

INTEGRATED MARKETING COMMUNICATIONS PLANNING

Introduction

Purpose – integrated marketing

Business and marketing objectives

Marketing v public relations

Conclusion

chapter 1



Chapter 1:

Integrated marketing communications planning

Introduction

The first step in this Briefing is to establish just what is meant by marketing communications, or marcom as it is frequently called. It derives from the classic marketing mix breakdown of the four P's, namely product, price, place and promotion. Clearly marcom falls into the fourth P category, but it is not as simple as that. The selling function is also part of the fourth P, but it is not part of marcom. Evidence for this somewhat confusing situation is to be found in practice where one never comes across a marketing communications manager who has control of the sales force. The fourth P then breaks down into promotion by the sales force, and promotion by all the other means. To all intents and purposes then, marcom takes in all non face-to-face communications between an organisation and its customers. Not quite as pure definition since exhibitions and seminars for instance involve face-to-face situations, but are clearly in the marketing communications orbit. Specifically marcom embraces advertising, publicity, direct mail, literature, etc. In fact, it might be said to cover both above-the-line and below-the-line communications. To that extent one might even add sales promotion and merchandising.

How does this fit in with other corporate functions, and in particular, how does it relate to business and marketing objectives?

Purpose – integrated marketing

The purpose of this Briefing is to enable practitioners to implement marketing communications which are in every way integrated and all pulling in the same direction. All the evidence indicates that the vast majority of companies are without a marcom plan, and indeed are considered to be progressive if they have a marketing plan. Business plan, yes, but not much else. The need for a plan, and an integrated one at that stems from the never ending competition which leads on to the need for every possible competitive edge to be deployed. The achievement of integrated marketing communications comes out of the following points:

1. The preparation and implementation of a plan is the most vital step towards integration. Indeed, it is hard to see how marketing communications can be implemented at all without a well constructed plan which will ensure that all the separate strands pull together as opposed to being random, ad hoc, and sometimes even conflicting.

2. It is pointless producing a plan unless senior management give it support both before and after its production.
3. Communication is the next step in which it is put across to other staff, both horizontally and vertically. This will enable them to understand and support implementation, and for them to be personally transmitting messages in line with those laid down in the plan.
4. All the messages transmitted must be integrated and supportive in all media to all target audiences. Thus the messages received will be the same from the sales force, advertising, publicity, direct mail, literature, exhibitions and so on regardless of the channel of communication.
5. All outside services must be co-ordinated, e.g. the advertising agency and the PR consultancy.
6. There must be a common ID taking in typography, logos, symbols and colour. Use must be made of a corporate manual ensuring a consistent corporate brand.
7. Timing is vital to ensure that there is a maximum synergistic outcome with each channel supporting each other. Use of a Gant chart here is helpful.
8. The integration of common messages needs to span all market segments and geographical regions. Particular regard must be paid to different languages, media and cultures.

Business and marketing objectives

The strategic cascade

It is important for an effective marcom plan that it fits into the context of the marketing plan which in its turn must fit in with the business plan.

From the diagram overleaf it can be seen that there are three levels of planning to be adopted. At the first level must come the business objectives, and here it is argued that for any commercial enterprise, this can be only one thing, namely profit. True, there will be any number of other, you might say secondary objectives, but unless they in turn lead to profit then they are non-starters. The profit objective may be short or long-term, but ultimately that is what counts.

As can be seen in the diagram there are many strategies which can be adopted in order to achieve the business objective. For instance, there could be a financial strategy which involved a comprehensive cost-cutting operation. Or a production strategy of new equipment or processes in order to achieve increased productivity. And so on. Obviously increased profits can come out of a marketing strategy of for instance increasing sales of the most profitable product lines.

Each of the business strategies as it develops becomes in turn an objective in its own right. Thus the sales increase called for becomes at the next level down the marketing objective. In fact, it can be said that there is only one marketing objective, and that refers to sales, usually to increase them. Market share is not the objective since this only comes about by virtue of sales.

