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GLOBAL  
EDITION



# Strategic Brand Management

*Building, Measuring, and Managing Brand Equity*

FOURTH EDITION

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## Integrating Marketing Communications to Build Brand Equity

# 6

### Learning Objectives

After reading this chapter, you should be able to

1. Describe some of the changes in the new media environment.
2. Outline the major marketing communication options.
3. Describe some of the key tactical issues in evaluating different communication options.
4. Identify the choice criteria in developing an integrated marketing communication program.
5. Explain the rationale for mixing and matching communication options.



Ford launched its new Fiesta model in the United States with a combination of events, traditional media, and a heavy dose of social media.

Source: Ford Motor Company

# Preview



# Preview

- ✓ **Marketing Communications** are the means by which firms attempt to inform, persuade, and remind consumers—directly or indirectly—about the brands they sell.
  - ✓ They represent the voice of the brand and are a means by which the brand can establish a dialogue and build relationships with consumers.
- ✓ Although advertising is often a central element of a marketing communications program, it is usually not the only element—or even the most important one—for building brand equity.

# Preview

## Media advertising

- TV
- Radio
- Newspaper
- Magazines

## Direct response advertising

- Mail
- Telephone
- Broadcast media
- Print media
- Computer-related
- Media-related

## Place advertising

- Billboards and posters
- Movies, airlines, and lounges
- Product placement
- Point of purchase

## Point-of-purchase advertising

- Shelf talkers
- Aisle markers
- Shopping cart ads
- In-store radio or TV

## Trade promotions

- Trade deals and buying allowances
- Point-of-purchase display allowances
- Push money
- Contests and dealer incentives
- Training programs
- Trade shows
- Cooperative advertising

## Consumer promotions

- Samples
- Coupons
- Premiums
- Refunds and rebates
- Contests and sweepstakes
- Bonus packs
- Price-offs

## Interactive

- Web sites
- E-mails
- Banner ads
- Rich media ads
- Search
- Videos
- Message boards and forums
- Chat rooms
- Blogs
- Facebook
- Twitter
- YouTube

## Event marketing and sponsorship

- Sports
- Arts
- Entertainment
- Fairs and festivals
- Cause-related

## Mobile

- SMS & MMS messages
- Ads
- Location-based services

## Publicity and public relations

- Word-of-mouth
- Personal selling

# **The New Media Environment**

# The New Media Environment

- ✓ One important purpose all communication tools serve is to contribute to brand equity.

# The New Media Environment

✓ According to the **customer-based brand equity model**, marketing communications can contribute to brand equity in a number of different ways:

- 1) By creating **awareness** of the brand;
- 2) Linking **points-of-parity** and **points-of-difference** associations to the brand in consumers' memory;
- 3) Eliciting positive **brand judgments or feelings**; and
- 4) Facilitating a stronger **consumer–brand connection** and **brand resonance**.



# The New Media Environment

- ✓ Besides forming the desired brand knowledge structures, marketing communication programs can provide incentives eliciting the differential response that makes up customer-based brand equity.

# The New Media Environment

- ✓ The media environment has changed dramatically in recent years:
  - ✓ Traditional advertising media such as TV, radio, magazines, and newspapers seem to be losing their grip on consumers due to increased competition for consumer attention.
  - ✓ The digital revolution offers a host of new ways for consumers to learn and talk about brands with companies or with each other.
- ✓ Marketers are then forced to reevaluate how they should best communicate with consumers.

# The New Media Environment

## Challenges in Designing Brand-Building Communications

- ✓ Skillfully designed and implemented marketing communications programs require careful planning and a creative knack.

How communication options are able to contribute to brand equity:

- ✓ How well does a proposed ad campaign contribute to brand awareness or to creating, maintaining, or strengthening certain brand associations?
- ✓ Does a sponsorship cause consumers to have more favorable brand judgments and feelings?
- ✓ To what extent does an online promotion encourage consumers to buy more of a product?
- ✓ At what price premium?

# The New Media Environment



1. What is your current brand knowledge? Have you created a detailed mental map?
2. What is your desired brand knowledge? Have you defined optimal points-of-parity and points-of-difference and a brand mantra?
3. How does the communication option help the brand get from current to desired knowledge with consumers? Have you clarified the specific effects on knowledge engendered by communications?



# The New Media Environment

## Information Processing Model of Communications

- ✓ For a person to be persuaded by any form of communication following six steps must occur:
  - 1) Exposure: - selective exposure
    - ✓ A person must see or hear the communication.
  - 2) Attention: - selective attention
    - ✓ A person must notice the communication.
  - 3) Comprehension: - selective distortion
    - ✓ A person must understand the intended message or arguments of the communication.

# The New Media Environment

4) Yielding:

- ✓ A person must respond favorably to the intended message or arguments of the communication.

5) Intentions:

- ✓ A person must plan to act in the desired manner of the communication.

6) Behavior:

- ✓ A person must actually act in the desired manner of the communication.

