

IMC: New horizon/false dawn for a marketplace in turmoil?

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Is integrated marketing communications (IMC) a new horizon or simply another false dawn for marketing communications that has failed to live up to its promises? This issue becomes critical in a marketplace in economic turmoil. Two leading IMC researchers and writers argue for a totally new view and a new agenda for IMC going forward to match the new economic realities faced by marketing organizations. Their views are driven by marketplace, consumer and technology changes enhanced by increasing globalization and a shift of marketplace power to the consumer, all heavily influenced by the current economic conditions.

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The last decade of the twentieth century witnessed the emergence, development and widespread global adoption of what has come to be termed ‘integrated marketing communications’ or IMC. Today, however, questions about the concept and implementation still remain: was this, as its advocates proclaim, a ‘new horizon in corporate and marketing communication’? Or, with hindsight, was it, in fact ‘a false dawn’ which promised much, and, so far, has delivered little? The discussion continues to gather speed in both academic and professional communities around the world as marketing organizations struggle to make sense of the new economic realities.

Two of the major thinkers and writers in IMC explore both sides of this question from both a practitioner and academic perspective. On the following pages, some rather definitive new conclusions are reached which argue for a new set of parameters in keeping with the new economic reality faced by all marketing organizations. In the following sections, we suggest the concept of IMC likely needs to be re-thought, but using a different set of parameters given the global changes that have occurred since the origin of the concept. Further, we argue our conclusion is only starting to be explored by either advocates or detractors of IMC. Therefore, we conclude that the present marketplace provides a fertile field for research and exploration in the development of new knowledge for the years ahead.

New horizon?

It is now commonly accepted that IMC was initially based on the situations existent in the US market in the late 1980s and early 1990s. Those came as a result of the widely noted changes in the consumer and customer landscape (Court, Gordon, and Perry 2005; Kessler

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2004; Masker and Somosa 2004). These were accompanied by the ever-expanding, and sometimes radically new media systems available in the marketplace (Elms 2007; Fasse 2007). Thus, marketers and their agencies began to believe it was necessary for all communications emanating from the organization to 'look alike and sound alike' to be effective. Indeed, Peppers and Rogers (2001, 4; see also Kotler and Keller 2006) argued that:

the old paradigm, a system of mass production, ... media, ... and ... marketing is being replaced by a totally new paradigm, a one-to-one economic system ... products will be tailored to individual tastes, ... media will be inexpensively addressed to ... individual customers.

In the marketing communications domain, this led to the now infamous catch phrase: 'one sight, one sound', which typified the first stage of IMC development. The premise was clearly based on assumptions that marketing communications was essentially an outbound system, developed and controlled by the marketing organization (see Gould 2004; Grove, Carlson, and Dorsch 2007; Keller 2001; Kitchen and Li 2005) and consumers were at least willing, if not eager, to hear from marketers about their products and services.

However, IMC proved to be much more than simply an alternative to the internally focused planning methodologies of the day. While IMC was proclaimed to have widespread relevance for how communication programs should be developed and implemented, its advocates argued it also linked neatly into the perceived need for companies and organizations to install and manage sophisticated consumer information technologies such as CRM (customer relationship management) and various loyalty programs. All this, of course, tied in with the increasing focus on such management systems as balanced scorecards and six sigma. All these management initiatives required that all organizational functions, including marketing and marketing communication, be able to provide evidence of some type of return-on-investment on allocated resources or assets. This, it was argued, would lead to closer internal alliances between finance and marketing which would provide the necessary objective outcomes increasingly required by senior management (see Kitchen and De Pelsmacker 2005; Schultz and Schultz 2003).

Perhaps the greatest value, however, was that integrated marketing communications inherently underpinned and led to the terminology and concepts associated with the broader concept of integrated marketing. Thus, for the first time in marketing history, consumers were finally perceived to be a driving force in marketing activities and crucially important to the overall success of the entire organization. In the original concept of IMC, there was an implied emphasis on the customer, that is, the assumption that integrating communication elements would be of value to both consumers/end users and the marketing organization as well. Today, we know the consumer is essentially driving the marketplace and will likely continue to do so, perhaps even more so in the future. And, that consumer power will only increase as a result of the economic downturn.

