Integrated marketing communications requires a new way of thinking

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Marketing communications goes under a number of names but it is most easily recognized as the promotions element of the 4Ps of the marketing mix. Integrated marketing communications is not a new concept but the need to integrate a variety of often disparate promotional activities has taken on a new imperative over recent years. The fact that integration of marketing communications does take place is unquestionable but the degree of integration is often minimal. The need to strive for greater integration is considered inevitable by many, although the means by which such integration may be achieved is uncertain. This paper identifies and briefly describes four reasons for the problems encountered in achieving integration; in particular, concern is expressed over the current restrictive use of marketing communications language and taxonomy. It is suggested that a useful starting point to overcoming these problems is to review how we think about integration and a new way of conceptualizing the various aspects of integrated marketing communications is proposed. A 'mindscape of marketing communications' is offered to describe the marketing communications mix in a way which can better embrace its many and varied activities and encourage more integrative thinking about the use of its various elements. Significantly, the additional roles of customer contact management and database management are considered paramount in an era of integration. The authors present their approach as a 'working model' for further discussion through which, it is hoped, it may be refined and improved.

KEYWORDS: marketing communications; promotions mix; integrated communications; database marketing; customer contact management; relationship marketing

INTEGRATION OR SEGREGATION

Of primary interest to this paper is the limited mind set, taxonomy and language which is used to describe the promotional (or marketing communications) mix and the detrimental effect this is believed to have on the integrative process. It is argued that the continued use of the promotional mix taxonomy, which arbitrarily places promotional activities into discrete boxes, no longer serves a positive purpose in conceptualizing marketing communications activities. Moreover, the changes taking place in communications technology and the structure of the promotions industry call for a new way of conceptualizing the promotional mix which encourages a way of thinking about the integration of promotional elements rather

than a segregation of them. Integrated marketing communications is not, in reality, a new concept; rather, it is an old idea which has rarely, if ever, been realized. The notion of integration has, however, taken on a new imperative and urgency in recent years, spurred on by developments in information and communication technology, fragmentation of the media and changes in information processing by customers (Shultz, 1993a), changes in communications agency structures, increasing sophistication of clients and retailers, increasing cost of advertising media, perceived decreasing effectiveness of traditional media, increasing global competition and decreasing cost of database usage (Duncan and Everett, 1993). How ironic, then, that the very structure of the promotions industry has mitigated against integration. Even recent moves by key industry players – major advertising and promotional agencies – have gone little way in really facilitating the integration process.

As Duncan and Everett (1993) observed, in practice promotional mix elements have been operated as discrete communications functions. This separation is reflected in the entire fragmented structure of the marketing communications industry with specialist agencies operating in relative isolation of each other. Advertising agencies in particular have suffered markedly in the downsizing of their staffing levels whilst at the same time seeing a significant growth of specialist operators and consultancy practices. Many of even the top advertising agencies have lost the initiative and corresponding income in providing marketing communications strategic planning and development services to major clients (Proctor, 1996). Advertising agencies previous inability to embrace the new emphases being placed on marketing communications has encouraged new company development in areas such as communications strategy, PR, corporate identity, branding and brand naming, packaging, direct mail, sales promotions, direct response television (DRTV), telemarketing and sponsorship. The increasing segregation may seem a natural development from the point of view of service providers as the degree of specialization increases. However, clients have a need for an integrated, strategic view. The great irony is that increased segregation has occurred at the one time when the call for integration has never been greater. Spurred on by the perceived competitive edge and financial benefits derived from offering more integrated services it is only recently that the promotions industry has started to come to terms with the challenges of an integrated industry. Agencies claim to embrace a fuller array of marketing communications activities within their portfolios and straddle the above- and below-the-line divide. They offer themselves as 'through-the-line' and adopt a more strategic stance when addressing the challenge of marketing communications planning. How far this is rhetoric and how much is reality is left for their clients to determine. An example of an agency attempting to come to grips with the integration challenge is Rainey Kelly Campbell Roalfe who describe integration as a 'mind set not a skill set'. They work with the client in strategic problem solving before determining the brief and seek 'ideas before advertising and ideas beyond advertising' (Rainey, 1997).

