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Marketing Communications

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Marketing Communications

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Preface

A World of Marketing Communications

All organisations – large and small, commercial, government, charities, educational and other not-for-profit organisations – need to communicate with a range of stakeholders. This may be in order to get materials and services to undertake their business activities, or to collaborate and coordinate with others to secure suitable distribution of their goods and services. In addition, there are consumers – you and me – people who are free to choose among the many hundreds and thousands of product offerings. Marketing communications provides a core activity so that all interested parties can understand the intentions of others and appreciate the value of the goods and services offered.

Traditionally there are five main marketing communication disciplines or tools: advertising, sales promotion, personal selling (see the EBS *Sales Force Management* text), public relations and direct marketing. In addition, there are media in which time and space can be bought or used to deliver messages to target audiences. The appropriate mix of these tools and the choice of media have for a long time been largely predictable. Distinct mixes could be identified for business-to-consumer (b2c) and business-to-business (b2b) audiences. There were variations reflecting particular brand circumstances, but essentially in the b2c market advertising was used to build brand values, sales promotions were used to encourage customer action, and public relations sought to generate goodwill and interest about the company. Personal selling was regarded as the primary tool in b2b markets, but it also had a role to play in retail environments, for example selling consumer durables. In the 1990s direct marketing became a more prominent tool in the mix because technology had enabled a form of communication by appealing personally and directly to the target customer. This change introduced new media formats, and the subsequent development of the Internet and related digital technologies has accelerated change in the marketing communications industry. There are now a myriad of opportunities to reach audiences, with the Internet representing a new, yet challenging, form of communication channel.

At the same time as the media world has splintered into many different parts so have the audiences with whom organisations need to communicate. Consumers now have a variety of different ways to spend their leisure time. Some of those who choose to incorporate the media as part of their relaxation now have access to numerous television channels; all have access to an increasing number of general and specific interest magazines, a multitude of new cinema complexes and, of course, the Internet, with an explosion of websites offering a seemingly endless source of information, opportunities to buy online and a form of global entertainment. The world of marketing communications is bright, exciting, sometimes unpredictable, yet always challenging and evolving.

Managers are now required not only to find new ways to communicate but also to do so on reduced budgets, and they must account for their communications spend. The development of long-term relationships with customers, whether in b2b or b2c markets, is now an essential aspect of marketing policy. Customer retention is crucial today, and various devices, such as loyalty schemes, are used to shape long-term customer behaviour. Organisations now accept that the tools of the promotional mix are not the only way in which brands communicate. All parts of the marketing mix communicate. The behaviour of employees

and the performance of products, the actions of competitors – all serve to influence the way in which each customer perceives a brand. Corporate branding is now recognised as an integral part of the overall communication effort. Corporate reputation and the actions undertaken by organisations are perceived not only in terms of brand values and profits but also in terms of their ethics, and the impact that organisations have on the environment.

Marketing communications agencies are trying to adjust the way they can best serve the interests of their clients. One of the results is structural realignment (mergers and takeovers), which can lead to consolidation. Clients themselves are fighting to generate superior value for their customers and to find new ways of establishing competitive advantage. Globalisation and the development of partnerships, alliances and networks are all testimony to changing markets and expectations.

Where does this all lead? It leads to a new form of and role for marketing communications, and to a vision that an organisation's entire marketing communications should be planned, coherent and consistent. This word – consistency – applies to internal policies and strategies, to messages to and from internal and external stakeholders: consistency with the values of their customers and with the relationships they forge with key suppliers and distributors.

This course text introduces students to this changing world of marketing communications, and allows them to appreciate some of the conceptual underpinnings associated with marketing communications and associated aspects of integration. There are examples of the practical application of marketing communications, and examples that demonstrate the application of theory in practice. This course text does not just show how organisations use marketing communications; it also contains theoretical material to enable readers to understand why organisations use marketing communications in the ways they do.

Overview of the Course Text

Despite the misuse and often laboured understanding of the term 'strategy', this course text presents marketing communications from a strategic perspective. The interlinking of corporate, marketing and communication strategy, the blend of internal and external communications, the relational aspects of network communications, and the various objectives and strategies that flow from understanding the context within which marketing communications emanates, functions and forms a part of the fabric within which audiences frame and interpret marketing messages are presented to students for consideration.

A key topic in this course text is engagement. Effective marketing communications enables audiences to engage with products, services, brands and organisations. Through engagement, relationships can develop, and this enables customers, stakeholders and organisations to achieve their various goals. The degree to which engagement occurs reflects audience perception, interpretation and meaning of the messages delivered. Through engagement, brand value and equity can be developed or reduced. Engagement therefore encompasses a range of marketing communication activities, and is referred to throughout the text.

This course text has been written deliberately from an academic perspective, and seeks to provide a suitably consistent appraisal of the ever-expanding world of marketing communications. It seeks to stimulate thought and consideration about a wide range of interrelated issues, and to help achieve this aim several theories and models are advanced. Some of the

theories reflect marketing practice, whereas others are offered as suggestions for moving the subject forward. Many of the theories are abstractions of actual practice, some are based on empirical research, and others are pure conceptualisation. All seek to enrich the subject, but not all need carry the same weight of contribution. Readers should form their own opinions based upon their reading, experience and judgement.

There are several themes running through the course text, but perhaps the two main ones concern relationship marketing and integrated communications. I am of the view that organisations will in the future perceive communications as a core strategic activity, central to strategic management and thought. Corporate and marketing communications will inevitably merge and integrate, the need to build and sustain relationships with a variety of stakeholders inside and outside the organisation will become paramount, and communications will be a vital source in making it all work. Witness the branding developments at the grocery giants Procter & Gamble and Unilever to understand this point.

In this light, this text assumes relationship marketing to be essential, and sees communication in the context of both transactional and relational exchanges. Corporate and marketing communications are considered as important components of the total process.

Structure of the Text

Part 1: Introduction to Marketing Communications

Module 1 provides an introductory perspective to marketing communications, and sets out some key concepts. It also contains a brief overview of each of the disciplines (or tools) of the marketing communications mix. Module 2 addresses issues concerning communication theory, and, in particular, moves on from the simple linear interpretation of how communication works to one that recognises the influence of people, behaviour and interactional elements on the communication process.

Part 2: Understanding How Marketing Communications Works

This part not only considers how marketing communications works but also explores some of the key contextual issues that influence the nature and form of marketing communications.

Modules 3 and 4 consider the important aspects of buyer behaviour, upon which marketing communications should be developed. Only by understanding the market and the target audience can appropriate objectives, strategies, promotional methods, applications and resources be determined, allocated and implemented.

Module 5 considers various approaches to understanding how marketing communications works. Although some of these ideas are borrowed from the world of advertising, the key notion is that effective marketing communications develops by establishing a level of engagement and delivering messages that provide significant value.

Part 3: Strategies and Planning

Module 6 is concerned with the nature of communications strategy, and considers the interrelationship between strategy and planning. The second section of the module introduces the marketing communications planning framework: it works through the model, highlighting issues and linkages, and ends with an operational approach to devising, formulating and implementing a strategic marketing communications plan.

Module 7 looks at the nature of objectives and positioning in marketing communications. It is followed by Module 8 on branding, which is significant in that it focuses on the role that marketing communications can play in the development and maintenance of brands. The branding and positioning connection is significant, which is why these strategically significant elements are located next to each other.

Module 9 develops the branding theme and considers corporate identity and branding issues. The focus is again on the role of marketing communications in the identity and branding process rather than on pure identity work alone. These elements are of course interrelated, but readers are helped to see how communications can be a pivotal aspect of brand development.

This part of the course text concludes with a consideration of various budgeting approaches (Module 10) and the ways in which the performance of marketing communication activities can be evaluated (Module 11). In effect this considers how much should be invested in the engagement process and how the engagement process should be measured.

Part 4: The Marketing Communications Mix: Disciplines and Applications

This part looks at the individual marketing communication disciplines that are available to organisations to communicate with their external and internal audiences.

The first three modules consider different aspects of advertising. Module 12 considers different advertising strategies, and is developed out of Module 5, which is about how marketing communications might work. The module traces the development of advertising strategies, and ends by considering some contemporary approaches. Module 13 builds on this base material and considers the nature of advertising messages, and Module 14 explores issues about media planning.

The rest of this part of the text deals with sales promotion, public relations, sponsorship, and direct marketing.

Part 5: Marketing Communications for Special Audiences

The final module considers the role of marketing communications within organisations where the employees are the target audience. Increasingly recognised as a key part of a brand, the importance of engaging with employees and using them as a means of engaging with external audiences is actively considered.

