Definition

Marketing communications is 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 its identified stakeholder groups, before evaluating and acting upon the responses. By conveying messages that are of significant value, audiences are encouraged to offer attitudinal and behavioural responses.

Source: Fill (2006) p.17
Figure 1.1 The tools and position of the marketing communications mix
<table>
<thead>
<tr>
<th>Orientation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information and promotion</td>
<td>Communications are used to persuade people into product purchase using mass media communications. Emphasis on rational, product-based information.</td>
</tr>
<tr>
<td>Process and imagery</td>
<td>Communications are used to influence the different stages of the purchase process that customers experience. A range of tools are used. Emphasis on product imagery and emotional messages.</td>
</tr>
<tr>
<td>Integration</td>
<td>Communication resources are used in an efficient and effective way to enable customers to have a clear view of the brand proposition. Emphasis on strategy, media neutrality and a balance between rational and emotional communication.</td>
</tr>
<tr>
<td>Relational</td>
<td>Communication is used as an integral part of the different relationships that organisations share with customers. Emphasis on mutual value and meaning plus a recognition of the different communication needs and processing styles of different stakeholder groups.</td>
</tr>
</tbody>
</table>

**Table 1.3** The developing orientation of marketing communications
Figure 1.2 Above-and below-the-line communications
<table>
<thead>
<tr>
<th></th>
<th>Advertising</th>
<th>Sales promotion</th>
<th>Public relations</th>
<th>Personal selling</th>
<th>Direct marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communications</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to deliver a personal message</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Ability to reach a large audience</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Level of interaction</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td><strong>Credibility</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Given by the target audience</td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute costs</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>Cost per contact</td>
<td>Low</td>
<td>Medium</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Wastage</td>
<td>High</td>
<td>Medium</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Size of investment</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td><strong>Control</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to target particular audiences</td>
<td>Medium</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td>Management’s ability to adjust the deployment of the tool as circumstances change</td>
<td>Medium</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
</tr>
</tbody>
</table>

**Table 1.4** The 4Cs Framework – a summary of the key characteristics of the tools of marketing communications
Figure 1.3 The relative effectiveness of the tools of the marketing communications mix
Figure 1.4  The system of marketing communications
Table 1.5 Differences between consumer and business-to-business marketing communications

<table>
<thead>
<tr>
<th></th>
<th>Consumer-oriented markets</th>
<th>Business-to-business markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Message reception</td>
<td>Informal</td>
<td>Formal</td>
</tr>
<tr>
<td>Number of decision-makers</td>
<td>Single or few</td>
<td>Many</td>
</tr>
<tr>
<td>Balance of the promotional mix</td>
<td>Advertising and sales promotions dominate</td>
<td>Personal selling dominates</td>
</tr>
<tr>
<td>Specificity and integration</td>
<td>Broad use of promotional mix with a move towards integrated mixes</td>
<td>Specific use of below-the-line tools but with a high level of integration</td>
</tr>
<tr>
<td>Message content</td>
<td>Greater use of emotions and imagery</td>
<td>Greater use of rational, logic- and information-based messages although there is evidence of a move towards the use of imagery</td>
</tr>
<tr>
<td>Length of decision time</td>
<td>Normally short</td>
<td>Longer and more involved</td>
</tr>
<tr>
<td>Negative communications</td>
<td>Limited to people close to the purchaser/user</td>
<td>Potentially an array of people in the organisation and beyond</td>
</tr>
<tr>
<td>Target marketing and research</td>
<td>Great use of sophisticated targeting and communication approaches</td>
<td>Limited but increasing use of targeting and segmentation approaches</td>
</tr>
<tr>
<td>Budget allocation</td>
<td>Majority of budget allocated to brand management</td>
<td>Majority of budget allocated to sales management</td>
</tr>
<tr>
<td>Evaluation and measurement</td>
<td>Great variety of techniques and approaches used</td>
<td>Limited number of techniques and approaches used</td>
</tr>
</tbody>
</table>

Table 1.5 Differences between consumer and business-to-business marketing communications
Marketing Communications theory
Figure 2.1 A linear model of communication

Source: Based on Schramm (1955) and Shannon and Weaver (1962).
Figure 2.2  A model of marketing communications in a hypermedia computer-mediated environment

Source: From Hoffman and Novak (1996); reprinted with permission from the Journal of Marketing, published by the American Marketing Association.
Figure 2.3 One-step model of communication. T = member of the target audience
Figure 2.4  Two-step model of communication. OL = opinion leader
Figure 2.5 Multi-step model of communication
Opinion Leaders

- Members of peer group
- Expertise based on their own interest in subject areas
- Word of mouth communications from these individuals carries higher levels of credibility than opinion formers
- Include media, subject specialist consumer interest magazines e.g. Which?, pressure groups
- Playing significant role in responding to customers’ thirst for knowledge
- Must be included in a communications agenda
- Don’t just need customers and consumers, also friends and supporters who will exert positive influence upon a company
Opinion Formers

• People who exert personal influence because of their authority, status, education or association with a product or service offering.
• Provide information and act as expert witnesses
• E.g. specialist journalists in motoring and travel
• Act as vehicle for reinforcing credibility of products and services
• Public relations has major part to play here
• Viral marketing also important
Prior conditions
1. Previous practice
2. Felt needs/problems
3. Innovativeness
4. Norms of the social systems

Communication channels

Knowledge → Persuasion → Decision → Implementation → Confirmation

Characteristics of the decision-making unit
1. Socioeconomic characteristics
2. Personality variables
3. Communication behaviour

