Fundamentals of Marketing

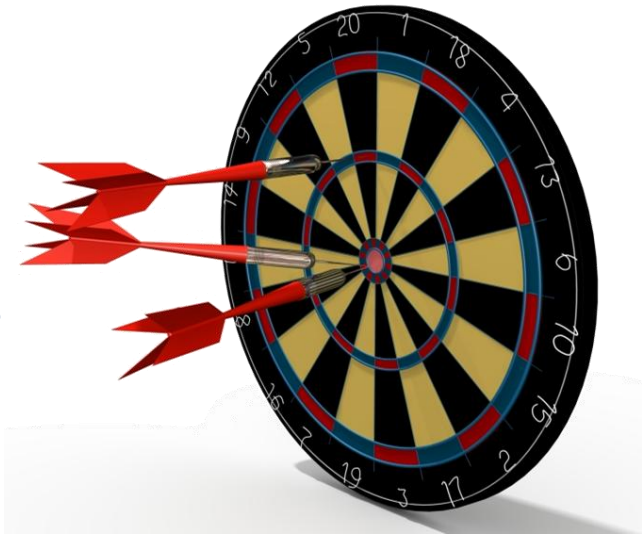
Instructor's Handouts

Chapter 8

Communication Management

Chapter Objetives

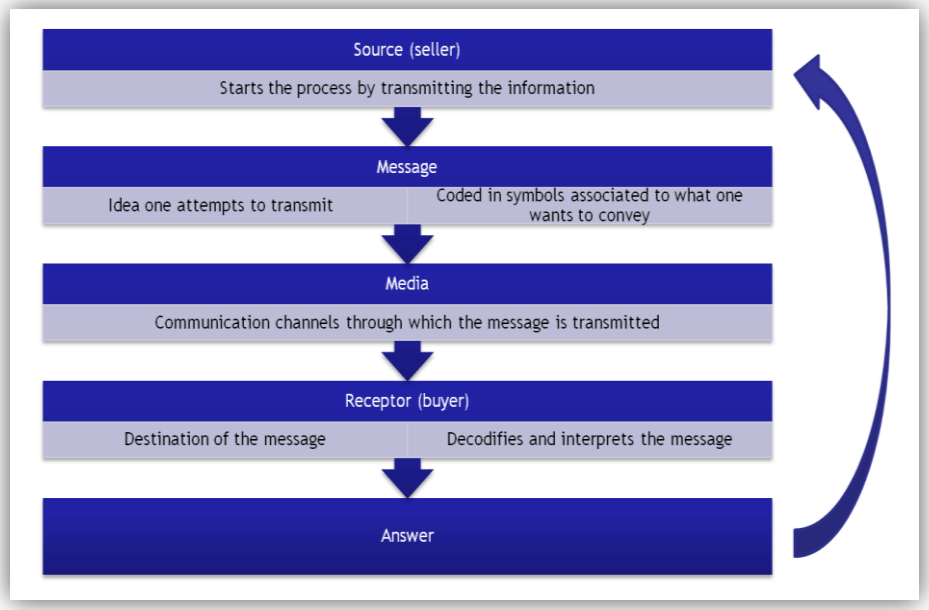
- Defining the concept and process of business communication.
- Explaining what 360º communication is and its current importance.
- Examining advertising as a communication tool in depth, explaining what its aims are as well as the most usual strategies.
- Knowing other communication tolls that are traditionally used: direct marketing, sales promotions, public relations and sponsorship, in addition to analysing the new ways of business communication.



8.1 The Concept and Process of Communication

- Communication is the transmittal of information from the seller to the buyer, and whose content refers to the product or the company that manufactures or sells it; it is done through different media, and its final goal is to stimulate demand.

- As a marketing tool, communication has the aim of communicating the existence of this product, to make its features, advantages and needs it satisfies known.



8.2 Integrated Communication and Communication 360º

- A company does not usually use one only tool to make its products known; it combines some of the possible methods to communicate with the market in a way it considers more appropriate to reach its goals. This combination is called **"communication-mix"** and in a traditional way an **"integrated communication campaign"** uses a great variety of tools.

