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INTEGRATED MARKETING COMMUNICATIONS

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts
in
Interdisciplinary Studies:
Marketing Communication

by
Yousef Ali Obaidan
September 2002

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ABSTRACT

The growth of the global marketplace and the introduction of technology during the last half of the 20th century have made traditional marketing strategies become ineffective. The previous dependence on advertising and the media no longer is able to compete in the marketplace. By the 1990s marketers became aware that promoting a product or service required the integration of a variety of communications to the potential customer. The trend today, and which is expected to continue into the future is integrated marketing communications. This project is a review of the history, and increasing use of integrated communications (IMC). Advertising, direct marketing, public relations and publicity and database marketing, are discussed. It is proposed that IMC will increase in importance in marketing if companies are to be competitive.

DEDICATION

It is with the utmost gratitude and respect that I dedicate this thesis and all of my academic successes to my father. Had it not been for him, I would not be the person that I am today, nor would I have persevered and achieved the goals that I have achieved. For him I sacrifice and dedicate my past, present and future; as he sacrificed for myself and my siblings.

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CHAPTER ONE

INTRODUCTION

✧ The last decade of the 20th century brought many changes to the marketplace. Some changes were attributed to the introduction and use of technology. Others relate to the expansion of the global marketplace. Customer demands and competitive forces require changes in marketing strategies. Kotler (1999) states that last year's winning strategy is today's losing strategy as two powerful forces, technology and globalization are not only changing our lives but the way business is done as well.

✧ Schultz, Tannebaum, and Lauterborn (1993) report that technology has played a tremendous role in creating a demand for integrated marketing communications (IMC). At one time advertisers purchasing commercials on television networks, could, during an average week, reach up to 90 percent of the U.S. population. Today, that number has fallen to 60 percent and is expected to continue to decline. The mass media no longer deliver masses or even attract masses for many marketing organizations (p. 21).

Kotler (1999) continues saying that the technological landscape is dotted with new products, many of which have been made in far distant places. The global village is now

a reality. A Bangkok executive who wants to buy a book can type www.amazon.com on his keyboard, enter his credit card number and receive it in a few days thanks to Federal Express. The same is repeated thousands of times a day.

Marketing is greatly affected by the changes taking place in the market. The roles of advertising and promotion has had to change in order to have an impact on the consumer. In the past, the majority of marketing dollars were spent on traditional advertising. Today, more money is being spent in other forms of marketing communications which has been influenced by increased competition, the availability of new technology, and the domestic market changing to the global market.

New strategies have been required to adapt to the changes taking place in the market environment. As a result, the term, "integrated marketing" became popular. Although the term is not new as many advertising agencies have been using a variety of persuasive tools to market their clients' products, greater use is being made of integrated marketing, increasing the communications mix in order to reach a broader consumer base throughout the world.

Purpose of the Project

„ The purpose of this project is to review the history of marketing following World War II and the changes taking place in the societies and the marketplace. The focus is on IMC which encompasses all aspects of marketing products and services in the global marketplace. \

Scope of the Project

„ The scope of this project is limited to IMC, its background and how it is currently being used in business and industry. „

Significance of the Project

Marketing is the heart of every organization. Unless a company is marketing oriented, it will not be successful. It provides the energy for moving a product from its production line to its end use whether in the home, an office, a car, airplane, etc.

The concept of ICM increased in importance to marketers which means that it is vital for marketers to understand the concept and use it as a framework for their marketing strategies. The purpose of this project is to:

- Give marketers a better understanding of the concept of IMC;

- Assist marketers to implement traditional ideas of advertising and promotion into IMC;
- Develop an approach to planning IMC, and
- How to implement a strategic ICM program (Percy, 1996, p. 1).

Limitations of the Project

The project is limited to a review of secondary material, namely articles, journals, and texts on the subject of the background of IMC, its elements, use, and future.

Definition of Terms

Communication can be described as the glue that holds together a channel of distribution. Communication in marketing channels serve as the process by which persuasive information is transmitted (Mohr & Nevin, 1990).

Direct Marketing: An accountable system of marketing which uses one or more communication media to effect a response. It is an interactive process where responses from or about buyers are recorded in a database for building profiles of potential customers and providing valuable marketing information of more efficient targeting (Percy, 1997, p. 120).

Integrated Marketing Communications (IMC): The strategic coordination of multiple communication voices. It's aim is to optimize the impact of persuasive communication on both consumer and non-consumer (e.g., trade, professional) audiences by coordinating such elements of the marketing mix as advertising, public relations, promotions, direct marketing, and package design (Thorson & Moore, 1996, p. 1)

Internet: "A global computer network giving access to services such as the World Wide Web" (Jellis, 2002, p. 495). Internet is further defined as a new medium for marketers to communicate with their existing and prospective customers. With its penetration of more than 57 percent of U.S. households and its measurable and interactive characteristics, the Internet offers markets a high potential marketing channel (Internet, 2002).

