#20_Managing Communication:

Advertising, Personal Selling, Direct Mktg, Sales Promotions, PR, Sponsorship, Events & Unconventional Communication

Michela Mingione, PhD in Management
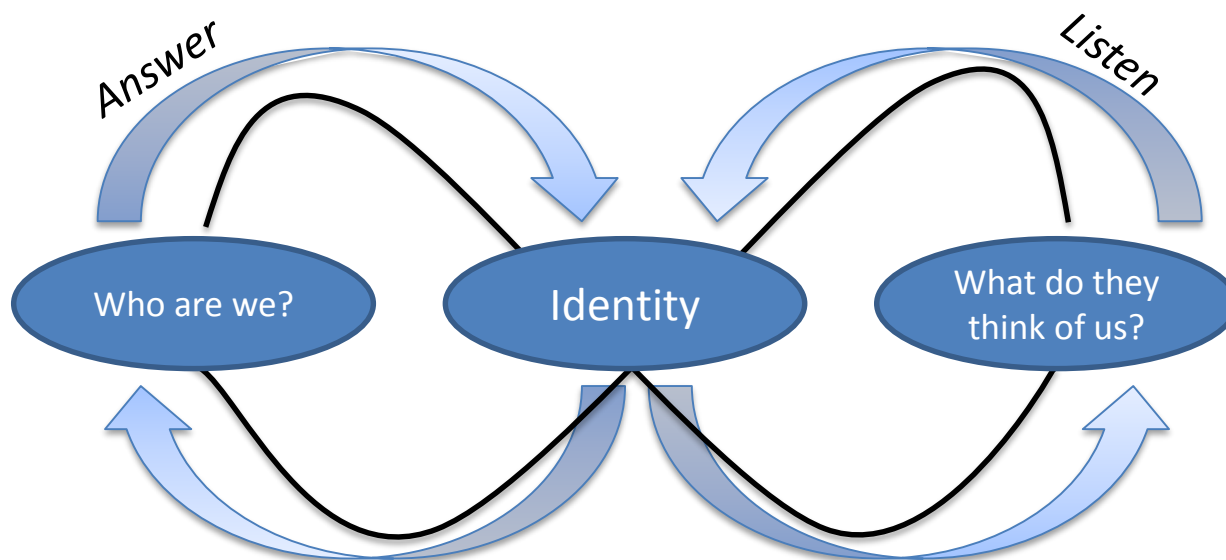mingione@economia.uniroma2.it

DPT. OF MANAGEMENT AND LAW
UNIVERSITY OF ROME TOR VERGATA
ITALY

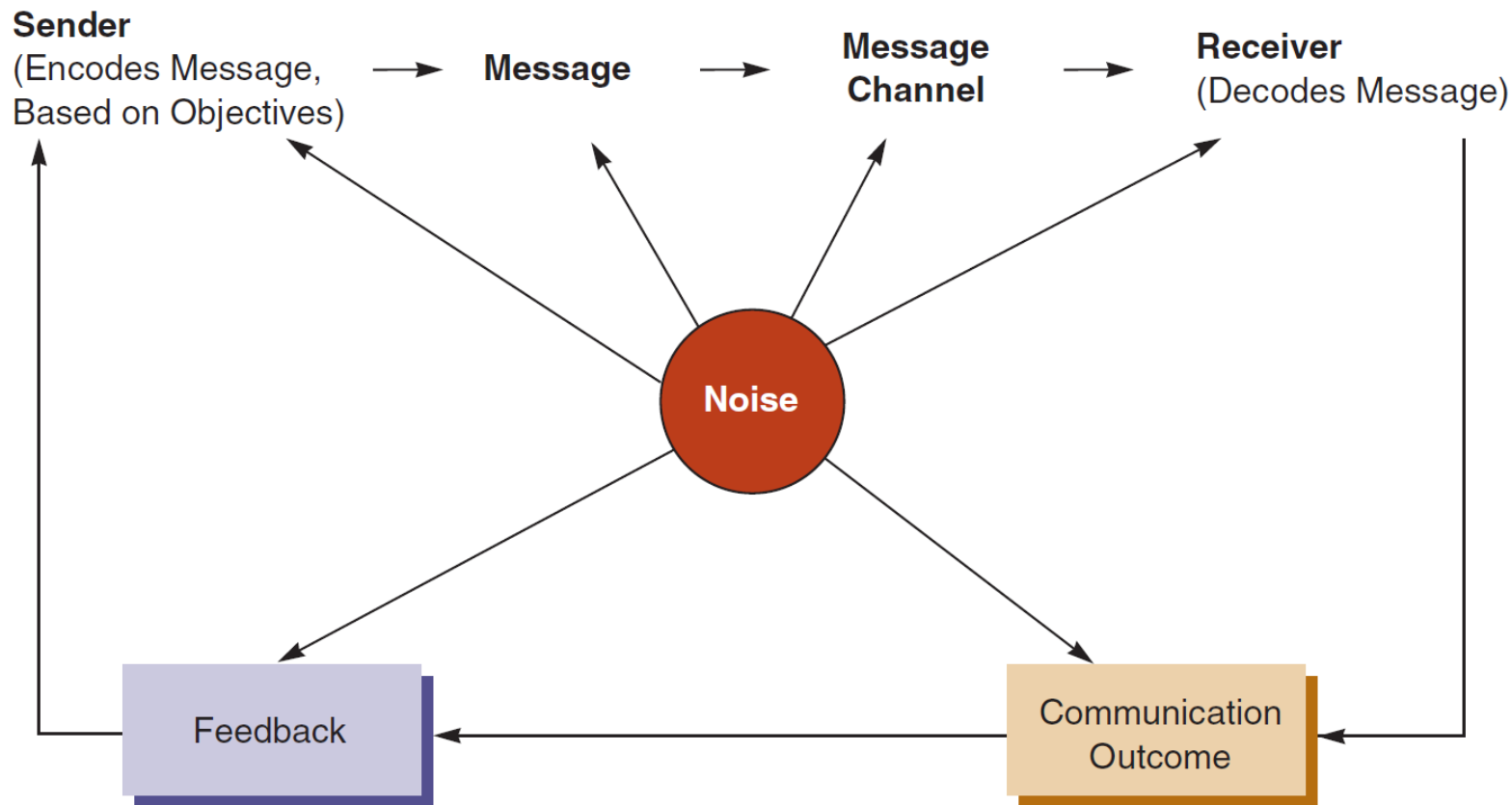## What is communication? Why companies communicate?

