UNIT 2 : INTEGRATED MARKETING COMMUNICATION AND ADVERTISING

UNIT STRUCTURE

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2.1 LEARNING OBJECTIVES

After going through this unit, you will be able to -

- define the term Integrated Marketing Communication
- explain advertising as a communication process
- outline the Communication Model (AIDA model)
- discuss advertising as an element of marketing mix

2.2 INTRODUCTION

In this unit we are going to discuss integrated marketing communication. It implies coordinating all the promotional and other marketing activities that communicate with a firm's customers and other stakeholders. Communication can only be successful if there is parity between the sender and the receiver. Advertising is a major promotional tool and it communicates to mass media. It offers planned and controlled message. In the world of advertising, a sender is the advertiser and the

target audience is the receiver.

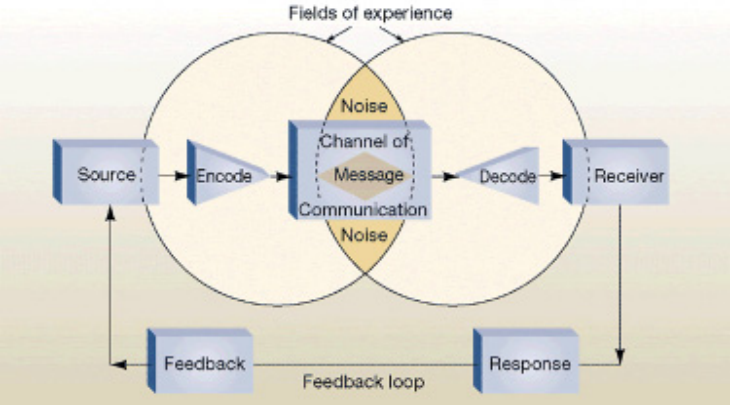
2.3 IMPORTANCE OF BUSINESS COMMUNICATION

Communication is very essential in any organisation. Without communication, management cannot perform its duties smoothly. Business communication is related to the study of communication between individuals and groups engaged in the process of administration and management of an organisation. In simple term communication is interchange of thoughts, opinions of information. Communication can be of two types, *one way communication*, which informs the receivers, and in *two way communications* sender exchange the ideas with the receiver. Business communication is characterized by a serial reproduction of messages which are sent from one person to another.

Communication process:

The communication process involves eight elements, which are discussed as follows:

- **Source:** Source or sender is a person who shares something with the other people.
- **Encoding:** Encoding is the process of translating thoughts into symbolic form.
- **Message:** The message is the symbolic expression of sender's thought.
- **Channel:** Channel is the path through which the message moves from the sender to the receiver.
- **Receiver:** Receiver is the person who gets the message from the sender.
- **Decoding:** It is the process through which receiver interprets the message.
- **Noise:** It is the external distraction which creates problem in receiving the message.
- **Feedback:** Feedback allows the source to determine whether the original message hit the target accurately or whether it needs to be modified.



Source: google.co.in.

Barriers to effective communication:

Successful performance of an organisation depends on effective communication. The key to success is found in the manager's ability to communicate effectively. Barriers are the difficulties that come in the way of effective communication. They are physical, psychological, linguistic, and mechanical in nature, which are discussed as follows:

Physical barriers:

i) **Complete stimulus:** It becomes very difficult to pass on the message orally, if another conversation goes on simultaneously within hearing distance, sometimes loud music or traffic noise, it creates barrier in the communication process.

ii) **Environmental stress:** A high temperature, humidity, bad ventilation etc. contributes in distortions in the sending and receiving of the message.

iii) **Subjective stress:** Due to lack of sleeping, ill health, consumption of drugs, mental strain etc. communicator cannot interpret the message in desired way.

Psychological Barriers:

I. **Unjust assumptions:** The unjust assumptions are common barriers to communication which create lots of misunderstanding.

II. **Barrier of illness:** Illness is the attitude of people with closed minds. They think that they know everything about a subject. Usually they are not prepared to accept that they could be mistaken.

III. **Fear:** Fear is clearly destructive to communication. Generally

subordinates do not ask the employer if they do not understand something because of the fear.

Linguistic barriers:

In business communication, language is the vital element. The language used in different culture takes different colours and meaning. It comes under the influence of the accent of the local language.

Mechanical barriers:

It includes any disturbances, which interferes with the fidelity of the physical transmission of the message.



CHECK YOUR PROGRESS

Q 1: What is communication?

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Q 2: State the eight elements involved in communication process.

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Q 3: What is a barrier to communication?