Marketing: There is no consensus of opinion as to the definition of marketing. Ferrell and Lucas (1998) state that in 1960, the American Marketing Association (AMA) definition of marketing as the "performance of business activities that direct the flow of goods and services from producer to consumer or user" (p. 13).

In 1965, this definition was challenged, and changed to "the process in a society by which demand structure for economic goods and services is anticipated and enlarged and satisfied through the conception, promotion, exchange, and physical distribution of goods and services" (Ferrell & Lucas, 1998, p. 13).

To simplify the definition, marketing can be defined as the communication process that originates from producer through the media to the potential buyer.

Marketing Mix: A conceptual framework which helps to structure the approach to each marketing challenge. There is not just one approach to marketing mix. Variables are categorized in two groups: the offering and the methods/tools used as building blocks of a marketing program. All marketing mix is integrated in the communication process (Smith, 1998).

Public Relations: "The development of and maintenance of good relationships with different publics" (Smith, 1999, p. 360).

Publicity: "The stimulation of public interest in or an awareness of something or somebody" (Jellis, 2000, p. 710).

Publics: A distinct group of people and/or organizations that have an actual or a potential interest and/or impact on an organization (Lusch & Laczniak, 1987).

CHAPTER TWO

✓ REVIEW OF RELATED LITERATURE

The major objective of marketing is to communicate to a target market, or the world, that certain products and services are for sale. The communication process is the main tool marketing uses. Communication, in its many forms, provides information to consumers about products and services being produced to meet their needs and satisfy their desires. Unless the tools are used effectively, no company can make a profit or survive in the highly competitive marketplace.

Marketing

✓
Haywood (1987) states that marketing is more than a management skill. It is more than "selling." It is a business philosophy. Marketing influences every aspect of an organization's operations and is a powerful driving force within every department and every function. It is controlled by the marketplace and has revolutionized businesses. It is now a way of business life, based on the idea the customer is central to every producer of products/services and determines whether the organization will succeed or fail.

Marketing is concerned with all facets of the company that affect the customer and the customer intermediaries (wholesalers and retailers, for example). In other words, every organization, profit making and nonprofit, has to be market oriented if their goals and objectives are to be achieved.

Lusch and Laczniak (1987) state that in terms of modern marketing thought three principles are considered. These are: customer orientation, profit direction and integrated effort. These are the three main elements of the marketing concept offered as a philosophy for conducting marketing activities. Traditional marketing concept recognized that business firms need to cater to the wants and needs of their customers. However, today, the marketing and management literature reflects the philosophical necessity of catering to the wants and needs of multiple stakeholders or publics.

✓ Communication

Communication is the power that moves the message about a product or service from its origin to the world. It is a multifaceted process that includes words, music, pictures, and sounds moved from the sender to the receiver(s) at various times or at the same time. The

objective is to send a message that will influence a potential buyer/consumer to purchase one product/service instead of another (competitors). The way in which the communication is organized not only has to be heard but also seen, either actually, or in the mind of the consumer.

Mohr and Nevin (1990) describe communication as the glue that holds together a channel of distribution. The channels serve as the process by which persuasive information is transmitted.

According to Schultz, Tannenbaum and Lauterborn (1993) few consumers today were alive during the time when mass media systems began to be used. Network radio and television, national magazines, and large metropolitan daily newspapers seem to have always been with us, although they have not. Even so, according to Schultz et al., (1993) there is strong evidence that to a great extent they helped create our social and political culture.

From the mass media a mass market culture was created. In many cases, marketing created demand convincing consumers they could not do without certain products or services. "Marketing communications professionals developed plans, programs, and systems to

communicate to these mass markets" (Schultz et al., 1993, p. 18). Retail distribution systems developed channels to sell in these markets.

According to Schultz et al., (1993) these systems worked like "well oiled machines through the mid-1980s" (p. 19). Technology collided with society and human wants and needs. Suddenly consumers now had more information than ever before. They began to demand specialized products, distribution systems, and communication. What was once a mass market splintered into hundreds if not thousands of separate markets, individual markets driven by lifestyle, ethnic background income, geography, education, gender, and all the other things that make one person different from another (Schultz et al., 1993).

✧ Integrated Communications

Smith (1998) states integrated communications differ from unintegrated communications which send disjointed messages that dilute the impact of the message. They may confuse, frustrate, and arouse anxiety in customers. Integrated communications present a reassuring sense of order. Consistent images and relevant, useful messages help nurture long term relationships with customers. Customer databases can identify precisely which customers

need what information and when throughout their buying life.

