



# Marketing Communications (Marcom)

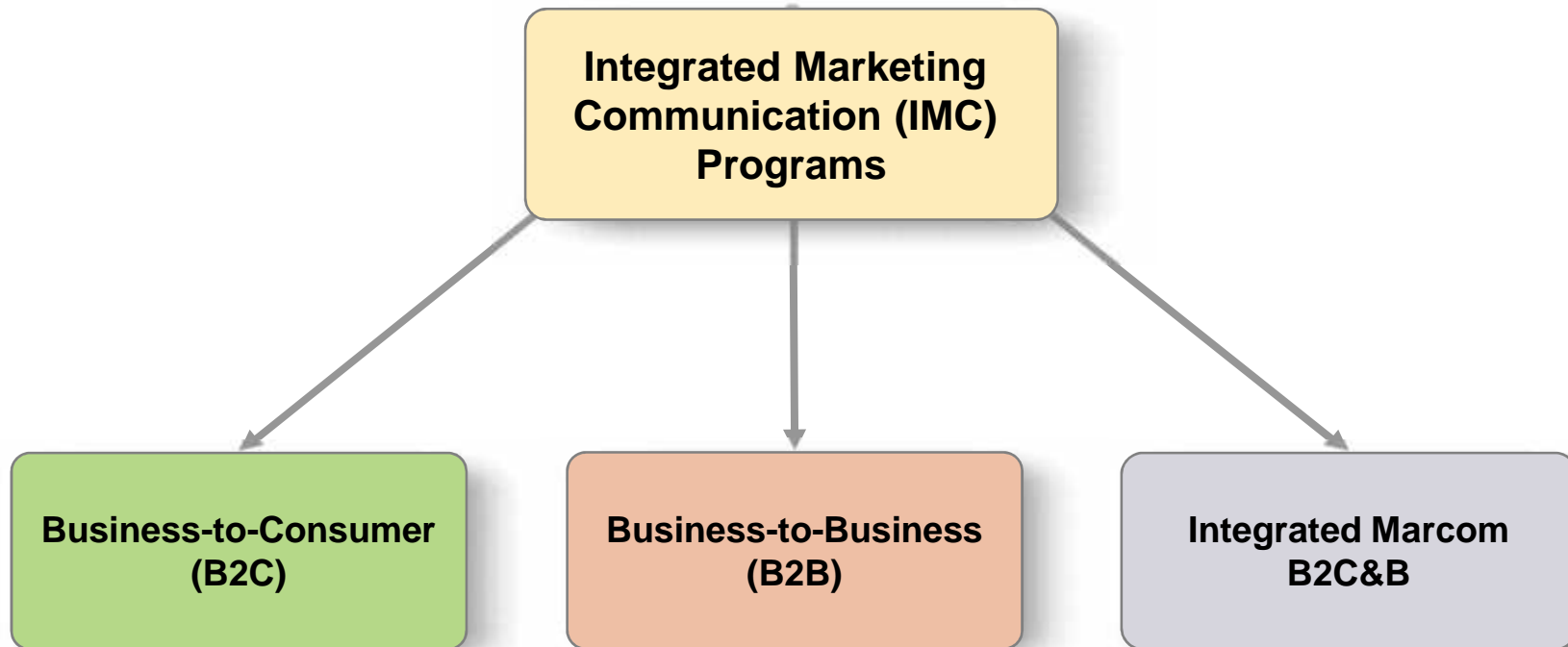
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*Tony Wijaya (FE UNY)*

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# Marketing Communications (Marcom)

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# The Tools of Marketing Communications

<p><b>1. Media Advertising</b></p> <ul style="list-style-type: none"><li>• TV</li><li>• Radio</li><li>• Magazines</li><li>• Newspapers</li></ul> <p><b>2. Direct Response and Interactive Advertising</b></p> <ul style="list-style-type: none"><li>• Direct mail</li><li>• Telephone solicitation</li><li>• Online advertising</li></ul> <p><b>3. Place Advertising</b></p> <ul style="list-style-type: none"><li>• Billboards and bulletins</li><li>• Posters</li><li>• Transit ads</li><li>• Cinema ads</li></ul> <p><b>4. Store Signage and Point-of-Purchase Advertising</b></p> <ul style="list-style-type: none"><li>• External store signs</li><li>• In-store shelf signs</li><li>• Shopping cart ads</li><li>• In-store radio and TV</li></ul>	<p><b>5. Trade- and Consumer-Oriented Promotions</b></p> <ul style="list-style-type: none"><li>• Trade deals and buying allowances</li><li>• Display and advertising allowances</li><li>• Trade shows</li><li>• Cooperative advertising</li><li>• Samples</li><li>• Coupons</li><li>• Premiums</li><li>• Refunds/rebates</li><li>• Contests/sweepstakes</li><li>• Promotional games</li><li>• Bonus packs</li><li>• Price-off deals</li></ul>	<p><b>6. Event Marketing and Sponsorships</b></p> <ul style="list-style-type: none"><li>• Sponsorship of sporting events</li><li>• Sponsorship of arts, fairs, and festivals</li><li>• Sponsorship of causes</li></ul> <p><b>7. Marketing-Oriented Public Relations and Publicity</b></p> <p><b>8. Personal Selling</b></p>
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**Source:** Adapted from Figure 1.1 in Kevin Lane Keller, "Mastering the Marketing Communications Mix: Micro and Macro Perspectives on Integrated Marketing Communication Programs," *Journal of Marketing Management* 17 (August, 2001), 823–851.

# The Integration of Marketing Communications

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- Why Not Integrated?
  - Tradition of separation communication tools
  - Influence of specialized outside suppliers
  - Managerial parochialism
    - ❖ Fear of budget cutbacks
    - ❖ Loss of power and authority
  - Resistance of outside suppliers to broadening their functions
  - Skeptics who consider IMC to be a fad

# The Integration of Marketing Communications (cont'd)

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- IMC and Synergy

- Using multiple communication tools in conjunction with one another can produce greater results (*synergistic effects*) than tools used individually and in an uncoordinated fashion.

