

# TRADITIONAL COMMUNICATIONS

Study Notes

# Traditional Communications

LESSON 1: FORMULATING A MARKETING STRATEGY .....	5
EMBED YOUR COMPANY'S PURPOSE .....	6
Integrate purpose, direction, and culture .....	6
UNDERSTAND YOUR VALUE PROPOSITION .....	7
Case study: Amazon .....	7
THE SCOPE OF TRADITIONAL COMMUNICATIONS .....	7
What they encompass .....	7
Traditional channels .....	8
External corporate communications activities .....	9
Internal corporate communication activities .....	9
EMPLOY AN OMNI-CHANNEL APPROACH .....	10
Rise of new channels .....	10
Supporting digital channels .....	10
THE GROWING POWER OF CONSUMERS .....	11
Shift in the balance of power .....	11
Brand perception .....	11
Case study: Montblanc .....	12
Brand perception .....	12
LESSON 2: INTEGRATING DIFFERENT ASSETS INTO A MARKETING PLAN .....	15
STRENGTHS OF TRADITIONAL COMMUNICATIONS .....	16
The Five Constraints .....	16
Consumer touch points .....	16
Main characteristics .....	17
Strengths of traditional communications channels .....	18
Contribution to business goals .....	18
Project a coherent message .....	19

THE CONSUMER DECISION MAKING PROCESS .....	20
The buying cycle .....	20
The role of digital channels.....	20
THE FOUR PARAMETERS OF MARKETING .....	21
The four P's .....	21
INTEGRATE WITH THE CUSTOMER JOURNEY .....	21
Integrated Marketing Communications (IMC) .....	21
Engage with customers .....	22
Identifying customer pain points .....	22
Create a typical customer journey .....	23
Customer touch points .....	24
TRADITIONAL AND DIGITAL COMMUNICATIONS .....	24
Non-traditional channels .....	24
Differences between digital marketing versus traditional marketing .....	25
LIMITATIONS OF TRADITIONAL COMMUNICATIONS .....	26
Challenges .....	26
Adopting a generalized approach.....	27
TECHNOLOGY AND CONSUMER BEHAVIOR .....	27
User-generated content .....	27
Changing consumer lifestyles .....	28
LESSON 3: CONDUCTING MARKET RESEARCH / COMMUNICATIONS PLANNING .....	30
DATA ANALYTICS .....	31
Integrating data analytics .....	31
Audience and media research .....	31
MARKET RESEARCH .....	31
Understand your target audience .....	31
Observational research .....	32

Curate the optimal media mix.....	32
Quantitative research.....	33
Qualitative research.....	33
Increasing fragmentation of audiences.....	34
Ongoing market and media analysis.....	35
COMMUNICATIONS PLANNING .....	35
Five key stages .....	35
COMMUNICATION OBJECTIVES.....	36
Objectives drive tactics.....	36
The importance of a clear brief .....	36
The importance of customer insights .....	36
LESSON 4: PLANNING CREATIVE AND MEDIA STRATEGY.....	39
CREATIVE PLANNING .....	40
The role of the media owner .....	40
Message design .....	40
MEDIA STRATEGY .....	41
Integrated Marketing Communications.....	41
Role of media agencies.....	41
BUDGETS AND RESOURCES .....	42
Specialist skills required .....	42
Budget calculating .....	42
Prohibitive costs .....	43
PERFORMANCE MEASUREMENT .....	43
Perform customer research as a measurement tool .....	43
Brand equity .....	43
Research techniques.....	45

# **LESSON 1: FORMULATING A MARKETING STRATEGY**

# EMBED YOUR COMPANY'S PURPOSE

## Integrate purpose, direction, and culture

Purpose is something that's really come to the fore in marketing in the last few years. And it's where we start thinking about our business mission, our vision and our values.

Take insurance, for example. What is the core purpose of insurance? Insurance is essentially a promise. It's a promise that if something goes wrong, you, as an insurer, will put it right. And there has been a time and there still are some companies that are really not thinking about that general purpose behind the industry. And that's why insurance generally is one of the least trusted industries globally. If you look at something like the consumer trust barometer, which is worth looking up online, you'll see that banks and insurers are way down the bottom, whereas a lot of the digital businesses and the new companies are up the top. Because they're sticking to their purpose.

Think about Google's original purpose: don't be evil. Now there's a lot of debate around whether they're still sticking with that purpose. The amount of data gathering they're doing, the fact they have moved to Alphabet, and Alphabet haven't carried on that same purpose.

This then splits down into your mission, your vision and your values. And sometimes when we work in a business, we may think that these are just wishy-washy statements. However, they're core to pulling everybody together in a business, so that they're striving to go towards the same goal.

Traditional communications originate from an organization's:

- Mission
- Vision
- Values

They are all there to support it. They're there to help the consumer understand what those three things are that your business is doing. Once you understand your company's purpose, the key thing is actually embedding it within the strategy, within the business objectives and the business plan.

There are a lot of companies around who focus very much on short-term goals. Consider the analogy of the boiling frog. If you want to cook a frog, if you boil a pan of water and then try to put the frog in, it will jump out straight away. It recognizes that it's about to boil. But if you put it in a pan of lukewarm water and slowly raise the temperature, the frog will happily sit in there and will eventually cook. Companies that focus purely on the short-term and aren't really thinking about the medium and long-term, are like the frogs in the lukewarm water. Because with medium and long-term, obviously, come different consumer trends.

Consider Blockbuster. They focused on the short-term, and weren't really thinking about their purpose and what they stood for. Otherwise, they may have recognized the opportunities before it was too late. Another example, in the UK, is HSBC. Around the early 2000s, they brought in a lot of students because they offered a student rail card. They gave students discounts on rail travel across the UK. This was very important, because rail travel is expensive otherwise. Those students now are some of the most valuable customers HSBC have. But they stopped doing it and, if you look at the profile of customer age within HSBC UK, there's a big spike around the 30-to-40-year-olds, but there's a lot lower coming through. And now HSBC are advertising offering £200, so roughly, what

\$300, for new customers to join the bank. That's a far greater expense than simply paying for a student rail card!

## UNDERSTAND YOUR VALUE PROPOSITION

### Define a clearly differentiated value proposition

You need to clearly define a differentiated value proposition. Now, how differentiated do you want to be? It may be that within your market, it's good enough just to have a 'me also' proposition. However, if you're doing that, you tend to be thinking in the short-term. A value proposition that focuses on the short-term will get you some quick wins, but is not going to see you succeed in the long term.

You need to develop tools that will help you design, test, and build your own value proposition. And it's this idea about creating compelling products. That is what's going to get you consumers – if it's a “me also” product, then you're not going to be able to charge a premium for it, unless you've got a really strong brand. But brand is part of your value proposition. It's not just thinking purely about the products. It's *all* the elements that define what your core offering is to your customer.

### Case study: Amazon

As an example of a value proposition, consider Amazon. Amazon's core value proposition is delivering the widest range of products to your door in the fastest time at the lowest cost. Think about all the examples of this. The speed at which they changed is incredible, moving from offering things like Amazon Prime, so a subscription for faster delivery.

And now we've got Amazon Prime Now in the US and in the UK. When Prime Now launched, it set completely new expectations around being able to deliver things quickly. You could be sitting on your sofa thinking you want to watch *Lord of The Rings*, or play a new game, or want to read this book, but you want the physical version. You could go and download it from somewhere. But Amazon can deliver it in two hours! And they're building that value proposition even further with the launch of things like Alexa, Amazon Echo, the Amazon Dash, moving into drone delivery. All of these new propositions that they're building, they balance, they fit in with this core tenet. Their core value proposition is to deliver the widest range of products, A to Z, in the fastest time, at the lowest cost.

## THE SCOPE OF TRADITIONAL COMMUNICATIONS

### What they encompass

What do traditional communications encompass? Essentially, it's all internal and external communication activities. Everything! Every time you talk with an employee or a customer or a stakeholder. Any communication, any one-way or two-way conversation, fits into this category. Employees and internal communications. The media. PR is so important, having good relations with the media, getting your brand name out there and having interesting content. Customers are the heart and soul of your business. If you're not communicating with your customers, your brand tends to fall behind.

Again, insurance is a really interesting example of this. Typically, insurance companies may communicate twice with customers in a year. Once when they send out their new policy pack and then towards the end of the year when they sent out a renew. Now that's not really having communications planned, because there's a vast period in the middle where they don't even exist and they're not even reminding their customer of what value they're providing in their life.

Also consider stakeholders. They might be people who own shares in your business, or key stakeholders. There needs to be constant communication with them.

## Traditional channels

What do traditional communications encompass, in terms of the channels?

