

Integrated Marketing Communication

Prepared by

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UNIT I

UNDERSTANDING INTEGRATED MARKETING COMMUNICATION

Unit- I: What is Marketing?

Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization.

Value

Relationship marketing

Mass customization

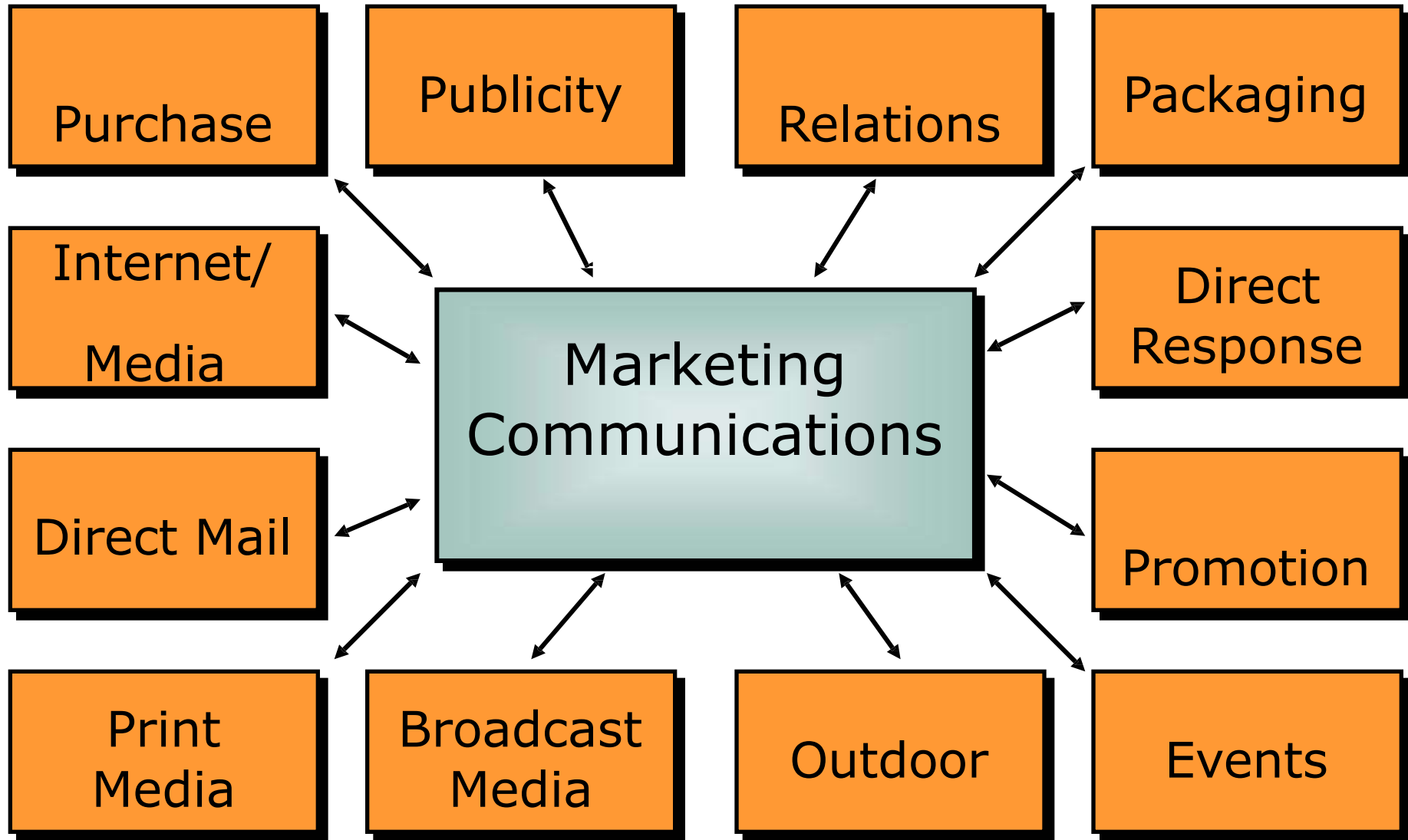
Customer relationship management (CRM)

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.

IMC–Audience Contact Points



Basic Elements of the Promotional Mix

Advertising

Direct Marketing

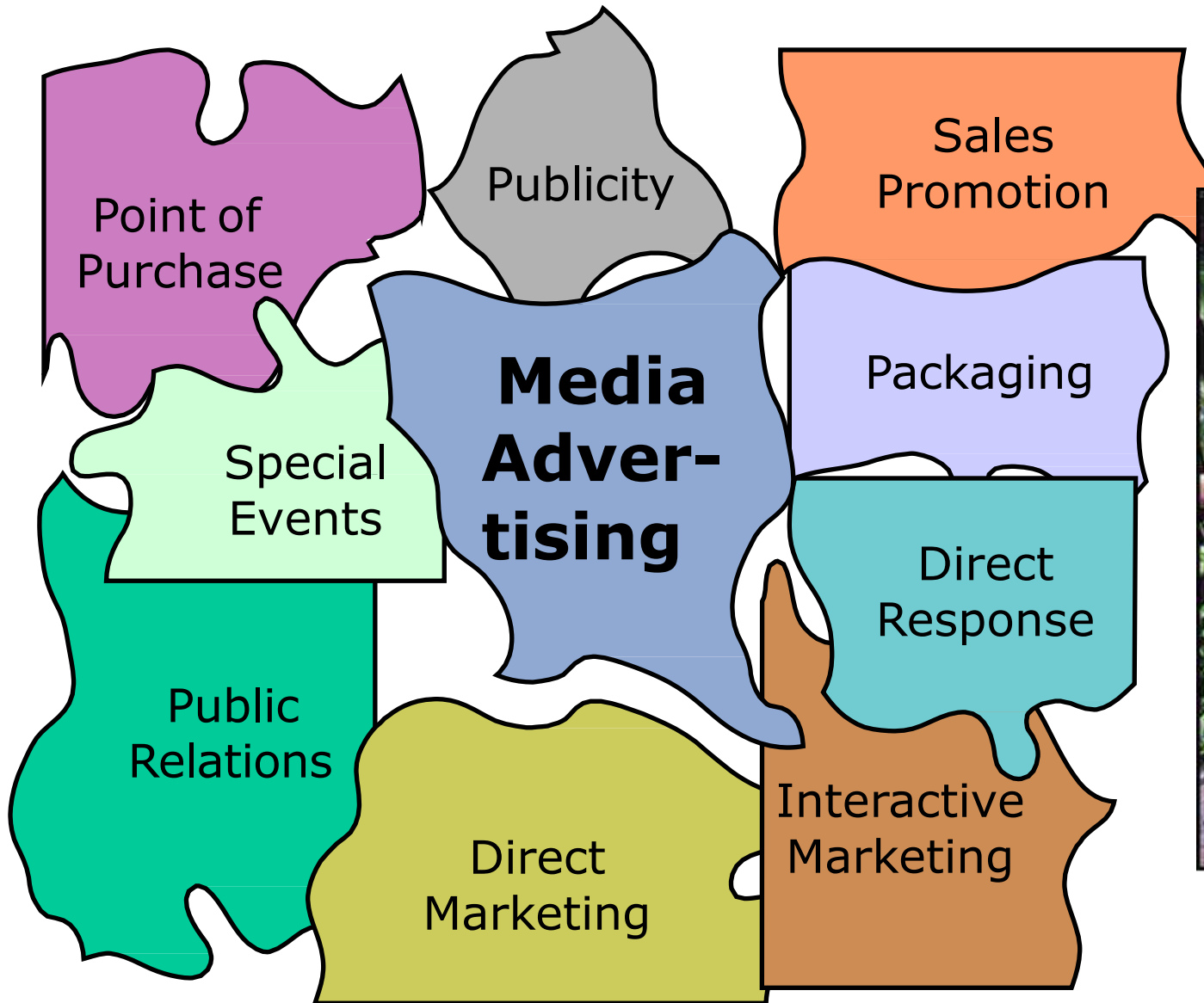
Interactive/
Internet Marketing

Sales Promotion

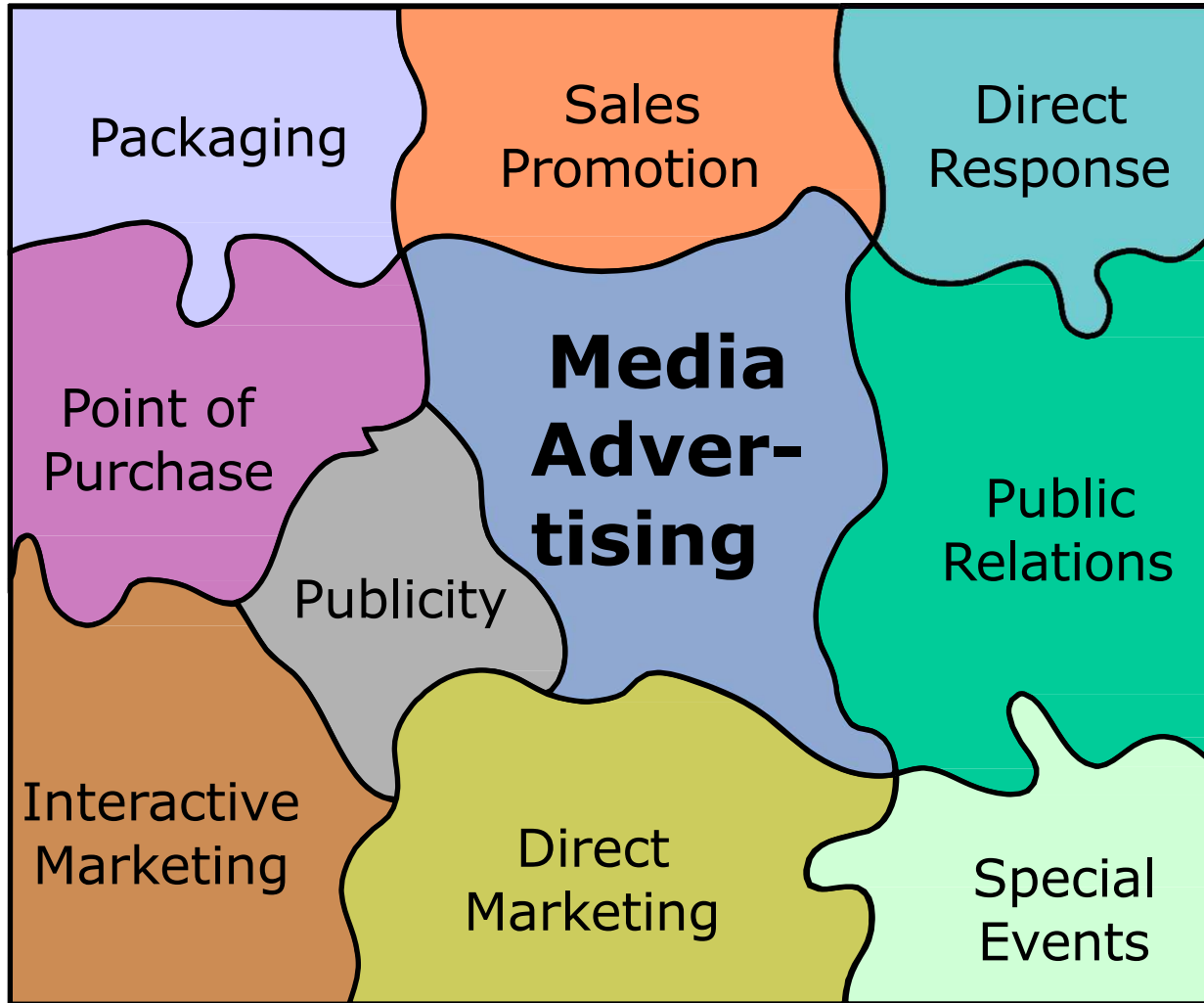
Publicity/Public
Relations

Personal Selling

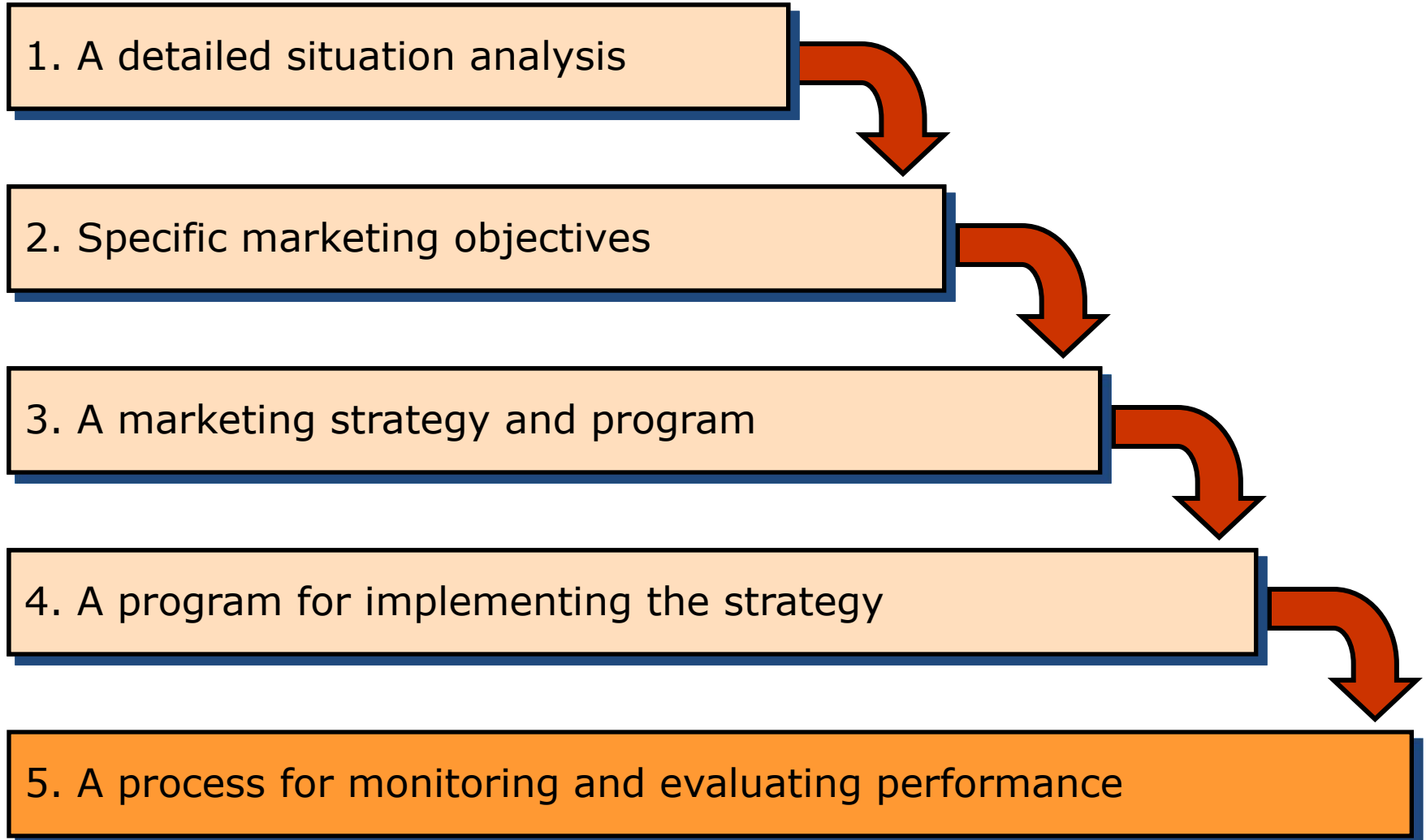
Traditional Approach to Marketing Communications



Contemporary IMC Approach



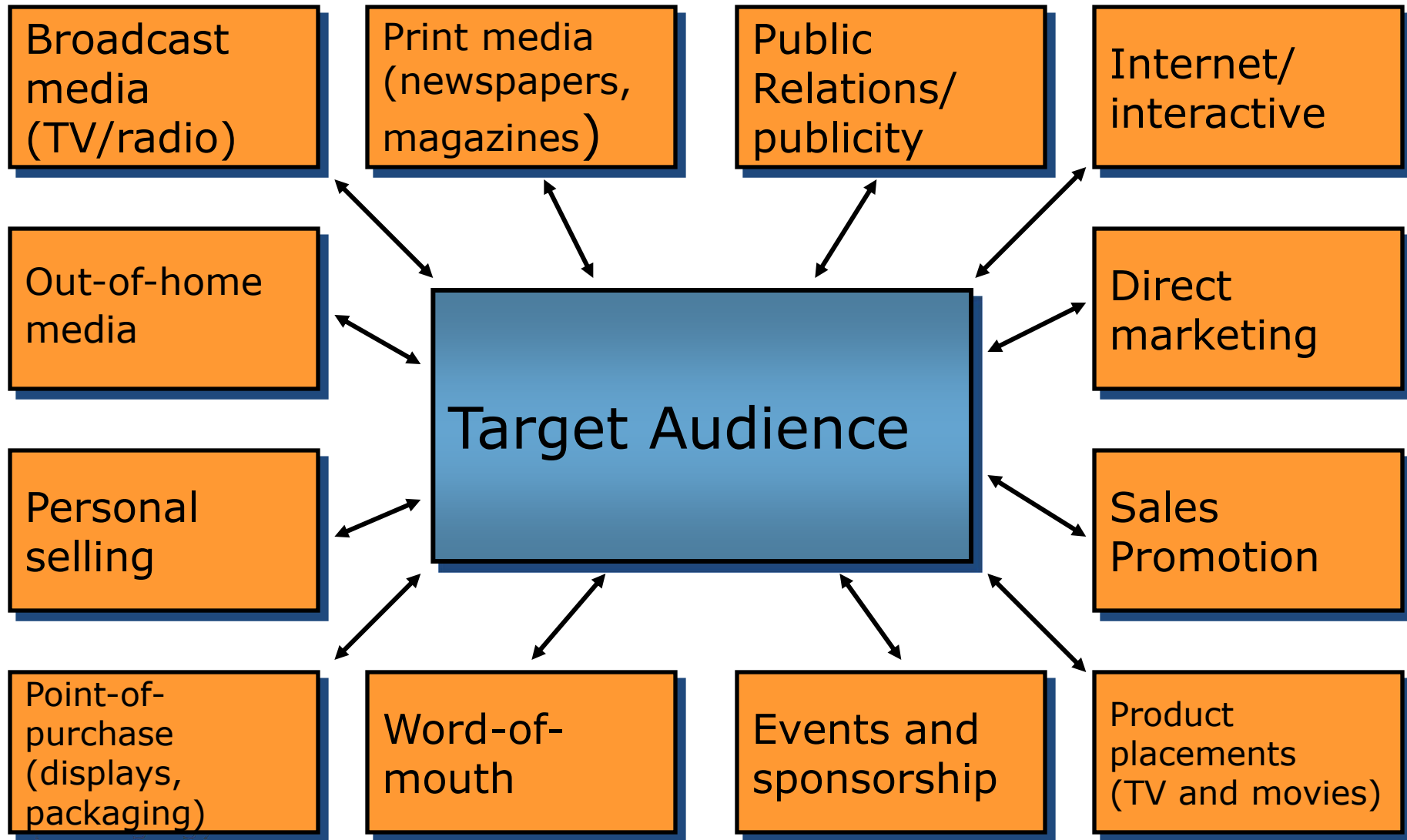
The Marketing Plan



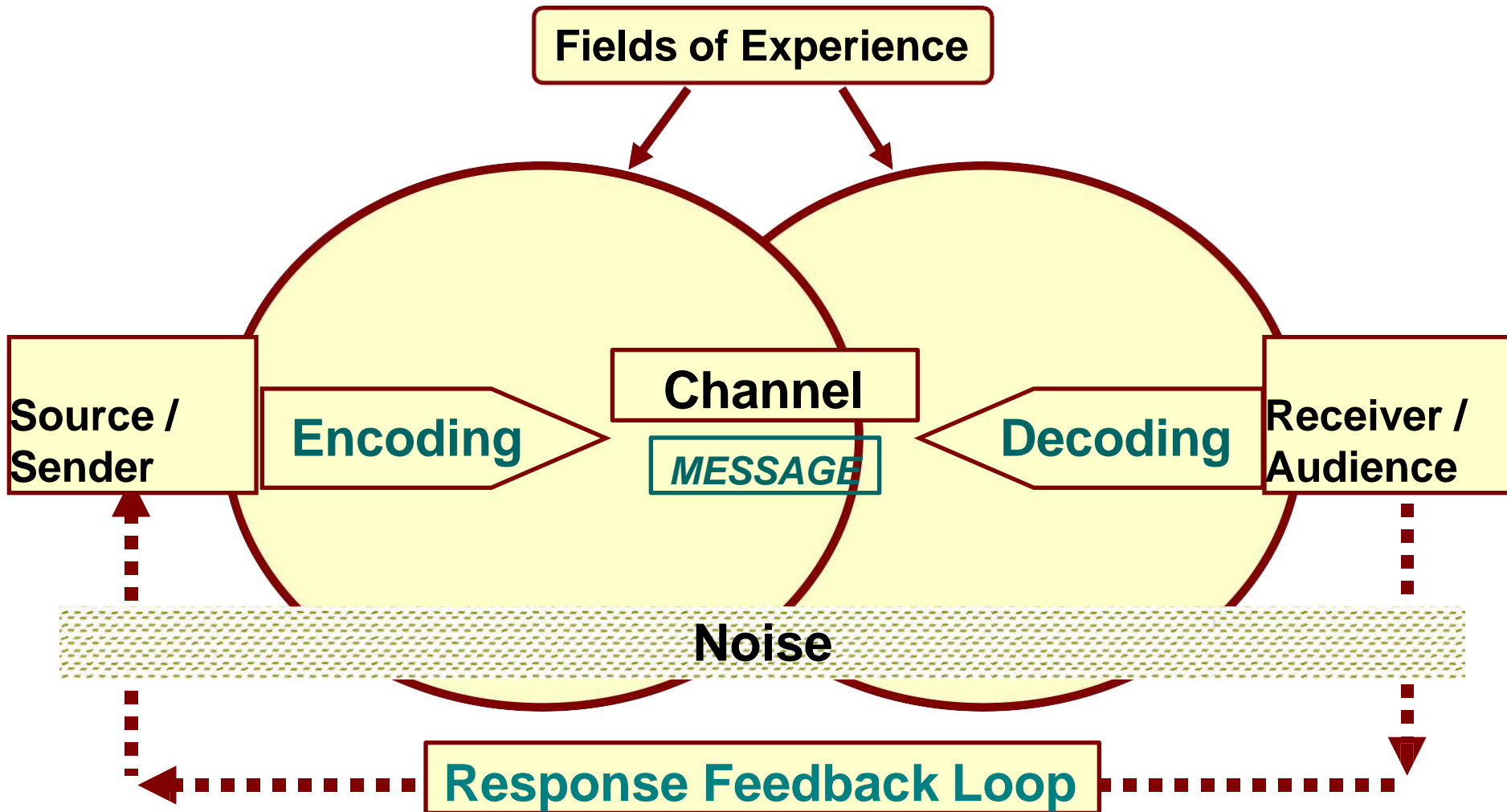
Integrated Marketing Communications Planning Model



IMC Audience Contact Tools



The Communications Process



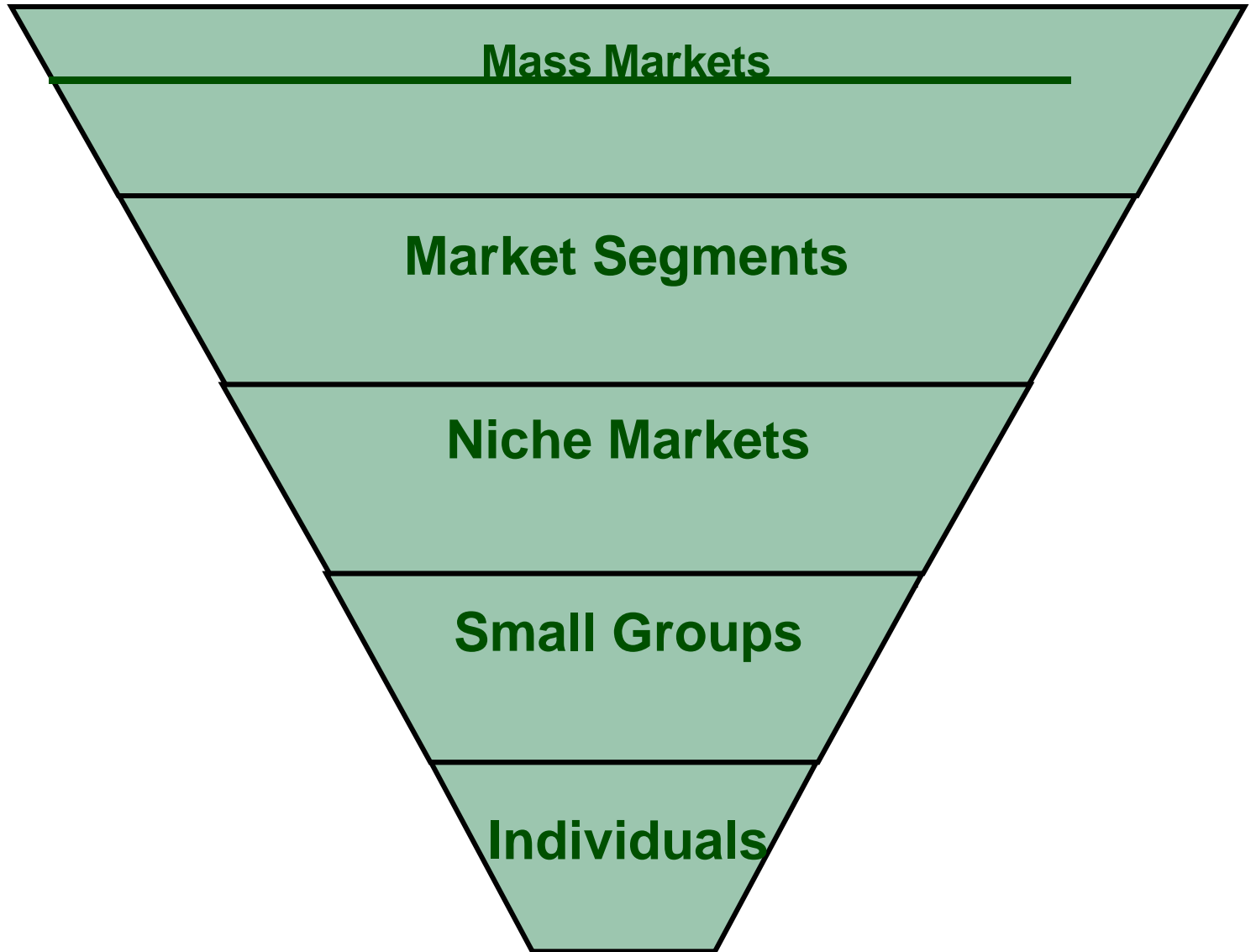
Two Types of Channels

- Direct (Personal)
 - One-on-one
 - One to group
 - Team to group
- Indirect (Media)
 - Paid media
 - Unpaid media
 - Special media

Human Communicators

- Verbal
 - Vocabulary
 - Grammar
 - Inflection
- Nonverbal
 - Gestures
 - Facial expression
 - Body language

Levels of Audience Aggregation



Models of the Response Process

	Models			
Stages	AIDA model	Hierarchy of effects model	Innovation adoption	Information Processing
Cognitive	Attention	Awareness	Awareness	Presentation
		Knowledge	Interest	Attention Comprehension
Affective	Interest	Linking Preference		Yielding
	Desire	Conviction	Evaluation	Retention
Behavioral			Trial	
	Action	Purchase	Adoption	Behavior

Models of Obtaining Feedback

Persuasion Process

Circulation reach

**Listener, reader,
Viewer recognition**

Recall, checklists

**Brand attitudes,
Purchase intent**

Recall over time

**Inventory, POP
Consumer panel**

Effectiveness Test

Exposure, presentation

Attention

Comprehension

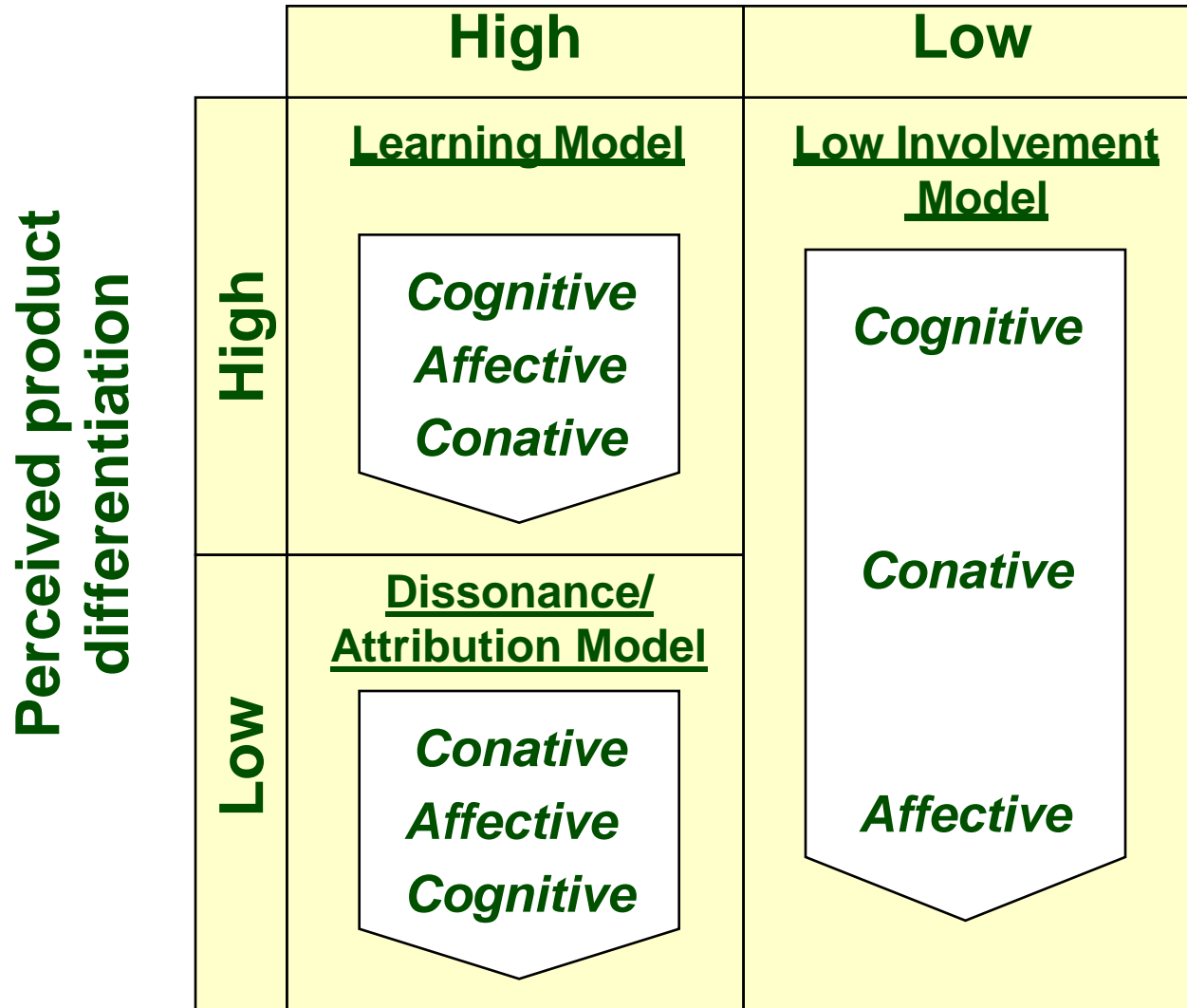
**Message acceptance/
yielding**

Retention

Purchase behavior

An Alternative Response Hierarchy

Topical Involvement



Foote, Cone &

Belding

Grid

	Thinking	Feeling
High Involvement	1 Informative <i>The Thinker</i>	2 Affective <i>The Feeler</i>
Low Involvement	3 Habit Formation <i>The Doer</i>	4 Self-Satisfaction <i>The Reactor</i>

Thinking

**High
Involvement**

1

Informative

The Thinker

Car-house-furnishings-new products
Model: Learn-feel-do (economic?)