PART I

Introduction to Marketing Communications

Module 1 Introduction to Marketing Communications

Module 2 Communication Theory

Introduction to Marketing Communications

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Marketing communications is a management process through which an organisation engages with its various audiences. Through understanding an audience's communications environment, organisations seek to develop and present messages for their identified stakeholder groups, before evaluating and acting upon the responses. By conveying messages that are of significant value, they encourage audiences encouraged to offer attitudinal and behavioural responses.

Aims and Objectives

The aims of this introductory module are to explore some of the concepts associated with marketing communications and to develop an appreciation of the key characteristics of the main tools of the communications mix.

The objectives of this module are to:

- examine the concept of exchange in the marketing context;
- assess the role of promotion in the context of the marketing mix;
- consider the range and potential impact of marketing communications;
- identify the key characteristics of each major tool in the communications mix;
- examine the effectiveness of each communication tool;
- establish a need for marketing communications;
- compare marketing communications in the consumer and business markets.

I.1 Introduction

Organisations engage with a variety of audiences in order to pursue their marketing and business objectives. Engagement refers to the form of communication and to whether the nature of the messages and media is essentially intellectual or emotional. Invariably organisations use a mixture of these two elements in order that they be heard, understood and engage their audiences in dialogue and mutually beneficial relationships.

MTV, Unilever, Virgin, Gucci, Oxfam, CNN, Singapore Airlines, easyJet, First-Pacific, Samsung and Disney operate across a number of sectors, markets and countries and use a variety of marketing communications tools to engage with their various audiences. These audiences consist not only of people who buy their products and services but also of people and organisations who might be able to influence them, who might help and support them by providing, for example, labour, finance, manufacturing facilities, distribution outlets and legal advice, or who are interested because of their impact on parts of society or the business sector in particular.

The organisations mentioned earlier are all well-known brand-names, but there are hundreds of thousands of smaller organisations that also need and use marketing communications to convey the essence of their products and services and to engage their audiences. Each of these organisations, large and small, is part of a network of companies, suppliers, retailers, wholesalers, value-added resellers, distributors and other retailers, which join together, often freely, so that each can achieve its own goals.

Effective communication is critically important to organisations, which is why they use a variety of promotional tools. Advertising, sales promotion, public relations, direct marketing, personal selling and added-value approaches such as sponsorship are the most used. To get their messages through they use traditional media such as print and broadcast, cinema and radio; but **increasingly digital media, and the Internet in particular, are used to ‘talk’ to and with their customers, potential customers, suppliers, financiers, distributors, communities and employees, among others.**

Marketing communications provides the means by which brands and organisations are presented to their audiences. **The goal is to stimulate a dialogue that will, ideally, lead to a succession of purchases and complete engagement.** This interaction represents an exchange between each organisation and each customer; according to the quality and satisfaction of the exchange process, it will or will not be repeated. It follows, therefore, that communication is a very important and integral part of the exchange process, and it is the skill and judgement of management that determine, in most cases, success or failure.

Marketing communications is an audience-centred activity.

ViewPoint I.1 Crisp marketing communications

Walkers, one of the best known and market-leading brands in the UK, is synonymous with snack foods and, in particular, with crisps. In order to communicate and develop its brand with customers and other stakeholders it uses a variety of communication methods. Some of the main ones are set out below.

Advertising website	Point of purchase	Packaging
Corporate identity	Direct marketing	Public relations
Personal selling	Exhibitions	Trade promotions
Sponsorship	Product placement	Sales promotion
Field marketing	Merchandising	Vending machines
Customer contact centre	Video conferencing	Discussion boards

1.2 The Concept of Marketing as an Exchange

The concept of exchange, according to most marketing academics and practitioners, is central to our understanding of marketing. For an exchange to take place there must be two or more parties, each of whom can offer something of value to the other and is prepared to enter freely into the exchange process, a transaction. It is possible to identify two main forms of exchange: market (or transactional) exchanges and relational (or collaborative) exchanges.

Market exchanges (Bagozzi, 1978; Houston and Gassenheimer, 1987) are transactions that occur independently of any previous or subsequent exchanges. They have a short-term orientation and are motivated primarily by self-interest. When a consumer buys a bag of Walkers Crisps, a brand they do not buy regularly, then a market exchange can be identified. In contrast to this, **relational exchanges** (Dwyer *et al.*, 1987) have a longer-term orientation and develop between parties who wish to build long-term supportive relationships. So, when a consumer buys Walkers Crisps on a regular basis, and even buys the same flavour on a majority of purchase occasions, relational exchanges are considered to be taking place.

These two types of exchange represent the extremes in a spectrum of exchange transactions. In industrial societies market exchanges have tended to dominate commercial transactions, although recently there has been a substantial movement towards relational exchanges. In other words a mixture of exchanges occurs, and each organisation has a portfolio of differing types of exchange that it maintains with different customers, suppliers and other stakeholders. Communication is an essential element, similar to an oil, that lubricates these exchanges, enabling them to function. However, to enable these different exchanges to function properly, different types of communication are necessary.

Relational exchanges form the basis of the ideas represented in relationship marketing. Many organisations use relationship marketing principles, manifest in the form of customer relationship marketing or loyalty marketing programmes. This text is developed on relationship marketing principles, and marketing communications are considered to be a means by which long-term relationships among organisations, and between organisations and consumers, are developed.

1.3 The Role of Communication in Exchange Transactions

Bowersox and Morash (1989) demonstrated how marketing flows, including the information flow, can be represented as a network whose sole purpose is the satisfaction of customer needs and wants. Communication plays an important role in these exchange networks. At a basic level, communication can assume one of four main roles:

1. It can **inform** and make potential customers aware of an organisation's offering.
2. Communication may attempt to **persuade** current and potential customers of the desirability of entering into an exchange relationship.
3. Communication can also be used to **reinforce** experiences. This may take the form of **reminding** people of a need they might have, or of reminding them of the benefits of past transactions with a view to convincing them that they should enter into a similar exchange. In addition, it is possible to provide **reassurance** or comfort either immediately prior to an exchange or, more commonly, post-purchase. This is important, as it helps to retain current customers and improve profitability. This approach to business is much more cost-effective than constantly striving to lure new customers.

4. **Marketing communications can act as a *differentiator*, particularly in markets where there is little to separate competing products and brands.** Mineral water products, such as Perrier and Highland Spring, are largely similar: it is the communications surrounding the products that have created various brand images, enabling consumers to make purchasing decisions. In these cases the images created by marketing communications disassociate one brand from another and position them so that consumers' purchasing confidence and positive attitudes are developed. Therefore communication can inform, persuade, reinforce and build images to delineate a product or service (see Table 1.1).

Table 1.1 DRIP elements of marketing communications

DRIP element	Examples
Differentiate	Burger King differentiates itself from market leader McDonald's by stating that its burgers are flame-grilled for a better taste.
Reinforce	Specsavers Opticians work to bring people back into the eyecare market (see ViewPoint in Module 12).
Inform/make	The Environment Agency and Flood Action Week inform various organisations, such as the Meteorological Office, local media and the general public, of the new flood warning codes.
Persuade	So good milk is better for us than ordinary milk.

At a higher level, the communication process not only supports the transaction, by informing, persuading, reinforcing or differentiating, but also offers a means of exchange itself, for example communication for entertainment, for potential solutions and concepts for education and self-esteem. Communications involve intangible benefits, such as the psychological satisfactions associated with, for example, the entertainment value of television advertisements. Communications can also be seen as a means of perpetuating and transferring values and culture to different parts of society or networks. For example, it is argued that the way women are portrayed in the media and stereotypical images of very thin or anorexic women are dysfunctional in that they set up inappropriate role models. The form and characteristics of the communication process adopted by some organisations (both the deliberate and the unintentional use of signs and symbols used to convey meaning) help to provide stability and continuity.

ViewPoint 1.2 Dyson DRIP

Dyson manufactures a revolutionary type of cleaner, and has 52 per cent of the UK market. Its communications have needed to:

- *differentiate* it from conventional products – use of innovative technology;
- *remind/reassure* customers that the cyclone system works better than any other, and to resist the competition's attempts to gain top-of-mind awareness;
- *inform* and educate the market about what is wrong with conventional appliances;
- *persuade* potential customers to consider Dyson as the only option when next purchasing floor-cleaning appliances.

Exhibit 1.1 Dyson

The manufacturer of this revolutionary new domestic appliance uses marketing communications to differentiate, remind, inform and persuade audiences

Source: Picture reproduced with the kind permission of Dyson.

Other examples of intangible satisfactions can be seen in the social and psychological transactions involved increasingly with the work of the National Health Service (NHS), charities, educational institutions and other not-for-profit organisations, such as housing associations. These organisations not only increasingly recognise the need to communicate with various audiences, but also perceive value in being seen to be 'of value' to their customers. There is also evidence that some brands are trying to meet the emerging needs of some consumers who want to know the track record of manufacturers with respect to their environmental policies and actions. For example, the growth in 'Fairtrade' products, designed to provide fairer and more balanced trading arrangements with producers and growers in emerging parts of the world, has influenced Kraft that it should engage with this form of commercial activity. Typhoo claims on its packaging: 'care for tea and our tea pickers'.

