
UNIT 1 MARKETING COMMUNICATION PROCESS

Objectives

After having gone through this unit, you will be able to:

Explain the concept and role of marketing communication;

Describe the marketing communication process;

Discuss some sources of misunderstanding in communication process; and

Comment upon the role of the various promotional elements in a marketing communication programme.

Structure

- 1.1 Introduction
- 1.2 The Role of Marketing Communication
- 1.3 Concept of Marketing Communication
- 1.4 The Occurrence of Marketing Communication
- 1.5 The Sources of Misunderstanding in Communication
- 1.6 Elements of the Promotion Mix
- 1.7 Conclusion
- 1.8 Summary
- 1.9 Key Words
- 1.10 Project Question
- 1.11 Self-assessment Questions
- 1.12 Further Readings

1.1 INTRODUCTION

In earlier units, it has been made abundantly clear that only through integrated efforts, can a marketer hope to succeed with respect to his marketing offering whether in the form of product or service. Marketing Communication is a subset of these integrated marketing efforts that merits our attention.

However, marketing communication poses a special challenge to the marketing strategists for some unique reasons. Firstly, it is the most visible clue next to the product itself, of marketers' intentions and commitment to consumers. Secondly, it

receives a relatively closer scrutiny from the policy-makers and other consumer-interest groups. Thirdly, there has been a significant change in viewing marketing communication. For a very long time, it had been seen as if promotions formed the only communication-bridge between a company and its buyers. This limited view of marketing communication is now being replaced with a more correct and wider proposition that marketing communication travels beyond promotion. In its linkage with buyers, it encompasses everything including product, packaging and distribution channels; and forms as a vital part of overall marketing efforts towards buyers and also the other sections of society.

In the following sections, therefore, our endeavor will be to develop the emerging orientation of marketing communication.

1.2 THE ROLE OF MARKETING COMMUNICATION

Tale 1 provides a description of the role of marketing communication. For a deeper understanding it can be classified in dyads of marketer-buyer, marketer-market and non-profit and social organizations.



Table 1: The Value of Marketing Communication

Marketing Communication or Promotion

- Establishes an image, such as prestige, discount or innovative, for the company and its goods and services
- Communicates features of goods and services
- Creates awareness for new goods and services
- Keeps existing goods and services popular
- Can reposition the image or uses of faltering goods and services
- Generates enthusiasm from channel members
- Explains where goods and services can be purchased
- Convinces consumers to trade up from one good or service to a more expensive one
- Alerts consumers to sales
- Justifies prices of goods, and services
- Answers consumer questions
- Closes transactions
- Provides after sale services for consumers
- Places the company and its goods and services in a favourable light relative to competitors

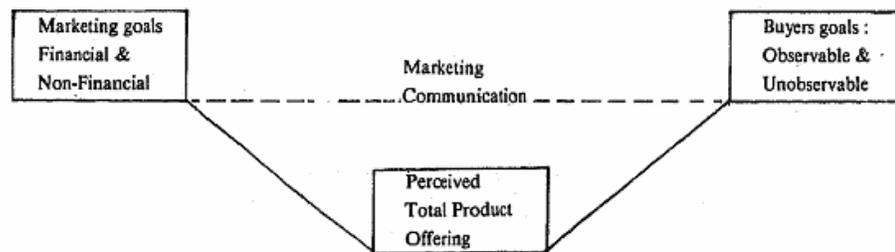
Source: J.R. Evans & B. Berman (1987) "Marketing" 3rd ed. Macmillan Publishing & Co. p. 409.

Communication in Marketer-Buyer Dyad

Marketing Communication has a variety of roles to play. To begin with, it brings the marketer and consumers closer to each other in their desire to achieve their respective goals. Thus, a marketing-company has such goals as profitability, corporate credibility and market leadership. Similarly, consumers too have such goals as better consumption, staying informed on new buying alternatives, and a desire for a better quality of life. Examining these goals together, one finds a degree of commonality-the need satisfaction through mutual efforts. Thus, a product offers the first common vehicle for satisfying these goal expectations of both marketer and consumers. Consumers buy the product because it is a bundle of need satisfying attributes. Marketers bring out the product because it is the only way they can achieve firm's goals.