Selective Retention

# The New Media Environment

## Potential pitfalls in launching a new advertising campaign

- 1) A consumer may not be exposed to an ad because the media plan missed the mark.
- 2) A consumer may not notice an ad because of a boring and uninspired creative strategy.
- 3) A consumer may not understand an ad because of a lack of product category knowledge or technical sophistication, or because of a lack of awareness and familiarity about the brand itself.

# The New Media Environment

## Potential pitfalls in launching a new advertising campaign ...

- 4) A consumer may fail to respond favorably and form a positive attitude because of irrelevant or unconvincing product claims.
- 5) A consumer may fail to form a purchase intention because of a lack of an immediate perceived need.
- 6) A consumer may fail to actually buy the product because he or she doesn't remember anything from the ad when confronted with the available brands in the store.



# The New Media Environment

- ✓ To **increase** the odds for a **successful marketing communications** campaign, marketers must attempt to increase the likelihood that *each* step occurs.
  - 1) The **right consumer** is exposed to the **right message** at the **right place** and at the **right time**.
  - 2) The **creative strategy** for the advertising causes the consumer to **notice** and **attend** to the ad but does not distract from the intended message.
  - 3) The ad properly reflects the **consumer's level of understanding** about the product and the brand.

# The New Media Environment

- ✓ To **increase** the odds for a **successful marketing communications** campaign, marketers must attempt to increase the likelihood that *each* step occurs. ...
  - 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**.
  - 6) The ad **creates strong brand associations** to all these stored communication effects so that they can have an effect when consumers are considering making a purchase.

# The New Media Environment

## Role of Multiple Communications

How much and what kinds of marketing communications are necessary?

- ✓ **Economic theory** suggests placing dollars into a marketing communication budget and **across communication options** according to marginal revenue and cost.
- ✓ For example, the communication mix would be optimally distributed when the last dollar spent on each communication option generated the same return.

# The New Media Environment

- ✓ Because such information may be difficult to obtain, other models of budget allocation emphasize more observable factors are used.
  - 1) Stage of brand life cycle,
  - 2) Objectives and budget of the firm,
  - 3) Product characteristics,
  - 4) Size of budget, and
  - 5) Media strategy of competitors.
- ✓ These factors are typically contrasted with the different characteristics of the media.



# The New Media Environment

✓ For example, marketing communication budgets tend to be higher when there is

- 1) Low channel support,
- 2) Much change in the marketing program over time,
- 3) Many hard-to-reach customers,
- 4) More complex customer decision making,
- 5) Differentiated products and nonhomogeneous customer needs, and
- 6) Frequent product purchases in small quantities.

# The New Media Environment

- ✓ Moreover, different communication options also may target different market segments.
- ✓ For example, **advertising** may attempt to bring new customers into the market or attract competitors' customers to the brand, whereas **promotions** might attempt to reward loyal users of the brand.

# **Four Major Marketing Communication Options**

# Four Major Marketing Communication Options

✓ In the future there will be four vital ingredients to the best brand-building communication programs:

- 1) Advertising and promotion,
- 2) Interactive marketing,
- 3) Events and experiences, and
- 4) Mobile marketing.



# Four Major Marketing Communication Options

## Advertising

- ✓ **Advertising** is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.
- ✓ It is a powerful means of creating strong, favorable, and unique brand associations and eliciting positive judgments and feelings
- ✓ **Yet**, its specific effects are often difficult to quantify and predict.

# Four Major Marketing Communication Options

## I. Television

- ✓ Television is a powerful advertising medium because it allows for sight, sound, and motion and reaches a broad spectrum of consumers.
- ✓ The wide reach of TV advertising translates to low cost per exposure.

## Pros

- 1) **First**, it can be an effective means of vividly demonstrating product attributes and persuasively explaining their corresponding consumer benefits.
- 2) **Second**, TV advertising can be a compelling means for dramatically portraying user and usage imagery, brand personality, emotions, and other brand intangibles.

# Four Major Marketing Communication Options

## Cons

- ✓ **First**, because of the fleeting nature of the message and the potentially distracting creative elements often found in a TV ad, consumers can overlook product-related messages and the brand itself.
- ✓ **Second**, the large number of ads and nonprogramming material on television creates clutter that makes it easy for consumers to ignore or forget ads.
  - ✓ The large number of channels creates fragmentation, and the widespread existence of digital video recorders gives viewers the means to skip commercials.
- ✓ **Third**, it has a high cost of production and placement.

# Four Major Marketing Communication Options

## Guidelines

- ✓ In designing and evaluating an ad campaign, marketers should distinguish the **message strategy** or positioning of an ad (what the ad attempts to convey about the brand) from its **creative strategy** (the way the ad expresses the brand claims).
- ✓ Designing effective advertising campaigns is both an **art** and a **science**:
  - ✓ The artistic aspects relate to the creative strategy of the ad and its execution; the scientific aspects relate to the message strategy and the brand claim information the ad contains.



