

MKC3460 Week 1

Overview Of Integrated Marketing Communication

Definitions Of IMC

- Marcoms – a collection of all elements in an org's marketing mix that facilitates exchange by establishing shared meaning with its customers
- IMC – a cross-functional process for planning, executing, and monitoring brand messages (purposeful dialogue) that create customer (stakeholder) relationships; the coordination of the promo mix elements with each other and other elements of the brand's marketing mix such that all elements function as one

The Integration Of Marcoms

Why are some communications not integrated?

- Tradition of separation of comm tools
- Influence of specialised outside suppliers/use of specialist marketing agencies
- Managerial closed-mindedness
- Fear of budget cuts (when everybody has a different role, budget cuts are less likely)
- Loss of power and authority
- Sceptics who consider IMC a fad

Integration

- Integration – a management process that can be both a functional task of coordination as well as a strategic tool

Message integration (tactical)

- Message integration – verbal and visual consistency
 - Logo
 - Colours
 - Theme line
 - Consistency of message
 - Common tone
 - Shared personality

Strategic integration

- Strategic integration – brings together all elements of the IMC mix
 - Coordination strategy
 - Common objectives
 - Contribution to corporate mission
 - Multiple comms disciplines
 - Multiple audiences
 - Shared budget, measures, outcomes
 - Strong leadership
 - Cross-functional teams

Synergy

- Using multiple comm tools in conjunction can produce greater results (synergistic effects) than tools used individually or uncoordinated.

5 key features

Customer/prospect

- The consumer/business customer must represent the starting point for all marcom activities
- Consumers in control

- Outside-in approach – learn the media preferences and lifestyles of customers/prospects to know the best contexts to reach them with brand messages
- Reduced dependence on mass media: consumers are increasingly in control of their media choices for acquiring info about brands.

Relevant contact/touch point

- Use any and all marcom tools that are up to the task
- 360 degree branding: a brand's touch points should be everywhere the TA is.
- Not all touch points are equally engaging: surround customers/prospects with the message, but not to the point of being irritating.
- Not all touch points are controllable e.g. social media, post-purchase evaluation and behaviour

Single voice

- Multiple messages must speak with a single voice
- A brand's positioning statement must:
 - Present a clear idea of the brand in the TA's mind
 - Consistently deliver the same unified message across all media channels on all occasions

Build relationships

- Loyalty programs promote long-term relationships between customers and brands that lead to retention.
- Experiential marketing programs (e.g. pop up shops at events) can create brand exps that make lasting positive impressions on customers.

Affect behaviour

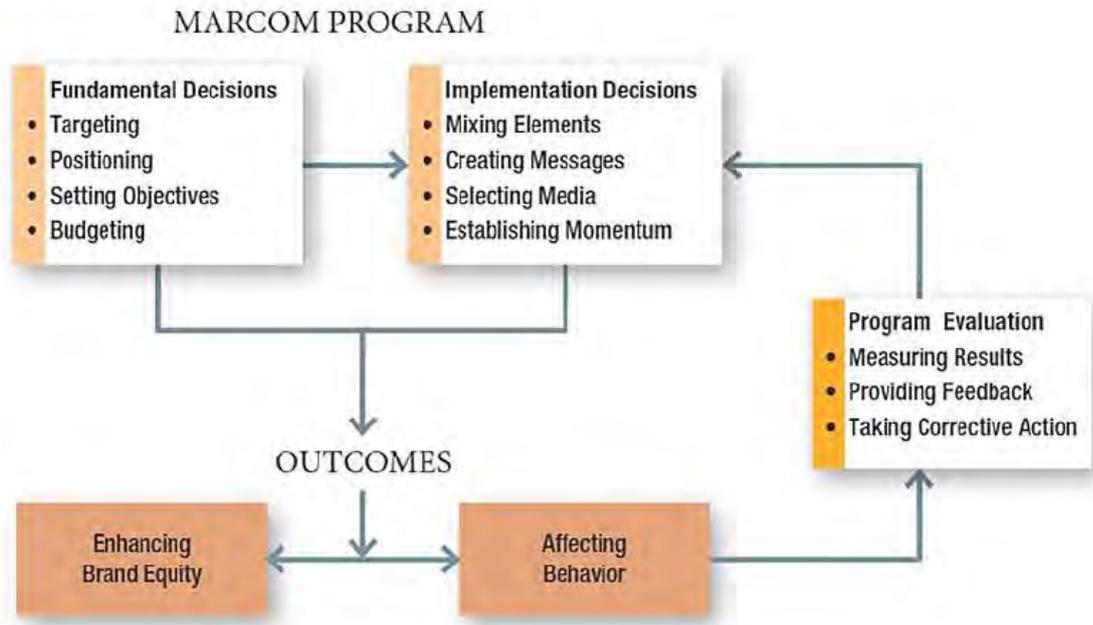
- Influence the TA to engage in a specific desired behaviour
- The effectiveness of an IMC program is judged by its success in influencing behaviour.

