

CHAPTER No. 4

Introduction to IMC Mix & Consumer buying behavior

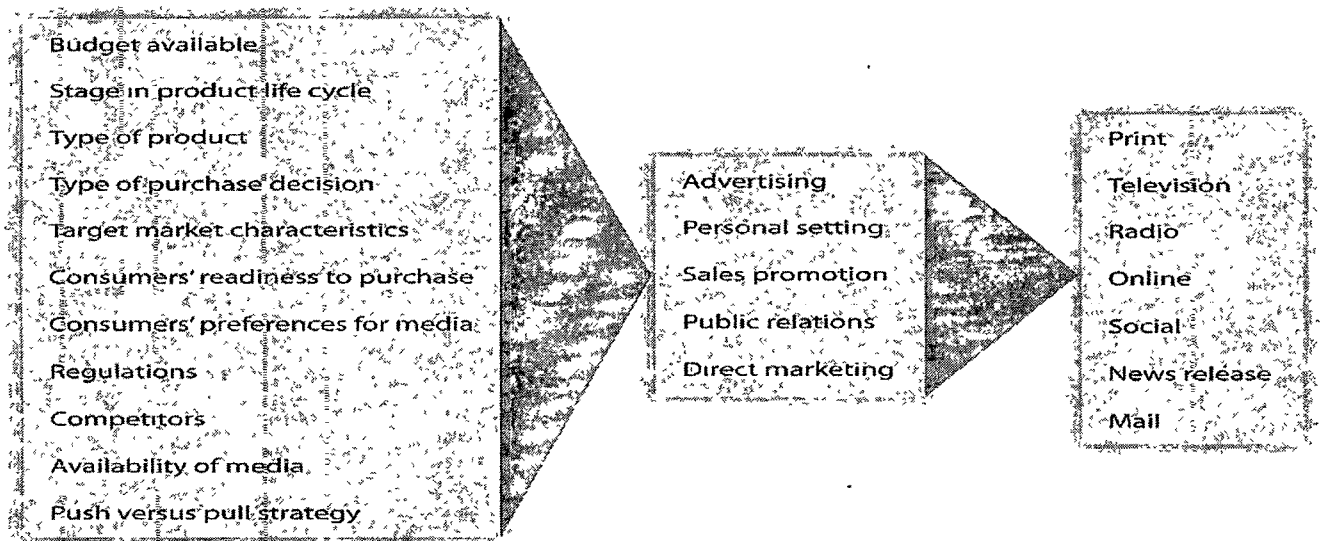
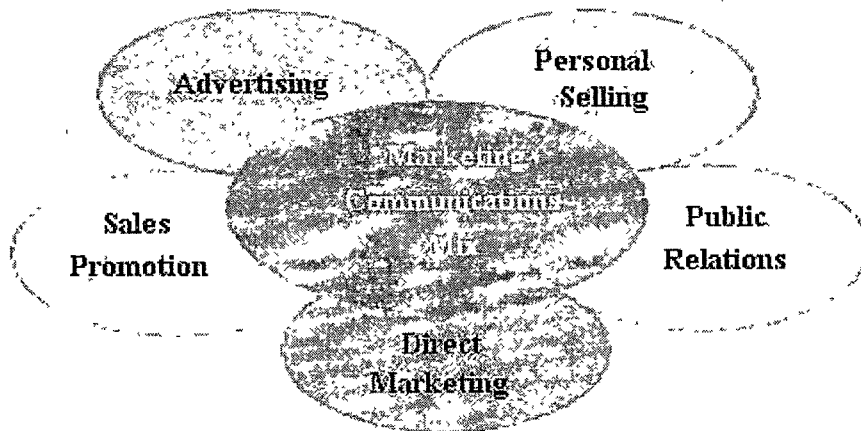
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Chapter – 4

INTRODUCTION TO
INTEGRATED MARKETING COMMUNICATION MIX &
CONSUMER BUYING BEHAVIOR

This research would focus on Integrated Marketing Communication Mix which encompasses all communication activities including personal selling, advertising, public relations, direct marketing, sales promotions and cyber marketing, adopted by different players in small car segments. The ultimate purpose of IMC Mix is to assist in the process of selling the product. An IMC Mix may not be called as an effective or successful unless it produces expected results i.e. increases product sales.

