

INFO. 464, Chap.5

Public Relations

- We know about role of Advertising and Sales promotion in the process of Integrated Marketing Communication.
- Now we are learning about the role of 'Public Relations' in IMC.

5.1 Public relations in IMC

- **Definition of Public Relations:**
- Building good relations with the company's various publics by obtaining favorable publicity,
- Building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.

- Strong impact on public awareness at lower cost than advertising
- Greater credibility than advertising
- Publicity is often underused
- Good public relations can be a powerful brand-building tool

Companies use public relations:

- Public Relations News Speeches
- Marketing Corporate Identity Materials
- Mobile Marketing Special Events
Written Materials
- Audiovisual Materials
- Public Service Activities
- Internet Public Relations Tools

- The Integrated Marketing Communication sequence allows students to focus on the coordination of all aspects of marketing communication such as advertising, sales promotion, public relations, and direct marketing in an effort to provide a consistent message to consumers.

Why Study Marketing - Integrated Marketing Communication?

- Marketing personnel are concerned with the design, promotion, price and distribution of the product or service and representing.
- They identify and define marketing promotions that will generate, refine, and create marketing opportunities.
- The field of marketing is involved in the movement of goods and services from products to final customers.

Why Study Public Relations?

- **Public relations** is the measured and ethical use of language and symbols to inspire cooperation between an organization and its publics.
- Public relations specialists help businesses, governments and their agencies, universities, hospitals, schools and other organizations build and maintain positive relationships with the public.

Mass Media

- Mass (communication) media is the process that begins when someone observes what is happening, analyzes and interprets that information and transmits it to an audience through a variety of media.
- The mass media industry may be roughly divided into six basic areas of endeavor; advertising, public relations, journalism, information, entertainment, and research.

5.2 Personal Selling and Direct Marketing

- **International marketing** involves marketing goods and services outside the home country.
- **Domestic marketing** encompasses a firm's efforts in its home country.
- **Global marketing** is an advanced form of international marketing in which a firm addresses global customers, markets, and competition.

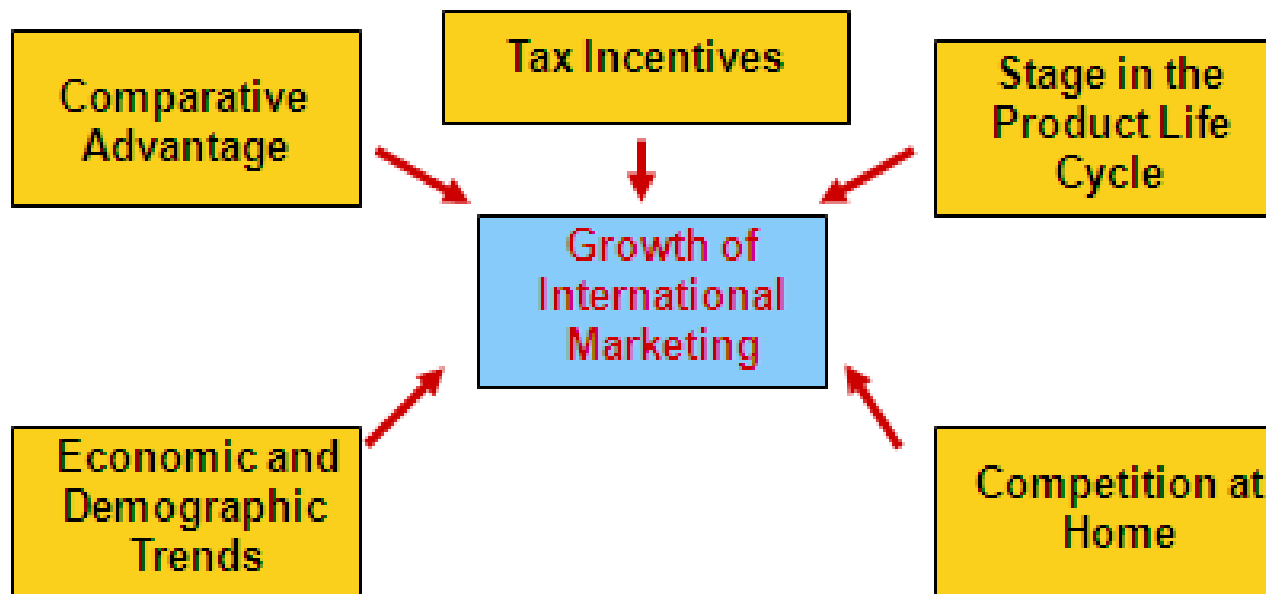
Benefits of International Marketing

- It allows each country to maximize their strengths and offset its weaknesses.
- Countries can optimize their comparative advantages.
- It can extend the product life cycle, dispose of discontinued items, and allow for innovations.

