Digital Corporate Marketing

Lecture Title: Audience and Message Conveyance

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Undergraduate Diploma in
Digital Marketing

Audience and Message Conveyance

Communication theories provide valuable insights into how information is transmitted and received within organisations, influencing corporate communication strategies and practices.

Audience and Message Conveyance

Shannon-Weaver Model of Communication

This model, originally developed in the context of telecommunications, also applies to corporate marketing.

It emphasises a linear transmission of information from a sender to a receiver, highlighting potential barriers (noise) that could distort the message. Understanding this model helps corporations ensure clear and effective transmission of messages without interference, which is crucial in both internal and external corporate communications.

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Claude Shannon was an American mathematician, electrical engineer, and cryptographer known as "the father of information theory."

Shannon developed the concept of this model as part of his groundbreaking work on information theory, which he began at Bell Labs.

His seminal work, "A Mathematical Theory of Communication," published in 1948 in the Bell System Technical Journal, laid the foundation for this model.

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Warren Weaver was an American scientist, mathematician, and science administrator.

While Shannon's work was more technically oriented, Weaver contributed a more practical and general interpretation, making the theory applicable to a broader range of communication contexts.

Weaver's contribution helped broaden the model's relevance beyond technical fields, including social sciences.

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The Shannon-Weaver Model of Communication includes several key components:

1. Information Source: Originates the message.

2. Transmitter: Encodes the message into signals.

3. Channel: The medium over which the signal is transmitted.

4. Receiver: Decodes the message from the signal.

5. Destination: Where the message arrives.

6. Noise: Any interference with the message as it travels along the channel.

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Application to Corporate Marketing:

Email Communication in a Corporate Setting

Information Source: A manager who wants to inform their team about an upcoming meeting.

Transmitter: The manager types and sends an email.

Channel: The email system used within the company.

Receiver: The email software on the team members computers or smartphones.

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Application to Corporate Marketing:

Email Communication in a Corporate Setting

Destination: The team members who read the email.

Noise: Potential spam filters that could misclassify the email, poor internet connectivity affecting message transmission, or unclear wording in the email that could lead to misunderstandings.

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Application to Corporate Marketing:

Marketing Campaign Using Social Media

Information Source:	The marketing team that creates an advertisement.
Transmitter:	The social media tools used to post and disseminate the advertisement.
Channel:	The social media platform (e.g., Facebook, Twitter).

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Application to Corporate Marketing:

Marketing Campaign Using Social Media

Receiver:	The software algorithms that display the ad to users.
Destination:	The target audience who views the ad.
Noise:	Other competing ads and content in the user's newsfeed, misinterpretation of the ad's message, or technical issues affecting visibility.

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Berlo's SMCR Model of Communication

David Berlo expanded on the Shannon-Weaver model by introducing the SMCR (**Source, Message, Channel, Receiver**) Model, which focuses on the importance of the source's communication skills, the message's content, the channel's efficiency, and the receiver's understanding.

In corporate settings, this model underlines the need for tailored marketing strategies that consider the capabilities of the communicator, the appropriateness of different channels, and the target audience's characteristics

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David Berlo was a student of Wilbur Schramm, another significant figure in communication studies, at the University of Illinois.

He tailored the S&W communication concept to address the nuances of human communication more effectively, emphasising the communicator's skills and the receiver's perceptual abilities.

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Application to Corporate Marketing:

Source: A skilled trainer with extensive knowledge about effective sales techniques.

Message: A structured training manual that includes visual aids, written documents, and interactive segments.

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Application to Corporate Marketing:

Channel: The in-person training sessions (visual and auditory) include hands-on practice (tactile channel).

Receiver: The sales team's ability to understand and implement the training is crucial. Their previous knowledge, perceptions, and engagement with the content play a significant role in the success of the training.

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Application to Corporate Marketing:

Source: Marketing team proficient in strategic communication and consumer psychology.

Message: A new advertising campaign that uses emotional appeal and clear calls to action.

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Application to Corporate Marketing:

Channel: Distributed through television commercials (audio-visual), social media posts (visual), and radio ads (audio).

