

- ♦ Many marketing activities, such as package design, sales promotion, and direct marketing services, were viewed as ancillary services and handled on a project basis rather than integrating them into the IMC program.
- ♦ The various IMC tools as separate pieces of the puzzle, rather than having them all work together.

Contemporary IMC Approach

- ♦ The contemporary approach to advertising and promotion, which is referred to as Integrated Marketing Communications.
- ♦ This approach seeks to have all of a company's marketing and promotional activities project a consistent, unified image in the marketplace.
- ♦ It calls for a centralized messaging function, so that everything a company says and does communicates a common theme and positioning.
- ♦ The contemporary approach to marketing communications is coordinated and consistent.
- ♦ The various IMC tools are coordinated with media advertising and work together in a seamless fashion to create an effective communications program.

Defining IMC

- ♦ **IMC** is a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communication programs with consumers, customers, prospects employees and other relevant external and internal audiences.
- ♦ The goal of IMC is to generate short-term financial returns and build long-term brand value.

Contemporary Perspective of IMC

- ♦ There are several important aspects of the definition of IMC:
 - **Recognized as a business process** – rather than just tactical integration of various communication activities.
 - **Importance of relevant audiences** – externally these include customers, prospects, suppliers, investors, interest groups, and the general public. Employees are an example of an internal audience.
 - **Demand for accountability** – increased emphasis on the outcomes of marketing communication programs.

Growing Importance of IMC

- Strategic integration of communications functions
 - Avoids duplication
 - Synergy among promotional tools
 - More efficient and effective marketing

Market Segmentation

- ◆ The segmentation process involves five distinct steps
 - Finding ways to group consumers according to their needs.
 - Finding ways to group the marketing actions—usually the products offered— available to the organization.
 - Developing a market-product grid to relate the market segments to the firm's products or actions.
 - Selecting the target segments toward which the firm directs its marketing actions.
 - Taking marketing actions to reach target segments.
- ◆ Bases for Segmentation
 - Geographic Segmentation
 - Demographic Segmentation
 - Psychographic Segmentation
 - Behavioristic Segmentation
 - Benefit Segmentation

Selecting Target Market

- ◆ The outcome of the segmentation analysis will reveal the market opportunities available. The next phase in the target marketing process involves two steps:
 - Determining how many segments to enter
 - Undifferentiated marketing involves ignoring segment differences and offering just one product or service to the entire market
 - Differentiated marketing involves marketing in a number of segments, developing separate marketing strategies for each
 - Concentrated marketing is used when the firm selects one segment and attempts to capture a large share of this market.
 - Determining which segments offer the most potential.
 - The second step in selecting a market involves determining the most attractive segment. The firm must evaluate the sales potential of the segment, the opportunities for growth, the competition, and its own ability to compete. Then it must decide whether it can market to this group.

Developing a Positioning Strategy

- Product positioning is the perception in consumers' minds of the nature of a company and its products relative to competitors. It is important to recognize the two major points – in consumers' minds and relative to the competition. Positioning is created by factors such as product quality, prices, distribution, image, and marketing communications. Companies need to carefully consider where they are positioned in the market place then develop ads to reinforce that image or to move consumers to the image that is desired.
- Effective positioning can be accomplished in seven different ways.
 - Positioning by **product attributes** involves promoting a unique attribute that is superior or different from the competition.
 - Using **competitors** to establish a position can be accomplished by contrasting the company's brand against competing brands.
 - **Use or application** involves creating a memorable set of uses for a product, or applications that allow it to stand out.
 - **Price/quality** positioning can occur in two ways – by emphasizing value (low price) or by emphasizing high quality, with little mention of the higher price.
 - The **product user** approach emphasizes who uses the product, such as educators for Apple computers.

The concave-downward function

- ◆ Effects of advertising budgets follow the microeconomic law of diminishing returns
- ◆ That is, as the amount of advertising increases, its incremental value decreases.
- ◆ The logic is that those with the greatest potential to buy will likely act on the first (or earliest) exposures, while those less likely to buy are not likely to change as a result of the advertising.
- ◆ For those who may be potential buyers, each additional ad will supply little or no new information that will affect their decision.
- ◆ Thus, according to the concave-downward function model, the effects of advertising quickly begin to diminish