### Television

Number one is television. Although television spend is in decline compared to digital, it still remains one of the key ways in which brands want to target and communicate with consumers in an entertaining and informing manner. It helps companies ensure that their brand is remembered by the key audiences that they're targeting. And it's amazing still how much money brands will spend on television campaigns. As a recent example, Direct Line spent over £40 million on a new brand advertising campaign involving Harvey Keitel, where they resurrected his character as Winston Wolfe (whom you may remember from the cult movie *Pulp Fiction*).

### Radio

Second is radio and radio's growing. And it's a really interesting challenge, because you don't have the visual elements to rely on. It's all about tone of voice and very clever copy. And it's a very different skill to be able to get a consumer to remember your brand via radio than it is via television.

### Outdoor

Outdoor is another example of a channel like television. Consider how Apple used Shazam. We're seeing integration of digital. We're seeing much more interactive digital outdoor marketing boards.

### Cinema

Cinema is essentially big screen advertising.

### Point of sale

If your product is sold in a store or in the brand's own stores, that point of sale becomes a channel. Consider Marks & Spencer. HSBC underwrites Marks & Spencer insurance, and what they wanted to do was advertise the insurance products at point of sale within the Marks & Spencer stores. M&S understand their business so well. They knew there was no point advertising something there, which they don't think customers are going to pay attention to. The thing that earned them the most money and that customers love seeing at point of sale was Percy Pigs, which is a type of sweet that they sell. M&S know their customer better and understand the business better.

### Direct mail

Just think about all those pieces of paper that come through your door. It's a real skill to be able to create something that a consumer will open and digest. And we have seen a lot of spend move away from this very traditional channel to email and to other direct digital channels.

### Brochures



Brochure is still important. Some people love flicking through the brochure relaxing and seeing what your products are. What products are available. It's still a key method of communication.

## External corporate communications activities

This can be broken down into communication to:

- Stakeholders
- Investors
- Customers

What are the main external corporate communications activities?

### Reports

Corporate communications can use a lot of traditional channels, such as broadcast, print, or outdoor. However, other new channels come into play, such as annual reports. Businesses spend a lot of time creating annual reports and they do get read. It's another opportunity to get across what your brand stands for, what your purpose is, and actually go into much more detail than you can in other channels.

### Conferences

Look at the number of people who want to be involved in conferences that Apple do or Google or a number of the new digital brands – or gaming companies, for example. There are people who will queue up or log in just to see their business heroes talking. Companies that do conferences that get their customers involved really build up a strong relationship with those customers. These people that attend are extremely brand loyal.

## Internal corporate communication activities

It's also important to think about internal communications. It's something that quite often gets overlooked as we think about our customers. But getting your message across internally has probably never been more important than it is today. You want your best people to stay with your business. Internal comms and getting across your successes – helping them understand what your brand stands for and what everyone is working towards – is a huge part of retaining key members of staff. And there are a number of traditional channels again that brands can use but they blur with digital.

### Message boards and notice boards

They are around all offices, but a lot of these are moving online. The corporate internet once was a static piece of content. Now, many brands are encouraging their staff to write content and engage through the corporate internet.

### Internal email notifications

This is another way of giving your brand a voice. You must have internal brand guardians. A problem is that anyone can send an email out, internally. However, does it actually reflect what your brand stands for? Are they using the correct tone of voice? And as marketers, it's a difficult line to thread between being a very aggressive brand place rather than helping your colleagues understand why

they need to talk in a certain way. Because you need to protect how much you've invested in your brand and ensure that there is consistency, both external and internal.

## **EMPLOY AN OMNI-CHANNEL APPROACH**

### **Rise of new channels**

There's been a rise in new channels. And we're moving away from a multi-channel approach to an omni-channel approach. In 2008, for example, when there was the HSBC sale, that was very much a multi-channel approach. We had messages for each channel and it was integrated. However, every channel was treated as a separate channel.

But the omni-channel approach relies on integrating traditional communications channels with new digital channels. Digital channels allow us to have two-way conversations with customers. And consumers are now expecting that they can pick up a message on one channel and easily transfer to another. They expect to see a consistency in the tone of voice and see a consistency in how your brand presents itself.

### **Supporting digital channels**

How can traditional communications channels support what we're doing in the new digital age?

#### **Events**

Suppose you're holding a traditional event. It can then be streamed online. Think of Google and Apple as examples of this, but one of the best ones to look at is a computer game developer called Blizzard. They developed a number of popular games, probably the best known is *World of Warcraft*. But also, they've done *Diablo*, *Starcraft II*, and most recently, *Overwatch*, which is now one of the biggest first person shooters available worldwide. Blizzard every year have a conference, BlizzCon. And it's a physical conference and they stream it online. But the interesting thing is they charge people to watch this. And in return they give them either physical or digital gifts. It may be a new skin for a character within the game. It may be a set of unique playing cards. But Blizzard have found a way of creating this omni-channel approach to bringing the gamers closer to their brand. Would you pay to watch an Apple event? Gamers are quite happy to! They're so engaged, they will happily pay to watch an event in America while they're sitting at a PC in the UK.

#### **Business cards**

The business cards are a very traditional way of, not only communicating about who you are, but also supporting and communicating what your brand stands for. And in the digital world, those business cards need to stand out. Remember, your business card represents your brand. As marketers, we shouldn't just allow someone to create random business cards. It's another key element of being a strong brand guardian. Ensure that the little piece of card, which is still used worldwide and still very important in a lot of businesses, represents what you stand for. It should really get across your core brand message.

# THE GROWING POWER OF CONSUMERS

## Shift in the balance of power

There has been a shift from deference to reference. Traditionally, when we're talking about deference, we had experts. Let's talk about insurance brokers. Insurance brokers were the experts and, in some markets, still are the experts of the insurance world. And as a consumer, you would go to see a broker and ask them about the policy or ask them about which cover you need and they would make the choice for me.

But we are seeing a huge shift from deference to reference because consumers now have a stack of information available to them about products, about your brand, about your competitor brands.

Why has this shift taken place?

### Globalization

Previously, a brand in the UK may not have been known in South Africa or the US or Brazil. But we're seeing global brands grow as a result of globalization.

### The digital revolution

You can watch adverts from another market and then order things from other countries easily. You no longer have to wait for a catalog to come through the mail. You can go online and see what products are available in different markets straight away.

### Increased competition

It's never been easier to set up a new business and to set up a new brand. And because all this information, all this reference material, is available at our fingertips, it's easier to spot opportunities in the market or create new markets that we never knew we needed. And this all continues to grow as new trends and technology become mainstream.

## Brand perception

Consumers are influenced by a number of factors. And all of this revolves around brand perception. This is what consumers think about your brand. And you can influence that through a number of ways.

### Advertising

Talk about your brand. That helps consumers get a perception of what your brand stands for.

### Brand experience

In the omni-channel world, thinking about every interaction a consumer has with a brand and what that experience represents and how it influences what consumers think and feel about your brand.

Consider the cycling company Rapha. They started up because they saw an opportunity in the market. Cycling was a growing market and a lot of cycling clothing was very brightly colored and very tight lycra. They saw an opportunity to bring some essentially high-end fashion into the cycling world.

Now, they're one of the most successful cycling companies in the world. They have stores in the US, in Japan, in the UK, and in Europe. And a key thing about Rapha is that experience. The experience that originally started online has now been translated to the stores. Their stores have become a space for certain customer segments interested in cycling. And you really get a sense when you walk through the door of what the brand stands for. It focuses on the heritage of cycling and the unique nature of a person sitting on a machine.

## Peers

Word of mouth is still hugely important. Again, think about the shift from deference to reference. Consumers will reference people that they know, that they talk to, such as their friends and their family. Word of mouth is still important, whether it's physical word of mouth or whether it's in the digital world. Because of the digital revolution, you can now have peers across the globe whom you can listen to and ask for advice and talk to about brands.

## Case study: Montblanc

Consider Montblanc, a very traditional Swiss pen manufacturer. They very successfully thought about the changing world. They've become a symbol of affluence. Their pen is an aspirational item, an aspirational accessory. If you sign a really important contract, do you want to do it with a biro? Or do you want to do it with a Montblanc pen? It says something about who you are. They focused in on their tradition and this elegance. And a big part of their success story has been this building on their tradition.

They've been manufacturing pens. So they are experts in this industry. They're experts at making beautiful things that have a timeless design. But, because they've noticed the change in consumers, they've had the sense to expand their market. Montblanc don't just do pens. They do pens really well, but then they've moved into *other accessories* and other adjacent markets. So, for example, you could buy a Montblanc iPhone case. You can buy a Montblanc laptop bag. They know their consumers, and consumers love their brand.