Receiver: The response of our target consumers, who play a crucial role in the success of our communication efforts, can vary based on their attitudes towards the brand and their interpretation of the advertisement.

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Stakeholder Theory in Communication

This theory implies that businesses should manage their relationships with all stakeholders (not just shareholders) through appropriate and strategic communication.

Effective stakeholder communication enhances transparency, builds trust, and fosters long-term relationships, crucial for business sustainability and success.

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The concept of stakeholder theory was developed and popularised by R. Edward Freeman in his landmark book "Strategic Management: A Stakeholder Approach" published in 1984.

Freeman is a professor at the University of Virginia’s Darden School of Business and has a background in philosophy and business studies, which he blended to develop his approach to stakeholder theory.

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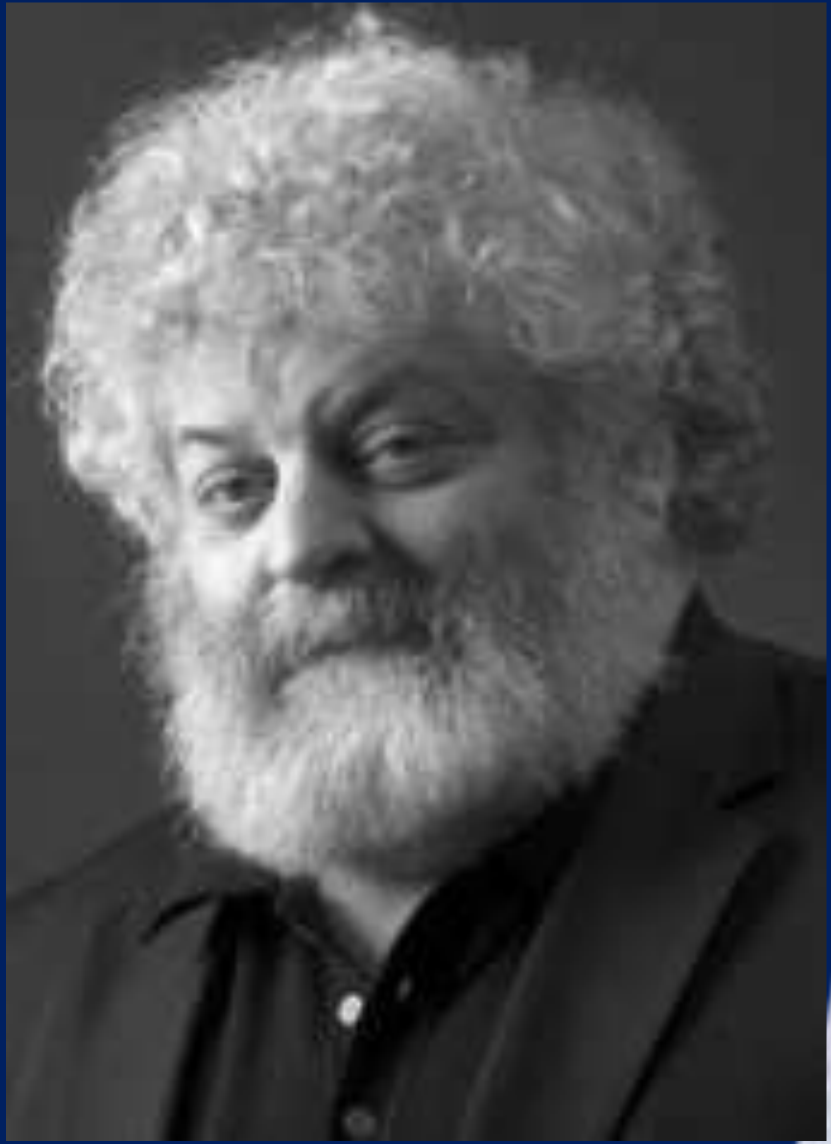
Freeman's work has been influential in advocating for a broader perspective on business success, integrating ethical and management considerations by focusing on relationships with all stakeholders.



