THE OFFICIAL CIM REVISION CARDS

ELSEVIER
BUTTERWORTH
HEINEMANN

Marketing Communications

PROFESSIONAL DIPLOMA IN MARKETING

Key concepts for revision

- Relevant!
- Succinct!
- Compact!

Helping you to pass your CIM exam

CIM The Chartered
Institute of Marketing

CIM REVISION CARDS

Marketing Communications

Gill Wood of Marketing Knowledge

For information on all Elsevier Butterworth-Heinemann publications visit our website at http://books.elsevier.com

Printed and bound in Great Britain

05 06 07 08 09 10   10 9 8 7 6 5 4 3 2 1

Working together to grow
libraries in developing countries
www.elsevier.com | www.bookaid.org | www.sabre.com

ELSEVIER   BOOK AID International   Sabre Foundation

TABLE OF CONTENTS

PREFACE

Welcome to the CIM Revision Cards from Elsevier/Butterworth–Heinemann. We hope you will find these useful when coming to revise for your CIM exam. The cards are designed to be used in conjunction with the CIM Coursebooks from Elsevier/Butterworth-Heinemann, and have been written specifically with revision in mind. They also serve as invaluable reviews of the complete modules, perfect for those studying via the assignment route

- Learning outcomes at the start of each chapter identify the main points
- Key topics are summarized, helping you commit the information to memory quickly and easily
- Examination and revision tips are provided to give extra guidance when preparing for the exam
- Key diagrams are featured to aid the learning process
- The compact size ensures the cards are easily transportable, so you can revise any time, anywhere

To get the most of your revision cards, try to look over them as frequently as you can when taking your CIM course. When read alongside the Coursebook, they serve as the ideal companion to the main text. Good luck – we wish you every success with your CIM qualification!

INTRODUCTION TO MARKETING COMMUNICATIONS

Unit 1

Definition of marketing communications

> *Marketing communication or promotion is one of the elements of the marketing mix and is responsible for putting the marketing offer to the target market. It is the planned and integrated communication activity that communicates with an organisation's stakeholders* (Fill, C., 2002)

The communications process

Shannon and Weaver's simple model of communication (1958) shows the various stages of the communication process
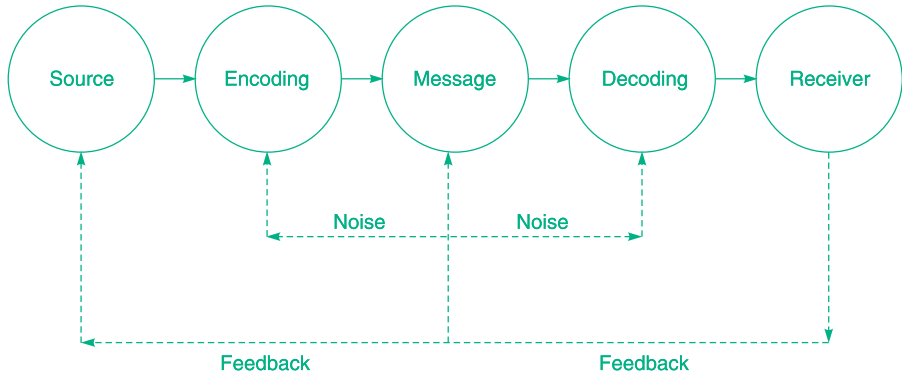
Source: Fill and Yeshin: CIM Coursebook *Integrated Marketing Communications* (Elsevier Butterworth–Heinemann 2001)

Opinion formers and leaders

The effectiveness of the process is also determined by:

- The communication environment
- The mood of the people involved in the process
- Opinion formers and opinion leaders

Opinion formers tend to be 'experts' such as travel journalists and their messages are seen to be more believable than a travel advertisement

Opinion leaders tend to be from one's own peer group who may have an interest in a topic. Alternatively, they could be members of pressure groups or celebrities who are admired by particular target audiences

Word-of-mouth communications

Word-of-mouth communication is highly credible

Persuasive communications must be:

- Credible – if the source is seen to be objective
- Attractive – if consumers can identify with the source
- Powerful – if the source can reward or punish

Multi-step models

Multi-step models reflect life more accurately than simple models because they show how people talk to and influence each other
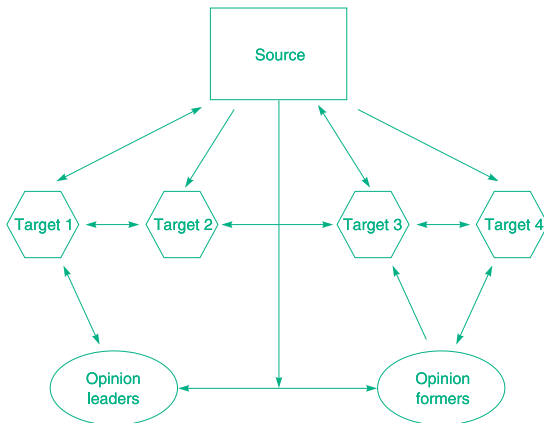
Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

How marketing communications work

No one model can explain how marketing communications work. The AIDA model was an early attempt to explain how an advertising's target audience might pass through a number of steps, with attention being the first and most important one

```
┌─────────────────────────┐
│       Attention         │
└─────────────────────────┘
            │
            ▼
┌─────────────────────────┐
│       Interest          │
└─────────────────────────┘
            │
            ▼
┌─────────────────────────┐
│        Desire           │
└─────────────────────────┘
            │
            ▼
┌─────────────────────────┐
│        Action           │
└─────────────────────────┘
```
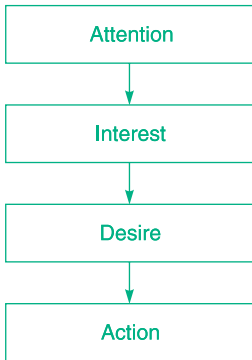
Source: Kelley and Hyde: CIM Coursebook *Marketing in Practice* (Elsevier Butterworth–Heinemann 2002)

The Heightened Appreciation model

The heightened appreciation model is another tool that helps determine advertising strategy. It suggests that, by using consumer research to identify a key attribute of a product and linking that to the brand, the consumer is able to associate with brand attributes

Prue's (1998) alphabetical model attempts to present advertising from a customer orientation perspective, helping a customer appreciate the item, that interest is then stimulated by brand recognition, that persuasive communication makes an impact and that eventually perceptions of a brand's attributes are changed

Appreciation → Interest
Branding → Stimulate recognition
Communication → Persuasive impact
Desired effect → Perception change

Hall's Four Frameworks model

Hall (1992) suggests four frameworks are used in advertising:

- Sales – messages to shift product, e.g. direct response advertising
- Persuasion – moving buyers through sequential steps
- Involvement – drawing consumers into an emotional response
- Salience – using conspicuous presentation

Strong vs. weak theories of advertising

Jones's strong theory of advertising views consumers as passive and maintains that advertising can persuade and generate repeat purchase behavior

Ehrenberg's weak theory of advertising views consumers as active problem solvers, driven by habit to make a purchase. He suggests the Awareness–Trial–Reinforcement (ATR) framework

ATR framework reminds people of a need and is a more likely model for how purchase behaviour comes about

Information processing

The vast quantities of information that consumers receive means that they inevitably 'process' information to screen it out. Perception and attitudes both influence and are influenced by marketing communications

Perception is how individuals see and make sense of their environment

For marketing communications it involves:

- Attention getting, with free samples or music, voice overs and camera angles
- Organizing stimuli by packaging, shapes, colour and brand names
- Encouraging the correct interpretation, e.g. by using involvement and emphasizing the correct attributes

Attitudes are an expression of a person's feelings. They are learned through past experiences and may be formed by external factors, e.g. age, sex, class, peers, culture

Marketing communications tries to influence the following:

- What consumers know/have learnt about a product – **cognition**
- How people feel about a product – **affection**
- What people will do with regard to a product (buy or reject) – **conation**

When faced with a product one learns something about it, then feels something about it and then does something – either reject it or (repeat) purchase

Changing attitudes

Marketing communications can change attitudes by modifying negative attitudes, and which in turn can change purchase behaviour

Attitudes can be changed by marketing in the following ways:

- Changing the product itself and its description
- Changing misunderstandings
- Changing attribute priorities
- Changing perception
- Changing brand associations

