Chapter 17

Integrated Marketing Communications
Announcements

• Group project presentations
GOAL: Ensure that all the various marketing mix elements work together to deliver a **consistent** message

Campbell soups example:
- [http://www.youtube.com/v/W5ZM1cqpdT0](http://www.youtube.com/v/W5ZM1cqpdT0)
- [http://www.youtube.com/v/IN3c4rZJNd4](http://www.youtube.com/v/IN3c4rZJNd4)
IMC: Why is so important?

• Changes in communication technology
  – Instant access to information
  – Internet, social media, mobile

• Consumers are also changing
  – Access to many sources of information
  – Collect more product information on their own
The communication process

Sender (Firm) → Transmitter encodes message → Communications channel (Media) → Receiver (Consumer) decodes message

Noise

Feedback loop
The communication process

- Every receiver decode the message differently!
- Sender must adjust messages according to the medium and receivers’ traits

Feedback loop
Consumers

Communication Channel

Results

BING + Jay-Z: http://www.youtube.com/watch?v=XNic4wf8AYg
• What **consumers** this campaign is targeting?
• What is the **communication channel**?
• What are the **results**? What does impression mean?

BING + Jay-Z: [http://www.youtube.com/watch?v=XNic4wf8AYg](http://www.youtube.com/watch?v=XNic4wf8AYg)
Consumers: AIDA model

Communication moves users through several stages:

**Awareness**
- The ability to attract the attention of the consumers.

**Interest**
- The ability to raise the interest of consumers by focusing on advantages and benefits.
- The advertisement convinces consumers that they want the product or service.

**Desire**
- Leads consumers toward taking action by purchasing the product or service.

**Action**
- **THINK**
- **FEEL**
- **DO**
• Teaser ads
  – Reveal only a little about the advertiser or the product
    • Apple, BMW
Two types of awareness

1. Aided recall
   1. Consumers indicate they know the firm when presented to them

2. Top of the mind awareness
   • Ask for a product of service → firm is the first that comes to mind
• Teaser ads
  – Reveal only a little about the advertiser or the product
    • Apple, BMW

• Viral ads
  – Blendtec https://www.youtube.com/watch?v=IBUJcD6Ws6s
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• Stimulate senses
  – Supermarkets use their fresh bakery smells to stimulate purchases

SENSORY MARKETING: https://www.marketingweek.com/2016/01/18/top-sensory-marketing-trends-for-2016/
The customer must want to further investigate the product/service

- Apple relies on stores with the product easily accessible for consumers to gain interest through hands-on experience

- Celebrities
  - Lebron James signed the biggest Athlete endorsement deal in history with American brand Nike and it was disclosed as a life-time contract.

- Word of mouth
• I like it, I want it!
• Explain the **features** of the product or service and the related **benefits** and demonstrate how the benefits fulfill the need
  – Before and after ads
I like it, I want it!

Explain the **features** of the product or service and the related **benefits** and demonstrate how the benefits fulfill the need

- Before and after ads

1. **Confidence** they show in their product positively affects the audience as well.
2. **Credibility** - The visual element that represents the solution helps the users believe in the claim.
3. **Product** can solve popular problems, which in turn creates **desire** for the product.
• The final step is to **persuade** customers to take immediate action
  – In the advertising world, techniques involve creating sense of urgency
    • Extending an offer for a limited time or including a bonus to those who act within a specific time frame

*Lyft™ $750 Driver Bonus*

Make Up To $35/Hour Driving Your Car. Limited Time Offer - Apply Now!

lyft.com
• Firms need to rise **Awareness** and **Interest** about the product or service
• **Desire** → I like it, I want it!
• Drive customers to purchase the product or service (**Action**)
IMC Elements

