

Chapter 1

Integrated Marketing Communications: An Overview

Learning Objectives

Students will be able to:

1. Appreciate the role of integrated marketing communications planning in business today
2. Identify the components of the integrated marketing communications mix
3. Identify the conditions that have led to the emergence of integrated marketing communications
4. Assess the information needed to identify and select target markets
5. Explain how knowledge of consumer behaviour concepts influence marketing communications strategies
6. Identify basic ethical issues confronting marketing communications practice
7. Describe the role that laws and regulations play in guiding marketing communications in Canada

Chapter Highlights

Changes in the marketplace, changes in the media communications industry, and changes in customer behaviour have created an environment in which customers are approached in a very different manner. Organizations are now looking for “total communications solutions” and are searching for expertise that will provide it. Disjointed marketing communications strategies are a thing of the past; organizations want integrated marketing communications strategies to resolve their business problems. Organizations today are searching for complete solutions to their communications needs and in that respect are calling upon experts in various marketing communications areas to get the job done.

Change is occurring rapidly, mainly due to technology. Consequently, organizations are finding it necessary to blend new digital communications techniques with traditional mass media techniques. For instance, more advertising is placed on the internet and on social media outlets.

A. The Integrated Marketing Communications Mix

Integrated marketing communications involves the coordination of all forms of marketing communications into a unified program that maximizes the impact of the communications on customers. Today, this must include an effective and well-planned social media strategy. It embraces branding strategies, packaging strategies, media strategies in traditional and non-traditional media, and other forms of communications such as personal selling, sales promotion, events and sponsorships, and public relations. Any customer touch-point is part of integrated marketing communications. The fundamental nature of each form of communications can be described as follows:

- **Advertising** – Is the placement of persuasive messages in time and space purchased in any of the mass media by organizations who seek to inform and persuade members of a target market about their products, services, organization, or ideas. Advertising embraces message and media strategies that are designed to encourage awareness and interest for a brand or company.
- **Promotional Advertising** - Advertising is usually product-oriented, that is, it communicates something unique about the brand; or it is promotional-oriented, that is, it communicates some incentive to motivate customers to take some desired action.
- **Direct-Response Communications** – A form of communications that can reach an audience directly (without the use of traditional mass media). The most common forms of direct-response advertising are direct mail and direct-response television.
- **Digital (Interactive) Communications** – In an integrated marketing communications context digital communications are commercial messages for an organization placed on the Internet, a cell phone or other personal electronic device or a DVD. Technology is fuelling the movement towards electronic forms of communications. Internet advertising, social media, Web site communications, and cell phones are effective media for reaching consumers, particularly younger consumers. Mobile communications represent a third screen to reach consumers with a video message. These forms of communications play a bigger role in the communications mix now and in the future.
- **Sales Promotion** – Activities that stimulate immediate reaction from consumers and distributors. Sales promotions embrace consumer promotions such as coupons, contests, and premiums that help pull a product through the channel; and trade promotions such as discounts and allowances that help push the product through the channel.
- **Public Relations** – A form of communications that is designed to get public understanding and acceptance. Public relations messages influence the attitudes and opinions of interest groups to an organization. Unlike advertising, which is paid for, public relations attempts to get “free” exposure for a brand or company. The goal is to generate a positive attitude toward the product or organization. It also plays a key role when a company finds itself facing a crisis situation. Company sourced social media is now an effective and critical part of public relations.
- **Experiential marketing** – Is a blend of marketing communications disciplines that engage people with a brand in a more personal way. The core of experiential marketing is event marketing where consumers are immersed in a branded experience. The experience could be anything from attending an event where a sponsor’s product is freely distributed to devising a specific branded event that becomes the focal point of an entire integrated marketing communications campaign. Event marketing, therefore, involves planning, organizing, and marketing an event whether it is an event for a company or a brand of a company that integrates a variety of communications elements.
- **Sponsorship** is considered to be a key piece of experiential marketing, and simply means that a company provides money to an event in return for specified marketing privileges for being associated with the event. Events and sponsorship programs are designed to build the image of the organization or brand. An organization can reach a consumer in an environment where they are more receptive to messages. Experiential marketing is a growing component of the marketing communications mix. Marketers are attracted to events because they reach their target market directly and improve brand awareness when associated with the right event.

- **Personal Selling** – The delivery of a personalized message between a seller and a buyer. Personal selling plays a key role in delivering messages to distributors who resell products and to consumers who shop at retail locations. Knowledgeable salespeople play a key role in building consumers' perceptions about a product.

The integration of these components to present a unified message creates a higher level of impact on the target audience. An organization selects the components it feels are best suited to meeting the business objectives at hand.

