

## [chapter head]6Integrated marketing communication

*Rachel Barker*

*[Integrated marketing communications] underpins the belief that marketing creates value by building brands, nurturing innovation, developing relationships, creating good consumer service and communicating benefits.*

*[range right] Gilligan & Wilson (2009: 3).*

### [A]6.1 Introduction

*The previous chapter addressed marketing management in detail. In this chapter the focus will be on integrated marketing communication. A significant modern premise that emerged in the field of marketing communication is the drive towards integrated actions, also referred to as Integrated Marketing Communication (IMC). Baker (2003) sees it as the blurring of the edges of marketing communications. More recently, the emphasis has been placed on the importance of brand competition which compels organisations to implement the most effective communication strategy to create and enhance relationships with consumers and other stakeholders where integration is the key component to do this (Du Plessis, Van Heerden & Gordon, 2010: 8). One of the most notable writers in the field, Schultz (in Jones, 1999) suggests that IMC is the apparent progress made by mass market media advertising towards targeted direct marketing. IMC therefore advocates that marketers make a paradigm shift from promotion to their target markets, in the sense of advertising being a unidirectional set of activities, to communicating with their target markets, which emphasises a two-way flow of information. The shift, moreover, is away from the concept of promotional mix and its focus on advertising and sales promotion*

*activities, towards an integrated communications approach that includes all marketing activities (Kitchen, 1999) to create and enhance relationships. Hence, when the promotional mix is referred to in this chapter, the term encompasses the concept 'marketing communication mix'. Consumers' growing awareness of available choices has necessitated marketers adjusting the way in which they communicate, through the promotional mix, with these better-educated, cost-conscious and demanding people.*

*Because marketing communication is integrated with organisational operations on a strategic level, it is problematic to continue to view marketing communications as a separate field of activity. Therefore, the point of departure of this chapter is to see IMC as an approach that is used to operationalise the relationship between the elements of marketing communication, as well as the integration between these elements and the broader marketing objectives of an organisation to align with and enhance its corporate brand. This chapter therefore discusses IMC in terms of*

- *its definition*
- *the evolution of IMC*
- *the theoretical perspectives*
- *its role as a process*
- *the elements of the promotional mix.*

*The chapter concludes with a view of the new trend which favours relationship marketing, and presents a global perspective on IMC.*

## **[A]6.2 Definition of IMC**

*Definitions of the concept of IMC emerged during the 1980s in response to the need for organisations to have a more strategic integration of communication*

*tools (Du Plessis et al., 2010) but these definitions have evolved notably over the last two decades. According to Baker (2003), the watershed between the production/sales approach to business and the emergence of a marketing orientation was probably best illustrated with the publication of Theodore Levitt's article 'Marketing myopia' in 1960. Seen in the 1990s as a marketing concept used for sales promotion, product publicity, events, sponsorships and direct marketing (Du Plessis, Bothma, Jordaan & Van Heerden, 2003), the marketing concept was articulated as reflecting the necessary characteristics of modern marketing, emulating the creed of modernism in general. In the 21st century it is seen as a relationship-building domain with personalised and integrated customised messages aligned with the corporate brand of the organisation. IMC in the 21st century is characterised by a postmodernist perspective in a market where strategies and tactics are needed to create and sustain a competitive advantage (Proctor & Kitchen, 2002). Today it is accurate to say that IMC is a newly emerging discipline with both a managerial orientation and a business philosophy, and one that has been affected by a postmodernist perspective.*

*Nevertheless, in the literature there are contradictory viewpoints on IMC in the 21st century. This is primarily due to a lack of consensus on what IMC implies in practice. Some see it as replacing the traditional above-the-line and below-the-line approaches with a through-the-line or zero-based approach, while others view it holistically, either in terms of a 'skin-deep' integration of messages or of a comprehensive plan that evaluates the strategic role of a number of communication disciplines (such as advertising; direct response; sales promotion; and public relations) needed to achieve synergy (that is, when the whole of the promotional effort is greater than the sum of the parts) (Schultz & Kitchen, 2000).*

*The most widely used definition seems to be that of the American Association of Advertising Agencies (Belch & Belch, 2001: 11), which defines IMC as a concept of marketing communication planning that recognises the added value of a comprehensive plan which evaluates the strategic roles of the marketing communication techniques (that is, advertising; direct marketing; sales promotions; personal selling; sponsorships; and public relations) and combines these disciplines to provide clarity, consistency and maximum communications impact (through the seamless integration of discrete messages).*

*A more recent definition is proposed by Duncan (2002: 8), in which the importance of branding is emphasised:*

*[Begin indented quote]IMC is a process for managing the consumer relationships that drive brand value. More specifically, it is a cross-functional process for creating and nourishing profitable relationships with consumers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialogue with them.[end indented quote]*

*In line with the integrated communication approach followed in this book which postulates that all the messages should be aligned with the corporate brand of the organisation, the above definition can be adapted to read:*

*[begin indented text]IMC is the process of strategically managing consumer and stakeholder relationships in support of the corporate brand of an organisation; the process is aligned with and drives the corporate brand of an organisation.[end indented text]*

*Turney (2001) argues that, in spite of various debates, professional journals*

*report that public relations and marketing have already merged and that a wide range of communication tools and strategies need to be integrated in order for marketing communication goals and objectives to be achieved. He understands IMC to be 'the irrepressible intertwining of heretofore separate disciplines ... into a sometimes unholy alliance to win consumer support' (Turney, 2001).*

*The next section will touch on the development of IMC in terms of its evolution, definition and trends.*

## **[A]6.3 Development of IMC**

### **[B]6.3.1 Evolution**

*The evolution of marketing can be traced back to the 1800s, in formats ranging from direct personal relationships; personal selling; mass production; and marketing during the Industrial Revolution to the concept of mass communication (using broad-based media to reach large consumer markets, advertising, publicity, and so on.) as part of communication strategies (Belch & Belch, 2001; Du Plessis et al., 2010: 8).*

*Hence, IMC evolved from direct personal relationships and selling communication strategies in the 1800s to the holistic communication approach that characterised the 1990s (which saw the amalgamation of elements of the promotional mix such as public relations; marketing; advertising; promotion; and online media). During the Industrial Revolution and mass production, mass marketing was used to sell products, with the focus on broad-based media to reach a large and diverse population. Although mass media was the major marketing tool during the 1950s and 1960s, a definite move towards sales promotion and the measurement of results became evident in the 1970s, while in*

*the 1980s the need for strategic integration elicited a move towards the process of IMC. This evolution indicates the shift from personalised sales to mass marketing to relationship building (with a focus on personalisation and customisation) (Du Plessis et al., 2003).*

*Various driving forces for the growth of IMC, as identified in the literature, are summarised in Table 6.1 (Baker 2003; Du Plessis et al., 2003; ; Du Plessis et al., 2010; Grein & Ducoffe ,1998; Kitchen & Schultz, 1999; Yeshin, 1996).*

**Table 6.1 Driving forces for the growth of IMC**

<b>Driving force</b>	<b>Description</b>
<i>Value for money</i>	<i>Organisations want to gain maximum value for money with maximum impact, resulting in shrivelling marketing departments and pressure on margins</i>
<i>Increasing pressure on organisations' bottom lines</i>	<i>Organisations seek compensatory savings in all activities through economic pressures and profitability</i>
<i>Increasing client erudition</i>	<i>Especially to understand retailers, customers and consumers — an increased confidence in using other marketing communication disciplines</i>
<i>A dissatisfaction with advertising</i>	<i>Resulting in clients using other disciplines to improve consumer relations and sales</i>
<i>Increasing mass-media costs</i>	<i>Where database costs decreased, mass-media costs (especially television) increased dramatically.</i>
<i>A disenchantment with agencies</i>	<i>Advertising agencies specifically have lost ground in terms of strategic input and direction.</i>

<i>Media channel fragmentation</i>	<i>Changing face of the media demands the re-evaluation of a variety of media channels to deliver the message and achieve impact from marketing communication budgets</i>
<i>High expense of traditional advertising, which is not cost-effective</i>	<i>Traditional forms of advertising are no longer cost-effective — organisations are turning to other forms or advertising to achieve objectives.</i>
<i>Rapid growth and development of database marketing</i>	<i>Sophisticated database techniques are a more precise means of targeting consumers; there is a move away from traditional mass marketing towards focused communication</i>
<i>Shift of information technology</i>	<i>Information technology allows for interactive communication and direct buying</i>
<i>Power shift towards retailers</i>	<i>Manufacturers' domination has bowed to the demands of retailers to ensure that products are not de-listed on the shelves</i>
<i>Increasing price competition</i>	<i>To overcome the impact of downward price spirals, organizations are realising that marketing communication is often the differentiating factor between competing brands and brand distinction</i>
<i>Environmental factors</i>	<i>Environmental concerns have forced organisations to adapt to environmental changes and to use environmentally friendly products</i>
<i>Emergence of a variety of remuneration methods</i>	<i>Today's marketing communications organisations are rewarded in more ways than merely earning a commission</i>
<i>Need for brand</i>	<i>The brand's personality and values should link to the</i>

<i>integration</i>	<i>strategic and consistent communication of messages to establish brand values.</i>
<i>Stakeholder centricity</i>	<i>Focus should be on the needs and wants of the stakeholders</i>
<i>Synergy</i>	<i>Branding should be aligned to enhance and/or reinforce synergy.</i>
<i>Message consistency</i>	<i>Core messages should be aligned with the corporate brand of the organisation</i>
<i>Sustainable</i>	<i>Long-term relationships should be established and maintained</i>

*To address the needs of the marketplace, agencies started to merge to form larger groups to provide a more comprehensive range of services in marketing communication and more and more acquisitions took place as a result of increased global competition. This drive towards globalisation necessitated the need for synergy between all marketing communication activities.*

*In a study conducted by McGoan (1998), four stages of IMC development are identified:*

- *Stage 1: Tactical co-ordination of marketing communication: the focus falls on functional areas including advertising; promotion; direct response; public relations; and special events. A high degree of interpersonal and cross-functional communication is needed as formal policies and procedures are insufficient.*
- *Stage 2: Redefining the scope of marketing communication: the organisation begins to examine communication from the consumer's viewpoint, including all contact and entry points. The scope of communication activities also broadens to include internal marketing to employees, suppliers and other business partners. Extensive information on consumers is gathered through primary and secondary market research as well as actual consumer behaviour data. Feedback channels*



*are created to gather information about consumers.*

■ *Stage 3: Application of IT: the organisation uses data obtained through IT to provide a basis for the identification of values and to monitor the impact of integrated internal and external marketing communication programmes over time. IT must be incorporated effectively into communication planning, development and execution.*

■ *Stage 4: Financial and strategic integration: the emphasis shifts from skills and data to driving corporate strategic planning using consumer information and insight. Financial measures should be adopted into the evaluation process based on return-on-consumer investment measures.*

*These four stages paved the way for the introduction of IMC in the organisation. Another key component is the integration of the external marketing communication efforts with the internal marketing communication and efforts to align it with the overall organisational corporate brand. Semenik & Bamossy (1995) identify the following four features of contemporary IMC programmes, which distinguish the process from historic applications:*

- 1. Outside-in approach to developing communications: In IMC, the organisation starts with the consumer and works backward towards the brand or organisation.*
- 2. Comprehensive and detailed knowledge of consumers: IMC programmes are more database-driven than traditional integrated promotional programmes.*
- 3. Brand contact perspective: Brand contacts refer to every encounter or all the ways in which consumers come into contact with the organisation and product, including packaging; employee contacts; in-store displays; sales literature; and sales/media exposure. Each contact should be clear and consistent with the overall IMC programme.*
- 4. Centralised co-ordination: A central person or a group should be appointed to control and evaluate all communications and contact with consumers.*

