

Marketing Management - II
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Lecture No. W7-L5

Designing and Wholesaling Marketing Communication

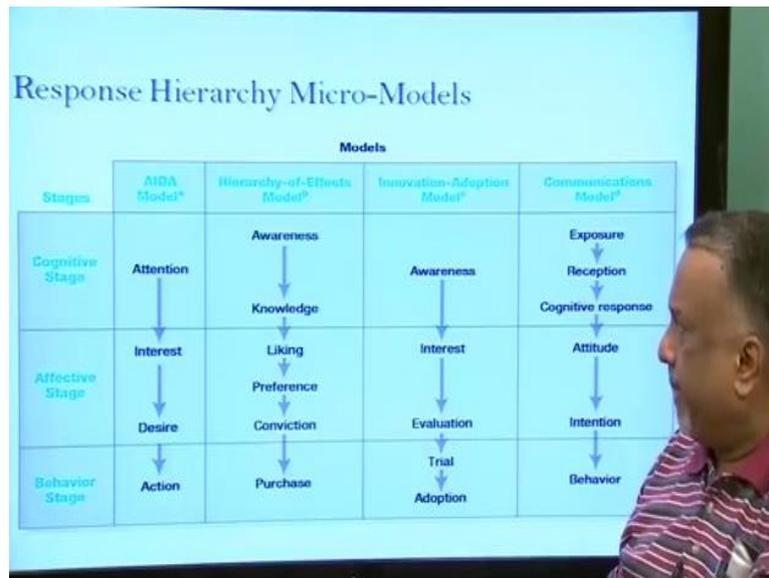
Hi, Welcome to this fifth session of the seventh week of our course Marketing Management II and we are discussing integrated Marketing Communication.

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Yesterday, I ended with this particular slide and this is where we will start today. This diagram about message strategy and creative strategy and message source could also be seen as like a pyramid or order the message strategy depends on creative strategy and message source. Now, the message strategy has fundamentally says that what discussed in our previous model.

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That the message strategy has to know that the role of marketing communication is to appeal to the rational self. But the rational self does not lead to the purchase action and therefore the message strategy has to also look at sensory social and ego satisfaction aspects often actually product message strategy will sort of evolved over this.

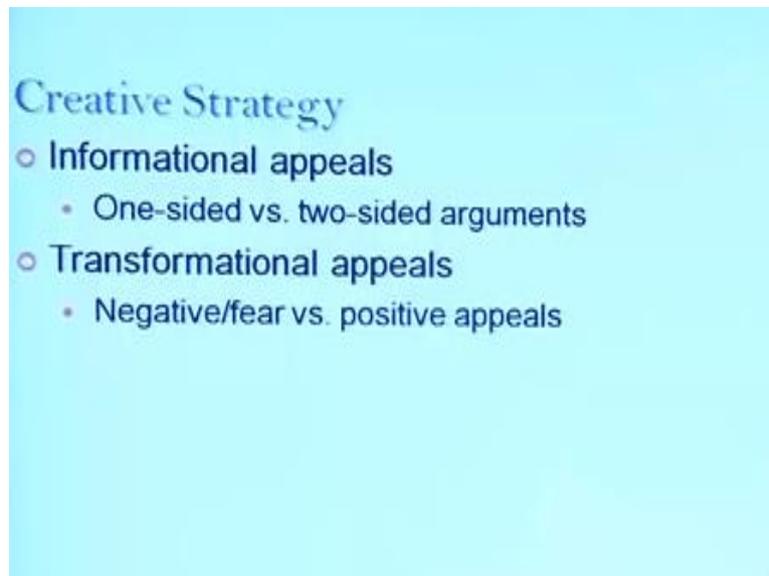
If you look at for example, Kurkure you will see that initially its message was based on the uniqueness of the shape and the taste and as you know Kurkure used some technology by which actually they used a blend of corn and rice powder and other and through an extrusion process created a fluffy, crispy, speak a twisted product salty snack. Now for the way to wait because of this fluffiness it actually came in a larger package.