Range of Global Marketing Options

- **Domestic firm:** It restricts efforts to home market.
- **Exporting firm:** It expands sales beyond its home borders.
- **International firm:** It modifies products for foreign markets or introduces new items.
- **Multinational firm:** While head-quartered in home nation. 50% of its sales/profits are from multiple nations.
- **Global firm:** Its domestic sales are relatively low, so it relies more on foreign transactions.

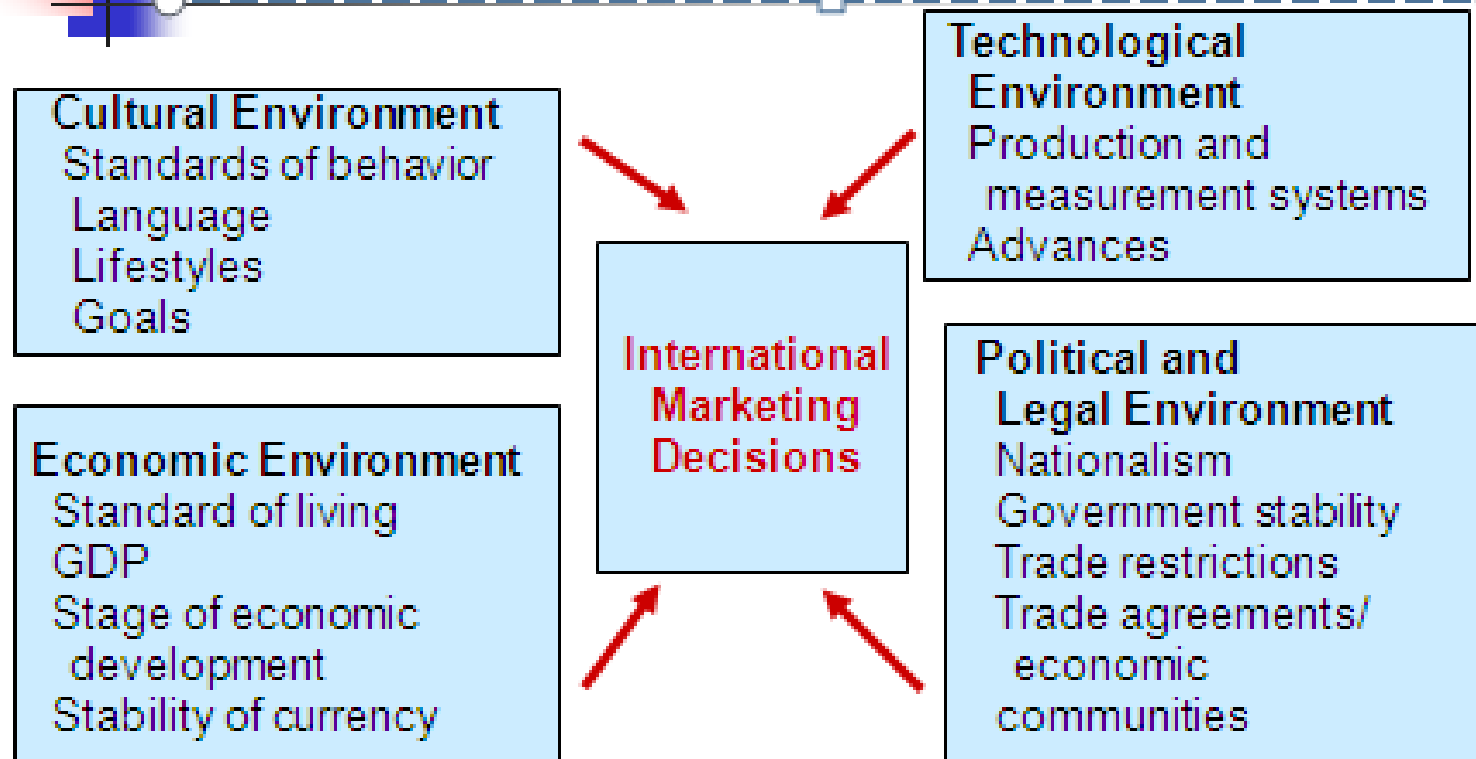
Why International Marketing Occurs



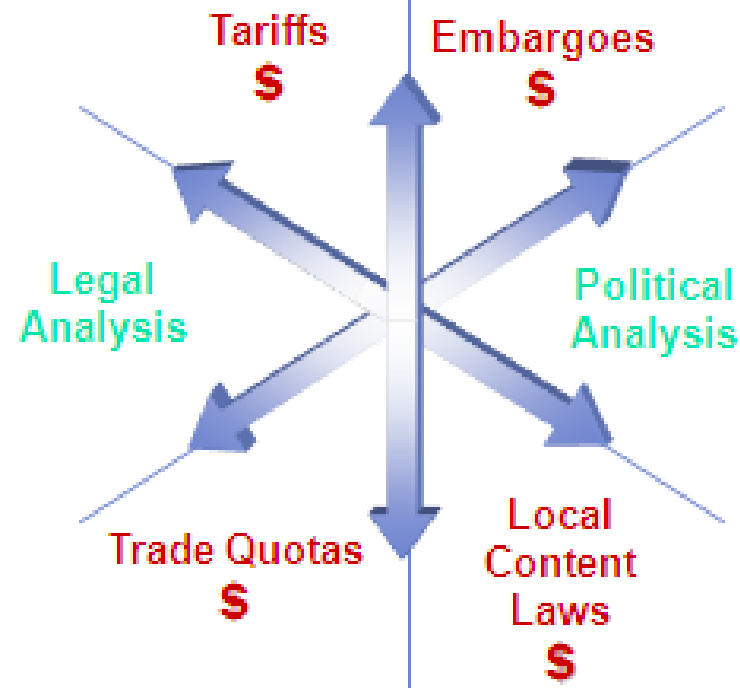
Scope of International Marketing

- While 70% of U.S. foreign business revenues are generated by large firms, hundreds of thousands of small firms are also involved.
