

**Strategic Marketing-Contemporary Issues**  
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**Lecture - 30**

In module ten and module eleven preceding this particular section we have discussed two important concepts, which we have described as overriding objectives to be achieved through successful execution of strategic marketing. And those two concepts, we described as brand resilience and customer advocacy. And we earlier discussed that both of these related but different positions of strength, one that relates to the brand resilience; that means, the way that brand travels through ups and downs in the business domain. The way that brand response to adverse situations and customer advocacy where customer participates in the marketing process and creates that extremely valuable asset of today, which is the market buzz, the word of mouth publicity, the preference and referrals that co creates an almost un assailable position - competitive position. And we discuss that both of these concepts or position of strength or rooted incorporate reputation.

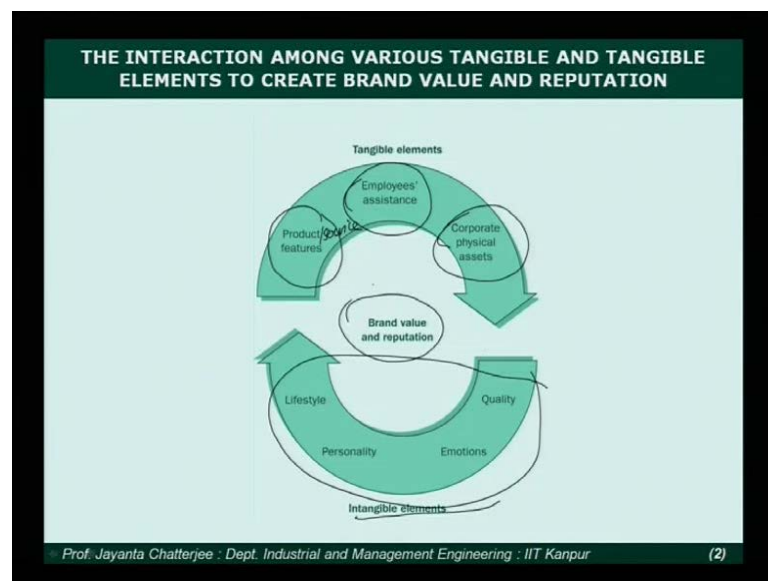
We discuss the concept of reputation and the way it connects to culture ethics values, deep-rooted concern for the stakeholder as well as the reputation is derived from tangible elements like the product or service, performance, quality, productivity and so on. And therefore, we will now discuss the role of marketing communication which increasingly we called integrated marketing communication or IMC and the responsible role that IMC plays in creating nourishing, enhancing corporate reputation in conjunction with all the other business functions.

Now, communication is a bi-directional process; there are senders and receivers and we will see some models. But at this moment, it is important to note that in the marketing context we are talking about communication of a message from the marketer to the consumer to the customer through different media. And of course, good marketing communication also is a close loop process, so there is a feedback path from the receiver of the message to the sender of the message; that means, from the marketplace from the consumer, customer back to the organization. And message is different from just facts and figures; message is quite aligned to the concept of offerings and position that we

have discussed before which means that a message contains information as well as interpretation. An interpretation happens in the minds of the receiver, and in that sense it is always strongly subjective as well in spite of the objective facts that are transmitted through the message. And that is why as we were discussing that in extremely cluttered marketplace, global marketplace of today, it is very difficult to communicate the real value offered by the organization through its products and services.