Given that the marketing objective is to increase sales and/or market share, clearly there are a number of strategies which can be adopted. Acquisition of a competitor for example, price reduction, product enhancement, and so on. Into this category will fall a more intensive advertising campaign. In other words the marketing objectives will be achieved (maybe only in part) by means of marketing communications.

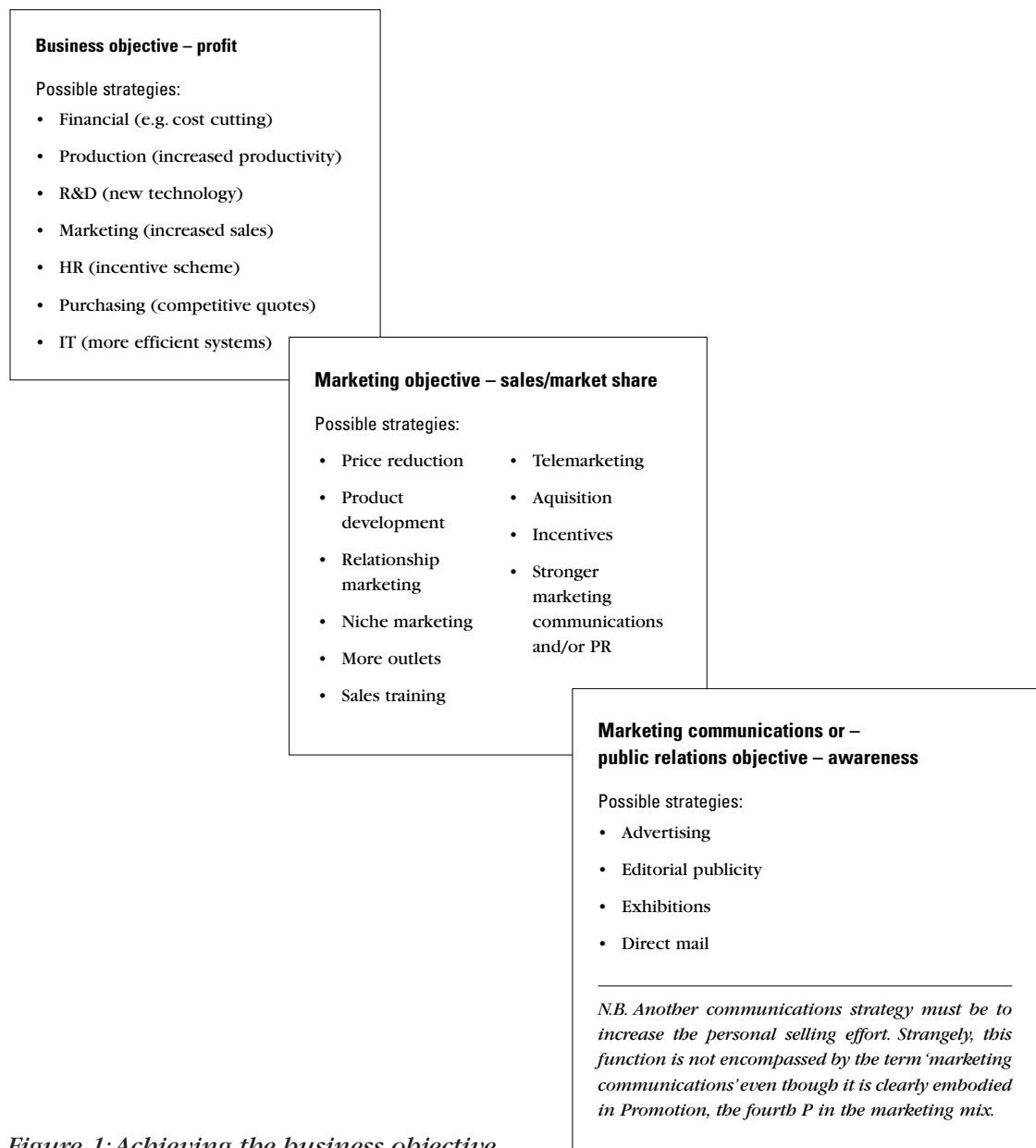


Figure 1: Achieving the business objective

What will be noted from the above list is that a strategy at one level turns into an objective at the next one down. Hence the term 'Strategic Cascade'.

