

8. Communicating to mass markets

Learning objectives

Upon completion of this chapter, you should have an understanding of the following:

- the role of Integrated Marketing Communication (IMC) to effectively communicate the marketer's message to its market audience
- the definition of the four components used in IMC: advertising, personal selling, sales promotion, and public relations
- the principles of effective communication and how they apply to marketing communication
- the primary steps followed in designing an IMC strategy
- the role and techniques associated with advertising
- the role and techniques associated with sales promotion
- the role and techniques associated with public relations
- the role and techniques associated with personal selling

American Express: communicating big ideas

Jerry Walsh has once again come up with a big marketing idea. Walsh, executive vice president of worldwide marketing for and the creative genius behind American Express, has discovered an idea that is exactly what he is looking for—something to replace the venerable "Do You Know Me?" ads and head off challenges from Visa and Diners Club. It is the ultimate in soft sell, he insists; the kind of pitch you are more likely to see on public television than on the networks. The ads don't talk to people about American Express as much as they talk to people about themselves, about their values and lifestyles. "This new campaign is going to cause tremendous excitement. It's what we do best—it's the Big Idea."

This is one in a long string of big ideas. Big ideas that have turned American Express in what some experts say is the nation's top marketer. Big ideas like the "Interesting Lives" ad campaign, which taught corporate America a whole new way of selling to women. Promotion like the company's cause-related campaign to aid the restoration of the Statue of Liberty that gave doing good deeds a gilt edge. Each time the credit card was used, the company made a donation, which netted USD 1.7 million for Miss Liberty and made millions for the company in fees from increased card use.

The ability of American Express to communicate to the public in new ways made it the most successful provider of credit cards, travel, and financial services. In 1993, the American Express card (the heart of the company's business) rang up nearly USD 80 billion in purchases in nearly 60 million separate transactions, making it the card most used by Americans.

Much of the credit for success must go to the manner in which American Express has taken big ideas and converted them into major marketing programs. The process begins with "the hunt". Big ideas can be found

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anywhere, by anyone—and everybody keeps an eye peeled. The "Interesting Lives" idea, for example, was buried deep in the copy of a new "women's" ad campaign, developed by their agency Ogilvy and Mather. Since the campaign began in 1983, the number of new card members who are women has jumped from 29 per cent to more than 50 per cent. Moreover, notes Walsh, "Big ideas make us unstoppable because they take the high ground. There's no way to counteract big ideas without imitating them."

American Express has a very unstructured corporate environment. Consequently, every big idea needs a "champion", someone who can charge ahead with the big idea with a minimum of restraint. Champions are allowed a free rein because management trusts their top people. Failure is no big deal at American Express. Marketing research does not drive the business—instinct does.

Since there are always four or five big ideas competing against each other, "battles" are inevitable. In the case of the American Express Platinum Card, the fights were particularly brutal. In meeting after heated meeting, opposing sides battled over the name, the price, the look of the card, etc. The champion of each idea openly battled each other. There are some rules though. No one attacks anyone personally. Everyone's friends the minute the battle is over, and absolutely no politics.

In the end, Walsh's idea may not win. His big idea has some formidable foes who think it is simply too soft of a sell. Walsh is far from defeat. He is constantly drumming up support and making subtle changes in the ads themselves. Even if his idea is not selected this time, he will not stop fighting. "My idea may retire briefly, but it won't die. We'll change it a little here, a little there, and, before you know it, it'll be reincarnated," says Walsh. "You don't win by wimping out."²⁸

Introduction

The case example clearly points to one of the most difficult problems facing marketers. How can a marketer clearly and effectively communicate the story (message) in a society that is so over communicated that the typical consumer is both overwhelmed with the vast number of messages and annoyed at the thousands of messages that have no relevance whatsoever to that person's needs and wants? The amount of sameness, and the amount of communication clutter is so excessive, that the approach employed by American Express appears to be the only answer. Yet, as we have noted throughout this text, the needs and capabilities of marketers vary, and not all marketers are blessed with a creative genius like Jerry Walsh. Nor do all marketers require a multimillion dollar national advertising campaign in order to reach objectives. All marketers, however, must learn to communicate their strategy to their target market.

The concept of Integrated Marketing Communication (IMC) is offered as a general framework, which can be employed by marketers in order to design a comprehensive and effective program of communication. It acknowledges the inherent differences between marketers and builds upon the reality that "every company is cast in the role of communicator". Ultimately, it is the choice of each company whether this communication process will be

²⁸ Sources: Mark Padden. "Amex's Blue Card Needs More Than Good Looks to Succeed," *Future Banker*, November 1, 1999, p. 52; "Advanced Cards 101: What Makes Them So Smart and So Secure?" *Canadian Business*, August 7, 2000, p. 15; "Magic Promotes Amex Blue Business Card," *Business and Industry*, Vol. 2000, No. 95, May 17, 2000, p. 1; Michael Dumiak, "Advertising Campaigns: Amex Unrivaled in Advertising Spending," *Financial Service Marketing*, Vol. 2, No. 4 May 15, 2000, p. 8.

performed in a haphazard, unplanned way, or whether it will be guided by stated objectives and implemented through effective strategies.

This chapter introduces the concept of IMC, a framework for organizing the persuasive communication efforts of the business. Because of its visibility, many consumers feel that they already know a great deal about IMC, or at least about advertising. Most hold either a somewhat positive or negative attitude toward advertising, aggressive salespeople, coupons, and so forth. This is a case when a little bit of information can be a dangerous thing.

This chapter also provides a discussion of four of the IMC mix elements—advertising, sales promotion, public relations, and personal selling. We begin our discussion with an explanation of the role IMC plays in the marketing strategy.

The role of IMC

The heart of every transactional exchange is communication between parties. The buyer seeks certain basic information about product features, price, quality, support service, reputation of the seller, and so forth. All this information is intended to assess how close each alternative is to meeting desired needs and wants. We seek information to reduce possible risk associated with the transaction. Presumably, the more solid the information we have, the more secure we feel in our decision. The seller also desires information. The seller wants to know whether you qualify as a buyer (i.e. do you really need the product and can you pay for it), which product features are important to you, what other choices you are considering, are you ready to buy, how much do you know about my product, and so forth. Therefore, all the parties enter a transaction with a whole set of questions they want answered. Some of these questions are quite explicit: "How much does it cost?" Others are quite vague and may almost be subconscious: "Will this product make me feel better about myself?" All these decisions relate to the marketer's ability to integrate marketing communications.

The primary role of IMC is to systematically evaluate the communication needs and wants of the buyer and, based on that information, design a communication strategy that will (a) provide answers to primary questions of the target audience, (b) facilitate the customer's ability to make correct decisions, and (c) increase the probability that the choice they make most often will be the brand of the information provider, i.e. the sponsor or marketer.¹Marketers know that if they learn to fulfill this role, a lasting relationship with the customer can be established.

Primary tasks

If the marketer is to consistently and effectively communicate with consumers, three preliminary tasks must be acknowledged and achieved. First, there must be a mechanism for collecting, storing, analyzing, and disseminating relevant information. This includes information about customers (past, present, potential), competitors, the environment, trends in the industry, and so forth. The quality of communication is closely related to the quality of information. Kellogg's, for example, constantly monitors its customers through surveys and consumer panels, and keeps track of its competitors and changes in the US Food and Drug Administration in order to assess the relevance of all its communication vehicles.

Second, communication is not one-way; it is a dialogue. That is, all relevant parties are actually participating in the communication process. Marketers must provide a system that constantly allows the consumer to express desires, satisfactions, complaints, and disappointments about the product, the price, the message, or the way it is distributed. There is a real tendency in large-scale marketing to view the consumer as a faceless, nameless entity,

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without individual needs and wants. Effective marketing communication allows direct feedback (e.g. toll-free numbers, hotlines, service departments), and actively responds by making substantial changes to address customer requests.

Finally, there must be an acknowledgement that target customers may not be the same as target audiences. While the target market is concerned primarily with individuals who are users and potential users of the product, the target audience may encompass a much larger or smaller group of people.

Integrated marketing

IMC-harder than you think

According to IMC guru Don Schultz, the difficulty in developing an integrated marketing communication program is in the planning. He notes that most managers have tried to integrate communication elements and activities as they were developed by various functional groups. Or they have tried to bring all the elements together once the communications concept was developed to generate one voice or a unifying brand theme that will tie all the disparate elements together.

Unfortunately, managers have been approaching the problem as one of coordination or consolidation, although integration is not at the end of the process, but at the beginning. The difficulty has been that there is not a system via which managers can develop truly integrated marketing communications.

A new approach to integration is based on the planning matrix. The matrix mantra goes like this: "From consolidate and segregate, to aggregate and integrate." The meaning is simple. Traditionally, we have tried to take a market or a category and segment it. Once we segmented the market, we then tried to apply various communication disciplines-advertising, sales promotion, or direct marketing. We tried to take activities that had been developed separately and pulled them into an integrated whole. In short, we've tried to "consolidate and segregate". Take the market, segment it, and then communicate separately to the segments.

Consider a new approach. Rather than starting with total market, start with individual customers and prospects. Aggregate them based on their behavior. Let the customers and prospects create their own groups or segments. That's aggregation. Then look at the way customers and prospects experience marketing communications. Most consumers aren't familiar with the tightly defined marketing communications disciplines we have developed. To them, most everything we do is either an advertisement or an incentive. That's the second part of the new approach. Integrate, and most of all simplify.

Now, the planning process is simple. At the top, we have how consumers think about and evaluate marketing communication activities. It's either a message or an incentive. We have collapsed all the very sophisticated marketing communication disciplines into what they are supposed to do: deliver a message or an incentive.

The second part of the matrix is the impact we expect the activity to have-short-term or long-term. What will be the basis for the measurement of the impact of the planned communications program? For purposes of measurement, almost everything can be considered short-term or within the fiscal

year. Long-term is anything more than one fiscal year. Building immediate sales for our product or service is short-term. Brand building is long-term. Therefore, we plan whether we'll give our target messages or incentives and the impact of those messages or incentives, either short-term or long-term.²⁹

More specifically, the target audience includes all individuals, groups, and institutions that receive the marketing message and employ this information either as a basis for making a product decision or in some way employ it to evaluate the sponsoring business. Thus, the target market for E.P.T. pregnancy tests might be women between the ages of 18-34, with a college education; the target audience might also include parents of the youngest of these women, who either approve or disapprove of this product based on advertising messages, government agencies who assess the truthfulness of the product claims, and potential stockholders who determine the future success of the firm based on the perceived quality of the messages. IMC must identify all members of the target audience and must consider how the communication strategy must change in response to this membership.

In the end, the role of IMC is to communicate with target audiences in a manner that accurately and convincingly relays the marketing strategy of the firm.

Integrated Marketing Communication

Instead of a functional approach, IMC attempts to integrate these functions into a collective strategy. If conducted properly, IMC results in a more effective achievement of an organization's communications objectives. Although it is difficult to determine exactly what prompted the move to IMC, experts speculate as to several possible interrelated causes. Historically, mass media has been characterized because of its general inability to measure its results, especially sales. Recently, the availability of consumer information (especially purchase patterns) through single-source technology such as store scanners and other related technology has meant that marketers are now able to correlate promotional activities with consumer behavior. During this same period, companies have been downsizing their operations and task expectations have been expanded. This greater expectation has carried over into the client-advertising agency relationship. Agency employees can no longer remain specialists. Rather, they must understand all the functions performed for the client, as well as their own. In reality, IMC appears to be much the same as a promotional strategy, a concept that has been around for several years. Perhaps the term "IMC" has emerged due to the confusion with the term "sales promotion" and the failure of promotion to be adopted by the advertising industry. Only time will tell whether IMC will become a salient part of marketing communication. (More was said about IMC in the previous "Integrated Marketing".)