**Interactive**
- Personal Selling
- Sales Promotions (e.g., contests)
- Direct Marketing (e.g., telemarketing)

**Offline**
- Advertising
- Sales Promotions (e.g., coupons)
- Public Relations
- Direct Marketing (e.g., catalogs)

**Online**
- Direct Marketing (e.g., mobile marketing)
- Online Marketing (e.g., blogs, social media)

**Passive**
- Direct Marketing (e.g., e-mail marketing)
• Most visible element of IMC
  – Both online or offline
  – Passive: no action required by consumers

• Extremely effective at creating awareness and generating interest

• Terry Tate Video: https://www.youtube.com/watch?v=RzToNo7A-94

• What do you think about this advertisement?
Kagatani Knives Ad
• Those in charge of managing the firm’s communication strategy
• Used in conjunction with other forms of IMC
  • Ads
  • Personal selling

• Can be used for both short-term (free samples, coupons) and long-term (credit cards, e.g., Macy’s) objectives
• Some products require the help of a salesperson
  – In general, if a product has a high unit value and requires a demonstration of its benefits, it is well suited for personal sale
    • House, car, etc.
  – B2B

• More expensive than other forms of promotion

• Salespeople can add significant value, which makes the expense worth it
• **Direct communication with target customers**
  – Increase a lot in the past few years
  – Why?
• **Direct communication with target customers**
  – Increase a lot in the past few years
  – Why?
    • Lots of data about customers
    • Allow personalization/targeting
Online marketing

- Article
- Copywriting
- Social Media
- Website Content
- SEO
- PPC
- Online Directories
- News
- Email Marketing
Today (almost) everyone uses websites to
- Build brand image
- Promote new products
- Sell products
- Customer service
• Online retailers/marketplaces
  – Amazon, Newegg, eBay

• Use **online word of mouth** (reviews)
  – Transactions
    • are anonymous
    • Geographically dispersed
  – Help in creating **trust and reputation**!
  – Good ratings increase sales and revenue
Southwest example

Southwest can learn what customers have to say—what they are interested in learning about products, company culture, and new product launches.
Airbnb example

Discuss and promote aspects of the platforms that are important for Airbnb’s customers
Online marketing: Social media

- Facebook, Twitter, Snapchat, LinkedIn, G+, Instagram.
  - Consumers-to-consumers interactions
  - Sharing content
  - Promote products
  - Define brand image
  - Reaching out to customers and users across the world
Social media: Twitter

**Delta**
@Delta

Take some pics of views like this then submit them to our #Below10kFeet contest! #AVGeek oak.ctx.ly/r/hb3f
8:06 AM - 13 Nov 2013

**Yelp Eat24**
@Eat24

You have friends. They like bacon. Eat24 delivers breakfast. Even when it's for dinner. Tell your friends.
10:55 PM - 19 Nov 2013

**Oreo Cookie**
@Oreo

If a friend eats your cookie, take 'em off your feed.
7:00 AM - 24 Sep 2013
Social media: Twitter

Contest: it creates awareness

Defines its image: delivers anything at anytime

Generates awareness/interest
• Advertising
• PR
• Sales promotions
• Personal selling
• Direct marketing (personalization)
  – It is becoming very popular today
• Online
  – Web, social media, blogs, etc
Results

• How can we measure the success of a marketing communication strategy?
How can we measure the success of a marketing communication strategy?

– It depends...
  • Need to understand goals of the strategy
    – Increment awareness, conversions (sales), etc.
  • Short-term or long-term goal
  • Type of channel
    – Traditional media, online, etc.
• How can we measure the success of a marketing communication strategy?
  – Traditional media
    • Frequency of exposure
    • Reach (% target population exposed)
    • Gross Rating Points (GRP)
    • E.g. 7 Ads in a Magazine, which reach 50% target segment, then GRP = 7 x 50
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    • E.g. 7 Ads in a Magazine, which reach 50% target segment, then \( \text{GRP} = 7 \times 50 \)
  – Web
    • Time spent on page, page views, clicks, where users come from, etc.
CASE: Google AdWords Campaign

coffee shop in New York City

– Video 1, Video 2

Get your ad on Google today

Be seen by customers at the very moment that they’re searching on Google for the things you offer. And only pay when they click to visit your website or call.