4.1 Introduction to IMC Mix with diagrammatic representation:



4.2 Personal Selling

Personal selling is a promotional method in which one party (e.g., salesperson) uses skills and techniques for building personal relationships with another party (e.g., those involved in a purchase decision) that results in both parties obtaining value. In most cases the "value" for the salesperson is realized through the financial rewards of the sale while the customer's "value" is realized from the benefits obtained by consuming the product. However, getting a customer to purchase a product is not always the objective of personal selling. For instance, selling may be used for the purpose of simply delivering information.

Because selling involves personal contact, this promotional method often occurs through face-to-face meetings or via a telephone conversation, though newer technologies allow contact to take place over the Internet including using video conferencing or text messaging (e.g., online chat).

4.2.1 Advantages

One key advantage personal selling has over other promotional methods is that it is a two-way form of communication. In selling situations the message sender (e.g., salesperson) can adjust the message as they gain feedback from message receivers (e.g., customer). So if a customer does not understand the initial message (e.g., doesn't fully understand how the product works) the salesperson can make adjustments to address questions or concerns. Many non-personal forms of promotion, such as a radio advertisement, are inflexible, at least in the short-term, and cannot be easily adjusted to address audience questions.

The interactive nature of personal selling also makes it the most effective promotional method for building relationships with customers, particularly in the business-to-business market. This is especially important for companies that either sell expensive products or sell lower cost but high volume products (i.e., buyer must purchase in large quantities) that rely heavily on customers making repeat purchases. Because such purchases may take a considerable amount of time to complete and may involve the input of many people at the purchasing company (i.e., buying center), sales success often requires the marketer develop and maintain strong relationships with members of the purchasing company.

Finally, personal selling is the most practical promotional option for reaching customers who are not easily reached through other methods. The best example is in selling to the business market where, compared to the consumer market, advertising, public relations and sales promotions are often not well received.

4.3 Advertising

Advertising is a form of communication for marketing and used to encourage or persuade an audience (viewers, readers or listeners; sometimes a specific group) to continue or take some new action. Most commonly, the desired result is to drive consumer behavior with respect to a commercial offering, although political and ideological advertising is also common. In Latin, *advertere* means "to turn the mind toward." The purpose of advertising may also be to reassure employees or shareholders that a company is viable or successful. Advertising messages are usually paid for by sponsors and viewed via various traditional media; including mass media such as newspaper, magazines, television commercial, radio advertisement, outdoor advertising or direct mail; or new media such as blogs, websites or text messages.

Commercial advertisers often seek to generate increased consumption of their products or services through "branding," which involves the repetition of an image or product name in an effort to associate certain qualities with the brand in the minds of consumers. Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies. Nonprofit organizations may rely on free modes of persuasion, such as a public service announcement (PSA).

Modern advertising was created with the innovative techniques introduced with tobacco advertising in the 1920s, most significantly with the campaigns of Edward Bernays, which is often considered the founder of modern, Madison Avenue advertising.^[1]

4.4 Public Relations

Public relations (PR) are the practice of managing the flow of information between an individual or an organization and the public. Public relations may include an organization or individual gaining exposure to their audiences using topics of public interest and news items that do not require direct payment. The aim of public relations by a company often is to persuade the public, investors, partners, employees, and other stakeholders to maintain a certain point of view about it, its leadership, products, or of political decisions. Common activities include speaking at conferences, winning industry awards, working with the press, and employee communication.

4.5 Direct Marketing

Direct marketing is a channel-agnostic form of advertising that allows businesses and nonprofits organizations to communicate straight to the customer, with advertising techniques that can include Cell Phone Text messaging, email, interactive consumer websites, online display ads, fliers, catalog distribution, promotional letters, and outdoor advertising.

