



SYLLABUS

B.Com II SEM

Subject – Marketing Communication

UNIT – I	Communication – Meaning, nature and importance. Communication process and elements of communication process. Barriers in communication.
UNIT – II	Application of the communication process in Marketing. Strategies and elements of effective marketing communication. Feedback, communication models.
UNIT – III	Marketing communication mix concept, factors affecting the promotion or communication mix. Communication mix determination process.
UNIT – IV	Personal selling – meaning, importance and types: Selling process, Sales talk – meaning, techniques, sales promotion – meaning and definition, objects, importance, types and methods. Public relations – meaning, objects and importance.
UNIT – V	Setting up of target, policies, strategies, integrated communication in marketing, recent trends in marketing.



Meaning

A process by which product information is transmitted to the *target audience*.

Marketing communication (MC) is a collective term for all the various types of planned messages used to build brand-advertising, public relations, sales promotion, direct marketing, personal selling, packaging, events and sponsorships, and customer service.

Marketing Communication functions, however, have little value without media, the vehicles through which marketing communication messages are carried to (any from) target audiences. The media that marketers use most frequently include TV, radio, newspapers, magazines, outdoor boards, internet, mail, and the telephone.

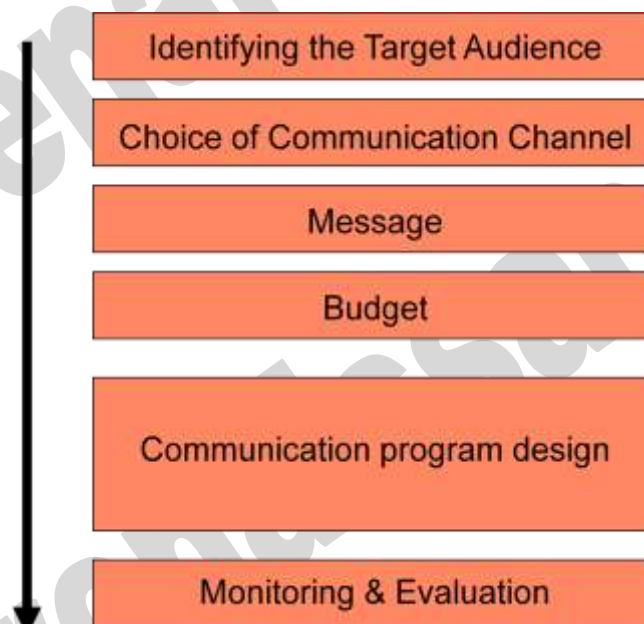
Building brands is the overall objective of all marketing communication as well as marketing.

Nature of Communication

- Communication involves plurality of persons
- Existence of message is essential which may be the orders, instructions or information about the managerial plans, policies, programmes
- It's a two way and continuous process
- Its primary purpose is to motivate a response
- Communication may be formal controllable or informal uncontrollable
- It can be in vertical, horizontal or diagonal

Principles of Effective Marketing Communications

- WHO?
- WHERE?
- WHAT?
- HOW MUCH?
- FORM – CHANNEL – PERIOD OF TIME
- WHAT WAS IT?





Objective of marketing Communication

- To persuade target audience
- To give and receive information
- To provide advice
- To educate and train customer
- To issue orders and instruction
- To receive suggestion

Importance

1. Persuasion is one of the factors of marketing communications. Persuasion is the main reason companies engage in marketing: to persuade their target audience to take action, as in, buy their product or subscribe to their services, make a phone call, or donate money.
2. All marketing communication is goal oriented, as the predetermine objective helps to create effective marketing communication strategy.
3. Every successful marketing communications helps plan the marketing message at every contact point that are received by the target audience.
4. It facilitates in controlling the performance and take necessary remedial actions on the basis of feedback information from them.
5. Communication creates a meeting of minds and improve industrial relations. It helps to develop mutual co-operation and understanding thereby improving industrial productivity.
6. Communication is indispensable for every organization to develop and maintain reputation or goodwill with its customers, investors, dealers, suppliers etc.