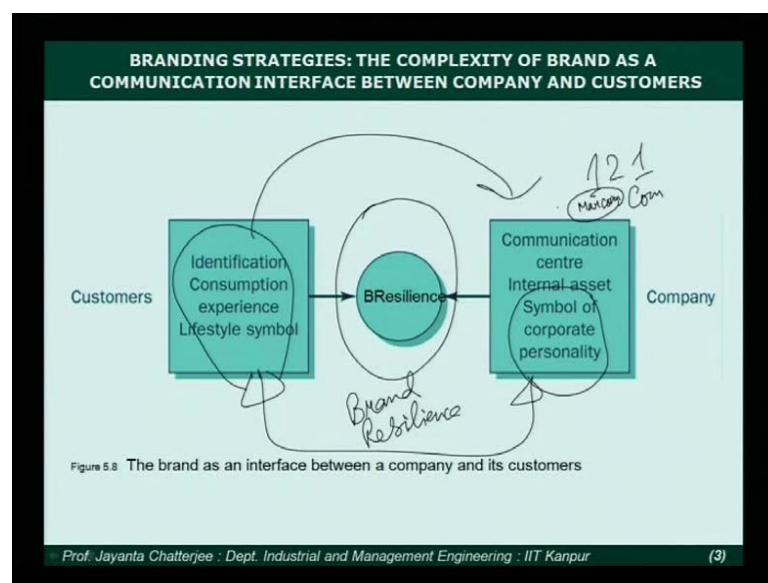
In that five or ten seconds that it can expect from the customer, consumer at large, because of the multiple media, multiple streams of messages that are constantly being, constantly assaulting the senses of the consumers. So, the number of coding, number of newspapers, magazines, internet sites, the television programs I mean they are radio programs. So, messages at beam being beamed across to the consumers almost twenty four by seven today. And in that scenario therefore, it becomes very difficult to convey the superiority of your product or service in spite of all strategic efforts until and unless your marketing communication efforts create on the basis of course, the factual superiority of your products and services. But the role of marketing communication to create that reputation which in five or ten seconds therefore, allows the consumer to listen to you in spite of all the clutter and (( )) noise is the process that we are going to look at in this session.

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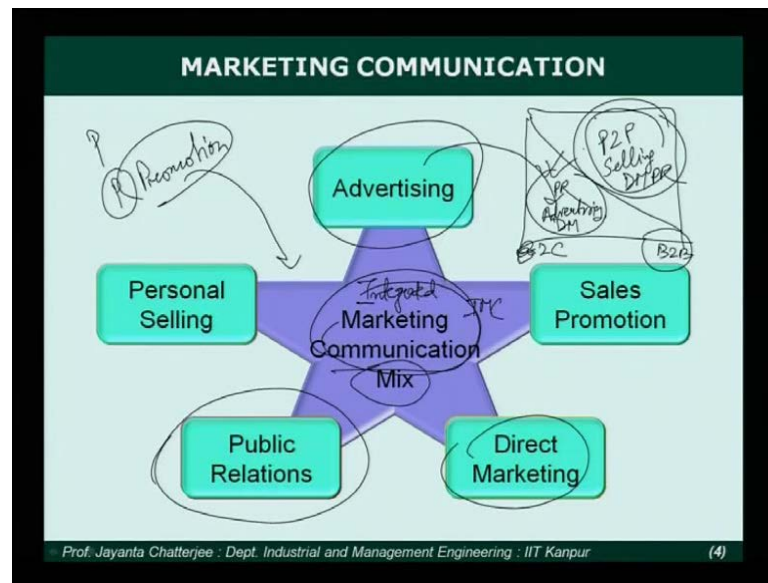
So, obviously, this creation of the brand value and reputation is the constant interaction between tangible elements and intangible elements that as we just discuss the product or service features. We can right service here as well and different types of physical assets our physical evidence which is also part of the marketing mix today that employees role; that means, the people role who deliver the product and services and along with that matching with the intangible elements in the customers life, lifestyle, personality, motion. So, this matching it is like two pieces of the jigsaw puzzle and this is this matching is important to create the brand value and the reputation.

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And therefore, very clearly your marketing communication today cannot be one size fits all, because we have clearly looking at this other half and we are looking at it as a continuum as a cycle. So, it is very important that therefore, marketing communication has to depend on kind of mass customization, and as much one to one linking as possible. So, customers identity, their consumption styles, their preferences, their experience, is their lifestyle with the company's offering the personality and all that is that what creates the brand resilience. And this matching therefore, we are saying and that is why today this one to one communication using technologies help using different other possibilities that we have today it has become very important. So, one to one mark comp.