Ethimology: from latin "cum" and "munire", to put in common
"To achieve efficay a marketing strategy has to communicate its product/service"
(Lambin, 2004)

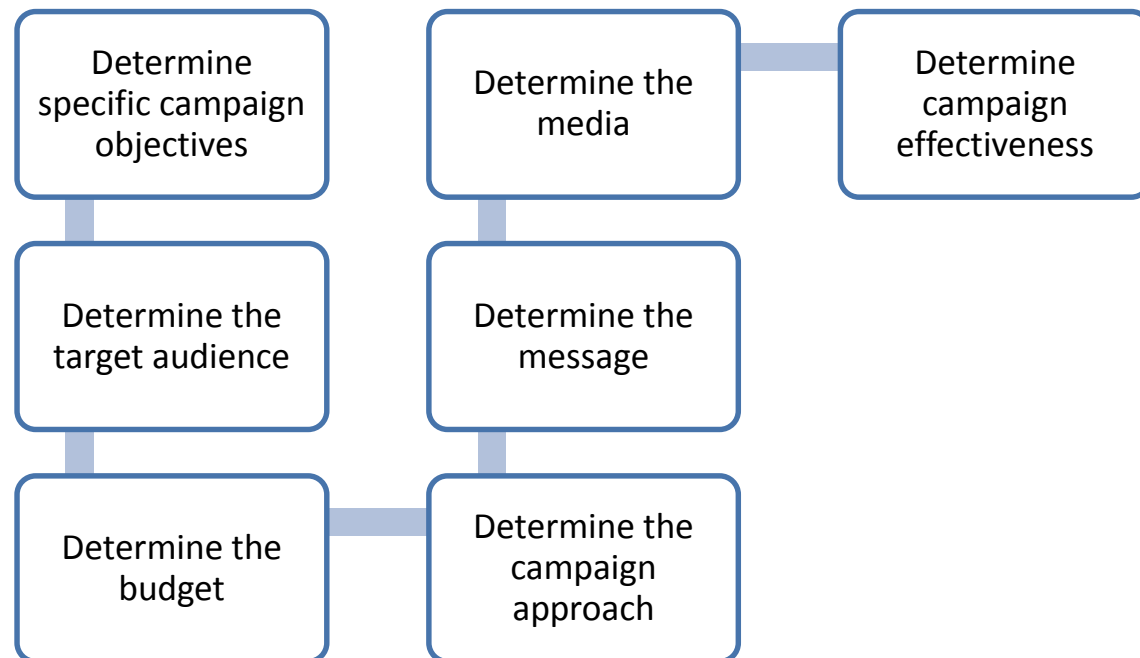**Corporate identity tells the world just what the corporate strategy is (Olins, 1989)**

Answer · Listen

Who are we? → Identity → What do they think of us?

Marketing Communication Process

Sender
(Encodes Message, Based on Objectives) → **Message** → **Message Channel** → **Receiver** (Decodes Message)

Noise

Feedback

Communication Outcome
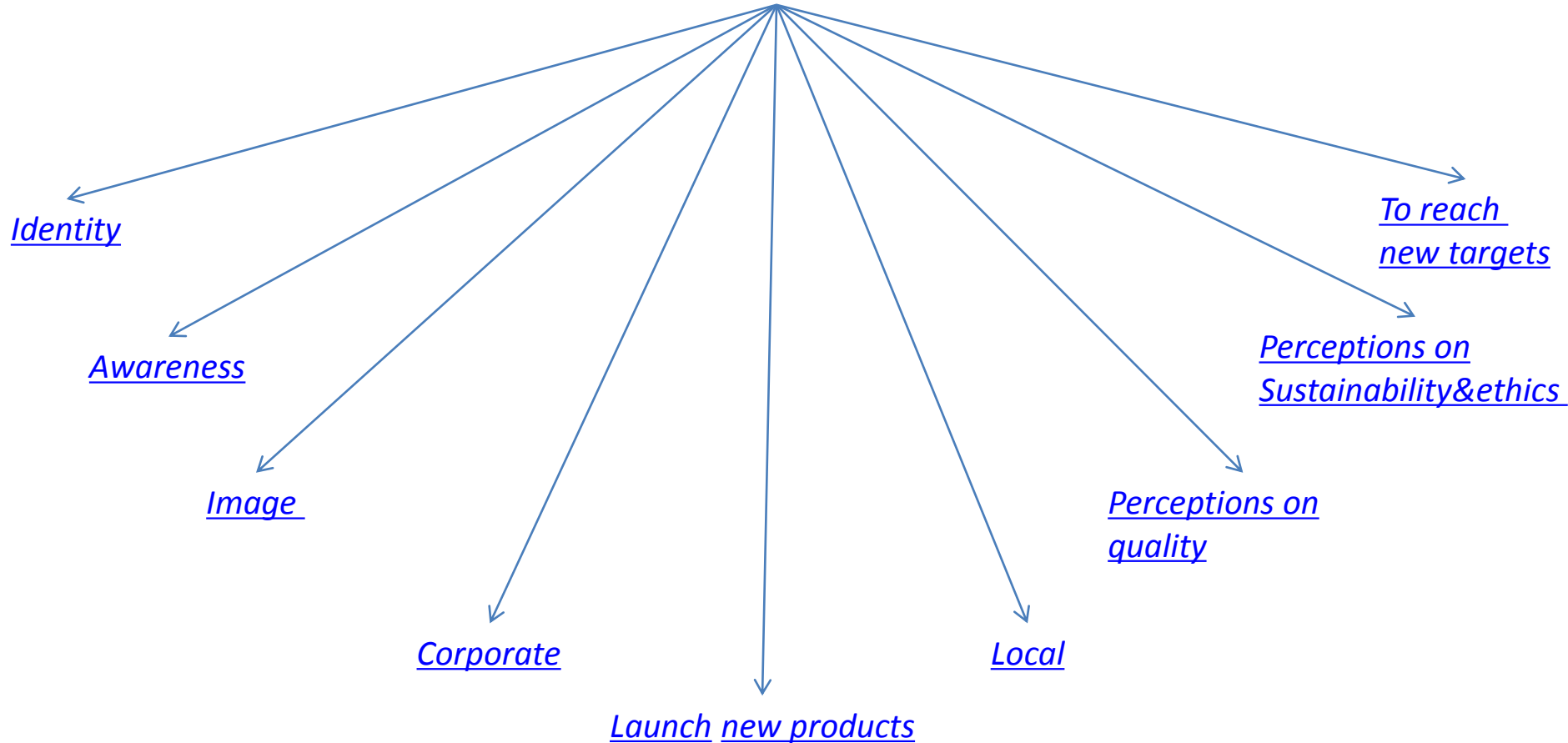
Advertising (AMA)