The meaning of marketing communication

Defining the concept of marketing communication (MC) is not an easy task, because in a real sense, everything the company does has communication potential. The price placed on a product communicates something very specific about the product. A company that chooses to distribute their products strictly through discount stores tells

²⁹ Sources: Don E. Schultz, "A New IMC Mantra," *The Marketing News*, May 26, 1997, p. 8; Richard Linnett, "Full Court Press," *Adweek*, January 31, 2000, pp. 3-6; Don E. Schultz, "Structural Straight Jackets Stifle Integrated Success," *The Marketing News*, March 1, 1999, p. 8; Don E. Schultz, "How to Create Your Own Worst Enemy," *The Marketing News*, July 3, 2000, p. 10.

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the consumer a great idea. Yet if all of these things are considered communication, the following definition is offered:

Marketing communication includes all the identifiable efforts on the part of the seller that are intended to help persuade buyers to accept the seller's message and store it in retrievable form.

Note that the central theme of the communication process is persuasion. Communication is most definitely goal-directed. It is not intended to be an arbitrary, haphazard activity. Each of the tools used in marketing communication has specific potentialities and complexities that justify managerial specialization and require directed efforts. Yet a company, even a very large one, typically does not have a specialist in each area, but only in those cases where the importance and usage frequency of the tool justify specialized competence. Historically, companies first made a separate function out of the personal selling function, later out of advertising, and still later out of public relations. The remaining tools (e.g. coupons, specials) were employed by the directors of these functional areas as needed. Although the definitions vary, the four components that make up marketing communication are as follows:

- *Advertising*: Any paid form of non-personal presentation of ideas, goods, or services by an identified sponsor. Although some advertising is directed to specific individuals (as, for example, in the use of direct mail), most advertising messages are tailored to a group, and employ mass media such as radio, television, newspaper, and magazines.
- *Personal selling*: An oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales. It includes several different forms, such as sales calls by a field representative (field selling), assistance by a sales clerk (retail selling), having an Avon representative call at your home (door-to door selling), and so forth.
- *Public relations*: A non-personal stimulation of demand for a product, service, or business unit by planting commercially significant news about it in a published medium (i.e. publicity) or obtaining favorable presentation of it through vehicles not paid for by the sponsor. Although commissions are not paid to the various media, there are salaries and other expenses that mean that public relations is not a costless form of promotion.
- *Sales promotion*: Those marketing activities that add to the basic value of the product for a limited time period and thus directly stimulate consumer purchasing and dealer effectiveness. These activities include displays, shows and exhibitions, demonstrations, and various nonrecurring selling efforts not in the ordinary routine. As the provision for an additional incentive to buy, these tools can be directed at consumers, the trade, or the manufacturer's own sales force.

The objectives of marketing communication

The basic objectives of marketing communication have been reduced to three more meaningful directives: (a) to communicate, (b) to compete, and (c) to convince. The primary purpose of MC is to *communicate ideas to target audiences*. This is done through advertising, personal selling, sales promotion, and/or public relations. Principles of effective communication are intended to achieve this task. Clearly, most of marketing is communications, and it is in this context that communication is included as a purpose of MC. Moreover, whatever is communicated should be accurate, truthful, and useful to the parties involved. Because of the pervasiveness of marketing communication, it has a unique responsibility to communicate with integrity.

Helping the company to *compete consistently and effectively in the marketplace* is the second objective. For many companies, MC may offer the company its most promising marketing opportunities. Competitors may sell essentially the same product, at the same price, in the same outlets. It is only through MC that the company may be able to appeal to certain segments, properly differentiate its product, and create a level of brand loyalty that can last for many years. In addition, the prominence of extensive communication efforts on the part of competitors means that a company that did not exhibit a strong MC program would appear dull and unconvincing to the customer. Thus, MC is employed as both a defensive and offensive weapon.

The final objective of MC is to *convince*. Although this goal is most often ascribed to MC, it is the most questionable. "Convince" and "persuade" are not synonymous terms. Realistically, MC does extremely well if it presents ideas in a manner that is so convincing that the consumer will be led to take the desired action. These ideas, along with a host of other factors, will help persuade the consumer to make a particular decision. Therefore, the ability of MC to present information in a convincing manner is critical. It is also necessary to re-convince many consumers and customers. Just because a person buys a particular brand once or a dozen times, or even for a dozen years, there is no guarantee that they will not stop using the product if not constantly reminded of the product's unique benefits. Ultimately, MC objectives can be broken down into very specific tasks. The point is all MC must be guided by objectives.

In conclusion, effective marketing communication should present useful ideas (information) in a manner that makes them clearly understood (communicate), cause the consumer to believe the message is true (convince), and is as appealing or more appealing than the message delivered by competitors (compete).

How we communicate

Because communication is such an integral part of effective marketing, it is important that we provide a basic understanding of its process. Our starting point is a basic definition of human communication: a process in which two or more persons attempt to consciously or unconsciously influence each other through the use of symbols or words in order to satisfy their respective needs.

Basic elements of communication

The basic elements within any communication system are depicted in Exhibit 19. It includes two or more people or organizations called *communicators*. The underlying assumption of this model is that all communications (dialogue) are continuous. This factor suggests that we are constantly and simultaneously in the role of communicator and receiver. Each communicator is composed of a series of subsystems (i.e. inputs, outputs, processing). The *input subsystem* permits the communicator to receive messages and stimulus from outside as well as from the other communicator. It involves the reception of light, temperature, touch, sound and, odors via our eyes, skin, ears, nose, and taste buds. These stimuli are intimately evaluated through a process called *perception*. Thus, we input and perceive advertising messages, a coupon, the appearance and words of a salesperson, and so forth.³

The *processing subsystem* of a communicator includes all thought processes. As we process, we generate, organize, and reflect on ideas in response to the stimuli received. This entire process is determined not only by the stimuli just received, but also by all stimuli ever received, such as past experiences, education, health, genetics, and all other factors in our environment. Some people clearly process the humor in the Pepsi-Cola ads better than others.

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The *output subsystem* includes the messages and other behaviors produced by the communicator. These include nonverbal messages, verbal messages, and other physical behaviors. All of these become input (feedback) for other people and can have both intentional and unintentional effects on them.

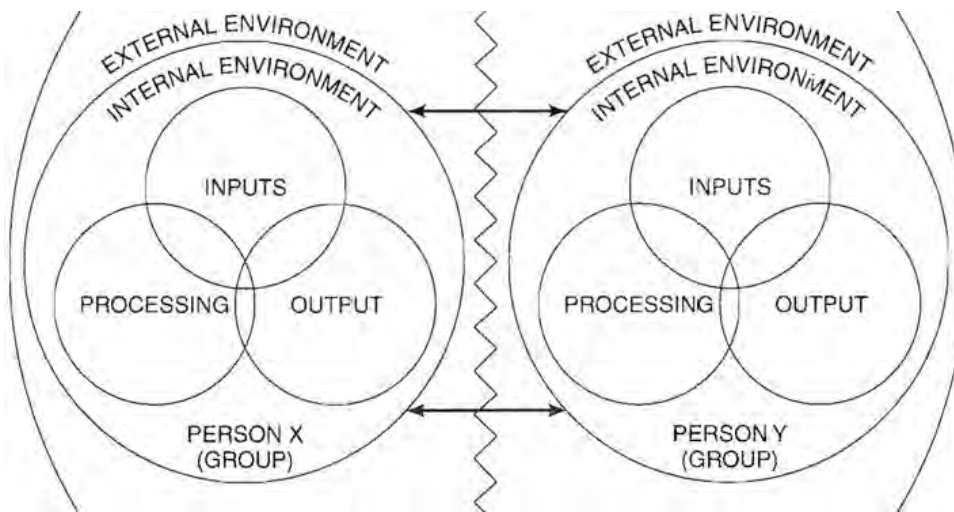


Exhibit 19: A model of human communication

Friend, parent, boss, client, or customer are just some of the roles we may portray in any communication process. The *nature of the role* directly affects the nature of communication. We communicate quite differently with our boss than we do with close friends. People who have known each other for a long time often devise their own communication system, which may include lots of nonverbal signals.

Finally, the communication system exists within an *environment*. The environment is everything internal and external to the communication system that can affect the system (family, school, competing advertisements, etc.). Each of the factors within the environment interacts with the communication system to a different degree. Because communication systems are open to the influence of the total environment, we can never analyze a communication event from only the point of view of the people who seem obviously involved. Everything may affect communication, positively or negatively. The latter factors may alter or distort inputs, outputs, or processing and are called interference. Interference can be generated internally (e.g. fear, love, prejudice) or externally (e.g. noise, weather, physical appearance).

Capsule 13: Review

- The primary role of IMC is to systematically evaluate the communication needs and wants of the buyer and, based on that information, design a communication strategy that will: provide answers to primary questions of the target audience; facilitate the customer's ability to make correct decisions; and increase the probability that the choice they make will most often be the brand of the information provider.
- Marketing communications is defined as a message delivery system that includes all the identifiable efforts on the part of the seller that are intended to help persuade buyers to accept the seller's message and store it in retrievable form.
- The four components that make up marketing communication are: advertising, sales promotion, public relations, and personal selling.
- The basic objectives of marketing communication are to: communicate, convince, and compete.

- The elements of human communication include:
 - the processing subsystem
 - the output subsystem
 - the nature of the role
 - the environment
- There are four types of communication systems:
 - interpersonal
 - organizational
 - public
 - mass

Types of communication systems

There are several types of communication systems, classified depending on the level of contact between communicators and the ability to respond to feedback.

Interpersonal communication systems

At the basic level of interpersonal communication systems is the dyadic context. A dyad consists of two people, or two major subsystems. Personal selling falls under this heading.

Organizational communication systems

The organizational communication context represents a much more complex system than interpersonal communication. Examples include a bank, a factory, a retail store, or the government attempting to communicate with one another. These systems include a large collection of subsystems, all organized around a common goal(s). Interactive technology has changed these types of systems in a dramatic way.

Public communication systems

This type of system involves communication usually from one person to a large group of people. Although everyone affects everyone else to some degree in every communication system, in a public communication context, such as a speech from a politician to people standing behind a platform of a campaign train, the speaker does most of the talking.

Mass communication systems

The mass communication context exists when a person/organization is communicating indirectly with a large group of people and there is even less opportunity for people to interact freely with one another and to mutually affect one another. Advertising and public relations are such mass communications.

Marketing communications

While all communication includes the same basic components depicted in Exhibit 19, marketing communication differs somewhat in two respects. First, the intent of marketing communications is to present a persuasive message, which reinforces the total offer made by the marketer. Essentially, all marketing communication attempts to create uniqueness in the mind of the target audience.

Second, marketing communication can be divided into two flows (i.e. internal and external), which are directed at different target audiences. This necessitates different communication strategies, which, never the less, must be compatible. A company cannot be telling a customer one story and stockholders another. The flow of marketing

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communication is depicted in Exhibit 20.