*It is clear that IMC takes a much more inclusive and systems-oriented approach to the communication planning process, while emphasising that the process should be uniform and consistent with the overall communication efforts of the organisation. In most approaches, the various elements of the marketing communication mix are seen as separate functions fulfilled by specialists in specific areas.*

*The new era of marketing communication is characterised by the empowerment of consumers, by social changes and by rapid technological developments—all of which have changed the business environment dramatically. Technology developments created opportunities for greater relationship-building through sustained databases of consumers. The renewed focus on consumer needs and the progress made in the field of IT have changed the way in which marketers promote their product offerings to consumers, thus emphasising the focus on IMC. IMC is thus an attempt to pay closer attention to the central aspect of the marketing process, that is, to develop and strategically manage the brand and its relationship with the consumer through using an integrated approach. According to Gronstedt & Siracuse (1998: 2), IMC has made a significant contribution in setting aside the 4Ps in favour of 'how the consumer makes sense of all marketing communication messages [and] ... what motivates consumers to become loyal to a brand or company'. *This supports the fact that brand and marketing strategies should be aligned and should take the lead in defining the corporate brand.**

## **[A]6.4 Components of IMC**

*An effective IMC programme is based on a carefully planned and well-managed relational consumer database, a targeted consumer orientation, and a psychology-driven prospecting sales approach (Reich, 1998). The following dimensions are therefore crucial in the practice of IMC:*

- *IMC is an increasingly important feature of strategic marketing communication.*
- *Organisations should strive to achieve profound and enhanced integration of marketing communication actions that are aligned with the corporate brand.*
- *IMC reflects a fundamental conceptual and practical change in the development and implementation of marketing communication programmes.*
- *To achieve global presence, organisations should attempt to achieve consistent imagery for its brands and coherent messages in its integrated communication.*
- *IMC requires the emergence of better skilled communicators who have a holistic overview of communication in the organisation from a brand management perspective.*
- *It is important to focus on a few key brands with effective brand support.*
- *Consumer information infrastructures (for example, databases) should be managed to achieve brand objectives in terms of core values, promises and personality.*
- *IMC encourages the view of communication as a unified image rather than individual brands (adapted from Baker, 2003).*

*Various benefits of and barriers to the use of IMC have been identified in the literature, of which the most notable are summarised in Table 6.2 (Baker, 2003; Kitchen & Schultz, 1999; Linton & Morley, 1995).*

**Table 6.2 Benefits of IMC and barriers obstructing its use [draw dividing lines as per other tables throughout book]**

**Benefits**

- *Creative integrity*

**Barriers**

- *Few organisations have reached the stage of*

■ <i>Consistency of message delivery</i>	<i>full integration</i>
■ <i>Impartial marketing recommendations</i>	■ <i>Subject largely misunderstood</i>
■ <i>Better use of media</i>	■ <i>Internal problems: Lack of management</i>
■ <i>Improved marketing precision</i>	<i>understanding of the benefits;</i>
■ <i>Operational efficiency</i>	<i>short-term outlook on the</i>
■ <i>Cost savings</i>	<i>planning process; inherent nature</i>
■ <i>High-calibre, consistent service</i>	<i>of 'political' battles between</i>
■ <i>Easier working relations</i>	<i>departments for supremacy; fear</i>
	<i>of departmental budget/staff</i>
	<i>reductions; and fear of losing</i>
	<i>expertise</i>
■ <i>Increased impact</i>	■ <i>External factors: Agency egos and</i>
	<i>fears of</i>
■ <i>More creative ideas</i>	<i>losing control; lack of expertise in</i>
	<i>individual</i>
■ <i>Better communication</i>	<i>areas of communication; concern</i>
<i>uniformity</i>	<i>over</i>
■ <i>Increased importance of single</i>	<i>reductions in the scale of</i>
<i>brand</i>	<i>communication</i>
<i>personality</i>	<i>budget; and problems with the</i>
	<i>system of</i>
■ <i>Greater control over</i>	<i>remuneration</i>
<i>communication budget</i>	
■ <i>Greater professional</i>	■ <i>Structural problems: Few</i>
<i>experience</i>	■ <i>organisations are in the position</i>

<i>Better measurability of reaction and liability for communication programmes</i>	<i>to implement integration</i>
<ul style="list-style-type: none"> <li>■ <i>Increased brand awareness</i></li> <li>■ <i>Combats competition</i></li> <li>■ <i>Stronger, single, focused message</i></li> </ul>	<ul style="list-style-type: none"> <li>■ <i>IMC staff need to develop new skills and expertise</i></li> </ul>

*A key factor of IMC is the need for clear and concise communication to establish mutual understanding between the buyer and seller. To achieve this, market research can make an important contribution to gaining insight into and understanding of the consumer's needs and behaviour. The challenge is to do this in a holistic and integrated manner so as to ensure a comprehensive and all-encompassing attempt at long-term success.*

## **[A]6.5 Environmental analysis**

*In order to ensure a competitive environment, organisations need to recognise the importance of changes in the environments which can directly and indirectly influence the functioning of the organisation. In order to do this, an environmental analysis should be conducted, both internally as well as externally. The internal environment refers to the micro level and the external environment to the macro level.*

*Different techniques for environmental analysis can be applied to assess how the organisation relates to what happens and to develop strategies that accommodate both internal and external conditions, changes, resources, and so on so as to ensure sustainability. These methods include:*

*[no line space before bulleted points]*

- *The SWOT analysis. SWOT is an acronym for strengths, weaknesses, opportunities and threats and is the analysis most often used by organisations.*
- *The SPACE (Strategic Position and Action Evaluation) which is usually used to analyse financial strength, competitive advantage, environmental stability and industry strength.*
- *The Grand Strategy Matrix (a combination of the previous two techniques) which is easy to use and a very popular strategic management tool that measures two specific dimensions, namely competition position and market growth (Ehlers & Lazenby, 2010).*

*Environmental scanning therefore assesses trends that affect both the organisation and its consumers. Five main environmental forces that need to be scanned include:*

- *Social, cultural and demographic forces (for example, differences in gender roles; buying patterns; growing populations; changes in household sizes; ageing populations; changing family structures; higher levels of education; geographical shifts, and so on);*
- *Economic and/or physical forces (for example, increased expenditures; interest rates; rising levels of debt; different patterns of consumer expenditure; increasing costs of energy; consequences of pollution; shortages of raw materials, and so on);*
- *Technological forces (for example, accelerating pace of change; increased use of wireless broadband technology; free software; advancements on regulation, and so on);*
- *Competitive forces (for example, the growing influence of globalisation and increased focus on empowerment of workers to improve performance); and*
- *Political or regulatory forces (for example, new legislation; intellectual property; concern for privacy; online spams, and so on) (Kerin, Hartley,*

*Berkowitz & Rudelius, 2006; Gilligan & Wilson, 2009).*

*Environmental analysis enables the organisation to understand these key aspects as a prelude to identifying the organisation's strategic position and includes four main stages (Gilligan & Wilson, 2009: 156):*

- *An initial audit of the environment to identify the type of and changes in the environments.*
- *An analysis of the organisation's standing that involves a combination of strategic group analysis in which competitors are mapped in terms of similarities, dissimilarities, capabilities and strategies; as well as a market share analysis to determine the share thereof.*
- *An identification of emerging opportunities and threats and how the organisation's strengths can manage these.*
- *An initial proposal of a marketing strategy.*

*From an IMC perspective, a competitive brand strategy that ensures messages are aligned with the corporate brand; uses appropriate media to communicate (reach and richness of the media) with consumers cost-effectively with the aim of enhancing mutually beneficial relationships; and conducts environmental scanning addresses crucial elements. Integration in this sense entails an understanding of the brand identity (in terms of the vision, values, value proposition, positioning and associations). Brand positioning is notable as it refers to the exact or explicit and intended meaning of the brand that is to be created in the minds of the consumers (Tybout & Calkins, 2005).*

## **[A]6.6 The promotional mix**

*In terms of an integrated marketing communication perspective, a holistic approach to the promotional mix is advocated. A key issue is to ensure*

consistency between any promotional mix component and the overall marketing communication efforts of an organisation in support of the corporate brand. The promotional mix consists of nine ingredients, illustrated in Figure 6.1, which should be used interactively in terms of an integrated approach. These elements are briefly discussed in the next sections.

[see original figure 6.1 in existing book and include highlighted section in the appropriate boxes] Figure 6.1 [2-em space] The promotional mix

*Marketing communication*

*or*

*Promotional mix*

**Relationship marketing**

*Personal selling:*

*Two-way flow  
between buyer  
and seller to  
influence  
purchase decision*

<i>Sales management</i>	
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<i>Sales promotion: Value offered to arouse interest to buy goods or services</i>
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<i>Publici</i>
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ty

*Marketing public relations: To influence the feelings, opinions or beliefs about a company and its products or services*

*Advertisi  
ng*

*Direct marketing:  
Direct communication to generate a response that will result in an order, a request for further information or a visit.  
Forms: face-to-face selling, direct mail, catalogues, telephone, e-*

*mails, and so on.*

<i>Sponsors</i>	
<i>hip</i>	

*Internet*

### **[B]6.6.1 Personal selling**

*Personal selling, which is sometimes confused with marketing, is only one of the marketing communication mix elements and entails the presentation of information on an organisation's products or services from one individual to another or to a small group of people (Semenik & Bamossy, 1995). Du Plessis et al. (2010: 141) define personal selling as 'the oral, person-to-person presentation of a product, service or idea' (in other words the brand) to a potential consumer where the seller tries to satisfy the consumer's needs and wants by offering suitable goods and services to ensure the a successful sale.*

*Personal selling aids the communication flow between an organisation and its consumers in two ways. Firstly, salespeople are responsible for implementing marketing strategies; the sales force is the embodiment of the entire marketing programme. Secondly, the responsibilities of the salespeople need to be expanded to include a wide variety of marketing activities, such as market analysis; sales forecasting; new product ideas; buyer behaviour analysis; communication; sales co-ordination; consumer service; and relationship building (Semenik & Bamossy, 1995).*

*To be effective, personal selling should be integrated with:*

- *other promotional elements*
- *other organisational functions, such as distribution and production*
- *the consumers and competitive structures in the market.*

*The role of personal selling is threefold :*

- 1. Information role: Personal selling is part of a two-way process through which information about the organisation's product or offering needs to be communicated to existing and potential consumers. This process, which allows for feedback, ensures that consumers' perceptions are correctly interpreted and understood by management.*
- 2. Persuasive role: It is necessary to convince consumers that their needs have been identified and that the product or offering provides competitive benefits.*
- 3. Relationship-building role: Salespeople have to initiate, build and develop relationships between the organisation and its consumers, which brings the role of the 'relationship manager' to the fore (Kitchen, 1999; Semenik & Bamossy, 1995).*

*Different types of personnel selling are identified in the literature, with the most notable being :*

- *Order taking, which refers to accepting orders for merchandise or scheduling service either in written form or verbally.*
- *Creative selling, which is a process of selling in which a consumer relies on the salesperson for technical information, advice and service.*
- *Supportive communications, where the objective is to provide information and services to consumers, ensure that consumers are satisfied, and to create goodwill (Semenik & Bamossy, 1995).*

*In terms of an integrated approach, personal selling is designed to support the various elements of the promotional mix, and offers several advantages and*

disadvantages. These are outlined in Table 6.3 (Du Plessis et al., 2003; Du Plessis et al., 2010; Koekemoer, 2004; Gilligan & Wilson, 2009).