The notion of value can be addressed in a different way. All organisations have the opportunity to develop their communications to a point where the value of their messages represents a competitive advantage. This value can be seen in the consistency, timing, volume or expression of the message.

Communication can be used for additional reasons. The tasks of informing, persuading and reinforcing and differentiating are, primarily, activities targeted at consumers or end-users. Organisations do not exist in isolation from each other, as each one is part of a wider system of corporate entities, where each enters into a series of exchanges to secure raw material inputs or resources and discharge them as value-added outputs to other organisations in the network.

The exchanges that organisations enter into require the formation of relationships, however tenuous or strong. Andersson (1992) looks at the strength of the relationship between organisations in a network, and refers to them as 'loose or tight couplings'. These couplings, or partnerships, are influenced by the communications that are transmitted and received. The role that organisations assume in a network and the manner in which they undertake and complete their tasks are, in part, shaped by the variety and complexity of the communications in transmission throughout the network. Issues of channel or even network control, leadership, subservience and conflict are implanted in the form and nature of the communications exchanged in any network.

Within market exchanges, communications are characterised by formality and planning. Relational exchanges are supported by more frequent communication activity. As Mohr and Nevin (1990) state, there is a bidirectional flow to communications and an informality to the nature and timing of the information flows. This notion of relational exchange has been popularised by the term **relationship marketing**, and it is a central theme in this text.

ViewPoint 1.3 Influencing and directing perception

The charity concerned with the welfare of homeless people, Crisis, ran a direct response television campaign in 2004 in an attempt to boost fundraising in the run-up to the crucial Christmas period. Marketing communications were used to raise awareness about homelessness and to confront people's perception of it. This was achieved through the use of real stories about people, such as a nurse and a soldier, who had become homeless (Whitehead, 2004).

Marketing communications can be used to persuade target audiences in a variety of ways. For example, speaking on BBC Radio 4, Bob Waller (1996) claimed that publicity had been used effectively by the Peak District National Park. However, instead of using publicity to attract tourists, the park's management had deliberately used their publicity opportunities to divert visitors away from particular areas in the park, in order to repair, preserve and protect them for visitors in the future.

In 2001, with the foot and mouth crisis mounting, the government realised that its previous policy of restricting the public's access to the countryside was deterring tourism and threatening the economy. To correct this perception it used public relations to encourage access to particular areas that were uninfected with the disease.

I.4 Marketing Communications and the Process of Exchange

The exchange process is developed and managed by researching consumer/ stakeholder needs, identifying, selecting and targeting particular groups of consumers/ stakeholders who share similar discriminatory characteristics, including needs and wants, and developing an offering that satisfies the identified needs at an acceptable price, and is made available through particular sets of distribution channels. The next task is to make the target audience aware of the existence of the offering. **Where competition or other impediments to positive consumer action exist, such as lack of motivation or conviction, a promotional programme is developed and used to communicate with the targeted group.**

Collectively, these activities constitute the marketing mix – the 4Ps, as McCarthy (1960) originally referred to them – and the basic task of marketing is to combine these 4Ps into a marketing programme to facilitate the exchange process. The use of the 4Ps approach has been criticised as limiting the scope of the marketing manager. McCarthy's assumption was that the tools of the marketing mix allow adaptation to the uncontrollable external environment. It is now seen that the external environment can be influenced and managed strategically, and the rise and influence of the service sector is not easily accommodated within the original 4Ps. To accommodate these factors, additional Ps, such as Processes, Political Power and People, have been suggested. A marketing mix of 20Ps has even been proposed by some, but the essence of the mix remains the same, and this deterministic approach has raised concerns and doubts about its usefulness in a marketing environment that is very different from that in which the 4Ps were conceived.

Promotion is therefore one of the elements of the marketing mix, and is responsible for the communication of the marketing offer to the target market. Certainly there is implicit and important communication through the other elements of the marketing mix (through a high price, for example, symbolic of high quality), but it is the task of a planned and integrated set of communication activities to communicate effectively with each of an organisation's stakeholder groups. Marketing communications are sometimes perceived as dealing only with communications that are external to the organisation, but **good communications with internal stakeholders, such as employees, are also vital** if successful favourable images, perceptions and attitudes are to be established, in the long term. This text considers the increasing importance of suitable internal communications (Module 18) and their vital role in helping to form a strong and consistent corporate identity (Module 9).

ViewPoint 1.4 Social forces of obesity

The influence of social forces on marketing, and on marketing communications in particular, can be immense. For example, in the past few years increasing media and public attention has been paid to issues concerning healthy eating, obesity, and the role that food manufacturers and retailers play in helping us (or not) to be slimmer.

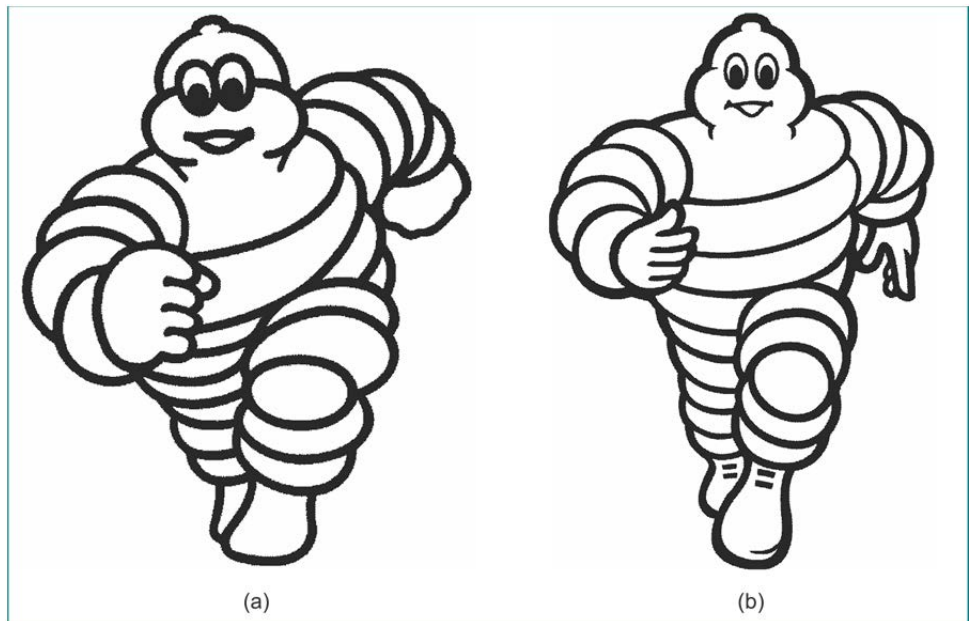
Little Chef, which owns several hundred roadside restaurants, has used the brand icon of a chef called Charlie, who has carried a discernible paunch since he first appeared in the 1970s. As part of an overall marketing strategy to provide guests with a healthy range of menu items, using less salt and more fruit, it was decided to slim Charlie down (Exhibit 1.2). Part of Little Chef's research programme included the use of focus groups and an online voting system for the public to decide which icon they preferred. The public decided, quite emphatically, that Charlie should *not* be slimmed down.

The Michelin Man used to drink and smoke before social pressures forced these habits out. In 1998 he lost weight as well, in an effort to avoid unattractive associations (Exhibit 1.3). These changes can also be interpreted by the public as a measure of an organisation's image and reputation.

Exhibit 1.2 Original Charlie with slight paunch and proposed but rejected slimmed-down Charlie



Exhibit 1.3 Original Michelin Man and revised, toned and accepted Michelin Man



Source: Adapted from Gray (2004).

New forms of promotion have been developed in response to changing market and environmental conditions. For example, public relations is now seen by some to have both a marketing and a corporate dimension (**Module 9** and **Module 16**). Direct marketing is now recognised as an important way of developing closer relationships with buyers, both consumer and organisational (**Module 6, Module 8, Module 9, Module 16** and **Module 17**), while new and innovative forms of communication through sponsorship (**Module 16**), floor advertising, video screens on supermarket trolleys and check-out coupon dispensers, and the Internet and associated technologies mean that effective communication requires the selection and integration of an increasing variety of communication tools. The marketing communication mix depicted in Figure 1.1 attempts to reflect these developments, and represents a new promotional configuration for organisations.

