

# Marcom objectives



- All marketing communications. should be

- (1) directed to a particular target market

- (2) clearly positioned

- (3) created to achieve a specific objective

- (4) undertaken to accomplish the objective within budget constraint

- Facilitate the successful introduction of

- \*New brands

- \*Brand naming

- \*Packaging

- \*Advertising

- \*Sales promotions

- \*Word-of-mouth buzz

- \*Point-of-purchase (P-O-P) displays

- •Build sales of existing brands by

- \*Increasing the frequency of use

- \*The variety of uses

- \*The quantity purchased advertising and sales promotions

- •Inform the trade

- \*Wholesalers

\*Agents or brokers

\*Retailers

\*Consumers about brand improvements

\*Personal selling

\*Trade-oriented advertising

- •Create brand awareness by
- \*Advertising

\*Packaging

\*Point-of-purchase messages

- •Enhance a brand's image by
- \*Brand naming and packaging

\*Advertising

\*Event sponsorship

\*Cause-oriented marketing

\*Marketing-oriented PR

- Generate sales leads by advertising
- Persuade the trade to handle the manufacturer's brands
  - \*Trade-oriented advertising

\*Personal selling

- •Stimulate point-of-purchase sales

- \*brand naming and packaging,

\*P-O-P messages

\*External store signage

- •Stimulate point-of-purchase sales
- \*brand naming and packaging

\* P-O-P messages

\*external store signage

- •Increase customer loyalty
- \*Advertising

\*Sales promotions

\*Marketing-oriented PR

- •Offset bad publicity about a brand or generate good publicity
- \*Marketing-oriented PR
- •Counter competitors' communications efforts
- \*Advertising and sales promotions
- •Provide customers with reasons for buying immediately instead of delaying a purchase
- \*Advertising and sales promotions
- •It is essential that objectives be established prior to making the all-important implementation decisions regarding
- \*Message selection

\*Media determination

\*How the various marcom elements should be mixed and maintained

- **1) The Hierarchy of Marcom Effects**

The Hierarchy-of-effects metaphor implies that for marketing communications to be successful, the various Marcom elements must advance consumers through a series of psychological stages.

The hierarchy framework reveals that the choice of Marcom objective depends on the target audience's degree of experience with the brand prior to commencing a Marcom campaign

### **Advancing Consumers from Unawareness to Awareness**

- When first introduced to the market, consumers were initially unaware of Beano's existence and of its special features (many no doubt remain unaware)

- The initial " " marcom imperative, therefore, is to make consumers aware that there is a product such as Beano

### **Creating an Expectation**

- Mere brand name awareness generally is not sufficient to get people to buy a brand, particularly when consumers already possess a solution to a consumption related problem or remain unaware that a solution is available

- Advertising and other Marcom elements must instil in consumers an expectation of what product benefit(s) they will obtain from buying and experiencing a brand

### **Encouraging Trial Purchases**

- Sales promotions and advertisements sometimes work together to encourage trial purchases, often by influencing consumers to switch from brands they currently are purchasing.
- As the name suggests, a trial purchase is just that: the consumer tries a brand for the first time
- Because most advertisements can simply hope to entice, enthuse, and whet one's appetite and create expectations

### **Forming Beliefs and Attitudes**

- Upon trying a brand for the first time, the consumer will form beliefs about its performance
- With respect to Beano, the beliefs may be thoughts such as, " It does prevent gas buildup, but I don't like its taste."
- These beliefs, in turn, form the basis for developing an overall attitude toward the brand
- Beliefs and attitudes are mutually reinforcing

### **Reinforcing Beliefs and Attitudes**

- Once brand-specific beliefs and attitudes are formed as the outcome from firsthand product usage experience, subsequent marketing communications serve merely to reinforce the consumers' beliefs and attitudes that resulted from trying the product
- The reinforcement objective is accomplished when a marketing communicator sticks with a particular promise and promotes this point repeatedly over time

### **Accomplishing Brand Loyalty**

- As long as the brand continues to satisfy expectations and a superior brand is not introduced, the consumer may become a brand-loyal purchaser
- This indeed is the ultimate objective, because, as has been intentioned, it is much cheaper to retain present customers than it is to continuously prospect for new ones
- The Marcom Challenge provided illustrations of brands in different product and service categories where customer loyalty is particularly high

