

# **Strategic Communication and the Stakeholder Concept: Merging Marketing Communication and PR**

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### **I. Abstract**

Corporate communication is a strategic endeavour of two major directions; market and non-market communication. Within this differentiation, marketing and communication/Public Relations usually operate separately with a major focus on stakeholder communication since scholars' research provides evidence for its sustainable advantage. But with regard to different stakeholders' requirements, the differentiation between market and non-market-related communication has diminished and a number of objectives have become both disciplines' targets.

This paper suggests an extension for the notion communication and introduces a strategic model merging both disciplines under the new function of Strategic Communication.

Key Words: Corporate communication, strategic communication, stakeholder concept, unitary perception.

### **II. Introduction**

Within an enterprises' business organisation, corporate communication is frequently split between the functions *marketing* and *communication*. The complexity of corporate communication and the lack of a clear, widely accepted definition for both seem to decrease effectiveness and efficiency with reference to achievements. Often both functions present a situation of rivalry instead of collaboration and clearly assigned structures, which, it is assumed, is fuelled additionally by questions of power within organisations. The following discussion adopts a differentiation, which signifies *corporate communication* as the holistic communicative approach to all addressees of an organisation, stakeholders in particular, *communication*, including *Public Relations*, as the communication in non-market context and *marketing*, including *marketing communication*, as a firm's communication with all market participants on business and consumer level. Public Relations are of special concern, often having a diffuse understanding. Some organisations treat PR as part of their communication department, while others consider it as the function of corporate communication.

### **III. Strategy and Values**

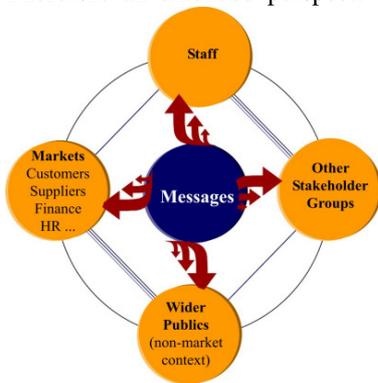
Steyn and Puth's concept of five levels of communication strategy proposes Business Strategy as the third, marketing oriented layer (2002). This is supported by Grant and Schlesinger's "value-exchange", (cited in S. Oliver 2007, 34). Communication theory suggests further dimensions: perception (e.g., reputation and image), positioning and relationships as organisational value drivers. By communication of inherited values, an organisation gives sense to its economic activities (Westphalen 2004, 67). Therefore it is concluded that corporate communication can increase values beyond markets, implying that messages are changing from economic enterprise-structure to enterprise-structure (Demont-Lugol, Kempf et al. 2008, 322).

Taking a more global perspective on a firm's interactions with its audiences and with reference to an increasing emphasis on intangible values, the question is, whether separation of marketing and communication and frequent inter-organisational rivalry can be beneficial. More and more it is acknowledged that, for a strategy-focused organisation, departmental restrictions result in less appropriate answers for the corporate context, which

Johnson Scholes and Whittington describe as increasingly complex, being of changing environments and needs appropriate configuration of resources and capabilities to meet demanding markets and to fulfil stakeholder expectations (2009, 3, 105-110).

The discussion about interdepartmental taskforces goes beyond the field of communication, but gains even more importance for these disciplines being so closely connected. Corporate communication has developed many sub-areas. Among these marketing communications, shareholder and internal communication are the most frequently discussed. But research has detected that companies need to address more than a few selected groups of their environment, specifically within their permanent struggle for survival, which brought the stakeholder concept and its relevant communication onto the organisational agenda. The complexity of different expectations, which different audiences have, requests strategy, structure and the organisation of messages, and the multitude of channels and media need to be managed, demanding skills, management and integration. One option is integrated communication, which Hofbauer and Hohenleitner (2005, 119) describe as the strategic and operational alignment of all communicative ruling principles for the achievement of a consistent perception by all relevant target groups. Further, little doubt exists that ICT innovations offer new opportunities and challenges of increased complexity requesting multichannel communication. MacLuhan's "the medium is the message" gains a new extended meaning (cited in Harvey 2002, 37-44). To deal with such complexity, which multiple stakeholder expectations represent, to which adds an increased media landscape and which is suffering from a missing widely accepted definition and understanding, it is suggested that this represents an increasing handicap for the achievement of added value, when marketing and communication are separate organisational functions.