# And Now a Definition of IMC

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- **Integrated Marketing Communications (IMC)**

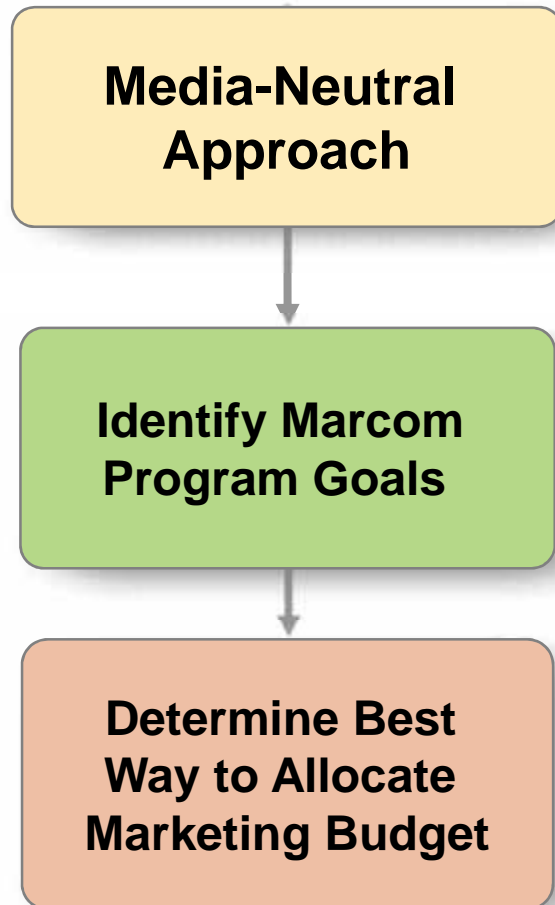
- Is a communications process for planning, creation, integration, and implementation of diverse forms of marcom delivered to a brand's targeted customers and prospects
- Has as its goal influencing or affecting behavior of targeted audience
- Considers all touch points a customer/ prospect has with the brand as potential delivery channels for messages
- Requires that all of a brand's communication media deliver a consistent message
- Has customer/prospect as its starting point for determining types of messages and media to inform, persuade, and induce action

# Key IMC Feature # 1

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- The Consumer or Business Customer Must Represent the Starting Point for All Marketing Communications Activities
- Takeaway:
  - 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 information about brands.

# Selecting the Appropriate Marcom Tools





# Obstacles to Implementing IMC

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- Integration requires tight coordination among all elements of a marcom program.
  - Few providers of marketing communication services have the diversity of skills required to execute an IMC program.
  - Direct-to-customer advertising is more difficult than a mass media campaign.
  - The greatest challenge is making sure that all marcom tools are consistently executed.

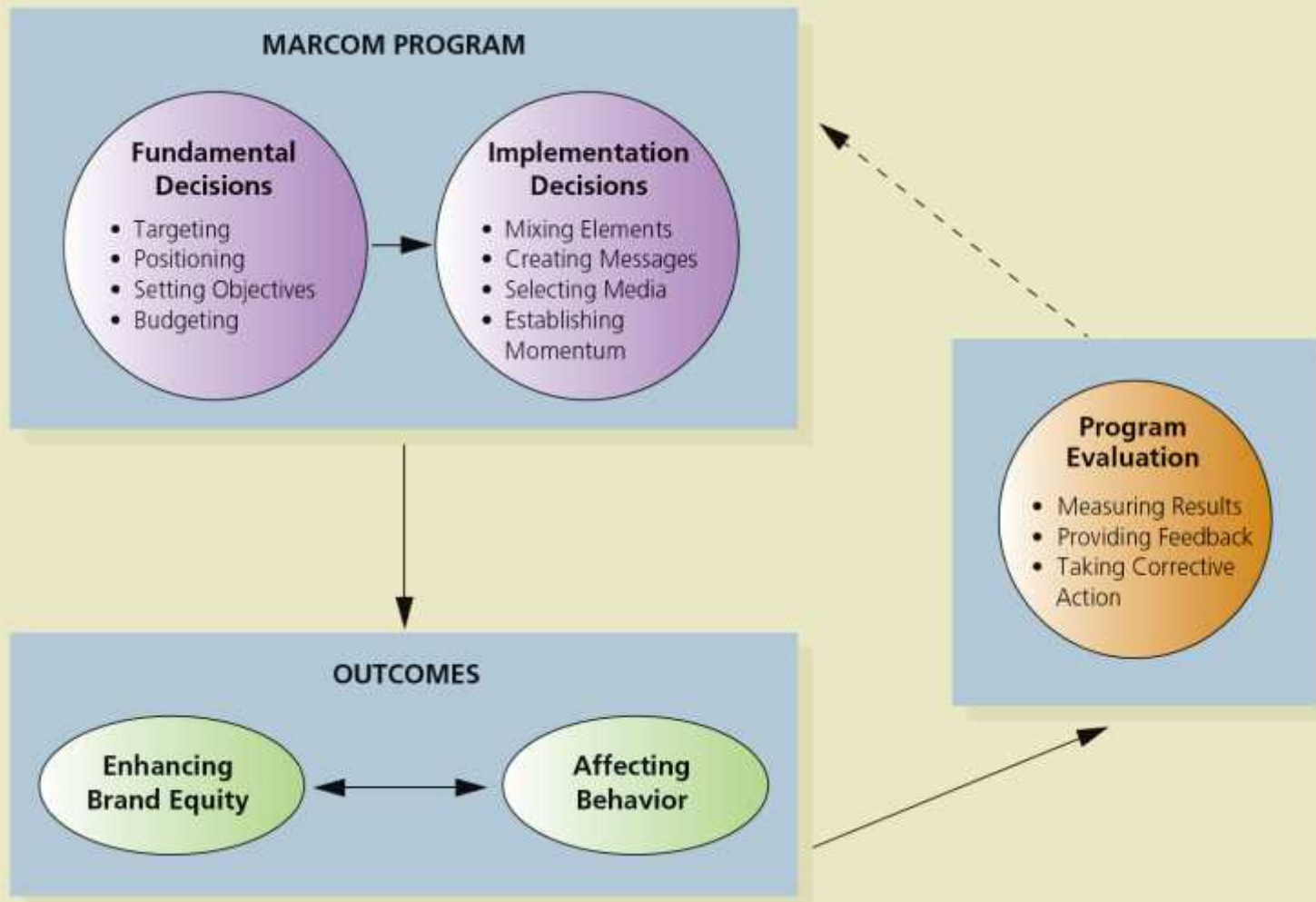
# Marketing Communications

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- **Marketing Communications' Objective**
  - To enhance brand equity by moving customers to favorable action toward the brand—trying it, repeat purchasing it, and becoming loyal toward the brand.
- **Brand Equity**
  - The degree to which consumers favorably perceive the brand's features and benefits as compared to competitive brands and how strongly these views are held in memory