So, initial communication of Kurkure sort of give a subtle and sometimes very explicit into that it's actually offering you more value for money because it's giving you more by way of you know that. So that size actually was an appeal to the rational self but then over time it actually tried to focus more on the sensory aspect that how the taste was different or how actually it created a different kind of sensation when you consumed it as opposed to say a potato chip or other kind of namkeen snack.

And then over time of course as you if you had seen or if you are if you had been watching Kurkure ads, you know we had film stars who actually highlighted Kurkure as a sort of a product that goes well with family events or you know family bonding. So, you created some social aspect appeals in the consumption of that product. So, you see message strategy has

therefore within that the strategy to appeal to both logical side as well as the emotional side of the consumer which ultimately leads to the purchase action.

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And then there are interesting aspects with respect to this creative strategy. So, creative strategy has two sides again informational and transformational. The informational means actually again the appeal to the rational self. So, if you compare with this model the Ida model or the hierarchy of effects, so the message a creative strategy has to first appeal to the awareness and knowledge building side the cognitive stage.

And then you have to actually appeal through the transformational part of the message you have to appeal to this effective stage or the emotional social side of the purchase process. So informational appeals again are one sided or two sided. One sided means, you know the usual you talk about all the goodness of your product how it is superior, why it is good for you and so on and so forth. So, this is the conventional.

These are very clever ways sometimes products have some you know sudden bad publicity do too. It could be factual or it could be planted by your competitors whatever it is like for example, I think there was a rumor that Kurkure has plastic in it. Because it was the extrusion process and plastics are extruded plastic products many. So, there were some connotation, I do not know whether which one was true but anyway for our discussion what is important.

How Kurkure reused two sided arguments which means in one sided argument you highlight the positive sides and then you will conclude that why. Therefore, it is good for the consumer

to buy your product but in two-sided argument you may actually start with the negative side that people are talking this and that about the product and then you present facts and then you present scientific evidence etc.,

To show that that is not true this two-sided argument strategy for informational appeal was very oddly used by Nestle recently after the Maggie's case about you know chemical content of Maggie and etc., So, two-sided argument two-sided arguments as I said marketing communication not only has the role of promoting sales marketing communication also has this very important role of protecting the business itself in case of adverse developments and so on.

And sometimes you know like, for example the famous case of Tylenol where due to some contamination which happened due to malfeasance of some of the employees in the production process. Tylenol did create some health hazard and even some deaths but in their famous communication strategy that manufacturers actually came up admitted the problem and then showed how the problem had happened and then further communicated.

That what all things they have done to ensure now that it will never happen again and that how quality processes have been improved so very significantly in response to that accident that happened. So, customers actually finally forgive them and in fact the market response became much better and the two-sided argument was very ably used in that case the transformational appeals actually what happens is it like as I mentioned in our previous model, this is the informational side and this is the transformational side.

Transformational side is you are transforming the knowledge or awareness about your product into interest and desire or from liking to preference to conviction. You see how it is ascending in this, in a way actually if you see liking preference conviction so taking the customer up on that path helping them to you know go towards the purchase decision in that process.

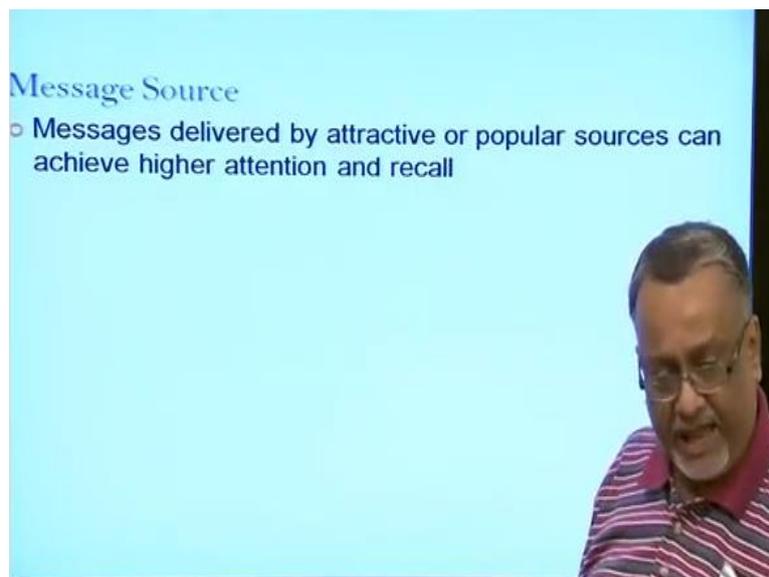
You are actually handling many emotional issues relating to safety for it. That's why you will see that in a car marketing communication advertisement or different other ways of communication to you about a new car. There will be informational approach where you will be talking about the horsepower or the engine size or the fuel efficiency about the extra space

available or better stability etc., But then beyond the facts like say better stability or better suspension system or better clearance to take care of the Indian road conditions.