Therefore an extended perspective of communication is suggested, which comprises all activities and public presence by which an organisation can be perceived by its publics. Such understanding challenges functional delimitations between communication and marketing further. A short survey among corporations, especially in the SME sector, provides evidence that the consciousness for latest communicational developments and their significance is presently not sufficiently explicit. The hypothesis is then, that interdepartmental and strategic task groups, whose focus is a heterogeneous and consistent presentation of a corporation to all its publics for the achievement of a unitary perception, should replace previous departmental organisation reducing demarcation lines between marketing and communication.



In a value-driven management it is difficult to accept that Rolke's research provides evidence that marketing and PR functions can improve performance up to 60% by better interdepartmental coordination and appropriate M&E (2002). As Watson and Noble report, there is still a significant lack in the evaluation of communication, which may explain why such deficits can often remain undetected by top managements for a long time (2007 35, 39-41). "Markets are conversations" and "the power of conversation goes well beyond its ability to affect consumers, business, and products" (Levine, Locke, et al. 2001, xxii, 84). Such potential impact is supported by regular German market research providing evidence that prices, which can be achieved for a product, and reputation of their manufacturers, are connected (Weßner 2006, 2007, 2007). Prices, as tangible outcomes, and intangible reputation as a set of factors, challenge the separation of the marketing and communication function again. Further, communication is not only about satisfying stakeholder groups, it is also about the positioning of products, brands and corporations and the battle for minds i.e. understanding the impact of words (Ries and Trout 2001, 201-202). Such tangible and intangible values request both disciplines' expertise and the underlying proposition is that it is very difficult to identify a borderline, wherein interconnection marketing's or communication's responsibility starts or stops. This demands reflection as to whether functional separation is still affordable and whether departmental structures are not an obstacle for integrated communication and value improvement.

#### IV. Stakeholder Impact and Organisational Welfare

By understanding marketing and communication as separate organisational functions, oriented to different target groups, an appropriate way of dealing with individual expectations of various stakeholder groups may be the allocation of each group to one discipline for the purpose of optimisation of unitary perception as strategic objective. Underlying reasons may be found in the concept of transformation from an economy of transactions to an economy of relationships, hence an expectation of improved orientation by using specific functional skills for the creation of relationships of an organisation with its stakeholders and publics (Martin 2002, 69-70; d'Almeida 2001, 52-56). By functional separation these outcomes can be endangered as Rolke's study indicates (2002), but

as well, when corporate communication and marketing as separated functions may drift apart developing an own existence, especially within trusts, (Schweer in Kirf and Rolke 2002, 275).

Within the three priority groups, shareholders, customers and employees, Oliver assigns customers more to the sales and marketing department than to PR (S. Oliver 2007, 34). Gronstedt assigns three questions to each of these groups with which appropriate communication should deal with: Reasons to buy from, to invest in or to work for (in Caywood 1997, 37). This represents an argumentation guiding towards strategy, tactics and operations: corporate objectives → communication objectives → messages, which may direct then to the appropriate function as being each group's better communicator. For cross-disciplinary organisation argues that members of (stakeholder) groups can have versatile expectations and may interact, which increases complexity further (Libaert 2003, 98-100, 130). This can mean that an assignment to a single discipline may not meet a stakeholder's requirements since considering him to have mainly one-dimensional information needs. It seems easy to assign customers to marketing, but they can be investors too. Some staff also belong to trade unions as well. Analysts, media reports and other messages influence investors, etc. Such interaction is beyond organisational control, gains multi-dimensionality and enhances complexity. It is therefore suggested that functional separation complicates unitary perception, when different stakeholder groups of a firm's environment receive separated attention, potentially affecting organisational welfare, since these can have different or multiple expectations of information and they can be interconnected and interactive. With focus on customers, investors and staff, the proposed chain of argumentation is: Robust financial resources can attract sophisticated human capital and improve relational capital, which both support high quality products and strengthen market linkages. Strong products and market linkages find improved awareness and attention by customers achieving organisational welfare.

