



**SILESIA
UNIVERSITY**

SCHOOL OF BUSINESS
ADMINISTRATION IN KARVINA

MARKETING COMMUNICATION 2

BASIC INFORMATION

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MARKETING COMMUNICATION 2/NAMK2



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IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION

BASIC TERMINOLOGY AND PRINCIPLES

Ing. Kateřina Matušínková, Ph.D.
MARKETING COMMUNICATION 2/NAMK2

LECTURE

OUTLINE OF THE LECTURE

1. Basic marketing terminology
2. Marketing communication
3. Objectives of marketing communication
4. Marketing communication process
5. Marketing communication mix
6. Off-line versus on-line marketing communication tools



1. BASIC MARKETING TERMINOLOGY

- **B2C** – business to customer (consumer market)
- **B2B** – business to business (industrial market)
- **B2C** – business to customer
- **C2B** - customer to business
- **C2C** – customer to customer
- **C2G** – customer to government
- **B2G** – business to government
- **B2E** – business to employee
- **G2C** – government to customer

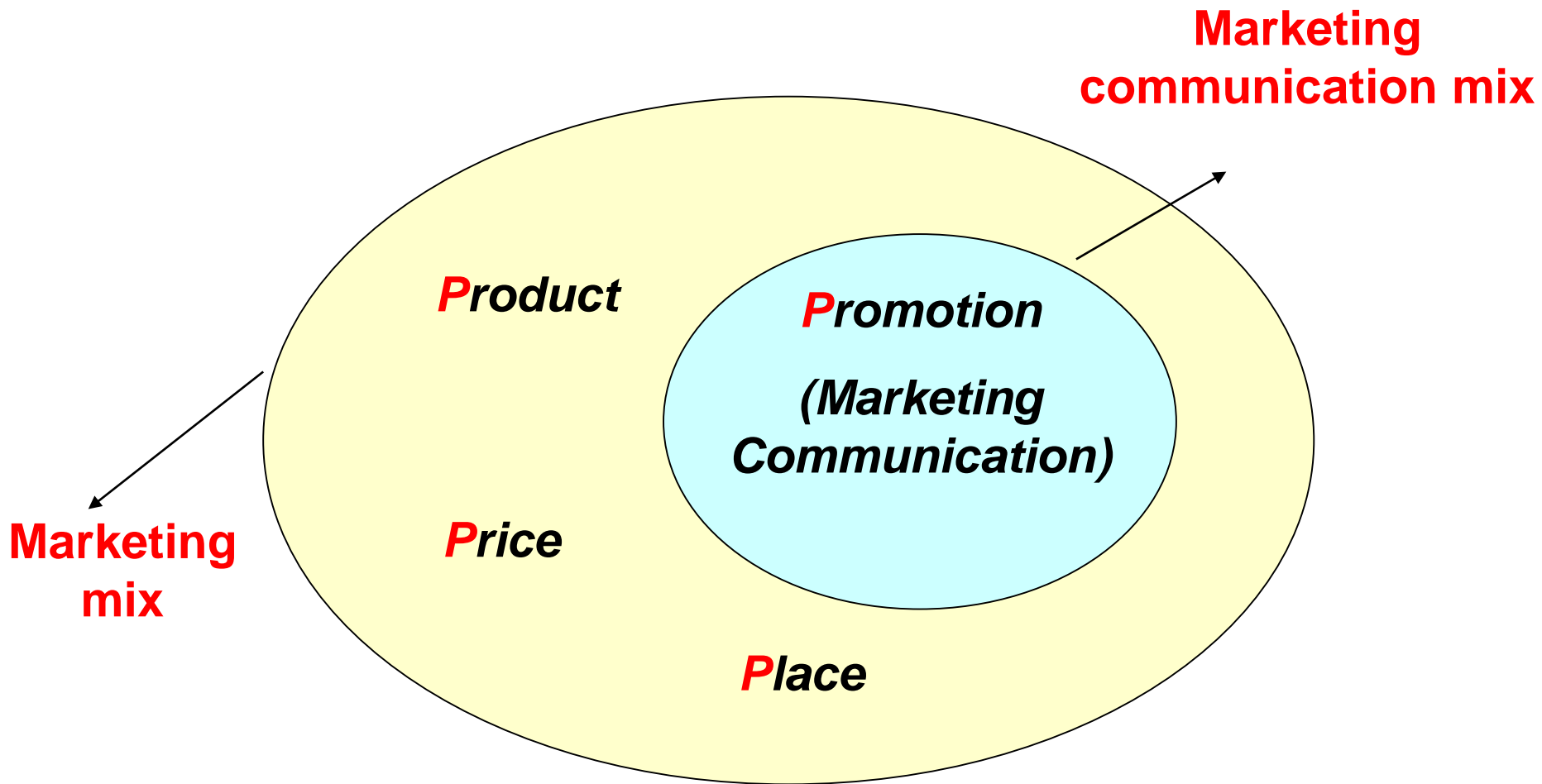


BASIC MARKETING TERMINOLOGY

- **Marketing**
- **Customer versus consumer**
- **Segmenting, targeting and positioning**
- **Customization versus mass customization**
-



MARKETING MIX („4PS“) VERSUS MARKETING COMMUNICATION MIX



MARKETING MIX „4Ps“

- **Product** – products are solutions to customer´s needs. The provider needs to make various product decisions, including functionality, range offered, brand names, packaging, service and support. It is the critical element in the mix.
- **Price** – various price-setting models exist, with decisions relating to factors like market penetration, credit terms, discount policy and cost of provision.
- **Place** – it is about making the product available. Some form of structured network is normally required – a distribution channel.
- **Promotion** – promotion aims to make a target market aware of a product offering, develop a long-term relationship with the customer and create and stimulate demand.

„7PS“ – EXTENDED MARKETING MIX (IN THE CASE IF THE PRODUCT = SERVICE)

- „4Ps“
- **Physical evidence** – customers look for reassurance relating to required benefits and quality (ambience, fixtures and fittings, appearance/attitude of staff, etc.) as an indicator of likely satisfaction.
- **Process** – the method by which the services are provided.
- **People** – people are an essential element of the marketing mix. Staff recruitment, training, development and empowerment to deal with problems become a critical element in ensuring a positive customer experience.



IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION

This table indicates approximate relative weights of „4Ps“ in customer decision-making.

	Product	Price	Place	Marketing communication
B2B	60 %	30 %	5 %	5 %
B2C	5 %	5 %	30 %	60 %

MARKETING MIX 4P? X 4C?

4P	4C
SELLER ⇒ CUSTOMER	CUSTOMER ⇒ SELLER
PRODUCT	CUSTOMER VALUE
PRICE	COST TO THE CUSTOMER
PLACE	CONVENIENCE
PROMOTION	COMMUNICATION

2. MARKETING COMMUNICATION (MC)

- **MC involves answering the following questions:**
 - **who** is the target audience?
 - **what** should be communicated and?
 - **how** should it be communicated?
- **„Marketing smog“** – a negative aspect of contemporary MC!