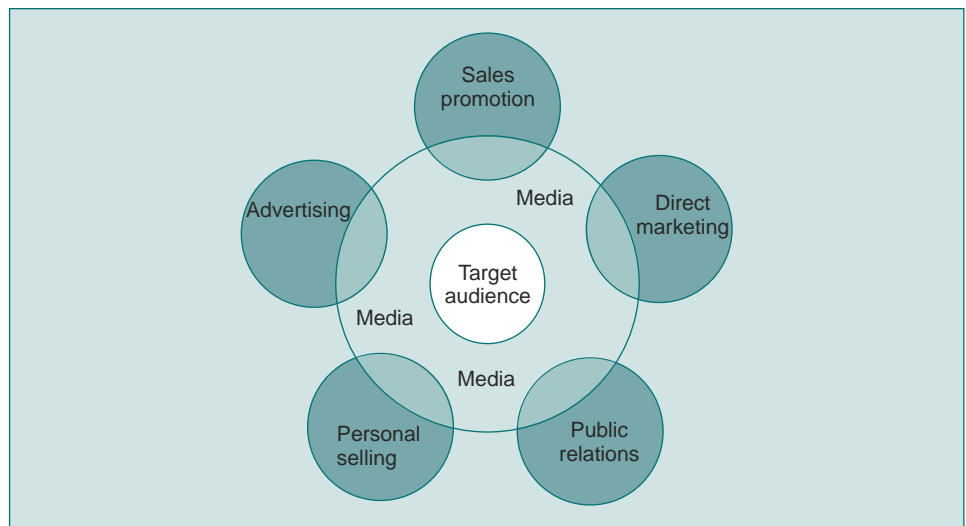


Figure 1.1 The tools and position of the marketing communications mix

1.5 Defining Marketing Communications

There is no universal definition of marketing communications, and there are many interpretations of the subject. Table 1.2 depicts some of the main orientations through which marketing communications have evolved.

The origin of many definitions rests with a promotional outlook, where the purpose was to use communications to persuade people to buy products and services. The focus was on products and on one-way communications, and there was a short-term perspective. The expression ‘marketing communications’ emerged as a wider range of tools and media evolved, and as the scope of the tasks that these communications activities were expected to accomplish expanded. In addition to awareness and persuasion, new goals such as developing understanding and preference, reminding and reassuring customers were recognised as important aspects of the communications effort. Direct marketing activities heralded a new approach as one-to-one, two-way communications began to shift the focus from mass to personal communications effort.

Table 1.2 The developing orientation of marketing communications

Orientation	Explanation
Information and promotion	Communications are used to persuade people into product purchase, through mass media communications. The emphasis is on rational, product-based information.
Process and imagery	Communications are used to influence the different stages of the purchase process that customers experience. A range of tools are used. The emphasis is on product imagery and emotional messages.
Integration	Communication resources are used in an efficient and effective way to enable customers to have a clear view of the brand proposition. The emphasis is on strategy, on media neutrality, and on a balance between rational and emotional communication.
Relational	Communications are used as an integral part of the different relationships that organisations share with customers. The emphasis is on mutual value and meaning, plus a recognition of the different communication needs and processing styles of different stakeholder groups.

Nowadays many definitions refer to an integrated perspective. This view has gathered momentum over the last 10 years and is even an integral part of the marketing communications vocabulary. However, this transition to an integrated perspective raises questions and debate about the purpose of marketing communications. For example, should the focus extend beyond products and services? Should corporate communications be integrated in the organisation's marketing communications? Should the range of stakeholders move beyond customers? And what does integration mean, and is it achievable? With the integrative perspective a strong strategic and long-term orientation developed, although the basis for many marketing communications strategies still appears to rest with a promotional mix orientation.

Some of these interpretations fail to draw out the key issue that marketing communications provides added value through enhanced product and organisational symbolism. They also fail to recognise that it is the context within which marketing communications flows that impacts upon the meaning and interpretation given to such messages. Its ability to frame and associate offerings with different environments is powerful. Today, in an age where the word 'integration' is used to express a variety of marketing- and communication-related activities, where corporate marketing is emerging as the next important development within the subject (Balmer and Gray, 2003), and where relationship marketing is the preferred paradigm (Gronroos, 2004), marketing communications now need to embrace a wider remit – to move beyond the product information model and become an integral part of an organisation's overall communications and relationship management strategy. This perspective embraces communications as a one-way, two-way, interactive and dialogic approach necessary to meet the varying needs of different audiences. The integration stage focuses on the organisation, whereas the next development may have its focus on the relationships that an organisation has with its various audiences. Above all else, marketing communications should be an audience-centred activity.

Marketing communications are a management process through which an organisation engages with its various audiences. By understanding an audience's communications environment, organisations seek to develop and present messages for their identified stakeholder groups, before evaluating and acting upon the responses. By conveying messages that are of significant value, they encourage audiences to offer attitudinal and behavioural responses.

This definition has three main themes. The first concerns the word **engages**. By recognising the different transactional and relationship needs of the target audience, **marketing communications can be used to engage with a variety of audiences in such a way that one-way, two-way and dialogic communications that meet the needs of the audience are used** (Module 2). But do not think that *all* audiences want a relationship with your organisation; for some, one-way communication is just fine. However, messages should encourage individual members of target audiences to respond to the focus organisation (or product/brand). This response can be immediate through, for example, purchase behaviour or the use of customer care lines, or it can be deferred as information is assimilated and considered for future use. Even if the information is discarded at a later date, the communication will have prompted attention and consideration of the message.

ViewPoint 1.5 Water communications

The growth in consumption of bottled water is well known, accounts for 10 per cent of the soft drinks market, and is surpassed only by consumption of cola and fruit juice (ACNielsen). However, the market is evolving such that consumers do not want straight water just for hydration purposes; now they want bottled 'water-plus' products, for example waters with added minerals and vitamins, low-carbonated waters for exercise (Lucozade Hydro Active), and functional, fortified and 'wellness' waters to support healthy lifestyles and reduce or guard against obesity.

Marketing communications play an active role in shaping our perception of these various bottled waters, and help to construct brands. Vittel used 'reVittelise' to change perceptions of its brand beyond hydration. Malvern mineral water uses advertising to position itself as 'Not quite Middle England', and reinforces this with celebrities such as Ali G.

Advertising spend on these bottled brands has fallen as more activity takes place below the line. For example, attention has been given to packaging, in an attempt not only to achieve shelf stand-out but also to reflect changing social trends. Evian has introduced an 'easy-to-carry' Nomad bottle with a belt clip for 'active consumers'.

Source: Adapted from Sweeney (2004).

The second theme concerns the **audiences** for marketing communications. Traditionally, marketing communications have been used to convey product-related information to customer-based audiences. Today, a range of stakeholders have connections and relationships of varying dimensions, and marketing communications need to incorporate this breadth and variety. Stakeholder audiences, including customers, are all interested in a range of corporate issues: sometimes these are product related, and sometimes they are related to the policies, procedures and values of the organisation itself. Marketing communications should be an audience-centred activity, and in that sense it is important that messages be based on a firm understanding of both the needs and the environment of the audience. To be successful, **marketing communications should be grounded in the behaviour and information-processing needs and style of the target audience**. This is referred to as understanding the context in which the communications event is to occur (Module 3, Module 4 and Module 6). From this base it is easier to present and position brands so that they are perceived to be different and of value to the target audience.

The third theme from the definition concerns the **cognitive response**. This refers to the outcomes of the communication process, and is a measure of whether a communication event has been successful. The audience should be regarded as active problem-solvers who

use marketing communications to help them in their lives, in purchasing products and services, and in managing organisation-related activities. For example, brands are developed partly to help consumers and partly to assist the marketing effort of the host organisation. A brand can inform consumers quickly that, among other things, ‘this brand means x quality’, and through experience of similar brand purchases consumers are assured that their risk is minimised. If the problem facing a consumer is ‘which new soup to select for dinner’, by choosing one from a familiar family brand the consumer is able to solve it with minimal risk and great speed. As explained later (Module 3), individuals may or may not be aware of the cognitive processing they engage in, as it varies according to a variety of factors.

Marketing communications, therefore, can be considered from a number of perspectives. It is a complex activity, and is used by organisations with varying degrees of sophistication and success.

1.6 The Role of Marketing Communications

From the above it is possible to deduce that marketing communications are about the promotion of both the organisation and its offerings. Marketing communications recognise the increasing role that the organisation plays in the marketing process, and the impact that organisational factors can have on the minds of audiences. **As the structure, composition and sheer number of offerings in some markets proliferate, so differences between products diminish**, to the extent that it has become much more difficult to differentiate between products. This results in a decrease in the number of available and viable positioning opportunities. One way to resolve this problem is to use the parent organisation as an umbrella, to provide greater support and leadership in the promotion of any offerings – hence the earlier reference to the emerging strength of corporate marketing.

A view that is becoming increasingly popular is that corporate strategy should be supported by the organisation’s key stakeholders if the strategy is to be successful. **Strategy must be communicated in such a way that the messages are consistent through time, and are targeted accurately at appropriate stakeholder audiences.** Each organisation must constantly guard against the transmission of confusing messages, whether this be through the way in which the telephone is answered, the navigability of a website, the impact of sales literature, or the way salespersons approach prospective clients.