Any announcement or persuasive message placed in the mass media in paid or donated time or space by an identified individual, company, or organization.
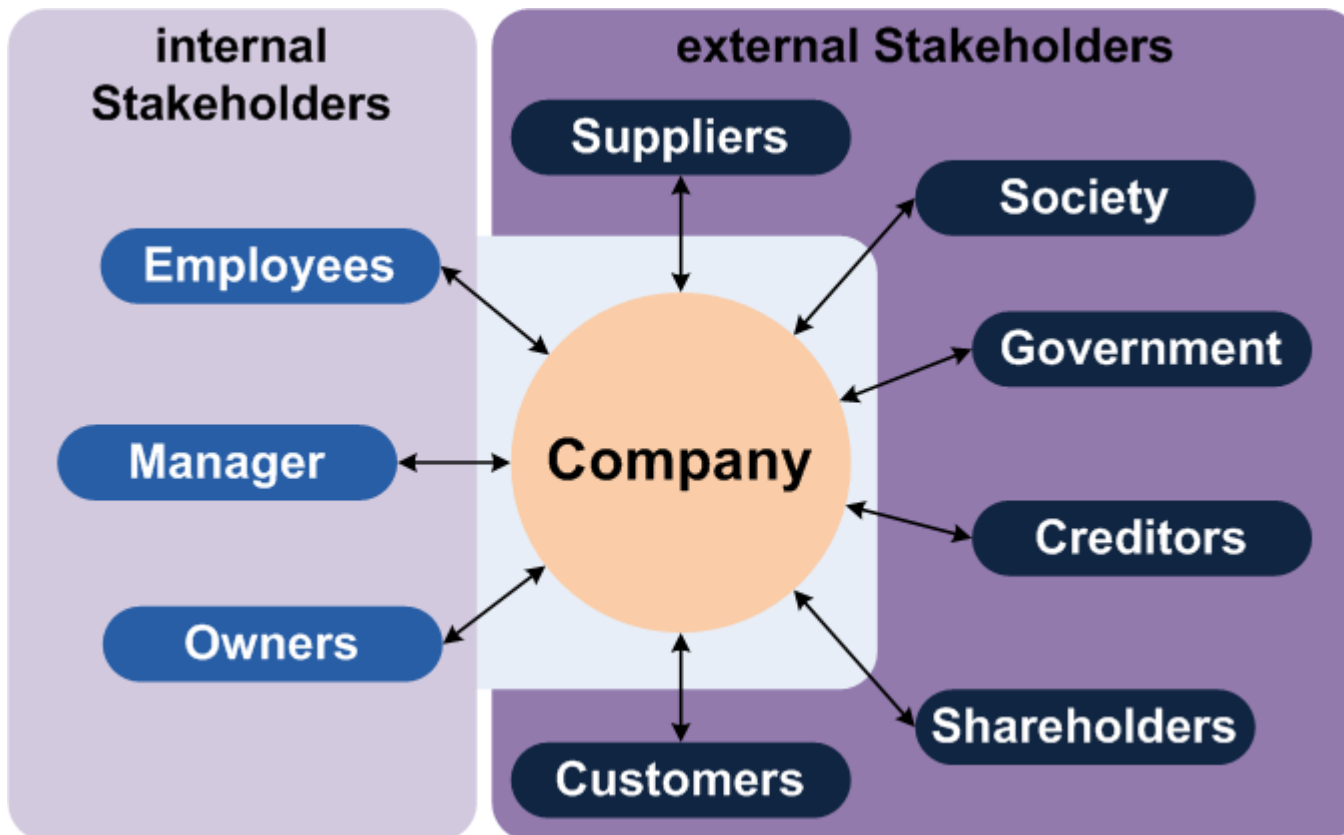
Campaign Process

```
Determine                 Determine the              Determine
specific campaign         media          ─────       campaign
objectives                                           effectiveness
    │                         │
Determine the             Determine the
target audience           message
    │                         │
Determine the    ─────    Determine the
budget                    campaign
                          approach
```

1. Determine the objectives

- *Identity*
- *Awareness*
- *Image*
- *Corporate*
- *Launch new products*
- *Local*
- *Perceptions on quality*
- *Perceptions on Sustainability&ethics*
- *To reach new targets*

2. Determine the target audience

3. Determine the budget

Budgeting Method	Percentage of Respondents Using This Method*	Major Differences	
		Lowest Percentages	Highest Percentages
Objective and task	64%	Sweden (36%) Argentina (44%)	Canada (87%) Singapore (86%)
Percentage of sales	48	Germany (31%)	Brazil (73%) Hong Kong (70%)
Executive judgment	33	Finland (8%) Germany (8%)	United States (64%) Denmark (51%) Brazil (46%) Great Britain (46%)
All-you-can-afford	12	Argentina (0%) Israel (0%)	Sweden (30%) Germany (25%) Great Britain (24%)
Matched competitors	12	Denmark (0%) Israel (0%)	Germany (33%) Sweden (33%) Great Britain (22%)

A. Concave-Downward Response Curve

Incremental Sales / Advertising Expenditures
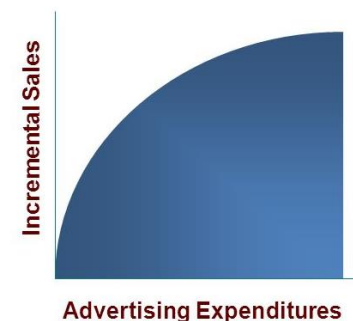
B. S-Shaped Response Function
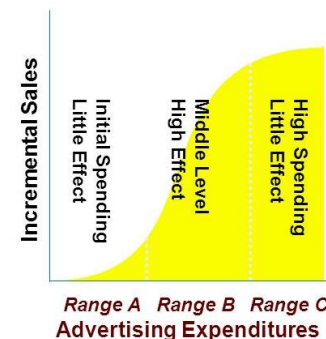
Incremental Sales — Initial Spending Little Effect / Middle Level High Effect / High Spending Little Effect

Range A   Range B   Range C
Advertising Expenditures

4. Determine the campaign approach

OUTSIDE SERVICES

DECISION MAKING AUTHORITY

How many/which type of agencies?

**Debate
centralization vs. decentralization**

5. Determine the message:

It must contain the **UVP (Unique Value Proposition),** the **reason why (benefits):** the **brand payoff & claim/slogan** must mirror both. The **visual identity** must mirror the **corporate identity**
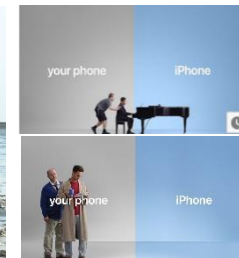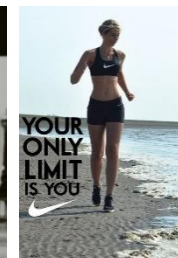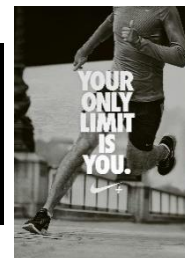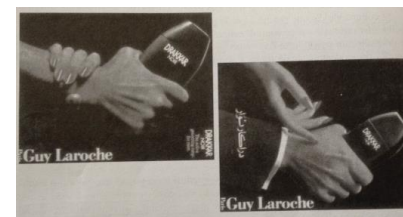
Pay attention if you go global