- World's leading export countries include United States, Germany, Japan, Great Britain, and France.

The Environment Facing International Marketers

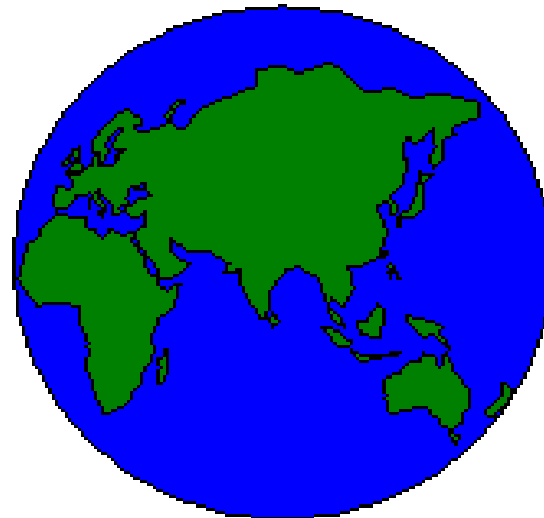


Types of Trade Restrictions

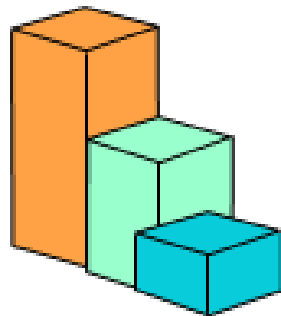


Leading Economic Communities

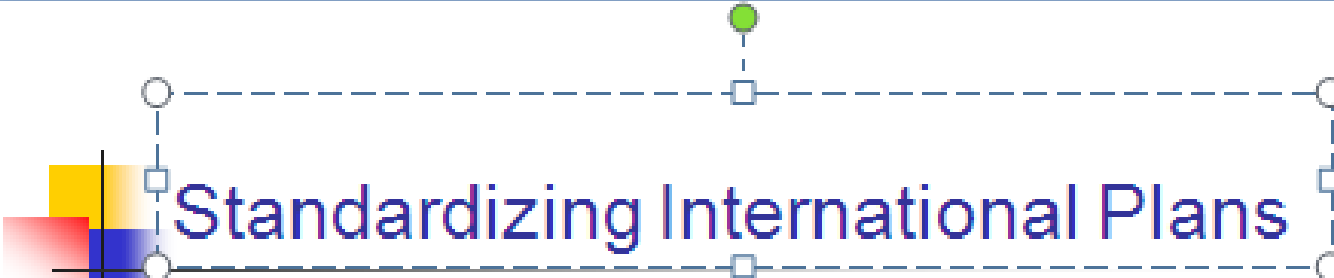
- The **European Union** facilitates trade among member countries by establishing common currency, product standards, and the free flow of people and capital.
- **NAFTA (North American Free Trade Association)** has created an economic community to link the U.S., Canada, and Mexico.