# Four Major Marketing Communication Options

## DEFINE POSITIONING TO ESTABLISH BRAND EQUITY

### Competitive frame of reference

Nature of competition

Target market

### Point-of-parity attributes or benefits

Category

Competitive

Correlational

### Point-of-difference attributes or benefits

Desirable

Deliverable

Differentiating

## IDENTIFY CREATIVE STRATEGY TO COMMUNICATE POSITIONING CONCEPT

### Informational (benefit elaboration)

Problem-solution

Demonstration

Product comparison

Testimonial (celebrity or unknown consumer)

### Transformational (imagery portrayal)

Typical or aspirational usage situation

Typical or aspirational user of product

Brand personality and values

### Motivational ("borrowed interest" techniques)

Humor

Warmth

Sex appeal

Music

Fear

Special effects

## FIGURE 6-3

### Factors in Designing Effective Advertising Campaigns

Source: Based in part on an insightful framework put forth in John R. Rossiter and Larry Percy, *Advertising and Promotion Management*, 2nd ed. (New York: McGraw-Hill, 1997).

# Four Major Marketing Communication Options

## II. Radio

- ✓ Radio is a pervasive medium
- ✓ Perhaps the main advantage to radio is flexibility—stations are highly targeted, ads are relatively inexpensive to produce and place, and short closings allow for quick responses.

# Four Major Marketing Communication Options

- ✓ Radio is a particularly effective medium in the morning and can effectively complement or reinforce TV ads.
- ✓ Radio also enables companies to achieve a balance between broad and localized market coverage.
- ✓ **Yet,** obvious disadvantages of radio are the lack of visual image and the relatively passive nature of consumer processing **that results.**

# Four Major Marketing Communication Options

## What makes an effective radio ad?

✓ Because of its **low-involvement nature** and **limited sensory options**, advertising on radio often must be fairly focused.

- 1) Identify your brand early in the commercial.
- 2) Identify it often.
- 3) Promise the listener a benefit early in the commercial.
- 4) Repeat it often.



# Four Major Marketing Communication Options

## III. Print

- ✓ Print media has taken a huge hit in recent years as more and more consumers choose to collect information and seek entertainment online.
- ✓ Because print media are self-paced, magazines and newspapers can provide detailed product information.
- ✓ **Yet**, the static nature of the visual images in print media makes it difficult to provide dynamic presentations or demonstrations.
- ✓ It can be a fairly passive medium.

# Four Major Marketing Communication Options

## Pros & Cons

- ✓ The two main print media—magazines and newspapers—have many of the same advantages and disadvantages.

# Four Major Marketing Communication Options

- ✓ **Magazines** are particularly effective at building user and usage imagery.
- ✓ They can also be highly engaging:
  - ✓ Consumers are more likely to view magazine ads as less intrusive, more truthful, and more relevant than ads in other media and are less likely to multitask while reading.

# Four Major Marketing Communication Options

- ✓ **Newspapers** are more timely and pervasive.
- ✓ Daily newspapers are read by 30 percent of the population—although that number has been declining for years as more consumers go online to get their news—and tend to be used for local (especially retailer) advertising.
- ✓ Although advertisers have some flexibility in designing and placing newspaper ads, poor reproduction quality and short shelf life can diminish some of the possible impact of newspaper advertising.



# Four Major Marketing Communication Options

## **Guidelines** (What makes an effective print ad?)

- ✓ Many readers only glance at the most visible elements of a print ad, making it critical that an ad communicate clearly, directly, and consistently in the ad illustration and headline.

# Four Major Marketing Communication Options

- ✓ Many consumers can easily overlook the brand name if it is not readily apparent.
- ✓ Creative guidelines for print ads could then be in three simple criteria:
  - 1) Clarity,
  - 2) Consistency, and
  - 3) Branding.

# Four Major Marketing Communication Options

## IV. Direct Response

- ✓ **Direct Response** uses mail, telephone, Internet, and other contact tools to communicate with or solicit a response from specific customers and prospects.

# Four Major Marketing Communication Options

- ✓ **Infomercials**, as one important tool for direct response, attempt to combine the sell of commercials with the draw of educational information and entertainment.
  - ✓ It is a cross between a sales call and a television ad.
  - ✓ They are typically 28 minutes and 30 seconds long.



# Four Major Marketing Communication Options

- ✓ The steady growth of direct marketing in recent years is a function of:
  - 1) Technological advances like the ease of setting up toll-free numbers and Web sites;
  - 2) Changes in consumer behavior, such as the increased demand for convenience; and
  - 3) The needs of marketers, who want to avoid wasteful communications to nontarget customers or customer groups.

# Four Major Marketing Communication Options

- ✓ The advantage of direct response is that it makes it easier for marketers to establish relationships with consumers.

# Four Major Marketing Communication Options

- ✓ **Direct communications** through electronic or physical newsletters, catalogs, and so forth allow marketers to explain new developments with their brands to consumers on an ongoing basis as well as allow consumers to provide feedback to marketers about their likes and dislikes and specific needs and wants.