The role of marketing communication then is to share the meaning of the firm's total product offering with its consumers in such a way as to help consumers attain their goals and at the same time move the firm closer to its own goals. Figure 1 illustrates this linkage.

Figure 1: The Role of Marketing Communication



Besides goals compatibility, marketing communication seeks to:

- Inform;
- Remind; and
- Persuade the actual and potential buyers for the marketer's offerings.

Thus, most buyers do not object to the informational content of promotion because it serves to spread the word quickly about innovations. Imagine how much longer would it have taken buyers to become aware of the functional utility of pressure-cookers had it not been communicated by marketers. Similarly, most consumers would also welcome occasional reminders about products they are already familiar with. Thus, even if most buyers of 'Milkmaid' are familiar with its compatibility with creative food preparation, its buyers may



still like to receive a reminder **and** even new recipe suggestions from it. The persuasive element of communication has, however, been a subject of much controversy and some justified criticisms too. Many believe that marketers manipulate consumers through clever marketing communication, in making them buy those products and service which they may not need. Usually emotional appeals in communication are singled out for their cynicism. Thus, many would consider the recent media blitz of ONIDA-21 colour television and its appeal 'Neighbors Envy: Owners Pride' as a persuasive piece of marketing communication.

Activity 1

Identify three instances of television commercials which seek to inform, remind and persuade its buyers:

Answer

Information Category: I consider(name of the TV commercial) as Informative communication because it seeks to

.....
Reminder Category: I consider (name of the TV commercial) as reminder communication because it seeks to

.....
Persuasive Category: I consider(name of the TV commercial) as persuasive communication because it seeks to

Communication in Marketer-Market Dyad

Communication in Marketer-Market Dyad

Not all marketing communication is directed towards ultimate buyers alone. Many are addressed to other manufacturers and institution, some to the' intermediaries who engage in resale operations and some to opinion-leaders who are in a position to recommend the product. Each of them requires a different message. Thus, while a consumer may be impressed by the look of a particular brand of non-breakable synthetic cooking wares, dealers may need to know the margins available, its quality and attraction over the competing brands. The examples will include the regular publication newsletters to teachers from publishing houses for book purchase and recommendation. The advertisements inviting dealers/distributors for various product like TV, fridge etc. is another example of business to business communication.

Communication in Non-profit/Social Organization

Finally, communication is vital to non-profit organizations and social institutions too. Thus, the Help Age India of Delhi, and the Times of India Foundation for Eye Bank would look forward to marketing communication with the same expectation as would probably the Proctor & Gamble and The Hindustan Lever. The anti-drugs campaign and the family planning & welfare message at the TV prime time are handy illustration of the value of marketing communication 'in Non-profit and social organisations.

1.3 CONCEPT OF MARKETING COMMUNICATION

Marketing communication can be conceptualized at both macro and micro levels. Broadly defining, "marketing communication is the continuing dialogue between buyers and sellers in a market place." Thus, to an average reader and observer of Indian marketing, everything that marketers do to attract buyers and help them satisfy their needs, is marketing communication. It should be noted here that although the definition is the macro view of communication, it emphasizes a dialogue and not a 'monologue' between sellers and buyers. The emergence of various consumer groups has been helpful in this respect. The opening of certain telephone lines by the major nationalized banks for listening customer grievances is recognition of this facet of marketing communication.

Looking, however, from marketers perspective, the marketing communication is "the



process of presenting an integrated set of stimuli to a target with the intent of evoking a desired set of responses within that target market and setting up channels to receive, interpret and act upon messages and identifying new communication opportunities.

The definition is quite relevant to an individual firm. It recognizes that the firm is both a sender and a receiver of market-related messages. As a sender it first approaches customers to buy its products/brands in a competitive environment. As a receiver, it seeks to attune itself to its target market in order to realign its messages; to adapt messages to its changing marketing conditions, and to spot new communication opportunities. The firm must be a sensitive receiver of market's needs if it is to survive and grow.

Activity 2

Suggest at least two ways in which Indian Airlines may receive messages from air travelers, and which will help it to review its services.

Answer

I will recommend the following two ways in which such communication may be received by the Indian Airlines:

Method 1:

.....

