

Chapter 5

Objective Setting

- Setting specific objectives should be an integral part of the promotional planning process
- Companies sometimes don't set objectives or they set inadequate ones

Value of Objectives

- Communication function
- Planning
- Decision making
- Measurement and evaluation of results

Communication Function

- Facilitate coordination of the groups working on the campaign
- Many ppl involved in planning and development of IMC program
- Program must be coordinated within the company, inside the ad agency, and between the two
- Potential problems avoided if all parties have written approved objectives to guide their actions and serve as a common base for discussion

Planning and Decision Making

- All phases of a firm's promotional strategy should be based on established objectives
- Budgeting, creative and media decisions, supportive programs (ex: direct marketing), PR, sales promotion, and/or reseller support
- Promotional planners → faced with # of strategic and tactical options in terms of choosing creative themes, selecting media, allocating \$
- Choices should be made based on how well a particular strategy matches the firm's promotional objectives

Measurement and Evaluation of Results

- Specific objectives = benchmark to measure
- Objectives → make it much easier to determine what the firm's advertising and promotion efforts accomplished
- Good objective = measurable
- Most organizations concerned about return on promotional investment
- Compare actual performance against measurable objectives → determine whether the return justifies the expense

Marketing Objectives

- Marketing objectives** → *generally stated in the firm's marketing plan; statements of what is to be accomplished by overall marketing program within a given time period*
- Defined in terms of specific, measurable outcomes (ex: sales volume, market share, profit, return on investment, etc)
- Quantifiable
- Note time frame for accomplishing goal

Sales Objective Debate

- Some managers believe the only meaningful objective for their promotional program is sales
- Promotional spending → investment of firm's scarce resources that requires an economic justification
- Poor sales results can be due to other marketing mix variables (product design/quality, packaging, distribution, pricing)
- Advertising can make consumers aware of and interested in the brand but it can't make them buy it
- Uncontrollable enviro factors can devastate a firm's sales
- Effects of advertising often occur over an extended period
 - Carryover effect* → *money spent on advertising do not necessarily have an immediate impact on sales*
- For mature, frequently purchased, low-priced products, advertising's effects on sales last up to 9 months

Behavioural Objectives

- When a firm sets a sales growth objective for a brand, the increased sales can arise from a greater # of purchases from current customers
- Higher sales can be gained from new customers who are not buying within the product category or those buying within the category but from diff brands
- Distinction between repeat purchase vs trial purchase behaviour is critical → provides direction for the communication objectives → provide guidance for message development

Communication Objectives

- Communication objectives* → *statements of what the IMC tools will accomplish and are usually based on 1+ consumer response models (Ch 4)*
- 3 Levels:
 - Overall IMC plan
 - Individual IMC tools (ex: advertising)
 - Individual elements of a communication tool
- Communication objectives should be based on the particular communication tasks required to deliver the appropriate messages to the specific target audience at a relevant point within the target audience's purchase decision-making process and consumption experience
- Promotional planner should see how IMC fits into the marketing program and what the firm hopes to achieve through advertising and other promotional elements by reviewing the marketing plan

From Communication Response Models to Communication Objectives

- DAGMAR model → established necessity for setting advertising objectives
- Hierarchy of Effects model and info processing model

Defining Advertising Goals for Measured Results

- DAGMAR
- Model for setting advertising objectives and measuring results of an ad campaign
- Communication effects are the logical basis for advertising goals and objectives against which

success or failure should be measured

-Communication task → can be performed by, and attributed to, advertising rather than to a combo of several marketing factors

-Communication task based on hierarchal model of the communication process:

- Awareness → make consumers aware of brand's existence
- Comprehension → develop consumers' understanding of product
- Conviction → develop consumers' mental disposition to buy the product
- Action → get consumers to purchase product

-DAGMAR emphasized value of using communication-based rather than sales-based objectives

-Definition of what constitutes a good objective

-Advertising objectives should:

- specify a target audience
- be stated in terms of concrete and measurable communication tasks
- indicate a benchmark starting point and the degree of change sought
- specify a time period for accomplishing the objectives

Target Audience

-May be based on behavioural variables (such as customer status ex: brand-loyal users), usage rate, benefits sought

-Can be based on descriptive variables (geography, demographics, psychographics)

Concrete, Measurable Tasks

-Communication task should be a precise statement of what message the advertiser wants to communicate to the target audience

-Generally produce a document to describe their basic message that should be specific and clear enough to guide the creative specialists who develop the advertising message

-Objective must be measurable

-Determine whether intended message has been communicated properly

Benchmark and Degree of Change Sought

-Must know the target audience's present level concerning response variables (ex: awareness)

-Determine degree to which consumers must be changed by advertising campaign

-Often requires market research study

-Basis for determining what communication tasks need to be accomplished

-Specify particular objectives

Specified Time Period

-Varies depending on what you're doing

-Usually few months to a year

-Longer if you're trying to reposition product

Communication Response Model Applications

Hierarchy of Effects Model

- Consumer moves from awareness to purchase
- Not expected to buy immediately
- Advertisers realize they must provide relevant info and create positive predispositions toward the brand before trial or repurchase behaviour will occur
- Setting communication objectives with this model is like building a pyramid over time by first accomplishing lower-level objectives such as awareness and knowledge or comprehension
- Subsequent tasks involve moving consumers who are aware of or knowledgeable about the product or service to a higher level on the pyramid
- Base of pyramid easier to accomplish than those toward the top
- % of prospective customers will decline at the higher pyramid levels since the communication effect will not take hold on greater #s of consumers

Information Processing Model

- Effective framework for setting objectives like the above model and evaluating the effects of a promotional campaign

Application Conclusion

- Most ad agencies did not state appropriate objectives for determining advertising success
- Advertising did not set concrete advertising objectives, specify objective tasks, measure results in terms of stages of a hierarchy of effects, or match objectives to evaluation measures

Setting Behavioural Objectives for IMC

- Have a clear behavioural objective for each target audience
- Individual purchasing behaviour of all customers adds up to firm's overall sales
- Link between marketing objectives (ex: sales) and communication objectives (ex: attitude toward brand) is behavioural objectives
- 4 options for behavioural objectives:
 - trial purchase
 - repeat purchase
 - shopping
 - repeat consumption

Trial Purchase Objectives

- Trial purchase objective → contingent upon time, competition, and product category

Brand Trial:

-Brand trial purchase → consumer's first purchase of a brand

- Brand trial objective → consumers enter the market when they attain a certain age or have income
- Not necessarily the primary behavioural objective for all campaigns or all communication tools
- Emerges once again for brand extensions
- Requires extensive campaign

Brand Re-Trial:

- Many people consume more than one brand of soft drink, and for whatever reason stop purchasing their initial brand

- Try to re-capture past customers who have not purchased for a period of time (ex: a year)
- Like customers to have new trial experience of brand
- Brand re-trial purchase → consumer's first purchase of a brand after a time delay**

Category Trial:

- Consumer's first purchase in a product category that the consumer has not purchased previously
- Possible situation where a "purchase" does not occur

Brand Switching:

- Consumer's purchase toward a brand from another competing brand
- Occurs whereby the consumer makes a re-trial purchase of a brand and leaves the new favourite and returns to an old favourite
- Also occurs when the consumer makes a trial purchase of a brand from a competing brand

Repeat Purchase Objectives

-Repeat purchase → consumer's continued purchase of a brand within a specified time period

- Time factor for repeat-purchase objectives is at the discretion of the marketer and is contingent upon purchase frequency of the product or other factors derived from the situation analysis
- Brands can have repeat purchase objectives for loyals or consumers who consume 2 or 3 brands continuously

Purchase Frequency

- How often to purchase the brand
- Marketer may set an objective pertaining to consumers purchasing its brand every week instead of every 2 weeks
- Increase rate of purchase
- Maintain rate of purchase → more conservative objective
- Decrease rate of purchase → viable in unique situation of high demand or with products that have potentially negative consequences (ex: alcohol)