LINGUISTIC FEATURES

They represent a **barrier** for standardized marketing strategies
Parker Pen: "It won't leak in your pocket and embarrass you" (USA) & "No te embarazará chorreándose en tu bolsillo" (Mexico).
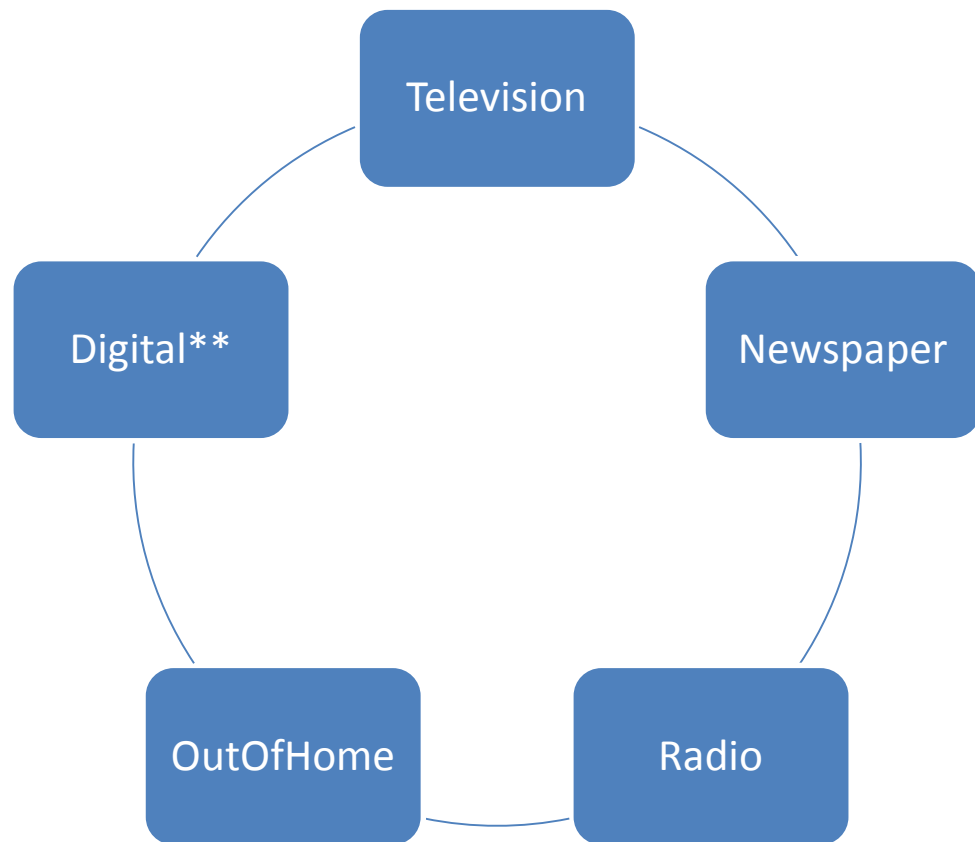
SYMBOLIC ELEMENTS

And pay attention to legal and social issues!
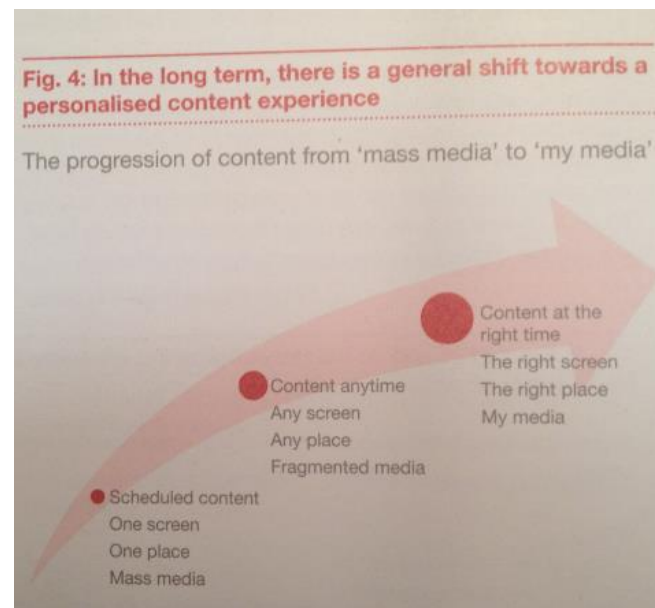
Advertisers must not: make false claims; use false demonstrations;create ads with the capacity to deceive; use bait-and-switch advertising

6. Determine the media strategy (Above the Line)

Television

Newspaper

Radio

OutOfHome

Digital**

*Careful! Include also the other communication tools!

Fig. 4: In the long term, there is a general shift towards a personalised content experience

The progression of content from 'mass media' to 'my media'

Content at the right time
The right screen
The right place
My media

Content anytime
Any screen
Any place
Fragmented media

Scheduled content
One screen
One place
Mass media

Determine the media strategy

Actual & future Distribution *(update in the next slide!)*

CAGR: 4.4%

2013

- Television - excluding online and mobile
- Digital advertising
- Newspaper - print
- Radio
- Consumer magazines - print
- Out-of-home
- Other

31%
12%
5%
6%
6%
14%
25%

up from 21% last year

2018

32%
10%
4%
4%
6%
10%
33%
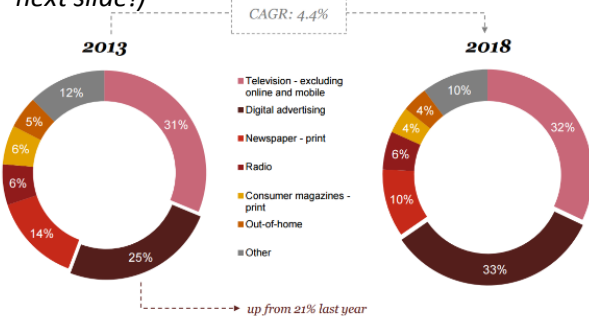
Global media
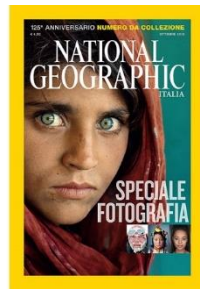
Product influences

Audience characteristics

Country	Cigarette and Tobacco Products	Alcoholic Beverages	Pharmaceutical Products
United Kingdom	Banned in broadcast; approval required for showing brands of tobacco companies in any sponsored events	Banned in broadcast during or adjacent to children's programs Broadcast permitted in non–children's program airtime, with many regulations	Advertisements for prescription drugs prohibited Restrictions apply; e.g., no promotion by celebrities allowed
Ireland	Banned for all cigarette and tobacco products in all forms of advertising, including any sponsorship of events	Broadcast targeting adults is allowed with many rules	Advertisements for prescription drugs prohibited Strict guideline applies to non-prescription drugs
Denmark	Banned in all forms of advertising	Permitted for beverages with alcohol content of less than 2.8% Strict conditions apply	Banned in TV broadcast for both prescription-only and nonprescription medicines Radio broadcast is permitted with strict guidelines
Portugal	Banned in all forms of advertising, except in automobile sports events with international prestige	Banned in TV and radio broadcast between 7 A.M. and 10:30 P.M. Banned in sponsoring events in which minors participate	Advertisements for prescription drugs prohibited Strict guideline applies to non-prescription drugs

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Entertainment and media spending by segment