~~§~~ Marketing Challenges

In the 1990s, companies realized they faced many challenges. Kotler (1999) compiled a list of the challenges drawn from various seminars and studies. He found the following:

- Customers were growing more sophisticated and price sensitive;
- They were short of time and wanted more convenience;
- They saw growing product parity among suppliers;
- They were less manufacturer brand sensitive and more accepting of reseller brands and generics;
- They had decreasing supplier loyalty;
- Products were found to not be much different from that which competition was selling;
- Pricing was readily matched by competition;
- Advertising was becoming less effective;
- They were spending too much on sales promotion; and
- Sales force costs were rising (p. 10).

All of this means that companies were facing weighty challenges in trying to improve their performance in the marketplace. Marketing issues were becoming more and more important as competition was increasing, sales were declining, and profits were few.

↘ Integrated Marketing Communications

Tracing the origin of IMC requires looking back to the years following World War II. Schultz et al. (1993) provide a brief review of the history of IMC. The war brought with it many changes. The first true IMC program may have been the massive propaganda campaign that overcame lingering doubts about American involvement in foreign affairs and enlisted every man, woman, and child in the war effort. Every media element that existed was used to defeat the Axis powers. At that time the media consisted primarily of the radio, movies, newspapers, magazines, telephone and telegraph as the television had not been introduced to the masses.

In the media, the objective of the government was to have everyone hate Hitler, mock Mussolini, and despise Tojo (Japan). Patriotic themes were woven through popular programming, comic books, and fiction. Bulletin boards in classrooms, offices, and factories all worked together to

convince the people to support the war. The reason, in addition to thousands of men and women being forced to serve in the military, people at home had to give up things as almost everything was rationed. In addition, it was important that the people spend money-buying bonds to financially support the war. Those at home worked harder, produced more, and set dreams aside (Schultz et al., 1993). ↘

When the war ended, marketers recognized the impact of the various media communications and how they influenced the people to not oppose the war. The propaganda made people willing to give up whatever was necessary so the war could be won. With the end of the war, factories converted back to commercial products. Advertising increased. By the late 1950s, the economy had shifted from a military perspective to true capitalism fed by marketing.

↘ According to Schultz et al., (1993), mass marketing was invented to sell products to massive numbers of consumers. The media was mass oriented, driven by advertising dollars. Radio, magazines, and newspapers were popular. Within the decade television appeared in almost every home, and changed the whole concept of marketing. The communication process could be better manipulated. ↘

and, using the right times of the day, and the right days, could have a tremendous influence on changing a TV viewer to a buyer of their products.

The influence of television could strongly be recognized in the 1960s as the family unit was redefined. More than half of all new households were formed by singles, less pressure to conform to family values, and more lifestyle options took place. Families with fewer children spent more on each child, and great importance was taking place on owning a home. Educational levels were higher, many women were working outside the home, and people were living longer (Schultz et al., 1993).

According to Schultz et al (1993), in 1970, in *Future Shock*, Alvin Toffler coined the word "demassification" and predicted the change taking place in the culture. More emphasis was placed on making products for consumers and then convincing them that they could not do without them.

Marketers had to enlighten themselves as to the changes taking place in the culture. In the early '70s, creative leaders in General Electric's huge advertising and sales promotion operation, developed a theory called FOCUS which stated "All good advertising begins with a fundamental understanding of the receiver" (Shultz et al., 1993, p. 6-7).

According to Schultz et al., (1993), another voice, that of John Naisbitt, another futurist, began to be heard. He warned in his *Trend Reports* that consumer attitudes on social issues such as the environment would affect their purchasing behavior. At the time, not many executives had the patience to listen to ideas especially those that seemed far removed from their bottom line concerns, much less the imagination to plan early to put their companies in a position to profit in case Naisbitt proved to be right (p. 8).

When computers were introduced in the marketplace, more changes occurred. Computers gave everyone instant access to information. The task of the marketer became more complex as new channels were opened which required new thinking, new strategies, and new messages (Schultz et al., 1993).

Percy (1997) quoting from the book that Schultz et al. (1993) published, viewed integrated marketing communications as "a new way of looking at the whole where once we only saw parts such as advertising, public relations, sales promotions, purchasing, employee communications and so forth" (p. 2). According to Schultz et al., IMC is realigning communication from the consumer's perspective. They go on to say that "IMC means

talking to people who buy or don't buy based on what they see, hear, feel, and so on, and not just about your product or service" (Percy, 1997, p. 3).

Duncan and Caywood (1996) state that recognizing the marketplace was changing and advertising was fast losing its "golden halo," ad agencies went on a merger and acquisition binge in the late 1970s and throughout the 1980s in an attempt to offer their clients more than just advertising. The acquisitions were driven by the attempt to make money but they had little understanding of the IMC concept. They continued to have tunnel vision, responding to most situations with the attitude "advertising is the answer, now what's the problem?" (p. 13).

Clients, for the most part, saw little benefit in ending their relationships with public relations, sales promotion, and direct response agencies. Advertising agents were still searching for the best way to incorporate the concept and practice of IMC (Duncan & Caywood, 1996).