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2. 4 INTEGRATED MARKETING COMMUNICATION

Integrated marketing communication (IMC) is a strategic-business process used to plan, develop, execute, and evaluate coordinated and measurable persuasive brand communication programmes over time with consumers, prospects, and other targeted, relevant external and internal audiences.

Till a few decades ago, in the 1980s, when the mega TV serials like the Ramayan and the Mahabharat were telecast, the entire country watched the serials. The marketing communicators could send their messages to the mass people at that time. In today's context we find media fragmentation. Mass media no longer exists. This has a problem in reaching to the huge population. At the same time our country being multilingual and heterogenous,

the marketers face a lot of challenges in terms of reach. In recent years, as new media have emerged and the cost of competition has intensified, sophisticated marketers have searched for new ways to get more customers from their marketing communications tactics. In today's context, we find the existence of online media vehicles like facebook and also the out of home advertising options like product displays , hoardings and billboards etc. in many place.

Because of the changes in the marketing environment, the marketers are now forced to look at the changes from different perspectives. The result has been a growing understanding on the part of corporate management that (1) the efficiencies of mass media advertising are not what they used to be; (2) consumers are more sophisticated and distrusting than ever before; (3) tremendous gaps exist between what companies say in their advertising and what they actually do; and (4) in the long run, nourishing good customer relationships is far more important than making simple exchanges. As a result, there is now a growing movement toward integrating all the messages. It is no longer a situation that only one advertisement agency is engaged. A big company might involve several agencies for promoting different brands under its portfolio which requires coordination. At the same time, there might exist several departments within the marketing function. These could be sales promotion, marketing research, public relations. Messages created by an advertiser's various communication agencies and sent out by various departments within the company need to be coordinated to achieve consistency. This process, is called integrated marketing communications (IMC).

Communication is the process of exchanging information, through a common system of symbols. Communication can be of variety of forms from face to face conversation to global network conversation. In the communication process the message transmits from sender to the receiver through a specific media. In case of advertising communication, this becomes a complex phenomenon as there could be a lot of differences in processing the information and arriving at the buying decision.

IMC entails for coordinating all the promotional and other marketing

activities that communicate with a firm's customers and other stakeholders. According to Phillip Kotler, modern marketing calls for more than just developing a good product, pricing it attractively, and making it available to target customers. Companies also must *communicate* with their customers, and what they communicate should not be left to chance. For most companies, the question is not *whether* to communicate, but *how much to spend* and *in what ways.*

Barriers to IMC:

Despite its many benefits, Integrated Marketing Communications, or IMC, has some barriers.

In addition to the usual resistance to change and the special problems of communicating with a wide variety of target audiences, there are some obstacles which restrict IMC.

One obstacle is advertising and communication managers are preoccupied with their budgets and they find it difficult to take advantage of the new trends in media management. Some of the other obstacles are:

i. The increasing complexity of organisational structures isolates communications, data, and even managers from each other. For example, the PR department often doesn't report to marketing. The sales force rarely meets the advertising or sales promotion people and so on. Imagine what can happen when sales reps are not told about a new promotional offer! Because of these gaps marketing communications cannot be made in an integrated manner.

ii. Within the marketing set up there could be problems of internal acceptability. The sales promotions manager may not listen to the views of the manager responsible for marketing research. Some managers may resist having some of their decisions and budgetary plans determined or even influenced by someone from some other sections in the same marketing department.

iii. Time horizons add one more barrier to IMC as different time scales affect a creative brief. For example, image advertising that is designed to nurture the brand over the longer term may conflict with shorter term advertising or sales promotions designed to boost quarterly sales.

However, with the improvement of the brand and sales can be accommodated with IMC planning.

Here are two questions may arise- What should a truly integrated marketing department look like? And how will it affect creativity?

It shouldn't matter whose creative idea it is, but often, it does. Getting an idea is important. At the same time execution is also important. IMC is sometimes criticized on the ground that it may restrict creativity. No more wild and wacky sales promotions may be considered unless they fit into the overall marketing communications strategy. The joy of rampant creativity may be stifled, but the creative challenge may be greater and ultimately more satisfying when operating within a tighter, integrated, creative brief.

2. 5 ADVERTISING AS A COMMUNICATION PROCESS

Advertising is a form of communication, where it transmits the message to a mass media. Advertising creates attention and provides information through different entertaining ways. There are different models that advertisers use to communicate with the customers.