Category		Historical data					Forecast data					CAGR %
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2016-21
Books	🔴	2,229	2,132	2,077	2,082	2,085	2,076	2,062	2,041	2,015	1991	
y-o-y growth			-4.4%	-2.6%	0.2%	0.2%	-0.4%	-0.7%	-1.0%	-1.3%	-1.2%	-0.9%
Business-to-business	🟡	3,008	2,870	2,800	2,782	2,795	2,823	2,852	2,880	2,911	2945	
y-o-y growth			-4.6%	-2.5%	-0.6%	0.5%	1.0%	1.0%	1.0%	1.1%	1.2%	1.1%
Cinema	🟡	671	675	625	687	713	706	719	736	757	781	
y-o-y growth			0.6%	-7.5%	10.1%	3.7%	-1.0%	1.8%	2.4%	2.8%	3.2%	1.8%
Internet	🟡	8,874	9,556	10,212	10,961	11,757	12,610	13,456	14,314	15,203	16112	
y-o-y growth			7.7%	6.9%	7.3%	7.3%	7.3%	6.7%	6.4%	6.2%	6.0%	6.5%
Magazines	🔴	2,456	2,190	2,064	1,974	1,952	1,921	1,897	1,876	1,855	1837	
y-o-y growth			-10.8%	-5.8%	-4.4%	-1.1%	-1.6%	-1.2%	-1.1%	-1.1%	-1.0%	-1.2%
Music	🟡	773	778	801	881	902	943	984	1022	1058	1088	
y-o-y growth			0.6%	3.0%	10.0%	2.3%	4.5%	4.4%	3.9%	3.5%	2.9%	3.8%
Newspapers	🔴	2,208	2,054	1,978	1,912	1,862	1,825	1,800	1,782	1,770	1764	
y-o-y growth			-7.0%	-3.7%	-3.3%	-2.6%	-2.0%	-1.4%	-1.0%	-0.7%	-0.3%	-1.1%
Out-of-home	🟡	180	170	165	181	176	170	175	178	182	187	
y-o-y growth			-5.3%	-2.8%	9.6%	-2.6%	-3.6%	2.8%	1.9%	2.2%	3.0%	1.2%
Radio	🟡	493	458	451	480	489	493	504	513	519	527	
y-o-y growth			-7.1%	-1.5%	6.4%	2.0%	0.7%	2.3%	1.8%	1.2%	1.6%	1.5%
TV	🟡	8,400	8,066	7,951	8,068	8,602	8,787	9,064	9,277	9,527	9706	
y-o-y growth			-4.0%	-1.4%	1.5%	6.6%	2.1%	3.2%	2.3%	2.7%	1.9%	2.4%
Video games	🟡	726	819	970	1143	1,329	1,541	1,770	2,000	2,235	2345	
y-o-y growth			12.8%	18.5%	17.8%	16.4%	15.9%	14.9%	13.0%	11.7%	4.9%	12.0%
VR	🟡	0	0	0	0	18	114	219	233	265	285	
y-o-y growth			-	-	-	-	546.0%	92.8%	6.4%	13.6%	7.6%	74.5%
E-sports	🟡	0	0	1	1	1	2	2	3	4	5	
y-o-y growth			-	173.9%	65.3%	36.4%	45.3%	41.6%	34.7%	30.7%	25.2%	35.3%
Total		28,803	28,604	28,949	29,982	31,476	32,764	34,212	35,513	36,904	38,126	
y-o-y growth			-0.7%	1.2%	3.6%	5.0%	4.1%	4.4%	3.8%	3.9%	3.3%	3.9%

Source: PwC, Ovum

Determine the media strategy

Television
- ☺ Vividly demonstrates product attributes
- ☺ Persuasively explains consumer benefits
- ☺ Portrays usage imagery/brand personality
- ☹ Easy to ignore or forget ads
- ☹ Product/brand can be overlooked

Newspaper
- ☺ Provide detailed product information
- ☺ Newspapers popular for local ads
- ☹ In steady decline
- ☹ Can be fairly passive
- ☹ Poor reproduction quality
- ☹ Short shelf life

Radio
- ☺ Flexibility
- ☺ Ads are relatively inexpensive
- ☺ Can be schedule to air quickly
- ☺ Effective when run in morning

OOH
- ☺ High conversion rate
- ☺ It is relatively inexpensive
- ☹ Product/brand can be over-looked
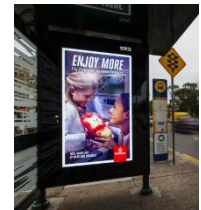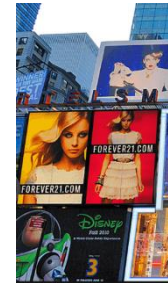
Determing the media strategy:
Media (time and location! But also budgeting..) planning

Attività Web MKTG / Timing	03/05/12	04/05/12	05/05/12	06/05/12	07/05/12
Coordinamento					
Interno	X	X	X	X	X
Esterno	X	X	X	X	X
Sito Web CCSM					
Interventi SEO	X	X	X		
Workflow Redazione Contenuti				X	X
Interventi Google Analytics					
Monitoraggio					
Report					
Sito Web CCS					
Interventi SEO	X	X	X		
Workflow Redazione Contenuti				X	X
Interventi Google Analytics					
Monitoraggio					
Report					
Email MKTG					
Invio prima newletter					
Invio seconda newletter					
Invio terza newsletter					
Monitoraggio					
Report					

Facebook					
Editing e pubblicazione contenuti	x		x		x	x
Moderazione dibattito (risposta a mes	x					x
Contest Living Seminar					
Contest Come vedi CCSM					
Contest esterno Cinema					
Monitoraggio			x		
Report					
Twitter					
Pubblicazione contenuti	x		x		x	x
Diffusione profilo			x		
Contest Living Seminar					
Contest Come vedi CCSM					
Contest esterno Cinema					
Monitoraggio			x		
Report					
Youtube					
Attività 1					
Attività 2					
Attività 3					
Monitoraggio					
Report					

Media Planning ATL / Timing	03/05/12	04/05/12	05/05/12	06/05/12	07/05/12	08/0
Stampa						
Dinamica						
Affissioni						