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Environmental Impact Reporting by a Manufacturing Company

Situation: A company in the manufacturing sector undertakes significant changes to reduce its environmental impact.

Engagement: The company identifies local communities, regulatory agencies, (NGOs), customers, and employees as key stakeholders.

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Environmental Impact Reporting by a Manufacturing Company

Comms Strategy: It develops a communication plan that includes regular updates on environmental initiatives, open houses for local community members, detailed reports for regulatory agencies, and sustainability messages in customer communications.

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Environmental Impact Reporting by a Manufacturing Company

Outcome: By addressing the specific interests and concerns of each stakeholder group, the company enhances its reputation, complies with regulations, builds community goodwill, and strengthens customer loyalty.

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New Policy Implementation in a Corporate Setting

Engagement: Employees, union representatives, and department heads are identified as primary stakeholders.

Marketing Strategy: The corporation organises workshops to explain the policy changes, sets up a feedback mechanism for employees to express concerns, and involves union representatives in the policy refinement.

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New Policy Implementation in a Corporate Setting

Outcome: Effective communication and inclusion in decision-making lead to a smoother implementation of the policy, less resistance from employees, and more constructive feedback, enhancing overall workplace satisfaction.

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Media Richness Theory

The richness of a medium (i.e., the amount of information it can carry and how quickly feedback can be obtained) should match the complexity of the message.

In corporate contexts, choosing the right medium—whether email, reports, video conferences, or face-to-face meetings—can significantly influence the effectiveness of business communication, especially in complex scenarios like crisis management or strategic changes.

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Media Richness Theory (MRT) was introduced by Richard L. Daft and Robert H. Lengel in the mid-1980s as a framework for understanding different media capabilities in complex communication.

Richard L. Daft is a prominent American organisational theorist specialising in organisation theory and leadership and authorising several influential textbooks.

Robert H. Lengel was an associate professor of management at the University of Texas at San Antonio. His research focused on information and knowledge management, particularly how people process information and use it to make decisions.

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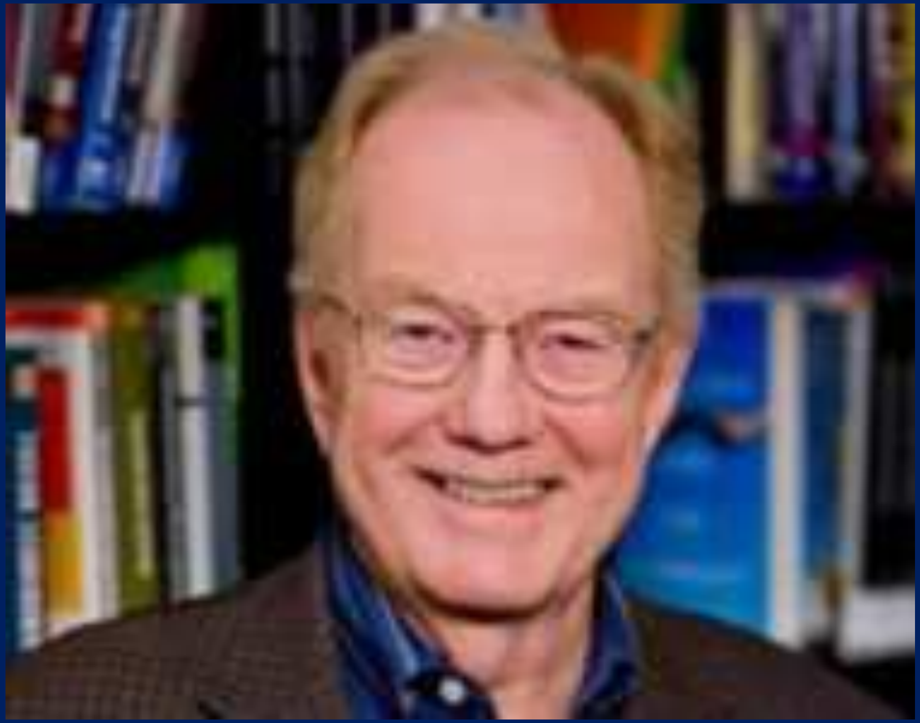

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Media Richness: Based on four criteria:

1. The ability to handle multiple information cues simultaneously (visual, verbal, non-verbal cues),

2. The ability to facilitate rapid feedback,

3. The capacity to establish a personal focus, and

4. The ability to utilise natural language.

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Corporate Announcements

A corporation needs to announce significant changes to its strategic direction, which could potentially unsettle employees and stakeholders due to its complexity and potential for ambiguity.