However, consumers modify or are selective with the messages they absorb

The purchase decision-making process

Understanding the stages buyers pass through and the influencing factors helps identify what information consumers require, and when and how they use it
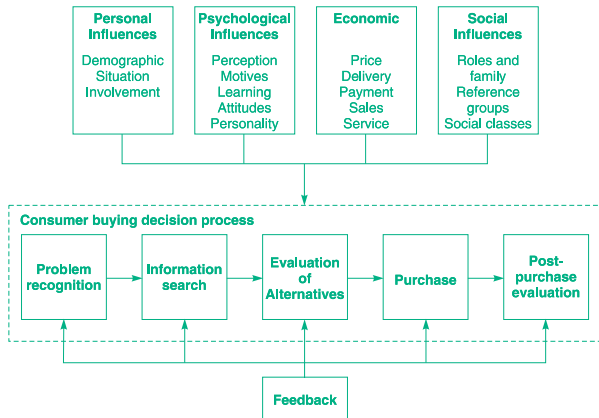
Personal Influences	Psychological Influences	Economic	Social Influences
Demographic Situation Involvement	Perception Motives Learning Attitudes Personality	Price Delivery Payment Sales Service	Roles and family Reference groups Social classes

Consumer buying decision process

Problem recognition → Information search → Evaluation of Alternatives → Purchase → Post-purchase evaluation

Feedback

Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

The nature of purchasing

How lengthy the decision-making process is depends on the nature of the purchase. There are three types of decision-making:

- **Routine problem-solving** generally concerns low-priced, fmcg products
- **Limited problem-solving** generally involves a new or unfamiliar brand so that there is some degree of information seeking
- **Extensive problem-solving** involves the consumer making a more detailed search for information and spending longer on the evaluation of alternatives

Perceived risk

Buyer behaviour is often related to the perceived risk

Types of risk

Performance – will it do the job?

Financial – will it be of good value?

Social – what will others think?

Ego – how will it make me feel about myself?

Physical – is it safe?

Time – have I got time to investigate this product?

The level of involvement in a purchase relates to the purchase importance and the perceived risk

High involvement purchases require an active information search so that rational messages about product attributes are needed. This might involve visual demonstrations, using opinion formers and guarantees/warranties

Low involvement purchases require less effort and need more of an emotional appeal to be used. This might involve using branding or celebrity endorsement

Communication appeals

Appeals tend to be based around emotional criteria or those of a more rational/logical nature

Types of appeal:

- Price/value
- Quality
- Start appeals/testimonials
- Ego
- Fear/anger
- Sensory
- Sex, love and social acceptance
- Novelty
- Experience of staff/customer service
- Security – reassurance
- Aspiration – luxury goods

Likeability in communications

Advertisements that are liked are more likely to be enjoyed and remembered by consumers and in turn are more likely to generate sales

Likeability relates to the personal meaningful feeling that an advert can create in individuals

Ethics and corporate social responsibility

Ethics relate to the rights and wrongs relating to business and corporate social responsibility relates to organizations taking responsibility for how their actions affect others. This can relate to health and safety, environmental and other such issues

If product claims are made, they should be true and companies need to recognize their responsibilities to society as a whole

---

Key CSR marketing communication issues:

- Advertising to children
- Depiction of women in advertising
- Product labelling
- Confusion pricing

Hints and Tips

There is no one model that can be used to explain how marketing communications work because of all the different contexts in which marketing communications are used and because of the complex nature of individuals. Consequently, this is a fascinating and complex area of study

Key topics:

- Appreciating word of mouth communication and how it can be maximized
- Applying multi-step models to the use of opinion leaders and opinion formers in campaigns
- Understanding how attitudes are an influence and can be influenced by marketing communications

Ensure that you can distinguish between emotional and rational messages and look at the two views on how advertising might work, so that you can decide if you agree with the 'strong' or 'weak' view of advertising

Go to www.cimvirtualinstitute.com and www.marketingonline.co.uk for additional support and guidance

MARKETING COMMUNICATION MIXES

LEARNING OUTCOMES

➥ Understanding marketing communication objectives
➥ Appreciating the need to coordinate the mix
➥ Evaluating the role of marketing communications at different stages of the product life cycle

Syllabus Reference: 2.1, 2.3, 2.4, 2.8, 2.12

Elements of the marketing mix

■ Advertising
■ Sales promotion
■ Public relations
■ Sponsorship
■ Direct marketing
■ Personal selling
■ Exhibitions

Main types of media

Broadcast – television, radio
Print – newspapers, magazines
Outdoor and transport – billboards, taxis
New media – The Internet, mobile phones
In-store – point of purchase, packaging
Other – cinema, product placement, ambient

KEY DEFINITIONS

➥ Above the line refers to advertising using 'paid for' media, for which paid agencies are traditionally commissioned
➥ Below the line refers to all other activities
➥ Through the line refers to the trend for being 'paid by results', therefore being neither above nor below the line

The DRIP concept:

The four roles of marketing communications are important in determining objectives

Differentiate

Remind

Inform

Persuade

The importance of coordination

A campaign that is coordinated is planned, communicates the same message and has uniform design. By combining more than one element of promotion, the message communicated is more powerful

Individually, the various communication tools can be characterized by the 4Cs framework:

Communication – ability to deliver a personal message, ability to reach a large audience and level of interaction

Credibility – how believable the medium is

Cost – in absolute terms, per contact, wastage and overall investment

Control – ability to target specific audiences and to adjust the tool as circumstances change

Advertising

> Advertising is a paid form of non-formal communication transmitted through mass media

Objectives might include:

- To raise awareness
- To educate the market
- To persuade the market

Determining the creative brief

In developing a promotional campaign the following needs to be considered:

- What is the role of advertising in this campaign?
- Who is the target audience?
- What is the unique selling proposition?
- Why should or do people want to buy the brand?

Advertising Campaign Planning
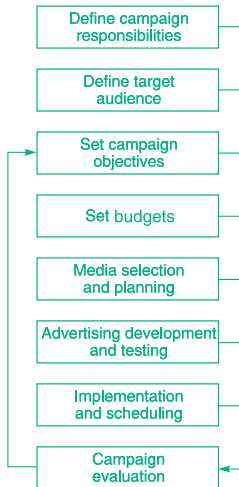
Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Sales Promotions

Sales promotions are a range of tactical marketing techniques to add value in order to achieve specific sales and marketing objectives

Objectives might include:

- To stimulate trial
- To level out demand fluctuations
- To increase usage
- To encourage trading up

```
                    ┌─────────────────────────┐
                    │    Sales promotions     │
                    └─────────────────────────┘
```

Retailer to consumer

- Money off vouchers
- Buy 1 get 1 free
- Discount off next purchase
- Loyalty rewards

Manufacturer to consumer

- Free samples
- Trade-in-offers
- Prize draws
- 20% extra

Trade promotions

- Allowances
- Discounts
- Free stock
- POS material
- Co-operative advertising
- Sales contests
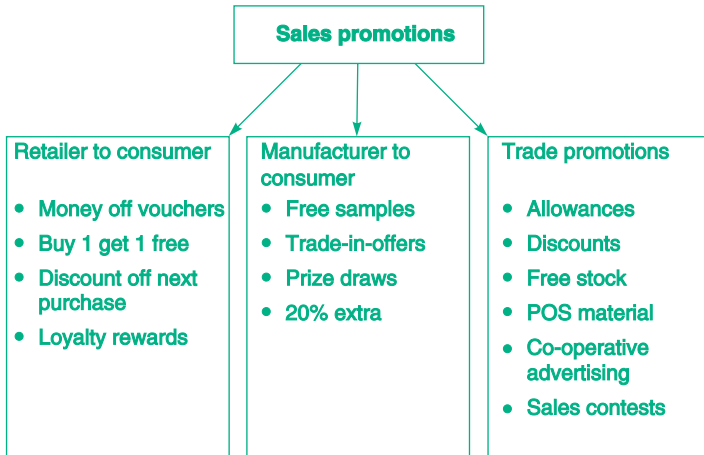
Public relations

Public relations are the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics

Publics consist of the following:

- Customer groups
- Opinion leaders/formers
- Local/central government
- Investors/shareholders/backers
- The media
- Current and potential employees
- Trade unions
- Local community

