

Integrated Marketing Communications

Budgeting/Measuring/Ethics

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Defining a budget

In essence, how much you allocate to any given marketing communications function and channels

- PR, Advertising, Sponsorship... (Promo tools)
- TV, Radio... (Media)

TABLE 1
Research Propositions Concerning Likely Communication Outcomes from Different Communication Options

Communication Outcomes	Communication Options										
	TV	Promos	Events	PR	Social Media	Website	Search	Display	Mobile	Direct Selling	
Create awareness and salience	+++	++	++	++	+++	++	+++	++	+++	++	+
Convey detailed information	+	+	+	+	++	++	+	+	++	++	++
Create brand imagery and personality	+++	++	++	++	+++	++	+	+	++	+	+
Build trust	+	+	+	++	++	+	+	+	++	+	++
Elicit emotions	+++	++	++	++	++	++	+	+	++	+	+
Inspire action	+	++	+	+	+	++	++	++	++	++	++
Instill loyalty	++	+	+	+	++	++	+	+	++	++	++
Connect people	+	+	++	+	+++	+++	+	+	+++	+	+

Notes: +++ = greatest influence; ++ = medium influence; + = least influence.

Batra and Keller 2016

Budgeting benefits

- Helps quantifying objectives and leads to measurability
- Again, a big thing in IMC
- Optimally, it really focuses people to push the campaign in the right direction
- Worst case scenario, the measure becomes too central of a node, at the detriment of other MC elements

Budgeting strategies

- Four distinct strategies, that are not perfect but give you a sense of "what matters" when budgeting
- Different industries and businesses "lean more" towards different strategies

“Bad” budgeting strategies

- Arbitrary = basically, the bosses' guess
- Inertia = "let's keep things the same"
- Media multiplier = "adjusted to media inflation"
 - Economic growth, media sustainability, allocation of investments within and across different media channels, buying and selling of media → impact inflation
- "we'll budget what we had last year plus minus our current balance;"
→ considered as the old way of doing it...

