha motorcycles), is referred to as *selective demand*. The

demand for a product or service from one seller or store rather than another is termed to as **patronage demand**. For new products, publicity often becomes a key element in the communications process. Sales promotion might also play a significant role in inducing people to try the product.

Figure - 11.6 : Cost Effectiveness of Different Promotional Tools at Different Stages of the Product Life Cycle



Source: Kotler Philip, Marketing Management: Analysis Planning, Implementation, and Control, 9th edition, p.628.

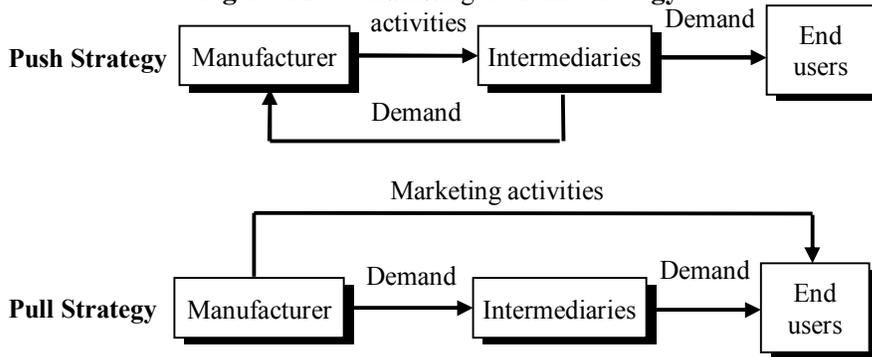
When the product reaches the growth stage, advertising continues to be a dominant element in the communication mix. Retailers may assume an important role in the communication effort by participating in cooperative advertising programs of the producer.

On the other hand, at the maturity stage of the product life cycle, communication strategies rely heavily on advertising to persuade and remind customers. Large, continuous advertising campaigns are usually necessary if the market is found to be highly competitive.

During the decline stage, companies usually spend less money on advertising. Sales promotion and, to a lesser extent personal selling, activities are undertaken on continuous basis at this stage.

- Distribution Strategy:** If a marketer follows **push strategy** he attempts to convince a wholesaler that it is advantageous for him to carry a particular item. The wholesaler in turn will attempt to convince the retailer, who in turn will attempt to convince the consumer of the product's benefit. Under the pull strategy a marketer attempts to create direct consumer demand with the expectation that the consumer will ask the retailer for the item. In turn, the retailer will order the item from the wholesaler who will order it from the producer.

Figure 11.7 : Push versus Pull Strategy



Source: Kotler Philip, Marketing Management: Analysis Planning, Implementation, and Control, 9th edition, p.627.

Under the push strategy, a marketer emphasizes basically on personal selling and trade incentives to push the product through the marketing channel. Number of incentives such as price discounts, display allowances, sales contests, etc. may be offered to motivate middlemen to carry new items.

A pull strategy focuses on advertising and sales promotion to create consumer demand. Using this strategy marketers hope to pull the product through the channel. Retailers may have little choice but to carry an item customers are demanding. Such strategies are usually used for such packaged consumer goods as shampoo, soap, and food items. A combination push-pull strategy is also possible and lot of marketers use such a combination.

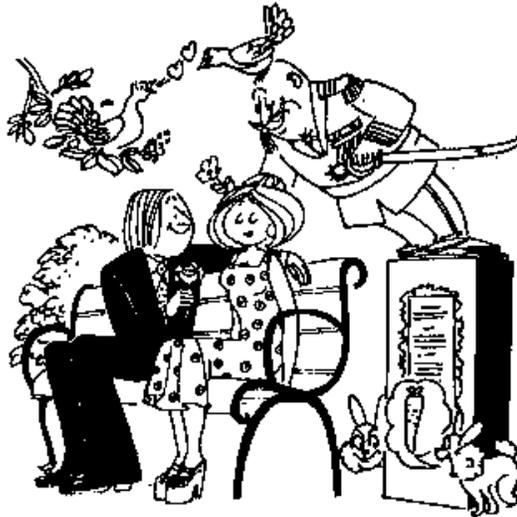
A pull strategy emphasizes advertising and sales promotion to create consumer demand.