Possible implications

Test: Recall diagnostics

Media: Long copy format

Reflective vehicles

Creative: Specific information

Demonstration

Feeling

**High
Involvement**

2

Affective

The Feeler

Jewelry-cosmetics-fashion goods

Model: Feel-learn -do (psychological?)

Possible implications

Test: Attitude change

Emotional arousal

Media: Large space

Image specials

Creative: Executional

Impact

Footnote, Cone & Belding Grid

Thinking

- 3
- Habit formation
- *The Doer*
- Food-house
- Model: Do-learn (responsive?)
- Possible implications

Low
Involvement

Test: Sales
Media: Small space ads
10-second ID's
Radio; Point of Sale
Creative: Reminder

Feeling

**Low
Involvement**

4

Self-satisfaction

The Reactor Cigarettes,
liquor, candy
Model: Do-feel-learn (social?)

Possible implications

Test: Sales

Media: Billboards

Newspapers

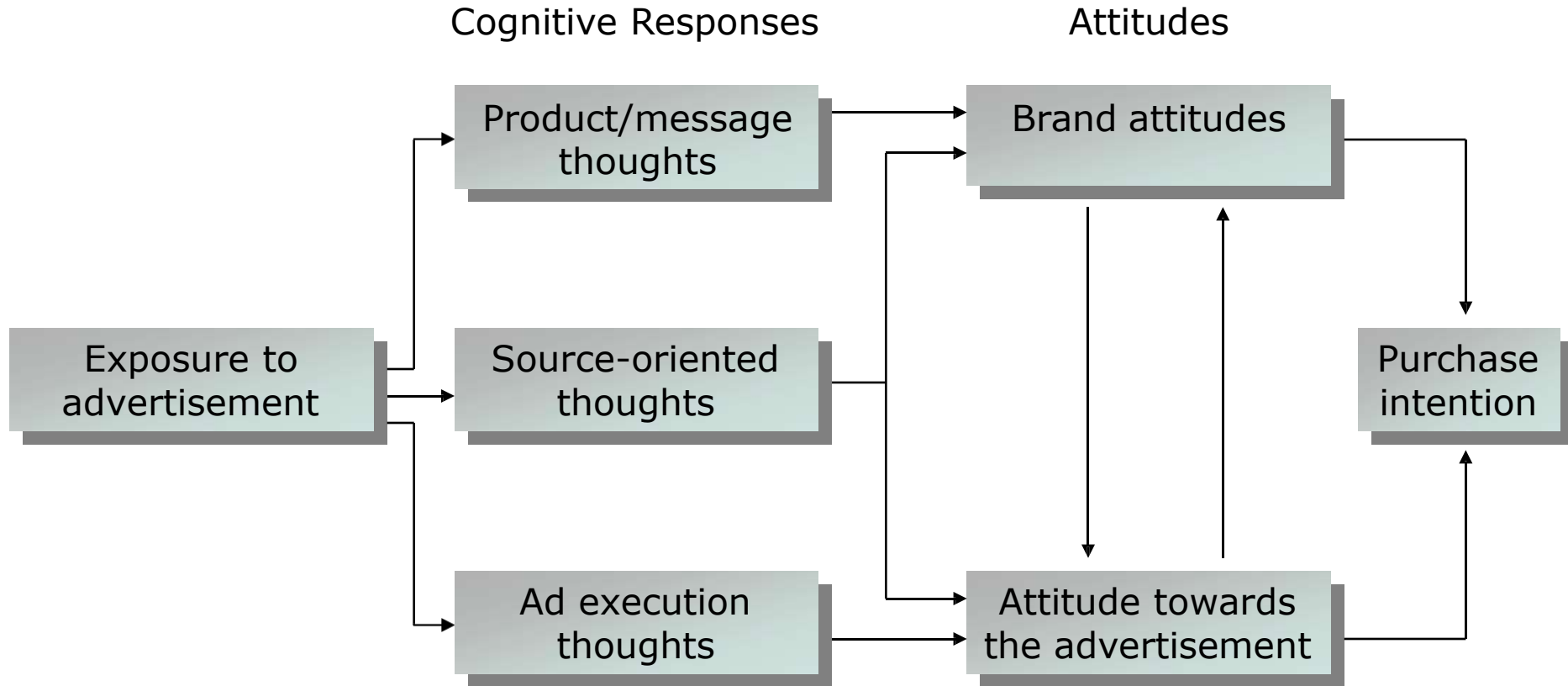
Point of Sale

Creative: Attention

Cognitive Response

- A method for examining consumers' cognitive processing of advertising messages by looking at their cognitive responses to hearing, viewing, or reading communications
- Examines types of thoughts that are evoked by an advertising message

A Model of Cognitive Response



Cognitive Response Categories

- Product/Message Thoughts
 - Counter arguments, support arguments
- Source - Oriented Thoughts
 - Source derogation – source bolstering
- Ad – Execution Thoughts
 - Thoughts about the ad itself
 - Affect attitude toward the ad
 - Important determinant of advertising effectiveness

The Elaboration Likelihood Model

Focuses on the way consumers respond to persuasive messages based on the amount and nature of elaboration or processing of information

Routes to attitude change

- Central route to persuasion – ability and motivation to process a message is high and close attention is paid to message content
- Peripheral route to persuasion – ability and motivation to process a message is low and receiver focuses more on peripheral cues rather than message content

A framework for studying how advertising works

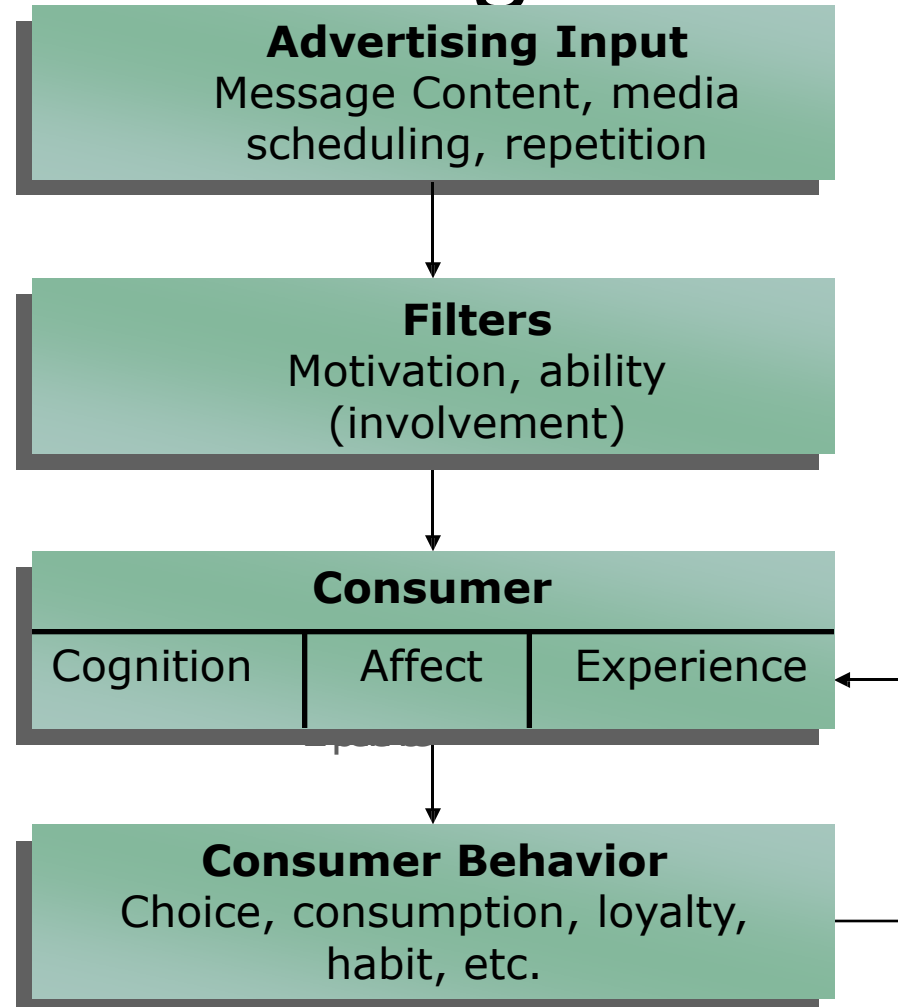


Table 16.2 - Promotional Mix Elements: A Comparison

TABLE 16.2 Promotional Mix Elements: A Comparison

	Personal Selling	Advertising	Sales Promotion	Direct Marketing	Public Relations	Guerrilla Marketing
Advantages	<p>Permits measurement of effectiveness</p> <p>Elicits an immediate response</p> <p>Tailors the message to fit the customer</p>	<p>Reaches a large group of potential consumers for a relatively low price per exposure</p> <p>Allows strict control over the final message</p> <p>Can be adapted to either mass audiences or specific audience segments</p>	<p>Produces an immediate consumer response</p> <p>Attracts attention and creates product awareness</p> <p>Allows easy measurement of results</p> <p>Provides short-term sales increases</p>	<p>Generates an immediate response</p> <p>Covers a wide audience with targeted advertising</p> <p>Allows complete, customized, personal message</p> <p>Produces measurable results</p>	<p>Creates a positive attitude toward a product or company</p> <p>Enhances credibility of a product or company</p>	<p>Is low cost</p> <p>Attracts attention because it is innovative</p> <p>Is less cluttered with competitors trying the same thing</p>
Disadvantages	<p>Relies almost exclusively on the ability of the salesperson</p> <p>Involves high cost per contact</p>	<p>Does not permit totally accurate measurement of results</p> <p>Usually cannot close sales</p>	<p>Is nonpersonal in nature</p> <p>Is difficult to differentiate from competitors' efforts</p>	<p>Suffers from image problem</p> <p>Involves a high cost per reader</p> <p>Depends on quality and accuracy of mailing lists</p> <p>May annoy consumers</p>	<p>May not permit accurate measurement of effect on sales</p> <p>Involves much effort directed toward non-marketing-oriented goals</p>	<p>May not reach as many people</p> <p>If the tactics are too outrageous, they may offend some people</p>

UNIT II

- **BUDGETING, OBJECTIVES AND EVALUATION OF INTEGRATED MARKETING COMMUNICATIONS**

Unit- II: Determining the Communications Budget

- **Top-down budgeting techniques:** allocation of the promotion budget that is based on the total amount to be devoted to marketing communications.
- **Percentage-of-sales method:** a method for promotion budgeting, in which the promotion budget is based on last's sales or on estimates for this year's sales.
- **Bottom-up budgeting techniques:** allocation of the promotion budget that is based on identifying promotional goals and allocating enough money to accomplish them.
- **Objective-task method:** a promotion budgeting method in which an organization first defines the specific communication goals it hopes to achieve and then tries to calculate what kind of promotional efforts it must take to meet these goals.

Allocating the Communications Budget

- The amount of budget to be allocated to each of the different types of communication will depend on:
- **Organization factors:** the company's past history of spending, how well it understands the effectiveness of different forms, the agencies used, and the personal preferences of decision makers.



- **Market potential:** the size of the target market(s) to be communicated with.
- **Market size:** the size of markets to be communicated in will determine the costs of using different media. Larger markets will be more expensive and favour mass media.

Value of Objectives

Specific
Objectives

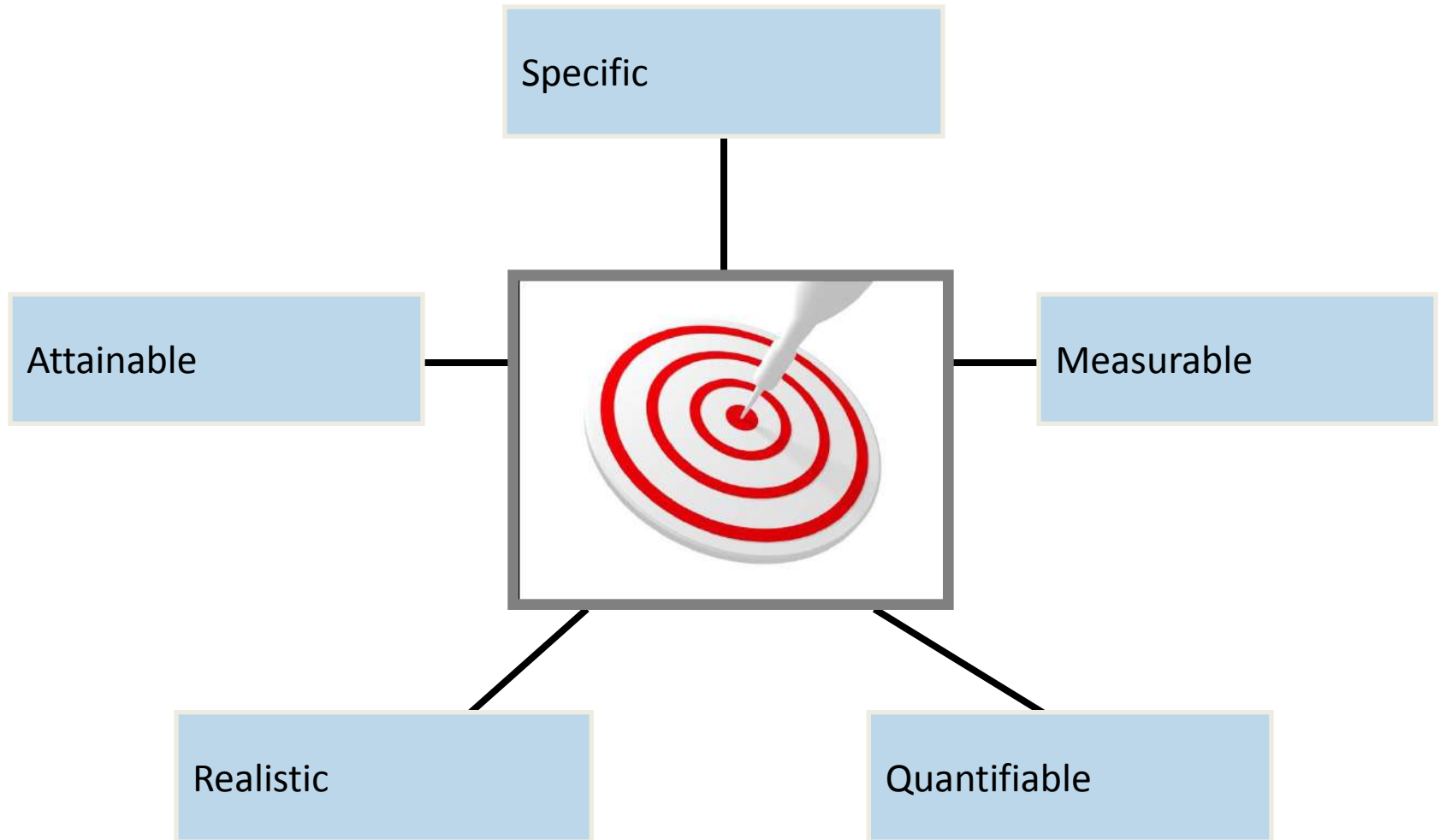


Communications

Planning &
Decision Making

Measurement
& Evaluation

Characteristics of Objectives



Marketing vs. Communications Objectives

Marketing Objectives

- Generally stated in the firm's marketing plan
- Achieved through the overall marketing plan
- Quantifiable, such as sales, market share, ROI
- To be accomplished in a given period of time
- Must be realistic and attainable to be effective

Vs.

Communications Objectives

- Derived from the overall marketing plan
- More narrow than marketing objectives
- Based on particular communications tasks
- Designed to deliver appropriate messages
- Focused on a specific target audience

From Awareness to Action

Conative

Realm of motives.
Ads stimulate or direct
desires

Affective

Realm of emotions.
Ads change attitudes and
feelings

Cognitive

Realm of thoughts.
Ads provide information
and facts

Purchase

Conviction

Preference

Liking

Knowledge

Awareness

Point of purchase
Retail store ads, deals
“Last-chance” offers
Price appeals

Testimonials

Competitive ads
Argumentative copy

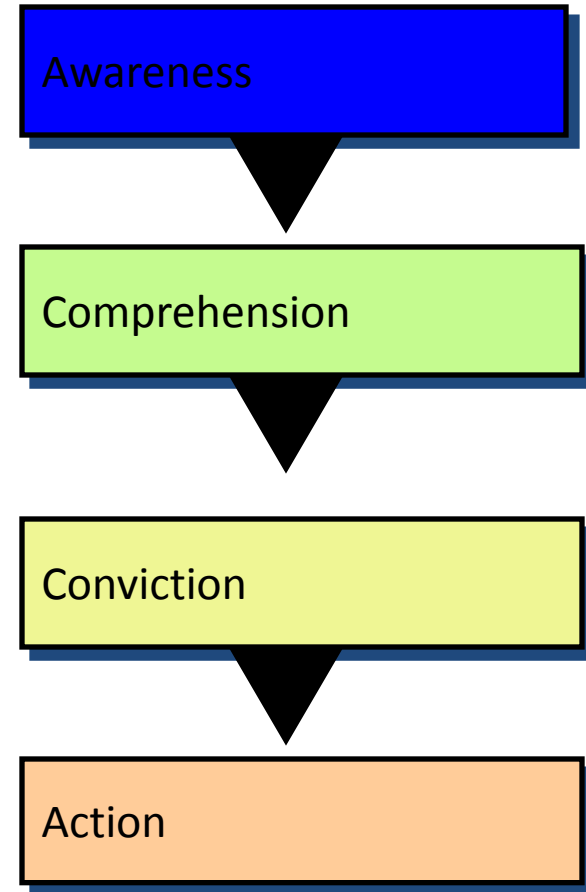
“Image” copy
Status, glamour appeals

Announcements
Descriptive copy
Classified ads, slogans, Jingles,
skywriting

Teaser campaigns

The DAGMAR Approach

*D*efine
*A*dvertising
*G*oals for
*M*easuring
*A*dvertising
*R*esults



Characteristics of Objectives



Concrete,
measurable tasks



Well-defined
audience



Benchmark
measures



Specified
time period

Pros and Cons of DAGMAR

Pros

Focus on communications objectives

Measurement of stages

Better understanding of goals and objectives

Less subjective

Cons

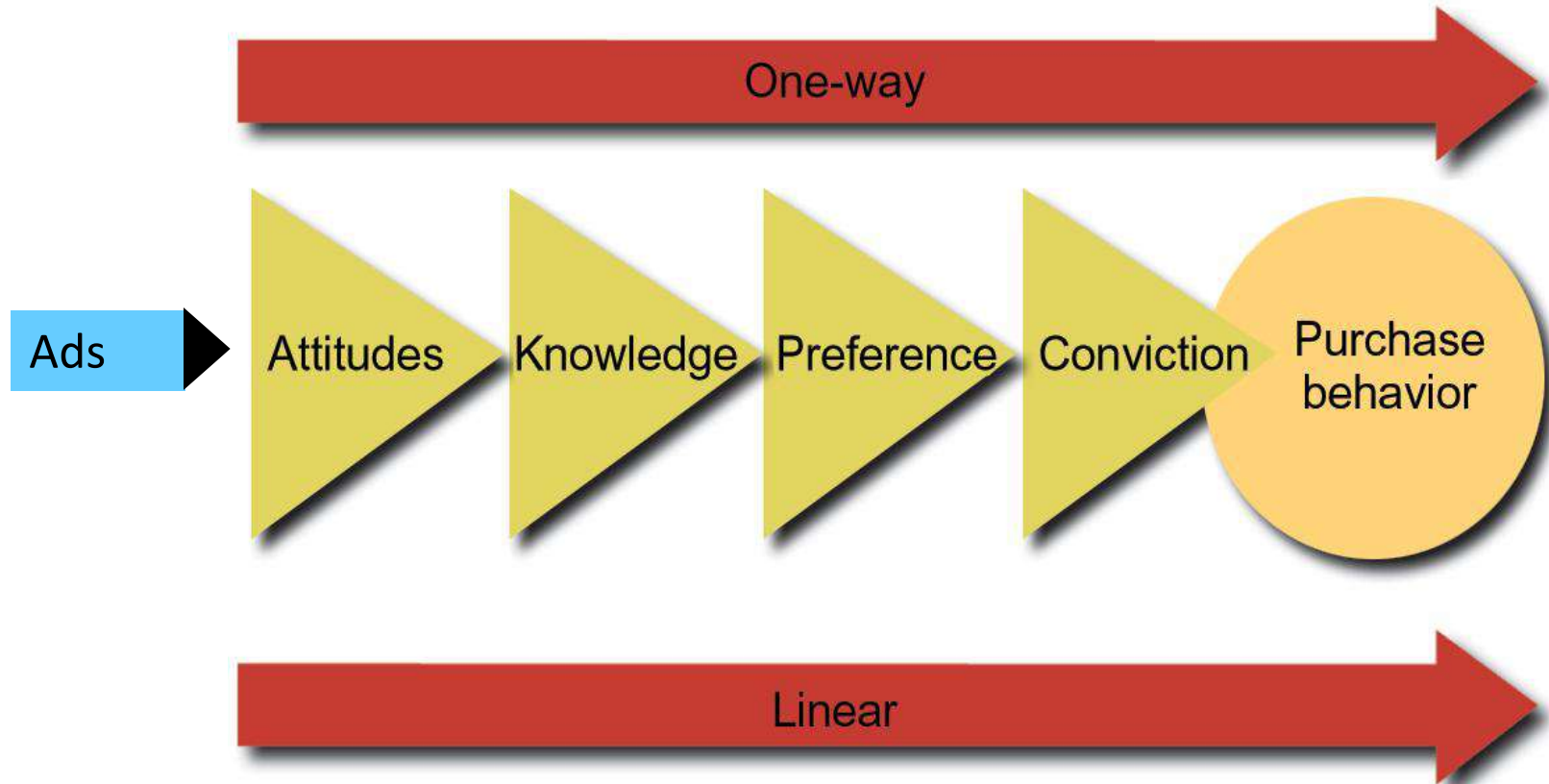
Relies heavily on the response hierarchy

May not increase sales

Practicality and cost

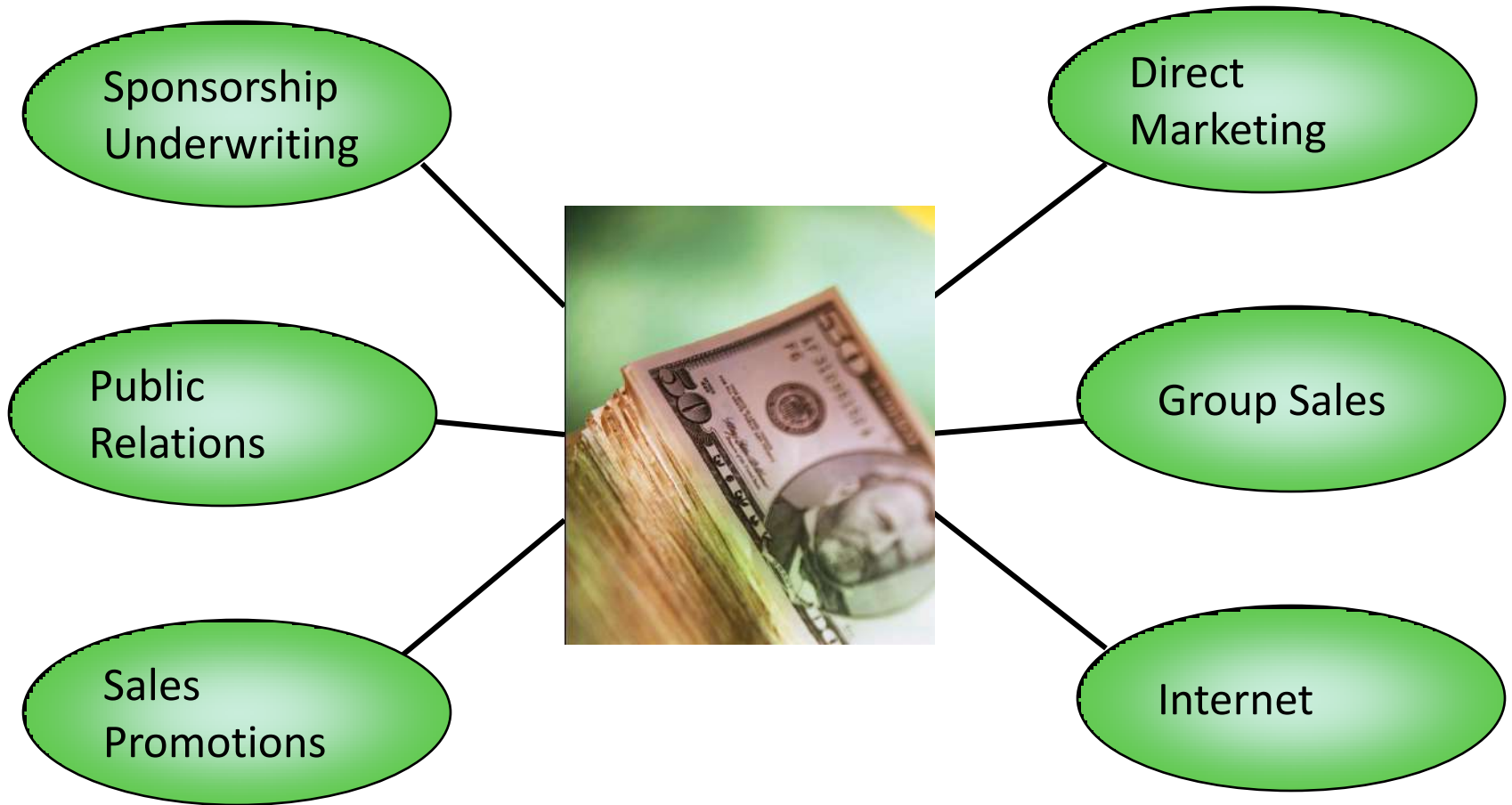
Inhibition of creativity

Advertising-Based View of Communications

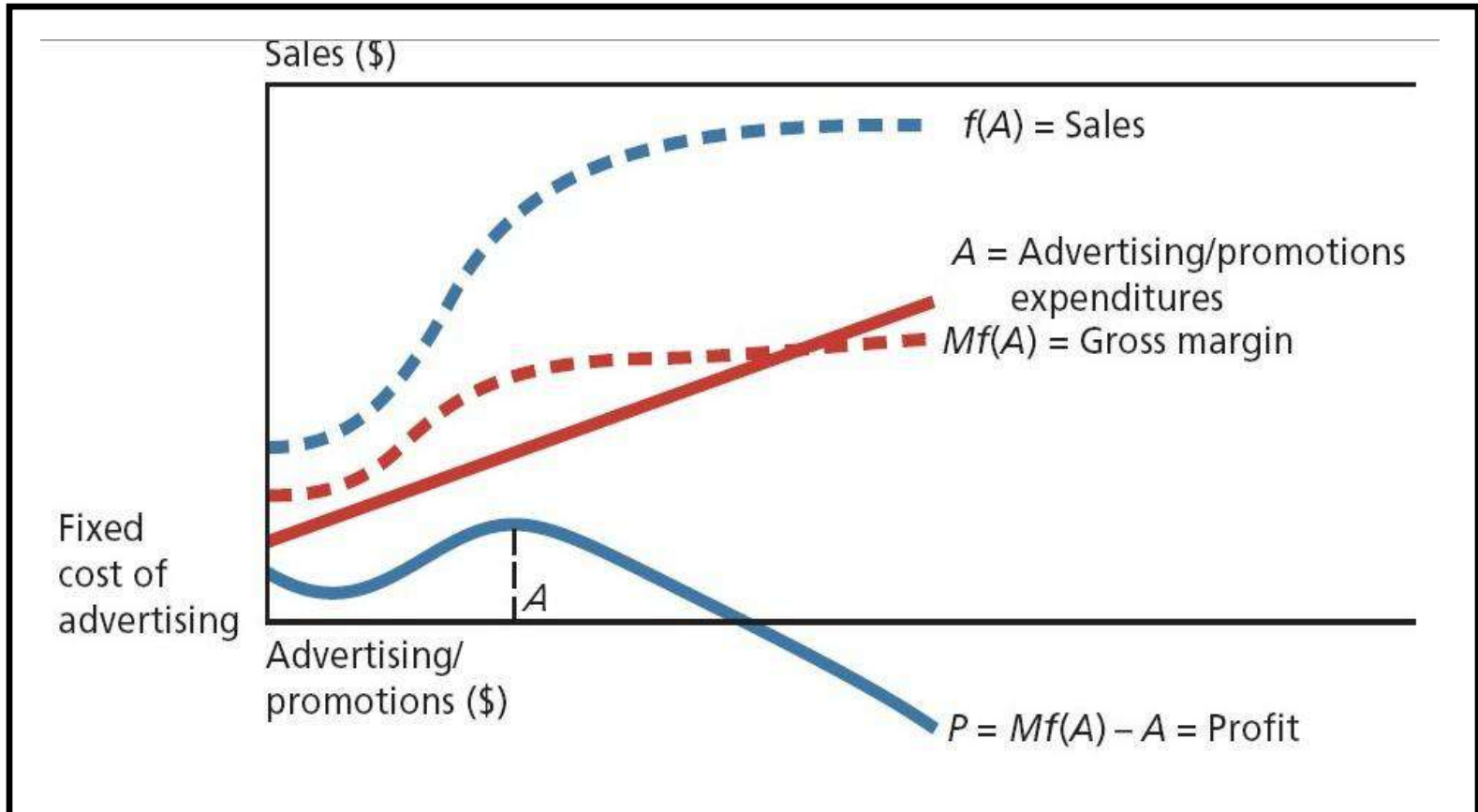


Acting on Consumers

Establishing & Allocating the Promotional Budget



Establishing a Budget



Budget Adjustments

Increase Spending

If the cost is less than the marginal return

Hold
Spending

If the cost is equal to the incremental return

Decrease Spending

If the cost is more than the incremental return

Assumptions for Marginal Analysis

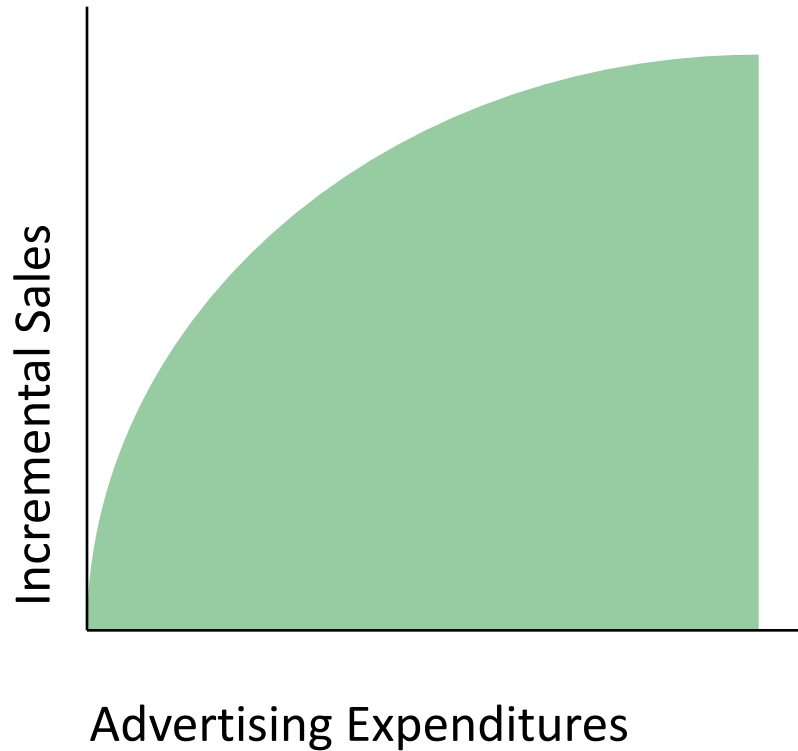
Sales are a direct measure of advertising and promotions efforts