You will then go for transformational appeals, so you will show that how easy it is for the child to go to sleep and the back seat and how safe it is the child, how safe it is for your family members who might have gone off to sleep, how safe it is when suddenly you have to apply the brake. So, tires cars many as many such products will be starting with informational appeals starting with facts starting with advantages starting with scientific and technical information.

But will often conclude to take care of the transformational side. So that, you know negative fear is transformed into a positive appeal uncertainly which is felt by customers in all purchase situations will be converted into conviction by using the transformational appeal of your marketing communication.

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Then message at you the profuse use of film stars and cricket stars and other sports personalities or even other famous public figures in marketing communication is because you want to authenticate your message by using the trust or popular appeal of your message transmitter.

And that's why we will see Sachin Tendulkar who has always been very dependable as a sports person or Amitabh Bachchan, who has always been you know he has been a long-standing actor a very able actor and who has evolved over time and today has become you

know almost like a you can say cult person image is used to leverage the image that you want to transmit.

So, he becomes a good brand ambassador for a many construction products because you want to his appeal which has lasted a long period is a subtle message that is given in say in the construction steel product or in cement and other areas. That is why he is often very popular brand ambassador for such products. So, message delivered by attractive or popular figures achieve higher retention and recall.

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So, of course you have to use select the channel as I discussed that earlier that there are personal communication where there are actors, there are people from different walks of life. But there can be also non-personal, so it these there are the communication on the packaging inside the package and various other ways of communicating it is the message coming up on the ATM screen or it could be messages which are on the side of the bus and so on.

So, there can be personal communication as well as a non-personal communication, to decide on the budget marketing communication budget which I was talking about when I discuss the whole process. You remember that diagram that which we showed, that here you see here we look at the different channels and decide on the media mix based on our budget.

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Establish the Total Marketing Communications Budget

- Affordable method
- Percentage-of-sales method
- Competitive-parity method
- Objective-and-task method

Now, how do we decide the budget and budget it can be these are the 4 major methods for deciding on the marketing communication budget. So, one is the affordable method and that means you know the money that you can spare that is this is the method used by many startups entrepreneurial companies. Then there is percentage of sales so there are there are some industry norms.

So, you know allocate one percent of your increased sales target or two percent of your sales target sales volume for sales promotion. So, there are some norms in certain industries, so if you are actually in a beverage industry and there are some norms that you have to follow which is also closely related to the next one, which is competitive parity. So, if you are an incumbent that means your brand is the lead brand then maybe you will have to you can use.

So, they are suppose there is a market structure usually many of these markets are in oligopolistic structure that means there are few major players who control eighty ninety percent of the market. So, these three or four players who will be controlling the eighty ninety percent of the market will all have a certain percentage their sales volume dedicated for marketing communication.

So, we looking at the competitive parity and percentage of sales will be allocated but suppose you are a new entrant in that market and you are coming up with a different value proposition maybe on health basis, maybe a natural ingredient basis, maybe using the appeal for new technology or new method of manufacturing or new efficiency. Then you may have to spend

more or you may have to use more number of channels and different media not necessarily always spending more money.

But you may actually use like for example, Patanjali which has come up and competing heavily with Hindustan Unilever or ITC and other stalwarts or incumbent park it leaders. It has come up and created a position for itself very rapidly based on the appeal of natural ingredients and herbal ingredients and age old ayurvedic appeals etcetera.

Now to promote they used TV ads, they used print ads but they also leveraged the yoga sessions of their owners. They use different kind of health events or camps to promote their product also to increase the occasions of trialability and sample distribution and because these yoga camps attract thousands of people. So, all these people are say target customers for biscuits and now you have come up.