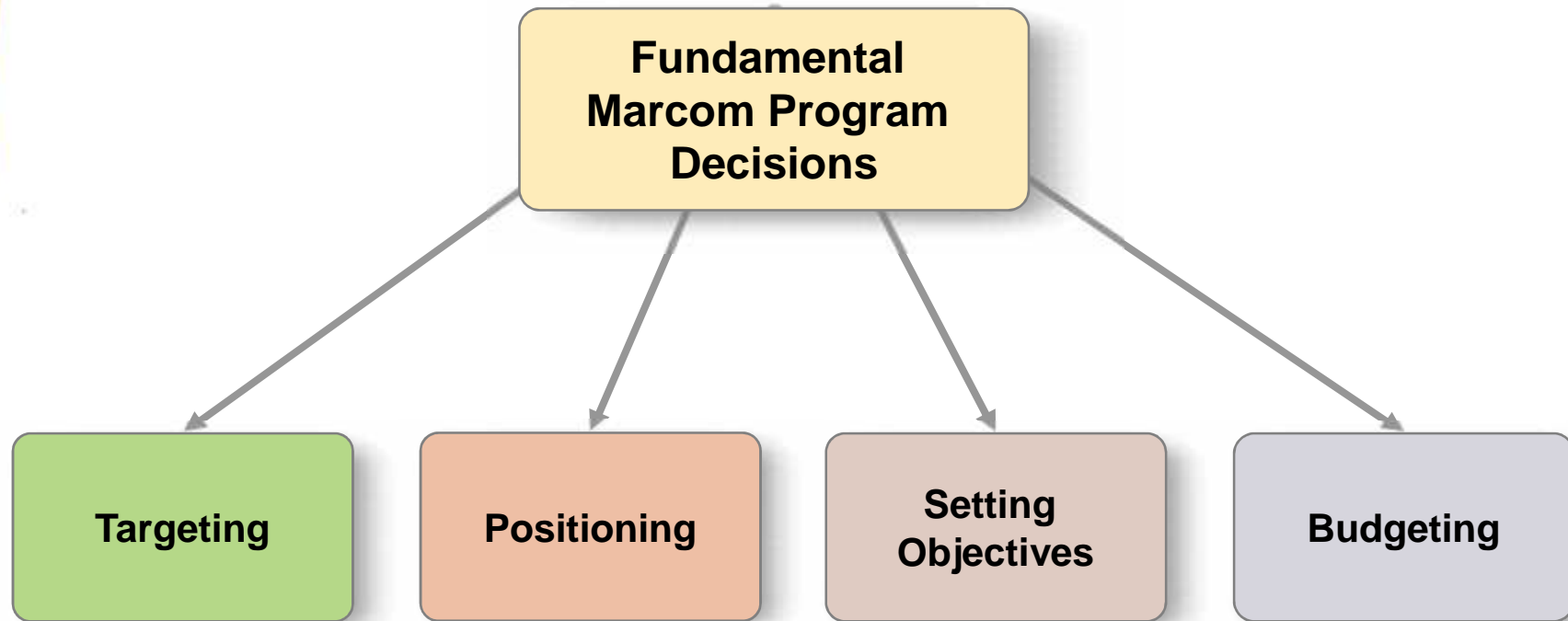
Figure 1.1

## Making Brand-Level Marcom Decisions and Achieving Desired Outcomes



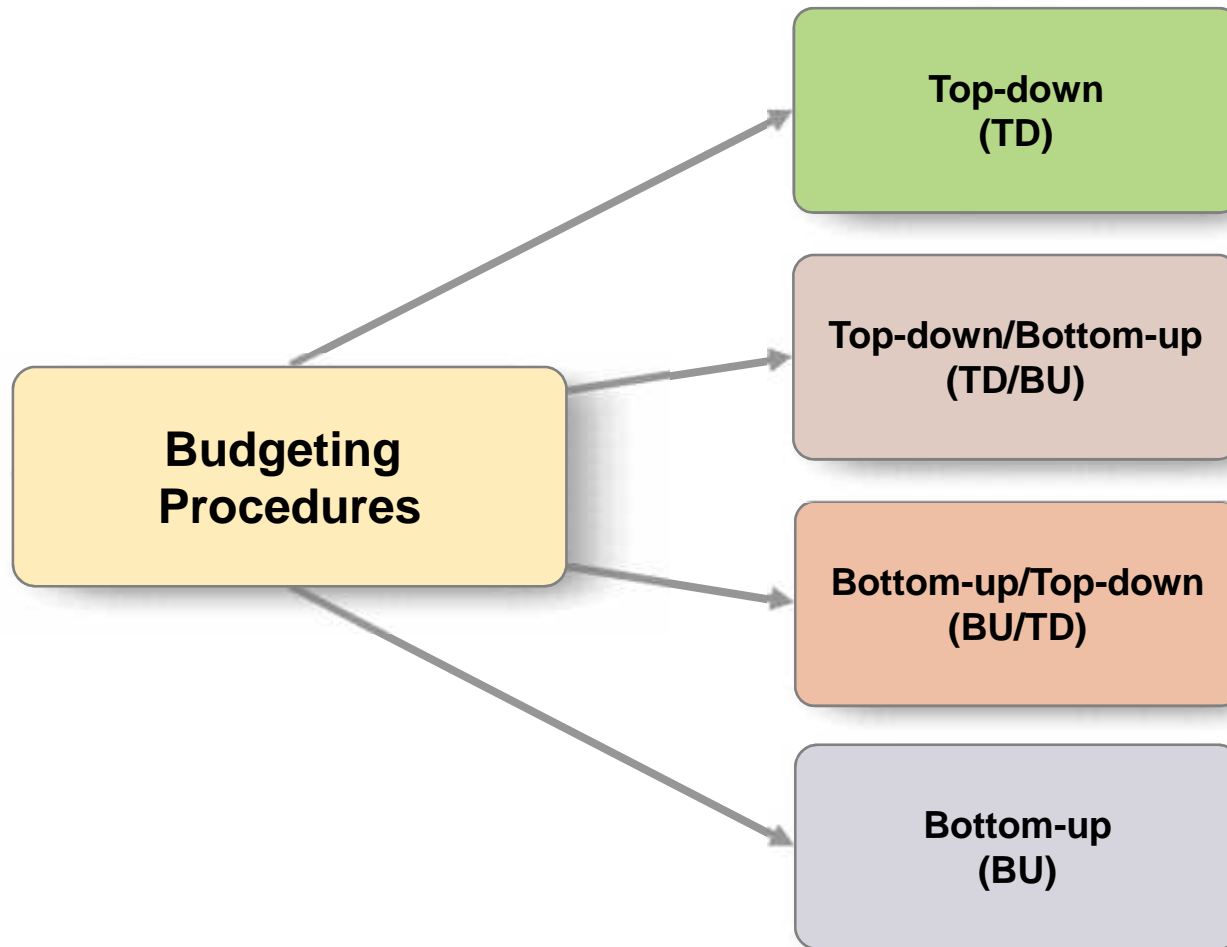
# Fundamental Marcom Decisions

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# Fundamental Marcom Decisions (cont'd)

