

12

Promotion Strategy and New Media



Chapter Questions

- What is the role of marketing communications?
- How do marketing communications work?
- What are the major steps in developing effective communications?
- What is the communications mix and how should it be set?
- What is an integrated marketing communications program?



Marketing Communications

The means by which firms attempt to inform, persuade, and remind consumers, directly or indirectly, about the products and brands they sell.

3

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Modes of Marketing Communications

1. **Advertising** is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.
2. **Sales promotion** is any variety of short-term incentives to encourage trial or purchase of a product or service.
3. **Events and experiences** are company-sponsored activities and programs designed to create daily or special brand-related interactions with consumers.
4. **Public relations and publicity** are a variety of programs directed internally to employees of the company or externally to consumers, other firms, the government, and media
5. **Direct marketing** is the use of mail, telephone, fax, e-mail, or Internet to communicate directly with or solicit response or dialogue from specific customers and prospects.
6. **Interactive marketing** is online activities and programs designed to engage customers or prospects.
7. **Word-of-mouth** marketing refers to people-to-people oral, written, or electronic communications.
8. **Personal selling** is face-to-face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions, and procuring orders.

4

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Communication Platforms

Advertising

- Print and broadcast ads
- Packaging inserts
- Motion pictures
- Brochures and booklets
- Posters
- Billboards
- POP displays
- Logos
- Videotapes

Sales Promotion

- Contests, sweepstakes, games,
- Premiums
- Sampling
- Trade shows, exhibits
- Coupons
- Rebates
- Entertainment
- Continuity programs

5

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Communication Platforms (cont'd)

Events/ Experiences

- Sports
- Entertainment
- Festivals
- Arts
- Causes
- Factory tours
- Company museums
- Street activities

Public Relations

- Press kits
- Speeches
- Seminars
- Annual reports
- Charitable donations
- Publications
- Community relations
- Lobbying

6

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Communication Platforms (cont'd)

Personal Selling

- Sales presentations
- Sales meetings
- Incentive programs
- Samples
- Fairs and trade shows

Direct Marketing

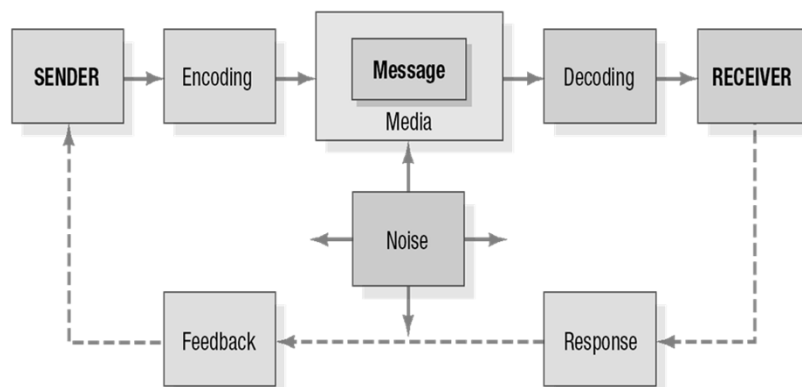
- Catalogs
- Mailings
- Telemarketing
- Electronic shopping
- TV shopping
- Fax mail
- E-mail
- Voice mail

7

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Figure 1: Elements in the Communications Process *(see next slide)*



8

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Elements in the Communications Process

- Marketers should understand the fundamental elements of effective communications. Two models are useful: a macromodel and a micromodel. Figure 1 shows a macromodel with nine key factors in effective communication.
- Two represent the major *parties*— sender and receiver. Two represent the major *tools* —message and media. Four represent major *communication functions* —encoding, decoding, response, and feedback. The last element in the system is noise, random and competing messages that may interfere with the intended communication.
- Senders must know what audiences they want to reach and what responses they want to get. They must encode their messages so the target audience can decode them. They must transmit the message through media that reach the target audience and develop feedback channels to monitor the responses. The more the sender's field of experience overlaps that of the receiver, the more effective the message is likely to be.



