THE UNIVERSITY OF HULL

Integrated Marketing Communications: Implementation and Application Issues in Consumer-Focused Companies

Being a Thesis submitted for the Degree of Doctor of Philosphy in the University of Hull

by

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Dedicated to my parents, Paul and Edith Burgmann

Abstract

Summary of Thesis submitted for the PhD degree

by Inga Burgmann

on

Integrated Marketing Communications: Implementation and Application Issues in Consumer-Focused Companies

This thesis addresses the implementation and application of integrated marketing communications (hereinafter referred to as 'IMC'). The thesis is located within the field of marketing communications and focuses on IMC perceptions and practices within large global and national companies located in the UK and Germany.

The aim of this thesis is to understand how and to what extent IMC has developed and is practiced in the selected firms. This study takes the perspective that IMC can only be understood via social actors i.e. via marketing and communication practitioners - including brand managers, and senior executives, as they are the people who possess the practical knowledge of complex business settings in relation to their own business and/or its related brands. As such, these practitioners have the ability and managerial capacity to design and implement integrated approaches to marketing communications. In a qualitative two phase research design, interviews and case studies are the chosen methods that allow this investigation to access the research problem.

The design of this thesis is as follows:

1. Current marketing communication and IMC literature is reviewed which serves to identify research gaps.
2. During the first phase, data was collected from 10 large national and global companies located in Germany and 15 similar firms located in the UK. Four

different industries were selected: service, retail, consumer durable and fast-moving consumer goods (FMCG).

3. In the second phase of the research design, three extensive case studies with fast-moving consumer goods companies were carried out in relation to IMC perceptions and practices. The case firms included two multinational firms i.e. SABMiller and Imperial Tobacco, and one very rapidly growing strategic business unit, namely Tryton Foods, which is a subsidiary of a national UK firm.
4. An interpretive theory building approach was used. The qualitative data analysis was guided by the principles of content analysis.

Based on the empirical findings of the research, the final outcome of this thesis complements and advances current knowledge about marketing communications and particularly in relation to integrated marketing communications. A significant outcome of this research is that IMC is purely client-led. In addition, it is found that the majority of participating firms have only recently started to implement IMC, and indeed, that current IMC practices can be further advanced and augmented. At least in business-to-consumer industries, firms need to listen more actively to the needs and wants of their customers in order to be able to create consumer-driven marketing communication approaches.

Chapter 1: Introduction

1.1 Field of Study

Due to globalisation, technological developments, such as the Internet, as well as the exploitation of ever-increasing aspects of media channels, the concept of 'Integrated Marketing Communication' (IMC) emerged during the late 20th century (Swain, 2004; Schultz et al., 1993; Schultz, 1991). The focus of this thesis concentrates on an investigation of IMC in large consumer-focused organisations located in the UK and Germany. It aims to provide an understanding of changes in marketing communication programmes within these firms in recent years as well as how, and to what extent, these programmes are being integrated. This research intends to enhance the current IMC literature and to provide further insight into the relative effectiveness of integrated marketing communication in the context of companies' internal and external practices.

Chapter 1 of this thesis provides an outline to the research and presents a brief synopsis of the forthcoming chapters. Section 1.2 presents a summary of relevant literature reviews on marketing communication and IMC. The review of the literature brings to light the research problem which is addressed in section 1.3. An overview of the chosen research methodology is presented in section 1.4. Essentially, this thesis consists of two research phases. This section also outlines both phases and the chosen methods to address the research problem. Section 1.5 presents the final conclusion of chapter 1 as well as an outline of chapters 2 to 10.

1.2 Marketing Communications and Integrated Marketing Communications

In prior decades, neither finance, human resource management nor accounting has received as much attention as the subject area of marketing (Webster, 2002). Today, marketing and marketing communication activities are utilised by most

global companies in an attempt to differentiate themselves and their brands in this increasingly competitive world (Economist, 2007d; Dev and Schultz, 2005a; Hackley, 2005). Chapter 2 begins with a discussion of the evolution of marketing, which originated within the domain of selling and developed into a distinct discipline throughout the 19th and 20th centuries. During the 1960s the most profound marketing theories were created, such as the hierarchy of effects model (Lavidge and Steiner, 1961), the innovation-adoption model (Rogers, 1962) and the marketing 4Ps (McCarthy, 1968).

Furthermore, the evolution of marketing gave rise to the sub-category of marketing communication focusing specifically on a company's communication with its consumers and other stakeholder groups. As such, a detailed discussion of both traditional and new elements – fuelled by innovative technologies – of the communication mix is provided in chapter 2. The need to integrate these marketing communication tools may have been indirectly present for many years, but it is only since marketing communication platforms have started to change and new technologies have revolutionised business practices that IMC became important enough to explore as a concept in its own right. It is in this domain that this thesis is located.

Chapter 3 provides a detailed analysis of the topic area at the heart of this thesis - 'Integrated Marketing Communications'. Since the 1990s the idea of forming integrated marketing communication programmes has become increasingly important due to the multiplicity of media channels, fragmented audiences, the decline in television advertising as well as technological developments (Economist, 2006h; Schultz, 2005; Kitchen et al., 2004a; Kitchen and Eagle, 2002). Schultz et al. (1993) initiated the first study of IMC which focused on the views and perceptions of advertising executives. Since then, more than 100 IMC studies have been produced and published in various journals (e.g. Davison et al., 2005; Kitchen and Li, 2005; Reid, 2005; Eagle and Kitchen, 2000; Webb et al., 2000; Kitchen and Schultz, 1999; Low and Mohr, 1999; Beard, 1997; Miller and Rose, 1994; Duncan and Everett, 1993), many of these and others are reviewed in detail in chapter 3.

At this point, it is necessary to clarify that this research is based on a contemporary and revised definition of IMC, provided by Schultz (2004b: 9):

> Integrated marketing communication is a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communications programs over time with consumers, customers, prospects, employees, associates and other targeted, relevant external and internal audiences. The goal is to generate both short-term financial returns and build long-term brand and shareholder value.

It was widely proposed that IMC helps companies maintain their focus and obtain a competitive advantage by delivering consistent messages to not only the end-customers but to other relevant stakeholder groups (McGrath, 2005b; Stewart, 1996; Duncan and Everett, 1993). The financial pressure to deliver return on investment (ROI) shapes the objectives and strategies of most organisations nowadays and marketing communication strategies are no exception to this. The new era of marketing communication no longer focuses merely on the product, but also on the development and realisation of a campaign that starts with consumers. In IMC terms, this requires the company to adopt an 'outside-in' approach and to become truly consumer-driven (Reid, 2005; Schultz, 1997c). In order to do so, companies must employ consumer research and develop databases to segment consumer groups with regard to their behaviour, attitudes and demographics. In addition, accurate and valid marketing effectiveness measurements should be developed and if this can be achieved IMC benefits can be expected to encompass not only cost efficiency and effectiveness, but also lead to higher return on investment (Swain, 2004; Reid, 2003).

1.3 Research Problem

It is with certainty that increasing globalisation, changing market environments and new media channels will continue to have an enormous impact on today's organisations (Schultz, 2007; Schultz, 2006a; Duncan, 2005; Kitchen and Eagle, 2002). Increasing regulations as well as highly competitive business settings are also strong forces of pressure for today's marketers (Cornelissen, 2003; Cummings et al., 1997b). Therefore, it is essential to investigate further into how

IMC can help overcome marketers' challenges of the 21st century or at least simplify and assist in solving problems.

Existing controversy has surrounded the concept of IMC. In particular, IMC has been continuously questioned in relation to it being a new theory, having always existed, or whether it is merely a managerial fad (Cornelissen and Lock, 2000b; Schultz and Kitchen, 2000b; Duncan and Everett, 1993; Caywood et al., 1991). Some critics also noted that there is little empirical evidence with regard to the existence of IMC within companies but that IMC advocates have continuously over-emphasized the rhetoric in lieu surrounding the concept (Cornelissen, 2003; Cornelissen and Lock, 2000b).

First, most IMC studies have concentrated on English-speaking countries and not many studies have taken place outside these territories. In particular, an investigation of IMC in different countries led by Kitchen and Schultz (1999) showed that IMC was more wide-spread in the USA than in other countries, such as in India. IMC practices in the UK in comparison to the US firms were not as advanced but more sophisticated than in other participating countries (Kitchen and Li, 2005; Kim et al., 2004; Kallmeyer and Abratt, 2001; Eagle et al., 1999; Kitchen and Schultz, 1999). In general, results from studies conducted by different researchers in English and non-English speaking countries have demonstrated that companies may not be applying a fully integrated marketing communication approach, but that the concept itself is widely accepted among practitioners (Reid et al., 2001; Eagle and Kitchen, 2000; Kitchen and Schultz, 1999; Duncan and Everett, 1993).

Moreover, most IMC studies have used a quantitative approach and very few qualitative studies exist (Grove et al., 2007; Kim et al., 2004; Eagle and Kitchen, 2000; Nowak and Phelps, 1994; Caywood et al., 1991). In seeking to answer the abovementioned questions, this study aims to contribute to the literature in two-ways by becoming one of very few studies to utilise a qualitative methodology, and - at least partially - to do so in a non-English speaking context. Due to the fact that most IMC studies concentrate on a quantitative research approach, (i.e. surveys or experiments) IMC researchers have seemed to neglect qualitative and

theory-forming methodologies. Only a limited number of qualitative, and especially cross-cultural studies exist in relation to IMC implementation and practices in large consumer-focused organisations (Beverland and Luxton, 2005; Low and Mohr, 1999; Gronstedt, 1996; Bruhn and Zimmermann, 1993). A qualitative approach could offer a much better in-depth company understanding of IMC. For example, by allowing specific views of managers and directors to be taken into consideration, which may be relevant to the company or their specific position within the firm. The scope of a quantitative approach would not allow such a thorough exploration of the phenomenon under investigation to be achieved.

Furthermore, past IMC findings concentrate solely on perceptions and beliefs of advertising executives and sometimes, firms' marketing executives (Kim et al., 2004; Kallmeyer and Abratt, 2001; Eagle and Kitchen, 2000; Gould et al., 1999; Kitchen and Schultz, 1999; Caywood and Ewing, 1991; Caywood et al., 1991). There has been no in-depth exploration of IMC within client organisations nor has there been a focus on the implementation and application of IMC within large consumer-focused companies. Therefore, a unique contribution of this research is its concentration on the 'actual' implementation and application of IMC within selected companies.

Essentially, the **research problem** is to understand **when, why and how actual companies** (and not agencies) **are practicing IMC** (see chapter 4). This research proposes a qualitative investigation of IMC practice in the light of large national and global corporation practices in two countries, i.e. Germany and the UK. This approach opens up the concept under investigation to a new methodology (adopting a two phase research design), and will add to the important debate concerning IMC implementation. The usefulness and potential outcomes of this research may not only advance the concept of IMC in relation to its theoretical foundations but also in relation to actual managerial application. This thesis intends to provide a deeper understanding of how companies have developed and are practicing IMC. It is therefore hoped to advance the existing knowledge on IMC by comparing and contrasting not only country differences but also company differences.

Based on the qualitative nature of this research, the following research objectives were developed:

1. To explore the emergence, growth and importance of IMC within large consumer firms.
2. To explore the current situation of IMC implementation and application within the selected firms at the:
   a. Corporate Level
   b. Strategic Business Unit Level
   c. Product Level
3. To explore interaction and interdependence between:
   a. The corporate brand level
   b. The product brand level
4. To identify, evaluate and compare perceived benefits with regard to the growth, importance and usage of IMC within the selected firms.
5. To compare and contrast similarities and differences in perception and practice of IMC within the selected firms.

1.4 Research Methodology

In the first part of chapter 4 the purpose of this research, the research problem and its objectives are explained in greater depth. In the second part, the philosophical stances and the chosen approach for this thesis are reviewed in depth. As mentioned, a review of previous IMC studies has suggested that the majority of IMC's theoretical underpinnings have been developed via investigating the nature of IMC within the narrow domain of advertising agencies only and not actual firms.

Although some studies have focused on large fast-moving consumer goods (FMCG) companies, there has been no cross-cultural qualitative IMC study to date that focuses on the implementation and application of IMC as well as the views of directors and marketing practitioners. This study attempts to do just that and to do so within large companies from four different industrial sectors (i.e.

FMCG, service, retail and consumer durable) located in two countries, i.e. Germany and the UK in phase one. So far, just one study exists which has looked at IMC practices in German companies (Bruhn and Zimmermann, 1993).

The empirical research of this thesis is split into two parts. In research phase 1 it was decided to identify general issues in relation to IMC. Hence, a broad spectrum of companies was included in order to obtain as much information as possible with the intention of understanding differences and similarities between companies.

In the first phase, 25 interviews were carried out within large national and global organisations. All interviewees' positions were from the senior management level in each company, such as directors or CEOs. In total, 15 interviews were carried out in the UK and 10 in Germany, as shown in Table 1.1. The analysis of the findings was conducted in relation to the five objectives and guided via the application of Nud*ist (Version 4).

Table 1.1: Companies from Research Phase 1

Companies located in the UK	Companies located in Germany
1. British American Tobacco (BAT)	1. Audi
2. BSN	2. BMW Group
3. Diageo	3. Eckes-Granini GmbH & Co. KG
4. Imperial Tobacco	4. Holsten-Brauerei
5. SABMiller	5. Kamps AG
6. Tryton Foods	6. Lorenz
7. Unilever	7. Radeberger Group AG
8. Young's Brewery	8. DM Drogeriemarkt
9. Debenhams	9. Fraport AG
10. JD Williams	10. Lufthansa AG
11. WH Smith	
12. RAC	
13. Reg Vardy	
14. Rolls-Royce	
15. Vodafone	

Source: Author Generated, 2007

In research phase 2, the study was reduced to include only FMCG companies in order to achieve a better basis of comparison. At this point it was not possible to persuade a German FMCG company from research phase 1 to take part in the second stage. However, almost no country differences were found in research phase 1, mainly due to the fact that the firms were either large national or multinational enterprises and therefore, possess similar characteristics.

The second research phase is based on three large FMCG firms with headquarters in the UK, two of whom were multinationals. Although the contribution to knowledge with regard to IMC in non-English speaking countries only relates to research phase 1, research phase 2 is still a major contributor to this research due to the uniqueness of the case companies and the in-depth qualitative way in which these studies were conducted.

The selected case firms included SABMiller, Imperial Tobacco and Tryton Foods. Initially, these firms were first examined individually (see chapters 6 through 8) in terms of IMC. Then a new interview schedule was developed and in each case, four interviewees were selected, including the respondent from the first phase. Therefore, the interviewees were all qualified marketers, including global marketing and sales directors, managing directors, brand managers and human resource managers. Research phase 2 examined further insights of IMC in relation to the first four research objectives, thus, adding additional knowledge to the findings of research phase 1.

By utilising a qualitative methodology in both research phases it was possible to compare and contrast the research findings from both research phases and the IMC practices from each company case with each other (research objective 5). The analysis of findings can be found in chapter 9 where a discussion and 'integration' of both phases are presented along with their relationship to the literature review and theoretical foundations (as discussed in chapters 2 and 3).

The reliability of this research is enhanced via the development of the interview schedules based on current findings of IMC researchers and the application of a structured approach in relation to the data collection and analysis. The internal

validity is strengthened through the use of 25 interviewees from different organisations and three unique case studies, providing the opportunity to link previous IMC studies with the outcomes of this research. Furthermore, the external validity or so-called generalisability is granted via a high sample size of research phase 1, i.e. 25 interviewees and the feedback of interviewees from both research phases. Due to time and money resources as well as language barriers this study was not expanded to other countries. Despite these limitations, justifications for the selection of the sample and company cases as well as choice of countries participating in this research are presented in chapter 4.

Whilst it could be argued that more industries, different company types and further respondents as well as additional countries, may have increased the reliability of the findings, in most research projects limitations and boundaries have to be set and taken into consideration. This study concentrates on large consumer-focused firms. Future research could take into consideration different sized companies from different industries, for example business-to-business firms. The findings of this thesis should also be compared and contrasted to findings from future IMC research where a similar or even the same methodology is utilised. In particular, this research is limited to a purely inductive design; the results from both research phases should be tested via a quantitative methodology. A proposition for future IMC researchers is to test and verify the findings of this research via a quantitative cross-cultural survey.

1.5 Conclusion

This chapter has laid down the foundations of this thesis. It commenced with the research problem and objectives in relation to the study of IMC and in summary, concludes with a discussion of the structure of this thesis as divided into ten chapters.

Chapters 2 and 3 provide a detailed and critical review of the theoretical foundations and literature to date, in the context of marketing communications and IMC. Firstly, the foundation and development of marketing communication is

explored, and attention is drawn to some major trends that affect marketing communication tools in the context of emerging trends of the 21st century.
Chapter 3 concentrates on the phenomenal development of IMC, covering the majority of IMC studies with their critiques being also considered. On the basis of the literature review, the conceptual framework for this thesis was developed.

Chapter 4 discusses the philosophical standpoint from which this research is conducted with regard to IMC and the specific objectives. An appropriate research strategy and methodology are selected and methods of analysis, translation difficulties, cross-cultural and reliability issues are also discussed.

Chapter 5 presents the findings and analysis of research phase 1. This phase incorporates the discussion of results ensuing from 25 different interviews with leading national and global consumer-focused organisations in the UK and Germany. These findings are discussed in the context of the research objectives.

Chapters 6, 7 and 8 provide a discussion of three unique case studies conducted in the second phase of the research. During this phase, respondents from SABMiller (see chapter 6), Imperial Tobacco (see chapter 7) and Tryton Foods (see chapter 8) were interviewed in relation to their IMC practices. The findings are explored separately, in order to critically evaluate IMC within a company scenario and its implications.

Chapter 9 presents the overall discussion of the three case studies, as well as the unification of outcomes from research phase 1 and 2. The relevance of the empirical findings is highlighted in relation to the current IMC and marketing communication literature, and outcomes in the form of implications and application procedures are reviewed.

Chapter 10 concludes this research and provides recommendations. It highlights the value of the research findings, and indicates the contributions to knowledge made theoretically, managerially and methodologically. It also presents the research limitations and proposes directions for future study.

Figure 1.1, on the next page, provides a concise outline of this thesis and also serves as a guide indicated in the beginning of each chapter for the rest of this thesis.

Figure 1.1: The Research Stages

Part 1	**Chapter 2 - Marketing Communications** Evolution of Marketing, Marketing Communications, Promotional Mix Elements, Trends
	Chapter 3 – Integrated Marketing Communications (IMC) Development of IMC, IMC Studies, Barriers, Criticism, Corporate Communications
	Chapter 4 – Research Methodology Research Purpose and Objectives, Paradigm, Design and Strategy, Ethics, Reliability/Validity/Generalisability Issues
Part 2	**Chapter 5 – Research Phase 1** Results of the Study
	Chapter 6 – Research Phase 2 Results of SABMiller Case Study
	Chapter 7 – Research Phase 2 Results of Imperial Tobacco Case Study
	Chapter 8 – Research Phase 2 Results of Tryton Foods Case Study
	Chapter 9 – Research Findings Analysis and Discussion of Research Phase 1 and 2
	Chapter 10 – Conclusion Academic, Managerial and Methodological Contributions, Limits to Results, Future Research

Chapter 2: Marketing Communications

Figure 2.1: The Research Stages

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2.1 Introduction

As outlined in chapter one, this thesis aims to develop an understanding of the importance of integrated marketing communications (IMC) within businesses. The various communication activities of firms represent the foundation of every company's success or failure. There is no company which does not engage in some form of marketing communication activity with the twin aims of attracting customers or stakeholders' attention and influencing their behaviour. Indeed, with increasing global competition and accelerated information flows, integrated marketing communications has become vital to every company.

To be able to understand the growth and importance of IMC it is necessary to place this research in its wider context. Marketing and marketing communications are two interdependent subject areas, and in recent years, the interplay of their

developmental processes has led to the emergence of IMC. Accordingly, this chapter first reviews the evolution of marketing (see section 2.2) - thus providing a prism through which to examine marketing communications (see section 2.3) and promotional mix elements (see section 2.4) - before going on to consider the development of IMC in light of the literature of marketing communications (see section 2.5). Concluding comments are presented in section 2.6. The subsequent chapter will review IMC in greater depth.

2.2 Evolution of Marketing

The origins of marketing are often associated with those of the sales function and exchange processes. Marketing as it is understood today evolved during the 1800s (Varey, 2002; Kitchen, 1999a). With the beginning of the industrial revolution, technology changed and railways were built which facilitated transportation. Mass production also became possible allowing prices to decrease due to cost efficiencies which formed the production era of marketing between 1869-1930, where firms aimed to boost production in order to meet demands (Evans and Berman, 1987). During the 1930s, the sales era of marketing began, with the focus on producing goods and influencing customers to buy them. Soon after, in the early 1950s, competition widened and demand became greater than supply. For the first time marketing departments began to develop as subsidiaries of other organisational departments (Webster, 2002; Evans and Berman, 1987).

It was at this point that marketers started to recognise the importance and significance of customer research and called for products designed to meet the needs of consumers (Newman and Patel, 2004; Greig, 2003). However, the product was the 'centre of attention' and all marketing activities concentrated on this (Groenroos, 2001). During this product orientated era, the world-renowned marketing model of the 4Ps (i.e. price, product, place and promotion) was developed by John McCarthy (1968). As a consequence of market changes, the 4Ps were expanded to the 7Ps adding; people, physical evidence and process (Smith and Taylor, 2004; Duncan and Moriarty, 1998; Schultz and Schultz, 1998). To this day, the 7Ps remain central to almost every marketing plan. Nonetheless,

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the evolution of marketing is strongly concentrated on profit-related goals and broadly based upon manufacturing approach (Dev and Schultz, 2005b). However, researchers and practitioners realised through extensive consumer research, increased competition and a growing comprehension of consumers gained via the Internet and other media, that marketing today also needs to focus on society and the public interest, thus serving a broader spectrum of stakeholders (Rogerson, 2005; Kitchen, 1999b; Kotler, 1996). Marketing concepts should focus on a "humanistic perspective such as, values, trust, commitment, promises and forgiveness" rather than on a competitive/exchange view, i.e. focusing on short-term goals as well as economic and transaction concepts (Hutton, 1996b: 196).

> An inherent tension exists between the old and new views of marketing management. The new view of marketing focuses on customers (not products), responsiveness and organizational capabilities (not control), marketing as process (not function), customer value (not the four Ps)
>
> It's patently clear that marketing management needs a new paradigm (Webster, 2002: 23).

The need for new marketing concepts or approaches, as illustrated by Webster, stems from innovations in information technology, new ways of conducting consumer research, decreasing effectiveness of mass markets and increasing use of various interactive media (Kitchen et al., 2004b; Webster, 2002; Nijssen, 1999). Thus, marketing efforts, i.e. synergistic effects, coherence and coordination among marketing elements should focus on loyal and specific customer segments (O'Regan, 2003; Schultz and Schultz, 1998).

Evidence for changing marketing environments is also presented in how customers have been selected and targeted by firms over time. In the early stages of marketing, there were few evident differences in customer types. The emphasis has since shifted towards the retention of existing customers, with successful companies trying to select the most loyal and profitable segments (Aydin and Oezer, 2005; Ortega, 2004; Smith and Taylor, 2004). This shift has also been caused by the increasing expense of gaining new customers, i.e. " the cost of acquiring [customers] is greater than the cost of retaining them 80 per cent of a firm's profit will come from 20 per cent of its customers" (Dias et al., 2002: 270;

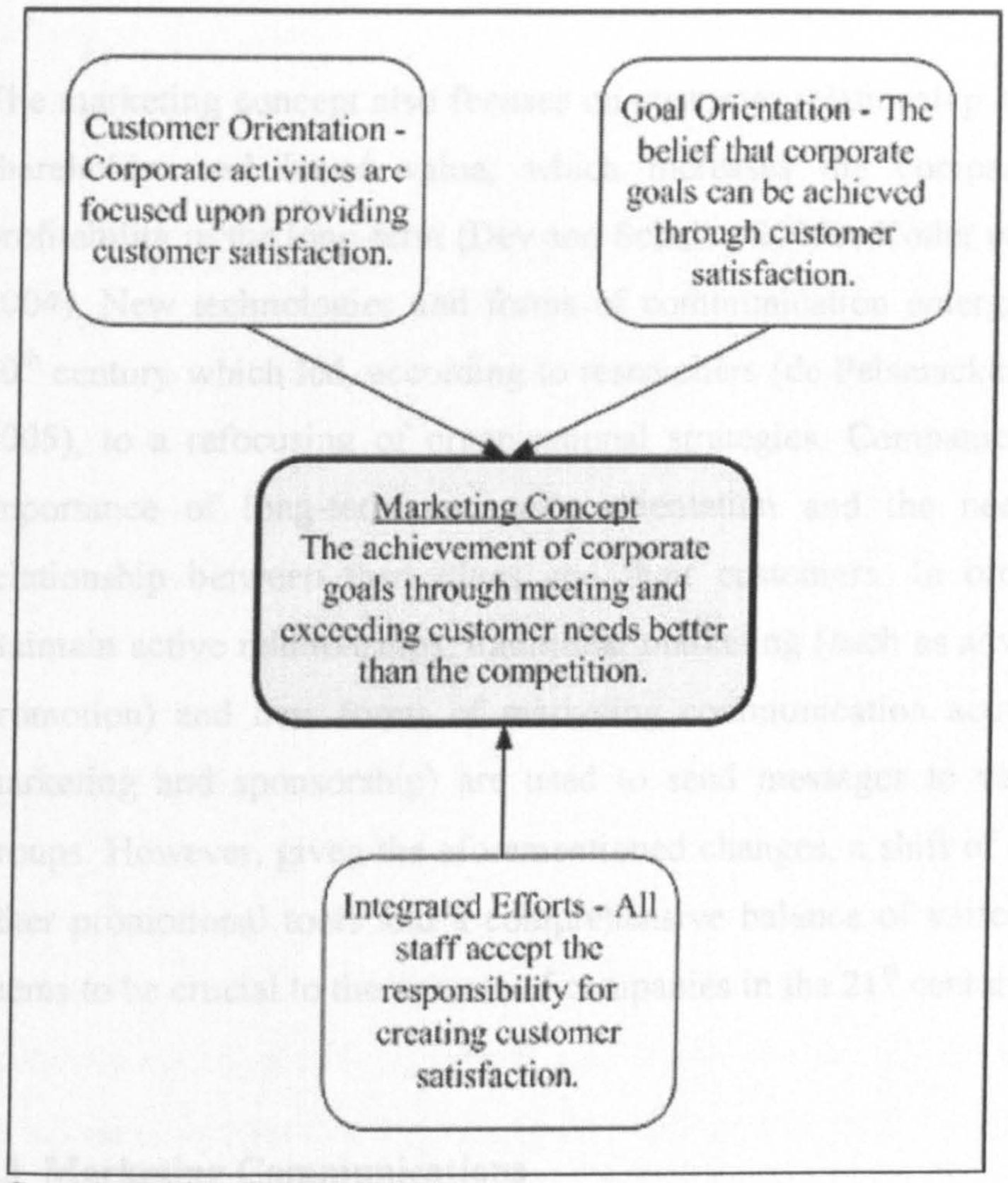
Duncan and Moriarty, 1998). Thus, increasing competition make loyal customers the key to sustaining successful businesses (Raham, 2005; Yim et al., 2004).

Marketing today is classified as a managerial process, which consists of short-term tactics but also serves the long-term strategic objectives of a company. Importantly, marketing objectives should always focus on satisfying customer needs while also taking into consideration the desires of other stakeholders and constituencies, thus creating value for the organisation and customers (American Marketing Association, 2005; Armstrong and Kotler, 2005; Chartered Institute of Marketing, 2004; IM2003Awards, 2004).

As such, various stakeholder groups may also have an effect on the particular organisation, e.g. government regulations or employee conflicts (Murphy et al., 2005; Duncan and Moriarty, 1998). The communication strategy of the overall organisation, including its marketing department, needs to take into consideration stakeholder groups – investors, financial communities, suppliers, employees, competitors, non-governmental organisations and government entities in order to send consistent messages to all groups as well as to preserve and project the right image of the corporation.