- **Buyer-Readiness Stage:** Different stages of buyer readiness also influence the choice of promotion mix. In the awareness stage, advertising and publicity play the most important roles compared to personal selling and sales promotion. Advertising and personal selling should be used more for customer comprehension. Conviction, on the otherhand can be affected more by personal selling. Personal selling and sales promotion may be used heavily for closing the sale or affecting the ordering stage. Repeat purchase may be affected by advertising, personal selling as well as sales promotion.

Creating/ Designing the Message

Development of effective message starts when a marketer is able to define the desired audience response. When designing a message, a marketer should keep in mind that it should be able to get attention first, hold customers' interest, and able to lead customers toward action and it should happen in that order.

Marketers require to solve four problems when formulating message. The problems are labeled as a. what should be the content of the message (what to say)?, b. what should be the structure of the message (how to say it logically)?, c. what should be the format of the message (how to say it symbolically)?, and d. what should be the source of the message (who should say it)?



- **Content of the Message:** In order to produce desired response, the communicator of the message should work out the content of the message in the beginning. Marketer should remember that a particular message may not produce same response from all of the members of target audience, since they vary in many ways in terms of their expectations and needs. Marketers, therefore, now a days prepare different commercials of a single product for different segments of market or different areas depending on the variations in segments or areas. Pepsi Cola for example produce different commercial for different countries to suit local flavor. Management searches for an appeal, theme, idea or unique selling proposition in determining the best message content which again can take three forms such as rational, emotional, and moral.

When an appeal is directed at audience's self interest we call it a **Rational Appeal**.

When an appeal is directed at audience's self interest we call it a **Rational Appeal**. By demonstrating different aspects of a product such as price, performance, quality, value, distinctiveness etc. communicator can relate it to buyers' self interest, that buyers are given the idea that this particular product is able to satisfy their needs best.

Customers vary in their emotional state.

When an appeal can create sensation in buyers by attacking buyers' positive or negative emotions leading him to buy a particular product, we call it an **emotional appeal**. Customers vary in their emotional state. They consider buying those products that match

with their emotional state- both negative and positive. If a marketer can associate his product with customers' emotional state by creating an appropriate appeal, customers will consider his product different than competing brands though it is quite similar to those in reality.

Audience have got a sense of what is correct and what is incorrect, and a **moral appeal** is directed at their sense of this belief. Producers of everyday products use moral appeal less frequently except few exceptions. Some smart companies use moral appeals such as appealing people to support social causes with the hope of creating positive attitude in the minds of people toward the company and its products. A cigarette manufacturer in this country use this appeal very often to exhort people to support its program of plantation.

Effectiveness of a message not only depends on its content but also of its structure.

- **Structure of the Message:** Effectiveness of a message not only depends on its content but also of its structure. It is important to present the arguments of a message in a logical and believable way to make it effective. Message can be structured in both one sided and two sided way depending on the level - mental, awareness, readiness and others - of the audience. One sided message basically highlights on the benefits of the product while two sided message highlights both on negative and positive aspects of the product such as “**x brand of toothpaste tastes not good twice a day though it whitens your teeth twice a day**”. In case of two sided message, the communicator has to decide which argument he will present first, whether the negative or the positive one.
- **Format of the Message:** The format of the message must be developed in a sound manner so that it is considered very strong. The format depends on the media through which the message will be communicated. For example, if it is planned to be communicated through radio, the words, voice qualities, and vocalizations must be planned very carefully by the communicator since the source here is not seen by the audience. On the contrary, if the message is planned to be carried through television or in person, the communicator in addition to the above must also be very careful about body movements, dress of the model, hair style, facial expression, gesture, posture and any other nonverbal cues. Attention must be paid to the color, texture, scent, size, shape of the product and its packaging if the message is carried out by the product or its packaging. On the contrary, the headline, copy, illustration, and color must be chosen very carefully if the message is planned to be carried by print media.
- **Source of the Message:** Source of the message is again very important in the development of audience's attitude toward the product. A source is considered likeable if he is considered pleasant, perceived honest, and looks physically attractive. Marketers, therefore, use celebrities as source to draw audience's attention and develop positive attitude. Communicators are also effective when they are perceived by the audience as similar to them in appearance

