

# MARKETING COMMUNICATIONS

Sixth Edition

## A EUROPEAN PERSPECTIVE

Patrick De Pelsmacker, Maggie Geuens  
and Joeri Van Den Bergh



# **MARKETING COMMUNICATIONS**



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Patrick De Pelsmacker Maggie Geuens Joeri Van den Bergh



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awarded book on branding to generation Y & Z, *How Cool Brands Stay Hot*, and the forthcoming book on consumer trends, *Futures*. As a NextGen expert and speaker he gets regularly invited to global marketing and research conferences and in-company trainings. Joeri received the academic nomination Fellow of the Hogenhevel College at the Department of Applied Economics, KU Leuven, and was elected Master Marketer by STIMA in 2012.

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# PREFACE

Marketing communications are not only one of the most visible and widely discussed instruments of the marketing mix, with an overwhelming impact on both society and business, they are also one of the most fascinating. Every private consumer and business executive is exposed to advertising. They make use of sales promotions, are approached by sales persons, visit trade fairs and exhibitions, buy famous or not so famous brands, are a target of public relations activity, are exposed to sponsorship efforts, receive direct mail, telemarketing or research calls and visit stores in which no stone is left unturned to influence their buying behaviour. Furthermore, almost every consumer is a regular user of the Internet.

Marketing executives constantly face the challenge of integrating their promotional effort into strategic management and marketing plans. They must integrate the various instruments of the marketing communications mix, build successful brands, try to find out how marketing communications can be instrumental in achieving company objectives, and how they can be applied in specific marketing situations.

Following the success of the first five editions, this sixth edition of *Marketing Communications: A European Perspective* continues to offer a comprehensive overview of the cornerstones, techniques and applications of marketing communications in a European context.

## The market

This text is geared to undergraduate and postgraduate students who have attended introductory courses in marketing, and who want to extend their knowledge to various aspects of marketing communications. The text can also be used by marketing communications professionals who want an overview of the whole field and may find inspiration and new angles to their marketing communications practice in the many examples, cases and research results that are covered in this text.

## Organisation

The text is organised as follows. Chapter 1 provides a global overview of marketing communications and discusses the crucial topic of the integration of marketing communications activity. One of the major objectives of marketing communications is to build and maintain strong brands. Branding is covered in Chapter 2. Chapter 3 discusses the groundwork of all marketing communications activity. It is devoted to the intriguing question of how communications influence consumers. In Chapter 4 the different steps in the marketing communications plan are covered: the definition of target groups, objectives, and budgeting issues.

Chapters 5–13 cover the marketing communications instruments: advertising (5), online communications (6), media planning (7), brand activation (8), direct marketing (9), public relations (10), sponsorship (11), and exhibitions and trade fairs (12). Chapter 13 deals with marketing communications research. In Chapter 14 the increasingly important ethical side of marketing communications is discussed.

## Pedagogy

To help reinforce key learning points, each chapter includes the following:

- Chapter Outline, which presents the contents of the chapter graphically.
- Chapter Objectives, Summaries and Review Questions and references to interview videos assist the reader in understanding the important elements and help test one's knowledge.
- Main text organised in sections and sub-sections to help students digest and retain the information.
- Tables, figures, outlines and other illustrative material help the reader grasp the essential facts.
- Separate highlights throughout the text cover extended examples, mini-cases, interesting research results or more technical issues.
- Suggested further readings offer the opportunity to refer to other, more specialised or specific sources of information on many subjects.
- An extensive European or global case study.

## Distinctive characteristics

- This is not just a text about advertising, supplemented by a brief discussion of the other instruments of the marketing mix. Although advertising-related topics are thoroughly discussed, this text is comprehensive in that it covers *all* instruments of the marketing communications mix.
- The text has a consistent European focus. Although research results and examples from other parts of the world are covered, the main focus is the application of marketing communications concepts in a European environment.
- Every chapter contains an extensive European or global case study in a wide variety of industries, markets and countries. Most of these cases contain original and in-depth material, often provided by the marketing executives of the brands and companies discussed. Challenging case questions are designed to encourage the reader to apply the concepts from the chapter to the solution of the case at hand. Furthermore, many of these cases can be used with more than one chapter.
- A number of chapters focus extensively on particularly important and/or relatively new fields of interest related to marketing communications. This is the case for the chapters on branding, how communications work, brand activation, online communications and ethics.
- Throughout the text, numerous examples, case studies and research results from various countries, industries and markets are given, to illustrate and make the concepts as practice-orientated as possible.

## New to the sixth edition

The structure of the sixth edition of this text and the order of the chapters have been rearranged for a more logical flow. Case studies, vignettes, examples, end-of-chapter cases and references have been updated and new material has been added to every chapter. These include, amongst others, company case materials about Colora, Milk, Telenet, Belgian Post, InSites Consulting and Marcel Dorel, and research insights about integrated marketing communications, new advertising formats and tools, brand placement, cross-cultural advertising adaptation, buzz marketing, brand globalness, two-sided messages, emotions in advertising, children and new advertising formats, advertising media mix optimisation, responses to online reviews, culture and advertising, self-identity and eco-friendly consumer behaviour, media multitasking, and gender stereotyping.