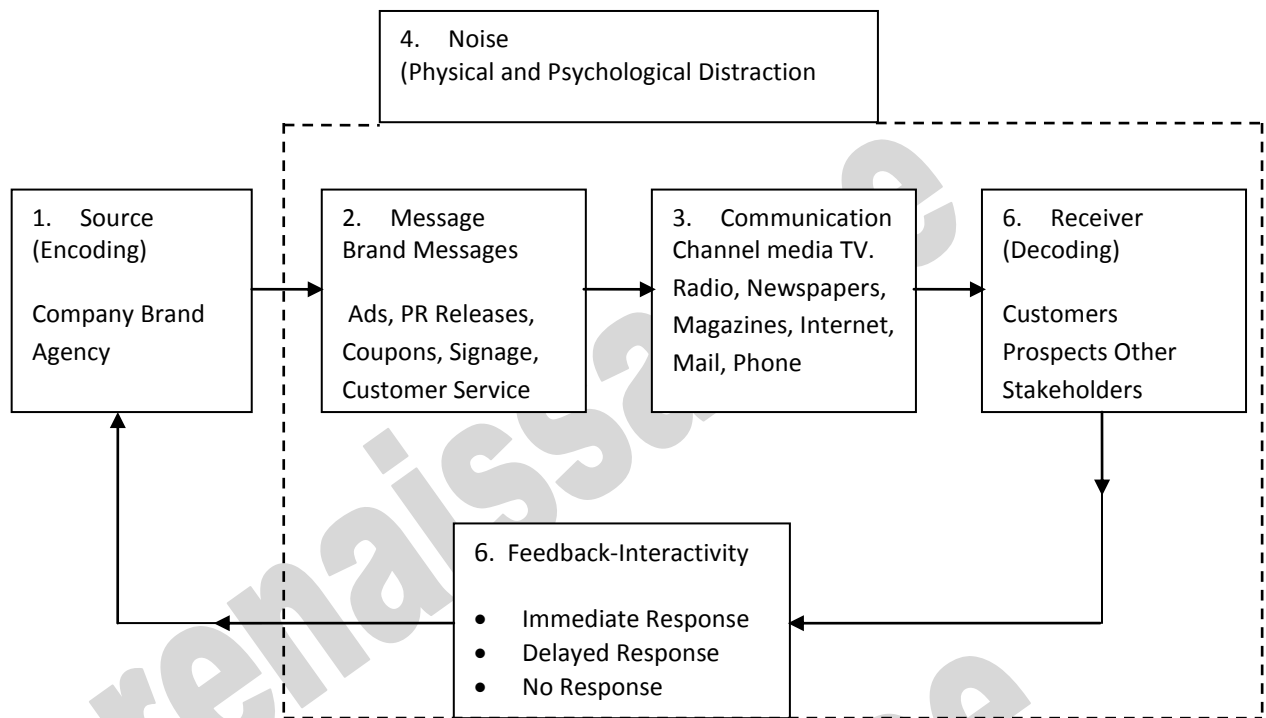
Elements of Business communication

- Sender
- Message
- Encoding
- Channel and medium
- Receiver
- Decoding
- Feedback

Process

Marketing communication is a process for planning, executing, and monitoring the brand messages that create customer relationships. MC is about synergy (discussed below) and creativity, integration, and communication. Although many companies have coordinated and focused their marketing communication to a certain extent, one of the best examples of how to do MC is the story of Saturn. The receiver is anyone who is exposed to a message. Once receiver, usually customers and prospects, receive a message, they must decode it. Decoding is the process of interpreting what a message means. After customers decode a message, they respond in some way, indicating to what extent the message was received, properly decode, and persuasive. This response is called feedback, which is a response that conveys a message back to the source.

The communication process occurs in a context or environment where other things are going on-competitive brand message, people walking by, a telephone ringing, as well as thoughts inside customers' heads. These "other things" are called noise-interferences or distractions that can negatively affect the transmission and reception of a message. Companies and their NC agencies go to great lengths to create brand message that have impact that are attention getting as well as memorable.



Barrier of communication

1. Physical barriers-

These are the interference that occur in the environment in which the communication takes place.

- Noise means interference that occurs in a process which blocks the receiver to receive the information and understand at the expected degree of perception
- Improper timing also hinders the communication process
- Physical distance or in a situation where there is scattered or too many division of audience, it becomes difficult for the sender to check whether message is properly understood or properly acted upon or not.