### **2) Requirements for Setting Suitable Marcom Objectives**

Objectives Must Include a Precise Statement of Who, What, and When

- Objectives must be stated in precise terms
  - \*At a minimum, objectives should
  - -Specify the target audience (who)
- Indicate the specific goal-such as awareness level-to be accomplished (what)
- Indicate the relevant time frame over which the objective is to be achieved (when)

Criteria That Good Marcom Objectives Must Satisfy

- Include a precise statement of who, what, and when
- Be quantitative and measurable
- Specify the amount of change

- Be realistic
- Be internally consistent
- Be clear and in writing

Objectives Must Be Quantitative and Measurable

Objectives Must Specify the Amount of Change

Objectives Must Be Realistic

Objectives Must Be Internally Consistent

Objectives Must Be Clear and in Writing

3) Should Marcom Objectives Be Stated in Terms of Sales?

- We can broadly distinguish two types of marcom objectives:
  - sales versus presales objectives
  - Presales objectives are commonly referred to as communication objectives with the term communication derived from efforts to communicate outcomes that will increase the target audience's brand awareness, enhance their attitudes toward the brand, shift their preference from competitors' brands to our brand, and so on

Comparatively, using sales as the goal for a particular advertising campaign means that the marcom objective literally is to increase sales by specified amount

In the manner of Hegelian dialectic-that is, stating a thesis, identifying its opposite (antithesis), and then offering a synthesis of positions-we will



present the traditional and heretical views as thesis and antithesis, respectively, and follow these with a synthesis of positions

### **The Traditional View (Thesis)**

- This point of view asserts that using sales as the objective for a branded product's marcom effort is unsuitable for two major reasons
- A brand's sales volume during any given period is the consequence of a host of factors in addition to advertising, sales promotions, and other elements of the program.

### **A Heretical View (Antithesis)**

- On the other hand, some specialists contend that marketing communicators should always state objectives in terms of sales or market share gains and that failure to do so is a cop-out
- The logic of this nontraditional, or heretical, view is that marcom's purpose is not just to create brand awareness, convex copy points, influence expectations, or enhance attitudes but rather to generate sales.

### **An Accountability Perspective (Synthesis)**

- Chief executives and financial officers are demanding greater accountability from marcom programs
- The measurement of effects of a program should not stop short of measuring the effect on sales.
- Increasing pressure has been placed on agencies to develop campaigns that produce bottom-line ' results-increases in sales, market share, and return on investment (ROI)

## **II- Marcom Budgeting**

- Budgeting is a critical decision inasmuch as marcom endeavors such as advertising are typically very expensive
- Moreover, the implications of spending too little or too much are considerable
- If too little is invested in marketing communications, sales volume will not achieve its potential and profits will be lost
- If too much is spent, unnecessary expenses will reduce profits

### **1) Budgeting in Theory**

- Budgeting for advertising or other marcom elements is, in theory, a simple process, provided one accepts the premise that the best (optimal) level of any (investment is the level that maximizes profits
- This assumption leads to a simple rule for establishing advertising budgets:
- continue to invest in advertising as long ! as the marginal revenue from that investment exceeds the marginal cost.

### **2) Practical Budgeting Methods**

- The practical budgeting methods most frequently used by both B2B companies and consumer goods firms in the United States and Europe are
- The percentage of-sales
  - \*In using the percentage-of-sales method, a company sets a brand's advertising budget by simply establishing the budget as a fixed percentage of past (e. g., last year's) or anticipated (e. g., next year's) sales volume

\*The percentage-of-sales method is frequently criticized as being illogical

- Objective-and-task
- \*The most sensible and defensible advertising budgeting method

\*Specify what role they expect advertising to play for a brand and then set the budget accordingly

\*The role is typically identified in terms of a communication objective

- **Competitive parity**
- \*The competitive parity method (also called the match-competitors method) sets the budget by examining what competitors are doing

\*Armed with this information on competitors' spending, a company may decide not merely to match but to exceed the expenditures that competitors are committing to advertising

\*SOM- the ratio of one brand's revenue to total category revenue

\*SOV-the ratio of a brand's advertising expenditures to total category advertising expenditures

- **Encoding Variability Hypothesis**

- Overcoming competitive interference is not just a matter of spending more but rather one of spending more wisely

- A psychological theory called the encoding variability hypothesis explains how advertisers can be smarter spenders

- Affordability methods

- In the so-called affordability method, a firm spends on advertising only those ( funds that remain after budgeting for everything else

- In effect, when this “ method” is used, advertising, along with other marcom elements, are relegated to a position of comparative insignificance (vis-a-vis other investment options) and are implicitly considered relatively important to a brand’s present success and future growth