The chapter on online communications has been thoroughly updated and extended and includes a large section on social media communications, to reflect the most recent evolutions and best-practice applications in this fast-growing area.

Finally, we are proud to offer instructor and student support materials on our website: <http://www.pearsoned.co.uk/depelsmacker>. Visit this site to find valuable teaching and learning materials on *Marketing Communications*.



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## Figures

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ing value (Reichheld, F.F. 2001) Copyright © 2001 by the Harvard Business Publishing Corporation, all rights reserved, reprinted by permission of Harvard Business Review Press; Figure 9.4 from Development of addressed mail items in the five largest European markets, The Boston Consulting Group, as found at [http://www.post.at/gb2009/en/Postmarkt\\_Europa.php](http://www.post.at/gb2009/en/Postmarkt_Europa.php); Figures 9.7, 9.8 from *Annual Report 2011*, Lotus Bakeries p. 33; Figure 9.9 from *Annual Report 2011*, Lotus Bakeries p. 11; Figures 11.1, 11.4 adapted from [sponsorship.com](http://sponsorship.com); Figures 12.3, 12.4 from Geert Maes, CEO, FISA; Figure 13.7 from InSites Consulting, [www.insites-consulting.com](http://www.insites-consulting.com); Figure 13.11 from The mismanagement of customer loyalty, *Harvard Business Review*, Vol. 80 (7), pp. 86–94 (Reinartz, W. and Kumar, V. 2002), Copyright © 2002 by the Harvard Business Publishing, all rights reserved, reprinted by permission of Harvard Business Review; Figure 14.2 from *Statistics Report 2010: European trends in advertising complaints, copy advice and pre-clearance*, European Advertising Standards Alliance (EASA) (2010) p. 11, Figure 1, <http://www.easa-alliance.org/>, European Advertising Standards Alliance—The single voice for advertising self-regulation; Figure 14.3 from *Statistics Report 2010: European trends in advertising complaints, copy advice and pre-clearance*, European Advertising Standards Alliance (EASA) (2010) p. 28, Figure 13, <http://www.easa-alliance.org/>, European Advertising Standards Alliance - The single voice for advertising self-regulation; Figure 14.4 from *Statistics Report 2010: European trends in advertising complaints, copy advice and pre-clearance*, European Advertising Standards Alliance (EASA) (2010) p. 25, Figure 9, <http://www.easa-alliance.org/>, European Advertising Standards Alliance—The single voice for advertising self-regulation

## Tables

Table 1.3 adapted from W.F. van Raaij, 'Integratie van Communicatie: vanuit de Zender of vanuit de Ontvanger' (Integration of Communication: Starting from the Sender or the Receiver?), in *Effectiviteit in Communicatie management (Effectiveness in Communication Management)*, pp. 169–84 (Damoiseaux, V.M.G., van Ruler, A.A. and Weisink, A. (eds)), Deventer: Samson, ISBN: 9014058411, 9789014058412; Table 1.5 from Duncan, T. and Caywood, C. 'The Concept, Process and Evolution of Integrated Marketing Communication', in *Integrated Communication: Synergy of Pervasive Voices*, pp. 13–34 (Thorson, E. and Moore, J. (eds) 1996), Mahwah, NJ: Lawrence Erlbaum Associates, Reproduced by permission of Taylor and Francis Group, LLC, a division of Informa plc; Table 4.7 after Ad spending: maintaining market share, *Harvard Business Review*, Vol. 68 (1), pp. 38–43 (Jones, J.P. 1990), Copyright © 1990 Harvard Business Publishing, all rights reserved, reprinted by permission of Harvard Business Review; Table 6.1 from Users of the world, unite! The challenges and opportunities of social media, *Business Horizons*, Vol. 53 (1), pp. 59–68 (Kaplan, A.M. and Haenlein, M. 2010), p. 62. Copyright © 2009 Elsevier, Business horizons by Indiana University Reproduced with permission of Elsevier Inc. Permission conveyed through Copyright Clearance Center, Inc.; Table 12.2 after Selecting and evaluating trade shows, *Industrial Marketing Management*, Vol. 21 (4), pp. 335–41 (Shoham, A. 1992), Copyright © 1992, Elsevier, Used with permission from Elsevier. Permission conveyed through Copyright Clearance Center, Inc.; Table 13.1 after *Integrated Marketing Communications*, Harlow: Financial Times/Prentice Hall (Pickton, D. and Broderick, A. 2001) p. 523, Copyright © Pearson Education Limited 2001