Direct marketing messages emphasize a focus on the customer, data, and accountability
Characteristics that distinguish direct marketing are:

1. Marketing messages are addressed directly to the customer and/or customers. Direct marketing relies on being able to address the members of a target market. Addressability comes in a variety of forms including email addresses, mobile phone numbers, and Web browser cookies, fax numbers and United States and international postal addresses.
2. Direct marketing seeks to drive a specific "call to action." For example, an advertisement may ask the prospect to call a free phone number or click on a link to a website.
3. Direct marketing emphasizes traceable, measurable responses from customers — regardless of medium

Direct marketing is practiced by businesses of all sizes — from the smallest start-up to the leaders on the Fortune 500. A well-executed direct advertising campaign can prove a positive return on investment by showing how many potential customers responded to a clear call-to-action. General advertising eschews calls-for-action in favor of messages that try to build prospects' emotional awareness or engagement with a brand. Even well-designed general advertisements rarely can prove their impact on the organization's bottom line

4.6 Sales Promotions

Sales promotion is one of the seven aspects of the promotional mix (The other six parts of the promotional mix are advertising, personal selling, direct marketing, publicity/public relations, corporate image and exhibitions.) Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. Examples include contests, coupons, freebies, loss leaders, point of purchase displays, premiums, prizes, product samples, and rebates

Sales promotions can be directed at the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the consumer are called **consumer sales promotions**. Sales promotions targeted at retailers and wholesale are called **trade sales promotions**. Some sale promotions, particularly ones with unusual methods, are considered gimmicks by many.

Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples

of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes

4.7 Cyber Marketing

Cyber marketing has now become an indispensable segment of e-commerce as well as the internet and World Wide Web related topics. Cyber marketing simply refers to a technique of attracting potential customers by advertising your products or services through such means as websites, emails, and banners.

In other words, cyber marketing is a blend of internet technology and direct marketing principles that is adopted by business owners to find profitable customers and to interact with them in order to enhance their business activities, thereby ensuring improved ROI (Return on Investment). A number of activities are involved in cyber marketing such as online marketing, fax direct marketing, canvassing, call center direct marketing, and mobile phone marketing via SMS (Short Message Service.)

Benefits derived from the adoption of cyber marketing techniques are immense. First of all, it enables to minimize business costs and helps you to reach a substantial number of customers and that too within minimal time frame. Another great benefit of cyber marketing is that it allows you to cost-effectively reach in any type market, let it be regional, national, and international. Also, a significant benefit of cyber marketing is that it enables you to win profitable customers. Exceptionally low marketing costs, high profit margin, increased customer loyalty, round the clock services, and expansion in customer base are the other obvious benefits of cyber marketing.

4.8 Introduction to Consumer Buying Behavior

Customer is king of market. Company makes products and services on the basis customer's wants and needs. Customer satisfaction is first aim of any company. Sustained growth and higher profit are not only the product of high quality cars, but also convenience of customer attached to buying of cars and its satisfaction related with its services. Customer is most important visitor who visits our premises. Customer is not depend on company, company depend on customer. Sales of product and services increase then market share of company also increases. Consumer behavior can be defined as the decision process and physical activity that individuals engage in while evaluating, using or disposing goods and services. Hence, the study makes an attempt to know the changes in the small car market and buying motives of the buyers. This research also focuses on advertisement and different promotional tools adopted by different players in small car segment. The study is conducted by using the survey method or personal interview. With the help of information that is provided by the respondents from Satara Taluka, an interview schedule is prepared, it is administered on 200 randomly selected consumers. The study revealed the consumer buying behavior and source of