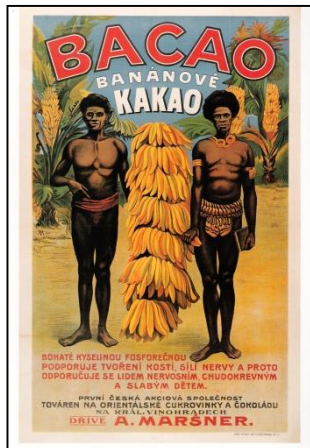
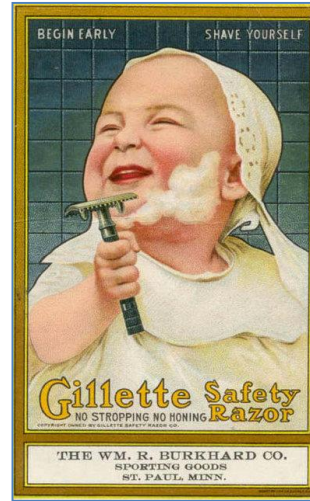
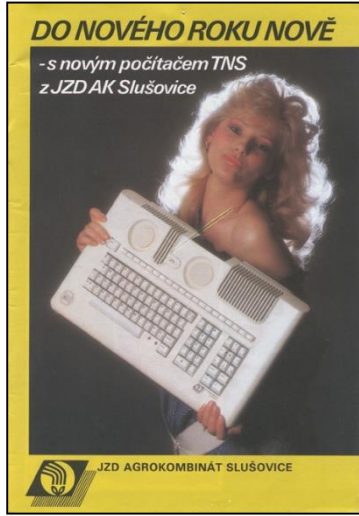


MARKETING COMMUNICATION

- **Larger sense:** all planned and unplanned communication in all contacts between company and its present and potential customers (the product package, brand perception, price, advertising, staff behaviour, tradition of company, car fleet, outlets, offices etc.) ⇒ **Integrated Marketing Communication**
- **Narrow sense:** marketing communication mix
- Marketing communication is an ever-changing field. New theories, new techniques, cultural changes and technological advances all combine to create a dynamic environment within which marketers try to ensure that their messages get through to their target audiences.

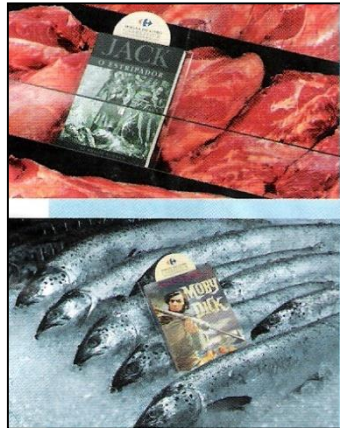
IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION

MARKETING COMMUNICATION IN LAST



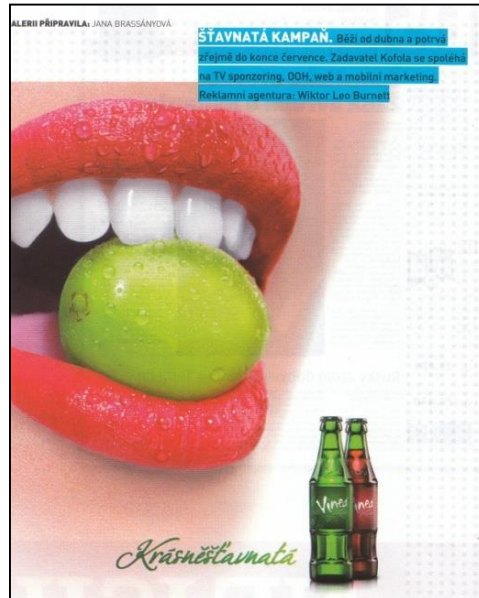
IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION

MARKETING COMMUNICATION TODAY I.



IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION

MARKETING COMMUNICATION TODAY II.



VIDEO: NIVEA, GUERRILLA MARKETING, VIRAL MARKETING

3. THE GENERAL OBJECTIVES OF MC

- To provide information.
- To create demand.
- To support the product differentiation (positioning).
- To point out the product value and benefit for customers.



CHARACTERICS OF MC OBJECTIVES

- **SMART**
- In accordance with overall corporate and marketing goals.
- Associated with current and desired position of the product and the brand.
- Quantifiable to be measured.
- Formulated with regard to the views of implementers.
- Understandable and acceptable.
- Accepted as compulsory.
- Motivating.
- Divided into several sectional objectives if necessary.