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It means that just as we have discussed about the so-called marketing mix where we have all those four piece or seven piece; that means, that price, product, promotion, place and along with that the people, the physical evidence, and assets the process and all of those that we have discussed before in the same way. Within the all those piece we have this p which stands for promotion, and promotion here we are bringing it as an integrated marketing communication or IMC as we call it. So, IMC mix. So, IMC mix consists of advertising, personal selling, usually when we talk marketing communication be immediately think about advertising, but as you can see these are equally important. We discussed a bit about the public relations in the previous module.

So, personal selling, advertising, sales promotion, direct marketing all of these are important issues. And of course, within the domain of marketing as you can see that if we do this as consumer marketing or b to c, and this is b to b then here it is primarily this advertising. There is mostly advertising a little bit of here we had called in person to person selling. So, in b to b, it is mostly marketing communication rides on person to person selling whereas, b to c - it is rights on advertising, of course, also on direct marketing. Direct marketing also is an important element here.

And PR also plays an important part, because that is it very key strategy for reputation management that also, but here the role of PR is more important because as we have

discussed in b to b we have fewer number of customers, but customers whose buying values lifetime values are not higher that individually.

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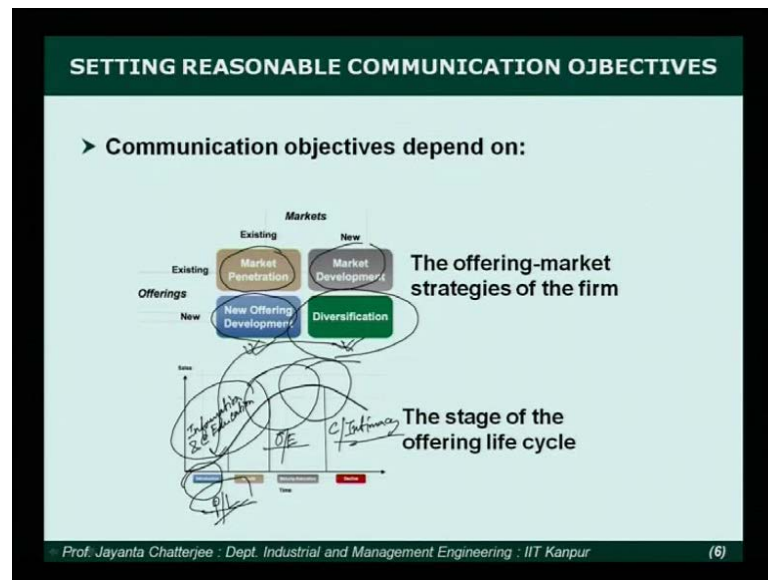
**INTÉGRATIVE MARKETING COMMUNICATIONS -WHY?**

- **Marketing:** the increased fragmentation and segmentation of markets, relationship marketing and direct marketing
- **Information Technology:** the development of new communication technologies and database applications
- **Communication:** increased fragmentation of media audiences, multiplicity and saturation of media channels.

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So, integrity marketing communication has come up with the concept, because today as I was discussing marketing has faces the challenge of increasing fragmentation and segmentation as well as that clutter in the marketplace. The clutter in the message domain that is being is enveloping in the consumer and because we need to create as far as possible these one to one communication using the power of information technology, communication technology. So, this concept of taking a holistic systems view of marketing communication, which we are calling integrated marketing communication becomes very important.

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The two core concepts that we have introduced in strategic marketing earlier we need to look at them again. So, this is the and stuff matrix that we have discussed right from the beginning. So, if it is a existing of offering in an existing market then the role of marketing communication is to help market penetration, to aid market penetration. On the other hand, if it is a existing offering, but we are looking to a new geographical market or a new demography segment then that is market development. If it is a new offering in an existing market, so it is kind of aiming at hired wallet share from the customer, so it is a new offering development.