In order to be able to concentrate on customer needs and the objectives of the company, every organisation – be it business-to-business, non-profit or business-to-consumer – must conduct research on its customers, stimulate and regulate demands, and satisfy the wants and needs of customers in ways that will prove effective for the company (Alvarez et al., 2006; Greig, 2003; Evans and Berman, 1987). In Figure 2.2 the marketing concept and its effective utilisation are visualised:

Figure 2.2: The Marketing Concept



Source: Jobber (2004: 5)

Fundamental to marketing is the satisfaction of customer needs in order to obtain profits and achieve other corporate objectives. However, the marketing concept as presented in Figure 2.2 also takes into consideration competition from other companies, implying that a company must satisfy customer needs while also attempting to achieve superiority over competitors (Kotler et al., 2005; Jobber, 2004). To accomplish corporate goals, the four components of Figure 2.2 need to be established. Customer research is needed to find out the wants and needs of customers with the purpose of creating the 'right' promotional mix in order to influence consumer behaviour. The marketing department may coordinate promotional activities but, more importantly, all employees must understand that customer needs and satisfactions are central to the whole organisation in order to achieve corporate goals and success. Hence, the correct application of the marketing concept leads to an outside-in approach (Schultz, 1997c), i.e. the

customer is the focal point of the organisation and activities evolve around them. The product is designed in a way which satisfies customer needs and wants.

The marketing concept also focuses on customer relationship building as well as shareholder and brand value, which increases the company's success and profitability in the long-term (Dev and Schultz, 2005b; Kotler et al., 2005; Jobber, 2004). New technologies and forms of communication emerged during the late 20th century which led, according to researchers (de Pelsmacker et al., 2005; Fill, 2005), to a refocusing of organisational strategies. Companies now realise the importance of long-term consumer orientation and the need to establish a relationship between themselves and their customers. In order to create and maintain active relationships, traditional marketing (such as advertising and sales promotion) and new forms of marketing communication activities (such as e-marketing and sponsorship) are used to send messages to various stakeholder groups. However, given the aforementioned changes, a shift of emphasis towards other promotional tools and a comprehensive balance of varied media channels seems to be crucial to the success of companies in the 21st century.

2.3 Marketing Communications

In the previous section, a brief analysis of the evolution of marketing thought was presented. The 4Ps (product, place, price and *promotion*) were also explained. The fourth 'P' – promotion – represents a focal point of this thesis because marketers of the 20th and 21st century have noted that the key to successful marketing communication strategies is to know how, when, where and what to communicate in order to positively influence consumers' behaviour (Fill, 2005). Shimp (2000: 651) has defined marketing communications as:

> The collection of all elements in an organization's marketing mix that facilitates exchanges by establishing shared meaning with the organization's customers or clients.

Different media and promotional mix elements can be selected in order to achieve communication objectives; for example, to inform or gain customers, encourage

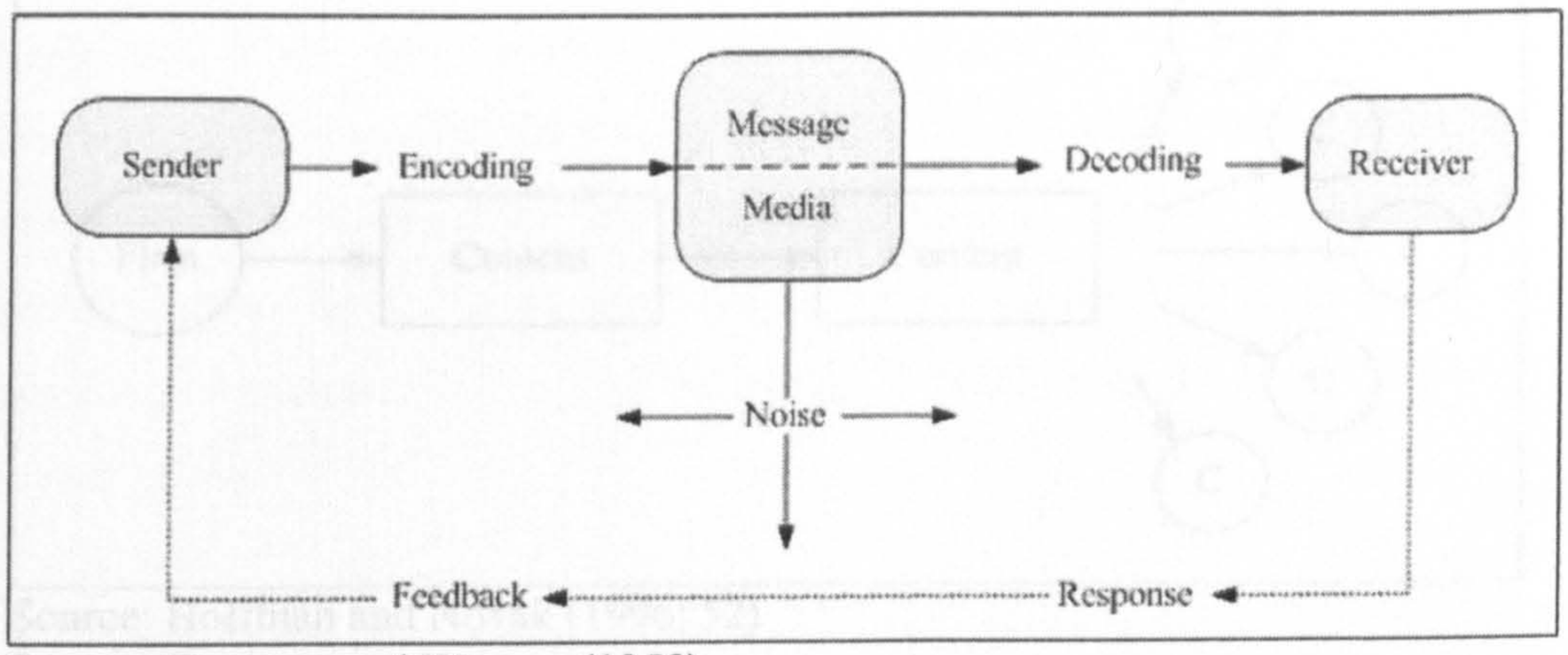
actions or reinforce the corporate image (Greenyer, 2004; Kitchen, 1999a). Advertising, merchandising, public relations, personal selling and sales promotion belong to the group of traditional promotional mix elements. Technological innovations, the multiplication of media channels and the resulting demassification of consumer groups have led to the emergence of various other communication tools, such as sponsorship, direct marketing, exhibitions, e-marketing and database marketing (Key, 2005; Fahy et al., 2004; Marken, 2004; Howard, 2002; Evans and Berman, 1987). The traditional mix elements mainly serve the purpose of creating attention and awareness, whereas the new forms of communication activities are used to send out targeted messages to specific consumer groups instead of a whole 'mass audience' (Aydin and Oezer, 2005; Goldstein and Yuchun, 2005; Kitchen et al., 2004b; Liu and Shrum, 2002; Kitchen, 1999b; McArthur and Griffin, 1997; Zinkhan and Watson, 1996; Gonring, 1994).

Further, this chapter will concentrate on the communication process and recent changes brought about by technological developments. Next, the impact of communications in relation to consumer behaviour and marketing communication effectiveness models will be explored. Furthermore, the five major promotional mix activities, i.e. advertising, sales promotion, personal selling, public relations and direct marketing will be explained in terms of their advantages, disadvantages and current trends. In the last subsection, new modes of communicating with consumers will be discussed.

2.3.1 The Communication Processes

In the domain of marketing communication, the communication process is often described as an interactive dialogue, such as the communication between a company and its consumers (Kotler, 1996). Harold D. Laswell (1948: 137) characterised the act of communicating as follows : "*Who, Says What, In Which Channel, To Whom, With What Effect?*" Almost a decade later, Shannon and Weaver (1959) developed a systematic model of the general communication process, as shown in Figure 2.3.

Figure 2.3: The Communication Process

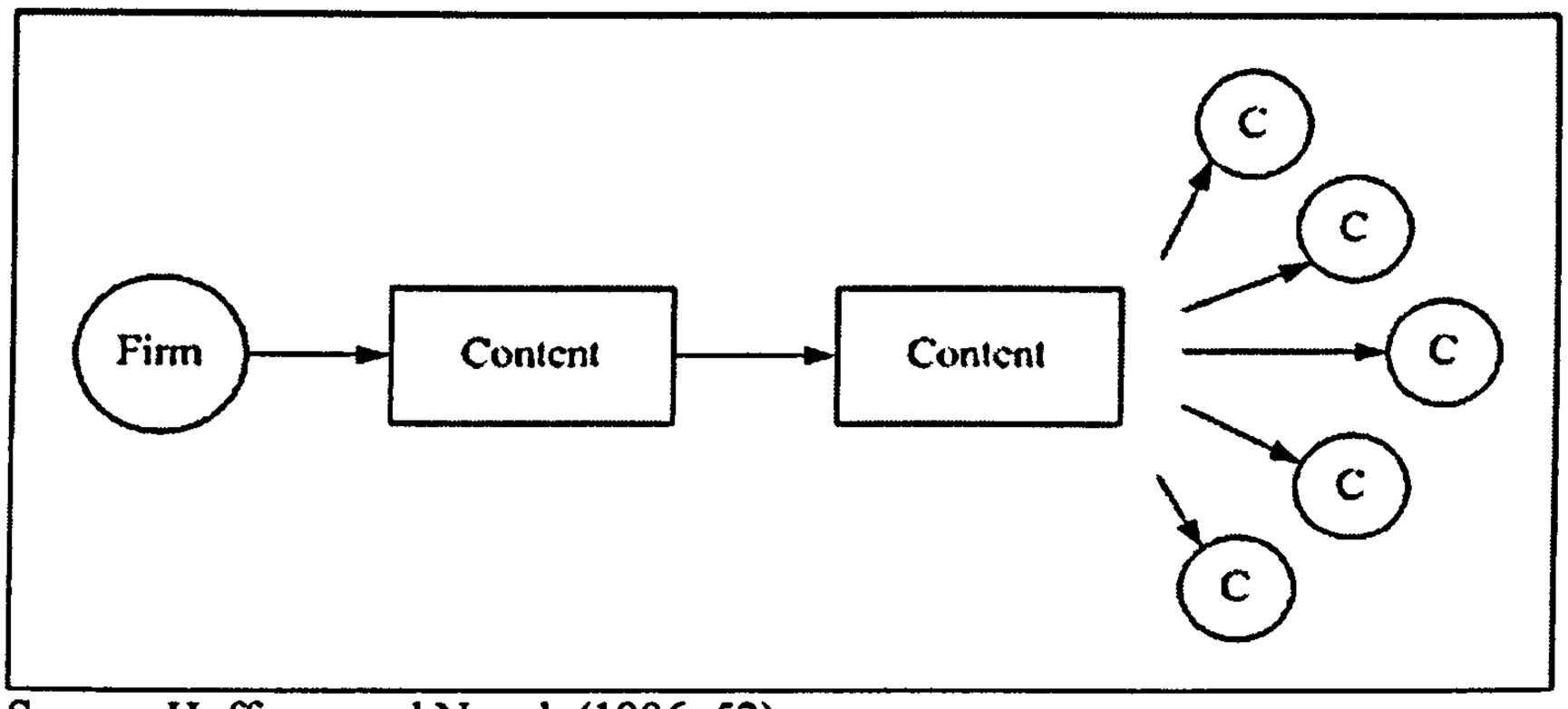


Source: Shannon and Weaver (1959)

The traditional communication process model consisted of eight elements of communication – two major parties (sender and receiver), two major communication tools (message and media) and three major communication functions (encoding, decoding, and response). The last element might include anything that could prevent the message from reaching the receiver, such as distortions of a particular message. That is to say, different kinds of messages or information from other communicators/senders have the ability to interfere with intended communication between customer and company (Shannon and Weaver, 1959). Further developments of this communication model (see Figure 2.3) have depicted the communication process, as two-fold, adding the communication function 'Feedback' as a response mechanism linking the receiver to the sender (Kotler et al., 2005).

The media used by the majority of firms in the 20th century followed a passive one-to-many communication model (see Figure 2.4). This traditional one-way communication model consists of a limited- to no-feedback system through which consumers can make contact with the company. In this model, the firm (letter – F) sends a message to consumers (letter – C) via a mass media channel, such as television.

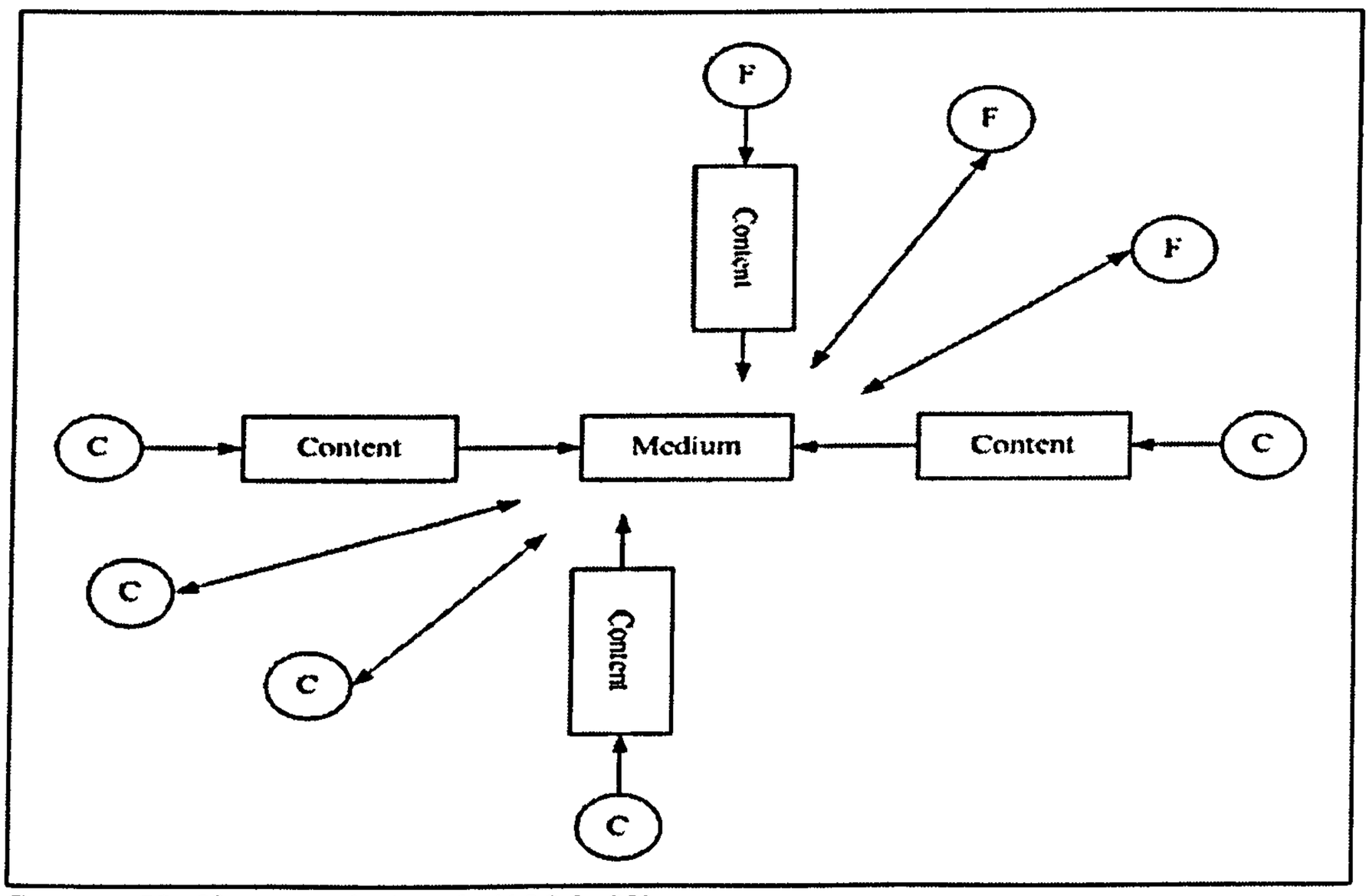
Figure 2.4: Communications Model for Mass Media



Source: Hoffman and Novak (1996: 52)

Hoffman and Novak (1996) indicated that the Internet in particular enables the 'many-to-many' communication which has revolutionised the way markets and business environments function. The Internet facilitates the use of discussion groups, chat rooms, electronic mail and global information, new modes of interaction which not only enable two-way communication between consumer and company but also allow many-to-many communication, i.e. between consumers, between companies or between consumer and company (see Figure 2.5).

Figure 2.5: Communications Model in a Hypermedia Environment



Source: Hoffman and Novak (1996: 52)

As shown in Figure 2.5, it is not only the firm that can send a message via a particular medium but also the consumer. Interactions and relationships between consumers, between companies, and also between consumers, other stakeholder groups and firms have started to emerge. Therefore, businesses need to be conscious of the messages they send, the information released about them, and the customers and audiences they attract, because Internet-based modes of communication have the potential to either disintegrate or augment a firm's marketing communication efforts (Ward, 2006; Watson et al., 2000; Hoffman and Novak, 1996).

Other modes of communication and media channels have developed which allow firms to establish a dialogue and relationship with consumers, e.g. mobile phone advertising, digital television or sponsorship. With this increasing range of media options, many companies face great difficulties in reaching their consumer groups with only one element of the promotional mix. Feedback from customers helps companies to find out how, when and where to reach customers best. Therefore, combining different media may reinforce communicated messages more strongly, thus reaching specific target audiences more effectively and/or persuading consumers to a greater extent to purchase products or services (Trappey and Woodside, 2005; Greenyer, 2004).

2.3.2 Consumer Behaviour and Marketing Communications Models

It is vital for every company (sender) to know what kind of audience the message will target because "Everything a company does, and sometimes does not do, can send a brand message with varying impact" (Duncan and Moriarty, 1998: 2). The message should be sent through distinct media or channels according to the preferences of the receiver. At this point the customer, i.e. the receiver will have to decide whether or not to accept and interpret the message, whether to decode it or to disregard it (Blythe, 2003). This interdependence of marketing and communication goes beyond imagery, and companies need to understand how and in what ways it is best to transmit messages (Wells et al., 2003; Duncan and Moriarty, 1998).

Advertising messages are sent via different media channels primarily to influence consumers' buying behaviour. Different advertising effectiveness theories exist which attempt to explain the psychological steps involved in consumer behaviour (Ambler, 2000; Huey, 1999; Barry and Howard, 1990; Lavidge and Steiner, 1961). However, any message sent by a profit or non-profit organisation aims to achieve at least one of the following three communication objectives (Arnould et al., 2004):

1. Cognition
2. Affect
3. Behaviour

There is, however, disagreement amongst consumer behaviourists about the order consumers proceed through the above mentioned three communication objectives. Cognitive theorists believe that human beings firstly recognise and evaluate different propositions before taking any further steps (Arnould et al., 2004; Zajonc and Markus, 1982). Therefore, a person starts at the mental-cognitive stage – Number 1 (see above), proceeding to Number 2 (see above) – via information, advertising messages, etc. The behaviour of the prospect is affected and an attitude change should occur and lead into Number 3 (see above) – change of consumer behaviour. On the other hand, behavioural theorists believe the opposite (Zajonc and Markus, 1982). Behaviourists theories believe that consumers process information 'backwards'. For example, the consumer first buys the product (Number 3) and then tries to come up with rational explanations (Number 1 and 2) as to why exactly this particular purchase has been made (Arnould et al., 2004). In summary, Barry and Howard (1990: 126, 129) stated:

> While there is little disagreement among researchers regarding the importance of the three stages of hierarchy the principle issue that is central to the controversy surrounding these models is concerned with the independence and sequential ordering of cognition and affect.

In fact, during the last 50 years and especially in the 1960s, much of advertising research has focused on the theories of cognitive researchers (MacInnis and

Jaworski, 1989; Vaughn, 1980). As such, several models emerged, as shown in Figure 2.6.

Figure 2.6: Cognitive Models

Stages	**Models**			
	I) AIDA Model	II) Hierarchy-of-Effects Model	III) DAGMAR	IV) Innovation-Adoption Model
Cognitive Stage (Think)	Attention ↓	Awareness ↓ Knowledge	Awareness ↓ Comprehension	Awareness ↓
Affective Stage (Feel)	Interest ↓ Desire ↓	↓ Liking ↓ Preference ↓ Conviction	↓ Conviction ↓	Interest ↓ Evaluation ↓
Behaviour Stage (Do)	Action	↓ Purchase	Action	Trial ↓ Adoption

Source adapted from: Kotler (1996: 568); I) Strong (1925: 9); II) Lavidge and Steiner (1961: 61); III) Colley (1961: 56) and IV) Rogers (1962: 79-86)

These models are all based on the fact that human beings are thoughtful people whose cognitive processes can only be affected by initial recognition of the need to make a particular purchase – starting at Number 1. The different behavioural stages (Think-Feel-Do) can be subject to the following influences:

1. Internal Influences: Individual, personal and psychological needs
2. External Influences: Social and cultural 'persuasion'

In terms of internal influences, for example, acknowledging one's thirst will cause an individual to purchase water or another beverage. The external influences, however, are more complex. Reference groups, e.g. family members or colleagues can also have a direct influence on consumer behaviour. Furthermore, so-called opinion leaders and opinion formers who possess knowledge about a particular product or company may have a direct or indirect influence on one's own behaviour. But, these models do not take into account that there is more than one brand of the same product category and that consumers are exposed to more than one advertisement from different companies. Messages from other companies

may also distort consumer behaviour or at least call into question another message sent by a company (Arnould et al., 2004; Skinner and Stephens, 2003). Cognitive researchers also perceive human thought as rational and logical (Weilbacher, 2001; Vaughn, 1980).

Furthermore, Krugman's (1965) research determined a strong link between the effectiveness of a message and the involvement level a consumer has with a product. Low involvement is often associated with the behaviourist theory. A consumer could respond instantaneously and importantly, without much thought, to a product offering. Contrary, to the low involvement theory is the high involvement view, which is strongly linked with cognitivist theorists, who believe that consumers go through an intense thought and evaluation process before making a decision.

Following Krugman's (1965) research, Ehrenberg (1974) also focused on the varying aspects of consumer behaviour scientists. His research concerns the strong and weak effects of advertising. The strong effects are associated with the central route and the weak effects are associated with the peripheral route. According to Ehrenberg (1974), a consumer will process through the peripheral route, if the product is endorsed via a high imagery or if the consumer has a strong association with the product. On the other hand, cognitivists believe that consumers are much more rational, i.e. they would proceed through the central route. In their view, the consumer would start by reading the advertisement, then evaluate other information before finally making a logical and rational buying decision.

What is interesting is that Petty et al. (1983) tried to combine the research of Krugman (1965) and Ehrenberg (1974) into one model – the Elaboration Likelihood Model (ELM). According to Petty et al. (1983), peripheral cues, such as colour, advertisement background or even sound effects have a higher impact on consumer behaviour if it involves a low-involvement product. If, however, the consumer is more involved with the product and has actively been engaged with it, the consumer will most likely proceed through the central route. MacInnis and Jaworski (1989) tried to advance the model further and strengthen its weak points

by taking into consideration differing attitudes and motivations as well as variations in the evaluative processes a consumer may go through.

Although most research in this area has come from cognitivist researchers, during the 1980s research on the behaviourist perspective started to increase (Gilpin et al., 2005; Ambler, 2000; Huey, 1999; White, 1999; Vaughn, 1980). Criticisms of cognitivist theories mostly relate to the fact that consumers may not go through the complex stages of cognition (Learn-Feel-Do) before making a purchase decision (Zajonc and Markus, 1982). Indeed, they are much more dependent on actual brands and their associated value (Ambler, 2000; White, 1999; Barry and Howard, 1990). As Zajonc and Marcus (1982) noted, consumer choices are more closely linked to emotions and overall impressions; only after a purchase does a post-hoc rationalisation of the process begin.

In conclusion, the importance of these models is unquestionable but these researchers can and should be challenged (Weilbacher, 2002; Ambler, 2000; Vaughn, 1980). In particular, given the proliferation of media channels and messages sent to consumers via different stakeholders and companies, the effectiveness of advertising messages can be called into question. In 2006, for example, more than 3,000 different messages were transmitted to consumers on a daily basis (Pitta et al., 2006). Advertisements may have multiple effects and they rarely work in the same way with different consumer groups. With the advent of new technologies which facilitate the dissemination of vast amounts of information to consumers, messages and media vehicles need to be chosen with great care in order to reach consumers effectively and, moreover, to be able to achieve desired marketing communication effects.

2.4 Elements of Marketing Communications

Specific knowledge about the buying behaviour of consumers will provide marketers with information on how to plan a promotional mix strategy and how to operationalise it successfully (Malthouse and Elsner, 2006; Naik and Raman, 2003; Barry, 2002; Barry and Howard, 1990). Different marketing communication

tools can be used to reach multiple target groups at various stages of the decision-making process.

Organisations not only need to understand their customers but also how to communicate with them via the promotional mix the product's brand assets in an effective way (Taylor et al., 2006; Weilbacher, 2003). Marketing communication activities can be divided into above- and below-the-line promotional tools. Above-the-line marketing communication activities usually refer to mass media advertising and paid forms of advertising, whereas the definition for below-the-line activities is more nebulous. This term generally refers to non-advertising activities and tailored marketing communication approaches (Peattie and Peattie, 1995). Advertising, for example, is above-the-line because the company will in fact pay for using the space it requires, which can include television commercials, press, print, cinema and radio. Below-the-line activities include various other promotional mix elements, such as sales promotion.

The 'border' of the two areas can be unclear because direct marketing is often characterised as 'through-the-line' and because the advertising budget (above-the-line) is sometimes paid from a company's public relations (PR) budget (below-the-line). Personal selling belongs to neither of the two categories (Peattie and Peattie, 1995; Evans and Berman, 1987).

Although advertising has traditionally been the main promotional form in reaching target groups, during the last two decades there has been a clear shift towards below-the-line activities (Eagle et al., 2005; Schultz and Kitchen, 2000a). With the multiplication of media channels, rising prices in mass media communication, splintering mass markets and global competition, marketers began to realise the need to adopt more tailored and customer-centered ways to communicate with consumers and other stakeholder groups (Peattie and Peattie, 1995).

It is now necessary to look at the predominant promotional activities, i.e. advertising, sales promotion, personal selling, public relations (PR) and direct marketing in order to understand the marketing communication mix and

accompanying trends, which will lead on to the discussion of new media and other communication tools.

2.4.1 Advertising

Advertising is a paid form of endorsing a product or service to mass audiences in a non-personal manner (Kitchen, 1999a). Advertising has traditionally been effective and much utilised given the limited number of alternative communication channels and media choices (Economist, 2007d; Weilbacher, 2003). The major advantages of advertising are that it allows companies to build brand relationships with customers on a 'massive' basis, increasing, as well as introducing new products to new or existing markets. Therefore, advertising has tended to be seen as the core marketing communication tool in terms of speed in reaching mass customer audiences (Park et al., 2004). Thus, advertising " involves a creative set of activities, and human ingenuity frequently invents new forms of advertising, which have the potential to evolve into new industries" (Zinkhan and Watson, 1996: 163). A major disadvantage of advertising is that the production cost and media spend may be very high for certain media (Fill, 2005).

Advertising campaigns can be presented in numerous forms and via different channels. Traditional advertisements have been placed in above-the-line media, such as television, radio, newspapers or magazines. However, the decline of advertising in its traditional form seems imminent. For example, in 1995 print advertising in newspapers constituted 35% of total global advertising but by 2005 this percentage had decreased to 30% (Economist, 2006g). Advertising of this more traditional type can only be measured in relation to exposure. However, measurements of its effectiveness have yet to be developed. Below-the-line media which can also feature advertisements include the Internet, taxis, cars or movies. As such, outdoor advertising, e.g. billboard campaigns are likely to be viewed by a mass audience but its effectiveness in reaching a specific target audience is questionable. The exposure time of advertisements within above- and below-the-line media can also be very short, calling into question the probability of a change in consumer behaviour (Kitchen, 1999a).

Technological advances, such as the digitalisation of television (TV), Internet-based TV on demand, and web-based newspapers, have led to a convergence of channels and undermined traditional media channel models (Cauberghe and de Pelsmacker, 2006). Trends also reveal an increase in interactive advertising, such as screensavers or 1-800 numbers, which aim to establish two-way or even multi-way communication with customers, providing consumers with an interactive experience that encourages engagement with the company and its products or services. Research shows between 20 and 100 online readers are needed to make up for one lost print reader (Economist, 2006g). Furthermore, increasingly newspaper readers also prefer to read specific online websites (Dahlen et al., 2004; Duncan and Mulhern, 2004). This new found interactivity can establish user-to-user, i.e. interpersonal communication or user-message interaction where users have the opportunity to control and alter messages via the Internet and establish contact or develop a potential relationship with the company directly.