Obstacles to implementing IMC

- Integration requires tight coordination among all elements of a marcom program.
- Few providers of marcom services have the diversity of skills required to execute a program.
- Direct-to-customer ad is more difficult than a mass media campaign.
- The greatest challenge is making sure all marcom tools are consistent.

Marcoms

- Objective: enhance brand equity by moving customers to favourable action toward the brand
- Brand equity – the degree to which consumers favourably perceive the brand compared to competitors, how strongly these views are held, and the financial return this generates



- Fundamental marcom decisions must be:
 - Directed to a particular target market
 - Clearly positioned
 - Created to achieve a specific objective
 - Undertaken to accomplish the objective within the budget constraint

Has social media changed the effectiveness of word of mouth?

- Straight to social media
- Indiscriminate sharing
- Increasing number of increasingly uncontrolled brand contacts
- Firm's presence on social media delivers a larger audience for negative WOM
- Negative impact on brand through programmatics (automated responses etc)
- Lack of control of associated images or video
- Third party hidden charges
- Fake/robotic followers and audiences

Promotion management and objectives

- Promo management – coordination of promo mix elements in setting objectives, establishing budgets, designing programs, evaluating perf, and taking corrective action
- General objective of promo:
 - Inform
 - Persuade
 - Induce action

Earned, Paid, And Owned Media

- Earned media – when customers become the channel e.g. WOM
- The role is to listen and respond. Earned media is often the result of well-executed and well-coordinated owned and paid media.
- It is the most credible, has a key role in most sales, is transparent, and lives on. However, there is no control, it can be negative, and it is hard to measure.
- Paid media – brand pays to leverage a channel e.g. display ads, paid search, sponsorships

- The role is to shift from a foundation to a catalyst that feeds owned and created earned media.
- It is in demand, immediate, and has control. However, there is clutter (overwhelming amount of info), declining response rates, and poor credibility.
- Owned media – channel a brand controls e.g. website, blog, social media account
- The role is to build longer-term relationships with existing potential customers and earned media.
- There is a high level of control, it is cost efficient, and has longevity, versatility, and niche audiences. However there are no guarantees, company comm is not trusted, and it takes time to scale.

MKC3460 Week 2

Brands, Brand Equity & Marketing Communication

- Brands influence a wide range of audiences. It is through these audiences that brands create value by increasing rev and reducing costs (including capital).
- Marcoms should target all of these audiences.
- Emotive brand names and ads generate the most rev and customers
- Names should consider:
 - Industry
 - TA
 - Explain the business
 - Inspirational
 - Competitors
 - Relevance