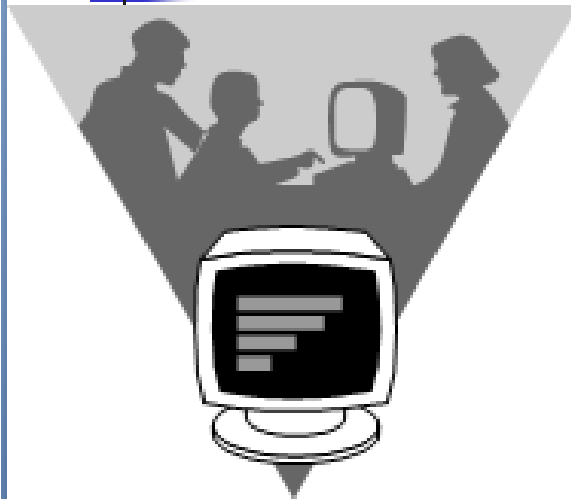
3 Types of International Marketing Company Organizations



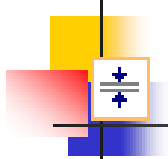
- **Exporting:** A firm reaches international markets by selling products made in its home country directly through its own sales force or indirectly via foreign merchants or agents.
- **Joint Venture (Strategic Alliance):** A firm agrees to combine aspects of manufacturing or marketing efforts with a company in a foreign country to share expertise, costs, or contacts. It is critical to select appropriate partners.
- **Direct Ownership:** A firm has full control and owns production, marketing, and other facilities in a foreign country without any partners.



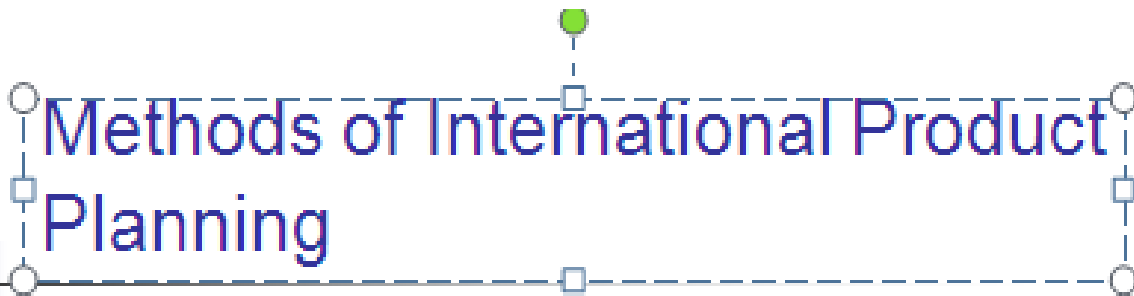
Standardizing International Plans



- **Global Approach:** A common marketing plan is used for each nation.
- **Nonstandardized Approach:** Each country is given a separate marketing plan.
- **Glocal Approach** (*think global and act local*): This combines standardized and nonstandardized plans and lets a firm gain production efficiencies, have a consistent image, have home office control, and still be sensitive and responsive to local needs.

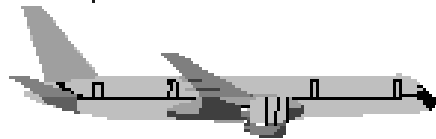
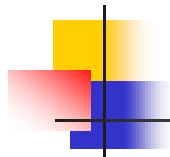


Methods of International Product Planning

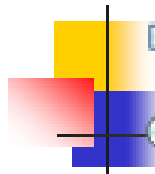


- In **straight extension**, a firm makes and markets the same product for domestic and foreign sales.
- In **product adaptation**, domestic products are modified to meet foreign language needs, taste preferences, climates, electrical requirements, laws, and/or other factors.
- With **backward invention**, a firm appeals to developing and less-developed nations by making products less complex than it sells domestically.
- With **forward invention**, a company develops new products for its international markets.