By 1990, nearly everything seemed to have turned upside down. Marketers no longer viewed advertising as a "necessary evil," but rather as an investment. As an investment, advertising became accountable for specific results (Schultz et al., 1993).

It is critical for marketers to maintain control over the communications they initiate. As Schultz et al., (1993) stated in their book, the basic reason for integrated marketing communications is that market communications are the only sustainable competitive advantage of marketing organizations in the 1990s and into the 21st century. This may be an extreme claim, but this is why IMC is so critical for marketers. One's entire marketing communications program must be integrated to ensure that it will have maximum impact on the market (Percy, 1997, p. 13).

CHAPTER THREE

METHODOLOGY

The methodology selected for this project is to provide a historical review of integrated marketing communication and its role in business and society today. The objective is to provide marketers with a better understanding of the current role of marketing, the changes taking place in the field, and the need for recognition of factors that are mandating such change.

Steinbock (2000) reports that a century ago, Americans consumers. In this century they have become sophisticated consumers no longer buying simple mass-produced goods. Today, they are using a multitude of different and specialized marketing channels to find what they want and need. One reason is that there are many more producers of products and services today. Increasing numbers of countries are adopting the capitalistic system in which the theories of Adam Smith in his "Wealth of Nations" view the market as being the major power with demand and supply as the energy creating the power. The market no longer has boundaries.

Steinbock (2000) indicates:

Marketing is being transformed by the Internet revolution and the digitalization of information

and communications industries, as well as the rapid commercial exploitation over the Web, from intranets and extranets to electronic commerce.
(p. 6)

Reflecting on the significance of the Internet revolution, Steinbock (2000) advises it must be recognized it is changing both the consumer and the business to business marketing game, irreversibly, meaning marketing will never be the same again.

→ Building an Effective Marketing Organization

It is hard to believe that there was a time when companies did not have a marketing department. They had sales departments. Marketing began as an appendage to the sales department of companies. When sales people needed market research, a researcher was employed. When they wanted some advertising, the need for an advertising manager was recognized. Most of the work of market research, advertising, and promotion was contracted out to market research firms, advertising agencies and sales promotion agencies. Today, there are product managers, brand managers, key account managers, market segment managers, customer service managers and an assortment of other job positions all existing in the marketing department (Kotler, 1999, p. 176-177).

Kotler (1999) recommends that companies appoint a chief communications officer (CCO) just as they might have a CIO, a chief information officer. The CCO supervises all the communication specialists and create, with their help, a unified marketing plan that includes IMC. While Kotler recommends a CCO to head the marketing effort, the first thing that has to be considered is the size of the company and the products or services being offered. The most important element is that top management recognizes that to be successful today an effective marketing department must be well established and the whole company becomes market oriented.

* Integrated Marketing

Presents a unified image to the people who need and want to hear it; having a "positioning statement" for the company as well as "positions" for each product/service. It has a consistent voice for all audiences --- trade, consumer, employees, suppliers and stockholders. The messages are consistent and support the vision and values of the company or organization (CI, 1).

Integrating Market Communications

What is IMC? It is an elusive concept with many definitions, many founders, all of which are legitimate,

for IMC is a concept that means many different things to many different people. The American Association of Advertising Agencies (AAAA) defines IMC as:

The concept of marketing communication planning that recognizes added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines (general advertising, direct response, sales promotion, and public relations) and combines these disciplines to provide clarity, consistency, and maximum communication impact. (Integrated Marketing, 2002, p. 1)

In this study, IMC involves all aspects of marketing including but not limited to advertising, sales promotion, public relations, direct marketing, and the media (Schultz, 1995).

In more simple terms, IMC coordinates and consolidates all marketing communication programs for a company, a brand, or a product line (Schultz, 1995, p. 191). In other words, the successful marketer today uses many different ways to communicate with the consumer, and many different ways to find him.

What is being integrated is the various communication strategies in a multitude of media so that the message will reach the target market and influence its purchase. From the business strategist or academic theory builder, IMC is a new concept and process and perhaps even a new theory of how to understand consumers and therefore to

build more effective and efficient marketing communications programs (Schultz, 1995, p. 193). However, it uses the same tools that have been used in the past, only they have been are-designed.

Whether viewed at the planning stage or the executional stage, IMC should not be seen as a panacea, nor as a static concrete concept that can be applied easily and indiscriminately to all companies. "It is an individualistic and often painful process that every company must explore and implement for itself" (Peterson, 1997, p. 153).

Marketing Plan

The first step to implementing IMC is to create a marketing plan. The plan sets forth the goals and objectives of the company. It identifies those they want to communicate with, and the effect they wish the communications to have. According to Percy (1997), these questions are at the heart of IMC planning.