Public relations objectives

- To create/maintain corporate/brand image
- To raise an organization's profile
- To enhance the perception of an organization
- To disseminate information
- To overcome poor publicity

Typical PR techniques

- Press releases
- Press conferences
- Publications
- Media relations
- Events
- Annual reports
- Lobbying

Internal PR

Internal PR can be used to keep staff informed and is often vital when organizations go through periods of change. Particular techniques are journals, newsletters and internal briefings

Crisis PR

A key function of PR will be to handle crisis situations, such as poor financial performance, scandals relating to senior management, or accidents that occur

Direct Marketing

Direct marketing is an interactive system of marketing, which uses one or more advertising media to effect a measurable response at any location

Changing face of direct marketing:

■ Technology has led to the improvement in customer databases, improvements in analytical systems, telephone technologies and e-marketing techniques

■ Profiling and research techniques have improved

■ Permission-based marketing has come about due to data protection legislation

Objectives of direct marketing

■ Disseminating information
■ Generating sales leads
■ Increasing repeat orders

Database Marketing

" *Database marketing is the application of digital information collected about customers and their buying behavior to improve marketing performance . . . and build personalized relationships with customers.* "

(Chaffey, Mayer, Johnston and Ellis-Chadwick, 2000)

With transaction-based websites, it is possible to gather customer profile information which can be used to tailor future marketing communications. Good databases can form the basis of relationships with customers and future marketing activity

Direct mail

The main advantage of using direct mail is that campaigns can be targeted on the basis of geographic or geodemographic segmentation. In addition, messages can be personalized to improve response

Lists can also be purchased or rented on the basis of demographic or lifestyle basis

Direct response advertising

Direct response advertising uses print and broadcast media to advertise and, by providing contact details, it enables advertisers to measure the amount of response generated. The information collected can also be used for database generation

Telemarketing

Telemarketing uses direct personal contact by telephone and, in the same way as other direct marketing activities, it should be a planned and highly targeted activity. It is used in both b2c and b2b contexts. However, it has to be used carefully as it is an expensive activity and can be seen as intrusive

Sponsorship

Typical sponsorship objectives include:

- Increasing brand awareness
- Building and enhancing corporate image
- Obtaining media coverage where legislation restricts media exposure

Sponsorship is a two-way mutually beneficial partnership between an organization being sponsored and the sponsor. It works on the premise that the association affects image and the sponsor may exchange money or goods/services. It often enables media coverage for the sponsor

Types of sponsorship

- Programme sponsorship
- Arts/sports sponsorship
- Sponsorship of festivals or other events
- Sponsorship of individuals or teams

Personal selling

> *Personal selling is an interpersonal communication tool which involves face to face activities ... to inform, persuade or remind ...*
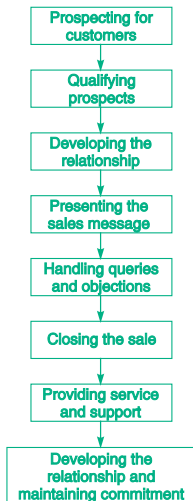
Personal selling is the most expensive element of the marketing communications mix:

- It is resource intensive
- It is time ineffective
- It incurs high contact costs

Sales force objectives

- To increase sales turnover
- To reduce the number of clients under certain order levels
- To reduce the cost of sales
- To increase the number of distribution outlets

The Personal Selling Process

```
┌─────────────────────┐
│  Prospecting for    │
│    customers        │
└─────────────────────┘
          ↓
┌─────────────────────┐
│    Qualifying       │
│    prospects        │
└─────────────────────┘
          ↓
┌─────────────────────┐
│  Developing the     │
│   relationship      │
└─────────────────────┘
          ↓
┌─────────────────────┐
│   Presenting the    │
│   sales message     │
└─────────────────────┘
          ↓
┌─────────────────────┐
│  Handling queries   │
│   and objections    │
└─────────────────────┘
          ↓
┌─────────────────────┐
│   Closing the sale  │
└─────────────────────┘
          ↓
┌─────────────────────┐
│  Providing service  │
│    and support      │
└─────────────────────┘
          ↓
┌─────────────────────┐
│  Developing the     │
│  relationship and   │
│ maintaining commitment │
└─────────────────────┘
```

Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Marketing communications through the product life cycle

At the launch of a campaign the primary advertising objective may be to create awareness among target markets, while activity directed at the trade might focus on achieving distribution. Sales promotions to both consumer and the trade might be used to promote trial

As products develop and build market share, marketing communications change. In the growth phase there might be a continued need to increase awareness, but this may evolve into encouraging repeat purchase, gain loyalty and deter competitive activities. Direct and interactive tools might be used to build loyalty

As maturity approaches, marketing communications may concentrate on differentiation. As maturity continues it may become necessary to reposition the message

Hints and Tips

One of the critical success factors of implementing promotional plans will be the degree of synergy and coordination of the various promotional activities. Promotional plans must be designed to fit in with more general marketing objectives and strategy

Key topics:

- Understanding the characteristics of each of the marketing communications tools
- Appreciating how marketing communications tools can be used to interact with each other
- Adapting marketing communications through the product life cycle

Ensure that you can evaluate the use of different media in different contexts. This means assessing their suitablility for purpose rather than writing all you know about their characteristics

Go to www.cimvirtualinstitute.com and www.marketingonline.co.uk for additional support and guidance

THE MARKETING COMMUNICATIONS INDUSTRY

Agencies

An agency represents an external supplier which an organization contracts to provide services that assist in the creation and implementation of effective communications

Full service agencies
These agencies provide a full range of services

| Creative | Strategic | Production | Media planning | Market research |
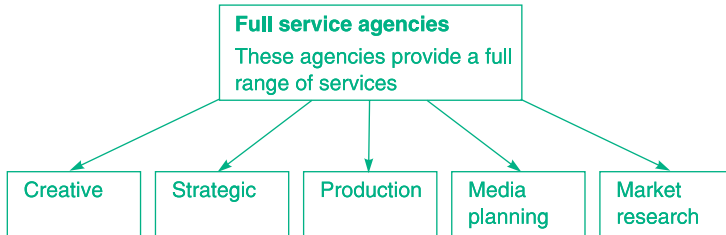
Limited service agencies

These tend to specialize in specific elements of the marketing communications process, such as design or new media. Specialization, for example in media buying, can result in cost efficiencies

A la carte agencies

An a la carte agency co-ordinates a range of specialist agencies on behalf of an organization and outsources the work across a range of other specialist agencies. This option provides great flexibility but integration of campaigns can be problematic

Agency selection

- Professionalism
- Creativity
- Understanding the brief
- Can work across all media
- Ability to integrate campaigns
- Cost
- Compatibility
- Can work internationally (if appropriate)

Managing the agency relationship

Scheduled meetings are usually agreed to ensure effective communication. Account managers brief creatives, media buyers, planners, etc. and usually maintain the client–agency interface

The agency brief

- Current situation
- Promotional objectives
- Target markets
- Product/service
- Budget
- Competitors
- Timescales

Agency pitching

Before choosing an agency, or even on a regular review basis, organizations will ask a number of agencies to bid or 'pitch' for the account. This involves the agency coming up with ideas for a specific brief in competition with other agencies. This is often a costly exercise for agencies

Agency remuneration

Agencies have traditionally been paid on commission from media owners when they buy space or time. Agencies have been suspected of recommending media on the basis of commission rather than on relevance. This has led to some agencies being paid on a project-by-project or retainer basis

Clients are tending to demand more measurement of campaigns. This has led to the incorporation of response mechanisms and a general shift away from traditional advertising campaigns

Multinational agencies

Agencies inspired by their clients with international markets have, as a result of mergers, acquisitions and alignments, opened subsidiaries or associates all over the world

Global clients are increasingly appointing global agencies to handle their business worldwide

To meet the threat from multinational agencies, some independent agencies have formed networks to enable clients to access a global service. Examples are CDP Europe, Alliance International and ELAN (European Local Advertising Network)

To pursue a global communications strategy, a company has to use a global agency, or one in a global network, to ensure that a single strategy is communicated in all markets. This way the agency has to coordinate work across several markets. However sometimes local expertise is needed

International communications contexts

As domestic markets reach saturation, organizations move into international markets

Phases of international marketing development:

1. Domestic markets
2. Infrequent foreign marketing
3. Regular foreign marketing
4. International marketing
5. Global marketing

With global marketing, companies have standardized business activities and single marketing communications strategies, whereas with multinational companies the differences in markets are recognized with individual programmes for each of its subsidiaries

The move to standardized marketing communications programmes is often driven by the high costs of producing separate campaigns for individual markets

Some companies have run centrally developed campaigns, where identical advertising is used apart from voice-overs in the local language. The problem with standardized campaigns is that the brand may be at a different stage in its development in different countries, or, that by striving for universal appeal, the result is bland and boring

Factors that influence international marketing communications

It is necessary to take the following into account:

■ Language – it is necessary to re-interpret messages both verbal and visual rather than simply translate. They otherwise can create a negative impact

■ Culture and tradition – advertising messages must not contradict existing cultural beliefs

■ Legal and regulatory requirements – differ from one market to another, e.g. different regulations concerning sales promotions

■ Buying habits – buying norms and product usage differ, e.g. in Europe shopping is done on a weekly rather than a daily basis as in less developed countries

■ Standards of living – different levels of wealth determine product purchase and consumption

■ Media availability – television may not be available or potential consumers may not be literate

■ Competitive environment – it is unlikely that a brand can occupy the same position in all the markets it is available in, due to differences in competition

■ Controls and regulations – legislative controls and voluntary self-regulation in different countries can restrict marketing communications campaigns and messages

Controls and regulations

In the UK alone there are many different forms of regulations which attempt to control the use of communications. These tend to be a mix of legislation and voluntary self-regulation

Controls:

Parliamentary acts, e.g. Office of Communications Act 2002

Self regulation:

Codes of Practice, e.g. those operated by ASA (Advertising Standards Authority)

Codes of practice

Advertising Standards Authority (ASA)

The ASA is responsible for implementing the code of practice drawn up by the Committee for Advertising Practice (CAP)

The CAP code principles for advertising, sales promotions and direct marketing are that they should be:

- Legal, decent, honest and truthful
- Prepared with a sense of responsibility to consumers and society
- Concur with principles of fair competition

The ASA regulates the following media:

- Press
- Outdoor
- Cinema
- Direct mail
- Leaflets
- Brochures
- Catalogues
- Inserts
- Fax marketing
- Sales promotions
- Internet (banner ads, commercial e-mails and online sales promotions)

Television and radio codes

Television scripts are vetted by the Broadcast Advertising Clearing Centre (BACC) and radio commercials by the Radio Authority Copy Clearing Centre

Ofcom

Under the Communications Act 2003, Ofcom has become the regulator for the UK communications industries, with responsibility across television, radio, telecommunications and the wireless communications industries

Preference services

Consumers can 'opt out' of receiving postal, telephone, fax and e-mail marketing by registering with the Direct Marketing Association's (DMA) preference services. DMA approved organizations guarantee to check their databases against the 'opt out' lists

Legislation

Various acts have been passed that determine the acceptability and use of marketing communications activities

Latest amendments to the data protection legislation in the UK protects consumers from the misuse of their personal information. Customers now need to 'opt in' to agree to information being stored and used for marketing purposes

Examples of legislation:
- Consumer Protection Act (1987)
- Control of Misleading Advertisement Regulations (1988)
- Trade Descriptions Act (1968)
- Sale of Goods Act (1979)
- Data Protection Act (1984)

Hints and Tips

It is essential to understand the different agency structures that exist and the basis on which agencies should be selected

It is also important to revise how an organization manages its relationship with agencies and what a brief comprises. An effective relationship with an agency influences the effectiveness of a client's marketing communications activities

It is also important to appreciate the factors that influence marketing communications in an international context

Finally, it is necessary to consider the various regulatory factors that control advertising and other marketing communications activities. It is advisable to be able to compare the UK voluntary and legislative controls with that of at least one other country

Go to www.cimvirtualinstitute.com and www.marketingonline.co.uk for additional support and guidance

RELATIONSHIPS AND MARKETING COMMUNICATIONS

Relationship marketing

The fundamental principle of relationship marketing is that the greater the level of customer satisfaction with a relationship – not just the product or service – the greater the likelihood that the customer's business will be retained. Marketing communications play a central role in developing customer relationships

Definitions:

“ *Relationship marketing is to establish, maintain and enhance relationships with customers and other parties at a profit so that the objectives of the parties involved are met. This is done by the mutual exchange and fulfilment of promises* ” **(Gonroos, 1994)**

“ *Customer relationship marketing (CRM) is a business process which integrates individual customer data from multiple sources in order to create a mutually valuable proposition* ”

(Smith and Clark, 2002)

Reasons for relationship marketing

- High costs of new customer acquisition
- The communications effort to persuade new customers to buy
- It is easier to collect, analyze and use customer information
- Effective relationship development can lead to positive word-of-mouth recommendations and business referrals

From transactions to relationships

The move to a more customer-focused approach reduces the costs associated with high churn rates, with customers receiving a better service as their needs are really understood

The key difference with relationship marketing, as opposed to a transactional approach, is that the objective is achieving long-term customer loyalty

Relationship marketing starts with getting closer to customers and establishing core and peripheral values with a view to closing the expectations gap

The shift from transactional to relationship focus has even been embraced by fmcg producers such as Heinz and Kelloggs, which have shifted from advertising to direct marketing, providing customer helplines and other below-the-line activities as a means of getting closer to the customer

The Shift to Relationship Marketing

The Shift to Relationship Marketing

| Transactional focus	Relationship focus
Orientation to single sales	Orientation to customer
Discontinuous customer contact	Continuous customer contact
Focus on product features	Focus on customer value
Short timescale	Long timescale
Limited emphasis on customer service	High customer service emphasis
Limited commitment to meeting customer expectations	High commitment to meeting customer expectations
Quality is the concern of production staff	Quality is the concern of all staff

Source: Payne, Christopher, Clark and Peck (1998)

The scope of marketing relationships

Marketing relationships stretch across four key groups:

- Customers
- Suppliers
- Internal markets
- Stakeholder markets

The Scope of Marketing Relationships
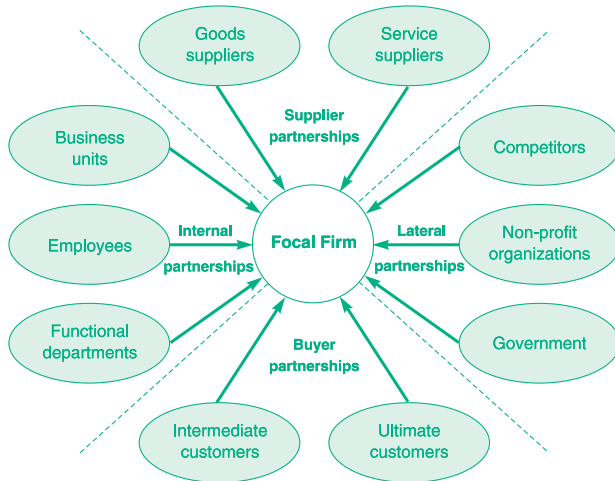
Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Issues relating to specific sectors

■ In organizational markets suppliers try to establish closer links and work towards preferred supplier status by building collaborative relationships and working together to optimize opportunities

■ In service markets, whether it is in banking, leisure or mobile telephone network provision, the service providers try to make regular contact with customers, emphasize customer service and look at maximizing the potential of the most valuable customers

■ In not-for-profit markets, charities need to establish long-term relationships to sustain donors, volunteers and to gain trust of clients/users

Customer loyalty

To achieve customer loyalty it is necessary to understand customers, recognizing their changing situations and communicating at significant points. By entering into a more personal dialogue with customers, it is possible to move them, through a series of stages, to loyalty known as the 'relationship marketing ladder'

Recently the ultimate step on the ladder, that of 'partnership', has been added. This occurs in organizational contexts and relates to the strong bonds that can occur when suppliers and clients work closely together