According to MRT, this situation requires a rich communication medium. Face-to-face meetings or live video conferences would be appropriate as they allow for immediate feedback, convey verbal and non-verbal cues, and enable personalised communication, thus reducing misunderstandings and ambiguities

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Employee Training on New Software

Employees need comprehensive training on new software that is crucial for their tasks.

This type of communication involves a moderate level of complexity and requires both clarity and interaction. A webinar or interactive tutorial, which allows for demonstrations (visual cues) and Q&A sessions (rapid feedback), would be considered appropriately rich media.

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Organisational Information Theory

Developed by Karl Weick, this theory examines how organisations collect, manage, and use information to make sense of ambiguous situations and environments. It highlights processes such as enactment, selection, and retention of information.

Applying this theory helps corporations improve decision-making and innovation through better management of internal communication flows.

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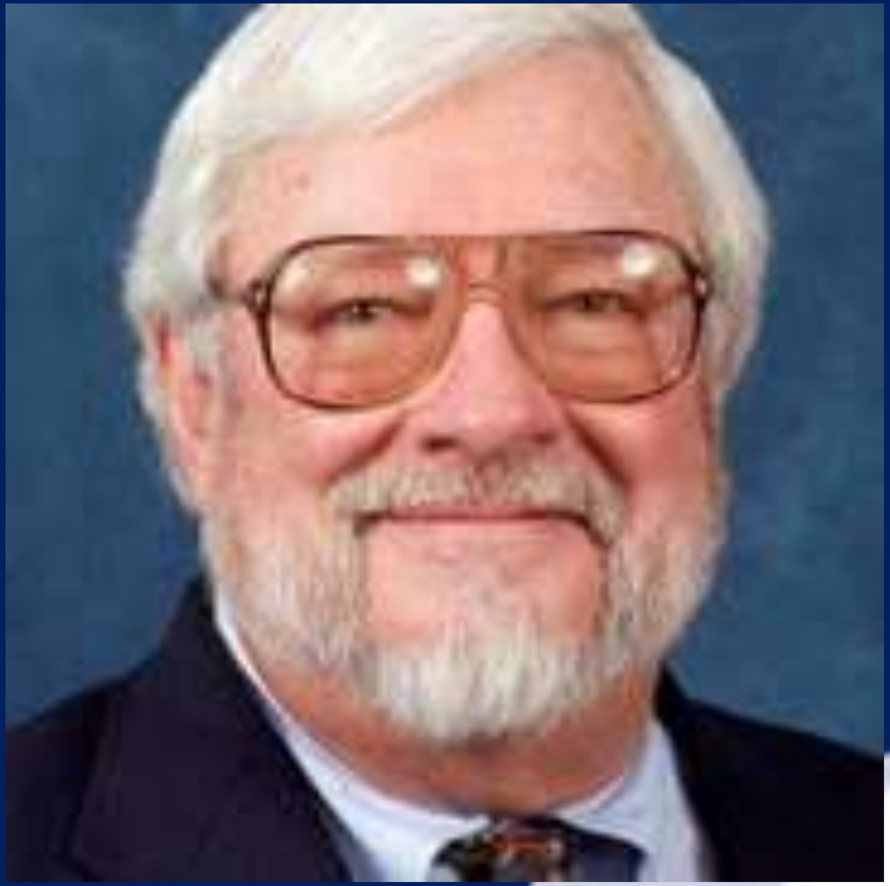

Karl E. Weick is an influential American organisational theorist known for his extensive work on organisational behaviour, sensemaking, and cognitive processes within organisations. He is a professor at the Ross School of Business at the University of Michigan.