THREE STREAMS OF MC OBJECTIVES

SALES STREAM

- Sales volume
- Sales value
- ROI
- Market share
- Profitability

COMMUNICATION STREAM

- Awareness
- Comprehension
- Perception
- Attitudes

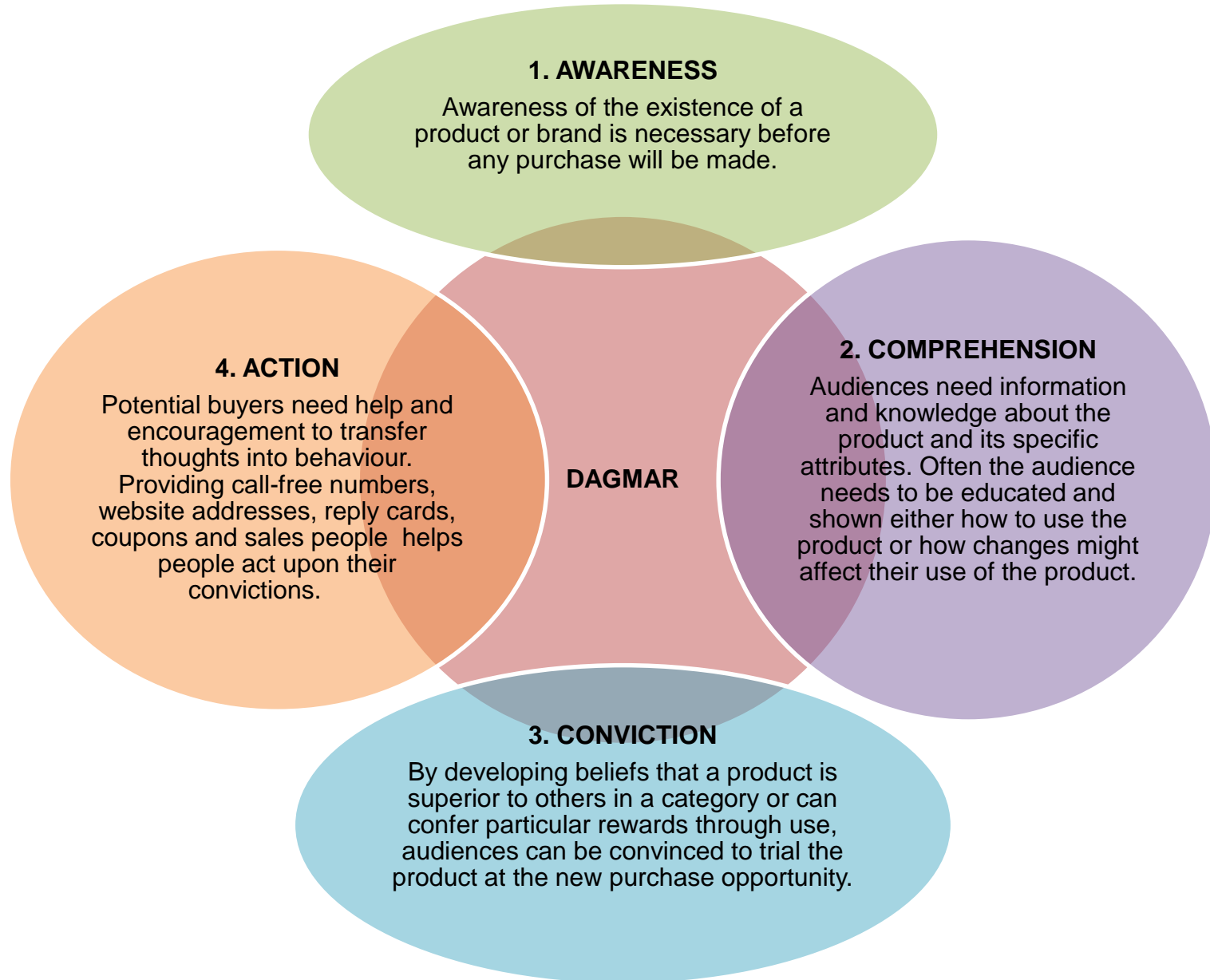
CORPORATE STREAM

- Performance
- Image
- Reputation
- Preferences

MODEL DAGMAR ⇒ DEFINING ADVERTISING GOALS FOR MEASURED ADVERTISING RESULTS

- **MODEL DAGMAR (Colley, 1961)** – popular in past.
- Typically the communication task is based on sequential model of the communications process: **awareness – comprehension – conviction – action.**
- It was one thought that marketing communications succeeds or fails depending on how well it communicates the desired information and attitudes to the right people at the right time and at the right cost.
- A more contemporary view holds that success should be based on the degree to which audience (brand)behaviour is influenced but campaigns designed to develop awareness and establish brand name familiarity are still necessary. Indeed, many brands seek to establish top of mind awareness as one of their primary objectives for their communication (advertising) spend.

IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION

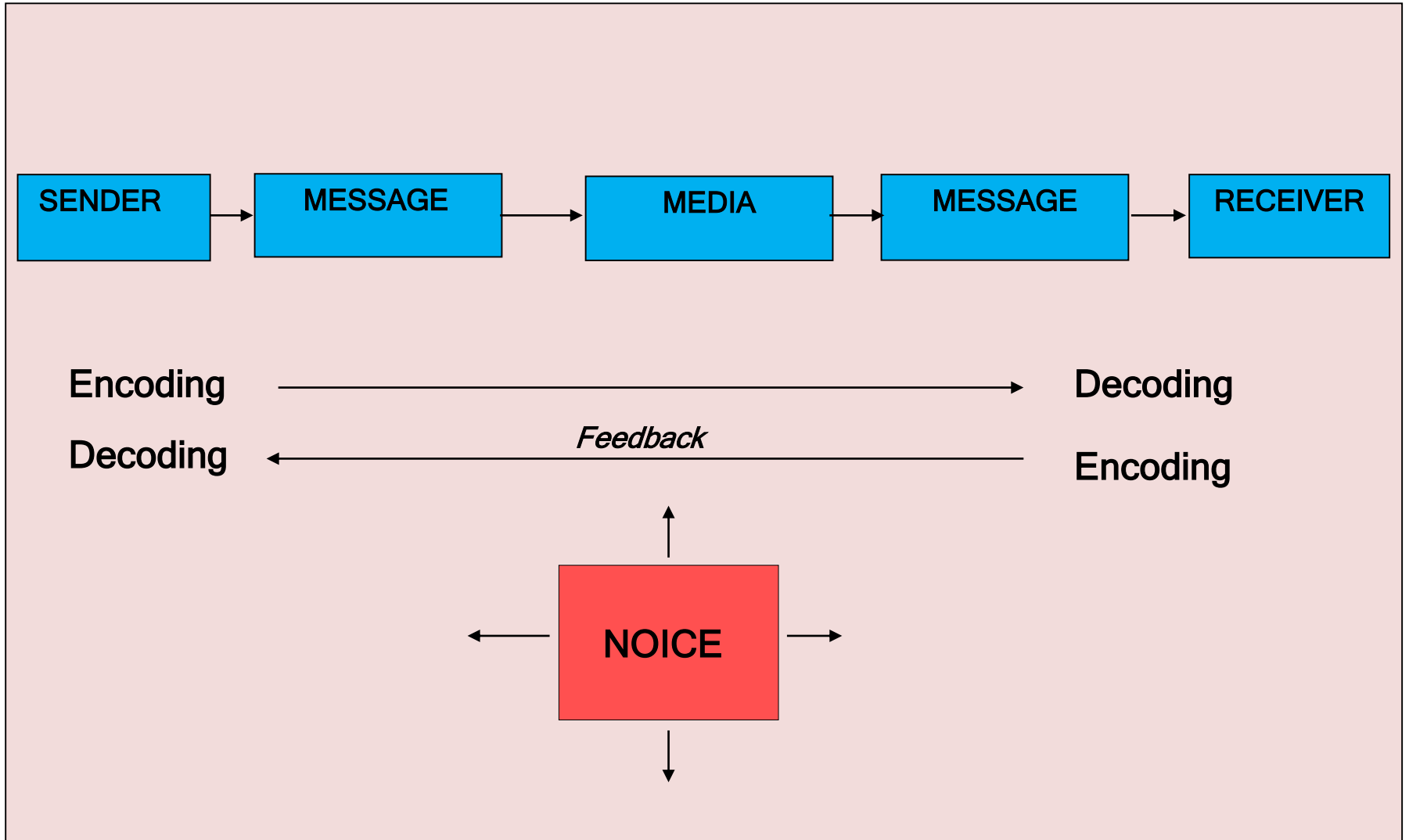


4. MARKETING COMMUNICATION PROCESS

- **The communication process** - an interactive dialogue between the company and its customers in the stage before the sale, during the sale, during consumption and after the consumption of goods and services.
- **The general scheme of the communication process (H. D. Lasswell - Power and Personality, 1948):**
 - **Who says What to Whom through Which channel with What effect?**



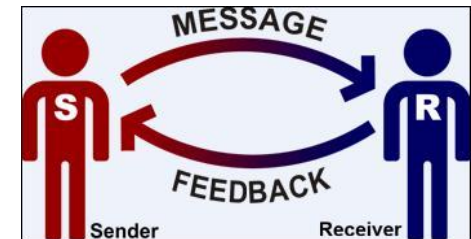
CYBERNETIC MODEL OF THE COMMUNICATION PROCESS



PARTS OF COMMUNICATION PROCESS

A. Source of communication

- whoever has the thoughts, intentions, information and reason for communication
- company, advertising agency, celebrity, ...



B. The recipient of communication

- customer, buyer, influencer, opinion leader, ...

C. Communication channels (media) - the means by which communications get from source to recipient

- channels controlled by company - channels are personal and impersonal (mass)
- channels uncontrolled by company - channels are personal and impersonal

PARTS OF COMMUNICATION PROCESS

D. Message

- It must be converted to a proper form - encoded (converting ideas into symbols - drawing, sound, words, facial expressions) and transferred with means of communication - medium. Then follows which is the interpretation of the recipient (experiences, needs, interests, attitudes, values, goals).
- **3 basic conditions - the communication must:**
 - be attractive
 - be understandable
 - respond to the needs and wishes of the recipients and bring a reasonable opportunity to satisfy them
- These three basic requirements are related to the model **AIDA (AIDCA)** which captures the steps by which an individual undergoes during the purchase process.

IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION

MODEL AIDA/AIDCA

A	ATTENTION	<i>Are you talking to me?</i>
I	INTEREST	<i>Why are you talking to me? What do you want me to know?</i>
D	DESIRE	<i>It is a nice idea but do I really need it? What do you want me to understand?</i>
C	CREDIBILITY	<i>How can I be sure that it is a right decision? Can I trust the offer (brand)?</i>
A	ACTION	<i>What should I do? Is it easy for me?</i>

TEASING

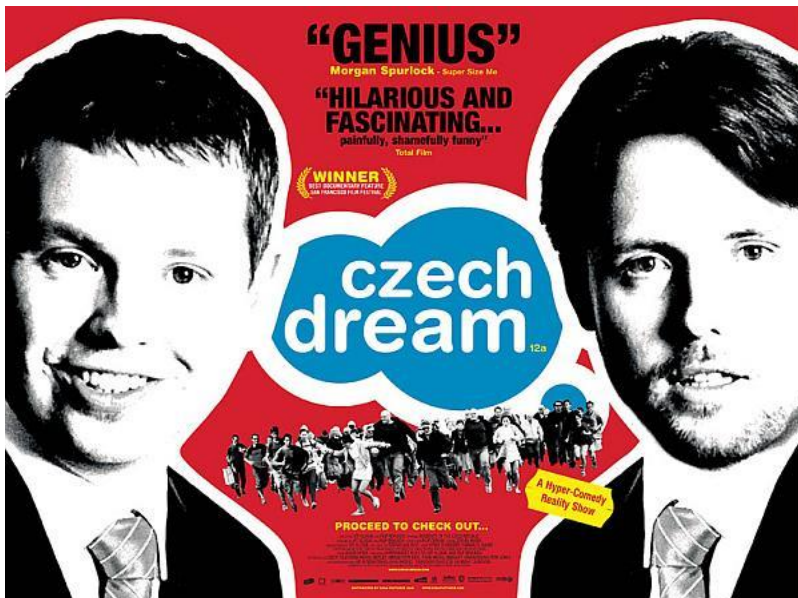
- The aim is to draw attention of customers in long-term.
- It is a communication divided into parts when the communication story is gradually revealed.
- The intention is to provoke and support curiosity and desire what will happen next?



IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION

HYPERMARKET „CZECH DREAM“

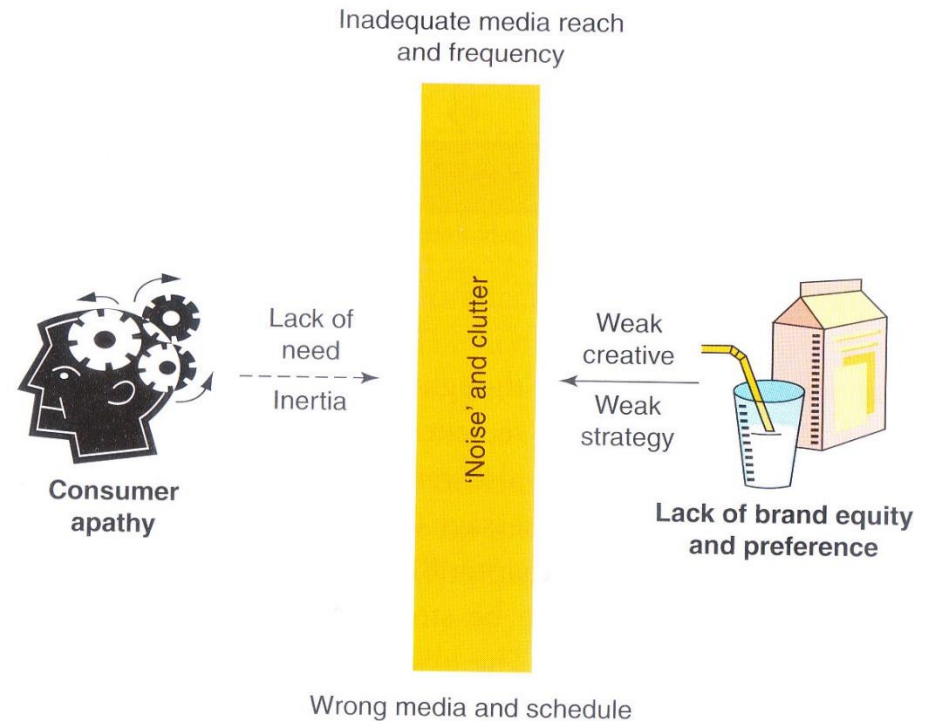
Humorous, provocative and intelligent „shopping reality show“



PARTS OF COMMUNICATION PROCESS

E. Communications noise

- misrepresentation of information
- too much information
- inappropriate form of communication transmission
- use of vague and meaningless words and phrases
- inability to listen (the level of listening is about 25 %)



Source: Ang, L., *Principles of Integrated Marketing Communications*

PARTS OF COMMUNICATION PROCESS

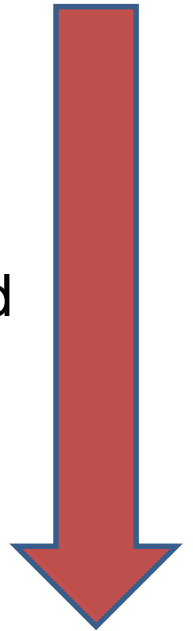
F. Feedback

- The goal is to get the fastest and most accurate feedback to determine whether the message was well understood and accepted by the customer.
- The feedback can be best obtained from personal sales, on the other hand, it is very difficult to evaluate the effects of mass communication.