PROBLEMS OF INTEGRATION

Not only does segregation typify the marketing communications industry at large, but it may be seen within the very structures of client organizations themselves. It is common for the various marketing communications functions to be the responsibility of different managers and departments which operate autonomously of each other. This problem can be seen, for example, in Alpine Insurance (name disguised), a large, general European insurance company selling mainly through insurance brokers in the UK. As part of their expansion plans, Alpine

acquired a small specialist insurance company which sells to the public via direct marketing, targeting members of affinity groups such as trade unions, professional bodies and public sector organizations. Alpine have branded the new acquisition with the corporate name 'Alpine' and have continued to target the affinity groups with a heavy promotional push and a special offer of 15% off household and motor insurance. There was no consolidation of Alpine's new direct marketing database with Alpine's existing customer database which resulted in many of Alpine's existing customers receiving the new 15% discount promotional material. The actual impression created was that existing Alpine customers had paid 15% more for their insurance than was necessary but they were unable to reconcile this situation with Alpine 'Direct' as the newly aquired company was run as an entirely autonomous unit. A simple request to take advantage of the offer which, from the customers perspective, was being made to them by their own insurance company, resulted in a great deal of customer dissatisfaction. Alpine 'Direct' could only issue new business quotations and could not make reference to existing customer policies even though the marketing communications effort created the impression that this was a single Alpine company.

Eisenhart (1989) claimed that there are moves to rectify such situations and identified a trend for organizations which seek to adopt an integrated marketing communications philosophy to integrate physically the people responsible for various marketing communications functions into one department. While this may be a trend, one would have to comment on the limited evidence that this in any way represents anything more than a minor foray into a new management approach with the vast majority of organizations clinging on to old prejudices. Fletcher *et al.* (1992, 1994), for example, identified the organizational barriers which may arise when a company attempts to integrate itself as it moves into database marketing in any significant way. The issue of who pays for the development of the marketing database, which may serve sales, customer service and direct marketing, is a typical problem identified by the researchers. Historically, the split in responsibilities and budgets within large organizations has often meant that power (to whatever extent it has been available) has resided within the advertising department, that public relations have been reactive and that sales and direct marketing have been seen as tactical.

Undoubtedly, many changes have occurred in recent years which have held up to view the inadequacy of existing practices and highlighted the need for organizations to adapt if the challenges of the future are to be met. The impetus for this change has probably been strongest in organizations such as the large, globally operating FMCG (fast moving consumer goods) companies in their search for international integration of their promotions. This imperative has forced a major review of the structure and operations of these companies and the advertising and promotions agencies which handle their international accounts.

The problems of integration may not be insurmountable but they are significant for a variety of reasons.

(1) Taxonomy and language. The taxonomy and language we use cause us to perceive and encourage the use of promotional activities as discrete activities, i.e. advertising is separated from corporate identity which is separated from merchandising which is separated from personal selling, etc.

(2) Mind set. The mind set built up over many years of practice has rewarded specialization and overlooked the need for and benefits of integration. Gonring (1994) noted the fear of change and loss of control. Robbs and Taubler (1996) identified agency creatives aversion to integration and their lack of willingness to work across the media and promotional

mix. Shultz (1993b) commented on the cult of specialization and the history, tradition and experience of companies as limiting factors.

(3) Structure of organizations. The structure of organizations may make it difficult to coordinate and manage disparate specialisms as one entity. Organizations have typically subdivided their tasks into subunits (departments) in order to cope with the magnitude of operations. Management's response when faced with large, many-faceted tasks has been to disaggregate them and give them to specialists. This has certainly been true of marketing communications. To do otherwise presents tasks of coordinating and communicating with many organizations composed of many disparate individuals. While project teams and cross-functional assignments can help to break down organizational barriers there still remain problems of hierarchical structures, vertical communications, 'turf battles', power and 'functional silos' (Shultz, 1993b; Gonring, 1994) in which individuals and groups are protective of their own specialisms and interests. Significantly, the increasing use of database technology and systems offers new structural mechanisms for facilitating organizational integration.

(4) Dimensions of integration. Further difficulties in achieving integration arise through the often limited view many hold of the integration process. There are many 'dimensions' of integration. If integration of marketing communications is to be achieved the task must be addressed in all its forms. It is common to think of integration as being almost exclusively about the integration of the promotional mix elements. This is a gross oversimplification of the problem. Other dimensions include the integration of creative elements, organizational factors, the promotional mix with other marketing mix factors, information and database systems, integration of communications targeted towards internal and external audiences, corporate and 'unitized' communications and geographical integration (Pickton and Hartley, 1998).

