



Management School

Key Concept Overview

Tools of Integrated Marketing
Communications – Part 1

KMGT 678
Integrated Marketing
Communications

Week 4

Key Concept

Integrated Marketing Communications

The variety of methods that may be employed by organisations to communicate value to current and potential customers is referred to as the *promotional mix*. Promotion is about letting customers know of the products/services that organisations offer and the value that these products/services can offer to those who consume them.

Recall from last week that, in order for customers to consider buying a product/service, the product/service needs to be part of the 'evoked set'. The promotional mix represents the methods by which firms can create awareness of their products/services, thereby enabling the products/services to become part of the evoked set.

Rather than considering each element of the promotional mix as being a separate method that can be employed by firms in their efforts to create awareness, it is more realistic to appreciate that many of these tools are employed simultaneously. Of course, the range of tools used will depend on the marketing strategy of the organisation, as well as the budget that is available for integrated marketing communications. What is important is that all tools convey the same message and image; in other words, that they all speak with the same voice.

In 2014, Coca-Cola launched its 'Share a Coke' campaign. In this campaign, the traditional logos on its 20-oz bottles were replaced with the 250 most popular first names among American teenagers and Millennials. The campaign was extended in 2015 to include 1.25- and 2-litre plastic bottles, 8-oz. glass bottles and aluminium bottles. The names on the bottles were also extended to include nicknames such as: 'bro', 'better half', 'sidekick' and 'Class of 2015', as well as generic terms such as 'Team' and 'Family'.

This campaign has been successful not only in traditional media, but also on social media platforms, with Facebook and Twitter users expressing delight at having purchased a 'personalised' bottle of Coke.

The campaign helped to reverse a 10-year decline in Coke's sales in the US. In 2014 alone, sales of the 20-oz. bottles jumped by 19%.

Public Relations

The term *public relations* brings to mind other related terms such as lobbying, sponsorship, press releases and events management. This variety shows just how difficult it is to present a conclusive and definitive definition of *public relations*.

Sharma and Singh (2006) define *public relations* as: 'the management function which evaluates public attitudes, 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'.

The word 'public' is used a number of times in this definition. In the public relations world, the word 'public' is used to identify many groups of people that are the target audience of a public relations campaign. In fact, Hunt and Grunig (1994) define *public relations* as 'the management of communication between an organisation and its publics'. This definition gives an idea of the wide range of activities that come under the public relations umbrella.

Management of this function can be handled internally by an internal public relations department; alternatively, an organisation may decide to hire an outside public relations agency with expertise and experience.

Public relations tools

A number of public relations tools are available. These include press releases, annual reports and newsletters. Today, digital and online social media tools, such as Twitter and Facebook, are used extensively in order to get 'hits'. 'Hits' refers to the instances where a product, service, brand or company name is mentioned. The importance of 'hits' cannot be overlooked. The rationale is that the more that a company brand, name or product is mentioned, the higher customers' awareness of that company brand, name or product will be. Recall from last week – awareness can lead to being part of the evoked set.

Public relations functions

There are quite a few functions that are carried out through the employment of public relations. This section is designed to give an insight into some of these functions. Public relations can be used to create anticipation for a product, even before the product has been launched or before it has been advertised. Can you recall the last time that Apple released the latest version of its iPhone or related product? The chances are that the launch was preceded by media coverage of the device featuring its technology and functionality.

Public relations are also used to create and build positive images of brands, products and companies. Uniting a company with a cause is a popular method employed by public relations campaigns to present a positive image of that company. In 2012, Financial Times Stock Exchange (FTSE) 100 companies gave £2.5 billion to good causes. In the same year, Wal-Mart donated 4.5% of its 2011 pre-tax profits, helping to support approximately 50,000 charities.