## Text

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# LIST OF ACRONYMS

<b>ABC</b>	Audit Bureau of Circulations
<b>ACC</b>	Association of Communication Companies
<b>AIM</b>	Affect Infusion Model
<b>AIO</b>	activities, interests and opinions
<b>ANOVA</b>	analysis of variance
<b>ATR</b>	awareness trial reinforcement
<b>B2B</b>	business-to-business
<b>B2C</b>	business-to-consumer
<b>BOGOF</b>	buy one get one free
<b>BPS</b>	Brand Personality Scale
<b>CARU</b>	Children's Advertising Review Unit
<b>CEEMEA</b>	Central and Eastern Europe, Middle East and Africa
<b>CEIR</b>	Centre for Exhibition Industry Research
<b>CEO</b>	chief executive officer
<b>CPM</b>	cost per thousand
<b>CPM-TM</b>	CPM in target market
<b>CPT</b>	cost per thousand
<b>CRM</b>	customer relationship marketing
<b>CSR</b>	corporate social responsibility
<b>CTLC</b>	Community-based Technology and Learning Centres
<b>CTR</b>	click-through rate
<b>DAGMAR</b>	Defining Advertising Goals for Measured Advertising Results
<b>DAR</b>	Day After Recall
<b>DEA</b>	data envelopment analysis
<b>DM</b>	direct mail
<b>DOSS</b>	degree of overall similarity of strategy
<b>DRTV</b>	direct response television
<b>EASA</b>	European Advertising Standards Alliance
<b>EDLP</b>	everyday low prices
<b>ELM</b>	Elaboration Likelihood Model
<b>EMEA</b>	Europe, the Middle East and Africa
<b>ERP</b>	effective rating points
<b>ESP</b>	emotional selling proposition
<b>FCB</b>	Foote-Cone-Belding
<b>FMCG</b>	fast-moving consumer goods
<b>GRP</b>	gross rating points
<b>HILO</b>	high-low
<b>HSM</b>	Heuristic-Systematic Model
<b>HTML</b>	Hypertext Mark-up Language
<b>IAB</b>	Interactive Advertising Bureaux
<b>IAT</b>	Implicit Association Test
<b>ICC</b>	International Chamber of Commerce
<b>IMC</b>	integrated marketing communications
<b>IP</b>	Internet Protocol

JEP	Jury of Ethical Practices
LNG	liquefied natural gas
MAO	motivation, ability and opportunity
MC	marketing communications
MMA	Mobile Marketing Association
MMORPG	massively multiplayer online role-playing game
MNT	mother and newborn tetanus
MPU	Mid-Page Unit
MUSH	Municipal, University, Social, Hospital
NGO	non-governmental organisation
OOH	out-of-home
OTS	opportunity to see
PBC	perceived behavioural control
PEOU	personalised ease of use
PI	product involvement
PKM	Persuasion Knowledge Model
PLC	product life cycle
PMT	Protection Motivation Theory
POP	point-of-purchase
POPAI	Point-of-Purchase Advertising Institute
POS	point-of-sales
PPC	pay per click
PR	public relations
PU	perceived usefulness
PURL	personalised website (URL)
RE	Reading Ease
RFID	radio frequency identification
RFM	recency–frequency–monetary value
RNR	Radio News Release
ROI	return on investment
RQ	Relationship Quality
RSS	Really Simple Syndication
SEA	search engine advertising
SEM	search engine marketing
SEO	search engine optimisation
SMS	Sports Marketing Surveys; Short Message Service
SOM	share of market
SOV	share of voice
SRC	self-reference criterion
SRO	self-regulatory organisation
STAS	Short-Term Advertising Strength
STP	segmenting–targeting–positioning
SWOT	Strengths, Weaknesses, Opportunities and Threats
TAM	Technology Acceptance Model
TOMA	Top-of-Mind Awareness
TORA	Theory of Reasoned Action
TPB	Theory of Planned Behaviour
UGC	user-generated content
USP	unique selling proposition
VNR	Video News Release
VOD	video-on-demand
WAP	Wireless Application Protocol
WFA	World Federation of Advertisers
WFL	Win for Life
WOM	word of mouth

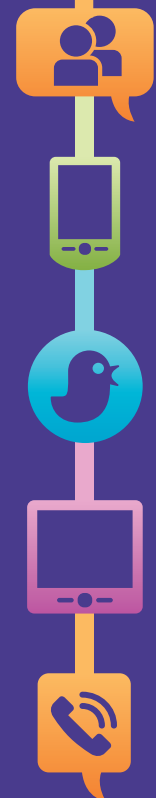
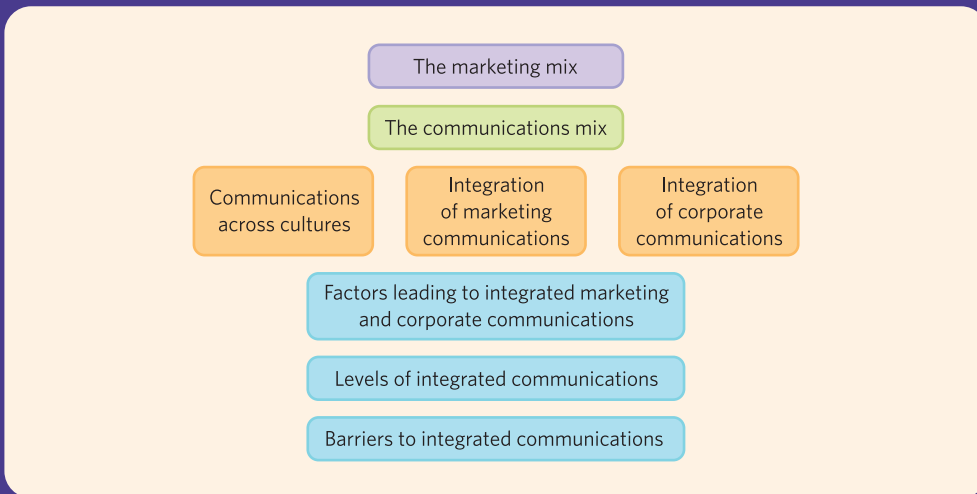