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# Fundamental Marcom Decisions: Commit-to-Memory Mantra

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**All marketing communications should be:**

**1. Directed to a specific target market**

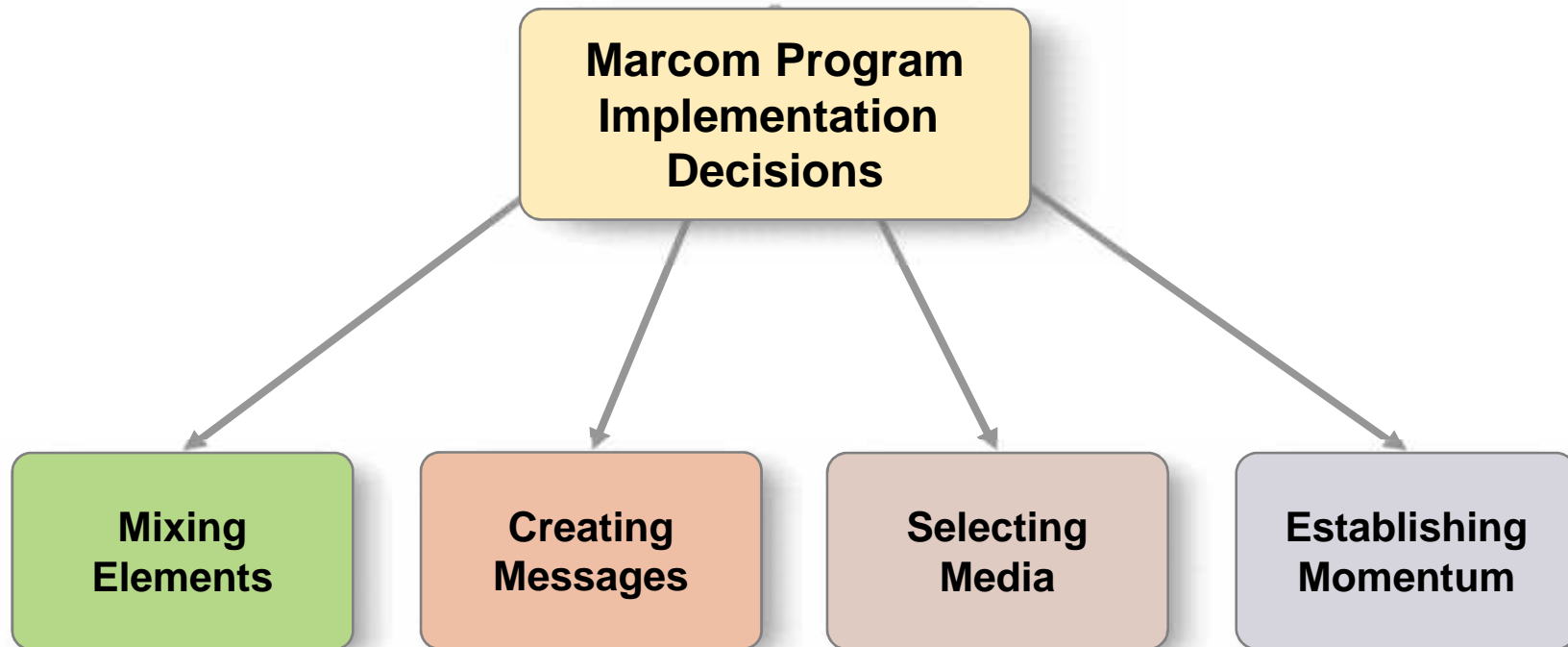
**2. Clearly positioned**

**3. Created to achieve a specific objective**