Pepsi is an example of a company whose campaign for good causes actually backfired. In 2010, Pepsi's 'Refresh' campaign donated \$20 million to good causes. Customers were encouraged to use social media to vote for the charities that they felt were most deserving of Pepsi's charity. It was Pepsi's hope that this campaign would both raise awareness of the causes and build relationships with Pepsi's target market. Whilst the campaign was a huge success on social media, unfortunately for Pepsi, there were no accompanying positive commercial results. In fact, Pepsi's market share dropped by 6%.

Public relations has also been used to prevent or reduce damage to images that have occurred. In the face of much public concern about the effects of fossil fuel emissions on the global

climate, BP launched its 'Beyond Petroleum' campaign designed to promote the company as a leader in renewable and alternative sources of energy.

Sponsorship

Sponsorship is used to build brand loyalty and create a positive image of a brand or company. Recall from last week that marketing uses classical conditioning when a product is paired with a stimulus that elicits a positive response. As a result, that product will also experience a positive response. This is the aim of sponsorship in integrated marketing communications. The millions of dollars that are used by companies for the sponsorship of worldwide sporting events, such as the FIFA World Cup and the Olympic Games, is testimony to the value that these large companies place on the positive image of their brands generated through the association with these events.

At these events, sponsorship is employed as a marketing tool, enabling the companies to access a global market and overcome the language barriers associated with other promotional activities at national and local levels. Moreover, sponsorship can also enable companies to circumvent marketing and advertisement restrictions, an example being Virginia Slims' sponsorship of ladies' tennis events.

Advertising

In 2010, Clow and Baack estimated that the average person is subjected to 600 advertisements each day. Advertisements are delivered by a variety of media, and without a doubt, given new expansions such as the Internet and social media, the number of advertisements that the average person is exposed to may well be an underestimate.

Due to the vast amount of literature and theory that has been written on the subject, advertising could very well be worthy of a module on its own. However, this section of the Week 4 Key Concept Overview is designed to outline the place of advertising in the integrated marketing communications mix, and not to provide a complete discussion on it.

According to Kotler and Armstrong (2004, p.422), advertising is 'any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor'.

This definition implies that advertising is an element of the promotional mix employed by organisations in which payment is made to a third party for promotion of goods, services and brands. It is used by for-profit and not-for-profit organisations, as well as social agencies, to promote their causes to a wide audience.

It is also used for a wide variety of other purposes, from persuading consumers to purchase a particular product/service, to more socially oriented advertising that aims to convince an audience of the need for supporting a charity.

When developing an advertising campaign, four important elements need to be taken into account:

- Advertising objectives
- Advertising budget
- Advertising strategy

- Advertising evaluation

(Kotler and Armstrong, 2004).

Advertising objectives need to be aligned with and contribute to the overall integrated marketing communications objectives. When budgeting for an advertising campaign, organisations need to consider the amount of money that they can devote to the campaign, as well as estimate the return they expect from the campaign.

An *advertising strategy* refers to the message that the advertisers want to communicate, as well as the media source (or sources) chosen to communicate the message from the organisation to consumers. In selecting the media, campaigners need to take into account the target audience at which the campaign is aimed, along with the most appropriate means by which this audience can be targeted.

Much debate has been generated on the use of TV as an advertising media through which today's teens can be reached. With approximately 75% of teens owning smartphones, targeting teen audiences through the traditional media of television and radio may be a waste of time and money. Moreover, with some figures putting an estimate of 7½ hours per day that teenagers spend on their smartphones, it is no surprise that organisations are increasingly using mobile platforms to target this demographic.

Direct marketing

Direct marketing was first employed in the 1960s, and until the relatively recent developments in new technology-based platforms, was a successful approach to reaching targeted audiences through the use of direct-mail and mail-order methods. *Direct marketing* is an integrated marketing communications tool that focuses marketing efforts that appeal directly to a targeted audience.

Although direct marketing can take many forms, the key differentiator between direct marketing and other integrated marketing communications mix tools is that this form is immediate and customised. Importantly, it is also designed to be interactive, with feedback from consumers taken into account and directing future marketing efforts.

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