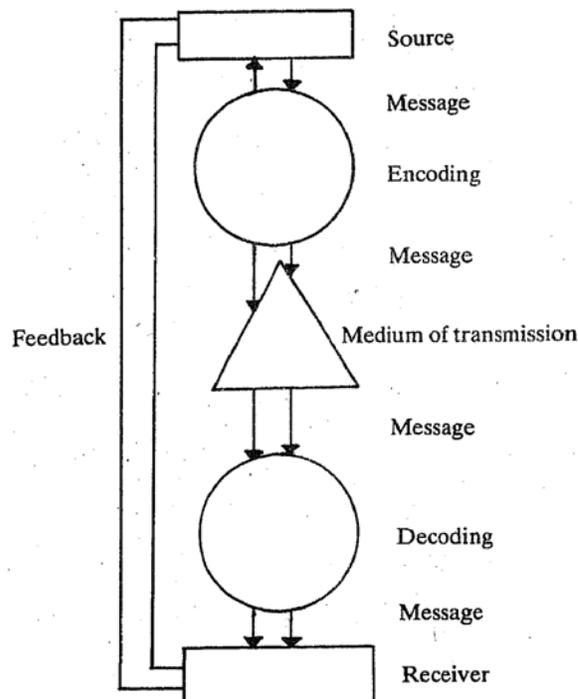
Method 2

.....

1.4 THE OCCURRENCE OF MARKETING COMMUNICATION

An examination of the available texts on marketing communication reveals that marketing communication, like all forms of communication, occurs as 'an orderly way of transmitting a message'. It is similar to the functioning of a telephone circuit. Figure 2 contains a simplified model of how communication occurs:

Figure 2: Functioning of Communication





The basic elements of the communication flow as shown in Figure 2, are the 'source'-the originator of the 'message', the 'receiver'-the ultimate destination of the message and the 'medium of transmission'-the means by which the message moves from sender to receiver. These elements are joined together by a process which includes-'encoding'-the way message is put in an understandable format by the source and 'decoding'-the process of retranslating the message into understandable terms by the receiver. The feedback is an indication of understanding by the message receiver to the message-source. Figure 3 shows a more comprehensive picture of communication as it occurs.

Activity 3

Engage a local store owner/sales person in a conversation with respect to your intention to buy something from him. Narrate in this context the communication as it occurred.

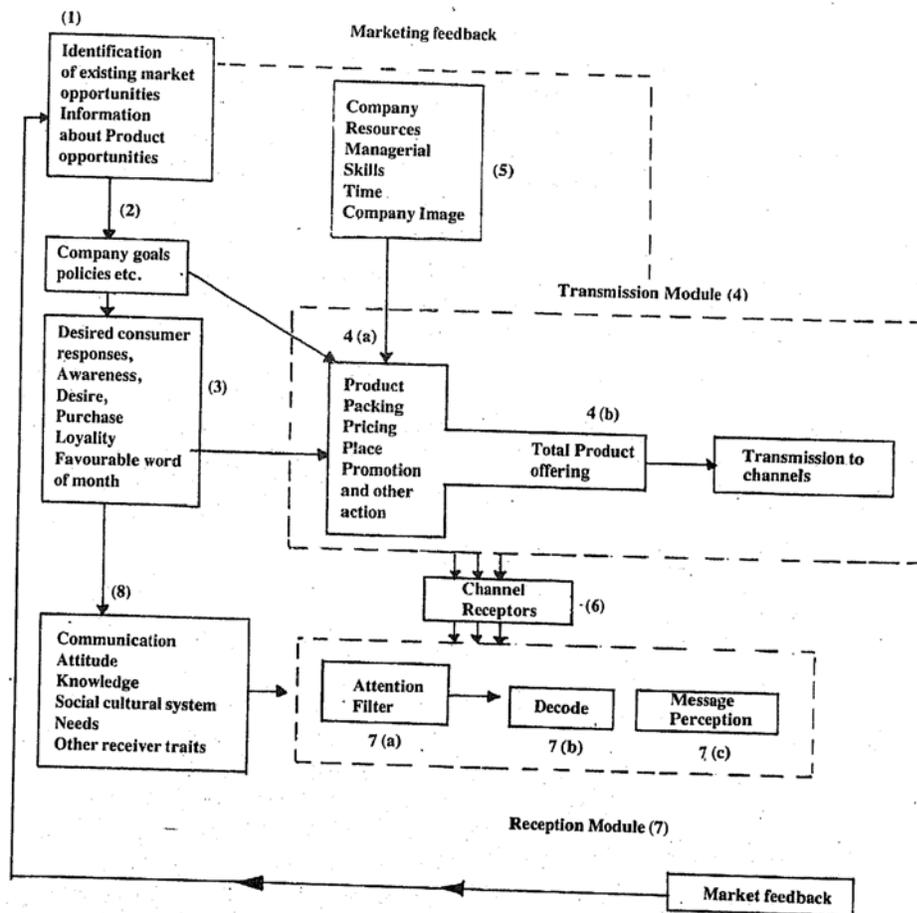
Answer:

.....

.....

.....

Figure 3 Marketing Communication Process



Adapted from M.W. DeLozier-The Marketing Communication Process, McGraw Hill, 1976 p. 171

Explanation of Figure 3

The model of communication process, as represented by Figure 3, is:

- a description of the process. It does not intend to predict communication



- occurrence,
- based on both marketer dominated and environmental stimuli that trigger off the process of communication.

In the model, the first category of stimuli is represented by the existing opportunities and/or 'information about the opportunities (box 1). These stimuli activate the firm's response by way of designing appropriate goals policies strategies and tactics (box 2). The policies etc., then act as stimuli to accomplish desired consumer response beginning with creating awareness through to obtaining a positive word of mouth (box 3). Simultaneously, these policies (box 2) create a transmission module (box 4). The transmission module starts off with such marketer-dominated stimuli as product, pricing, distribution, packaging, promotion i.e., the total product offering (box 4a). The total offering is influenced by the resources that the firm has at its command (box 5). The total offering thus travels through varied and often complex channels. The channels could be an advertising agency, Radio, Television, Newspaper and magazines etc. These transmission channels can transmit the message in different forms i.e. through visual, aural and olfactory channels to consumers.

Box 7 represents the process in which the market receives messages. The filtering of message (box 7a) is dependent upon communication skills of message receivers (box 8). The box 7(c) indicates how messages have been perceived by target-receivers. This indication is given in the form of feedback, which travels back right through to the company's perception of existing and potential market opportunities and through to the transmission module (box 4) to turn the circle full.

It should be cautioned that the model may suffer from an over-simplification of the process. Further, there may be many hidden snags in proceeding from a stage to another. However, the model should be useful in understanding the process at a general level.

1.5 THE SOURCES OF MISUNDERSTANDING IN COMMUNICATION

As cautioned before in elaborating the model of communication process, there are several real and potential sources of misunderstanding that may thwart the process of marketing communication. These sources are listed below:

Source Effect: The source effect refers to the effect caused by reputation of the source of communication itself. The source effect can both impede the speed and accuracy of message reception (if the source was unfavorable reputation) and accelerate it if it is preceded by a good reputation. Thus, a company known for its poor quality products in the past, will have to work harder for gaining consumer reception for its subsequent efforts in producing quality goods and better services. While a manufacturer/marketer of good product or creative advertisement will receive quicker understanding of consumers for its subsequent product and advertisements.

Multiple Transmitters: In marketing communications, several channels are to be used for message transmission. Thus, a marketer of television may use dealers as well as advertising and point of purchase publicity to communicate about its brand. All these channels have their unique transmission characteristics. A dealer may use more body language; an advertisement a sleek and emotional word power; and POPs attractive colours. The interpretation of each is bound to be varied and may affect the communication.

Decoding Errors : Many misunderstandings arise because of the tendency in receivers for selective perception and interpretation. The classic example of this phenomenon is again the ONIDA television. The snag occurs more often when the message is unusual, shocking and substantially different from the current ones.



Communication Noise 'Noise' represents an interference in marketing communication that is either deliberately or accidentally introduced and which blocks or distorts transmission. The noise could originate from the message itself (internal noise) either in the form of unknown words or any other stimuli. The communication could suffer from 'external noise' (TV commercials in a busy restaurant). The competitors could also introduce 'noise' by having similar messages or providing counter-arguments. Liril of FILL and Godrej's Lime are the recent example of communication noise.