Mission statement

The starting point must be to develop and lay down exactly where the organisation is going. Where does it want to be in five, ten years time, and in what way should it be positioned in relation to other competitive forces. What is required then is a corporate mission statement which is short, clear and easy to understand without any possibility of ambiguity. It should state 'what we are, and what we aim to do, i.e. our unique ethical stance and strategic objectives.' Another way of putting it is 'to give the stakeholders of a business a clear sense of purpose and direction.'

When developing a mission statement it is vital that it avoids generalities where almost any activities will meet the criteria. Rather, it must facilitate the positioning of an organisation which will differentiate it positively in relation to other competitive organisations.

Corporate personality

The line of thought here is that just as people each have a complex personality due in part to instinctive and inherited characteristics, and due in part to acquired traits, so too does an organisation. The difference perhaps is that whereas with people any change in personality is likely to be difficult, with an organisation, change is possible even though it might take a long period of time.

Moving on from this line of thought, is the likelihood that an organisation's ability to attract business is in part a function of its personality. A company perceived as being a 'safe' one is going to attract more investors than one which is perceived as being 'unsafe'. Similarly a 'market leader' may receive more customer patronage than an 'also-ran'.

The starting point is to lay down what characteristics are thought to be the optimum ones for business success, and then to measure the extent to which these characteristics are those which are perceived by various target groups of people, or market segments upon whose actions will determine the success of the business. The following diagram is simply an example of how eight different factors can be displayed graphically in a quantified manner which shows the degree of each characteristic compared with optimum, and in such a way as to facilitate comparison with competition. This is not so important in absolute terms, but rather only when compared with the same criterion displayed by the competition.

In the example, the organisation is shown as being strong as a market leader. This could be quantified as being at a maximum on a 0 to 5 scale. In that case the creative element would

score say two. The need to increase the perceptible strength to five would be determined not by the possibility of doing it (at whatever cost this might involve), but by the need to do it having regard to the strength of the same criterion amongst the competition. Looking further at the example, there is strength in safe, authoritative, and international, honest and experienced, but failure in friendly.

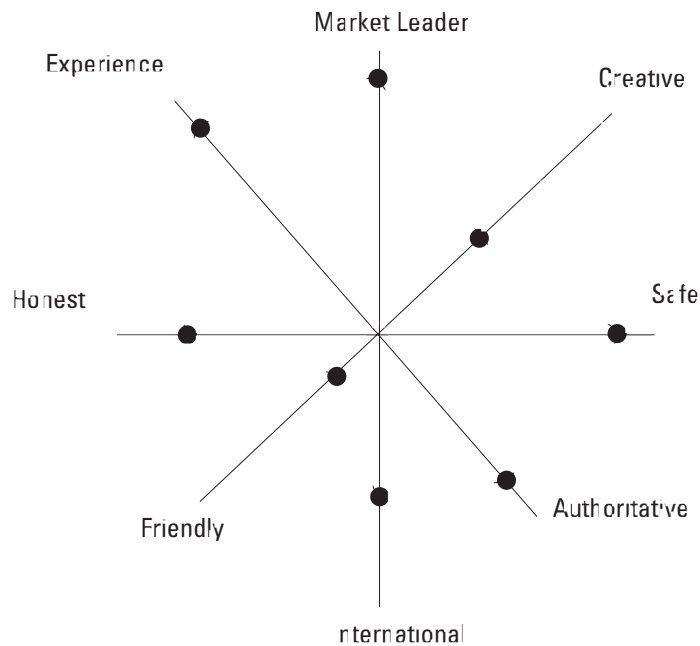


Figure 2: The organisation as a market leader

What then should be the criteria which go to make up the optimum personality of an organisation? It may be that these are determined simply by the views of top management having regard to their experience. It may be that these are determined by a rather more formal procedure such as focus group discussions, but essentially it is a matter of finding out which characteristics are looked for by the target audiences in question. Also it should not be forgotten that the criteria might well be different as between one segment and another. The following characteristics are typical of those associated with an organisation.