Sales are determined solely by advertising and promotion

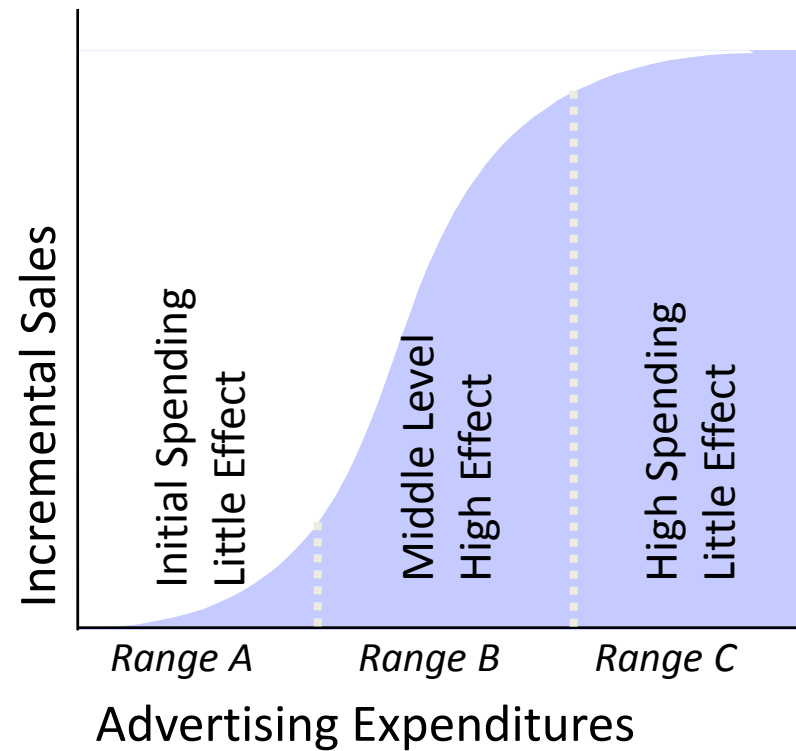


Sales Response Models

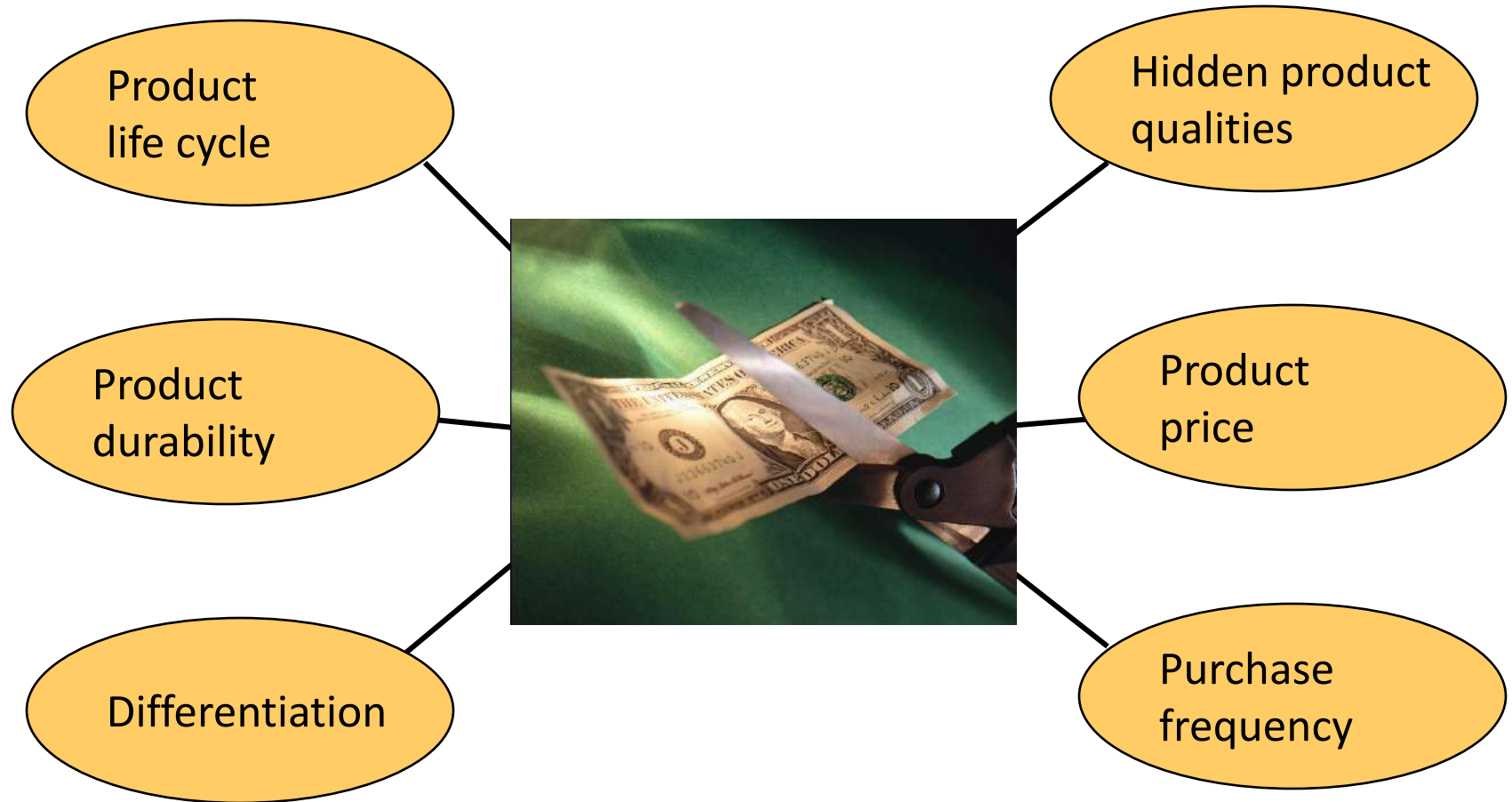
A. Concave-Downward Response Curve



B. S-Shaped Response Function



Factors Influencing Advertising Budgets



Top-Down vs. Bottom-Up Budgeting

Top-Down Budgeting

Top management sets the spending limit



Promotion budget set to stay within spending limit

Bottom-Up Budgeting

Promotion objectives are set



Activities needed to achieve objectives are planned

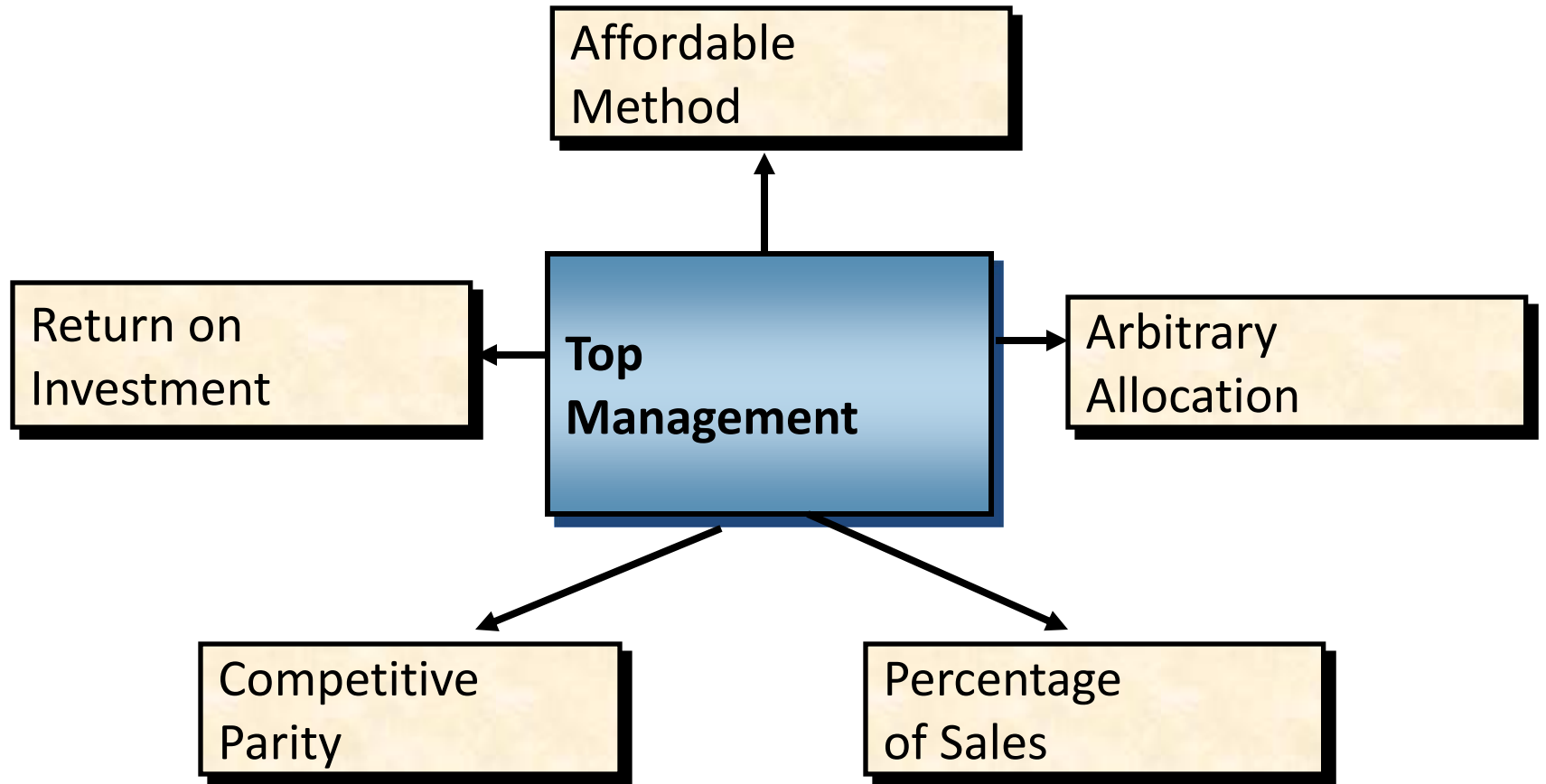


Costs of promotion activities are budgeted



Total promotion budget is approved by top management

Top-Down Budgeting Methods



Object and Task Method

Isolate objectives

Determine tasks required

Estimate required expenditures

Monitor

Reevaluate objectives

Measuring the Effectiveness of Promotional Programs

Reasons to Measure Effectiveness

- Avoiding costly mistakes
- Evaluating alternative strategies
- Increasing the efficiency of advertising in general

Reasons Not to Measure Effectiveness

- Cost
- Research problems
- Disagreement on what to test
- The objections of creative
- Time

Conducting Marketing Research to Measure Effectiveness

- **What to Test**
 - **Communication factors**
 - **Behavioral factors**
- **When to Test**

Conducting Marketing Research to Measure Effectiveness (cont.)

- **Where to Test**
- **How to Test: Essentials of Effectiveness Testing**

Conducting Marketing Research to Measure Effectiveness (cont.)

	Communication Factors	Behavior Factors
Pretests	<ul style="list-style-type: none"> ■ Focus groups ■ Checklists ■ Split-run ■ Readability 	<ul style="list-style-type: none"> ■ Physiological ■ Direct mail ■ Theater ■ On-the-air
Concurrent	<ul style="list-style-type: none"> ■ Recall ■ Attitude 	<ul style="list-style-type: none"> ■ Tracking ■ Coincidental
Posttests	<ul style="list-style-type: none"> ■ Readership ■ Recall ■ Awareness 	<ul style="list-style-type: none"> ■ Attitude ■ Association ■ Audience assessment

Measuring Effectiveness of Promotional Program Elements

- **Perception Research Services, Inc.**
 - Package design; out-of home media; P-O-P displays; logos; corporate identity
- **McCollum Spielman Worldwide**
 - Impact of celebrity presenters
- **Competitive Media Reporting**
 - Business-to-business advertising; media effects
- **The PreTesting Company, Inc.**
 - Package design; P-O-P displays; billboards; direct mail
- **Gallup & Robinson**
 - Radio advertising recall; trade show exhibit measures
- **TransWestern Publishing**
 - Telephone directory advertising effectiveness

Types of testing

- Pretesting
- Concurrent testing
- Post Testing

Pretesting

- Pretesting is done prior to the launching of the full advertisement campaign and incurred major expenses on advertising efforts.
- Main purpose of pretesting is to select the best copy appeals, headlines, matter , slogans, illustration, media and like.

Pretesting Methods

- Checklist test
- Opinion test
- Dummy magazine and portfolio test
- Inquiry test
- Mechanical test

CHECKLIST METHOD

- Typical checklist provides rating scale or basis for ranking ad in terms of the characteristics. Characteristics may be honesty, attention, readability, convincing ability selling ability and the like.
- Ads to be tested are checked against these factors , weighted and the scores are determined.

OPINION TEST

- Opinion test or consumer jury test is one that obtains the preference of a sample group of typical prospective consumers of the product or the service for an advertisement or part of it.
- Members of jury rate the ad as to their headlines, themes, illustration, slogans by direct comparison.

Dummy Magazine and Portfolio Test

- Dummy magazine contains standard editorial material, control ads that have been already tested and the ads to be tested. These magazines are distributed to a sample of households who are asked to read within stipulated time and after a given time interval, interviews are conducted.

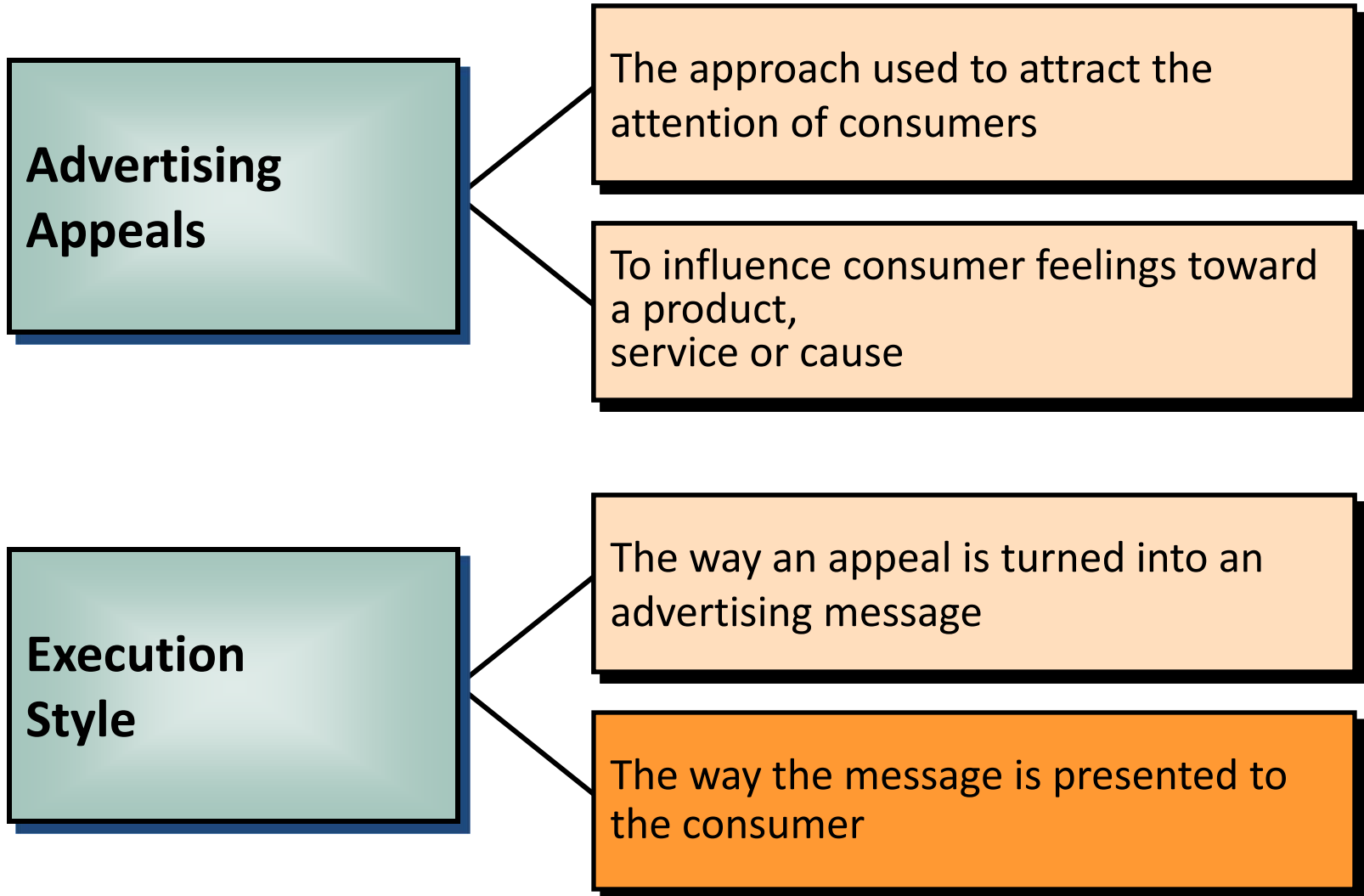
Portfolio Test

- It is similar to dummy magazine test except that the test ads are placed in a folder that contains control ads. Each respondent is handed over a folder and is asked to go through the test scores and the ad which interests him most.

UNIT III

MARKETING COMMUNICATION MIX I

Unit- III: Appeals and Execution Style



Types of Rational Appeals

Feature: Focus on dominant traits of the product



Competitive: Makes comparisons to other brands



Price: Makes price offer the dominant point



News: News announcement about the product

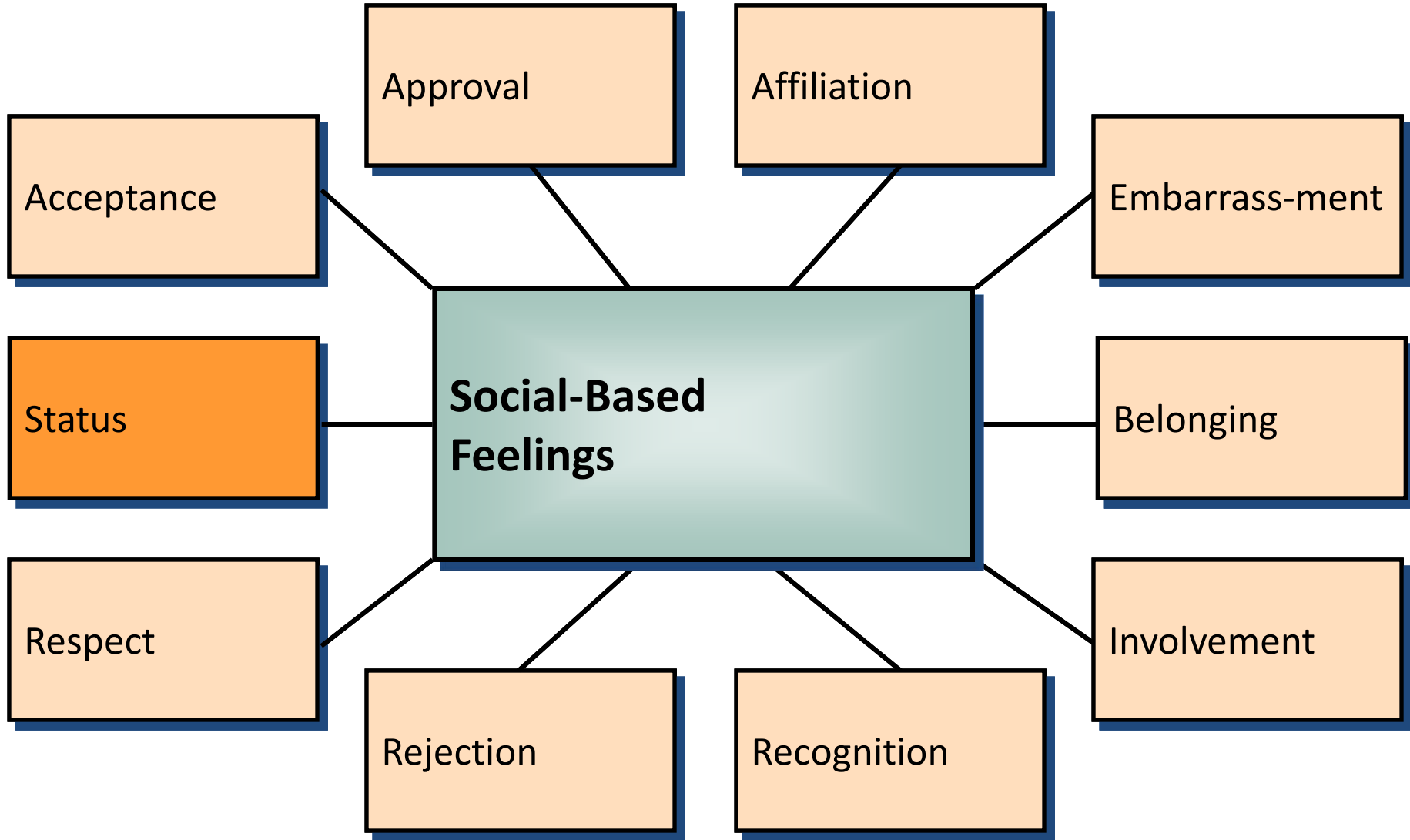


Popularity: Stresses the brand's popularity

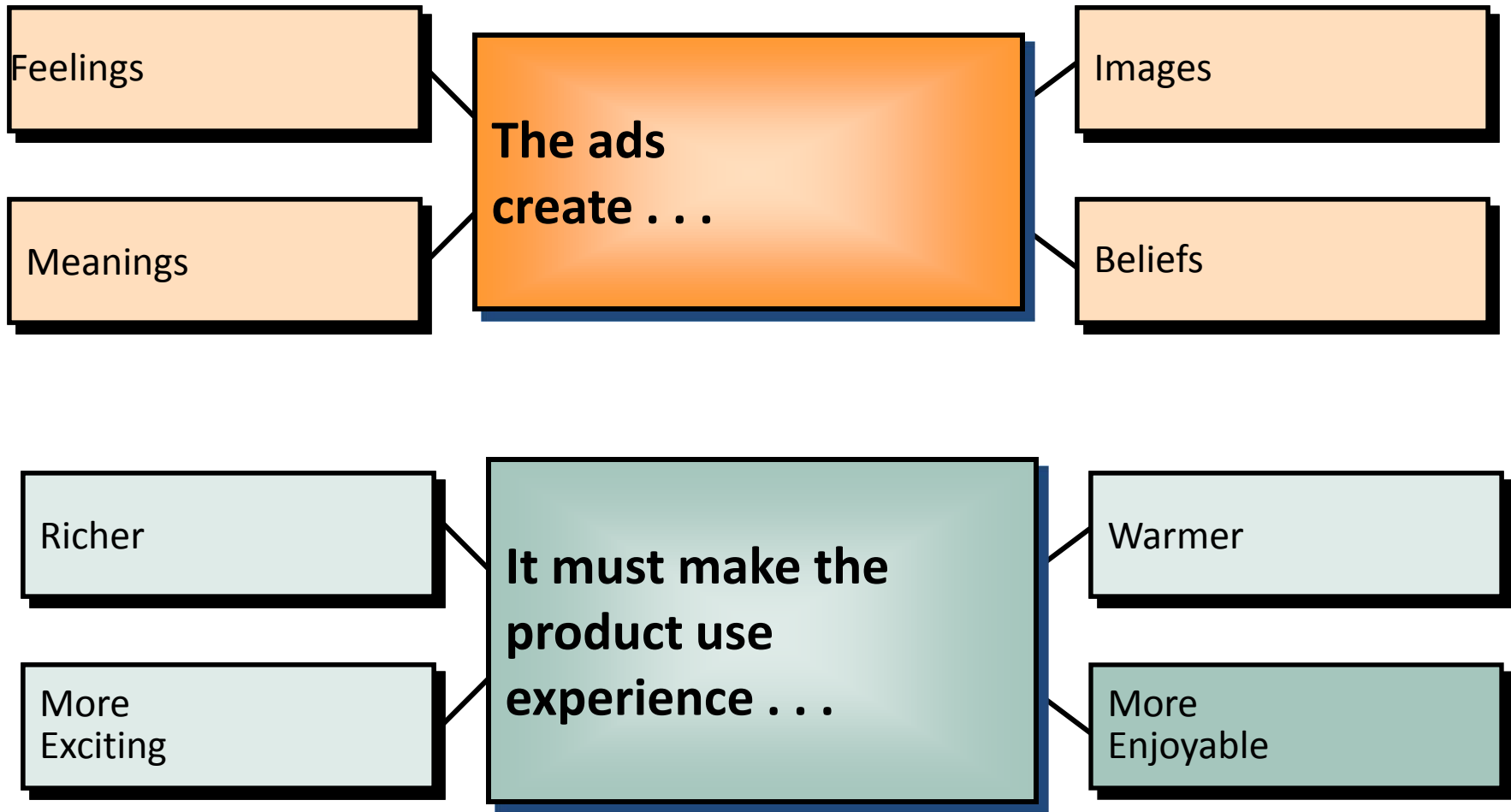
Appealing to Personal States or Feelings

Achievement	→	Accomplishment
Actualization	→	Affection
Ambition	→	Arousal
Stimulation	→	Comfort
Excitement	→	Fear
Grief	→	Happiness
Joy	→	Love
Nostalgia	→	Pleasure
Pride	→	Safety
Security	→	Self-esteem
Sentiment	→	Sorrow