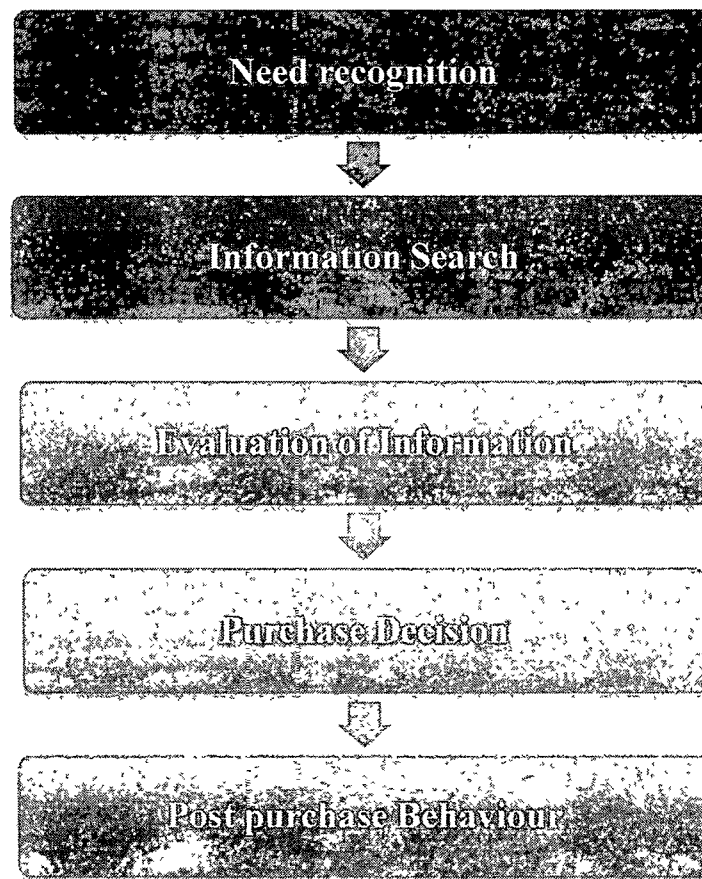
information they use to make the purchase decision and importance given to Integrated Marketing Communication Mix

The study will help small car manufacturers to take care of significant factors while promoting or launching the new product in the market. The ultimate purpose of Integrated Marketing Communication Mix is to assist in the selling of the product. It is not a good tool unless it helps selling the product. This research focuses on the myths about Integrated Marketing Communication Mix and consumer behavior

The main objective of buyer behavior studies is to understand the buyer, and to create a customer through this understanding. Every buyer-study has unfolded some new dimensions of discipline. The buyer behavior has been approached and analyzed from different angles and under different premises. Different inferences have been drawn. But the subject, too complex to beat, still remains a theorem without evidence. Buyer's behavior is defined as "All psychological, social and physical behavior of potential customers as they become aware of purchase, consume, and tell the others about products and services".

Consumer Behavior Study is a kind of Market research technique used to understand the buyer and to create a customer through this understanding. Every buyer study has unfolded some new dimensions of discipline. The buyer behavior has been approached and analyzed from different angles and under different premises as well as performance of the Brand of products rather than concentrating on the products themselves. Only is studied any brand with good Brand loyalty, Brand awareness, and better perceived quality is likely to perform better. Consumer behavior study takes these parameters into consideration and consolidates the research and findings on this so as to provide valid results to the company in terms of competitors brand performance. In this research the questionnaire method was used to determine the buying preferences of cars.

4.8.1 Stages Of The Consumer Buying Process



Five Stages to the Consumer Buying Decision Process (For complex decisions) Actual purchasing is only one stage of the process Not all decision processes lead to a purchase All consumer decisions do not always include all 5 stages, determined by the degree of complexity. .discussed next. The 5 stages are:

A. Need Recognition

In the first step the consumer has determined that for some reason he/she is not satisfied (i.e., consumer's perceived actual condition) and wants to improve his/her situation (i.e., consumer's perceived desired condition) For instance, internal triggers, such as hunger or thirst, may tell the consumer that food or drink is needed. External factors can also trigger consumer's needs. Marketers are particularly good at this through advertising, in-store displays and even the intentional use of scent (e.g., perfume counters) At this stage the decision-making process may stall if the consumer is not motivated to continue (see Motivation above). However, if the consumer does have the internal drive to satisfy the need they will continue to the next step

B. Information Search

Assuming consumers are motivated to satisfy his or her need, they will next undertake a search for information on possible solutions. The sources used to acquire this information may be as simple as remembering information from past experience (i.e., memory) or the consumer may expend considerable effort to locate information from outside sources (e.g., Internet search, talk with others, etc.) How much effort the consumer directs toward searching, depends on such factors as the importance of satisfying the need, familiarity with available solutions, and the amount of time available to search. To appeal to consumers who are at the search stage, marketers should make efforts to ensure consumers can locate information related to their product. For example, for marketers whose customers rely on the Internet for information gathering, attaining high rankings in search engines has become a critical marketing objective.