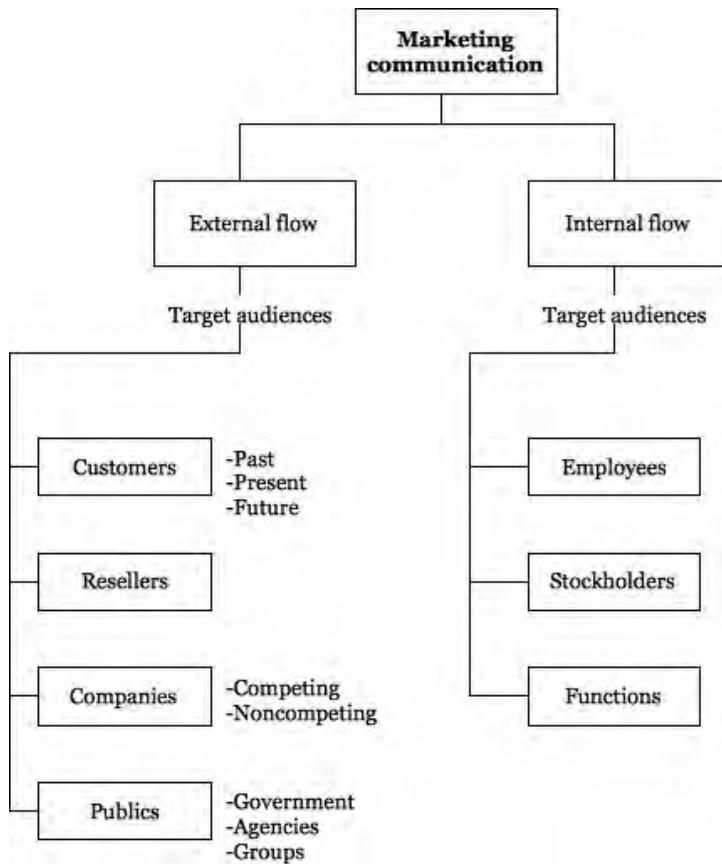


Exhibit 20: The flow of marketing communication

Designing an IMC strategy

The design of an effective IMC strategy is a very difficult and time-consuming process that requires the efforts of many members of the marketing staff. Although there has been a great deal of variety in designing this process, the steps depicted in Exhibit 21 are most common.

As is the case with most marketing activities, IMC is guided by a set of objectives. There are numerous responses that the manager may desire from his IMC effort. Although the ultimate buyer behavior desired is product purchase, several intermediate responses may prove important as well. Examples of these intermediate responses are shown in Exhibit 22.

If there is a marketing opportunity, there must also be a *communication opportunity*. Although the role of IMC is de-emphasized in certain marketing programs, there will also be some communicative, motivational, or competitive tasks to be performed. Whether or not the marketing programs should rely heavily on its communication ingredient to perform such tasks depends upon the nature and extent of the opportunity. There are several conditions which, if they exist, indicate a favorable opportunity to communicate: for example, it is always easier to communicate effectively when moving with the current consumer demand rather than against it. Companies such as IBM have been actively promoting their business computers, which are increasing in popularity, rather than home computers, which are not doing as well.

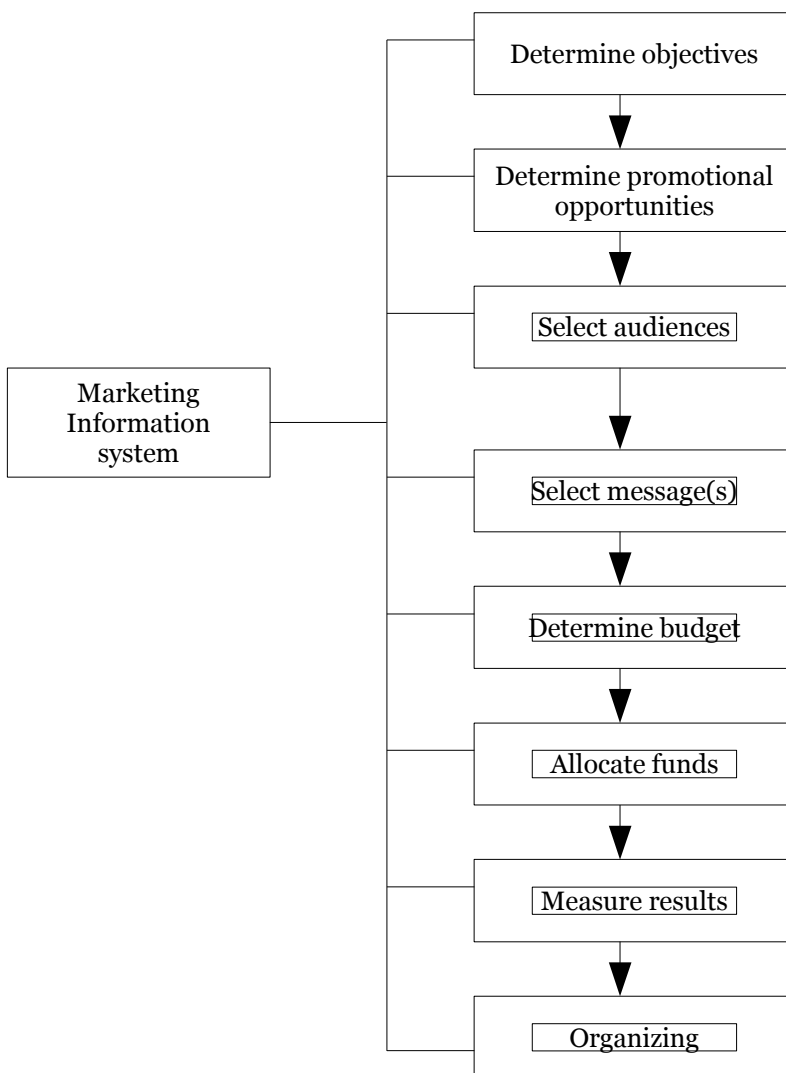


Exhibit 21: The IMC Strategy

The third consideration is *selecting the target audience* for the IMC. This is undoubtedly the most important factor in the IMC strategy, yet it is probably the issue that many companies slight or overlook entirely. Marketing messages must be directed at the specific target for which the overall marketing program is being designed. However, very seldom is there a single group of consumers at which to direct promotion. Many individuals affect the buying process, and the IMC program must be designed to reach all of them. In addition to the primary purchasers and users of the product, individuals who influence the purchase decision must also be considered. For example, consumers usually rely heavily upon the assistance and advice of others in purchasing such products as automobiles, interior decorating, major appliances, and physicians, to name but a few. Similarly, industrial buyers consider the advice of engineers, technicians, and even competitors. Thus it is extremely important in resolving the communication issue to identify accurately not only those who consume and buy the product but also those who influence its purchase.

Determining exactly *what to say* to the relevant audience is the fourth consideration. The heart of IMC is the transmission of ideas of marketing significance to the seller. Whether these ideas are received and perceived as intended depends in large part on the skill used in developing the communication appeal. It also depends upon the

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vehicle used to deliver the message. Whether it is the message delivered by a salesperson, a newspaper, or a point of purchase display, the message must facilitate reaching the communication objectives.

Money is always an important factor; a typical IMC effort is extremely expensive and is becoming more expensive every day. Keeping track of these cost elements is a full-time job. The budget for a particular IMC effort can be determined through very sophisticated computer programs or through intuitive techniques such as experience, following competition, or simply spending all you can afford. Particular budgetary approaches are summarized in Table 8.

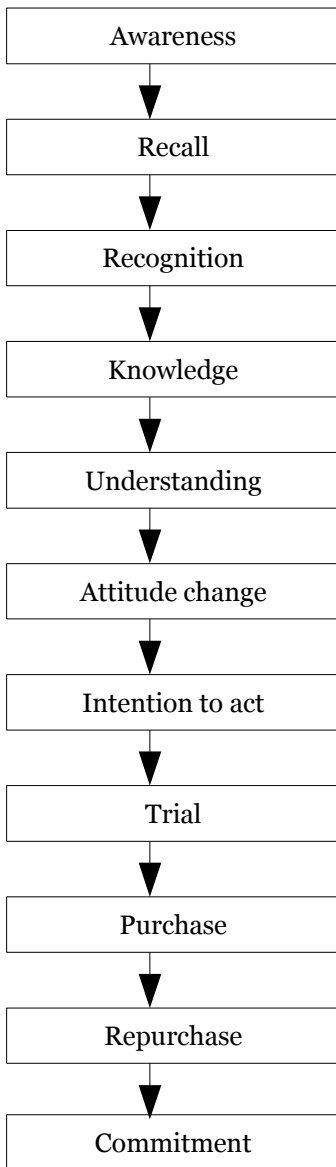


Exhibit 22: Goals of integrated marketing communication.

Once you decide how much to spend, the amounts to be spent on personal selling, advertising, publicity, and sales promotion must be decided. After determining the major allocations, each of these figures must be broken

down into much finer increments. For example, the advertising budget must be reallocated by media category, then by specific media, and finally, by particular dates, times, issues, etc.

Evaluating the effectiveness of an IMC effort is very important. Three tasks must be completed when one attempts to measure the results of IMC. First, standards for IMC effectiveness, such as retention and liking, must be established. This means that the market planner must have a clear understanding of exactly what the communication is intended to accomplish. For measurement purposes, the standards should be identified in specific, quantitative terms. Second, actual IMC performance must be monitored. To do this, it is usually necessary to conduct experiments in which the effects of other variables are either excluded or controlled. The third step in measuring IMC efficiency is to compare these performance measures against the standards. In doing so, it is theoretically possible to determine the most effective methods of marketing communication.

Table 8: Summary of techniques: setting the IMC budget

Technique	General description
Arbitrary allocation	Management bases budget on personal experience, business philosophy, and marketing intuition
Affordability	Upper limit of budget based on available company resources
Ratio-to-sales	Amount budgeted is based on some portion of past or forecasted sales
Competitive comparisons	Budget based on amount being spent by major competitors
Experimental approach	Budget based on test market results
Objective-task method	Determine costs of reaching specific promotional objectives and sum amounts

Finally, how a company *organizes* for IMC depends on the degree to which it desires to perform the communication function internally or to assign this task to outside agencies. Typically, the sales function is performed internally and the sales organization is a part of the overall, standing organizational plan. Occasionally, as when manufacturer's agents are used, outside organizations are employed to perform personal selling. Advertising services might be performed internally or externally. Sales promotion activities are usually also handled internally, although it is not uncommon for advertising agencies to be consulted in connection with sales promotion plans. The same is true for public relations.

The promotion mix

The manner in which the four components of IMC (i.e. advertising, personal selling, sales promotion, public relations) are combined into an effective whole is called the *IMC mix*. The promotion mix tends to be highly customized. While, in general, we can conclude that business-to-business marketers tend to emphasize personal selling and sales promotion over advertising and public relations, and that mass marketers are just the opposite, there are many exceptions. However, the following factors tend to have an impact on the particular IMC mix a company might select:

- *Marketing/IMC objectives*: Companies that desire broad market coverage or quick growth in market share, for example, must emphasize mass advertising in order to create a dramatic and simultaneous impact.

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- *Nature of the product:* The basic characteristics of product (highly technical) suggest the need for demonstration and explanation through personal selling, or mass advertising in the case of a product with emotional appeal (perfume).
- *Place in the product lifecycle:* Products in the introductory stage in the life cycle often need mass advertising and sales promotion, those in maturity need personal selling, and those in decline employ sales promotion.
- *Available resources:* Companies with limited financial and human resources are often restricted to sales promotion and public relations while those with plenty of both opt for mass advertising and personal selling.²

The most striking fact about IMC techniques is their cross-substitutability. They represent alternate ways to influence buyers to increase their purchases. It is possible to achieve a given sales level by increasing advertising expenditures or personal selling, or by offering a deal to the trade or a deal to customers. This substitutability calls for treating the various IMC tools in a joint-decision framework.

The campaign

Determining what particular devices to use and how to combine them in order to achieve IMC objectives is one of the greatest challenges facing the communication planner. Ordinarily, management just makes use of the campaign concept. A campaign is a planned, coordinated series of marketing communication efforts built around a single theme or idea and designed to reach a predetermined goal. Although the term "campaign" is probably thought of most often in connection with advertising, it seems appropriate to apply the concept of a campaign to the entire IMC program.

Many types of IMC campaigns may be conducted by a company, and several may be run concurrently. Geographically, a firm may have a local, regional, or national campaign, depending upon the available funds, objectives, and market scope. One campaign may be aimed at consumers and another at wholesalers and retailers.

A campaign revolves around a theme, a central idea or focal point. This theme permeates all IMC efforts and tends to unify the campaign. A theme is simply the appeals developed in a manner considered unique and effective. As such, it is related to the campaign's objectives and the customer's behavior. It expresses the product's benefits. Frequently the theme takes the form of a slogan, such as Coca-Cola's "Coke is it!" Or DeBeers' "A diamond is forever". Some companies use the same theme for several campaigns; others develop a different theme for each new campaign.