His work often blends psychological and sociological perspectives to explore how organisations cope with uncertainty and unexpected events.

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Information Environments and Equivocality:

Weick's theory states that organisations exist in complex information environments where they must deal with high levels of uncertainty and ambiguity (termed "equivocality").

Equivocality refers to the multiple and potentially conflicting interpretations of information available to organisations.

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Information Environments and Equivocality:

Sensemaking:

When organisations interpret ambiguous information to make it meaningful.

Sensemaking involves such processes as enactment, selection, and retention.

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Enactment: Refers to the actions through which individuals in an organisation construct and define their environment.

Selection: Involves using communication cycles to reduce equivocality by developing and selecting plausible interpretations and responses to the enacted environment.

Retention: Occurs when the outcomes of successful sensemaking are stored for future reference, shaping the organisation's responses to similar situations.

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Crisis Management

An organisation faces a sudden public relations crisis due to a defective product release. Using OIT, the organisation initially enacts the situation by gathering all relevant information about the product issue and public responses.

Through communication cycles involving PR and management teams, various strategies are proposed and debated until a viable strategy is agreed upon. Once the crisis is mitigated, the organisation retains the insights to handle future crises.

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Strategic Decision-Making

A company considering expanding into a new international market.

Leaders enact the environment by collecting data on market size, competition, and cultural factors.

Selection processes involve extensive discussions and scenario planning to understand the best entry strategy. Successful strategies are then retained in organisational memory to inform future expansions.

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Integrated Marketing Communications (IMC) Theory

Integrated Marketing Communications (IMC) is a strategic approach that integrates all forms of marketing communications (advertising, public relations, sales promotion, social media, direct marketing, etc.) to provide a consistent message across all channels.

IMC aims to ensure the coherence of messages and the complementary use of media.

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Don E. Schultz: Often considered a pioneering figure in developing IMC, Schultz is a Professor Emeritus of Service at Northwestern University. He emphasised the importance of a consistent message across different marketing channels and the need for a shift from mass marketing to more precise, targeted communication facilitated by developments in database technologies.

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Philip Kotler: Another influential figure in the field of marketing, Kotler is a Professor at the Kellogg School of Management at Northwestern University. He has authored several key texts on marketing that discuss integrated marketing functions to execute a comprehensive marketing strategy effectively.

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Core Concepts of IMC

Consistency: IMC stresses the importance of a unified message across all forms of communication. Consistency helps reinforce the message through repetition across channels, enhancing consumer recall and recognition.

Synergy: By coordinating and integrating various marketing communications, IMC aims to achieve greater impact than if the strategies were used independently, often resulting in a synergy that can improve marketing effectiveness.

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Core Concepts of IMC

Customer-centric: IMC revolves around understanding customer behaviour and preferences, ensuring that all marketing efforts are guided by customer insights and data.

Multi-channel Approach: Utilizing a combination of communication tools such as advertising, PR, online marketing, and direct marketing—tailored to create a comprehensive and cohesive marketing strategy.

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Consumer Goods Launch

A company launches a new soft drink product.

IMC would involve synchronising television commercials, social media campaigns, press releases, event marketing, and point-of-sale promotions.

Each channel would communicate the product's unique taste and fun brand persona, reinforcing the same message but adapting to the strengths of each channel.

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Non-Profit Campaign

A non-profit NGO aiming to raise awareness about climate change.

Application: An IMC approach would combine educational content across blogs and articles, social media campaigns using hashtags to engage discussions, public relations efforts to gain media coverage, and partnerships with schools for educational programs.

Each component would reinforce the campaign's key messages about the impact of climate change and ways individuals can make a difference.

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Two-Step Flow Theory

This theory, proposed by Paul Lazarsfeld and Elihu Katz, suggests that information from the media moves in two distinct stages. First, it is transferred from the media to "opinion leaders" and then from these leaders to a wider population.

In a corporate context, understanding and leveraging influential stakeholders (internal or external) can enhance the effectiveness of communication strategies, particularly in change management and branding.