They could just sit there and do what they do really well and they could focus on making pens. However, they've spoken with their customers. They understand their customers and they know that their customers want. Their customers want to show other people who they are by having a very subtle Montblanc laptop bag.

They've been able to develop their brand because they understand the purpose of their business. They've really built up recognition for the visual elements of their brand. They've built up this loyalty among their base. And there's a sense of trust, which is a huge thing within marketing and brands. If you don't trust a brand, are you going to buy it? And with Montblanc, there's a trust around that the quality of the items they produce. And this has allowed them to move into doing things, producing things other than pens. And all of this then flows through into increased market share. They have more followers. There are people who aspire to owning a Montblanc and will save to have one. And all of this success affects the bottom line, leading to increased turnover and better profits.

## Brand perception

Meg Whitman, chairperson of Hewlett-Packard, says: "When people use your brand as a verb, that is remarkable."

Think of some of the success stories. We don't talk about vacuum cleaners; we talk about hoovers. But even now, that's becoming replaced. Hoover innovated less than they should have done, so now a lot of people talk about Dysons. It's the new verb. Just think about all the other examples where we use brands in our daily life. You might say, "I'm going to Shazam that." It's an action, yet we use a brand to describe that action.

# NOTES

# **LESSON 2: INTEGRATING DIFFERENT ASSETS INTO A MARKETING PLAN**

# STRENGTHS OF TRADITIONAL COMMUNICATIONS

## The Five Constraints

Creating a marketing plan requires assessing five constraints. These are known as the 5 Cs:

- **Customers:** Who are your customers? Who are your target markets? And you need to do some analysis. How much data can you get about your customers?
- **Competitors:** Who are your competitors? There may be people out there that you don't really think are a direct competitor to you, but actually your customers do, or consumers do.
- **Company resources:** What resources have you got? Don't develop a plan that stretches you beyond your resources, making it too difficult to execute or costing too much.
- **Collaboration:** Who can you collaborate with? Who can you build partnerships with? More and more brands are building strong partnerships together because they can help each other achieve mutual goals.
- **Context:** What is the context? What is happening in the market? What is the context of this plan? What's the external context for everything that you're trying to do?

## Consumer touch points

There are a number of consumer touch points in traditional communications. With traditional communications, unlike digital, these touch points tend to be more tangible.

### Tangible touch points

One example would be direct marketing. It's about being in a physical environment. And your marketing plan can even influence things like customer service or the retail environment.

### Retail environment

Retail environment is so important. And it's a massive opportunity to really push what your brand stands for. Think about some of the best retailers and the experience those brands deliver through their retail environment.

In the UK, think about brands like Topshop, for example, with their huge store right in the heart of London in Oxford Circus. Their marketers are constantly planning change, which represents the brand. The brand Topshop stands for being at the cutting edge, and offering affordable fashion to its customers.

### Internal communications

It's not just your external customers who are important. Your internal customers are too!

### Corporate social responsibility (CSR)

This used to be very much about corporate to corporate communication. You wanted to be able to stand out maybe amongst the investor community by saying, "Hey, we're doing things a little bit differently."



But today, CSR is a huge part of what a brand stands for. Consider Unilever. A big part of their CSR policy was the environment, and that's now a part of their purpose. And consumers are more and more influenced around the ethics of a business. Consider the Nestle milk scandal. Or more recently in the UK, Byron Burger, a burger chain. They were found to be helping out with the customs' officers find people who may have been working illegally. As a result, people questioned their ethics. Campaigners went into Byron restaurants, completely disrupting things, and unleashing hordes of insects within the restaurants. Similarly, some start-ups like Deliveroo have faced problems. Zero-hour contracts have become a huge discussion point.

So companies really need to think about how they're presenting ethics through their brand, through their CSR policy, and through their public relations.

## Main characteristics

What are the characteristics of traditional marketing?

### Broadcast style

Traditional communications is often a one-way conversation. Unless it's around the customer experience (such as a customer talking in a retail environment or talking over the telephone to a customer service agent), traditional communication is broadcast style. As much as you want to shout at the television about an ad that you hate, that brand is not going to hear you! It's a brand pushing out that message.

### Didactic

This is where brands essentially are trying to *teach* customers what they stand for. Remember, traditional communications is not a conversation, it can sometimes come across as very adult-to-child. It may not feel like a friend talking to you. Actually a lot of traditional communications can sometimes come across as being very deferential. They want consumers to be deferential. It's because it's a one-way conversation. They're telling you what you should be doing.

### Features focused

Consider a television ad for a car, for example. Often, it'll be around the lifestyle they want to imagine, and what it feels like to drive that car. They will talk about some of the features, particularly if they are key points of differentiation. Or it's around a message. It's broadcast.

### Generalized

As technology changes, traditional communications channels like television start targeting different segments, different audiences, with a different television advert. But, on the whole, these are generalized. You can't really target radio beyond picking a station that you hope your consumer target audience listens to.

And it's a general message. This is sometimes difficult when you have a brand that is trying to be different things to different audiences. This is a challenge many banks face. When banks are doing a television advert, they may be aiming at everyone, from someone who owns accounts or checking accounts or credit card with them, right through to a business owner or a chairman of a FTSE 100 or a NASDAQ business. And that brand has to speak to all those people.

## Repetition

Traditional communications repeat a message again and again, hoping that it will influence the customer, and they will recall that brand at a key moment. So it's important to think when you're building your marketing plan about what key message that is, and how easy it is to repeat. You can't have something massively long. Consumers won't remember. It has to be short and simple in order for that repetition to work.

## Strengths of traditional communications channels

Traditional communications have many strengths:

- **Ability to reach a mass audience:** Digital can be very focused. It relies on massive data to target in a specific message to a specific person. With broadcast traditional communications, you can reach huge audiences. Think about the number of people that may watch a very popular television show or drive on a certain road during rush hour every day, and you have a huge outdoor poster. You can reach big audiences.
- **Drive awareness:** A good campaign will drive awareness of that brand.
- **Proven track record:** There's a reason why people still use these channels. Because they work! The cost-per-acquisition can be high in some channels. But that's not necessarily the channel not working. That may just be down to the creative approach you've taken. And it's important to test approaches in each channel. But understand the reason that traditional communication is still used by businesses worldwide is because of this proven track record.
- **Experienced staff available:** Think again about business resourcing. There have been so many people involved in building really successful television campaigns or successful direct marketing campaigns. These skills are widely available.
- **Achieve short-term results:** If you have a very successful radio campaign or television advert, you can suddenly see the change in consumer behavior. You can see people buying your product.
- **Tangible:** Whether it's that piece of direct mail that drops through your door, whether it's the retail experience, whether it's the business card, whether it's the annual report. These are things that we can touch, and we can experience in the physical environment with our eyes, with our hands, and with our ears.

## Contribution to business goals

Traditional communications also align with company objectives, and they help contribute to wider business goals.

- **Increase sales:** If you have really good campaigns using traditional media, you see increased sales.
- **Improve brand reputation:** Remember how Byron and Deliveroo were affected. You want your brand to have a strong reputation because it's a key part of the consumer purchase decision-making journey. If your brand has a bad reputation, consumers won't come near it.
- **Widen your customer base:** If you're very targeted, which you can be with your digital communications, think about the broadcast element of traditional coms. They help you widen that customer base. It may be that because you're using advertising on television during a very popular show, people that may not necessarily have come to your website will suddenly learn about you.
- **Increase your average revenue per customer:** You can also optimize revenues from existing customers. Remember that this is not just about talking to new business. It's about

increasing your share of wallet from existing customers as well. And that share of wallet is key. You don't want the consumers just to purchase your product as a one-off and then disappear because you want to build up a relationship.

## Project a coherent message

Traditional communications enable you to project consistent, coherent messages on an on-going basis. And that's across three areas:

- Management communication
- Marketing communication
- Organizational communications

### Management communications

These are your executives. These are the heads of businesses talking to the rest of the staff, the rest of your colleagues. The tone of voice is critical. What you want is you want the heads of business to have character, to be individuals. But they need to stay *on message* because if they're not, they affect your brand.

A classic example in the UK is a chief executive, Gerald Ratner. He owned a chain of jewelry stores called Ratner's, and was called into a parliamentary committee to talk about retail. A member of parliament asked him whether he would shop at his own stores. And Gerald Ratner said on record in front of television cameras that he wouldn't buy jewelry from his stores! That chain of jewelry stores went bust within about a year afterwards. He didn't believe in his brand. And he said that in public.

So management communications are critical, both internally and externally.

### Marketing communication

We've already covered this subject earlier.