If firms realise the potential of the Internet for their advertising campaigns, feedback and ongoing dialogue with customers may facilitate the development of a customer-focused marketing communication approach and will help improve existing products (Smith and Taylor, 2004; Stewart, 2004; Cox et al., 2002; Liu and Shrum, 2002). A study conducted by Dahlen et al. (2004) discovered that the Internet and its various stimuli can have much stronger effects on customers, in terms of attention span and interest, than print advertisements do, for example. As a result, the new media, such as the Internet, have now achieved unthinkable power and advertising reach, with an extent of 92million websites in 2006 (BBC, 2006; Economist, 2006d).

Furthermore, there is also a noticeable shift from traditional advertising towards other promotional elements. This is due to increasing audience fragmentation and decreasing confidence in mass advertising. For example, the number of television channels has dramatically increased in the past decade. A teenager no longer watches just one music television (MTV) channel, but perhaps also MTV Europe, MTV USA, VIVA and VIVA 2. Therefore, viewers of TV programmes are becoming highly differentiated, and it is no longer possible to target mass consumer groups with advertisements broadcast on a few selected channels. For

example, due to the growing number of television channels, viewers of commercials have decreased and most consumers do not have to rely on well-known brands (Economist, 2006c; Hackley, 2005; Smith and Taylor, 2004; Yim et al., 2004; Kitchen, 1999a). In 1995, three TV advertisements reached more than 80% of women between the ages of 18-49; in 2003 more than 97 commercials were needed to reach the same consumer group (Boyle, 2003). Therefore, it is more important than ever to target perhaps just a small group of consumers, rather than reaching a 'whole mass' (Boyle, 2003; Nowak and Phelps, 1994).

Concluding, in a climate of increasing competition, the employment of advertising tools is important and may help a developing business become successful. However, the advertising industry has received harsh criticisms recently, and advertising managers are not only exposed to a greater variety of marketing communication tools but also to government regulations which may oblige them to pay heavy fees or restrict certain advertisements (Gilpin et al., 2005; Kitchen and de Pelsmacker, 2004). To maintain market share advertising expenditure has risen dramatically during the past decade. In 2006, the worldwide advertising industry was valued at an estimated US$428 billion in revenue and local advertising in the USA was worth US$100 billion (Economist, 2006j; Eagle et al., 2005). Despite recent criticism of advertising and its seeming loss of power and effectiveness, advertising remains the dominant promotional tool used in marketing communication strategies (Barwise and Styler, 2003).

2.4.2 Sales Promotion

Advertising, in its traditional form, has often been regarded as a brand image and awareness building tool. Other promotional mix elements, such as sales promotions are often interpreted as a stimulus for purchase (Fill, 2005). In contrast to an advertisement, a sales promotion is an offer which only lasts for a certain period of time and tends, therefore, to be effective only during this period, increasing sales and usage or allowing for the development of a database (Chun, 2002; Peattie and Peattie, 1995; Jones, 1990). However, sales promotion, which has the advantage of producing measurable outcomes, has become increasingly

important in a context of decreasing brand loyalty amongst consumers, decreasing advertising effectiveness, decreasing differentiation of products in competitive environments, and increasing 'communication clutter' (de Pelsmacker et al., 2005). Sales promotions are often utilised because of the actions of competitors: that is, to keep pace with competitors' movements (Kitchen and de Pelsmacker, 2004). The organisation can choose between three different ways of promoting their brand(s) (Schultz, 2006b; Smith and Taylor, 2004):

1. Customer promotions (gifts, prices, samples,)
2. Trade promotions (free pens, diaries,)
3. Sales force promotions (motivation schemes, incentives,)

A 'pull' strategy is designed for the direct promotion of goods from the manufacturer to the consumer, e.g. customer promotions. A 'pull' strategy is often initiated by the consumer who has the desire to contact a company. On the contrary, a push strategy aims to persuade traders or retailers to sell their products in stores, e.g. free pens and diaries may augment the reputation of the company. A company may also use incentives to motivate sales forces in personal selling (Shipley and Kleiner, 2005; Kitchen, 1999a).

Sales promotions have become increasingly important to many companies and are seen as an important part of the marketing communication budget because most products are reaching their maturity stage and sales are slowly stagnating (Lemon and Nowlis, 2002; Kitchen, 1999a; Jones, 1990). In comparison to an advertising campaign, a sales promotion can reach a much smaller target group (Fill, 2005).

Lemon and Nowlis (2002) also stated that marketers need to know when and how to use sales promotions in order to gain a competitive advantage. Their research focused on synergies of promotional mix elements in relation to high-tier brands (e.g. Häagen-Dazs ice-cream) and low-tier brands (which are mostly private or store brands, e.g. Tesco's own ice-cream). The findings revealed that a single sales promotion is most effective with high-tier brands whereas a combination of display and other sales promotions as well as feature advertising has the greatest effect on low-tier brands (Lemon and Nowlis, 2002). Peattie and Peattie (1995)

call for the integration of sales promotions with other marketing communication tools, in this way creating synergy amongst them and ensuring long-term competitive advantages rather than mere short-term sales promotional effects.

A further cause of the increased use of sales promotions is that customers are more price-sensitive than they have ever been. This is due to increasing brand competition, the newfound ability to compare prices more effectively, the growth of cheaper private label brands, and also economic factors such as recessions and inflation (Smith and Taylor, 2004; Chandon et al., 2000). Other key consumer advantages of sales promotions are that the search and decision costs are lowered, which makes the consumer's shopping experience more pleasant. The self-confidence of the consumer as the 'smart and bargaining' shopper is reassured, with the discovery of a good sales promotion often perceived as fun and entertaining.

Furthermore, sales promotions often allow the consumer to upgrade to products which would usually be prohibitively expensive (Chandon et al., 2000). The absolute cost of creating a sales promotion is also lower than producing an advertising campaign (Fill, 2005). The increasing power of the retailer and the wish to sell stock quickly also forces organisations to offer sales promotions. Moreover, rising competition, increased audience fragmentation and rising advertising costs require businesses and marketers to look for other ways of promoting their brands, as, for example, sales promotion does (Economist, 2006/2007; Schifferes, 2006; Smith and Taylor, 2004; Chun, 2002; Lemon and Nowlis, 2002).

The breadth of available sales promotional tools is vast, ranging from free samples, coupons or cash refund offers to price packs, point of purchase promotions or even lotteries and games, all of which aim to encourage purchases (Kotler et al., 2005; Lemon and Nowlis, 2002; Peattie and Peattie, 1995). As Lemon and Nowlis (2002) pointed out, sales promotions are increasingly used on the Internet, in the form of special offers and coupons via e-mails or banners. Goldstein and Yuchun (2005) noted that, as a result, customers became so annoyed by these pop-ups and so-called spam emails that a whole new 'blockage

industry' emerged while government bodies began to intervene in support of individual privacy rights. Although short-term losses may be avoided, sales promotions often cause conflicts with the overall marketing communication strategy (Chun, 2002).

If the sales promotion purely focuses on incentivising consumers on the basis of price, the promotion can lead to brand damages (Chandon et al., 2000). Sales promotions are not able to deliver personal messages and do not increase the level of interactivity with consumers, unlike other less traditional elements of the marketing communication mix (Fill, 2005). Furthermore, if sales promotions are used for mere tactical aims and products are sold cheaper or below their brand value, the brand can be harmed or devalued in the eyes of consumers (Kotler et al., 2005; Smith and Taylor, 2004; Jones, 1990). The unintended effect would be that the company actually discouraged prospects or returning customers from buying the product (de Pelsmacker et al., 2005). In conclusion, effective and creative sales promotions can only be achieved if developed with great care and consideration of their impact on long-term company objectives.

2.4.3 Personal Selling

Personal selling is a form of 'oral presentation' of the products and services a company offers. The communication between sales representative and customer is therefore, two-way and interactive because customers will respond to offers differently. It is a personalised process, which involves the salesperson's ability to listen, to solve problems, to present products knowledgeably, to show company commitment and to give post-sale support (Jones et al., 2005; Sergio et al., 2005; Kitchen, 1999a; Boles et al., 1996). In terms of the buying decision process explained in section 2.3.2, personal selling happens at the point when a potential customer makes the actual purchase decision (de Pelsmacker et al., 2005).

The aim of personal selling in relation to marketing communication is to inform, attract attention, persuade, create an image and remind prospects and customers about products or services on offer (de Pelsmacker et al., 2005; Fill, 2005). A

positive working environment and a strong company reputation will also help to bolster the salesman's ability to sell (Schwepker and Good, 2004). Furthermore, personal selling is highly dependent on the salesman's individual skill and on his/her duties and tasks (Moncrief et al., 2006; Stewart et al., 1987). Therefore, every company and every industry will have different selling strategies and techniques. Some may concentrate on verbal and face-to-face communication where other industry sectors, such as retailing, may also emphasise checking stock, merchandising and store design (de Pelsmacker et al., 2005; Kitchen, 1993).

Jaramillo and Marshall (2004) suggest that the best sales representatives are those that understand how to listen to the customers' wants and needs and are able to act upon them. Their expert advice and guidance is necessary to convince the customer to make a purchase. As such, the main advantage of personal selling is its ability to deliver a personal message to a specific target audience in an interactive dialogue (Fill, 2005). However, the sale itself takes less than 10% of the sales representative's time because s/he is also responsible for understanding and listening to customers, forecasting and post-sales. Companies are increasingly employing telesales teams to manage the sales representative's time more efficiently.

One of the problems that most sales representatives have experienced is that their job seems to concentrate on short-term price orientated objectives of the company (Jaramillo and Marshall, 2004; Boulding et al., 1994; Dubinsky, 1980). To provide excellent customer care and to increase customer loyalty, attention should be drawn to long-term objectives. If the customer's needs are satisfied before, during and after the purchase, an increase in repeat purchase behaviour is more likely. Thus, there has been a notable shift from the short-term tactics of the salesperson to a more sensible 'customer care' approach (Smith and Taylor, 2004).

Salespeople also have the ability to reduce customer disappointment and to improve the relationship between company and individual customers (Jones et al., 2005; Yim et al., 2004; Kitchen, 1999a). Thus, the manufacturer and especially

the marketing department should obtain information from its sales representatives in order to update products and to create an effective database of customer names, purchases and demographics. In turn, this could lead to increased cohesion between sales and marketing departments as well as an outside-in approach, i.e. a consumer-driven marketing communication strategy (Rouzies et al., 2005). Homburg and Stock's (2005) findings also showed that keeping salespeople satisfied with their job environment and tasks has a positive impact on customer satisfaction and reinforces the company's communication message.

In an 'ideal world' the relationship between marketing communication and personal selling objectives would be symbiotic, with the messages sent via various media channels and the sales force, reinforcing each other. Although the strategic importance and integration of marketing communication and sales team objectives is almost self-explanatory, research has shown that these two functions have become isolated and disconnected (Smith et al., 2006). More specifically, disagreements over resources, budget handling and control over customer information have led to an emergent tension between the two functions (Smith et al., 2006). The cost per sales person and cost per contact may also seem very high when taking into consideration the small group of audiences a sales force can reach (Fill, 2005). Another major disadvantage of personal selling is that from a communication perspective it can be difficult to manage. The intended message can be altered by the sales person without the knowledge of the marketing communication team. Therefore, conflicting messages sent from the marketing and sales teams may have negative or confusing impacts on customers (Fill, 2005).

Salespeople have often been characterised as manipulative and deceiving in their ways of convincing customers to buy their products (Lewis, 2005; Sergio and Ruiz, 2005). Instead, the customer-sales-person relationship should be honest and respectful, aiming to gain the kind of long-term customer trust and commitment which can be established and improved through honest, face-to-face communication with customers (Lewis, 2005; Sergio and Ruiz, 2005). Technological advances, such as mobile phones, the Internet or databases, can assist the sales work. A good database will facilitate the allocation of existing

customers and their previous purchases while research teams will be able to assess and track consumers' behavioural styles. This knowledge can help the sales representative to make better selling decisions (Moncrief et al., 2006; Schillewaert et al., 2005; Yim et al., 2004). However, there are certain drawbacks associated with personal selling. The profession lacks an ethical code and has no single dominant professional association. All other major promotional elements, such as advertising and PR, have long established such associations, e.g. the American Advertising Agency Association (AAAA) (Hawes et al., 2004).

The increasing competition among industries and businesses could result in the trend of reduced customer numbers per company. On the one hand, this may result in the downsizing of the sales force. But the sales force's knowledge and information about customer behaviour and attitudes may bring about a power-shift towards retailers. In the long-term the salesperson's role could lead to decreasing control of manufacturers (see also chapter 3 section 3.2.2) (Jones et al., 2005; Kitchen, 1993). The possibility also exists that an active sales force driven by the passion for communicating the unique brand propositions of a product or service may present a point of differentiation (Boulding et al., 1994). Accordingly, researchers have called both for new and innovative selling models to replace conventional selling concepts and for closer collaboration between marketing and sales departments (Moncrief et al., 2006; Smith et al., 2006; Jones et al., 2005; Yim et al., 2004; Kitchen, 1993).

2.4.4 Public Relations (PR)

The purpose of marketing PR differs to other marketing communication mix elements. In relation to marketing communication, PR is used to promote goodwill towards a company and to portray the personality of a firm in the best possible way (de Pelsmacker et al., 2005). Most commonly, marketing PR is used because of its long-term focus and its ability to project the company's reputation in a positive manner (de Pelsmacker et al., 2005). Although marketing PR does not directly increase sales or convince consumers to purchase a certain product or

service, where correctly applied it can raise awareness about a specific brand at all stages of the product life cycle (Fill, 2005).

The dissemination of the communication message is usually carried out via a third party medium and endorsed through opinion formers (Fill, 2005). A company may provide a press release or company information to the press, but a journalist or analyst whose aim is to sell information should treat the information objectively and should not write in favour of the company. Due to the proliferation of media channels and the alarming ineffectiveness of traditional marketing communication tools, PR can offer gains in credibility among consumer groups and is 'more easily' accepted by its publics than, for example, sales promotion or advertising (Lages and Lages, 2005; Smith and Taylor, 2004). Marketing PR is also relatively inexpensive because a large audience can be reached with a minimal production cost for the material (Fill, 2005).

Differences exist between marketing PR and corporate PR due to their distinct objectives. Public Relations, also known as corporate communication or corporate PR, serves more than just the consumer group (Kitchen and de Pelsmacker, 2004). Marketing PR is mainly concerned with the product, its customers and sales. Marketing PR can also help to build excitement about existing products, to introduce new products to customers, to make advertising more vivid, and even to protect products that are exposed to high risks (Cutlip et al., 2000).

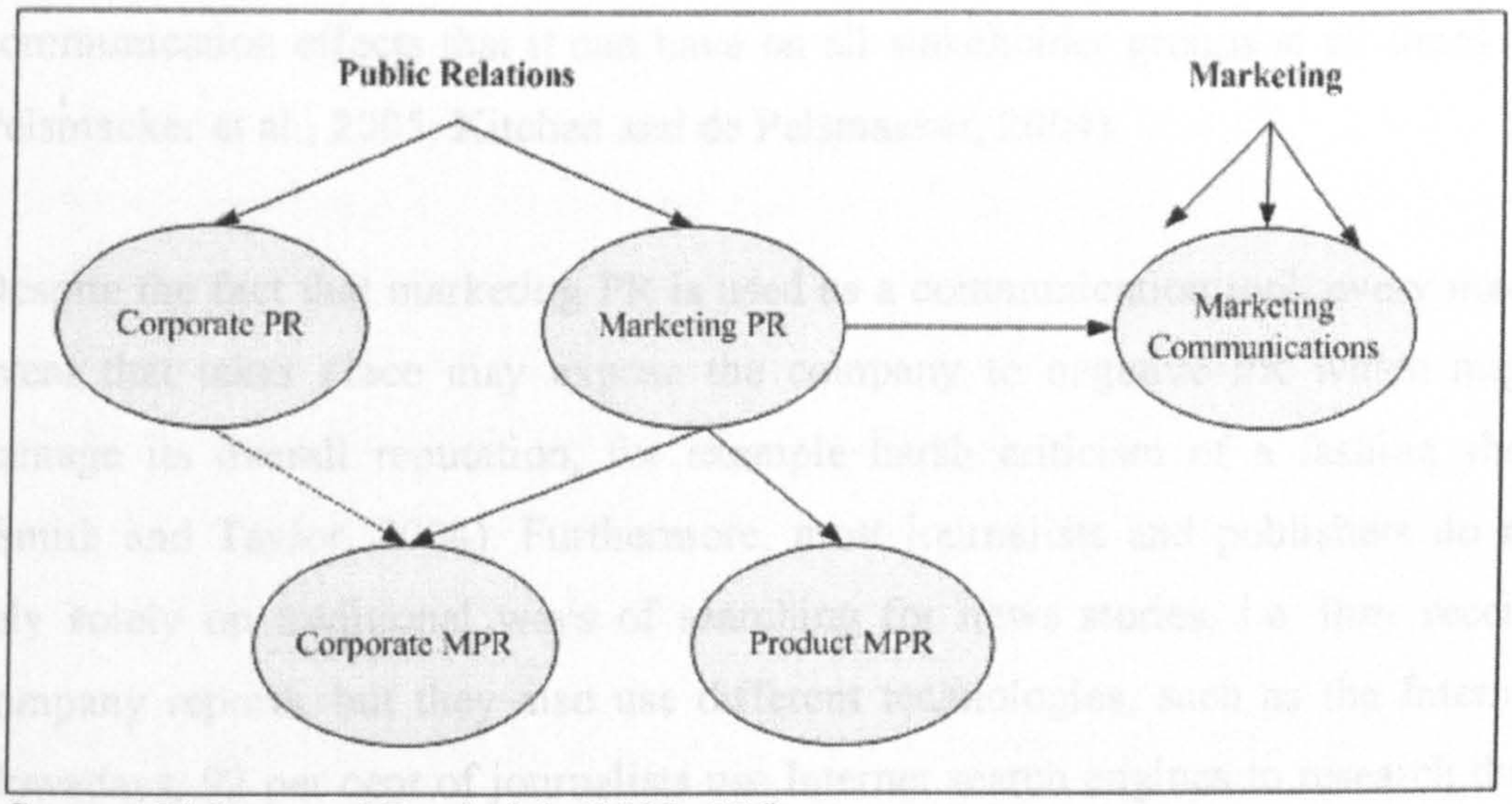
Corporate communication tries to communicate with many stakeholder groups and constituencies at the same time while also concerning itself with the overall image and presentation of the organisation (Lages and Lages, 2005; Schultz, 2004e). Public Relations' business-related aims are to report, influence and convince publics. PR must also transmit messages and news about the company to various stakeholder groups in an integrated manner, so that if these groups come in contact with each other there will be no confusion among them (Cutlip et al., 2000; Kotler and Mindak, 1978).

Kotler and Mindak (1978) have indicated that the organisation itself can decide on the relationship between marketing and PR. This relationship can be characterised in five distinctive ways (Kotler and Mindak, 1978):

1. The two functions exist but are separate from another. Thus, their contact is very limited.
2. The two functions are still separate but have some related responsibilities, which they will share, such as customer relations.
3. Marketing is the main function, whereby PR is often neglected and not fully functioning. The marketing department will see every public or constituency as a possible target market.
4. PR can also be the central function, which will ensure the maintenance of the goodwill of all publics.
5. The PR and marketing functions are joined in one department, wherein responsibilities are shared.

As early as the late 1970s, it was recognised that if marketing and PR work in a cohesive manner (option number five) the relationship will be most rewarding (Kotler and Mindak, 1978). Thus, the move towards more integrated and coordinated communication favours a strategy which combines both functions, as they will gradually be obliged to work in concert (Kitchen and Moss, 1995). However, PR is a valuable contributor to marketing communications and vice versa. Accordingly, neither marketing nor PR personnel should neglect the importance of the other. Figure 2.7 shows how the two functions relate to the corporate and product communication functions:

Figure 2.7: The Interdependence of Marketing and Public Relations



Source: Pickton and Broderick (2005: 556)

Marketing PR should no longer be seen as merely a tactical instrument which can only increase sales, because it can also augment the corporate brand and identity. With changing environments in almost every marketplace, different departments should ideally be integrated through synergistic communication, supporting each other's functions and augmenting the corporate image of the company (Pickton and Broderick, 2005; Varey, 1998; Caywood, 1997). The argument for integration of marketing and PR communications into one department for better working relationships and more effective communication is strong, but research by Cornelissen and Harris (2004) and Hunter (1999) have proven that these functions are still very often separated and that the majority of companies continue to divide these departments.

Both marketing PR and corporate PR experience difficulty in measuring consumer and public responses and judging overall effects and outcomes. For many companies the concept still seems ambiguous (Kitchen and de Pelsmacker, 2004). Such problems do not exist in most of the other marketing communication mix elements, such as advertising. Furthermore, many companies do not understand the extent of PR because it is often used merely as an 'afterthought', as in a crisis management situation where it aims to minimise long-term damage to the company (Lages and Lages, 2005; Cutlip et al., 2000). In comparison to other non-traditional marketing communication mix elements, public relations can

neither deliver a personal message nor encourage interactivity. But the importance of PR should still be recognised by all employees due to the significant communication effects that it can have on all stakeholder groups at all times (de Pelsmacker et al., 2005; Kitchen and de Pelsmacker, 2004).

Despite the fact that marketing PR is used as a communication tool, every media event that takes place may expose the company to negative PR which might damage its overall reputation; for example harsh criticism of a fashion show (Smith and Taylor, 2004). Furthermore, most journalists and publishers do not rely solely on traditional ways of searching for news stories, i.e. they receive company reports, but they also use different technologies, such as the Internet. Nowadays, 92 per cent of journalists use Internet search engines to research their stories (Key, 2005). Moreover, consumers are also creating their own websites, e.g. approximately 40 percent of top search engines listings originate from consumer-generated media (Key, 2005). Unsurprisingly, the successful Internet 'search' company Google is worth US$100 billion and generates more than US$1.5 billion per financial quarter (Miller, 2006; Scott-Joynt, 2006).

On the whole, given the heightened possibility of negative PR in a context of new technologies and empowerment of consumers and other stakeholder groups, the need for new PR models and for the incorporation of PR at senior management level has never been greater (Key, 2005; Lages and Lages, 2005; Cutlip et al., 2000). Furthermore, as explained in section 2.3.2 consumers are more likely to believe - or at least can be influenced by - opinion leaders, who often are journalists. As such, the trust afforded by consumers to journalists and other key opinion formers should not be neglected by companies. Indeed, companies ought to realise that PR can be used as a powerful and influential tool in marketing campaigns due to its many advantages.

2.4.5 Direct Marketing

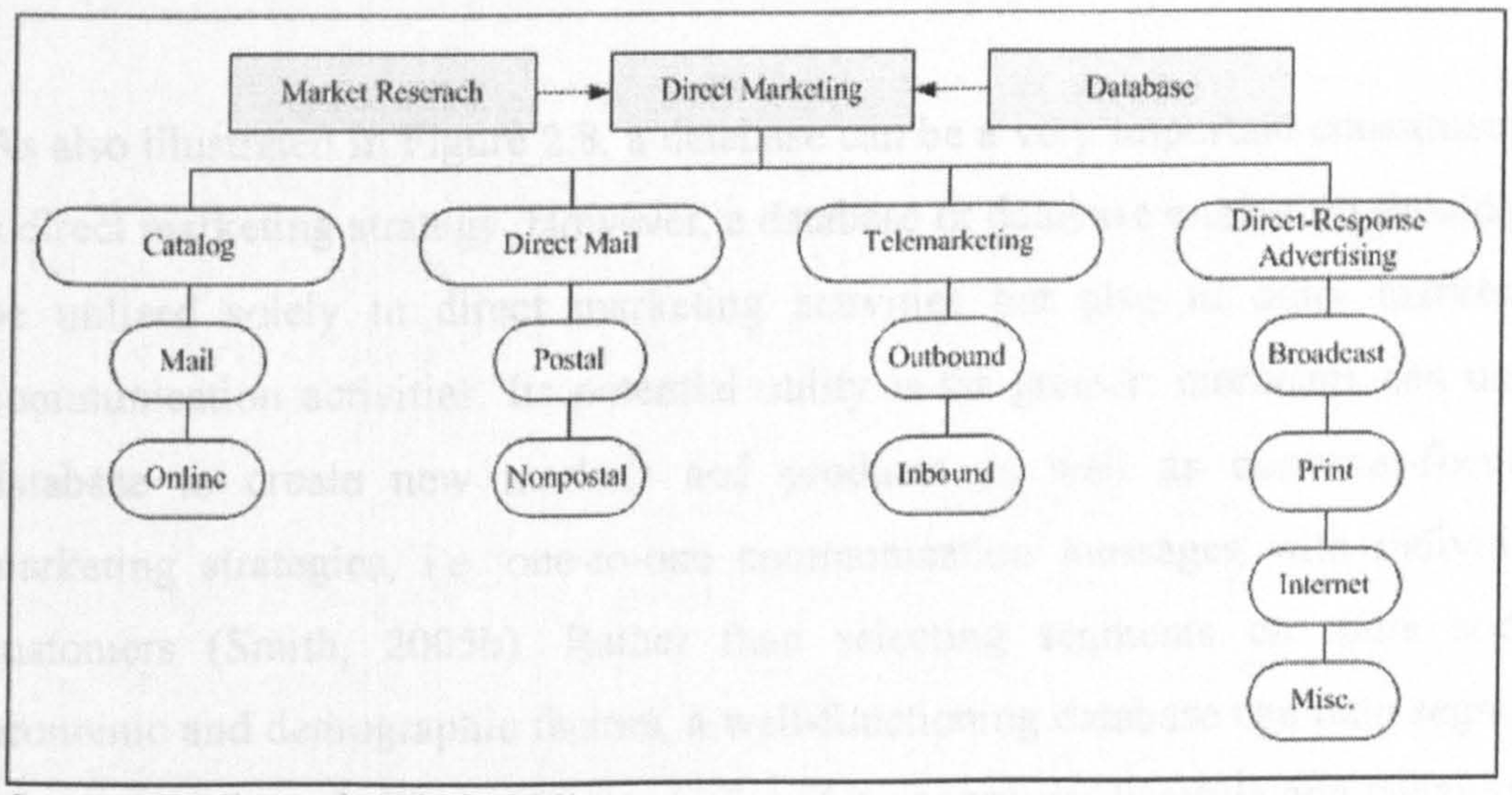
Direct marketing is a response to the weaknesses of traditional promotional mix elements discussed previously. The development of direct marketing tools during

the 1990s was fuelled by the changing media infrastructure, as is evidenced by the increasing use of more personalised and highly targeted tools (Fill, 2005). The value of direct marketing has further increased through new and advanced technologies, such as the Internet and sophisticated database software (Calder and Malthouse, 2005; Duncan and Mulhern, 2004; Naik and Raman, 2003). Direct marketing campaigns are often implemented via telemarketing firms, direct mail or home shopping channels. As such, the consumer is directly targeted by a company hoping to gain a positive response and establish a long-term relationship with customers (de Pelsmacker et al., 2005; Lee, 2002).

Consumer database lists can be bought by any company, e.g. a list of all fitness club owners in the North of England might be purchased in order to contact and inform these managers directly about a new energy drink. These lists can provide information about customers and prospects, their lifestyles and demographics. Some of the numerous advantages of direct marketing are cost effectiveness, flexibility, customer specificity and the capacity to establish an active relationship with the customer (Smith and Taylor, 2004; Kitchen, 1999b).

Figure 2.8 summarises all components of the direct marketing industry. Market research and databases are also shown as influential supporting elements in successfully implementing a direct marketing strategy.

Figure 2.8: The Direct Marketing Industry



Source: Wells et al. (2003: 399)

The ability to target individual consumers with specific personal messages is advantageous because it allows the firm to communicate with the consumer in a two-way manner. Furthermore, direct marketing tools can also be utilised to reinforce other promotional tool strategies, such as personal selling (Fill, 2005). Unlike Public Relations, direct marketing not only aims to increase awareness but also to bring about direct behavioural responses, such as an increase in sales (de Pelsmacker et al., 2005; Kitchen and de Pelsmacker, 2004). The different tools shown in Figure 2.8 can be used in conjunction or interchangeably, resulting in a flexible and precise means of targeting prospects or returning customers. Lastly, its effects are easily measurable in that the response of customers is evident in their direct purchase of products or their attempts to get into contact with companies to obtain more information (Kitchen and de Pelsmacker, 2004).