# CHAPTER 1

## Integrated communications



### CHAPTER OUTLINE



### CHAPTER OBJECTIVES

This chapter will help you to:

- Situate marketing communications in the marketing mix
- Get an overview of the instruments of the marketing communications mix
- Understand what integrated (cross-cultural) marketing and corporate communications mean, and their organisational implications
- Learn the factors leading to integrated communications
- Get an overview of the different levels of integration
- Understand why fully integrated communications are not easily implemented
- Get an overview of the essential steps in the marketing communications plan

## Introduction

The integration of the various instruments of the marketing mix is one of the major principles of sound marketing strategy. Obviously, this integration principle also applies to the various instruments of the communications mix. In fact, integrated communications have been practised by good marketing communicators for decades. Why, then, has the concept of ‘integrated marketing communications’ (IMC) in recent years developed into one of the basic new trends in marketing communications? Is IMC really fundamentally new? Or is it an old idea which has rarely, if ever, been realised? In other words, is it something everybody agrees on which should have been activated years ago, but for all kinds of practical reasons was not? Or is it nothing more than traditional marketing and advertising dressed up in fancy words and a new language?<sup>1</sup> Whatever the case, the integration of the various instruments of the communications mix is favourably influenced and necessitated by a number of important trends in marketing today. At the same time, barriers to change, and to the successful implementation of IMC, remain strong. The latter may explain why such an obvious concept as IMC, leading to a more homogeneous and therefore more effective communications effort, has not been put into practice much earlier. As a result, integrated communications have a number of practical and organisational consequences that influence the way in which communicators organise their communications function, the way in which they deal with communications consultants such as PR and advertising agencies and, indeed, the way in which communications consultants organise themselves.

## Marketing and the instruments of the marketing mix

**Marketing** is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create and exchange value, and satisfy individual and organisational objectives.<sup>2</sup>

Given the marketing objectives and goals, the target segments and the market position that has to be defended, the tools of the marketing plan have to be decided upon. The marketer has a number of tools to hand: the instruments of the marketing mix. Traditionally, these instruments are divided into four categories, called the 4 Ps or the 4 Cs of the marketing mix. Some of the tools of the marketing mix are shown in Table 1.1.

**Table 1.1** Instruments of the marketing mix

Product (Customer need)	Price (Cost to the customer)	Place (Convenience)	Promotion (Communication)
Benefits	List price	Channels	Advertising
Features	Discounts	Logistics	Public relations
Options	Credit terms	Inventory	Sponsorship
Quality	Payment periods	Transport	Brand activation
Design	Incentives	Assortments	Direct marketing
Branding		Locations	Point-of-purchase
Packaging			Exhibitions and trade fairs
Services			Personal selling
Warranties			Online communication



The product tool consists of three layers. The **core product** is the unique benefit that is being marketed. In fact it is the position, the unique place in the mind of the consumer, that will be focused upon. Often the brand is a summary, a visualisation of this core benefit and all the associations it leads to. The core product has to be translated into a **tangible product**. Product features, a certain level of quality, the available options, design and packaging are important instruments by which a core benefit can be made tangible. Finally, the **augmented product** gives the tangible product more value and more customer appeal. The augmented product can be defined as the ‘service layer’ on top of the tangible product. It includes elements such as prompt delivery, installation service, after-sales service and management of complaints.

Price is the only marketing instrument that does not cost anything, but provides the resources to spend on production and marketing activities. The **list price** is the ‘official’ price of a product. However, discounts and incentives of all kinds can be used to make the product more attractive. Systems of down payments and payment periods, combined with attractive interest rates, can also be used to make the offering more attractive and ensure that the immediate budget constraint is less of a problem for the consumer. The price instrument is an ambiguous tool. On the one hand, price cuts are an effective way to attract consumers. On the other, price cuts mean losing margin and profit. Furthermore, the customer gets used to discounts and may gradually be educated to buy on price and be a brand-switcher. The regular use of the price instrument is incompatible with building a strong position and a strong brand on the basis of product characteristics or benefits. Therefore good marketing can be defined as avoiding the price tool as much as possible.

By means of place or distribution, the company manages the process of bringing the product from the production site to the customer. This involves transporting the product, keeping an inventory, selecting wholesalers and retailers, deciding on which types of outlet the product will be distributed in, and the assortment of products to be offered in the various outlets. Distribution strategy also implies maintaining co-operation between the company and the distribution channel, and finding new ways to distribute products, such as infomercials (programme-length advertising and selling) and e-commerce.

Promotion or marketing communications (MC) are the fourth and most visible instruments of the marketing mix. They involve all instruments by means of which the company communicates with its target groups and stakeholders to promote its products or the company as a whole. The instruments of the communications mix are introduced in the next section.