2. Language Barrier

Language problem occurs when people use either the same words in different ways or different words in the same ways.

- Variety of meaning- to avoid word seldom sender and receiver must have to understand & choose one meaning in order to call the communication perfect.
- Communication becomes even more difficult because of different cultures and classes in globalised world. Same category of symbols, colours, phrases, actions mean different in different culture.
- Lack of clarity and precision in a message makes it badly expressed which leads to vague and poor expression.
- Un clarified assumptions which underlay in the message practically are expected to be understood automatically by the receiver.
- The sender does not specify everything in the message and receiver may presume nothing beyond the message or may assume different things.

3. Organisational Barrier

The factors internal to the organization which adversely affect the flow of communication are called organizational barrier

- Organisational policies, rules and regulations that are not supportive to the flow of communication or affects the flow of communication by prescribing the subject matter and channel to be used.



- If the organisational structure is complex there may be a large number of barriers that develops. Intermediary levels are likely to distort, withhold or stop message intended to float and message may lose its usefulness because of delay.
- Wrong choice of channel may lead to miscommunication or failure even when the message is effectively and clearly formed.
- Improper interpretation of the feedback received.

4. Psychological or perceptual barrier

Every human may interpret the message based on his knowledge and understanding, this can be based on perception as well.

- In the form of Selective perception, consumers tend to block new information if it conflicts with existing belief.
- Premature evaluation takes place when there is tendency to form judgment before listening to the entire message. It may mislead the consumer and result in distorted decoding.
- Psychological or emotional barrier are another block, particularly in inter personal communication process as these are stronger than physical barrier because message cannot penetrate easily. Social values, inferiority complex, biased approaches, sentiments attitude affects the quality of communication.
- Inferring- direct seeing hearing, feeling tasting, smelling etc can be verified and hence constitutes a fact but when non experts draw inference without trying to verify facts, it causes communication issues.

5. Personal factors

Barriers that are internal to the sender or receiver are referred as personal factors

- Barrier due to resistance to change or adaptability
- Lack of trust and acceptance based on past experience of the product by the receiver
- Lack of ability to express and communicate desire adversely affect the feedback



Unit II

From Keith Devis - Communication is a process of passing information and understanding from one person to another.

From Wilbur Schramm - Communication is something people do. To understand human communication process, one must understand how people relate to each other.

TYPES OF COMMUNICATION CHANNELS

The main function of different communication channels is to diffuse the information correctly in the same sense carrying the same meaning as desired by the source.

1. **Vertical Channel** – A vertical channel exists, if there is meaningful difference in the interest's social status, demographic or economic characteristics of the communicating units or groups. In marketing the relations among manufacturer, wholesalers, retailer and consumer are often thought of as a vertical channel because these communicating groups differ from each other in various perspectives but still they provide a link (channel) between the manufacturer and the consumer.
2. **Horizontal Channel** – If the communication flows among members of a group having similar interests, social status, demographic or economic characteristics, it is horizontal channel. A group may be defined in many ways i.e., a social group, a work group, a professional groups. In marketing, communication from one consumer to another consumer may be identified as horizontal channel.
3. **Formal Channel** – A formal channel is one that is established intentionally and is under the control of communicator. Thus an advertiser has a formal channel to a target audience, that is established by choosing various media alternatives. The use of channel is paid for by the advertiser and is sometimes called the mass or direct exposure channel.
4. **Informal Channel** – Opposite to formal channel, an informal channel is one, not intentionally, established and not under the control of communicator. It is the word of mouth aspect of advertising and is sometimes referred to as interpersonal or indirect exposure channel. Although, an advertiser has no direct control over what is communicated through the channel he can attempt to influence it in one way or the other.