Yet, direct marketing is often associated with 'useless' e-mails, and customers often raise the issues of credibility and of their right to privacy. Direct marketing may be very expensive compared to above-the-line promotions, such as advertising, because it only helps to promote a one-off sale and because the communication is directed at each customer individually and thus results in high product costs and high cost per contact (Fill, 2005). Furthermore, if viewed negatively by customers - e.g. as infuriating commercials or as an invasion of privacy – direct marketing can also damage both the brand and the overall corporate image (Kitchen and de Pelsmacker, 2004; Smith and Taylor, 2004; Lee, 2002).

As also illustrated in Figure 2.8, a database can be a very important constituent in a direct marketing strategy. However, a database or database marketing should not be utilised solely in direct marketing activities but also in other marketing communication activities. Its potential utility is far greater: marketers can use a database to create new markets and products as well as customer-focused marketing strategies, i.e. one-to-one communication messages with individual customers (Smith, 2005b). Rather than selecting segments on mere socio-economic and demographic factors, a well-functioning database can help segment the market into suitable target groups based on consumer lifestyle and behaviour. A database can also assist in evaluating the success of marketing communication

strategies (Alvarez et al., 2006; O'Regan, 2003). Thus, companies should not see a database simply as a list of names but rather as a long-term commitment.

One drawback of database communication is that it requires substantial long-term investment. It can be very expensive to acquire and maintain, with market research needing to be continuously conducted and transactional data obtained and added to the database (Kitchen and Li, 2005; O'Regan, 2003). A database should facilitate shaping an interactive dialogue between customer and company and should also aid in recognising the right target market both in direct marketing campaigns and also in other advertising, PR or sales promotion campaigns (Smith and Taylor, 2004; Peltier et al., 2003; Kitchen, 1999a).

2.4.6 Other Promotional Mix Elements

The above discussion of key elements presented the core promotional tools, but these are by no means the only ones. Technological changes have led to increasing media choices and splintering mass markets, with a concomitant growth in unconventional forms of consumer targeting. This section draws the reader's attention to sponsorship marketing, trade shows and exhibitions, Internet marketing and word-of-mouth. There are two key reasons for the selection of these four promotional activities. Firstly, these four elements of the promotional mix have increasingly been mentioned in the marketing communication literature and are regarded as 'original' forms of differentiation (Fill, 2005). Secondly, sponsorship marketing, trade shows & exhibitions, Internet marketing and word-of-mouth all have in common the ability to reach consumers in a much more personalised and influential manner than the traditional promotional mix elements (de Pelsmacker et al., 2005; Kitchen and de Pelsmacker, 2004).

Due to regulations and a generalised lack of differentiation possibilities for firms, *sponsorship* has become a very 'popular' part of the promotional mix (Fill, 2005). It provides support for an artist, sportsman or event, while also achieving the company's own aims. A specific audience can be reached through sport shows or exhibitions, for example, with the aim of increasing sales, raising awareness or

improving existing customer relationships. However, if the sponsorship is perceived negatively in other countries, e.g. bull fights, or if the sponsorship is of a competitive nature, e.g. a specific team is supported, it can create hostility towards the company (Pitta et al., 2006; Fahy et al., 2004; Smith and Taylor, 2004). Furthermore, the increased popularity of sponsorship, the associated cost of securing a sponsorship deal and the spread of ambush marketers could soon lead to stagnation of sponsorship deals because it may no longer be possible to separate companies' sponsorships from each other (Fahy et al., 2004).

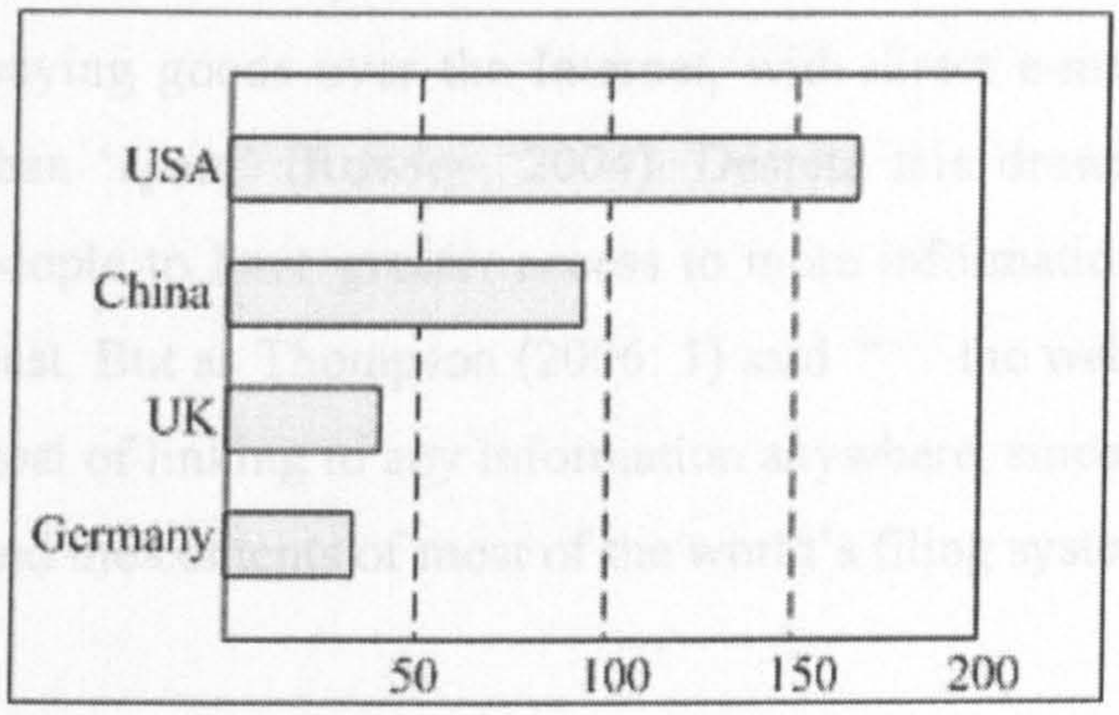
Trade shows and exhibitions are extremely important if a company wants to be acknowledged by its 'peers' or gain potential new customers (Jaramillo and Marshall, 2004). Furthermore, it provides an opportunity to test and present new products. On a yearly basis, businesses spend more than US$50 billion on conferences, conventions and the like. In the UK alone more than £2 billion is spent on exhibitions (Marken, 2004; Smith and Taylor, 2004). Journalists, competitors, and analysts may be present, and therefore such shows need to be impressive both in terms of location and of quality in order to preserve and augment the corporation's image. Exhibit marketing also encourages the direct involvement of potential customers and is regarded as highly credible as it targets analysts and other 'field-experts' (Marken, 2004; Smith and Taylor, 2004). Pitta et al. (2006) go even further, recommending the development of an exhibit marketing communication plan which would be incorporated into the overall marketing strategy.

Incorporating the *Internet* into the marketing communication strategy provides companies with new opportunities, especially those conducting business on an international basis. Thus, the Internet may represent the first step towards becoming a global company, as it is often characterised as a 'new and universal medium'. Nevertheless, a company's own website needs to interact with the company's overarching distribution and communication strategy in order to achieve a positive outcome (Lawson, 2006; Fill, 2002; Watson et al., 2000).

Internet users are globally spread and could not be more diverse in terms of nationality and ethnicity. For example, as shown in Figure 2.9 the number of

Internet users is significant in each of these economically strong countries. As such, in proportion to the countries' individual population sizes more than 65% of inhabitants from the UK have access to the Internet, whereas in the USA 50%, in Germany 43% and in China a relative small percentage of 10% in comparison to its population size of 1.3 billion people are Internet users.

Figure 2.9: Number of Internet Users – 2004 in Mn



Source: Ward (2006)

There are currently more than 935 million Internet users worldwide, and Internet shoppers spend more than US$380 billion a year (not including business-to-business transactions) (Martinez-Lopez, 2004; Jupitermedia, 2002; Simon, 2001). In 2006, the average company spent 5% of its total marketing budget on Internet marketing. This figure is predicted to rise by 15% in the next decade (Economist, 2006h). Currently, companies located in the UK spend 9% more than the rest of the world, in relative terms. (Economist, 2006f). Clearly, e-marketing has become a valuable tool in the 21st century. It can bring a company into direct contact with customers.

Customer chat forums can be formed alongside normal advertisements, such as brand-promoting banners. One of the Internet's main advantages is that it is an interactive, two-way (or even multi-way) communication process between company, customers and other stakeholder groups. In addition, a company can measure the effectiveness of the website is by examining usage statistics (hits) or purchases made through the website. As a result, it has become common

marketing practice for companies to remunerate their agency on a 'pay-per-click' basis (Economist, 2006h; Economist, 2006j; Peltier et al., 2003).

In addition, online catalogues and other cost-saving effects of the Internet can save a single firm up to 25% in its processing costs. For example, Delta Airlines saved more than US$100 million in the year 2000 through their employment of electronic ticketing (Schifferes, 2006; Simon, 2001; Hoffman and Novak, 1996). However, many Internet users are still concerned about privacy issues when buying goods over the Internet, with direct e-mails often seen as nothing more than 'spam' (Rowley, 2004). Despite this drawback, the Internet allows more people to have greater access to more information than was ever possible in the past. But as Thompson (2006: 1) said " the web has yet to achieve its designed goal of linking to any information anywhere, since there are still millions of books and the contents of most of the world's filing systems awaiting digitisation."

Another, less 'direct' promotional mix element is *word-of-mouth* or viral marketing, as it is known when applied over the Internet (Jensen, 2006). This practice is becoming gradually more important due to the increasing number of competitive businesses at the global level and also because of the declining effectiveness of traditional forms of advertising. The relationship between a company and its customers and prospects is key to the provision of a positive image of the organisation (Rogerson, 2005; Griffin et al., 2000). Although this form of communication cannot be entirely influenced or controlled by the company itself, it can still indirectly serve the aim of brand promotion. "No form of advertising carries as much weight as an endorsement from a friend" (Economist, 2007b: 76). Research indicates that 30-50% of brand switching is due to advice from friends, family members or colleagues. Thus, the experience and value the brand delivers to the customer is fundamental (Smith and Taylor, 2004). Marketing practitioners have realised these apparent benefits and the great power of word-of-mouth and are now working to encourage positive endorsements of products and services via the Internet (Economist, 2007b).

2.5 Towards Integration

To be able to engage consumers and other stakeholder groups a company can utilise various marketing and communication activities. As such, the above discussion has focused on an analysis of traditional and new promotional tools and media channels. The integration of these promotional tools has become vital for stakeholder groups to make sense of message(s) sent through different media channels. In a broader sense, *horizontal integration* often refers to a company and its business practice across different markets, seeking to market a product to specific segments in different geographical locations throughout the world. *Vertical integration* is often associated with the integration of an organisation, its suppliers and buyers into one value system. These firms produce different services and products but combine to create products that serve the needs of different customers (Johnson and Scholes, 2006).

This thesis focuses on the integration of the marketing communication activities of specific firms – *horizontal integration*. It is assumed that good marketing practitioners and companies have most likely practised integration for several decades (Webster, 2002; Cornelissen and Lock, 2000b; Kotler and Mindak, 1978). However, the concept of integrated marketing communication (IMC) was only introduced to the domains of marketing and marketing communication theory in the early 1990s (Kliatchko, 2005; Schultz, 1996b).

Changes in the market environment have led to increasing pressure in organisations and a transformation of traditional marketing communication processes. Not only are conventional ways of communicating changing, but they also seem to be less effective (Economist, 2007b). Different lifestyles and socio-economic groups are emerging, calling for new ways of segmenting target groups and different ways of communicating and engaging with them (Economist, 2006b; Gonzalez and Laurentino, 2002; Day and Aaker, 1997). Consequently, the power shift towards customers and retailers and away from the manufacturer is inevitable. Companies that operate in competitive market environments need to realise that a successful marketing communication approach should always start with the customer first in order to come up with both the right communication mix

and also a product which will satisfy the needs and wants of customers (Schultz, 2007; Pitta et al., 2006; Smith, 2005b).

On an annual basis, many companies spend millions of pounds on marketing communication activities. However, customers do not distinguish between the sources of messages, in the way that marketers would. It is important that selected elements are integrated and reinforce each other in order to reach effectively and efficiently the right customer groups (Economist, 2006/2007; Dev and Schultz, 2005b; Brengman et al., 2001). The modern-day customer might use various media channels, traditional or modern communication tools, at different times, sequentially or simultaneously. The sent message needs to be consistent in order not to confuse consumers or create conflicting messages. It is also essential that companies recognise the value of traditional and non-traditional communication tools and to what extent they can be used effectively. The following quotation demonstrates the difficulty in achieving this objective:

> The worldwide advertising industry is likely to be worth US$428billion in revenues [advertisers] send messages that reach the wrong audience or none at all - US$112 billion a year in America and US$220 billion worldwide, or just over half of their total spending (Economist, 2006j: 69).

Splintering mass markets and rising competition put companies under increased strain, yet their immediate reactions to these forces are vital to their continued success. Consequently, loyal, individual customers are becoming more important to companies (Eagle et al., 2005; McGrath, 2005b; Kitchen, 1999c). Where in the past only a few traditional promotional tools were used to reach mass audiences, this approach is no longer feasible for most organisations. New ideas are required to satisfy individual consumer needs on a value-added basis (Naik and Raman, 2003; Day and Aaker, 1997; Joachimsthaler and Aaker, 1997). Therefore, IMC stresses the importance of strategic long-term thinking and building relationships with customers to be able to sustain or improve a firm's market position. Marketing research and customer information is important in order to develop a personalised communication approach. Only then can customised goods and

products be developed in order to retain customers (Ortega, 2004; Joachimsthaler and Aaker, 1997).

Technological developments, such as the Internet or the digitalisation of media channels, have created immense information flows and promoted interactivity among consumers and firms. This has required companies' marketing communication strategies to become more coherent in order to deliver a coordinated and harmonised brand image to customers (Cauberghe and de Pelsmacker, 2006; Stewart, 2004; Jones, 1990). These technologies have also forced companies to rethink their approach to communication. With the rise of the Internet in particular, multi-way communication has become possible, allowing companies to establish contact with customers (or vice versa) through forums, chat rooms or e-mail. Thus, there has been a noticeable shift within the marketing communication domain from market-centered to relationship-based, customer-centered marketing approaches (Fill, 2005; Joachimsthaler and Aaker, 1997).

Increasing competition and the need for individualised, one-to-one communication with customers has led to the destruction of communications barriers between functions, e.g. between marketing, PR and sales promotions (Dev and Schultz, 2005a; Rouzies et al., 2005; Fill, 2001). The implementation of a marketing communication strategy which aims to add value to the brand and long-term strategy of the organisation requires careful planning and coordination – " a unified approach to communications represents the holy grail of marketing planning" (O'Regan, 2003: 291; Kotler and Levy, 1969). However, this can only be achieved if the overall marketing strategy is supported at senior levels and if long-term objectives are considered more important than short-term sales (Jin, 2003/2004; Stewart, 1996).

These different factors caused the emergence and growth of IMC during the early 1990s (Naik and Raman, 2003; Grove et al., 2002; Cornelissen, 2001; Hartley and Pickton, 1999). IMC facilitates the planning of the communication mix in a synergistic and coordinated manner in order to avoid confusion among customers. However, it is important to understand that a strategy that uses multi-channel communication while combining different promotional mix elements, can only

work if the elements support each other and are integrated. Thus, the sum of the whole communication mix will have a more positive outcome than any single element could ever have. Moreover, target audiences will become more reachable (Pitta et al., 2006; Schultz, 2006e; Schultz and Schultz, 2003; Fill, 2001; Pickton and Hartley, 1998; Schultz et al., 1993).

2.6 Summary and Conclusion

This chapter looked at the evolution of marketing and marketing communications. In particular, attention was drawn to the elements of marketing communication; advertising, sales promotion, personal selling, direct marketing and PR. The aim was not to analyse how each individual element works or how it should be utilised but to highlight the major issues facing each individual component in the 21st century. In addition, recent media changes and new technological developments were considered, in terms of their impact on traditional promotional tools and new emerging communication activities.

By exploring these changes in marketing communications, as well as revealing the challenges to each element, we have been better able to understand the ongoing transformation within the marketing communication disciplines. There is a need to carry out further research into companies in order to identify how their marketing activities have changed as well as to demonstrate how they have coped with ongoing problems and developments, such as innovations in media and technology and splintering mass markets.

Thus, the need for integration has never been greater. The root causes of this are the demassification of markets, the fragmentation of media and advancements in the technology sector (Economist, 2006/2007; Eagle et al., 2006; Kitchen and Schultz, 1999).

The next chapter will look at IMC in detail, with the reader's attention drawn particularly to past IMC studies which expose the key barriers to and criticisms of IMC.

Chapter 3: Integrated Marketing Communication

Figure 3.1: The Research Stages

Part 1	**Chapter 2 - Marketing Communications** Evolution of Marketing, Marketing Communications, Promotional Mix Elements, Trends
	Chapter 3 – Integrated Marketing Communications (IMC) Development of IMC, IMC Studies, Barriers, Criticism, Corporate Communications
	Chapter 4 – Research Methodology Research Purpose and Objectives, Paradigm, Design and Strategy, Ethics, Reliability/Validity/Generalisability Issues
Part 2	**Chapter 5 – Research Phase 1** Results of the Study
	Chapter 6 – Research Phase 2 Results of SABMiller Case Study
	Chapter 7 – Research Phase 2 Results of Imperial Tobacco Case Study
	Chapter 8 – Research Phase 2 Results of Tryton Foods Case Study
	Chapter 9 – Research Findings Analysis and Discussion of Research Phase 1 and 2
	Chapter 10 – Conclusion Academic, Managerial and Methodological Contributions, Limits to Results, Future Research

3.1 Introduction

The previous chapter offered an insight into marketing communications by focusing both on its importance in relation to the development of marketing strategies and on its impact upon promotional mix elements. More specifically, the challenges facing each communication mix element in the 21st century's integration-orientated context were discussed. This chapter shifts the conceptual focus on to integrated marketing communications (IMC).

IMC emerged during the late 20th century and its importance has been growing ever since (Grove et al., 2002; Cornelissen, 2001; Hartley and Pickton, 1999). Due to the impact of information technology, changes came about in the domains of marketing and marketing communications which led to the emergence of IMC (Kitchen et al., 2004a; Phelps and Johnson, 1996; Duncan and Everett, 1993). The

multiplication of media, demassification of consumer markets, and the value of the Internet in today's society are just three of the areas in which technological innovation has had an impact (Pilotta et al., 2004; Peltier et al., 2003; Reid, 2003; Lawrence et al., 2002; Fill, 2001; Low, 2000; Hutton, 1996a). This in turn left marketers in a challenging and competitive environment, trying to fulfil customers wants and needs whilst also developing long-term relationships with them. IMC can help in creating coordinated and consistent messages across various channels of communication. Furthermore, the concept is especially valuable in that it places great emphasis on the importance of all stakeholder groups and, in particular, on customer loyalty, which can only be created through strategic relationship building (Jin, 2003/2004; Cornelissen, 2000; Eagle and Kitchen, 2000; Pickton and Hartley, 1998; Miller and Rose, 1994).

To date, academic research on IMC has been limited. The majority of empirical research has been conducted with advertising and PR agencies or companies located in the USA with a clear tendency towards quantitative methodologies (Jin, 2003/2004; Peltier et al., 2003; Kitchen and Schultz, 1999; Beard, 1996; Miller and Rose, 1994). Very few studies have concentrated on the business 'client' perspectives within Europe (Cornelissen and Thorpe, 2001; Low, 2000; Kitchen and Schultz, 1999). This thesis aims to contribute to the theoretical literature on IMC by addressing problem areas identified in this chapter.

The following sections discuss IMC in greater depth. Firstly, the relevance of IMC as a concept will be discussed (see section 3.2). Subsequently, an analysis of IMC implementation will be carried out (see section 3.3) with reference also made to past IMC research (see section 3.4). Then, barriers to integration (see section 3.5) and criticisms of IMC will be addressed (see section 3.6) before finally moving on to consider IMC in relation to branding issues (see section 3.7). Concluding comments are presented in section 3.8.

3.2 The Importance of IMC

This section focuses on the importance of IMC. First, the evolution of IMC and different IMC definitions are reviewed in section 3.2.1. A contemporary perspective on IMC is offered in section 3.2.2, with the subsection 3.2.2.1 flagging up the benefits of such an approach. Lastly, IMC's impact on promotional mix elements is presented in section 3.2.3.

3.2.1 The Evolution of IMC

Integration, the attempt to present a consistent message across the available promotional mix elements, has always been important to successful organisations, even during the mid 20th century. With the multiplication of media channels in the late 20th century, the integration and coordination of different messages aiming to portray a single and unique image to all stakeholder groups has become both more important and more difficult to achieve.

However, some researchers believe that the concept of IMC can be traced back to the 1970s (Cornelissen and Lock, 2000b; van Riel, 1995). Perhaps the first study on IMC was conducted by Caywood et al. (1991) at the end of the 1980s, while the first 'conceptual ideas' were published in the book "Integrated Marketing Communications" by Schultz et al. (1993). IMC advocates believe that its emergence was down to the context of media upheaval of that time, e.g. digital TV and mobile phones, market environments, i.e. increasing global competition and rapid technological developments, such as the Personal Computer (Kliatchko, 2005; Reid, 2003; Eagle and Kitchen, 2000; Griffin and Pasadeos, 1998; Bruhn, 1997/1998; Hutton, 1996a).

Technology can affect IMC from two sides, i.e. from the marketing and consumer perspectives (Kitchen et al., 2004a; Schultz, 1993f). Today, integration is needed due to globalisation and the resulting interdependence between countries and marketplaces (Kitchen et al., 2004a; Schultz, 1996b). Thus, corporate and brand

managers need to coordinate the actions of their global and even national brand(s) with the aim of integrating promotional mix elements.

A global marketplace which becomes more transitory through the Internet may lead to a customer-driven and –focused marketing environment. In such an environment, technology can enhance marketing communication strategies, i.e. both traditional advertising techniques and also new, unconventional marketing practices may be applied, such as database marketing, one-to-one communication or marketing PR (McGrath, 2005a; Edelman, 2004; Gonring, 1994; Nowak and Phelps, 1994). The social-networking website MySpace, for example, has more than 17 million visitors each month in the USA. Marketing communication innovators propose the exploitation of such networks as a means of establishing an ongoing dialogue with customers and prospects (Economist, 2006e). In conclusion, not only can technology help consumers to connect and communicate with each other, but it can also act as a facilitator in establishing a relationship with individual consumers and companies.

Due to disagreements about the emergence of IMC and the limited amount of research conducted with actual organisations (see also section 3.4), researchers have thus far been unable to agree upon a single definition of IMC. Kliatchko (2005), though, has examined the various definitions of IMC that have emerged over time and tried to explore their dimensions in the hope of uniting. Table 3.1, below, is based upon Kliatchko's (2005: 21) table of IMC definitions. So, his own definition and another recent definition by Schultz (2004b) has been added.

Table 3.1: The Emergence of IMC Definitions

Author and Year	Concepts introduced
American Association of Advertising Agencies (1989) and Caywood et al. (1991)	▪ Coordination and consistency of messages and communication channels (one sight, one sound) ▪ Use of a variety of communication disciplines to work in synergy based on a comprehensive plan ▪ IMC as a concept
Schultz (1991)	▪ Inclusion of consumers, prospects ▪ Behavioural responses ▪ Nurture relationship and customer loyalty ▪ IMC as a process
Duncan (1994)	▪ Profitable relationships Expanded audience scope from customers to other stakeholders
Nowak and Phelps (1994)	▪ Reinforced notions of consistency, coordination and behavioural response
Schultz and Schultz (1998)	▪ Strategic business process ▪ Expanded notion of brand communication ▪ Measurability ▪ Specified more explicitly the multiple markets – inclusive of external and internal audiences
Schultz and American Marketing Association (2004b)	▪ Strategic business process ▪ Extensive brand communication ▪ Evaluation and Measurement ▪ External and internal stakeholder groups ▪ Long-term brand value focus
Kliatchko (2005)	▪ Process and concept ▪ Audience-focused ▪ Communication programme ▪ Results-driven

Source adapted from: Kliatchko (2005: 21)

As demonstrated in Table 3.1, during the early 1990s IMC was referred to as the 'one sight and one sound' or 'one voice' or 'seamless marketing communication' approach (Beard, 1997; Nowak and Phelps, 1994; Duncan and Everett, 1993). However, the increasing interest in the subject of IMC led researchers to revaluate the concept and the 'buzz words' were soon put aside (Grove et al., 2002; Lee, 2002; Fill, 2001; Hartley and Pickton, 1999; Phelps and Johnson, 1996). These words only hinted at the many applications of IMC and, therefore, new concepts were added to the earlier definitions of IMC.

Contrary to the implication of many of these 'buzz words', IMC does not mean that an organisation should only work with one message or with a single unifying brand. Rather, an integrated approach encourages managers to work with multiple targets and enables them to achieve integration of different brands, communication messages and functions within one company. Thus, IMC has the potential to fundamentally change the meaning of marketing communications and may even be the next step in the evolution of marketing (Dewhirst and Davis, 2005; Kliatchko, 2005; Grove et al., 2002; Lee, 2002; Phelps and Johnson, 1996).

As in an early definition by Caywood et al. (1991) (see below), for many practitioners and researchers, IMC is a concept which strengthens the effects of promotional mix elements at the tactical level, if these elements are united (Schultz, 2006a; Cook, 2004; Naik and Raman, 2003; Fill, 2001; Cornelissen and Lock, 2000b).

> [IMC is a] concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines – general advertising, direct response, sales promotion, and public relations – and combines these disciplines to provide clarity, consistency, and maximum communication impact (Caywood et al., 1991: 2-3).

However, more recent definitions, as the one presented by Schultz (Schultz 2004) in chapter 1 and the one below, add substantial value to old definitions and to the term IMC more generally. The concept is now viewed as a strategic instrument. (Schultz, 2004b: 9).

> IMC is the concept and process of strategically managing audience-focused, channel-centred, and results-driven brand communication programmes over time (Kliatchko, 2005: 21).

The two new definitions seem more appropriate to the 21st century, as both authors acknowledge IMC's importance as a business process and its value to both external and internal audiences. The definition provided by Schultz (2004b) has also been used by the American Marketing Association to define integrated brand communication (American Marketing Association, 2007). However, Kliatchko (2005) does not focus explicitly on individual stakeholder groups but rather refers to them as 'audiences'. In addition, his definition is not as

explanatory in nature as Schultz's (2004b), as he underplays the results-driven characteristic of IMC and does not explicitly mention the importance of the long-term brand value and short-term financial returns. As noted by Kliatchko (2005), Schultz's (2004b) definition supplements other IMC definitions through its employment of the terms 'business process', 'evaluation' and 'measurability'.

Many researchers have noted that it may not be possible to agree upon a universal IMC definition, given the various interpretations of IMC and its different values in the academic and commercial spheres (Kliatchko, 2005; Phelps and Johnson, 1996; Stewart, 1996). A critical review of previous definitions of IMC and an assessment of current IMC literature reveals that researchers were able to reduce any IMC definition to five crucial attributes (Kitchen et al., 2004a; Low, 2000):

1. The communication effort should be directed at consumers in order to affect behaviour.
2. An outside-in approach should be utilised, i.e. start with the customer first when developing a communication strategy.
3. A well established relationship between the company and the customer is necessary.
4. To deliver a message correctly all communication activities should be included with contact points integrated into the strategy.
5. To create a competitive brand, coordination between the communication disciplines is needed.

As will be explained in chapter 4, this research focuses not only on the tactical integration of promotional tools in different companies but also on the companies' strategic and long-term thinking. It seems more appropriate at this point to choose a more up-to-date definition of IMC. Although, at heart, both Kliatchko's (2005) and Schultz's (2004b) definition complement each other and include the five attributes mentioned above, the definition by Schultz (2004b) was chosen for this research because of its explanatory nature. Therefore, it is anticipated that by employing the longer and more descriptive IMC definition, marketing practitioners taking part in this research would be able to understand the multifaceted nature of IMC much better, meaning that the concept itself would be

understood in greater depth from the start of the empirical phase onwards (see chapter 4).

3.2.2 A Contemporary Perspective of IMC

Due to the rising demand in various product categories after World War II, the focus of marketers has shifted to the product itself, making potential relationships with customers something of a side issue (Johnson and Schultz, 2004; Kitchen, 1999b; Evans and Berman, 1987). During the 1950s most organisations arranged their plans in line with their products and not according to customer wants and needs (Johnson and Schultz, 2004). Fuelled by dramatic changes in the marketplace and communications, retailers and other intermediaries have since gained in importance (Rosenbloom, 2004; Low and Mohr, 1999; Schultz, 1996b).