SUMMARY OF MARKETING COMMUNICATION MODELS

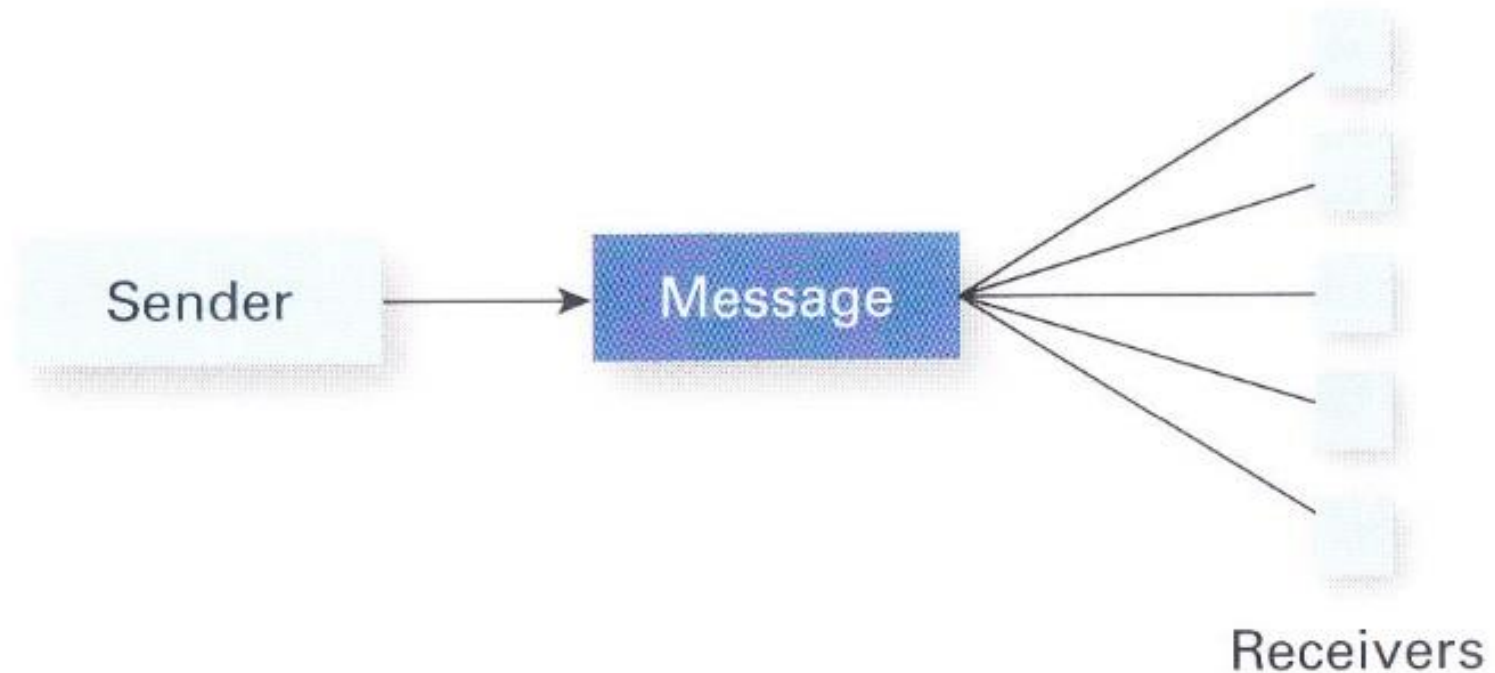
- A simple communications model
- One-step communications model
- Two-step communications model with opinion leaders
- Two-step communications model with opinion leaders and opinion formers
- Multi-step communications model
- Simple web communications model + Advanced web communications model