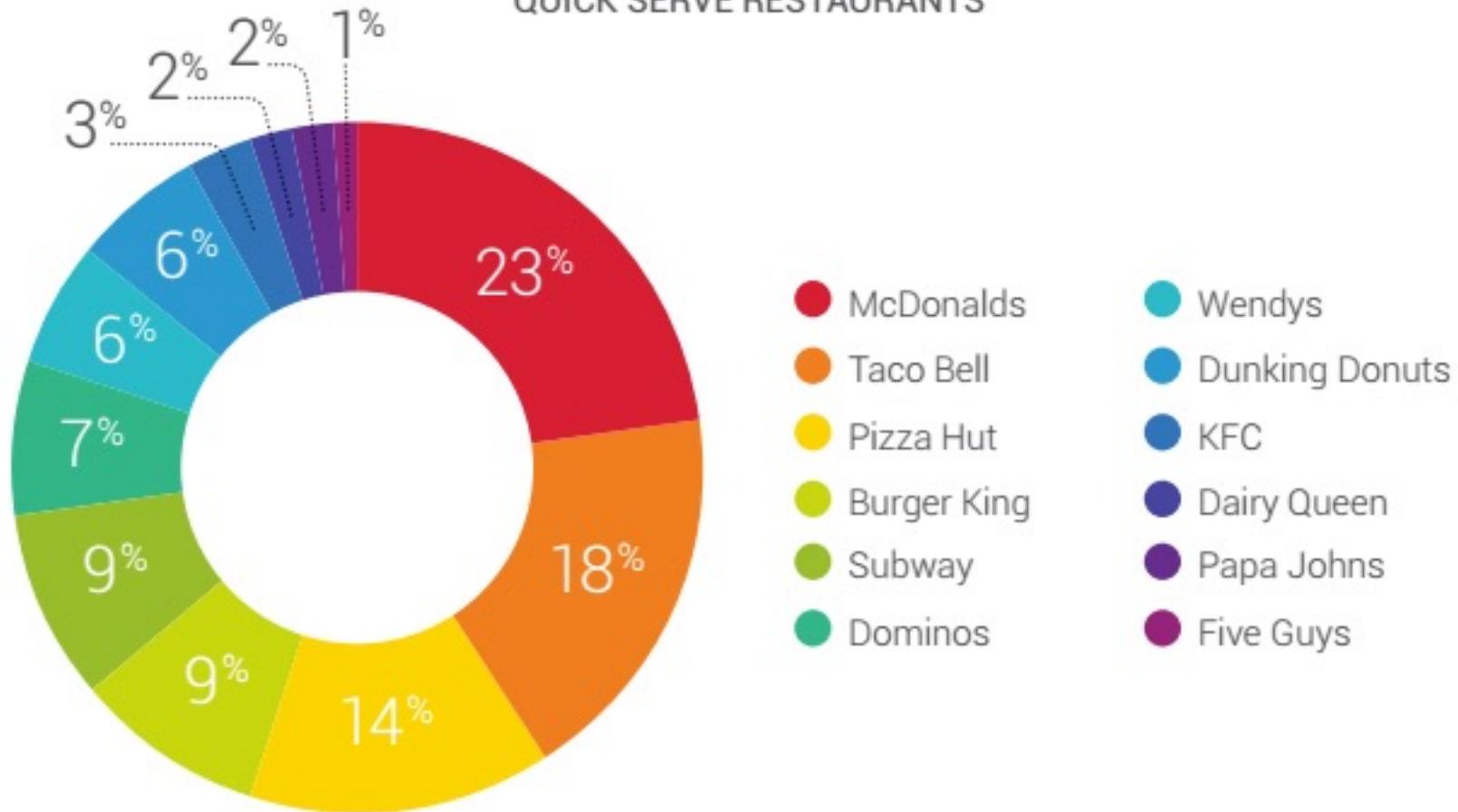
I. Percent-of-Sales Budgeting

- You make a forecast of next year's sales and then define how much (%) you spend on marketing communications
- Some industries are more stable, so this approach (sort of) makes sense
- Assumes stability and unchanging marketing communications message

II. Share-of-Voice budgeting

- Basically you budget according to your market share
- "if in product category X the overall spending on advertising is 300 million euros and our market share is 50% → 150 million budget!"

SHARE OF VOICE FOR QUICK SERVE RESTAURANTS



III. Return on Investment (ROI) Budgeting

- Often a favorite for top level managers (also, other functions are usually evaluated on ROI)
- "investment in MC needs to generate X% more earnings than its costs" (objective!)
- Evaluate how much you could realistically increase sales → decide on budget (objective!)
- Tools: marginal analysis, break-even point

$$\textbf{ROI}(\%) = \frac{\textit{Return (profit)} - \textit{Investment (expense)}}{\textit{Investment (expense)}} \times 100$$

OR

$$\textbf{ROI}(\%) = \frac{\textit{Net Return/Profit}}{\textit{Investment (expense)}} \times 100$$

IV. Objective-and-Task Budgeting

- You budget according to what you agreed to achieve through each MC function:
 - PR → 15% increase in brand trust/awareness...
 - Sales Promotions → 10 % increase in consumer turnaround
 - ...

Some notes on budgeting

- When launching a product (or driving a new position), the budget usually is quite high (and skewed towards awareness...)
- "Most affordable" often is more important than "the best" for any purpose of marketing communications (esp. smaller companies)

Metrics

Metrics and analysis

- Measurability is IMC's “great gift” and innovation for marketing communications
- IMC has evolved with measurement and analysis in mind (databases, selection of MC functions etc.)

Measurement and analysis

- Measurement and analysis are done both in the planning stage, during the campaign, and after the campaign, with various instruments
- However: MC is always “risky” and many brand messages can never be (credibly) measured → a manager’s intuition is meaningful!