With competition increasing and with supply outstripping demand in most developed countries, a shift in power towards retailers and intermediaries has occurred. For this reason, building a long-term relationship with customers should be important to any kind of business in today's marketplace. Indeed, due to the direct contact that retailers have with the end-consumers of manufactured goods, they should also know them better. Indeed, a powerful relationship between retailers, intermediaries and manufacturers exists (Reid, 2003; Low and Mohr, 1999; Schultz, 1996b). In an ideal world, the relationship between retailer, intermediary and manufacturer would be interdependent, if not to say integrated, so that all parties could create customer-orientated communication messages and, crucially, so that the manufacturer could develop customer-specific products (Pickton and Broderick, 2005; Schultz and Schultz, 2003; Schultz, 1993c).

As discussed in chapter 2 section 2.3.1, communication between customer and manufacturer used to be linear or one-way, i.e. from the marketer to the consumer (Schultz, 1993c). But the customer of today has knowledge about the marketplace and has no need to wait for messages and information from the organisation. The customer of today makes informed decisions and will make demands and influence advertisements or any other information received. Marketers must

respond to these changes. The marketer needs to develop communication plans with the consumer as the starting point, later working back towards the product or service in order to design effective communication strategies. During the planning process, information about the customer, his or her wants and needs and other background knowledge must be obtained. In IMC taxonomy this is known as an *outside-in* approach (Kitchen, 2005; Schultz and Schultz, 2003; Hartley and Pickton, 1999; Schultz, 1996b; Stewart, 1996; Schultz, 1993e; Schultz, 1993c). An important outcome of an IMC approach is that all communication mix tools, at least on the company's side, are integrated and support each other, resulting in synergy effects.

Another major driving force behind IMC is the demassification of markets. Many mass markets of the 20th century have separated into diverse and smaller markets, splintering into more specific customer segments. As a result, individual consumers' lifestyles, income classes, education, gender and consumer actions characterise these new markets. The rich information flow from the Internet, broadcast media and the press make information available to the consumer as never before, but research has discovered that most customers make their purchase decisions based on information of perceived value and not only based on the information a company chooses to present to them. Therefore, the ability of a company to utilise an outside-in approach and to portray a consistent image to prospects and existing customer groups becomes a critical success factor in competitive and information-rich market places (Jin, 2003/2004; Fill, 2001; Gould et al., 1999; Pickton and Hartley, 1998; Herrington and Lollar, 1996; Stewart, 1996; Schultz et al., 1993).

3.2.2.1 Benefits of IMC

IMC enables marketers to combine all of their communications in order to plan and create a coherent and synergistic approach. An important benefit of IMC is that it appreciates the significance to marketing strategy and corporate branding of new communication tools, such as direct marketing, Internet marketing or

different types of sales promotions (McGrath, 2005b; Pickton and Hartley, 1998; Drobis, 1997/1998).

Central to the discussion of contact points and message integration is the idea of incorporating different communication disciplines into one marketing communication campaign with the aim of achieving outcomes desirable to the company, e.g. persuading customers to buy. As most organisations need to communicate with more than one target audience or stakeholder group, any campaign should take the characteristics of both the product brand and also the corporate brand into consideration (Gylling and Lindberg-Repo, 2006; Phelps and Johnson, 1996; Nowak and Phelps, 1994). It is also necessary to blend every promotional mix element together as they have greater influence within an IMC approach as combined forces. Therefore, IMC can promote synergism internally among departments and, in turn, outside-in planning can be achieved (Reid et al., 2005; Stammerjohan et al., 2005; Eagle and Kitchen, 2000; Phelps and Johnson, 1996).

Most managers perceive IMC as a process which encourages message integration and consistency, thus facilitating the interpretation of information for customers. Faced with an IMC approach, the customer will understand the different information and will not be confused by the vast amount of it from all contact points (McGrath, 2005b; Stewart, 1996; Duncan and Everett, 1993). However, if companies disregard IMC and different messages are not delivered in unison, it may lead to an incoherent brand image, which can negatively influence consumer buying and recall behaviour (McGrath, 2005b; Stammerjohan et al., 2005; Stewart, 1996; Schultz, 1993e). The combined consideration of product contact points and the consumer increases the company's awareness and creates a positive relationship between the customer or prospect and the company (Gylling and Lindberg-Repo, 2006; Schultz and Kitchen, 2004; Bill, 1993). Thus, different brand-customer contact points need to be carefully maintained (McGrath, 2005b).

IMC's cost-effectiveness and its apparent ability to deliver higher return on investment (ROI) has been underlined repeatedly in the literature (Holm, 2006; Reid, 2005; Duncan and Mulhern, 2004; McGoon, 1998/1999). However,

researchers have failed to explain how and why these financial benefits might be achieved.

Furthermore, other traditional marketing tools, such as the product life cycle, can be considered in the different planning stages of a product, but should not *always* be taken as a blueprint. Because brands are harder to damage once customer loyalty has been achieved, e.g. in the case of Apple or the smoothie brand Innocent, as it would be in the early stages of a product's life (Kotler et al., 2005). However, this is not universal, as recent product withdrawals and/or brand reputation damages have indicated. For example, the link between child-labour in developing countries and global manufacturers, such as GAP, Nike or even Coca-Cola have at least shaken consumer confidence, if not to say damaged their reputations (Thomas, 2007; Johnson and Colin, 2003). A long-term brand can only be realised if it delivers an excellent pricing, distribution and value strategy – IMC helps in better realising these goals (Pickton and Broderick, 2005; Cornelissen, 2001; Schultz, 1997b; Miller and Rose, 1994). IMC is valuable in that it can better inform, influence, motivate and enlighten consumers about new and existing products because of its integrative nature and its strategic long-term focus on the actual brand (Keller, 2001).

Notably, management levels within various companies have often misinterpreted IMC, i.e. as a reason to cut back on the number of company employees or to decrease the marketing budget (Low and Mohr, 1999; Schultz, 1995a). Moreover, decreasing marketing budgets, growing complexity in client organisations and the decreasing number of employees in organisations are conditions favourable to IMC (Pickton and Broderick, 2005; Low and Mohr, 1999). But, if a company invests in establishing an IMC approach and, for example, employs a 'communication czar' (see section 3.5) as suggested by Schultz (1991), the brands' reputation can be further strengthened and loyalty among stakeholder groups further increased. The IMC budget should be introduced as a variable cost to the finance team. Seeing it as an investment will help in understanding that if more funds are allocated to the IMC budget the greater the outcome will be for the company (Reid, 2003; Low, 2000; Schultz, 1995a; Duncan and Everett, 1993).

IMC benefits can be summarised as follows (McGrath, 2005a; Reid, 2003; Pickton and Hartley, 1998):

- An IMC approach aligns short- and long-term marketing in order to avoid conflicts within an organisation
- A sound and clear approach
- All target audiences are considered
- Individual and one-to-one communication is encouraged
- Synergy and re-call increases
- Financial benefits

Although research into IMC has discovered various benefits, their basis in reality - i.e. how researchers have arrived at them - should be questioned. These benefits were either derived from quantitative studies (Eagle et al., 2006; Kim et al., 2004; Kallmeyer and Abratt, 2001) which left little room for an actual investigation of why these benefits have occurred, or they were the direct result of researchers credulousness when faced with marketers' positive perceptions of IMC. Most IMC research has concentrated on the opinions of advertising executives or clients. However, there has been little research directly focused on IMC benefits (Reid, 2005; Phelps and Johnson, 1996). Thus, one of the research objectives of this work will be to further explore the benefits of IMC.

3.2.3 The Impact of Promotional Mix Elements on IMC

To develop customer-orientated messages, the manufacturing company should realise the importance of the information held by retailers and other intermediaries about customer wants and needs. One obstacle here is retailers' longstanding apprehension about ceding control to manufacturers, an attitude which has seen retailers guarding essential customer data due to fears that the manufacturer may use the information to go directly to the customer – cutting retailers and other intermediaries out of the value chain (Markillie, 2006; Reid, 2003; Schultz, 1996a). To avoid such complications between different retailers, manufacturers and distributors, Schultz (1996a) suggested the implementation of one database

where input and output access is granted to all parties. An IMC approach implies that a database should not only be seen as a storage capacity for names and addresses of customers. The advantages of a customer database include (Nowak and Phelps, 1994):

- Going beyond the demographics towards the psychographics of customers
- Understanding who the most loyal and profitable customers are
- Understanding of consumer attitudes, buying habits and behaviour
- Gaining more loyalty from customers

A database can help in detecting customer preferences in relation to media channels, usage and times. A healthy brand relationship with customers can be achieved through the use of not one promotional tool but many – such as PR campaigns, TV commercials and magazines - in order to transmit the message (McGrath, 2005b). Multiple communication tools are not important only in terms of the brand relationship.

On the contrary, the greater utilisation of marketing communication tools within an IMC approach can lead to a better overall outcome and may also deliver a more holistic picture (Smith et al., 2006; Reid, 2003; Naik and Raman, 2003; Low, 2000; Phelps and Johnson, 1996; Schultz, 1996b). Consequently, advertising alone should not be made responsible for building the brand because the brand is an asset which belongs to the whole organisation (Eagle et al., 2006; McGrath, 2005b; Edelman, 2004; Schultz, 2004a; Drobis, 1997/1998; Hutton, 1996a; Gonring, 1994; Nowak and Phelps, 1994).

Nonetheless, it is important for the marketer within the company and advertising agency to recognise the need to involve more than one promotional tool to reach different consumer groups (Economist, 2007d; Keller, 2001; Nowak and Phelps, 1994). Ultimately, the decision-making process is controlled by the senior management and, as such, their power and involvement is essential to the development of IMC throughout the company (Reid, 2005; Pickton and Hartley, 1998). It is vital that marketers and the senior management of a company realise that an advertising agency alone will not be able to implement an IMC programme

because of their limited perspective and possible lack of experience with regard to coordinating and integrating all communication disciplines. Thus, the involvement of the top management must be seen as a necessity.

Therefore, the marketers of the 21st century should utilise an IMC programme which goes beyond the usual marketing concepts, such as the 4Ps, trying, in addition, to generate new ways of creating customer segments via a database (Johnson and Schultz, 2004; Schultz and Schultz, 2003; Hutton, 1996a). The informed customer of the 21st century will have extensive knowledge about the product category, the product per se or even the company in general. A firm can turn the customer's search for knowledge into a competitive advantage by engaging in an interactive dialogue with the customer, e.g. through direct marketing or Internet chat forums. This may then flourish into a long-term relationship in which different promotional tools can be employed to reach individual consumer groups (Cook, 2004; Johnson and Schultz, 2004; Schultz, 1995b; Nowak and Phelps, 1994).

3.3 Potential IMC Implementation and Application

As most IMC research has been conducted with regard to advertising agencies (see also section 3.4), little is known about actual IMC application within client-firms. However, it is believed that only a few organisations have reached 'complete' integration (Kitchen and Li, 2005; Kitchen and Schultz, 2003; McGoon, 1998/1999). In order to draw benefits from an IMC approach, it is imperative that the whole organisation, i.e. across functions and subsidiaries, understands how IMC works and how IMC plans can be put into action. If this is not the case, the integration will undergo difficulties which will in effect weaken both the corporate brand and the relationship between product brands (Reid et al., 2005; Davison et al., 2005; Duncan, 2005; Gould et al., 1999; Novelli, 1989/1990).

The next sections (see sections 3.3.1 to 3.3.3) will explore possible IMC implementation models (Pickton and Broderick, 2005; Fill, 2002; Schultz and

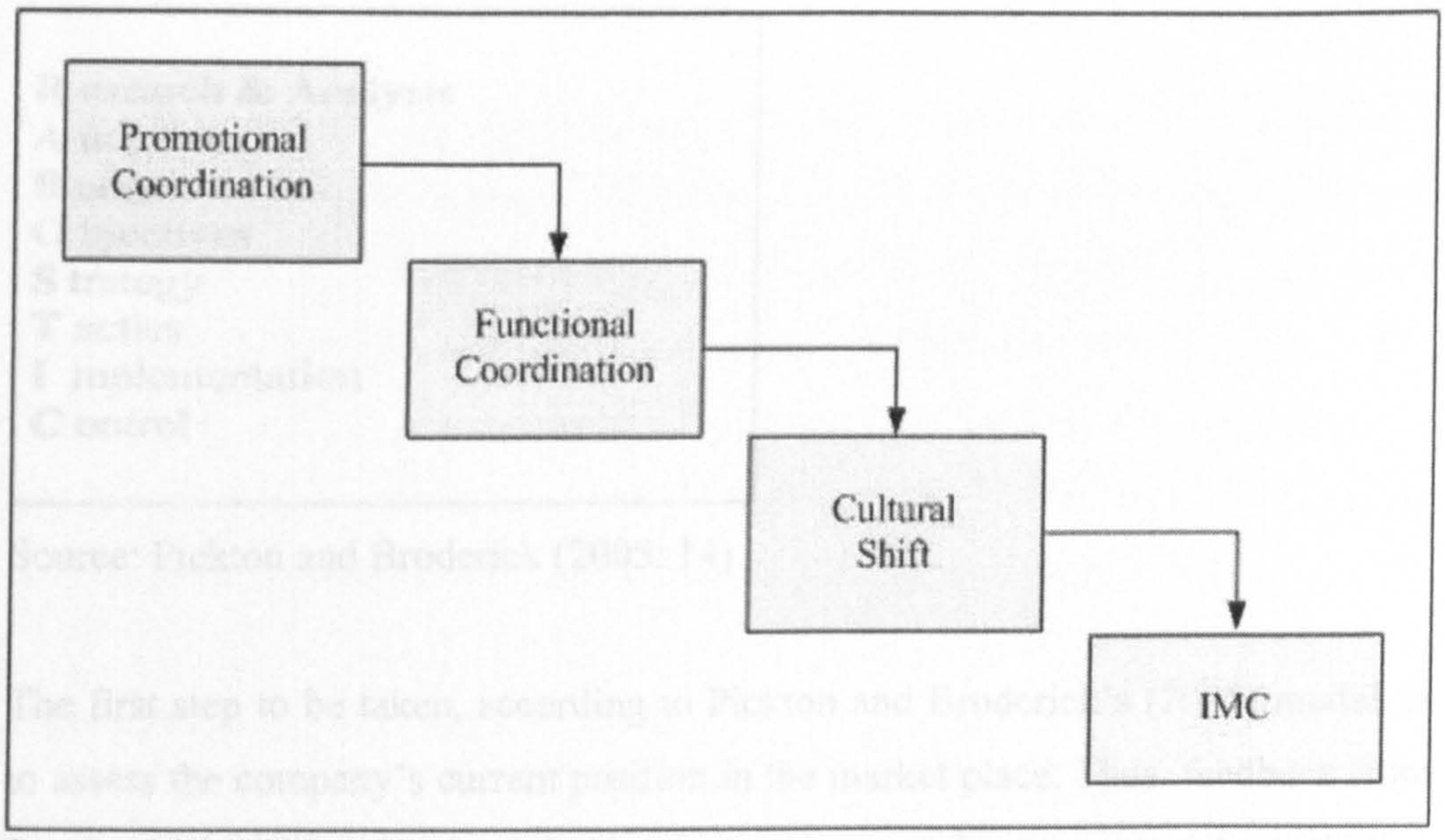
Kitchen, 2000a). Their advantages and disadvantages will be reviewed, as well as reasons for embracing the Kitchen and Schultz (Kitchen and Schultz, 2001) model in this thesis will be offered in section 3.3.4. Section 3.3.5 will concentrate on consumer segmentation in relation to IMC, strategic planning aspects of IMC and what kind of research should be carried out in order for a company to act consumer-driven.

3.3.1 The Establishment of IMC – Fill

Fill (2002) views IMC as a change of mindset which has to be first embraced by marketers. He (2002) also points out that certain barriers exist and thus, procedures and steps have to be taken to overcome such barriers (see section 3.5). As such, the first step in an IMC approach is to focus on the promotional activities – the marketer needs to ensure that consistency and a thematic harmonisation takes place among the promotional tools employed by the company (see first box in Figure 3.2).

Next, the functional coordination needs to be looked after. The different parts of the organisation, such as human resources, finance, corporate communications, etc. have to be introduced to the idea of 'internal marketing relationships' in order to implement an IMC approach throughout the company (see second box in Figure 3.2). Hence, an IMC approach requires a cultural shift of values and beliefs, which have to come from inside the whole organisation in order for all employees to act consumer-orientated and -driven (see third box in Figure 3.2). Only then, can an IMC approach be fully embraced (see fourth box in Figure 3.2).

Figure 3.2: The Establishment of IMC



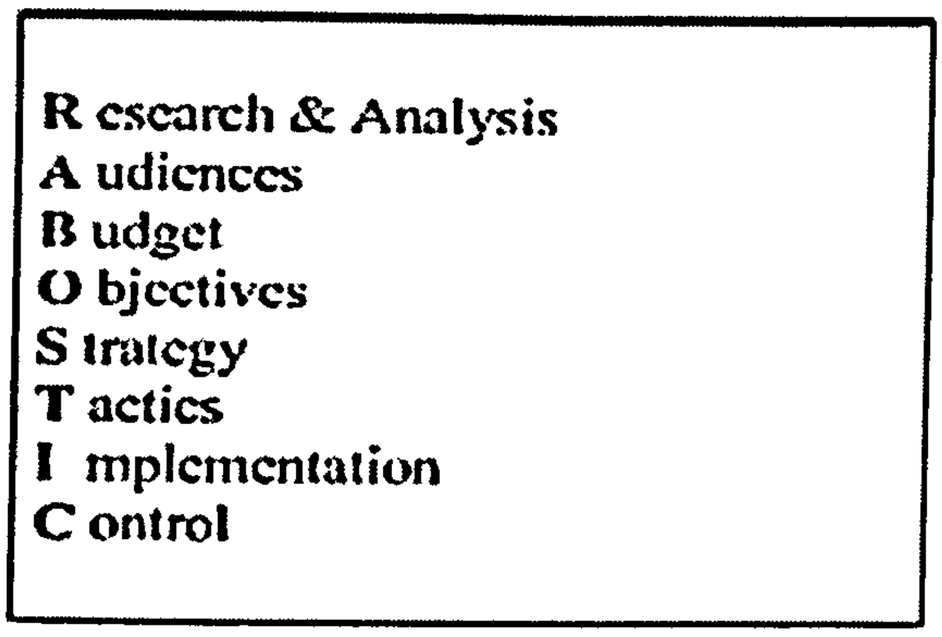
Source: Fill (2002: 469)

This model (see Figure 3.2) is easy to understand and also resembles certain stages of the Kitchen and Schultz (2002), explained in section 3.3.3. However, due its simplicity, it lacks of significant detail and explanation. It seems to be difficult to overcome the problem of positioning companies at their individual stages in this particular model. Furthermore, this model did not originate from actual empirical research but rather from the critical review of current IMC literature conducted by Fill (2002).

3.3.2 IMC Rabostic Model – Pickton and Broderick

In comparison to Fill's model (2001), Pickton and Broderick's (2005) model (see Figure 3.3) resulted from both a critical review of current IMC literature and empirical research (Hartley and Pickton, 1999; Pickton and Hartley, 1998).

Figure 3.3: IMC Rabostic Model



Source: Pickton and Broderick (2005: 14)

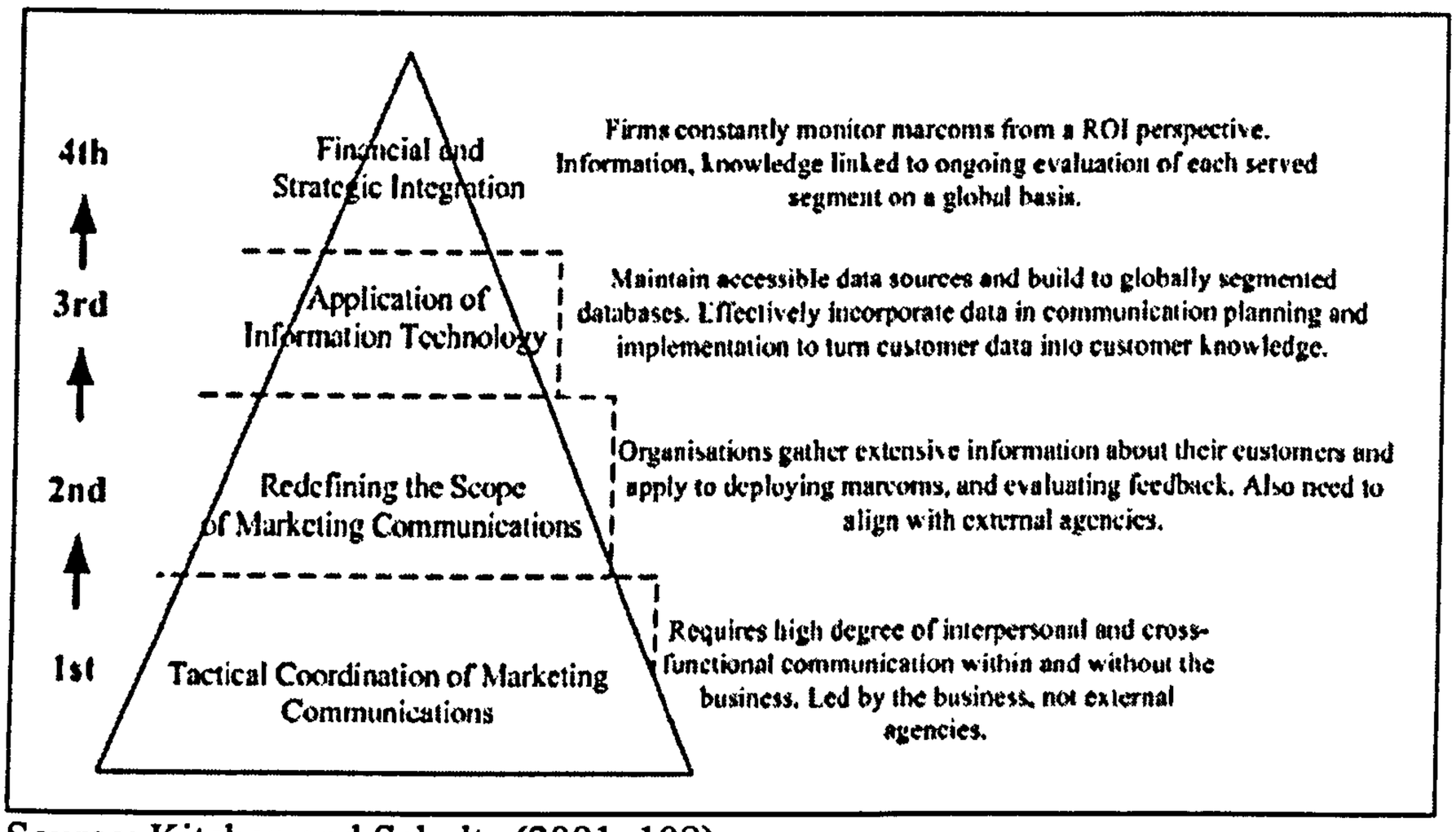
The first step to be taken, according to Pickton and Broderick's (2005) model, is to assess the company's current position in the market place. Thus, feedback from previous marketing communication campaigns and outcomes of marketing communication activities need to be evaluated in order to determine the companies target audience(s). The next step involves the budget allocation and the review of available resources; followed by the setting of the company's objectives and strategic plan. After determining the company's aims, decisions at the operational level have to be made. Promotional tools need to be chosen as tactical instruments, which will assist in implementing the campaign. Lastly, the success of the new campaign needs to be monitored and evaluated in order to understand if certain changes with regard to the marketing communication plan need to be made (Pickton and Broderick, 2005).

Although this model is much more detailed than Fill's (2002), it lacks of significant contribution in relation to the stages of IMC implementation. As such, the overarching aim of this model is to demonstrate how a marketing communication campaign should be implemented; and not how an IMC approach can be applied throughout an organisation. In addition, not much is mentioned about the sequence of the individual stages; and if they are interchangeable. Due to the fact that this model only concentrates on the implementation of marketing communication campaigns, it does not show how IMC could be used as an approach within an organisation in the long-term.

3.3.3 The Four Stages of IMC – Schultz and Kitchen

Research conducted by Kitchen and Schultz (1999) focused on advertising agencies while best practice IMC cases were explored by the American Productivity Quality Center (APQC, 2007), led by Schultz (Webb et al., 2000; Hack et al., 1999; Schultz et al., 1999; Schultz and Schultz, 1998; Schultz, 1998) (see section 3.4.2). The findings of these studies enabled the researchers to develop a four stage model (see Figure 3.4) in order to understand the development process of an IMC approach within client-organisations.

Figure 3.4: IMC – A Four Stage Model



Source: Kitchen and Schultz (2001: 108)

As demonstrated in Figure 3.4, and also by Fill (2002) the first step towards becoming integrated is to coordinate IMC at the tactical level. The aim is to generate harmony among the various communication tools and the product. This is also known as the "one sight, one sound" approach. The primary focus is on the external communication of the brand. Most important, however, is that even in the first stage the IMC approach should be led by the company and not the agency. This is the 'lowest amount' of integration a company should acquire, as it focuses on the tactical implementation of IMC. The difference between strategy and tactics is that the strategy shows which objectives the company wants to accomplish while tactics relate to how these objectives can be realised (Pickton

and Broderick, 2005). If the communication between marketing communication functions, e.g. sales, direct marketing, PR and other departments (e.g. operation) fails, the customer might not understand the intended message from the company and may even perceive the company as a disappointment. But at this level there is no mention of a customer-orientated approach.

The second level expands to a redefinition of communications, i.e. all communication contact points that a customer or prospect can have with the company should be considered. Behavioural data should also be attained in order to understand customers, which is the first time that a customer-centric approach is being stressed (Kitchen and Schultz, 2001).

The third step is to utilise the increasing information flow about customer behaviour, attitudes and transactional data via a database, meaning that customer data is turned into customer knowledge. Accordingly, the database should provide information about the customers, e.g. how often they buy from the company or when they started buying. New technologies should also be used in order to increase the information flow between employees, distributors and suppliers. These technologies may then help in executing messages at the right time and place (Kitchen and Schultz, 2001).

Finally, the fourth stage is to deploy IMC at the strategic level. This involves marketing and finance working together for the business to become fully customer-centric as a means of generating measurable and behavioural ROI. A successful IMC approach needs to take into consideration the corporate goals instead of simply serving tactical product brand objectives (Fitzpatrick, 2005; Schultz and Schultz, 2003; Schultz, 1997a; Gonring, 1994).

A result from previous research studies with advertising agencies (Kallmeyer and Abratt, 2001; Kitchen and Schultz, 1999; Schultz, 1997d; Miller and Rose, 1994; Caywood et al., 1991) is that client companies may not always have the resources to implement an IMC approach at all four stages. This leads them to avoid delegating all control to a single agency, thus dividing power and responsibility among different promotional agencies. As such, during the late 20th century, an

emerging trend was reflected in the advertising agency environment, with agencies forced to broaden their employees' skill-sets to include a much greater variety of marketing communications skills. The aim here was to attract clients desirous of a 'one-stop shopping' experience whereby agencies show a commitment to an IMC approach (Novelli, 1989/1990).

Most organisations in the early 21st century appear to be in stage one or two because they have yet to realise a change towards the kind of consumer-focused communication which requires close collaboration between, as a minimum, the marketing, research and finance departments (stage four) (Kitchen et al., 2004a; Schultz, 2004c). However, it should be questioned if integration among these departments is deemed to be desirable. As such, why have firms not realised this change? It may be that due to the success of some companies, the senior management does not see it as a necessity to change current company practices.

Furthermore, it may also be possible that companies want to implement change but due to certain reasons, e.g. financial, structural or legal, the proposed change is impossible to implement. Hence, more research is required to understand how and to what extent IMC approaches have been implemented by businesses and what kind of role agencies play seen through the 'eyes' of their clients.

In addition, financial investments for consumer research and new technologies are needed to advance through all four stages (Kitchen and Burgmann, 2007; Kitchen and Li, 2005; McGoon, 1998/1999). However, an underlying cause may also be that even though marketers and researchers have recognised the importance of IMC (Schultz, 2006c; Schultz, 2004c) and the need to focus on long-term relationship building with customers, this view has yet to be supported by the senior management. As long as IMC is perceived as a mere sales-boosting, tactical function a company will most likely not progress through the four stages. If its strategic significance is realised, IMC can augment the corporate and product brand's image and improve relationship management between various stakeholder groups and the company (Gylling and Lindberg-Repo, 2006; Pickton and Broderick, 2005). It also helps to create a consistent marketing communication approach focusing on the long-term brand value of both corporate and product

brand (see section 3.7), which should lead to significant synergy effects. IMC, as a strategic business process, should therefore be implemented and applied throughout the organisation. This view has been expressed repeatedly by these authors (Kitchen, 2005; Kitchen and Li, 2005; Kitchen et al., 2004a; Schultz and Schultz, 2003; Kitchen and Schultz, 2001; Kitchen and Schultz, 1999; Hack et al., 1999; Schultz and Schultz, 1998).