## The communications mix

Often advertising is considered a synonym for marketing communications because it is the most visible tool of the communications mix. But, of course, a large variety of communications instruments exist, each with their own typical characteristics, strengths and weaknesses. Marketing communications is a process through which organisations and audiences engage with one another. Organisations convey messages that are of significant value to customers and stakeholders, and these audiences are encouraged to offer cognitive, attitudinal and behavioural responses. Marketing communications can inform and persuade audiences, they can differentiate the offering from one company or brand from those of others, and they can reinforce the relationship between an organisation and its audiences.<sup>3</sup> The tools of the communications mix were presented in the last column of Table 1.1.

**Advertising** is non-personal mass communications using mass media (such as TV, radio, newspapers, magazines, billboards, banners on websites, pre-roll ads in online videos, etc.), the content of which is determined and paid for by a clearly identified sender (the company).

**Brand activation** is the integration of all available communications means in a creative platform in order to activate consumers by stimulating interest, initiating trial and eventually

securing consumer loyalty. It is a tool used to build brands through interaction with target audiences as it helps increase frequency, consumption and penetration of the brand. It is a marketing process of bringing a brand to life through creating brand experience. Offering car buyers to do a test drive is a form of brand activation. **Sales promotions**, as a part of brand activation, are sales-stimulating campaigns, such as price cuts, coupons, loyalty programmes, competitions, free samples, etc. **Point-of-purchase communications** are communications at the point of purchase or point of sales (i.e. the shop). It includes several communications tools such as displays, advertising within the shop, merchandising, article presentations, store layout, etc.

**Online communications** offer new ways to communicate interactively with customers and stakeholders via the Internet and mobile devices. Online banners, pre-roll video ads, and advertising on social media are examples of online communications.

**Direct marketing communications** are a personal and direct way to communicate with customers and potential clients or prospects. Personalised brochures and leaflets (with feedback potential), direct mailings, telemarketing actions, direct response advertising, etc., are possible ways of using direct marketing communications.

**Sponsorship** implies that the sponsor provides funds, goods, services and/or know-how. The sponsored organisation will help the sponsor with communications objectives such as building brand awareness or reinforcing brand or corporate image. Sports, arts, media, education, science and social projects and institutions, and TV programmes, can be sponsored. Events are often linked to sponsorship. A company can sponsor an event or organise its own events, for instance for its sales team, its clients and prospects, its personnel, its distribution network, etc.

**Public relations** consist of all the communications a company instigates with its audiences or stakeholders. Stakeholders are groups of individuals or organisations with whom the company wants to create goodwill. Press releases and conferences, some of the major public relations tools, should generate publicity. Publicity is impersonal mass communications in mass media, but it is not paid for by a company and the content is written by journalists (which means that negative publicity is also possible).

Exhibitions and **trade fairs** are, particularly in business-to-business and industrial markets, of great importance for contacting prospects, users and purchasers.

Marketing communications try to influence or persuade the (potential) consumer by conveying a message. This message transfer may be directed to certain known and individually addressed persons, in which case it is called **personal communications**. The message transfer may also be directed to a number of receivers who cannot be identified, using mass media to reach a broad audience. This is called **mass communications**. Personal communications are mainly direct and interactive marketing actions and personal selling. All other promotional tools are mass communications. Table 1.2 compares personal and mass marketing communications using different criteria. This comparison does of course generalise. The practical implications of the selection mix depend on the situation and the creative implementation and execution of the communications instruments. For instance, a bad mail shot could also lead to higher selective perception and lower attributed attention.

Another way of categorising marketing communications instruments is to differentiate between theme or image communications and action communications.

In **image or theme communications** the advertiser tries to tell the target group something about the brand or products and services offered. The goal of image communications could be to improve relations with target groups, increase customer satisfaction or reinforce brand awareness and brand preference. This might eventually lead to a positive influence on the (buying) behaviour of the target group. Theme communications are also known as above-the-line communications, as opposed to below-the-line or action communications. This difference (the line) refers to the fee an advertising agency used to earn. All above-the-line promotional tools used to lead to a 15% commission fee on media space purchased. Consequently, above-the-line communications are synonymous with mass media advertising (TV, radio, magazines, newspapers, cinema, billboards, etc.). Below-the-line or **action communications** tools were

**Table 1.2** Personal versus mass marketing communications

	Personal communications	Mass communications
<b>Reach of big audience</b>		
Speed	Slow	Fast
Costs/reached person	High	Low
<b>Influence on individual</b>		
Attention value	High	Low
Selective perception	Relatively lower	High
Comprehension	High	Moderate–low
<b>Feedback</b>		
Direction	Two-way	One-way
Speed of feedback	High	Low
Measuring effectiveness	Accurate	Difficult

communications instruments for which the 15% rule was not applicable. This terminology has since lost its importance because most agencies now charge a fixed fee or hourly fee rather than using the commission system.

Action communications seek to influence the buying behaviour of target groups and to persuade the consumer to purchase the product. The primary goal is to stimulate purchases. In practice, theme and action campaigns are not always that easy to distinguish. Sometimes the primary goal of advertising is to sell, as in advertisements announcing promotions or direct response ads. Visits from sales teams may also have the purpose of creating goodwill rather than selling. Theme promotions such as sampling gadgets to increase brand awareness are also used.