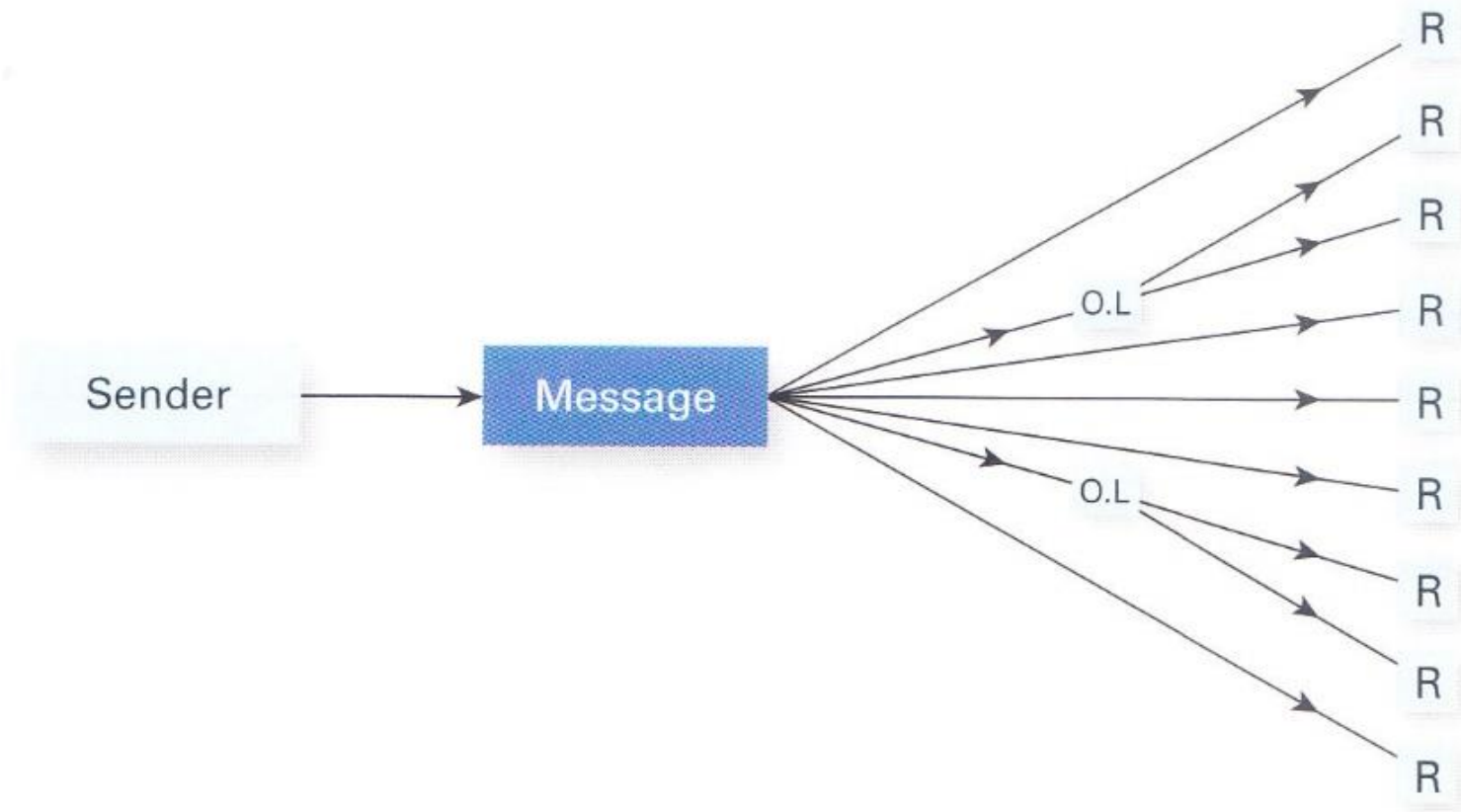
A SIMPLE COMMUNICATIONS MODEL



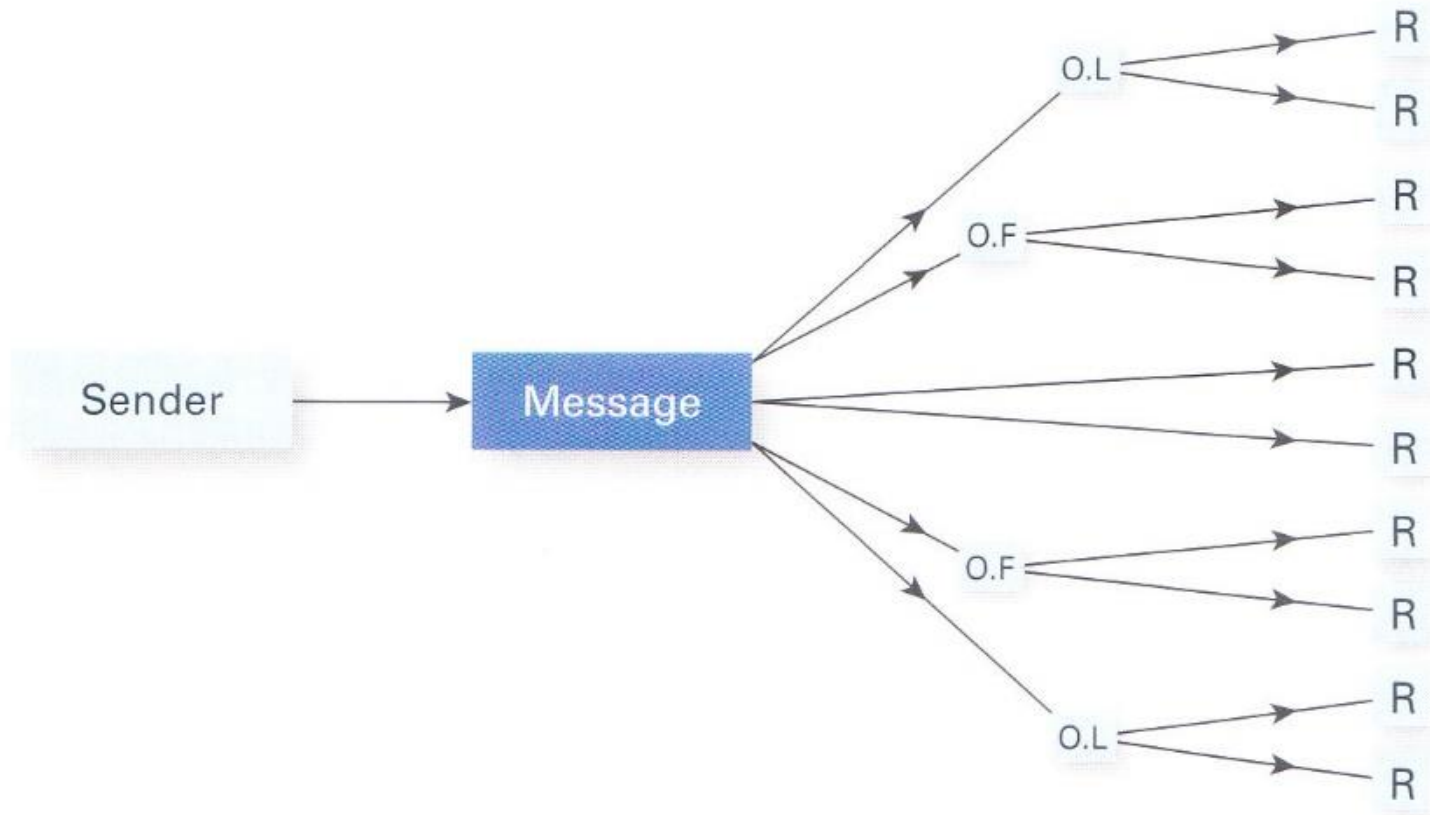
ONE-STEP COMMUNICATIONS MODEL



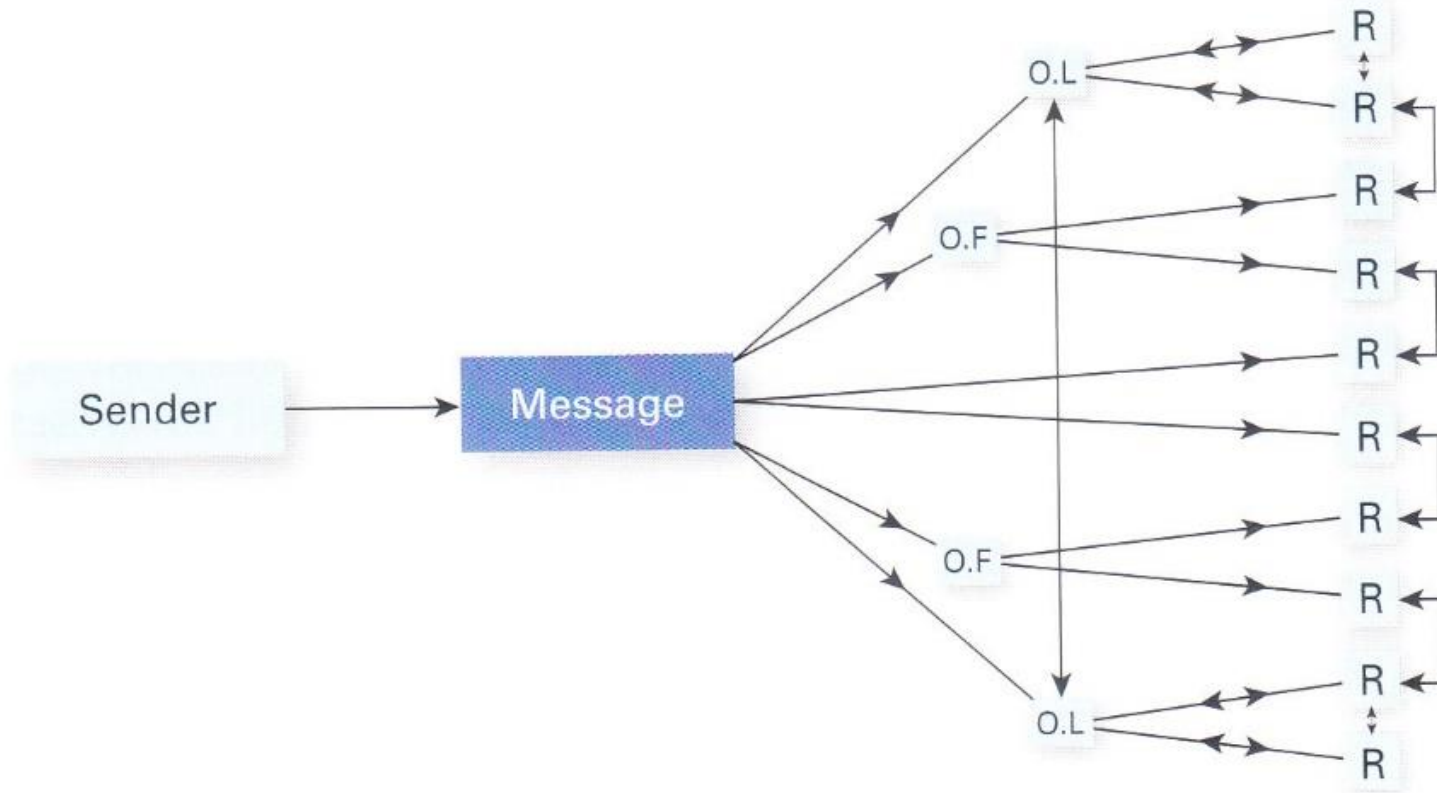
TWO-STEP COMMUNICATIONS MODEL WITH OPINION LEADERS



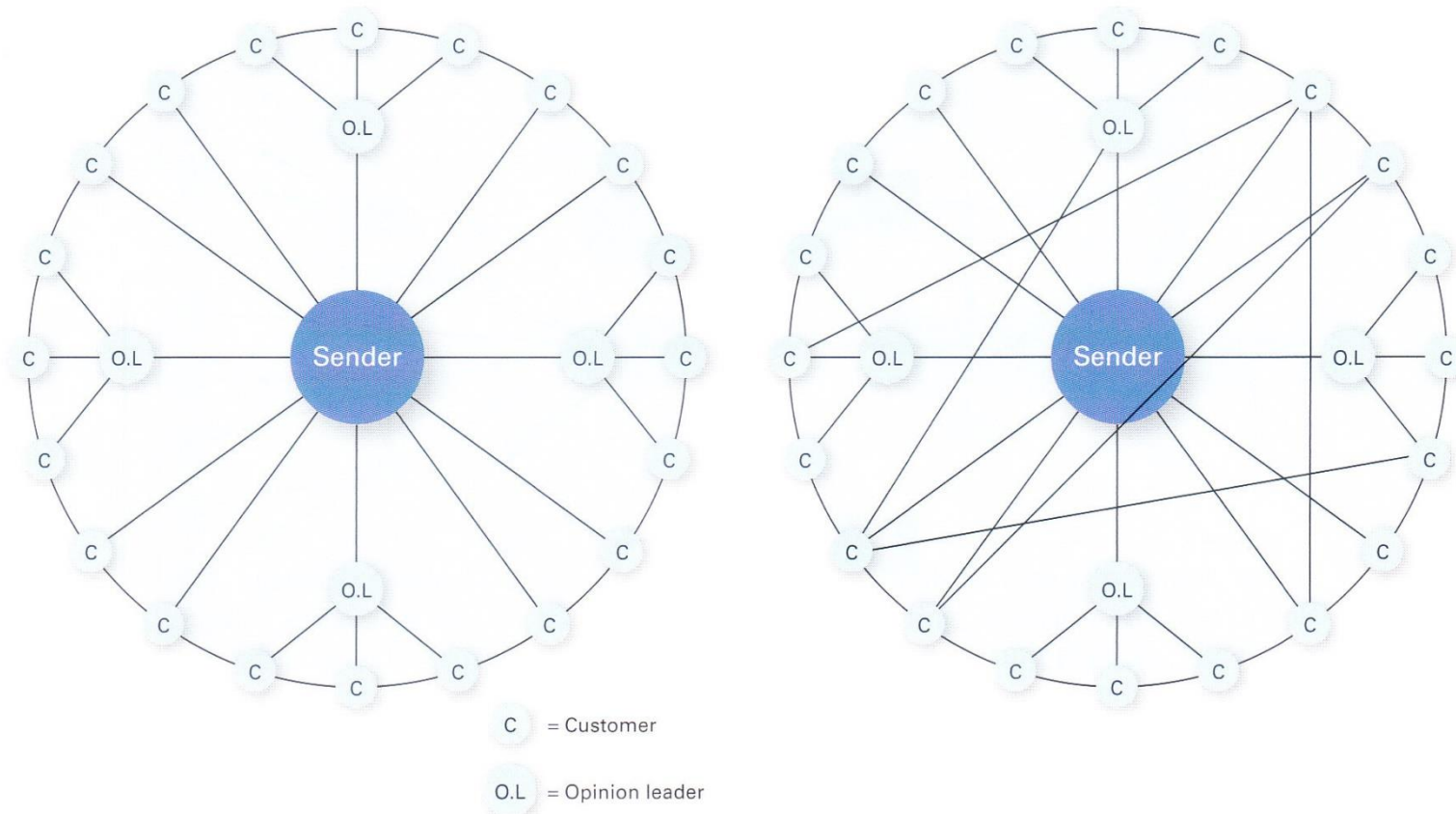
TWO-STEP COMMUNICATIONS MODEL WITH OPINION LEADERS AND OPINION FORMERS



MULTI-STEP COMMUNICATIONS MODEL



SIMPLE AND ADVANCED WEB COMMUNICATIONS MODEL



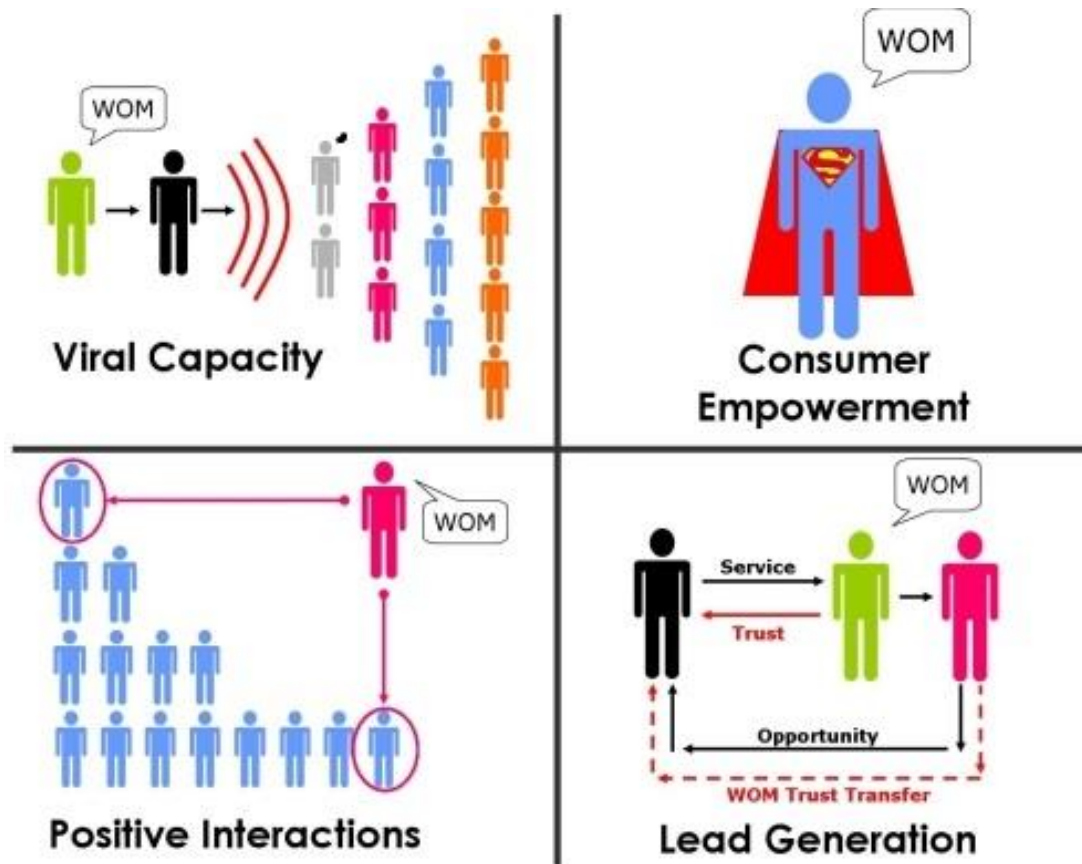
Source: PR Smith and Ze Zook, *Marketing communications: Integrating offline and online with social media*

PERSONAL INFLUENCERS

- **Opinion leaders** (viral marketing, buzz marketing, **Word-of-Mouth**) – individuals who were predisposed to receiving information and then reprocessing it to influence others. Personal influence is important and can enrich the communication process. WoM communication is interactive and bidirectional.
 - **Negative WOM spreads faster than positive!!!**
 - **Types of WoM:**
 - **Voluntary** – free from any external influence, coercion or intent
 - **Prompted** – occurs when organisations convey information to opinion leaders and formers, with a view to deliberately encouraging them to forward and share the information with their followers (blogs, online communities and forums, ...)
 - **Managed** – occurs when organisations target, incentivise and reward opinion leaders for recommending their offerings to their networks of followers.