ELEMENTS OF COMMUNICATION PROCESS IN MARKETING

Barbara Stern at Rutgers University proposed a more sophisticated communication model, derived from the traditional oral one but more specific to advertising. The Stern model acknowledges that the source, the message, and the receiver ye multiple dimensions.

a. **Source dimensions : the sponsor, the author, and the persona**

Certainly the sponsor is legally responsible, for the communication, but it usually does not actually produce the message. The author of the communication is actually a copywriter, an art directory, or, most often, a group at the agency. However, within the text of the ad, some spokesperson, real or imagined, usually gives the ad or commercial a voice. To the consumer, this persona is the source of the within-text message.

b. **Message dimensions : autobiography, narrative, drama**

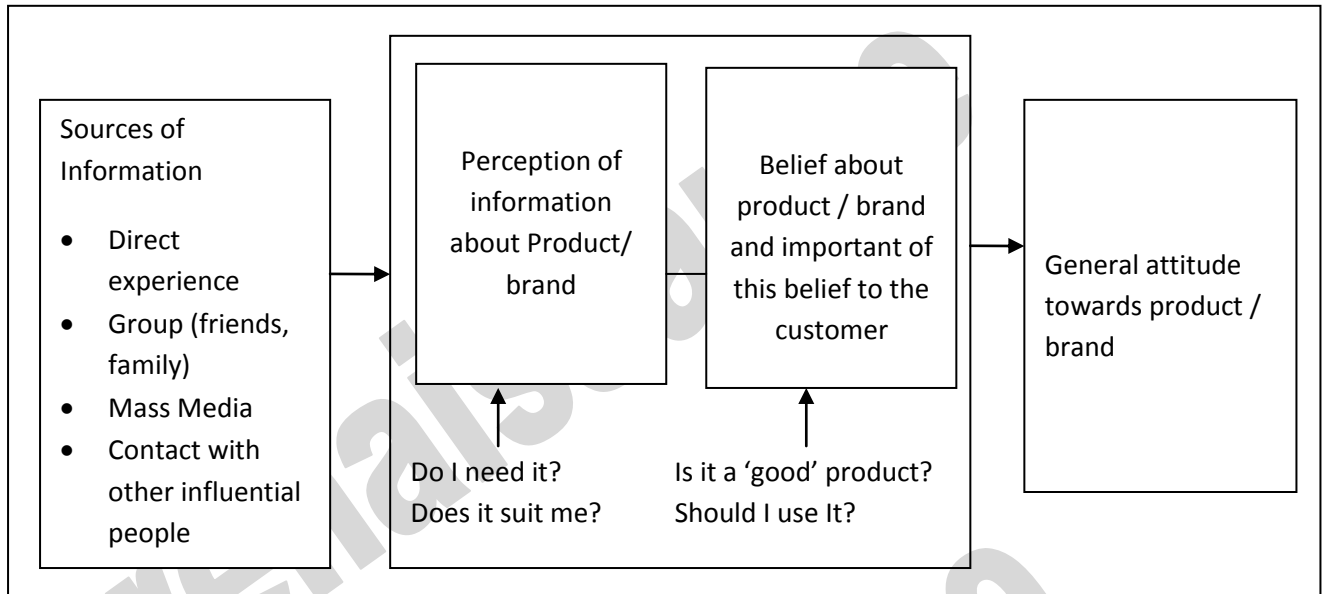
Multiple types of messages are communicated in advertising. Some messages are autobiographical. In narrative messages a third-person persona tells a story about others to an imagined audience. Finally, in the drama, the characters act out events directly in front of an imagined empathetic audience. In the encoding process, the advertising professional usually begins by studying the emotions, attitudes, and concepts that drive particular Customer. Once those are identified, symbols are developed are then placed in the most suitable format for the message dimension and the medium in which they are to appear

c. **Receiver, .dimensions: implied, sponsorial, and actual consumers**

On advertising, receivers are also multidimensional. These implied consumers addressed by the ad's persona are not real. When we move outside the text of the ad, the first line of consumers is the 'group of decision makers at the sponsor's company or organization. So, before an ad ever gets a chance to persuade a real consumer, it must first persuade the sponsor's agents.



INFLUENCE OF COMMUNICATION ON CONSUMER ATTITUDE



APPLICABILITY IN MARKETING

Marketing Communication channels may be personal or non personal. Such channels involve two or more persons communicating directly face to face, person-to-audience, over the telephone, or through e-mail. Following are some of the methods used for marketing communication.

Non-personal communications channel: Non personal channels are communications directed to more than one person and includes the following:

Media : It consists of print media (newspapers journals & magazines) broadcast media (Radio & TV), network media (Telephone, cable, satellite, Wireless) electronic media (audiotape, videotape, videodiscs, CD-ROM, Web page) & display media (Billboards, signs & posters).