The potential high impact, as urgency and legitimacy of the said specific groups is undisputed, but stakeholder studies detected that further influencing and strategic groups need an organisation's attention, since influencing welfare as well (Brooks, Milne and Johansson 2002; Rawlins 2006). Hence these arguments support a strong collaboration between the marketing and communication function. Kotter and Heskett's long-term study within US companies with strong and weak stakeholder communication provides significant evidence for the overall impact (cited in Sadler 2003, 55-56).

	<b>Strong Stakeholder Communication</b>	<b>Weak Stakeholder Communication</b>
Growth of Share Value	400 - 500%	100%
Return on Invested Capital	11.3%	7.73%
Increase of Net Income	Factor 3	Factor 1

Waddock and Graves identified in their study of the Fortune 500 Reputation Survey links between positive stakeholder relationships, especially with employees, customers and communities, which results in solid financial performance (cited in Sadler 2003, 55). Kirf and Rolke support that especially these groups have decisive influence on organisational welfare (2002, 11-17). Their suggestion is communication by a 360° radar, supporting that stakeholder orientation represents value and needs special skills of both marketers and communicators since providing important tangible contributions by improved relationships. Organisations are not acting in a vacuum, but are part of their direct and indirect environment, which is considered as further evidence that departmental barriers have become an obstacle for maximised performance.

Stakeholder communication is a complex endeavour per se gaining even higher complexity within a global context. Referring to communication, Hobor and Bounoux highlight the global investment structures and geo-strategies as a global sphere of exchange (in Caywood. 1997, 111-113; 2001, 16-17). For each internationally acting firm the number of stakeholder groups increase substantially, which may be interconnected through various media and social community networks. Johannsen relates Dahrendorf's "[i]nformation is everything" to the hypothesis that sound information is substantial for success and its lack results in failure (2001, 44-46). The media reports about, and consumers exchange experiences with companies and products, and re-report to peers across continents make unitary perception in such an environment a most demanding endeavour, since not only marketing and communication departments of local subsidiaries may be involved additionally, but cultural differences and different product regulations as well. The reverse application of Metcalfe's law – a network increases by the square of the number of its participants – offers an option for decreasing complexity, when marketing and communication are organised as a united function, since offering the option to reduce the number of the inter-corporate network members. Such united structure can enable to deal more unitarily with multi-dimensional stakeholder expectations (Robertson 2004). Consequently, in an environment of reduced complexity, messages may be aligned more effectively and efficiently and corporate communication can be organised better.

It is suggested that cross-influential and multidimensional complexity can neither be dealt with by marketing, nor by communication alone. It requests stable coordinating structure and mutual organisation of messages and interventions, which need strategic planning, sophisticated tactical choice and incisive operational interventions. A proposed conclusion is the creation of independence within interdependence (Westphalen 2004, 16): Marketing and communication functions act independently by messages addressing specific needs of information, but are interdependent due to the strategic objective of organisational welfare.