In a successfully operated campaign, the efforts of all groups concerned will be meshed effectively. The advertising program will consist of a series of related, well-timed, carefully placed ads. The personal selling effort can be tied in by having the sales person explain and demonstrate the product benefits stressed in ads. Also, the sales force will be fully informed about the advertising part of the campaign—the theme, media used, schedule of appearance of ads, appeals used, etc. The sales force will also inform the middlemen, i.e. wholesalers and retailers, about this campaign, and convince them to incorporate it into their total marketing effort. Sales promotional devices will be coordinated with the other aspects of the campaign. For each campaign, new display materials must be prepared, reflecting the ads and appeals used in the current campaign, in order to maximize the campaign's impact at the point of sale.

Capsule 14: Review

- Marketing communication:
 - is intended to be persuasive
 - has internal and external flows
- The following steps are involved in designing an IMC strategy:
 - determine objectives
 - determine IMC opportunities
 - select audience(s)
 - select message(s)
 - determine budget
 - allocate funds
 - measure results
 - organize
- Factors that most impact the IMC mix include:
 - marketing/IMC objectives
 - nature of the product
 - place in the product lifecycle
 - available resources
- A campaign is a planned, coordinated series of marketing communication efforts built around a single theme or idea and designed to reach a predetermined goal.

Personnel responsible for the physical distribution activities must ensure that adequate stocks of the product are available in all outlets prior to the start of the campaign. Finally, people working in public relations must be constantly kept aware of new products, product demonstrations, new product applications, and so forth. Of course, it is extremely important to provide enough lead time so that the public relations effort can take advantage of optimum timing.

Understanding advertising

Undoubtedly, advertising is the promotional element that most consumers feel they know the best and hold strong opinions about. This is a result of the visibility and intrusiveness of advertising. In fact, most people have little understanding of advertising.

The organization of advertising

There are within the advertising industry a wide variety of means by which advertising is created and placed in media. At one extreme, an individual might write and place his own classified ad in a newspaper in the hope of selling his daughter's canopy bed. At the other extreme, the advertiser employs a full-service advertising agency to create and place the advertisement, retaining only the function of final approval of plans developed by that agency. Significant specialization is developed within the full-service advertising agency to discourage clients from hiring any outside vendors or other parties to perform any of the various functions involved in planning and executing advertising programs for the various advertisers that the agency serves. Another organizational possibility is a full-

8. Communicating to mass markets

scale, in-house advertising department. This department may have total responsibility for all aspects of the advertisement, or some of the tasks might be optioned out to ad agencies or other types of specialty organizations, e.g. production, talent, media placement. It is not unusual for a large corporation to employ all of these possibilities or to use different agencies for different products or for different parts of the country.

Whether or not the advertiser uses an advertising agency, does his advertising in-house, or uses some combination of the two depends upon a host of factors unique to each organization: available funds, level of expertise, expediency, and so forth. Regardless of the influencing factors, a number of basic functions must be performed by someone if creative and effective advertisements are to be placed:

- what products, institutions, or ideas are to be advertised;
- who is to prepare advertising programs;
- who the organization engages and gives policy and other direction to the advertising agency, if any agency is used;
- who in the organization has the authority to develop advertising work and/or approves the advertising programs presented by the advertising agency;
- who pays the advertising bill;
- who determines the extent to which advertisements help reach the stated objectives.³

The advertising department

A company advertising department can range from a one-person department to one employing 500 or more people. Regardless of the size, advertising departments share similar responsibilities:

- formulating the advertising program
- implementing the program
- controlling the program
- presenting the budget
- maintaining relationships with suppliers
- establishing internal communications
- setting professional standards
- selecting an advertising agency

The advertising agency

The relations between an advertising agency and a client can go on for years, although some clients do move from agency to agency. Firms such as DuPont, Procter & Gamble, Kraft, Kellogg, and General Mills rarely change agencies.

Clients employ advertising agencies because they believe that the agency can: (a) produce better-quality, more persuasive messages for their products; and (b) place these messages in the right media so that the message reaches the greater number of prospects. Clients who believe they can do better themselves set up their own in-house agencies. However, relatively few of them exist and these are in specialized fields such as retailing.

Developing the creative strategy

Once all the relevant facts are gathered and evaluated, the process of actually creating the advertisement is appropriate. This process is very complex, and a complete description of it is well beyond the scope of this book. However, it is possible to highlight the primary parts of this process.

To begin with, the person or persons actually responsible for the complete advertisement depends upon the advertiser's organization of the advertising function and whether an advertising agency is used. More than likely, the development and approval of advertising creation is the responsibility of the senior advertising manager within the advertiser company and, when an advertising agency is used, of the agency management. In most agencies, the responsibility is that of the senior account person, in conjunction with the senior creative person assigned to the account. The advertising effort can be divided into two elements: the creative strategy and creative tactics. The *creative strategy* concerns what you are going to say to the audience. It flows from the advertising objectives and should outline what impressions the campaign should convey to the target audience. *Creative tactics* outline the means for carrying out the creative strategy. This includes all the various alternatives available, which will help reach the advertising objective

The place to begin the creative strategy is to ascertain the proper *appeal* to employ in the ad. (See Table 9) Identifying the appropriate appeal is just the first part of the advertising design process. The second part is to transform this idea into an actual advertisement. To say that there are a large variety of ways to do this would be a gross understatement. The number of techniques available to the creative strategist are not only vast, but the ability of more than one technique to successfully operationalize the same appeal makes this process even more nebulous.

Table 9: Primary advertising appeals

Product/service features	Many products have such strong technology or performance capabilities that these features can serve as a primary advertising appeal.
Product/competitive advantage	When an advertiser can determine that his product is superior, either in terms of features, performance, supporting services, or image, emphasizing a competitive advantage has proved to be a successful appeal.
Product/service price advantage	Offering a product at a reduced price or under some special deal arrangement (e.g. buy-one-get-one-free) may be the only viable appeal in a particular ad.
News about product/service	There are times when a truly new product is developed, or when an existing product is changed or improved in a substantial manner, that highlighting this single element is the core appeal.
Product/service popularity	Although the manner varies, the notion of claiming that a product is "number one" or the most popular is an appeal that has been around for a long time.
Generic approach	In such advertising, a product or service category is promoted for its own sake, but individual makes or brands of product are not singled out.
Consumer service	A popular appeal is to illustrate through the advertisement how the product may be used to best serve the needs of the consumer.
Savings through use	An opportunity to save time, money or energy is always very appealing to consumers.
Self-enhancement	Helping us feel better about ourselves (e.g. personal care, clothing, automobiles) is an appeal that many people cannot resist.

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Embarrassment or anxiety	Situations that represent a threatening situation, either physically or socially, can provide the basis for an effective appeal.
Product trial	When this appeal is used, the advertiser offers a free sample, a price reduction, or some other purchase incentive to encourage consumer use or trial.
Corporate	This type of appeal presents a company or corporation in a favorable light in order to create a favorable impression or image.

Developing the media plan

Although the media plan is placed later in this process, it is in fact developed simultaneously with the creative strategy. This area of advertising has gone through tremendous changes; a critical media revolution has taken place.

The standard media plan consists of four stages: (a) stating media objectives; (b) evaluating media; (c) selecting and implementing media choices; and (d) determining the media budget.

Stating media objectives

Media objectives are normally started in terms of three dimensions:

- *Reach*: number of different persons or households exposed to a particular media vehicle or media schedule at least once during a specified time period.
- *Frequency*: the number of times within a given time period that a consumer is exposed to a message.
- *Continuity*: the timing of media assertions (e.g. 10 per cent in September, 20 per cent in October, 20 per cent in November, 40 per cent in December and 10 per cent the rest of the year).

Evaluating media

As noted in Table 10, there are definite inherent strengths and weaknesses associated with each medium. In addition, it would require extensive primary research either by the sponsoring firm or their advertising agency in order to assess how a particular message and the target audience would relate to a given medium. As a result, many advertisers rely heavily on the research findings provided by the medium, by their own experience, and by subjective appraisal.

Selection and implementation

The media planner must make media mix decisions and timing directions, both of which are restricted by the available budget. The *media mix decision* involves putting media together in the most effective manner. This is a difficult task, and necessitates quantitatively and qualitatively evaluating each medium and combination thereof.

Unfortunately, there are very few valid rules of thumb to guide this process, and the supporting research is spotty at best. For example, in attempting to compare audiences of various media, we find that A C Nielsen measures audiences based on TV viewer reports of the programs watched, while outdoor audience exposure estimates are based on counts of the number of automobile vehicles that pass particular outdoor poster locations. The *timing of media* refers to the actual placement of advertisements during the time periods that are most appropriate, given the selected media objectives. It includes not only the scheduling of advertisements, but also the size and position of the advertisement.⁴

Determining the media budget

This budget is a part of the advertising budget, and the same techniques and factors that apply to the advertising budget apply to the media budget as well.

Banner advertisements

Before leaving the topic of advertising, both creative and media, it is important to introduce a new form of advertising—*banner advertising*. Banner ads are the dominant form of online advertising. Banner ads are graphic images in Web pages that are often animated and can include small pieces of software code to allow further interaction. Most importantly, they are "clickable", and take a viewer to another Web location when chosen.

Banner ads typically run at the top and bottom of the page, but they can be incorporated anywhere. The CASIE organization has developed a small number of standard sizes and formats. Like the Web itself, banner ads are a mixture of approaches, with elements of traditional print advertising and more targeted direct advertising. Banner ads include direct marketing capabilities. Each banner carries with it a unique identifier. This allows the website to track the effectiveness of the ad in generating traffic. Measurability permits ad banner pricing based on results and behavior. Click-through pricing ignores impressions and charges the advertiser based on the number of viewers that select the ad and follow it to the linking website.

Admittedly, the performance of banner ads to date has been less than stellar. One company, San Francisco-based Organic, has approached the problem of ineffective online advertising with a product called "expand-o". This new ad vehicle allows an advertiser to include some of its website's content in an expandable banner ad. At the click of a mouse, the advertisement expands to as much as five or six times its original size.

Table 10: An appraisal of mass media

Type	Strengths	Weaknesses
Television	<ul style="list-style-type: none"> • strong emotional impact • mass coverage/small cost per impression • repeat message • creative flexibility • entertaining/prestigious 	<ul style="list-style-type: none"> • high costs • high clutter (too many ads) • short-lived impression • programming quality • schedule inflexibility
Radio	<ul style="list-style-type: none"> • provides immediacy • low cost per impression • highly flexible 	<ul style="list-style-type: none"> • limited national coverage • high clutter • less easily perceived during drive time • fleeting message
Newspapers	<ul style="list-style-type: none"> • flexibility • community prestige • market coverage • offer merchandising services • reader involvement 	<ul style="list-style-type: none"> • short life • technical quality • clutter • timing flexibility • two-tiered rate structure
Magazines	<ul style="list-style-type: none"> • highly segmented audiences • high-profile audiences • reproduction qualities 	<ul style="list-style-type: none"> • inflexible • narrow audiences • waste circulation

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	<ul style="list-style-type: none"> • prestigious • long life • extra services 	<ul style="list-style-type: none"> • high cost
Outdoor/transit	<ul style="list-style-type: none"> • inexpensive • flexible • reminder • repetition • immediacy 	<ul style="list-style-type: none"> • short/concise messages • negative reputation • uncontrollable • inflexible
Direct mail	<ul style="list-style-type: none"> • flexibility • develop complete/precise message • supplement 	<ul style="list-style-type: none"> • negative image • high cost per impression • high production costs • dependent upon mailing list
Specialty advertising (Directories, matchbooks, calendars, etc.)	<ul style="list-style-type: none"> • positive reinforcement • segmented markets • flexible 	<ul style="list-style-type: none"> • wasteful • expensive
Interactive	<ul style="list-style-type: none"> • flexible • repetition • involvement 	<ul style="list-style-type: none"> • hard to measure • limited market coverage • uncontrollable

For instance, an expand-o for Fort Washington, PA-based CDNow provides consumers with a sample of dynamically updated content housed on the music retailer's site. When the consumer clicks an arrow on the ad, it expands to show the top 10 songs in CDNow's top 100 Billboard Chart.⁵

Sales promotion and public relations

For several years, sales promotion and public relations have been often misunderstood, mis-measured, and misused by a great many marketers. Unlike advertising and personal selling that can claim formal structures and point to obvious accomplishments, sales promotion and PR have neither. Although this situation is changing somewhat, there is still a great deal of room for improvement. In the case of sales promotion, there exists some confusion as to which activities actually fall under this heading. Are packaging, couponing, and point-of-purchase displays all sales promotion? Because the answer to this question varies from organization to organization and across situations, sales promotion is often viewed as a catch-all category that includes everything that an organization does not label advertising or public relations.