[insert original table but add the new content]

**Table 6.3 Advantages and disadvantages of personal selling**

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• <i>Personal contact enhances the level of consumer satisfaction.</i></li> <li>• <i>Personal selling brings the human element into selling which personalises the brand of the organisation.</i></li> <li>• <i>Salespeople can provide instant feedback on questions, supply detailed explanations, and transmit complex information.</i></li> <li>• <i>Salespeople can educate consumers through demonstrations of the product and/or the use of visual aids to communicate complex and large amounts of information.</i></li> <li>• <i>Tailored messages and communication can be directed at qualified prospective customers to improve the possibility that a sale will take place.</i></li> <li>• <i>Salespeople can build more personalised relationships with</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Salespeople can contact only a small number of potential consumers per day.</i></li> <li>• <i>It is expensive to call on potential consumers in terms of cross-country travel.</i></li> <li>• <i>Poor selling skills can do more harm than good.</i></li> <li>• <i>It is time-consuming.</i></li> <li>• <i>Message inconsistency can occur if different salespeople do not deliver a unified message in support of the overall brand.</i></li> <li>• <i>It is difficult to keep salespeople motivated, especially if they are not successful or have negative experiences.</i></li> <li>• <i>Unethical behaviour (in other words when socially accepted rules of conduct, honesty and fairness are broken) can compromise the</i></li> </ul>

<i>consumers.</i>	<i>organisation and its brand.</i>
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**[C] Environmental effects on personal selling**

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*Three main environmental influences impact on personal selling. These include the external environment, the organisational environment and the sales environment (Du Plessis et al.. 2003).*

*The external environment cannot be controlled, and marketers and salespeople should adapt their strategies to accommodate such changes. External environment variables include:*

- *The economic environment, which influences the potential demand for a product in terms of a country's growth rate, unemployment rate and the level of inflation.*
- *The ethical and socio-cultural environments, which set standards for ethical behaviour and foster the rights of people through equity, fairness and impartiality.*
- *The legal-political environment, in which economic goals are set within the framework of legislation to ensure appropriate corporate behaviour and to eliminate misrepresentation of products, for example.*
- *The natural environment, which refers to the raw materials and energy resources needed for packaging, promotion and distribution (which should be considered in the development of marketing and sales plans).*
- *The technological environment, where rapid technological development needs to be taken into account in sales plans and sales activities as this can improve transportation, communication and data processing.*

*The organisational environment also influences the sales process through policies, resources and abilities. Elements of this environment include:*

- *Goals, objectives and culture. The marketing goals and objectives should fit into the overall goals of the organisation, and the organisational culture emanates as a result.*
- *Training programmes for salespeople to ensure that they have the skills and knowledge to function competitively.*
- *Financial resources, which affects the sales budget and salesforce size.*
- *Production and technological capabilities, which determines whether the organisation can develop new products, enter new markets and serve increased demand.*
- *Research and development initiatives, which serve as a basis for marketing and sales activities.*

*The sales environment determines various responsibilities for the salespeople which include:*

- *Retail sales: Consumers visit the organisation with the intention to buy and salespeople assist from behind the counters of retail outlets.*
- *Wholesale sales: The selling process takes place in an organisational environment where wholesalers buy in bulk, add a mark-up to the products' prices and sell them directly to the retailers.*
- *Manufacturer sales: Manufacturers sell to wholesalers or large retailers who use their own sales force to sell products, set up point-of-sale material, and ensure that stock is displayed and clients are notified of new products, promotions, and so on.*
- *Service sales: An organisation sells a service.*

### ***[C] The future of personal selling***

*[no line space after C-heading]*

*The evolution of selling from merely selling a product (whether the consumer wants it or not) to emphasising the value of helping consumers buy products or*

*services that satisfy their needs, will change the future of personal selling. This is the case both in terms of the profile of the salesperson as well as in terms of the focus on the quality of the product or service. Koekemoer (2004) identifies the following issues that will influence the future of personal selling:*

- *Consumers are more sophisticated, more educated and more discerning.*
- *The buying function is professionalised, as buyers attend courses and seek to improve profits.*
- *Better sales training for salespeople enables them to better understand what buyers want; this training also enhances their product knowledge, selling skills and their awareness of how to build long-term relationships.*
- *Improved telecommunications is used as an effective cost-cutting and revenue-generating selling method.*
- *Technological developments such as the Internet, social networks, cell phones and e-mail make salespeople more accessible, and websites can provide product and ordering information on a continuous basis.*

*Ethical issues are a primary area of concern with personal selling . Salespeople are the intermediaries between the organisation and the consumer; therefore it is important that they fulfil their promises. Other ethical issues include lying; abusing entertainment allowances and expense accounts; offering bribes; false reporting; using vehicles for personal use; and criticising the competition. The salespeople's value systems, which include integrity, are crucial to addressing these issues (Koekemoer, 2004).*

*In terms of IMC, it is clear that personal selling should emphasise interests that are mutually beneficial to both parties; be stakeholder-orientated with a focus on the needs of the consumers; operate according to two-way communication; and be value-driven in that selling is based on the desire to meet the needs of the consumers, respond to market trends and support the corporate brand of the*

*organisation. This is only possible through creating, building and sustaining relationships.*

## **[B]6.6.2 Sales management**

*Although salespeople must manage their own efforts, a sales management team oversees the overall performance of the sales force. Sales management is defined as the management process directing strategy, devising tactics and implementing policies that fulfil the organisation's sales, marketing and corporate objectives (Kitchen, 1999). The team is responsible for managing, controlling and motivating the sales force so that it is correctly positioned to fulfil its role(s). The three main problems sales managers face are the high cost of personal selling, the time involved and the changing patterns of consumer buying. A marketing or sales manager who is responsible for the management of the sales force should be able to make decisions on the following:*

- *Agents versus direct salesforce: Should agents (manufacturer representatives) or a direct sales force be used?*
- *Salesforce structure: How should the sales force be organised to achieve the best and fairest results?*
- *Salesforce size: How many salespeople should be assigned to achieve the objectives and address the needs of consumers?*
- *Territory deployment How should potential sales territories be divided to facilitate effective sales force operations? (Kitchen, 1999; Pitt, 2002)*

*According to Baker (2003), sales management teams need to accommodate changes in the market conditions if they are to establish closer relationships with consumers. They should also adapt traditional approaches to determine an appropriate sales force size, territory deployment and sales targets so as to ensure a consumer-orientated and quality-based strategy. Organisations*



*therefore need to employ people with multidisciplinary skills who are relationship-oriented, financially aware, marketing trained, computer literate and skilled with negotiations. Baker (2003) identifies the following issues that need to be considered when addressing sales management:*

- *Recruitment and selection: To ensure that the most suitable applicants are appointed, recruitment should comprise position analysis, person-power planning, job description, job specification, screening and selection.*
- *Leadership and supervision: Appropriate leadership styles should be selected to ensure that the best characteristics of the subordinates are brought to the fore.*
- *Effective management: Managers should spend time with their salespeople; they should listen to them, take their concerns seriously and follow up the resolution of problems.*
- *Remuneration: Basic financial rewards and incentives can be used to motivate salespeople. Usually a balanced approach to salary and commission, as well as a bonus or performance-related pay, are used.*
- *Evaluation and control: The efficacy of sales management practices such as territory deployment, recruitment and training should be evaluated and this can be done through an audit of current performance.*

*It is clear that, in future, the crucial role of sales management will be to recruit, train, monitor and evaluate effective sales performance to ensure long-term beneficial relationships with consumers.*

### **[B]6.6.3 Sales promotion**

*Baker (2003: 458) defines sales promotion as ‘marketing activities usually specific to a time period, place or consumer group, which encourage a direct response from consumers or marketing intermediaries through the offer of*

*additional benefits'. Semenik & Bamossy (1995) see it as the employment of motivational methods for the creation of direct reactions within a consumer, trade or business market. Kotler (2000: 597) makes this distinction: 'Where advertising offers a reason to buy, sales promotion offers an incentive to buy.'* *Sales promotion impacts on IMC in many ways, with the most notable being the impacts on purchase behaviour; distribution (having the right product or service at the right time at the right place in the right amount); attracting consumers and encouraging them to purchase; and the impact of packaging, pricing and profitability.*

*According to Du Plessis et al. (2010: 179), three main areas for sales promotion occur. These are outlined in Figure 6.2.*

**[insert new figure]**

*[[I've taken out the image here to save space to zip the file. The image is fine]]*

### **Figure 6.2: The three categories of sales promotion**

*It is apparent that sales promotion is an action-focused marketing event, the purpose of which is to have a direct impact on the behaviour of consumers. Emphasis is also placed on sales promotion being viewed as an incentive, which can be developed as either a push or a pull strategy. Push strategies refer to promotion that is directed toward trade members in an effort to encourage them to handle products. Pull strategies are the result of an organisation's successful advertising and sales promotion effort that is directed at the consumer. Consequently, sales promotion is continuously growing in importance, mainly in terms of the following eight key factors:*

- 1. Increased respectability (professionalism) and the growing power of retailers;*
- 2. Increased impulse purchasing (through in-store promotions);*

3. *Decreasing time horizons (time pressure makes fast responses attractive, especially through the Internet);*
4. *Micro-marketing approaches (more tailored and targeted communication);*
5. *Declining brand loyalty, increased competition and brand proliferation (caused by greater choice; more brands which need unique differentiation; the narrowing of perceived differences between brands; and the increased attractiveness of retailers' own-label products, that is, 'no name brands');*
6. *Snowball effect (when organisations match their rivals' sales promotions) and short-term focus;*
7. *Affordability (promotions allow national coverage at a lower cost) and demand for accountability (that is, pressure on marketers to justify their existence);*
8. *Interactivity (that is, the increase in interactive media such as the Internet and interactive TV-online promotions) (Baker, 2003; Du Plessis et al., 2010).*

*The main aims of sales promotion are to attract new consumers; to stimulate repeat purchases; to stimulate larger purchases; to increase store traffic; and to introduce a new product or service (Semenik & Bamossy, 1995). All of these aims should be based on the needs of the consumers. Sales promotion comprises a range of techniques that can be used to attain cost-effective sales or marketing objectives by adding value to a product or service for the benefit of its intermediaries or end users. These techniques, which include price allowances, contests and deals, can be used in conjunction with advertisements to encourage consumers to buy and resell products. The most widely used sales promotions are coupons and discounts; others include free samples and trial offers, rebates, premiums and competitions. Hence, sales promotions can be classified into the following three main categories, depending on the initiator and the target of the promotion:*

1. *Retailer and consumer promotions that are initiated by retailers, organisations*

or manufacturers, with the consumer as the ultimate target;

2. Sales promotions that are directed towards an organisation's own sales force as an incentive to improve productivity;

3. Price cuts, coupons, displays and feature advertising and/or a combination of these (Kitchen 1999).

Different types of sales promotions and objectives with examples are identified in Table 6.4 (adapted from Kitchen, 1999).