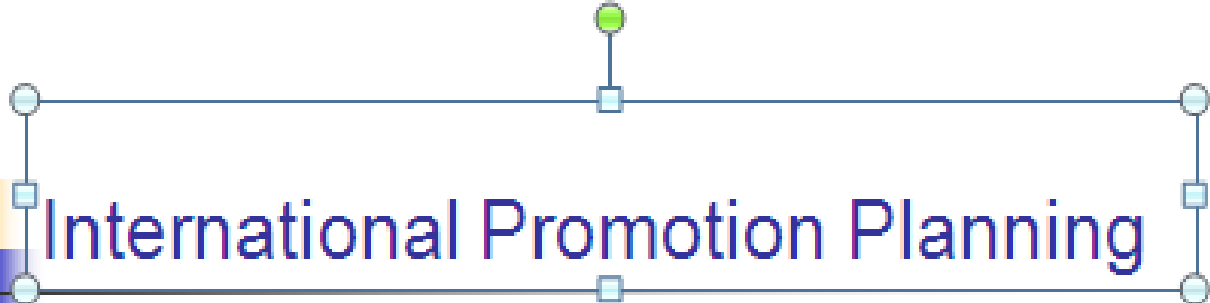
International Distribution Planning



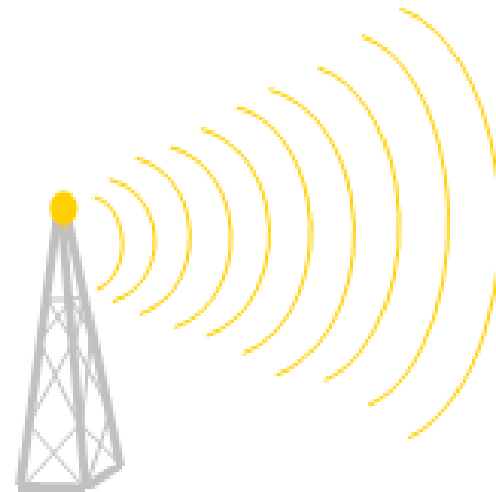
- It encompasses the selection and use of resellers, and the physical movement of products.
- Distribution in each international market requires planning.
- Government restrictions, costs, transportation, poor road conditions, and other limitations may alter distribution modes.
- Inventory, storage, and reordering may be affected by warehouse availability.

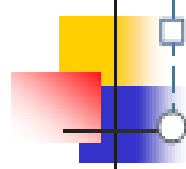


International Promotion Planning



- It depends on the overlap of audiences, language similarities, and the availability of media.
- Campaigns can be global, nonstandardized, or glocal.
- Firms sometimes globalize promotions for image purposes.





International Price Planning

- It considers whether prices should be standardized, the level at which prices are set, the currency in which prices are quoted, and terms of sale.
- **Dumping** is involved if a firm sells a product in a foreign country at a price lower than that prevailing in its home market, below the cost of production, or both. Duties may be levied on “dumped” products.



5.3 Global Aspects of Marketing

- Due to its impact, international marketing concepts should be understood by all types of firms.
- Global marketing allows firms to seek new markets for expansion.
- Countries trade items in which they have a comparative advantage.

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- World's leading export countries include United States, Germany, Japan, Great Britain, and France.
- Capital goods are leading U.S. exports.
- The Value of U.S. imports exceeds its exports, creating a **trade deficit**.
- The U.S. has a large service trade surplus, the greatest of any nation.

The Cultural Environment

- The Environment Facing International Marketers
- A culture is a group of people sharing a distinctive heritage.
 - Inadequate information about foreign culture is a common cause of marketing errors.
 - Developing countries often have limited census data information, poor communication tools, and limited technological access.
 - Language barriers often inhibit access to traditions and customs that are key to customer desires.

The Economic Environment

- A **nation's economic environment** indicates its present and potential capacity for consuming goods and services.
- A **standard of living** refers to the average quality of goods and services that are owned and consumed in a country.
- The **Gross Domestic Product (GDP)** is the total value of goods and services produced in a country in a year.
- **GDP** is the most frequently used measure of a nation's wealth because it is regularly published and easy to calculate and compare with other nations.

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