## BUSINESS INSIGHT

### Eurocard/MasterCard: imbuing a well-known brand with richer emotional qualities



Europay International and its local partners market the Eurocard/MasterCard all across Europe. All countries differ in terms of the relative strength of the Eurocard/MasterCard, its target audiences and its major marketing objectives. For example, in Central Europe, the main objective is to introduce the concept of credit cards; in Germany to motivate and capture first-time card applicants; in France to maintain market share. This has meant that locally generated campaign and media strategies and tactics have been applied throughout the years. In 2000, a global campaign was launched to build brand awareness and to create a stronger emotional bond with the target audiences. This image-building campaign was intended to differentiate an essentially generic brand with well-known functional qualities from its competitors. The European-wide target group for the campaign was defined as people who use their credit cards intelligently and responsibly, essentially to achieve good things in their lives for their families, their friends, their colleagues and themselves. Eurocard/MasterCard users are supposed to be more family-orientated, more in line with values of personal balance and harmony, rather than hedonistic and materialistic. The basic selling idea is 'Eurocard/MasterCard: the best way to pay for everything that matters'. The creative expression is: 'There are some things that money can't buy – for everything else there's Eurocard/MasterCard.'

TV advertising has been used to launch, consolidate and leverage the concept of higher-level emotional values throughout Europe. The concept has been leveraged across all media and has also been used in below-the-line



campaigns. Eurocard/MasterCard was a sponsor of the UEFA Euro 2000 and the UEFA Champions League soccer competitions. In all countries, the campaign was extended into various other media. For instance, in France, print and outdoor advertising have become a key part of the media schedule; in the UK, cinema and national press were added; in Italy, radio and press were used. Both in Italy and Germany, an Internet site was set up, linked to the sponsorship of the Champions League. Research indicates that consumers value the campaign as sensitive and intelligent. It is considered to be advertising that clearly understands people as individuals and addresses them in an adult and positive manner. After the advertising campaign, unprompted brand awareness in nine European markets had increased by 3% to 37%. Unprompted advertising awareness had moved up from 5% to 11%.<sup>4</sup>

## Integration of marketing communications

**Integrated marketing communications (IMC)** is an old idea that emerged in the eighties and the nineties of the previous century, but is still (and increasingly) relevant today. Already back in 1993, Don Schultz, one of the founding fathers of the IMC idea, and his colleagues, defined it as follows:<sup>5</sup>

IMC is the process of developing and implementing various forms of persuasive communication programs with customers and prospects over time. The goal of IMC is to influence or directly affect the behaviour of the selected audience. IMC considers all sources of brand or company contacts which a customer or prospect has with the product or the service as potential delivery channels for future messages. Further, IMC makes use of all forms of communication which are relevant to the customer or prospect, and to which they might be receptive.

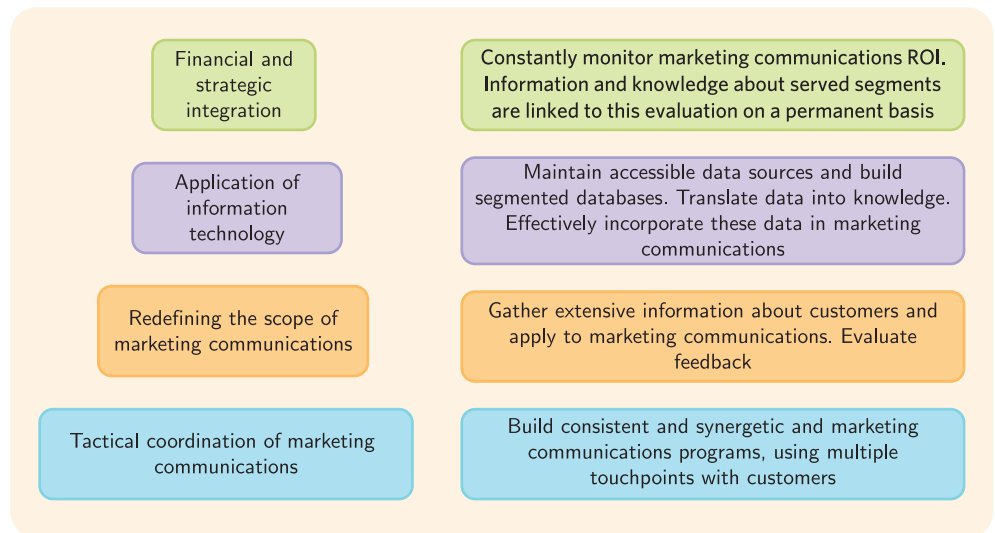
At the core of this definition is the idea that IMC starts from the customer point of view, and works backwards to develop effective communication. It is aimed at developing both attitudes and behaviour, and it is using all possible touchpoints with the customer. This multiple touchpoint perspective is sometimes referred to as ‘360 degrees communication’.

Since then IMC have been defined in a number of ways, stressing various aspects, benefits and organisational consequences of IMC. Duncan states that IMC is:<sup>6</sup>

A process for managing customer relationships that drive brand value. It is a cross-functional process for creating and nourishing profitable relationships with customers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialogue with them.