### Organizational communications

Being a brand guardian is a really important role within a business. There are so many tools now that allow individuals to openly communicate with all their other colleagues.

You have to make sure that everyone understands the tone of voice and what your brand stands for. Otherwise, the message becomes muddled. It can even become dangerous as other people start saying things. And the brand isn't necessarily understood. And that will affect how people in your organization talk to your customers.

In this omni-channel environment, the brand consistency, both internally and externally, is key. It is a challenge balancing it and not coming across as if you're just trying to kill off any messages, or you're trying to stop your leaders from having personality. You need to allow that to shine through, but keep the consistency of the brand message. It's crucial.

# THE CONSUMER DECISION MAKING PROCESS

## The buying cycle

The buying cycle has five stages:

1. **Awareness:** This is where consumers start thinking about, “Actually, I’ve heard about these brands.” They’re starting to become aware of this collection of brands that operate in the area that they’re interested in buying in. So, if they’re looking for a new car, in their heads they’ve got a selection of brands that they know about who manufacture cars.
2. **Opinion:** They then start to form opinions about those brands. Those opinions are influenced by the media, and by their peers and by the advertising they’ve seen.
3. **Consideration:** That, in turn, helps them start to consider which brands they would really want to purchase from. And they’re looking at the value proposition. They start looking at the specific products. “I want a car. I want a family car. Okay, these brands don’t offer that. These brands do. What do I think about these brands? How do I start considering them?”
4. **Preference:** From that, consumers will get a preference.
5. **Purchase:** That preference will lead through to purchase.

## The role of digital channels

Consider how digital channels are influencing the decision-making process. McKinsey have really done a lot of work around thinking how this process has changed. Traditionally, consumers consider a big set of brands, funneling them down.

Now, it’s much more interactive, and it’s not necessarily a funnel. Brands can be added or removed as the journey goes on. And sometimes it feels like there’s almost a moment of panic. Ultimately, there’s somebody to go, “Right, I need to buy something,” and that brand is only selected at the moment of purchase. It’s not whittling down. If you’re online, you can have multiple tabs open, looking at different brands constantly until you think, “That’s the right one.” It’s not a funnel anymore!

## Changing expectations

After purchase, consumers build their expectations on the experience that they’ve had. Consumers don’t pigeon-hole their expectation to any one industry. The influence Amazon has had on customer experience cannot be underestimated. Because now, when you want something delivered online, because you’ve tended to have really good experiences with Amazon and got your products very quickly, you now expect that from all brands. And now it’s not really a differentiator. If your brand can’t deliver quickly, it may end up being removed from the evaluation stage because that’s what consumers are looking for.

Even within industries like financial services, consumers want that experience that Amazon has delivered. Why would you wait seven days for a new credit card? And so brands like Metrobank developed functionality, so they can print the card in-branch because that’s what a customer expects now. They’ve experienced a quick delivery from a completely different industry, from a completely different vertical.

And having a great experience builds this loyalty loop. And suddenly, you’re not considering other brands any more. You’re going back to the same brand because you’ve had such a good experience. And it’s very hard to break into that loop if you’re a competitor if that consumer has had

a great customer experience. If they've had a poor customer experience, then it's back to the start, and everyone can participate.

## **THE FOUR PARAMETERS OF MARKETING**

### **The four P's**

The four P's are a basic foundation of marketing today. They've always been a part of marketing.

#### **Product**

What is your product? How does it look? What is its quality? Think about the packaging and all the different elements of that product. This includes the features and the benefits of that product. If you carefully think about features and benefits, you can build a product that is differentiated.

#### **Price**

Price is becoming increasingly important and, in many of the industries, we're seeing a race to the bottom. You don't necessarily have to be the cheapest. If your brand allows you to do so, you can charge a premium for your products.

Think about when you go to the supermarket, and you see the same product, but different brands. And some are very cheap. Maybe a supermarket-owned brand basic product for cornflakes. But then you see Kellogg's. Kellogg's can charge a premium because they say, and consumers believe and experience that it's a better quality of cornflake. And that allows them to charge that brand premium.

#### **Place**

Place is no longer just about physical place. It's about being in the right place at the right time for your target customer. It's the physical location of the store, but it's also about market coverage. It's about the logistics behind being able to be in the right place at the right time.

#### **Promotion**

This involves how you promote your product and your brand. You do this through advertising, through PR, through the different traditional media channels.

## **INTEGRATE WITH THE CUSTOMER JOURNEY**

### **Integrated Marketing Communications (IMC)**

Integrated Marketing Communications (IMC) looks at how we integrate traditional communications with the customer journey. It wraps communication around the customer, helping them progress through the buying process. You can think in terms of channel, but when we're building a marketing plan, what we really want to think about is the customer, and how we want to communicate with that customer as they go through that journey. There must be an objective. Think in terms of the customer journey, and then build your comms around that.

This is important because:

- It gives you a competitive advantage.
- It leads to increased sales.
- It results in some cost reduction.
- It saves you time.

Remember, if you're just doing communications for the sake of doing communications and there's no objective, you're simply spending money without necessarily creating any revenue.

## Engage with customers

You can use marketing tactics to engage with customers at every stage of that journey. Think about a typical customer journey for a product you love, or a brand you purchase from all the time. And how does that brand communicate with you at every point of that journey? And how are they using traditional communications to do that?

At the start of a typical journey, it may be that you're experiencing their broadcast comms through a channel like media or television. That's because that brand wants to explain to you about their core value proposition, about that product, and that will start you on your journey. And the critical thing for you to do as a marketer is to map the customer journey. And in order to do that, you need to begin to know your users.

There are two ways of doing this

- **Anecdotal research:** This involves looking at what customers are saying on social media, or using customer feedback where people have spoken about their purchase journey
- **Analytical research:** This involves using hard analytics, speaking with your colleagues who run customer insight, and maybe using research agencies to do some really analytical work around this. Also, if you're looking at the online journey, there are tools, such as Google Analytics. They give you a huge breakdown and some strong numbers around every stage. What's happening when a customer is on this page of a website, of your website? What are they doing? Are they staying there? Are they hovering over certain things?

You could, for example, do analytical research in the retail environment. Eye tracking is a very common tool. This analyzes where a customer goes into a supermarket, for example, as they move along an aisle and look at shelves. Where are their eyes? Where are they really? What are they focusing on when they're looking at packaging? These are very important details that you need to use to build up, in your mind, and stretch out what that customer journey is for your product.

## Identifying customer pain points

Another key part of mapping a customer journey is identifying the customer pain points. These are the times when a consumer who is making that journey toward purchase can fall out. Or if they have purchased your product, what influences whether they choose your brand again?

## Gaps between departments

Gaps between departments can occur when different departments (or partner organizations) in your organization interact with customers differently. For example, HSBC Bank in the UK owns a direct bank called First Direct. And First Direct have the highest customer satisfaction levels of any bank in the UK. They're above 90%. But what First Direct don't do is their own insurance. They discovered that customers weren't purchasing their insurance because the insurance was being provided by

someone like Aviva. And consumers noticed a difference to consumers when they were phoned First Direct.

First Direct is famous worldwide for the quality of its operational center in Leeds. This operational center is open 365 days a year, 24 hours a day, and consumers love talking to the people there and interacting with them. However, when the hand-off took place between First Direct call center representative to Aviva, even though Aviva had had training, essentially, they weren't part of the First Direct family and it was a huge gap in the customer experience. The only way to resolve that would be for First Direct to actually sell the insurance themselves.

### Gaps between channels

Think about the difference where if you're researching something online and then you go and actually try and purchase it in a physical store and the difference that can be.

Apple invests a lot of time and money in trying to create this omni-channel approach so you have the same experience no matter what channel you use. It feels the same. It looks the same whether you're in store or purchasing online. This is very different to a bank, for example. They may have a really clean responsive website, but then you go to the local branch and it feels tired and there's queues. It's a different experience.

### Gaps between devices

Think about the difference between purchasing something online on a desktop versus on a mobile. Remember, mobile traffic is increasing dramatically. At Insure the Box, mobile traffic is at over 70% of what they see coming into their website. So it's a mobile-first situation. So they have to create a customer journey that is mobile first.