It should be noticed that while transferring message in the advertisement, various elements – such as words, views, colours, music and so on - are used. While creating the advertisement, advertisement specialists must measure how each of these elements will influence the consumer because consumers' reaction to the advertisement will depend mainly on the common operation of these elements. Knowing how communication process operates during the design and execution of advertisement, we may notice how the advertisement influences the consumer. Understanding of this process will only help us in designing appropriate research for measuring effectiveness of advertising.

There are different advertising communication effects In order to take action such as purchase of a brand, a target audience individual must: (1) have the category need, i.e., be "in the market" for the product class; (2) be aware of the brand as an option within the class; (3) have at least a tentatively favourable brand attitude toward it; (4) intend to buy it, although

this intention may be quite latent or subconscious until the individual is in the purchase situation; and (5) experience no barriers to purchase facilitation, such as distribution unavailability or inability to meet the price or pricing terms. For the purpose of buying toothpaste, say Colgate, the prospective customer must have the need for toothpaste, be aware of Colgate, should have a favourable inclination for the brand. In addition, the brand must be available.

These communication effects indicate that advertising communication is a process. There is no assumption that they occur in any hierarchical order, and indeed they may be generated simultaneously or at different times and with varying degrees of strength in a prospective buyer's mind. For example, an individual may know all about "Colgate" toothpaste, but not experience the first communication effect, category need, for a (dantamanjan) remedy till using Colgate. Similarly, an individual may have the category need and experience no barriers to purchase facilitation, but make an "impulse" selection on the brand wherein brand awareness, brand attitude, and brand purchase intention are created by point-of-purchase advertising at the last minute. A person with the intention of buying "Pepsodent" may end up buying Colgate if the advertisement is very appealing.

Not all communication effects are necessarily communication objectives for a particular advertising campaign. There are, however, two effects that are universal objectives — brand awareness, and brand attitude. One could argue that brand awareness is the single universal communication objective. For example, the one-word ad "Colgate" may effectively increase or maintain brand awareness (both Recall and Recognition) and cause purchase among target audiences who already have a fully learned favourable attitude toward the Colgate brand All advertising campaigns are aimed at maintaining brand awareness (if not to increase it) and at maintaining brand attitude (if not to change it). Indeed, without brand awareness being experienced at some point prior to the purchase decision, the brand cannot be bought.

During an advertisement communication process the marketer gives his idea to the advertising agency. The agency encodes the idea and

uses the media mix to create an ad. When the message is delivered then target audience gets the idea, understands it and gives feedback. Therefore, different strategies are used by the advertising agencies to make the communication process effective. Let us discuss this in some details.

The Advertising Communication process bears resemblance to the general communication model. Nevertheless, it has its own distinct set of attributes that make it stand apart from all conventional communication processes. It starts with the advertiser who communicates his objective to the advertising agency as to what he wants to accomplish with his brand through the advertisement. Next, the advertising agency, in the light of their client company's objective shapes the advertisement (encoding process) and incorporates certain channels of communication (the media mix) to make the advertisement go public. The last step is the receiving step where the target audience encounters the advertisement and that is what ultimately decides the degree to which the advertiser's objectives got fulfilled. There is noise, both internal and external to distort the advertising communication process, therefore the advertising agency takes specific measures to eclipse the sound of those noises and make the consumer focus on the actual advertising message. The advertiser tries to create an opportunity to see or hear by breaking the clutter. Because we find lots of advertisements and one has to attract consumers' attention for the advertisement.

2. 6 THE COMMUNICATION MODELS

Advertising communication models are the theories on "how advertising works." These theories or models attempt to explain, at the individual buyer or consumer level, the process by which advertising communicates with and effectively persuades individuals to take action. Managers operate with these theories or models, explicitly or implicitly, whenever they create, approve, or test advertising.

SMCR Model:

One of the models which we are going to discuss is SMCR model. Mass communication is usually thought of as a process, sometimes referred to as the SMCR model of communication. It begins with a source(S), a

sender who encodes a message (M), puts it in words and pictures. The model explains how communication works: The message is presented through channels of communication(C), such as a newspaper, radio or T.V. The message is decoded by the receiver (R), who is a reader, viewer or listener. Feedback is obtained by monitoring the response of the receiver to the message. And the entire process is complicated by what we refer to as noise, things that interrupt the sending as well as the receiving of the message such as a bad connection.

Again interactive communication is a form of two way communication where the source and the receiver both can exchange their views.



ACTIVITY

From any business magazine, identify five advertisements that have exceptionally high attention power. Rank them 1 to 5 and give your reasons for ranking.

i) AIDA model:

One of the most common and long lasting effects is one referred to as AIDA, which stands for attention, interest, desire and action. The idea is that first an advertisement gets attention, and then it creates interest, then desire and finally stimulates action. This model identifies four effects and makes a prediction about how they are related in a hierarchy of steps. Because AIDA assumes that consumers start with attention and wind up with a decision, it is referred to as a hierarchy of effects model.