## V. The Extended Communication Model

Within his discussion about PR and marketing Bounoux describes the need of organisations to produce and negotiate its relations and addresses the important question where differences to sell a product or a politician can be identified (2001, 15-16). Again this addresses the dilemma to find clear lines, where market and non-market communication starts or ends. Another dilemma is the notion of marketing communication, since involving cross-disciplinary skills from both, communication and marketing. But as argued before, within a demanding environment of permanent change and hyper competitive markets organisational welfare does not only depend on communication with market participants. It is suggested that unitary perception is depending on an organisation's holistic communication. Therefore a proposition for the multidimensional Corporate Communication Process is hypothesised:

1. It addresses both immaterial and material values of an organisation and seeks to improve sustainably their augmentation.
2. Among tangible and intangible objectives to consider are reputation, image and awareness, both in market and non-market context, involving the organisation itself, its brand(s), products and services, but corporate behaviour, as well, in its relevant environment.
3. Groups of different interest and influence need to be addressed individually and personalised in the interest of achieving a positive unitary perception for the organisation.
4. Various media and communication channels are used, considering respective demands of audiences for the stimulation of the desired perception and to anchor it sustainably in the minds of addressees.
5. Specific groups are individually recognised and the corporate communicative endeavour seeks to develop positive relationships of mutual benefit and understanding.

This proposition addresses that such extended corporate communication generally challenges functional separation. Involving all members of an organisation, means that products and services are "speaking" by quality, application, reliability and design, and also by the image and reputation of their manufacturer(s) employees are "speaking" by a multitude of market and non-market interactions and that any physical facilities "speak", since they send signals to their environment, and finally organisations "speak" by their behaviour and interaction involving

Various stakeholder groups of different interests, impact, urgency and legitimacy either in a national, international or globalised corporate environment

An interconnectedness of products, services and markets in market and non-market context

A reciprocal influence of products, reputation and prices with impact on profit, hence organisational welfare within the permanent struggle for survival in a hyper competitive environment

A sequential chain of impact – from products to brands to manufacturers

A relationship of intangible and tangible values to which both marketing and communication contribute by individual expertise, resources and capabilities.

Accepting this holistic approach, suggests that overlying supervision may be advantageous, since assuring that all elements of the communication process are directed towards unitary perception and providing corrective action when needed. An underlying hypothesis is that this way budget optimisation can be achieved as well. The assumed conclusion is that with reference to effectiveness and efficiency there is much potential for improved outcomes.

## VI. The Construction of a Strategic Communication Model

With reference to both marketing and communication, the author adopts a consequent strategic approach synthesizing the elements of Johnson, Scholes and Whittington's definition of strategy and Steyn and Puth's five levels of strategy for the purpose of hypothesizing options for improved corporate communication (2009; 2004). The underlying understanding is supported by Demont-Lugol, Kempf et al. presenting communication as an

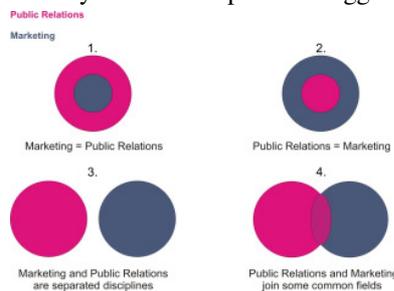
essential organisational element of success needing strategy (2008, 13-14). Libaert supports the concept of strategy, but especially his structure of planning is important with reference to the following argumentation (2003, 14-18). The adopted strategic hypothesis is underpinned by Breton and Proulx expressing that communication confronts all parties, which need to be persuaded including a marketing oriented approach, i.e., a market's final point should be determined by strategic objectives (2002, 69-71). Concluding the aforesaid results in the proposition that the level of business strategy needs to and can support the superior enterprise strategy and its goals. Further, the complexity of audiences, messages and channels needs structured formulation, planning and targeting with reference to different stakeholder groups and publics involved, which Wolton introduces with regard to functional communication as communication of economies and open societies (1997, 17). Considering this argument implies that both market participants as other publics are involved suggesting an integrated approach uniting both disciplines by an optimising function of providing direction and coordination. If unitary perception is then extended to the inclusion unitary positioning – positioning mainly considered as a field of marketing – a driving question is then, whether only marketing can be responsible for this type of communication?