Advertising timing patterns
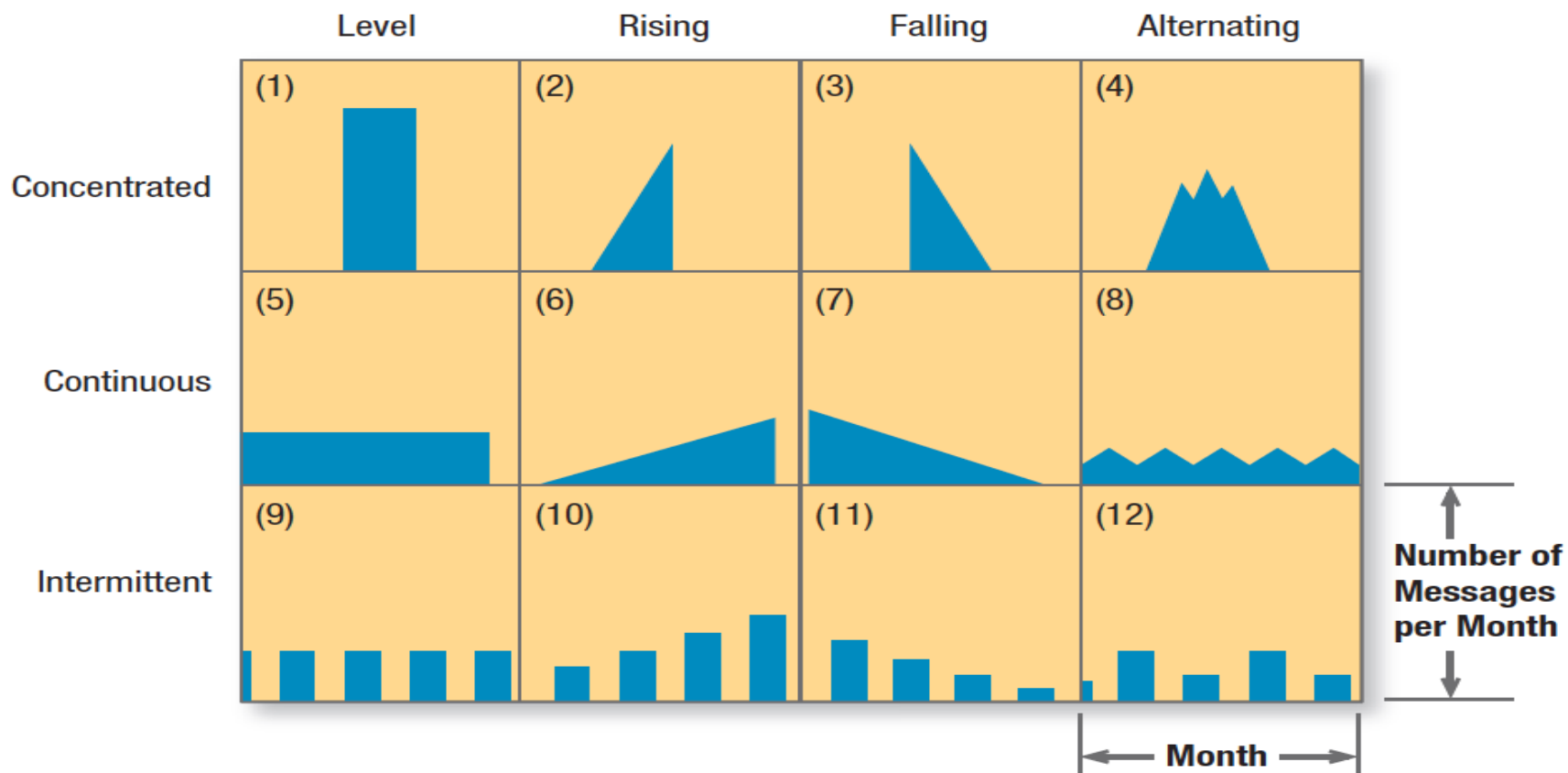
7. Evaluating advertising effectiveness
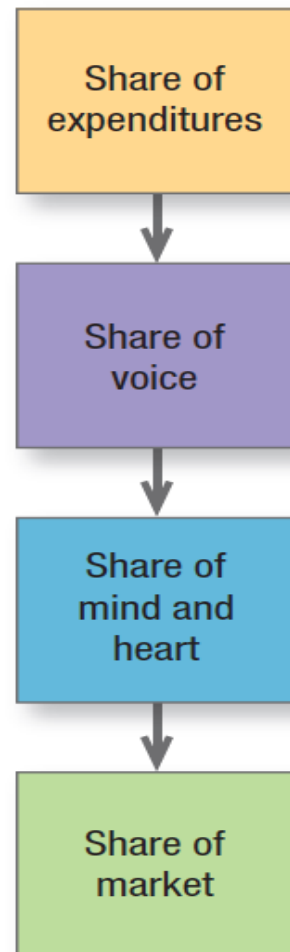
Objectives, target, message and media should be coherent
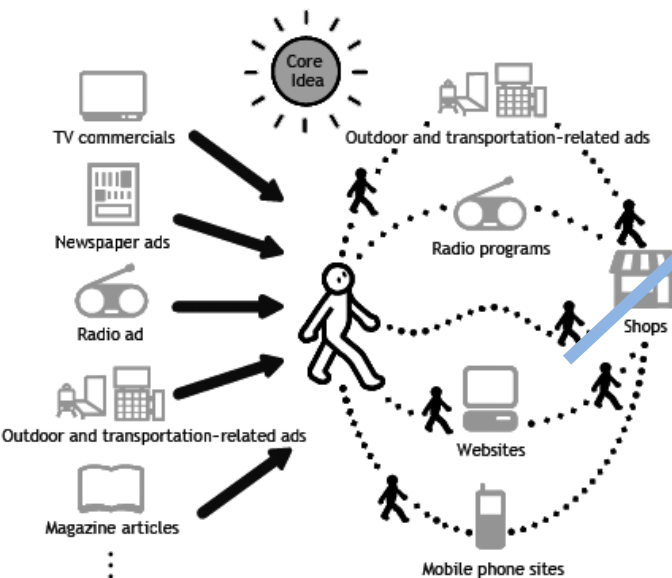
Personal selling

Personal selling involves a direct relationship between the seller and the buyer.

Guidelines
for a successful
marketer-intermediary
Interaction
(internationalized
company)

Know the sales scene

Research the customer

Work with the culture

Learn from your local representatives

Direct marketing

OLD MEDIA

Direct mail

Catalogues

Telemarketing

NEW MEDIA

Database marketing

Social networking service

Pay attention to permission marketing!

ADVANTAGES

Increase of presence and easy communication of information

24-hours source of Information and multiple interactions

Improve customer service

Source of customer insights

Allow sales (e-comm)
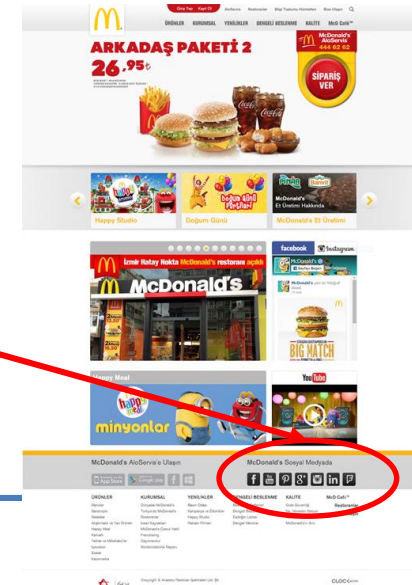
Sales promotion

A collection of **incentive** tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade (establishing objectives, selecting tools,* developing, implementing and evaluating the program).

*

Coupon
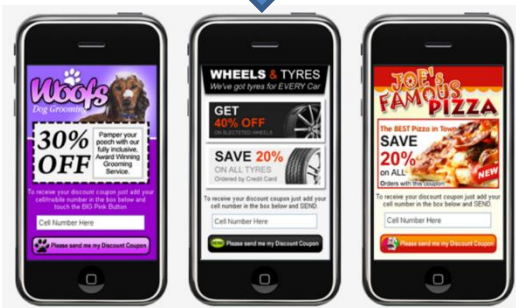
Sampling
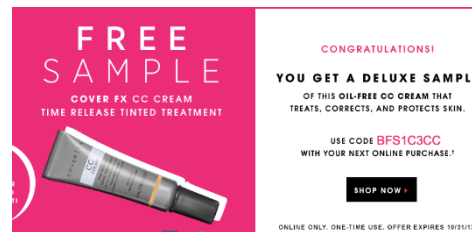
Cent-off packs