# Four Major Marketing Communication Options

- ✓ By learning more about customers, marketers can fine-tune marketing programs to offer the right products to the right customers at the right time.
- ✓ Direct marketing is often seen as a key component of **relationship marketing.**
- ✓ Some direct marketers employ what they call **precision marketing.**
  - ✓ Combining data analytics with strategic messages and compelling colors and designs in their communications.



# Four Major Marketing Communication Options

## Guidelines

- ✓ The goal of direct response is to elicit some type of behavior from consumers; it is easy to measure the effects of direct marketing efforts—people either respond or they do not.
- ✓ The disadvantages to direct response, however, are **intrusiveness** and **clutter**.

# Four Major Marketing Communication Options

- ✓ To implement an effective direct marketing program, marketers need the three critical ingredients of
  - 1) Developing an up-to-date and informative list of current and potential future customers,
  - 2) Putting forth the right offer in the right manner, and
  - 3) Tracking the effectiveness of the marketing program.

# Four Major Marketing Communication Options

## V. Place

- ✓ **Place advertising**, also called **out-of-home advertising**, is a broadly defined category that captures advertising outside traditional media.
- ✓ Ads and commercials are increasingly showing up in unusual spots, sometimes as parts of experiential marketing programs.

# Four Major Marketing Communication Options

- ✓ Because traditional advertising media-especially television advertising-  
are becoming less effective, marketers are better off reaching people in  
other environments, such as where they work, play, and, of course, shop;

- 1) Billboards and Posters
- 2) Movies, Airlines, Lounges, and Other Places
- 3) Product Placement
- 4) *Point of Purchase*



# Four Major Marketing Communication Options

## 1) Billboards and Posters

- ✓ Billboards employ colorful, digitally produced graphics, backlighting, sounds, movement, and unusual—even three-dimensional—images to attract attention.
- ✓ The medium has improved in terms of **effectiveness** (and measurability), **technology** (some billboards are now digitized), and provide a good opportunity for companies to sync their billboard strategies with mobile advertising.

# Four Major Marketing Communication Options

- ✓ **Transit ads** on buses, subways, and commuter trains have now become a valuable means to reach working women.
- ✓ **Street furniture** (bus shelters, kiosks, and public areas) has also become a fast-growing area.
- ✓ In Japan, cameras and sensors are being added to signs and electronic public displays so that—combined with cellphone technology—they can become more interactive and personalized.

# Four Major Marketing Communication Options

- ✓ Billboards do not even necessarily have to stay in one place.
  - ✓ Marketers can buy ad space on **billboard-laden trucks** that are **driven around** all day in marketer-selected areas.

# Four Major Marketing Communication Options

- ✓ Advertisers can now buy space in stadiums and arenas and on garbage cans, bicycle racks, parking meters, airport luggage carousels, elevators, gasoline pumps, the bottom of golf cups, airline snacks, and supermarket produce in the form of tiny labels on apples and bananas.
- ✓ Advertisers can even buy space in toilet stalls and above urinals, which, according to research studies, office workers visit an average of three to four times a day for roughly four minutes per visit.



# Four Major Marketing Communication Options

## 2) Movies, Airlines, Lounges, and Other Places

- ✓ Increasingly, advertisers are placing traditional TV and print ads in unconventional places.
- ✓ Companies have tried placing TV and commercial programming in classrooms, airport lounges, and other public places.
- ✓ Airlines now offer media-sponsored audio and video programming that accepts advertising and include catalogs in seat pockets for leading mail-order companies.
- ✓ Movie theater chains now run 30-, 60-, or 90-second ads on 2,000-plus screens.

Should they use the same ads appearing on TV or create especially designed ads for these out-of-home exposures?

# Four Major Marketing Communication Options

## 3) Product Placement

- ✓ Many major marketers pay fees so their products can make cameo appearances in movies and on television, with the exact fee depending on the amount and nature of the brand exposure.
- ✓ This practice got a boost in 1982 when—after Mars declined an offer for use of its M&M's brand—sales of Reese's Pieces increased 65 percent after the candy appeared prominently in the blockbuster movie *E.T.: The Extraterrestrial*.

# Four Major Marketing Communication Options

## 4) Point of Purchase

- ✓ consumers in many product categories make the bulk of their final brand decisions in the store.
- ✓ In-store media are designed to increase the number and nature of spontaneous and planned buying decisions.

# Four Major Marketing Communication Options

- ✓ **In-store advertising** includes ads on shopping carts, cart straps, aisles, or shelves as well as promotion options such as in-store demonstrations, live sampling, and instant coupon machines.
- ✓ **Point-of-purchase radio** provides FM-style programming and commercial messages to thousands of food stores drugstores nationwide. Programming includes a store-selected music format, consumer tips, and commercials.



# Four Major Marketing Communication Options

## Guidelines

- ✓ The main advantage of nontraditional media is that they can reach a very precise and captive audience in a cost-effective and increasingly engaging manner.
- ✓ Because the audience must process out-of-home ads quickly, however, the message must be simple and direct.
  - ✓ In fact, outdoor advertising is often called the “15-second sell.”