| | |
|------------------------|-------------------|
| Authoritative | Caring |
| Creative | Diversified |
| Friendly | High quality |
| Honest/decent/truthful | Innovative |
| Integrity | International |
| Market leader | National |
| Post sales service | Pre sales service |

| | |
|-----------------|----------------------|
| Pro-active | Profitable |
| Reliable | Responsible |
| Responsive | Safe |
| Sales service | Socially responsible |
| Specialist | Technical leader |
| Value for money | Well managed |

Corporate culture

All organisations have a culture which has been developed over a number of years, and probably stems from the person or people who started the business. In large measure, the corporate culture can be said to determine the corporate personality. Culture in this sense is simply the way in which people behave. A person joining an organisation will soon find out what is accepted behaviour by observing the ways in which current employees behave in a given set of circumstances. Their language and appearance will be all too obvious. The way they treat customers, their telephone manner, what time they pack up to go home, and so on. The question must be asked 'does this particular way of behaving contribute to the achievement of business objectives, and can it in any way be improved?' It should be remembered that culture is not static. It will change over time within an organisation in line with national or regional culture changes. It may also be that expectations of customers and other stakeholders change, thus calling for change within the organisation.

Corporate identity

There is frequent confusion as to the difference between corporate identity (ID), and for instance, corporate image. This should not be so since the difference between the two is fundamental. Corporate image is in effect what has already been described as corporate personality. Alternative terms would be corporate reputation, goodwill or even perception. It is whatever is conjured up in the mind upon hearing or seeing the organisation's name. Corporate ID takes in all 'message sources', and will include logos, symbols, graphics, house colours, letter headings, company flag, badges, uniforms, signage, and so on. All these lead to and contribute ultimately to the corporate image. The one leads to the other.

Corporate brand

A new piece of marketing jargon which has emerged over the past few years is 'The Corporate Brand'. Its value comes about from the need in an ever increasingly competitive environment for a competitive edge over and above the classical four P's. It is a somewhat confusing term, and more properly should be referred to as 'Corporate Image' concerned with the organisation, as opposed to 'Brand Image' in connection with the product.

Marketing v public relations

Marketing and public relations operate in parallel sending messages about the product (marketing) together with messages about the organisation (public relations).

A company can choose whether to develop and promote a brand image, a corporate image, or both. Many companies have done well enough by having only a brand image, e.g. Unilever and Proctor and Gamble. But then they have other problems that centre around having competing brands whose credibility would be undermined if there was a common corporate image in the product promotion.

Other companies have the very opposite, namely just a corporate image and no brand images, e.g. most Japanese consumer durables. Some products, on the other hand, have always had both e.g. cars. A buyer of a Fiesta car in the UK must also feel comfortable with Ford as the organisation behind it. Nowadays, however, more and more companies are waking up to the extra competitive edge to be obtained from having corporate image back-up to support brand image. Major changes, for example, have been with Cadbury, whose products like Wispa, Crunchie, Dairy Milk and Milk Tray all now have a common corporate identity. A similar development has occurred with Rowntree Mackintosh, now Nêstlé Rowntree, in relation to Polo mints and Black Magic chocolates.

Five dependent marketing variables

Whether or not a product is purchased then is dependent on five factors and not four (the 4 P's) - namely, **the product, its price, its availability (place) the brand image (promotion) and the corporate image**, if any. Each one of these variables can act in a positive or negative way but the net effect must obviously be positive for a purchase to take place.