Many organisations recognise the usefulness and importance of good public relations. This is because of the high credibility attached to the messages received and the relatively low operational costs. As a result, the use of corporate advertising has grown.

Finally, marketing communications recognise the development of channel or trade marketing. Many organisations have moved away from the traditional control of a brand manager to a system that focuses upon the needs of distributors and intermediaries in the channel. The organisations in the channel work together to satisfy their individual and collective objectives. The degree of conflict and cooperation in the channel network depends upon a number of factors, but some of the most important are the form and quality of the communications between member organisations. This means that **marketing communications must address the specific communication needs of members of the distribution network and of those other stakeholders who impact on or who influence the performance of the network.** Indeed, marketing communications recognise the need to

contribute to the communications in the channel network, to support and sustain the web of relationships.

For example, many organisations in the airline industry have shifted their attention to the needs of the travel trade, customers and competitors. United Airlines, British Airways, KLM, Qantas and other airlines have changed their approach, attitude and investment priorities so that channel partnerships and alliances are of particular priority. Now there is a clear emphasis on working with their partners and their competitors (e.g. British Airways and KLM), and this entails agreement, collaboration and joint promotional activity in order that all participants achieve their objectives.

1.7 The Marketing Communications Mix

The marketing communications mix consists of a set of tools (disciplines) that can be used in various combinations and different degrees of intensity in order to communicate with a target audience. In addition to these tools or methods of communication, there are the media, or the means by which marketing communications messages are conveyed. Tools and media should not be confused, as they have different characteristics and seek to achieve different goals.

There are five principal marketing communications tools: advertising, sales promotion, public relations, direct marketing and personal selling. However, there have been some major changes in the environment and in the way organisations communicate with their target audiences. New technology has given rise to a raft of different media, while people have developed a variety of ways to spend their leisure time. This is referred to as **media and audience fragmentation**, and organisations have developed fresh combinations of the promotional mix in order to reach their audiences effectively. For example, there has been a dramatic rise in the use of direct-response media as direct marketing becomes adopted as part of the marketing plan for many products. The Internet and digital technologies have made possible new interactive forms of communication, where the receivers have greater responsibility for their part in the communication process. An increasing number of organisations are using public relations to communicate both messages about themselves (corporate public relations) and also messages about their brands (marketing public relations).

What has happened therefore is that the promotional mix has developed such that the original emphasis on heavyweight mass communication (above-the-line) campaigns has given way to more direct and highly targeted promotional activities using direct marketing and the other tools of the mix. Using the jargon, through-the-line and below-the-line communications are used much more these days. Figure 1.2 brings these elements together.

The shift is from an **intervention**-based approach to marketing communications (one based on seeking the attention of a customer who might not necessarily be interested) towards **permission**-based communications (where the focus is upon communications with members of an audience who have already expressed an interest in a particular offering). In other words, with permission communications the seedlings for a relationship are established by the audience, not by the brand owner. This has a particular impact on direct marketing, online communications and – to some extent – personal selling.

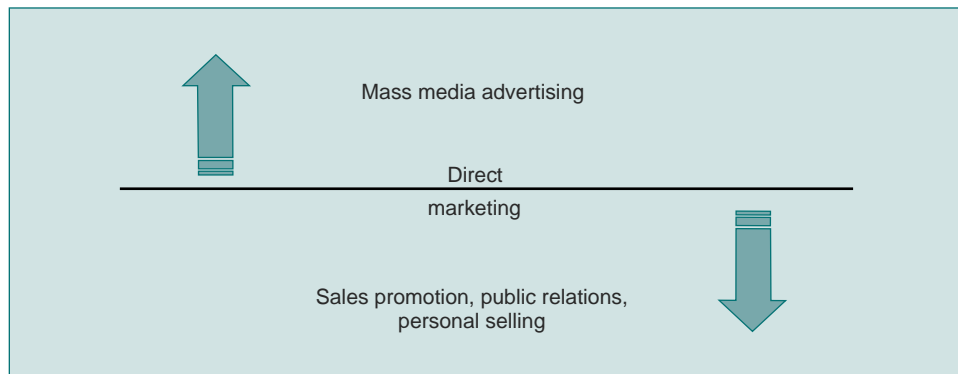


Figure I.2 Above-the-line and below-the-line communications

I.7.1 Advertising

Advertising is a non-personal form of mass communication that offers a high degree of control to those responsible for the design and delivery of advertising messages. However, advertising’s ability to persuade the target audience to think or behave in a particular way is suspect. Furthermore, the effect on sales is extremely hard to measure. Advertising also suffers from low credibility, in that audiences are less likely to believe messages delivered through advertising than they are messages received through some other tools.

The flexibility of this tool is good because it can be used to communicate with a national audience or a particular specialised segment. Although the costs can be extremely large, a vast number of people can be reached with a message, so the cost per contact can be the lowest of all the tools in the mix. Advertising and related media are considered at some depth in Module 12 to Module 14.

I.7.2 Sales Promotion

Sales promotion comprises various marketing techniques that are often used tactically to provide added value to an offering, with the aim of accelerating sales and gathering marketing information. Like advertising, sales promotion is a non-personal form of communication, but it has a greater capability to be targeted at smaller audiences. It is controllable, and although it has to be paid for, the associated costs can be much lower than those of advertising. As a generalisation, the credibility of sales promotion is not very high, as the sponsor is – or should be – easily identifiable. However, the ability to add value and to bring forward future sales is strong and complements a macroeconomic need that focuses on short-term financial performance. Sales promotion techniques and approaches are the subject of Module 15.

I.7.3 Personal Selling

Personal selling is traditionally perceived as an interpersonal communication tool that involves face-to-face activities undertaken by individuals, often representing an organisation, in order to inform, persuade or remind an individual or group to take appropriate action, as required by the sponsor’s representative. A salesperson engages in communication on a one-to-one basis where instantaneous feedback is possible. The costs associated with interpersonal communication are normally very large.

This tool differs from the previous two in that, although it still lacks relative credibility and control, the degree of control is potentially lower. This is because the salesperson is free at the point of contact to deliver a message other than that intended (Lloyd, 1997). Indeed, many different messages can be delivered by a single salesperson. Some of these messages may enhance the prospect of the salesperson's objectives being reached (making the sale); some may retard the process and so incur more time and hence costs. Whichever way it is viewed, control is lower than with advertising.

1.7.4 Public Relations

Public relations is 'the art and social science of analysing trends, predicting their consequences, counselling organisations' leadership, and implementing planned programmes of action which will serve both the organisation's and the public interest' (Mexican Statement, 1978). This definition suggests that public relations should be a part of the wider perspective of corporate strategy, and this is discussed at length in Module 16. **The increasing use of public relations, and publicity in particular, reflects the high credibility attached to this form of communication.** Publicity involves the dissemination of messages through third-party media such as magazines, newspapers or news programmes. There is no charge for the media space or time, but there are costs incurred in the production of the material. (There is no such thing as a free lunch or free promotion.) There is a wide range of other tools used by public relations, such as event management, sponsorship and lobbying. It is difficult to control a message once it is placed in the channels, but the endorsement offered by a third party can be very influential and have a far greater impact on the target audience than any of the other tools in the promotional mix.

ViewPoint 1.6 Audi football placement

German car manufacturer Audi, a part of the Volkswagen group, has agreements with both Manchester United and Real Madrid to be their 'car partner' for several seasons, usually three. This not only provides Audi with opportunities for its cars to be seen associated with some of the leading footballers (celebrities), it also gives Audi opportunities to be seen worldwide as well as inside Old Trafford and the Bernabéu stadiums.

When David Beckham was negotiating his contract to move to Real Madrid the media coverage was intense. He was provided with three Audis during his 36-hour stay, during which he undertook medicals, a contract signing event, and an official reception. The cars were constantly on prime time news programmes and in newspaper photographs around the globe, to the extent that the equivalent advertising media costs would have been impossible to pay and would not have had the credibility that the product placement event provided.

This non-personal form of communication offers organisations a different way to communicate, not only with consumers but also with many other stakeholders.

The four elements of the promotional mix discussed so far have several strengths and weaknesses. As a response to some of the weaknesses that revolve around costs and effectiveness, direct marketing emerged in the 1990s as a new and effective way of building relationships with customers over the long term.

1.7.5 Direct Marketing

The growing utilisation of direct marketing by organisations over recent years has been significant. It signals a shift in focus from mass to personalised communications. In particular, the use of direct mail, telemarketing and the fast-developing area of interactive communications represents through-the-line communications. By removing the face-to-face aspect of personal selling and replacing it with an email communication, a telephone conversation or a direct mail letter, many facets of the traditional salespersons' tasks can be removed, freeing them to concentrate on their key skill areas.