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Paul Lazarsfeld was an Austrian-American sociologist known for his pioneering work in the field of empirical sociology and mass communication.

He was a major developer of the two-step flow model and conducted influential studies that shaped our understanding of media influence.

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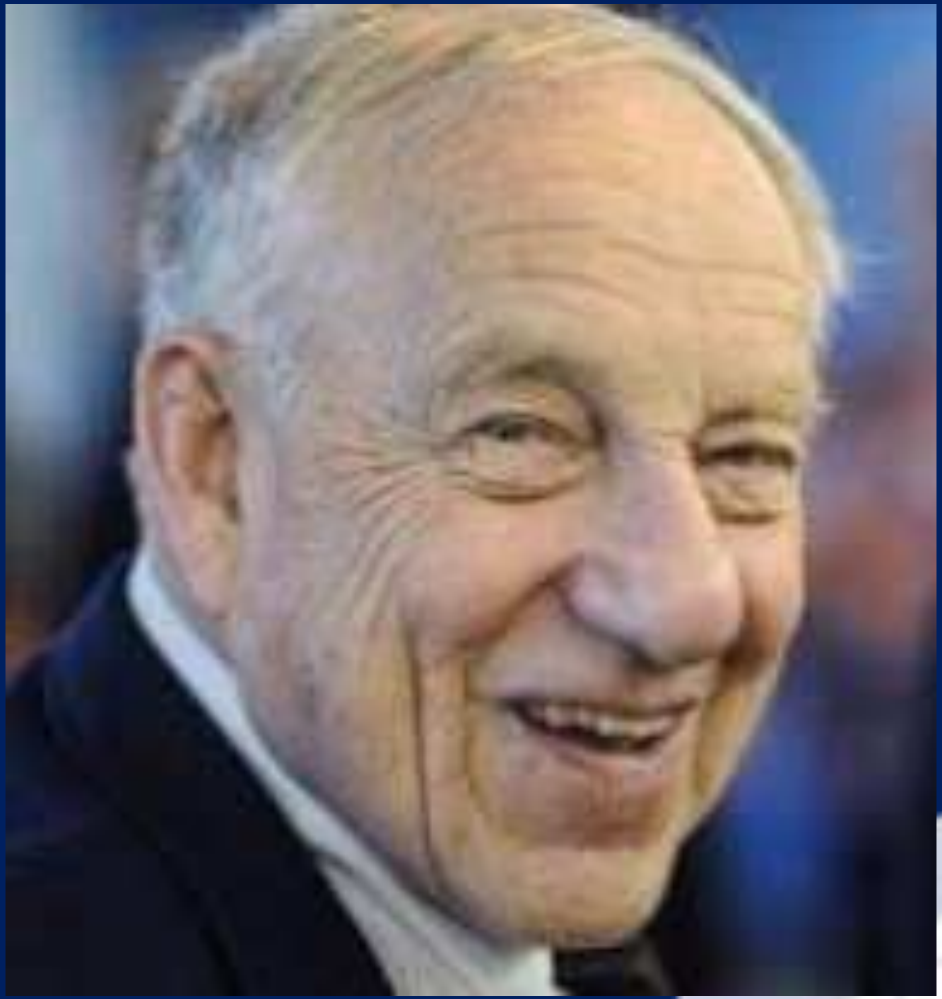
Elihu Katz is an American-Israeli sociologist and media scholar who collaborated with Lazarsfeld on the development of the Two-Step Flow Theory.



Katz has contributed significantly to communication research, particularly in studying media effects and uses and gratifications theory.

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Political Campaigns

During an election campaign, political parties aim to influence and mobilise voters.

Campaign strategists focus on identifying and persuading key opinion leaders within communities, knowing that these leaders will influence their peers.

Strategies might include arranging meetings with local leaders, providing them with specific messaging, and empowering them to advocate on the party's behalf.

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Marketing and Branding

A company launches a new product and aims to maximise its market penetration.

The company uses targeted advertising to reach identified opinion leaders with a high social media following and perceived expertise in the product’s niche (e.g., tech gadgets).