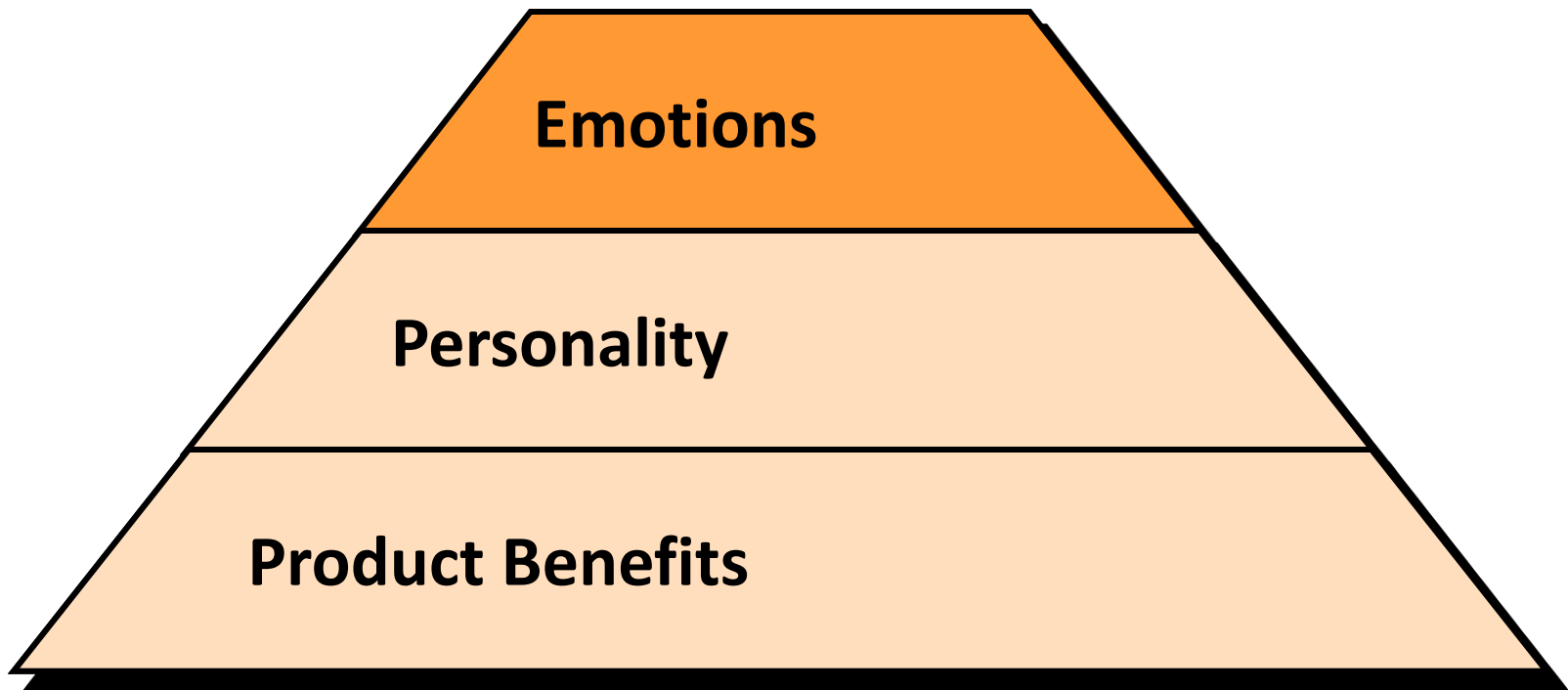
Appealing to Socially Based Feelings



Transformational Ads



Levels of Relationship with Brands



Emotions

Personality

Product Benefits

Ad Execution Techniques

Straight-sell

Scientific

Demonstration

Comparison

Dramatization

Humor

Slice of life

Testimonial

Animation

Personality Symbol

Fantasy

Print Ad Components

Headline:

Words in the Leading Position of the Ad



Subheads:

Smaller Than the Headline, Larger Than the Copy



Body Copy:

The Main Text Portion of a Print Ad



Visual Elements:

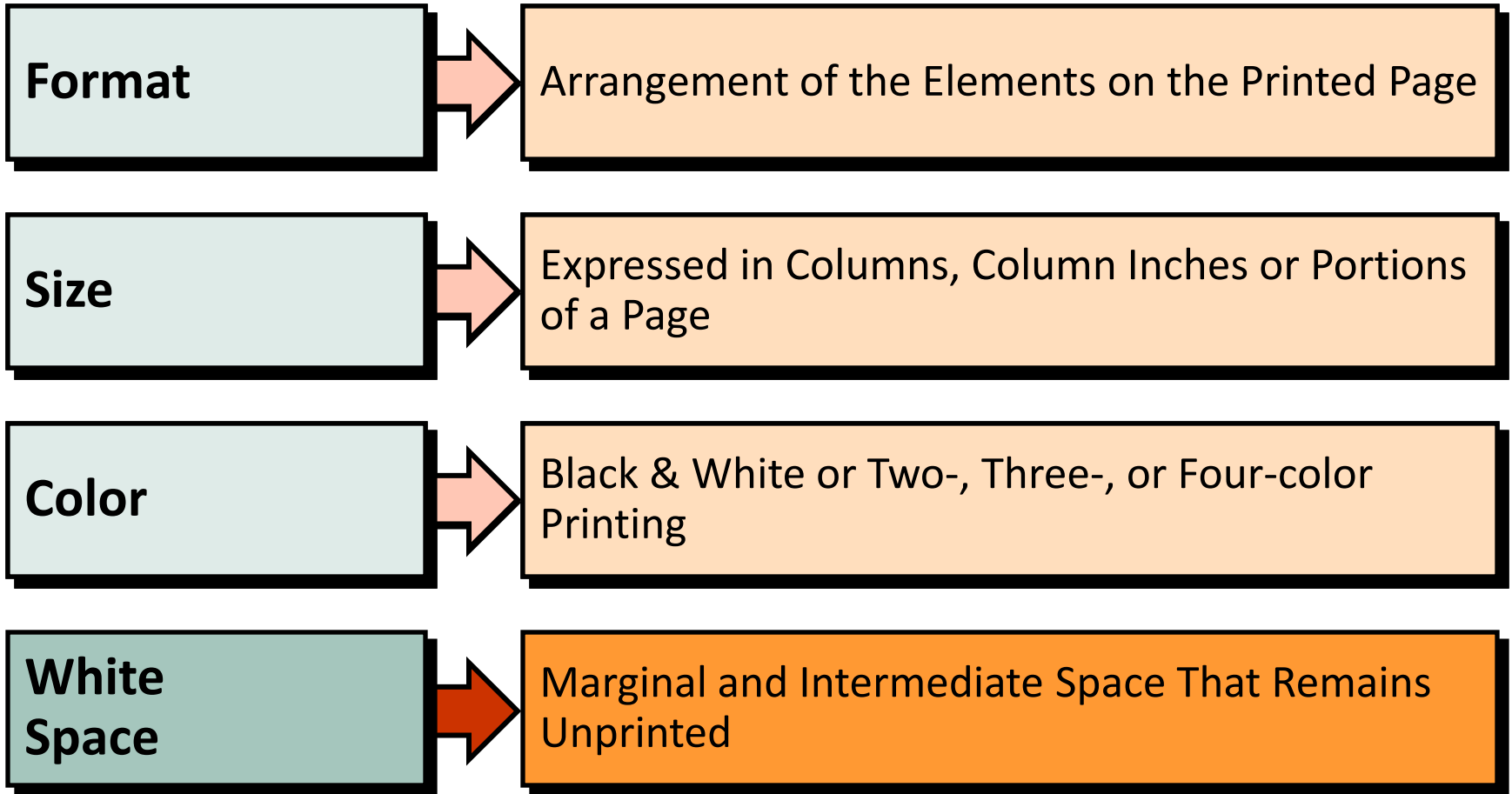
Illustrations Such As Drawings or Photos



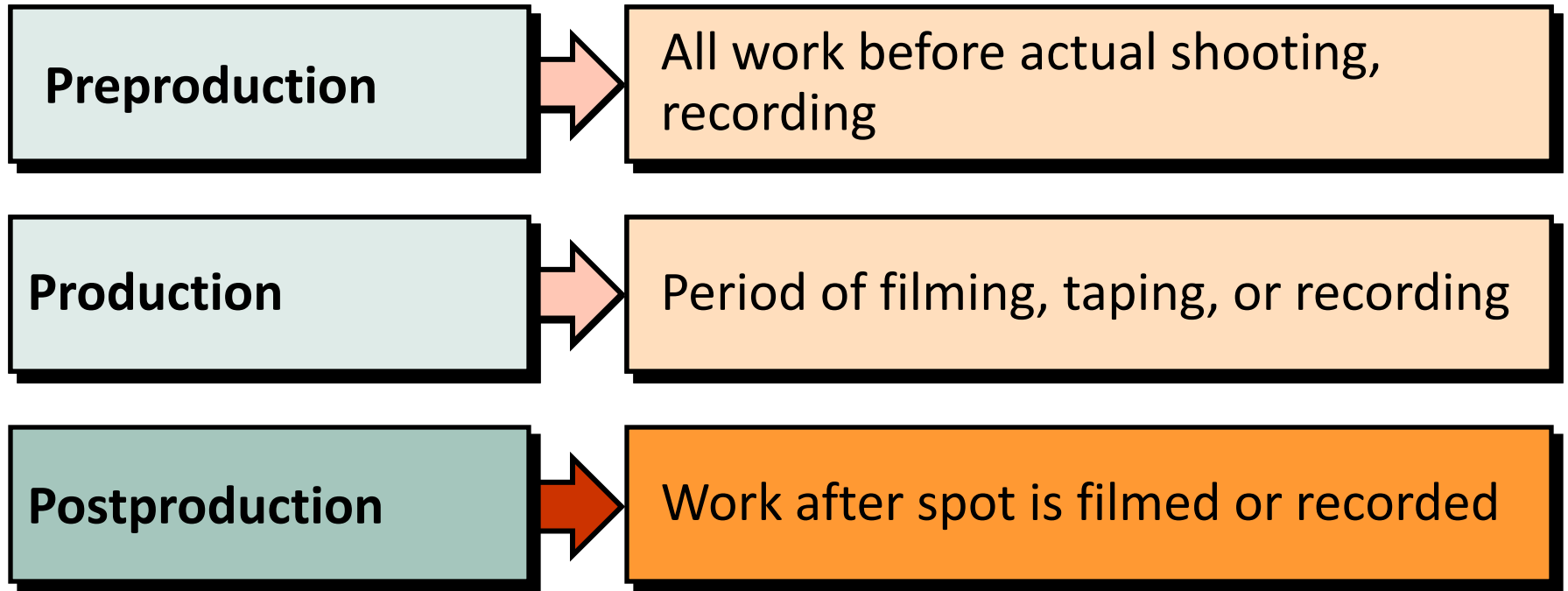
Layout:

How Elements Are Blended Into a Finished Ad

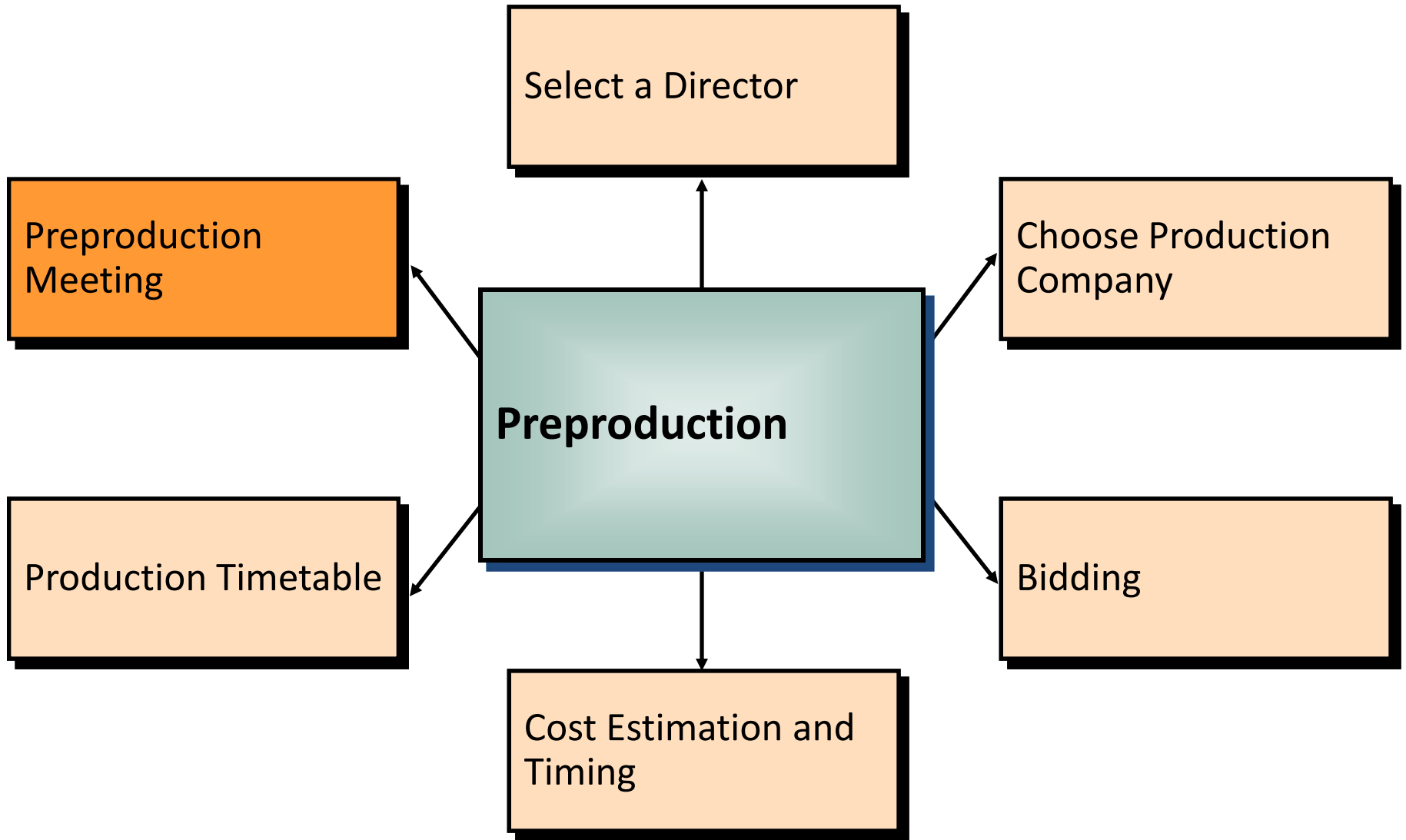
Print Ad Layout



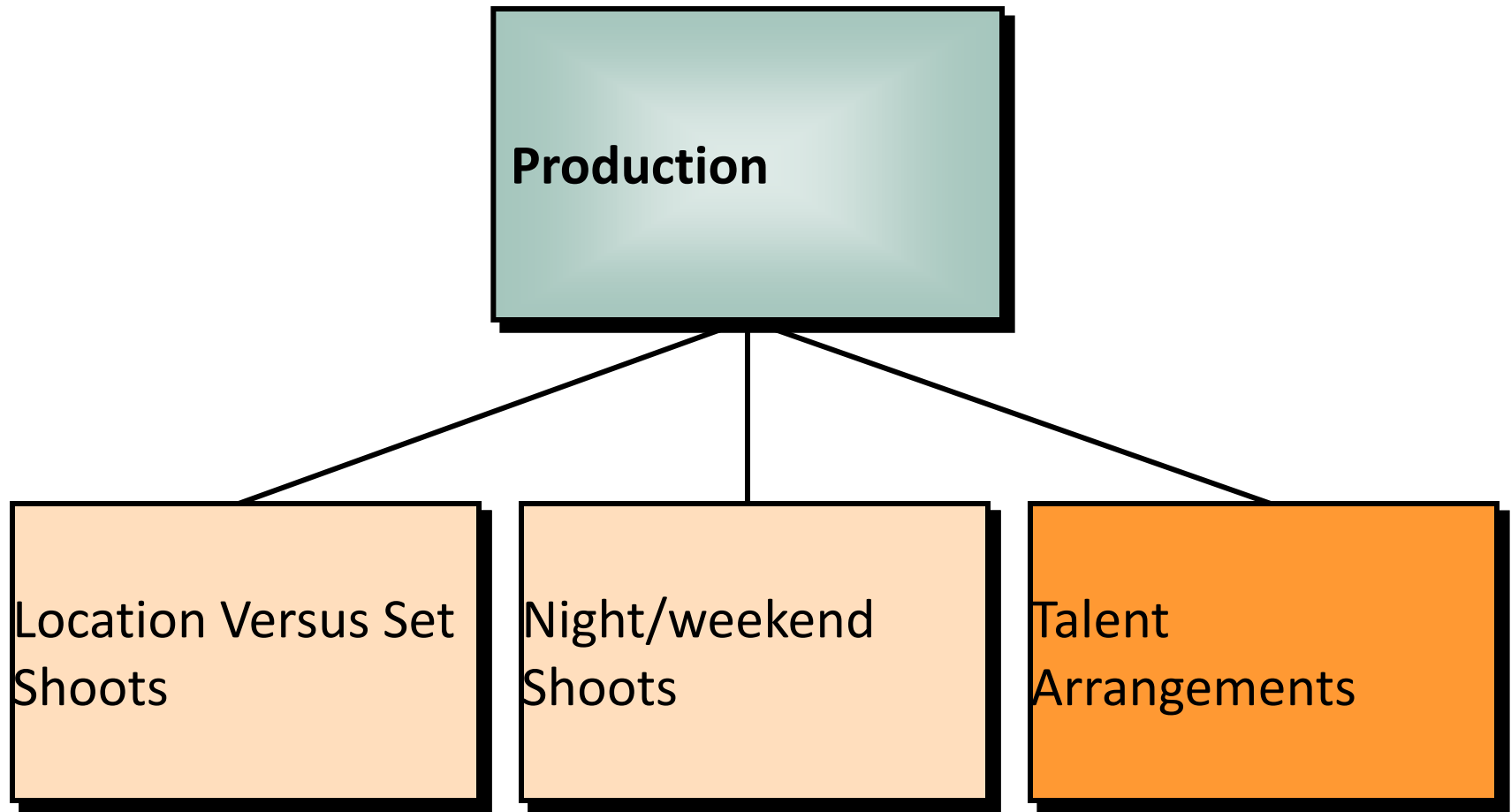
Production Stages for TV Commercials



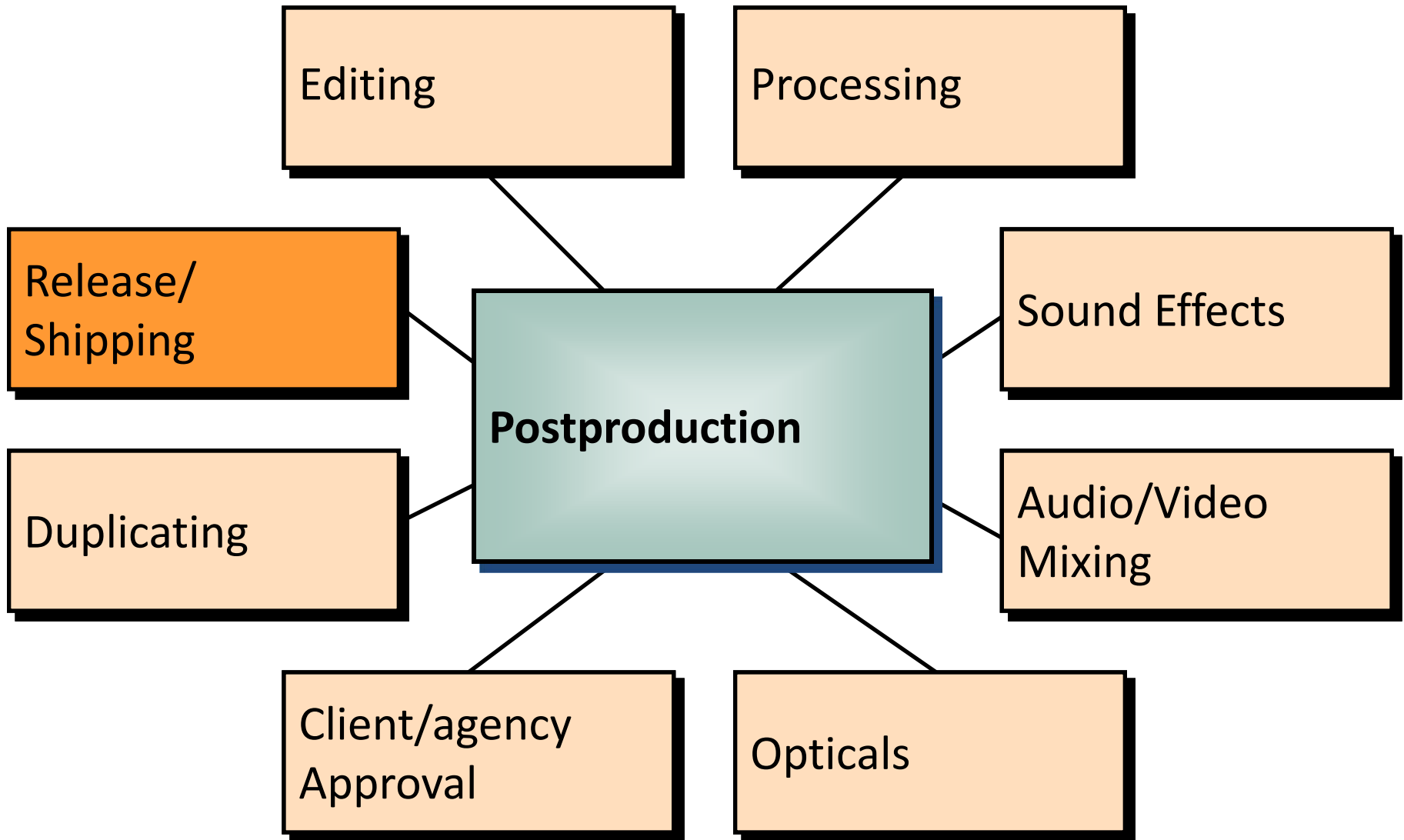
Preproduction Tasks



Production Tasks



Postproduction Tasks



Evaluation Guidelines for Creative Output

Consistent With Brand's Marketing Objectives?

Consistent With Brand's Advertising Objectives?

Consistent With Creative Strategy, Objectives?

Does It Communicate What It's Suppose to?

Approach Appropriate to Target Audience?

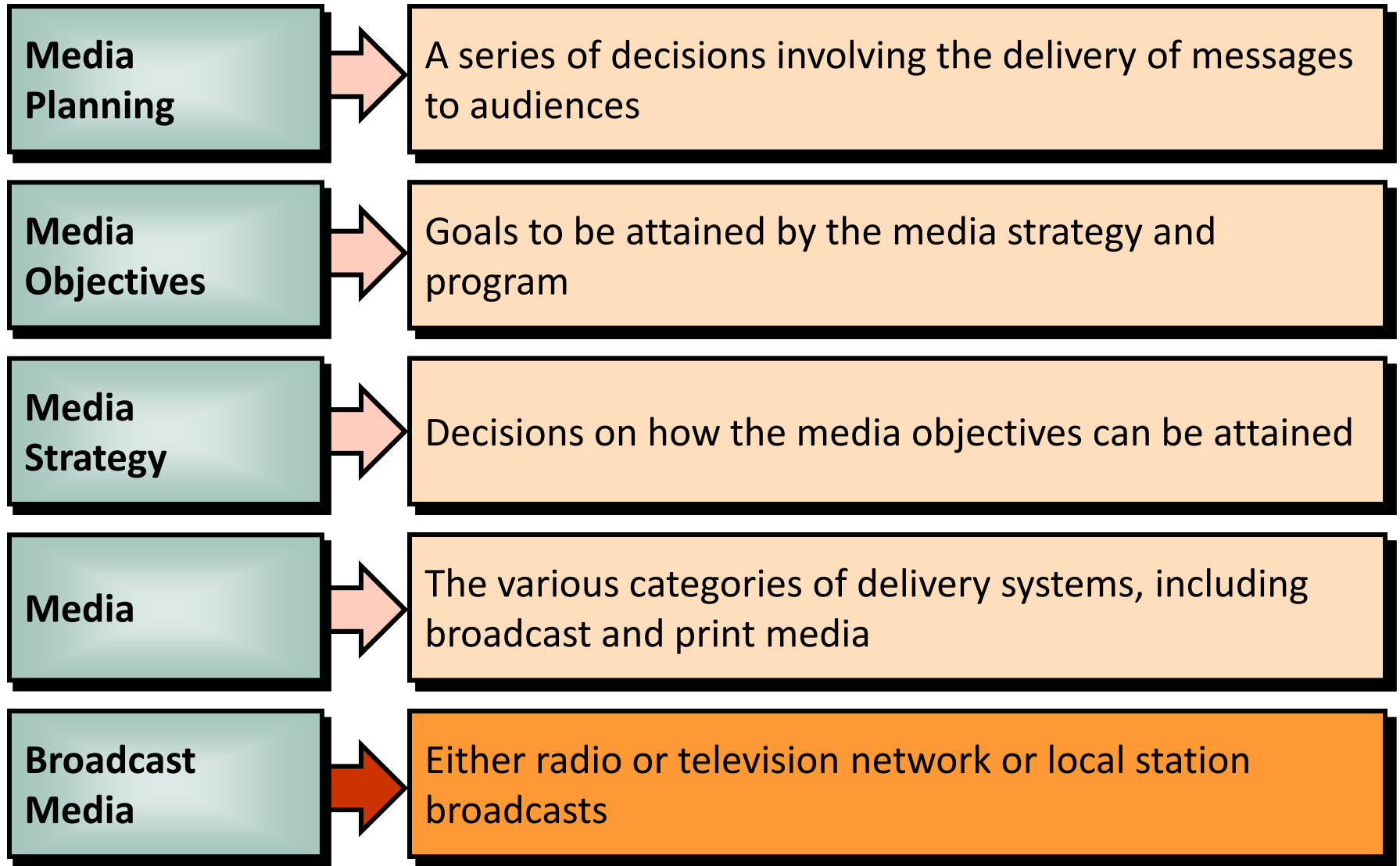
Communicate Clear, Convincing Message?

Does Execution Overwhelm the Message?

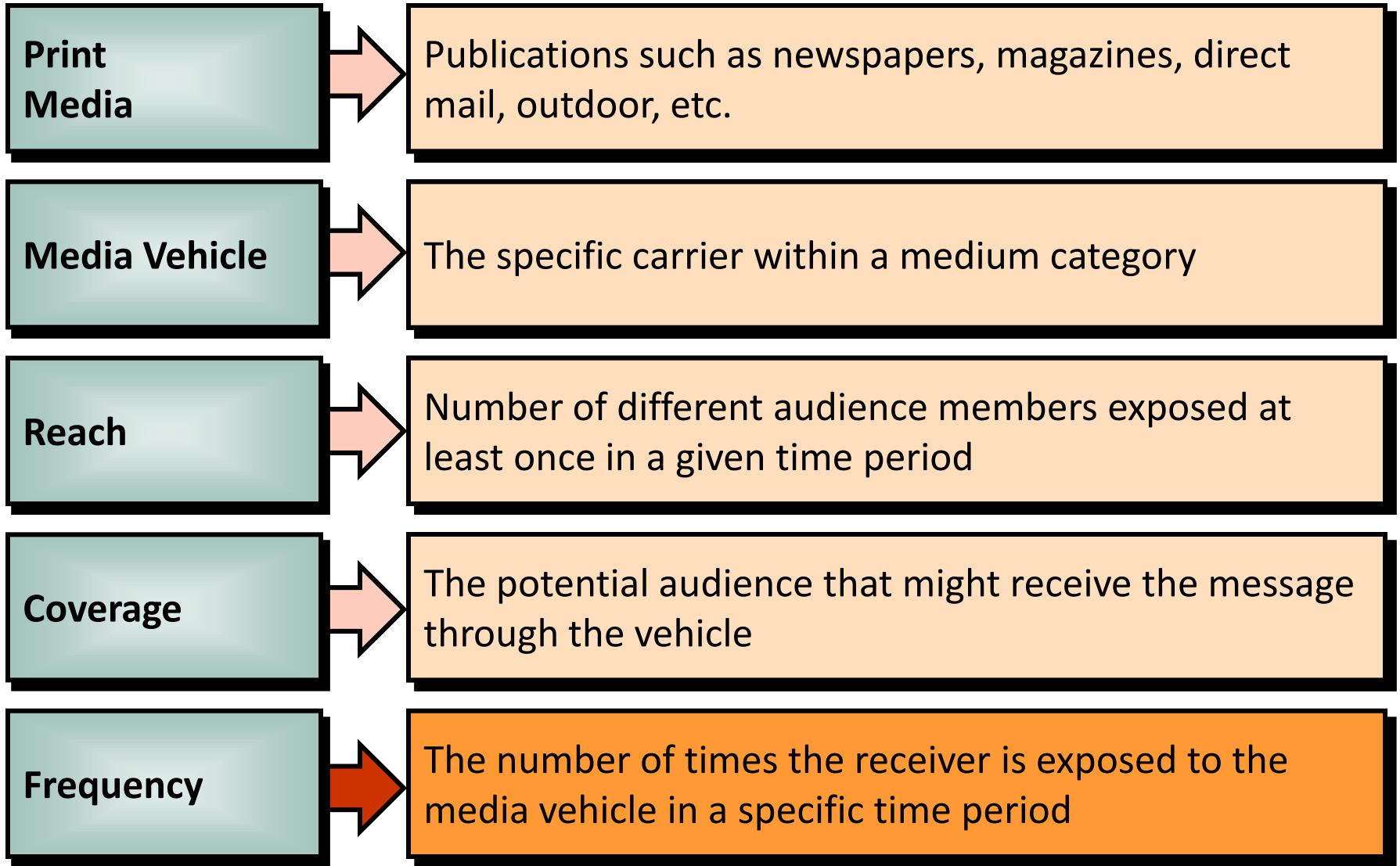
Appropriate to the Media Environment?

Is the Advertisement Truthful and Tasteful?