Direct marketing seeks to target individual customers with the intention of delivering personalised messages and building a relationship with them based upon their responses to the direct communications. In contrast to conventional approaches, direct marketing attempts to build a one-to-one relationship – a partnership with each customer – by communicating with the customers on a direct and personal basis. If an organisation chooses to use direct marketing then it has to incorporate the approach within a marketing plan. This is because distribution is different, and changes in the competitive environment may mean that prices need to change. For example, charges for packing and delivery need to be incorporated. The product may also need to be altered or adapted to the market. For example, some electrical products are marketed through different countries on home shopping channels and websites. The electrical requirements of each country or region need to be incorporated within the product specification of each country's offering. In addition to these changes, the promotion component is also different, simply because communication is required directly with each targeted individual. To do this, direct-response media must be used.

In many cases direct-response media such as direct mail, magazine inserts, and television and print advertisements that use telephone numbers to encourage a direct response are a derivative of advertising. However, direct response can also be incorporated within personal selling through telemarketing and sales promotions with competitions to build market knowledge and develop the database that is the key to the direct marketing approach.

This text regards direct marketing as the management process associated with building mutually satisfying customer relationships through a personal and inter-mediary-free dialogue. Direct-response media are the primary communication tools when direct marketing is an integral part of the marketing plan. Further discussion of direct marketing and direct-response communications can be found in Module 17.

The Internet is a distribution channel and communication medium that enables consumers and organisations to communicate in radically different ways. It allows for interactivity, and is possibly the best medium to enable dialogue. Communication is two-way, interactive and very fast, allowing businesses and individuals to find information and enter exchange transactions in such a way that some traditional communication practices and shopping patterns are being reconfigured.

The communication mix is changing; no longer can the traditional grouping of promotional tools be assumed to be the most effective forms of communication. This brief outline of the elements of the promotions mix signals some key characteristics: the extent to which each element is controllable; whether it is paid for by the sponsor; and whether communication is by mass medium or undertaken personally. One additional characteristic concerns the receiver's perception of the credibility of the source of the message. If the credibility factor is high, then there is a greater likelihood that messages from that source will be accepted by the receivers.

The **4Cs framework** (Table 1.3) represents the key characteristics and shows the relative effectiveness of the tools of promotion across various different characteristics. The three primary groupings are: the ability of each to communicate; the costs involved; and the control that each tool can maintain.

I.8 Effectiveness of the Promotional Tools

Each element of the promotions mix has different capacities to communicate and to achieve different objectives. The effectiveness of each tool can be tracked against the purchase decision process. Here consumers can be assumed to move from a state of unawareness through product comprehension to purchase. **Advertising is better for creating awareness; personal selling is more effective at promoting action and purchase behaviour.**

Readers are encouraged to see the elements of the mix as a set of complementary ingredients, each drawing on the potential of the others. The tools are, to a limited extent, partially interchangeable, and in different circumstances different tools are used to meet different objectives. For example, network marketing organisations, such as Avon Cosmetics, use personal selling to complete the majority of activities in the purchase decision sequence. The high cost of this approach is counterbalanced by the effectiveness of the communications. However, this aspect of interchangeability serves only to complicate matters. If management's task was simply to identify problems and then select the correct precision tool to solve the problem, then the issue of the selection of the 'best' promotions mix would evaporate (Figure 1.3).

Table 1.3 The 4Cs framework: a summary of the key characteristics of the tools of marketing communications

	Advertising	Sales promotion	Public relations	Personal selling	Direct marketing
Communications					
Ability to deliver a personal message	Low	Low	Low	High	High
Ability to reach a large audience	High	Medium	Medium	Low	Medium
Level of interaction	Low	Low	Low	High	High
Credibility					
Given by the target audience	Low	Medium	High	Medium	Medium
Costs					
Absolute costs	High	Medium	Low	High	Medium
Cost per contact	Low	Medium	Low	High	High
Wastage	High	Medium	High	Low	Low
Size of investment	High	Medium	Low	High	Medium
Control					
Ability to target particular audiences	Medium	High	Low	Medium	High
Management's ability to adjust the deployment of the tool as circumstances change	Medium	High	Low	Medium	High

These five elements of the promotional mix are supplemented by one of the most effective forms of marketing communication, **word-of-mouth** recommendation. As we shall see later, word-of-mouth recommendation is one of the most powerful marketing communication tools, and the more effectively an organisation can develop a programme to harness and accelerate the use of personal recommendation, the more likely it is that the marketing programme will be successful.

1.9 Selection Criteria

The key criteria governing an organisation's selection and use of each tool are:

1. the degree of control required over the delivery of the message;
2. the financial resources available to pay a third party to transmit messages;
3. the level of credibility that each tool bestows on the organisation;
4. the size and geographic dispersion of the target audiences.

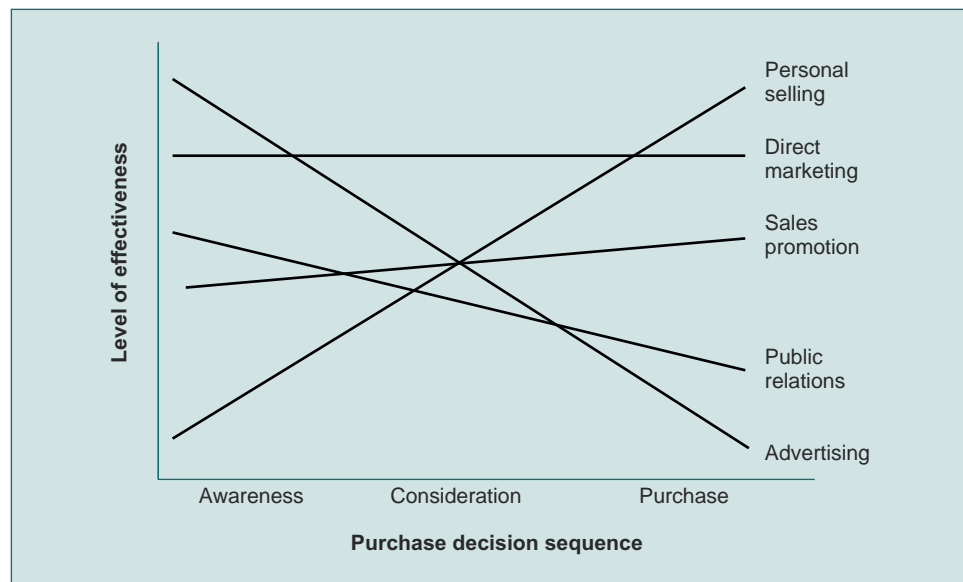


Figure 1.3 The relative effectiveness of the tools of the marketing communications mix

1.9.1 Control

Control over the message is necessary to ensure that the intended message is transmitted to and received by the target audience. Furthermore, this message must be capable of being understood in order that the receiver can act appropriately. Message control is complicated by interference or negative 'noise', which can corrupt and distort messages. For example, an airline's advertising may be discredited by a major news story about safety checks or even an accident.

Advertising and sales promotion allow for a high level of control over the message, from design to transmission. Interestingly, they afford only partial control or influence over the feedback associated with the original message.

1.9.2 Financial Resources

Control is also a function of financial power. In other words, if an organisation is prepared to pay a third party to transmit the message, then long-term control will rest with the sponsor for as long as the financial leverage continues. However, short-term message corruption can exist if management control over the process is less than vigilant. For example, if the design of the message differs from that originally agreed, then partial control has already been lost. This can happen when the working relationship between an advertising agency and the client is less than efficient and the process for signing off work in progress fails to prevent the design and release of inappropriate creative work.

Advertising and sales promotion are tools that allow for a high level of control by the sponsor, whereas public relations, and publicity in particular, is weak in this aspect because the voluntary services of a third party are normally required for the message to be transmitted.

There is a great variety of media available to advertisers. Each media type (for example television, radio, newspapers, magazines, posters or the Internet) carries a particular cost, and the financial resources of the organisation may not be available to use particular types of media, even if such use would be appropriate on other grounds.

1.9.3 Credibility

Public relations scores heavily on credibility factors. This is because receivers perceive the third party as unbiased and to be endorsing the offering. They view the third party's comments as objective and trustworthy in the context of the media in which the comments appear.

At a broad level, advertising, sales promotion and, to a slightly lesser extent, personal selling are tools that can lack credibility, as perceived by the target audience. Because of this, organisations often use celebrities and 'experts' to endorse their offerings. **The credibility of the spokesperson is intended to distract the receiver from the sponsor's prime objective, which is to sell the offering.** Credibility, as we shall see later, is an important aspect of the communication process and of marketing communications.