Once convinced of the product’s value, these leaders share their reviews and recommendations through their networks.

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What defines an 'audience' in corporate marketing?

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Defining Your Audience

In corporate marketing, an "audience" refers to the group of individuals targeted by the organisation's messaging.

These audiences can vary widely depending on the nature of the message, the goals, and the context in which the organisation operates.

Each audience has specific characteristics and needs, influencing how they perceive and react to corporate marketing.

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Key Characteristics of an Audience in Corporate Marketing:

Demographics: Includes age, gender, income level, education, and occupation.

Psychographics: Encompasses values, beliefs, attitudes, and lifestyles.

Behaviours: Considers the audience's purchasing habits, media consumption, and other behavioural patterns.

Needs and Expectations: What the audience expects or requires from the organisation, which can dictate the tone and content.

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Internal Audiences:

Employees:	Regular updates, newsletters, and emails might be used to keep employees informed about company policies, achievements, and changes.
Management:	Reports, briefings, and meetings to discuss strategic decisions and performance metrics.
Board Members:	Detailed presentations and reports that include governance, compliance issues, and strategic advice.

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External Audiences:

Customers: Marketing materials, promotional campaigns, social media interactions, and customer service communications.

Investors and Shareholders:

Annual reports, earnings calls, press releases, and investor meetings focusing on financial health, strategy, and market positions.

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External Audiences:

Media: Press releases, conferences, and interviews to manage public perception and provide updates on company activities.

Suppliers and Partners: Contracts, negotiations, and regular communications to maintain the supply chain and partnerships.

Regulators and Government Bodies: Compliance documents, policy updates, and regulatory filings to ensure adherence to laws and regulations.

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Community:

Local Communities: CSR initiatives, local news updates, and community engagement programs that aim to build a positive corporate presence and contribute to social well-being.

Special Interest Groups: Targeted communications addressing specific concerns or collaborations that impact the organization and these groups.

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In the corporate marketing field, scholars like Cornelissen (2011) , in his book "Corporate Communication: A Guide to Theory & Practice" discuss the importance of audience analysis as foundational in developing effective marketing strategies.

Cornelissen explains that understanding the audience is crucial for tailoring messages that resonate and achieve desired outcomes.

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Another example is Argenti (2015), who in "Corporate Communication" emphasised that different audiences require different communication approaches.

For instance, while communicating with investors, companies focus on financial data and growth prospects, whereas marketing with customers are more about brand value, product benefits, and emotional engagement.

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A corporation might use surveys, feedback forms, social media monitoring, and market research to understand its diverse audiences better.

These insights help tailor marketing effectively across various platforms and media, ensuring that the messages are received and meaningful to each audience segment.

Audience and Message Conveyance

In corporate marketing, financial audiences comprise a critical group that includes investors, shareholders, financial analysts, and regulatory bodies.

The marketing directed at these audiences focuses predominantly on financial performance, strategic direction, risk management, and governance practices.

Effective marketing with financial audiences ensures transparency, fosters investor trust, and meets legal obligations.

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Agency Theory:

Agency theory addresses the relationships between principals (shareholders) and agents (company managers). It emphasises the need for managers to communicate honestly and transparently to assure shareholders that they are acting in their best interests.

Annual reports and quarterly earnings calls are common practices where management communicates company performance, future outlook, and strategic initiatives to reassure investors about their management effectiveness.

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Information Asymmetry Theory:

This theory deals with the unequal distribution of information between company insiders and the wider market. It states that reducing information asymmetry through comprehensive and timely disclosure helps level the playing field and reduces the cost of capital.

Example: In the European Union, companies listed on stock exchanges are required to adhere to the Transparency Directive, which mandates the publication of annual financial reports and half-yearly (interim) financial reports.

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Tailored Communication Strategies

Tailoring communication strategies involves customising messages and choosing appropriate communication channels based on different audience segments' specific characteristics, preferences, and needs.

This practice is grounded in several communication theories and is crucial for effective corporate communications, marketing, public relations, and more.