And of course, if it is a new offering to a new market then we are looking at some kind of a radically different set of marketing challenges, which is that the usually that tougher side. And we also know that the marketing communication which is at the introduction stage in the product life cycle, as we know that this is where our focus is on product leadership. So, here the marketing communication role is more of information and customer education. So, effective shuns far of knowledge becomes very important at this stage in the marketing communication package.

So, there will be even though even in b to c we will have to supplement, the mass advertising of the mass media efforts with almost personal person to person selling through demonstrations through various sorts of interfaces at exhibitions at road shows and so on at the early stage. Particularly, if it is in this domain or this domain. So, it is

kind of quite connected with this and therefore, information and education becomes a very important part of marketing communication at that stage.

Whereas, in the later stages, it becomes more important to establish the standard, the dominant design that is enshrined in your product that service, the quality, the productivity which are actually related to operational excellence. Those become important ingredient of the marketing communication at that at this stage, and as we know that that around this stage we have to then slice and dice the offerings in number of (( )) approaches. Because this is the domain where the operational excellence must be supplemented with customer intimacy. And this concept that we have discussed number of times before, in other aspects of marketing strategy equally will apply to the marketing communications strategy that it will evolve along the product life cycle.

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THE NEW MARKETING PARADIGM SHIFT DETERMINED BY THE INTERNET. SOURCE: KIANI (1998)		
From	To	Sources
One-to-many communication	Many-to-many communication	Hoffman and Novak 1996
Mass marketing	Individualised marketing	Martin 1996
Monologue	Dialogue	Blattberg and Deighton 1996
Branding	Communication	Martin 1996
Supply-side thinking	Demand-side thinking	Rayport and Sviokla 1995
Megabrand	Diversity	Martin 1996
Centralised market	Decentralised market	Blattberg et al. 1994
Customer as a target	Customer as a partner	McKenna 1995
Segmentations	Communities	Armstrong and Hagel III 1996

Table 5.1 The new marketing paradigm shift determined by the Internet  
Source: Kiani (1998)

Handwritten notes: *Customer advocacy* (circled), *K* → *S* (with *T* and *P* below *S*)

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Some of the interesting new marketing this is borrowed from Kiani's work, and as we can see that the transformation that is taking place that this one to many communication. That means, there is a company, which makes soap goes through the mass media, through various methods of mass communication tries to reach out to many customers; through (( )), through television ads, through print ads to all possible vehicles of mass communication, it tries to reach out to - so this is what we call one to many. But, today that is also almost overshadowed in some cases by many to many, which we also call c to c or consumer to consumer communication.

So, for example, in travel you could go to a travel site and see the promotional material given out by a particular hotel or particular airline, but you will also simultaneously find the whole streams of comments from other customer who have stayed at that hotel the positive and the negative things they have to say. And that many to many communication become a very, sometimes even more powerful than that one to many communication. So, in many cases we will find of these particularly travel marketing sites that the relative space provided for one to many a communication is much smaller than that space provided for the many to many a communication. So, mass marketing we discussed also that more and more we have to look at one to one.