B. Factors Encouraging Integrated Marketing Communications

Today, companies use a cooperative approach to communications problem-solving and planning. Several key issues and trends affect and will continue to affect marketing communications practice:

- **Digital Communications Technologies** – The Internet and mobile communications devices are now vital mediums for communicating information about goods and services and conducting business transactions with customers. With consumers' eyeballs shifting from the "big screen" (television) to the "small screen" (laptop computers and mobile devices) companies are reacting and are experimenting with new media communications mixes to more effectively reach and have an impact on their target audiences. Interactive forms of communications are the outcomes of database management programs. Information that can be collected online is analyzed and used to design more effective messages. Younger generations that have grown up with technology are fuelling this trend towards digital media consumption. Text messaging and the downloading of video content that includes ads is growing. Also, mobile communications has a personal link to customers
- **Media Consumption Trends** – There is movement away from traditional media towards electronic media alternatives. Therefore, an organization must reassess its budget allocations and adapt to the changing tendencies of its target market. The proliferation of digital technologies such as the Internet, SMART TV, smart phones, and tablets have resulted in a variety of new ways of reaching consumers. Newspapers and magazines are preferred in their online version, TV on demand and streamed online are growing in popularity. The popularity of social media websites such as Facebook, Twitter, LinkedIn and YouTube is also causing changes in media consumption. Marketing communications need to use these digital media and try to grab customers' attention in the ever increasing, connected digital world.
- **Database Management Techniques** – Companies today collect and analyze information continuously in order to predict how likely the customer is to buy, and then develops a communications plan precisely designed to meet the unique needs of the customer. Organizations now possess the capability to communicate with customers individually, rather than collectively.

Relationship management programs are concerned with establishing, maintaining, and enhancing long-term relationships. Effective programs give the customer the first and final say, and all employees and communications programs are designed to satisfy customer needs. Successful organizations think customer all of the time! A good CRM program gives equal attention to attracting new customers and retaining existing customers. For example, media activities attract new customers while loyalty-oriented promotions help retain existing customers.

- **Demand for Efficiency and Accountability** – Marketing budgets are scarce and organizations demand a reasonable return for their investment in marketing communications. There is intense pressure on managers to design and implement programs that will have a positive influence on business. Consequently, digital media forms that are measurable are popular with senior executives; another reason there is movement toward such electronic media forms.

C. Consumer Behaviour Essentials

Consumer behaviour is the study of how people buy, what they buy, when they buy it, and why they buy. Essentially, consumer behaviour is the psychology behind marketing and the behaviour of consumers in the marketing environment. Effective marketing communications campaigns are rooted from a solid understanding of essential consumer behaviour concepts:

Needs and Motives – Individuals have a **need** when they perceive the absence of something useful; a **motive** is a condition that prompts the individual to satisfy the need. An appealing presentation of a product's benefits acts as a source of motivation.

Maslow's hierarchy of needs and theory of motivation has an impact on marketing communications strategy. The theory is based on two assumptions:

1. When lower level needs are satisfied, a person moves up to higher level needs.
2. Satisfied needs do not motivate. Behaviour is influenced by needs yet to be satisfied.

Individuals pass through five levels of needs: *physiological needs, safety needs, social needs, esteem needs, and self-actualization needs*. People are more alert about and receptive to communications that meet their needs. Teenagers for example, are tuned into messages from fashion retailers to ensure they wear the right clothes—their social needs are a priority and clothing and accessories play key role in social acceptance.

Personality and Self-Concept – This refers to a person's distinguishing psychological characteristics; characteristics that are influenced by family, friends, and society. The self, as explained in the Self-Concept Theory has four components:

- *Real Self* – You as you really are
- *Self-Image* – How you see yourself
- *Looking-Glass Self* – the way you think others see you
- *Ideal Self* – How you would like to be

Organizations understand that goods and services that help fulfill the looking-glass self and ideal self are appealing to consumers. The importance of self-image today is being expressed by male consumers who are demanding more personal care products that make them look and feel good about themselves. Both sexes are concerned about aging—they want to look and feel younger, hence the blitz in marketing activity for products such as face scrubs, moisturizers, and cleansing products are now very popular.

Attitudes – **Attitudes** are an individual's feelings, favourable or unfavourable, towards an idea or object. Typically, an organization presents its products in accordance with prevailing attitudes. A more liberal-minded society has opened up opportunities for marketing organizations to approach the gay and lesbian community. Previously, marketers avoid this target market for fear of alienating their core target. Toyota showed an ad on television where two young females were kissing—very progressive. Marketers must keep track of attitude changes.