In this definition, again the focus is on customer-orientedness and building dialogues and relationships between brands and customers, stakeholders and prospects. Further, this definition again emphasises the use of multiple touchpoints and communication methods to support this dialogue. A particular feature of Duncan’s definition is that it stresses the need for customer insights: IMC is data-driven, and thus based on detailed customer information.

IMC is not just a way of communicating, it is or should become a strategic business process.<sup>7</sup> This means that the IMC idea permeates all levels of a company, and is the driving force behind the focus of a company: not just promoting products, but taking a customer-centred view and operationalising it for profitable brand building. This is represented in Figure 1.1. Over the last decades, many companies have been working on the basic level of the IMC pyramid, the tactical co-ordination of marketing communication. However, a true IMC philosophy implies that companies work their way through the next stages, in such a way that the focus of the company is building, monitoring and measuring the profitability of well-integrated marketing communications (top of the pyramid). In fact, for IMC to become the prime business driver, companies should first adopt this



**Figure 1.1** Stages in IMC development

Source: Kitchen, P. and De Pelsmacker, P. (2004) *Integrated Marketing Communications: A Primer*. London and New York: Routledge from Shultz, D.E. and Kitchen, P.J. (2000) 'A response to "theoretical concept or management fashion?"', *Journal of Advertising Research*, 40(5), 17-21 © Copyright Advertising Research Foundation 2000..

return-on-marketing-communications perspective, and develop their operations accordingly. Indeed, the essential characteristic of IMC is that marketing communications are built on deep customer insights and profitable customer relationships. In other words, the focus of a company should be to learn to know target markets thoroughly, and build marketing communications programmes that are profitable. This profitability should be monitored closely. ROMI (return on marketing communications) thus becomes of crucial importance. Only then is IMC strategically and financially integrated.

This book focuses on the bottom of the pyramid. From that perspective and putting it very generally, IMC:

is a new way of looking at the whole, where once we saw only parts such as advertising, public relations, sales promotion, purchasing, employee communication, and so forth, to look at it the way the consumer sees it – as a flow of information from indistinguishable sources.<sup>8</sup>

It is the integration of specialised communications functions that previously operated with varying degrees of autonomy. It is seamless, through-the-line communications.<sup>9</sup> The American Association of Advertising Agencies uses the following definition of IMC:

a concept of marketing communication planning that recognises the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, e.g. general advertising, direct response, sales promotion and public relations – and combines these disciplines to provide clarity, consistency and maximum communication impact.<sup>10</sup>

The various definitions incorporate the same core idea: communications instruments that traditionally have been used independently of each other are combined in such a way that a synergetic effect is reached, and the resulting communications effort becomes 'seamless' or homogeneous. The major benefit of IMC is that a consistent set of messages is conveyed to all target audiences by means of all available forms of contact and message channels. Communications should become more effective and efficient as a result of the consistency and the synergetic effect between tools and messages. In other words, IMC have an added value when compared with traditional marketing communications.<sup>11</sup>

Two principles are important when designing and implementing an integrated marketing communications mix, namely **consistency** and **synergy**. Marketing instruments have to be combined in such a way that the company's offering is consistently marketed. In other

words, all marketing instruments have to work in the same direction, and not conflict with each other. The second important principle is synergy. Marketing mix instruments have to be designed in such a way that the effects of the tools are mutually reinforcing. Sales staff will be more successful if their activities are supported by public relations activity or advertising campaigns. The effect of sponsorship will be multiplied if combined with sales promotion activity and public relations campaigns generating media exposure of the sponsored event. Advertising campaigns that activate consumers via online channels can be more impactful. Successful marketing communications depend on a well-integrated, synergetic and interactive marketing mix.

## BUSINESS INSIGHT

### Brighter mornings for brighter days



To reinforce its claim 'We bring brighter mornings', juice brand Tropicana developed a full-round integrated marketing communications campaign. On its website it explains the healthiness of its orange juice. As a juicy, delicious, nourishing orange only needs water and bright sunshine, Tropicana claims its juice is actually a bit of sunshine which brings mornings to life with a nutritious boost. Why? Because '*brighter mornings develop into brighter days*'. This message is also stressed in its TV commercials. To further bring the message alive, Tropicana organised several events in which it literally brought sunshine to people in the farthest reaches of Canada, but also in a more iconic place, Trafalgar Square in London. The event in London was on the same day that the TV campaign kicked off. A giant helium sun was installed which was 30 000 times bigger than a football, had a surface area of 200 m<sup>2</sup> and weighed over 2500 kg. The internal light source of the Trafalgar sun produced the equivalent of 60 000 light bulbs: 4 million lumens of light. The sun rose an hour earlier than normal sunrise and set three hours later than normal sunset, giving people in London four additional hours of sunlight. Next to delivering this unique brand experience to people, informing them on the website and bringing the message in advertisements, the claim that a glass of Tropicana tastes delicious and energises your day was reinforced by digital and point-of-purchase communications, free samples, a PR campaign, a movie on YouTube, and a Facebook action.