1.9.4 Size and Geographic Dispersion

The final characteristic concerns the size and geographic dispersion of the target audience. A consumer audience, often national, can be reached effectively only if tools of mass communication such as advertising and sales promotion are used. Similarly, various specialist businesses require personal attention to explain, design, demonstrate, install and service complex equipment. In these circumstances personal selling – one-to-one contact – is of greater significance. The tools of marketing communications can enable an organisation to speak to vast national and international audiences through advertising and satellite technology, or to single persons or small groups through personal selling and the assistance of word-of-mouth recommendation.

I.10 Management of the Promotional Tools

Traditionally, each of the promotional tools has been regarded as the domain of particular groups within organisations:

1. Personal selling is the domain of the sales director, and traditionally uses an internally based and controlled salesforce.
2. Public relations is the domain of the chairperson, and is often administered by a specialist PR agency.
3. Advertising and sales promotion are the domain of the marketing director or brand manager. Responsibility for the design and transmission of messages for mass communications is often devolved to an external advertising agency.

Many organisations have evolved without marketing being recognised as a key function, let alone as a core philosophy. There are a number of reasons why this might be so. First, the organisation may have developed with a public relations orientation in an environment without competition, where the main purpose of the organisation was to disperse resources according to the needs of their clients. The most obvious examples are to be drawn from the public sector, local authorities and the NHS in particular. Second, perhaps a selling perspective ('our job is to sell it') dominated. There would invariably be no marketing director on the board, just a sales director representing the needs of the market.

It is not surprising that these various organisational approaches have led to the transmission of a large number of different messages. Each function operates with good intent, but stakeholders receive a range of diverse and often conflicting messages.

I.11 Context and Marketing Communications

Organisations can be seen as open social systems (Katz and Kahn, 1978) in which all the components of the unit or system are interactive and interdependent (Goldhaber, 1986). Modify one part of a system and adjustments are made by all the other components to accommodate the change. This effect can be seen at both the micro and macro levels. At the macro level the interdependence of organisations has been noted by several researchers. Stern and El-Ansary (1995) depict distribution channels as 'a network of systems', and so recognise organisations as interdependent units. At the micro level, the individual parts of an organisation accommodate each other as the organisation adjusts to its changing environment. By assembling the decisions associated with the development and delivery of a marketing communications strategy (Figure 1.4), it becomes possible to see the complexity and sensitivity of each of the decision components.

The marketing communications undertaken by organisations within these systems can be regarded as a series of communication episodes. These episodes can often be construed as a dialogue and can be seen to be continuous. The amount of time between episodes may vary from the very small, such as those associated with many major FMCG (fast-moving consumer goods) brand campaigns, which run and run, or very large, such as those associated with some business-to-business campaigns or one-off events associated with a single task, such as government drink-driving campaigns held annually each Christmas period.

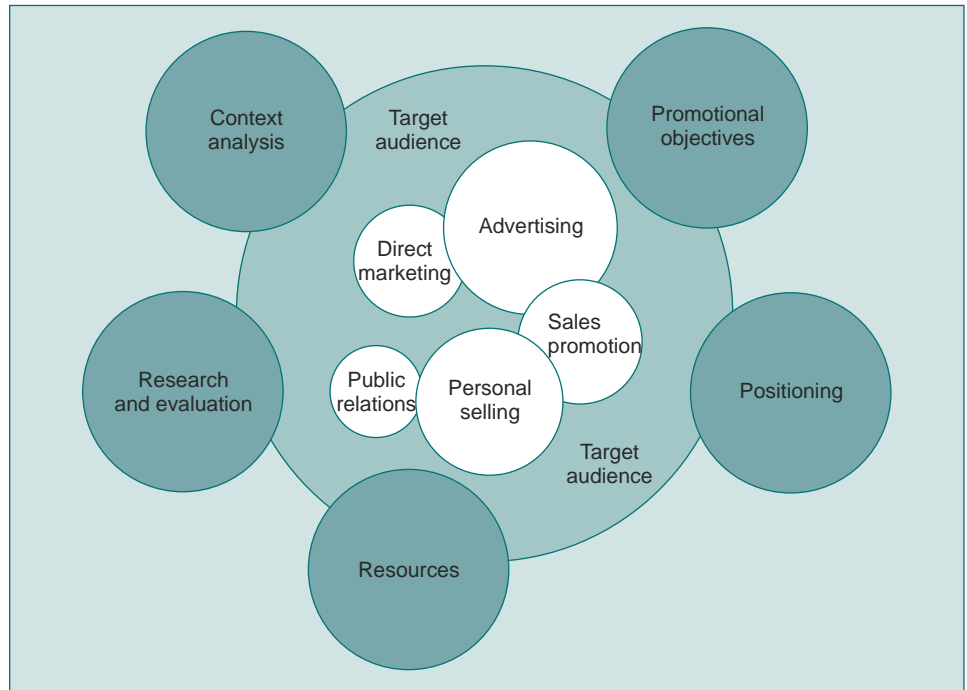


Figure 1.4 The system of marketing communications

These episodes occur within situations where specific factors can be identified and where the circumstances are characteristically individual. Indeed, it is unlikely that any two episodes will occur with exactly the same circumstances. **The use of marketing communications as a means of influencing others is therefore determined by the specific circumstances or the context in which the episode is to occur.** Marketing communications become part of the context, and influence and are influenced by the particular circumstances.

So, when considering the elements and factors that contribute to marketing communications, it is important to account for the context in which the communications will contribute. For example, falling sales often provoke a response by management to increase or change the advertising. The perception of the brand by the target audience might be inaccurate or not what was intended, or a new product might be launched into a competitive market where particular positions have been adopted by competitors. These contexts contain a set of specific circumstances in which a marketing communication episode might (will) occur. The list of possible contexts is endless, and the task facing marketing communications managers is to identify the key aspects of any situation and deliver promotional messages that complement the context. This enables audiences to interpret messages correctly and maintain a dialogue.

The main task facing the management team responsible for marketing communications is to decide the following:

1. who should receive the messages;
2. what the messages should say;
3. what image of the organisation/brand receivers are to form and retain;
4. how much is to be spent on establishing this new image;
5. how the messages are to be delivered;

6. what actions the receivers should take;
7. how to control the whole process once implemented;
8. how to determine what has been achieved.

These tasks are undertaken in a context within which there may be many episodes or only a few. Note that more than one message is often transmitted and that there is more than one target audience. This is important, because recognition of the need to communicate with multiple audiences and their different information requirements, often simultaneously, lies at the heart of marketing communications. The aim is to generate and transmit messages that present the organisation and its offerings to their various target audiences, encouraging them to enter into a dialogue and relationship. These messages must be presented consistently, and they must address the points stated above. It is the skill and responsibility of the marketing communications manager to blend the communication tools and create a mix that satisfies these elements.

Consequently, contexts are not independent or isolated sets of easily identifiable circumstances, but are interrelated and overlapping circumstances in which it is rare for any one organisation to have total knowledge of any single context. Management makes judgements based upon its experience, marketing research and limited knowledge of any one identifiable part-context, and it might be said that each time a marketing communications programme is rolled out management takes an educated leap into the unknown.

1.12 Communication Differences

Having identified the need to communicate with several different audiences, it seems appropriate to conclude this opening module by examining the differences between communications used by and targeted at two very different and specific audiences. These are organisations (commonly referred to as business-to-business) and those aimed at consumer markets. Some writers (Brougaletta, 1985; Gilliland and Johnston, 1997) have documented a variety of differences between consumer and business-to-business markets. The following is intended to set out some of the more salient differences (see also Table 1.4):

1. **Message reception.** The contextual conditions in which messages are received and ascribed meanings are very different. In the organisational setting the context is much more formal, and as the funding for the purchase is to be derived from company sources (rather than personal sources for consumer market purchases) there may be a lower orientation to price as a significant variable in the purchase decision. The purchase is intended to be used by others for company usage, whereas products bought in a consumer context are normally intended for personal consumption.
2. **Number of decision-makers.** In consumer markets a single person very often makes the decision. In organisational markets decisions are made by many people within the buying centre. This means that the interactions of the individuals need to be considered. In addition, a variety of different individuals need to be reached and influenced, and this may involve the use of different media and message strategies.
3. **The balance of the communications mix.** The role of advertising and sales promotions in business-to-business communications is primarily to support the personal selling effort. This contrasts with the mix that predominates in consumer markets. Personal selling has a relatively minor role, and is significant at the point of purchase only in product categories where involvement is high (cars, white goods and financial services), reflecting high levels of perceived risk. However, the increasing use of direct marketing

in consumer markets suggests that personal communications are becoming more prevalent and in some ways increasingly similar to the overall direction of business-to-business communications.