PERSONAL INFLUENCERS

OPINION LEADERS



PERSONAL INFLUENCERS

- **Opinion formers** – individuals who are able to exert personal influence because of their authority, education or status associated with the object of the communication process. They are acknowledged and sought out by others to provide information and advice, but this is because of the formal expertise that opinion formers are adjudged to have (film critics, doctors, bankers, ...).
- **Opinion followers** – the vast majority of consumers. The message they receive via the mass media are tempered by the opinions of the two groups of personal influencers in text above.



5. ELEMENTS OF MCM

- Advertising
- Sales promotion
- Personal selling
- Public relations (P.R.)
- Direct marketing
- Sponsorship (new!)
- On-line marketing communication (new!)



THE FACTORS INFLUENCING THE ELEMENTS OF MCM

- **Product type** (ordinary, special, luxury, long-term or short-term consumption)
- **Market character** (B2C x B2B)
- **Product life cycle** (introduction, growth, saturation, decline)
- **Company market position and its financial resources** (large x small company)
- **Marketing communication strategy**



IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION

Element	Explanation
Advertising	A paid insertion of a message in a medium. It is aimed at the mass market.
Sales promotion	Activity designed to give a temporary boost to sales, such as money-off coupons, free samples, two-for-the price-of one promotions, free gifts, piggy-backing with another product, lottery, multi-packing, events, roadshow etc.
Personal selling	Face-to-face communications between buyers and sellers designed to ascertain and meet customer's needs on a one-to-one basis. (non-verbal communication!)

IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION

Public relations	The planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics (press conference, annual reports, open door day, social projects, ecological business, press release, human relations etc.)
Direct marketing	An interactive system of marketing which uses one or more advertising media to effect a measurable response and/or transaction at any location. It is aimed at the individuals (direct mail, telephone marketing, commercial e-mails etc.)
Sponsorship	Funding of cultural events, sporting events etc. In exchange for publicity and prestige.
On-line marketing communication	Web company presentation, social networks etc.

MARKETING COMMUNICATION MIX ELEMENTS

- Which is the cheapest?
- Which is the most expensive?
- Which can be best measured?
- Which is based on face-to-face relation?

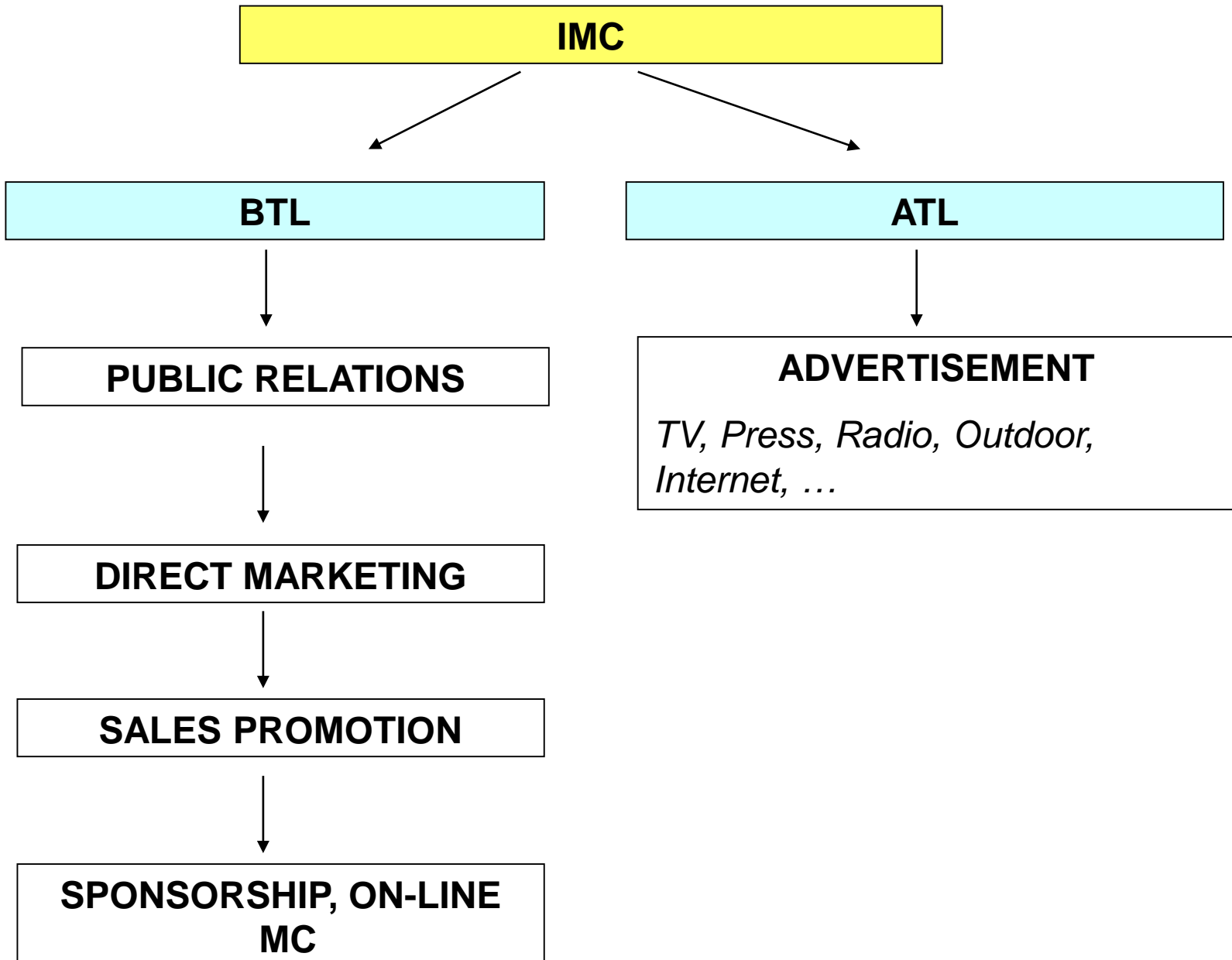


ATL x BTL x TTL

- **ATL** – above the line (classical media)
- **BTL** – below the line (unconventional media)
- **TTL** – ATL + BTL (the most frequent use in practice)



IMPORTANCE AND CONCEPTION OF MARKETING COMMUNICATION



INTEGRATED MARKETING COMMUNICATIONS (IMC)

WHY IMC FAILS?

- Employee gossip
- Word of mouth
- Packaging
- Distribution
- Price
- Delivery drivers
- Dress codes
- Sales tactics
- Management style and philosophy
- Instore and out of store displays, ...

WHAT DRIVES IMC?

- Research
- Database development
- Use of the Internet
- Employing correct media tactics
- Building brand-loyal consumers
- Brand development
- Promotional and media mix
- Projecting a consistent visual/verbal image,

NEW MARKETING COMMUNICATION SKILLS REQUIRED

- Analytic pattern skills
- Agile project management
- Experimental curiosity and rigour
- System thinking
- Mashable software fluency



6. OFF-LINE VERSUS ON-LINE MARKETING COMMUNICATION TOOLS