3.3.4 A Comparison of IMC Models

After critically evaluating all three models, certain points ought to be questioned. The first stage of the fours stage model by Kitchen and Schultz (2001), the same as Fill's (2002) model, primarily focuses on the coordination of promotional tools in order to create a consistent marketing communication approach. But why at this stage should the company not include customer research data in order to create tailored messages for specific target groups? Furthermore, the next three stages principally focus on the actions of the internal departments. In Kitchen and Schultz's (2001) model technologies, customer research evaluation and the coordination between agencies and the finance department whereas in Fill's (2002) model the functional coordination and cultural shift internally are emphasised. At this point, there is no mention of the relationship the customer has with the company, be it short-term or long-term.

What is questionable about all three models (see sections 3.3.1 to 3.3.3) is, why have all models never been adopted by any other researchers than the ones who created them. Although the Kitchen and Schultz (2001) model originated from actual empirical research, it has never been tested or verified with different organisations through a wide range of industries. Thus, it is not known if this particular model is applicable to B2B and B2C industries. However, the possibility exists that because B2B companies very often have less customer numbers than B2C companies, these firms may use a much more consumer-driven approach in which databases are utilised on a day-to-day basis (Wilson, 2006; Laiderman, 2005). Hence, the model should be 'tested' within actual companies in

order to see, first of all, if it is applicable, and, if so, at which stage different companies find themselves.

Despite such criticisms, the Kitchen and Schultz (2001) model is, in comparison to the other two models (discussed in sections 3.3.1 and 3.3.2), the only model which resulted from empirical research and focuses solely on the implementation of integrated marketing communications, and not on mere marketing communications campaigns. Although Fill's (2002) model also explains the different developmental stages, they appear similar to the once developed by Kitchen and Schultz (2001), only with less detail and explanation. Furthermore, Fill's model (2002) does not depict on the importance of measurement in an IMC approach, which is seen as a vital component of such an approach (Alvarez et al., 2006; Reid, 2005; Kitchen et al., 2004a; Eagle and Kitchen, 2000).

In summary, the previous sections have paid close attention to three different models (Pickton and Broderick, 2005; Fill, 2001; Kitchen and Schultz, 2001). A significant problem is that none of these models have been tested or validated in any form. In addition, none of these models have fostered an understanding of how IMC could possibly be applied within companies. Albeit only partially, at least, the proposed model by Kitchen and Schultz (2001), tries to give some detail on how to implement IMC within companies. The other two models are lacking of explanations and detail, and appear at this point of time, too simplistic to be adopted as models for the empirical investigation of this thesis. Part of this thesis' empirical phase will be allocated to both reviewing the model proposed by Kitchen and Schultz (2001) by analysing feedback from respondents and also locating specific companies within the model.

3.3.5 Strategic IMC Planning

Johnson and Schulz (2004) have given some advice on how to overcome the aforementioned problems faced by organisations and agencies (see section 3.3.3) and how to become a successful 21st century company through the application of

an IMC approach. Their findings correspond with the stages outlined by Kitchen and Schultz (2001):

- Conduct market research with the aim to better understand the customers
- Understand the perspectives, motivations and behaviour of each individual customer
- Focus on the customer and not product lines
- Require responsibility from the chief customer officer / chief executive officer to maximise customer value

The four stage model (see Figure 3.4) reveals that an IMC plan should derive from the contact points each company has with its customers. Typically, tracking studies are used to measure all the contacts a customer has on a daily basis, e.g. different media channels with a particular firm. This should give the company a general overview of who sees what kind of advertisements in the course of a given day. The marketer should then be able to divide the 'mass' into segments. These segments of consumers can then be presented with targeted messages. This can be achieved with the help of sales representatives' knowledge as well as through the utilisation of a fully functional database.

Recently, however, the climate of changing demographics and sociographics and rapidly expanding media choices has meant that traditional forms of segmentation - which have usually been based on consumer demographics - have been called into question. As a result, IMC researchers have identified the need for more sophisticated, behaviour-orientated segmentation guidelines (Reid, 2005; Rogerson, 2005; Duncan and Mulhern, 2004; Yarbrough, 1996).

After grouping the customers into segments, promotional activities should be integrated such that they work according to the overall strategic IMC plan in order to accomplish the set marketing communication objectives. It must not be overlooked that communication between customers and organisation should be a two-way process, i.e. a dialogue, an exchange of information (Schultz, 2007; Smith et al., 2006; Schultz et al., 1993). Each communication constituent may

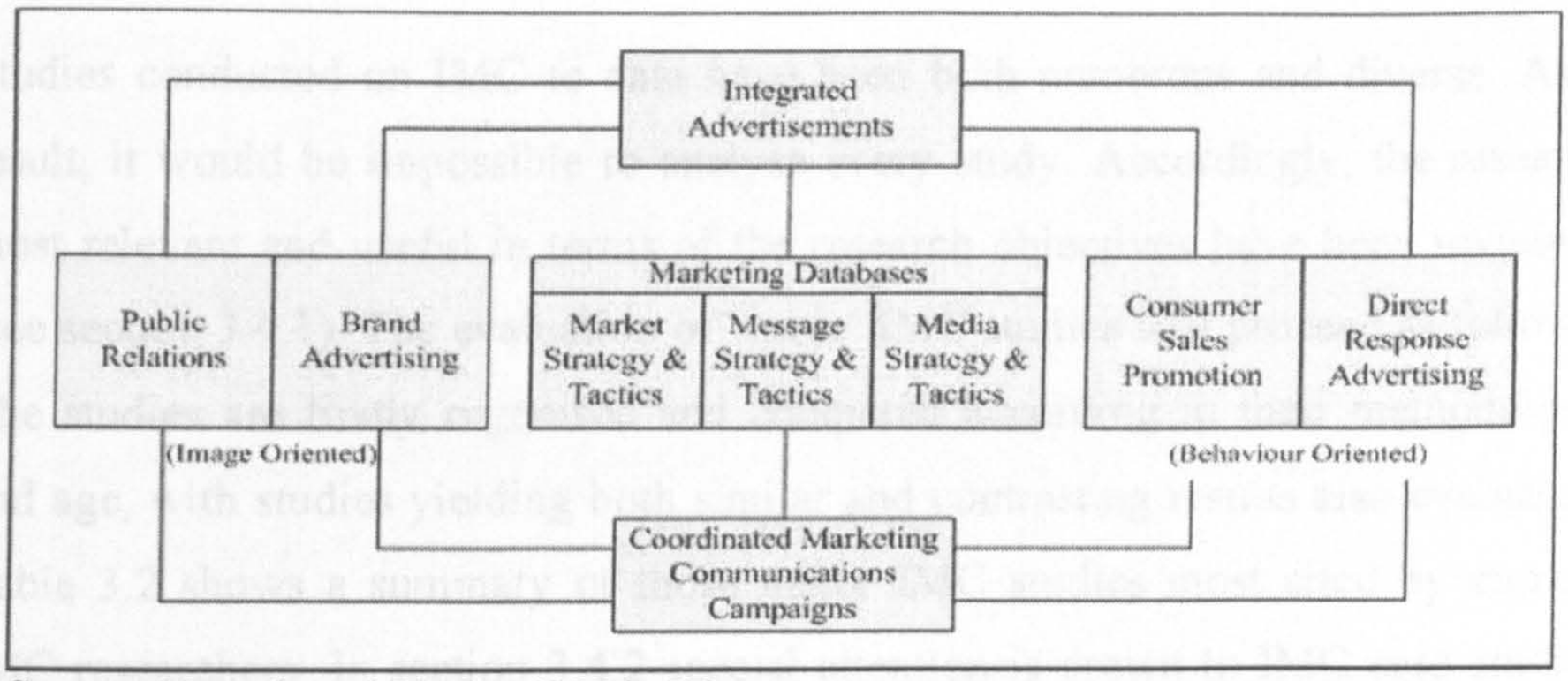
have specific aims but the end result should be an integrated approach to the company's marketing communication activities (Pickton and Broderick, 2005).

After the objectives have (or have not) been realised, attitudinal tests should be carried out in order to understand what has occurred in terms of the awareness, attitude and behaviour of customers. From such tests, areas for improvement can be identified. However, if the customers' behaviour or attitude did not positively change towards the brand despite the implementation of an IMC approach, the organisation should review its communication activities, such as its promotional tools, and examine its existing consumer groups. Thus, market research can again help in discovering and correcting errors (Duncan and Mulhern, 2004; Johnson and Schultz, 2004; Caywood et al., 1991).

Nowak and Phelps (1994) developed a model (see Figure 3.3) which provides guidance for the correct employment of IMC at the strategic and tactical level. The authors have divided the aims of IMC into image and behaviour orientation, whereas the centre of the communication setting is represented by an accurate and up-to-date database which involves the market, message and media strategy, at the strategic and tactical level.

The model depicts changes in image perception and consumer behaviour following a company's adoption of the IMC concept. Although advertising researchers have long recognised the merits and shortcomings of individual promotional tools (see chapter 2), the researchers (Nowak and Phelps, 1994) propose that when different promotional activities are used in an integrated manner, IMC can take place at the communication campaign (strategic level) and advertising (tactical) level. IMC, as shown in Figure 3.3, also encourages the employment of multiple messages within one campaign or advertisement in order to reach various target audiences (Schultz, 2007; Calder and Malthouse, 2005; Schultz et al., 1993) – this is also known in the early IMC literature as the 'one voice approach' (Nowak and Phelps, 1994).

Figure 3.5: The Integrated Communications Setting



Source: Nowak and Phelps (1994: 57)

Figure 3.5 – the significance of this model in the IMC literature is apparent in its durability, having been adopted by researchers more than a decade after its emergence. For example, Grove et al. (2007) have used it to measure IMC in advertisements at the tactical level over a 20 year time period (see section 3.4.1).

In conclusion, Figure 3.5 demonstrates how companies can become more consumer-driven and provides examples of what activities can be used to create an integrated communication mix at the tactical advertising and strategic communication campaign level. Figure 3.4 aims to facilitate the implementation of an IMC approach in which individual steps show the so-far reach of IMC implementation within a company. However, as shown in the previous sections, very little is known about IMC implementation or the strategic and tactical utilisation of multiple communication tools.

In addition, although the literature on global, local or 'glocal' advertising strategies is vast, consensus with regard to the ideal option of an advertising campaign has never been reached (Wells et al., 2003; Kitchen and Eagle, 2002; Gould et al., 1999; Sriram and Gopalakrishna, 1991; Levitt, 1983). Thus, it is not know if an IMC approach should be adopted at a global level or if respective countries can still implement and apply their own IMC approach. As such, this research will address the above discussed issues in the empirical phase. The next section aims to provide an overview of IMC research by reviewing some of the most profound studies in the field.

3.4 IMC Research

Studies conducted on IMC to date have been both numerous and diverse. As a result, it would be impossible to analyse every study. Accordingly, the research most relevant and useful in terms of the research objectives have been reviewed (see section 3.4.1). The evaluation of 'some' IMC studies will proceed as follows. The studies are firstly organised and compared according to their methodology and age, with studies yielding both similar and contrasting results also evaluated. Table 3.2 shows a summary of those major IMC studies most cited by current IMC researchers. In section 3.4.2 special attention is drawn to IMC case studies conducted by the APQC and in section 3.4.3 a doctoral thesis (Kliatchko, 2001) on IMC is reviewed. Section 3.4.4 offers a summary of IMC research studies and identifies current research gaps.

3.4.1 IMC Studies

The first significant study on IMC to reach beyond the tactical integration of different marketing communication tools was conducted by Caywood et al. (1991). The researchers employed a quantitative methodology; a survey which offered first insights into the perceptions and beliefs of 132 advertising agency executives about the then inchoate concept of IMC. Another aim of this study was to discover to what extent these marketers were offering IMC solutions to their clients, in this way addressing the questionable value of traditional advertising agencies in the changing media environment. Their investigation showed that US advertising executives are seeking to employ an IMC approach, perhaps as a result of their favourable perceptions of IMC as strongly related to the effectiveness and impact on their offerings of marketing communication programmes.

Six years later a series of in-depth studies were carried out by Kitchen and Schultz (Kitchen and Schultz, 1999; Kitchen and Schultz, 1998a; Schultz and Kitchen, 1997), utilising a similar quantitative methodology. Their research was carried out with the help of advertising executives in the United States of America (USA),

United Kingdom (UK), New Zealand, Australia and India. The questionnaire revealed that IMC was seen as the future of marketing but also that it needed improvement and enhancement. In particular, measurements of IMC's effectiveness still needed to be developed. Kitchen and Schultz (1999) demonstrated that IMC can help in developing coordinated strategies between various strategic business units within one company. Executives in all five countries perceived it as important to encourage integration in order to optimise the communication impact (Kitchen and Schultz, 1999; Kitchen and Schultz, 1998a; Schultz and Kitchen, 1997).

Furthermore, Australia and India were seen to be at the 'beginner stage' of IMC, whereas principles and practices were already rapidly growing in the UK and New Zealand, with US companies also seeming to be more mature in their IMC processes. Still, major difficulties existed in relation to the evaluative side of IMC. Most advertising executives stated that IMC is mainly demanded by their clients and that it would be hard to carry out an integrated approach without guidance and support from the client (Kitchen and Schultz, 1999; Kitchen and Schultz, 1998a; Schultz and Kitchen, 1997).

An important finding of these studies was that executives perceived the main responsibility of advertising, PR or marketing agencies to be to serve client needs by offering marketing communication tools to them. Since most early, large-scale IMC studies focused on advertising agencies, other researchers employed similar quantitative methodologies. Kallmeyer and Abratt (2001) first conducted in-depth interviews with practitioners in South Africa and then sent out a questionnaire based on previous IMC-related surveys (Kitchen and Schultz, 1999; Kitchen and Schultz, 1998a; Schultz and Kitchen, 1997). Kim et al. (2004) applied a similar methodology to their research. In addition, Kitchen and Li (2005) surveyed advertising executives perceptions and beliefs in China. All three studies achieved results (Kitchen and Li, 2005; Kim et al., 2004; Kallmeyer and Abratt, 2001) that were consistent with the multi-country comparison by Kitchen and Schultz (1999).

In particular, one aim of all three studies was to compare their findings with the results of previous research. Therefore, the same questionnaire was distributed in

China, South Korea and South Africa. In addition, the studies conducted by Kitchen and Schultz (1999) during the late 1990s represented by far the most cross-cultural and prevalent IMC research conducted on advertising agencies to date, which may be another reason why other IMC studies employed the same questionnaire. All of the studies registered a high interest in IMC, giving the results a general consistency. It was suggested that IMC should not be limited to the communication department but should rather be implemented throughout the strategic business units and in the corporate head office in order to ensure accurate integration (Kim et al., 2004; Kallmeyer and Abratt, 2001; Kitchen and Schultz, 1999; Schultz and Kitchen, 1997).

However, all of the studies found that although agencies may be able to offer different integrated marketing communication campaigns or strategies to their clients, client-firms, in general, control the IMC approach. This raises the question of why IMC research has been predominantly conducted with advertising agencies and not with actual clients. Apparently, client-firms are the ones who need and control their own IMC approach.

In addition, a significant drawback of the aforementioned studies is that none of them looked at how IMC is implemented throughout client-firms and their associated agencies. Despite the fact that Kim et al. (2004) noted that the increasing audience fragmentation and multiplication of media are also important trends in non-English speaking countries, the study by Kitchen and Li (2005) revealed that respondents believed that it will be a considerable amount of time before the concept is employed by the majority of Chinese firms. As these researches were limited to perceptions and views of practitioners, these studies tried neither to understand how IMC should be implemented nor to provide guidance to future IMC practitioners.

Bruhn and Zimmermann (1993) explored the concept of integrated communications within German corporations. The initial results obtained in 1993 are similar to those obtained by Caywood et al. (1991). Although the German investigation concentrated on client organisations and integrated communications in general and Caywood et al. (1991) focused on the perspectives of advertising

executives, in both cases the practitioners' had favourable opinions of IMC and saw similar barriers to its implementation (see section 3.5). However, certain limitations with regard to the Bruhn and Zimmermann (1993) study are noticeable. Firstly, only 96 companies were interviewed. Although barriers to integration were discovered, e.g. fear of having to give up power when implementing an IMC approach (see section 3.5), this investigation did not explore the extent to which companies are actually practising IMC. In general, the study conducted by Bruhn and Zimmermann (1993) and Caywood et al. (1991) used 'tendency statement' as questions in their respective surveys. Rather than asking 'How did you implement IMC?', the researchers asked '*Would* your company benefit from an IMC approach?' or '*Should* different agencies work together?'. Thus, IMC best practice cases or implementation guidelines were not developed.

A discussion with Professor Bruhn via e-mail revealed that he is currently conducting the same 1993 study again but this time in a cross-national context (including organisations from Germany, Austria and Switzerland). However, actual IMC implementation throughout organisations was not discussed.

Cleland (1995) conducted a study with 270 marketers which revealed that despite interest in IMC, implementation lags behind. As previously discussed, the heart of an IMC approach should be the customer's wants and needs. The survey revealed that only 34% of the sampled companies are employing a customer loyalty programme. As will be identified in section 3.5, the respondents of the survey recognised that the structure of their organisations could act as a barrier to integration and successful IMC implementation, i.e. as an obstacle to horizontal communication within a vertically oriented company.

Furthermore, research also indicates that IMC is more easily employed in small organisations due both to the ease of communication between fewer employees and also to the stronger overall dedication to one communication programme (Phelps et al., 1996). However, different researchers have also made this assumption (Reid, 2005; Cornelissen et al., 2001; Low, 2000; Nowak and Phelps, 1994). In addition, Phelps et al. (1996) discovered that there is a trend towards

decisions made by groups regarding the development of a marketing communication strategy, i.e. a consensus planning style rather than individual-driven.

Griffin et al. (2000) and McArthur and Griffin (1997) conducted quantitative research among marketing and advertising executives in consumer, business, service and retail organisations. In their most recent study three different countries – the US, Japan and Chile were involved. Both studies (Griffin et al., 2000; McArthur and Griffin, 1997) stressed the importance of taking into consideration different product-market situations, the existence of diverse consumer industries, and the resulting need to employ various communication tools and techniques.

A specific topic in the first study (McArthur and Griffin, 1997) was the in-house development of marketing communication tools. Sales promotion, public relations and direct marketing were found to be developed mainly within companies themselves, whereas others were sourced from full-service advertising agencies. A focus on both studies attempted to shed light on the time devoted to actual IMC implementation. A contradictory result from the second study (Griffin et al., 2000) when compared to Kitchen and Li's (2005) study was that Japanese and Chilean marketing practitioners considered IMC activities less important than Kitchen and Li's (2005) Chinese respondents did. However, US managers saw IMC as an important part of their marketing communication activities (Griffin et al., 2000, McArthud and Griffin, 1997). These conflicting results may have been caused either by attitudinal changes occurring in the years between the respective completion dates of these two studies or by the fact that traditional media remained effective in Japan and Chile when this research took place.

In addition, McArthur and Griffin's (1997) findings also support the finding of Novelli (1989/1990) that there exists a tendency to see 'full service' advertising agencies as the providers of creative media services. This finding also fits in with the discussion in chapter 2, which revealed that advertising is not the only option to market products and that other tools can have the same importance. For example, another quantitative study conducted by Hartley and Pickton (1999) showed that more than 50% of the 229 UK-based companies surveyed

significantly increased their direct marketing budget in comparison to their advertising budgets by delivering excellent service through the employment of freephone services and call centres.

Herrington and Lollar (1996) carried out a study similar to McArthur and Griffin's (1997) research into attitudes and usage of IMC in service and non-service organisations. The amount of money spent on marketing communications in non-service firms was found to be significantly higher than vice versa. This may be due to increasing price-sensitivity amongst consumers, decreasing brand loyalty, or similarities between competing products. Thus, non-service firms need to bolster their product much more than service firms because the latter's competitive advantage may be the service itself. However, the findings also showed that despite these differences in expenditures, the impact of marketing communications in service organisations is greater than for consumer non-service firms. Possible explanations have been given but the veracity of these conclusions is debatable (Herrington and Lollar, 1996).

Other surveys which have been conducted by different academics using a similar methodology - i.e. surveying marketing practitioners' perceptions and practice of IMC - often contradict each other's findings. Phelps and Johnson's (1996) survey only examines the meaning of IMC to US practitioners. Their study brought to light five factors associated with IMC: direct marketing, one-voice, coordinated communication marketing campaigns, increased responsibilities and response goals. However, Nowak and Phelps' (1994) research focused on actual IMC practice in the USA. They pointed out that more than 76% of marketing practitioners use IMC, whereas Caywood et al. (1991) came up with a figure of 67%. Furthermore, Duncan and Everett (1993) indicated that only a minority of surveyed US marketing managers (500) were familiar with the term IMC, and hence that only a minority of organisations practice IMC. On the other hand, Schneider (1998) suggested that the demand for IMC is increasing and that more than half of the 75 agencies in his sample had established IMC programmes successfully.

It is believed that such contradictions were caused by different definitions of IMC, different techniques for measuring integration, different sample populations, - i.e. advertising, marketing and/or PR practitioners - and different company sizes (Beard, 1997; Phelps and Johnson, 1996).

Despite the fact that most IMC studies concentrated on the USA or sometimes even the UK, Kitchen and Eagle (2002) and Eagle and Kitchen (2000) conducted their research in New Zealand. The first study was a 'longitudinal' study carried out in two phases, i.e. one in 1997 and another phase in 1998. Positive responses towards the concept of IMC were received from both marketing and advertising practitioners. However, barriers to IMC were also explored and will be elaborated in section 3.5. One of the most problematic barriers was related to measurement and evaluation difficulties (Schultz, 2003; Eagle and Kitchen, 2000). In the next study, Kitchen and Eagle (2002) concentrated on 'actual' client businesses within the context of New Zealand. Due to the low response rate, the authors could only review their findings in a qualitative, descriptive manner.

Although globalisation had an effect on divisions and departments throughout the whole organisation, a global communication strategy was very much dictated by the corporate head office rather than established as a united strategy with the strategic business and operating country units. As a consequence, the work of individual brand managers with a more global perspective became much harder (Kitchen and Eagle, 2002).

However, a reappearing problem in current literature is the measurement and evaluation of IMC (Eagle et al., 2006; McGrath, 2005b; Reid, 2003). Many companies nowadays are facing increased competition and thus, have to perform well and are tight to budgeting and evaluating procedures often in liaison with the finance department and senior management (Ratnatunga and Ewing, 2005). A study conducted by Reid (2003) showed that the more a company is integrated the better its performance results will be, i.e. in relation to sales and overall customer satisfaction. Reid (2003) also noted that the strategic value of IMC is undeniable and that if a company is truly integrated it can achieve a competitive advantage compared to others. However, the reason for the apparent link between a rise in

sales and an integrated marketing communication approach is unknown. How and why an IMC approach can lead to these effects has so far not been elucidated. It is probable that in the future firms will try harder to achieve integration within the organisation in order to gain a competitive advantage and, primarily, to survive in very competitive marketplaces.

The problem of IMC measurement and evaluation was further investigated by Stammerjohan et al. (2005). Their research demonstrated that especially at the beginning of a brand's life, marketers should utilise a variety of promotional tools and apply them in an integrated manner. Hence, this investment can lead to an increase in dividends with regard to market share and repeat purchase behaviour. In addition, Duncan and Moriarty (1998) developed a mini-audit which was later modified by Reid (2005). The audit explores the relationship between IMC process and brand outcomes in consumer goods and consumer services organisations. Reid's (2005) finding corresponds with his earlier studies and the one conducted by Stammerjohan et al. (2005), i.e. that IMC can lead to positive brand outcomes and higher return on investment. Some of the questions found in the original mini-audit by Duncan and Moriarty (1998) are utilised for this research's interview schedules – see chapter 4 section 4.4.5.

Furthermore, Ratnatunga and Ewing (2005) introduced a tangible-intangible asset valuation framework. This framework concentrated on brand capability enhancement opportunities. Expense leveraged value indexes and performance measurement systems, e.g. balance scorecard, expenses, etc. were brought together in order to create a formula which 'apparently' is able to measure the brand capability. However, this framework has never been implemented and thus, it is unknown if it could be applied in an organisation. As in the case of the mini-audit (Duncan and Moriarty, 1998), these specific frameworks have not been implemented in various companies in order to proof their functionality. Possibly, longitudinal action research is required with the aim of testing these frameworks. However, this research's nature is based on a cross-national study over a short period of time. It would most likely not be possible to carry out the mini audit (Duncan and Moriarty, 1998) or implement the formula (Ratnatunga and Ewing, 2005) in connection with present measurement tools from the companies which

will participate in this research. Still, different questions will be raised in relation to current measurement and evaluation procedures in the individual firms.

As stated by Reid (2005), IMC can lead to higher ROI; thus, there is a need for marketers to understand, which promotional tools are most effective for individual target groups and how to integrate these in order to increase sales. Gonring (1994) examined the employment of non-traditional media within an IMC approach. The results demonstrated that such media have a greater impact on consumer behaviour at a lower cost. Furthermore, Carlson et al. (1996) explored the level of integrated marketing communications used in environmental advertisements. It was discovered that most 'green' advertisements have not made full use of the concept and were therefore not entirely integrated. However, the study is limited to the tactical use of integrated marketing in advertisements, and it also employed only a small sample (100 advertisements), thus making it difficult to generalise from its results.

In a similar study, McGrath (2005b) created two fictional companies which he used to explore the tactical correlation of marketing communications consistency and feelings towards product brand/recall of brand messages. The results implied that if a high degree of optical uniformity was used, the consumer attitudes towards the product brand can be improved. Thus, it is questionable why, for example the advertisements examined by Carlson et al. (1996) were not entirely integrated in order to increase the consistency of advertisements and to change consumer behaviour. However, one possible explanation might be the lapse of ten years separating these two studies. Competition is nowadays much more fierce as well as new media opportunities arise much faster; thus, firms have to try much harder to reach specific consumer target groups. But on the other hand, technologies and other inventions may ease integration procedures, which could also be a possible explanation why these 'green' advertisements were not integrated to their maximum.

Contradictory was the finding that brand recall does not gel with IMC theory, which would imply that the marketer cannot use the IMC concept to persuade its consumers or use compact information to make the consumer remember it

better(McGrath, 2005b). However, the study did have certain limitations: only four types of different media were examined and the research was conducted in an experimental setting and is thus questionable in terms of external validity. Moreover, given its use of fictitious companies, the research could have failed to take into account the continuous dialogue which the consumer has with an organisation in a natural setting (McGrath, 2005b). The limitations of this study are many and significant, and, as such, the results should not be seen as conclusive, but rather as the beginning of empirical research on the concept of IMC.

Similar to McGrath study (2005b) are the studies conducted by Grove and his colleagues (2007; Carlson et al., 2003; Grove et al., 2002). These studies also focus on the tactical implementation of IMC but not on the effect it has on consumers. In fact, these studies focus on actual IMC usage in service and goods advertisements at the tactical level. What is interesting here is that in the latest study (Grove et al., 2007), the researchers found that IMC has persisted in advertisements for the last 20 years with little variation. Even before the introduction of the Internet and other new technologies these advertisements showed components of an IMC approach. But very few advertisements from both sectors comprehended a wide-ranging variety of promotional tools. A significant drawback of these studies (Grove et al., 2007; McGrath, 2005b; Carlson et al., 2003; Grove et al., 2002) is that they only focus on the tactical implementation of IMC but not on the long-term effects of IMC, the internal implementation of IMC or the effects of technology on client-organisations.

IMC can become complex and hard to attain when environmental changes are occurring rapidly. Thus, skilled managers with an 'all-round know-how' are needed to control and diffuse an IMC programme throughout the whole organisation and not only within the marketing department (Hartley and Pickton, 1999; Beard, 1996; Caywood and Ewing, 1991). The degree of integration and usage of IMC also varies according to different industries, e.g. within product industries common messages are less likely to occur than in service industries (Low, 2000; McArthur and Griffin, 1997). More specifically, the findings from Low (2000) showed that within the transportation, communications, wholesale

and retail businesses common messages are less frequent. However, due to fiscal concerns most organisations have not implemented their IMC programmes at the strategic level (see Figure 3.4 in section 3.3.3) - (Kitchen and Li, 2005; Low, 2000). Furthermore, large organisations may experience difficulties in achieving integration because their various brands and products require coordination while consistency between corporate brand and product brands also needs to be maintained (Low, 2000). Accordingly, this thesis will explore the implementation and application of IMC in various national or international organisations and in their various strategic business units in order to learn about the techniques and difficulties involved in IMC implementation.