Demont-Lugol, Kempf et al. present a differentiated categorisation of strategy-oriented communication (2008, 13). This model provides three important criteria: Firstly, a superior communication strategy is implied, secondly, the market-oriented part relates to a good extent to the marketing mix and thirdly, internal communication is separate. Considering that literature and research frequently advocate internal marketing, then this model tends to support the concept of merging further. The assumed underlying reason is that internal information needs may be beyond market-oriented statements and business ratio. Similar to this the HR part is assigned to communication, but it needs to be outlined that a good number of marketing literature deals with

the HR market. This ambivalent position is taken as further evidence and support for the hypothesis that functional borderlines have started to become permeable and that corporate communication strategy needs to be holistic and addresses market and non-market addressees and both stakeholders and non-stakeholders.

Usually four concepts are suggested, which Hill presents as organisational options (2004). Each of these



possibilities has its advantages and disadvantages. Despite its impact, the discussion here excludes the question of organisational rivalry. If the first model is in place, then it can be assumed that market orientation may suffer to a certain extent, since a communication function may not fully focus on the need of market expectations. Kotler, Jain and Maesincee state that an organisation must understand itself as a single-minded marketing machine, advocating for the second model, which can provide this focus easier (2002). But the second model is likely to neglect non-market requirements easier, especially beyond stakeholder concerns. But with reference to the earlier argumentation, general scepticism is expressed that

neither a focus on markets, nor a PR driven approach can fully explore all strategic requirements, e.g., the concept of corporate social responsibility, important to stakeholders as non-stakeholders (Strategy and Marketing Institute 2004). Both integrative models lead to the hypothesis that a permanent dominant position of one discipline will inevitably weaken the effectiveness of the other. The concept of separated functions, frequently found in trusts, is expected to represent those results of Rolke's study (2002). The fourth model, some addressees are of common interest, others need individualised attention has some potential to meet the "fulfilment of stakeholder expectations". It is not only about an expertise-oriented allocation to stakeholder requirements, this model suggests as well being able to meet multidimensional as interacting stakeholders more target-oriented. A further proposition is that it is of long-term advantage for superior strategic levels having both strong market and non-market relations. But this model bears disadvantages, too, since it may augment the complexity of structure requiring interdisciplinary task forces to align and bundle interventions and messages in the interest of unitary perception and there is a good number of parties, not part of common considerations, which may be neglected. This may be further complicated by rivalry for common or for individual interventions considered as the other function's budget responsibility.

Therefore, the proposition is that an organisation may achieve more advantages by a Strategic Communication function. In its permanent struggle for survival, an organisation is hence understood to need a profound strategic framework for a demanding environment, characterised by divergent stakeholder expectations and beyond, which acts in hyper-competitive markets, which should use symmetric two-way communication to present itself



to all its publics creating relationships and unitary perception on the level of business strategy for the achievement of corporate progress and welfare as fulfilment of strategic enterprise objectives. With reference to different expertise and orientation it is then suggested that neither marketing/marketing communications, nor communication/PR can achieve the necessary impact by one function's dominance or without coherence of messages. This proposes to withdraw from previous departmental or disciplinary structures, i.e., not thinking in terms of marketing and/or communication, but in terms of Strategic

Communication merging both disciplines, whose borderlines have started to decrease.

With reference to Steyn and Puth's five strategic levels for communication (2002), the superior bracket proposed is the achievement of enterprise objectives, which is enabled by the financial-oriented corporate strategy providing the enterprise-level driven budget for the level of business strategy. The fourth level, functional strategy facilitates then the organisation, planning and alignment of appropriate impact and budget optimised operational interventions using marketing, communication or both as tactical resources. With reference to the high expertise and capabilities involved, this may support the goal to meet stakeholders' communicative expectations best by optimised use of resources. Nevertheless these advantages are considered as not fully appropriate to deal with corporate communication's complexity.