The main interest of this paper is consideration of the taxonomy and language which is typically adopted to describe the promotional or marketing communications mix because of the deleterious mind set that these in turn generate. The promotional mix as commonly portrayed, for example as advertising, personal selling, sales promotion, sponsorship, publicity and point of purchase (Shimp, 1997), is now of little value and the arbitrary distinction between above- and below-the-line promotions is typical of the inappropriateness with which marketing communications is currently categorized. The sales promotion 'box' seems to have been a 'rag-bag' into which everything that did not fit with advertising was thrown and to which the remainder of the budget would be allocated. With the growth of sponsorship, direct marketing and customer service, the typical promotional mix taxonomy has been found wanting. The generally fragmented view of marketing communications which may have been satisfactory previously is today inadequate for an era which now emphasizes and extols the value of integrated marketing communications.

MINDSCAPE OF INTEGRATED MARKETING COMMUNICATIONS – A NEW 'SYSTEM'

In order to address these taxonomy problems the authors propose a new 'mindscape of integrated marketing communications'. While some may see this as yet another classification system, it is intended to overcome some of the limitations with the incumbent terminology.

The main difference is that the new mindscape is more generic in nature rather than a functional descriptor.

There is a tendency to view marketing communications as promulgating one-way messages via various media to target groups. The two-way communications process so often extolled in theoretical models of communication is limited in practice to feedback via analysis of results and market research. The notion of 'two-way communication' is more usually illusionary. Practitioners whose primary interest is in above-the-line promotions have had little to say regarding direct personal communications targeted at individuals who may have the opportunity to engage in immediate dialogue. Yet it is the area of direct communication through the likes of trade shows, telemarketing, customer service helplines, direct response marketing and personal selling which has developed significantly in importance in recent years, assisted by advances in technology. So great are these advances that even the traditional bastions of advertising's mass media are becoming increasingly 'interactive'. We believe it is timely now to reappraise the conceptualization of integrated marketing communications and the language we use to describe that integration. In attempting to develop a workable and adaptive framework we are hindered by the historical use of such terms as 'sales promotion', 'advertising', 'publicity', 'the promotional mix' and, of course, the term 'marketing communications' itself. This situation is unlikely to be remedied in the short term and for this reason we have attempted to develop a new taxonomy and mindscape.

In using the term integrated marketing communications we are referring to two aspects of the wider study of marketing communications. The first is to classify the methods available for communicating to target groups and individuals and the second is to provide a framework for studying and managing the integration of the methods and the interaction with other marketing functions. In classifying the methods we have used the basis of non-personal communications and personal communications to paint a mindscape of integrated marketing communications. Whether the organization's philosophy is building sales via transaction management or via relationship marketing has no bearing on the model.

Non-personal communications (NPCs) are targeted at public or, more precisely, at segments; they are one-way communications without dialogue and with delayed response and use a medium to transmit the message such as television for advertising, an event for sponsorship, the pack for a sales promotion or a retailer for merchandising. The principal aims are image management and brand building.

Although some traditional models of communication may claim that advertising, for instance, is two way, the feedback loop is remote. Any feedback suffers from a time delay and is at a distance, e.g. via marketing research or buyer activity. There is, then, an absence of dialogue.

Personal communications (PCs) are those which facilitate direct two-way communication, which may include immediate dialogue between individuals. This may be in person, by mail, telephone, fax or World Wide Web (WWW). The principal aims are sales, service and customer contact management.

Thus, all activities which facilitate sales, customer service and exchange of information will generally fall into this field. This is where new technology has had most impact in recent years. Advances in computing power, database design, digital communications, telephonics, electronic data interchange and now the Internet have all interacted to provide new possibilities for communicating directly with individual customers. These advances are not restricted to large companies. The price of hardware and software continues to fall so that even the smallest business can afford to operate customer contact management software. Many

organizations are switching significant funds from advertising into direct marketing activities. In a recent survey of 229 UK companies conducted by the Direct Mail Information Service (Reed, 1998), more than half said that an increasing share of their marketing budget was taken by direct mail. Other companies in business-to-business markets are switching funds from field sales to direct marketing activities. Simon Jersey (Starkey, 1997), a leading supplier of uniforms to business, has moved away from field sales and agents and now sells direct throughout Europe via a catalogue and telemarketing operation which has reduced costs and boosted sales. RS Components sell electronic and electrical components in a similar way promising next day delivery in the UK (Palmer and Hartley, 1996).