The format depends on the media through which the message will be communicated

and other personal characteristics. Sometimes it may be useful to choose a communicator who seems least likely to be advocating the argument at hand, that is the 'unexpected source'. Unexpected communicators were rated more sincere and honest in a study where "hippies" spoke against marijuana. Source credibility is also important in the effectiveness of the message. For example, if a renowned dentist testifies the benefits of using a particular brand of toothpaste, it will be considered very trustworthy by the audience.

Message is carried out using some channels of communication.

Selecting the Channel

Message is carried out using some channels of communication. In order to be effective, it must be communicated using the most appropriate channel/s. It is therefore, imperative for the communicator to select an efficient channel through which his message to be carried out to get maximum coverage. The communicator can select either of the two types of channels - the personal or nonpersonal - or both - each having distinct characteristics.

- **Personal Communication Channels:** If two or more persons communicate directly with other (individual or group) it can be termed as personal communication. Personal communication can take different forms such as **face to face** communication, **person to audience** communication, communication over **telephone**, or through **mail**. Personal communication can also take other forms such as **advocate, expert, and social channels**. If company salespeople contact buyers of the target market it can be termed as advocate channel; independent experts who make statements to target buyers is known as expert channel; and, on the other hand, neighbors, friends, peers, and family members who talk to target buyers in favor of a product can be termed as social channel. The expert and social channels are considered very effective by the contemporary marketers. Several steps can be taken by a company to influence people to work on behalf of the company of which following are important:
 - Identify influential individuals and companies and devote extra effort to them.
 - Create opinion leaders by supplying certain people with the product on attractive terms.
 - Work through community influentials such as president of local sports club.
 - Use influential or believable people in testimonial advertising.
 - Develop advertising that has high "conversation value". For example, a real state company here in Bangladesh developed an advertisement where the slogan was "buy three khatas paying

one khata's price" created a high conversation value.

- **Nonpersonal Communication Channels:** If messages are carried without personal contact or interaction, it is known as a nonpersonal communication. The media, atmosphere, and events are the examples of nonpersonal communication channels. Media again take different forms such as print, broadcast, electronic, and display. The packaged environments that may induce a buyer purchasing a product is known as the atmosphere such as the interior decoration, furniture, point of purchase display, and sales people's apparent goodwill and behavior. Conferences, grand openings, sports and cultural events sponsorship, etc., can be termed as events. The communicator design them to communicate some message to the target audience to draw their favorable attitudes toward the company and its offers.

Measuring the Communication's Results

Marketer need to measure the result of marketing communication/promotion plan being implemented in order to see how effective it was in reaching and convincing the target group.

Whatever the objectives chosen, whatever the theme, tools and media selected, whatever group is the target of the communication, it must be monitored and controlled to ensure some measure of success. If display units do not reach retailers in time, if brochures are not attention getting, if budgets are not enforced, communication campaign can easily backfire. Responsibility for marketing communication should be assigned to a specific individual or group alongwith delegation of authority.

The results can be measured in many ways of which asking members of target group how much they could remember or recall the message, how many times they have seen or heard the message, what points they can recall, how they felt about the message, their previous and current attitudes toward the product and the company are important. In addition to that, the behavioral responses of the target audience should also be measured. Marketers should assess whether the marketing communication/promotion itself increased sales, or whether such purchases were simply delayed from previous months when communication campaign was not undertaken.