	<b>Strategic Communication</b>	
	↓	↓
<i>Strategy</i>	Marketing	Communication
<i>Tactics</i>	Communication	Marketing

Hence, the proposition is to adopt a strategic model, which may help to optimise outcomes of investments and achievements of operational interventions: Strategic Communication is the layer of Business Strategy, the underlying two-fold strategy represents functional strategy. The advantage is that understanding marketing as functional strategy allows the context-dependent employment of communication as tactical tool and vice-versa.

	↔	
<i>Strategy</i>	Marketing	Communication
<i>Tactics</i>	Marketing Communications	Public Relations
<i>Operations</i>	Interventions	Interventions

By breaking this down to the lower strategic levels the simplicity of this approach allows further extensions. Firstly on the layer of Functional Strategy defining here the roles of marketing communication and PR as tactics with a suggested coordination and structure under supervision of the Strategic Communication function and finally on the level of

Operational Strategy assigning messages to specific target groups. It is expected that this hierarchy will not only meet the requirement of cost-effective outputs better, but may meet the demand of improved synergies between both disciplines since providing a structured framework for better control of corporate communication's outputs as well. Additionally, by a strategy-driven approach, the use of respective organisational resources and capabilities is possibly becoming optimised.

	↔	
<i>Strategy</i>	Marketing Communications	Public Relations
<i>Tactics</i>	<ul style="list-style-type: none"> <li>• Advertisement</li> <li>• Promotion</li> <li>• Direct Marketing</li> <li>• Event Marketing</li> <li>• Etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional</li> <li>• HR</li> <li>• Financial</li> <li>• Etc.</li> </ul>
<i>Operations</i>	Campaigns & Messages	Campaigns & Messages

A final step is to assign the relevant stakeholder groups outcome-oriented to the respective intervention and campaign then, which may be lead one time by marketing (communication), the other time by PR. The reduction of complexity in the relevant decision-making can become part of a planned process moderated by the Strategic Communication function. The imperative of coordinating communication, especially in a multichannel context, in the face of diverse publics, stakeholders and non-stakeholders, and their individual requirements can achieve enhanced coherence this

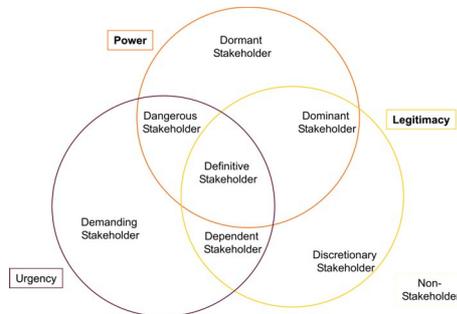
way (Beaudoin 2001, 23).

It needs to be critically stated that this model has not been empirically tested yet, but pilot tests have provided first insights that it has some potential. Further, the model needs more specifications and details especially with reference to its obvious limitations. Its advantages are seen in the possibility of reducing organisational complexity, despite an additional function, and the avoidance of duality of interventions. The underlying idea is not to increase an organisation's number of functions or staff unnecessarily, but to offer a proposition, which allows a better-focused integration and approach into the corporate strategic framework. With reference to Rolke and similar personal studies in practice it is expected that to some extent inherited cost can be neutralised by budget optimisation in marketing and in communication.

But the decisive argument is seen in the option that a corporation can potentially achieve a unitary perception better, quicker and most likely more sustainably. Within competition the clear strategic focus can offer substantial advantages since offering synergies by hierarchic two-way support of the five strategic levels.

## VII. Application within the Stakeholder Concept

Within the stakeholder concept various groups have been identified having different power, legitimacy and urgency (Chevalier 2001). This suggests that involvement in organisational processes and activities need to be differentiated and that communication is group-dependent, since stakeholders' influence on and interest in organisational outcomes is different. Furthermore, organisational interests and those of the different stakeholder groups may vary or be even in contradiction needing a moderation process to achieve a mutually beneficial balance (C. Oliver 1991, 153).