Figure 2: Micromodels of Communications *(see next slide)*

Models

Stages	AIDA Model ^a	Hierarchy-of-Effects Model ^b	Innovation-Adoption Model ^c	Communications Model ^d
Cognitive Stage	Attention ↓	Awareness ↓ Knowledge	Awareness ↓	Exposure ↓ Reception ↓ Cognitive response
Affective Stage	Interest ↓ Desire ↓	Liking ↓ Preference ↓ Conviction	Interest ↓ Evaluation	Attitude ↓ Intention
Behavior Stage	Action	Purchase	Trial ↓ Adoption	Behavior



Micromodels of Communications

- Micromodels of marketing communications concentrate on consumers' specific responses to communications. Figure 2 summarizes four classic response hierarchy models. All these models assume the buyer passes through cognitive, affective, and behavioral stages, in that order.
- This "learn-feel-do" sequence is appropriate when the audience has high involvement with a product category perceived to have high differentiation, such as an automobile or house.
- An alternative sequence, "do-feel-learn," is relevant when the audience has high involvement but perceives little or no differentiation within the product category, such as an airline ticket or personal computer.
- A third sequence, "learn-do-feel," is relevant when the audience has low involvement and perceives little differentiation, such as with salt or batteries.
- By choosing the right sequence, the marketer can do a better job of planning communications.

11

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An Ideal Ad Campaign

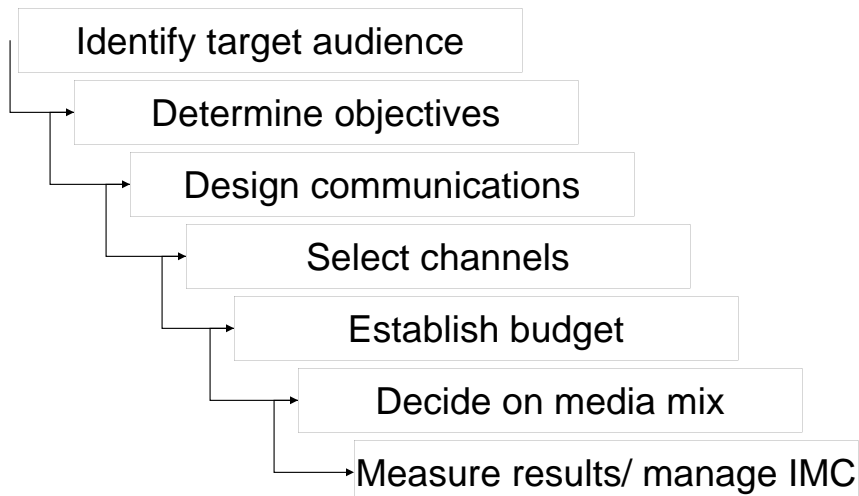
- To increase the odds for a successful marketing communications campaign, marketers must attempt to increase the likelihood that each step occurs. For example, the ideal ad campaign would ensure that:
 1. The right consumer is exposed to the right message at the right place and at the right time.
 2. The ad causes the consumer to pay attention but does not distract from the intended message.
 3. The ad properly reflects the consumer's level of understanding of and behaviors with the product and the brand.
 4. The ad correctly positions the brand in terms of desirable and deliverable points-of-difference and points-of-parity.
 5. The ad motivates consumers to consider purchase of the brand, and
 6. The ad creates strong brand associations with all these stored communications effects so they can have an impact when consumers are considering making a purchase.

12

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Fig 3: Steps in Developing Effective Communications



Image

The set of beliefs, ideas, and impressions a person holds regarding an object.

Communications Objectives

- ❖ **Category need:** We may try to establish a category need which means establishing a product or service category as necessary to remove or satisfy a perceived discrepancy between a current motivational state and a desired emotional state.
- ❖ **Brand awareness:** We may try to build brand awareness such that the consumer's ability to recognize or recall the brand within the category, in sufficient detail to make a purchase.
- ❖ **Brand attitude:** We may focus on brand attitude to help consumers evaluate the brand's perceived ability to meet a currently relevant need.
- ❖ **Purchase intention:** We may focus on brand purchase intention to move consumers to decide to purchase the brand or take purchase-related action.