The Ladder of Customer Loyaty
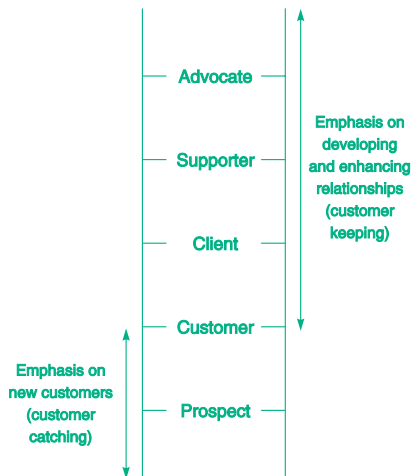
Advocate

Supporter

Client

Customer

Prospect

Emphasis on developing and enhancing relationships (customer keeping)

Emphasis on new customers (customer catching)

Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Key elements of relationship marketing

The key elements of relationship marketing:

- Reliability to perform the promised service
- Responsiveness to help customers and provide prompt service
- Assurance that employees will be knowledgeable and courteous
- Empathy with customers
- Tangibles – physical facilities, equipment and appearance of personnel

These elements can be used for positioning messages

The quality gap

For relationship marketing to be successful, the quality gap, i.e. the difference between customer expectations and the organization's perception of what is being delivered, must be filled

A relationship based upon trust

Morgan and Hunt (1994) suggest that there are three dynamics to trust within a relationship. The model indicates the benefits of building a relationship on trust to avoid termination costs and to achieve one based on shared values. It indicates that the more inward and outward-bound communication exists, the more knowledge about customers can be gained
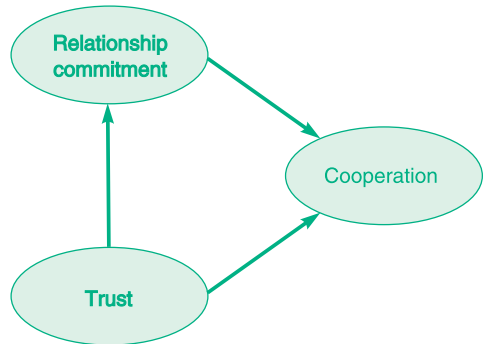
Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Customer retention management

One simplistic view is that to keep customers it is only necessary to keep them satisfied

In consumer markets, customer retention schemes are mainly focused around loyalty cards, although research has shown that many customers have several loyalty cards at any one time so they are not always necessarily good indicators of loyalty. Loyalty schemes are based on accessing customer database information and using direct mail to communicate with customers. Point of sale activity and in-store recruitment is used to support advertising-based acquisition

In business-to-business markets, key issues for retaining customers are:

- Technical support
- Technical expertise
- Resource support
- Service levels
- Reduction of risk

In not-for-profit markets, key retention issues are:

- Understanding different customer groups' motivations for donating
- Analyzing acquisition and retention costs

Benefits of customer retention:

- Established customers tend to buy more
- Regular customers place frequent orders
- Satisfied customers often refer others
- Retaining customers makes it difficult for competitors to take market share
- Acquiring new customers is costly

Internal marketing communications

Employees constitute an internal market and need to be communicated with in a similar way to external stakeholders through effective marketing communications

How internal audience interprets messages has a bearing on the way in which they respond to external audiences

Internal marketing communications have evolved from notice boards to communications based around new technology, such as video conferencing, internal television, e-mail, intranets, bulletin boards and newsletters

An understanding of the organizational identity and culture is the foundation of profile-based communication strategies

The relationship marketing plan

It is essential that an organization manages the scope and range of relationships within its marketing environment
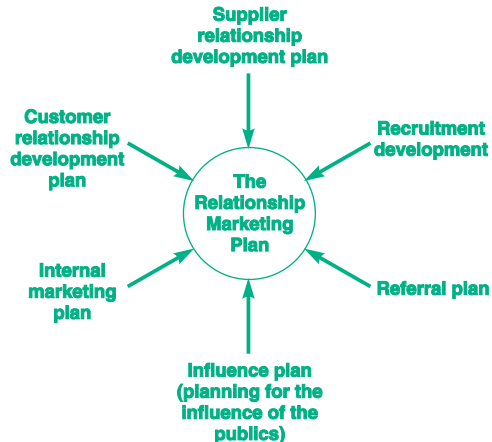
```
              Supplier
            relationship
          development plan
                 │
                 ▼
Customer                    Recruitment
relationship                development
development        ┌────────┐
   plan         ──▶│  The   │◀──
                   │Relation│
                   │  ship  │
Internal        ──▶│Marketing│◀── Referral plan
marketing          │  Plan  │
  plan             └────────┘
                 ▲
                 │
          Influence plan
         (planning for the
          influence of the
              publics)
```

Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Key account management

Key account management is growing in importance as a tool to retain customers in business-to-business marketing

In judging the long-term value of customers, it is necessary to look at profitability, sales volumes, regularity of orders, payment structures and growth potential

Key accounts are usually large customers, with personal sales being a key communication tool. In addition, mail, telephone, e-mail and the use of extranets are all ways to communicate with key customers

Strategy development may be the basis of a key account relationship; therefore it is essential for organizations to create a good understanding of their clients

There are risks associated with key accounts:

- Lack of return on investment in the relationship
- Committing to one partner at the exclusion of others

The Intercompany Relationship
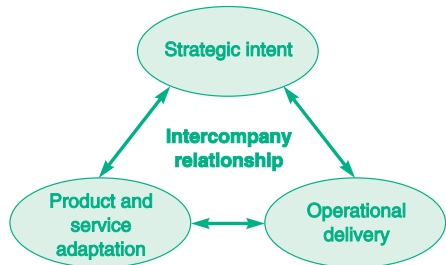
Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Hints and Tips

Key topics include the reasons why relationship marketing has evolved from transactional marketing and comparisons of the two approaches

It is important to appreciate the scope of marketing relationships and issues relating to specific sectors

Ensure that you are familiar with the concept of customer loyalty and methods used for customer retention and key account management

Internal marketing is also an important aspect of this topic area

Ensure that you are able to provide examples of relationship building strategies in different market sectors to support answers to exam questions on this topic

Go to www.cimvirtualinstitute.com and www.marketingonline.co.uk for additional support and guidance

MARKETING CHANNELS

- ➡ Understand the reasons why organizations use intermediaries
- ➡ Explain the different channel configurations and benefits of multichannel systems
- ➡ Understand the nature of channel conflict
- ➡ Make judgements about the best use of the promotional mix in different channel contexts

Syllabus Reference: 2.1, 3.1–3.5, 4.1

Channel structures

Distribution channels provide the means by which products and services are made available to end-user customers

Marketing channels are the means by which customers can access the products and services they want, at their convenience

Exchange efficiencies

The number of exchanges the manufacturer needs to undertake is reduced when an intermediary is introduced to the channel structure and the direct channel becomes an indirect channel
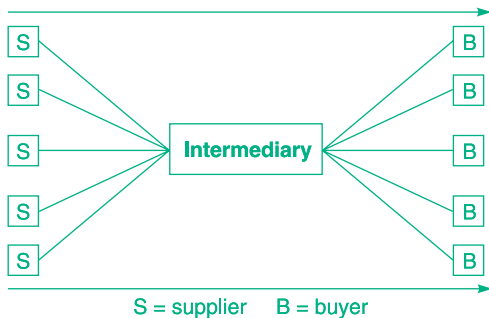
S = supplier   B = buyer

Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Marketing channels

Marketing channels consist of a number of different organizations (aka intermediaries), each of which fulfils a particular role in adding value

Supply chains extend from the customer to the individual suppliers and are concerned with the physical aspects of distribution (aka logistics management)

Channel management is concerned with the management of customer behaviour in order to achieve marketing goals

Channels of Distribution
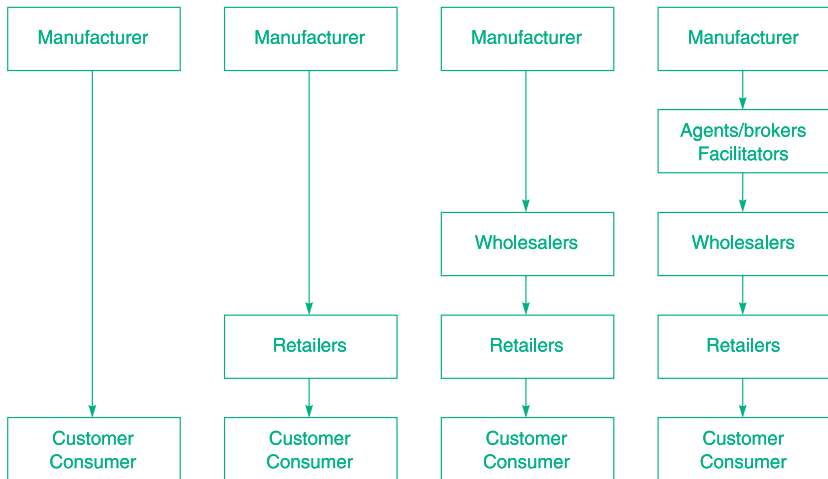
Manufacturer	Manufacturer	Manufacturer	Manufacturer
			Agents/brokers Facilitators
		Wholesalers	Wholesalers
	Retailers	Retailers	Retailers
Customer Consumer	Customer Consumer	Customer Consumer	Customer Consumer

Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Channel membership

Membership of a marketing channel will vary according to a range of factors, but intermediaries play a key role in enabling manufacturers to reach their end-user markets. Channel members can usually only survive if they collaborate and cooperate with other channel members

Role of wholesalers:

- Break bulk
- Provide different assortments for retailers
- Stockholding

For transactions between intermediaries to be completed properly, there needs to be a flow of information up and down the channel, a flow of finance (either investment or purchase), a flow of orders and negotiation flow

There is also a flow of marketing communications that can smooth the relationships between channel members. These are an important aspect of marketing channel management

Role of retailers:

- Provide wholesalers with outlets
- Purchase small quantities on a regular basis
- Focus on end-user motivations

Internet and digital technologies

The use of Internet technologies has had a major impact on marketing channel structures. Deciding to provide an only 'direct to customers' channel or to add a direct channel, often results in eliminating some intermediaries (known as **disintermediation** or depopulating of a marketing channel)

Many direct channels have been developed to allow for new services, such as booking airfares direct (in b2c markets) or dealerships ordering car parts via paperless systems direct from the manufacturer (in b2b markets)

Advances in digital technology have brought about new business models that emphasize virtual integration, leading to new forms of intermediary (known as **reintermediation** or repopulating of a marketing channel)

The use of extranets can assist channel members to share information and improve order processing

Channel conflict

Channel conflict occurs where there has been a breakdown in co-operation between channel partners and is usually caused by the following:

- Competing goals
- Differences over domains
- Perceptions of reality

Resolving channel conflict

Channel conflict cannot be stopped but it can be managed by the strength of relationship between channel members and the quality of marketing communications

Strength of relationship can be developed by creating trust and commitment. The interdependence of channel members' needs is to be based on trust. Trust is the confidence one channel member has when interacting with another member with respect to their reliability and integrity

Commitment is based on the desire to continue and maintain a valued relationship

Communications between members is an important coordinating mechanism. A planned push communications strategy will reinforce channel relationships

Marketing communications

Promotional communication targeted at different intermediaries is known as a push strategy
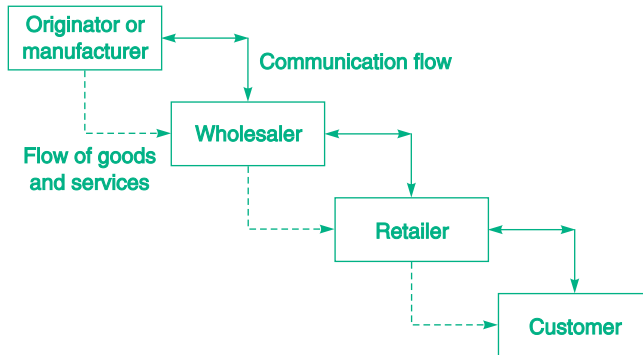
Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Advantages of a push strategy

- Improved control over branding/positioning
- Encourages retailers to stock
- Provides support for channel partners
- Reduces overall promotional costs with pull strategy savings

Disadvantages of a push strategy

- Needs consolidation with product knowledge
- Could be expensive if there is a large number of distributors
- Could result in information deviance if campaign is not planned properly

The following factors affect communication:

- Power – Is it distributed equally?
- Direction – Is it one or two-way?
- Frequency – How often should it occur?
- Style/content – Should tone be in/formal?
- Distortion – Will information be received, stored, processed and actioned in the way intended?
- Timing – Information could be passed in a sequential manner, or, even better, with a simultaneous approach
- Sharing attitudes – May need producers to share sensitive information and distributors to share customer/market information

The role of the promotional mix

Marketing communications in the distribution channels are aimed at businesses whose buyer behaviour is different to that of consumer markets and is characterized by the following:

- Group buying
- Different risks
- A smaller number of orders
- Larger order values
- Derived demand

The main promotional tool that is used is personal selling, supported by direct marketing, sales promotions, public relations and, to a small extent, advertising, with the Internet acting as both a distribution channel and a medium of communication

The role of DRIP in promotions

Differentiation so that channel members understand how products differ from those of the competition and to assist in securing stock levels

Reinforcement of benefits of product features and reassurance over continuity of supply and reliability of delivery

Information about levels of customer support and for distributors to provide information about market performance

Persuasion of distribution to carry stock and meet required service levels, or for distributors to inform suppliers about promotional support needed

Hints and Tips

For organizations that need to distribute goods/services through intermediaries it is necessary for marketing communications to be used, to both prevent and resolve channel conflict

Key topics include:

- The role of the Internet and digital-based communications in channel management
- The reasons for channel conflict
- Resolving channel conflict
- The application of push strategy

It will be useful to ensure that you can evaluate the role of communications in channel management and be able to suggest how communications could be improved in a number of different channel management contexts

Go to www.cimvirtualinstitute.com and www.marketingonline.co.uk for additional support and guidance

COMMUNICATION STRATEGIES AND PLANNING

LEARNING OUTCOMES

➥ Understand the characteristics associated with different communication strategies aimed at different stakeholder groups

➥ Evaluate the differences between marketing communications aimed at consumer (b2c) and organizations (b2b)

➥ Explain the importance of planning effectively and using appropriate frameworks

➥ Demonstrate the significance of an integrated approach to planning

➥ Demonstrate the significance of budgeting and the methods used to determine budget levels

Syllabus Reference: 1.4, 2.9, 2.13, 2.14, 3.1

Marketing communication strategy

To accomplish promotional objectives, strategies are needed to meet the goals that have been set

There are three strategies (aka 3Ps) that are used: Pull strategies to communicate with customers; Push strategies aimed at intermediaries to push goods through channels; Profile strategies used to maintain long-term relationships with all stakeholders

3 Ps

- Pull strategies to reach customers (individuals or businesses)
- Push strategies to reach channel members
- Profile strategies to reach stakeholders

Pull strategy

A pull strategy needs a core message to support it

Pull strategies can be used to do any of the following:

- Differentiate a brand from its competitors
- Remind lapsed customers of brand values
- Inform about a new product or raise levels of awareness of an existing product
- Persuade a target audience to try a product or take part in a sales promotion

Push strategy

Push strategies are aimed at channel members to contribute to and reinforce partnerships in the network. The development of electronic communications and extranets has played a large role in push strategies

Push strategies can be used for:

- ■ Differentiation so that intermediaries can understand how a product offering is positioned
- ■ Reminding and reassuring dealers about the quality or utility of the products or the manufacturer
- ■ Information for distributors or retailers so that they can provide appropriate levels of service
- ■ Persuading intermediaries to take stock, provide facilities and preference over other suppliers

Profile strategy

Profile strategies are used to communicate information about the organization rather than products/services. They are used to convey information about its performance or policies to encourage investors and/or attract employees. These corporate communications can also be used to present consistent messages to internal audiences
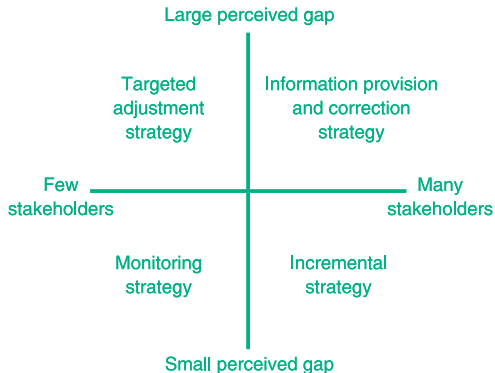
3 elements of a profile strategy:

- Corporate personality, which reflects organizational culture
- Corporate identity, which is the outward projection of the organization
- Corporate image, which is the audience's image or reputation