Managing and Coordinating Integrated Marketing Communication Process

To achieve the communication aims, a company can rely on one or more of the communication tools. Selection of tools depends on the type of market the company plans to attack. In contemporary marketing practices, many of the marketers rely on Integrated Marketing Communications commonly known as 'IMC'. American Association of Advertising Agencies defines 'IMC' as "...a concept of marketing

communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communications disciplines - for example, general advertising , direct response, sales promotion and public relations - and combines these disciplines to provide clarity, consistency, and maximum communications' impact through the seamless integration of discrete messages".

More message consistency and greater sales impact are produced by IMC through enabling the company to reach the right group of customers at the right time and place with a right message.

Questions for Review

1. Receivers of the communication process may be –
 - a. Current or potential customers
 - b. People influencing the buying process
 - c. Special interest groups or the general public
 - d. All of the above.

2. Audience analysis calls for assessing the audience current image of –
 - a. The company
 - b. Company's products
 - c. The competitors of the company
 - d. All of the above.

3. Dr. Kotler defines image as the set of beliefs, ideas, and impressions that a person holds –
 - a. Regarding an object
 - b. Regarding himself
 - c. Regarding his neighbors
 - d. Regarding his personality.

4. According to the AIDA model, marketers must first build –
 - a. Attention
 - b. Awareness.
 - c. Interest
 - d. Desire.

5. Hierarchy-of-effects model indicates that buyers move through stages of –
 - a. Knowledge, awareness, liking, preference, conviction, and purchase
 - b. Awareness, knowledge, preference, conviction, and purchase
 - c. Awareness, knowledge, liking, preference, conviction, and purchase
 - d. Awareness, knowledge, conviction, and purchase.

6. Which of the following is one of the five basic methods of determining the promotional budget?
 - a. Percentage-of-sales
 - b. Fixed-sum-per-unit
 - c. Available funds
 - d. All of the above.

7. Which of the following is a weakness of percentage-of-sales method of setting promotional budget?
 - a. Inflexibility
 - b. Inconsistency
 - c. Both a & b
 - d. None of the above

8. All Available Funds Method to budgeting calls for promotional expenditures on the basis of –
 - a. What was spent last year
 - b. All we can afford
 - c. Competitors' spending
 - d. What has been allocated in the budget.

9. The competitive comparison method is, by definition –
 - a. A defensive rather than an aggressive posture
 - b. An aggressive rather than a defensive posture
 - c. A defensive rather than a counter-offensive posture
 - d. None of the above.

10. The make-up of the promotional mix varies from –
 - a. Product to product
 - b. Market to market
 - c. Industry to industry
 - d. All of the above.

11. Which of the following is a factor that influences the marketing communication or promotional mix?
 - a. Characteristics of the target market
 - b. The promotional budget
 - c. Both a & b
 - d. None of the above.

12. Small firms normally likely to resort to –
 - a. Personal selling
 - b. Various joint promotional efforts
 - c. Both a & b
 - d. None of the above.

13. The demand for a particular brand of product is referred to as –
 - a. Primary demand
 - b. Selective demand
 - c. Patronage demand
 - d. Augmented demand.

14. The decline stage calls for significant –
 - a. Changes in promotional efforts
 - b. Increase in promotional efforts
 - c. Decreases in promotional efforts
 - d. None of the above.

15. When an appeal is directed at audience's self interest we call it –
 - a. A rational appeal
 - b. A moral appeal
 - c. An emotional appeal
 - d. None of the above.

16. Discuss how would you select the target audience for communication? Explain the methods of setting communication objectives.
17. Critically explain how marketing communication budget is established. How can you effectively determine the promotional mix?
18. Write an essay on message creation. How can you measure the promotion's results? Discuss.

Answers

1. d, 2. d, 3. a, 4. b, 5. c, 6. d, 7. c, 8. b, 9. a, 10. d, 11. c, 12. c, 13. b, 14. c, 15. a.