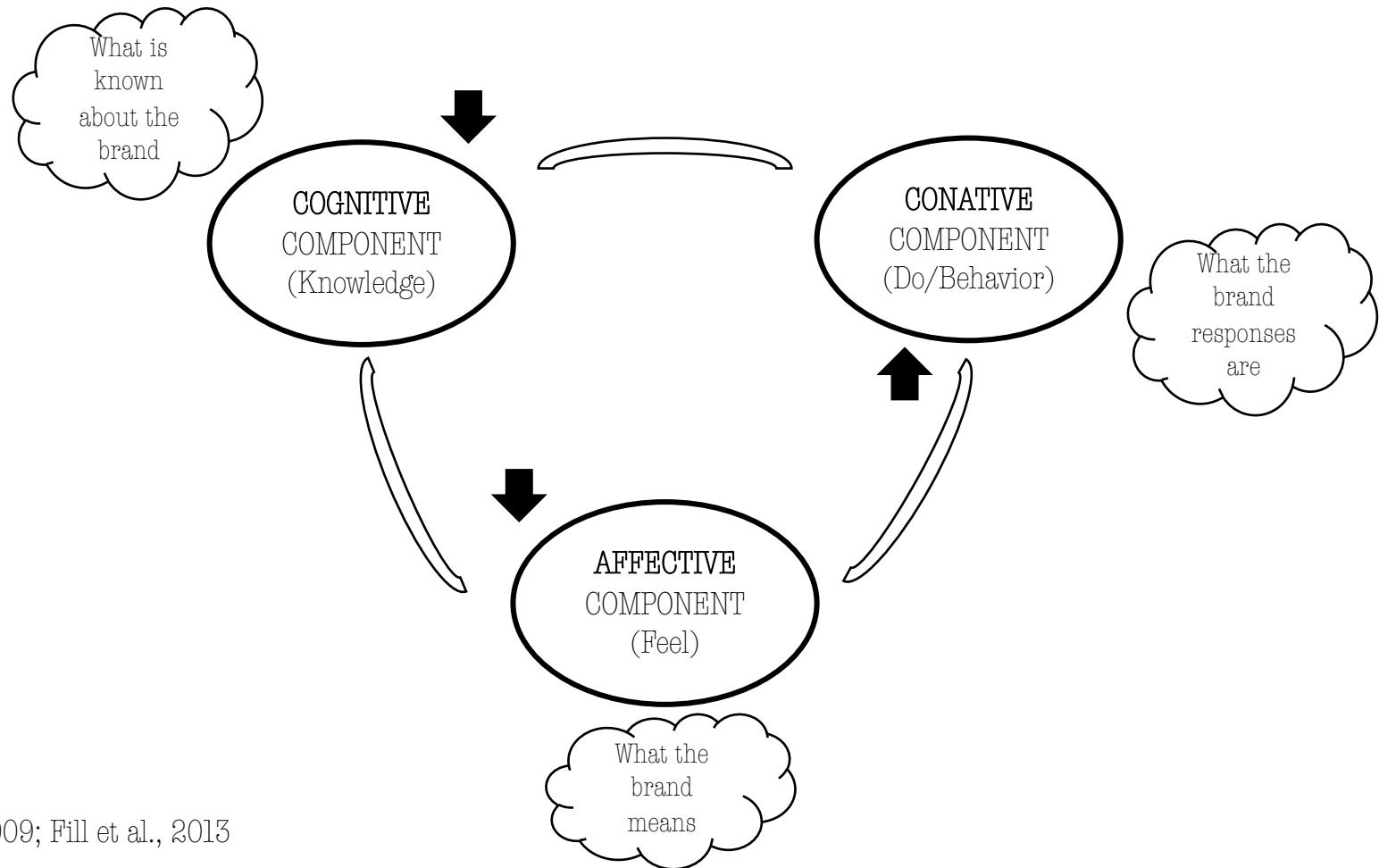
Believe in something.
Even if it means sacrificing everything.

wip

Just do it.

Bottom line: what changes
occurred in consumers'
behavior and attitudes

→ Link to brand equity dimensions!