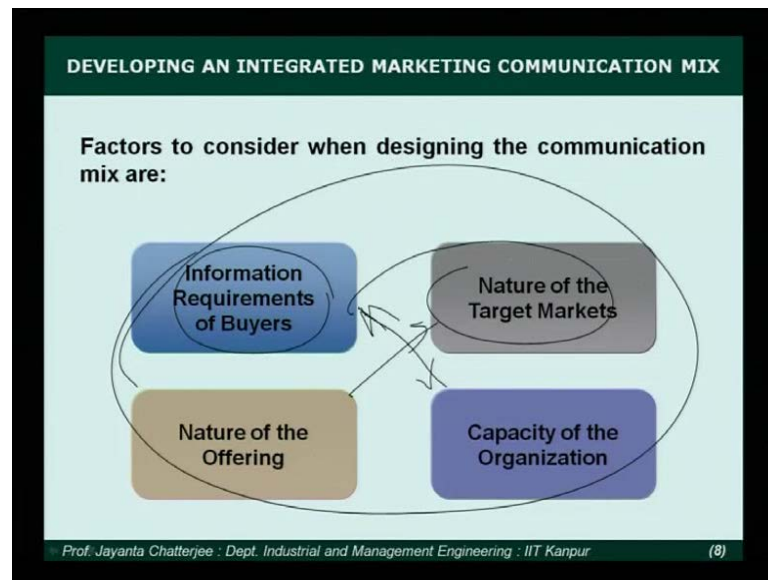
So, mass marketing is giving way to individualized or customized marketing. It is very important today to open dialogue. So, companies constantly use various kinds of information, communication technology platforms. So, banks will try to communicate with you through their ATM machines, every time you have gone there to take some money and you will find that there is also more and more in the new types of ATM machines, the customer can also input that whether he or she is interested in a particular offering that is being displayed on the ATM machine. So, there is by directional communication mode created through this dialogue mode as opposed to just simply beaming the message.

So, we can see, therefore that there is a whole lot of other research work that are kind of similar that this is the point that we have discussed again and again customer as it instead of customer as a target. Today we are looking at customer as a partner; this is the concept of customer advocacy, which I was talking about in the beginning of today's session which we discussed in greater detail. In an earlier session and this whole a thing about not thinking in terms of segments, but thinking's of customer communities. Customer communities because want to many communication is giving way to many to many communication and as the result this community formation who actually will you would like that those communities to be dominated by your advocate customers is far more potent powerful combination that marketing strategies today are trying to achieve instead of the kind of earlier approach of STP which was in a way something outside the organization.

Today what you are trying to do is make it as a part of a total thinking. So, this many to many communication super seating one to many communication communities super

seeding segmentation customer advocacy segmenting thinking of customer as a target and therefore, looking more that the customer has .a co creating partner these are some new thoughts that are

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Therefore modifying our thinking with respect to this creation of the IMC mix, but the fundamentals that the that the connection between the information requirement of the buyer and the features and the nature of the offering and therefore, these factors are all kind of interconnected and interacting and this needs to be thought of. So, these fundamentals do not go away just to take care of these sort of conceptual elements the hard core you know supplying of the required information to the required up to the targeted market those needs remain.

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**DEVELOPING AN INTEGRATED MARKETING COMMUNICATION MIX**

**Nature of the Offering**

- Advertising is appropriate when the offering:
  - Is not complex
  - Is frequently purchased
  - Is relatively inexpensive
  - Has benefits that differentiates it from competing offerings
- Sales promotion is used to induce consumer action



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So, which means that nature of the offering is in a way determined the design of the IMC mix. So, advertising is as we discussed advertising is the a usual we just now drew this diagram that b to c and b to b. So, this is the domain of p to p selling and this is the domain of advertising and mass com, but it is also important to note that if it is a complex b to c product then it will it may be necessary to move. So, even it is b to c product, but if it is a complex product high technology.

So, if it is a smart phone then it will need supplementation to induce customer purchase action. So, sales promotion at that stage which is kind of a type of person to person selling. In this case, will have to supplement all the advertising work, but if it is a soap are shampoo then possibly as long as you take care in your advertising both cognitive factors as well as and that affective factors. Then advertising is perhaps a more appropriate and as we said that if it is more complex or if it is a b to b at situation small number of high potential buyers. And if they are kind of a cluster like we often have these professional goods markets concentrated in a particular area in a city in all of these cases we do have feel sells people a who become an integrated.