Inadequate Feedback : The final misunderstanding in communication may arise due to poor feedback given to the sender. This may affect the quality of subsequent marketing communication. No wonder, therefore, many marketing communicators spend lakhs of rupees to establish and monitor their feedback system.

Activity 4

Recall your recent experience of a marketing communication for any product and service. Did you experience any misunderstanding? If so, to what of the following would you attribute and why?

Answer

I did face communication misunderstanding in the name of advt.) and I would attribute it to the following :

- Source Effect -- Yes/No
- Multiple Transmitters -- Yes/No
- Decoding Errors -- Yes/No
- Noise -- Yes/No
- Inadequate Feedback -- Yes/No

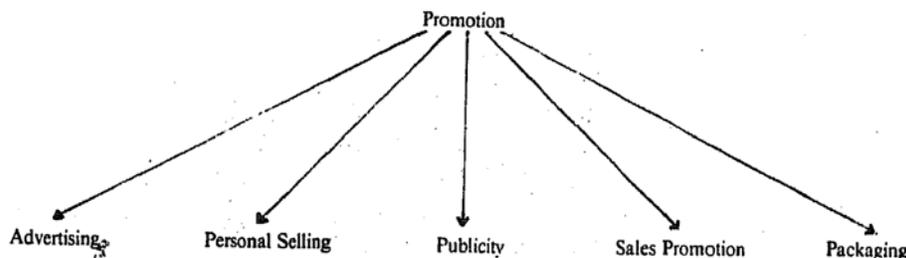
It was because

.....

1.6 ELEMENTS OF THE PROMOTION MIX

Marketing communication (promotion) comprises several elements. Figure 4 represents the configuration:

Figure 4: Elements of the Promotion Mix



Given below is the description of each of these elements:

Advertising: The American Marketing Association defines advertising as: "any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor." The key words are 'non-personal' and 'paid by an identified sponsor'. Thus, in an advertisement, instead of communicating with



customers face-to-face companies that advertise, ordinarily use a mass medium, television, newspapers, radio, hoardings etc. These messages, when they appear, identify clearly who has paid for them.

The cost of advertising may appear very high, when judged in absolute terms. However, it is one of the cheapest when calculated in terms of cost per unit in reach and 'frequency'. Besides being cost effective, advertising often attracts customers for its creativity. Many children and housewives in India are reported to have enjoyed more the TV Commercials preceding the programmes than the programmes themselves.

The ultimate benefit, of advertising lies in the fact that it allows perfect reproduction of the desired message and thus, enjoys the maximum degree of control over the message.

Publicity: Publicity is formally defined as 'any form of non-paid commercially significant news or editorial comment about ideas, products and institutions' (James F. Engel, Hugh G. Wales : and Martin R. Warshaw Promotional Strategy, Homewood RM. Irwin, 1971 .P³).

Table 2 summarise the differences between advertising and publicity.

Table 2: Advertising Vs Publicity

SI. No.	Advertising	Publicity
1.	Paid form	Non-Paid form
2.	Product related message	Public welfare related message`
3.	Less credible	More credible
4.	More subjective	More objective
5.	Maximum control over the message	Little control over the message

The objective of publicity is much the same as that of advertising and communication. In general, it increases consumer awareness of a company, its product, particularly new & innovative products-and marketing practices. A company can also plan publicity to derive its advantages.

Activity 5

Choose a product/service and search for two marketing communications-one each in the category of advertisement and publicity. Compare the two and write down their characteristics.

Answer

- a) Product category chosen
- b) Advertisement Medium chosen.....
- c) Publicity Medium chosen.....
- d) Characteristics of:

(I) Advertisement

(II) Publicity

.....

.....



Personal Selling: Unlike advertising, personal selling involves a one-to-one relationship with a customer. It is 'the oral presentation of a tangible and intangible product by a seller to a prospect for the purpose of completing an exchange'.

The apparent benefit of personal selling is that it allows salespersons to judge the reaction of customers to their sales presentations and thus, gives an opportunity to vary the message for better understanding. It is, however, expensive as compared to advertising and other means of marketing communication. It is generally believed that it is not particularly suited to the mass-distributed consumer products.