Public relations is the key communication tool

Corporate perception grid

Corporate reputation develops through the accumulated images and experiences of an organization and its products. However, there may be a gap between actual and desired perception

Large perceived gap

Targeted adjustment strategy	Information provision and correction strategy

Few stakeholders ——————————————— Many stakeholders

Monitoring strategy	Incremental strategy

Small perceived gap

Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

Organizational Marketing Communications (B2B)

B2b communication is the promotion of goods and services to organizations rather than individual consumers. It is sometimes mistakenly thought that b2b purchases are always rational because they are made on behalf of organizations. However, because b2b purchases are still made by people within organizations, they are influenced by both rational and emotional factors

Organizational buying decisions are often made by more than one person who will contribute to the decision-making unit

Because of the nature of b2b marketing, products or trade terms can be tailored to suit clients

B2B marketing communication objectives:

- To create and maintain awareness
- To generate sales leads
- To pre-sell sales calls
- To contact minor members of the dmu
- To build corporate and product images
- To communicate technical information
- To support the promotional effort

Personal selling and direct marketing are key tools in b2b marketing communication

Difference between Consumer and Business-to-Business Marketing Communications

	Consumer-oriented markets	Business-to-business markets
Message reception	Informal	Formal
Number of decision-makers	Single or few	Many
Balance of the promotional mix	Advertising and sales promotions dominate	Personal selling dominates
Specificity and Integration	Broad use of promotional mix with a move towards coordinated mixes	Specific use of below-the-tools but with a high level of coordination and integration
Message content	Greater use of emotions and imagery	Greater use of rational, logic and information-based messages, although there is evidence of a move towards the use of imagery

Contd.

|	Consumer-oriented markets	Business-to-business markets
Length of decision time	Normally short	Longer and more involved
Negative communications	Limited to people close to the purchaser/user	Potentially an array of people in the organization and beyond
Target marketing and research	Great use of sophisticated targeting and communication approches	Limited but increasing use to targeting and segmentation approaches
Budget allocation	Majority of budget allocated to brand management	Majority of budget allocated to sales management
Evaluation and measurement	Great variety of techniques and approaches used	Limited number of techniques and approaches

Source: Fill (2002). Used with kind permission

Strategy and planning

Strategy is not necessarily the same as planning. Strategy might be considered as the purpose and direction of the organization, whereas planning might be considered to be the articulation of the strategic intent

So, strategy is about where an organization is heading and planning is about the detail concerning how that strategy is to be accomplished

Communications planning frameworks

The development of a cohesive and coordinated marketing communications plan relies on a systematic planning process
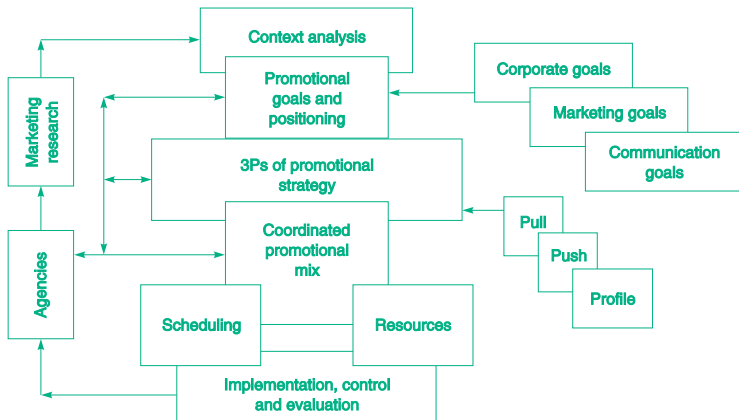
Source: Hughes and Fill: CIM Coursebook *Marketing Communications* (Elsevier Butterworth–Heinemann, 2004)

The context analysis

While each plan can be adapted to meet circumstances, a planning framework ensures that a campaign covers all the essential groundwork. A key factor of marketing communications planning is the initial **context analysis**, which is used to identify the organization's situation and establish communications objectives

Key context analysis issues

- The business context – to consider the trading conditions
- The customer context – to consider purchasing behaviour
- The internal context – to consider the internal audiences and resources
- The external context – to consider PEST and environmental factors
- The stakeholder context – to consider key issues surrounding stakeholders, such as investors, pressure groups, etc.

The marketing communications budget

The key issue with budget setting is deciding the right approach in any given situation

Budget setting methods:

- Percentage of sales or of gross margin
- Residue of last year's surplus
- Percentage of anticipated turnover
- Unit or case/sales ratio method
- Competitive parity/expenditure method
- Share of voice
- Media inflation
- Objective and task method
- Experimentation
- What we can afford

Budgeting for new products

When setting a budget for new product, past data will be unavailable, so many approaches cannot be used. Therefore, calculations must be made of the financial resources needed to achieve objectives, such as to establish the brand. The objective and task approach is therefore often used

Hints and Tips

The key topics are:

- The three communication strategies of push, pull and profile
- Organizational marketing communications
- The difference between strategy and planning
- Communication planning frameworks
- The context analysis within the MCPF
- The marketing communications budget

For examination purposes it is essential to appreciate how the three communication strategies can be used and to be able to explain how the marketing communication planning framework works (MCPF)

Underpinning this unit, it is essential to understand the differences between b2c and b2b marketing and how communications differ for these two situations

It will be useful to not only learn the different budget setting methods, but also to be able to justify why one method might be more appropriate to another in a particular marketing context

Go to www.cimvirtualinstitute.com and www.marketingonline.co.uk for additional support and guidance

MEDIA

LEARNING OUTCOMES

➥ Describe the main media used for marketing communications
➥ Understand the key concepts involved in media selection
➥ Describe various media efficiency and valuation measures
➥ Appreciate the role of interactive e-communication

Syllabus Reference: 2.6, 2.7

Media

Media are channels of communication that can be used to deliver messages to selected target audiences. These represent any interface or channel which allows communications messages to flow between senders and receivers – in both directions

Media characteristics

Media can be considered against three separate dimensions:

- Does it enable the communication of the message?
- Does it provide cost-effective coverage of the target audience?
- Is it the appropriate environment to place the message?

Summary of Media Characteristics

Summary of media characteristics

Type of media	Strengths	Weaknesses
Print		
Newspapers	Wide reach	Short lifespan
	High coverage	Advertisements get little exposure
	Low costs	Relatively poor reproduction, gives poor impact
	Very flexible	Low attention-getting properties
	Short lead times	
	Speed of consumption controlled by reader	
Magazines	High-quality reproduction which allows high impact	Long lead times
	Specific and specialized target audiences	Visual dimension only
	High readership levels	Slow build-up of impact
	Longevity	Moderate costs
	High levels of information can be delivered	

Contd.

Type of media	Strengths	Weaknesses
Television	Flexible format, uses sight, movement and sound	High level of repetition necessary
	High prestige	Short message life
	High reach	High absolute costs
	Mass coverage	Clutter
	Low relative cost so very efficient	Increasing level fragmentation (potentially)
Radio	Selective audience, e.g. local	Lacks impact
	Low costs (absolute, relative and production)	Audio dimension only
	Flexible	Difficult to get audience attention
	Can revolve listeners	Low prestige
Outdoor	High reach	Poor image (but improving)
	High frequency	Long production time
	Low relative costs	Difficult to measure
	Good coverage as a support medium	
	Location oriented	

Type of media	Strengths	Weaknesses
New media	High level interaction	Segment specific
	Immediate response possible	Slow development of infrastructure
	Tight targeting	High user set-up costs
	Low absolute and relative costs	Transaction security issues
	Flexible and easy to update	
	Measurable	
Transport	High length of exposure	Poor coverage
	Low costs	Segment specific (travellers)
	Local orientation	Clutter
In-store POP	High attention-getting properties	Segment specific (shoppers)
	Persuasive	Prone to damage and confusion
	Low costs	Clutter
	Flexible	

Source: Fill (2002)

Media selection and planning

Media selection depends on the following factors:

- **Reach or coverage** which relates to the percentage of people within the defined audience who will be exposed to the advertising message
- **Frequency** which relates to the number of times people within the defined audience will be exposed to the message in a particular period of time
- **Impact** of the message may require that television or radio is used
- **The intra media decision**, regarding which television spot or where in a newspaper an ad should be placed, needs to be considered
- **Changing media consumption** patterns may mean direct marketing or online activity is used in favour of television
- **Creative requirements** may mean that television is used, or audience requirements may mean Internet or text messaging is used to reach younger audiences
- **Complex messages** may mean print media is required
- **Budgets** will dictate which media can be used