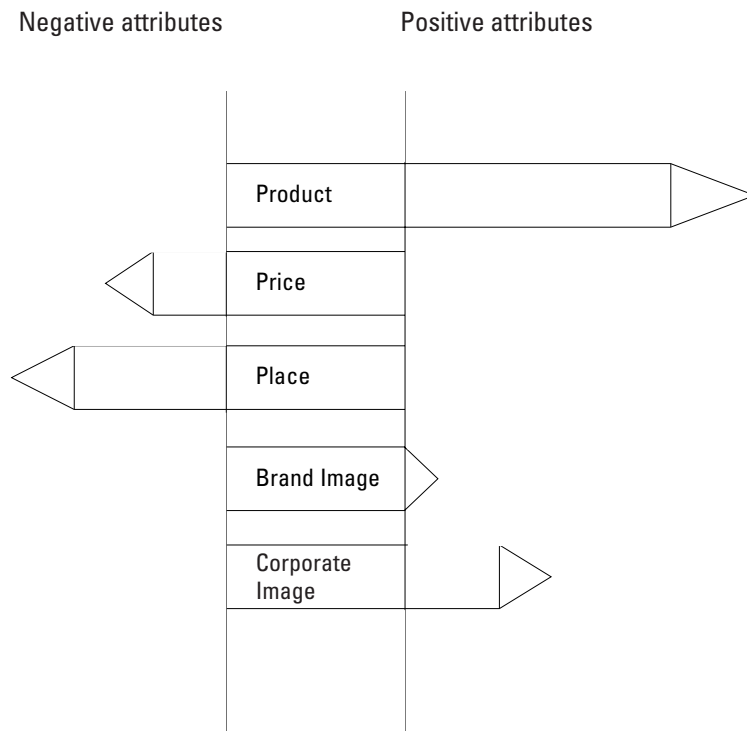


Figure 3: The attractiveness of the total product

Thus a product might be very good (positive) but the price rather high (negative) and not too readily available (negative). The brand name might be unknown (neutral) but the manufacturer highly regarded (positive). The product benefits and corporate image in this case must clearly be strong enough to overcome the 'price', 'place' and 'brand image' barriers. The attractiveness of the total product offering, as illustrated above, demonstrates both the polarity of each factor (positive or negative) and the intensity of each. A series of such diagrams facilitates the comparison of all competitive products in a market segment, and highlights their strengths and weaknesses.

Such an analysis enables a strategy to be selected for increasing market share of one's own product simply by considering which one (or more) of the five factors is likely to be the most cost-effective in beating the competition.

Alternatively, one can look at a constant market share but a trade-off of one factor against another one, e.g. price could be increased but corporate image strengthened without loss of sales. In so far as public relations is the function which builds reputation or corporate image, it can be seen then to have a direct correlation to sales and hence to profit. It is a real investment which can be, and is, expressed in financial terms, e.g. as 'goodwill'.

The marketing function

It is important to understand how the marketing and public relations function interrelate.

The following diagram illustrates the principal marketing functions, all aimed primarily at customers and prospects. The non face-to-face elements are shown as breaking down into the various channels of communications, such as advertising, publicity (editorials), direct mail, exhibitions, and so on. There is a comprehensive, and hopefully synergistic, marketing communications plan which, together with a similar sales plan, go to make up the Promotion element of the 4P's. Note that public relations does not come into this since it is, by definition, concerned with the reputation or image of the organisation behind the product.