C. Evaluation of Information

Consumers' search efforts may result in a set of options from which a choice can be made. It should be noted that there may be two levels to this stage. At level one the consumer may create a set of possible solutions to their needs (i.e., product types) while at level two the consumer may be evaluating particular products (i.e., brands) within each solution. For example, a consumer who needs to replace a television has multiple solutions to choose from such as plasma, LCD and CRT televisions. Within each solution type will be multiple brands from which to choose. Marketers need to understand how consumers evaluate product options and why some products are included while others are not. Most importantly, marketers must determine which criteria consumers are using in their selection of possible options and how each criterion is evaluated. Returning to the television example, marketing tactics will be most effective when the marketer can tailor their efforts by knowing what benefits are most important to consumers when selecting options (e.g., picture quality, brand name, screen size, etc.) and then determine the order of importance of each benefit.

D. Purchase Decision

In many cases the solution chosen by the consumer is the same as the product whose evaluation is the highest. However, this may change when it is actually time to make the purchase. The "intended" purchase may be altered at the time of purchase for many reasons such as: the product is out-of-stock, a competitor offers an incentive at the point-of-purchase (e.g., store salesperson mentions a competitor's offer), the customer lacks the necessary funds (e.g., credit card not working), or members of the consumer's reference group take a negative view of the purchase (e.g., friend is critical of purchase). Marketers whose product is most desirable to the consumer must make sure that the transaction goes smoothly. For example, Internet retailers have worked hard to prevent consumers from abandoning online purchase (i.e., online shopping carts) by streamlining the checkout process.

For marketers whose product is not the consumer's selected product, last chance marketing efforts may be worth exploring, such as offering incentives to store personnel to "talk up" their product at the checkout line.

E. Post Purchase Behaviour

Once the consumer has made the purchase they are faced with an evaluation of the decision. If the product performs below the consumer's expectation then he/she will re-evaluate satisfaction with the decision, which at its extreme may result in the consumer returning the product while in less extreme situations the consumer will retain the purchased item but may take a negative view of the product. Such evaluations are more likely to occur in cases of expensive or highly important purchases. To help ease the concerns consumers have with their purchase evaluation, marketers need to be receptive and even encourage consumer contact. Customer service centres and follow-up market research are useful tools in helping to address purchasers' concerns.

4.8.2 Types of consumer buying behavior

The four types of consumer buying behavior are

A. Routine Response/Programmed Behavior

Buying low involvement frequently purchased low cost items; need very little search and decision effort, purchased almost automatically. Examples include soft drinks, snack foods, milk etc.

B. Limited Decision Making

Buying of products made occasionally. When you need to obtain information about unfamiliar brand in a familiar product category, perhaps you require a moderate amount of time for information gathering. Examples include Clothes--know product class but not the brand.

C. Extensive Decision Making/Complex High Involvement

Products that are unfamiliar, expensive and infrequently bought products with high degree of economic performance and psychological risk. Examples include cars, homes, computers, education etc. consumers are found spending a lot of time seeking information and deciding.

D. Impulse Buying, No Conscious Planning

The purchase of the same product does not always elicit the same Buying Behavior. It has been observed that product can shift from one category to the next. E.g. Going out for dinner for one person may be extensive decision making (for someone that does not go out often at all), but limited decision making for someone else. The reason for the dinner, whether it is an anniversary celebration, or a meal with a couple of friends will also determine the extent of the decision making.

4.8.3 Factors influencing buyer behavior

The factors that influence consumer behavior can be classified into internal factors or (individual determinants) and external environmental factors. External factors do not affect the decision process directly, but percolate or filter through the individual determinants, to influence the decision process.

The individual determinants that effect consumer behavior are:

Motivation and involvement

Attitudes

Personality and self concept

Learning and memory

Information processing

The external factors influences or factors are:

Cultural influences

Sub-cultural influences

Social class influences

Family influences

Personal influences

Other influences