Marketing Communications Strategy Issues

Lecture Notes

MBA

Summer 2002
KEY IDEAS

1. The success of a firm's advertising crucially depends on hiring a creative and capable ad agency that understands the market and provides turnaround.

2. The agency cannot be held responsible for a firm's weak target-positioning strategy.

3. A basic theme has to be chosen from one of the following: a news theme, a logical persuasion theme, an image/feeling theme, or a trial theme.

4. Much of the effectiveness of advertising campaigns depends on the impact of creatives. Advertising strategy is an art. Brilliantly distinctive campaigns that convey strong selling points stand out as much as dreadfully inept campaigns. The rest of the ads get lost in the clutter.

5. Competition for the consumer's attention is intense. Effective new creative concepts are quickly copied by others.

6. Point-of-purchase advertising is very important when the target consumers are under time pressure and a "trial" message theme is used.

7. Creating a more efficient marketplace is important, but the sobering reality of consumer trial still remains. A great advertising campaign cannot sustain a weak product for very long.

8. Just as it is often better to orchestrate several regional advertising campaigns, it is also usually better to have different campaign creatives and use different media in different international markets. The global market is not yet a single culture.

The Important Decisions

How advertising works
a. Positioning defines the desired audience - the target market.
b. Positioning establishes the suitability and cost-effectiveness of various media choices.
c. Based on above, use positioning strategy to develop the message strategy.
d. The positioning strategy determines the message strategy.
e. The advertising should communicate the desired competitive positioning.
f. The media theme influences the media choice.
g. The theme and media decisions together influence the creative techniques that are used to communicate and persuade.
h. The media schedule determines the campaign's reach and intensity.
A. ADVERTISING AT A CROSSROADS

1. The growth of advertising has reached saturation

2. Finding ways to increase the effectiveness of advertising and simply gaining consumer attention are the greatest challenges facing advertising

B. UNDERSTANDING HOW ADVERTISING WORKS

1. The Buy-Feel-Learn (BFL) Model of Advertising Effectiveness
   a. Low Involvement purchases
   b. Buying often precedes the creation or reinforcement of feelings about the product, learning about how and why the choice works so well comes later, of ever

2. The Learn-Feel-Buy (LFB) Model of Advertising Effectiveness
   a. Ad creates first time exposure to product
   b. Ad educates and learning leads to build up of interest and liking

3. The Feel-Buy-Learn (FBL) Model of Advertising of Effectiveness
   a. High emotional involvement purchase
   b. Ad creates feelings that lead to trial that leads to learning about performance

C. THE CHOICE OF A MESSAGE THEME

1. The theme must execute the positioning strategy

2. Newsworthy -- BFL Themes
   a. "I'm for sale"
   b. "I have arrived."
   c. "I'm a bargain right now."
   d. "Try to use me now."
   e. "Try me, like me."

3. Logical -- LFB Themes
   a. Increase demand
      • "Have you got this problem? I have a solution."
      • "This is more of a problem than you think."
   b. Increase attractiveness
      • "I am ... I have..."
      • "I'm better than them because ..."
   c. Increase competitiveness
      • "I'm better in this usage situation."
      • "Don't believe what they say ..."
4. Image -- FBL Themes
   a. Mind share image building
      • "Remember me."
      • "Look at me, like me."
   b. Associate through repetition
      • "Smile, like me."
      • "Think X, Think of me."
   c. Bringing some dreams into the real world
      • "I'm chic, you can be too."
      • "I'm a dream, a mood, a good-time product."

E. CREATIVE TACTICS

1. Simple messages for a low-involvement audience

2. Building on classic themes
   a. Images
   b. Picture-word integration
   c. Multiple sensory channels
   d. Headlines
   e. Structure
   f. Music
   g. Humor
   h. Varied executions
   i. Sex
   j. Fear
   k. Slice of life
   l. Spokesperson
   m. Two-sided ads
   n. Competitive interference

F. MEDIA CHOICES

1. Newspapers
2. Television
3. Direct mail
4. Radio
5. Magazines
6. Outdoor
7. Point-of-purchase
G. Media Trends:

1. Television
   a. Switching from networks to cable
   b. Cost continues to rise
   c. Increase use of shorter commercials (15 secs)

2. Radio
   a. Domination of FM time bought
   b. Impact of car phones is not yet known

3. Newspapers

4. Magazines
   a. Becoming very niche targeted and focuses

5. Combining media
   a. Use of radio, newspaper and magazines to prompt recall of more expensive TV ads

G. MEDIA SCHEDULING

1. Minimizing cost per thousand of the target market
   a. Requires consumer targeting by tying media usage to product usage