Patanjali has come up with some you know more biscuits using more natural ingredient according to them more healthier option. Now normally it would be quite not so easy it will take a lot of money to go for a mall promotion and to get thousands people to try this new product. But at yoga camp this may be a natural fit that at the end of the session. You know all the customers are given, all the participants are given, some a healthy drink and some this healthy biscuit and as a result, you get a huge opportunity to promote.

So, you can leverage different clever combinations of the conventional marketing channels and leveraging a various kind of occasions and unconventional opportunities to match the requirement of more promotion needed to compete against the incumbents. So, that's what we call objective is as a new entrant to snatch market share from incumbent and you have to therefore go on a multi front assault.

And therefore, you can combine conventional methods as well as unconventional methods so that is what we call the objective and task method. So, at this stage, it is more tactical but here you are looking at percentage of sales method or competitive parity method or affordable method is more tactical. But this is a most strategic approach, where you can use some clever intuitive combination of regular and unconventional channels.

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So, finally to conclude a selecting the marketing communication mix these are the different ways you can communicate we have already discussed these in detail.

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And then we know that each I have been discussing that each way or each communication approach has its benefits or challenges. So, in case of advertising in a newspaper, you can reach out to millions of people depending on the circulation of the newspaper or a magazine.

A magazine lasts over a week or over a month and therefore it has the possibility to be more pervasive. It can actually dramatize their brand by using clever copy image color and so on. And of course, if it is TV advertising you can blend in humor, you can blend in suspense, you can blend in different dramatization approaches. So, the toothpaste trying to create the

differential appeal of freshness, fresh breath and in addition to cleanliness or gum health can actually dramatize the brand.

When it shows the blood on the apple that is bitten and to show that gum health is needed or it will show how if the game is not cared for you know the teeth falling. So that is nothing but a dramatization or it can actually the famous k family add series in case of Kurkure it brings in humor and family values etc., So, advertising gives us a lot of opportunities to blend drama, social message, various family occasions or a fun and frolic occasions with friends.

So, you will see that the many of the mobile service phone service ads and that they talk about you know the importance of friends and importance of communication with friends. In the process, of course if you want to communicate more and more with friends using the mobile phone service, the phone service is getting more revenue because their service is going getting used. But you are actually dramatizing the need of friendship and need of communicating with friends to detain friendship.

So, you can use the drama to focus on the brand aspects the sales. So, advertising using number of repeats can actually create a long-term effect sales promotion draws attention. But the sales promotion is actually a very good approach like, if you are there is a weekend occasion at the mall where there is music you are actually having a band playing and an in the intermissions or in between you are actually talking about your new product.

And you are distributing the product for people to try out and this is very often used for food beverage and other related like candy or some impulse food products. And so, draw attention provide incentive for consumption invite people to try out your products sales promotion is very good which also goes hand with events and experiences. So, you can often use indirect soft sell.

So, you can actually have a fashion show and at the same fashion show therefore you can actually talk about a new line and also you know promote where all the product will be available you can provide some sample sale in case of some new cosmetic product etc. So, these are used in conjunction with events and experience in direct soft sale and as I discussed yesterday or I think they before about public relations and publicity. So, if you are actually news item published about your product in the journals and newspapers.

The new features about your or maybe some story write up about you as an entrepreneur it creates credibility and that gives the story of the company or the brand in a more much more believable format. And then we have discussed also the different aspects of online and social media marketing and mobile marketing. Mobile marketing can be very powerful because what we call proximity ads or so you are in at Palika bazaar or if there are mobile ads on your phone talking about a new cosmetic products available in certain shops there or that can actually be very time sensitive.

So, each one of these have their pros and cons please do read this chapter number 17 and Kotler and Keller book and please go through these points read them carefully that how their online and social media. I have discussed all these in an earlier session but this is just as a conclusion reminder for you for the wrap up. Direct and the bass marketing can be more personalized.

Personal selling is absolutely important at the final stage when the purchase decision is made. Personal selling is the key communication method for industrial products or for high value consumer products. Because the message can be customized looking at the person looking at the so good sales people can quickly understand the customer and customize their pitch and personal selling also creates the opportunity for a long-term relation and it is you are getting real time response.