Sales promotion: It consists of consumer promotions (such as samples, coupons & free gifts), trade promotion (such as price offs or allowances) & business & sales force promotion (contests for sales representatives).

Events & Experiences: It includes sports, arts, entertainment & cause events & less formal activities that create novel brand interactions with consumers.

Public Relations: It includes communications directed internally to employees of the company or externally to consumers, other firms, and the government media.

Personal communications channel: Personal communication channels include the following means:

Personal selling, & Direct selling

PUSH AND PULL STRATEGIES

A push promotional strategy involves taking the product directly to the customer via whatever means, ensuring the customer is aware of your brand at the point of purchase.

Examples of push tactics

- Trade show promotions to encourage retailer demand
- Direct selling to customers in showrooms or face to face
- Negotiation with retailers to stock your product



- Efficient supply chain allowing retailers an efficient supply
- Packaging design to encourage purchase
- Point of sale displays

A pull strategy involves motivating customers to seek out your brand in an active process.

"Getting the customer to come to you"

Examples of pull tactics

- Advertising and mass media promotion
- Word of mouth referrals
- Customer relationship management
- Sales promotions and discounts

IMPLEMENTATION OF STRATEGIES IN MARKETING COMMUNICATION

Following are the steps involved in developing effective marketing communication:

- 1 Identify the target audience:** The process must start with a clear target audience in mind, potential buyers of the company's products, current users, deciders, or influencers; individuals, groups, particular publics or the general public. This is done by the process of market segmentation.

Market Segmentation:

Basically there are four levels of market segmentation:

(a) Segment Marketing: Here the marketer's task is to identify the segments that share a similar set of needs & wants & decide which one (s) to target. Even in a segment, every individual has a different set of needs flexible market offerings to all members of a segment. One way to carve up a market is to identify preference segments which are basically of the following three types:

- (i) Homogenous preferences:** Market where all the consumers have roughly the same preferences.
- (ii) Diffused preferences:** Here, the consumer preferences are scattered in nature.
- (iii) Deserted Preferences:** Here, the market comprises of distinct preference dusters caused natures market segments.

(b) Niche Marketing: A niche is a narrowly defined group of customers seeking a distinctive mix of benefits. E.g. 'ALL' in Treasure Island Becher producing oversized umbrellas

(C) Local Marketing: Here, the marketing programs are tailored to the needs and wants of local customer groups. eg. ICICI Bank or CITI Bank

(D) Customerization: Customerization signifies 'segments of one' or 'one-to-one marketing'. E.g. Nike offering different sized shoes in a pair or Mochi designing shoes as per the customer's requirements

2 Consideration of Behavioral Variables: Various behavioural variables need to be considered before deciding communication pattern. Following are some points to remember for Consideration of Behavioral Variables

(a) Occasions: e.g. Hallmark or Archies range of greeting cards for numerous occasions like Diwali, Raks habandhan, id, birthday, friendship day, Christmas, Valentine's day & so on.

(b) Benefits: E.g. Shyam wants an economy car (Maruti 1000), Deepak is interested in a premium quality four wheeler (Ford Endeavor) Whereas, Pavneet loves driving premium quality SUV (Scorpio)

(c) User Status: This signifies dividing a market into

- * Non users
- * Ex-users
- * Potential users
- * First time users &
- * Regular users.

E.g. Blood banks or airlines

(d) Usage Rate: e.g. Heavy beer drinkers, moderate beer drinkers & several light users or Working Teens, bachelors eating out very often whereas married people prefer eating mostly at home.



(e) **Buyer readiness stage:** A market consists of people in different stages of readiness to buy a product. Some are unaware of the product, some are aware. Some are informed, some are interested, some desire the product & some intend to buy.

(f) **Loyalty status:** Buyers can be divided into four groups according to brand loyalty status viz.

- **Hard core loyals**
- **Split loyals**
- **Shifting loyals**
- **Switchers**

(g) **Attitude:** Five attitude groups can be found in a market viz.

- **Enthusiastic**
- **Positive**
- **Indifferent**
- **Negative**
- **Hostile**

3 **Determine the communication objectives :** Various marketing communication objectives are as follows:

(a)**Category need:** E.g. Fully automatic washing machines or electric cars.