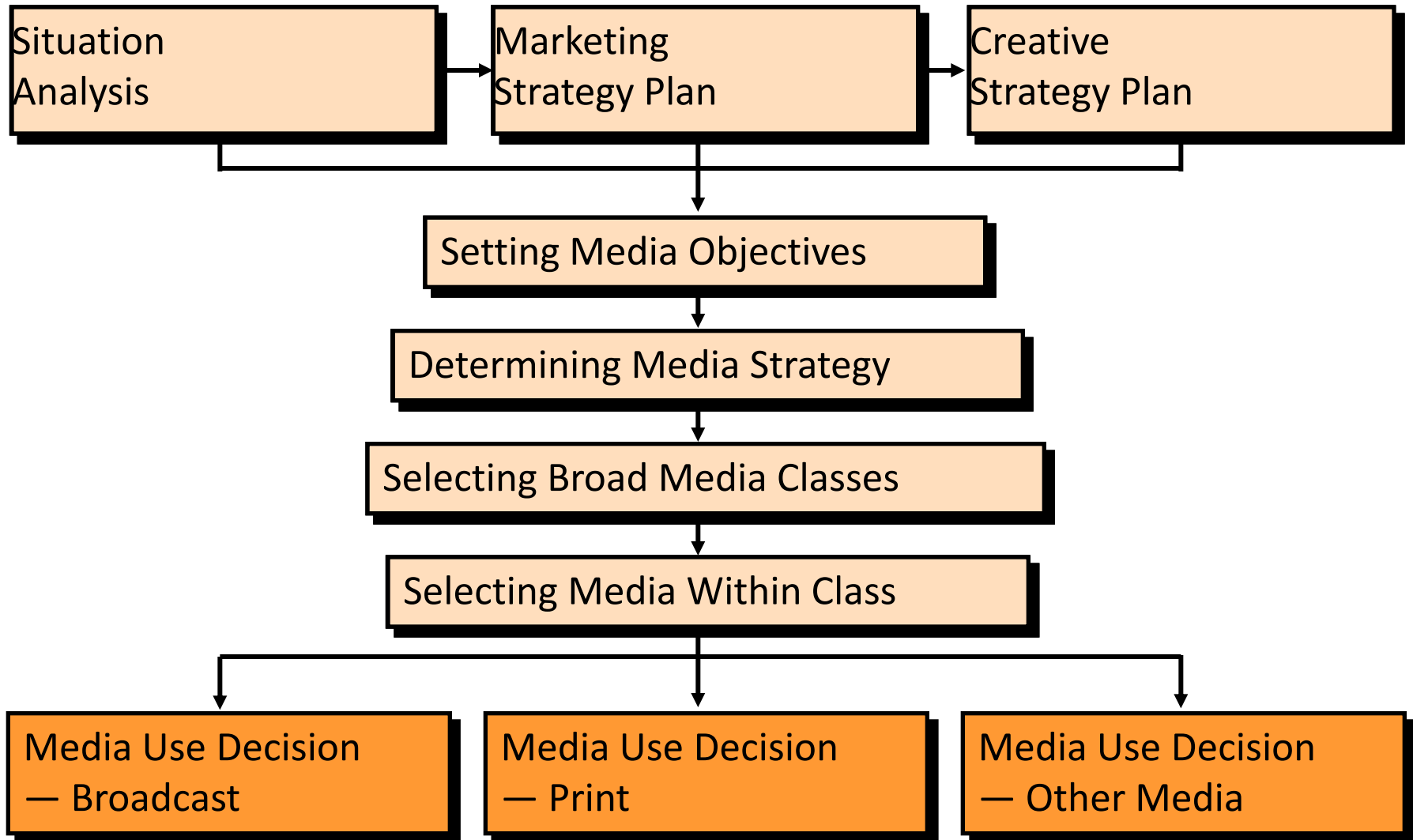
Media Terminology



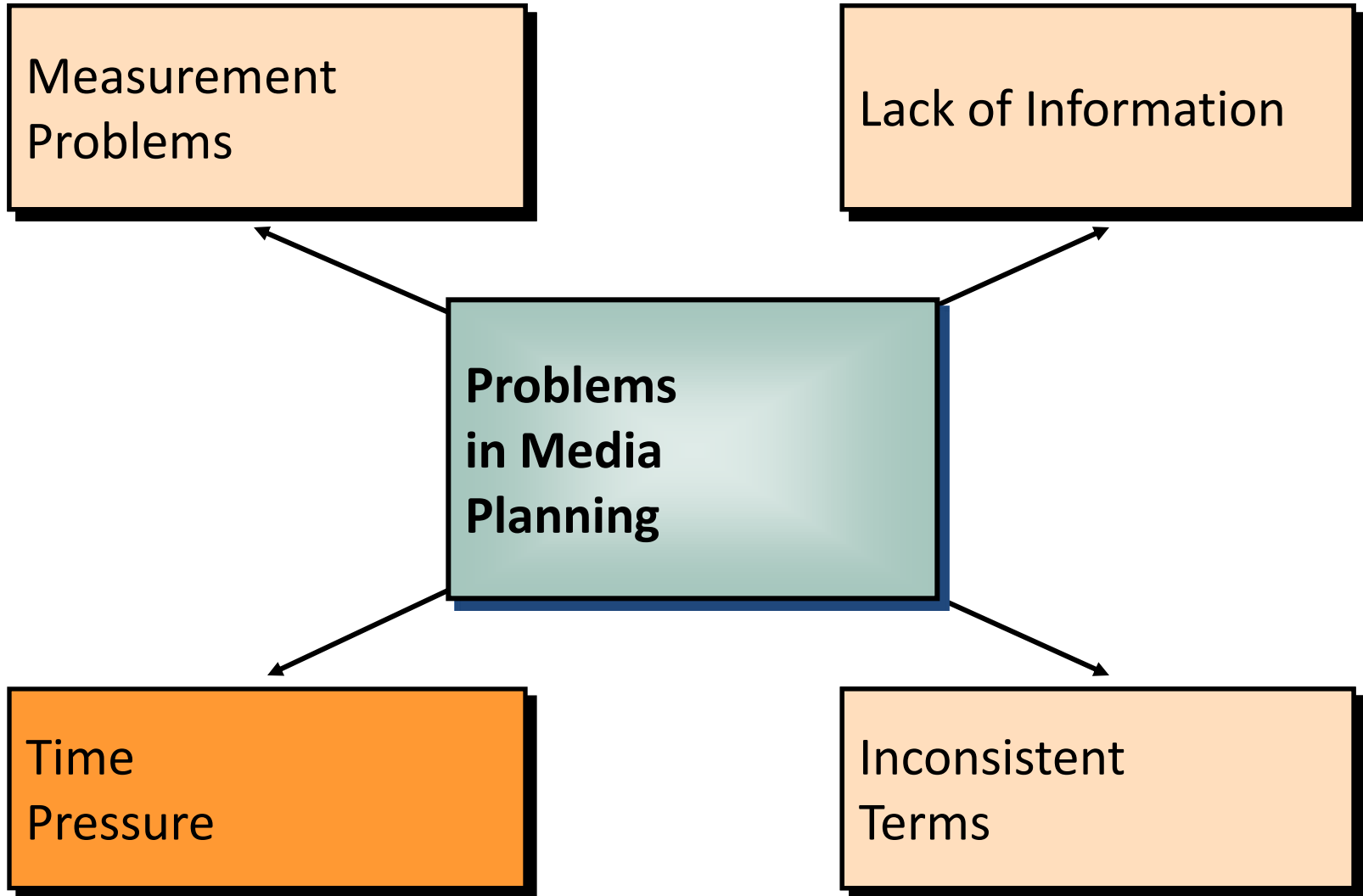
Media Terminology



Developing the Media Plan



Media Planning Difficulties



Developing the Media Plan

Analyze the Market



Establish Media Objectives



Develop Media Strategy



Implement Media Strategy



Evaluate Performance

Brand and Category Analysis

Brand Development Index

$$\text{BDI} = \left(\frac{\text{Percentage of brand to total U.S. sales in market}}{\text{Percentage of total U.S. population in market}} \right) \times 100$$

Brand and Category Analysis

Category Development Index

$$\text{CDI} = \left(\frac{\text{Percentage of total product category sales in market}}{\text{Percentage of total U.S. population in market}} \right) \times 100$$

Brand and Category Analysis

	High BDI	Low BDI
High CDI	High market share Good market potential	Low market share Good market potential
Low CDI	High market share Monitor for sales decline	Low market share Poor market potential

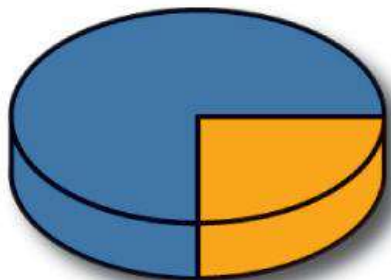
Brand and Category Analysis

	High BDI	Low BDI
High CDI	<p>The market usually represents good sales potential for both the product and the brand.</p>	<p>The product category shows high potential but the brand isn't doing well; the reason should be determined.</p>
Low CDI	<p>The category isn't selling well but the brand is; may be a good market in which to advertise but should be monitored for sales decline.</p>	<p>Both the product category and the brand are doing poorly; not likely to be a good place to advertise.</p>

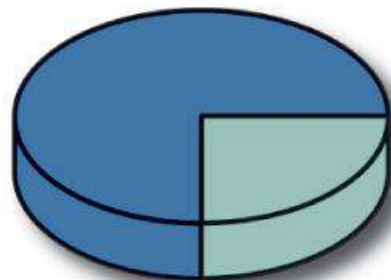
Target Audience Coverage

- Population excluding target market
- Target market
- Media coverage
- Media overexposure

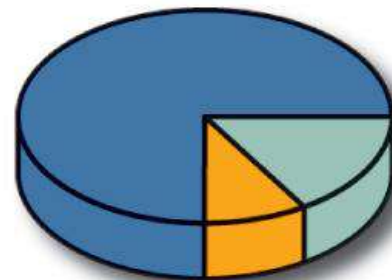
Target Market Proportion



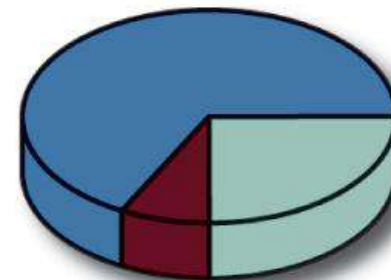
Full Market Coverage



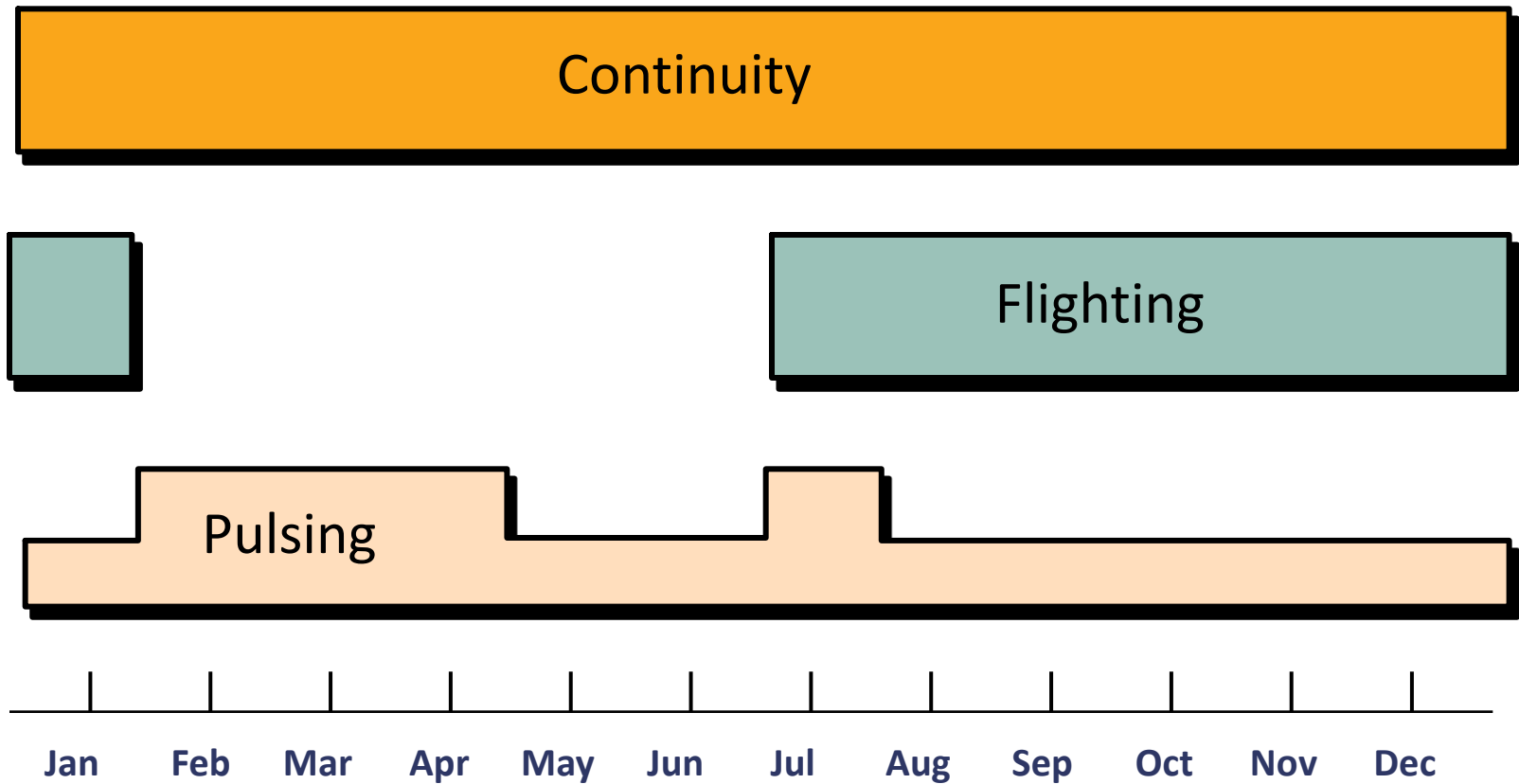
Partial Market Coverage



Coverage Exceeding Market

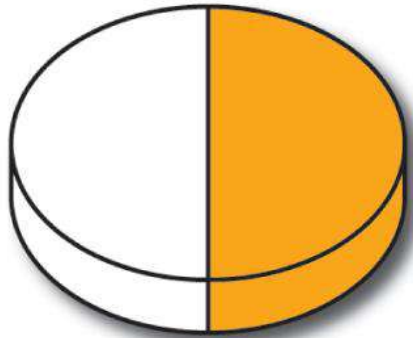


Three Scheduling Methods



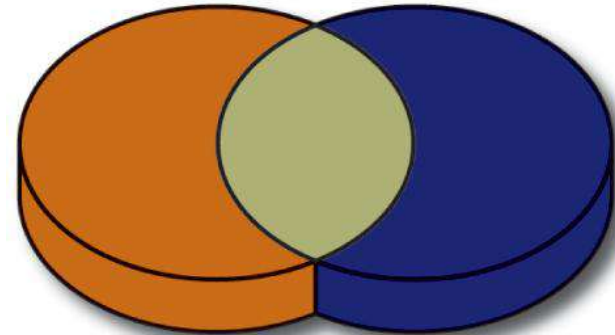
Reach and Frequency

A. Reach of One Program



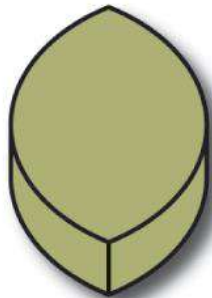
Total market audience reached

B. Reach of Two Programs



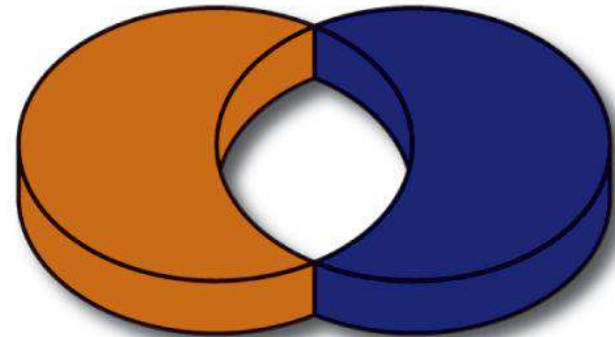
Total market audience reached

C. Duplicated Reach of Both



Total reached with both shows

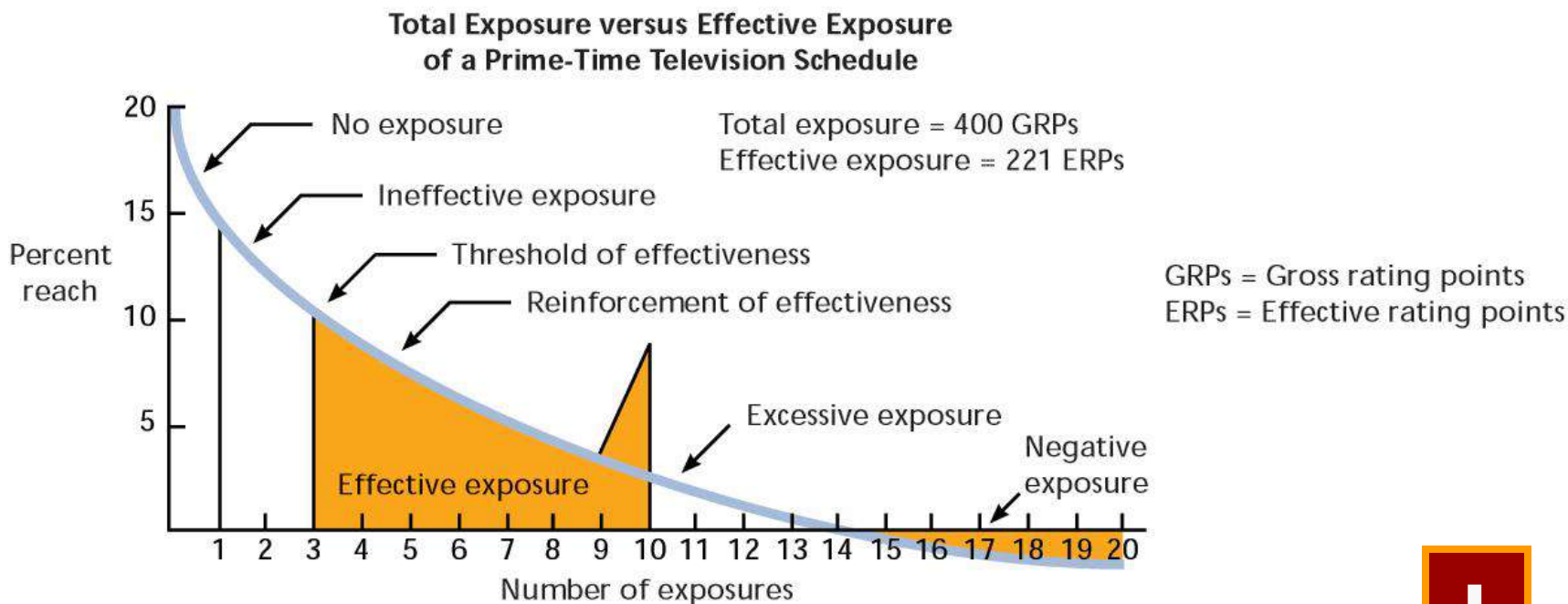
D. Unduplicated Reach of Both



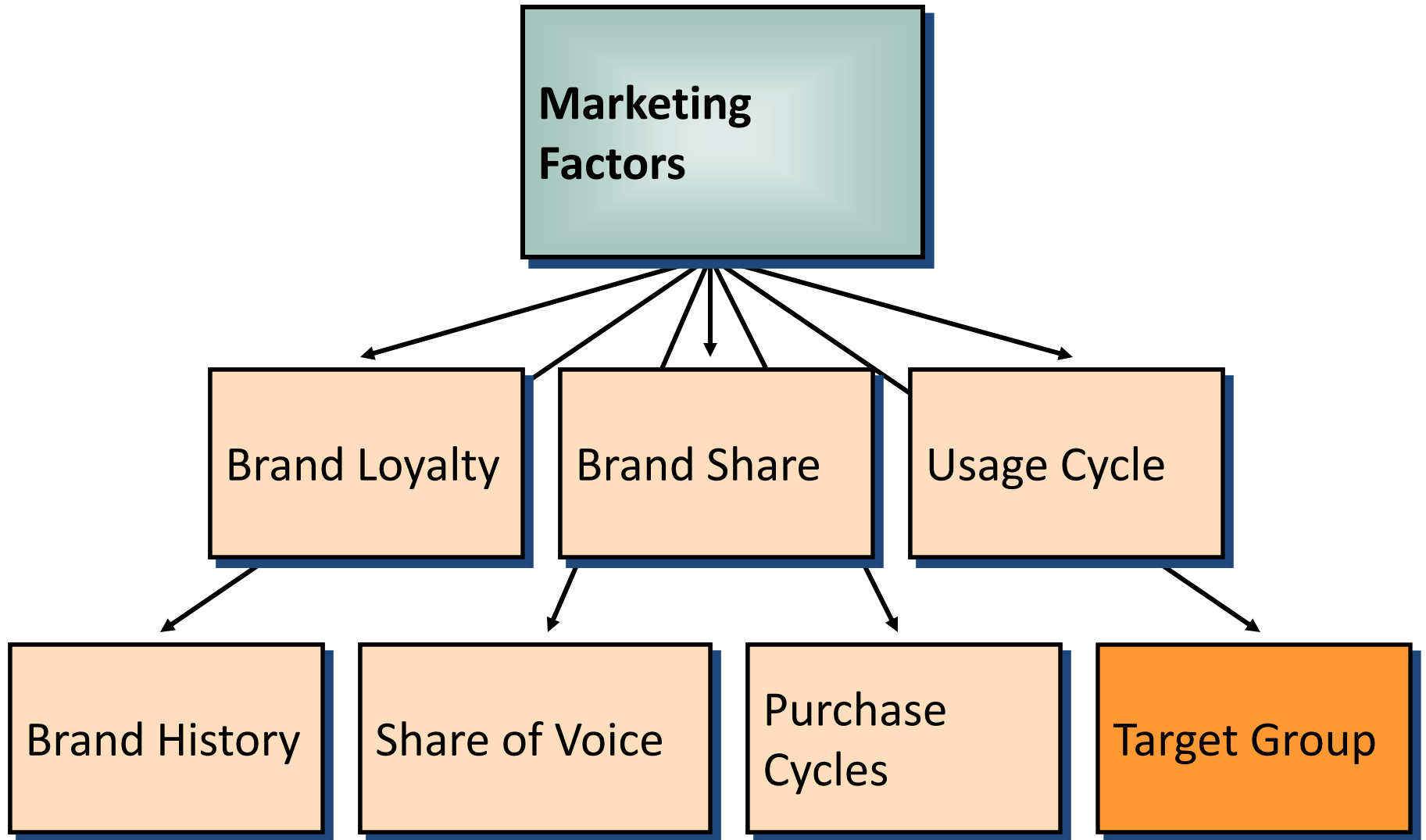
Total reach less duplicate

Graph of Effective Reach

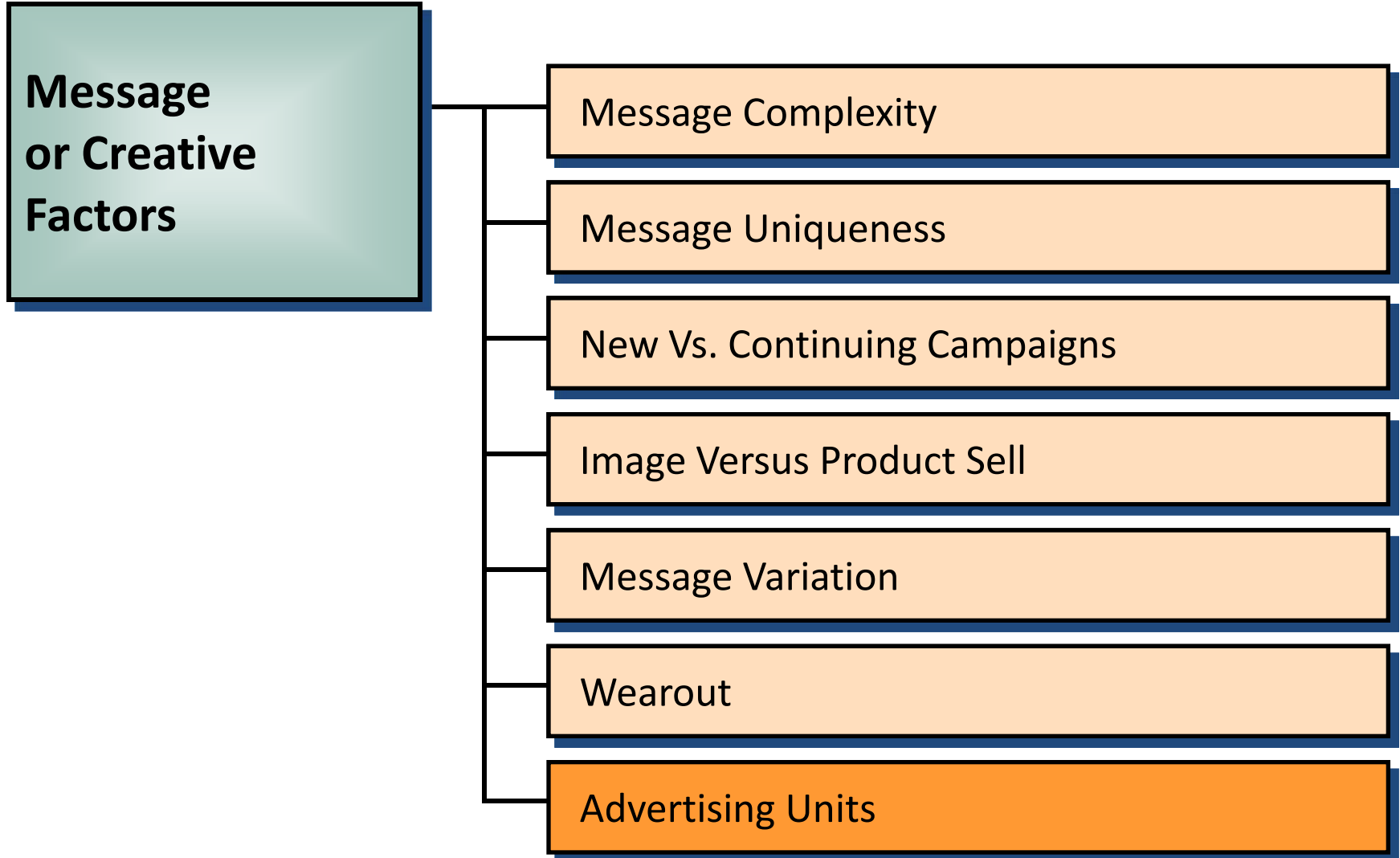
Figure 10-22



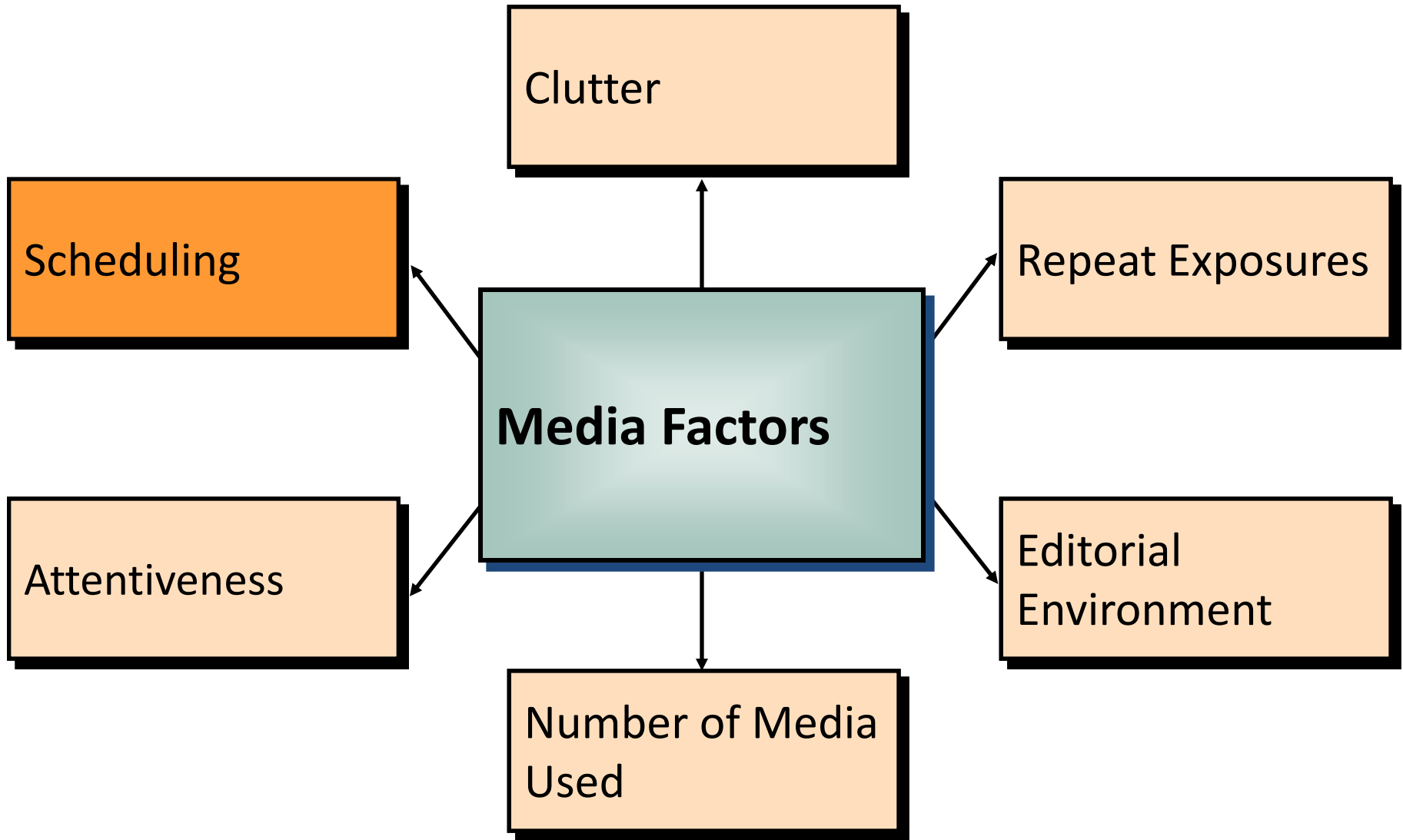
Marketing Factors Determining Frequency



Message Factors Determining Frequency



Media Factors Determining Frequency



Determining Relative Cost of Media-Print

Cost per thousand (CPM)

$$\text{CPM} = \left(\frac{\text{Cost of ad space (absolute cost)}}{\text{Circulation}} \right) \times 1,000$$

Cost per rating point (CPRP)

$$\text{CPRP} = \left(\frac{\text{Cost of commercial time}}{\text{Program rating}} \right)$$