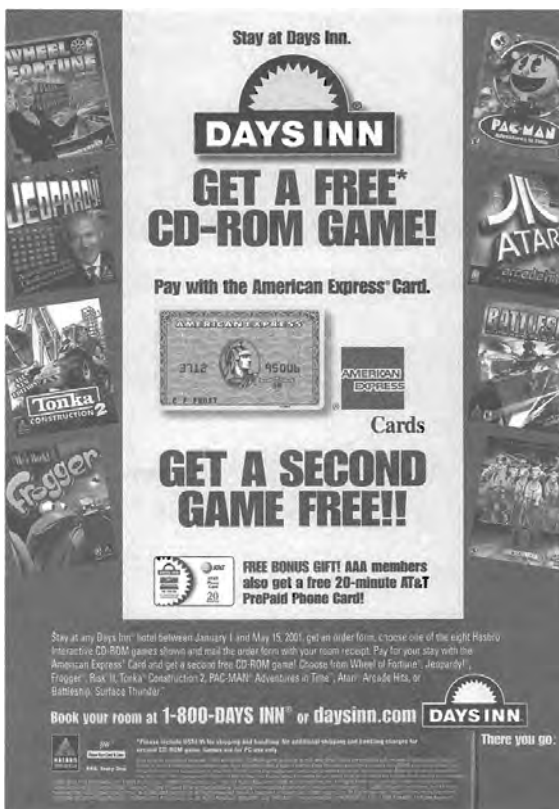
Public relations, too, is difficult to define as it deals with the ultimate intangible creating a positive image of the company. Not only is this difficult to accomplish, but it is also virtually impossible to ascertain if you have succeeded and to what extent. An organization, for instance, might sponsor a free barbecue for a Fourth of July celebration in the US and never really know if the money spent produced additional business. Management has a difficult time appreciating an activity that produces indirect results.

Sales promotion: a little bit of everything

As the newest member of the promotional team, sales promotion has suffered from a serious identity crisis. For example, initially the American Marketing Association (AMA) defines sales promotion as: "marketing activities,

other than personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and exhibitions, demonstrations, and various non-recurrent selling efforts not in the ordinary routine"⁶. In the AMA view, sales promotion supplements both personal selling and advertising, coordinates them, and helps make them more effective.⁶ However, this does not provide an accurate portrayal of the role played by sales promotion. A simple way of viewing sales promotion is to say that it means *special offers*: *special* in the sense that they are extra as well as specific in time or place; offers in the sense that they are direct propositions, the acceptance of which forms a deal. Simply, it increases the perceived value of the product.

As in most aspects of marketing, the rationale of sales promotion is to provide a direct stimulus to produce a desired response by customers. It is not always clear, however, what the distinctions are between sales promotion and advertising, personal selling and public relations. For example, suppose that Pillsbury decides to tape three cans of their buttermilk canned biscuits together and sell them for a price slightly cheaper than the three sold individually. Is that a branded multipack special offer and therefore promotional? Or is it just an example of a giant-sized economy pack, and therefore a product or packaging tactic? In order to sort out which it is, the question has to be asked, is it intended to be a permanent feature of the manufacturer's product policy to have the family pack as a component of the product? If it is not, it is a sales promotion scheme.



AD 12: Here is an excellent example of a sales promotion.

The same sort of problem comes up when studying strategies run by firms in service industries. If a hotel offers cut-price accommodations at off-peak times of the year, is it a feature of the hotel management's pricing policy or is it a promotional tactic? If the hotel management provides price reductions on tickets to local theaters for their guests, is it part of the product or is it a device to attract customers for a limited period only? Again, the answer can

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only be given once the question about performance is asked. Even then, there still tend to be elements of advertising, personal selling, public relations and sales promotion in many promotional vehicles, and this may be the right approach. A candy manufacturer, for instance, has made substantial contributions of both cash and products to the local heart fund telethon. Immediately following the telethon, they run a full-page ad in several magazines describing their contributions, and describing a special rebate of USD .05 for every candy wrapper mailed in. The USD .05 can be donated to the heart fund if the customer wishes. The sales reps also have copies of this promotion to show their customers. Clearly, this strategy has all four components of the IMC mix.



AD 13: Example of a rebate offer.

Types of sales promotion

There are a great many techniques that are considered sales promotion. One way of organizing this myriad of techniques is in terms of audience. As shown in Table 11, sales promotions are directed at consumers, employees, and distributors, and dealers. While consumers attract the greatest number of sales promotion devices, the other two audiences are growing in importance. While space does not permit a discussion of these strategies, some generalizations apply to all. Specifically, the value of a sales promotion is especially prominent when a marketer is introducing a new product, especially a product with high perceived risk; is interested in creating a repeat purchase pattern for the customer; is attempting to create movement of large amounts of products quickly; is attempting to counter the strategy of a competitor; and is trying to move marginal customers to make a choice. Sales promotion cannot compensate for a poor product or ineffective advertising. Nor can it create strong brand loyalty or reverse a declining sales trend.

Public relations: the art of maintaining goodwill

Every organization engages in some form of public relations (PR). In essence, every form of communication emitted by an organization both internally and externally is perceived by various publics. In turn, these publics

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Nevertheless, public relations looms as one of the most misunderstood and mistrusted elements in marketing. Consequently, management may provide marketing in general with full support, ample scope, and time for planning, but often does not establish a role for public relations. Public relations may be brought in belatedly at advanced stages of marketing process as a peripheral area with no real purpose.

Obtaining a good working definition of public relations requires an acknowledgement of the concept's core elements. Four such elements emerge. First, the ultimate objective of PR is to retain as well as create goodwill. Second, the successful procedure to follow in public relations is to first do good, and then take credit for it. Third, the publics addressed by the PR program must be described completely and precisely. In most instances, PR programs are aimed at multiple publics that have varying points of view and needs. Consequently, the publics served should be researched just as carefully as the target audiences for an advertising campaign. Finally, public relations is a planned activity. There is an intelligence behind it.

The definition that encompasses all these considerations, and was coined at the First Assembly of Public Relations Associations in 1987, follows:

*Public Relations practice is the art of social science in analyzing trends, predicting their consequences, counseling organization leaders, and implementing planned programs of action, which serve both the organizations and the public interest.*⁷

Table 11: Types of sales promotion techniques

Audience/Technique Description	Description
Consumer	
price discounts	temporary reduction in price, often at point of purchase
coupon offers	certificates redeemable for amount specified
combination offers	selling two products in conjunction at a lower total price
contests	awarding of prizes on the basis of chance or consideration
rebates	refund of a fixed amount of money
premiums	tangible reward received for performing an act, normally a purchase
trading stamps	certificate awarded based on purchase amount
sampling	providing the product either free or for a small fee
Employee	
orientation program	introducing the employee to company facts
fringe benefits	extra incentives provided by company to employee
institutional promotion	messages portraying company in a positive light
motivational programs	temporary incentives, e.g. contests, prizes, or awards
Distributor/dealer	
contests	temporary incentives offered for specific performance

trade shows	central location where products are displayed/sold
push money/dealer loaders	money offered for selling specified amounts of products
trade deals	dealers receive special allowances, discounts, goods, or cash

Public relation's publics

A *public* may be said to exist whenever a group of people is drawn together by definite interests in certain areas and has definite opinions upon matters within those areas. There are many publics, and individuals are frequently members of several that may sometimes have conflicting interests. For example, in the case of a school bond vote, a voter might be torn between feelings as a parent and as a member of a conservative economic group opposed to higher taxes; or an elderly couple, with no children now in school, might be parents of a teacher.

Public relations must be sensitive to two general types of publics: internal and external. *Internal publics* are the people who are already connected with an organization, and with whom the organization normally communicates in the ordinary routine of work. Typical internal publics in an industry are the employees, stockholders, suppliers, dealers, customers, and plant neighbors. For example, employees want good wages and working conditions, opportunities for advancement, and a secure retirement. Customers want a dependable supply of quality products provided at a fair price and supported by convenient services. Stakeholders want dividends, growth, and a fair return on their investments.

External publics are composed of people who are not necessarily closely connected with a particular organization. For example, members of the press, educators, government officials, or the clergy may or may not have an interest in an industry. The leaders of the industry cannot assume any automatic interest and, to some extent, must choose whether to communicate with these groups.

There is, of course, interaction between internal and external publics. Yet it cannot be assumed that good relations with insiders will ever be translated to outsiders without effort. An employee who is quite happy on the job may be much more interested in bowling than in the fact that the firm has just opened a new branch in the US city of Phoenix, Arizona. The firm must think of what interests the external public and not what interests the firm. With employees and other internal publics, there is a fair chance that all interests may coincide because all are connected with the same organization; with an external audience, the assumption should be that the chance of such accidental coincidence of interest is slight.

Public relations techniques

The public relations process is quite complex and involves a wide variety of techniques. Public relations is different than any other type of promotion, because a great deal of the communication provided by someone in PR must be screened and reprocessed through a third party that is not employed by the company. Therefore, if I wished for the local newspaper and television station to carry a story detailing the grand opening of my new store, I have no guarantee that either will send representatives to cover the store opening or that they will cover it the way I would have liked. Even if I were to write the story myself and send it to the newspaper, including appropriate photographs, the editor might choose not to print it or to modify it. The fact that PR is characterized by a low level of control necessitates that PR people establish a positive relationship with the various media. Without first

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accomplishing this goal, the tools employed by the PR person are usually doomed to failure. Various public relations techniques are described in Table 12.



**It's the second largest state in America.
And every resident is struggling to get out.**

It's bigger than Texas, Florida or New York — but you won't find it on any map. It holds more people than Connecticut, Kentucky, Maryland, Michigan, New Jersey and Nevada combined — but it's a state of bitter uncertainty. It's home to one out of every eleven families in America. It's home to one out of every six children in America. It's home to more than 32 million desperate people trapped within its cruel boundaries. It's the state of poverty in America. And if you were poor, you'd be home by now.

POVERTY.
America's forgotten state.

Catholic Campaign for Human Development
1-800-946-4243
www.povertyusa.org



AD 16: The Catholic Campaign for Human Development is hoping to convey the message that one in nine Americans lives below poverty line.

Personal selling and the marketing communication mix

Few companies coordinate marketing communication efforts in support of the sales force. Salespeople are often separated from marketing communications specialists because of both the structure of the business and difference in perspective. Most salespeople view other marketing communication activities strictly as a means to help sell a product or company. Advertisers, sales promotion managers, and public relations experts rarely consider the needs and suggestions of salespeople, and salespeople seldom pay attention to information about a marketing communication campaign.