**4. Undertaken within budget constraints**

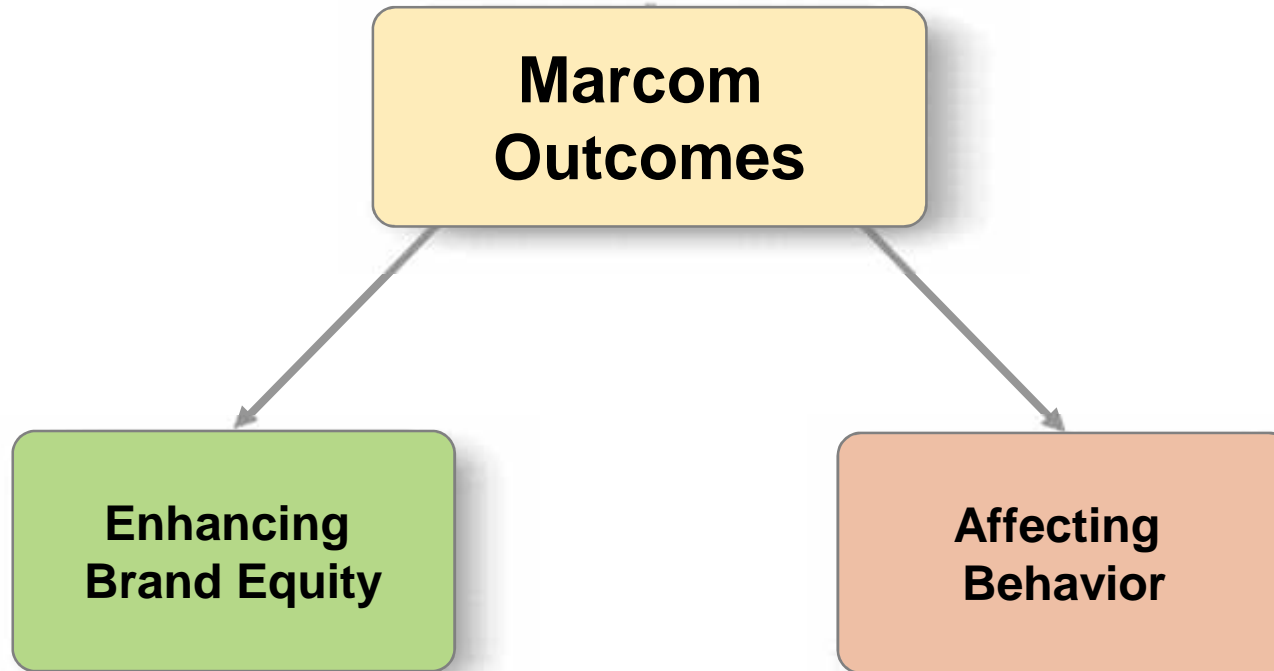
# Marcom Implementation Decisions

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# Marcom Outcomes

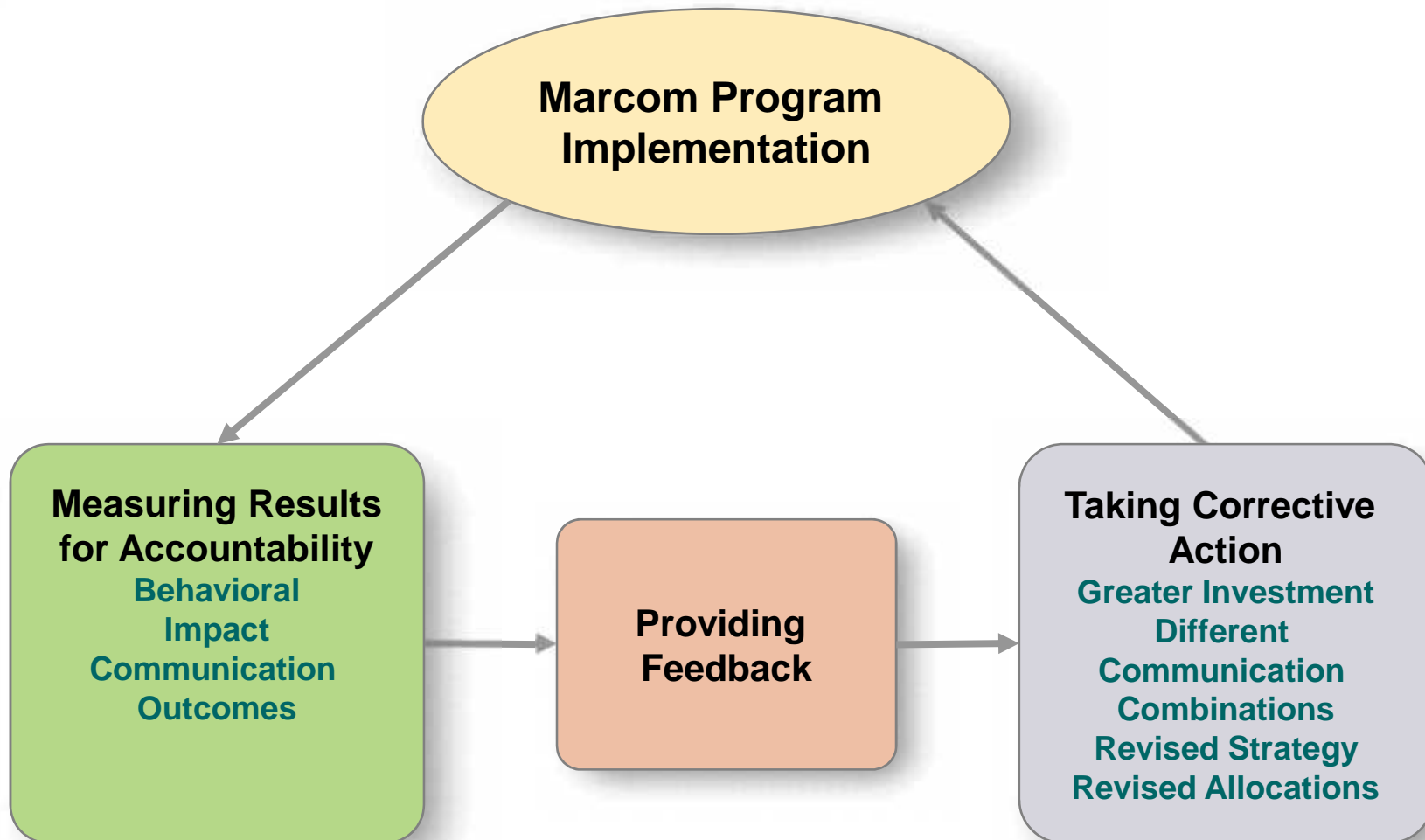
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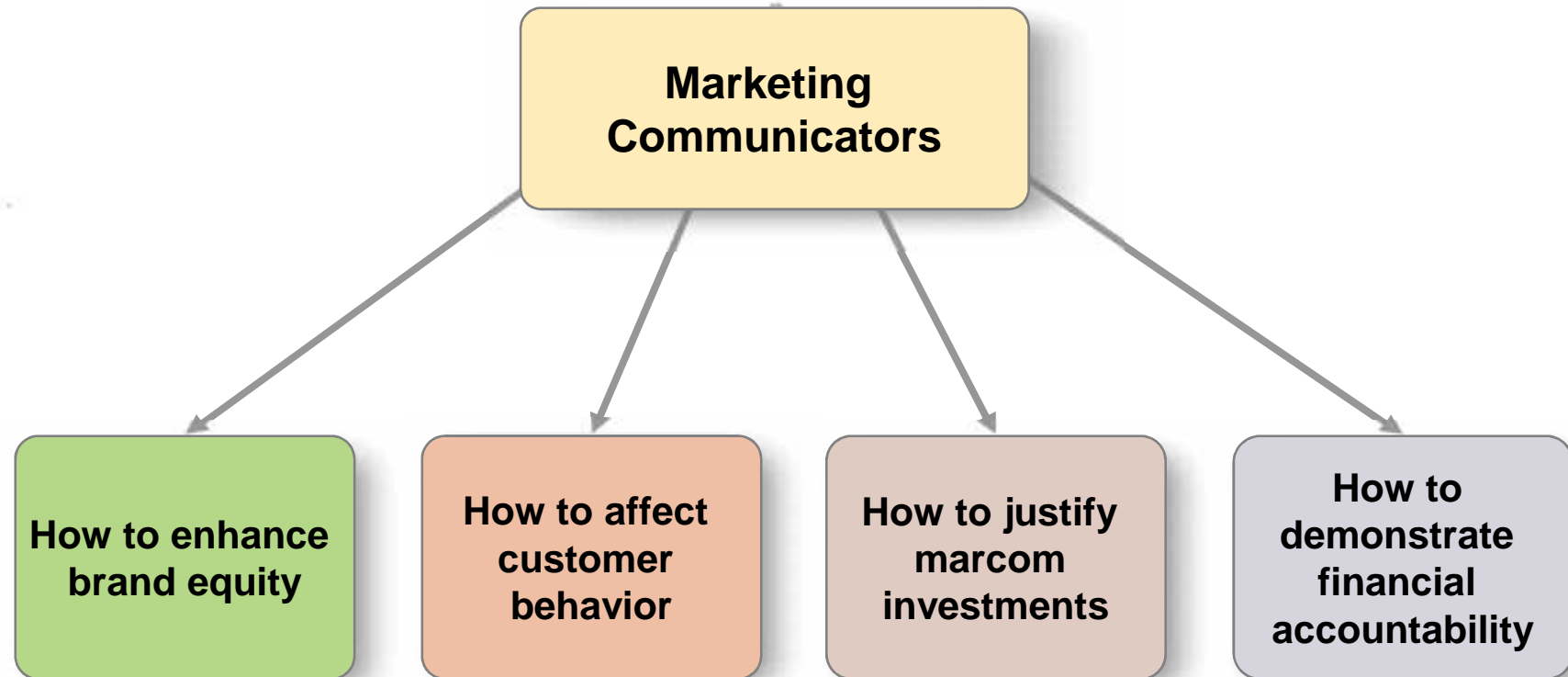
# Marcom Program Evaluation