Television Pros and Cons

Advantages

Mass Coverage

High Reach

Impact of Sight, Sound
and Motion

High Prestige

Low Cost Per Exposure

Attention Getting

Favorable Image

Disadvantages

Low Selectivity

Short Message Life

High Absolute Cost

High Production Cost

Clutter



Radio Pros and Cons

Advantages

Local Coverage

Low Cost

High Frequency

Flexible

Low Production Cost

Well-segmented Audience

Disadvantages

Audio Only

Clutter

Low Attention Getting

Fleeting Message



Magazine Pros and Cons

Advantages

Segmentation Potential

Quality Reproduction

High Information Content

Longevity

Multiple Readers

Disadvantages

Long Lead Time for
Ad Placement

Visual Only

Lack of Flexibility



Newspaper Pros and Cons

Advantages

High Coverage

Low Cost

Short Lead Time for Placing Ads

Ads Can Be Placed in Interest Sections

Timely (Current Ads)

Reader Controls Exposure

Can Be Used for Coupons

Disadvantages

Short Life

Clutter

Low Attention Getting

Poor Reproduction Quality

Selective Reader Exposure



Outdoor Pros and Cons

Advantages

Location Specific

High Repetition

Easily Noticed

Disadvantages

Sort Exposure Time

Short Ads

Poor Image

Local Restrictions



Direct Mail Pros and Cons

Advantages

High Selectivity

Reader Controls Exposure

High Information Content

Repeat Exposure Opportunities

Disadvantages

High Cost Per Contact

Poor Image (Junk Mail)

Clutter



Internet Pros and Cons

Advantages

User Selects Product Information

User Attention and Involvement

Interactive Relationship

Direct Selling Potential

Flexible Message Platform

Disadvantages

Limited Creative Capabilities

Websnarl (Crowded Access)

Technology Limitations

Few Valid Measurement
Techniques

Limited Reach

UNIT -IV

MARKETING MIX II

Unit- IV: Sales Promotion

- It refers to the short term incentives.
- To encourage purchases or sales of a product or service

Types of Sales Promotions:

- Consumer Promotions
- Trade Promotions
- Sales Force Promotions

FACTORS IN GROWTH OF SALES PROMOTIONS

- Product managers are under pressure to increase current sales
- Companies face more competition
- Competing brands offer less differentiation to rising cost, clutter and legal constraints
- Consumers have become more deal-oriented

SALES PROMOTION OBJECTIVES

- CONSUMER PROMOTIONS
- TRADES PROMOTIONS
- SALES FORCE PROMOTIONS

CONSUMERS PROMOTION TOOLS

SAMPLES

- Offer a trail amount of a product
- EXAMPLE=



COUPONS

- COUPONS are certificates that gives buyers a saving when they purchase specified products
- EXAMPLE=



CASH REFUND

- Similar to coupons except that the price reduction occurs after the purchase
- EXAMPLE=



PRICE PACKS

- Offer consumer saving off the regular price of a product
- EXAMPLE=



PREMIUMS

- Are good offered either for free or at low price
- EXAMPLE=



ADVERTISING SPECIALIES

- Are useful articles imprinted with the advertisers names ,logo or message that are given as a gift to consumer
- EXAMPLE=



POINT OF PURCHASE PROMOTION

- Includes displays and demonstrations that take place at the point of sales
- EXAMPLE=



ZONG
Say it all



ufone GSM



telenor

CONTEST, SWEEPSTAKES & GAMES

- CONTEST=



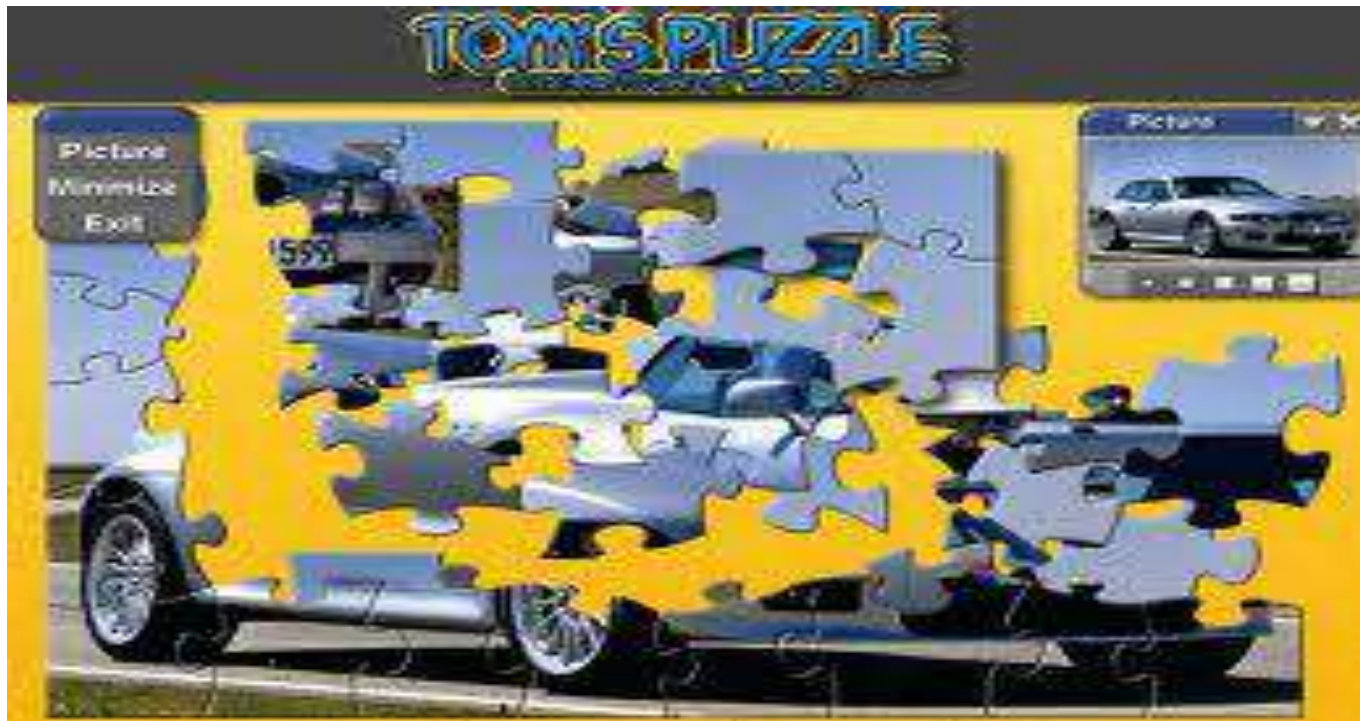
SWEEPSTAKES

- To submit their names



GAMES

- TO PRESENT



TRADES PROMOTION TOOLS

DISCOUNT

- It is also known as price-off.
- Discounts price cut off the list price on a particular quantity purchased a stated time



ALLOWANCE

- They are the amount offered in return for an agreement by the retailer to feature the manufacturer's products in some way; displays, advertising or otherwise.



FREE GOODS

- Free goods are the extra merchandise offered to middlemen who buy a specific amount of a product
- .Companies also offer push money and specialty advertising items to the middlemen.

BUSINESS PROMOTION



BUSINESS PROMOTION

- Companies spend huge amount on promotion focused on industrial consumers.
- Trade shows and conventions.
- Sales contests.

TRADE SHOWS AND CONVENTIONS

- TRADE SHOWS AND CONVENTIONS are effective to reach many customer not reached with the regular sales force.



SALES CONTEST

- Sales contest are effective in motivating sales people or dealer to increase performance over a given period.

DEVELOPING THE SALES PROMOTION PROGRAM

- Size of the incentive (benefit).
- Conditions for participation.
- Promote and distribute the program.
- Length of the program.
- Evaluation of the program.

Direct Marketing Defined

The total of activities by which the seller directs efforts to a target audience using one or more media for the purpose of soliciting a response by phone, mail, or personal visit from a prospect or customer

Radio

TV Selling

Telemarketing

Direct Mail

Direct Selling

Magazine and Newspaper

Growth of Direct Marketing

Direct Marketing
Syndicates

Miscellaneous
factors

Changing Structure
of Markets



Consumer Credit
Cards

Changing Structure
of Society

Technological
Advances



Public Relations, Publicity, and Corporate Advertising

Public Relations Defined

A management function

which

evaluates public attitudes

and

identifies the policies and procedures

of

an organization with the public interest

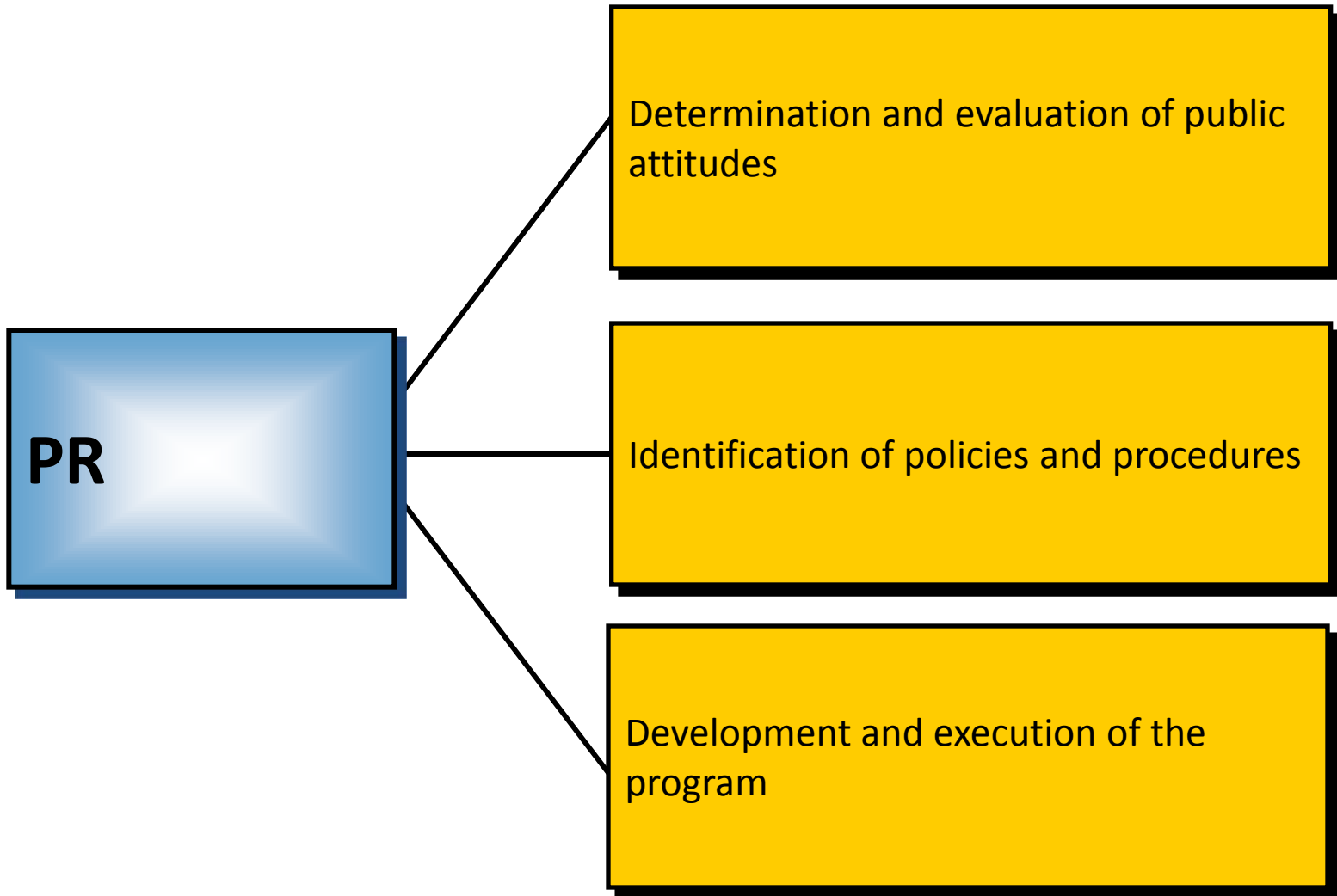
and

executes a program of action (and communication)

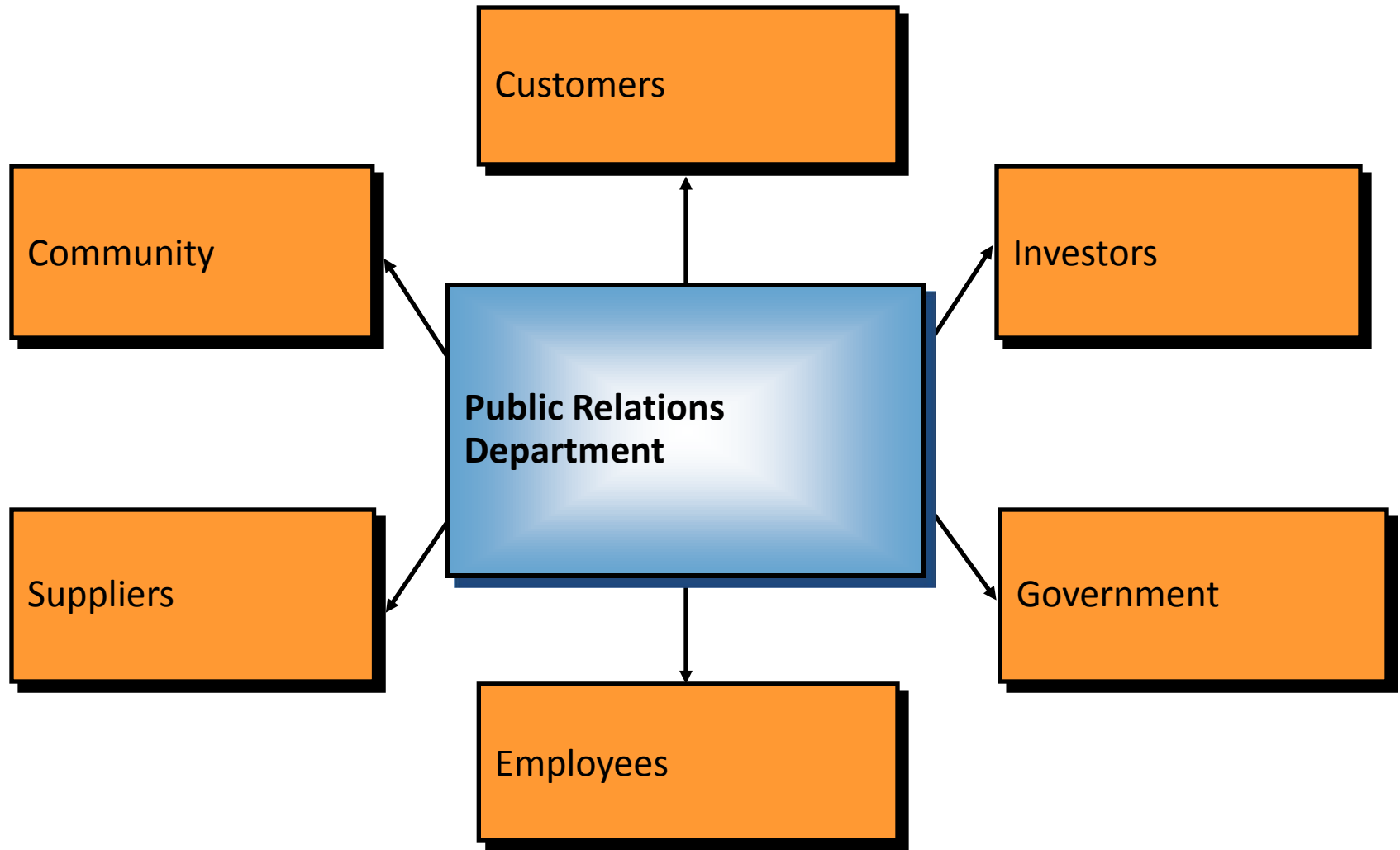
to

earn public understanding and acceptance

Public Relations Management Process



Traditional PR Perspective



Integration of PR into the Promotional Mix

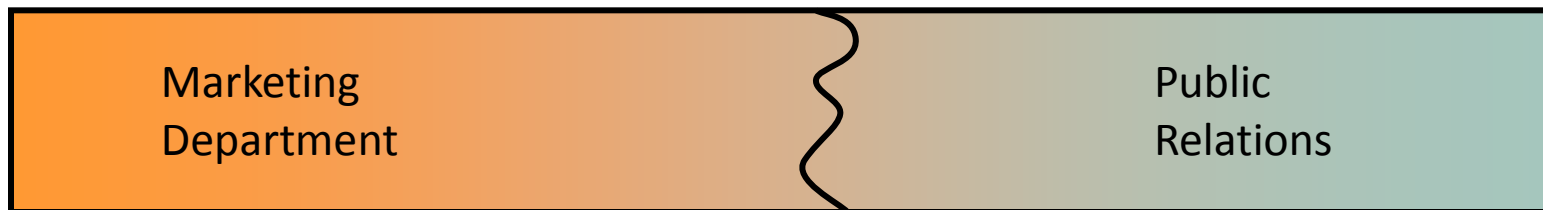
Separate Functions



Coordinated and Equal



Integrated



Marketing Public Relations Functions

Building market excitement before media ads [break](#)

Improving ROI

Creating news where there is no news

Introducing a product with little or no [advertising](#)

Providing a value-added customer [service](#)

Building brand-to-customer [bonds](#)

Influencing influentials, giving info to opinion leaders

Defending products at risk, giving consumers reasons to [buy](#)

Benefits of MPR

Advantages

A cost-effective way to reach the market

Highly targeted way to conduct public relations

Endorsements by independent third parties

Achievement of credibility

Makes advertising messages more credible

Breaks through the clutter

Circumvents resistance to sales efforts

Improved media involvement w/customers

Creates influence among opinion leaders

Improved ROI

Disadvantages

Lack of control over media

Difficult to tie in slogans or other advertising devices

Media time and space aren't guaranteed

No standards for effective measurement

The Process of Public Relations

Determining and Evaluating Public Attitudes



Establishing a PR Plan



Developing and Executing a PR Program



Measuring Program Effectiveness

Research on Public Attitudes

Provides input for the planning process

Serves as an “early warning system”



Increases communications effectiveness

Secures internal cooperation, support

Determining Public Relations Audiences

Internal or Associated

Stockholders and
Investors

Customers and Clients

Employees

Community Members

Vendors and Suppliers

External or Independent

Educators

Governments

Financial Groups

Civic and Business
Organizations

The Media

Communicating With Target Audiences

Internal or Associated

Newsletters

Bulletin boards

Direct mail

Annual reports

External or Independent

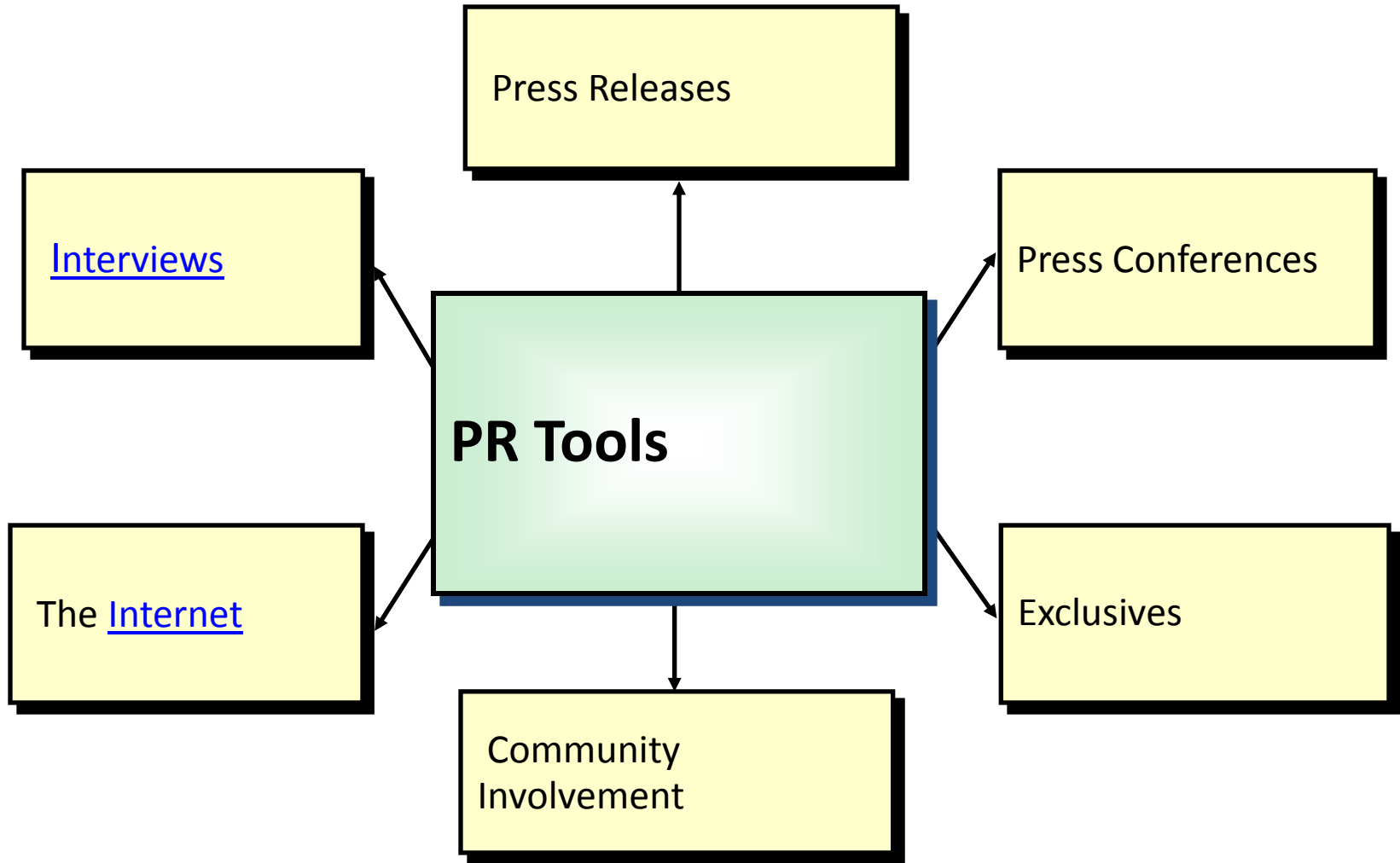
Public relations ads

Press releases

Conferences

Research reports

Implementing the PR Program



The Internet as a PR Tool

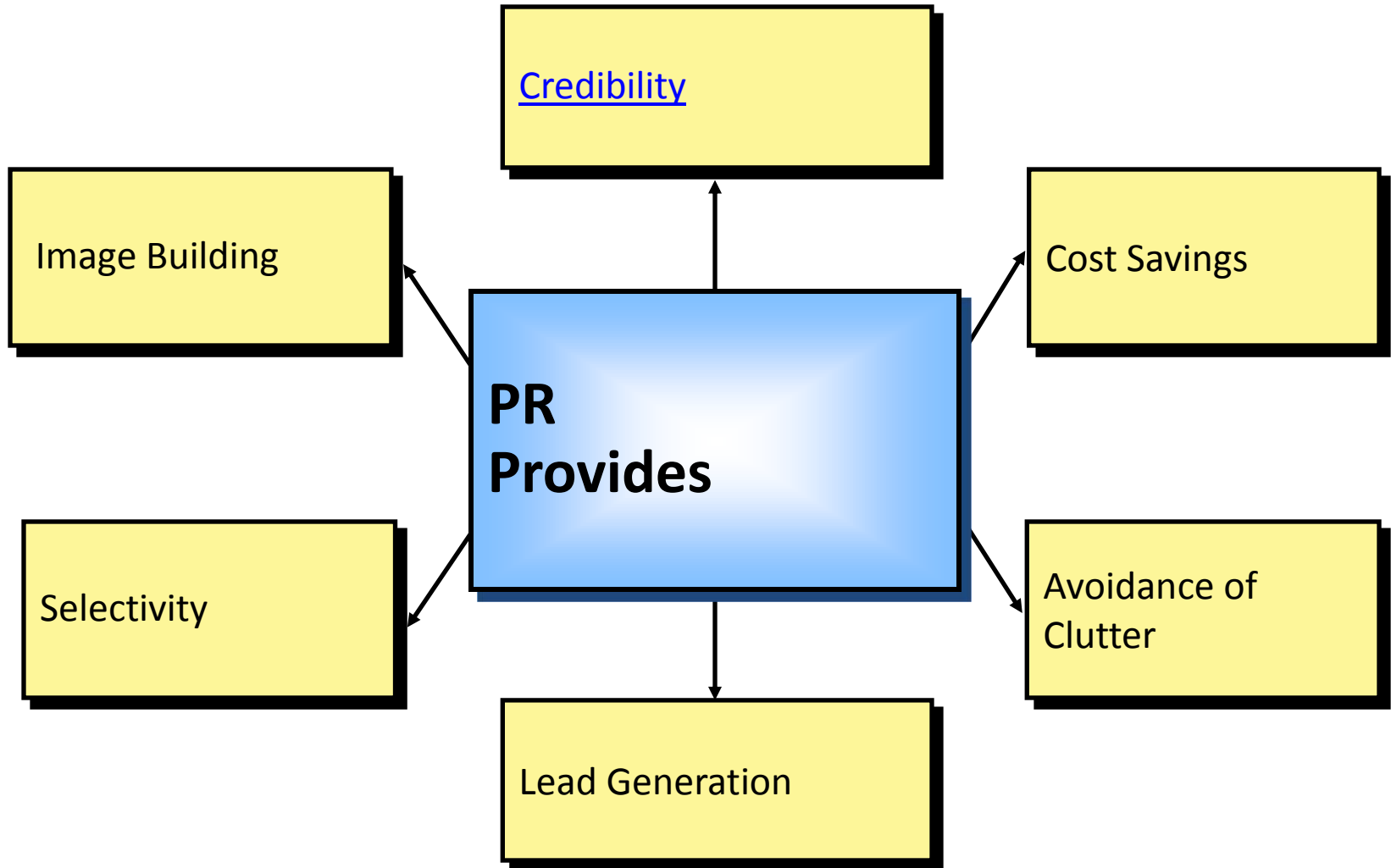
The Internet...

Allows information to be presented quickly

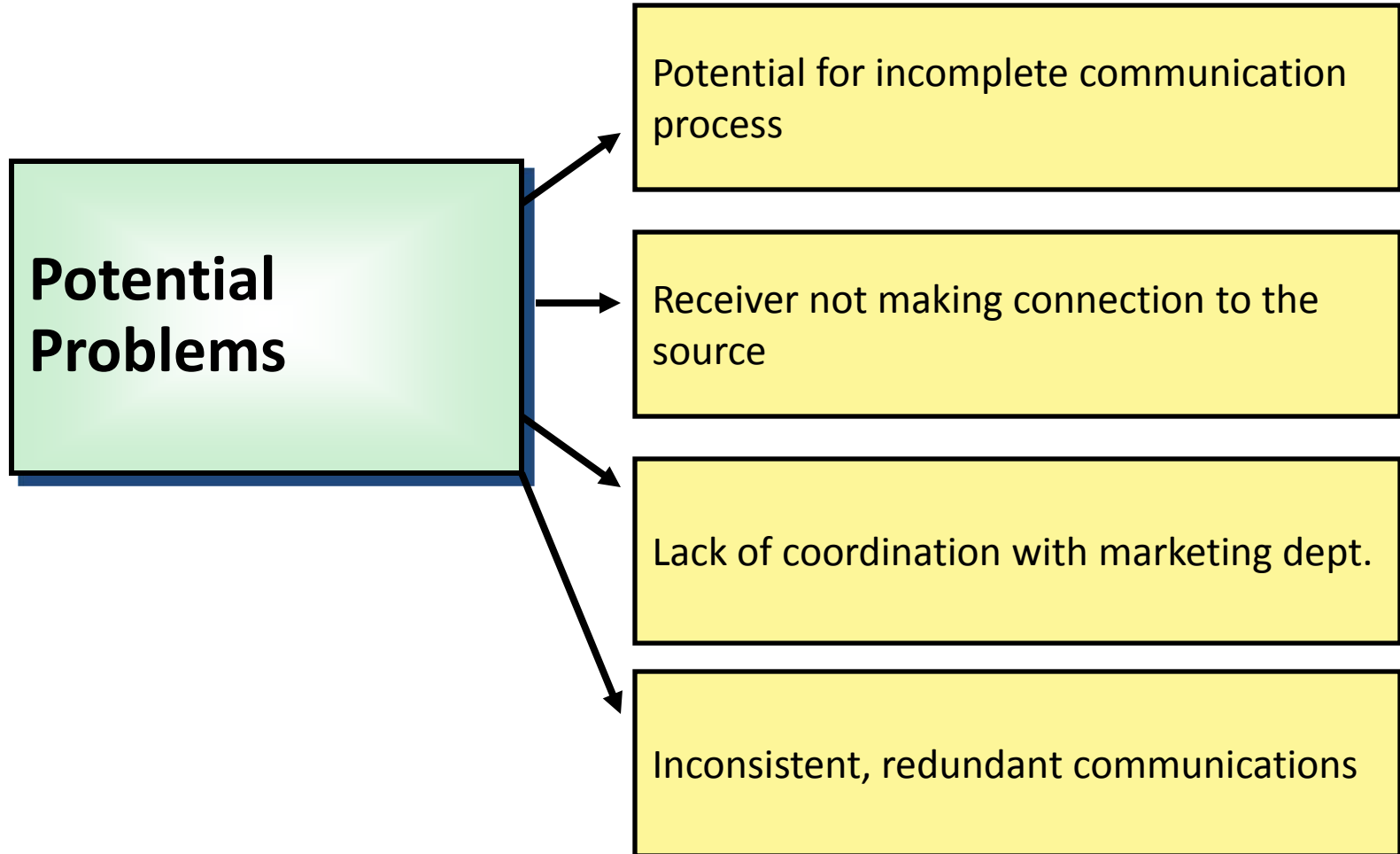
Provides the media with instant access to additional sources of information

Allows much more substantial information to be presented

Advantages of Public Relations



Potential Problems of Public Relations



Measuring PR Effectiveness



Contributions made?

What was achieved?

Quantitative measures?

Quality?

Criteria for Measuring PR Effectiveness

Ratio of positive to negative articles

Number of impressions . . .