# Four Major Marketing Communication Options

- ✓ The challenge with nontraditional media is demonstrating their reach and effectiveness through credible, independent research.
- ✓ Consumer backlash against over-commercialization.
  - ✓ Perhaps because of the sheer pervasiveness of advertising, however, consumers seem to be less bothered by nontraditional media now than in the past.

# Four Major Marketing Communication Options

## Sales Promotion

- ✓ **Sales promotions** are short-term incentives to encourage trial or usage of a product or service.
- ✓ Marketers can target sales promotions to either the trade or end consumers.
- ✓ Whereas advertising typically provides consumers a reason to buy, sales promotions offer consumers an incentive to buy.
- ✓ Thus, sales promotions are designed to do the following:
  - 1) Change the behavior of the trade so that they carry the brand and actively support it
  - 2) Change the behavior of consumers so that they buy a brand for the first time, buy more of the brand, or buy the brand earlier or more often

# Four Major Marketing Communication Options

## Pros

- 1) Consumer sales promotions permit manufacturers to price discriminate by effectively charging different prices to groups of consumers who vary in their price sensitivity.
- 2) Besides conveying a sense of urgency to consumers, carefully designed promotions can build brand equity through information or actual product experience that helps to create strong, favorable, and unique associations.
- 3) Sales promotions can encourage the trade to maintain full stocks and actively support the manufacturer's merchandising efforts.



# Four Major Marketing Communication Options

## Cons

- 1) Decreased brand loyalty and increased brand switching,
- 2) Decreased quality perceptions, and
- 3) Increased price sensitivity.
  - ✓ The increased importance of price as a factor in consumer decisions, breaking down traditional brand loyalty patterns.
- 4) They may merely subsidize buyers who would have bought the brand anyway.

# Four Major Marketing Communication Options

- 5) New consumers attracted to the brand may attribute their purchase to the promotion and not to the merits of the brand per se
  - ✓ They may not repeat their purchase when the promotional offer is withdrawn.
- 6) Retailers have come to expect and now demand trade discounts.
  - ✓ The trade may not actually provide the agreed-upon merchandising and take advantage of promotions by engaging in nonproductive activities such as **forward buying** (stocking up for when the promotion ends) and **diversion** (shipping products to areas where the promotion was not intended to go).

# Four Major Marketing Communication Options

## I. Consumer Promotions

- ✓ Consumer promotions are designed to change the choices, quantity, or timing of consumers' product purchases.
- ✓ **Customer franchise building promotions** like samples, demonstrations, and educational material, and **noncustomer franchise building promotions** such as price-off packs, premiums, sweepstakes, and refund offers.

# Four Major Marketing Communication Options

- ✓ Customer franchise building promotions can enhance the attitudes and loyalty of consumers toward a brand (affect brand equity).
- ✓ Marketers increasingly judge sales promotions by their ability to contribute to brand equity as well as generate sales.
  - ✓ Creativity is as critical to promotions as it is to advertising or any other form of marketing communications.



# Four Major Marketing Communication Options

## II. Trade Promotions

- ✓ Trade promotions are often financial incentives or discounts given to retailers, distributors, and other channel members to stock, display, and in other ways facilitate the sale of a product through slotting allowances, point-of-purchase displays, contests and dealer incentives, training programs, trade shows, and cooperative advertising.
- ✓ Trade promotions are typically designed either to secure shelf space and distribution for a new brand, or to achieve more prominence on the shelf and in the store.
- ✓ Shelf and aisle positions in the store are important because they affect the ability of the brand to catch the eye of the consumer.

# Four Major Marketing Communication Options

## Online Marketing Communications

- ✓ The main advantages to marketing on the Web are the **low cost** and the **level of detail** and **degree of customization** it offers.
- ✓ Online marketing communications can accomplish almost any marketing communication objective and are especially valuable in terms of solid relationship building.
- ✓ Three particularly crucial online brand-building tools:
  - 1) Web sites
  - 2) online ads and videos
  - 3) social media

# Four Major Marketing Communication Options

## I. Web Sites

- ✓ By capitalizing on the Web's interactive nature, marketers can construct Web sites that allow any type of consumer to choose the brand information relevant to his or her needs or desires.
  - ✓ A well-designed Web site can effectively communicate to consumers regardless of their personal brand or communications history.
- ✓ Because consumers often go online to seek information rather than be entertained, sites can convey expertise in a consumer-relevant area.
  - ✓ Web sites can store company and product information, press releases, and advertising and promotional information as well as links to partners and key vendors.
- ✓ Web marketers can collect names and addresses for a database and conduct e-mail surveys and online focus groups.

# Four Major Marketing Communication Options

- ✓ Brand-building is increasingly a collaborative effort between consumers and brand marketers.
  - ✓ There will be many consumer-generated Web sites and pages that may include ratings, reviews, and feedback on brands.
  - ✓ Many consumers also post opinions and reviews or seek advice and feedback from others at commercial sites such as Yelp, TripAdvisor.
- ✓ Marketers must carefully monitor these different forums and participate where appropriate.