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# Basic IMC Issues

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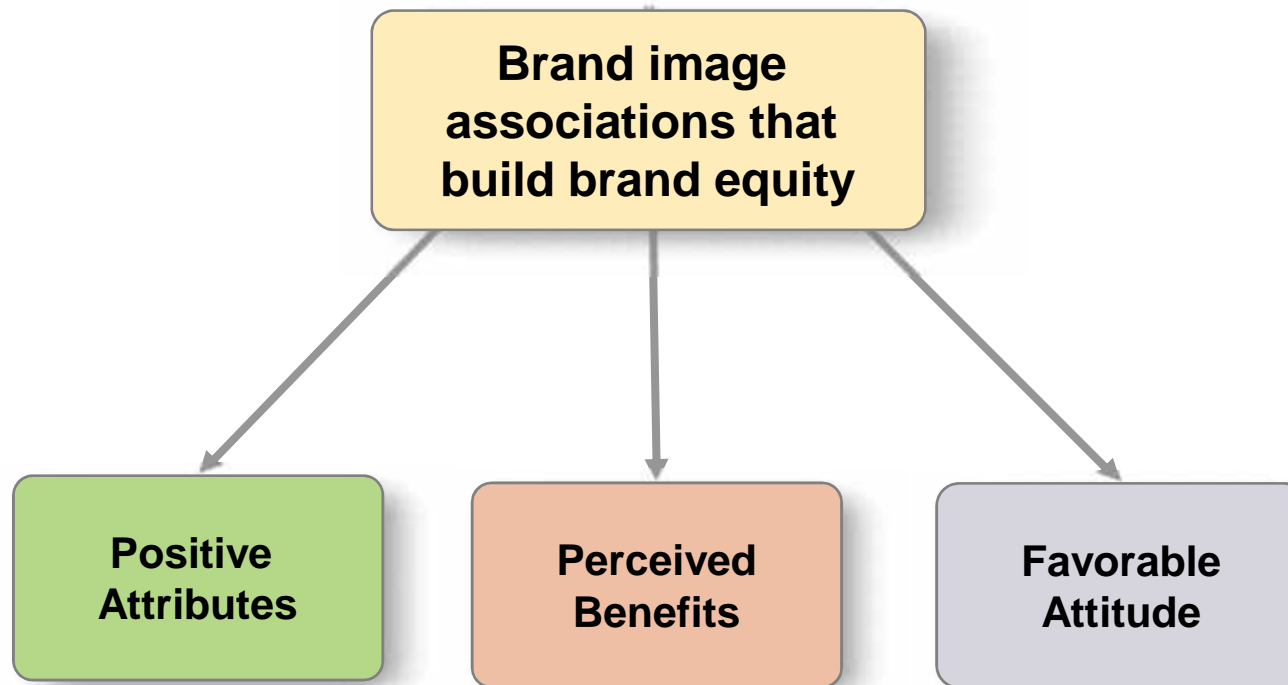
## Basic IMC Issues

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- What can marketing communicators do to enhance the equity of their brands?
- How can marketing communicators affect the behavior of their present and prospective customers?
- How can marketing communicators justify their investments in advertising, sales promotions, and other marcom elements?
- How can marketing communications demonstrate financial accountability?