## Create a typical customer journey

As marketers, we need to create a typical customer journey for our brand:

1. **Awareness:** How does a consumer become aware of your brand?
2. **Discovery:** How do they discover the products that your brand sells? And all the elements are that part of the journey. How they find out about the features and benefits:
3. **Purchase:** The purchase is a critical part of the customer journey. It needs to be simple, even for complex products, or big purchase decisions like a mortgage or a car. When it comes to making that purchase, it needs to be a really simple experience for the customer. Otherwise, it creates pain points.
4. **Experience:** What's their experience around using the product? Insurance is an interesting category because for most consumers they don't actually experience using insurance. You don't leave the house in the morning and think, "Actually if this burns down, I'm fine. I'm covered by my insurance company." The only experience you have with insurance is typically when something wrong happens. And that's why we have to fulfill the promise, and keep that promise of putting things right again. However, customers may be using *your* product every day. You really have to think about how that experience affects the customer journey and the perceptions of your brand.
5. **Loyalty:** Loyalty is a key part in increasing that share of wallets. Loyalty makes people more aware of your brand and influences their purchase decisions in the future.



## Customer touch points

Every touch point must reflect, reinforce, and reiterate your core brand strategy. That is what a brand is there for. It talks about who you are and what you represent. In the best customer journeys and the best customer experiences, you can see that brand being reflected in every step.

Rapha, the cycle and clothing manufacturer, know that their brand represents quality. They have really focused in on the customer journey. When they started, as a small online business, they knew a lot of their target market would work in London, either in the creative industry around the West End, or maybe in the city or Canary Wharf. So, to build an inspiring customer journey, they completely changed the delivery system. They said to customers, "Actually we understand you. We understand that if you're going to buy something on a Friday, it's probably because you want to wear it when you go out on a ride on the weekend. So we're in London and what we'll do is we'll get staff to cycle courier your purchase to you on Friday afternoon so that you can then wear it at the weekend. You can have your stuff straight away!" It's a key point in how they've really engaged with their customers and shows their understanding of their target market.

At typical customer touch points, a consumer either is aware of your brand or made aware of your brand, or interacts with your brand. Consider broadcast advertising. That may be the first time a consumer has been made aware of your brand. Now, when we saw the global financial crisis, sponsorship was under huge pressure because it's very hard to track what the value is. However, it is a key component for many brands of building brand awareness, and still a great source, a great channel, to promote your brand.

Moving from awareness to interaction, where are the touch points that consumers are interacting with your brand? For example, direct mail. When a mail pack lands on a consumer's door, that is an interaction. Can you create a positive interaction with your brand by doing direct mail? And if you believe you can, then how do you create the best interaction you can?

Don't forget one-to-one interactions. If a consumer meets one of your colleagues who works in a retail environment, or speaks to them over the telephone, your colleague needs to understand what the brand stands for. They are the face of your brand at that time. They are the voice of your brand, and if they go against what you stand for, it gives out a confusing message. It can create a pain point.

## TRADITIONAL AND DIGITAL COMMUNICATIONS

### Non-traditional channels

When considering an omni-channel approach, you also need to consider the non-traditional channels.

Search engine optimization (SEO) is now a huge part of marketing. And it's very easy to measure because online you get data on every interaction. It's worth considering how SEO influences the customer journey, and how it is a part of your omni-channel approach.

Other non-traditional channels include:

- Search Marketing (SEO)
- Search Marketing (PPC)
- Email Marketing
- Digital Display



- Social Media Marketing
- Mobile/Geo Marketing
- Customer Service 2.0
- Analytics

## Differences between digital marketing versus traditional marketing

Digital is different from traditional in a number of key ways.

### Two-way and three-way dialogue

Digital allows you to often have a two-way dialogue, and we're moving to three-way communication amongst communities. For example, you may have two customers interacting and the brand taking part in the conversation as well.

Toyota did some interesting work in the US with Google, helping customers on their customer journey. Using Google Hangouts as part of the car purchase journey, they allowed consumers to engage with other consumers, ask their friends or family what they thought about the car, and decide on the car together. However, they also had a Toyota representative in the conversation advising. It's interactive. It's not broadcast. Digital marketing encourages engagement.

### Content driven

Excellent digital content enables companies to deliver value and encourage engagement.

### Personalized and segmented

This is a key difference. You can segment to an extent within traditional marketing, or certainly above-the-line marketing like radio. Or if you're doing direct mail, you can really segment and the methods of print, allowing you to personalize each pack and each letter. The technology's moved on vastly, allowing you to do micro-segments in direct mail.

However, with digital and with all the data behind it, your marketing can be much more personalized and segmented.

### Open and interactive

This is a theme that comes up again and again around digital. It is interactive, and it's two-way.

### Honest, engendering trust

Digital should be honest, and it should engender trust. Remember, consumers do question things, and we have seen cases where brands haven't necessarily been honest about using sponsored content. In some cases, the media has used sponsored content, and positioned it as a news article rather than being open and honest that this is, in fact, paid-for advertising.

### Consumers can take control

Digital allows consumers to take control because they can do self-service. And this is not reserved to specific industries. When you have a great self-service experience, that becomes the expectation

across all brands. And if you can't do something by yourself that you think should be easy and simple for you to do, it's another pain point. Consumers become frustrated!

Building your self-service part of the business into your value proposition is another key thing to think about in the customer journey.

## **LIMITATIONS OF TRADITIONAL COMMUNICATIONS**

### **Challenges**

Traditional communications bring a number of challenges.

#### **Other people's schedules**

Traditional communications have to fit in with other people's schedules, such as programmers' schedules or print schedules.

There may also be geographic boundaries or contractual boundaries as well. For example, the famous one within TV advertising is a lot of American personalities are quite happy to film adverts in Japan where they think they're not going to be seen back in their home market. Obviously, that's changed now that we have the internet!

#### **Higher upfront costs involved**

If you've never been involved in shooting something like a television advert, the cost of just filming it and producing it in the first place can be huge, particularly if you're going for something very high end.

#### **Limited shelf life**

That depends on the creator to an extent. What may look advanced of the time now, in two years could look very dated. Have you ever re-watched *Friends*? You might watch it now and notice no one's using a mobile. When they're asking each other questions, no one's searching on Google. It just shows how times change.

#### **Wastage**

There can be huge wastage. You may be spending with broadcast media a lot of money, but you don't know whether you're hitting your target audience all the time.

#### **Limited information**

You're limited in how much information you can deliver. Cost is high on some of the traditional communications, particularly when we're talking about above-the-line channels. With television and radio, you've got to be quick. The longer an advert is, the more it's going to cost to broadcast. Traditionally, it's said that you know, you maybe have three seconds to get your message across. So, you have to be really clever at your copy and what visual elements you use.

#### **Difficult to capture attention**

With so much information available in the palm of our hands with our mobiles, it is increasingly difficult to capture consumer attention.

## Adopting a generalized approach

With traditional communications, as a marketer you adopt a more generalized approach when talking to a mass audience. It can be difficult to create segmented communications, particularly, above the line. Below the line – with direct mail, for example – it's easier, but with things like PR, television, and cinema, you can segment only up to a certain point.

However, there are still big audiences. And that influences how you communicate the brand message. It has to be a more general approach and the desired brand image. If your brand represents a number of different products, you need to choose to do a piece of media about a specific product or you can talk about your overall brand. It can inform a customer about a specific product or service, but then you might not appeal to all the mass audience who you're talking to. You need to keep that brand front of mind.

It's a real skill to produce something that will appeal to all customer segments. And this is where wastage can take place because if you actually just want to appeal to certain customer segments, you are spending money, putting your brand in front of some people who perhaps just will never consider it.

## TECHNOLOGY AND CONSUMER BEHAVIOR

### User-generated content

Another way technology has influenced consumer behavior is allowing consumers to generate their own content. This has led to the rise of user-generated content. Think about some of the biggest sites out there, such as Facebook or YouTube. In fact, YouTube is the second largest search engine and it is content generated by people worldwide. YouTube don't really produce anything themselves. It's a platform. And now 80% of all online content is user-generated. It plays a huge part in influencing consumer behavior and influencing purchase decisions because it allows users to feel in control.

### Influential

However, we can't really control user-generated content. So, as marketers, we need to find those consumers who appreciate our brands and encourage them to generate more content that will build up trust and help other users find our brands. Recent research indicates that among millennials, but user-generated content is 20% more influential when it comes to purchasing. This again reflects the move from deference to reference. People are not only trusting their friends; they're trusting other people online. They may never have met them, but the decision-making journey has changed for good. People are taking in so many different sources of information.

### Memorable

User-generated content is seen as being 35% more memorable. So, as marketers, one of our jobs is to produce memorable content but also to give customers the ability to also produce content. So marketers need to consider how they can help consumers. Do you deny them access to your assets? Or do you help them find the right thing so when they are creating user-generated content, it truly reflects your brand image, your brand tone of voice?

## Trusted

User-generated content is 50% more trusted than other types of media and information. We may have brand spokespeople promoting our brand. However, among different generations, people are seeking out user-generated content. They don't feel that the content is being manipulated by people, by media, or by the brands themselves. It's seen as honest and transparent.