Fill 2009; Fill et al., 2013

Data you can use

- The most obvious starting point is naturally last year's measurements and the “baseline”
- Many firms have a lot of data at their disposal that they don't even realize that it may relate to marketing communications
- Secondary data sources (Banks, Retailers, Analytics agencies...)
- Continuous flow of data harnessed through social media platforms and databases

When to measure

- Concept testing = measuring those rough ideas that will become themes for a campaigns (planning stage)
- Concurrent testing = measuring during the campaign
- Evaluative testing = after the campaign, against the set goals

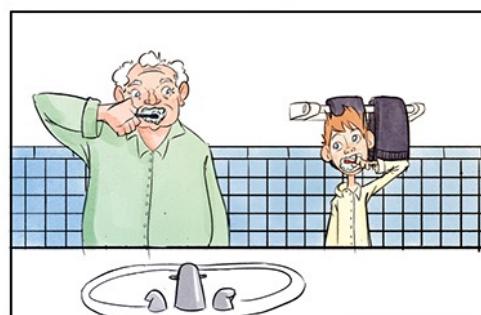
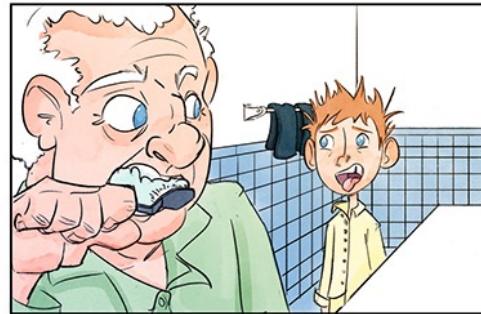
NOTE:These are rarely the same measures!

Message Evaluation/Concept testing

- Tested before the campaign launch
- Relying on experts, focus groups, etc.



Recall, storyboards!





Concept testing

- **Portfolio tests**
 - Display a set of ads to an expert group
 - Including the one being evaluated
- **Theater tests**
 - Display e set of TV ads, including the one being evaluated
- **Online tests**
 - An advancement of the two
 - Immediate results
 - Less costs
 - Analytic marketing agencies
 - Quant methods
 - Usually to a pool of experts or consumers

Online evaluation

- A plethora of online metrics
- Newer metrics developed almost on daily basis
- Most popular metrics:
 - *Brand awareness*
 - *Click-throughs*
 - *Redemption rate*
 - *Response rate*
 - *Dwell time*
 - *Length of engagement*

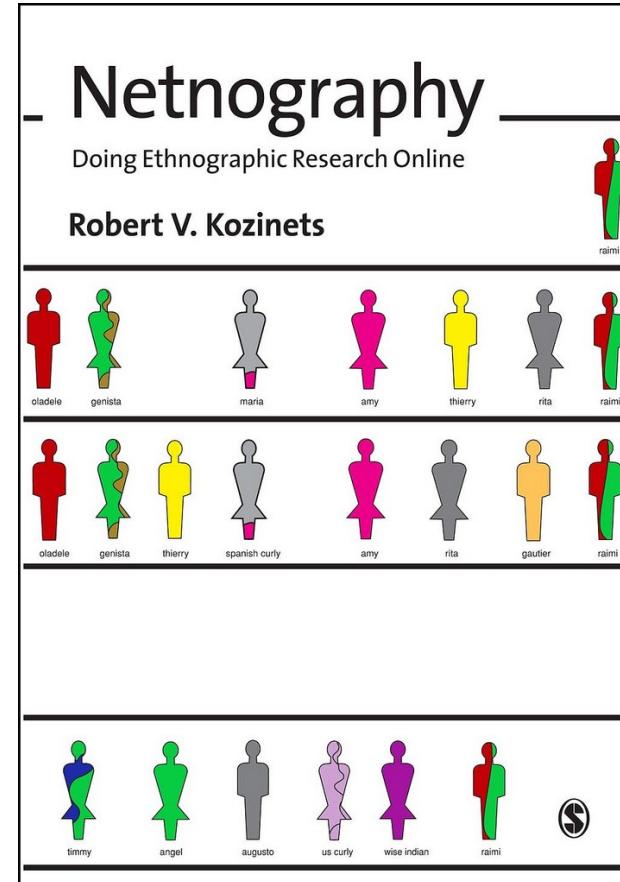
- *Brand awareness* (***)
 - Number of visits, followers, viewers, subscribers, mentions ... (you name it)
- *Click-throughs* (***)
 - Arguably the most popular online metric
 - Measure impact of advertisements
 - Gives an estimate of how many people have seen an ad, click it, and go to the website
- *Redemption rate* (**)
- *Response rate* (***)
 - Occur when visitors to the site take action → i.e. purchase or share!
- *Dwell rate* (*)
 - Proportions of impressions consumer engages with an ad. (clicks, cursor movement on the ad)
- *Length of engagement* (**)
 - How long a consumers stays at a website (Interest in the brand)

Online and measuring...

