

The analysis of
marketing
communications
campaign with the
case of nike
football ...



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Marketing mix is an essential tool for companies to target their customers, price and promote their product and locate their places. By analysing the 4P's, companies can make the plans and achieve their goals. Marketing communications, as the promotion factor in marketing mix plays a key role in developing marketing strategies. To getting more customers and compete with their rivals, companies spend a lot of money on promotion. The promotion activities like advertising, sales and discounts happened around us every day.

In sport industry, the marketing communications exist as well. The sport market is different with other industries, because the innovation of sport product is extremely fast and the sport product customers can be easily affected by 'emotional attachment and personal identification that sport commands'. (Smith, 2008). Thus, how to be success in the marketing communications campaign is a important problem to be considered by managers.

In this essay, I will first analyse theorise of marketing communications and explain the elements of marketing communications process. After analysing the theories, I will set a model about the marketing communications campaign in sport industry. The model includes five parts: Align with marketing objective, consider the target market, set promotional objectives and develop promotional mix. Finally, I will take Nike as a case study; evaluate their practice on these steps, and show how Nike company promote their football shoes on their marketing communication campaign. Literature Review

Schramm (1960) argues that there are four key components involved in communications process: sender, message, media and receiver. In this model, sender is the source to send message, then the message is spread by media and finally received by receivers, which are the people who receive the message. In marketing communication process, the IMC make some extension.

The IMC provides two more elements: receiver response and brand equity. (Pickton, Broderick, 2005) In the marketing communications, the company send the message to their receivers, some of them may take actions like purchase, consumption and transfer the message to others, or some of them just take no actions. The two more elements of IMC model make the companies know if their message is received by all or only a limited number of receivers. Thus the managers can evaluate if their marketing communications are successful.

To communicate with their customers, company use promotion mix. According to Mullin and Cummins (2008), generally, promotion mix is divided into four tools: advertising, sales promotion, publicity and direct marketing. Brassington and Pettitt (2006) add personal selling as another tool of promotion mix. But how can companies develop promotion mix in marketing communications campaign? In the next part, I will set a model and explain why these steps should be done to success in marketing communications. This model includes five steps: (1) Align with marketing objectives, (2) consider the target market, (3) set promotional objectives, (4) set promotional budget (5) Develop promotional mix. Analysis of the Model

1. Align with marketing objectives

To communicate with their customers, companies should first target their products in the whole industry, set marketing objectives as a guide of setting marketing strategies. Product lifecycle can be introduced to evaluate the position of a product. There are four stages in Product lifecycle: (1) Introduction, (2) Growth, (3) Maturity, (4) Saturation and decline stage. (Box, 1983). When a new product is launched, there are no competitors in the market. However, to introduce their products to people, companies should cost a lot to promote it and persuade people to try it. The sales increased slowly and no profits are made in this stage.

At Growth stage, public start to notice the product, sales increased and the price decreased due to economies of scale, and competitors start to enter. At maturity stage, price is keeping low because the scale is larger, and there are many competitors in the market. At the last stage, profits start to decline. Not only the product lifecycle, the environment elements like social and cultural aspect should be concerned when companies set their marketing objectives.

2. Consider the target market

Pickton and Broderick (2005) mentioned in their book, ' Market segmentation is the process of splitting customers into different groups, or segments, within which customers with similar characteristics have similar needs.' To satisfy the different demands of customers, it is very important for companies to do the market segmentation. In the old age, producers have to promote their products to customers. They ' push' the information to their <https://assignbuster.com/the-analysis-of-marketing-communications-campaign-with-the-case-of-nike-football-shoes/>

customers by newspaper, television or phone so that they can sell their products.

However, with the development of technology, customer can search the information they need by accessing the internet. They start to look for the products that can meet their needs, which means the information moved from 'push' to 'pull'. It is necessary for companies to using segmentation for marketing communications. They should select the most effective media and find the best fit between target profile locations and media catchment areas so that their information can be received by more potential customers.

3. Set promotional objectives

Smith (2008) indicated that the aim of promotion is to 'encourage consumers to develop a favourable opinion about a product or brand with the intention of stimulating them to try it'. He argues that there are three main objectives of promotion (1) to inform, (2) to persuade and (3) to remind. If a company launch a new product on the market, the first objective of their marketing communication is to inform the audience about their new product such as the shape, colour, functions, then persuade their target customers to try and finally, make people to remember it. The objectives are extremely important to a company because it decide the purpose of its promotion and how to maintain the promotion mix in next step.

4. Set promotional budget

Before the companies develop promotional mix, they should set promotional budget. The big cost of marketing communication is to make more. However,

spend more do not equals make more. Usually budget can be decided by using these methods: (1) Arbitrary allocation, (2) Competitive parity, (3) Competitive disparity, (4) Percentage of sales, (5) Objective and task method (Smith, 2008). It depends on what the industry of a particular company is in and the objective that company wants to achieve. Each one of these methods has its weakness. The arbitrary allocation means the budget is done subjectively.

That means a company should cost as much as they can afford to promotion. It is not a sensible way to calculate a budget. Competitive parity means spend a similar money with their competitors. However, this method is not useful for some small organizations. It is not possible for them to spend the same promotion cost with a strong competitor. Competitive disparity, which means spend different money on promotion with their competitors, is used by many companies to differentiating the product or brand.

Percentage of sales means the budget set according to the percentage of sales, but this hard to maintain because the sales comes out at the end of the year, and it is not be accurate to use last year's sales. In addition, in some situations, if the sales are declined, the promotional budget should be increased to do more promotion. The last method is objective and task method. This method means the budget is set by the promotional objectives. However, it may have extra cost if the objective is inappropriate. Finally, after set the promotional budget, the last step in marketing communications campaign is develop a promotional mix.

5. Develop promotional mix

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To review, marketing promotion mix have five elements: (1) advertising, (2) personal selling, (3) sales promotion, (4) public relations, (5) direct marketing. It is common for companies to use one or more elements when they are in a marketing communications campaign. Smith (2008) argues that ' If more than one element is used, they should be designed to complement one another.' For example, if one kind of new sports shoe is promoted by advertising, the direct marketing should be used after the advertising showed on public. The mix of these elements should work towards the promotional objectives that have been set.