Among millennials, user-generated content delivers significantly more trust. This may involve talking with friends and family. Or it could involve blogs and social media, such as Reddit. Banner adverts, on the other hand, are seen to rank just 19% for trustworthiness. Millennials are reading expert-generated reviews, so think about how this influences their decision-making journey and influences the customer journey. Consumers now have multiple reference points. And some reference points are given more attention than others.

## Changing consumer lifestyles

Technology is changing how consumers behave and it's changing how they make these decisions. There are four ways that this is happening.

### Content grazing

Content grazing occurs when we're maybe doing two different things at once. The classic example is watching a television show whilst checking your email on the phone.

### Investigative spiderwebbing

This is a multichannel approach. Suppose you are watching a movie. You're watching *Batman* and then you want to know what else has Christian Bale been in. So, whilst the movie is playing, you're searching for that on your tablet or mobile device. Or maybe you've seen a pair of shoes that you really like during a television advert and you go on your device to search. And you find more details about that on your device while you're still consuming media.

### Quantum journey

Technology allows us to jump around. Consider investigative spiderwebbing again. You've seen that pair of shoes advertised and you're looking for more information on them. Next day, you're at your desk and you decide that you to buy those shoes. You've still got the page up on your mobile. However, because you're at your desk, you actually end up doing the purchase on your desktop PC. So the customer journey is not linear. We jump around all the time because technology allows us to do so. And this is what Apple and Google, in their operating systems, are really trying to encourage. Technology like Handoff makes it easier for us to switch from one device to another.

### Social spiderwebbing

This is where we might share our purchase decisions with our friends. So, for example, you've bought the shoes and you now decide to share your experience on Facebook or Twitter. Other people read about your experience, and this in turn could influence their purchase decisions.

# NOTES

# **LESSON 3: CONDUCTING MARKET RESEARCH AND COMMUNICATIONS PLANNING**

# DATA ANALYTICS

## Integrating data analytics

A key part of research is data analytics and, as marketers, we need to integrate our data analytics. Before, we may have just had a small team sitting at the side that are looking at numbers. But today, we need to think scientifically and understand data.

Data can highlight a number of things:

- Customer behaviors
- Customer motivations
- Customer habits
- Customer preferences

For example, HSBC had a very intelligent, creative data scientist. The bank ran current accounts and checking accounts, so obviously it could understand what people were spending their money on. It was interesting to see the patterns. This data scientist discovered that, by just looking at spending behavior, he could predict quite accurately who may get divorced over the next 12 months simply because of what they were spending their money on and where they were spending their money. That's what data can deliver!

## Audience and media research

You can also use data analytics to research your audience and plan your media spend. This has now become a science and you need to understand where you're going to get the best bang for our buck. Data can help you do just that.

Many large organizations work with a media agency, such as MediaCom, for example. That's a Direct Line group and they will have experts who help plan this out, help you understand where to get the most value for your money. If you're doing it in-house, though, it's really important that you have access to the best tools. These tools will enable you to measure your audience and understand who is watching what and all the demographics and segmentation behind it. Two examples, for example, are Comscore and Nielsen.

# MARKET RESEARCH

## Understand your target audience

Market research helps you to understand your target audience. Recent reports suggest that 55% of marketers did not feel confident that their organization understood the consumer journey. Research is a very important tool and resource that can help you understand your customers.

This enables you to explain to the rest of the organization how customers behave and how consumers view your brand. This is more than just hearsay. You can back it up with hard facts.

### Methods

Many different methods are available for conducting market research and allowing you to understand your target audience. They not only enable you to collect data, but also analyze it as well.

You also need to think about resourcing and outsourcing. You can choose to do the research yourself, or you may want to outsource to a specialist research organization. The complexity of the methodology you're using will influence whether you want to outsource it or do it internally.

## Observational research

There has been a shift from "How do you think you will behave?" to "I know how you behaved?" In the past, you might have held focus groups to find out what people are doing and whether they'd buy your products.

Now, you can use tools and methods to observe exactly what consumers are doing.

## Eye tracking

One method is eye tracking. You can observe how someone walks through a retail environment or walks through a supermarket, how they examine products on the shelf, and how long they spend looking at parts of a packaging or a certain shelf. It's a completely different tool to then asking them in a survey or group, "What do you think you will do?"

## Online tools

Many online tools are available, such as virtual shopping and online collaboration tools. These bring together communities of consumers and ask them questions in order to do market research. More and more brands are doing this. And often, they're doing it with people who are real brand advocates because those people are really helping inform the key parts of the customer journey. They can highlight issues that marketers may have missed or the key pain points because these are people that are really paying attention to your brand. They feel really strongly about the brand and want the brand to succeed.

## Social media

Brands are also using social media to conduct market research. And as social media continues to evolve and launch new tools, marketers can use different methods to collect information and observe how people are behaving.

## Curate the optimal media mix

Market research enables marketers to curate the optimal media mix. Data can help drive decisions around where you spend your marketing dollars. By doing marketing research, you can understand what media your consumers are consuming. This then enables you to then to optimizing your media mix within your marketing plan.

This helps you distinguish between what *you think* the ideal mix and what the ideal mix *really* is. You can find out the perfect mix for your target audience and for your target segments.

Consider this example. Marketers might think they should be spending 14% on traditional marketing. But they need to do market research to validate that. Perhaps it should be a far larger spend. It's very easy for marketers to think that they know all the answers based on previous experience. However, the world continues to change, and marketers need to keep on conducting research and keep on top of how consumers are behaving. Just because one campaign works by having a certain



marketing mix doesn't necessarily mean your next campaign in six months will behave the same way. Things change and consumers change and channels change.

## Quantitative research

With market research, there are two different main types of research that we can conduct.

The first one is quantitative. There are four basic types of quantitative research.

### Survey

The most basic element of quantitative research is a simple survey. This is something we're all used to. We've probably all carried out at least one survey in our past or filled out a survey, asking questions of customers.

Maybe it uses a scale of 1 to 10, or maybe it's tick boxes. Quantitative research is less about free-form answers.

### Correlational

Once you have carried out a survey, you can start looking into the numbers, into the data, and observing patterns. And this is the correlational aspects of quantitative research.

### Causal comparative

Once you see those patterns, you may want to start comparing A and B and asking deeper questions to create those comparisons. This is causal-comparative research.

### Experimental

You then move into more experimental where, by analyzing all this data and these trends, you develop new hypotheses. This in turn leads to more questions and new surveys.

## Qualitative research

Qualitative research is an in-depth exploration of what people do, think, or feel. It really allows you to get some valuable insights into consumer behavior.

There are different methods of qualitative research.

### Online forums

You might be a company curating a forum, or maybe you use a research agency. Forums enable you to study what people are talking about. How do they feel? You might be assessing the questions themselves or just observing conversations and gathering the information from those conversations.

### Web survey chat

You may have first asked a survey. As a result, you might say to a customer, "Would you like to talk further about it?" This allows you to probe into their answers into much more detail.

### In-depth interviews

A lot of companies use in-depth interviews. They can really lead to some key insights.

HSBC developed a proposition development process called Insights Grow. And the starting point is the "I," the insights, I to G, Insights Grow. And that revolved a lot around doing in-depth interviews and one of the most successful products to come out of this was a proposition called HSBC Passport. This allowed customers who are new to the UK to get banking facilities. That product only evolved and came into existence because in the in-depth interviews, HSBC got into the detail around the difficulties of opening up a bank account. And it got some superb insights into what it was like as a person new to a country who maybe didn't have different forms of identification that we traditionally needed as a bank. They may not even have an address. One thing they prefer to do is open it up while they're still in their home country before they move over. This gives them a sense of security. Without doing those interviews, the bank would not have learned this.

## Increasing fragmentation of audiences

Market research also allows us to understand the increasing fragmentation of audiences. This is not just about the fragmentation of consumers, but also micro-segmentation.

As marketers, we might be thinking about all these different channels. However, if we don't take an omni-channel approach and if we've not built a marketing plan that is adhered to, then we could end up using different tools without a consistent objective.

Then we start to bombard people with messages and that's not effective. That's when customers just feel like they're under attack from a brand. Think about some of the email marketing you receive, for example. If you feel that you're being bombarded, will you do business with that brand?

If we follow a fragmented approach as marketers, we don't give a consistent experience across channels. Consistency of experience is key in ensuring that customers purchase your products and remain loyal.

Also, 94% of customers discontinue communication with a company because of irrelevant messages. It has to be the right message at the right time. Segmentation allows you to do that but you also need data and you need to research when is the right time to send that message.