- At present the concept of integrated communication has evolved to **'360º communication'** :
  - One must closely study the public.
  - Communication must use all of the possible media.
  - It must be proactive, integrated on different supports: corporate image, internal communication, public relations, loyalty, traditional advertising campaigns, on-line advertising, blogs to offer customers permanent communication…

8.3 Advertising

- **Concept and objectives:**

  - Advertising is the transmittal of **impersonal and remunerated** information, done through a **mass media**; it is aimed at a **target group**, in which the source is known, and it has a specific purpose, which, in an immediate way or not, tries to stimulate demand of a product or to change the opinion or behaviour if the consumer.

  - **Types:**

    - Product advertising.
    - Institutional advertising.

8.3 Advertising

- **Advertising strategy:**
  - Advertising strategy includes a set of decisions that are related to the following aspects:
    - What one wishes to communicate (objectives).
    - Who we want to communicate to (target group).
    - How the budget is set and distributed.
    - How what one wishes to communicate is said (design of the message).
    - Which media are going to be used.
    - When and for how long we are going to communicate.

8.3 Advertising

- The **planning process of the advertising strategy** is complex and includes a series of stages which are the following:
  - Situation analysis.
  - Setting of objectives.
  - Identifying the target group.
  - Determining the budget.
  - Message definition.
  - Media selection.
  - Establishing the length and the dates of the advertising campaign.

8.3 Advertising

- **Creative Strategies:**
  - The briefing
  - The message
  - Style of advertising
  - Tone emotional or rational

L'Oréal
- Because you're worth it

BMW
- Do you like driving?

Sony Bravia
- Colours as never before

Usual advertising execution styles

- Text alone, no illustrations
- With illustrations (drawings or photographs) with or without people
- Using humour
- Using erotica
- With aggressiveness or violent images
- With music or song accompaniment (jingle)
- Presentation of story
- Exposure of the uses of the product and the problems it solves
- Depicting moments in a life (slice of life)
- Demonstrations: occasionally, comparative advertising
- Testimonial advertising (with experts, famous people, or product users)
- Lifestyles
- Analogies or idea association
- Product or usage fantasies
- Reminder of the existence of the product
- Advertisements shared by various advertisers (collective or joint advertising)
- Animation
- Instructive or educational
- Creating suspense
- Using fear
- Advertisements announcing promotions

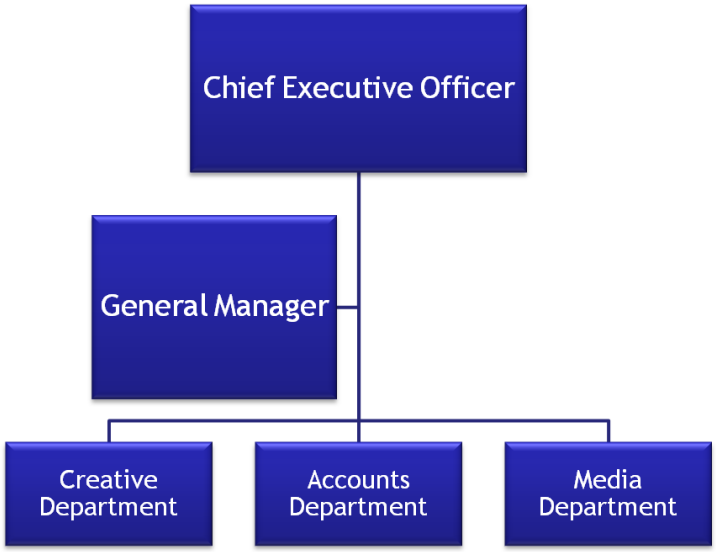
8.3 Advertising

- **The media strategy:**
  - The strategy and media planning consists in selecting the media types and specific media vehicles to use in the campaign.

MEDIA	ADVANTAGES	DISADVANTAGES
Daily press	•Geographic selection •Flexibility	•Scarce message permanence •Limited socio-economic reach •Printing quality
Magazines	•Demographic and socio-economic selection •Printing quality	•Limited audience •High cost per advertisement
Radio	•Geographic and demographic Selection •Mass use •Flexibility •Reduced cost	•Lacking visual support •Limited impact •Low message permanence
Television	•Combines sight, sound and movement •High power of attraction •High audience •Low cost per impact	•Low message permanence •Advertisement saturation-surfing •High absolute cost •Little flexibility
External	•High reach and frequency •Relatively cheap	•Brief message •Limited location
Direct mail	•High permanence •Market selection •Easy to measure results •Flexibility	•"Junk Mail" image •High cost (conventional mail)
The Internet	•High permanence •Interactivity •Globalization •Cost per impact •Multimedia	•Limited socio-economic reach •No target audience selection (on web page advertising)

8.3 Advertising

- **Advertising agencies:**
  - The advertising agency is a services company that makes or is in charge of the creation and production of the advertisements, as well as the selection of media and the programming of the advertising campaign.