# Four Major Marketing Communication Options

- ✓ Marketers must provide timely and reliable information.
- ✓ Web sites must be updated frequently and offer as much customized information as possible, especially for existing customers.
  - 1) Creating eye-catching pages that can sustain browsers' interest
  - 2) Employing the latest technology
  - 3) Effectively communicating the brand message

# Four Major Marketing Communication Options

## II. Online Ads and Videos

- ✓ Internet advertising comes in a variety of forms—banner ads, rich media ads, and other types of ads.

### Pros:

- ✓ It is accountable, because software can track which ads went to which sales;
- ✓ It is nondisruptive, so it doesn't interrupt consumers;
- ✓ It can target consumers so that only the most promising prospects are contacted (who can then seek as much or as little information as they desire).

# Four Major Marketing Communication Options

## Cons

- ✓ Many consumers find it easy to ignore banner ads and screen them out with pop-up filters.
- ✓ Increasingly, Web messages like streaming ads are drawing closer to traditional forms of television advertising.
  - ✓ Videos take that one step further by virtually becoming short films.
- ✓ As a manifestation of **permission marketing**, e-mail ads in general—often including advanced features such as personalized audio messages, color photos, and streaming video—have increased in popularity.

# Four Major Marketing Communication Options

- ✓ Marketers employ **search advertising**, in which users are presented with sponsored links relevant to their search words alongside unsponsored search results.
- ✓ Since these links are tied to specific keywords, marketers can target them more effectively than banner ads and thus generate higher response rates.



# Four Major Marketing Communication Options

## III. Social Media

- ✓ Social media allows consumers to share text, images, audio, and video online with each other and with representatives from companies.

### Pros:

- 1) It allows brands to establish a public voice and presence on the Web.
- 2) It complements and reinforces other communication activities.
- 3) It helps promote innovation and relevance for the brand.
- 4) By permitting personal, independent expression, message boards, chat rooms, and blogs can create a sense of community and foster active engagement.

# Four Major Marketing Communication Options

- ✓ A successful digitally based campaign for a brand often skillfully blends three different forms of media:

- 1) Paid media:

They are all the various forms of more traditional advertising media described above, including TV and print.

- 2) Owned media:

They are those media channels the brand controls to some extent—Web sites, e-mails, social media, etc.

- 3) Earned media:

They are when consumers themselves communicate about the brand via social media, word-of-mouth, etc.

# Four Major Marketing Communication Options

## Events and Experiences

- ✓ Events and experiences range from an extravagant multimillion dollar sponsorship of a major international event to a simple local in-store product demonstration or sampling program.
- ✓ During this process, the brand engages the consumers' senses and imagination, changing brand knowledge in the process.
- ✓ Experiences can take all forms and are limited only by the marketers' imagination.

# Four Major Marketing Communication Options

- ✓ **Event marketing** can be defined as public sponsorship of events or activities related to sports, art, entertainment, or social causes.



# Four Major Marketing Communication Options

## Rationale

- ✓ By becoming part of a special and personally relevant moment in consumers' lives, sponsors can broaden and deepen their relationship with their target market.
  - 1) To identify with a particular target market or lifestyle
  - 2) To increase awareness of the company or product name
  - 3) To create or reinforce consumer perceptions of key brand image associations
  - 4) To enhance corporate image dimensions
  - 5) To create experiences and evoke feelings
  - 6) To express commitment to the community or on social issues
  - 7) To entertain key clients or reward key employees
  - 8) To permit merchandising or promotional opportunities

# Four Major Marketing Communication Options

## Guidelines

- 1) Choosing Sponsorship Opportunities
- 2) Designing Sponsorship Programs
- 3) Measuring Sponsorship Activities

# Four Major Marketing Communication Options

## I. Choosing Sponsorship Opportunities

- ✓ There are a number of potential guidelines for choosing events:
  - ✓ **First**, the event must meet the marketing objectives and communication strategy defined for the brand.
  - ✓ The audience delivered by the event must match the target market of the brand.
- ✓ **Second**, the event must have sufficient awareness, possess the desired image, and be capable of creating the desired effects with that target market.

# Four Major Marketing Communication Options

✓ An “**ideal event**” might be one

- 1) Whose audience closely matches the ideal target market,
- 2) That generates much favorable attention,
- 3) That is unique but not encumbered with many sponsors,
- 4) That lends itself to ancillary marketing activities, and
- 5) That reflects or even enhances the brand or corporate image of the sponsor.



# Four Major Marketing Communication Options

## II. Designing Sponsorship Programs

- ✓ A sponsor can strategically identify itself at an event in a number of ways, including banners, signs, and programs.
- ✓ For more significant and broader impact, however, sponsors typically supplement such activities with samples, prizes, advertising, retail promotions, publicity, and so forth.
- ✓ The budget for related marketing activities should be at least two to three times the amount of the sponsorship expenditure.