Efficiency and Evaluation

Cost per thousand (CPT)

The CPT calculation measures the cost of reaching 1,000 customers

Television rating points (TVRs)

One TVR represents one percent of the audience and provides a measure of reaching specific audiences

Gross rating points (GRPs)

GRPs are used to measure reach in other media. They are calculated by multiplying 'the reach' by 'the frequency'

Duplication

This occurs when communications are seen by the same individuals in different types of media

Media campaigns

- Burst campaigns compact media activity into short timescales
- Drip campaigns extend campaigns over a long period, providing continuity of message and are often used for reminder campaigns
- Pulsing is a compromise between burst and drip campaigns. Low levels of media activity are used with periodic increases in expenditure, often associated with seasonal buyer activity

Media buying and briefing

In full-service advertising agencies, both media planning and buying would be handled in-house. However, there are many specialized media buying houses whose purchasing/buying power enables them to negotiate attractive rates with media owners, and a lot of media buying is contracted out to these specialists

Media and its role in relationship building

Various media forms have a role in establishing and developing relationships with consumers:

- Initial stimulus – provided by main media, such as television, newspapers, etc.
- Response – a 'passive' response may occur with the information being 'stored', or an 'active' response may occur where the receiver decides to get further information or make a purchase
- Interactivity – as relationships develop, online media and call centres may be used to elicit interactivity
- Ongoing contact and involvement – can occur through the use of databases to target direct mail

The Internet and interactivity

Most Internet activity is directed at b2b markets, although it is still used to communicate with b2c markets

The following applications are used:

- Websites – These provide text and graphic information, but music and video streaming can also be used. They can also be used to attract visitors and enable two-way communication with customers. They can also be used for information or for transactional purposes

- Banner advertising – Advertising on a website, where customers can click on the advert to be connected to the advertiser's website

- Extranet – Where external stakeholders are given access to specific areas of information on a website, to create a two-way communication flow

- Intranet – Where staff are given access to specific areas on a website, where information can be shared between staff and management

- E-mail – Used in e-marketing in the same way as mailshots

Benefits of e-communication

- Can save costs
- Can generate quick response
- Good for two-way communication
- Can expand to global market
- Can result in better management of supply chain
- Can enhance reputation
- Gives customers convenient access

Digital technology

With the advent of digital technology used in television and radio broadcasting, audiences have a greater choice of how and when they watch/listen. They can also interact, using certain buttons to find out more or communicate their views

The increase in channels has led to media fragmentation. Trends indicate that, although advertising spend on traditional terrestrial television channels has decreased, advertising has become more targeted with the increase of channels

A Comparison of New and Traditional Media

Traditional media	New media
One-to-many	One-to-one and many-to-many
Greater monologue	Greater dialogue
Active provision	Passive provision
Mass marketing	Individualized
General need	Personalized
Branding	Information
Segmentation	Communities

Source: Fill (2002)

Hints and Tips

This unit has examined the roles that different main media play in the communication process and the criteria involved in selecting the media

It also examines some of the key media efficiency and valuation measures

The unit gives an overview of how electronic media helps create two-way communication flows

For examination purposes, ensure that you identify the issues associated with new media and digital technology. It is important that you compare and contrast new and traditional media

Finally, you should also spend some time considering media's role in relationship building

Go to www.cimvirtualinstitute.com and www.marketingonline.co.uk for additional support and guidance

EVALUATING COMMUNICATIONS' EFFECTIVENESS

The Aim of Marketing Communications

Syllabus Reference: 2.2, 2.4, 2.5, 2.12, 2.16

Right message

Right targets

Right media

Right time

The Importance of Evaluation

It is vital to determine if marketing communication goals, in relation to messages, targets, media and timing have been achieved

Advertising agency clients are under more pressure than ever before to measure their effectiveness if they are to retain client accounts

Marketing research can be used and new technology provides new measurement techniques to test effectiveness

> Evaluation is about finding appropriate ways to measure effectiveness. There is rarely a 'perfect' measure, but a variety of mechanisms can be used to evaluate the extent to which communication goals have been achieved

Evaluating Coordinated Campaigns

It is important to evaluate campaigns holistically:

- Analysis – through analyzing main markets
- Objectives – through checking objectives
- Planning – determining strategic options and coordinating timing of activities
- Budgets – determining appropriate spend
- Media – by taking a media-neutral approach
- Marketing mix – by ensuring that communications fit in with the marketing mix
- Customer service – by ensuring that appropriate mechanisms are in place to deal with customer communication resulting from promotion
- Creativity – by ensuring creativity runs through the whole process

Evaluation can occur before, during and after a campaign

Effectiveness of coordinated campaigns should be based on the degree to which promotional objectives have been achieved

Evaluation of Advertising

Pre-testing (or copy testing) involves showing an unfinished advertisement to a focus group to check if it meets communication objectives

Different techniques can be used:

- Internal – checklists and readability analysis
- Communication effects – physiological tests, recall and direct opinion measurement
- Behavioural effects – to measure actual response via trailer tests and split scan procedures

Post-testing involves evaluating a campaign after its release

- Recall tests assess how memorable an ad or campaign was
- Recognition tests assess how well information can be reprocessed
- Likeability tests can be useful predictors of sales success
- Tracking studies assess perception on an ongoing basis
- Responses in the form of returned coupons or orders can also comprise post-campaign analysis

Evaluation of sales promotions

Typical evaluation methods will include:

- Consumer audits used to indicate success of trial product giveaways and repeat purchase promotions.
- Sales information can be used to show sales increases after promotions.
- Retail audits can track changes in stock changes and market share after campaigns.
- Sales force feedback provides qualitative information.
- Voucher/coupon redemption can be coded to assist in the measurement of response for particular campaigns.

Evaluation of public relations

Typical evaluation methods are:

- Awareness – by using marketing research to assess levels of awareness in the market
- Attitude – by using research to judge if attitudes have changed positively or negatively
- Media coverage and tone – can measure the number of column inches achieved, the type of headings and tone of coverage
- Positioning – by measuring the position of the organization in comparison to the competition
- Response generation – if an article provides contact details, the amount of telephone response or website hits can show response to PR coverage
- Share price – this can be affected negatively or positively, depending on the PR that is generated
- Sales – while PR is not usually linked with sales directly, a significant mention on television or radio, or in print, can affect sales negatively or positively

Evaluation of direct and interactive marketing communications

Typical evaluation methods are:

- Response rate – the number of responses to a mailshot is counted
- Conversion rate – the number of responses that are converted to orders is counted
- Order value – the value of orders is calculated
- Cost per enquiry and/or order – used to calculate the overall effectiveness of a mailshot or e-marketing campaign
- Click-through rates measure the number of people that visit a website from an online advertisement

Evaluation of sponsorship

Typical assessment methods are:

- Media exposure measurement – to measure how much media coverage the sponsorship activity achieved
- Pre-testing and post-testing of awareness in relation to sponsorship activity
- Feedback from participants – qualitative feedback from customers, sponsored party and other stakeholders to determine effect on corporate image

Brand evaluation

Research can also be conducted into the overall brand performance looking at:

- Brand vision
- Brand essence
- Organizational structure
- Brand resourcing

Evaluation of personal sales

Typical monitoring methods of sales visits or telephone calls are:

- Productivity – number of calls in relation to number of orders
- Account development – number of new accounts or growth from existing accounts
- Expenses – amount of new business in relation to cost of keeping account

Hints and Tips

This unit has focussed on evaluating the effectiveness of various marketing communication activities

Although individual activities are measured, there are signs that measuring the effective co-ordination of campaigns is considered to be the best way to determine overall success of marketing communications

It is important to be able to cite various up-to-date examples of how organizations and agencies have measured the success of different campaigns

Ensure that you update yourself on the ways that interactive and digital technology are monitored to determine effectiveness

For assessment purposes, it is essential that you can appreciate a variety of different ways to monitor the success or not of a campaign, rather than just citing one evaluation method

Go to www.cimvirtualinstitute.com and www.marketingonline.co.uk for additional support and guidance