Within this typology definitive, dependent and dangerous stakeholders are specifically considered having a long-term interest in an organisation, by being in the centre of power, legitimacy and urgency. Therefore they are suggested as an organisation's major strategic communicative objectives. Their central position in the middle of a stakeholder analysis suggests further that these groups need specific individualised care and have high expectations with reference to organisational information.

Assuming that each such group is in the organisational functional context traditionally assigned either to marketing or communication dealing with their information dominantly and with reference to Schweer's earlier argumentation that both functions may have developed their own existence within an organisation, then a latent danger of inadequate or insufficient communication exists. The media and history are sufficiently providing examples for this assumption.

A further development of the Strategic Communication model allows a hierarchical application with focus on these primary subject groups, but as well beyond with reference to other stakeholder groups and with reference to specific information requirements. Two options are suggested:

1. By priority: Each stakeholder group is individually categorised as major concern, e.g., for marketing and of secondary concern for communication; or for other stakeholders the other way round. This helps to define, which function is the executing strategy and which the tactical support, but has some potential to avoid neglect.
2. By intervention or message: A second categorisation is related to non-market and market contexts assigning specific messages and/or interventions to each function: E.g., a social sponsoring may be allocated to communication since targeting enhanced corporate reputation, but marketing may support since it can involve market participants to increase audience and awareness for the campaign. Additionally marketing may take advantage of it, since such corporate social effort supports brands' and products' Love Marks.

As long as communication needs are according to planned and regular business activities this hierarchy is able to provide a framework of effectiveness, which reduces internal communication efforts to the necessary inter-organisational information standards, which may be effected by standard protocols. The difference is that the Strategic Communication function controls the flow of information and makes sure that the respective other function under its supervision receives sufficient information.

These two options may assist to increase synergies and offer ways to assure a closer cross-functional collaboration. The major role of the new Strategic Communication function in this system is coordination and supervision for that predefined objectives are facilitated and that the investments in both tangible and intangible corporate values are justified.

Within extraordinary or crisis-related occurrences, the first level (chapter VI.) within the model provides a number of advantages to which count speed, responsiveness, scope and reach of necessary action, but especially easier coordination and alignment of all communicative efforts. Under these strategy-oriented preconditions the Strategic Communication function can activate and coordinate the best possible impact on opportunities and threats since becoming the single source of outgoing messages, which can be developed by its tactical arms

marketing and communication, dependent on the subject, and it can further use both directly by coordinating their individual forces at decisive points of occurrences using these resources and their capabilities effectively and by increased efficiency.

With reference to Kotter and Heskett's study a stringent application of strategic communication suggests that such specified stakeholder communication enables an organisation to improve organisational growth of values, with regard to d'Almeida the assumption is that reinforced relationships can result in better transactions and referring to the study of the Strategy and Marketing Institute improved organisational reputation may result in higher profitability. At the same time it is expected that this approach may help to reduce the frequent inefficiency of uncoordinated marketing and PR interventions (Rolke 2002), since their activities are coordinated and supervised. Finally the proposition is that instead of two budgets for two functions there will be one single budget respecting that tangible and intangible organisational values are addressed simultaneously and accordingly to individual importance at specific times and an organisation's business management will have only one report and an improved opportunity to assure that stakeholders are taken into focused consideration.

### **VIII. Further Research**

With reference to the aforesaid argumentation the Strategic Communication model needs empirical tests to provide evidence for validity and reliability. This requests implementation into corporations' organisation model. The present times are considered to favour such testing, since firms seek to identify better ways to communicate with their audiences in the interest to stabilise their situation in both market and non-market context and to reduce uncertainty. But it requests boards to accept and test a new function. Expected reluctance is seen in the fear to increase cost. At the same time it can be researched then, which synergies can be created and which budget optimisation can be achieved and to which extent the optimisation achieved may help to cover costs involved.