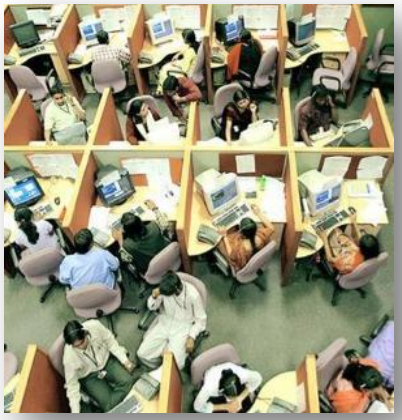
8.4 Direct Marketing

- Direct marketing is a way of company communication, which is defined by being **personalized and interactive**, that is, a feedback from the target group is sought; this type of communication usually fosters the synergy of different media, using mail, phone and even television and the Internet.

- **Mailing** is one of the types of direct marketing which supports itself on the sending and receiving of postal mail.

- **Telemarketing** is another type of direct marketing; it uses the phone with the aim of reaching the target group.

- Evolution: **one-to-one marketing and MGM programs.**



8.5 Sales Promotions

- **Sales promotion** is a communication tool, which may be aimed at both the distribution channel and the end consumer and makes use of different techniques with the aim of attaining a **quantifiable benefit** in terms of sales increase.

PROMOTIONS AIMED AT THE CONSUMER	PROMOTIONS AIMED AT THE DISTRIBUTION CHANNEL
Increase short-term sales	Gain and keep presence in the channel
Approach product to the consumer	Motivate to the channel in order that it demands the product
Introduce a new product	Get rid of competition in the channel
Accelerate habit or increase consumption frequency	Foster stock clearance
Get rid of stock or increase rotation	Make agreements with the channel to stabilize relationships
Fight competition	
Motivate the sales force	
Extend distribution	
Increase exposure at point of sale	

8.6 Public Relations

- Public relations (PR) are a set of activities carried out by organizations, with the generic aim of **obtaining, maintaining or recovering acceptance,** trust and the support of a variety of consumers, not necessarily always related to the product or activities the company or enterprise deals with.

- The features of public relations are the following:

  - It must be a constant and planned activity.
  - The aim is to gain the confidence of the public to whom it is addressed), indirectly, in order to obtain a positive and favourable opinion.
  - It is targeted at a variety of heterogeneous publics, not only customers and users of the products or services offered.
  - Communication is not repetitive, since it may lead to a lack of confidence.
  - The message is more subtle, less obvious or direct than advertising or personal selling.
  - The message is more credible than in the rest of communication tools, more so if it is broadcast through the news, reports commentary or people's opinions or from institutions that are removed from the organization that carries out the public relations.

8.7 Sponsorship and Patronage

- Sponsorship is an action done by a physical or juridical person, who tries to favour another person or institution, though the provision of money, with the aim of a business profit, generally related to image. In fact, current sponsorship are usually aimed at making a show possible, whose interest gives it media coverage; as it is associated to the sponsor, there is a volume of business communication that compensates the investment made.

- In theory patronage is a different tool, although not all authors or experts establish a difference. Patronage refers to cultural and social events, whereas sponsorship is related with mass events, sports, television…However, for all practical purposes, they are studied and analysed in the same way.

8.8 New ways of Communication

- **Buzz marketing**, on the one hand, is based on "word-of-mouth" communication and intends to, therefore, take advantage of the rumours that are spread quickly and exponentially. When a buzz marketing campaign is designed the aim is to start, spread and maintain the rumour the longest time possible and, also, to make sure that it doesn't get falsified in the process or it is spread in a wild way. This type of marketing is also called "undercover marketing".

- **Viral marketing** is closely related to buzz; propagation is also used in it, although it is the product itself which is used to enable the spreading.

- The **advertainment or advergaming** is used to develop new publicity and communication actions through related games and services; they are usually offered for free on the Internet and their awareness is quickly spread among users.