## Fragmentation of news

One example of the increased fragmentation of audience is how we consume the news. TV is dominant, because 78% of Americans watch local news TV. However, the internet is growing and 61% check the news online.

Think about the news sources you use and how often you check them. Social media represents a huge shift. It's really influencing how news is presented and consumed.

And news now happens in real time. You don't have to wait after an event to see what has happened. There will be people there on the scene broadcasting things. And think about how news channels and agencies have changed, how they present the news. It's much more about being in the moments, about live streaming, about playing out every second of the story as it develops. No longer is it just packaged up into a piece of content that is delivered later.

## Ongoing market and media analysis

The final part to consider about market research is actually understanding your competitors. You can't live in a bubble. You have to be aware of what your competitor are doing because the whole point is trying to beat them!

The Chief Marketing Officer at Barclays once spoke at a marketing conference. He talked about his daily routine and the first thing he said was, "Right, when I wake up in the morning, the first thing I do is I kiss my wife. The second thing I do is decide who I'm going to beat today because that is my job. As a marketer, I want to be the very best, I want to be the very best for our customers, I want them to buy my products, and therefore I have to understand what our competitors are doing. Have they suddenly changed their product? Have they changed their pricing? Have they changed their brands? Have they changed their advertising?"

These are things as marketers we need to understand. You can check sources yourself, or outsource the research to companies like Nielsen or Comscore. But sometimes it's best as a marketer to understand our competitors by sitting there and thinking from both a marketer's perspective and a consumer perspective. Do desk research and go through websites and zone in on what are they doing. And if they're successful, why are they successful and what can you learn from that? And if they're not successful, what can you avoid doing as a business?

## COMMUNICATIONS PLANNING

### Five key stages

There are five key stages to communications planning.

#### Mission

Setting the mission is critical. What are you actually trying to achieve with your campaign? It may be around sales goals. You may be trying to sell a certain amount of product, a certain volume. But similarly, your campaign may be more about building brand awareness, and that's a very different objective.

Your mission needs to be clearly articulated. You can't do anything around planning communications, unless we have a well-written and articulated mission.

#### Money

How much do you need to budget for this? What do you need? Where are you in the product life cycle? How often do you want to advertise? What is the competition doing at the moment? Is this a good time to be spending your marketing dollars? Are there already a lot of brands using that channel? Is it worth spending a lot of money on a channel that's cluttered?

#### Message and media

These go hand in hand. What message do you want to deliver, and what media is best to do it with?

Think about the actual promotion. Are you giving a discount? What's going to have the most impact? What are the big media trends at the moment? What's the media reach?

## Measurements

Marketing is evolving to become more and more scientific every day. Marketers need to understand how effective their message has been through the various media. They can then compare that to their original objective. They can measure how people have been consuming their media and the impact it has had. They can see the impact on sales. Or they may be measuring something like brand awareness or brand perception.

All these things that can be measured, whether it's through surveys or through different types of research.

## COMMUNICATION OBJECTIVES

### Objectives drive tactics

When setting communication objectives, think about how they drive things like selection, channels, the targets, our budget and measurement.

What are your communication objectives?

- **Increasing awareness:** Do you want to generate sales? Or just increase awareness?
- **Sharing knowledge:** Education is a very important part of communications. If consumers don't understand how to use your product or what your product does, they may not have any interest. Sharing knowledge with consumers can be a very important objective.
- **Projecting a brand image:** You might be trying to change the way consumers perceive your brand or clarifying what your brand image is.
- **Stimulating needs and desires:** So, actually, consumers may not think that they need to purchase your product, but by delivering a really strong campaign that focuses in on this, suddenly, it becomes a desirable object that they can't live without.

### The importance of a clear brief

One of the key elements of producing communication objectives is creating and delivering a clear brief. There is a skill to this.

Consider all the work you have been doing previously around the strategy and around understanding our customers. How do you boil that down into a robust, creative brief? Because, as a marketer, this is what you are handing over to maybe colleagues internally or to an agency that you're working with. They are using as the basis for building the communications themselves and for executing it.

If the brief is not clear, if it's muddled, or if there's too much detail, then the creative isn't going to be on point. It will take more time to deliver something, because there will be more questions.

Your brief should focus on identifying who the core target audience is. What are the key elements of the product that you want to communicate or the key elements of the brand? It doesn't need to be long, but it does need to be concise.

### The importance of customer insights

The best campaigns are built from strong customer insights and ambitious targets.

Think about Nike, for example. They have a very strong customer insight. They understand why their target audience wants to exercise and the difficulty, sometimes, of getting up and doing something. Nike wants to motivate people, so they developed the whole brand slogan: “Just Do It”. Don’t think about it, just go and do it and do the best that you can.

That insight has led to massively successful marketing campaigns across a range of sports, not just running. Think about what they’ve executed within cycling, for example, or skateboarding or snow sports. The Nike brand is across all sporting minds now and all categories, and within each one, they understand. They have the overarching insight, but they have specific insights to those sports and to the needs of those consumers, which helps them to deliver superb creative.

# NOTES

# **LESSON 4: PLANNING CREATIVE AND MEDIA STRATEGY**

# CREATIVE PLANNING

## Relative inflexibility of traditional communications

When thinking about creative planning, you need to bear in mind how inflexible they can be:

- It's calendar-bound.
- There's often a fixed start point.
- It requires an upfront commitment to a schedule.
- There's a fixed endpoint.

So your schedule may revolve around other elements. For example, if you want to book an advert during a slot of a popular television show, you're tied to when that show runs.

## The role of the media owner

In creative planning, you have to consider the influence of the media owner. They're the ones who can dictate a number of things.

They can dictate:

- **Schedules:** They can dictate what media is available when.
- **Budgetary commitment:** Sometimes they can ask for huge commitment up front, in terms of financial commitment.
- **Campaign duration:** They can also dictate how long your campaign lasts. You may want to run a campaign for two months, but it may be more financially beneficial for the publisher to have you run yours for one month and a competitor, or another brand from a completely different vertical run a campaign.

Unfortunately, there's not much you can do about that as brands. A lot of the time, with traditional communications, the publisher dictates what happens.

## Message design

Within creative planning, you need to consider message design because this can dictate the quality of the results. You may be able to recall some really bad campaigns. Although it's interesting that you can recall those campaigns, you're unlikely to buy those products. The worst thing is to have a mediocre campaign, because unlike a bad campaign where people can recall the brands, mediocre ones just disappear into the background.

A marketer has delivered a really strong brief that allows a creative agency or another internal department to get to grips with the message with the brand. They then deliver a thing of beauty that will lead people to purchasing that product, or lead them to reconsidering that brand in a whole new light.

And there are key elements of a creative strategy:

- **Idea:** What's the idea behind this campaign?
- **Copy:** This is often overlooked, but it's a vital skill to be able to write succinct copy that a consumer can consume very easily and understand immediately.



- **Visuals:** We spend a lot of time as marketers tracing a brand look and feel. And that has to come across through visuals. And traditional media – such as TV, cinema, or outdoor – revolves around visual elements.

The best creative really pops and is eye-catching and is memorable.

## MEDIA STRATEGY

### Positioning your messaging for maximum effect

Next, you need to plan your media strategy and how you position your message. Media planning is preparing for when and where that message will be seen. It determines both the reach and frequency of the campaign.

Sometimes, consumers feel that are being bombarded by brands. When creating a media strategy, you're aiming to put your creative in front of a consumer at the right time. However, you need to ensure that the consumer doesn't feel like they're being carpet bombed by the same message over and over again. Some repetition is good, but it shouldn't be to the point that it's actually turning off the consumer because they've seen it so many times. It should still feel slightly fresh. They may notice something new every time they see it, but they're not seeing it every day or every second of every day or that's what it feels like to them.

There are four elements to media strategy and positioning:

- **Target customer:** Make sure you know who your target customer is.
- **Market definition:** How you define the markets that you're operating in will influence where we want to spend our media. If you're a marketer and you're focusing on business to business, you may not necessarily want to use some traditional communications channels. Do you want to do a television advert? In the evening, for example, when most people are at home, trying to unwind, they may not necessarily want to think about their job, or think about the next deal they're trying to do. So the market you're targeting will determine to an extent the media we use as marketers.
- **Brand promise:** Does that media help us deliver a strong brand promise? Or is it becoming diluted because of the very nature of the media?
- **Reason to believe:** Does the channel allow consumers to understand and give them a reason to believe in our brand?

### Integrated Marketing Communications

Integrating marketing communications is not about carpet bombing. It involves understanding how consumers are using media, and using different channels at the same time. You're aiming to put the right message in the right media at the right time. So it's in front of them when they're at that point in the decision-making journey whether it's reinforcing the brand so it's part of the consideration, or whether it's being there when they actually want to make a purchase. It's an omni-channel approach. Again, I want to emphasize, it's not multi-channel, it's omni-channel.