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**DEVELOPING AN INTEGRATED MARKETING COMMUNICATION MIX**

**Target Market Characteristics**

- Use personal selling when target consumers:
  - Consist of a small number of potential buyers
  - Exist in close proximity to one another
  - Purchase in large quantities
- Use advertising and direct marketing when a mass market is geographically scattered

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An integral part of the IMC advertising and direct marketing necessary when we are looking at a global market or a national market that even for products which are complex are b to b, which will need sales attention to create what we call warm sales calls or hot sales leads we up to also supplemented with different forms of advertising and promotion.

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**INTEGRATED MARKETING COMMUNICATIONS IN THE ONLINE ENVIRONMENT**

- The combination of communication modes (one-to-one, one-to-many, many-to-many)
- The integration of information types (text, sound, image)
- The consistency of messages transmitted through the online communication mix (coherent meaning)
- The integration of marketing and PR communication functions in the messages provided online
- The coordination of the process: message conception – transmission feedback reception and analysis, in a closed loop
- The direct connection of the corporate information system with the Internet
- The coordination of internal, external and internal-external flows of information
- The integration of online marketing communication with the communication conducted through traditional channels
- The consistency of the corporate message at international/global level.

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Integrated marketing communication in the online environment today. We, this is just a kind of a summary of what we are we just described this one to one, one to many, many

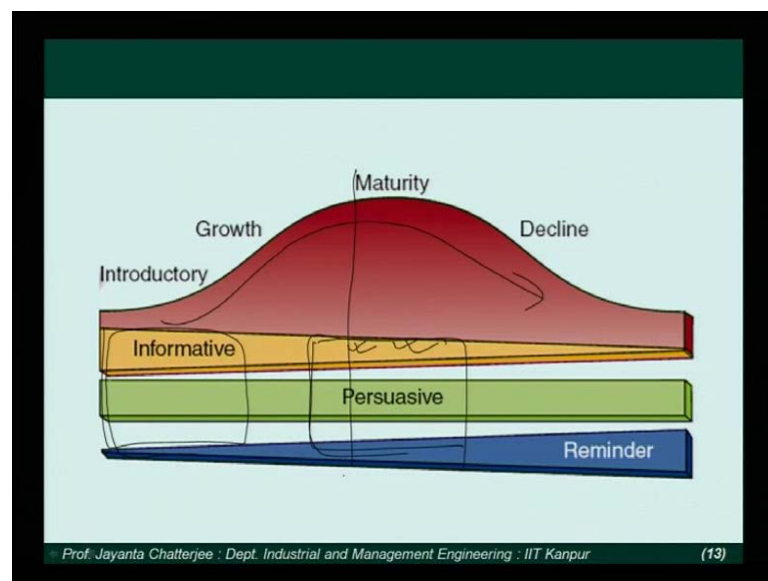
to many all of these need to be thought off and in many cases the IMC mix may need each one of these not. So, these not either or there are in many cases to be thought of as a as a combined strategy and using all these building blocks similarly we need to combine maybe the earlier are generation just simple print add text add today you have to also think simultaneously in terms of sound that image. Because for most b to c type of situation today at television and movies and product placement these are very important part of the total messaging as well as the communication over the internet over the mobile phone.

So, when you think of a message today that is to be communicated you one has to think it in terms of text sound image and all of that and in spite of all of that it still has to convey a coherent meaning made this appears to be as a simple common sense, but if you said through ten ads beamed to you over the television any particular evening then you will immediately see that creation of that coherent meaning in your mind in that thirty seconds is very tough and not many. In fact, very few advertisers a achieve that goal and that is why a very very often they have to rely on the reputation to supplement. So, almost all the marketing communicators today no that the consumer attention is constantly getting fragmented due to these large number of this thirty second forty second fifty second messages that are that beamed that are across to them and anyway these messages are coming in between episodes of a particularly interesting serial or a movie and so on.

