

The logo for 'Marketing Management' is located in the top-left corner. It consists of a dark red square with a white border. Inside the square, the words 'MARKETING' and 'MANAGEMENT' are stacked vertically in a bold, white, sans-serif font. The text is set against a dark background within the square.

**MARKETING  
MANAGEMENT**

# **CHAPTER 13**

# **INTEGRATED MARKETING COMMUNICATION**

# LEARNING OBJECTIVES

- The purpose and process of communication
- Understanding the consumer psyche to enable organizations to communicate effectively
- The significance of disseminating an unambiguous, single signal to target customers
- Using the appropriate time and suitable channels for communicating to customers

- Identifying and understanding various non-traditional methods of communication
- Sales promotion as a means of communication: Factors prompting growth, effects on various elements of the marketing strategy, techniques, objectives and evaluation of the outcomes
- Understanding the significance and role of Public relations and publicity in marketing communication

- Using sponsorships effectively in marketing communication
- Planning and executing marketing communication by using exhibitions
- The criticality of word-of-mouth in marketing communication, and how marketers can benefit from it

- THE PURPOSE OF COMMUNICATION
- THE PROCESS OF COMMUNICATION
- CONSUMER PSYCHE: HOW HE PERCEIVES MESSAGES

People hardwired to fight for survival

People naturally competitive

Do not let distractions cloud the main message

People want to feel engaged

# **AN UNAMBIGUOUS, SINGLE SIGNAL TO THE TARGET CUSTOMERS**

# USE THE RIGHT TIME AND THE CORRECT CHANNELS

# NON-TRADITIONAL METHODS OF COMMUNICATION

- National account management
- Demonstration centers
- Industrial stores
- Telemarketing



# **SECTION I**

# **SALES PROMOTION**

- Sales promotions are incentives to consumers or trade that are designed to stimulate purchase
- Serve to signal the arrival of a time-period in which customers will get the value that they were getting earlier by spending less
- For a limited time period
- Should not erode brand value

# GROWTH OF SALES PROMOTION

- Increased impulse purchasing
- Employed by fringe players to get some market share from established players
- Rising cost of advertising, and advertising clutter
- Boosting sales in a short period of time due to intense competition and shortening product life cycles
- Competitive imitation
- Effect of sales promotion easier to measure

# EFFECTS OF SALES PROMOTION

- To provide short, sharp impetus to sales
- Tactical device
- Fall in sales to below normal level after sales promotion gets over
- Long term sales effect of the sales promotion could be positive, neutral or negative
- Can be used an alternative to advertising
- For new or established brands

# MAJOR SALES PROMOTION TECHNIQUES

- TRADE PROMOTIONS

Price discounts

Free goods

Competition

Allowances

- CONSUMER PROMOTION

Money off

Bonus packs

Premiums

Free in or On pack gifts

Free in the mail offers

Free samples

Coupons

Competitions

Draws

# SALES PROMOTION OBJECTIVES

- Fast sales boost
- Encourage trial
- Encourage repeat purchases
- Stimulate purchase of larger stocks
- Gain distribution and shelf space

# EVALUATING SALES PROMOTION

- Pre testing research

Group discussion

Hall tests

Experimentation



- Post testing research

Assess whether promotional objectives have been achieved or not

Sales checked both during and after promotion

Consumer panel data

Retail audit data

Assess long term impact of sales promotion in terms of increased market share over a longer period of time

# **SECTION II**

# **PUBLIC RELATIONS AND**

# **PUBLICITY**

- Public relations is the management of relationships and communication to establish goodwill and mutual understanding between an organization and its publics
- Include publicity, corporate advertising, seminars, publications, lobbying and charitable donations
- Cannot assume that its good practices will ensure good public relations
- Deliberately manage relationship with its important stakeholders

# **FUNCTIONS OF PUBLIC RELATIONS**

- Facilitates company's overall operations
- Aids promotion
- Helps in tackling social and environmental issues
- Ensures that customers are treated well
- Helps in attracting and retaining talented employees

## Functions of Public Relations (Contd.)

- Stakeholders give it benefit of doubt
- Develops reputation as a good supplier and customer
- Politicians and public officials are favorably inclined
- Responds effectively to negative publicity