Further it needs to be studied, which preparedness communication and marketing provide to accept the new role of a strategic communication function. The consequent implementation suggested will have two impacts on each discipline. Firstly their independency will be reduced to a certain extent, since they need to communicate better and more often with each other and, secondly, both will have to accept supervision by a superior function expected to reduce their influence within an organisation's power structure. Therefore a significant degree of opposition is expected. But their advantage is that access to budgets may be improved since with the strategic communication's role top managements have a clearing position, which becomes solely responsible for the balance of investments and results. It is understood that a permanent and sophisticated M&E process is applied on all levels.

The proposition for a third study is to measure the changes in stakeholders' satisfaction implied in the changed structure. This study will be highly important and relevant, since providing evidence for the communicative improvements of an organisation and whether stakeholders understand the organisation's needs better and so feel more involved and respected.

Finally these results will provide the necessary background for the improvement of the model itself especially the necessary stakeholder classification and their relevant assignment to each function, the detection, which objective is finally dealt with better and by which discipline, is of concern. It should be reminded that a number of objectives are claimed by marketing and communication to which, e.g., image and positioning are counted.

These studies are expected to provide insights, which will help to extend the model further and may allow going beyond marketing and communication later in the effort to provide an even stronger strategic background. The aforesaid interdepartmental taskforces, which literature promotes, comprise other functions of an organisation, too. But with reference to the starting point about strategic communication here it is suggested to limit the focus of research first on marketing and communication only to avoid unnecessary complexity at the present time.

### **IX. Conclusion**

Wide acceptance exists that communication is a strategic endeavour within an organisation's permanent struggle for survival. Organisations have to meet market demands and have to fulfil stakeholder expectations in an environment of permanent change and hyper competition. They need to make best use of their resources and capabilities to achieve positive outcomes and to gain advantages against competitors. This complexity, enhanced by a variety of stakeholder expectations on different levels, requests to balance both corporate and stakeholder interests to which marketing and communication functions contribute.

Therefore communication is a strategic endeavour involving an organisation on different levels. As the discussion argued, neither communication nor marketing are considered as being able to take the leading role in this process. Instead it is suggested that both disciplines' unique skills provide specific advantages to address particular needs and stakeholder groups. At the same time both disciplines are addressing a number of the same objectives, which are, e.g., positioning, image and other market and non-market context. This suggests that clear borderlines between their individually claimed objectives have started to diminish. Corporate values' nature is tangible and intangible but their sustainable improvement needs investment. As shown, there is evidence that within an organisation both disciplines may not communicate sufficiently with each other or do not coordinate their activities as necessary for the achievement of objectives and for optimised and justified use of budgets.

This whole situation may augment substantially in a globalised environment adding a multitude of participants in the communication process on both sides, stakeholders as organisational functions and sub-functions. To deal with such complexity better, a merger of communication and marketing under the supervision of a Strategic Communication function is proposed as an option to improve target achievement, to strengthen exchange with stakeholders, to reduce uncertainty and to provide budget-optimising coordination and inter-functional cooperation. In this context the notion of communication is extended beyond its common limitations, proposed as the holistic communication of an organisation in all fields by which an organisation can be perceived by its publics with specific consideration of stakeholders.

A strategy-oriented model is presented, which is simple but flexible offering the opportunities to unite or merge marketing and communication in the strategic communication function on the level of business strategy and to take advantage of each discipline as an underlying strategic or tactical tool, each time assigned to specific problem solving. The cascading opportunities of the model can provide further advantages, since allowing breaking strategy down into further layers, where, e.g., marketing can become the functional strategy and may make use of marketing communication as tactical means or communication as strategic function uses PR tactically. Marketing communications and PR, as operational strategies then, can identify and plan appropriate interventions. Resulting synergies and cost-effectiveness may contribute to an enterprise's objectives and support organisational progress and value creation by closer collaboration and by stronger strategic direction.

Further research is necessary and suggested to underpin the hypothesised model construction.

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