Over time

On the target audience

On specific target audiences

Percentage of . .

Positive articles over time

Negative articles over time

Percentage of positive and negative articles by .
..

Subject

Publication

Reporter

Target audience

Additional Measures of PR Effectiveness

Personal observation and reaction

Matching objectives and results

The team approach

Management by objectives

Public opinions and surveys

Audits

Publicity versus Public Relations

Publicity:

The generation of news about a person, product, or service that appears in the media

A short-term strategy

A subset of public relations

Not always positive

Often originates outside the firm

Pros and Cons of Publicity

Advantages

Substantial credibility

News value

Significant word-of-mouth

Perception of endorsement by media

Disadvantages

Timing difficult or impossible to control

Inaccuracy, omission, or distortion may result

Corporate Advertising

An extension of the PR function

Does not promote a specific product or service

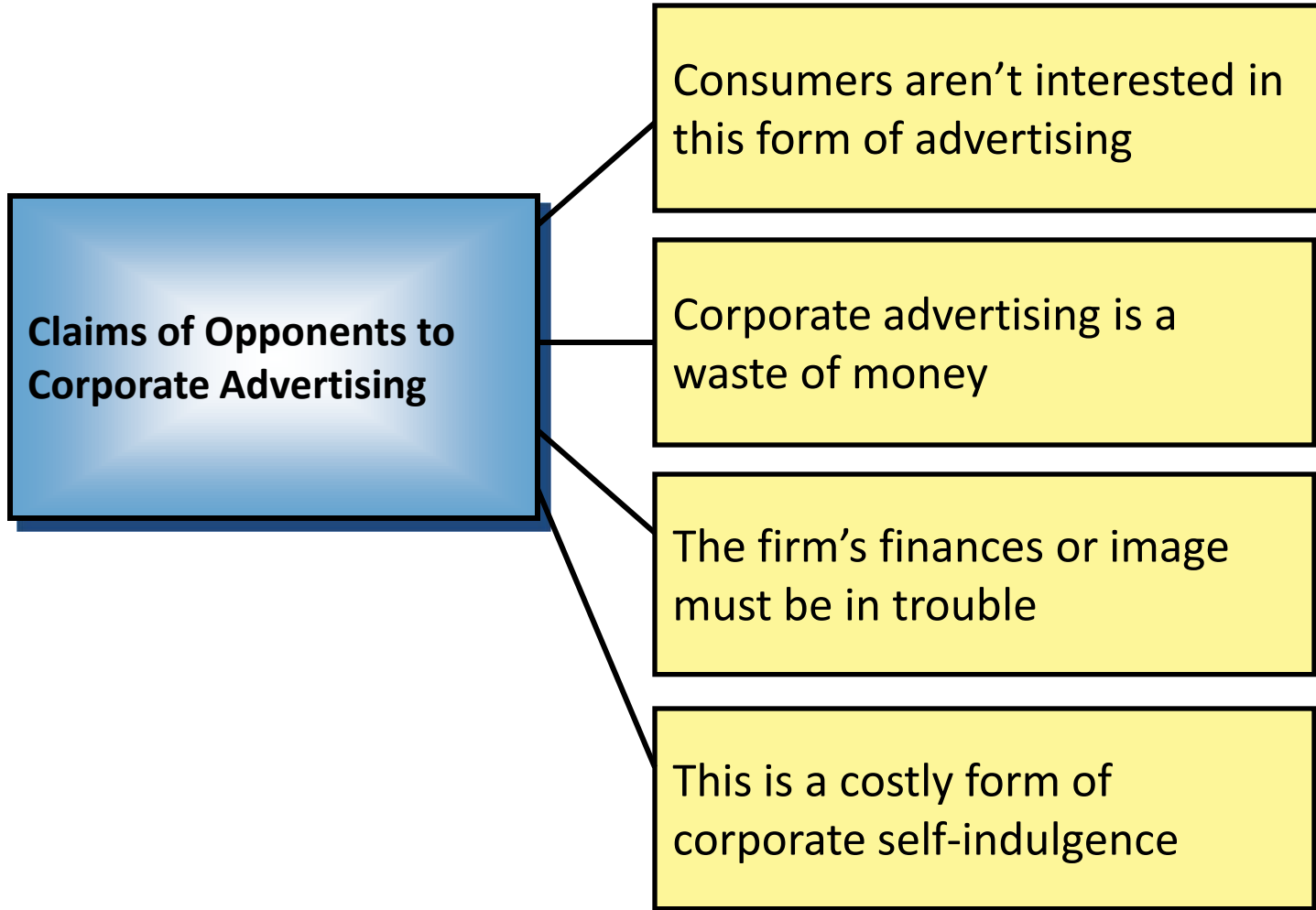
Promotes the organization

Image
enhancement

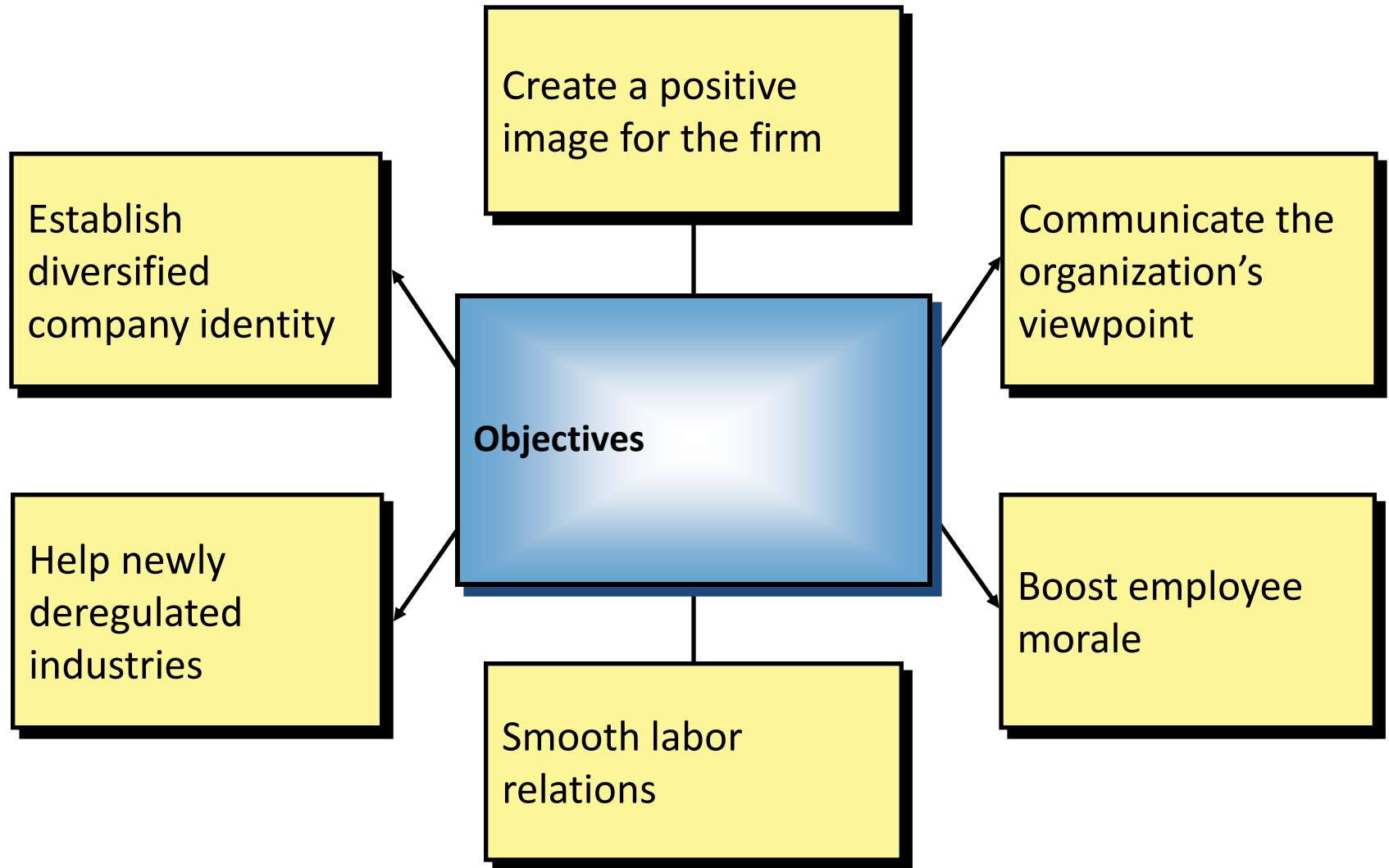
Assuming a position
on an issue or cause

Seeks involvement

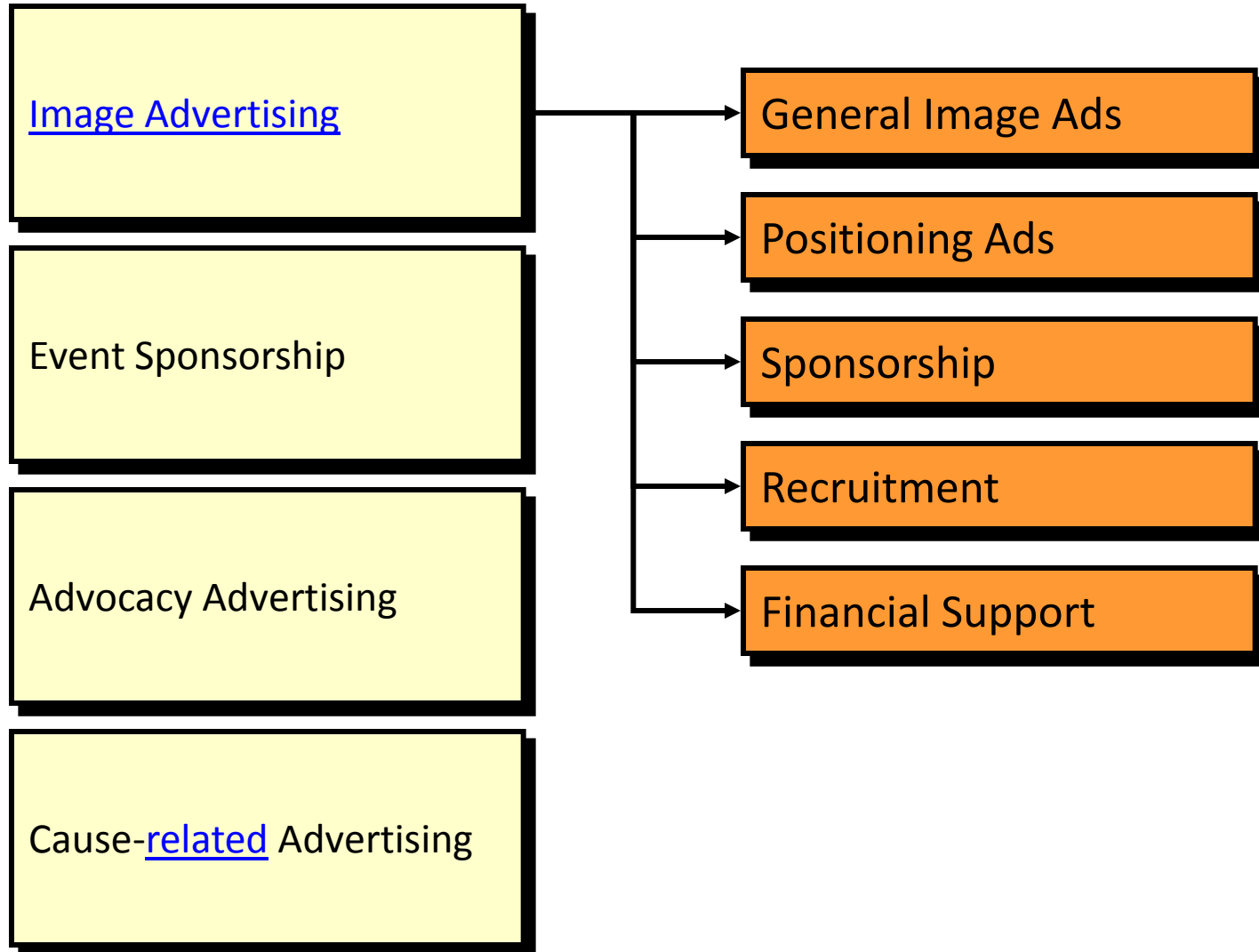
Why is Corporate Advertising Controversial?



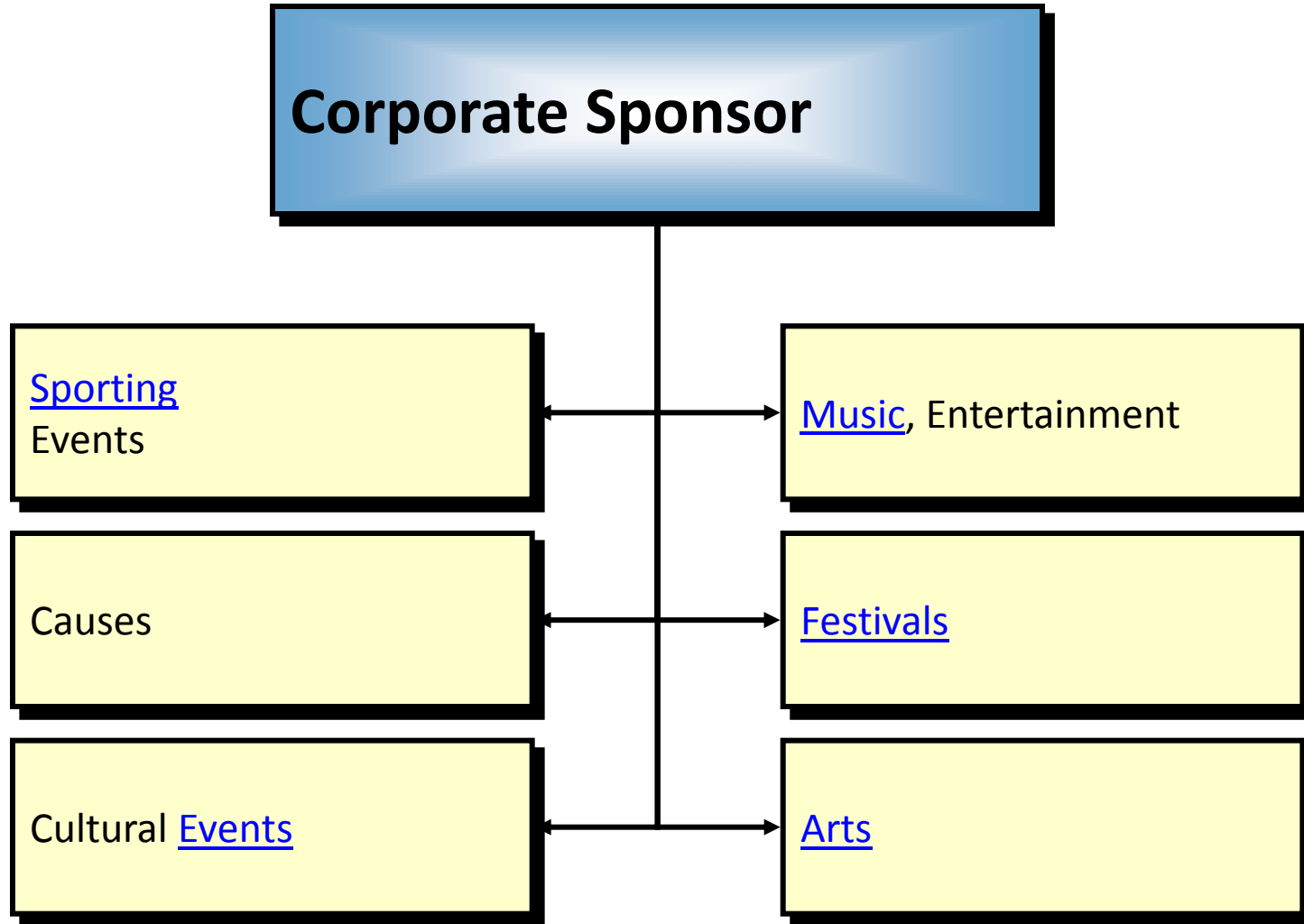
Objectives of Corporate Advertising



Types of Corporate Advertising



Event Sponsorship



Advocacy advertising:

The propagation of ideas and elucidation of controversial social issues of public importance in a manner that supports the interests of the sponsor.

Cause related marketing:

A form of marketing whereby companies link with charities or nonprofit organizations as contributing sponsors.

Pros and Cons of Corporate Advertising

Advantages

Excellent vehicle for positioning the firm

Takes advantage of benefits derived from public relations

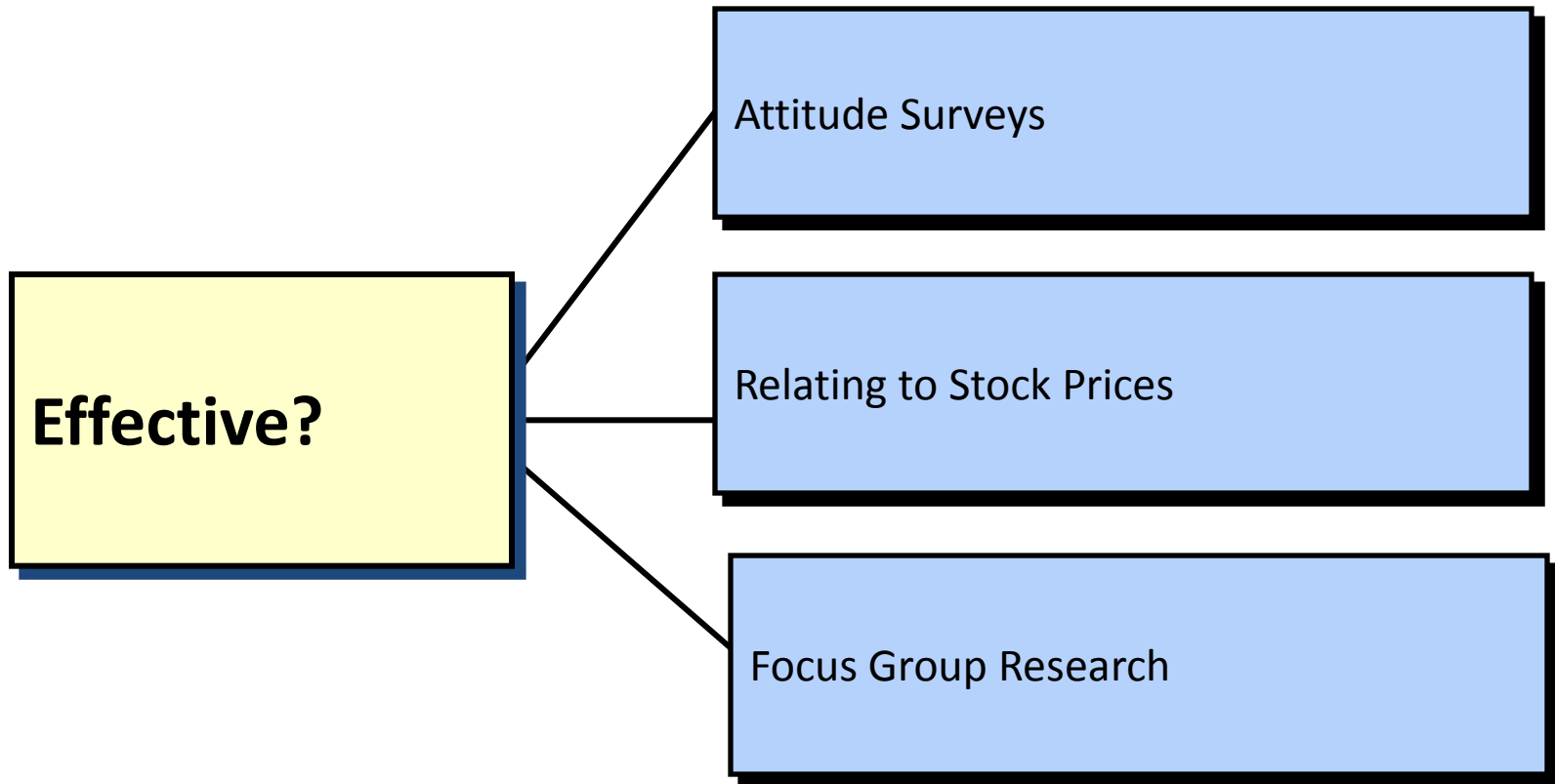
Reaches a selected target market

Disadvantages

May have questionable effectiveness

Raises questions of constitutionality and ethics

Measuring Corporate Ad Effectiveness



Out-of-Home Advertising

- Outdoor advertising

- Billboards and posters in public locations

Size and format

- Printed posters
- Painted bulletin

Buying Outdoor

- Showings
- Traffic count

Out-of-Home Advertising

Advantages

- High impact medium
- Larger-than-life visuals
- Hard to ignore structure
- Least expensive

Disadvantages

- Message could fail to be seen or have impact
- Passive medium
- Extensive regulation

Out-of-Home Advertising

- On-Premise Signs
 - Retail signs that identify stores
- Posters
 - Used on the sides of buildings and vehicles, as well as on bulletin boards and kiosks
- Kiosks
 - Designed for public posting of notices and advertising posters
- Transit advertising
 - Includes posters in bus, train, airport, and subway stations

Sponsorships

- Relationship in which an organization provides funds to an event in exchange for a direct association with that event
- Sponsor purchases:
 - Access to the event's audience
 - The image associated with the activity

How Sponsorship Differs from Advertising

- Cost-effectiveness
- Sponsor's degree of control versus that of advertising
- Nature of the message

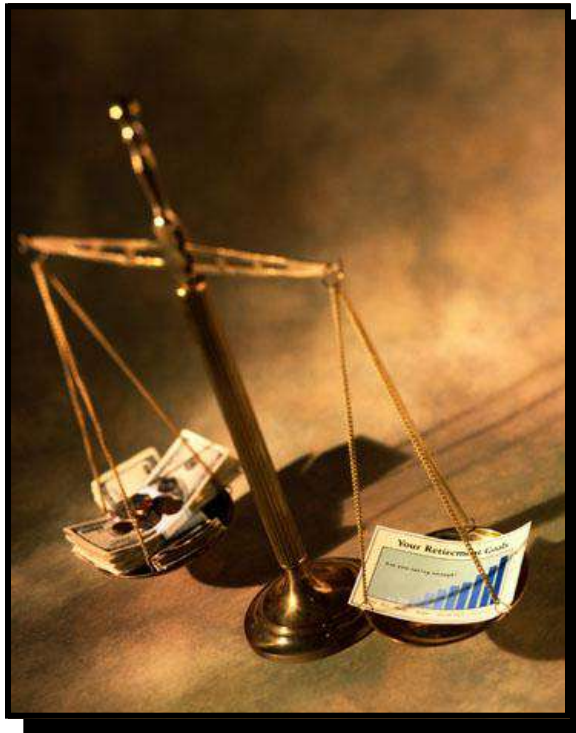
UNIT -V

REGULATION,SOCIAL AND ETHICAL ASPECT OF ADVERTISING AND PROMOTION



Unit-V: Regulation of Advertising and Promotion

Advertising is regulated through

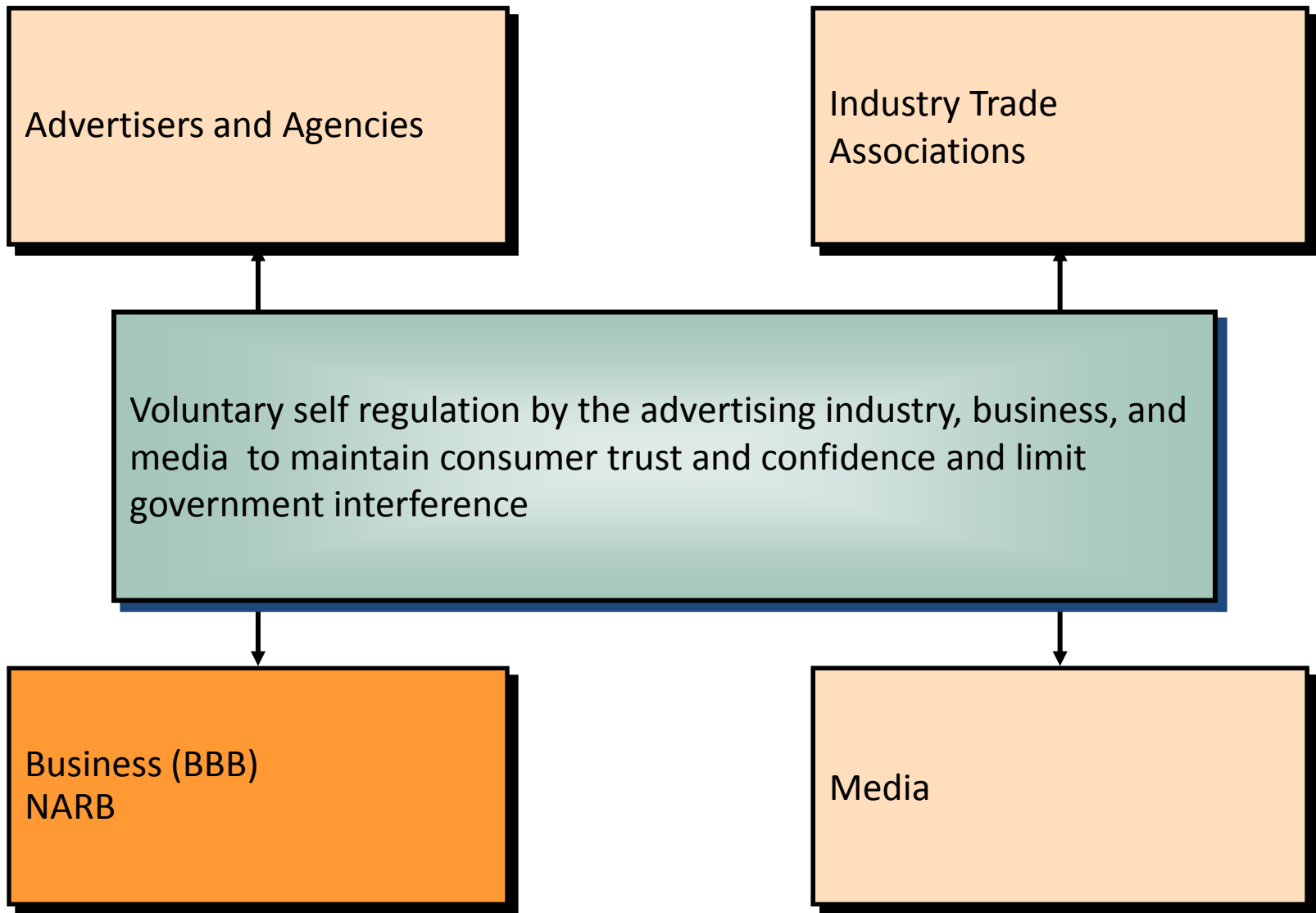


Self
Regulation

Federal Regulation

State Regulation

Self-regulation of Advertising





Some TV Network Guidelines for Children's Advertising

Must Not Over Glamorize Product

No Exhortative Language, Such As "Ask Mom to Buy"

Generally No Celebrity Endorsements

Can't Use "Only" or "Just" in Regard to Price

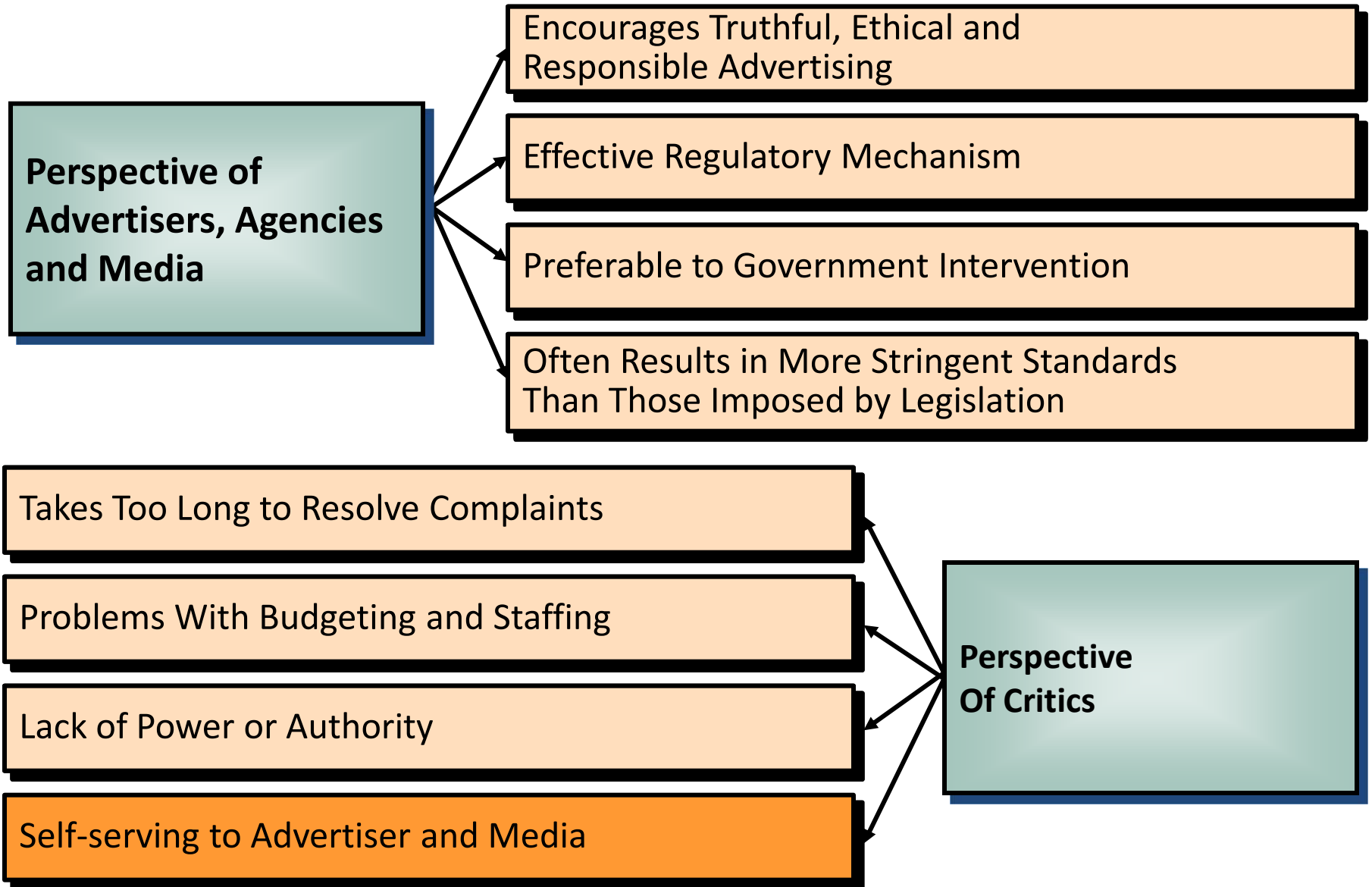
No Costumes or Props Not Available With the Toy