- The Internet has increased challenges but also offers opportunities to what can be measured
- Analytics tools such as Google Analytics are indispensable now, not to mention more recent analytical techniques
- The digital footprint of consumers can tell you a lot, if you can read it
 - An expansion of new marketing firms offering data analysis

Online and measuring

- Not well known, but increasingly important: online cultural marketing research
- Cultural studies give you rich information, but can be expensive and time consuming
- Enter netnography → faster, cheaper way of getting ethnographic data



The benefits of measuring

- Reduces risk
- Makes for better planning and control of MC → MC held financially accountable
- Sets clear control points that you can react to (*can be problematic*)
- Usually involves documentation → helps decision making in the coming years

Measurement limitations

- Costly
- Time consuming
- Validity
 - Is the conclusion methodologically consistent/accurate
 - Criteria by which measurements are evaluated
- Generalizability
- Stifles creativity
- Overdependence on research and numbers
- “If you can’t measure it, then we won’t do it”

Measurement challenges

- You also have to measure your measurements
- The campaign might be a home run, but what if customer service or production has hiccups?
- Competitor movements nearly impossible to “clean” from data

Measurement challenges

- Metrics need constant tinkering!
- E.g., what happens if an element of the campaign suddenly changes during a campaign?
- And of course, do you need to tinker the actual campaign itself to correct this?

E.g., what happens if an element of the campaign suddenly changes during a campaign?

Benchmarks relative to campaign performance over time.
Help compare new campaign against previous ones

Tracking metrics to help understand when campaign “ware out” starts to occur

At year's end?

- There are no clear guidelines to evaluating “what went wrong” after a 12 month campaign, usually it’s pretty clear during the campaign already
- Documenting the process, mistakes, lessons learned etc. ➔ learning organization
- But again, the next cycle should start from “zero” again

Summary

- Measuring is important
- But it's also hard, and it's costly
- Remember: behaviors and attitudes and link to brand equity
- Try to be adaptive, and constantly tinker

Selected references:
(Fill 2009; Clow and Baack, 2015)

ETHICS

Ethics

- **Overselling**
- Exploitation of vulnerable groups
- **Deception**
- Misuse of lists
- Intruding privacy
- **Promoting negative racial, sexual or gender stereotypes**
- ...
- (Hackley and Hackley, 2015)



Mylan

Better Health
for a Better World®



- Increase in price by 500 %
- 600 USD for a pack of two EpiPen adrenaline shots
- From 50 USD at one point to 600 USD!

ANAPHYLAXIS FOR REEL™

YOU ARE HERE: HOME

Anaphylaxis: For Reel™ was an effort to bring national attention to the serious and unpredictable nature of anaphylaxis, a life-threatening allergic reaction. The initiative aimed to inspire greater understanding about the risks of anaphylaxis through films featuring real-life, everyday stories about potentially life-threatening (severe) allergies.



sarahjessicaparker
30 Rockefeller Plaza

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sarahjessicaparker One stop among many. Happily spent my week talking about #AnaphylaxisForReel, an initiative encouraging people managing potentially life-threatening (severe) allergies to share their story through the power of film. Honored to be involved and to share my own family's story of dealing with food allergies as a #spokesperson of Mylan. To learn more and submit your story, go to www.Anaphylaxis101.com. X, SJ
PS. Hello and goodbye to @billybush as he prepares for the @todayshow!

[view all 334 comments](#)

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e.ibrahim_ 💕💕💕

magdalena_siwon You're the best ❤️

vikes.today @ct1182 it is her real acct, it has the check mark next to her name

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• • •



“There is still so much more we can do to help the millions of people who are at risk for anaphylaxis, a life-threatening allergic reaction.”