(b) **Brand awareness:** Brand awareness has two components viz.

Brand recognition: When customer enters a store & recognizes one particular brand most promptly.

Brand recall: When customer is contemplating a purchase & recalls one particular brand first.

(c) **Brand Attitude:** Brand attitude means its perceived ability in consumer's mind to meet a currently relevant need.

(d) **Brand purchase intention:** This signifies self instructions to purchase the brand or to take purchase related action.

4 **Message strategy:** Designing the communications requires the three decisions to be taken which are -

What to say (Design the communications): Determining message strategy signifies searching for appeals, themes, ideas that will tie into the brand positioning & help to establish points of parity or points of difference.

How to say it (creative strategy): Creative strategies means how marketers translate their messages into a specific communication & are classified as involving either "informational appeals" or "transformational appeals".

Informational Appeals: An informational appeal elaborates on product or service attributes or benefits. E.g. In advertising, problem solution ads (No mark for a clean face & clinic all clear for fighting dandruff).

Product comparison ads (Pepsi & Coke war).

Transformational Appeals: Transformational Appeals elaborates on a non product related benefit or image. E.g. Loreal "you are worth it"

Who should say it (message source): Message source can be internal to the company or it could be unknown people also. Message delivered by attractive or popular source can potentially achieve higher



attention & recall which is why advertisers often use celebrities as spokes people. E.g. Dipika Padukone for Fiana, Kareena Kapoor for Globus, & Sachin Tendulkar for Boost.

5 Establish the total marketing communications budget: Now comes the turn to decide on how much to spend on communications & promotion.

Mainly there are four common methods:

(i) Affordable Method: This signifies to set the promotion budget at what the company or the brand thinks it can afford.

(ii) Percentage of sales method: Many companies set promotion expenditure at a specified percentage of sales (either, current or anticipated) or of the sales price.

(iii) Competitive parity method: Some companies set their promotion budget to achieve budget to achieve share of voice parity with competitors.

(iv) Objective and task method: This method calls upon marketers to develop promotion budgets in the following three steps:

- Define specific objectives.
- Determine the tasks to be performed to achieve these objectives. &
- The costs of performing these tasks.

FEEDBACK AND MEASURING COMMUNICATION RESULTS After implementing the communications plan, the communications director must measure its impact on the target audience. Members of the target audience are asked whether they recognize or recall the message, how many times they saw it, what points they recall, how they felt about the message & their previous & current attitude towards the product & the company. The communicator should also collect behavioral measures of audience response such as how many people bought product, liked it & talked to others about it.

COMMUNICATION MODELS

In general, we can say that the communicator offers certain cues (i.e., signals: price, packaging, colour, brand name, store layout, design, etc. to signify the suitability of the product to the targeted customers) with an express desire to seek a favourable response (purchase/favourable attitude/ other type of behaviour) from them. The models that describe customer response stages are called (consumer) response hierarchy models.

1. **AIDA model:** It shows that a buyer passes through the stages of attention, interest, desire and action.
2. **Hierarchy of effects model:** Shows the buyer as progressing through awareness, knowledge, liking, preference, conviction and purchase stages.
3. **Innovation adoption model:** shows the buyer as passing through awareness, interest, evaluation, trial and adoption.

Communication model shows the buyer as progressing through exposure, reception, cognitive response, attitude, intention and behaviour. All these models assume that the buyer passes through a cognitive, affective and a behavioural stage, in that order. This sequence is also called 'learn (cognition), feel (affective), and do (behaviour) sequence. This happens when the product/brand being considered, falls in a high involvement category.



MODELS OF THE EFFECTIVE COMMUNICATION

	Models			
	1	2	3	4
Stages	"AIDA" Model	"Hierarchy-of-Effects" Model	"Innovation-Adoption" Model	"Communication" Model
Cognitive stage	Attention ↓	Awareness ↓ Knowledge	Awareness ↓	Exposure ↓ Reception ↓ Cognitive response
Affective stage	Interest ↓ Desire	Liking ↓ Preference ↓ Conviction	Interest ↓ Evaluation	Attitude ↓ Intention
Behaviour stage	↓ Action	↓ Purchase	Trial ↓ Adoption	↓ Behaviour