✧ Target Audience Considerations

Most products and services are created to serve a particular need or service for a particular group within society. Target audiences are generally identified in terms of market segments. When broken down, it is easier

to develop communication strategies that would best reach these segments. The target audience is then linked to the communication strategy. Decisions have to be made as to whom the message is to be directed.

Kotler (1999) states that managers do not always define the target market carefully. Managers often hold the view that their target market is everybody. Maybe Coca Cola can say that but even they do not include infants and can recognize that certain adult groups do not or will not drink Coca Cola. In specifying the target market, the manager distinguishes between primary, secondary, and tertiary levels of the target market. "The primary target is made up of buyers who are highly ready, able, and willing to buy" (p. 173).

Integrated Planning

A concise integrated marketing plan can be developed only after a company identifies itself. Only when one knows who they are and what they have to offer can others be told about it. Defining the company's identify can be very difficult. It requires strategic thinking. The objective is to seek ways to set the company apart from competition to show why they are different so that the target market can be convinced to buy a particular brand instead of another (CI, 2002).

Peterson and Wang (1996) state that integrated planning requires all parts of the communications mix to be coordinated to work together to form an effective, cohesive whole. Integrated planning is important because it allows the organization to maximize its potential and be as effective as possible in its operations. A fully integrated planning operation may have the advantage of allowing managers to determine more easily how much executional integration is necessary, and allowing consistent communications to be more easily developed.

IMC involves integrated planning of marketing communications options. The first step is to carefully analyze the market. It is important to identify market issues that will affect communications, as all marketing communications efforts should be in support of the marketing plan and the target market it is designed to reach. Marketing communication is expected to contribute to the marketing objectives (Percy, 1997).

The first consideration is to identify the roles that people play in the decision making process. When communicating with advertising or promotion, the company is talking to individuals in a role. The message must be consistent with that role. Those involved with the decision making process are one or more of the following:

- An initiator, who proposes the purchase or usage
- An influencer, who recommends (or discourages) the purchase or usage
- The decider, who actually makes the choice
- The purchaser, who actually makes the purchase
- The user, who is the one to use the product or service (Percy, 1997, p. 48).

The plan then works with the overall communication objectives and strategy. Five communication objectives are identified: category need, brand awareness, brand attitude, brand purchase intention, and purchase facilitation. The possible effects of the communication are important to the overall communication strategy in the marketing plan (Schumann, Dyer, & Petkus, 1997, p. 52).

Two-Way Communications

Traditionally, marketers used only one-way forms of marketing communications. This system worked well under mass marketing. The manufacturer could select different forms of media and put the same message on the radio, television, magazines, etc. This worked because there was little competition in the marketplace. In the new century, it is clear that one-way communication is no longer effective in terms of trying to influence consumers. The

media systems have changed so dramatically that two-way systems are required. By this is meant that the marketer and the customer are involved in an exchange of information. The consumer lets the marketer know what information he or she wants, and marketing provides that information.

According to Schultz et al., (1993) this is often referred to as "relationship" marketing as a relationship is created between buyer and seller that results from interchanges and exchanges of information and things of mutual value. This relationship can be enhanced when the customer's information is integrated into some form of database or database marketing program. In this way, the marketer can send information to the consumer through a variety of distribution forms. According to Schultz et al., (1993) states that the availability of consumer data is the key to successful integrated marketing communications. The data assists the marketer in developing an effective IMC program. ✕

CHAPTER FOUR
INTEGRATING ADVERTISING AND
PROMOTION

Within IMC, the strengths of advertising and promotion can enhance each other. Traditional advertising generally makes its strongest contributions to brand awareness and brand attitude, while promotion generally makes its strongest contributions to brand awareness and brand purchased intention. Percy (1996) states that the best promotions are those that also work on brand attitude as they help reinforce brand equity (p. 75).

In his research, Percy (1996) found marketers often feel that advertising is more important than promotion in the product's early life cycle, and promotion becomes more important in the decline stage of the product's life. It is important to build and nurture brand equity as a product grows, and this is what brand attitude, advertising's strength, is all about. A product in decline is often being phased out, and while the company wants the product to move through the pipeline, they are not interested in making any real investment but at the same time they want the product to be phased out so that whatever inventory that exists can be minimized.

Percy (1996) states that two general characteristics that need to be considered are price and quality. In both cases, when consumers can see the difference, it calls for giving attention through advertising and promotion to identify their differences. When the price of a product is higher than competition, again, the marketing strategy needs to call attention to the differences that make the product superior to those of competitors (p. 77).

When a product is not selling well and the brand seems to be struggling, promotion becomes more important than advertising. This may not be a long-term solution, but it can make the difference between ending up with a large inventory of unsold products. In most cases, when a product is not selling well and the blame cannot be placed on advertising or promotion, it may be due to the fact that competition has a better product, it may be outdated, of poor quality, etc., and obviously is not needed in the marketplace. Different plans are needed if the product is a brand that is well known, and it is having a negative effect on the reputation of the brand name.