Designing the Communications

- Message strategy:
what to say
- Creative strategy:
how to say it
- Message source:
who would say it



15

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Message Strategy

- Management searches for appeals, themes, or ideas that will tie in to the brand positioning and help establish points-of-parity or points-of-difference.
- Some of these may be related directly to product or service performance (the quality, economy, or value of the brand), whereas others may relate to more extrinsic considerations (the brand as being contemporary, popular, or traditional).
- Buyers are thought to expect four types of reward from a product: *rational, sensory, social, or ego satisfaction*. Buyers might visualize these rewards from *results-of-use experience, product-in-use experience, or incidental-to-use experience*.
- Crossing the four types of rewards with the three types of experience generates 12 types of messages.
- For example, the appeal “gets clothes cleaner” is a rational-reward promise following results-of-use experience. The phrase “real beer taste in a great light beer” is a sensory-reward promise connected with product-in-use experience.



16

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Creative Strategy

- An **informational appeal** elaborates on product or service attributes or benefits. Examples in advertising are problem solution ads (Excedrin stops the toughest headache pain), product demonstration ads (Thompson Water Seal can withstand intense rain, snow, and heat), product comparison ads (DIRECTV offers better HD options than cable or other satellite operators), and testimonials from unknown or celebrity endorsers (NBA phenomenon LeBron James pitching Nike, Sprite, and McDonald's). Informational appeals assume strictly rational processing of the communication on the consumer's part.
- A **transformational appeal** elaborates on a nonproduct-related benefit or image. It might depict what kind of person uses a brand (VW advertised to active, youthful people with its famed "Drivers Wanted" campaign) or what kind of experience results from use (Pringles advertised "Once You Pop, the Fun Don't Stop" for years). Transformational appeals often attempt to stir up emotions that will motivate purchase.

17

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Positive and negative appeals

- ❖ Communicators use negative appeals such as **fear, guilt, and shame** to get people to do things (brush their teeth, have an annual health checkup) or stop doing things (smoking, abusing alcohol, overeating).
- **Fear appeals** work best when they are not too strong, when source credibility is high, and when the communication promises, in a believable and efficient way, to relieve the fear it arouses.
- Messages are most **persuasive** when moderately discrepant with audience beliefs. Communicators also use **positive emotional appeals** such as **humor, love, pride, and joy**. Motivational or "borrowed interest" devices—such as the presence of cute babies, frisky puppies, popular music, or provocative sex appeals—are often employed to attract attention and raise involvement with an ad. These techniques are thought necessary in the tough new media environment characterized by low-involvement consumer processing and competing ad and programming clutter.

18

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Message Source

- Messages delivered by attractive or popular sources can achieve higher attention and recall, which is why advertisers often use celebrities as spokespeople. Celebrities are likely to be effective when they are credible or personify a key product attribute. William Shatner is the spokesperson for Priceline.com.
- What is important is the spokesperson's *credibility*. The three most often identified sources of credibility are expertise, trustworthiness, and likability.
 - *Expertise* is the specialized knowledge the communicator possesses to back the claim.
 - *Trustworthiness* describes how objective and honest the source is perceived to be. Friends are trusted more than strangers or salespeople, and people who are not paid to endorse a product are viewed as more trustworthy than people who are paid.
 - *Likability* describes the source's attractiveness. Qualities such as candor, humor, and naturalness make a source more likable. The most highly credible source would score high on all three dimensions expertise, trustworthiness, and likability.

19

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Select Communication Channels

- **Personal communications channels** let two or more persons communicate face-to-face or person-to-audience through a phone, surface mail, or e-mail. They derive their effectiveness from individualized presentation and feedback and include direct and interactive marketing, word-of-mouth marketing, and personal selling.
- We can draw a further distinction between advocate, expert, and social communications channels.
 - *Advocate* channels consist of company salespeople contacting buyers in the target market.
 - *Expert* channels consist of independent experts making statements to target buyers.
 - *Social* channels consist of neighbors, friends, family members, and associates talking to target buyers.
- **Nonpersonal channels** are communications directed to more than one person and include advertising, sales promotions, events and experiences, and public relations.