Perceptions refer to how individuals receive and interpret messages. People perceive the same product differently, and for a variety of reasons. Perceptions differ because individuals are selective about the messages they receive and retain. There are three levels of selectivity:

- *Selective Exposure* – Noticing information of interest
- *Selective Perception* – Screening out messages that are in conflict with attitudes and beliefs
- *Selective Retention* – Remembering only what we want to remember

The challenge is to penetrate the perceptual barriers by designing messages and media strategies that will command attention and spur action. Consumers tend to tune out messages they don't like or get annoyed by—too much of anything is not a good thing it seems. Conversely, if the consumer is contemplating buying something, say a new television or automobile, they suddenly tune in messages from products in these categories.

Reference Groups – Groups of people that individuals associate with have considerable impact on behaviour and buying decisions. When an individual joins a group there is tremendous pressure to conform to the group's norms—to fit in! You do what the group does. You wear what the group does, and so on. In the case of a fraternity, if a certain brand of clothing such as Polo or Ralph Lauren is popular with key members, then new members or members with less seniority will likely wear that brand.

Family Influences – Each member of a family has some influence of the behaviour of the family unit and the buying decisions of that unit. Marketing organizations must be aware of the changing roles and responsibilities within the family and adjust their strategies accordingly. Household decisions are often shared decisions and the sharing may be between two adults or a child and an adult. Therefore, marketing communications must be aimed at both males and females. Their messages, as expressed in all media forms, must reflect contemporary lifestyles. Double targeting are marketing strategies aimed at both genders.

D. Business and Organizational Buyer Behaviour

Consumers buy on emotion; organizations make more rational decisions. The business- to- business (B2B) market is quite different from the consumer market. The B2B market is: smaller, concentrated geographically; the buying criteria are very practical; and a formal buying process is used in order to make informed buying decisions.

The key criteria are:

- *Quality* – consistent quality on every order
- *Service* – prompt service initially and ongoing
- *Continuity of Supply* – long-term supply to ensure for efficient production of goods
- *Price* – price is evaluated in the context of other criteria (long-term savings could outweigh low initial price).

In terms of process an organization will use a buying committee or buying center. A **buying committee** is usually comprised of representatives from key areas such as marketing, production, engineering, finance, purchasing, and so on. Participants are comforted to know that costly decisions are shared decisions.

A **buying center** is an informal structure and process with members involved in certain roles:

- *Users* – Those who use the product
- *Influencers* – Those who assist in defining specifications
- *Buyers* – Those with authority and responsibility to select suppliers
- *Deciders* – Those with the power to select the actual supplier
- *Gatekeepers* – Those who control the flow of information to others

If this process is used, the marketer must identify key individuals and then develop appropriate and effective communications strategies to reach and influence those individuals. From the IMC mix, personal selling and direct forms of communications are vital components for influencing business buyers.

E. Integrating and Partnering Influences B2B Communications Strategies

Business-to-business marketing organizations have embraced customer relationship management and marketing practices much quicker than business-to-consumer marketing organizations. The formation of partnerships and collaborative practices among members of a channel of distribution is now very common.

The Internet has created buying opportunities (and problems) through e-procurement. **E-procurement** refers to an all-inclusive system that allows buyers and sellers to continuously interact with each other. The combination of customer relationship management and e-procurement encourages long-term relationships among participants and presents a situation where participants are directly influenced by the decisions of other participants.

Communications strategies for reaching B2B organizations will evolve with technology. Creating awareness through traditional media is the first step. Event marketing and trade show participation keep a product on the buyer's radar screen and direct-response communications help create interest and desire. Web-based communications are also essential in B2B marketing. Like consumer marketing, the same media tools are employed. However, the weight given the various components is quite different.

F. Ethical Issues in Marketing Communications Practice

The way an organization communicates is always under review by the public and critics of the marketing communications industry. Rightly or wrongly, planned or unplanned marketing communications sometimes deliver messages that spark controversy. Many organizations tolerate the controversy as long as the campaign is delivering sales while others bow to public pressure and remove offending messages. The following issues make headlines on a regular basis.

- *Privacy Issues in an Online World* – Data collected by organizations should not be used illegitimately. Data is available quickly and gives marketers the ability to focus their communications on personal interests. Consumers increasingly fear their privacy is being invaded. PIPEDA (Personal Information Protection and Electronic Documents Act) provides guidelines on the disclosure of customer information.
- *Sex in advertising* – A common complaint about advertising revolves around the use sex to sell something. As an old saying goes "Sex Sells!" Using sex to sell a product is natural, but the question is how much sex – what is considered to be gratuitous. Advertisers must walk a fine line between what is tasteful and what is distasteful.