The boundaries between the two categories (NPC and PC) are not impenetrable. Some of the tools can obviously be combined with others. DRTV, for example, requires coordination between advertising, the telesales team and the fulfilment operation. Research by BT and Channel 4 (Reed, 1998) concluded that the number of UK television commercials carrying response numbers had grown from 19% in 1995 to 25% in 1997. However, placing a telephone number or WWW Internet address on the screen is poor DRTV if the advertising department have done this without serious thought to fulfilment. In their 1995 survey, researchers for BT and Channel 4 concluded that 37% of calls in response to DRTV commercials in the UK were lost (Sandom, 1996). Customers are likely to be disappointed if the organization's response is poor. Another example of a cross-boundary communication is a sales promotion in the form of a special offer communicated via direct mail for fulfilment at the retail store. Trade advertising linked to a trade show with an incentive to visit the stand would be a further example. In France even outdoor posters are being linked to direct marketing via the use of a freephone service and call centre (Focus, 1997). Avenir France has developed a service called '0800 Avenir' which offers clients the facility to display the free call number on posters. The number is connected to the Avenir call centre which can provide information, make promotional offers, transfer calls directly to the advertiser, gather data for research and refresh the database.

In using the terms NPC and PC we have gone for simplicity. Although academics and practitioners have used many terms to describe the various promotional activities we still appear to lack a unifying picture. Marketing communications may be too general for some and too limiting for others. Should it include sales activity, telemarketing, corporate promotions and internal communications for instance? The term sales promotion has never had a very precise meaning and telemarketing, trade shows and customer service are rarely discussed in terms of marketing communications. Yet all the millions spent on advertising and brand building is wasted if customer dissatisfaction arises because they cannot easily contact the customer service providers. We tend to err on the side of a more all-embracing view of marketing communications which we believe is necessary if the full implications of integration are to be grasped.

Figure 1 attempts to provide a fuller, more complete and unifying picture of the communication tools available to an organization. Integrated market communications is a broad function encompassing everything from corporate image to the handling of customer enquiries. Within the continuum of NPCs and PCs we suggest three broad fields of communications, namely 'corporate communications management', 'market communications management' and 'customer contact management', the first two being predominately one-way NPCs and the latter facilitating two-way dialogue and PC.

None of these activities are new; rather it is the grouping of the various activities into the three broad fields which provides a new perspective of the mindscape and allows the
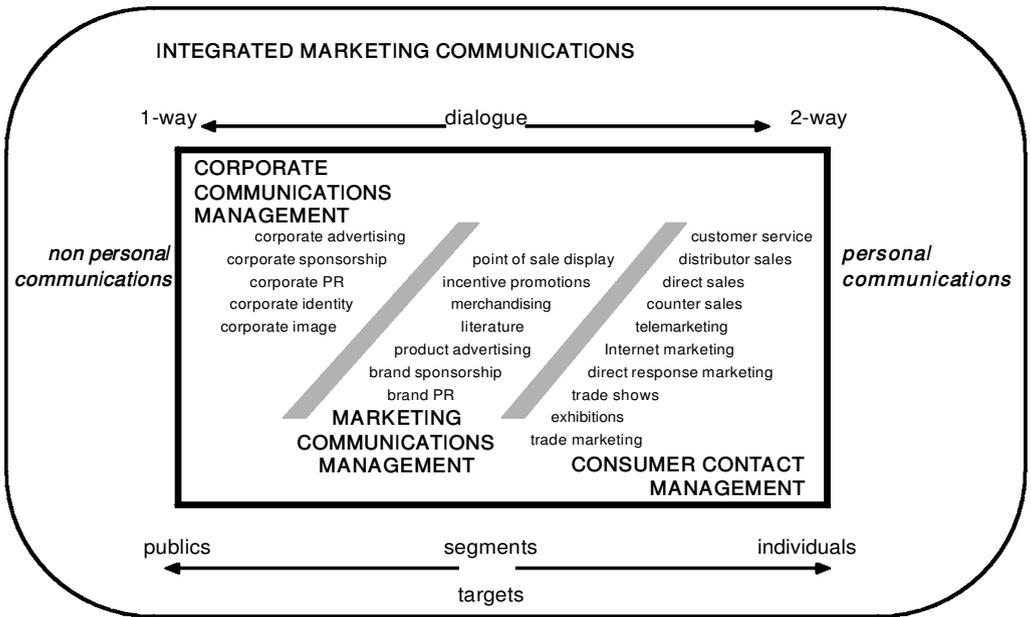
INTEGRATED MARKETING COMMUNICATIONS