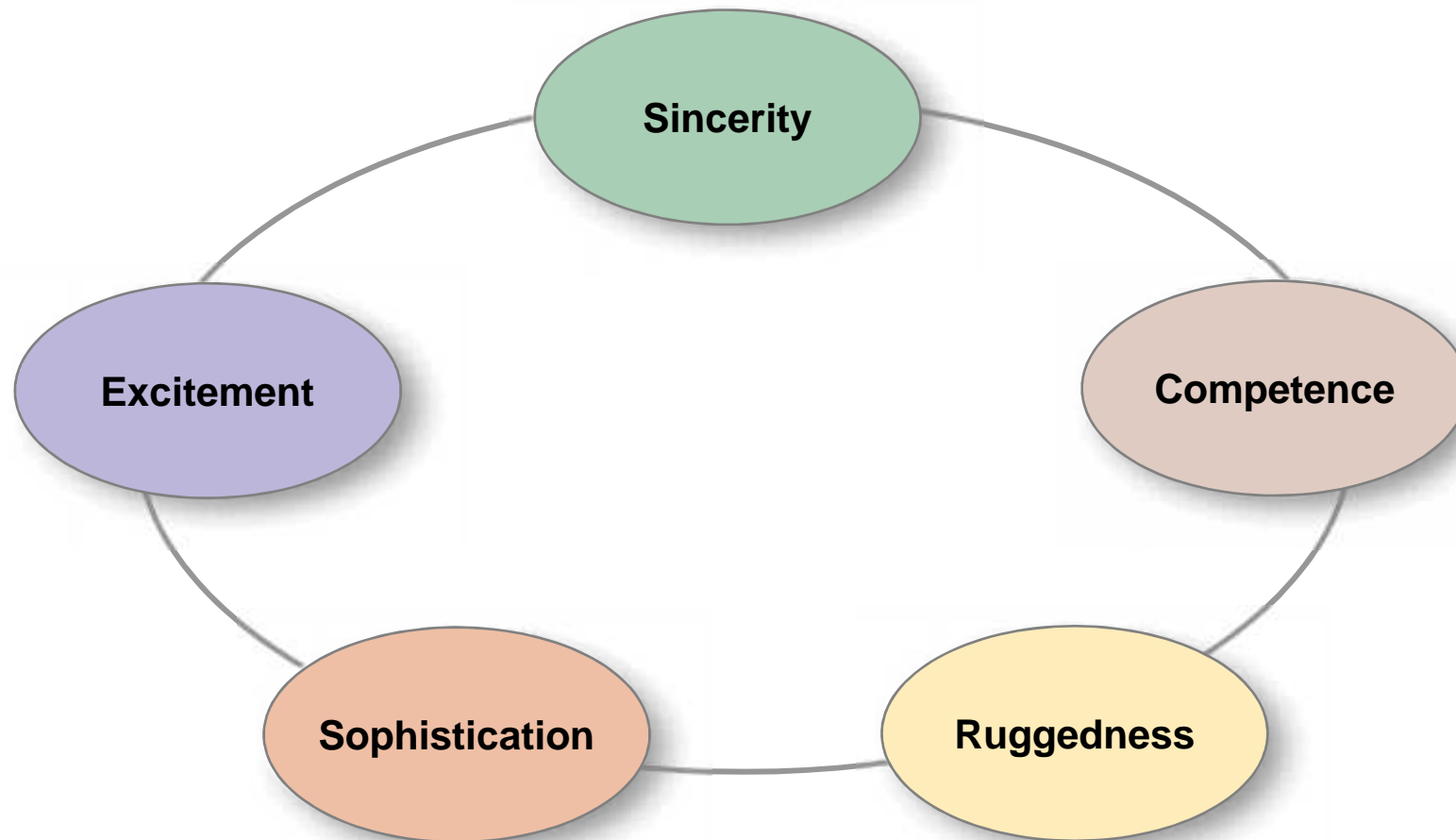
# Brand Associations

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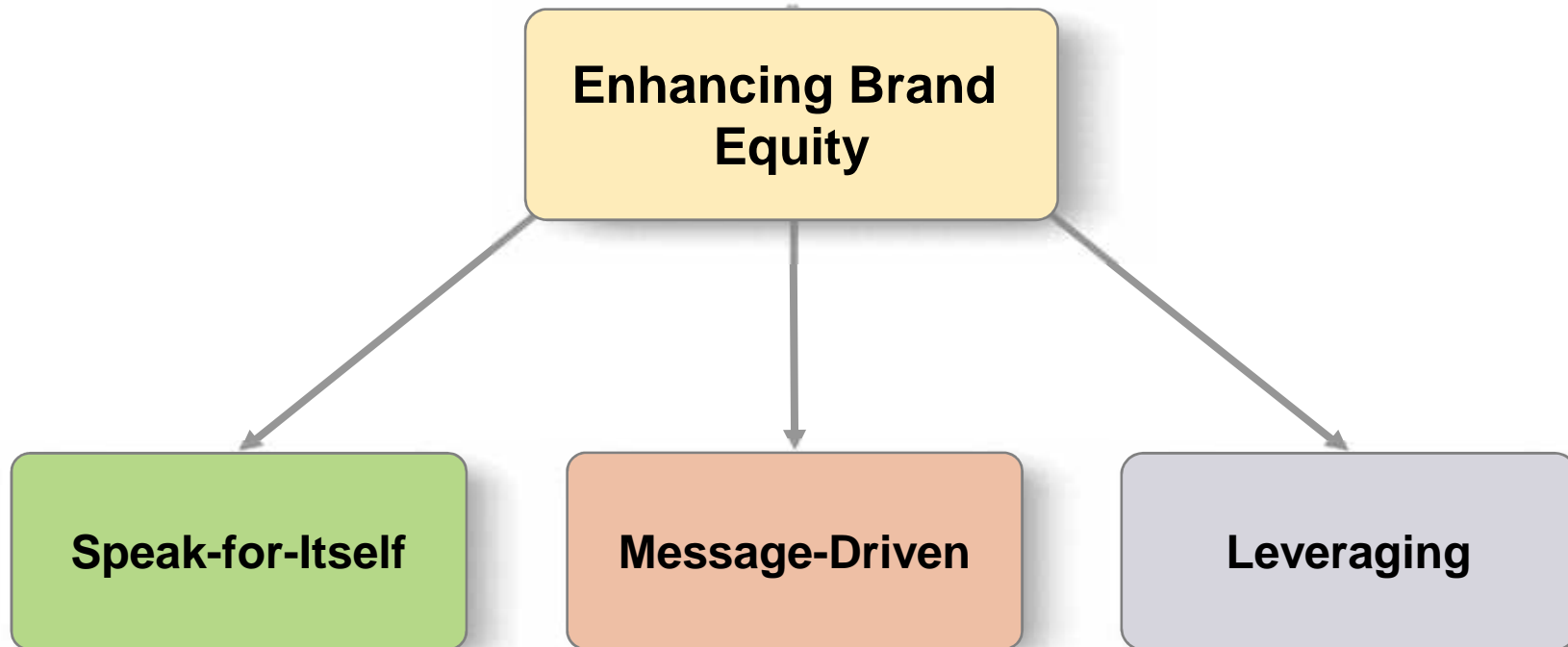
# Dimensions of Brand Personalities

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# Ways of Enhancing Brand Equity

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# Types of Branding for Leveraging

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- Co-Branding
  - A partnership between two brands
- Ingredient Branding
  - Inclusion of one brand within the other