[redraw table]

<b>Type</b>	<b>Objective</b>	<b>Example</b>
<i>Trade promotions</i>	<i>To push products from manufacturers to retailers and to persuade retailers to add brand support through price reductions to consumers, featuring price cuts, in-store advertising, and products displayed prominently</i>	<ul style="list-style-type: none"> <li>■ <i>Guarantees on products (for example, a three-year guarantee on a television or cell phone)</i></li> <li>■ <i>Extended credit (for example, the Edgars red card)</i></li> </ul>
<i>Consumer promotions</i>	<i>To create a demand for products and therefore pull them from retailers. It is used to increase brand</i>	<ul style="list-style-type: none"> <li>■ <i>Free gifts (for example, Clinique cosmetics)</i></li> <li>■ <i>Free service (for example,</i></li> </ul>

	<p><i>awareness among consumers, induce brand switching, attract new consumers and promote purchase acceleration with existing consumers</i></p>	Vodacom)
<p><i>Organisation</i></p>	<p><i>To generate added store traffic,</i></p>	<p><i>'Red hanger' sales at Edgars or end-of-season clearance sales at Woolworths to</i></p>
<p><i>promotions</i></p>	<p><i>move excess product inventory, enhance store image, and create an overall perceived price image to attract consumers into the store</i></p>	<p><i>attract consumers</i></p>

**[C] Importance and growth of sales promotion**

*[no line space after C-heading]*

*Sales promotion has grown dramatically, principally at the expense of the mass media, owing to various factors that have arisen within the organisation's uncontrollable macro environment. These factors include the following:*

- Balance of power has transferred from manufacturers to retailers: The main reasons for this are the abolition of resale price maintenance; the growing retail concentration; the spread of own-label brands; and the use of optical scanning equipment.*
- Stagnating markets and increased brand similarities: The gradual stagnation*

*of consumer goods markets and inflationary conditions, which has kept profits low, has also meant that organisations have had to find alternative ways to improve shares; the primary method has been to spend more money on sales promotions to increase sales impact. Without genuine, significant product differentiation, consumers have become more reliant on price or price-related incentives such as coupons; 'pence-off deals'; refunds; give-aways; frequent-shopper programmes; bonus packs, warranties; and competitions.*

- *Reduced advertising efficacy: Reasons for advertising's reduced efficacy are the dramatically higher costs of advertising; media clutter; and audience fragmentation and receptivity (for example, there are many different target groups in South Africa alone).*
- *Demographic changes: Major demographic changes include the growth in the rate of unemployment; the growing number of employed women, and the fact that the population in most economies has grown very little.*
- *Demassification and fragmentation of markets: The erosion of television audiences and the development of multi-set households; remote-control television consoles; video recorders; teletext; computer and television games; cable and satellite television; micro television; the World Wide Web and Internet; touchkey pads; and CD-ROMs, as well as the emergence of a multiplicity of other promotional activities, has had a direct impact on the effect of sales activities on target markets (Kitchen, 1999).*

*In spite of these factors, sales promotion continues to be regarded as a low status area, and few organisations use it effectively.*

*A crucial aspect of sales promotion is the formalisation of the planning process. The steps of sales promotions planning are:*

- *Environmental or situational analysis to identify problems and opportunities*

*in terms of brand performance; competitive performance; competitive promotional activities; and consumer responses and needs.*

- *Setting of objectives to address the identified problems, which can include trade objectives (to encourage greater shelf space and price cuts in store) or consumer objectives (to increase sales, build brand loyalty and so on).*
- *Development of promotional strategies to accomplish the set objectives, taking into consideration the market type, competitive conditions and the cost-effectiveness of activities.*
- *Implementation of plan and activities to create brand awareness and interest.*
- *Evaluation of results to assess whether the objectives have been met within the set budget. This serves as the benchmark for future activities.*

### ***[C] Sales promotion strategy***

*[no line space after C-heading]*

*The sales promotion strategy involves activities aimed at meeting the sales promotion objectives. Koekemoer (2004) identifies four factors that need to be considered when developing a sales promotion strategy:*

1. *Product-related factors: These factors include the product type (certain types of products lend themselves to sales promotion more than others); price (sales promotion is either more or less effective, depending on the price); brand image (extremes include either an exclusive brand image or a value-oriented brand image); and the product's stage in its life cycle (promotional strategy differs in each stage, from the introductory, growth and maturity stages to the decline stage).*
2. *Consumer-related factors: These factors include the characteristics of the target market; the type of buying decision involved; the involvement level of the consumer (high or low); and the psychological risk level, especially for high-involvement products where consumers tend to minimise their exposure to economic, psychological and performance risks.*

3. *Organisation-related factors: These factors include the fact that sales promotion is only one component of the overall marketing communication strategy, and the resources allocated to that strategy.*
4. *Situation-related factors: These refer to the prominence of the organisation in its environment and the activities of its competitors.*

*An effective sales promotion strategy is based on clearly defined objectives that are integrated with the overall objectives of the organisation and other IMC activities; target audience analysis, with clear messages to ensure maximisation of efforts; and the implementation of well-planned activities to ensure that the required results are obtained.*

#### **[A]6.6.4 Publicity and media**

*Publicity, also referred to as corporate or marketing publicity, can be defined as non-personal communication, not directly paid for, in the form of a media release to ensure exposure of a product, services and brands to a known target audience. This differs from public relations, which has routinely been seen as an ingredient of the promotional mix, with the purpose of managing strategic relationships and establishing and maintaining mutual understanding between an organisation and its internal and external stakeholders. Media refers to all the channels used for public communication, including broadcasting; print; out-of-home and any form of interactive communication. Usually a media plan is developed which is used as a guideline in the media selection process to find the most suitable medium or combination of media to communicate messages with the most cost-effective reach and richness, in support of the corporate brand of the organisation.*

*Product publicity is clearly part of media planning, and is a series of decisions to deliver the advertising message(s) to the consumers and users of the product or*



*brand (Belch & Belch, 2001) with specific objectives and through marketing communication. It can be argued that if public relations and publicity are included in the IMC programme, product publicity relates to the functions that each element performs and the value that they and their related activities can add to the broader IMC effort. When the media plan is completed, media buying takes place and negotiations between buyers, publishers, broadcasters and other representatives commences.*

*Du Plessis et al. (2003) present the following reasons for integrating publicity, media and public relations functions and techniques in the IMC programme to fulfil marketing objectives. As the result of such integration, the programme:*

- *targets and manages relationships with important stakeholders;*
- *can be used to communicate with inaccessible stakeholders, such as opinion leaders and business decision-makers;*
- *enables organisations to analyse emerging trends and changes in the environment;*
- *enables organisations to plan for crises or to prevent them;*
- *allows for more flexible communication;*
- *adds credibility, especially through news stories;*
- *is more cost-effective if publicity is generated through public relations activities;*
- *can position and create a positive corporate image of the organisation;*
- *can create the basis for sales.*

*The following methods can be used to obtain positive media publicity:*

- *Media releases can be distributed to the media for publication or broadcast;*
- *Media conferences or launches can be arranged to announce important events or endeavours;*

- *Exclusive rights to information can be granted to ensure coverage;*
- *Interviews with key personnel can be conducted;*
- *Community involvement can be implemented to create awareness and recognition of the organisation's contribution to the well-being of a community.*

*Public relations (and publicity) are often also involved with corporate advertising, sponsorships and other initiatives beyond the borders of the promotional mix, hence the term 'marketing public relations', which is discussed in the next section.*

### **[B]6.6.5 Marketing public relations**

*Marketing public relations (MPR) is a new promotional discipline that comprises specialised application techniques garnered from activities which support both marketing and public relations. The premise in this book is that MPR, publicity, and public relations—which are generally differentiated from one another because they are not always used for the same purpose—can be used as alternative methods for communication information about the organisation and products and services in support of the overall brand. This can be seen as a separate management function.*

*There are various viewpoints concerning whether public relations should fall under the marketing function, or whether it should rather be viewed alongside advertising and promotion as part of the promotional mix. To explore the question of whether public relations should be a new marketing discipline, it is important to look at it from a marketing perspective. In terms of this perspective, it is suggested that public relations be incorporated as an additional element into the promotional mix so as to influence current or potential audiences, markets or publics, with the aim of achieving marketing objectives. This perspective views*

*marketing as the dominant communication function and public relations as a promotional tool, and therefore ignores the fact that non-marketing problems cannot be solved by marketing management methods and techniques. Thus, in many circumstances, public relations might be used as a corrective of and complement to marketing. For example, public relations can play an important role in encouraging support for an organisation's marketing activities (that is, by keeping the organisation's publics informed about new product development); in explaining policy changes (to prepare the ground for marketing activity); and in offering a either public explanation or an apology in the case of a crisis. The complementary use of marketing and public relations ensures synergy and facilitates the provision of information and techniques of communication to support product and sales promotions; the development of a social environment conducive to effective marketing; and the focus on growth and consumption. It is therefore necessary to realise the importance of public relations in the marketing function, and vice versa; and to understand the role that public relations can play in the promotional mix*

*It is necessary to differentiate here between public relations and corporate public relations (see Chapter 7); marketing public relations; and product publicity. Where public relations attempts to promote goodwill and mutual understanding between an organisation and its internal and external stakeholders and is therefore sensitive to public opinion, corporate public relations (which include public relations activities such as crisis communication; issues management; corporate identity/image; social responsibility and social investment; and corporate advertising, and which are discussed in more detail in Chapter 7 and 10) makes use of public relations programmes that are designed to create or build the corporate brand through corporate positioning; to address the needs of the different stakeholders; and to enhance the overall success of the IMC activities. Product publicity consists of activities aimed at securing editorial*

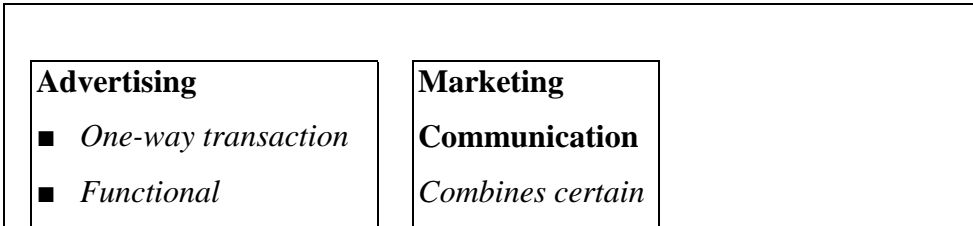
space (not paid-for space) for the specific purpose of assisting in sales goals.