1-way ← dialogue → 2-way

non personal communications

CORPORATE COMMUNICATIONS MANAGEMENT

corporate advertising
corporate sponsorship
corporate PR
corporate identity
corporate image

point of sale display
incentive promotions
merchandising
literature
product advertising
brand sponsorship
brand PR

customer service
distributor sales
direct sales
counter sales
telemarketing
Internet marketing
direct response marketing
trade shows
exhibitions
trade marketing

personal communications

MARKETING COMMUNICATIONS MANAGEMENT

CONSUMER CONTACT MANAGEMENT

publics ← segments → individuals

targets

Figure 1. **Mindscape of integrated marketing communications.**

inclusion of items such as customer service, the Internet and telemarketing, which many either ignore or prefer to exclude from the full range of marketing communications' considerations. The grey bands appearing between each of the fields are not intended to represent hard barriers. There is often a degree of overlap between the fields, particularly as the activities within each field are themselves subject to a variety of definitions by academics and practitioners. Towards the left along the continuum, there is an increasing level of one-way, NPC. The further right along the continuum, there is increasing opportunity to engage in two-way dialogue with individuals.

The field of customer contact management is the one experiencing most change in the face of technological developments and customer expectations. These developments are having a significant impact on the issues of integration discussed in this paper. Yet the most significant organizational and managerial barriers to integration lie between this field and the other more traditional fields of corporate communications and market communications. It is therefore appropriate to consider this specific field in a little greater depth.

CUSTOMER CONTACT MANAGEMENT

Many academics have argued the strategic value of database marketing, customer service, relationship marketing and integrated marketing communications. Technology in the form of marketing databases, networked computer systems and modern digital telecommunications now provides reliable solutions. The technical interfaces between computing and telecommunications are being harmonized, providing better integration and bringing cheaper, speedier and more reliable systems. The traditional marketing organization has been largely based on functions such as field sales management, sales administration, advertising and promotion and customer service. In more recent times organizations may have set up a

separate direct mail operation. The challenge for marketing managers is in deciding how best to organize for marketing in terms of structure, systems and budgets so as to achieve integration of the marketing functions, avoid duplication, share expenses and control activities. From the customer's point of view the organization should appear seamless. Cellnet's recent approach to this has been to hire a new marketing director and employ 25 new marketing staff, approximately half of whom will be recruited into their direct marketing department. Having bought 1 million subscriber names from service providers to add to their own database, Cellnet intends their new 'below-the-line' focus and structure to enhance their ability to communicate directly with their customers (*Marketing*, 1998).

In business-to-business marketing the multiple contacts between supplier organizations and purchaser organizations present many opportunities for mistakes to be made. The supplying organization may initiate contact with the customer via a number of means, such as field sales, telesales, direct mail, customer service, finance office, order processing and delivery. The customer may initiate contact from a number of different points and levels in their own organization, such as from goods inward, invoice payments, buying department, stores, user department, technical services, design, quality control and maintenance. The customer's own knowledge about their purchasing behaviour and about the supplying company is fragmented. The supplying organization needs to be able to manage pre-purchase, transaction and post-purchase situations in order to build relationships. The process of dealing with an organization needs to match or exceed customer expectations. Vast amounts spent on corporate image, marketing communications and brand building will be wasted if intermediaries and final customers find that the organization cannot meet their expectations. According to Shultz (1997) 'As you integrate communications you must integrate marketing activities. To integrate marketing you must integrate sales and selling, and to integrate those functions, you must integrate the entire organization… The goal is to align the organization to serve consumers and customers. Databases are rapidly becoming the primary management tool that drives the organization's business strategy' (p. 10).

CONCLUSIONS

There seems little against the argument that there is much to be gained by integrating marketing communications and there are signs that the promotions industry is changing to adopt such integration through agency and client restructuring. Yet the task of achieving full and true integration is a Herculean one which, it is suggested, requires not only a structural change within the industry but also a change of mind set, taxonomy and language.

What is clear is that the process and range of integration to achieve integrated marketing communications is complex and multifarious. There are significant issues to be addressed if true integration is ever to be achieved and a starting point is a reappraisal of the very way integrated marketing communications is conceptualized. This paper has argued that the current way of classifying (and teaching) the marketing communications mix is, itself, detrimental to encouraging an appropriate way of thinking about and conceptualizing integration. A new way of looking at integrated marketing communications is proposed which emphasizes the distinction between personal and non-personal forms of communication and the interaction and management of corporate communications, market communications and customer contact, which are themselves predicated on the development and management of appropriate database information and systems. These are used as a basis for a new mindscape of integrated marketing communications (as proposed by the authors) which we

believe can help students, academics, practitioners and clients alike to appreciate and integrate better the tools available.

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