Free phone support: 1-855-312-3010 *

Three Houses Brothers:
https://www.youtube.com/watch?v=LDKYXDZdFU4&feature=youtu.be
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Start now

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The firm needs to choose the BEST keywords for the sponsored Ad search!
CASE: Google AdWords Campaign

coffee shop in New York City

What can we measure?

• **Clicks**
  • # of time a user click on the Ad

• **Impressions**
  • # of times the Ad appear in front of the user

• **Click Through Rates**
  • CTR = Clicks/Impressions

• **Return on Marketing Investment (ROMI)**
  \[ \frac{\text{Gross Margin} - \text{Expenditures}}{\text{Expenditures}} \times 100 \]
### Results

<table>
<thead>
<tr>
<th>Campaign</th>
<th>Keywords</th>
<th>Clicks</th>
<th>Marketing Expenditure</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Coffee shop local</td>
<td>110</td>
<td>$10/day</td>
<td>$70/day</td>
</tr>
<tr>
<td>2)</td>
<td>New York City Coffee shop fresh</td>
<td>40</td>
<td>$25/day</td>
<td>$80/day</td>
</tr>
</tbody>
</table>

- **Sales Margins (%) = 50%** (for every sale the owner make 50% of the total sale)

- \[ ROMI = \frac{\text{Gross Margin} - \text{Expenditures}}{\text{Expenditures}} \times 100 \]

**What campaign will you choose based on ROMI?**
### Results

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<tr>
<th>Keywords</th>
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<th>Sales</th>
<th>Gross Margin Sales = Sales x Gross Margin% = Sales x 50%</th>
<th>Gross Margin ($) = Col. 5 – Col. 3</th>
<th>ROMI = Col. 6 / Col. 3 x 100</th>
</tr>
</thead>
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<tr>
<td>Coffee shop local</td>
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<td>$70/day</td>
<td>$35/day</td>
<td>$25</td>
<td>250%</td>
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<td>$80/day</td>
<td>$40/day</td>
<td>$15</td>
<td>60%</td>
</tr>
</tbody>
</table>

ROMI = (Col. 5 – Col. 3)/Col. 3
• IMC: Use marketing mix element to deliver a consistent image of a firm
• We looked at
  – Consumers
    • Awareness, Interest, Desire, Action(Buy)
  – Elements
    • Many
  – Results
    • Need to understand your goals first
    • Different for different types of channel
• Social election: how social media can bias election
  – Facebook
    • In 61-million-person experiment, researchers show online social networks influence political participation, with close relationships mattering most

http://ucsdnews.ucsd.edu/pressrelease/facebook_fuels_the_friend_vote
• Social election: how social media can bias election
  – Facebook

Treated group + 280K votes!

Control group + 60K votes
• Social election: how social media can bias election
  – Twitter
    • A surprisingly high percentage of the political discussion taking place on Twitter was created by pro-Donald Trump and pro-Hillary Clinton software robots, or social bots, with the express purpose of distorting the online discussion regarding the elections
    – 4M Tweets (20% of total)!!

• Social election: how social media can bias election
  – Twitter
  • The presence of these bots can affect the political discussion in three ways
    1. influence can be redistributed across (suspicious) accounts
    2. the political conversation can become further polarized
    3. spreading of misinformation and unverified information can be enhanced

• Targeted advertising
  – Facebook lets advertisers exclude users by race
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  – Why?
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    • To test Ads on different segments
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  – Facebook lets advertisers exclude users by race
  – Why?
    • To test Ads on different segments
  – What do you think about it?
Example: Imagine you are being tasked with selecting bright students from two different ethnicities for an internship.
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  – Facebook lets advertisers exclude users by race
  – Why?
    • To test Ads on different segments
  – What do you think about it?