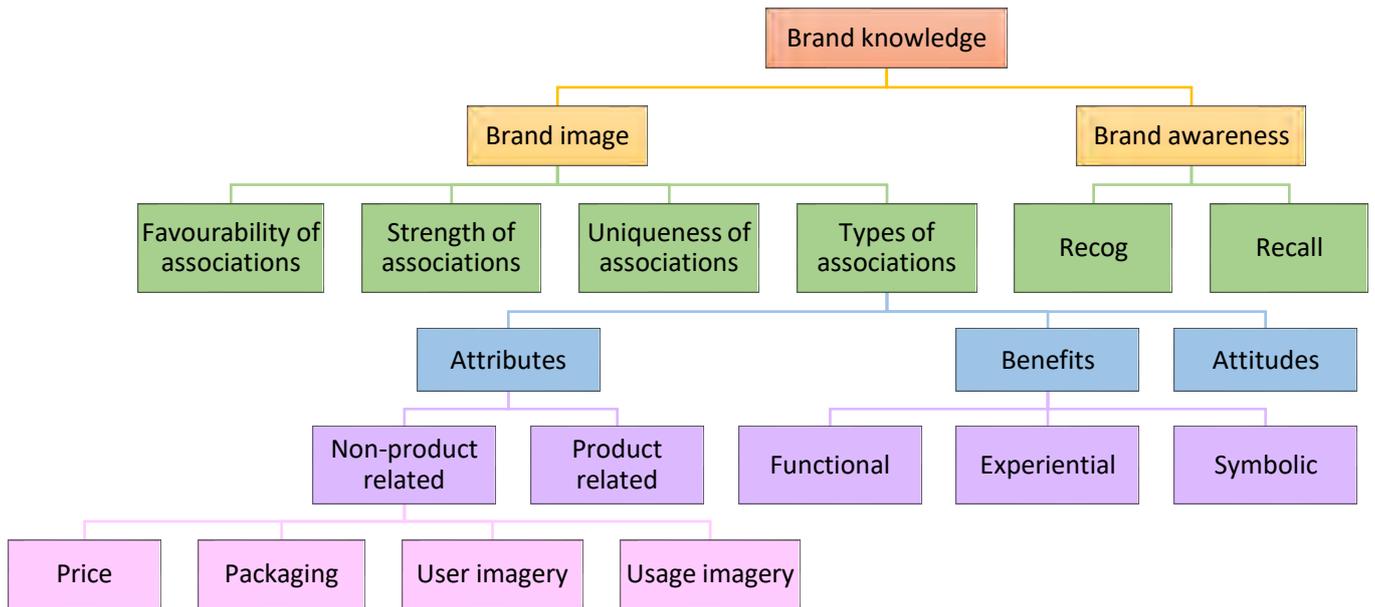
Basic IMC issues for marketing managers

- Enhancing brand equity
- Affecting customer behaviour
- Justifying marcom investments
- Demonstrating financial accountability

Marcoms At The Brand Level

- The key for brand comms is to differentiate one company's offering from another's
- A well-known and respected brand is an invaluable asset
- A successful brand can create barriers to entry for competitors

Customer-Based Brand Equity



Value

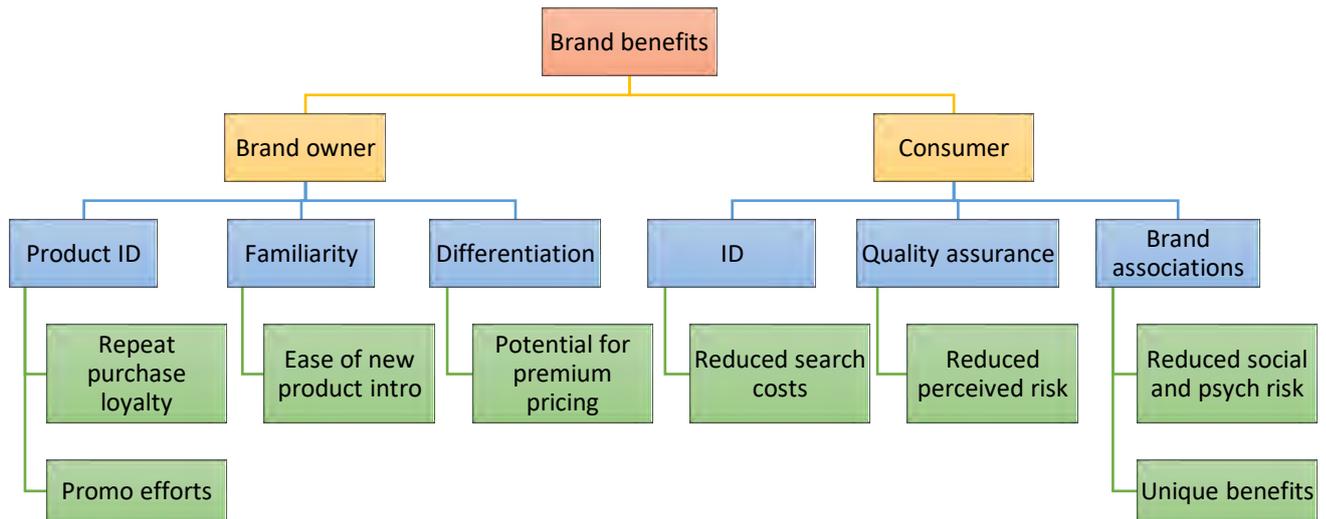
- Value – the balance between the benefits and costs of acquisition, consumption, and disposal
- Consumer benefits:
 - Functional – when a product has desired characteristics, is useful, or performs a desired function
 - Symbolic – when customers attach or associate psych meaning to a product
 - Experiential – when a product creates appropriate exps, feelings, and emotions for the customer
 - Acquisition
 - Disposal
- Consumer costs:
 - Acquisition
 - Financial
 - Time
 - Psychic (feelings)
 - Search
 - Consumption
 - Disposal

