

*it's good and
good for you*

Chapter Fourteen

Communicating Customer Value: Integrated Marketing Communications Strategy

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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 Marketing Communication
- Setting the Total Promotion Budget and Mix
- Socially Responsible Marketing Communication



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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



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The Promotion Mix

The Promotion Mix

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

- Broadcast
- Print
- Internet
- Outdoor



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The Promotion Mix

The Promotion Mix

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

- Discounts
- Coupons
- Displays
- Demonstrations



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The Promotion Mix

The Promotion Mix

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



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The Promotion Mix

The Promotion Mix

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



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The Promotion Mix

The Promotion Mix

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



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Integrated Marketing Communications

The New Marketing Communications Model

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



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Integrated Marketing Communications



The Need for Integrated Marketing Communications

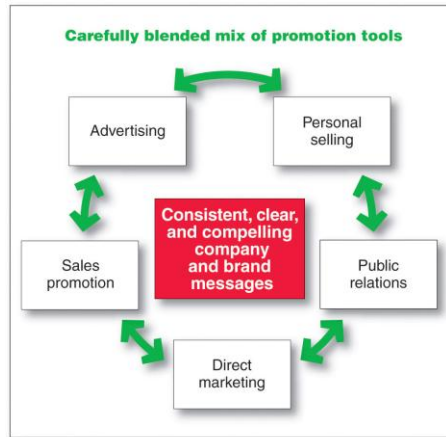
Integrated marketing communications is the integration by the company of its communication channels to deliver a clear, consistent, and compelling message about the organization and its brands



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Integrated Marketing Communications Strategy

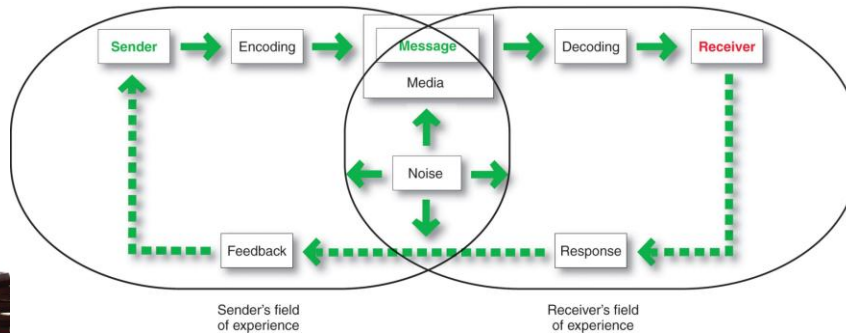


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A View of the Communication Process

The Communication Process



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Steps in Developing Effective Marketing Communication

Identify the target audience

Determine the communication objectives

Design the message

Choose the media

Select the message source



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Steps in Developing Effective 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

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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



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Steps in Developing Effective Marketing Communication

Designing a Message

AIDA Model

- Get **A**ttention
- Hold **I**nterest
- Arouse **D**esire
- Obtain **A**ction



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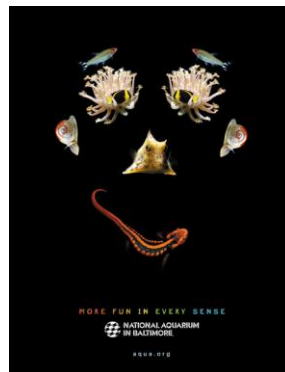
Steps in Developing Effective Marketing Communication

Designing a Message

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

- Rational appeal
- Emotional appeal
- Moral appeal

Message Format



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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



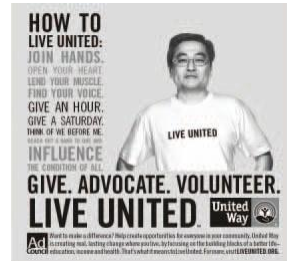
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Steps in Developing Effective Marketing Communication

Designing a Message

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



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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



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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



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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



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Steps in Developing Effective Marketing Communication

Non-Personal Communication Channels



Non-personal

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



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Steps in Developing Effective Marketing Communication

Non-Personal 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



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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



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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



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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



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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



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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



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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



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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



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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



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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



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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



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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

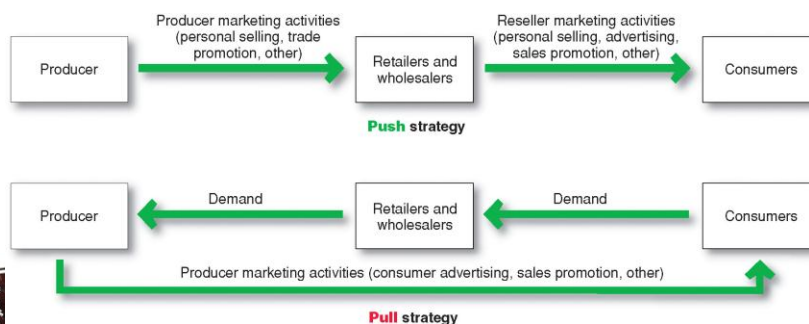


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Shaping the Overall Promotion Mix

Promotion Mix Strategies



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