

FUNDAMENTALS OF AN INTEGRATED MARKETING COMMUNICATION PLAN

This document is intended to provide a general guide to students in Bus 134B, Integrated Marketing Communications, as they develop their semester project. Hopefully, this will provide an additional “comfort zone” to students, enabling a clearer understanding and a faster start with the project. References to page numbers and figures whose content is incorporated here refer to Chapter 4, The IMC Planning Process, of Integrated Advertising, Promotion, and Marketing Communications, Clow & Baack, 5th Edition, Prentice Hall, 2011.

Integrated Marketing Communications (IMC) is the term used to describe the entire program by which you communicate with your customers. The “face, personality and spirit” of your company and products (all marketing mix variables) should blend together to present a unified message.

Note that an IMC plan is NOT a marketing plan. An IMC plan is the portion of the marketing plan that involves all promotional aspects of the marketing plan. All communications with customers, including but not limited to

- personal selling
- consumer sales promotions
- trade (channel) promotions
- advertising
- public relations
- corporate as well as product positioning
- customer service experiences

are included in a complete IMC plan. Each of these different communication types must be aligned with and in support of each other and the overall positioning (Value Image) of company.

To develop a feeling of how this works, you may want to read the Lead-in Vignette from Chapter 4, PetsMart: It’s a Dog’s Life (which ain’t half bad), page 80, and then ask yourself these questions:

1. Can you identify pet owner “market segments”? What types of pet owner groups are present?
2. How is the PetsMart company viewed in relation to its competition?
3. Do you think pet owners will cut back or spend less money on pets when economic times are more difficult? Why or why not?

The IMC Planning Context (p. 82)

In developing an integrated marketing communications plan, the first step requires an analysis of the three Cs—customers, competitors, and communications.

Customers

When conducting an analysis of customers for the purposes of IMC planning, the marketing department examines:

- Current customers
- Former customers
- Potential new customers
- Competitors’ customers

Competitors

Who are they? Make a list. After listing the competing firms, an analysis of the competition can be conducted using primary research, including store visits, talking to suppliers, and other salespeople. Next is gathering secondary data. The first items to look at are statements competitors make about themselves, which are found in advertisements, promotional materials, annual reports, web sites, and so on. Be sure to include what other people say about the competition. Marketers often read trade journals. The library might yield additional news articles and press releases about competitor activities.

Communications

This includes the firm's current communications, at all levels and in all channels. Messages to current and potential customers, employees, and channel members are studied in order to find out what is working and what is not.

Market Segments

"a set of businesses or group of individual consumers with distinct characteristics."

The market segment differs from the population as a whole. Segments are distinct from other segments and the general population.

Market segmentation methods: (almost an endless list!)

Consumer Groups - examples shown in Figure 4.2

Psychographics

Generations - Table 4.1 - characteristics of various generational segments.

Geographic Area

Geodemographics

Benefits

Usage

Business-to-Business Segmentation examples are shown in Figure 4.5.

Industry - NAICS codes.

Size

Location

good or service is used - such as financial, transportation, shipping, etc.

Customer Value

Product Positioning

"Positioning is between your customer's ears." – the perception created in the consumer's mind regarding the nature of a company and its products relative to the competition.

Two elements:

(1) How the product is perceived by customers and

(2) the product's standing relative to the competition.

Approaches to Positioning - Figure 4.6

Positioning that involves creating a memorable set of uses for a product emphasizes the use or application approach

Positioning is a critical part of image and brand-name management. Consumers have an extensive set of purchasing options and can try products with specific advantages or attributes. Effective positioning, by whatever method chosen, should increase sales and strengthen the

long-term position of an individual product and the total organization.

Marketing Communication Objectives

Marketing objectives tend to be general because they are for an entire company. Some examples of marketing objectives include:

- Sales volume
- Market share
- Profits
- Return on investment
- Additional examples – Figure 4.7

Establishing a Communications Budget

The final two steps in the IMC planning process include preparing a communications budget and selecting the IMC components to be utilized (Figure 4.1).