Sales Promotion: Sales promotion includes a wide variety of tools and, thus, has been defined in several different ways. Perhaps, one of the better definition of sales promotion is: "a direct inducement which offers an extra value and incentive for the product to the salesforce, distributors, or the ultimate consumers" (J.F. Luich & W.L. Ziegler 'Sales Promotion' and Modern **Merchandising**, NY McGraw Hill, 1968, p.4).

Sales promotion methods are useful means of stimulating a quick and immediate response from consumers. Coupons, music cassettes, free products and free demonstrations and just a few examples of many-forms that sales promotion may take.

Packaging: Packaging has become increasingly important as a promotional tool. Especially in consumer products, marketers have discovered the value of packaging as a fascinating communication in India, with the introduction of new packaging technology. The markets are almost revolutionalized. The polypackaging is one illustration of this trend. Marketers have gone to the extent of designing their communication message around new and innovative packaging (Dalda Refined Oil; Cosmetic and Sanitary products; Pan Masala etc). The value of packaging lies not merely in protecting the product but in retaining and promoting the product. Service industry too has begun to use packaging as a promotion.

Activity 6

Identify one instance of packaging as a dominant element of marketing communication. Describe its communication process.

Answer

I will choose

1.7 CONCLUSION

To sum up, marketing communication is an integral part of a marketing strategy and often, forms a very significant linkage between the firm and the market. This also constitutes as the most visible commitment of the firm to its purpose i.e., satisfying the needs of actual and potential customers.

1.8 SUMMARY

The unit focuses on marketing communication as an integral part of marketing strategy. Marketing communication is a continuing dialogue between marketers and buyers with a view to inform, remind and persuade the latter to buy the product. Further, it has been suggested that marketing communications are not restricted to products alone. They address to the market as a whole and equally to non-profit making organizations. An integrated model of marketing communication is presented, which is followed by the sources likely to cause misunderstanding. The unit concludes with a brief description of advertising, publicity, sales promotions, personal selling and packaging as the major elements of marketing communication.



1.9 KEY WORDS

Marketer-Buyer Dyad: The exchange relationships between the firm and its buyers interact.

Marketer-Market Dyad: The exchange relationships between the firm and its competing firms, other institutions, middlemen etc.

Marketing Communication: A continuing dialogue between the firm and its target audience in a market.

Advertisement: A non-personal way of promoting a product which is paid for by an identified sponsor.

Publicity: A way of informing about any marketing plan/practice of a company by mass media which is not sponsored.

Personal Selling: The face-to-face presentation by a company's sales force about its product etc.

Packaging: The form in which product is sold/bought in the market.

Sales Promotion: The incentives to encourage quick adoption of a product.

Coding (or Decoding): The process in which messages are formatted (or retranslated) in understandable terms.

1.10 PROJECT QUESTIONS

- ABC is a leading bank of America, and has been recently allowed to operate in the four metropolitan cities of India. The Reserve Bank of India has permitted the bank to promote itself at par with the other national banks. Assume that your job is to design the marketing communication programme announcing the opening of the Bank and operations of its activities. Present an appropriate plan for the same. You may make necessary assumptions and state them clearly.
- Based on Q.No. 1, draft letter(s) that the chief executive (operations) of the ABC Bank would write to his potential customers.

1.11 SELF-ASSESSMENT QUESTIONS

- 1) How does promotion differ from marketing communication? Why is it advisable to view marketing communication beyond buyers alone?
- 2) Discuss the ways in which **promotional** mix for a refrigerator would differ from the promotional mix for a toothpaste.
- 3) Evaluate the marketing communications model shown in Figure 9.3, Describe its utility to marketers.
- 4) What audience attributes should be considered in using a channel of communication? How far psychographics will be superior to demographics in the process?

1.12 FURTHER READINGS

- M. Fitzgerald, *Marketing Communication Classics*, (Business Press, 1999).
A.J. Jewler and B L Drewniany, *Creative, Strategy in Advertising*, (South Western Publishing, 1998).
S. Sayre, *Ad Campaign Planner*, (South-Western Collage, 1998).