# What Benefits Result from Enhancing Brand Equity?

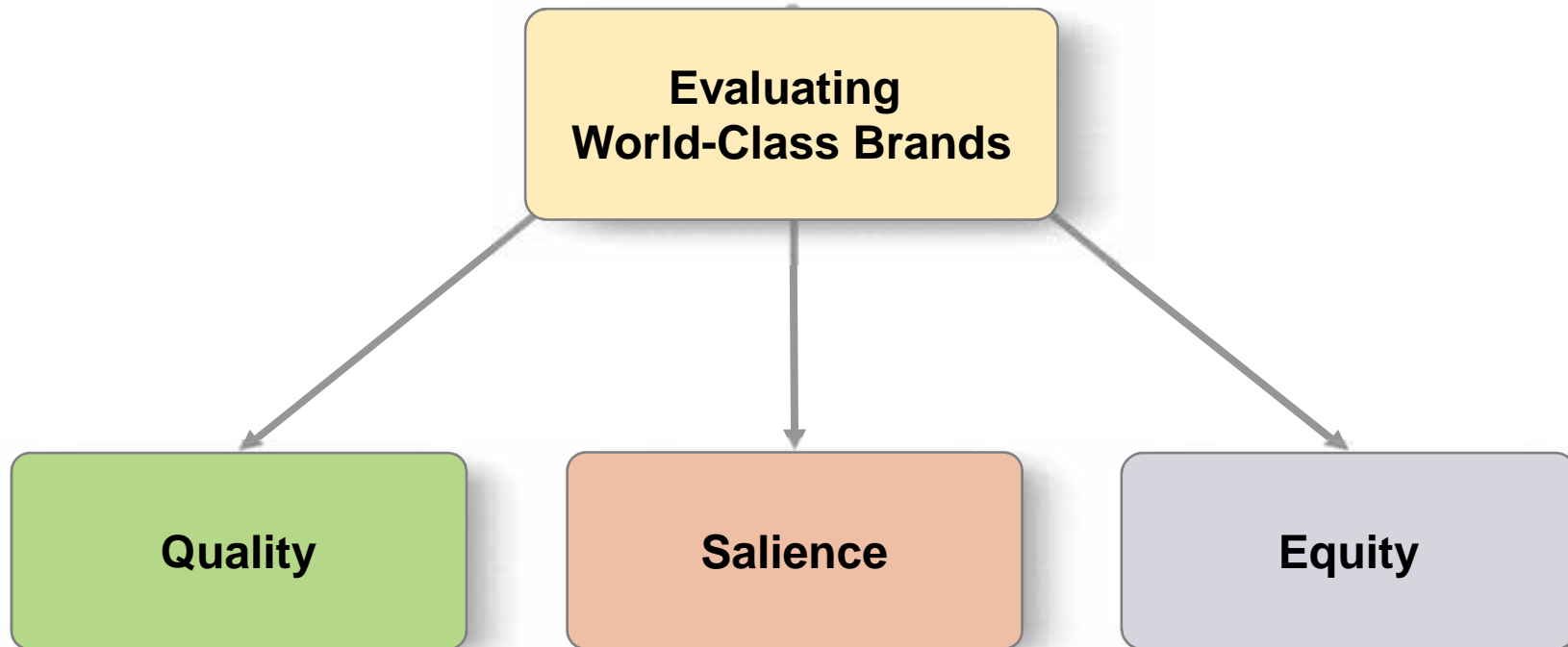
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- Increased consumer loyalty
- Long-term growth and profitability for the brand
- Maintain brand differentiation from competitive offerings
- Insulate brand from price competition



# Measuring World-Class Brands

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# Characteristics of a World-Class Brand

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- Delivers benefits consumers want
- Stays relevant
- Price equals value
- Good positioning
- Consistency
- Fits into brand portfolio
- Brand helps build brand equity
- Brand's managers understand what the brand means to consumers
- Support over long run
- Monitoring of the sources of brand equity

# Measuring Marketing Investment Performance

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- Return on Marketing Investment (ROMI)
  - Measures the effect of marcom, or of its specific elements such as advertising, in terms of whether it generates a reasonable revenue return on the marcom investment
- Why Measure Marcom Effectiveness?
  - Demands for greater accountability on the marketing function
  - To become better at marcom activities

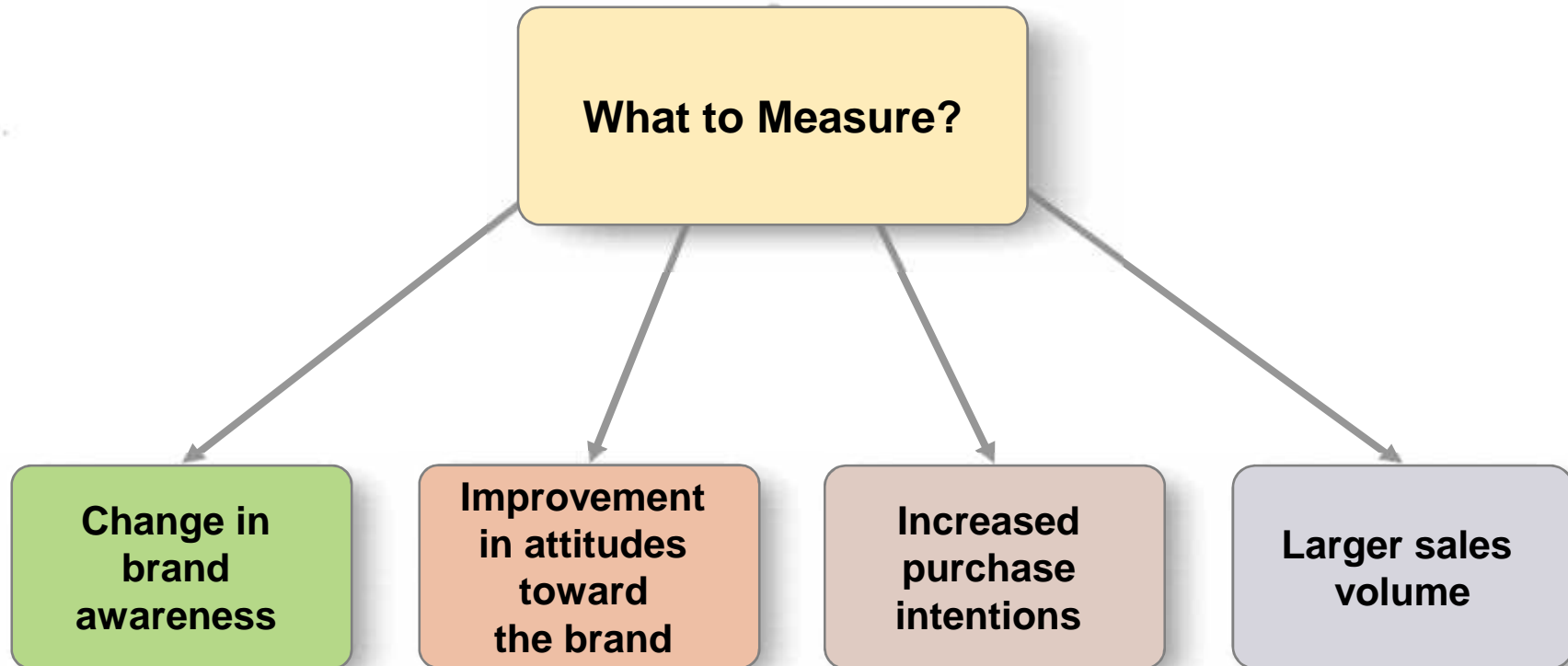
# Measuring Marketing Investment Performance

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- Difficulties in Measuring Marcom Effectiveness
  - Choosing an appropriate metric
  - Gaining agreement on measures
  - Collecting accurate data for marcom assessment
  - Determining effects of specific marcom elements

# Difficulties in Measuring Marcom Effectiveness: Choosing a Metric

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# Difficulties in Measuring Marcom Effectiveness: Gaining Agreement

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- Finance Departments' Measures of Success:
  - Discounted cash flows
  - Net present values of investment decisions

- Marketing Departments' Measures of Success:
  - Measures of brand awareness, image, and equity

# Difficulties in Measuring Marcom Effectiveness: Collecting Accurate Data and Calibrating Special Effects

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- What exact sales figures should be used to calculate sales?
- How much relative effect does each program element have on sales volume compared to the effect of other elements?