Perceived characteristics of the innovation
1. Relative advantage
2. Compatibility
3. Complexity
4. Trialability
5. Observability

1. Adoption → Continued adoption
2. Rejection → Continued rejection
Later adoption → Discontinuance

Figure 2.6 Stages in the innovation–decision process of adoption

Figure 2.7 Fast and slow diffusion of an innovation

Source: From Hawkins et al. (1989); used with kind permission.
Marketing communications industry
Figure 3.1 The principal organisations in the marketing communications industry
Table 3.1  Total UK advertising expenditure (including direct mail) £ million

<table>
<thead>
<tr>
<th></th>
<th>2003 (£m)</th>
<th>2000 (£m)</th>
<th>1996 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Press</td>
<td>8,382</td>
<td>8,604</td>
<td>6,413</td>
</tr>
<tr>
<td>Television</td>
<td>4,374</td>
<td>4,646</td>
<td>3,379</td>
</tr>
<tr>
<td>Direct mail</td>
<td>2,431</td>
<td>2,049</td>
<td>1,404</td>
</tr>
<tr>
<td>Outdoor and transit</td>
<td>901</td>
<td>810</td>
<td>466</td>
</tr>
<tr>
<td>Radio</td>
<td>582</td>
<td>595</td>
<td>344</td>
</tr>
<tr>
<td>Cinema</td>
<td>180</td>
<td>128</td>
<td>73</td>
</tr>
<tr>
<td>Internet</td>
<td>376</td>
<td>155</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17,227</strong></td>
<td><strong>16,988</strong></td>
<td><strong>12,080</strong></td>
</tr>
</tbody>
</table>

Source: *Advertising Statistics Yearbook*. Used with kind permission.
Agency Types

• Full service
  – Creative development, Strategic Planning, Production, Media planning and buying, Market research
• Creative shops
  – Hotshops – provide specialist creative services
• Media independents
  – Provide specialist media services – planning, buying and monitoring purchase of media schedule
• A la carte agency
  – Company selects a range of services from a range of different specialized agencies
  – Gives choice and flexibility
  – Takes a lot of time, effort and commitment to manage the potential number of relationships involved
• New media
  – Provision of internet facilities, WAP technology, interactive television
Agency remuneration

- Fees
- Media percentage 10% - 15%
- Print mark up 17.65%+
- Performance related
- Hourly rate
- Project by project quotes
Figure 3.3  Relationships between marketing and public relations

Source: From Kotler and Mindak (1978); used with kind permission.
Figure 3.4 An overview of the five agency structures

*Source:* From Gronstedt and Thorson (1996); used with kind permission.
<table>
<thead>
<tr>
<th>Type of agency</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated agency</td>
<td>A single agency which provides the full range of communication disciplines.</td>
</tr>
<tr>
<td>Complementary agencies</td>
<td>The client selects a range of different agencies, each from a different discipline and self-manages or appoints a lead agency.</td>
</tr>
<tr>
<td>Networked agencies</td>
<td>A single group agency is appointed (e.g. WPP or Interpublic) who then appoints agencies within their own profit-oriented network.</td>
</tr>
<tr>
<td>Mini-group agencies</td>
<td>Clusters of small independent specialist agencies who work on a non-competitive basis for a client.</td>
</tr>
</tbody>
</table>

**Table 3.2 Integrated agency options**
Communications Industry

Statutory & Self-Regulatory Control -
- Advertising Standards Authority
- Committee of Advertising Practice
- Independent Television Commission
- Radio Authority
- Office of Fair Trading
- Securities & Investment Board
- Note some replaced by OFCOM from January 2004
Ethics, corporate and social responsibility
Attitudes to marketing communications

• Immoral business activity
• By the promotion of products/services beyond reach of many consumers, marketing communication held responsible for many of the underlying ills of society

• Response
  – Cause related marketing
  – Increase credibility and authority of some brands in form of sponsorship
Ethical Concerns

- Misleading or false advertising
- Shocking, tasteless or indecent material
- High pressure sales techniques
- Intrusion on personal privacy (telesales)
- PR that confuses rather than communicates
- Payment of bribes to win business
Issues

• Advertising to children

• The depiction of women in advertising

• Product labelling

• Confusion pricing
Ethics in Marketing Communications

• Truth-telling - let the buyer beware
• Puffery - embellishment, incorrect statements, false promises
• Selling complex products
• Truth-telling in PR

• Vulnerable groups
• Privacy & respect for persons
• Taste & decency
• Hospitality, incentives & inducements
• Influence of reward systems in selling
Ethical Decision Making Models

• Consumer capability - is the target market vulnerable in ways that limit consumer decision making?

• Information - are consumer expectations at purchase likely to be realized? Do consumers have sufficient information to judge?

• Choice - can consumers go elsewhere? Would they incur substantial costs or inconvenience in transferring their loyalty? (Smith, 1995)
Ethical Decision Making Models

- The Golden Rule - act in a way that you would expect others to act towards you
- The Professional Ethic - take only actions which would be viewed as proper by an objective panel of your professional colleagues
- Categorical Imperative - act in a way that the action taken under the circumstances could be a universal law of behaviour
- The TV Test - would I feel comfortable explaining this action to the general public on the TV?
- The outcomes of the decision - performance, rewards, satisfaction & feedback

(Laczniak & Murphy, 1991)
Societal marketing

Social marketing concept holds that the organisation’s task is to determine the needs, wants and interests of the target markets and to then deliver the desired satisfactions more effectively and efficiently than competitors in a way that maintains or improves the consumer’s and society’s well being

Kotler (2000)