When planning IMC programs, marketers are always looking for that which is unique about the company, the product. Most important is that the advertising and promotion send the same message. While advertising can

create a good image, all other forms of marketing communication must support it. This does not mean that every execution must be the same but it must have a supportive relationship. Percy (1996) adds to this saying that the target audience must view everything that is done (communication in advertising and promotion) pertains to a certain brand, company, etc'. All marketing communications must be united in linking a common image with the brand name.

Direct Marketing

Direct marketing can be an important part of IMC planning even though it is merely one way to deliver marketing communication. In today's marketing world, it has become an increasingly used tool. This does not mean that direct marketing needs to be a part of any IMC campaign, only that it should be considered when appropriate. It is not appropriate for every type of product or service (Percy, 1997).

Smith (1998) states direct marketing has been in use in one way or another for centuries. Today it is used primarily offering an 800 number to the audience. Other methods are using the mail, telemarketing, mass media (television, home shopping networks, and the interactive

media (Internet). The primary goal of direct marketing is an immediate response, - those that are most likely to respond favorably to a communication. Therefore, the database must be specifically targeted even though the total number may be relatively small. Even when mass media are used for direct marketing, an effort is made to target a specific audience (Percy, 1997).

Database Marketing

A database is more than a list of names. A database is distinguished by the amount and quality of relevant marketing data held on each customer/prospect file. There are two types of information kept on a database which a simple mailing list does not provide: historical data and predictive data. Historical includes name, address, recency and frequency of purchases, responses to offers and value of purchases. Predictive data identifies which groups or subgroups are more likely to response do a special offer. This is done through statistical scoring: customer attributes lifestyle, house type, past behavior, etc., and given scores that help indicate their future behavior (Smith, 1998).

Database Manipulation

Smith (1998) calls attention to the fact that database manipulation creates further opportunities for tighter targeting. He sites as an example Grattan's ladies' fashion mail order company decided to experiment with a new product, a grandfather clock. They guessed the likely target profile would be something like middle-aged well-off people living in upper class villages. They then asked the computer to print out names and addresses that fit the profile. The subsequent mailing produced 60 orders (p. 340).

Smith (1999) states that database marketing is not a short term, tactical, one-off marketing activity. It is a medium to long-term commitment that facilitates the development of a dialogue and a relationship with each customer and prospect. It involves careful selection, collection, and constant analysis of computerized customer records/data. It gives an organization access to its own private marketplace (p. 326).

According to Percy (1997), accountability is a key issue in direct marketing. While all marketing communication should be cost effective, direct marketing is tightly controlled because of its dependence upon a database. With appropriate models, direct marketing offers

the manager not only the opportunity of predicting and measuring responses, but also the ability to determine the actual costs associated with particular responses. Because of the database, one can continually update files to maximize the cost effectiveness of direct marketing programs. One of the main problems is establishing and maintaining the data. However, literature tells us that more benefits can be gained when the data is kept current.

Channel Marketing

Channel marketing is a new term that refers to marketing communications geared to assisting the marketer at all levels of trade. The term became popular and included co-op advertising and tactical marketing. Co-op advertising was not new, but tactical marketing is new. It is an outgrowth of basic co-op principles, the difference lies in the nature of how these techniques are applied.

Co-op advertising is an arrangement between a marketer and a retailer to cooperate when selling the marketer's brand or service. It consists of advertising that are just extensions of the marketer's basic marketing communications plan. Tactical marketing, however, is a channel oriented marketing communication system designed to alter the terms of marketing in favor of the manufacturer and leverage incremental support from the

trade, particularly retailers, by offering them specific advertising and promotion paid for by the advertisers on an earned basis. Simply put, the concept is to offer the retailer customized advertising and promotional support in exchange for incremental sales features, distribution, and/or store space. Overall, while co-op advertising programs tend to be general, passive, and standardized, tactical marketing is specific, proactive, individualized, and highly participatory (Percy, 1997, p. 133-134).

Disadvantages of Direct Marketing

Smith (1999) points out that direct mail often has a connotation of being "junk mail" and is therefore vulnerable to criticism from environmental pressure groups. Although research shows that a large majority prefers to receive direct mail, there is a percentage that considers it to be an intrusion or invasion of privacy. This is particularly true if they are telephoned in the evening or if a door-to-door salesperson knocks on their door after they have had a long and busy day.

Telemarketing can be uniquely intrusive if a consumer has just come in from a hard day's work and wants to be left alone to relax. On the Internet unsolicited direct email is considered even more unacceptable, a breach of etiquette. Any unsolicited direct email on the Internet is

called "spamming." The invasion of privacy is worse because it costs the receiver both time and money time to download the message and money charged when downloading online. Spammers become angry when citizens send abusive messages back. This is an increasing problem as email lists are offered at very cheap prices (Smith, 1999, p. 329).