So, the customer anyway has the tendency to go away do something else and come back or surf the channels. So, you need to hug the customer within the first few seconds and therefore, more and more the communication price to go to the affective behaviour queues trigger's rather than the cognitive; that means, we are more and more attracted to the emotional issues or that the intangible issues associated with that product that service that brand rather than the cognitive factors arising out of the rational facts and figures, but because we are attempting to connect at that emotional level the messages are always a lot more subjective today and because as a discuss that is subjectivism the subjective depiction is based on the interpretation of the message in the minds of the communicator and that may not be always the same it may not be in syndromes with the mind of the receiver and that is the problem that creates the challenge for creating this coherent meaning.

Particularly, when you need to create the same this the consistency in your message over the internet over the television over the print media. So, it sometimes, but when you achieve that of course, like for example, recently when we see the some of the great successes like the (FL) friend (FL) the one of the mobile service companies and campaign and now that connects a at our emotional level it actually is a fun episode to watch and the always the fund the humour and all those are accentuated it has a catchy tune and at the same time it beams across the message that at communicating with your friends is very good and very desired an important and of course, the more you communicate at the more revenue accrues to that mobile telephone service provider. So, at... So, that is a very interesting an and it is the same message that are is now being communicated through internet site and through mobile phone through the catchy tune and so on. And that is a good example that if you can handle the challenge well of this creating consistent coherent message across all the different media and which can look the customer in few seconds and retain the customer's attention and then you have achieved great success and this is what is this whole list of points that we are talking about the coordination of the process and that direct connection with the internet. All of these in a way subject to this challenge. So, the first three points in a way are the challenges that can be achieved by paying attention to these factors which are given in the following points. So, you can studied is in great depth apply them to the promotions that you are seeing.

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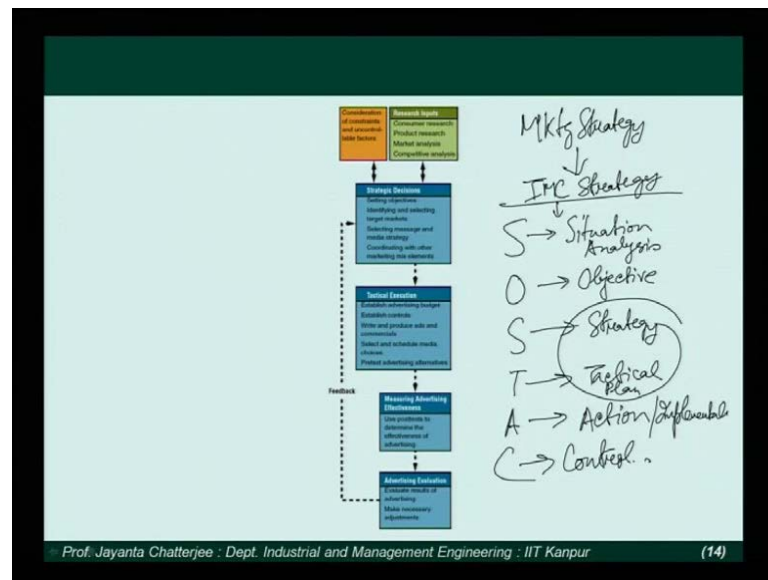


We were discussing about the life cycle, and when you are actually designing this coherent meaning, the consistency of the message, immediately you must also remember that the content is there is a composition. So, as the product of that business go through this cycle this combination of informative, persuasive and reminder. So, when we are talking about this mobile service message, we can see that there is not much to inform now at the about a particular mobile service. And so what your message, therefore because there is already there at some people say too many mobile service providers today in India, and the competition is fierce, the market is also growing at a accelerated rate, but the competition is fierce. And that is why today you pay one of the lowest per minute or per second charge for using the mobile telephone service; one of the lowest in the world that we pay in India.

And in that intense competitive domain your marketing communication today, it maybe it is we are not yet at this majority level, because the penetration is still it is quite high compared to where it was ten years back. Today it may be almost approaching fifty percent, but even then, you know your persuasive part of the marketing communication is today perhaps a bit thicker and the informative part. And as we progress the persuasive part of the remains very solidly important, it is there right from the beginning this is as you can see, this does not change the informative part becomes thinner as you go across the life cycle, the remainder becomes bigger, but the persuasive becomes the central part of the a whole process.