Note that your IMC plan will have a budget for each market segment and a total “corporate” or complete plan budget. Included must be a “schedule” showing the pace/seasonality of each promotion method over a 12-month period for each segment and for the total budget expenditures..

Consider the following:

- Threshold Effects
- Diminishing Returns (Figure 4.8)
- Carryover Effects
- Wear-Out Effects
- Decay Effects
- Random Events - Random events can disrupt any advertising or promotional campaign at any time – how will the competition react?.

Types of Budgets

Budgets are listed in Figure 4.10. You need only be concerned with the following types:

- Percentage of Sales Method
- Meet-the-Competition Method
- “What We Can Afford” Method

How does all of this fit into an IMC plan?

The foundation of the IMC plan includes:

- Corporate image and brand management
- Analysis of buyer behaviors
- Promotions opportunity analysis to identify all target markets of the communications program

Advertising tools

- Advertising management, advertising design, (theme, framework)

Media tools:

- Traditional media channels
- E-active marketing
- Alternative marketing programs

Promotional tools include:

- Database and direct response marketing programs
- Consumer and trade promotions
- Public relations

The extent to which each of these elements appears in any particular IMC plan is dependent of the business/product and the target markets. There isn't any one type of IMC plan. A local business will not likely use national TV but is much more likely to make greater use of guerilla marketing techniques. Additionally, the written plan will seldom be assembled in the same order that the plan was developed. Another way to state this is that what is logical for a plan of work is not always logical for the written report.

The following generic outline includes all probable elements of an IMC plan, and shows the development for more than one target market. Your plan may not contain all of these elements.

Executive Summary

An executive summary is analogous to the insert that come with a new music CD. The insert briefly describes the contents of the CD and provides the listener a way to find any particular piece of music on the CD. Similarly, the Executive Summary provides a brief statement of the

- problems/opportunities
- results of market research
- alternatives discussed
- recommendations
- measurement metrics

Table of Contents

This follows the summary, providing a directory of the plan so that a reader can immediately go to a particular page of interest.

Promotion Opportunity Analysis

The Promotion Opportunity Analysis is term used to describe the process used to identify target markets and the communications strategies needed to reach those markets. It can consist of the following elements (many of which have been described above):

Communications Market Analysis

This is the point where the organization's communications strengths and weaknesses are analyzed. Included are

Competitive Analysis

Opportunity Analysis

What is there that the competition has overlooked or chosen not to pursue?

Target Market Analysis

Including Customer Analysis, this includes a description of segmentation variables

Market Positioning Analysis

Corporate Strategies

- Corporate Image Strategy
- Brand Development Strategy
- Brand Positioning Strategy
- Channel/Distribution Strategy
- Business-to-Business Strategy
- Public Relations Strategy
- Evaluation

IMC Management

Completion of corporate strategies leads to the development of objectives and the budget at the corporate level. Note that this budget cannot be developed until the budget for each channel/target market is developed.

- IMC Objectives
- IMC Budget
- Agency Selection
- Internet Web site

The above elements of the plan are at the corporate level. This includes corporate level strategy and the combined elements of the IMC plan for each target market.

IMC Objective: Target Market 1 (example: a consumer market segment)

Budget

IMC Methodologies

- Advertising
- Adv Goals and Budget
- Creative Brief
- Advertising Design
- Consumer Promotions
- Budget Allocation

Consumer Promotion

- Sample Consumer Promotions
- Personal Selling/Alternative Marketing
- Public Relations and Sponsorship Programs
- Database Programs
 - Data Warehouse, Direct Marketing, Permission Marketing, Freq. Shopper Program, etc.

Media Tools

- Traditional Media Channels
- E-active Marketing

Methods of Measurement and Evaluation

Items in the box above are repeated for each target market that is part of your plan.