Demonstration

Contest

Sales promotion: developing the program

Incentive size

Conditions

Total sales promotion budget

Duration

Timing

Distribution vehicle
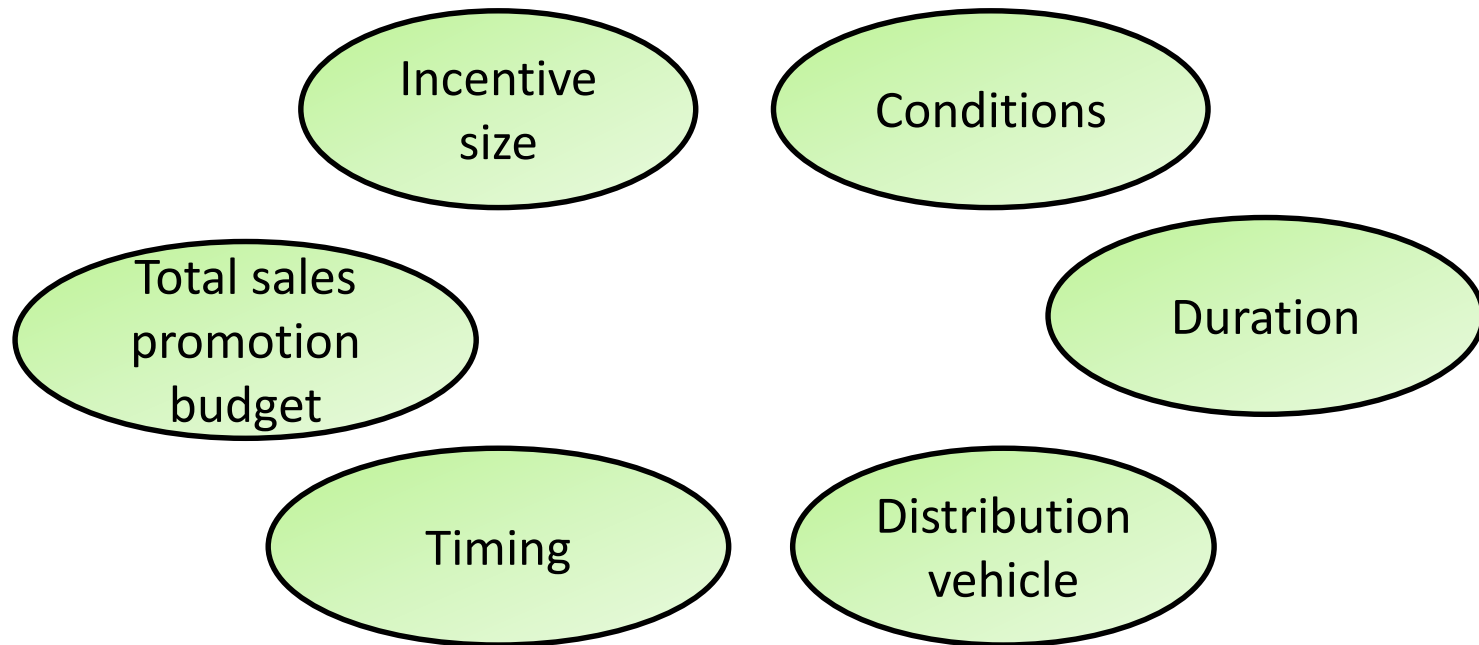
Implementing and evaluating the program: Lead time; Sell-in time; Sales/scanner data; Consumer surveys; Experiments

Public Relations

That form of **communication** management that seeks to make use of **publicity** and other **nonpaid** forms of promotion and information to **influence the feelings, opinions, or beliefs** about the **company**, its products or services, or about the **value** of the product or service or the activities of the organization to buyers, prospects, or other **stakeholders**

(American Marketing Association)

MAPPING STAKEHOLDERS

mingione@economia.uniroma2.it
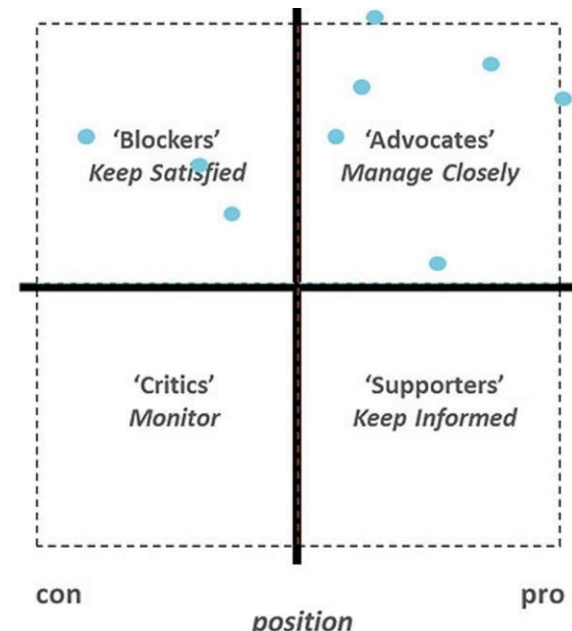
Press Relations (and publicity)

ANALYSIS

- Database: media, journalists
- Segmentation

STRATEGY

- Selection of primary targets
- Message

TOOLS

- Relationships
- Website
- Press realease
- Conference press
- Press review
- ……..

PR at Mastercard

Press event to announce the campaign in Czech Republic, Serbia, Slovenia

Collaboration with Knihy Dobrovsky in Czech Republic

meet&greet with a famous children's author Ljubivoje Rsumovic at *Delfi* bookstore in Serbia

Collaboration with Mladinska Knjiga in Slovenia

Distribution of local press release – more than 100 articles

Blogger activation in Bulgaria, Hungary, Romania, Poland, Slovenia

Violeta Markovska actress and Milena Vitanova, lifestyle blog in Bulgaria

wmn.hu in Hungary

What Anna Wears, a leading lifestyle blog in Poland

Andreja's World / Travel with me

Cristian China Birta & Dana Dragomirescu from Romania

Andreja's World in Slovenia

Hrvoje Šalković in Croatia

PR at Mastercard

Sponsorship

Communication activity where a company obtain, after a payment, that its brand can be promoted by a famous person or by an avent. In this way, **brands associate** their **image** to the **person's or event's characteristics**.

SPORT RELATED   CULTURAL RELATED   CAUSE-RELATED

!
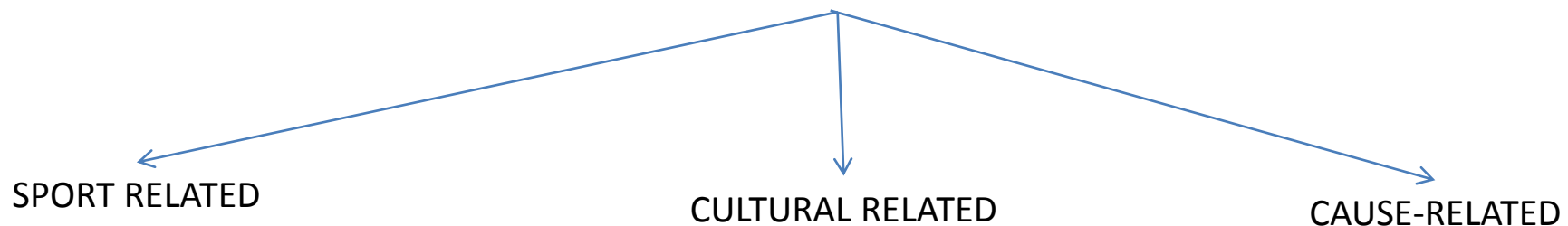
Events

A successful event is a complex system that can create

Brand Engagement* and increase *Reputation

Objectives

- o To create experiences and evoke feelings
- o To create/reinforce key brand image associations
- o To launch new products
- o To express commitment to the community or on social issues
- o To entertain key clients or reward employees
- o To permit merchandising/promotional opportunities

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Events

Characteristics

HIGH-TECH HIGH-TOUCH

1. It has to be technically qualified

2. It has to engage emotionally

3. It has to be technologically advanced

4. It needs participants

5. It can rely on the principles of the brand experience (sensory marketing)

6. It should be unforgettable and trigger WOM

7. It should be citable (PR!)

It has to be highly integrated with the other marketing tools!