Table 3.2 presents a summary of some of the most significant IMC studies, ranging from 1991 to 2007. The table provides the author names and year, the location of the study, the population being studied, the methodology employed as well as the purpose of the study.

Table 3.2: IMC Research Summary

Author(s)	Focus of Study	Managers Studied	Research Method	Country studied
Caywood, Schultz and Wang (1991)	Perception of IMC	132 marketing communication professionals	Mail survey within consumer goods companies	USA
Bruhn and Zimmermann (1993)	IMC practices in a German context	120 marketing managers	Mail survey within organisations	Germany
Duncan and Everett (1993)	Perceptions of IMC	216 marketing and communication managers	Mail survey within companies	USA
Miller and Rose (1994)	Perceived value of IMC	565 advertising and PR practitioners	Mail survey within companies	USA
Herrington and Lollar (1996)	Effectiveness of marketing communications	570 firms	Compustat data – analysis	USA
Carlson, Grove, Laczniak, Kangun (1996)	Environmental advertising and IMC	100 advertisements	Experiment	USA
Gronstedt (1996)	Organisational integration	41 corporate and marketing communications professionals	Case studies within companies	USA
Phelps, Harris and Johnson (1996)	Responsibilities for communication strategy and planning	101 marketing communication practitioners	Mail survey within companies	USA

Author(s)	Focus of Study	Managers Studied	Research Method	Country studied
Gronstedt and Thorson (1996)	Organisation structures of advertising agencies	27 interviews	Grounded theory method – in-depth interviews within agencies	USA
Phelps and Johnson (1996)	Perceptions of IMC	101 marketing communication practitioners	Mail survey within companies	USA
Rose (1996)	Perceived value of IMC	143 advertising and PR professionals	Mail survey within agencies	Latin America
Beard (1997)	Client-agency relationship	140 marketing and advertising managers	Mail survey within agencies	USA
McArthur and Griffin (1997)	Usage, organisation and sourcing of marketing communication	140 Marketing and PR managers	Mail survey within companies	USA
APQC – Schultz (1998)	IMC within client companies	22 IMC best practice cases	Case studies – brand practitioners and secondary data	Primarily USA
Grunig and Grunig (1998)	Organisation of communication function	323 organisation – head of PR, CEO and mean of 14 employees	Mail survey and (follow-up) interviews within organisations	USA, Canada, UK
Low and Mohr (1999)	Marketing communication budgeting process	21 managers in 8 organisations	In-depth interviews in consumer product firms	USA
Gould, Lermann, Grein (1999)	Agency coordination of global marketing communication campaigns	14 senior agency executives	Mail survey in corporations	USA
Kitchen and Schultz (1999)	Agency perceptions of IMC	253 senior agency executives	Mail survey within agencies	USA, UK, Australia, New Zealand, India
Eagle and Kitchen (2000) and Eagle et al. (1999)	Client/Agency relationship	Part 1: 20 advertising executives and 22 marketing organisations Part 2: 19 advertising agencies and 24 marketing organisations	Mail survey and in-depth interviews within agencies and organisations	New Zealand
Low (2000)	Marketing communication planning	421 senior marketing managers	Mail survey within organisations	USA
Griffin, McArthur, Yamaki, Hidalgo (2000)	Marketing communication activities	361 practitioners	Mail survey within organisations	USA, Japan, Chile
Fill (2001)	IMC development	CoServe	One case study with company	USA
Cornelissen and Thorpe (2001)	The departmental arrangement of communication disciplines	85 directors or heads of corporate communications and/or marketing	Mail survey and (follow-up) interviews within organisations	UK
Kallmeyer and Abratt (2001)	Perceptions of IMC	20 senior executives	In-depth interviews within agencies	South Africa

Author(s)	Focus of Study	Managers Studied	Research Method	Country studied
Kliatchko (2001)	Perception and Practice of IMC	10 respondents in agencies, 10 respondents in organisations	Open-ended questionnaire	Philippines
Kitchen and Eagle (2002)	Perceptions of IMC	21 executives	Mail survey to members of the Association of New Zealand Advertisers	New Zealand
Grove, Carlson, Dorsch (2002)	Services intangibility through IMC	25 services advertisements for four categories	Qualitative document analysis	USA
Reid (2003)	IMC performance relationship	169 communication practitioners	Mail survey within organisations	Australia
Peltier, Schibrowsky, Schultz (2003)	Interactive IMC process model	1330 home owners	Mail survey for energy project	USA
Madden and Perry (2003)	Financial services and communication, perceptions of customers	34 customers	Case-study	Australia
Jin (2003/2004)	Effects of advertising campaign publicity in Super Bowl	623 and 551 students	Mail survey and experiment	USA
Kim, Han, Schultz (2004)	Perceptions of IMC	218 managers and employees	Mail survey within organisations and agencies	South Korea
Swain (2004)	Methods of IMC measurement and leadership preferences	185 respondents with ties to marketing communication	Mail survey within six professional groups	Australia
Beverland and Luxton (2005)	How luxury wine makers create and recreate images of authenticity	26 Companies	Case Study – Interviews	Australia, New Zealand, France, Portugal, Lebanon
Davison, Bulmer, Eagle (2005)	IMC in SME context	75 managers	Mail survey within organisations	New Zealand
Dewhirst and Davis (2005)	IMC in Imperial Tobacco (Canada)	Canadian Court proceedings, advertising practitioner interviews, trial testimony transcripts	1 Case Study	Canada
Kitchen and Li (2005)	Perceptions of IMC	83 PR and advertising executives	Mail survey within agencies	China
McGrath (2005b)	Testing elements of IMC	30 undergraduate students	Experiment	UK
Reid (2005)	Relationship between IMC and brand outcomes	169 managers	Mail survey within consumer good/service companies	Australia

Author(s)	Focus of Study	Managers Studied	Research Method	Country studied
Stammerjohan, Wood, Chang and Thorson (2005)	Examination of multiple communication tools for both familiar and unfamiliar brands	224 students	Experiment	USA
Eagle, Kitchen, Bulmer (2006)	Views and perceptions of agencies in two countries	27 Advertising Agencies	Survey	UK, New Zealand
Grove, Carlson and Dorsch (2007)	Tactical IMC measurement over 5 time periods spanning 20 years	1,473 advertisement	Experiment	USA

Source: Author generated, 2006

3.4.2 IMC Best Practice Cases

Practical illustrations are given by the APQC of brand oriented organisations who have successfully implemented IMC programmes (Carlin et al., 1999; Hack et al., 1999; Schultz and Schultz, 1998; Schultz, 1998). The companies' practices have also been reviewed by McGoon (1998/1999). His analysis of the best practice cases was guided by the four stage model (Kitchen and Schultz, 2001) (see section 3.3.1). The key findings, including company examples, are shown below (McGoon, 1998/1999).

1. The tactical implementation of IMC was assessed. The company Federal Express, for example, coordinates the tactical implementation via a cross-functional team comprising an analyst, a manager, members of the marketing team and advertising agency staff. New technologies, such as e-mail, facilitated tactical integration.
2. IMC came from within companies. Smaller or local agencies were mostly employed for specific tasks. Moreover, for example, Dow Chemical has a global lead agency which is responsible for the strategic coordination of all of its messages.
3. One of the main assessment criteria was customer-centricity of these companies. Customer research data, including behavioural data, was key.

4. Feedback from customers should be taken actively into consideration to enhance both the external and internal communication. For example, CIGNA is using its websites and its customer e-mails to become the 'voice of the customer'.
5. A major challenge was the coordination of internal and external communication practices. FedEx, for example, tries to overcome this by rapid dissemination of minutes after meetings have taken place.
6. The information technology and marketing department should work together. At Dow Chemicals all employees have access to customer data.
7. IMC practicing companies should have a global database. In organisations such as Hewlett-Packard, global, rather than country-specific, databases are created in order to promote global integration.
8. The databases should be used to measure and evaluate customer segments.
9. Companies should take advantage of technologies in order to create a customised communication programme. However, even the companies under investigation in this study did not always operate such an approach.
10. Acquisitions and mergers should be critically assessed not only financially but also in terms of the company's or brand's fit in relation to reputation, philosophy and image.
11. Measurement is key but only a few of these 'best practice organisations' incorporate financial measurements. FedEx only evaluates its sales versus its marketing expenditure before contrasting it with the results of the business strategy.
12. The organisational implications of an IMC approach are often neglected. USAA developed a direct reporting structure from the market research department to the strategic planning department, thus saving time and being able to act much more quickly.

In conclusion, these studies present important insights into how IMC can be practiced. But, the information provided by the APQC seems to be fragmented at times. This means that very few theoretical insights can be gained as no links are established to existing IMC studies and theories. Furthermore, most of the best practice case studies focus, at least partially, on business-to-business firms, such as FedEx, Dow Chemicals or USAA. As such, little is known about IMC practices

directed at end-consumers or about IMC approaches in consumer-focused companies.

3.4.3 A Doctoral Thesis on IMC

The only doctoral thesis on IMC to date was conducted by Kliatchko (2001). His research concentrated on the understanding, acceptance and practice of IMC in 10 organisations (large to small firms in different industries) and 10 agencies in the Philippines. Being an exploratory qualitative study, it was based on an open-ended questionnaire disseminated to respondents. The findings of this study are summarised below (Kliatchko, 2001).

1. Client companies implemented brand management structures and cross-functional training programmes to practice IMC.
2. Increases of below-the-line activities led respondents to see PR as part of the IMC approach.
3. Despite the fact that awareness of the actual term 'IMC' was higher among agencies, the majority of respondents thought of IMC as something 'old'.
4. IMC was thought to be cost-efficient, leading to higher impact via multiple media, as well as more effective in terms of communication.
5. Databases were in place but these were not seen as part of the marketing communication planning.
6. Traditional measurement techniques, such as ad recall were in place.

While some of the findings of this doctoral thesis are important to this research (see above), this study has significant flaws. One major weakness of this research is that Kliatchko chose a quantitative method for a qualitative research purpose. Although the survey had open-ended questions, the researcher's failure to utilise interviewing techniques meant that he was unable to probe or expand on certain areas of interest. Due to the country size of the Philippines, Kliatchko (2001) could not cover a wide variety of companies. Therefore, company sizes varied significantly, making a valid comparison difficult to establish. Lastly, some of the firms had global headquarters in other countries from which the IMC approach

may have been delegated; as a result, it was not possible to establish an outline of how best to implement IMC.

3.4.4 Summary and Limitations

Overall, most studies conducted on IMC have focused on the perceptions of practitioners within advertising agencies, with client organisations as a side issue. The majority of IMC studies have adopted a quantitative methodology via the use of questionnaire-based surveys as illustrated in Table 3.2. As such, they have not analysed the deeper meaning of IMC, i.e. as it is perceived by more senior managers within firms (Kliatchko, 2005; Kim et al., 2004; Kitchen and Schultz, 1999; Eagle et al., 1999; Nowak and Phelps, 1994; Caywood et al., 1991). This is a deficiency of the IMC literature which begs further investigation, particularly considering the fact that it is believed that IMC is demanded by clients and not advertising agencies (Kim et al., 2004; Cornelissen and Lock, 2000b; Schultz and Kitchen, 2000b).

Although researchers have acknowledged IMC's strategic use, recent research has focused mainly on the tactical implementation of IMC in advertisements (Grove et al., 2007; McGrath, 2005b; Jin, 2003/2004; Carlson et al., 2003). A small number of qualitative studies exists which have examined IMC performance-relationship and perceptions of senior managers (Beverland and Luxton, 2005; Low and Mohr, 1999; Gronstedt, 1996; Phelps and Johnson, 1996). The most significant studies on these topics have been conducted by the APQC, which investigated IMC best practice cases (Webb et al., 2000; Hack et al., 1999), albeit mostly business-to-business companies. Limited research has been carried out on how IMC is used internally throughout the organisation, externally at the campaign level and as a strategic instrument within consumer firms.

Furthermore, the concept has been mostly researched in English-speaking countries, with the USA most frequent context for IMC studies (Kitchen and Li, 2005; Kim et al., 2004; Cornelissen and Thorpe, 2001; Cornelissen and Lock, 2000b; Bruhn, 1997/1998). As demonstrated in Table 3.2, virtually no studies

have concentrated on a cross-national context, and neither are there many studies which focus particularly upon non-English-speaking countries. Nor, indeed, have there been many studies conducted within a European context. Thus, not only is there little known about actual IMC implementation within firms, but there is a particularly acute lack of research on countries other than the USA.

The research design of this work was derived from gaps identified in previous research. The empirical phase of this research concentrates on a comparison of IMC implementation and application within companies at different business levels, i.e. corporate, strategic business unit and brand level. Furthermore, there is also an in-company analysis of IMC within different consumer-focused companies located in the UK and Germany. For further details of this research's methodology, see chapter 4.

3.5 Barriers to IMC

Following up on past IMC studies, researchers were able to identify perceived barriers to IMC implementation and application. The following points represent a summary of the most important barriers to integration. These barriers will be discussed in the subsequent paragraphs – highlighted in italic (Ratnatunga and Ewing, 2005; Kitchen et al., 2004a; Swain, 2004; Eagle and Kitchen, 2000; Hartley and Pickton, 1999; Pickton and Hartley, 1998; Bruhn, 1997/1998; Gonring, 1994; Duncan and Everett, 1993; Schultz et al., 1993):

- Power, coordination and control issues
- Client skills, centralisation and cultural issues
- Agency skills and general time/resource issues
- Flexibility/modification issues
- IMC measurement difficulties
- Lack of strategic vision and business culture
- Unclear positioning at corporate level
- Subcultures within different communication departments
- Need for cross-disciplinary managerial skills

- Fear of change
- Hierarchical organisation structure
- Turf battles and functional silos
  - Need to protect status
  - Need for single budgeting process and shared performance
  - Need for equal consideration across all functional areas
  - Cross-functional training
  - Inside-out communication planning
  - Short-term planning
  - Lack of database development
- Media fragmentation
  - IMC must continually demonstrate how their mix on non-traditional media creates more impact at less cost
- Mindset – specialisation, history, tradition, experience

IMC involves the whole company, starting with the CEO and cascading through the organisation. Ideally, the corporate objectives should support the marketing objectives and vice versa. If *commitment is only given at the tactical level*, which mainly involves the marketing functions, the corporate level - such as the senior managers or the CEO itself - will probably fail to be as dedicated to the programme as they should be because they will not be directly involved with the IMC implementation and may not recognise the benefits of applying an IMC approach as a strategic process (Holm, 2006; Reid, 2005; Bruhn, 1997/1998). However, even though IMC should start at the senior level, research has indicated that this occurs only very rarely (Swain, 2004). Senior managers ought to be highly engaged in the application of IMC procedures throughout the organisation, and this research will further explore this idea.

IMC utilises traditional promotional elements but is also forced to go beyond them due to the fragmentation of media and rise of new technologies. This leads to a recognition of the import of non-traditional forms of marketing communication activities, including interactive media (such as short message services) and the Internet (e.g. through employing consumer chat rooms) (Economist, 2007d; Gonring, 1994). In particular, marketing practitioners may

interpret the concept of IMC not as prerequisite of company development but rather as a one-dimensional rationalisation for another agency to make an easy profit (Stammerjohan et al., 2005; Wolter, 1993). Thus, due to increasing pressure from clients and *decreasing marketing budgets*, advertising agencies may exploit the concept of IMC to include more promotional mix elements in their functions, possibly resulting in greater profits for the agency. Therefore, practitioners need to recognise that IMC can work in favour of the organisation and not just the agency. Indeed, the agency should not be seen as the final solution to the company's problems, but rather as a mixture of consultant and communication expert, working towards the company's and the agency's aims and objectives (Beard, 1997; Bill, 1993).

Another barrier is represented by the *trend towards specialisation in the 21st century*, e.g. a client organisation could employ a direct marketing agency, an advertising agency and packaging agency at the same time. It is noticeable that many specific agencies have been developed, e.g. advertising, PR and promotion agencies, but what clients really need is integration. This requires a much broader vision, where aims and purposes are refocused (Naik and Raman, 2003; Schultz, 1993b). Furthermore, such specialisation may also exist within the client organisation, i.e. the different marketing communication functions are separated from each other. Moreover, the individual tasks within one department are again divided into small fragments, which may limit the success of an IMC programme (Hartley and Pickton, 1999). Therefore, division of departments may not only present a physical barrier but may also fragment the tasks of employees such that an IMC approach is thwarted. The problem is how to link successfully the different functions and departments with each other in order to start communicating and become integrated.

It is likely that most organisations' structures do not suit IMC programmes. Integration necessitates not only vertical communication but also horizontal communication, a state of affairs which often causes conflicts among the employees and their functions and tasks (Gould et al., 1999; Grein and Gould, 1996; Schultz, 1993a). Communication across strategic business units (SBUs), brands and departments, as well as from brand managers to senior managers and

vice versa, needs to be secured, which requires an open-minded business culture (Kim et al., 2004). IMC may lead employees to a *sacrifice of power*, which could cause disputes among them because of arising fears over loss of control and authority (Eagle and Kitchen, 2000; Gonring, 1994). However, implementation and application outcomes of 'full integration' have yet to be addressed in the IMC literature (Pickton and Hartley, 1998; Schultz, 1993b).

Thus, employees may fear that their status will be reduced or, worse still, their positions lost. The coordination and combination of various tasks, duties and arrangements often represents the stiffest challenge to the implementation of an IMC programme (Cornelissen and Harris, 2004; Schultz, 1993b). *Conflicts among employees* and *fragmentation of tasks* can be caused by *poor database development*, *short-term planning* or *'inside-out' communication* – developing the communication strategy based on the product and then working towards the customer (Reid, 2005; Reid et al., 2005; Kitchen et al., 2004b; Gonring, 1994).

The *history or background of an organisation*, as well as its *traditions and experience* can lead to difficulties when implementing an IMC programme. Firstly, its structure may often be considered satisfactory, leading to a feeling that there is no real need for a change (Schultz, 1993b). However, if this situation persists and change is not being welcomed, it may result in a loss of the company's market position. Schultz (1993d) pointed out that openness to reorganisation or adaptation to new organisational structures can be the key to greater integration or an obstacle to the successful implementation of IMC, depending on the company's culture.

It has been suggested (Cornelissen, 2000; Nowak and Phelps, 1994) that to overcome barriers, cross-functional tasks – such as regular meetings or introductory training – should be developed in order to leave behind authority conflicts and create team spirit among employees. Schultz (1991) came up with the post of a Communication Czar who is responsible for the complete implementation and application of an IMC programme within the company. McArthur and Griffin (1997) also noted that it was common practice within consumer organisations to have a single person coordinating all major

communication activities. But no direct reference to Schultz's (1991) concept of a Communication Czar was made. In addition, Schultz (1993e) also suggested that in drastic circumstances, it may be worth restructuring the whole organisation with new departments in order to reach effective outcomes and achieve appropriate changes (Schultz, 1993e).

More than a decade has passed since the first conceptual papers on IMC have emerged, but still very little is known about how IMC can help to overcome communication barriers and how IMC is implemented in firms. In section 3.4.2 APQC Best Practice Cases were reviewed in order to provide examples of how to practice IMC. Another example is Microsoft, which through the employment of a new corporate communications director has started to improve its internal communication practices (Love, 2006). For example, existing information was divided into story blocks in order to reduce unnecessary information, and new technologies were installed to help in conveying this information.

This research will also investigate whether or not some of the aforementioned barriers have been overcome by the selected organisations or if any other problems or barriers towards integration have been experienced. In addition, this study will attempt to understand how communication can be augmented in various organisations.

3.6 Criticism of IMC

After the discussion of past research papers and barriers to IMC, it may perhaps be necessary to draw attention to the criticisms surrounding IMC. Firstly, Cornelissen and Lock (2000b) argue that practitioners are only acknowledging and perceiving the concept of IMC as important due to its rhetorical appeal and that there is little evidence of how an IMC approach can be implemented or how the concept is being used within organisations. There is also wide-spread acceptance that IMC advocates have tended to over-emphasize on the language being used to describe IMC, rather than grounding IMC on the basis of empirical data (Cornelissen, 2003; Cornelissen and Lock, 2000b; Schultz and Kitchen,

2000b). Indeed, the idea of integration and its nature should be viewed as 'common sense' by any marketing practitioner, because marketing practitioners would almost certainly tend to be pro-integration rather than against it.

But Cornelissen and Lock (2000b) are not alone in critiquing IMC. Other scholars have characterised IMC as too ambiguous, partially owing to its lack of a universally agreed-upon definition and the resulting divergence of operational IMC measures (McGrath, 2005a; Cornelissen and Lock, 2000b; Stewart, 1996; Phelps and Johnson, 1996; Nowak and Phelps, 1994). To overcome this validity problem, Schultz (2004b) proposed a new and revised version of IMC, presented in section 3.2, which has been adopted by the American Marketing Association (2007) and also underpins this research. In addition, it seems that most researchers have recognised the strategic importance of IMC even if evidence in relation to the realisation of the strategic employment of IMC within companies is scarce.

Furthermore, Cornelissen and Lock (2000b) reproached IMC as nothing more than a managerial fad. Indeed, current IMC studies, as for example Schultz and Kitchen (2000b), have noted that IMC is still in its pre-paradigm stage and cannot, therefore, be called a theory. Despite this, in the past two decades many marketing communication investigations on IMC have proven that IMC is widely accepted among marketing and PR practitioners – see section 3.4 (Kitchen and Eagle, 2002; Reid et al., 2001; Kitchen and Schultz, 1999; Kitchen and Schultz, 1998a; Schultz and Kitchen, 1997; Miller and Rose, 1994; Duncan and Everett, 1993).

In addition, PR-oriented literature in the early 1990s argued against integration of marketing and PR. In an article by Miller and Rose (1994), the two authors reported on the debate at the conference for Education in Journalism and Mass Communication in 1993. Other papers and reports were also reviewed, such as the one by Ehling et al. in 1992 who claimed that "the public relations function of excellent organizations exists separately from the marketing function " (Miller and Rose, 1994: 13). These researchers view PR as a subject on its own, serving various stakeholder groups in a different manner than marketing does. Thus, in the eyes of these practitioners and researchers, PR should not be seen as a mere function of marketing. However, IMC was and still is perceived as reality and an important subject area to both marketing and PR practitioners, albeit for

sometimes different reasons (Miller and Rose, 1994; Nakra, 1991; Niederquell, 1991).

To date, more than 100 articles and papers have been published about IMC, and although it is an emerging discipline, the fundamentals of IMC are becoming established (Patti, 2005). Schultz and Kitchen (2000b) note that the validity of a concept or theory does not only consist solely in a universally accepted definition. Although one cannot come up with a definite figure for the number of investigations needed before a specific concept can be called a theory, different concepts and frameworks are needed and ought to be interrelated and linked before an actual theory emerges (Carroll and Swatman, 2000; Walsham, 1995). As such, it is not yet known if IMC will ever emerge as a theory or if it is a concept which needs to be linked to other communication concepts to produce a different theory.

Hypothesis testing in relation to the tactical integration of marketing communication tools has begun to emerge (McGrath, 2005b; Stammerjohan et al., 2005; Jin, 2003/2004). On the other hand, different theoretical constructs and concepts are still needed to lift IMC to the theoretical level. With the apparent research focus on advertising agencies, too little research has been carried out on client-organisations for there to be a demonstrable link between theoretical constructs and the experience of actual firms. As such, IMC theory building – seen from the point of view of a strategic business process – has only recently begun to emerge.

In the past, researchers have argued (Cornelissen and Lock, 2000b; Pickton and Hartley, 1998; Hutton, 1996a; van Riel, 1995) that the historical framework and the origins of IMC can be traced back to the 1970s and 1980s, with the term IMC simply becoming more popular during the last decade. Caywood and Ewing (1991) also acknowledged that some ambitious practitioners of the 1950s tried to implement integrated programmes and failed only because of their lack of knowledge and technology. However, it is undeniable that the nature of communication has changed dramatically during the last 20 years. Today, marketing communication practitioners must utilise these new kinds of

communication - e.g. the Internet, networks, value chains, direct marketing campaigns and databases, - all of which have had a significant impact on companies.

In fact, the concept of IMC has grown out of such changes (Economist, 2007d; Grove et al., 2007; Schultz and Kitchen, 2000b). Although practitioners may have attempted to coordinate and integrate marketing communication mix elements at the tactical level even before the earliest IMC papers were published, IMC as a strategic business process focusing on long-term brand value and customer relationship management is a product of the late 20th century. With the aforementioned changes occurring in an increasingly global context of commercial competition, the adoption of an IMC approach throughout the company appears to be valuable, if not necessary, to sustained success.

IMC is often seen as a technique that belongs to marketing practitioners rather than to the organisation, whereas PR practitioners may view it as a limiting approach given that marketing does not incorporate all functions of PR (Wightman, 1999; Miller and Rose, 1994; Wolter, 1993). Most advertising or marketing practitioners are in favour of IMC, whereas public relations practitioners are often against it. This may be due to the fact that IMC tends to be seen by PR practitioners as an attempt to bring PR under the umbrella of marketing (Miller and Rose, 1994). Wightman (1999) also suggests that many advertising agencies use IMC to incorporate PR due to decreasing client budgets. The central argument put forward by Miller and Rose (1994) is that marketing is often viewed primarily as a function which serves the customer as a stakeholder, while PR directs messages to different stakeholders and constituencies (see chapter 2 section 2.4.4).

Furthermore, Cornelissen and Harris (2004), in exploring the working relationship between marketing and PR, discovered that the majority of firms have not integrated these functions and that they rarely work in unison. Ideally, these two communication functions should be combined. Thus, the difficulties that practitioners face in assimilating these two functions may be seen as a barrier and also as a flaw insofar as PR practitioners may oppose IMC in order to prevent

themselves from being subsumed by the 'marketing' banner, thus denying themselves access to IMC's strategic value. Then again, neither marketing nor PR practitioners should make final conclusions because despite a vast amount of theorising, little detailed empirical work on IMC within organisations exists to support the conceptual perspectives already advanced.

Moreover, it should not be forgotten that IMC is still in its pre-paradigm stage. Studies into practitioner's perceptions of IMC and into the tactical implementation of IMC - as in advertisements and other forms of media - have tended to employ quantitative methodologies. Research carried out in relation to actual IMC implementation and application at the strategic level is scarce; and hence, this research should be of an inductive nature as well as of a qualitative research methodology to gain an in-depth understanding (Gould, 2000). As Gould (2000) pointed out, the concept can be better understood and characterised through the use of interviews. A quantitative study would not provide such an in-depth analysis of the phenomenon (Collis and Hussey, 2003; Silverman, 2000).

In light of this work's discussion of past IMC studies (see section 3.4) and of barriers to IMC (see section 3.5) and considering the lack of attention paid to the European context this thesis will follow a qualitative research methodology. This research will use an inductive approach to build theory with the first and second phases of the research providing an in-depth exploration of the emergence, growth and importance of IMC within client-firms (see chapter 4).

3.7 The Role of IMC in Branding

As indicated in section 3.4, a successful IMC approach should not be focused solely on short-term promotional tactics but also on the long-term strategy of the company. The overall aim of IMC is to augment the long-term marketing communication strategy of a company. In order to implement an IMC programme to its full potential, there needs to be support and leadership at the corporate or senior management level.

