



Integrated Marketing Communications and Interactive Marketing

1 Consider recent changes to the marketing communications industry.

2 Explain the communication process and its elements.

- Communication is the process of conveying a message to others. It requires a source, a message, a channel of communication, a receiver, the process of encoding, and the process of decoding.

channel of communication The means of conveying a message to a receiver

communication Process of conveying a message to others

decoding Process whereby the receiver takes a set of symbols, words, pictures, and sounds, and transforms them into messages

encoding Process whereby the sender transforms an idea into symbolic form, using words, pictures, symbols, and sounds

feedback Communication flow from receiver back to the sender that helps the sender know whether the message was decoded and understood

field of experience The experiences, perceptions, attitudes, and values that senders and receivers of a message bring to a communication situation

message Information sent by a source to a receiver

noise Factors that can work against effective communication by distorting the message

receivers Consumers who read, hear, or see the message sent by a source

response The impact a message has on the receiver's knowledge, attitudes, or behaviours

source Company or person who has information to share

Figure 12-1

Relative importance of individual media to total media (based on net advertising revenue)

MEDIA	2004	2007
TV	26%	25%
Radio	11%	11%
Daily newspaper	16%	13%
Consumer magazines	6%	5%
Outdoor/transit	3%	3%
Internet	3%	9%
Catalogues/direct mail	13%	13%
Phone directories	10%	10%
Other print (religions, school, farm, trade publication, community newspaper, weekend supplement)	12%	11%
Total	100%	100%

Sources: Canadian Media Directors' Council Media Digest 2008/2009, p. 14, accessed at www.cmdc.ca/pdf/2008_09_media_digest.pdf.

direct response Promotional element that uses direct communication with consumers to generate a response in the form of an order, a request for further information, or a visit to a retail outlet

personal selling Two-way flow of communication between a buyer and seller, often in a face-to-face encounter, designed to influence a purchase decision

promotion Advertising, personal selling, sales promotion, public relations, and direct response

public relations Form of communication that seeks to influence the feelings, opinions, or beliefs held by customers, potential customers, stockholders, suppliers, employees, and the media about a company and its products or services

publicity Communication about an organization that is non-personal and not paid for directly by the organization

sales promotion A short-term offer designed to arouse interest in buying a good or service

4 Understand the elements involved in determining a promotional mix for an integrated marketing communications program.

- Integrated marketing communications (IMC) uses a combination of promotional tools to reach a variety of consumer touch points. Promotional activities provide a consistent message across promotional tools.
- The IMC promotional mix is selected based on target audience, product life cycle, and channel strategies.
- A push strategy involves directing promotional programs to intermediaries such as wholesalers and retailers.
- A pull strategy involves directing the promotional efforts to ultimate consumers.
- Creating IMC promotional programs involves (1) specifying the IMC objectives, (2) identifying the target audience, (3) setting the promotional budget, (4) selecting the promotional tools, (5) designing the IMC promotion, (6) scheduling the IMC elements, and (7) executing and evaluating the IMC program.

integrated marketing communications (IMC) Concept of designing marketing communications programs that coordinate all promotional activities to provide a consistent message to the target audience

promotional mix Combination of one or more of the promotional tools—advertising, personal selling, public relations, sales promotion, and direct response—a firm uses to communicate with consumers

pull strategy Directing the promotional mix at ultimate consumers to encourage them to ask the retailer for the product

push strategy Directing the promotional mix to channel members to encourage them to order, stock, and sell a product

Figure 12-2

The communication process

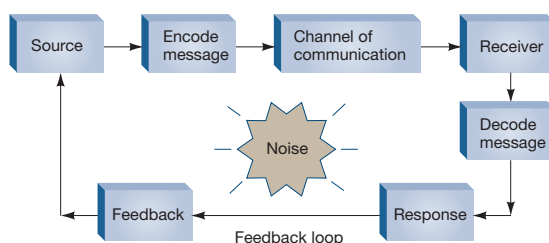
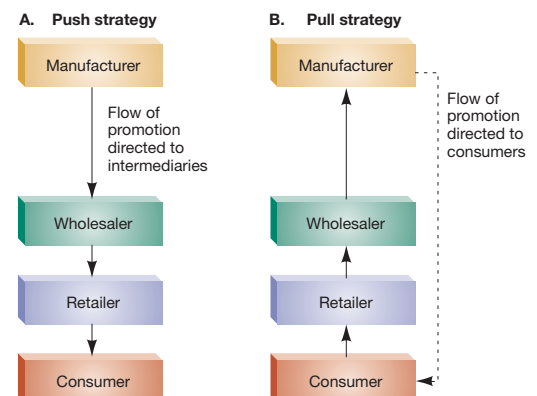


Figure 12-5

A comparison of push and pull promotional strategies



3 Understand the promotional tools companies use in their promotional mix and the characteristics of each.

- IMC promotional tools consist of advertising, personal selling, sales promotion, public relations, and direct response.

advertising Any paid form of non-personal communication about an organization, good, service, or idea by an identified sponsor

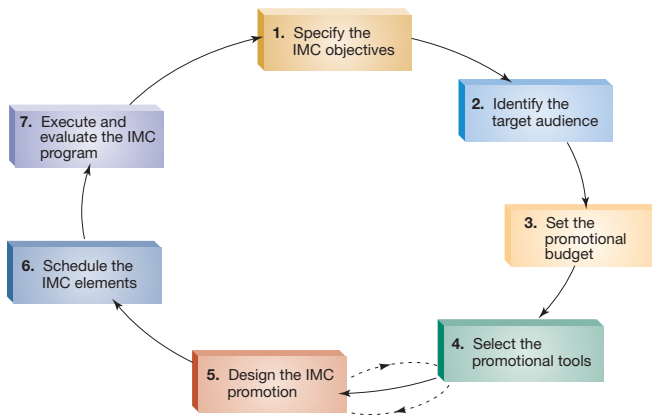
1 Understand the process of promotional program development for an integrated marketing communications program.

- Setting promotional objectives is based on the hierarchy of effects: awareness, interest, evaluation, trial, and adoption.
- Budgeting methods for marketing communications are percentage of sales, competitive parity, the all-you-can-afford approach, and the objective and task method.

hierarchy of effects Sequence of stages a potential buyer goes through: awareness, interest, evaluation, trial, and adoption

Figure 12–6

The IMC process



2 Understand interactive marketing and how it creates added value through customer relationships, and customer experiences.

- E-commerce provides marketers and customers with the following benefits: operating hours, geographical constraints, product selection, interactivity, and customization.
- Interactive marketing involves two-way buyer–seller electronic communication, which includes choiceboards, collaborative filtering, and personalization.
- Website creation needs to take seven elements into consideration: context, content, community, customization, communication, connection, and commerce.

choiceboard Interactive, Internet-enabled system that allows individual customers to design their own products and services

collaborative filtering Process that automatically groups people with similar preferences, buying intentions, and behaviours to predict future purchases

interactive marketing Two-way buyer–seller electronic communications in a computer-mediated environment in which the buyer controls the kind and amount of information received from the seller

permission-based marketing Asking for a consumer’s consent (called “opt-in”) to receive e-mail and advertising based on personal data supplied by the consumer

personalization Consumer-initiated practice of generating content on a marketer’s website that is tailored to an individual’s specific needs and preferences