# PUBLICITY

- Communication about a product or organization by the placing of news about it in the media without paying for time and space directly
- Conduct oneself in a manner that invites the attention of the public and media
- Stage events, build associations, and do other things depending upon the type of business the company is in

# Tasks of publicity department

- Responding to requests from media regarding company related information
- Supplying the media with information on events and occurrences relevant to the organization
- Stimulate media to carry information and viewpoint of the organization

# Characteristics of publicity

- Credible message
- No media cost
- Loss of control of publication
- Loss of control of content
- Loss of control of timing



# NEW RELEASES

- The headline
- Opening paragraph
- Organizing the copy
- Copy content
- Length
- Layout

# SECTION III

# SPONSORSHIPS

- Business relationship between a provider of funds, resources or services and an individual, event or organization which offers in return some rights and associations that may be used for commercial advantage
- Allows a business to demonstrate its affiliation to the individual, event, or the organization that it has chosen to associate with
- Objective is to develop strong relationships between the business and its customers due to their common ties with the sponsored individual, event, sport, or the organization

# OBJECTIVES OF SPONSORSHIP

- Gaining publicity
- Fostering favorable brand and company associations
- Improving community relations
- Creating promotional expenditure

# EXPENDITURE ON SPONSORSHIP

- Restrictive government policies
- Escalating costs of media advertising
- Increased leisure activities and sporting events
- Greater media coverage of sponsored events
- Reduced efficiencies of traditional media advertising
- Increasing importance of broadcast sponsorship
- Event and coverage may be sponsored by different companies

# SELECTION

- Assess the impact that the association will have on the perceptions of the customers and other stakeholders towards the company
- What the company wants to achieve from the sponsorship deal
- Personality of the event should match the desired brand image
- Target market
- Risk

# EVALUATION

- Formal measurement of media coverage, name mentions and sightings, and change in perception of the company's stakeholders
- Develop formal system to find out the gains from a sponsorship deal
- Qualify the gains for the company in terms of awareness, improve community relationship etc.

# SECTION IV EXHIBITIONS

Marketing Management by Arun Kumar and N Meenakshi  
© Vikas Publishing House Pvt. Ltd. 2006



- Exhibition is the only promotional tool that brings buyers, sellers and the competitors in a commercial setting
- As a promotional tool is very targeted
- Very expensive as only a small numbers of customers can be accommodated in an exhibition, space and logistics expensive
- Important part of the industrial promotional mix

# OBJECTIVES OF EXHIBITIONS

- Opportunity to reach an audience with a distinct interest in the market and the products on display
- Create awareness and develop relationship with new prospects
- Provide product demonstrations
- Determine and stimulate needs of customers

- Gathers competitive intelligence
- Introduce a new product
- Recruit dealers or distributors
- Improve company image
- Deal with service and other customer problems
- Make a sale

# PLANNING FOR AN EXHIBITION

- Clear objectives should be set
- Selection criteria for evaluating visitors should be determined
- Design strategies
- Promotional strategies

# THE CHARACTERISTICS OF A GOOD EXHIBITOR

- Exhibits a wider range of products, particularly large items that cannot be demonstrated on sales call
- Staff is well informed and always in attendance
- Informative literature is available for visitors
- Seating arrangement or office is provided

# EVALUATING AN EXHIBITION

- Number of visitors to the stand
- Number of key influencers and decisions makers who visited the stand
- The cost per lead and enquiry
- Number, value and cost per order
- Number of new distributors opened or likely to be opened
- Worth of competitive intelligence gathered
- Interest generated in new products

# **SECTION V**

# **WORD-OF-MOUTH**

# **PROMOTION**

- Engender word-of-mouth promotion. Do not leave it to chance.

Product or the service has to be designed and tested for “talkability”

Identify customers who are likely to talk profusely and with passion and provide the product or service to them early

Customers will talk more if they have the product and believe that everyone cannot have it



Company should seek the celebrity to use the product, be seen using it and boast about using it

Rankings by credible agencies and experts draw attention of customers

Customers may sincerely want other customers to be benefited in the way they have been benefited

It is a sine qua non for fashion goods

- Bloggers can be used by companies to generate positive word of mouth
- Increasing power of word of mouth leads to formation of communities of customers. Companies can use this to generate positive buzz about their offerings
- Use buzz marketing to strengthens the brand