20

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Establish the Budget

Affordable: Some companies set the communication budget at what they think the company can afford. The affordable method completely ignores the role of promotion as an investment and the immediate impact of promotion on sales volume.

Percentage-of-sales: Some companies set communication expenditures at a specified percentage of current or anticipated sales or of the sales price.

Competitive parity: Some companies set their communication budget to achieve share-of-voice parity with competitors.

Objective-and-task: The objective-and-task method calls upon marketers to develop communication budgets by defining specific objectives, determining the tasks that must be performed to achieve these objectives, and estimating the costs of performing them. The sum of these costs is the proposed communication budget.



Characteristics of Communications Mix

Advertising

- Pervasiveness
- Amplified expressiveness
- Impersonality
 - Advertising permits the seller to repeat a message many times.
 - It also allows the buyer to receive and compare the messages of various competitors.
 - Large-scale advertising says something positive about the seller's size, power, and success.
 - Advertising provides opportunities for dramatizing the company and its products through the artful use of print, sound, and color.
 - The advertiser can choose the aspects of the brand and product on which to focus communications.

Sales Promotion

- Communication
- Incentive
- Invitation
 - Companies use sales promotion tools—coupons, contests, premiums, and the like—to draw a stronger and quicker buyer response, including short-run effects such as highlighting product offers and boosting sagging sales.
 - Sales promotion tools offer three distinctive benefits: They draw *attention* and may lead the product. They incorporate some *concession*, inducement, or contribution that gives value to the consumer. They include a distinct *invitation* to engage in the transaction now.



Characteristics of Communications Mix

Public Relations and Publicity

- High credibility
- Ability to catch buyers off guard
- Dramatization
- Marketers tend to underuse public relations, yet a well-thought-out program coordinated with the other communications-mix elements can be extremely effective, especially if a company needs to challenge consumers' misconceptions. The appeal of public relations and publicity is based on three distinctive qualities:
 - high credibility,
 - ability to reach hard-to-find buyers, and
 - dramatization.

Events and Experiences

- Relevant
- Involving
- Implicit
 - The events should be relevant, engaging, and include a soft implicit sell rather than a direct one.

23

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Characteristics of Communications Mix

Direct Marketing

- Customized
- Up-to-date
- Interactive

Word of Mouth Marketing

- Credible
- Personal
- Timely

Personal Selling

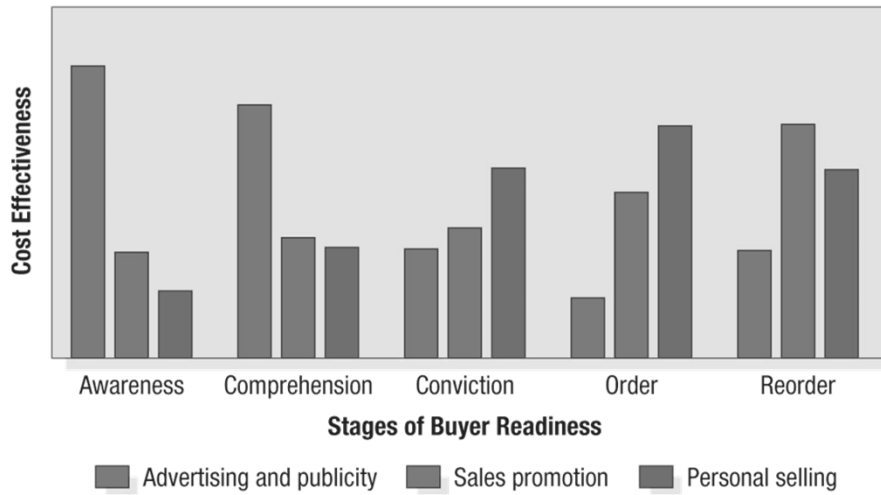
- Personal interaction
- Relationship Cultivation
- Encouragement to Response
- Personal selling is the most effective tool at later stages of the buying process, particularly in building up buyer preference, conviction, and action.

24

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Figure 4: Cost Effectiveness by Buyer Readiness Stage



25

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• **Review Question**

- Explain the elements of the macromodel of communication process and list the nine elements contained.

26

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