So to conclude, you need to create this coherent and consistent communication across all different channels, and in spite of all the different media that you will be using and winning creating that mix you have to remember that as we discuss some examples that the informative persuasive and the reminder part the need to be balanced. And if you are achieve able to achieve that then you the some of the examples that we discuss just now can create a tremendous impact.

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We will discuss a little bit detail about how to achieve that the balance. This blog diagram explains in a little bit more detail. This process of creating the message that there is a flow to a process that is important that starting from your research input, creating the strategic decision to the tactical decision, and then it to measured the effectiveness. A very interesting concept that we can discuss at this stage is just to it is an easy to remember acronym which we say at S O S T A C - SOSTAC. So, this is actually the process of creating the marketing strategy as well as your integrated marketing communication strategy and the mix. So, this S stands for situation analysis. The situation analysis will relates to this the product life cycle position, it will also relate to what is your need; whether you are trying to do a new offering development or diversification of penetration of market development. So, based on that you can create your objectives that you are trying to achieve in your strategy, so obviously, your marketing strategy drives your IMC strategy, and in a way, how to design and deploy your IMC strategy is this SOSTAC process.

So, the next; obviously, then we have our strategy and then we have the tactical issues, the tactical plan and then we have the necessary what we call action, the implementation are both of this strategy and tactical plan and then control action. So, in the strategic side we can look at that you know all those STP issues, the community creation issues, the emotional bonding issues, the customer delight issues, those are the key areas are the concern of the strategic decision. In the tactical execution, then we are looking at that

what will be the combination of this informative persuasive reminder processes that we need to create.

In the through the very beginning you know the slide that we saw through this mix of how much of personal selling, and how much of direct marketing, how much of advertising, how do we actually achieve this balance between the PR, the advertising, the direct marketing as well as that demonstration, the p two person to person selling and so on. So, those are the you can say the (( )) is of the strategy and which we call the tactical execution and then of course, we need to measure as we deploy the strategy we need to constantly a evaluate the effectiveness of what we are doing.

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**MEASURING ADVERTISING EFFECTIVENESS**

- **Media research** - Assesses how well a particular medium delivers a message, where and when to place the message, and the size of the audience
- **Message research** - Tests consumer reactions to an advertisement's creative message through pretesting and post testing

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So, the measuring the advertising effectiveness is done through media research, the message research is such; that means, assesses how well a particular medium delivers a message, where and when to place the message, and the size of the audience and so on. The messages research will be that to what extent you have been able to deliver that coherent, consistent across all channel messaging impact that you are aiming, and so that is an important one.

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**MEASURING PUBLIC RELATIONS EFFECTIVENESS**

- **The simplest and least costly method**
  - Whether the target audience received, paid attention to, understood, and retained the messages directed to them
  - Count the number of media placements and gauge the extent of media coverage
- **Conduct focus groups, interview opinion leaders, and more detailed and extensive opinion polls**

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So, you will see if you observe the same television at today ten years back that same add would have been there for months or it might have been repeated even year after, but today even over the span of one month there are certain changes made in the message that is contained. Because we constantly do this research with respect to that how well the message is getting received through and how consistent it is and how coherent it is across the different media. In case of public relation effectiveness that is kind of little easier because you are can get almost instant feedback.

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**ADVERTISING ETHICS**

- **Advertising to children**
- **Insertion of product messages in media programs without full disclosure of the marketing relationship to audiences**
- **Use of cookies in online advertising**

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And overall at this stage we must again emphasize that the ethics issues like that use of cookies or advertising to children creating artificial needs, all those things that we discussed in a previous module that are no longer today are don'ts of advertising of marketing communication today, because that ultimately harms your reputation.