*MPR, however, goes beyond publicity in that it uses both public relations and marketing techniques to build a product or service brand as well as a corporate image and identity that reflect favourably on products through brand-positioning, brand-image and brand-differentiation strategies. MPR therefore focuses on consumers and prospects and is not used only to generate product publicity. In terms of an integrated approach, it is clear that a combination of these elements enhances an organisation's overall strategy. However, for the purpose of this chapter it is argued that MPR tools and techniques are also important elements of the IMC promotional mix.*

*Although definitions and interpretations of MPR vary widely, in this context the term can be defined as the process of planning, executing and evaluating programmes that encourage purchase and consumer satisfaction through credible communication of information that is aimed at the needs, wants, concerns and interests of consumers (Harris, 1993). In the promotional mix, MPR not only complements other marketing efforts but also serves the unique purpose of giving a product, service or market added credibility, exposure and newsworthiness. Figure 6.3 illustrates the concept of MPR further.*

**[insert figure 6.2 from previous book- now 6.3]**

**Figure 6.3 The merging fields of advertng, public relations and marketing [run on] communications**



- *Specialisation in various fields*
- *Mass marketing*
- *Stable of agencies*
- *Consumer*

**Inside-out focus, namely, the marketing mix (4Ps):**

- *Product*
- *Price*
- *Place*
- *Promotion*  
(*promotional mix*):
- 1. *Personal selling*
- 2. *Sales management*
- 3. *Sales promotion*
- 4. *Publicity*
- 5. *Marketing public relations*
- 6. *Advertising*
- 7. *Direct marketing*

*elements of advertising and PR, for example advertising, public relations, promotion,*

*direct response, sponsorship, personal selling.*

**Outside-in focus (4Cs):**

- *Consumer*
- *Cost to satisfy need*
- *Convenience*
- *Communication*

**PR or corporate**

**IMC approach**

**Synergy**

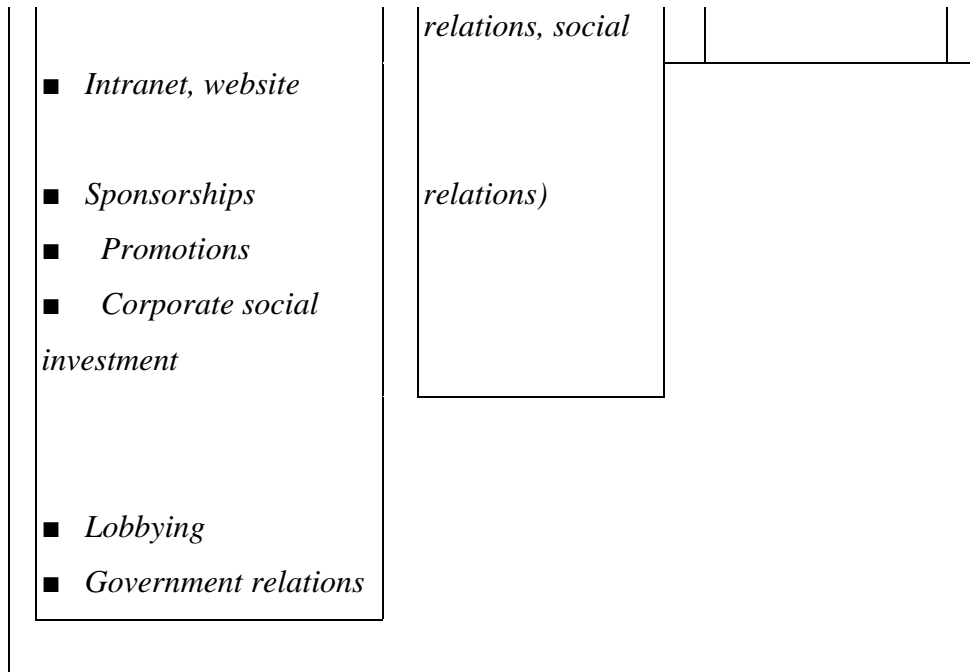
**created:**

- *consistency in tactics (application)*
- *consistency in strategy (overall planning)*

**IMC tactics:**

- *Branding*
- *Mass media*
- *Advertising and promotions*

<p>8. Sponsorships</p> <p>9. Internet</p>	<p><b>communication combines the following into the strategic planning and/or</b></p>	<ul style="list-style-type: none"> <li>■ <i>Cause-related marketing (CRM)</i></li> <li>■ <i>Adjustments to</i></li> </ul>
<p><b>Public relations (PR)</b></p> <ul style="list-style-type: none"> <li>■ <i>Publicity seeking</i></li> <li>■ <i>Information diffusion</i></li> <li>■ <i>One-way transaction</i></li> </ul> <p><b>Tasks</b></p> <ul style="list-style-type: none"> <li>■ <i>Crisis communication</i></li> <li>■ <i>Events, functions, conferences, exhibitions</i></li> <li>■ <i>Media and media relations</i></li> <li>■ <i>Internal communication</i></li> <li>■ <i>Direct mail</i></li> <li>■ <i>Business communication</i></li> <li>■ <i>Publications: newsletters, in-house journals</i></li> </ul>	<p><b>management level:</b></p> <ul style="list-style-type: none"> <li>■ <i>Public affairs (public and government relations)</i></li> <li>■ <i>Internal organisation communication</i></li> <li>■ <i>Communication management</i></li> <li>■ <i>Issues management (strategic planning, government</i></li> </ul>	<ul style="list-style-type: none"> <li><i>prior planning</i></li> <li>■ <i>Purposeful interactivity</i></li> <li>■ <i>Strategic consistency</i></li> <li>■ <i>Mission marketing</i></li> <li>■ <i>Zero-based planning</i></li> <li>■ <i>Marketing PR (MPR)</i></li> <li>■ <i>Integrated marketing PR</i></li> <li>■ <i>Advertising PR</i></li> </ul>



*The benefits of MPR for IMC are summarised as follows:*

- *The credible and positive relationships that can be established with the consumers and the increased market penetration that results;*
- *Effective allocation of the budget;*
- *Increased skills for handling a miscellaneous set of communication and promotion activities;*
- *Public relations can remain a management function that is concerned with the organisation's relationships with its public (Kitchen, 1999; Koekemoer, 2004).*

*According to Kitchen (1999), the uses of MPR can be summarised as follows:*

- *Introduction or publicity of new products through launches (for example, Vodacom's launch of the Blackberry 6210 cell phone).*
- *The building of brand loyalty by focusing on the credibility factor and its role in relaunching, revitalising, re-positioning, and sustaining mature and declining brands (for example, Cell-C's revised new image).*

- *The building of consumer trust and positioning an organisation in the market as a provider of help (for example, Sasol's social responsibility programme and Nedbank's support of wildlife trusts and involvement in nature conservation).*
- *Cause-related marketing (CRM) through which the organisation makes donations to a worthy cause on the consumer's behalf if the consumer buys their product (for example, ABSA's involvement in Casual Day). (See Chapter 5 for more details on cause-related marketing.)*
- *Sports marketing through which an organisation that is involved in the sports industry recognises and accepts its value as a promotion tool (for example, Vodacom sponsors the South African soccer team, Bafana-Bafana).*

*The potential contribution of MPR to marketing practitioners is made apparent in the literature. MPR manages a miscellaneous set of communication or promotion activities that marketing practitioners normally neglect or lack the skill to handle. These activities, also referred to as the 'pencils' of public relations, include, among others, publications; events; news; community relations; identity media; lobbying; and social investments.*

### **[B]6.6.6 Advertising**

*A detailed discussion of advertising is presented in Chapter 8. Advertising has traditionally been the most evident form of marketing communication. Baker (2003: 419) presents a broad definition of advertising as it is relevant to this chapter: '[Advertising is] promotion via an advertisement in a chosen advertising medium, guaranteeing exposure to a general or specific target audience, in return for an advertising rate charged by the media owner plus the cost of producing the advertisement'. To be more specific, advertising is the planned, paid for, non-personal presentation of information related to a product, service*

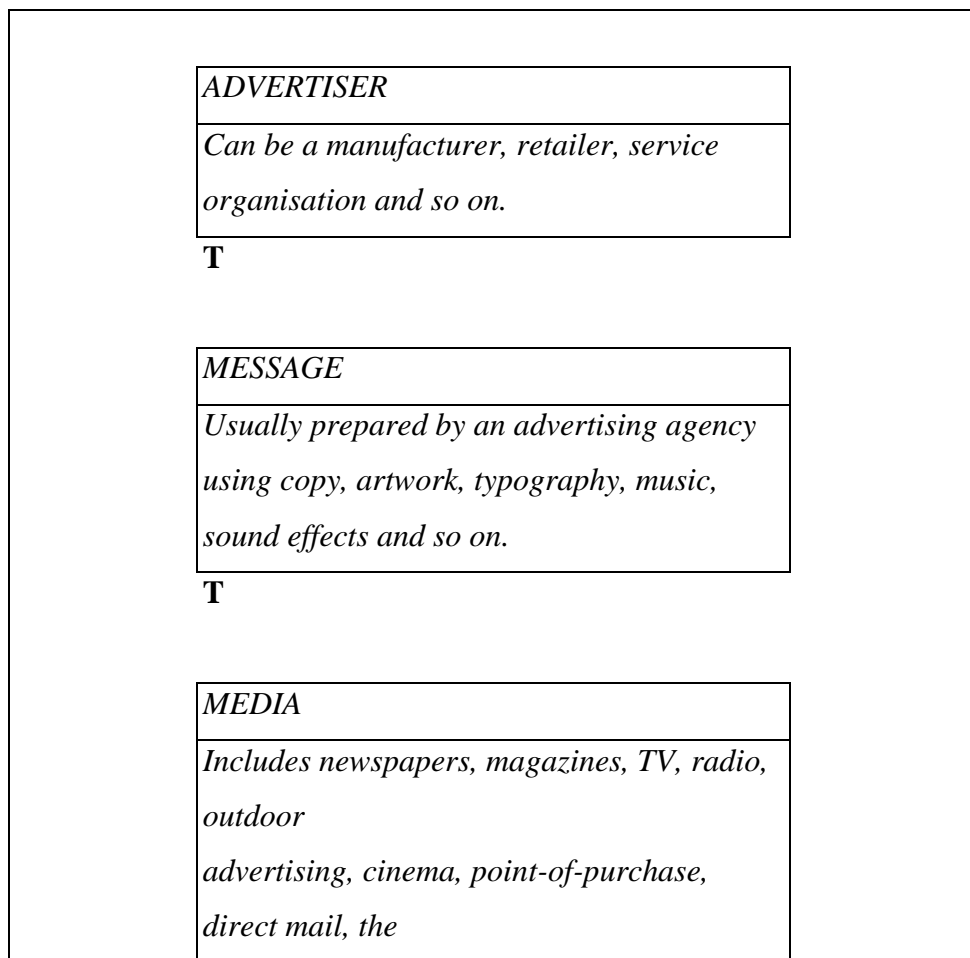


or idea to a multitude of existing and prospective consumers through the mass media with the aim of creating awareness, persuading, informing and/or reminding the target audience (Du Plessis et al., 2003). Advertising is also referred to by some authors as an 'awareness builder' (Du Plessis et al., 2010).

Advertising is a creative, mass-communication process. Its objective is to communicate an idea; change or reinforce an attitude; or provide important information about a particular product or service. The advertising process involves the following steps, illustrated in Figure 6.4 (Kitchen, 1999).