- *Extreme Marketing Communications* – When a marketer goes to extremes to get a message across, such as using disturbing situations or creating worrisome situations via email, ethical practice is being challenged.
- *Misleading advertising* – Sometimes ads can mislead the public or simply misrepresent the brand. Sometimes the public misinterprets the advertiser’s message and the campaign backfires. The control of misleading advertising is the responsibility of Advertising Standards Canada.
- *Exaggerated green claims* – With a renewed public focus on the environment and sustainability, advertisers have been busying themselves making claims about how green their products and services are, and how they protect or minimize negative impacts on the environment. Recent market research shows that Canadians are considered the environmental impacts of their products and services when they make their purchases. Companies run into problems when they exaggerate these claims, or by telling half-truths or by only presenting part of the argument for and against buying a product or service.
- *Targeting Children* – Advertising messages directed at children often bypass parents. As a result, parents are concerned about the content of these messages, which have a powerful influence on the child’s behaviour. Children may start demanding higher-priced “in” goods when parents prefer to buy less expensive alternatives. In other words, at what age do children become “brand conscious”
- *Cultural Diversity* – Canada is an increasingly diverse country from a cultural point of view, particularly our largest metropolitan centers. Advertisers must make strides to ensure that their communications efforts reflect this diversity, or risk alienating certain ethnic populations who feel they are under-represented in contemporary IMC campaigns.
- *Laws and Regulations Governing Marketing Communications* – The marketing communications industry in Canada is highly regulated. Regulation and control come from Advertising Standards Canada, which administers regulations based on codes of practice that are voluntarily established; and the Competition Bureau (a federal agency) through the Competition Act which established laws and regulations for all marketing activity in Canada.

The rapid pace of change in business today has forced organizations to re-examine and change the way they communicate with customers. A key issue facing organizations today is the increasing use of digital media and social media by consumers. Mobile media is growing as a preferred source. Privacy concerns are growing along with this rise of digital media. More than ever before, organizations are demanding integrated marketing strategies to help resolve marketing problems and to take advantage of new opportunities.

Answers to End of Chapter Questions

Review Questions

1. The components of the integrated marketing communications mix include branding strategies (e.g., brand name, logo and trademarks), the package itself, and various traditional and non-traditional media forms. Traditional media include television, radio, newspaper, magazines and a host of out-of-home advertising alternatives. Non-traditional and integrated media include direct-response communications (direct mail, direct response television and instant text messaging), Internet-based communications, sales promotion, personal selling, public relations, and event marketing and sponsorships.
2. Product advertising provides information and helps build an image for a product, while promotional advertising is designed to accomplish a specific task – usually to communicate a

special offer to elicit some kind of immediate response from the customer. Including some kind of coupon or contest promotion with a print advertisement, for exam, is a form of promotional advertising.

3. The emergence of integrated marketing is attributed to trends such as the development of, and interest in, customer relationship management programs, database management techniques, constantly changing technology that is altering the way we communicate, and the demand for efficiency and accountability in organizations. Changes in consumer media habits are another key factor.
4. Consumers tend to be influenced by their emotions. Therefore, a sound knowledge of fundamental consumer behaviour concepts is essential in order to devise marketing communications strategies that “press the right buttons.” Individuals are receptive to messages that are congruent with their needs, what they need now or what they may need in the future. Maslow’s theories help to explain levels of consumer needs. Effective communications show how a certain product will satisfy those needs and the message will be presented a convincing manner appropriate for the customers being targeted.
5. The self has four components: real self (you as you really are); self-image (how you see yourself; looking-glass self (how you think others see you); and ideal self (how you would like to be). It is common for messages to focus on the looking-glass self and ideal self since consumers like to feel good about the products they purchase. The next level of fulfillment is attractive to people.
6. Assessing attitudes is very important. Communications strategies should be devised in accordance with the prevailing attitudes of the target market. Not to do so, presents risk and whenever attempts are made by communicators to change attitudes, the costs are much greater. Effective marketing research programs allow an organization to stay in touch with their customer’s attitudes. Investing money in research to gain knowledge will save money in the long-term; money that may be wasted sending out ineffective messages.
7. Peer pressure from reference group members is a significant influence on buyer behaviour. The desire to “fit in” is paramount so actions taken by a group member are designed to ensure that they fit in. This may influence decisions on what to wear, what to eat and drink, what music to listen to, what activities to participate in, and so on. Members of a group are attracted to products that show a meaningful association with the group. Mountain Dew, for example, effectively portrays a lifestyle that is popular with a segment of the teenage population.
8. Double targeting refers to marketers needing to consider multiple target markets within a household, whether its parent and child, or male and female. For most products and services there may be one decider but multiple influencers in the household. Children are exerting more and more influence in household purchases, and have more informational resources at their fingertips. Purchasing patterns and roles and responsibilities are continually being redefined, and many typical male or female slanted purchases are now being influenced by the other sex or have become joint purchase decisions. For example, Car buying was typically a male dominated activity – but women are exerting more and more power over this important purchase, and the automotive companies are responding with more female influenced and family friendly designs and innovations.
9. Buyers in business and industry are rational in nature. Before making a buying decision, particularly on goods or services where the cost is high, careful attention is paid to a predetermined list of criteria. The criteria normally include quality, service, continuity of supply,