Table 12: Public relations techniques

Technique	Description
News release (press release)	a prepared statement sent to various media

Press conference	meeting attended by media representatives for the purpose of making announcements or answering questions
Delivering bad news	system that anticipates and handles negative events
Publicity photographs	a prepared photo sent to various media
Company publications	magazines, newspapers, and newsletters produced by the company, depicting specific stories
Open houses/tours	providing various publics' access to plant facilities
Meetings	planned meeting provided for various publics, especially employees and stockholders
Organized social activities	company-sponsored social activities directed at employees, e.g. teams and picnics.
Participation	company-encouraged involvement in community activities, e.g. clubs, charities
Motion pictures/slides	professionally produced films and slides about some aspect of the company, provided to various publics

Capsule 15: Review

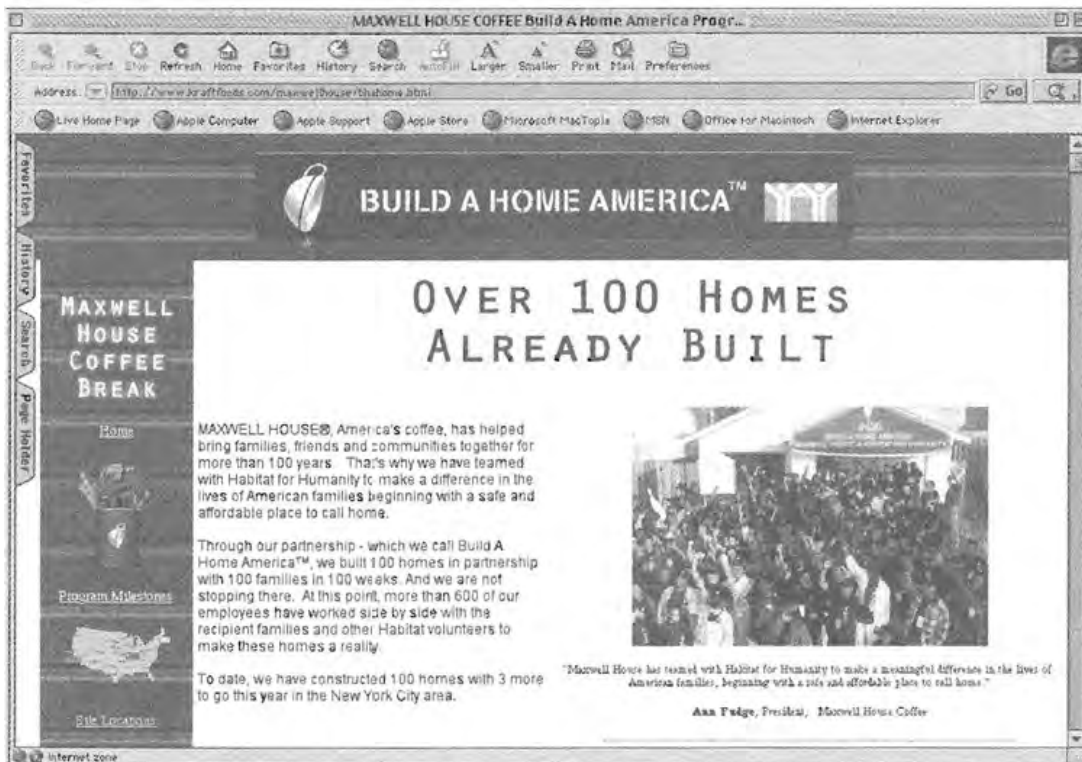
- Advertising is the marketing communication technique that provides messages to mass audiences via a creative strategy and a media strategy.
- The organization for advertising may include an in-house advertising department or an external agency.
- The creative strategy includes what you are going to say to the audience and the means for delivering the message.
- Sales promotion adds value to the product, and can be targeted at consumers, salespeople, or distributors.
- Public relations maintains or enhances goodwill with the company's various publics.

Integrating personal selling with other marketing communication elements may seriously affect that salesperson's job. Regis McKenna, international consultant, contends that although marketing technology has made salespeople more effective, it may also decrease the need for traditional sales people who convince people to buy. As we move closer to "realtime" marketing, he believes customers and suppliers will be linked directly, so that customers can design their own products, negotiate price with suppliers, and discuss delivery and other miscellaneous concerns with producers rather than salespeople. McKenna suggests that the main role of salespeople will no longer be to "close" the sale. Instead it will be to carry detailed design, quality, and reliability information, and to educate and train clients.⁸

Don Schultz, a professor of marketing and proponent of IMC at Northwestern University in Illinois, USA, supports this notion of the modern salesperson. "If you create long-term affiliations, then you don't sell. You form relationships that help people buy." He observes that because products have become more sophisticated, the businesses that buy are often smaller than those that sell. "Today, I think the sales force is primarily focused on

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learning about the product and not about the market. We're talking about flipping that around," he concludes. In short, effective personal selling must focus on customer relationships.



AD 13: This ad is a typical Institutional Public Relations advertising.

To integrate personal selling with other marketing communication tools to forge strong customer relationships, top management should lead the integration effort. Unless managers understand what salespeople do, however, integration may not be successful. Before considering how to combine selling efforts with other marketing communication tools, we first examine the job of personal selling.

The underlying rationale for personal selling is facilitating exchange. As suggested by a personal selling expert, it is "the art of successfully persuading prospects or customers to buy products or services from which they can derive suitable benefits, thereby increasing their total satisfaction". A professional salesperson recognizes that the long-term success for the organization depends on consistently satisfying the needs of a significant segment of its target market. This modern view of selling has been called "non-manipulative selling", and the emphasis of this view is that selling should build mutual trust and respect between buyer and seller. Benefit must come to both parties. This perspective is developed further in the integrated marketing box that follows.

Types of selling

Considerable differences exist in the various kinds of selling tasks. Early writers provided two-way classification of selling jobs, consisting of *service selling*, which focuses on obtaining sales from existing customers, and developmental selling, which is not as concerned with immediate sales as with converting prospects to customers.

Integrated marketing

Selling involves everything

Salespeople have been taught for years that the key to successful selling is finding out what people need and then doing whatever it takes to fill that need. There are thousands of books and articles based on this principle alone. Recently, however, many sales professionals are discovering a better way to sell.

The real definition of selling has to do with finding out what people or businesses do, where they do it, and why they do it that way, and then helping them to do it better.

The word "need" does not appear in that definition at all, because there is no need associated with today's selling. A successful salesperson first asks the prospect about the company's goals before trying to fill an imagined need with the product or service being sold.

Critics of this approach say that determining what a business does is the same as determining its needs. "It's all semantics," they say. "The word 'do' is the same as the word 'need'." It is not semantics. There is a major difference in the new sales philosophy.

What does the concept of need-driven sales really mean? For one thing, the word "need" implies that something is missing. For example, if a car has only three wheels, there is a need for a fourth. The driver of the car realizes that something is missing and stops at the nearest tire shop.

A business generally has a full complement of tires, or needed items. Even if a business needs something, it does not want a salesperson to call. The needed service or items is bought as soon as the need is recognized. In a proactive sale, the business is running smoothly when the salesperson calls. The salesperson, having been trained in a needs-driven industry, asks the prospect what is missing. The buyer replies that nothing is needed. The salesperson insists that something must be wrong, and attempts to prove that there is a solution to the "pain" the business is experiencing.

There are two possible outcomes to this scenario. The first is that no sale is made. The second is that the salesperson does uncover some deep-seated problem that can be fixed, and a sale is made. But this is an arduous process that pays off all too infrequently.

The top competitor of salespeople today is the status quo. People continue to do what they do because it works. The salesperson is a messenger of change. He or she makes a sale by helping someone improve the way they do business.³⁰

³⁰ Sources: Stephan Schiffman, "Here's the Real Definition of Selling," *The Marketing News*, December 8, 1997, pp. 4-5; Diana Ray, "Value-based Selling," *Selling Power*, September 1999, pp. 30-33; Rochelle Garner, "The Ties That Bind," *Sales & Marketing Management*, October 1999, pp. 71-74.

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Factor	Personal selling	Mass selling
Speed in a large audience	slow	fast
Cost per individual reached	high	low
Ability to attract attention	high	low
Clarity of communications	high	moderate
Chance of selective screening	moderate	high
Direction of message flow	two way	one way
Speed of feedback	high	low
Accuracy of feedback	high	low

Exhibit 23: Differences in personal selling and mass promotion

Most sales positions require some degree of both types of selling. Sales jobs can be classified on a continuum of service selling at one end to developmental selling at the other. Nine types of sales jobs are classified on this continuum (see Exhibit 24).

Service selling involves the following participants:

- *Inside order taker*: predominantly waits on customer; for example, the sales clerk behind the neckwear counter in a men's store.
- *Delivery salesperson*: predominately engaged in delivering the product; for example, persons delivering milk, bread, or fuel oil.
- *Route or merchandising salesperson*: predominantly an order taker, but works in the field; for example, the soap or spice salesperson calling on retailers.
- *Missionary salesperson*: position where the salesperson is not expected or permitted to take an order but to build goodwill or to educate the actual or potential user; for example, the distiller's missionary and the pharmaceutical company's detail person.
- *Technical salesperson*: major emphasis is placed upon technical knowledge; for example, the engineering salesperson who is primarily a consultant to client companies.

Service selling:

- Inside order taker
- Delivery salesperson
- Route or merchandising salesperson
- Missionary salesperson
- Technical salesperson

Developmental selling:

- Creative salesperson of tangibles
- Creative salesperson of intangibles

Developmental selling requiring high degree of creativity:

- Indirect salesperson
- Salesperson engaged in multiple sales

Low Level of Complexity



High Level of Complexity

Exhibit 24: A continuum of personal selling positions.

Developmental selling involves the following participants:

- *Creative salesperson of tangibles*: for example, salespersons selling vacuum cleaners, refrigerators, siding, and encyclopedias.
- *Creative salesperson of intangibles*: for example, salespersons selling insurance, advertising services, and educational programs.

Developmental selling, but requiring a high degree of creativity, involves the following participants:

- *Indirect salesperson*: involves sales of big ticket items, particularly of commodities or items that have no truly competitive features. Sales consummated primarily through rendering highly-personalized services to key decision-makers in customers' organizations.
- *Salesperson engaged in multiple sales*: involves sales of big-ticket items where the salesperson must make presentations to several individuals in the customer's organization, usually a committee, only one of whom can say yes, but all of whom can say *no*. For example, the account executive of an advertising agency who makes presentation to the *agency selection committee*. Even after the account is obtained, the salesperson generally has to work continually to retain it.

While the developmental-service and oriented classifications are helpful to better our understanding of the selling job, there are several other traditional classifications.

Inside versus outside selling

Inside selling describes those sales situations in which selling takes place in the salesperson's place of business. Retail selling is inside selling. Outside selling represents situations in which the salesperson travels to the customer's place of business. Most industrial selling situations fall into this category.

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Company salespeople versus manufacturer representatives

A manufacturer's representative is an independent agent who handles the related products of noncompeting firms. Generally, these agents are used by new firms or firms that have little selling expertise. Company salespeople work for a particular company and sell only the product manufactured by that company.

Direct versus indirect selling

Indirect selling is characterized by situations in which people in the marketing channel are contacted who can influence the purchase of a product. This type of selling occurs in the pharmaceutical industry in which detail salespeople call on physicians in an effort to convince them to prescribe their firm's brand of drugs. Direct salespeople call on the person who makes the ultimate purchase decision.

The selling process

To better understand the job of a salesperson and how it should be managed, the selling process can be broken into a series of steps. Each step in the process may not be required to make every sale, but the salesperson should become skilled in each area in case it is needed. The steps are shown in Exhibit 25.