**[insert previous figure 6.3 now to labelled as Figure 6.4]**

**Figure 6.4[2-em space]The advertising process]**



*Internet and so on.*

**T**

**PERCEPTION**

*Audiences decode and adopt the message depending on their attitudes, values, experiences and so on.*

**T**

**AUDIENCE**

*Specific market audiences with geographic, demographic and psychographic characteristics.*

### **[C] The creative advertising process**

*[no line space after C-heading]*

*The creative advertising process is discussed in more detail in Chapter 8. Succinctly, creativity in advertising is defined as the ability to devise original approaches to situations—either with new or improved solutions to problems—which will persuade consumers to act. Although it is difficult to measure ‘creativity’, Du Plessis et al. (2010: 66) indicate that the ultimate goal of the creative advertising process is to be unique. This uniqueness is determined in terms of impact; the creative platform; the message; the brand; and the final communication. Du Plessis et al. (2003) identify the following seven types of creative strategies:*

*1. Generic strategy: No attempt is made to differentiate a brand from that of*

*competitors.*

- 2. Pre-emptive strategy: An attempt is made to take ownership of an ordinary claim, which obstructs competitors that wish to emphasise the same attribute.*
- 3. Unique selling proposition strategy: The advertiser makes an ascendancy declaration (a major statement) based on a distinctive product attribute (or feature) by focusing on a marked consumer (or distinct) benefit.*
- 4. Brand image strategy: This refers to the highlighting of the particular psychological appeal of different products.*
- 5. Positioning strategy: This is a direct effort to make comparisons with competitors' products.*
- 6. Resonance strategy: This refers to attempts to appeal to consumers' pleasant memories.*
- 7. Emotional strategy: Advertisements play on emotions such as fear, love, disgust, nostalgia, guilt and regret.*

*Advertising is physically more distant from its target audience than many other elements of the promotional mix and is therefore unlikely to be able to secure a sale except in the case of direct-response advertisements. Today, it is generally agreed that advertising's primary role is longer-term brand-building, which it achieves through building awareness; conveying information; telling a story; establishing an identity; and creating a predisposition. While advertising has certain common aims, specific advertising campaigns set more precise objectives. It is a broad principle that these objectives should be established before the planning and implementation of an advertising campaign because a campaign can be evaluated only if formal objectives exist against which performance can be measured. For an advertising objective to be workable and effective, it must be explicit, precise and specific, and it must be carefully considered, calibrated and measured. These criteria dictate that each person who has an interest in the aims of the advertising campaign must have an opportunity to influence the content of*

*the objective during the planning process. The objectives must be specific and should also offer more guidance than merely to 'increase consumer awareness'. Any advertising objective should ideally also be able to be measured by realistic, accessible research methods.*

*The important roles of advertising in terms of an IMC programme are to build awareness; inform the target audience; overcome false impressions; generate interest; develop consumer preferences; support the sales force; generate leads; position the product or service; build credibility and a positive image; reassure purchasers; create trust; and remind consumers about the availability of products or services.*

### **[B]6.6.7 Direct marketing**

*The concept of direct marketing came into being in the late 15th century, when Johannes Gutenberg, in 1452, invented the movable type that revolutionised printing (it was now possible to inexpensively produce large quantities of books that were sold through catalogues) (Koekemoer, 2004). Although Claude Hopkins, an advertising pioneer, referred to it as 'scientific advertising' in 1923, the term 'direct marketing' was first used in 1961 when Leser Wunderman employed it as a more comprehensive description of 'mail orders'. Wunderman's methods of marketing included new methods of ordering through telephone communication, as well as magazine subscriptions and continuity publishing of books and music series (Baker, 2003). Today, direct marketing is a sophisticated method of distribution, mainly due to the power of the Internet, which enables organisations to trace the purchase and payment behaviour of consumers on a one-to-one basis.*

*Although direct marketing has until recently been seen primarily as a method of*

*distribution through one (or more) medium of advertising to gain a measurable response and/or transaction (Du Plessis et al., 2003), it has also been defined as a method of distribution in which transactions between buyer and seller are concluded without the intervention of a salesperson or retail outlet. A more up-to-date definition, which incorporates database usage, views direct marketing as the process in which individual consumers' reactions and transactions are recorded and the data are used as a basis for targeting, executing and measuring these actions (Baker, 2003; Koekemoer, 2004) through an interactive marketing system using one or more advertising media. Any organisation that uses these media to gain a measurable response and/or transaction online or off-line, and maintains a consumer database, is using direct marketing (Baker, 2003; Du Plessis et al., 2010).*

*From these definitions, it is evident that direct marketing is an interactive process in that the marketer and the consumer engage in two-way communication. Direct marketing is implemented through various media, for example TV, radio, print, direct mail, the telephone or cell phone, and the Internet. It also provides the consumer with the opportunity to respond to the marketing effort via telephone; cell phone; social networks; mail; fax; the Internet; and personal visits. The main distinguishing feature of direct marketing is thus its ability to develop personal relationships with consumers and to refine those relationships over time by matching product or service benefits with the unique needs of individual consumers *through exact targeting, immediate action, subtle strategies and measurable responses.**

*Two primary objectives of direct marketing are identified in the literature:*

- 1. To establish relationships by requesting a direct and instantaneous response from consumers in the form of a purchase; the request for information; or a data response concerning consumers' needs.*

2. To maintain and enhance consumer relationships, irrespective of the elements of the communication mix through which it has been established (Du Plessis et al., 2003; Kitchen, 1999).

*Direct marketing media include direct mail (personally addressed communication such as direct-mail packages, letters, brochures and so on); telemarketing (direct marketing via telephone, through inbound telemarketing like FreeCall 0800, ShareCall 0860 or MaxiCall 0861 numbers, or through outbound telemarketing via telephone to acquire information, support sales, encourage re-orders and so on); direct-response print media (advertising in the media, that is, in magazines, newspapers and catalogues); direct-response broadcast media (such as direct-response advertisements on radio and television); and interactive media for global reach (such as the Internet, cell phones, social networks such as Twitter, Blogs, Facebook, YouTube; and mailing lists).*

*The following direct marketing drivers are identified in the literature:*

- *Market changes: Direct marketing came into demand as a result of changes in market behaviour and in the efficacy of traditional media. Fragmentation of the markets (a major trend that strengthened the growth of direct marketing) resulted from greater independence within households and within communities. Other changes include an increase in the number of working women who are seeking time-saving purchasing methods (such as direct mail and telemarketing); the escalating divorce rate, which has resulted in a number of smaller and single households (this has affected the buying patterns of both genders, for example, men are now deciding which washing powder to buy and more women are buying cars and pensions for themselves); and the replacement of cash, as means of payment, by credit cards.*
- *Less effective traditional promotional tools: In recent years organisations*

*have become dissatisfied with the more traditional promotional tools (such as advertising). Reasons for this include market fragmentation, which resulted in decreasing audiences for individual media; increasing media costs; and consumers experiencing clutter and information overload. Direct marketing is considered to have the potential to overcome these obstacles, because the message can be personalised.*

■ *More individualised consumer information: Marketers need to use more effective media and to treat consumers as individuals; therefore they seek to acquire more detailed and personalised information about consumers.*

■ *Marketing databases: A marketing database is defined as a 'comprehensive set of interrelated data that serves multiple applications and allows for timely retrieval of information' (Koekemoer, 2004: 373). Marketing decisions should be taken regarding segmentation and targeting. Databases are lists from which consumers can be targeted via direct marketing activities; these lists provide a wealth of information about the market, its consumers and potential consumers.*

■ *Data mining: This refers to the process of investigating databases to discover links between consumer behaviour and almost any variable that might potentially be useful. In other words, marketers need to link consumer behaviour with its cause (Kitchen, 1999).*

*To address the needs and preferences of demanding and discerning consumers in a growing service industry, in which personal relationships are a key component, direct marketing has become an integral part of business-to-business (B2B) activities in which sophisticated databases and new media are used to build consumer loyalty. An essential element of direct marketing is interactive marketing, which entails direct marketing through new media. Baker (2003) lists ten distinguishing characteristics of interactive marketing:*

- 1. continuous availability (that is, 24 hours a day);*
- 2. marketing in real time;*

3. *personalisation;*
4. *data volumes and integration of data;*
5. *many-to-many communication;*
6. *comparison shopping;*
7. *global reach;*
8. *keeping in touch;*
9. *low transaction costs;*
10. *a website is more like a shop than a catalogue is.*

*Evidently, interactive marketing, having developed with the aid of technological innovations, offers the marketer revolutionary challenges and opportunities.*

### **[B]6.6.8 Sponsorship**

*The rapid development of sponsorship is being documented in terms of regulatory changes (for example, those affecting alcohol and tobacco promotions); changes in government policies (that is, its commitment to funding more discretionary activities which has led to sponsorship becoming vital for cultural and sporting activities); the increased clutter and cost of the mass media (resulting from advertising); and globalisation (which has resulted in the breaking-down of traditional marketing barriers) (Kitchen, 1999; Meenaghan, 1991; Mescon & Tilson, 1987).*

*Sponsorship is defined as a commercial agreement from which both parties (the sponsor and the organisation) expect a return on their investment, in both monetary and non-monetary terms before, during and after the sponsorship campaign (Baker, 2003). According to Du Plessis et al. (2010: 276), sponsorship is a modifiable form of tailored IMC and can prove extremely successful if integrated with other IMC elements in a comprehensive campaign. It involves a*



*marketing communication activity with financial (or other) support from a sponsor which includes the right to use the sponsor's name and logo during the sponsored activity (Koekemoer, 2004). This definition implies that the beneficiary receives funds directly, while the sponsor's expectations are ultimately measured and met in terms of consumers' behaviour. For sponsorship arrangements to be successful, both parties need to have clearly defined and attainable outcomes and, because of the commercial benefits, should see the sponsorship agreement as a business arrangement. Different types of sponsorship have been identified, such as arts; entertainment; social investment (cause-related); education and philanthropy; and sport sponsorship. For the purpose of this book, it is necessary to consider the following main categories of sponsorship (also refer to Section 6.6):*

- *Cause-related marketing (CRM): An organisation contributes to a designated cause and a consumer engages in revenue-producing exchanges with the organisation (for example, a bank supports a sport trust or wildlife fund).*
- *Sport: This is one of the fastest growing and dominant benefactor sectors, mainly because of the high level of interest and awareness of sport fans, and the fact that sporting events can attract media both nationally and internationally (for example, the national rugby and soccer teams have a great deal of sponsorship).*
- *Event-sponsorship: An individual, team, organisation or activity is sponsored and linked exclusively to the sponsor's name (for example, with golf challenges or the FIFA Soccer World Cup).*

*According to Koekemoer (2004), sponsorship creates a feel-good factor among consumers. He argues that the appearance of an organisation's brand name at, for example, a sport event communicates to sports fans that the organisation shares the fans' values and interests, and therefore it provides the type of product that they should favour. A typical example is that of Castle Lager, which has sponsored the Springbok rugby team. In return for paying for some of the team's*

*expenses, Castle Lager's name has been embroidered on the team's rugby jersey; thus, every rugby spectator is aware that Castle Lager supports the Springbok team and, therefore, he or she is more likely to buy a Castle Lager beer rather than another brand of beer.*

*Compared with more traditional promotional tools such as advertising, sponsorship is a fairly new promotional tool. However, some organisations already use a sizeable proportion of their overall promotion budget for sponsorship, and it is anticipated that this figure will rise in the future. It is therefore important to include sponsorship in an IMC plan. Sponsorship can extend the impact of other elements of the promotional mix—such as advertising; sales promotion; public relations; direct marketing; and personal selling—in an environment where consumers are more receptive (for example, at sporting events) and key messages are therefore more relevant and persuasive.*

*Koekemoer (2004) identifies the following benefits of sponsorship:*

- *Flexibility: Sponsorship allows for niche marketing in that it fits the demographic and psychographic requirements of consumers.*
- *Brand equity: Sponsorship provides brand exposure, builds association value or brand exclusivity, and can alter brand personality traits through association with a specific event.*
- *Media exposure: Sponsorship can create a competitive advantage and extend the value of advertising campaigns by creating an interactive, dynamic environment for relevant and persuasive messages.*
- *Industrial labour relations: Sponsorship can enhance the image and reputation of an organisation; increase staff morale; and encourage future job expectations.*
- *Cost-effectiveness: Sponsorship creates coverage and brand awareness more quickly than traditional advertising.*

- *Global and national unification: Sporting success can facilitate access to international markets; create long-term relationships with consumers and with the nation; and inspire feelings of nation-wide goodwill.*
- *Challenges: Marketers require creativity and ingenuity to maximise return on sponsorship investment.*