✓ Public Relations and Publicity

✓ Within IMC there is a crossover between the communicative tools of marketing, public relations, and publicity. Gronstedt (1996) states practitioners are realizing that the best way to solve public relations problems may be through the disciplined orientation that marketing provides. Advertising, for instance, is no longer the sole province of marketing. ✕

There are numerous examples of communications that have been used in public relations and publicity campaigns. The public relations departments are not only the principal originators of the concept and themes of most corporate advertising, they are taking over the responsibility of media selection and placement of the ads from the advertising departments. They are, therefore,

addressing markets as well as using marketing strategies and other marketing tools (Gronstedt, 1996, p. 289-290).

Public Relations

Smith (1999) writes that PR integrates with most aspects of an organization's activities. Marketing traditionally focuses on markets or just three of the publics, i.e., customers, distributors, and competition. PR is concerned with many more publics. Add in the emergence of globalism, increased media interest in business, new investor criteria (ethic policies) more effective pressure groups, information hungry customers, and the constant search for cost effective communications tools all of which has contributed to the growth of and the importance of PR.

PR is more than communications. Smith (1999) reports that the influence of public relations stretches far beyond product marketing and into corporate strategy, particularly where long term decisions affecting choice of markets, products, factory locations, production processes, etc., are concerned. External groups are becoming more demanding and organizations are beginning to have to demonstrate their social responsibility on a global basis. Ethics and social responsibilities have traditionally been the bastion of public relations. Today

all managers need to develop their awareness and understanding of at least the PR implications over both board room and marketing department decisions, strategies, policies, and actions, or the lack of these (p. 361).

Publicity

Publicity objectives vary from promoting a product to promoting a company among employees, customers, investors, the community, local government, etc. Smith (1999) states that marketing will tend to be sales/market-share oriented while public relations can also be so oriented but public relations may be used to achieve different objectives.

Smith (1999) agrees that publicity needs to be integrated with other elements of the marketing communications mix. It should support other communications and assist in making the campaign more visible to the target market. Its objective should be to contribute positively to a good image of the company, organization, product, etc.

Capturing the Imagination

The success of an integrated marketing program depends on two distinct parts of the creative process. The first part is the strategy to determine what the consumer wants to hear. The second part of the creative process is,

"how you are going to say it" the creative idea that dramatizes the strategy. Both strategy and idea must be outstanding. One cannot be done without the other. However, there are no shot cuts to a good strategy. If it misses its mark it is a waste of time and money. Not even a great creative execution can rescue it. If a logical strategy is created and executed in a dull, ordinary manner, it is a waste of time and money as the consumer will never look at it or hear it (Schultz, et al., 1993).

IMC places greater demand on the creative process. The demand is to interpret the strategy and translate it into terms that build a relationship with the customer and eventually leads to loyalty to the brand, the company that makes it, and the stores that sell it. For this reason, creativity is the most important aspect of a marketing campaign. It is for this reason that the target market be specifically identified, and steps taken to create communications that will appeal to them Schultz, et al., (1993) state:

Every brand and every service must have a selling idea that positions and dramatizes the communications strategy. The selling idea should be imaginative enough to surprise the consumer and crack through the armor of boredom. (p. 89)

Integrating Media Strategy

Percy (1997) states that the task of the media is to deliver a message in the most effective way to satisfy the communication objectives of the IMC campaign. Most people think of "media" in terms of traditional advertising: television, radio, newspaper, and magazines. However, media also includes store displays, direct marketing, billboards, to name a few ways to reach the target market. The plan must be designed so that it will achieve desired goals which means selecting the best aspect of the media that will achieve the desired goal.

Percy (1997) states that the communication itself has a bearing on media selection. For brand awareness, it is necessary to see the package. Many questions have to be answered. For brand attitude, how many times should it be shown, what colors should be used, how long should the communication take place, and which strategy will be most effective in communicating with a particular target sector? The communications also differ depending on the media selected.

Problems in Integrated Marketing Communications Implementation

Problems in IMC implementation relate directly to the organization and people. The very organizational structure

of many marketing companies stands in the way of it being effectively implemented. As Schultz and his colleagues stated, "There is little doubt that organizational structures are one of the largest barriers to IMC in most organizations" (Percy, 1997, p. 174).

An effective organization is one in which employees ability to manage the interrelationships of information and materials among the various agencies and vendors involve din supplying marketing communication services. To effectively manage IMC those in charge ideally will be marketing communication generalists although these are hard to find. What this means is that those in marketing need to have an understanding of IMC and all of its aspects if they are to be successful in implementing the process (Percy, 1997).