The S-shaped response function

- ◆ Many advertising managers assume the S-shaped response curve, which projects an S-shaped response function to the budget outlay (again measured in sales).
- ◆ Initial outlays of the advertising budget have little impact (as indicated by the essentially flat sales curve in range A).
- ◆ After a certain budget level has been reached (the beginning of range B), advertising and promotional efforts begin to have an effect, as additional increments of expenditures result in increased sales.
- ◆ This incremental gain continues only to a point, however, because at the beginning of range C additional expenditures begin to return little or nothing in the way of sales.
- ◆ This model suggests a small advertising budget is likely to have no impact beyond the sales that may have been generated through other means (for example, word of mouth).
- ◆ At the other extreme, more does not necessarily mean better: Additional dollars spent beyond range B have no additional impact on sales and for the most part can be considered wasted.
- ◆ As with marginal analysis, one would attempt to operate at that point on the curve in area B where the maximum return for the money is attained.
- ◆ Weaknesses in these sales response models render them of limited use to practitioners for direct applications.
- ◆ Many of the problems seen earlier—the use of sales as a dependent variable, measurement problems, and so on—limit the usefulness of these models.
- ◆ At the same time, keep in mind the purpose of discussing such models.
- ◆ Even though marginal analysis and the sales response curves may not apply directly, they give managers some insight into a theoretical basis of how the budgeting process should work.
- ◆ Some empirical evidence indicates the models may have validity.

Budgeting Approaches**Top-Down Approaches**

- ◆ Top-down methods include the affordable method, arbitrary allocation, percentage of sales, competitive parity, and return on investment (ROI).
- ◆ In the affordable method,

Advertising Campaign Themes

- ♦ a set of interrelated and coordinated marketing communication activities that center on a single theme or idea that appears in different media across a specified time period.

Criteria for Effective Slogans

♦ Reduces the key idea into a few words or a brief statement ♦ Should be simple ♦ Should be instigating ♦ Must relate to everyday life situations ♦ Should reflect the brand	♦ Should represent the real essence of the brand ♦ Define the aim of the product ♦ Should not be lengthy ♦ Should appeal emotionally ♦ Should be catchy
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Creative Brief Outline

- ♦ Specifies the basic elements of the creative strategy: creative platform, work plan, creative blueprint, and creative contract

1. Basic problem or issue the advertising must address.
2. Advertising and communications objectives.
3. Target audience.
4. Major selling idea and key benefits to communicate.
5. Creative strategy statement (campaign theme, appeal, and execution technique to be used).
6. Supporting information and requirements.

Developing the Major Selling Idea

- ♦ Creating a brand image (the creative strategy used to sell these products is based on the development of a strong, memorable identity for the brand)
- ♦ Using a unique selling proposition
- ♦ Finding the inherent drama (characteristic of the product that makes the consumer purchase it.)
- ♦ Positioning

Appeals and Execution Styles

- ♦ **The advertising appeal** refers to the approach used to attract the attention of consumers and/or to influence their feelings toward the product, service, or cause. An advertising appeal can also be viewed as "something that moves people, speaks to their wants or needs, and excites their interest"
- ♦ **The creative execution style** is the way a particular appeal is turned into an advertising message presented to the consumer.

Advertising Appeals

- ♦ **Informational/rational appeals** focus on the consumer's practical, functional, or utilitarian need for the product or service and emphasize features of a product or service and/or the benefits or reasons for owning or using a particular brand. The content of these messages emphasizes facts, learning, and the logic of persuasion
 - Ads that use a feature appeal focus on the dominant traits of the product or service.
 - When a competitive advantage appeal is used, the advertiser makes either a direct or an indirect comparison to another brand (or brands) and usually claims superiority on one or more attributes
 - A favorable price appeal makes the price offer the dominant point of the message. Price appeal advertising is used most often by retailers to announce sales, special offers, or low everyday prices
 - News appeals are those in which some type of news or announcement about the product, service, or company dominates the ad. This type of appeal can be used for a new product or service or to inform consumers of significant modifications or improvements
 - Product/service popularity appeals stress the popularity of a product or service by pointing out the number of consumers who use the brand, the number who have switched to it, the number of experts who recommend it, or its leadership position in the market
- ♦ **Emotional appeals** relate to the customers' social and/or psychological needs for purchasing a product or service. Many consumers' motives for their purchase decisions are emotional, and their feelings about a brand can be more important than knowledge of its features or attributes
 - Advertisers can use emotional appeals in many ways in their creative strategy.
 - Transformational ads create feelings, images, meanings, and beliefs about the product or service that may be activated when consumers use it, transforming their interpretation of the usage experience.
- ♦ **Combining Rational and Emotional Appeals**
 - In many advertising situations, the decision facing the creative specialist is not whether to choose an emotional or a rational appeal but, rather, determining how to combine the two approaches

Levels of Relationships with Brands

- ♦ The basic concept of emotional bonding is that consumers develop three levels of relationships with brands
 - The most basic relationship indicates how consumers think about brands in respect to product benefit
 - At the next stage, the consumer assigns a personality to a brand
 - Consumers develop emotional bonds with certain brands, which result in positive psychological movement toward them. The marketer's goal is to develop the greatest emotional linkage between its brand and the consumer

Additional Types of Appeals

Reminder advertising It has the objective of building brand awareness and/or keeping the brand name in front of consumers. Well-known brands and market leaders often use reminder advertising.