*Methods to determine whether sponsorship is successful include:*

- *Media audits: Sponsorship requires advertising support. The fact that news coverage of the sponsored event is at the discretion of the media means that sponsorship has elements in common with public relations activities. Perhaps not surprisingly, therefore, one method of evaluation entails a straightforward analysis of media coverage. This method assesses, as a measure of advertising efficacy, the frequency with which an advertisement has been broadcast. However the number of insertions is not a measure of exposure, nor does it indicate whether any change in behaviour has occurred. Media audits, therefore, are of limited practical use.*
- *Awareness measures: This approach recognises that any marketing communications success depends on the communication being noticed by consumers. Awareness has long been a popular variable in the evaluation of advertising. There are two reasons for this. Firstly, awareness is simple and inexpensive to measure and, secondly, awareness is regarded as highly responsive to levels of advertising intensity. However, this method of measurement still does not reveal whether or not there has been a change in consumers' behaviour.*
- *Image and attitude: Image and attitude variables are popular objectives to be measured. Researchers investigate whether consumers who are aware of an organisation's sponsorships view that organisation more favourably. They have found that, while some elements have been viewed more favourably, this has not consistently been the case.*

■ *Persuasion and preference: Sponsorship is seen as a form of indirect persuasion that works through the strength and duration of the sponsorship link, the gratitude felt and the perceptual changes that might have occurred in response to this link. To investigate these components of persuasion, researchers measure awareness; they have found awareness to be critically dependent on the level of advertising support and the time period that this support is present.*

■ *Behavioural messages: If sponsorship is undertaken to achieve behavioural outcomes, it would seem logical to measure the behaviours that are thought to be affected. But such measurements are complicated. Numerous authors have acknowledged that sales are affected by more than just advertising, sponsorship or any other promotional variable that might have been employed in a given campaign. In other words, sales are a function of many variables, and the belief that sales can be predicted on the basis of promotional activity alone ignores many other variables that are considered to affect purchase behaviour.*

*The problems inherent in the use of awareness, image or behaviour as indications of sponsorship effectiveness inevitably raise the question of whether sponsorship can be evaluated effectively. Although it is difficult to measure the effectiveness of sponsorship, researchers and theorists agree that it is usually beneficial to an organisation when it uses sponsorship as part of the promotional mix. Sponsorship forms an integral part of IMC because it can extend the impact of the other elements of the promotional mix. The following provides an example of the use of sponsorship as an integral part of IMC.*

### **[B]6.6.9 The Internet**

*The new millennium is characterised by rapidly changing technology, especially IT, which is having a revolutionary effect on the study and practice of IMC (as most marketing communication media is technology-based). Many of the old*

*ways of marketing are being questioned; new media opportunities have developed as a result, most notably the Internet, the World Wide Web, e-mail and mobile technology. (These concepts are defined and discussed in detail in Chapter 10.) In this section, the focus is on the applicability of technological developments and the Internet to IMC.*

### ***[C] Technological developments***

*[no line space after C-heading]*

*According to Kitchen (1999), the following points summarise the most important emerging technological trends applicable to IMC:*

- The growing importance of electronic commerce, especially in B2B marketing;*
- Rapid internationalisation of small and medium-sized enterprises, made possible through effective Internet marketing;*
- Innovative approaches to market segmentation and the move towards one-to-one marketing;*
- New developments in market research and marketing information systems as a result of electronic communications, data-mining techniques and the Internet;*
- The changing role of marketing intermediaries, with IT facilitating direct buyer-seller relationships;*
- The growing importance of virtual communities and electronic networks;*
- New approaches to marketing communications, promotion and advertising;*
- Changing power relationships between consumer and supplier, as well as innovative, digital approaches to consumer service and support;*
- The impact of IT on market structure, conduct and performance;*
- New, consumer-driven approaches to product development which incorporate IT.*

### ***[C] IMC and the Internet***

*[no line space after C-heading]*

*The Internet has become an indispensable global marketing tool. Especially for small and medium-sized enterprises (SMEs), effective online marketing (on the Internet) can provide a low-cost 'gateway' to global consumers. However, the Internet provides a fundamentally different environment for international marketing communications. New strategic approaches and a digital mindset are necessary for success.*

*The key to understanding the Internet is the concept of connectivity. The capability of even the most technologically advanced computer is limited when it is operated on a stand-alone basis. However, if the computer is networked to other computers it becomes an extremely powerful communications and information search vehicle. Networks can take the form of local area networks (LANs), such as the Internal e-mail systems operated by most large organisations, and wide area networks (WANs), which link organisations in different localities. Increasingly, cities and larger regions are connecting into metropolitan area networks (MANs).*

*The Internet is an extremely interesting form of networking and is doubtless the one with the greatest business potential. It is an important marketing communication tool for improving communication with various target audiences, especially through the use of e-mail, Usenet/newsgroups and listserves (Kitchen, 1999). (Chapter 10 provides a detailed discussion of online marketing communication and digital communication.)*

*Another facet of online marketing is e-commerce, which in its simplest form can be defined as buying and selling via the Internet or using electronic communications technology to meet marketing objectives. Baker (2003: 638)*

*suggests that e-commerce involves more than mere electronically mediated financial transactions between organisations and consumers, and she postulates a more comprehensive definition of e-commerce as the 'sharing of business information, maintaining business relationships and conducting business transactions by means of telecommunications networks' (see also Zwass, 1998).*

*The impact of e-commerce on marketing communication in an organisation can be seen in terms of the opportunities for the buy-side and sell-side of e-commerce transactions. Buy-side e-commerce takes place when an organisation purchases resources from its suppliers; this is also referred to as business-to-business transactions. Sell-side e-commerce involves transactions in which products are sold to an organisation's consumers through appropriate distributors (Baker, 2003). It is important to acknowledge the value of the Internet as an element of the promotional mix as opposed to viewing it as simply another marketing channel. The challenge for marketers is to stay abreast of new developments and to acknowledge the significance of the Internet as part of the IMC approach in an organisation.*

## **[A]6.7 The relationship marketing perspective**

*The new millennium has generated a new area of marketing known as relationship marketing (Baker, 2003). The focus of this kind of marketing is communication with consumers rather than to consumers, and it emphasises the importance of feedback and two-way communication. This represents a move away from transactional marketing towards interactive marketing. The need for integrating the different perspectives, and extending beyond the singular view of marketing to a multiple perspective, becomes apparent. Relationship marketing therefore seeks to combine all internal and external marketing activities by highlighting the significance of inter-relational relationship marketing.*

*The emergence of relationship marketing was forecast in debates that took place during the 1990s. People contemplated whether it would replace traditional marketing and whether new theories would be needed to study the concept. Criticism against this marketing paradigm is based on the idea that symbolic two-way communication cannot replace genuine two-way communication, and that a symbolic relationship will not have the same effect as a real relationship. In its quest to simulate a relationship, this paradigm can be persuasive and authoritarian and, as a result, can be classified as one that is similar to the persuasion paradigm, which does not use a genuine two-way communication process.*

*According to Möller & Halinen-Kaila (1997), contemporary interests in relationship marketing are acquired from four basic sources: marketing channels; B2B marketing; services marketing; and direct/database marketing (consumer marketing). This perspective challenges the traditional marketing management paradigm (with its focus on the 4Ps of the marketing mix, especially on product) and emphasises the value of both the buyer and seller in the exchange process, thereby stressing the significance of managing exchange relationships (with more emphasis on price, package and people). The most recent perspective suggests replacing the 4Ps of the traditional marketing mix with the 4Cs of relationship marketing, which include:*

- *Consumer needs and wants;*
- *Costs;*
- *Convenience; and*
- *Communication.*

*The relationship marketing paradigm is based on the 'who', which adds value to the product or service to ensure long-term and ongoing relationships (Grönroos,*



2004). From the literature it is clear that the relationship marketing movement, which acknowledges the significant role of the consumer in the value-creation process, will have a powerful impact on IMC in terms of turning it into the 'integrative function' that would provide other departments with the market-related input they need to function in a co-ordinated way.

Numerous definitions of relationship marketing exist and are derived from different research perspectives that have different focuses. These range from a practical point of view, with a focus on establishing successful relational exchanges (Morgan & Hunt, 1994) to a purpose perspective in which the specific objectives of all parties are met (Grönroos, 1997) and the processes through which relationship marketing is enacted are clearly defined (Möller & Wilson, 1995). According to Baker (2003), it is not possible to present a single, accurate definition of relationship marketing because the differing perspectives of researchers necessarily influence each definition. Based on the fundamental issues identified above, the following definition of relationship marketing is used for the purpose of this book:

*[begin indented text Relationship marketing is the commercial activity between economic partners, service providers and consumers that aims to create, maintain and enhance these relationships in order to achieve mutually beneficial objectives based on profit and trust between these parties.[end indented text]*

*[line space]*

*Relationship marketing therefore emphasises that both parties must gain from the relationship and that both parties' objectives must be met. For the consumer, these objectives might be, for example, satisfaction by buying or using a quality product or service. For the seller, the objective could be, for example, increased profitability through enhanced consumer loyalty. There is a strong link between*

*the parties' objectives because increased consumer satisfaction leads to consumer loyalty, which in turn leads to profitability for the seller (Baker, 2003; Brink & Berndt, 2004). Baker (2003) believes that the renewed emphasis on the nature of the consumer relationship will encourage retail marketers to realise the importance of consumers' intellectual and judicious abilities. Furthermore, it is important to be aware that contemporary marketing and the traditional marketing mix are no longer sufficient to address the ever-increasing competitive marketing needs. Given the variety of products on the market (also as a direct result of globalisation), consumers will use perceptual differences to discriminate between rival brands. To ensure brand loyalty and differentiation, continuous IMC campaigns will become a necessity for achieving and maintaining competitive advantage in the marketplace. Key processes of relationship marketing include integrated communication, two-way interaction and value-added marketing (Grönroos, 2004).*

*According to Kitchen (1999: 406), the purpose of relationship marketing is to 'establish, maintain and enhance relationships with consumers and other partners at a profit, so that the objectives of the parties involved are met'. This is achieved with mutual exchange, and as a result of the following relationship marketing objectives in an organisation:*

- Create, maintain and build existing consumer relations through focused and cost-effective solutions that are based on consumers' needs;*
- Expand relationships through existing consumers, nationally and globally;*
- Ensure that consumers are satisfied by offering collective products and services that address their needs;*
- Offer services at a lower cost by decreasing operational and communication costs through an integrated approach;*
- Enhance the corporate brand of the organisation through strategic and*

*tactical relationship building;*

- *Develop or use existing databases and data mining to integrate relationship marketing and interactions with consumers in order to ensure consumer retention, extension and selection.*

*The following elements are crucial to relationship marketing:*

- *Trust: Trust is crucial not only to marketing but also to personal relationships. Therefore, it is equally important in relationship marketing. Trust is necessary if both the seller and buyer are to feel that they are receiving a fair division of the available resources. Three points are crucial to establishing trust: trust is about equity; trust is about looking ahead, using past and present behaviours to inform an understanding of what might occur in the future; and trust is about the allocation of scarce resources such as time, money and product benefits. Trust reduces conflict and increases satisfaction and confidence between partners. Conceptually, trustworthiness comprises two elements: credibility and benevolence. Credibility is the belief that a partner has the expertise to perform a task effectively and reliably, and benevolence is the belief that a partner's intentions and motivations will be beneficial to both parties when new circumstances arise.*
- *Commitment: This refers to a desire to maintain a valued relationship. Commitment to a partnership implies that the partner is prepared to make an effort to maintain the relationship and to avoid other partners that could threaten the partnership's existence. Commitment also implies a degree of vulnerability.*
- *Social support: Social support provides benefits such as the reduction and control of uncertainty; an increase in self-acceptance; and social integration within the larger community. Social support can also be a key factor in the development of relationships between organisations and consumers (Brink & Berndt, 2004; Kitchen, 1999; Doole & Lowe, 2005).*