Thus, we argue that far from being a fad or fashion, today and in the foreseeable future, IMC has been embraced intellectually, if not practically, by all marketing and communication theorists, by many companies of all sizes and types and by agencies and marketing communication supplier organizations in their usual supportive and orchestrating role around the world. The question of course is: will that support continue when economic systems, as we have generally known them in many parts of the world, have been turned upside down? We believe IMC will continue to be the one beacon that marketing and marketing communication can and must follow for the present-day systems to survive and to provide the foundation for any new approaches in the days ahead.

The challenge, of course, is that integrated marketing communications is much more than was originally envisioned by its first advocates. The consumer has changed.

The marketplace has changed. The media systems have changed. The marketing organization has changed. Thus, we believe it is necessary to review and re-cast IMC for the interactive, push-pull marketplace for the next decade of the twenty-first century. And, that recasting seems particularly important as all organizations are reviewing where and how they should and must adapt to the changing economic times.

False dawn?

Despite the roseate glow cast by the furor of excitement and activity generated by IMC since its founding approximately 20 years ago, as with all new paradigms, some critical voices have been raised about the concept and its application (see Cornelissen 2001, 2003). For example, there is still:

- No widespread, agreed upon definition of what IMC is, how it works and/or what it does. Every advocate and detractor seems to have their own idea of the concept, based, in many cases, on their own localized views. And, as the IMC concept has expanded into the emerging markets, there are more IMC voices than ever before.
- No widespread consensus on a methodology for measuring or evaluating the return on the development and implementation of an IMC program. Yet, one must also recognize this same issue continues to plague traditional marketing and marketing communication. Even though the demand for accountability has grown, the alternatives developed seem to provide no consistent approach or solution.
- An inexorable anchoring of IMC at the very early stages of conceptual development – that is, tactical coordination a la ‘one sight, one sound’, one of the initial premises of IMC continues to rule the day. This tactical coordination requires little in the way of consumer insights, market analysis or database building. Thus, there has been little connection between IMC and CRM and other primary customer-based marketing initiatives. One corollary of this is that many IMC studies have studied the topic with an external advertising agency view. It is now accepted that agencies are not the prime movers in development of integrated programs, but their principals (i.e. client businesses) *are*. Hence the switch to in-company analyses and comparative and best practices studies of IMC practice around the world. Yet, those studies were developed during times of boom, not of doom and gloom.
- A perception that IMC was widely accepted and embraced initially by marketing and marketing communication service and support groups for fairly obvious reasons. That occurred simply because of their reliance on one or two promotional tools, that is, advertising and/or public relations. This has become increasingly unrealistic in a world of multi-media and increased marketer usage of multi-level information technologies, and multi-promotional options including sales promotion, direct marketing, Internet-based communications and the new social networks. The reality was that IMC afforded a new umbrella term that allowed previous functional specialists to move with the times into communication in its broadest dimensions while at the same time protecting their individual specialties.
- The fact that, as IMC has received critical attention and criticism, its parent, the practice of general marketing has also been widely challenged as being ‘in need of [significant] reform’. That seems ever more so today when it is clear that marketing continues to be considered a ‘cost center’ in most organizations and is continuously subject to downsizing, reductions and downright cancellations as organizations try to balance their income and outgoings in increasingly difficult economic situations.

While many agree the managerial school of marketing, as it is known and practiced today, is 'broken', there is no clear direction on how to 'fix' the basic concept (see Kitchen 2008a; Sheth and Sisodia 2007) and that seems particularly true when the traditional value of marketing as an investment in the future is increasingly challenged by short-term issues.

As a result of these issues and others, perhaps IMC was really nothing more or less than another 'false dawn', which has been exposed by the financial demands of today's marketplace. Accepted, yes. Allegiance widely proclaimed, yes. Need for, clearly, yes. But, but as to whether it works and delivers on its proclaimed promises, then, the answer has to be couched in caveats (Patti 2006; Schultz 2004a, 2004b, 2006a).

In this paper we critically examine both sides of the argument before arriving at a conclusion.