2. Achieving effective reach and frequency
   a. Net-reach = % of the target audience reached over a period of time
   b. Effective reach = % of the target audience reached with the minimum frequency necessary for effective persuasion
   c. Frequency measures the total number of times a person or household is exposed to a message
   d. Gross rating points (GPRs) = average frequency x 100

3. Regional advertising campaigns
   a. Utilization of regional campaigns is growing
   b. As targeting becomes more focused, schedules become more focused
   c. National advertisers are using local media buyers because of their local knowledge and contacts

4. Improving the timing of a campaign
   a. Choices
      • seasonal
      • continuous
      • pulsed
   b. Timing of media combinations can be difficult
H. POINT OF PURCHASE: THE LAST WORD IN ADVERTISING

1. Effectiveness
   a. More cost-effective per thousand shopper exposures
   b. Exposure and decision occur only moments before purchase
   c. Actmedia promises an 8% increase in sales and the retailer gets 25% of the ad revenue

I. DIRECT MARKETING

1. Use of direct marketing has grown quickly in recent years

2. Reasons for growth:
   a. Computer technology has enhanced contact efficiency
   b. Databases lists allow sellers to choose their prospective buyers
   c. The number of lists available has grown
      • List sources
         - magazine subscribers lists
         - lists of products purchased
         - public info about spending can and has been made into lists
      • Choosing a list - criteria
         - age (currency) on the list
         - the amount of money that has been spent on direct buying by each individual on the list
   d. The cost savings of selling specialized products with good success rates
   e. The service sector's growth is reflected in direct marketing's growth

3. The problems:
   a. Some consumers enjoy shopping and browsing
   b. Direct marketing has grown faster than support systems could be put in place
      • too many lists are available
      • excess competition has crowded customer attention
   c. Some customers see direct marketing as an invasion of privacy
J. GENERATING FREE PUBLICITY

1. The advantages and disadvantages of publicity
   a. Advantages:
      • greater credibility
      • speed of coverage
      • the creation of public interest
         - word-of-mouth
         - momentum
         - excitement
      • the cost is negligible
      • news generates more news
   b. Disadvantages:
      • all-or-nothing
      • lack of control

2. The importance of implementation and follow-through
   a. Implementation:
      • message must be conveniently complete without taking away the media’s ability
        to create unique angles
      • press releases
      • stunts and media events
      • give aways
        - to celebrities
        - to charities
        - to be used as contest prizes
   b. follow-through:
      • the media is sensitive to legitimacy of performance claims
      • honesty and independent tests are important
   c. Publicity in industrial markets
      • features in trade, technical, and industry-specific magazines and newsletters
      • a positive feature may be all that is needed to launch a product

K. PUBLIC RELATIONS MANAGEMENT

1. Building positive image of company and the company’s concern for the public welfare
2. Building internal goodwill (company culture)
3. Conveying financial soundness

L. ADVERTISING AND PUBLICITY EFFECTS ON THE CHANNEL

1. Rarely studied
2. Often advertising is a demand of resellers
3. Resellers may influence advertising campaigns after the fact by forcing recall or pulling product
4. Attention and enthusiasm can be gained in the channel by excellent advertising effort
M. CHOOSING AN ADVERTISING AGENCY

1. Bigger may not be better
   a. Smaller agencies can prove more energetic and adaptable
   b. Big agencies may, or may not, have more resources to reach global markets
   c. Smaller may mean greater access to upper management
   d. Big agencies may have other important clients, and may not pay full attention to your needs

2. Beware the bait and switch
   a. The ad agency may lead a presentation with a flashy exec who is not part of the actual creative team
   b. Avoid the bait and switch by asking for the team to make the presentation

3. Role expectation
   a. Have a clear understanding of the role you wish to play in control of the creative process
   b. Choose the agency according to their ability to deal with your control, sharer control, or take control

4. The importance of media management
   a. An agency’s media selection and buying skills are highly important
      • 80 to 90 % of ad budget is media
      • media markets change quickly and demand great attention to ensure accuracy of reach

N. GLOBAL ADVERTISING

1. Major choices:
   a. Localized message theme
   b. Globalized message theme

2. Availability and costs of media vary widely

3. Copy testing is very important in non-English speaking countries

4. Publicity and advertising need to be sensitive to nationalism in a competitive market