The problem with these models is that advertisers know that people don't always proceed through steps in this predictable way. With the impulse purchase one almost works the AIDA model backward. In that case, nothing will work according to the steps. The buyer may decide about buying something without having any predispositions.

The following diagram shows the AIDA model.



2. 7 ADVERTISING AS AN ELEMENT OF MARKETING MIX

We have already defined in the SLM of "Marketing Management" of the BBA programme that marketing mix consists of four elements which are product, price, promotion and place. As we know that it is not enough for any business to have good products sold at attractive prices. To generate sales and profits, the benefits of products have to be communicated to customers. In marketing, this process is commonly known as "promotion. A company's total **marketing communications mix,** or **promotion mix,** consists of the specific blend of advertising, personal selling, sales promotion, and public relations tools which are discussed as follows:



- **Advertising:** Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- **Personal selling:** Personal presentation by the firm's sales force to make sales and build customer relationships.

- **Sales promotion:** Short-term incentives to encourage the purchase or sale of a product or service.
- **Public relations:** Building good relations with the company's public by obtaining favourable publicity, building up a good "corporate image," and handling or heading off unfavourable rumours, stories, and events.

Each type of promotion has its own benefits. Advertising includes print, broadcast, outdoor, and other forms. Personal selling includes sales presentations, trade shows, and incentive programmes. Sales promotion includes point-of-purchase displays, premiums, discounts, coupons, speciality advertising, and demonstrations. Because of the technological breakthroughs, marketers can now communicate through traditional media (newspapers, radio, telephone, and television), as well as its newer forms (fax machines, cellular phones, pagers, and computers). These new technologies have encouraged more companies to move from mass communication to more targeted communication and one-on-one dialogue.

Now a days, direct marketing also plays a vital role as marketing communication mix. The main tools of direct communications are the use of mail, telephone, fax, e-mail, and other non-personal tools to communicate directly with specific consumers or to solicit a direct response.



CHECK YOUR PROGRESS

Q 4: What is Integrated Marketing Communication mix?

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Q 5: What is SMCR model?

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Q 6: What is AIDA model?

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2.8 LET US SUM UP

In this unit we have discussed the following:

- Communication is basically transmission of message to consumer about any product or services.
- Business communication is related to the study of communication between individuals and groups engaged in the process of administration and management of an organisation.
- The communication process involves eight elements, which are source, encoding, message, channel, decoding, noise, feedback.
- Integrated Marketing Communication is coordinating all the promotional and other marketing activities that communicate with a firm's customers and other stakeholders.
- Mass communication is usually thought of as a process, sometimes referred to as the SMCR model of communication. It begins with a source(S), a sender who encodes a message (M), puts it in words and pictures.
- Then we have discussed the AIDA (attention, interest, desire and action) model to measure the effectiveness of advertising.
- At the end of this unit, we have discussed how advertising helps in stimulating marketing process.



2.9 FURTHER READINGS

1) Kotler, Keller, Koshy and Jha (2008),*Marketing Management*, 13th Edition by Pearson Education, 2008

2) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education

3) Rajan Saxena (2007) *Marketing Management* 3rd Edition by , Tata McGraw Hill Publication



2.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Communication is interchange of thoughts, opinions of information.

Ans to Q No 2: Source, Encoding, Message, Channel, Receiver, Decoding, Noise, Feedback.

Ans to Q No 3: Barriers are the difficulties that come in the way of effective communication.

Ans to Q No 4: Integrated marketing communication (IMC) is a strategic-business process used to plan, develop, execute, and evaluate coordinated and measurable persuasive brand communication programs over time with consumers, customers, prospects, and other targeted, relevant external and internal audiences.

Ans to Q No 5: Source(S), message (M), communication(C), and receiver (R).

Ans to Q No 6: Attention, Interest, Desire and Action.



2.11 MODEL QUESTIONS

A: Short Question (Answer in around 150 words)

Q 1: Write a note on advertising as a commenication process.

Q 2: Describe the barriers to an effective communication process.

B: Long Question (Answers in around 300-500 words)

Q 1: How does communication process take place? Explain the barriers of communication.

Q 2: What is Integrated Marketing Communication (IMC)? State the barriers of IMC.

Q 3: Explain SMCR model and AIDA model of advertising.

Q 4: What is marketing mix? Can we consider advertising as an element of marketing mix? Explain.

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