Reconsidering IMC

Many of the basic arguments for and against the initial views of IMC are still valid. Yet, the world has changed dramatically in the past 20 years and even more-so in the past 18 months. Thus, we argue IMC really needs to be evaluated under the current circumstances and under a new set of parameters. Some of those issues are:

- The rise of a 'push-pull' marketing communication marketplace in which the consumer controls much of the communication acceptance over which media and media forms they consume. While the marketer can still send out a seemingly unrestricted number of messages and incentives, through a number of new media channels, that is, traditional 'push' marketing communication, the consumer or intended audience can reject those messages and alternatively, access or 'pull' information from the Internet, social networks, blogs and the like at their convenience. Thus, increasing customer control over messaging, channels and networks are leading to revolutionary changes within marketing communications. This change to a 'push-pull' marketplace radically changes the initial views of IMC which were initially focused entirely on a marketer-initiated and controlled outbound, push communication system (Leaders Forum 2008; Schultz 2006b).
- The rise of consumer-to-consumer marketing communication through such electronic facilities as social networks, blogs, RSS (Really Simple Syndication), mobile and the like. Thus, the marketer is not the only source or resource of information on products or services being vended in the marketplace. These new systems create even more questions about how integration is developed and how it occurs. For example, how does a marketing communicator 'integrate' communication about a company, product or service when he or she has no control over the information or, in some cases, is not even aware the communication exists, and thus, has no information about it. The 'new millenials' (people born between 1981 and 2000) are leading the drive to utilize social mobile networks, where the total number of users (currently 210 million) will jump to nearly one billion by 2012. Advertising revenue equates already to US\$1.5 billion and further rises are anticipated (Mobile web 2.0). Given that the millenials will form the major proportion of tomorrow's full nest markets, the rising trend spells further change for marketing and integrated approaches (CIO 2008).
- Brands and branding have become ever more critical as the marketplace has become increasingly commoditized. Historically, marketers have had some sort of product

or service **advantage which** could be trumpeted through communication programs. When the **critical variable** becomes the brand, integration must move beyond the coordination of the visual and graphic elements of communication to become more strategic and managerially oriented. Perhaps most importantly, branding has emerged as a separate functional unit in many organizations. Not so long ago business strategy drove functional organizational units such as marketing, HR, sales and others. Thus, branding was left in the hands of marketing and marketers. Today, business strategy drives branding and branding drives everything else. Branding is too close to the core of the business to be left solely in the purview of marketing. Thus, there must be closer alignment between the new brand and branding unit and traditional and new marketing communicators. The real asset owned by companies was never the brand per se, but the loyalty of customers to the brand. However, loyalty can only be generated and sustained if the brand delivers what the communication promises. Professor Luiz Moutinho (2008) recently said:

Companies are dispensing with the mass economy tactics of old and replacing them with tactics more suited to the customer economy.

Brands are moving from a marketing model that says, 'I'm going to talk to you and you better listen up' to an experiential model. The experience conveys the essence of the brand!

- The challenge of measurement continues. Marketing management has made some progress in determining the importance of their activities in the overall success of the organization. The same is true of marketing communication measurement with the development of brand equity measures, short-term incremental sales increases through the use of Marketing Mix models and other evaluation tools. But, the question of the value of IMC still remains. Should IMC be measured based on the value to the consumer or customer, or, to the marketing organization? Is IMC a cost-saving activity for the firm or a growth generator? These simple bits of evaluative logic have continued to elude both academicians and practitioners, yet, they seem to be at the heart of the issue. Moreover, practitioners are buying into evaluation as never before. While we can see the contribution of marketing and communications via brand value chains and longitudinal studies utilizing primary and secondary data (see Cain 2008; Kitchen 2008b; Lindeman 2008), there is little to record brand performance with immediacy during and after specific integrated campaigns.
- Perhaps the most critical issue in the on-going development of integrated marketing communications is how the communicator can understand, explain or manage the perceived synergy between various communication alternatives. For example, practically no marketing communication campaign today consists of only one communication element, that is, advertising or public relations or sales promotion or the like. The same is true in terms of delivery systems, most generally broadcast is combined with print and may also include on-line and blogs plus events and sponsorships. Historically, all the elements have been considered separately, planned and developed separately and then implemented and measured separately. There is a need for some measure(s) of synergy or the combined effect of the elements being used. Understanding how various communication activities work together or in combination is one of the most critical issues facing IMC today.
- The recent radical changes that have occurred in the economic markets have challenged all forms of marketing and communication as never before. What should an organization do in declining economic times? Clearly, the concepts of new customer

development and continual acquisition are likely no longer valuable or useful. But, how does IMC work in a marketplace where customer retention is the name of the game and market growth is a memory of the past for many organizations? Does IMC work in a hunkered-down system or was it, like so many other marketing concepts only a 'fair weather' approach that crumpled in the face of economic difficulties?