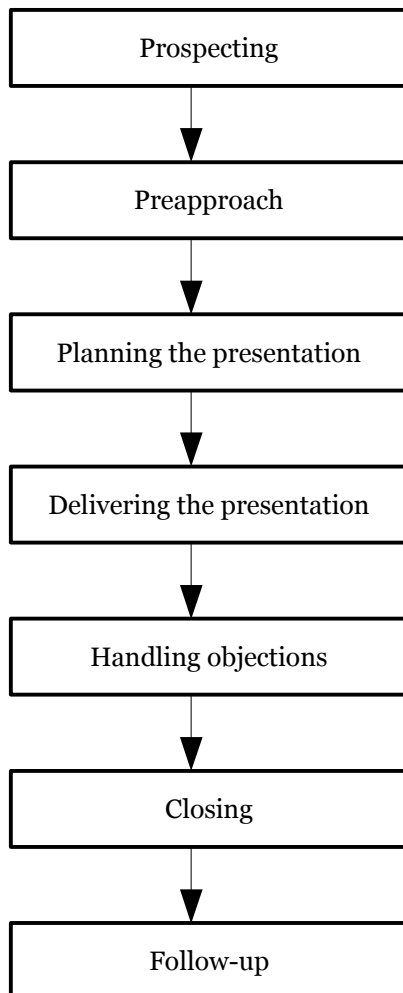


Exhibit 25: The selling process: steps involved.

Prospecting. *Prospecting* is defined as the seller's search for, and identification of, qualified potential buyers of the product or service. Prospecting can be thought of as a two stage process: (1) identifying the individuals and/or the organizations that might be prospects, and (2) screening potential prospects against evaluative qualifying criteria. Potential prospects that compare favorably to the evaluative criteria can then be classified as qualified prospects.

Preapproach. After the prospect has been qualified, the salesperson continues to gather information about the prospect. This process is called the preapproach. The preapproach can be defined as obtaining as much relevant information as possible regarding the prospect prior to making a sales presentation. The knowledge gained during the preapproach allows the tailoring of the sales presentation to the particular prospect. In many cases, salespeople make a preliminary call on the prospect for the purpose of conducting the preapproach. This is perfectly acceptable, and most professional buyers understand that such a call may be necessary before a sales presentation can be made.

Planning the presentation. Regardless of the sales situation, some planning should be done before the sales presentation is attempted. The amount of planning that will be necessary and the nature of the planning depend on many factors, including: (a) the objective or objectives of the presentation, (b) how much knowledge the salesperson has regarding the buyer, buyer needs, and the buying situation, (c) the type of presentation to be planned and delivered, and (d) the involvement of other people assisting the salesperson in the sales presentation. Careful planning offers advantages for both the salesperson and the buyer. By carefully planning the presentation, salespeople can: (a) focus on important customer needs and communicate the relevant benefits to the buyer, (b) address potential problem areas prior to the sales presentation, and (c) enjoy self-confidence, which generally increases with the amount of planning done by the salesperson. In planning the presentation, the salesperson must select the relevant parts of their knowledge base and integrate the selected parts into a unified sales message. For any given sales situation, some of the facts concerning the salesperson's company, product, and market will be irrelevant. The challenge to the salesperson is in the task of distilling relevant facts from the total knowledge base. The key question here is, "What information will the prospect require before they will choose to buy my offering?"

Delivering the presentation. All sales presentations are not designed to secure an immediate sale. Whether the objective is an immediate sale or a future sale, the chances of getting a positive response from a prospect are increased when the salesperson: (a) makes the presentation in the proper climate, (b) establishes credibility with the prospect, (c) ensures clarity of content in the presentation, and (d) controls the presentation within reasonable bounds.

Handling objections. During the course of the sales presentation, the salesperson can expect the prospect to object to one or more points made by the salesperson. *Sales objections* raised by the prospect can be defined as statements or questions by the prospect which can indicate an unwillingness to buy. Salespeople can learn to handle customer's objections by becoming aware of the reasons for the objections. The objections of customers include objections to prices, products, service, the company, time, or competition. The reasons for objections include that customers have gotten into the habit of raising objections, customers have a desire for more information, and customers have no need for the product or service being marketed. Salespeople can overcome objections by following certain guidelines including viewing objections as selling tools, being aware of the benefits of their product. and creating a list of possible objections and the best answers to those objections.

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Closing. To a large degree, the evaluation of salespeople's performance is based on their ability to close sales. Certainly, other factors are considered in evaluating performance, but the bottom line for most salespeople is their ability to consistently produce profitable sales volume. Individuals who perform as salespeople occupy a unique role: they are the only individuals in their companies who bring revenue into the company.

There may be several opportunities to attempt to close during a presentation, or opportunity may knock only once. In fact, sometimes opportunities to close may not present themselves at all and the salesperson must create an opportunity to close. Situations where a closing attempt is logical include:

- when a presentation has been completed without any objectives from the prospect
- when the presentation has been completed and all objections and questions have been answered.

When the buyer indicates an interest in the product by giving a closing signal, such as a nod of the head.

Capsule 16: Review

- Personal selling involves the direct presentation of a product or service idea to a customer or potential customer by a representative of the company or organization.
- There are various types of selling: inside order taker, delivery salesperson, route-merchandise salesperson, missionary salesperson, technical salesperson, creative salesperson of tangibles, creative salesperson of intangibles, indirect salesperson, salesperson engaged in multiple sales.
- The selling process includes the following steps:
 - prospecting
 - preapproach
 - planning for presentation
 - delivering the presentation
 - handling objections
 - closing
 - follow-up

Follow-up To ensure customer satisfaction and maximize long-term sales volume, salespeople often engage in *sales follow-up* activities and the provision for post-sale service. If a sale is not made, a follow-up may eventually lead to a sale.

Strengths and weaknesses of personal selling

Personal selling has several important advantages and disadvantages compared with the other elements of marketing communication mix (see Exhibit 23). Undoubtedly, the most significant strength of personal selling is its flexibility. Salespeople can tailor their presentations to fit the needs, motives, and behavior of individual customers. As salespeople see the prospect's reaction to a sales approach, they can immediately adjust as needed.

Personal selling also minimizes waste effort. Advertisers typically expend time and money to send a mass message about a product to many people outside the target market. In personal selling, the sales force pinpoints the target market, makes a contact, and expends effort that has a strong probability of leading to a sale.

Consequently, an additional strength of personal selling is that measuring effectiveness and determining the return on investment are far more straightforward for personal selling than for other marketing communication tools, where recall or attitude change is often the only measurable effect.

Another benefit of personal selling is that a salesperson is in an excellent position to encourage the customer to act. The one-on-one interaction of personal selling means that a salesperson can effectively respond to and *overcome* objections (customers' concerns or reservations about the product) so that the customer is more likely to buy. Salespeople can also offer many specific reasons to persuade a customer to buy, in contrast to the general reasons that an ad may urge customers to take immediate action.

A final strength of personal selling is the multiple tasks the sales force can perform. For instance, in addition to selling, a salesperson can collect payment service or repair products, return products, and collect product and marketing information. In fact, salespeople are often best at disseminating negative and positive word-of-mouth product information.

High cost is the primary disadvantage of personal selling. With increased competition, higher travel and lodging costs, and higher salaries, the cost per sales contract continues to increase. Many companies try to control sales costs by compensating sales representatives based on commission only, thereby guaranteeing that salespeople get paid only if they generate sales. However, commission-only salespeople may become risk-averse and only call on clients who have the highest potential return. These salespeople, then, may miss opportunities to develop a broad base of potential customers that could generate higher sales revenues in the long run.

Companies can also reduce sales costs by using complementary techniques, such as telemarketing, direct mail, toll-free numbers for interested customers, and online communication with qualified prospects. Telemarketing and online communication can further reduce costs by serving as an actual selling vehicle. Both technologies can deliver sales messages, respond to questions, take payment, and follow up.

Another disadvantage of personal selling is the problem of finding and retaining high quality people. First, experienced salespeople sometimes realize that the only way their income can outpace their cost-of-living increase is to change jobs. Second, because of the push for profitability, businesses try to hire experienced salespeople away from competitors rather than hiring college graduates, who take three to five years to reach the level of productivity of more experienced salespeople. These two staffing issues have caused high turnover in many sales forces.

Another weakness of personal selling is message inconsistency. Many salespeople view themselves as independent from the organization, so they design their own sales techniques, use their own message strategies, and engage in questionable ploys to create a sale. Consequently, it is difficult to find a unified company or product message within a sales force, or between the sales force and the rest of the marketing communication mix.

A final weakness is that sales force members have different levels of motivation. Salespeople may vary in their willingness to make the desired sales calls each day; to make service calls that do not lead directly to sales; or to use new technology, such as a laptop, e-mail, or the company's website. Finally, overzealous sales representatives may tread a thin line between ethical and unethical sales techniques. The difference between a friendly lunch and commercial bribery is sometimes blurred.

The sales force of the future

What will the sales force of the year 2020 look like? Will it still consist of dependent operators who are assigned a territory or a quota? Will the high cost of competing in a global marketplace change the traditional salesperson? Although we can speculate about dramatic changes in the nature of personal selling, the traditional salesperson figure will likely remain intact for several decades. Why? Many products will still need to be sold personally by a knowledgeable, trustworthy person who is willing to resolve problems at any hour of the day.

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Still, major changes in personal selling will occur, in large part due to technology. Though technology has increased selling efficiency, it has also resulted in more complex products, so that more sales calls are required per order in many industries. Also, because of the trend toward business decentralization, sales representatives now have more small or mid-sized accounts to service. Currently, companies such as Hewlett-Packard and Fina Oil and Chemical as well as many smaller companies provide laptop computers to all salespeople. Computer-based sales tracking and follow-up systems allow salespeople to track customers. This technology means that salespeople can assess customer-buying patterns, profitability, and changing needs more rapidly. Accessing this information via computer saves the salesperson time and allows customization of the sales presentation

Sales teams will continue to gain in popularity because customers are looking to buy more than a product. They are looking for sophisticated design, sales, education, and service support. A sales team includes several individuals who possess unique expertise and can coordinate their efforts to help meet the needs of the particular prospect in every way possible. The salesperson acts as a team quarterback, ensuring that the account relationship is managed properly and that the customer has access to the proper support personnel.

Procter & Gamble is one company that has adopted the team approach. P&G has 22 sales executives who coordinate the sales effort of various P&G divisions in their assigned market areas. Each manager coordinates key account teams composed of sales executives from P&G's grocery division. As many as three key account teams may sell in each market. The marketing manager supervises a logistics team composed primarily of computer systems and distribution executives. The team works closely with retailers to develop mutually compatible electronic data and distribution systems. P&G hopes the team approach will reduce the pressure for trade promotions because the team provides greater service to resellers.

Salespeople of the future will have to adjust to new forms of competition. With the increased capabilities and greater use of direct marketing, for example, salespeople must recognize that some customers will buy a product without contact with a salesperson. Product catalogs that feature everything from computers to classic automobiles are mailed directly to customers or ordered on the Internet. These often provide all the information about the product the customer needs to know. Questions can be answered through a toll-free number, an Internet comment form, or e-mail. Salespeople of the twenty-first century should either integrate direct marketing to support the selling process or offer the customer benefits not available through other marketing communications techniques.

On this very small planet, salespeople will also have to adjust to new sources of competition. Companies in Asia, South America, and Eastern Europe are introducing thousands of new products to industrialized nations every year. The salesperson of the future must know how to respond to foreign competitors and how to enter their markets. A program that integrates personal selling with other marketing communication tools will give salespeople more opportunity to act efficiently and have selling success.

Newsline: New toys for sales success?

Recent technological advances have given salespeople more ways than ever to improve sales and productivity. To make technology work, however, you have to control it instead of letting it control you. Start by learning to use everyday tools (computer, fax, and e-mail) more efficiently and effectively. Once you know how to get the most out of technology, you can get more out of each workday.

Get a voicemail advantage. You can avoid time-consuming two way phone conversations by outlining detail in voicemail. Also, if you need the person for whom you are leaving the message to take some actions, say so in the message, then say there is no need to call you back unless they have questions or problems.

Improve your email habits. To avoid frequent interruptions to your workday, set aside specific, scheduled times during the day to answer your e-mail.

Fax casually. When you are flooded with faxes, forget about taking the time to send replies on new sheets of paper and fill out cover sheets. Instead, simply hand-write your replies at the bottom of the fax you received and turn it around.