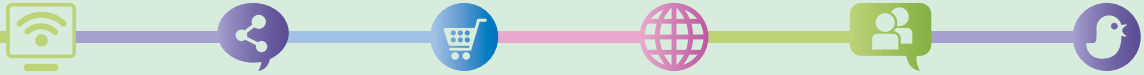
Who would not believe that if Tropicana can bring sunshine to the darkest places of Canada and light up London like this, it would not be able to bring a little bit of sunshine to your breakfast table?<sup>12</sup>

The rationale behind this new way of looking at marketing communications – and certainly the most relevant issue in the whole IMC discussion – is the consumer's point of view. The consumer does not recognise the subtle differences between advertising, sponsorship, direct mailing, sales promotions, events or trade fairs. To him or her, these are all very similar and indistinguishable ways that a company employs to persuade people to buy its products. Therefore, it is very confusing and less persuasive to be confronted with inconsistent messages. Consumers may be more sensitive to commonalities and discrepancies among messages than to the specific communications vehicles used to transmit them.<sup>13</sup> IMC may therefore also be defined from the customer's point of view. It is in the field of communications where the receiver is offered sources, messages, instruments and media in such a way that an added value is created in terms of a faster or better comprehension of the communication. Integration occurs at the consumer or perceiver level. It is the task of the communicator to facilitate this integration at the consumer level by presenting the messages in an integrated way.<sup>14</sup> In fact, there is a need to manage each point of contact between the consumer and the product or organisation.<sup>15</sup> In Figure 1.2, an overview is given of various elements of the communications mix, and the potentially integrating role of marketing communications.<sup>16</sup>



## RESEARCH INSIGHT

### How to brand entertainment: the effectiveness of combining television brand placement with sponsorship messages



Companies are increasingly investing in brand placement, the (paid) incorporation of brands in media content. For example, Volkswagen invested \$200 million in 2005 to have their cars placed in diverse NBC productions,<sup>17</sup> while brand placement investments in the 2013 Superman film *Man of Steel* were around \$170 million.<sup>18</sup> Between 2006 and 2011, the global brand placement industry achieved a compound annual growth rate of 12.6% and in 2014 it was estimated to be worth \$8.25 billion.<sup>19</sup>

Almost all extant studies treat brand placement in isolation from other forms of marketing communications.<sup>20</sup> As a result, previous research does not accurately capture the current marketing communications environment. Brand placement is increasingly used as a communication tool in a broader promotional strategy.<sup>21</sup> For example, the Dutch beer brand Heineken set up a promotional campaign around its appearance in the 2012 James Bond film *Skyfall*. Heineken broadcast commercials featuring Bond and hosted sponsored events both before and after the movie premiered. Another example is Coca-Cola's long-standing promotional agreement with *American Idols*, which combines in-programme placements with sponsorship messages.

In a Belgian study, the effectiveness of brand placement in a television programme, sponsorship messages and their combination was investigated by means of two field studies. Study 1 measured the responses of a panel of viewers ( $n = 7629$ ) to 19 real-life advertising campaigns for 15 brands that ran across 8 entertainment shows on Belgian commercial television. The majority of the programmes were local talent competitions (singing, cooking, dancing contests), with the exception of *'Sofie's Kitchen'*, which is an instructive cooking show (cf. *'Nigella's Kitchen'*). Study 1 allowed viewers to assess brand placement and sponsorship messages as they operate in the real world. For each of the 19 campaigns, a quota sample was collected from the consumer panel of a Belgian market research agency. Respondents were contacted one day after the final episode of a certain show was broadcast, and given a week to complete the survey. Each sample was collected using a quota sampling procedure, in order to be representative of the television network's viewer profile.

Study 2 replicated the findings from Study 1 by means of a naturalistic experiment ( $n = 334$ ). A between-subject experiment was set up that consisted of four different experimental conditions. Participants were invited to a studio at Belgium's leading commercial television network, which was converted to a viewing theatre, to watch a 44-minute episode of the Flemish version of the reality cooking show *'Masterchef'* (the episode was not previously aired on television). The viewing theatre was equipped with a large screen and comfortable seats. The episode was interrupted by one commercial break of 5 minutes, which contained 10 commercials of 30 seconds for brands that are not competitors of the test brand (i.e. Bosto, a brand of rice). In the first condition (programme sponsorship message plus brand placement), viewers were exposed to an episode that included a clear 5-second brand placement (i.e. a participant uses a box of the test brand's rice to prepare a dish) plus two sponsorship messages for the test brand (i.e. a 5-second animated video that showed rice grains falling out of a box with the statement 'It's raining culinary talent with Bosto and Masterchef'), one at the start of the programme and one after the commercial break. Viewers in the second condition were exposed to the brand placement only. The third group was exposed to the sponsorship messages only. The fourth group was a control group that saw the episode without brand placement or sponsorship messages. Episodes without brand placement (i.e. conditions 3 and 4) were edited by the production department of the cooperating television network, who subtly blurred the rice package so that viewers could not derive the test brand. In the conditions that do not contain sponsorship messages for the test brand (i.e. conditions 2 and 4), these messages were replaced by sponsorship messages for a brand that is unrelated to the programme context (i.e. Kleenex tissues). This was done to keep the exposure time constant across conditions, and to make the viewing experience as realistic as possible. All other branded products that appeared in the episode were visually blurred, so that they could not be recognised. After watching the episodes, participants completed a questionnaire measuring brand recall and brand attitude.