Brands

- Brand – a name, term, sign, symbol or design (or a combination of these) intended to identify the goods/services of one seller/group of sellers and differentiate them from those of competitors
- A brand is:
 - A set of associations formed from exps (use and observation) and comm messages and linked to a brand identifier
 - A promise of value to the customer
 - A cog short-cut
 - An asset of value to the firm

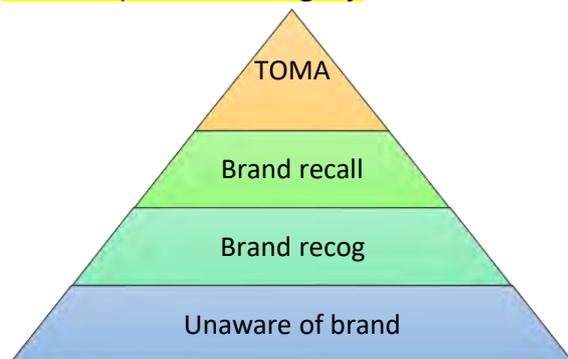
- A brand is defined by both its best and worst practices (ads, products, employees' conduct etc). A brand cannot be controlled, only influenced.

Role of the brand

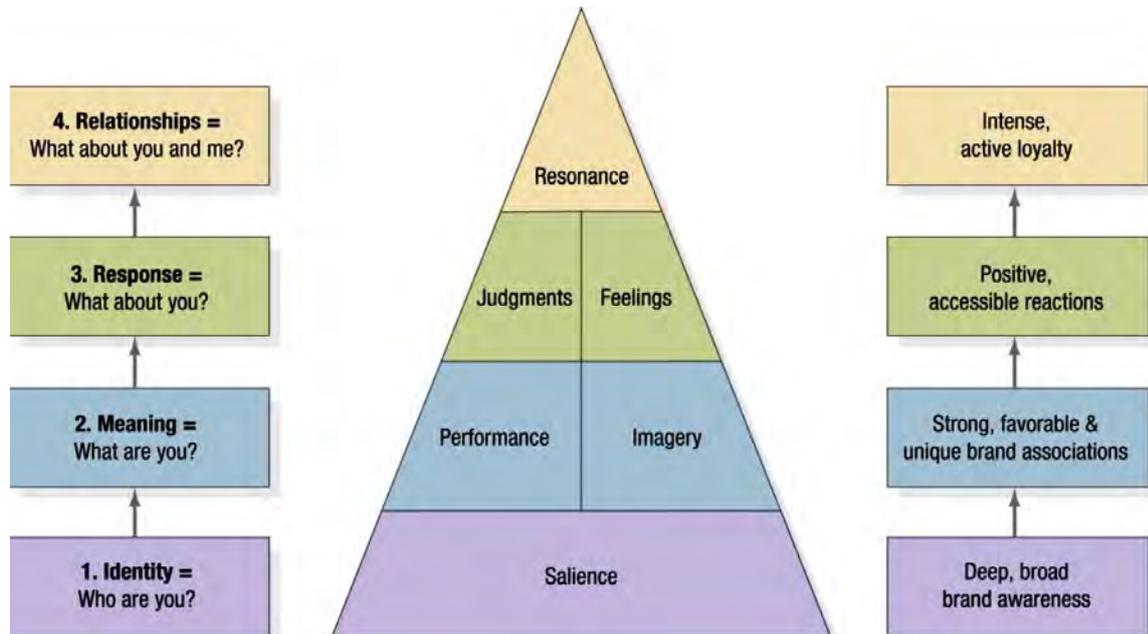


Forms of brand knowledge

- Brand awareness – whether a brand name comes to mind when consumers think about a product category, and the ease with which the name is evoked
- Brand image – the types of associations that come to mind when contemplating a brand
- Top-of-mind awareness (TOMA) – when a brand is the first consumers recall when thinking about a product category