Welcome Bambina!

Events (actors)

- THE COMPANY
- ORGANIZATIONAL EGENCIES
- SPONSORS AND PARTNERS
- TECHNICAL PARTNERS
- COMMERCIAL PARTNERS
- MEDIA and/o MEDIA PARTNERS
- SUPPLIERS
- GOVERNMENT
- LOCAL GOVERNMENT
- OTHER STAKEHOLDERS
- PARTECIPATING CONSUMERS
- INFLUENCERS (WEB)

" NETWORK "

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Product Placement
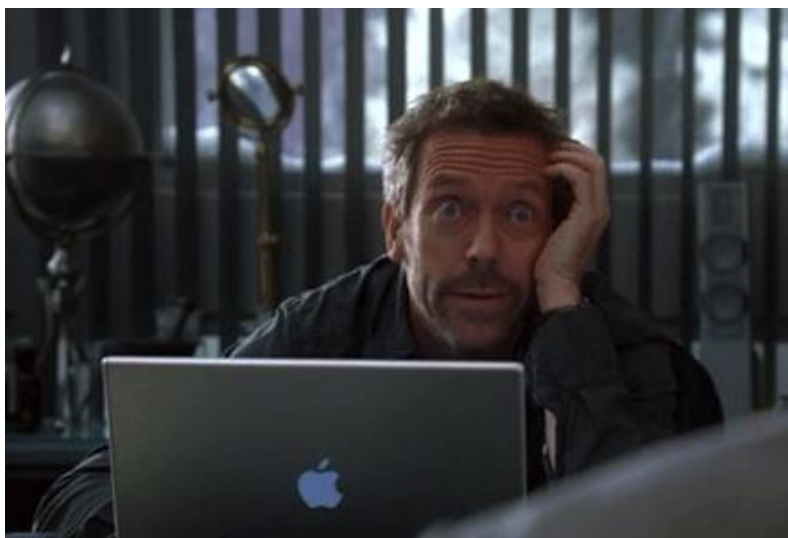
Ambient Marketing

Un'immagine dell'originale atti... ambient marketing realizzata da E... Terribles per Chinò Sanpell...

Smart Ideas for Smarter Cities
Join the conversation at people4smartercities.com
IBM

Guerrilla Marketing

WHEN A FOOD PLATE STOPS EVERYONE ON THE STREET

The Challenge
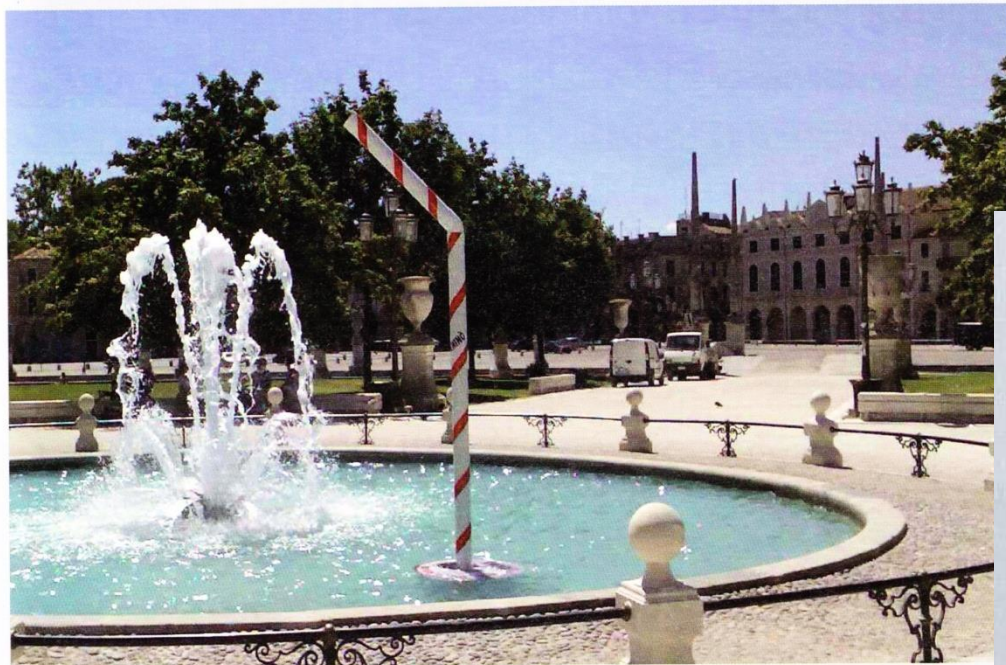Israeli Food Bank wanted to shake people up and face them with a cruel reality they can no longer deny: Hundreds of thousands of Israelis live in hunger!

The Creative Solution
An innovative visual combination that creates an immediate response. For the first time, real food plates are placed in regular steel sewer grates out on main streets and give an exceptional illusion of a kitchen plate dryer, lying on the dirty pavement. The plates don't just carry food anymore. They also carry a message.

The Message
The copy on the plate: Too many people eat on the street. For donation and information go to www.bankmazon.org

The Results
The effect is striking ! No one can stay indifferent. Thousands of people feel they have to stop immediately whatever they're doing and take a plate in their hands.Food Bank's plates create an enormous buzz! The campaign led to a huge increase in the number of visitors to the website and in the amount of donations made to the organization.

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Stickering

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Flash Mobs

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Common Communication Platforms

TABLE 19.1	Examples of the Eight Common Communication Platforms						
Advertising	**Sales Promotion**	**Events and Experiences**	**Public Relations and Publicity**	**Online and Social Media Marketing**	**Mobile Marketing**	**Direct and Database Marketing**	**Personal Selling**
Print and broadcast ads	Contests, games, sweepstakes, lotteries	Sports	Press kits	Web sites	Text messages	Catalogs	Sales presentations
Packaging–outer	Premiums and gifts	Entertainment	Speeches	E-mail	Online marketing	Mailings	Sales meetings
Packaging inserts	Sampling	Festivals	Seminars	Search ads	Social media marketing	Telemarketing	Incentive programs
Cinema	Fairs and trade shows	Arts	Annual reports	Display ads		Electronic shopping	Samples

Thank you for your kind attention!

(Have A Nice Day!)