Get better acquainted with your PC. Take an hour or so before or after work for a week to learn all of your computer's functions and how they can boost your productivity.

Make a sound investment. You rely on technology every day to do your job, so it pays to spend a little more for equipment that will not let you down. Carefully assess your technology needs, then shop around for equipment that meets those needs without a lot of bells and whistles.

Take a break. Overall increases in the speed of business can leave a salesperson feeling done in and turned out.³¹

The Wall Street Journal

wsj.com

In practice

Marketing communication must communicate an organization's ideas to its target audiences, compete consistently and effectively in the marketplace, and convince consumers to buy its products. To achieve these objectives, marketers design an integrated marketing communication plan using advertising, sales promotion, public relations, and personal selling.

Marketing communication is both internal and external in scope with an array of target audiences some small, some large. Marketing communication is also both direct and indirect. Advertising and public relations are indirect, mass communication systems, while sales promotion and personal selling are direct, interpersonal and organizational systems.

The **Marketplace** section of the Interactive Journal is an invaluable source for articles related to marketing communication. With a section dedicated for **Advertising** news, the Journal keeps readers informed of the latest trends in the field.

³¹ Sources: Robin Sharma. "A Technology Edge," *Selling Power*, January/February, 1998, pp. 37-38; Ginger Conlon, "How to Move Customers Online," *Sales & Marketing Management*, March 2000, pp. 27-28; Neil Rackman, "The Other Revolution in Sales," *Sales & Marketing Management*, March 2000, pp. 34-35.

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Marketplace Columns are the main features in the **Marketplace** section. They are regular weekly columns, offering insight into a variety of topical issues such as E-business and work and family.

The **Marketplace Extra** section is the online companion to the print edition's supplement to the Weekend Journal. Here you will find stories about broader market trends. Astute marketers can leverage this information to learn more about consumer behavior. In turn, they can develop marketing communication strategies with more relevant and convincing messages.

Careers

Many marketers get their start in advertising, sales, or public relations. The Interactive Journal offers job seekers advice about finding jobs and building careers. On the **Front Section**, click on the **Careers** link under **Free WSJ.com Sites**. You will find negotiation strategies, a career Q&A, and interviewing tips. You can also find information about writing effective cover letters and resumes.

Deliverable

Read one of the featured articles in today's **Marketplace** section of the Interactive Journal. Search the Interactive Journal and other relevant sites for additional information. Identify the marketing communication strategies the company uses and argue their effectiveness. Support your conclusions with facts and chapter concepts.

Questions

- Why are organizations shifting from specialized to integrated marketing communication strategies?
- How can organizations design marketing communication programs that keep pace with the rapid changes in technology?
- What careers are available in advertising? Sales? Public relations? What skills are employers seeking for these positions?

Summary

Marketing communication remains one of the most visible and controversial aspects of marketing. Everyday we see hundreds of ads, redeem coupons, are approached by a variety of salespeople, and are told by countless companies how good they are. This chapter introduces the persuasive arm of marketing communication. In it we suggest that since everything about a company is going to communicate something, it would be beneficial to have as much control over this process as possible. Other reasons for planning the communication effort are also discussed, as are the primary objectives: (a) to communicate, (b) to convince, and (c) to compete. The systems model of communication is discussed to clarify the general communications process. Components of this process are defined and described. Types of communications systems are described. IMC is defined from a broad perspective, and then categorized into four components: (a) advertising, (b) personal selling, (c) public relations, and (d) sales promotion. The eight-step process involved in designing an IMC strategy is discussed.

Advertising is discussed in the context of marketing communication that is targeted at mass markets. It contains a sequential process, but is highlighted through its creative strategy and media strategy.

Sales promotion and public relations are two components that are both misunderstood and misused. The second part of this chapter develops some basic concepts related to both strategies. Reasons for sales promotion and types of sales promotion are discussed. Public relations is viewed in terms of its two publics, internal and external. Several techniques used to reach these publics are proposed.

Professional selling has been defined as personal contact aimed at successfully persuading prospects to buy products or services from which they can derive suitable benefits. Selling is a major force in our economy, both in terms of employment and its impact on the success of various organizations. The product, customer, competition, and environment must all be considered in determining the relative emphasis to place on personal selling in the promotional mix. The activities of a salesperson can be broken into a series of steps called the sales process. Not all of the steps are required for every sale, but the complete process includes prospecting, preapproach, planning the presentation, the approach, delivering the presentation, handling objectives, closing, and follow-up.

Key terms

Advertising (consumer's perspective) One of several incoming messages directed at the consumer, the salience of which is influenced by the emotional, physical, and need state of the individual, and the benefit of which can be information, motivation, and entertainment.

Advertising (societal perspective) An institution of society that has the capability of informing the citizen, stimulating economic growth, and providing knowledge useful in decision making, as well as the tendency both to misallocate scarce economic resources and lead consumers to engage in behavior that may not be in their best interest.

Advertising (business perspective) Advertising's function is primarily to inform potential buyers of the problem-solving utility of a firm's market offering, with the objective of developing consumer preferences for a particular brand.

Advertising campaign The culmination of all the strategic, creative, and operational efforts of the people working towards a particular set of advertising objectives.

Creative strategy Concerns what an advertiser is going to say to an audience, based on the advertising objectives. Strategy should outline what impressions the campaign should convey to the target audience.

Creative tactics Specific means of implementing strategy.

Sales promotion Temporary special offers intended to provide a direct stimulus to produce a desired response by customers.

Price deals Short-term reductions in the price of a product to stimulate demand that has fallen off. Coupon offers, certificates for a specified amount off a product.

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Combination offers Link two products together for a price lower than the products purchased separately.

Contest A promotion that involves the award of a prize on the basis of chance or merit.

Rebates A refund of a fixed amount of money for a certain amount of time.

Premium offers A tangible reward received for performing a particular act, usually purchasing a product.

Consumer sampling Getting the physical product into the hands of the consumer.

Push money A monetary bonus paid by a manufacturer to a retail salesperson for every unit of a product sold.

Dealer loader A premium that is given to a retailer by a manufacturer for buying a certain amount of a product.

Trade deals Strategies intended to encourage middlemen to give a manufacturer's product special promotional efforts that it would normally not receive.

Public relations Public relations practice is the art and social science of analyzing trends, predicting their consequences, counseling organization leaders, and implementing planned programs of action that serve both the organization's and the public interest.

Internal publics People connected with an organization with whom the organization normally communicates in the ordinary routine of work.

External publics People not necessarily closely connected with an organization.

Campaign Planned series of promotional efforts designed to reach a predetermined goal through a single theme or idea.

Communication A process in which two or more persons attempt to consciously or unconsciously influence each other through the use of symbols or words in order to satisfy their respective needs.

Federal Trade Commission (FTC) US government agency established to protect businesses against unfair competition.

Marketing communication Includes all the identifiable efforts on the part of the seller that are intended to help persuade buyers to accept the seller's message and store it in retrievable form.

IMC mix Various combinations of elements in a promotional plan: advertising, sales promotion, personal selling, public relations.

Questions

- List the basic objectives of marketing communication. Why is it often difficult for promoters to reach their objectives? Provide some valid reasons why marketers should pursue these objectives.
- Assume that top management for General Equipment, Inc. hired you to determine if a promotional opportunity exists for a fabricated part that has been developed for heavy-duty equipment. What criteria would you use as a basis of investigation?
- Define the phrase "sales promotion". Cite some examples of how sales promotion can supplement or complement the other components of the IMC mix.
- What steps might a public relations person take to prevent the firm from acquiring a negative public image?
- Assume that you are the public relations director for a bank. Suppose that two people were robbed while withdrawing money from an automatic 24-hour teller machine. Develop a program in response to this incident.
- How is the consumer's definition of advertising different from that of a businessperson's?
- Give some examples of situations in which primary demand product advertising might be fruitful. When would selective demand product advertising be useful?
- Assume that you have been charged with organizing an in-house advertising department for a growing consumer products company. The first task is to hire an advertising manager who will have

ultimate responsibility. What responsibilities should be mentioned in the job description for this position?

- Explain the difference between creative strategy and creative tactics.
- List and describe the various types of appeals. Develop an appeal, as well as tactics to operationalize this appeal, for Old Spice Shave Cream.

Project

Can you cite some examples of how either advertising or another form of marketing communication led you to purchase a product that did not satisfy a need? Could any form of MC (marketing communications) or gimmick lead you to repurchase it? Has MC enabled you to find a product which satisfies a personal need? How might future MC keep you loyal to a product? Write a two to three page response.

Case application

The microrecorder

One of the fastest growing industries in the United States in the past ten years has been the direct marketing of a wide variety of consumer goods and services. Today it is not unusual for most of us to shop by mail (or use some other form of direct marketing) for almost anything imaginable. Among the most well-known and successful direct marketers is Neiman Marcus, a retail department store that also discovered the additional profits of selling such unusual gifts as elephants, airplanes and USD 1,000 boxes of chocolate candy—all by mail.

However, Neiman Marcus is certainly not alone. There are literally thousands of companies selling via direct marketing. One of these companies is American Import Corporation. American Import was started in 1969 by Tom and Sally Struven. They started their business by importing a line of Japanese-made sports watches and selling them for USD 29.95 with advertisements in *The Wall Street Journal*, *The Rotarian*, *Elks Magazine*, and the *Legionnaire*. At that time, comparable watches were retailing for USD 49.95 to USD 79.95. The Struven's were successful, and in the next few years they continued to expand their product lines, compiled their own customer list, and eventually issued a shopping catalog. Although the catalog was successful, they discovered the most successful way to introduce a new item was to advertise it separately.

In early 1980, Tom and Sally Struven made arrangements to purchase 50,000 micro-recorders from a Korean manufacturer. These recorders measured 1 x 2 1/2 x 5 1/2 inches (approx. 2.5 x 6.35 x 13.97 cm) and were supplied with a built-in microphone, a vinyl carrying case, a wrist strap, and a 30-minute micro-cassette. The micro-recorder is operated by 4 AA batteries or an optional AC adapter.

This type of recorder became very popular in the past few years, particularly among businesspeople. A traveling executive or salesperson could dictate letters on the micro-recorder and then have a secretary transcribe them onto letterhead. The micro-recorder is also ideal as an audio notepad, substituting for paper-and-pencil note taking.

The first micro-recorder was brought to the mass market in 1975 and retailed for USD 400. Since then, several companies entered the market, and today there are approximately twelve major brands available through traditional retail locations. The prices of micro-recorders vary by the sophistication of the individual piece of equipment; however, the retail price range is USD 90 to USD 250.

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American Import Corporation decided to offer its micro-recorder for USD 39.95. Although American Import's product was a technically simple product, it did a very capable and reliable job of performing the basic task of recording and playing back the human voice.

With several years of direct marketing experience behind them, the Struvens decided to introduce the micro-recorder via direct marketing. They were planning an advertising campaign in *Barron's*, the *Wall Street Journal*, the *New York Times*, the *Chicago Tribune*, the *Los Angeles Times*, and a spot television campaign in selected markets.

The Struvens were very excited about the sales prospects of their new micro-recorder, and while the media portion of their advertising campaign was rather obvious, they could not decide on the best creative approach for the product.

Several possible themes came to mind. For example, should the product be sold on the basis of its comparatively low price? Its simplicity of operation? Its flexibility of use? Its size/convenience? Perhaps they should use a competitive-comparison strategy? How about their no-risk, 30-day trial?

The products had arrived from Korea. The media schedule had been set. Shipping procedures were established. Contractual arrangements with service organizations had been made. The only obstacle between American Import Corporation and a new source of profits seemed to be the selection of the most promising creative strategy for this new mini-recorder.

Questions

- What creative strategy would you recommend to the Struvens?
- Suggest three alternative creative executions of the recommended strategy for a print advertisement.

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