# Four Major Marketing Communication Options

## III. Measuring Sponsorship Activities

- ✓ There are two basic approaches to measuring the effects of sponsorship activities:
  - ✓ The **supply-side method** focuses on potential exposure to the brand by assessing the extent of media coverage, and
  - ✓ The **demand-side method** focuses on reported exposure from consumers.

# Four Major Marketing Communication Options

## Mobile Marketing

- ✓ As smartphones are playing an increasingly significant role in consumers' lives, more marketers are taking notice.
- ✓ Consumers already use smartphones for information and entertainment as well as communication—and are beginning to use them as shopping devices and payment methods.
- ✓ Smartphones present a unique opportunity for marketers because they can be in consumers' hands at the point of sale or consumption.

# Four Major Marketing Communication Options

- ✓ **Geotargeting** occurs when marketers take advantage of digital technology to send messages to consumers based on their location and the activities they are engaging in.
  - ✓ A simple application uses Web IP addresses to display ads letting browsers know of opportunities in their area.
- ✓ Using mobile phones in this way as marketers strive to find when and how to reach consumers as they travel through their days.



# **Brand Amplifiers**

# Brand Amplifiers

- ✓ Efforts to engage consumers and the public via word-of-mouth and public relations and publicity.

## Public Relations and Publicity

- ✓ **Publicity** is nonpersonal communications such as press releases, media interviews, press conferences, feature articles, newsletters, photographs, films, and tapes.
- ✓ **Public relations** may also include annual reports, fund-raising and membership drives, lobbying, special event management, and public affairs.

# Brand Amplifiers

## Word-of-Mouth

- ✓ The most trusted source of product information is friends and families.
- ✓ **Word-of-mouth** is a critical aspect of brand building as consumers share their likes, dislikes, and experiences with brands with each other.
- ✓ The power of word-of-mouth is the credibility and relevance it often brings.
- ✓ Companies are attempting to create this consumer word-of-mouth through various techniques often called **buzz marketing**.

# Brand Amplifiers

- ✓ Buzz marketing works well when the marketing message appears to originate with an independent source and not with the brand.
- ✓ Because consumers are becoming increasingly skeptical and wary of traditional advertising, buzz marketers seek to expose consumers to their brands in a unique and innocuous fashion.
- ✓ One approach is to enlist genuine consumers able to give authentic-seeming endorsements of the brand.



# Brand Amplifiers

## Disadvantages

- ✓ Some criticize buzz marketing as “a form of cultural corruption” in which marketers are actually creating the culture at a fundamental level.
  - ✓ Critics claim that buzz marketing’s interference in consumers’ lives is insidious because participants cannot always detect the pitch.
- ✓ Another potential problem with buzz marketing is that it requires a buzz-worthy product.
  - ✓ As one marketing expert said, “The bad news is that [buzz marketing] only works in high-interest product categories.”



# **Developing Integrated Marketing Communication Program**

# Developing Integrated Marketing Communication Program

- ✓ Marketers should “**mix and match**” communication options to build brand equity.
  - ✓ Choose a variety of different communication options that share common meaning and content but also offer different, complementary advantages so that the whole is greater than the sum of the parts.

# Developing Integrated Marketing Communication Program

## Criteria for IMC Programs

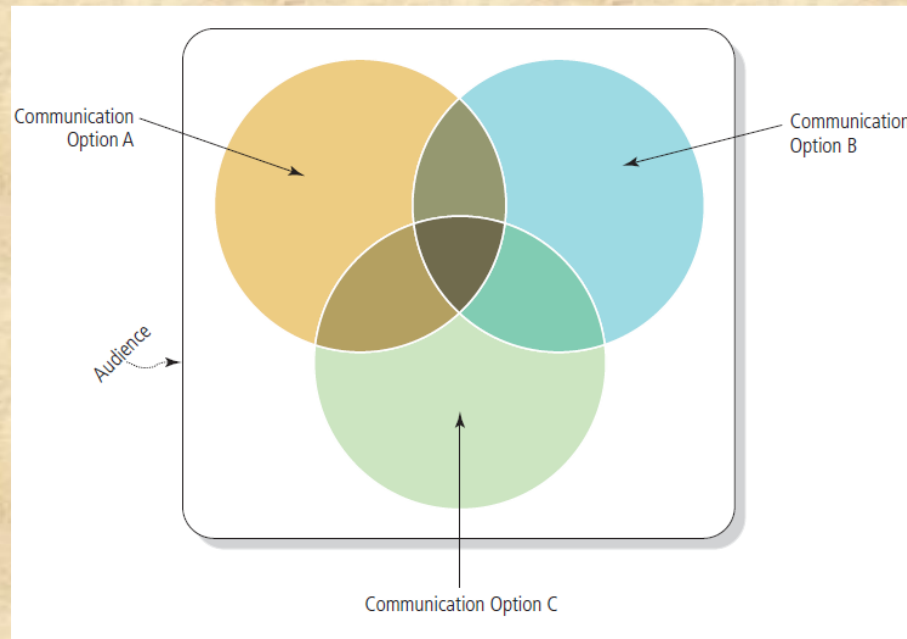
- ✓ Six relevant criteria (“**the 6 Cs**”) to create the most effective and efficient communication program possible are as follows:
  - I. Coverage
  - II. Contribution
  - III. Commonality
  - IV. Complementarity
  - V. Conformability
  - VI. Cost



# Developing Integrated Marketing Communication Program

## I. Coverage

- ✓ Coverage is the proportion of the audience reached by each communication option, as well as how much overlap exists among communication options.
- ✓ To what extent do different communication options reach the designated target market, and the same or different consumers making up that market?