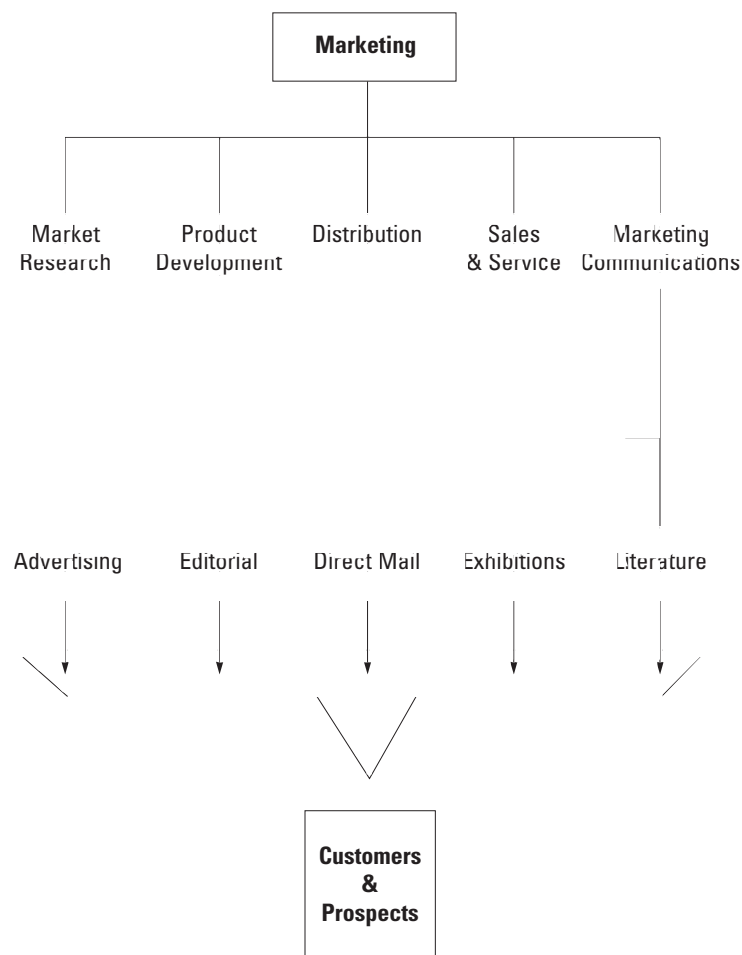


Figure 4: The principle marketing functions

The public relations function

The diagram below can be seen to bear a remarkable resemblance to the previous one, except that the number of target audiences has been increased to cover, in effect, all the 'stakeholders' of a business. Thus, the appropriate messages are sent out to employees, shareholders, pressure groups and so on as well as customers, but using precisely the same channels of communication as in the case of marketing. Certainly, editorial publicity figures high on the list, and so it should, being the most cost-effective channel of all. But, equally, consideration must be given to advertising where publicity alone cannot achieve the public relations objectives.

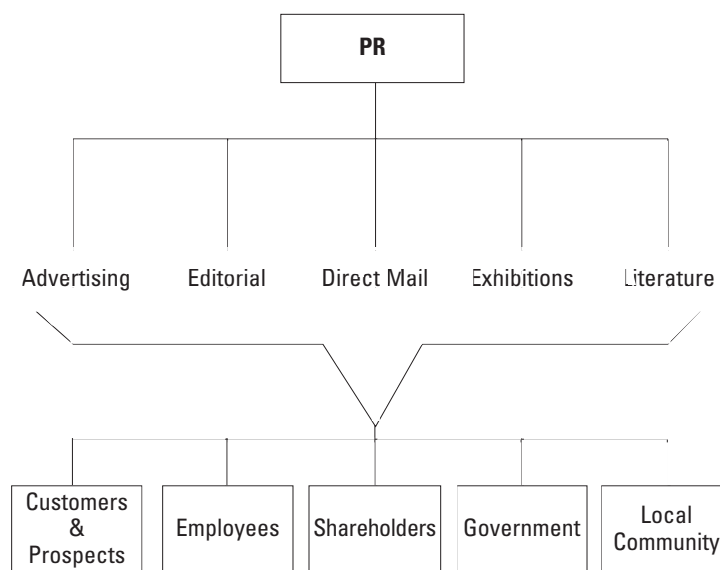


Figure 5: The public relations function

Relationship between marketing and public relations

A block schematic diagram, as shown overleaf, indicates the relationship between marketing and public relations. Here it can be seen that public relations starts with a state of unawareness amongst its various publics including, of course, customers and prospects. It takes them through being aware of a company and on to a perception which, of course, needs to be positive. Similarly, marketing is concerned with moving a prospect from unawareness of the product to awareness, and on to a favourable perception.