Influencing Influentials, Providing Information to Opinion Leaders

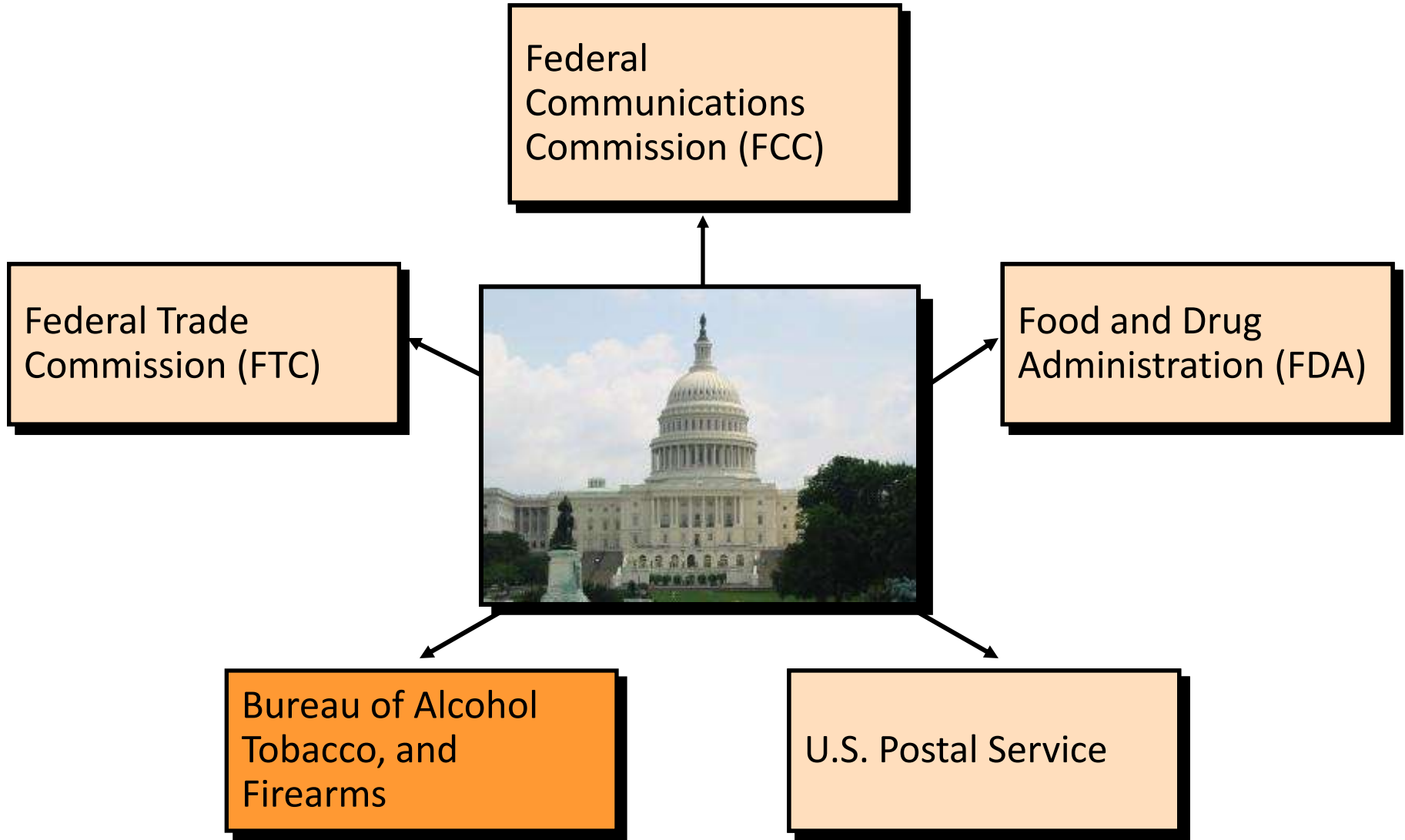
Three-second Establishing Shot of Toy in Relation to Child

No Shots Under One Second in Length

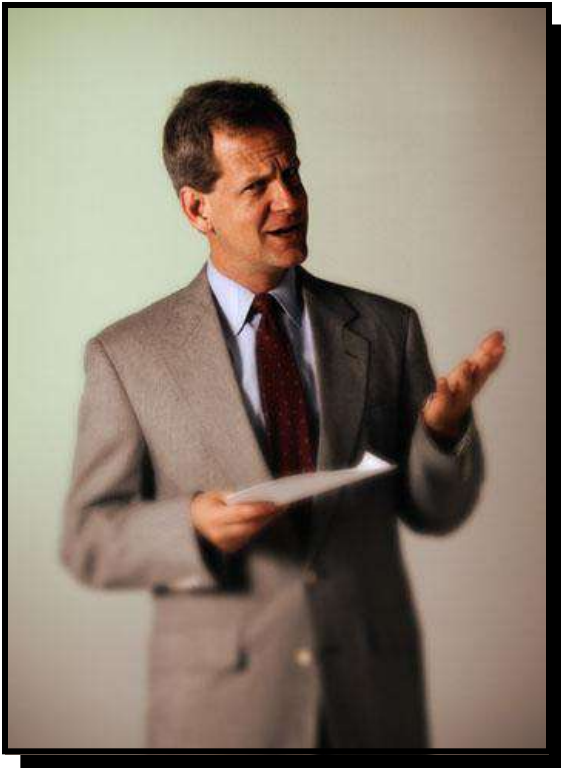
Appraising Self Regulation



Federal Government Agencies Involved in the Regulation of Advertising and Promotion



Advertising and the First Amendment



Freedom of speech or expression is the most basic federal law that governs advertising and promotion

Speech promoting a commercial transaction is protected but must be truthful

Freedom of speech must be balanced against competing interests such as advertising of harmful products

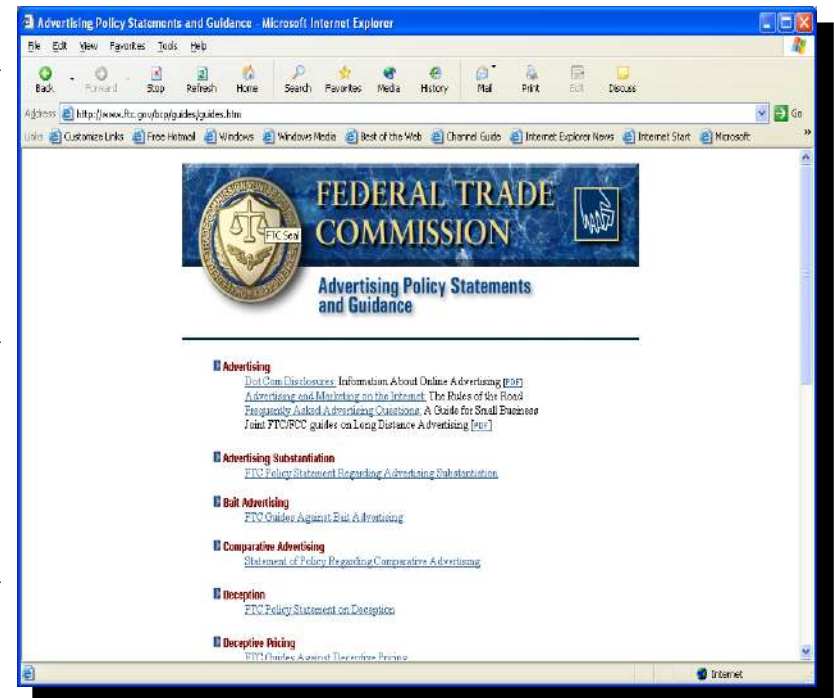
Federal Trade Commission

Created By FTC Act (1914)

Wheeler Lea Amendment
(1938) Made Deceptive
Practices Unlawful

Three Major Divisions

- Bureau of Consumer Protection
- Bureau of Economics
- Bureau of Competition



Deceptive Advertising: Key Elements



Likelihood of Misleading
Consumer

Perspective of Reasonable
Consumer

Materiality – Misrepresentation
or
Practice Is Likely to Affect
Consumers'
Purchase Decision

Puffery: Some Examples

Advertising or other sales presentations which praise the item to be sold with subjective opinions, superlatives, or exaggerations, vaguely and generally, stating no specific facts

Bayer –
“The wonder drug
that works
wonders”

BMW –
“The ultimate
driving machine”

Nestle –
“The very best
chocolate”

Snapple – “Made
from the best stuff
on earth”



Ways the FTC Deals With Deceptive Advertising

FTC Programs to Prevent Deceptive Advertising

Affirmative Disclosure

Advertising Substantiation

FTC Programs to Deal With Deceptive Advertising After It Occurs

Cease and Desist Orders

Corrective Advertising

Suing a competitor under the Lanham Act

Elements Required To Win a False Advertising Suit Under the Lanham Act

False statements have been made about advertiser's product or your product

The ads actually deceived or had the tendency to deceive a substantial segment of the audience

The deception was "material" or meaningful and is likely to influence purchasing decisions

The falsely advertised products or services are sold in interstate commerce

You have been or likely will be injured as a result of the false statements, either by loss of sales or loss of goodwill

Regulation of Sales Promotion

Contests and Sweepstakes

Cannot Require Purchase to Enter

Rules and Details Must Be Disclosed To Consumers

Premiums

Cannot Misrepresent Their Value

Care Must Be Taken With Special Audiences Such As Children

Regulation of Direct Marketing

Self-regulation Occurs Through Various Industry Groups



FTC and US Postal Service Police Direct-response Advertising Closely



Telemarketing Faces Increased Regulation Including the



Telephone Consumer Protection Act of 1991



Pay-per-call Rule



Development of “Do-not-call” Registry by FTC

The FTC Protects Consumers From Unwanted Calls



**NATIONAL
DO NOT CALL
REGISTRY**

Created by the Federal Trade Commission to Allow Consumers to Limit the Calls They Receive From From Telemarketers

Does Not Cover Calls From Political Organizations, Charities, Telephone Surveyors, or Companies With Which the Consumer Has an Existing Relationship

Took Effect in October 2003. Over 50 Million Consumers Registered

Companies Calling Consumers on the Registry Subject to a Fine of up to \$11,000 Per Incident

Issues Regarding Marketing on the Internet



Banning Unsolicited
Emails (SPAM)

Privacy Issues Such As
Profiling and Collecting
Personal
Information

Protecting Children
When
They Are Online

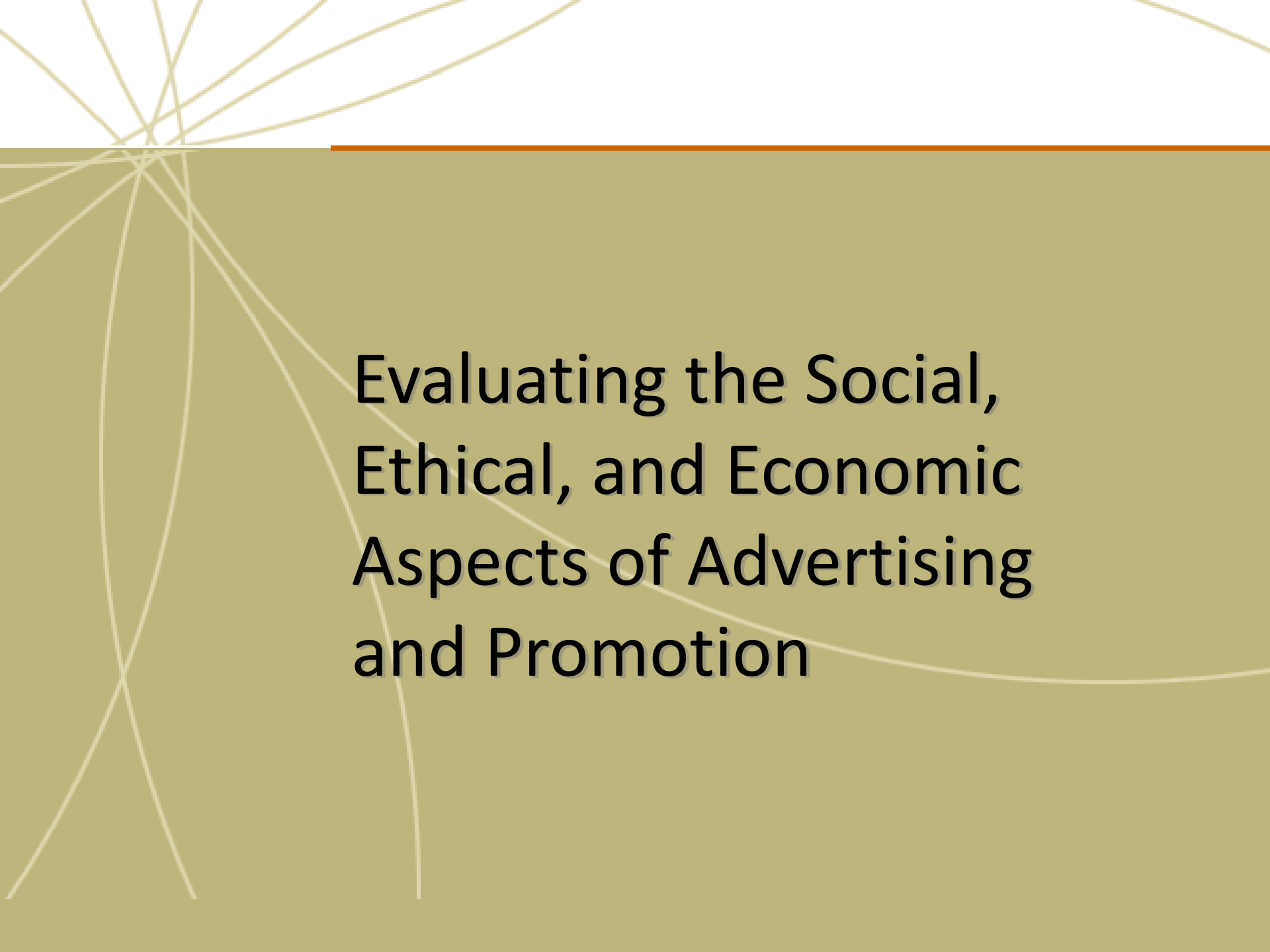
Children's Online Privacy Protection Act



Enacted to Protect the Privacy
Of Children When They Are
Using the Internet

Places Restrictions on Collecting
Information From Children Via
The Internet

Privacy Policies Must
Be Posted on Home Pages
And Area Where Information
Is Collected



Evaluating the Social, Ethical, and Economic Aspects of Advertising and Promotion

Advertising and Promotion: Two Viewpoints

Proponents Argue That Advertising and Promotion:

Provides Information

Encourages A Higher Standard Of Living

Creates Jobs and Helps New Firms Enter a Market

Promotes Competition in The Marketplace

Critics Argue That Advertising and Promotion

Creates Needs and Wants Among Consumers

Is More Propaganda Than Information

Promotes Materialism, Insecurity and Greed

Ethics in Advertising and Promotion

Ethics: Moral principles and values that govern the actions of an individual or group.

Not All Issues Can Be Regulated

A Marketing or Promotion Action May Be Legal but Not Considered Ethical

Marketers Must Make Decisions Regarding the Appropriateness of Their Actions

Advertising and Promotion as Untruthful or Deceptive



General Mistrust of Advertising and Among Consumers. Many Do Not Perceive Ads As Honest or Believable

Abuses Involving Sales Promotions Such As Contests, Sweepstakes, Premium Offers

Unethical And/or Deceptive Practices Involving Mail Order, Telemarketing and Other Forms of Direct Marketing

Internet Scams and Abuses

Advertising as Offensive or in Bad Taste

Objections to Advertising Of Certain Products

Use of Sexual Appeals And/or Nudity

Use of Shock Ads



You'd be amazed at what I used to go through to buy condoms.

We've all been through it. That whole embarrassment thing when it comes to buying condoms. There you are, facing a sea of condom boxes, when someone walks by. You quickly pick up toothpaste, mouthwash, anything to avoid people knowing what you really came in for. Well, thanks to LifeStyles, I've finally put my depresses in the drawer.

LifeStyles makes your choices easier.

LifeStyles made the choice in one part of my life a lot easier by making a condom I can feel good about. Plus, they made it a breeze to select the box of LifeStyles that's right for me by color-coding all their packages. And make sure you call for their great booklet on sex in the 90's. You'll love it, and it's free.

Win a fabulous getaway for two! Just enter LifeStyles Sweepstakes and you and a friend could win a 3-day pass from reality to some *Living it Up in The 90's* super destinations like Cancun and Las Vegas.

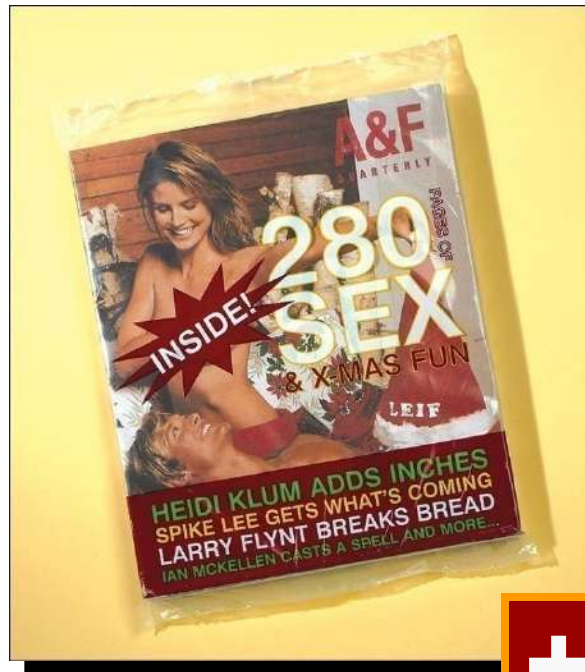
LifeStyles. Finally, someone seems to understand my crazy life.

For a FREE LifeStyles sample, our booklet on "Choices, Condoms & Sex in the 90's" and details on how you can win an exciting getaway for two, call 1-800-405-0080

LifeStyles
CONDOMS

Making your choices easier.

NO PURCHASE NECESSARY. Prize is for two and valid only in the U.S. Ends 12/31/99. See rules at www.lifestyles.com. Sweepstakes ends 12/31/99. Void where prohibited.

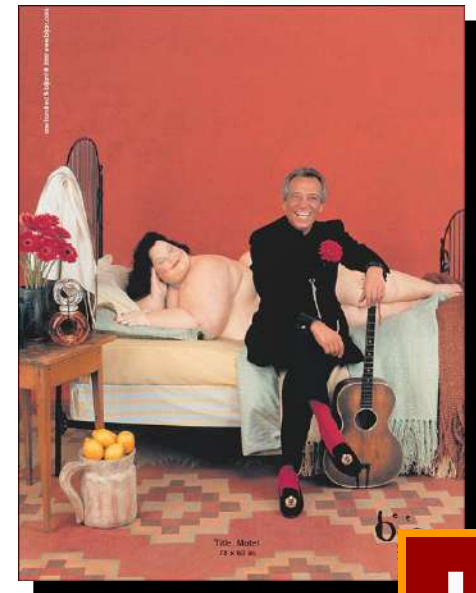


A&F
ARTERY

280
SEX
& X-MAS FUN

LEIF

HEIDI KLUM ADDS INCHES
SPIKE LEE GETS WHAT'S COMING
LARRY FLYNT BREAKS BREAD
IAN MCKELLEN CASTS A SPELL AND MORE...



Motel
73 x 101 sq. ft.



Advertising and Children

Children's TV Watching Behavior

Children between ages 2-11 watch on average 21.5 hours of TV per week and may see 22,000 commercials per year

Television is an important source of information for children about products

Perspectives on Advertising to Children

Consumer Advocates Argue That Children Are Vulnerable to Advertising Because:

They Lack the Knowledge and Skills to Critically Evaluate Advertising Claims

They Cannot Differentiate Between Programs and Commercials

While Marketers Argue That:

Children Must Learn Through the Socialization Process

Need to Acquire Skills Needed To Function in the Marketplace

Social and Cultural Consequences of Advertising

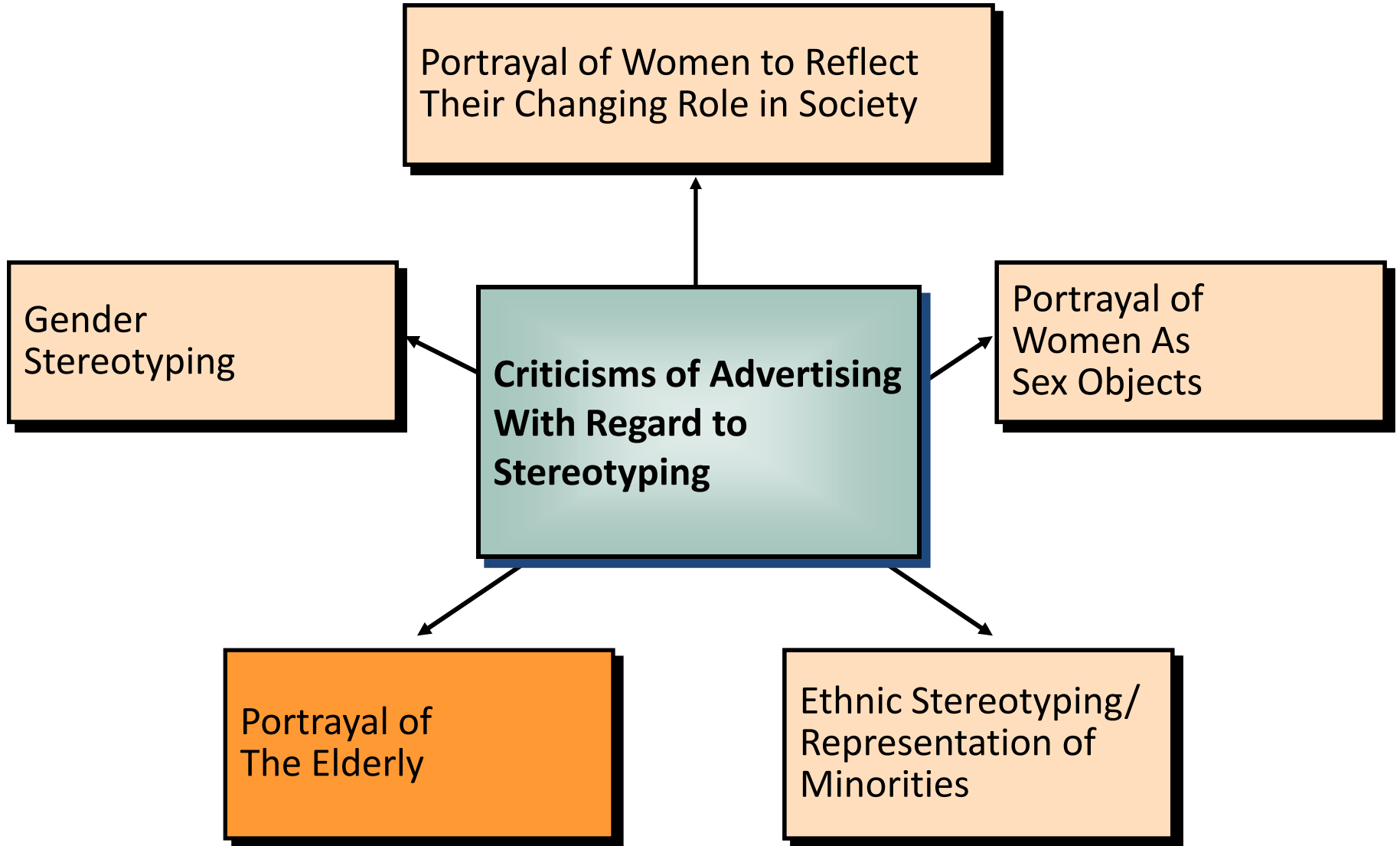


Does Advertising Make People Buy Things They Don't Need?

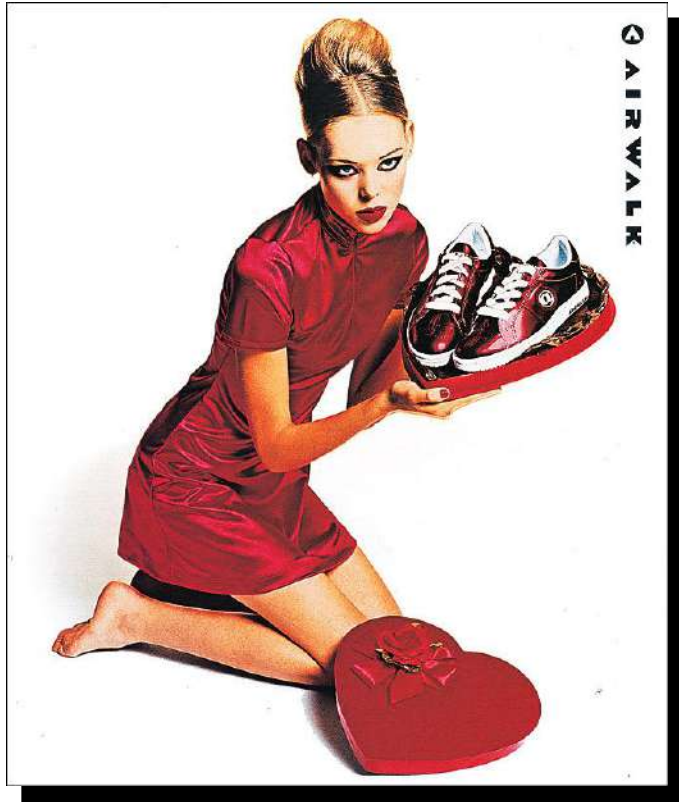
Does Advertising Encourage Materialism?

Is Advertising Just A Reflection of Society?

Advertising and Stereotyping



What is your opinion of this ad?



Is This Woman Portrayed As a Sex Object?

Does This Ad Contain Cues That Are Sexually Suggestive?

Does This Ad Present an Image of Sexual Submissiveness?

Do Advertisers Control the Media?



Advertising Is the Primary Source of Revenue for Newspapers, Magazines, and Television and Radio Networks and Stations

The Media's Dependence on Advertising For Revenue Makes Them Vulnerable To Control by Advertisers

Advertisers May Exert Control Over The Media by Biasing Editorial Content, Limiting Coverage of Certain Issues or Influencing Program Content

Do Advertisers Control the media?

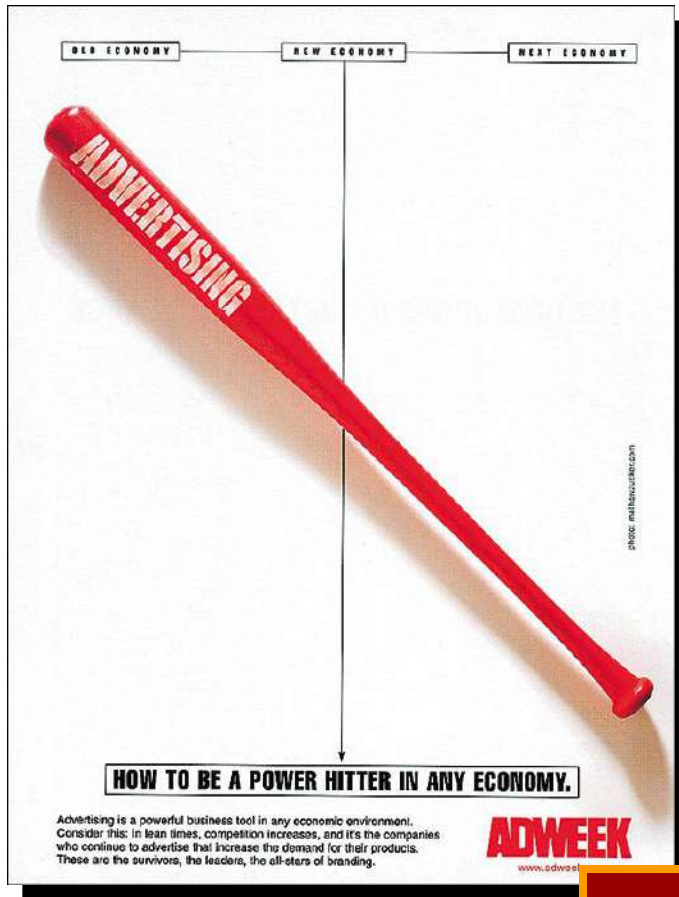


They Must Report the News Fairly and Accurately to Retain Public Confidence

Advertisers Need the Media More Than the Media Need Any One Advertiser

The Media Maintain Separation Between News and Business Departments “The Wall”

Role of Advertising in the Economy



Making Consumers Aware of Products and Services

Providing Consumers With Information to Use to Make Purchase Decisions

Encouraging Consumption and Fostering Economic Growth

Economic Impact of Advertising



Effects on Consumer Choice

- Differentiation
- Brand Loyalty

Effects on Competition

- Barriers to entry
- Economies of scale

Effects on product costs and prices

- Advertising as an expense that increases the cost of products
- Increased differentiation

Advertising Helps New Competitors Enter the Market



Romancing the steel.

Its Italian styling is bits to your eyes, and its German engineering is fuel to your soul. The feel of leather on the steering wheel and the gear knob echoes refinement. The music from the CD-changer with graphic equalizer sweetens your mind. The refreshing breeze from the automatic climate control soothes your body. The tactile control system keeps you on your path. A Haven, you say? Yes, it's all about comfort, even the price. Get to know the Leganza. It'll be love at first sight. www.daewooUSA.com • 1-877-GO-DAEWOO