### Role of media agencies

Consider how you can leverage the relationships that media agencies hold with media owners. This is why outsourcing, media planning, and media purchasing are very common amongst businesses

and brands. You can then leverage those relationships. Media agencies spend time building these relationships and it creates economies of scale. It also means you can secure optimal positioning.

MediaCom, for example, has a very strong relationship with Sky Broadcasting. Sky also uses WCRS to do their advertising. So, at Direct Line Group, they could leverage the power of the relationship between WCRS and Sky, because WCRS were one of their creative agencies in terms of executing creative for Churchill, one of our brands, but also through their relationship with MediaCom. And that meant that they could not only secure some strong positions when they wanted to relaunch their advertising or run new campaigns, it also gave them access to new channels. They could test new channels that Sky were developing. That's a really important part of having a relationship -- it opens up new possibilities.

Also bear in mind the economy of scales. It's the cost savings. By leveraging those relationships, you can save money as organizations, as businesses. You can then spend those saved marketing dollars on delivering more campaigns, and achieving more objectives.

## BUDGETS AND RESOURCES

### Specialist skills required

When resourcing traditional media planning, specialist skills are often required. That's why many businesses, many marketing departments outsource this element of the marketing process because it does require such specialist skills.

These include:

- Research
- Analytics
- Implementation
- Negotiation
- Tools

Many marketers simply don't have the skills needed for this. But also, they don't have the time to do everything. They want to focus on delivering great campaigns, building great products, understanding their customers, and achieving their objectives.

### Budget calculating

Marketers need to understand what a budget consists of. How do we build a budget?

A budget comprises three elements:

- **Production:** This is the production of the actual creative itself. How much does it cost to produce a television advert, or a radio campaign, or a piece of direct mail?
- **Media cost:** This is the actual cost of the media channel itself. If you're displaying something, that's a media cost. It could be a postage cost.
- **Agency fees:** If you're outsourcing the creative elements, how much are you being charged by the agency? You might be paying on a project by project basis. Or, if you're working with an agency for long enough, you might have them on a retainer, which vastly reduces your costs compared to doing project by project if you're running a number of campaigns.

## Prohibitive costs

The costs for producing traditional media and displaying it can be prohibitive for small companies. For example, the cost of a 30-second Super Bowl advert has increased over the years from 1967 to 2015. So, in 2015 for 30 seconds of television time, before factoring in the costs for agency production for the actual creation of content, it is costing a brand \$4,500,000 for 30 seconds of time on a television channel! A 30-second advert during a program called Gogglebox, which is on channel 4 in the UK, is only £50,000. But even that is a lot of money to a small business. Your marketing budget for the year may only be £100,000. So the cost of a channel might immediately put it out to the marketing mix. And this results in a very limited scope for small organizations to use some traditional channels.

However, some brands have taken that money and done very different things. A classic example from the US was Esurance. And they said in 2014, “Actually, traditionally we buy a big Super Bowl adverts but what we’re going to do this year is not spend that money on TV and do an advert in the middle of the Super Bowl. We’re going to take that money and we’re going to give it to a customer.” And they worked with one of the late night talk show hosts, and ran a campaign, mainly on digital, and it got them huge traction. They were one of the biggest brands during the Super Bowl period, because they’d taken a different approach. So don’t feel constrained by traditional media and having to spend that money. Actually, you can do very different things.

## PERFORMANCE MEASUREMENT

### Perform customer research as a measurement tool

Once you’ve executed your campaign, you need to understand how it has performed. Otherwise, you won’t know whether you’ve achieved your campaign objectives.

With traditional media, most times you need to conduct customer research to measure the effectiveness of the campaign. With digital media, every interaction has data attached to it. But traditional channels are very difficult to measure. There are no devices, for example, with every television in your target market, that will say whether somebody’s watching that advert at that time. The television may be on, and your advert is playing, but that consumer may be in the kitchen getting a drink. Or they may be talking to someone and ignoring and not even paying any attention to what is going on.

Performing customer research enables you to measure:

- The effectiveness of the ad
- Awareness of the campaign
- Emotional response

One thing sometimes you can’t measure with digital – because it is quite binary in nature – is the actual *emotional* response to the brand. Performing customer research allows us to understand that and measure that.

## Brand equity

With traditional communication channels, it can be difficult to measure return on the investment. You don’t know, for example, when you launch a television campaign advertising a specific product,

whether there has been an increase on sales. You might have a discount code. Or a special telephone number for people to call. There are the perhaps the only measurements you have.

When measuring performance for a brand, you need to understand your brand equity. And a really useful tool is Keller's Brand Equity Pyramid.

### Step 1: Brand identity

Who are you? What do you stand for? And this is the very foundation of the pyramid because the goal of your organization and your goal is to create brand salience or awareness. In other words, you need to make sure that your brand stands out and that customers recognize it and are aware of it.

You're not just creating brand identity and awareness at this stage. You're trying to ensure that brand perceptions are correct at key stages of the buying process. So you need to control the consistency of the brand at every point of the experience.

### Step 2: Brand meaning

What are you as a brand? The goal in this step is identifying and communicating what your brand means and what it stands for. The two building blocks in this step are performance and imagery. Imagery helps communicate what you do, what your brand is, what your brand stands for.

### Step 3: Brand response

What do consumers think or feel about the brand? And your customers' responses to your brand fall into two categories: judgments and feelings.

Your customers constantly make judgments about your brand. And those judgments can fall into four categories:

- **Quality:** How do customers judge your product? Based on its actual quality or its perceived quality? Remember the importance of what other people are saying about your brand.
- **Credibility:** Customers judge credibility using three dimensions. Expertise (which can include innovation), trustworthiness, and likeability. All of these contribute to the credibility of your brand.
- **Consideration:** Customers judge how relevant your product is to their unique needs. You may treat customers as part of segments but every customer feels that they have unique needs. That's how you need to serve them and how you need to treat them.
- **Superiority:** Is your brand superior compared to competitors? That's what customers are assessing at this stage.

### Step 4: Brand resonance

How much of a connection would the consumer like to have with you? And this sits at the top of the pyramid because it's the most difficult and the most desirable thing to achieve. You've achieved brand resonance when your customers feel a deep, psychological bond with your brand.

And Keller broke this resonance down into four categories:

- **Behavioral loyalty:** Regular repeat purchases.
- **Attitudinal attachment:** Your customers love your brand or your product and they see it as a special purchase.

- **Sense of community:** Your customers feel a sense of community with people associated with the brand including other consumers and representatives of the business.
- **Active engagement:** They're engaging with the brand constantly.

### Case Study: Rapha

Rapha are an amazing example of a brand that has achieved brand resonance. After Rapha launched, they created a secret club called Imperial Works named after their offices, which they invited their very best customers to join. They created special products that only these customers could purchase.

But what Rapha then understood, through carrying out continual insight research, is that actually this behavioral loyalty, this brand resonance, stretched far beyond this small group of customers that they thought they were the most loyal. And it's got to the point where they've created a cycling club to create that sense of community. And people are paying £150 – so, about \$250 – to join the club when actually all they're getting is the ability to purchase very different unique Rapha products! They've been able to take advantage as a business of this brand resonance and create even more value for themselves. Whilst at the same time they're delivering a sense of value to their most engaged and active customers.

## Research techniques

In order to understand the effect of traditional communications, you need to carry out research.

There are a number of online research techniques we can use:

- **Quantitative surveys:** These include online surveys.
- **Real-time chats:** These enable you to gain real-time insights online through chat functionality.
- **Bulletin boards:** These give insights through bulletin boards online.
- **Quant-Qual Hybrids:** These generate both qualitative and quantitative insights online using techniques like surveys that are followed up with in-depth questions.
- **Webcam focus groups:** You can hold online focus groups gaining views from people around the world in real-time.
- **Video journals:** You can create short videos of insights on a regular basis that are used for insight purposes.
- **Research blogs:** Ask respondents to write short blogs about their experiences.
- **Mobile qualitative:** You can gain qualitative insights through a mobile phone.
- **Research communities:** These are groups of individuals that can be used to test out new ideas.
- **Immersion insights:** Get insights while someone is going through the experience.
- **Web intercepts and chats:** Chat with individuals when they are going through an online experience.
- **Social network monitoring:** Monitor what people are saying about your brand on social media.

Today as a business you need to have someone responsible within your department to monitor social networks, to hear what people are saying about your brand. The purpose is not only to collect the good things, but to be able to respond when people are saying negative things about your brand. And save those moments.

# NOTES