# Developing Integrated Marketing Communication Program

- ✓ If there is some overlap in communication options, marketers must decide how to design their communication program to reflect the fact that consumers may already have some communication effects in memory prior to exposure to any particular communication option.
- ✓ A communication option can either reinforce associations and strengthen linkages that are also the focus of other communication options, or it can address other associations and linkages.
- ✓ If less than perfect overlap exists, marketers can design a communication option to reflect the fact that consumers may or may not have seen other communication options.

# Developing Integrated Marketing Communication Program

## II. Contribution

- ✓ Contribution is the inherent ability of a marketing communication to create the desired response and communication effects from consumers in the absence of exposure to any other communication option.
- ✓ It describes the main effects of a marketing communication option in terms of how it affects consumers' processing of a communication and the resulting outcomes.
- ✓ Marketing communications can play many different roles, like building awareness, enhancing image, eliciting responses, and inducing sales, and the contribution of any marketing communication option will depend on how well it plays that role.

# Developing Integrated Marketing Communication Program

## III. Commonality

- ✓ The consistency and cohesiveness of the brand image is important because the image determines how easily consumers can recall existing associations and responses and how easily they can link additional associations and responses to the brand in memory.
- ✓ **Commonality** is the extent to which common information conveyed by different communication options shares meaning across communication options.
- ✓ The extent of executional consistency across communication options is another issue of importance: the extent to which we convey non-product-related information in different communication options.
  - ✓ The more coordinated executional information is, the more likely it is that this information can serve as a retrieval cue to other communication effects.



# Developing Integrated Marketing Communication Program

## IV. Complementarity

- ✓ **Complementarity** describes the extent to which different associations and linkages are emphasized across communication options.
- ✓ The ideal marketing communication program would ensure that the communication options chosen are mutually compensatory and reinforcing to create desired consumer knowledge structures.

# Developing Integrated Marketing Communication Program

## V. Conformability

- ✓ **Conformability** refers to the extent that a marketing communication option is robust and effective for different groups of consumers (either those already been exposed to other marketing communications for the brand and those who not).
- ✓ There are two types of conformability:
  - 1) Communication and
  - 2) Consumer
- ✓ We consider a marketing communication option conformable when it achieves its desired effect *regardless* of consumers' past communication history.

# Developing Integrated Marketing Communication Program

- ✓ Two possible means of achieving this dual communication ability:
  - I. Multiple information provision strategy:
    - ✓ Provide different information within a communication option to appeal to the different types of consumers.
    - ✓ How information designed to appeal to one target market of consumers will be processed by other consumers and target markets.
      - ✓ Information overload,
      - ✓ Confusion, and
      - ✓ Annoyance
  - II. Broad information provision strategy:
    - ✓ Provide information that is rich or ambiguous enough to work regardless of prior consumer knowledge.
    - ✓ The issue here is “how potent or successful marketers can make that information?”

# Developing Integrated Marketing Communication Program

## VI. Cost

- ✓ Finally, evaluations of marketing communications on all of the preceding criteria must be weighed against their cost to arrive at the most **effective** *and* **efficient** communication program.



# Developing Integrated Marketing Communication Program

## Using IMC Choice Criteria

### I. Evaluating Communication Options

- ✓ Different communication types and options have different strengths and weaknesses and raise different issues.
- ✓ First, there are not necessarily any inherent differences across communication types for contribution and complementarity, because each communication type, if properly designed, can play a critical and unique role in achieving those communication objectives.

# Developing Integrated Marketing Communication Program

- ✓ All marketing communications appear expensive, although some differences in cost per thousands can prevail.
- ✓ Communication types vary, however, in their breadth and depth of audience coverage, and in terms of commonality and conformability according to the number of modalities they employ:
  - ✓ The more modalities available with a communication type, the greater its potential commonality and conformability.

# Developing Integrated Marketing Communication Program

## II. Establishing Priorities and Trade-Offs

- ✓ Because the IMC choice criteria themselves are related, the marketer must also make tradeoffs.
- ✓ The objectives of the marketing communication program, and whether they are short run or long run, will set priorities along with a host of factors beyond the scope of this chapter.
- ✓ Three possible trade-offs include:
  - 1) Commonality and complementarity will often be inversely related
  - 2) Conformability and complementarity will also often be inversely related
  - 3) Commonality and conformability do not share an obvious relationship



*The End*