4. **The constituents of the marketing communications mix.** Business-to-business markets have traditionally been quite specific in terms of the promotional tools and media used to target audiences. Although the use of advertising literature is very important, there has been a tendency to use a greater proportion of below-the-line activities. This contrasts with consumer markets, where a greater proportion of funds has been allocated to above-the-line activities. It is interesting that communications in the consumer market are moving towards a more integrated format, more similar in form to the business-to-business model than was previously considered appropriate.
5. **Message content.** Generally, there is high-involvement in many business-to-business purchase decisions, so communications tend to be much more rational and information based than in consumer markets. However, there are signs that businesses are making increased use of imagery and emotions in the messages (see Module 13).
6. **Length of purchase decision time.** The length of time taken to reach a decision is much greater in the organisation market. This means that the intensity of any media plan can be dissipated more easily in the organisational market.
7. **Negative communications.** The number of people affected by a dissatisfied consumer, and hence negative marketing communication messages, is limited. The implications of a poor purchase decision in an organisational environment may be far reaching, including those associated with the use of the product, the career of participants close to the locus of the decision, and – depending upon the size and spread – perhaps the whole organisation.
8. **Target marketing and research.** The use of target marketing processes in the consumer market has been more advanced and sophisticated than in the organisational market. This impacts on the quality of the marketing communications used to reach the target audience. However, there is much evidence that the business-to-business market organisations are becoming more aware and sophisticated in their approach to segmentation techniques and processes.
9. **Budget allocation.** The sales department receives the bulk of the marketing budget in the organisation market, and little is spent on research in comparison with the consumer market.
10. **Measurement and evaluation.** The consumer market employs a variety of techniques to evaluate the effectiveness of communications. In the organisation market, sales volume, value, number of enquiries and market share are the predominant measures of effectiveness.

Table 1.4 Differences 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 integrated mixes	Specific use of below-the-line tools but with a high level of 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
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 organisation and beyond
Target marketing and research	Great use of sophisticated targeting and communication approaches	Limited but increasing use of targeting and segmentation approaches
Budget allocation	Majority of budget allocated to sales management	Majority of budget allocated to brand management
Evaluation and measurement	Great variety of techniques and approaches used	Limited number of techniques and approaches used

There can be no doubt that there are several major differences between consumer and organisational communications. These reflect the nature of the environments, the tasks involved, and the overall need of the recipients for particular types of information. Information need can therefore be seen as a primary reason for the differences in the way promotional mixes are configured. **Advertising in organisational markets has to provide a greater level of information, and is geared to generating leads** that can be followed up with personal selling, which is traditionally the primary tool in the promotional mix. In consumer markets, advertising plays the primary role with support from the other tools of the promotional mix. Interestingly, new media appear to be reconfiguring the marketing communications mix and perhaps reducing the gulf and distinction between the mix used in business-to-business and that used in consumer markets. Throughout this text reference will be made to the characteristics, concepts and processes associated with marketing communications and each of these two main sectors.

Summary

The concept of exchange transactions is seen by many commentators as underpinning the marketing concept. Of the different types of exchange, market and relational are the two that can be observed most often in industrial societies.

Marketing communications have various roles to play in the context of both these types of exchange, but – as will be seen later in this text – there is a strong movement away from the reliance on market exchanges to the longer-term perspective that relational exchanges enjoy, and to the development of partnerships. This approach is referred to as ‘relationship marketing’, and it is here that changes in the use and deployment of marketing communications can be best observed.

Marketing communications is an audience-centred activity and uses five traditional elements of the promotional mix: advertising, sales promotion, public relations, direct marketing, and personal selling. Each has its strengths and weaknesses, and these tools are now beginning to be used in different ways to develop relationships with customers, whether they be consumers or organisational buyers. An example of these changes is the use of the Internet, a communication medium that has grown rapidly since the mid-1990s and is threatening to reconfigure the way both marketing and marketing communications are practised.

Marketing communications have an important role to play in communicating and promoting products and services not only to consumers but also to the business-to-business sector and to other organisations representing differing stakeholders. The development of partnerships between brands and consumers, and between organisations within distribution channels or networks, is an important perspective of marketing communications. Communications in this context will be an important part of this text.

Finally, marketing communications can be seen as a series of episodes that occur within a particular set of circumstances or contexts. Marketing managers need to be able to identify principal characteristics of the context they are faced with and contribute to the context with a suitable promotional programme.

Review Questions

Content Questions

- 1.1 Briefly compare and contrast the different types of exchange transaction.
- 1.2 How does communication assist the exchange process?
- 1.3 Name the five main elements of the marketing communications mix.
- 1.4 Write a brief description of each element of the marketing communications mix.
- 1.5 How do each of the elements compare across the following criteria: control, communication effectiveness and cost?
- 1.6 How does direct marketing differ from the other elements of the mix?
- 1.7 Explain contexts and episodes. Describe the main tasks facing the management team responsible for marketing communications.
- 1.8 Explain how marketing communications supports the marketing and business strategies of the organisation.

Multiple-Choice Questions

- 1.9 For an exchange to take place:
- I. there must be two or more parties.
 - II. each party must offer something of value to the other.
- Which of the following is correct?
- A. I only.
 - B. II only.
 - C. I and II.
 - D. neither I nor II.
- 1.10 When marketing communications are designed to highlight the benefits received by customers in past transactions, the role played is to:
- A. persuade.
 - B. inform.
 - C. remind/reassure.
 - D. differentiate.
- 1.11 When the government's Department of Transport tries to educate people that failing to use a seat belt in cars is a safety risk, this is an example of a marketing communications programme designed to:
- A. persuade.
 - B. inform.
 - C. remind/reassure.
 - D. differentiate.
- 1.12 PR is characterised by:
- I. low credibility.
 - II. low-cost.
- Which of the following is correct?
- A. I only.
 - B. II only.
 - C. I and II.
 - D. neither I nor II.
- 1.13 The fact that new technology has given rise to a raft of different media is referred to as:
- A. media fragmentation.
 - B. audience fragmentation.
 - C. market segmentation.
 - D. none of the above.

- I.14 Media and audience fragmentation have led to increased use of:
- I. above-the-line campaigns.
 - II. below-the-line campaigns.
 - III. permission-based communications.
- Which of the following is correct?
- A. I and II only.
 - B. II and III only.
 - C. I and III only.
 - D. I, II and III.
- I.15 Advertising
- I. is a non-personal form of communication.
 - II. is a highly credible form of communication.
- Which of the following is correct?
- A. I only.
 - B. II only.
 - C. I and II.
 - D. neither I nor II.
- I.16 ____ comprises various marketing techniques that are often used to provide added value to an offering, with the aim of accelerating sales and gathering marketing information.
- A. Advertising
 - B. PR
 - C. Sales promotion
 - D. Personal selling
- I.17 PR has ____ credibility given to it by target audiences and ____ absolute costs.
- A. high, low
 - B. low, high
 - C. high, high
 - D. low, low
- I.18 Direct marketing has ____ ability to deliver a personal message and ____ ability to target particular audiences.
- A. high, low
 - B. low, high
 - C. high, high
 - D. low, low
- I.19 Which of the following tools of marketing communications is considered by target audiences to be the most credible?
- A. advertising.
 - B. sales promotion.
 - C. PR.
 - D. personal selling.

- 1.20 ____ has the highest ability to reach a large target audience.
- A. Advertising
 - B. Sales promotion
 - C. PR
 - D. Personal selling
- 1.21 Which of the following promotional tools is most effective at promoting action and purchase behaviour?
- A. Advertising.
 - B. Sales promotion.
 - C. PR.
 - D. Personal selling.
- 1.22 Criteria that govern and organisations' selection and use of promotional tools include:
- I. the degree of control required over the delivery of the message.
 - II. the size and geographic dispersion of the target audience.
- Which of the following is correct?
- A. I only.
 - B. II only.
 - C. I and II.
 - D. neither I nor II.
- 1.23 The use of celebrities and 'experts' to endorse product offerings is a means to increase ____ in marketing communications.
- I. control.
 - II. credibility.
- Which of the following is correct?
- A. I only.
 - B. II only.
 - C. I and II.
 - D. neither I nor II.
- 1.24 Traditionally public relations has been regarded as the domain of the
- A. chairperson.
 - B. sales director.
 - C. marketing manager
 - D. advertising manager.

Case Study I.1

A new marketing communications manager has been appointed to market a treadmill that is designed to exercise overweight dogs. The 'Fit Best Friend' dog exercise machine is aimed at dog owners who are too idle or too busy to give their dog a decent walk. It is also thought likely to appeal to veterinary surgeons, who might use the treadmill in treatment courses for obese dogs.

- I Describe the challenges facing the newly appointed marketing manager in developing suitable marketing communications programmes for the suggested markets for the 'Fit Best Friend' treadmill.

- 2 What promotional tools do you suggest be used to reach the stated target markets?

- 3 What would you suggest be included in the promotions mix for manufacturers of the following:
 - a. chewing gum
 - b. video camera
 - c. life insurance
 - d. car batteries
 - e. forklift trucks

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