and price. Price is usually considered in conjunction with the first three criteria. The lowest price is not always selected since long-term cost savings could outweigh a low initial price.

10. A buying committee is a formal arrangement employed by business organizations to evaluate prospective suppliers. The committee draws upon cross-functional expertise within the company and collectively the members of the committee evaluate suppliers and make decisions that are in the best interests of the company. Decisions made are shared decisions. A buying center is an informal structure where participants have varying levels of authority and control. In this situation, marketers must identify the members with authority and focus their efforts on them if a decision is to go their way. They must also impress members who influence the decisions, but do not actually make the decisions.
11. The Competition Bureau is a government body responsible for the administration and enforcement of the Competition Act, a law that governs business conduct and marketing practices in Canada. Advertising Standards Canada is the industry body committed to creating and maintaining community confidence in advertising. Its mission is to ensure the integrity and viability of advertising through industry self-regulation.

Discussion Questions

1. More and more Canadians are shifting their time from the “big screen” to the “small screen”, and in many households TV time has been replaced by Internet time. In the battle between the Internet and the TV, it seems the Internet is emerging as the clear winner. Recent data from Nielsen Research shows that the use of social media and blogging venues is growing at twice the rate of other internet options. In Canada, there are over 16 million Facebook members (48% Of the population). There are now 24.5 million wireless subscribers in Canada and 5.7 million subscribers of mobile broadband. More and more evidence is detailing this trend, and marketers are certain to be taking advantage of this cultural and technological change, by shifting their marketing spending from more traditional to new electronic channels such as digital media, social media, and mobile communications.
2. According to a major international study by London based MICE Group, experiential marketing is forecast to become one of the biggest growth areas in marketing in the next five years. Spending in this area is set to grow as marketing budget holders now believe that it offers considerable advantages over other marketing tools, especially in building brand loyalty and encouraging word of mouth recommendation amongst consumers. The majority of respondents (80%) described experience-based activities as being important within their marketing mix, accounting for around one third of their entire marketing budget; a percentage set to rise in the future (Source PR Newswire). Students should be able to cite the shifting landscape in marketing spending, and see online and experiential marketing as the benefits of a decline in spending in traditional marketing channels.
3. In the context of business-to-consumer marketing, relationship marketing communications strategies will be much more of a factor in the future. A company has to balance its spending so that it is investing in programs that attract new customers (for growth) and retain current customers (to find ways do making them buy more goods). Theory holds that the costs of retaining a customer are much lower than attracting a new customer. Therefore, a wise organization is managing the customer relationship in order to maximize the value of the customer. Marketing communications plays an essential role in keeping in touch with the customer to ensure that needs are being satisfied and to suggest how new products and services can be of use. Generally

speaking, traditional forms of communication can be used to attract customers while non-traditional forms of communications are better suited for customer retention and maintenance.

4. To get the students started you may ask them to go to a company website to examine the various types of marketing communications they integrate on their website. -The students should identify and evaluate the communications in the context of how they employ various aspects of consumer behaviour be it needs and motivation, personality and self-concept, attitudes or peer influences.
5. Since the answer calls for a strategic solution for building and sustaining a brand, student responses will vary. The objective is to get students thinking about how to best employ the various components of the marketing communications mix. They should first ~~also~~ consider the target market profile for each brand when making any recommendations and identify their preferred media.
6. Responses will vary based on the examples cited by students. Students may consider that Canadian standards are more conservative than those in Europe, but may be less so than those in other countries. Students should consider the impacts of risky or controversial messages, particularly as it relates to children and under-represented minorities. Successful communication is about finding a balance that is good for both you and your customers, but considers the needs of the society as a whole. You want to be able to push the creative envelope at times, but you don't want to court disaster by taking a message one step too far.