Success is often impossible because of resistance to change. Resistance to IMC will make it difficult to implement despite general acceptance of the benefits. The most serious concern is probably a fear the manager responsible for IMC planning will not fully appreciate someone else's area of expertise. This is a problem compounded when advertising takes the lead because of long held feelings that adverting managers simply do not understand or even consider other means of marketing

communications. This is aggravated by the short-term tactical experience, for example, of those working in promotion versus the more long term thinking of advertising manager (Percy, 1997, p. 178). There perhaps no other situation that requires that people think separately but put their ideas together in one marketing plan. Knowledge often breaks down conflict barriers. Percy (1997) points out that change requires trust, and this trust comes from a total understanding of what is involved, and the long term potential.

✦ Case Study ✦

Belle Urban System (BUS) of Racine, Wisconsin, planned to expand its bus service to include evening hours. Moving unemployed people off government assistance and into jobs created a need for bus service from 7 p.m. to midnight. Second and third shift employees needed to use the bus service, which in Racine ended at 7 p.m.

The marketing challenge was making the announcement to as many people as possible, keeping a positive focus to regular riders whose routines would be changed, overcoming negative safety issues, and coordinating the messages to the marketing plan.

The plan began with research, giving surveys to current bus riders as well as non-riders, interviewing BUS executives, and getting a complete picture of the busing situation. A series of news releases to the local Racine newspaper, the Journal Times, kept the public informed as the time for increased hours neared. Bold, eye-catching signs were used as car cards and billboards, announcing the coming schedule change.

Publicity including cover stories with photos was run in the newspaper throughout the campaign, beginning on January 4, 1998, with continued articles informing the public about funds and timing on January 15, March 4, June 3, and June 6. A full color insert was included in the newspaper on May 18 and May 25 to be pulled out and used for future reference. It provided complete information about the expanded schedule, color-coded maps, route listing, fares, and answers to commonly asked questions. This same information was provided in a handy brochure called the "Ride Guide."

Through newspaper coverage, car cards, billboards, radio spots, brochures, provided at places of employment using second and third shift workers, and citywide postings, made the new night service announcement to the wisest possible audience. Needless to say, it was a

success. Summing up the success it was determined that thorough research, clear communication to a specific audience, strong graphic support, and a focus on a targeted market were the keys to success. A new service to bus riders was introduced with minimal confusion and maximum clarity (Success, 1-3).

CHAPTER FIVE
SUMMARY, CONCLUSIONS, AND
RECOMMENDATION SUMMARY

Summary

✓ IMC is hardly a new concept. The same tools used in marketing for at least the past 25 years continue to be used only they are being used differently than in the past. Instead of singularly using each tool, all the tools are being integrated making them more effective and addressing many of the problems marketers experienced in the past (Petrison & Wang, 1996).✎

However, in spite of all the fury over integrated marketing, few companies have done much to change the way they actually do business. Most of the newly integrated advertising agencies have stated that they have received little new business from clients wanting to take advantage of all thee services (Petrison & Wang, 1996).

Although a few corporations have reported success in getting marketing areas to work together better, most major corporations are still organized and run basically the same as they have been for years with brand managers supervising some of the promotional activities and with specialists in direct marketing, public relations, sales

promotions, personal selling and advertizing continuing to handle their own functions (Petrison & Wang, 1995, p. 154).

Not everyone agrees that IMC is not being used. Some reports show that major corporations and their partners have adopted it. According to Advertising Age, a recent survey called it the single most important influence on strategic decision making today. IMC has an increasingly central part to play in today's marketplace because it offers companies a way to strategically coordinate messages and establish a meaningful dialogue with customers. In short, IMC provides organizations with a strategic method for both establishing and maintaining relationships with key stakeholders (Integrating Marketing, 2002).

Conclusion

IMC has an increasingly central role to play in today's marketplace because it offers companies a way to strategically coordinate messages and establish a meaningful dialog with customers. It provides organizations with a strategic method for establishing and maintaining relationships with key stakeholders which is essential for marketing success in this century.

Because the mass media now has considerably less importance than they have had in the past, dialog is becoming increasingly critical in the marketplace. This means that companies can no longer rely only on one-way communication targeted to large groups of customers. To be successful organizations must not only be able to target messages to individual customers, but also to listen and respond to all stakeholders. That means they must know who the people are, and the key to that is database driven communication (Integrated Marketing, 2002).

Recommendation

Most companies today use IMC in one form or another. They may not fully utilize the strategy to achieve the greatest benefits from the theory, but most producers of products and service follow the example set forth in the case study. Companies do not depend on one communication method but promote their products through various media. The key to the success of the process is knowing how to put it all together so that one aspect of the process will support and promote all other media being used. What is needed are more marketing people who have knowledge and understanding of all aspects of IMC and not be a specialist only in PR, publicity, advertising, direct ✕

marketing, etc., as it all has to come together if the company is going to be successful in promoting its products and/or services. Perhaps the best key to success is to find the most creative people which may be the most difficult task a company faces. ✖

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