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Tailored Communication Strategies

Audience Segmentation Theory:

This theory underpins the practice of dividing a broader audience into smaller, more homogenous groups based on various criteria such as demographics, psychographics, and behavioural patterns.

Organisations can tailor their messages by identifying distinct segments to resonate more deeply with each group.

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Elaboration Likelihood Model (ELM):

ELM states that the persuasiveness of marketing can be increased by appealing to either the **central route** (focusing on the quality and depth of information for audiences who are motivated and able to process information) or the **peripheral route** (focusing on superficial cues for less engaged audiences).

In advertising, a car manufacturer might use detailed technical descriptions and performance data to appeal to auto enthusiasts (central route) while using celebrity endorsements to appeal to more casual consumers (peripheral route).

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Case Study: Toyota Prius Hybrid Launch

Central Route: Targeting the Eco-Conscious, Tech-Savvy Consumer

For buyers who are highly involved in the purchase decision, particularly those concerned with fuel efficiency, environmental impact, and long-term cost savings, Toyota used the **central route** of persuasion by offering detailed information such as:

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Case Study: Toyota Prius Hybrid Launch

- Fuel economy statistics (e.g., miles per gallon, CO_2 emissions reduction).
- Breakdowns of hybrid technology (how regenerative braking works, electric motor benefits).
- Comparisons with other non-hybrid vehicles showing long-term savings.
- White papers and expert reviews discussing Prius as an innovation in automotive engineering.

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Case Study: Toyota Prius Hybrid Launch

These consumers were more likely to process the information carefully, evaluate the pros and cons, and reach a reasoned conclusion based on the quality of the arguments, leading to **long-lasting attitude change** and **brand loyalty**.

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Case Study: Toyota Prius Hybrid Launch

Peripheral Route: Targeting the Image-Conscious, Trend-Focused Buyer

For less-involved consumers who cared more about status, style, or social proof than technical details, Toyota used peripheral cues such as:

Celebrity endorsements – for example, high-profile figures like Leonardo DiCaprio driving a Prius to award shows.

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Case Study: Toyota Prius Hybrid Launch

Sleek advertising design – with smooth animations, a futuristic aesthetic, and soothing music.

Social proof – highlighting the number of Prius owners and presenting it as a "car of the future."

Green badges and logos that made environmentalism **visibly fashionable**.

These tactics triggered attitude change without the need for deep thinking, relying instead on **cues of trustworthiness, popularity, and visual appeal**.

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Aligning Marketing Strategies

Audience-Centered Approach:

This approach emphasises understanding and prioritising the needs, values, and contexts of the audience in the marketing process.

It is grounded in the communication theory that effective messaging must resonate with the receiver's frame of reference.

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Aligning Marketing Strategies

Enhanced Message Reception:

When messages are tailored to an audience's specific cultural, psychological, and situational contexts, they are more likely to be received, understood, and acted upon.

For example, a public health campaign that uses culturally relevant symbols and language is more effective in changing health behaviours than one that does not.

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Aligning Marketing Strategies

Increased Engagement and Participation:

Audiences are more likely to engage with marketing that acknowledges and addresses their specific interests and concerns.

For instance, a community engagement program that involves local leaders and uses local outreach is generally more successful than one directed from afar using generic materials.

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Aligning Marketing Strategies

Better Crisis Management:

In crisis situations, understanding the emotional and informational needs of different stakeholders can significantly affect the outcome.

Effective crisis communication that addresses specific fears and questions can mitigate damage more effectively than generalised, unspecific communication.

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Marketing to Different Age Groups

Younger Consumers: Brands like Spotify use casual language, humor, and leverage platforms like Instagram and Snapchat for promotions, aligning with the media consumption habits and communication preferences of a younger audience.

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Marketing to Different Age Groups

Older Consumers: In contrast, financial services like Fidelity Investments use more formal language, detailed content, and traditional media such as newspapers/portals and magazines to communicate with older customers who value depth and formality over trendiness.

Digital Corporate Marketing

THANK YOU FOR TODAY

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Undergraduate Diploma in Digital Marketing