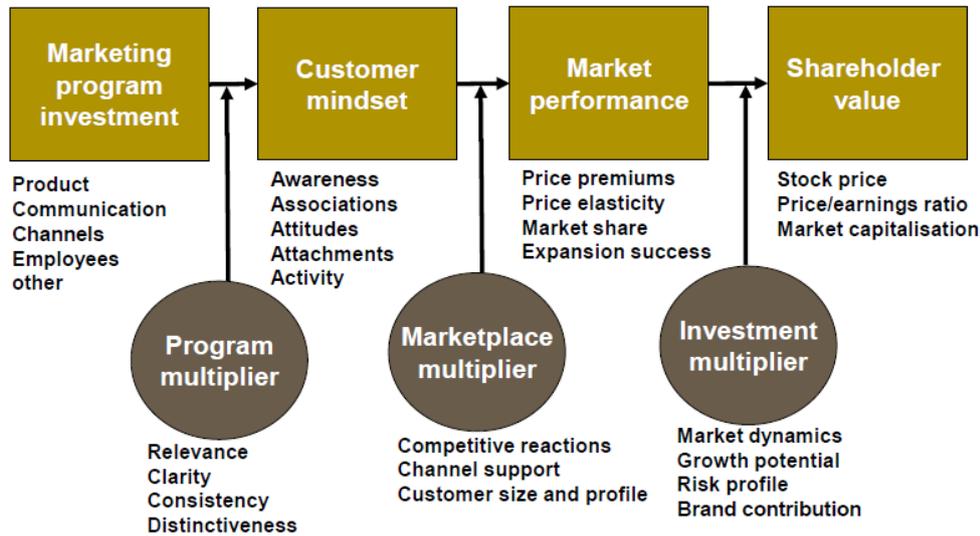
Brand resonance pyramid



- Resonance: the nature of the relationship with the brand; the extent to which customers feel they are in sync with the brand. This is characterised in terms of the intensity or depth of the psych bond with the brand and the level of activity engendered by this loyalty.
- Judgments: customers' personal opinions and evaluations
- Feelings: emotional responses to the brand
- Perf: how the product/service meets customers' functional needs
- Imagery: the extrinsic properties of the product or service, including ways the brand attempts to meet psych or social needs
- Salience (relevance): how often and easily the brand is evoked under various purchase or consumption situations

Brand value chain assumptions

- Brand value chain – traces the value creation process for their brands and attempts to outline the financial impact of marketing expenditures and investments
- This model is based on several basic premises:
 - The value of a brand ultimately resides with customers
 - The brand value creation process begins when the firm invests in a marketing program targeting actual or potential customers
 - A number of factors intervene between these stages
- Brand value increases further along the chain, provided the intervening multiplier factors apply.



Brand Equity

- Brand equity depends on 3 main factors:
 - The initial choice for the brand elements or identities making up the brand
 - The way the brand is integrated into the supporting marketing programs
 - The associations indirectly transferred to the brand by linking the brand to some other entity

Attributes of high equity brands

- Delivers desired benefits
- Staying relevant
- Priced to meet perceptions of value
- Positioned properly
- Consistent brand messages
- Strong, favourable, and unique associations
- Well-designed brand hierarchy
- Multiple marketing activities
- Understands consumer-brand relationship
- Supported by org
- Understands and monitors sources of brand equity

Effects of brand equity increases

- Higher ms
- Increased brand loyalty (loyalty depends on type of product)
- Premium pricing
- Rev premiums – the rev difference between a branded item and private labelled item

Leveraging brand meaning from various sources

- Other brands:
 - Alliances
 - Ingredients
 - Company
 - Extensions
- Places:
 - Country of origin
 - Channels
- People:
 - Employees
 - Endorsers
- Things:
 - Events
 - Causes
 - 3rd party endorsements