The two streams come together with the establishment of 'behavioural intent'. But here, and in subsequent stages, three other factors come into play which might render all the communications in the world useless in terms of subsequent sales. These are the remaining 3 P's, product, price and place. If the price is too high, for example, then the product will not

be purchased (behaviour), or even considered (behavioural intent), let alone continue to be purchased.

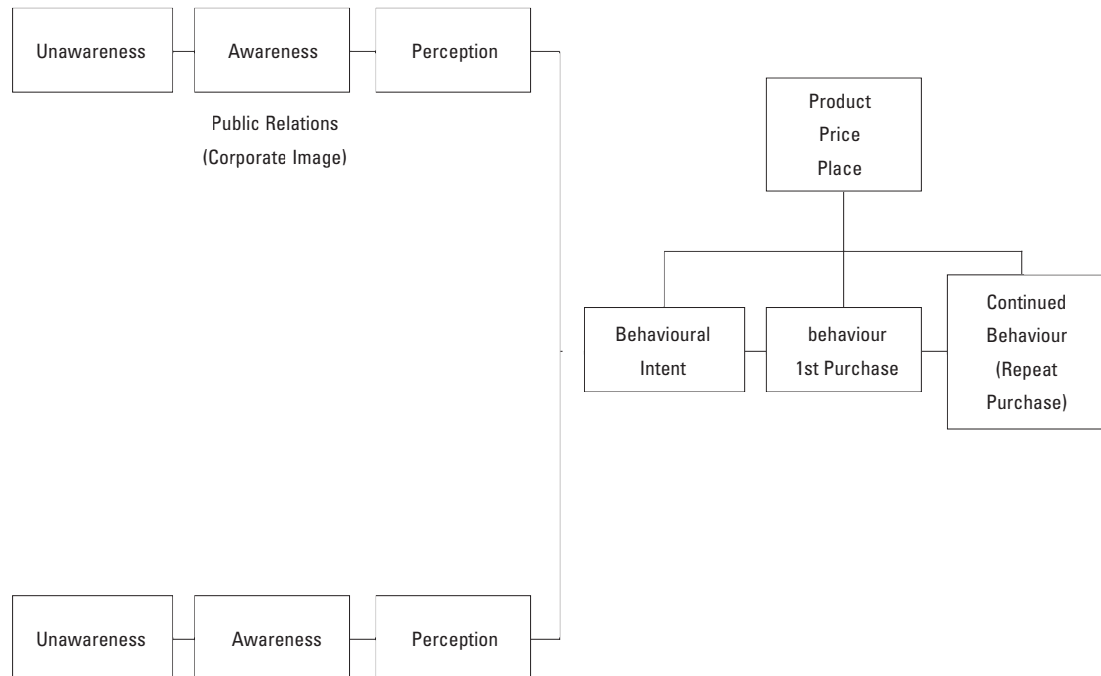


Figure 6: The relationship between marketing and public relations

Conclusion

The corporate brand then is strictly speaking the outcome of public relations and this throughout the world is beginning to be recognised as a new and independent management function, quite separate to marketing. It is essentially strategic, and contributes to the overall business objective by providing effective communications channels to assist all the other management functions. With 'human resources' or 'personnel' it encourages would-be employees to apply for jobs, and it also contributes to the morale and motivation of existing employees, leading to people staying longer with an organisation. In the financial sector, the role of public relations is to support share values, for instance, and to encourage more people to invest in the company. And so on with other functions.

In marketing it might be stated simply as increasing the propensity to buy. As a corporate brand becomes better known (familiarity) it becomes better regarded (favourability), people are more inclined to buy products from companies they know and respect as against ones about which they know little or nothing.