Purchase Amount

- How much to purchase on each occasion
- Marketer may set an objective where consumers purchase 2 products/occasion vs 1 product/occasion
- Increase amount per occasion
- Maintain
- Decrease

Purchase Timing

- When to purchase
- Certain products are seasonal
- Peak in sales at a certain time
- Certain products can be stored easily
- Includence when consumers will make purchase
- Maintain

- Accelerate
- Delay

Shopping Objectives

- Communication designed to encourage a consumer to progress through the decision-making process more smoothly
 - Shopping behaviour → an action consumers take that will lead to a higher probability of purchasing the brand*
- Concerns consumer seeking info about the brand or an experience with the brand
- Website visits, interaction on FB, Twitter, posting videos
- Firms can track # of sales inquiries or requests for samples
- Track digital exposure and participation levels
- Consumers seek out opinion of friends and family

Repeat Consumption Objectives

- Repeat consumption → continued consumption of the brand once purchased
- Marketers may have repeat consumption objectives when communicating with their current customers who have previously purchased the brand and have the product at their home/work
- Objective → modify how often to consume brand. How much to consume on each occasion, when to consume
- Reducing repeat consumption → ex: electricity
- If a firm has multiple target audiences to reach, quite likely it will have to carefully specify the type of behaviour associated with each target audience so that it can develop the most appropriate message and select the most relevant IMC tool

Setting Communication Objectives for IMC

- The options for communication objectives can be universally applied for
 - specific communication like one print ad or television commercial
 - specific campaign like advertising or sponsorship
 - complete IMC program that includes all promotional tools

Category Need

- Category need → pertains to whether the target audience believes that purchasing within a particular product category will fulfill the consumer's need
- Ex: smartphones are a clear product where consumers are users or non-users
- Company may try to build demand by convincing new users of benefits of owning product vs not owning product
- This message is likely to be diff from the type of message used to convince a current user to switch to another brand

Category Need is Reminded

- Reminder advertising
- Brand featured in message and the need for product is implicitly communicated or clearly illustrated
- Focus of campaigns for lapsed users

Category Need is Emphasized

- Actively attempt to persuade target audience to believe that the product category will fulfill a particular need
- Usually imperative when competing technologies or substitute products emerge on market

Brand Awareness

-Brand awareness → universal communication objective, every single point of communication should contribute to a target audience's understanding and knowledge of the brand name

Brand Recognition

- Simple recognition of past brand messages can be sufficient for brand consideration or purchase
- Universal recognition allows companies to downplay identification with a small image of a logo (ex: Nike)

Brand Recall

- If target audience feels the need for a product but needs to remember what brands to consider away from the point of purchase then recall becomes the focus of the campaign

Brand Attitude

- Brand attitude → universal communication objective
- Every aspect of a firm's IMC program or any particular element such as tv commercial should contribute to an aspect of the overall eval of the brand from the perspective of the target audience

Establish Brand Attitude

- A new target audience that has no awareness and no prior attitude toward the brand generally requires extensive communication so that attitude is created or established

Maintain Brand Attitude

- Existing attitude levels remain constant in order to ensure future sales
- Stopping communication → reason for declining sales

Increase Brand Attitude

- Target audiences who are familiar with the brand and moderately favourable toward the brand can be influenced

Modify Brand Attitude

- If moderately favourable we can seek to improve their attitude
- Modify if no increase is possible

Change Brand Attitude

- Neg attitudes difficult to influence
- Attempt to make ppl feel more + toward brand

Brand Purchase Intention

Assume Brand Purchase Intention

-In situations (ex: low involvement) where the strength of an intention to purchase is consistent (ex: highly correlated) with brand attitude, a marketer is not required to include this objective

Generate Brand Purchase Intention

-In contrast, managers need the target audience to have a plan to purchase a brand in situations of high involvement