ANAPHYLAXIS
FOR REEL™





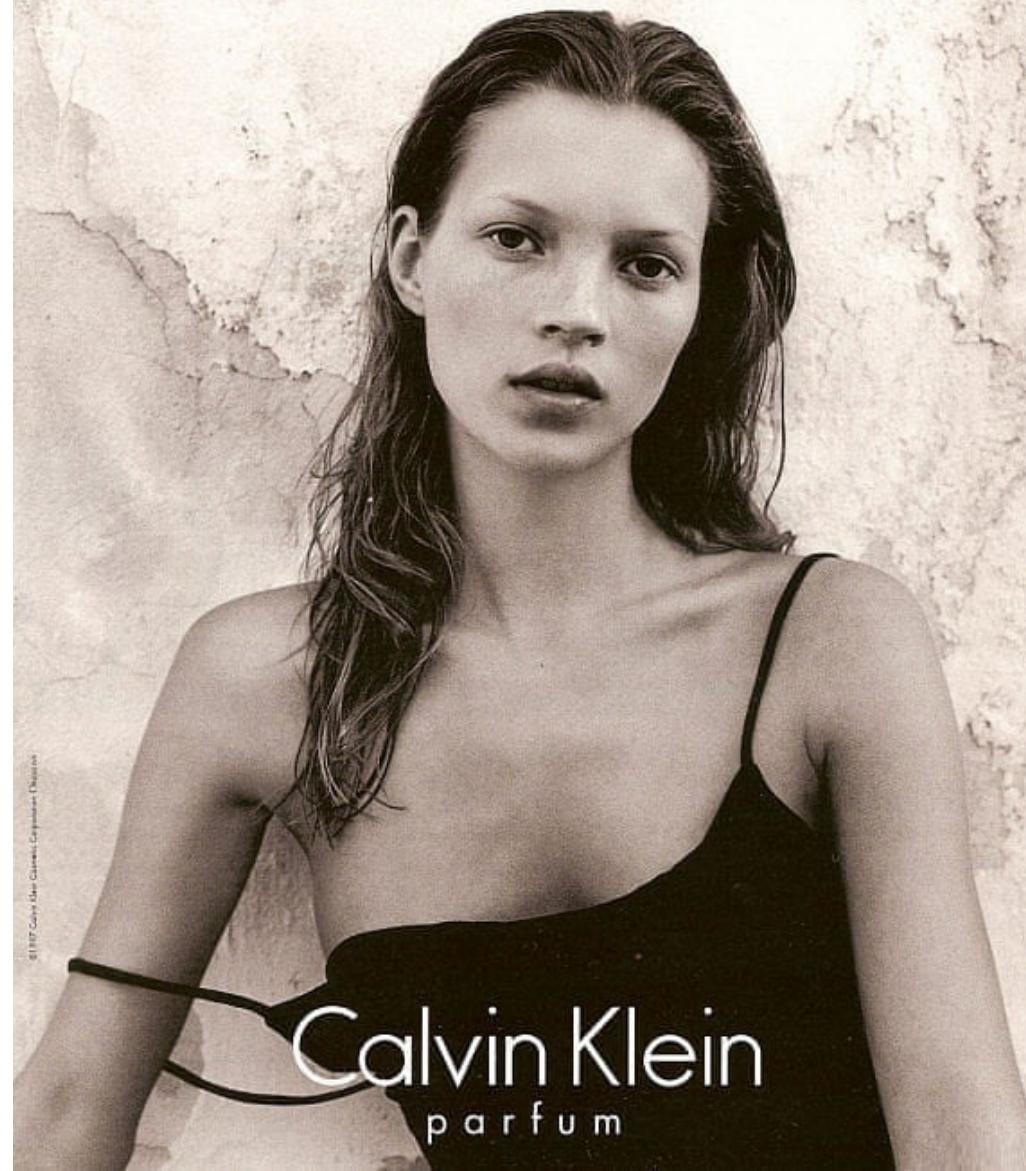




Promoting negative racial, sexual or gender stereotypes



OBSESSION



Calvin Klein
parfum

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Deception

CAUTION
MASS
CONFUSION





"DanActive helps prevent colds and flu and one daily serving of Activia could relieve irregularity" and "it helps with slow intestinal transit time"

- FEDERAL TRADE COMISSION (consumer protection agency in the USA)
- Consumer complaints about misleading claims about Activia
- Dannon had to pay 45 million USD in fines

THE END...