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So, the message can be much more powerful but obviously personal selling is the best, but the most expensive and so which one you will use what combination you will use that mix

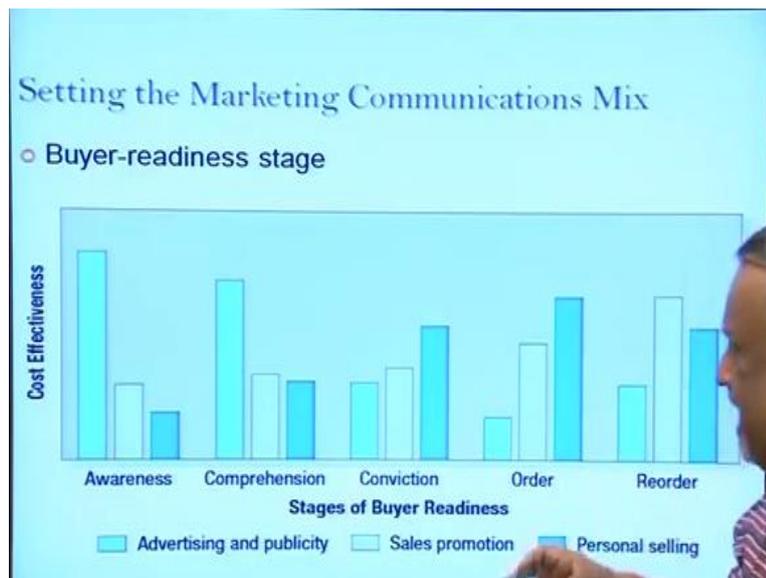
will depend on consumer versus business market and what kind of product life cycle stage. This is a very interesting, so you are aware of the plc product life cycle where at the introduction stage there are customers who are innovation and early adopters then the product matures a little bit and attracts the early majority then it matures further and enters the saturation stage.

Now at each stage the marketing communication changes in the initial stage when you are trying to attract ugly adopters are innovators your message will be focused on the uniqueness on the differentiating features of your product. But then as the product matures and you are trying to attract the majority you will have to talk more about price, you will have to talk more about your quality, reliability, and those functional parts.

But at the same time, you have to maintain the emotional appeal or the appeal of innovativeness in your product that was the original pitch. So, you retain that pitch but add more and more that how cost effective is your product, how efficient is your product, how reliable is your product and so on. And at the next stage when it is approaching saturation then you may have to create specific messages for different market segments.

Because that time the market has different kinds so at that stage like say mobile phones if it is approaching the maturity stage or in western markets where it has already reached the maturity stage. You will have to have different marketing communication packages for children or very young people who will be buying phones, for working professionals will be buying your phones, senior citizens will be buying your phone, so different phone models, different communication packages will go hand in hand appealing to different market segments.

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So that is the normal marketing communication strategy at the saturation stage and lastly, I will end with this particular diagram and you will see here that advertising and publicity sales promotion personal selling. They play different roles at different stages of the buying process very interesting and a very powerful slide and you see in the awareness stage you the role of advertising and publicity is very dominant. So, this blue and the first blue is relating to advertising and publicity.

So, at for awareness creation or for comprehension, so for a transmitting informational as well as transformational message and the role of advertising and publicity is dominant. But as you see as you come to the conviction and order stage the role of sales promotion increases sales promotion and personal selling at the final stage, the ordering stage you see the personal selling at the point of sale that has the highest importance.

And then for the reorder your personal sales promotion as well as personal selling, these have much more importance compared to advertising. So, this slide emphasizes that marketing communication is not only advertising as we often think it has all these different approaches, has different importance at different levels of the sales cycle. So that I will go back to the slide which shows that this process.

So, as you see here at this stage advertising has more role but personal selling has a much higher role at this stage where the purchase action is taking place. So, from advertising to sales promotion to personal selling, we traverse across this buying process. So that sort of brings to you the all the fundamental concepts and tools and processes and models for

integrated marketing communication I will take up some specific or later or what is happening right now type of issues in the field of marketing communication in our last lecture tomorrow. Thank you!