Clearly, there are other elements to be considered in determining whether IMC is a new horizon or simply a false dawn. In the final section, we comment on how IMC should or could be considered given these new parameters. These are the issues we believe that set a new direction for thinking about, researching and even implementing any type of IMC program going forward.

Toward some new conclusions

Plainly, IMC or some type of integrated communication has underpinned, spearheaded or augmented the widespread review of the marketing communications, and even, the marketing praxis. And, that occurred prior to the current economic situation. One of the striking facts has been how IMC has shed light on the questionable consumer or customer focus of the entire field of marketing itself. The development of the '4Ps' that is, product, price, place and promotion in the 1950s, and the codifying of that rubric into the standard for marketing management, practice and research for the past 30 years has driven the entire field – perhaps unintentionally – in a non-consumer or non-customer, internally focused direction. IMC, with its initial intent on identifying the recipient of the communication activity, has done much to point out the flaws in such traditional, outbound marketing communications and the use of such outmoded tools as AIDA (attention, interest, desire and action) and other Hierarchy of Effects models such as that proposed by Lavidge and Steiner (1961). Obviously, in an interactive, customer-driven and rapidly evolving marketplace and marketspace, new concepts and approaches are urgently needed. We believe IMC is one of the tools that can be used.

If one evaluates the communication practices of the majority of twenty-first-century public and private sector organizations, most communication is now inexorably 'one sight', 'one sound', and ostensibly 'one' in terms of integrated messages across various promotional venues and delivery systems. That would seem to be an obvious success for Phase One of IMC. But, such communication – while often couched in the language of the listener, is not particularly dependent on:

- (1) understanding the dynamics of the served market;
- (2) hard and soft data derived iteratively from databases over time;
- (3) seeking to understand behavioral data, save in the simplest of ways;
- (4) understanding what media forms consumers and customers use, not just the ones the marketing organization wants to use.

All these, in their turn, spell an evident failure. Note, however, this is not a failure of IMC per se, but, of companies failing to fully understand, implement and evaluate a new and unique concept of communication, one in which both the marketer and the consumer must participate. This is particularly true at a deeper, and more damning level of engaging in what could be called the trappings or frippery of marketing and marketing communication without ever engaging in its full organizational philosophy or implementation. The reality of how good or bad firms really are at marketing, almost irrespective of emblazoned promises via communications, is encountered day-after-day, week-after-week in many

countries around the world. Plainly, marketing and marketing communications do deliver *something*. Whether this is now, or ever was, reflective of customer or consumer centrality is extremely debatable. If, at the very least, IMC has encouraged marketing to re-examine itself, then this is perhaps its major accomplishment to date. But not its only accomplishment for we now need to move forward. Thus . . .

What needs to happen now?

First, we would argue for a wholesale review of integrated marketing communications, research, management and practice, under the following headings:

- (1) Background, development and history.
- (2) Evidence of in-company organizational structures necessary to successfully implement, manage and employ IMC on a national, international and worldwide scale.
- (3) Evidence of wholesale or partial adoption by different sectors such as:
 - (a) companies;
 - (b) agencies;
 - (c) academia;
 - (d) media;
 - (e) support organizations.
- (4) What such adoption means:
 - (a) for marketing communications;
 - (b) for marketing;
 - (c) for support organizations.
- (5) What changes are likely required to align and systematize IMC within the twenty-first-century organization, particularly in a marketplace which is being economically re-organized on an almost daily basis.
- (6) The future of IMC – what should be done and in what order.

Thus, these new directions will then enable us to begin to determine if IMC is truly a new dawn, focused on the dramatically different, global, interactive marketplace of the twenty-first century, or, simply another false horizon which continues to attempt to employ IMC practices and traditions to support the concepts and approaches developed for a marketplace which likely is gone forever.

Undoubtedly the journey is not yet over, but has scarce begun.

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