*Trust, commitment and mutual benefit lie at the heart of relationship marketing. Many marketers conduct marketing strategies under the guise of relationship-building but in fact ignore these important concepts. This problem can be attributed to the fact that relationship marketing is often incorrectly seen as the equivalent of direct marketing, in which the database is at the core of the relationship. Marketers use many different strategies and techniques but, whichever technique is adopted, honesty must inspire the relationship-building process.*

*There is some disagreement concerning the stage that relationship marketing has reached. Nevertheless, many marketing academics and practitioners see the relational approach as a central point of marketing. It is agreed, however, that regardless of whether relationship marketing is still emerging or is already a developed discipline, it is worthy of further development and exploration.*

*It is also argued that relationship marketing and IMC are interconnected, as the purpose of marketing is the creation of relationships. Currently, direct marketers and public relations practitioners are incorporating relationship marketing concepts but the dimension of this marketing can also offer a great deal towards the explanation and analysis of sponsorship activity. Furthermore, trust, which lies at the heart of relationship marketing, is clearly a critical issue for advertising. Sales promotion (typically a short-term activity) can be effectively integrated into long-term, relationship-oriented communications, and personal selling (arguably for many years the representation of relationship marketing) has much to contribute to a relationship-building strategy. Thus, it is clear that relationship marketing has to be integrated and has to be a part of each of the different elements of the promotional mix (Kitchen, 1999). In addition, Haimowitz (2011) proposes that an understanding of consumer needs and interaction are*

*crucial to performing such marketing. This becomes possible only if relationship marketing is viewed from an integrated marketing perspective. The Internet, of course, presents both new opportunities and challenges to relationship marketing. .*

## **[A]6.8 A global marketing perspective**

*Globalisation, a powerful business and industrial policy wave of the late 1980s and 90s, is a widely used term that has a multitude of meanings. It is most often seen as the opportunity to expand business internationally, depending on the products on offer and the methods selected to build brand relationships. In terms of an integrated marketing approach, brand messages need to be adapted to maintain strategic brand consistency. Cross-functional planning is an essential component when brand messages become global (Duncan, 2005).*

*With regard to marketing, globalisation can be viewed from two perspectives: the business and societal perspectives (Semenik & Bamossy, 1995):*

- 1. From a business perspective, globalisation can be seen as a phase in the marketing development cycle in which the organisation migrates to other countries in search of enhanced opportunity, expansion and growth; that is, domestic enterprises develop and mature into exporters, international operators and, eventually, global enterprises. In this global environment, marketing is one of the main strategic focus areas that can be used to deal effectively with the changing motives, expectations and requirements of consumers, employees, stakeholders, competitors and the ever-changing marketplace.*
- 2. From a societal perspective, broad social and economic effects on the marketing process are presented. Here, the roles and purposes are fundamental to the process of marketing and do not change from market to market, although the context within which these roles and purposes manifest does indeed change.*

Table 6.6 presents the primary differences between a global business perspective and a global societal perspective (adapted from Semenik & Bamossy, 1995).

**Table 6.6 Business and societal perspectives on globalisation**

[insert previous table 6.6]

<b>Global business perspective</b>	<b>Global societal perspective</b>
<ul style="list-style-type: none"> <li>• <i>Comparative advantage: Trade-offs that countries make in global trading arrangements which affect the broad economic role of marketing in society that is related to exchange. Globalisation and technological change have made traditional ways of measuring competitive advantage less important.</i></li> <li>• <i>Types of economic systems: Economic systems are adapted to serve the needs of members. An economic system is a set of mechanisms through which scarce resources are allocated to produce and distribute goods and services. There are two types: planned economics (systems that are rigidly controlled by government) and market-driven economics (systems</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Competition and interdependence Interrelated forces which provide an underlying framework for micro marketing; in the global marketplace, organisations constantly develop and sustain a competitive advantage within a framework of competition, negotiation and co-operation with trading partners.</i></li> <li>• <i>Economic regionalism: To function beyond the confines of national borders.</i></li> </ul>

<i>that operate on the premise that market forces will result in the most efficient allocation of scarce resources).</i>	
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*Although it is clear that, with regard to the rest of the world, marketing is both a business and societal process, an understanding of the cultural process is crucial to the successful management of the global marketing process. Two viewpoints exist on the importance of cultural differences and similarities. The first view postulates that brand messages should be customised for local cultures, while the second view maintains that universals should be applied for cross-cultural, integrated campaigns, and that specific target audiences will have similar needs irrespective of borders. Duncan (2005) highlights issues such as standardisation and consumer segmentation as a means of addressing some of these problems and suggests, alternatively, that adaptive strategies should be used (which can result in complex global marketing programmes, especially if an IMC approach is taken).*

*General principles to ensure global brand consistency and consistency in message delivery are summarised in the following basic media strategies:*

- *Localise media mixes to reflect the available media mix in each country;*
- *Use international publications; satellite television; and the Internet;*
- *Participate in programmes that have transnational audiences, such as sporting events (Duncan, 2005).*

*Vehicles for global brand consistency include global outdoor media; television advertising; the Internet (a truly global medium); media convergence (to merge the use of the telephone, television and the computer with other new technologies*

*such as smart cards, pagers, and so on); and media regulation (through careful national media planning and buying responsibilities).*

*Kotler (2000) maintains that organisations should extend their domestic market to the global market but also highlights the risks that might result from fluctuating exchange rates; unstable governments; protectionist barriers; high product- and communication-adaptation costs; and several other factors. He argues that the potential gains and risks of international marketing will be determined by the systematic way in which sound international marketing decisions are made (Kotler, 2000). To achieve this, the following factors need to be considered: the international marketing environment and trading system; what proportion of foreign to total sales to seek; which particular markets to enter; how to enter them; the extent to which the 4Ps should be adapted to individual foreign markets; and the development of an effective organisation for pursuing global marketing.*

*Relationships have become a key focus in a global marketing perspective, with the emphasis on attracting the consumer to the product or service through price; quality; design; brand image; strategic alliances; technology; product and sales distribution; networks; and consumer services, to mention but a few. Maintaining an integrated perspective should be the key intention in this process.*

## **6.9 Ethical issues of IMC**

*IMC and rapid technological advancement has resulted in new ethical issues that are relevant both globally and domestically, specifically ethical issues concerning privacy; the balance of consumer and business interests; and the proliferation of e-mail advertising. A very detailed definition of ethics is provided by Kerin, Hartley, Berkowitz & Rudelius (2006: 98) who maintain that*



*ethics are the 'moral principles and values that govern the actions and decisions of an individual or group [... that] serve as guidelines on how to act rightly and justly when faced with moral dilemmas'.*

*Most countries have introduced various codes of conduct on ethics and/or social responsibility, with the emphasis shifting towards consumers' needs and away from the needs of producers. Furthermore, emerging societal issues demand greater accountability to ensure the well-being of the larger society, hence the emphasis on the societal marketing concept. The societal marketing concept stresses that organisations should satisfy the needs of consumers in a way that ensures the well-being of society as a whole.*

*The societal marketing concept is directly related to two aspects: macro-marketing and micro-marketing. Macro-marketing includes broader issues such as the cost of marketing; advertising; resource scarcities; and environmental impact whereas micro-marketing focuses on the ways in which individual organisations direct their marketing activities and allocates resources for the benefit of their consumers.*

## **[A]6.10 Summary**

*This chapter highlights a selection of elements and core concepts that are part of the emerging understanding of IMC. A central argument is that IMC should be seen from a theoretical as well as an empirical viewpoint and that, in terms of an integrated approach, it should support the corporate brand of an organisation. The nature of IMC and its implementation in the organisation is based on a sound understanding of the marketing mix and the elements of the promotional mix (which in turn is influenced by globalisation). Furthermore, the insights into the field of relationship marketing are crucial to IMC and its developing*

*paradigms.*

*IMC will continue to play a significant role in the communication of organisations in the future. Although IT is fast becoming a powerful communication tool and an essential component of IMC strategies, it also creates various challenges and opportunities with its potential to achieve truly competitive, integrated and effective marketing communication strategies in the ever-increasing competitive and innovative marketing communication environment.*

*In the next few chapters, specific elements (that is, public relations, advertising and integrated online communication) of the promotional mix will be discussed in more detail so as to address the growing academic requirements in these fields.*

#### **[A]CASE STUDY:**

**[see case in 1<sup>st</sup> ed for case studies presentation]Cell C is changing its brand**

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#### **[B]Previous logo**

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#### **[B]New logo**

*Cell C, for several years associated with a red logo and spotted 'C', revealed a refreshing, new black and white logo with the 'C' in the latter part of Cell C placed within a solid circle. In 2010, Cell C launched a new corporate identity that is intended to reflect the company's vision of understanding its customers'*

*way of life better than any of its competitors and tailoring solutions that will enhance their customers' lifestyles and improve their livelihoods.*

*The new brand identity also consists of a six-colour bar which represents the colours of the South African flag and symbolises the commitment that Cell C has made to caring about South Africa, and South Africa only. Cell C intends to cater to all customers and not just those within specific Living Standards Measures LSMs. The Chief Executive Officer of Cell C revealed that the decision to change the company's well-known brand was a call to action for the organisation and in line with the current changes within the company. He explained that a brand ought to be relevant, appealing and inspiring to those inside as well as outside the organisation and he felt that the new brand reflects the changes they are making to improve the experience of Cell C's customers at every touch-point. Furthermore, Cell C intends to gain the trust of customers by being very transparent concerning the changes that are needed. Consumers are invited to participate in all dialogue as Cell C wishes to engage them in the changes that are happening. Cell C also seeks to understand the areas in which customers are dissatisfied in order to address those issues.*

*Cell C has also launched an easy-to-use website where customers from all networks can indicate where their calls drop or where they have connectivity issues. Once these issues have been addressed, Cell C will provide customers with feedback so as to increase consumer participation.*

*Cell C expects to cover 34[.0]% of the South African population by the end of 2010 with its 4G<sup>s</sup> network and, further, aims for 67[.0]% population coverage by mid 2011. Cell C intends to become the operator of choice and, in addition to its advanced network, will continue to launch exciting and innovative products that address the needs of its customers.*

## **[A]Activities**

1. *Critically evaluate the evolution of IMC.*
2. *You are the marketing director of Cellunet, a new cellular phone company in South Africa. You have been allocated a total amount of R5 million to market the company and its products. Indicate which elements of the promotional mix you would include in the marketing plan to promote this new company and its products. Explain the motivation behind both your choice(s) and the proportion of the budget allocation to each of the selected elements.*
3. *You have been appointed as the marketing communications director for NewStop Airlines, the newest airline operator in South Africa. Your primary competitors are the airlines that have been operating for a number of years. Your brief is to introduce your new brand in a way that will differentiate it from the existing airlines and to gain a 10[°]% market penetration in the first year of operation. Included in your brief is the setting-up and co-ordination of the marketing communications of the brand. Indicate or describe the IMC process that you will follow and explain your motivation in terms of which elements of the promotional mix you will include and how you will implement it.*
4. *Discuss whether you think relationship marketing is going to replace the traditional 4Ps in the marketing mix and why. Motivate and explain whether you think relationship marketing is going to replace the traditional 4Ps in the marketing mix.*
5. *Critically evaluate the impact of globalisation on the marketing activities in your organisation (or an organisation with which you are familiar).*
6. *Read through the case study on Cell C. Indicate which elements you think most contributed to the success of the project in terms of an IMC approach.*

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