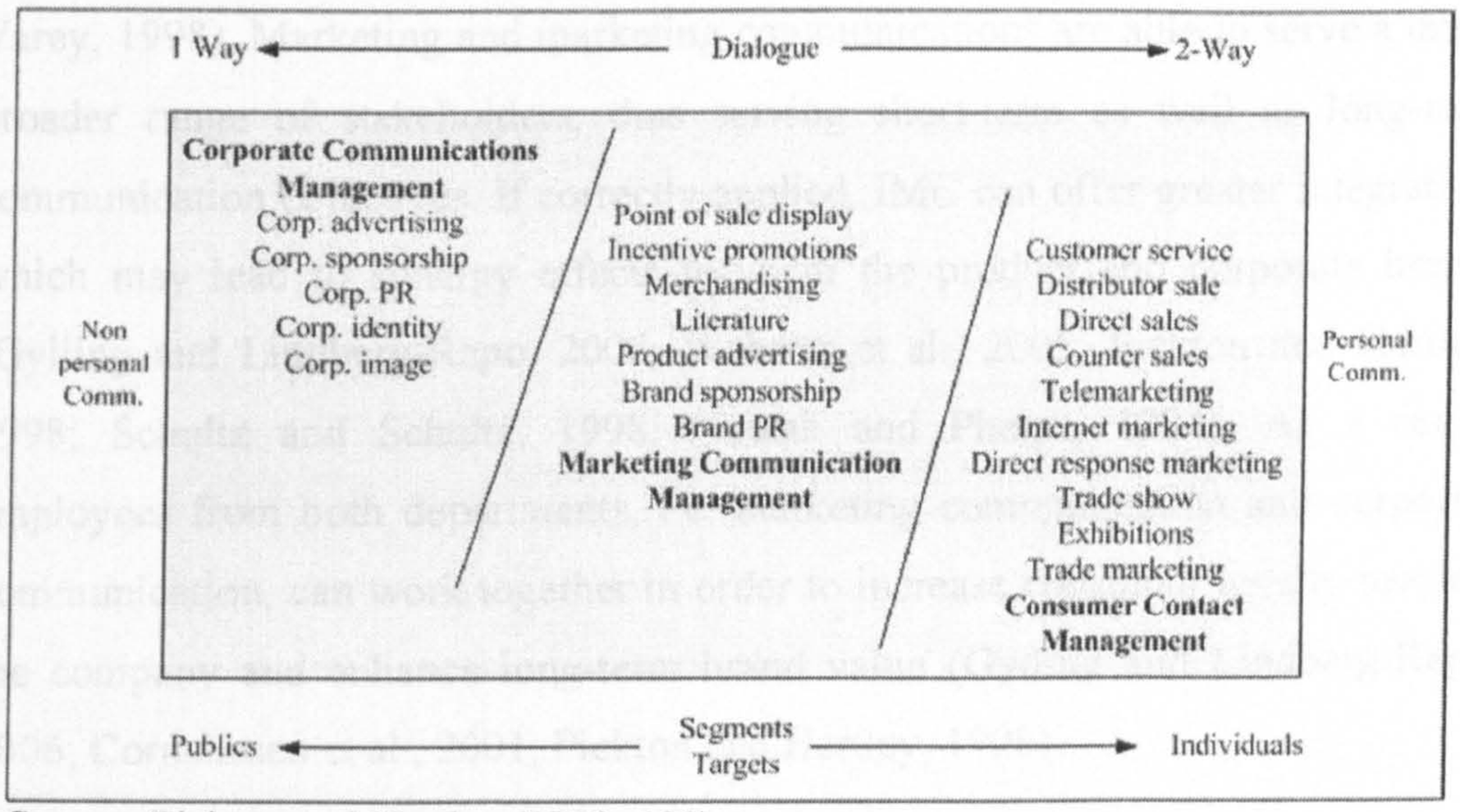
But little research has been carried out on the influence of IMC with regard to corporate and product branding issues (Massie and Anderson, 2003; Kitchen and Schultz, 2001; Stuart and Kerr, 1999). Although the role of the CEO and directors is repeatedly stressed in current literature, the degree to which an IMC approach is applied at the different brand levels in different industries or even in specific companies remains unknown. The following section will attempt to shed some light on current issues in relation to marketing and corporate communication, while section 3.7.2 will look specifically at the corporate brand within an IMC approach.

3.7.1 Corporate Communication and Marketing Communication

Corporate communication goals differ in their nature from marketing goals because they serve a broader audience and a variety of stakeholder groups (Kitchen, 1997). In general, the corporate brand aims to augment, improve, or, in some cases, stabilise the company's overall image and reputation. Corporate goals are designed for the long-term success of a company and have little to do with short-term tactics, unlike marketing communication (Balmer and Gray, 2003; Kitchen and Schultz, 2001). Therefore, corporate brand management requires a greater variety of communication tools than product brand management does (Balmer and Gray, 2003).

Figure 3.4 demonstrates the relationships and communication arrangements between corporate and marketing communications while also depicting their links to consumer contact management. In Figure 3.4, the different promotional mix elements for both marketing and corporate communication are presented. These are then divided into one- and two-way communications, depending on their purposes, i.e. if they serve public needs or individual customers only.

Figure 3.6: Communication Management



Source: Pickton and Hartley (1998: 103)

In Figure 3.6 the different communication functions are viewed as separate entities. During the 1990s some researchers (Markwick and Fill, 1997; van Riel, 1995) attempted to integrate Marketing Communication, Organisational Communication and Management Communication under the heading of corporate communication. For van Riel (1995) marketing communication is a function concerned merely with the promotional mix elements, such as advertising or personal selling, while organisational communication deals with different stakeholders and, therefore, manages public affairs and public relations, as well as investor relations.

Van Riel (1995) saw management communication as the most important function within an organisation because it is the function of planning, control, delegation and coordination of employees and programmes. Thus, management communication can show the strength of the corporation through its planned identity, while also being able to augment the corporate personality and overall strategy of the company (Gylling and Lindberg-Repo, 2006; Forman and Argenti, 2005; Melewar and Walker, 2003; Markwick and Fill, 1997).

However, van Riel's (1995) short-term view of marketing communications contradicts that of other researchers, many of whom have indicated that marketing

should no longer be seen as merely a promotional function (Schultz, 2004d; Kitchen and Schultz, 2003; Hartley and Pickton, 1999; Pickton and Hartley, 1998; Varey, 1998). Marketing and marketing communications are able to serve a much broader range of stakeholders, thus serving short-term as well as long-term communication objectives. If correctly applied, IMC can offer greater integration, which may lead to synergy effects for both the product and corporate brands (Gylling and Lindberg-Repo, 2006; Webster et al., 2005; Pickton and Hartley, 1998; Schultz and Schultz, 1998; Nowak and Phelps, 1994). As a result, employees from both departments, i.e. marketing communication and corporate communication, can work together in order to increase consumer loyalty towards the company and enhance long-term brand value (Gylling and Lindberg-Repo, 2006; Cornelissen et al., 2001; Pickton and Hartley, 1998)

Common starting points can act as facilitators in developing the overall identity and image of the corporation and product brands (Schultz, 2007; van Riel, 1995). Therefore, a company should also utilise a common communication strategy to ensure that all disciplines and communication activities work in harmony and support each other's functions and marketing or corporate activities, i.e. the corporate and individual brands need to form a bond. Interaction must increase between consumer contact management, marketing communication management and corporate communication management to guarantee a successful IMC implementation. These common starting points can be used as the origin for all communication messages, i.e. corporate and marketing communication messages (Calder and Malthouse, 2005; Garretson and Scot, 2005; Schultz, 2004e; van Riel, 1997).

Table 3.3 shows the differences and similarities of the corporate and product brand in relation to managerial, functional and general responsibilities. Furthermore, the differences in values and stakeholder focus are also stressed. In summary, Table 3.3 highlights the fact that the product brand is managed by the marketing department in most companies, whereas the corporate brand is the CEO's responsibility. As also noted above, different communication tools should be employed for the product and corporate brand.

Table 3.3: Product versus Corporate Brand

	Product Brands	Corporate Brands
Management responsibility	Brand Manager	Chief Executive
Functional responsibility	Marketing	Most/all departments
General responsibility	Marketing personnel	All personnel
Disciplinary roots	Marketing	Multidisciplinary
Brand gestation	Short	Medium to long
Stakeholder focus	Consumers	Multiple stakeholders
Values	Contrived	Real
Communications Channel	The marketing communications mix	Total corporate communications
Dimensions requiring alignment	Brand values and Product Performance Image and reputation, consumer commitment Environment (PESTEL)	Brand values, identity, strategy, vision Image and reputation, stakeholders commitment Environment (PESTEL)

Source adapted from: Balmer (2001a)

In consequence, companies which are or want to become global need to have a communication strategy that is integrated at all levels; corporate, strategic business unit and brand (Kitchen and Eagle, 2002). In addition, integrated marketing communications needs to be coordinated in the strategic and tactical spheres, implying that IMC and corporate communication are closely interlinked. Thus, integrated marketing communications should be seen as a process which can help in coordinating and creating synergy between departments and functional areas (Kitchen and de Pelsmacker, 2004; Cornelissen, 2000).

3.7.2 The Corporate Brand

The communication of brands has been a recurrent concern for theorists and researchers into branding issues and the advantages and disadvantages of brands (de Chernatony and Drury, 2004; Balmer and Gray, 2003; McDonald et al., 2001). Kitchen and Schultz (2003) argue that the brand, either corporate or product, should always be the central point of the company's communication programme because it can be a trademark, a relationship 'builder' between customers and products/services, and a trustmark representing quality and reliability. Bernstein (1989: 319) characterises a brand as follows: "A brand is a reminder of past

performance and a guarantee of future satisfaction." Hence, the distinction between product brands can sometimes be negligible, i.e. the packaging is almost the same or nearly identical product outcomes are achieved. As a result, the corporate brand that can sometimes help in providing distinct value between product brands, thus making products different from each other (Balmer, 2001a; King, 1991; Bernstein, 1989).

It is now necessary to highlight some of the issues involved in corporate branding with regard to IMC. Importantly, corporate branding originated from product branding (Hulberg, 2006; Knox and Bickerton, 2003). Corporate branding can be defined as:

> the cornerstone of a business strategy, [serving] as the single most important filter for assessing organizational change and key decisions, even in organizations that retain strong lines of business or product brands (Martin et al., 2005:77).

The corporate brand not only represents a product but symbolises a whole organisation and its reputation, including employees and product brands (He and Balmer, 2006; Aaker, 2004; van Riel and Berens, 2003). To build a successful corporate brand, several studies suggest that an organisation needs to have a consistent image along with the product brands because the possibility of different stakeholder groups coming into contact with each other is increasing (Eagle et al., 2006; Kitchen and Proctor, 2002; Gray and Balmer, 1998; Pickton and Hartley, 1998; Varey, 1998). Research also indicates that the importance of IMC is its ability to help in shaping integration throughout the whole organisation, and to promote technology within the firm.

Although in IMC the need to concentrate on long-term marketing communication programmes is continuously stressed, promotional tools can have a long-, medium- or short-term focus (Muzellec, 2006; Hutton, 1996a). It could be argued that the aim of the corporate communication function is to focus on the company's long-term issues, overall values and relationships with all stakeholder groups, rather than individual product brands and consumers alone. In Table 3.4 some of the major corporate communication goals are summarised.

Table 3.4: Aims of Corporate Communications

1. Advising senior executives, as well as assisting the CEO.
2. Arousing interest in the corporate brand and products.
3. Carrying out market research into the motivations and attitudes of target publics.
4. Communicating corporate strategies and positions.
5. Establishing and nourishing relationships with significant publics.
6. Establishing a dialogue with media over important issues.
7. Helping to recover losses in corporate credibility and to handle crisis situations.
8. Projecting a corporate image, boosting reputation and promoting the corporate brand.
9. Providing an explanation of critical issues to important opinion formers/ stakeholders.
10. Winning support for organisational positions and goals.

Source adapted from: Dolphin (1999: 73)

Moreover, Balmer (2001b) noted that creating a brand, image, reputation and identity at the corporate level might be considered more complex and difficult than product branding. Product brands primarily serve the purpose of fulfilling the needs and wants of consumers. The corporate brand, on the other hand, is obliged to interact with the community, with non-governmental organisations, and with government bodies and regulators. A company has to be mindful of certain corporate responsibilities, such as its responsibility to shareholders, who are usually interested in a return on their investment. In addition, the corporate brand may also be known to consumers, in which case the marketing communication programme would not only augment the product brand(s) but also the corporate brand.

A corporate brand has both tangible assets and intangible ones and different dispositions and constituencies. It also consists of a reputation, image and culture (Balmer and Gray, 2003; Gray and Balmer, 1998; Keller and Aaker, 1998; Baker and Balmer, 1997; van Riel and Balmer, 1997). For example, the company Apple, with its associated MP3 player (the Apple iPod), has been praised as one of the most innovative firms of the 21st century, known for continuously reinventing itself, an open-minded business culture and 'cool' electronic gadgets (Economist, 2007a).

Apple is a perfect example of a corporate brand augmenting product brands. The literature reveals that any organisation has three choices of a possible branding strategy, which are (Kitchen and Schultz, 2001; Baker and Balmer, 1997):

1. Monolithic Identity (same company name for all SBUs) – e.g. McDonalds
2. Endorsed Identity (SBUs have their own identities but these are strengthened by the corporate name) – e.g. Leibniz Snacks and Cookies, Apple
3. Branded Identity (product brands exist by themselves with no indication of the corporation) – e.g. Procter and Gamble products

Faced with these choices, a company has to decide how much influence and power it wants to have on its various business units. On the other hand, it can be argued that these choices do not really exist because certain industries seem to follow certain patterns, e.g. in the fast food industry it appears that McDonalds or Burger King use monolithic identities, but companies like Kraft or Procter and Gamble (fast-moving consumer goods industry - FMCG) try to separate the company from the product brands (Alessandri and Alessandri, 2004). There is a need to understand the true influence of a strong corporate brand in achieving greater consistency within the organisational communication programmes as well as the marketing communication programme (Kitchen and Schultz, 2003; de Chernatony, 1999; Keller and Aaker, 1998). Therefore, one of the research objectives of this thesis will be to explore how much the corporate brand influences the product brands in relation to IMC programmes.

In general, service branding is different from product branding because of the continuous face-to-face contact between employees and customers and the strong and complex involvement of the corporate brand. Thus, if a service brand such as KFC fails to establish successfully one of its new restaurants, the potential damage will be much worse than if it was launching a new product with an 'individual identity' and no connection to the corporate brand (Schultz, 2006d; de Chernatony and Drury, 2004; Balmer and Gray, 2003; McDonald et al., 2001).

On the other hand, the aim of companies which pursue a product branding strategy is to develop many brands which could co-exist in the same product group. Therefore, through 'false competition' the company would always be successful and the corporate brand would often be neglected. Another reason why FMCGs in particular try to separate the corporate brand from the product brand is that the corporate brand can be too complex to interact with the various product

brands (Gylling and Lindberg-Repo, 2006; Laforet and Saunders, 2005; Schultz, 1997c).

Nevertheless, in the modern-day context of new media and information technology, it has become very difficult for any kind of company to obscure the corporation behind the brand. Many companies' corporate personas have become more visible; this may be voluntary in some cases, but in others it is due to the modern consumer's desire to be able to make informed decisions before buying certain products. However, over the course of the past decade more corporate brands with identical or supportive product brands have been developed. (Gylling and Lindberg-Repo, 2006; He and Balmer, 2006; Muzellec, 2006; Balmer and Gray, 2003; Schultz, 1995b).

It is likely that in the future corporate communication budgets will increase with the rising importance of corporate brands, as compared to the past where most of the communication budget was spent solely on marketing communication activities (Kitchen and Schultz, 2001). Consequently, the corporate brand and its image should not be left to the marketing department itself. It is too important a long-term investment and, therefore, the top management - i.e. the CEO - should be deeply involved in it (Muzellec, 2006; Schultz, 2004d; Schultz, 2004e), which has already been demonstrated in Table 3.4.

In fact, research has indicated that strong familiarity with a brand is the key to success and that such familiarity can even have a positive influence on the stock price (Melewar et al., 2005; Gregory and McNaughton, 2004). Indeed, the most valuable brands are company brands, with eight of the top ten brands being company brands, such as Coca-Cola, McDonalds, Kodak and IBM (Economist, 2006i; Alan, 1994). Furthermore, a strong corporate brand has the power to link and achieve consistency among operating countries of multinational corporations (He and Balmer, 2006).

Due to increasing competition, the corporate brand is perceived as more valuable than ever because it represents the central concept of a company. It is also seen as a strategic asset which comes into contact not only with the consumers but also

with other stakeholder groups. The corporate brand is increasingly used as an instrument to differentiate organisations from each other (He and Balmer, 2006; Muzellec, 2006; Melewar et al., 2005; Kitchen and Schultz, 2001). It can promote a strong bond between employees and a positive linkage between product brands (Gylling and Lindberg-Repo, 2006; Balmer and Gray, 2003).

However, very little research exists which has explored the relationship of the corporate brand in an IMC approach (Kitchen and Schultz, 2003; Kitchen and Schultz, 2001). It is not known if a monolithic brand approach is 'automatically' the ideal approach when implementing IMC, or when a company pursues a branded or endorsed identity approach for individual product brands, an IMC approach should still be pursued for the whole organisation or if each brand should hold its own IMC approach. Hence, this research will investigate the relationship between the corporate and product brand(s) of the respective companies participating in this research.

3.8 Summary and Conclusion

There is little doubt that IMC is increasingly important in the 21st century. Technology makes integration possible and IMC programmes have already been adopted by various organisations, such as FedEx and Dell. One of IMC's aims is to create synergy among the different marketing elements in order to achieve short and long-term returns (Madhavaram et al., 2005; Naik and Raman, 2003; Stewart, 1996). Other benefits of an integrated marketing communication approach are greater consistency among the various communication messages and functions, cost savings, easier working relations between different departments and a better utilisation of media and promotional mix elements (Pickton and Broderick, 2005).

This chapter formed the second theoretical strand of this thesis. It focused on the concept of IMC, past research studies on IMC, barriers to its implementation and critiques of the concept. The investigation into past research studies has proven that although practitioners have indicated that IMC is demanded from firms, little research has been carried out in relation to client-firms themselves, especially in

the non-English-speaking world. Therefore, the proposed study will examine the perspectives of actual businesses. This thesis will provide an exploration of IMC in different organisations in order to understand if there exists nothing more than an interest in IMC or if there are already concrete implementation plans in place, including viable evaluation methods.

Chapter 4 – the research design of this thesis – explores the research objectives before providing a detailed analysis of the research methodology. Ethical problems and issues concerning its generalisability, reliability and validity will be raised.

Chapter 4: Research Methodology

Figure 4.1: The Research Stages

Part 1	**Chapter 2 - Marketing Communications** Evolution of Marketing, Marketing Communications, Promotional Mix Elements, Trends
	Chapter 3 – Integrated Marketing Communications (IMC) Development of IMC, IMC Studies, Barriers, Criticism, Corporate Communications
	Chapter 4 – Research Methodology Research Purpose and Objectives, Paradigm, Design and Strategy, Ethics, Reliability/Validity/Generalisability Issues
Part 2	**Chapter 5 – Research Phase 1** Results of the Study
	Chapter 6 – Research Phase 2 Results of SABMiller Case Study
	Chapter 7 – Research Phase 2 Results of Imperial Tobacco Case Study
	Chapter 8 – Research Phase 2 Results of Tryton Foods Case Study
	Chapter 9 – Research Findings Analysis and Discussion of Research Phase 1 and 2
	Chapter 10 – Conclusion Academic, Managerial and Methodological Contributions, Limits to Results, Future Research

4.1 Introduction

Chapters 2 and 3 introduced several potential research questions and identified salient gaps in the literature. An introduction to the methodology was provided in section 1.4 of chapter 1; this chapter aims to build on that introduction and to demonstrate that appropriate procedures were followed.

Chapter 4 begins with an examination of the research purpose (see section 4.2), followed by a theoretical discussion of existing research paradigms and concepts in social sciences research (see section 4.3). Reasons for the selection of the interpretivistic paradigm are given. Then, attention is drawn to the research design (see section 4.4). To strengthen the credibility of the proposed study the research is divided into two phases. This research is of an inductive qualitative nature; as such, data analysis techniques will also be discussed (see section 4.5). In the first

phase of research, 25 interviews will be conducted and in the second phase a case study methodology will be adopted. Ethical issues will be examined (see section 4.6), and then, questions of generalisability, reliability and validity will be dealt with (see section 4.7). Finally, the conclusion of this chapter will be presented (see section 4.8).

4.2 Research Purpose

As illustrated in chapter 3, integrated marketing communications (IMC) should be seen as part of the business process, particularly at senior management level. What makes IMC possible and vital in the 21st century are consumer-driven markets, innovative technologies, creative databases and interactive relationships. Thus, IMC is the reaction as well as the possible solution to the problems of changing market environments (Peltier et al., 2003; Fill, 2001; Griffin and Pasadeos, 1998). It is vital to create synergy among communication mix elements and departments, as they will have to work together in order to become integrated and to avoid the transmission of conflicting messages about the company itself or about individual brands.

But different researchers expressed that " little is known about the actual embodiment of IMC within contemporary marketing communication practice" (McGrath, 2005a; Cornelissen, 2003: 218; Kitchen and Schultz, 1999). Most research conducted on IMC is based on advertising agencies whose purpose is to create successful communication campaigns for their clients, the firms themselves (Calantone et al., 2006; Kallmeyer and Abratt, 2001; Eagle and Kitchen, 2000; Gould et al., 1999; Caywood and Ewing, 1991; Caywood et al., 1991). Furthermore, the research that has been conducted with various advertising executives has tended to focus principally on perceptions of the term IMC (Cornelissen, 2003; Cornelissen, 2000; Cleland, 1995) rather than on how IMC is planned, implemented and employed, *per se*. Hence, there is a need for research that explores perceptions, implementation and practice of IMC within businesses (Cook, 2004; Duncan and Mulhern, 2004; Cornelissen, 2003). Specifically, the gap in current IMC literature has been identified as follows:

> IMC research focus should be on best practices This can help further differentiate IMC given that the majority of marketing academic research is often insular and has little to do with real-world marketing (Duncan and Mulhern, 2004: 19).

IMC research within businesses has been mostly limited to the tactical level of marketing communications and does not necessarily expand to the strategic level (Grove et al., 2007; McGrath, 2005b; Carlson et al., 1996). Presently, quantitative methodologies are mainly used within the domains of marketing (Grove et al., 2007; Kitchen and Schultz, 1999; McArthur and Griffin, 1997; Phelps and Johnson, 1996; Miller and Rose, 1994; Duncan and Everett, 1993), which may also be the reason why most studies on IMC are based on perceptions of advertising executives and practitioners and not on in-depth interpretations of the concept.

Furthermore, following informal discussions with German academics, such as Professor Bruhn (University of Basel), Professor Rolke (Fachhochschule Mainz) and Professor Bentele (University of Leipzig), it was discovered that research on IMC within German businesses is extremely scarce and that to the knowledge of these academics only one such study exists. This investigation was carried out by Bruhn and Zimmermann (1993) and dealt with the issue of integrated communications at that time. Therefore, empirical findings on how IMC has been implemented and applied in a German business context are practically non-existent.

Thus, given the dearth of relevant research in the German context, and a broader scenario in which academics and practitioners (Eagle et al., 2006; Gould, 2004a; Cornelissen, 2000; Schultz and Schultz, 1998; McArthur and Griffin, 1997; Phelps and Johnson, 1996) from around the world have flagged up the need to focus on actual business practitioners within organisations, it would seem timely and appropriate for this research to explore and analyse the importance and, above all, practice of IMC within businesses and across cultures.

Large national, multinational and global organisations from the UK and Germany are selected in this research in order to understand the IMC concept in terms of

coordination, synergy aspects and influence of corporate and marketing communication programmes. If small or medium-sized companies were selected, the chances of only one typology of communication would be very high and, thus, coordination would be expected and most likely present (Low, 2000). The possibility exists that IMC will be influenced by different managerial practices of companies. However, practices of different companies will be compared and contrasted in this thesis.

The first objective of this research is to explore and examine perceptions and practices of IMC among managers within firms in the UK and Germany in order to understand how their marketing communication programmes have progressed over time. In this way, it aims to develop an understanding of the emergence, growth and importance of IMC. As illustrated in chapter 3 (see sections 3.2.1 and 3.4.1), research in the US pointed out that North American companies started to implement IMC during the early 1990s (Duncan and Everett, 1993; Schultz et al., 1993; Caywood et al., 1991). Very little is known about IMC implementation in a cross-cultural context (Kitchen and Li, 2005; McGrath, 2005b; Kitchen and Schultz, 1999). Therefore, this work will deal with questions of how the marketing communication domain has changed over the past decade in the UK and Germany, whether IMC changes the ways marketing departments work and how IMC will develop in the future.

The second objective explores the implementation and application of IMC programmes in different companies. The IMC processes at different organisational levels, i.e. at the corporate, strategic business unit and product brand level will be examined (Grunig and Grunig, 1998; Duncan and Everett, 1993). For example, should communication efforts at different levels be separate but integrated? Or should a company have only one communication function? For example, the same at the corporate and brand level. As Gould (2004a) suggested, such an investigation would be valuable if common ground and guidelines for IMC practice could be identified.

In particular, the frequency of formal and informal meetings, e-mail usage and other kinds of interaction will be considered as indicators for good internal integration practices. Cornelissen (2001) states that these facilitators help to develop IMC within an organisation. Moreover, according to Kitchen and Schultz (2003) and Gonring (1994) integration would ideally include a single marketing communication budget, with tactical and strategic coordination occuring at product and corporate brand level simultaneously.

This work will also explore questions relating to integration and coordination of marketing and other communication activities: is there a person responsible for coordinating the communication activities between the corporate, SBU and marketing department? Or is there a cross-functional team established in companies? (Cornelissen, 2001: 600). Furthermore, issues of traditional and non-traditional media usage, (see chapter 2), and the utilisation of databases and research studies (see chapter 3 section 3.3) will be considered (McGrath, 2005b; Keller, 2001; Cleland, 1995).

Objective three focuses on the issue of control and coordination between IMC and the corporate communication concept, as discussed in chapter 3 (see section 3.7). In order to understand to what extent IMC is being practiced in organisations, it is essential to discover and to be able to compare how much importance is placed on the corporate identity or brand in companies' IMC programmes at the brand level or management-decision making level (Swain, 2004; Stuart and Kerr, 1999; Grunig and Grunig, 1998). The purpose of this objective is to find out if the corporate and product brand(s) are interdependent and to what extent companies desire an interaction between these two (visible) brands.

In chapter 3 (see section 3.2.2.1) IMC benefits were identified. The fourth objective examines the benefits perceived by senior executives within large national and global companies. The advantages of implementing and using IMC programmes will be analysed. Existing IMC benefits will be further explored and, potentially, new ones added. There will also be a comparison of perceptions of benefits from the German and the UK perspectives.

The final and overarching objective five is to compare and contrast different IMC practices in the selected firms located in the UK and Germany. A significant amount of quantitative research has been carried out from the perspective of agencies serving their client needs (see chapter 3 section 3.4), yet very few studies have looked at the perspective of clients in the UK and in non-English speaking countries (Fitzpatrick, 2005; Kitchen and Li, 2005; Copulsky et al., 2004; Calantone et al., 2006; Swain, 2004; Eagle and Kitchen, 2000; Kitchen and Schultz, 1998a). In Germany, IMC research is in its infancy. This thesis aims to generate knowledge on IMC practices from businesses within Germany and the UK.

In summary, the following research objectives have been identified:

1. To explore the emergence, growth and importance of IMC within large consumer firms.
2. To explore the current situation of IMC implementation and application within the selected firms at the:
   a. Corporate Level
   b. Strategic Business Unit Level
   c. Product Level
3. To explore interactions and the interdependence between:
   a. The corporate brand level
   b. The product brand level
4. To identify, evaluate and compare perceived benefits with regard to the growth, importance and usage of IMC within the chosen firms.
5. To compare and contrast similarities and differences in perception and practice of IMC within the selected firms.

4.3 Research Approach

Before starting the empirical stages of the research there is a need to explore philosophical concepts and research methods in order to understand which methods best suit the research's aims. This particular section and its subsections

address the research approach. Firstly, research concepts, i.e. epistemology and ontological viewpoints, are analysed in relation to this study (see section 4.3.1) and, secondly, the chosen paradigm is discussed (see section 4.3.2).

4.3.1 The Research Concept

Existing managerial theories within the domain of the social sciences are derived from a particular philosophical paradigm. Therefore, it is important that researchers are aware of the associated philosophical assumptions, because these will shape the process of research (Burrell and Morgan, 1979). The concepts of ontology, epistemology and methodology are reviewed in the following paragraphs in order to understand the nature of research and to make appropriate choices regarding the research's design.

Ontology

The ontological standpoint of the research determines all decisions made during the research process. Ontology represents the nature of reality (Burrell and Morgan, 1979). *How does the researcher view reality?* The first decision a researcher has to make concerns the overarching argument of the phenomenon. The researcher has to choose whether to study the phenomenon depending on individuals' cognition of reality or whether reality is external and objective to individuals (Burrell and Morgan, 1979). The nominalist/interpretivist believes that only through beliefs, interpretations and perceptions of human beings reality can be understood (Collis and Hussey, 2003).

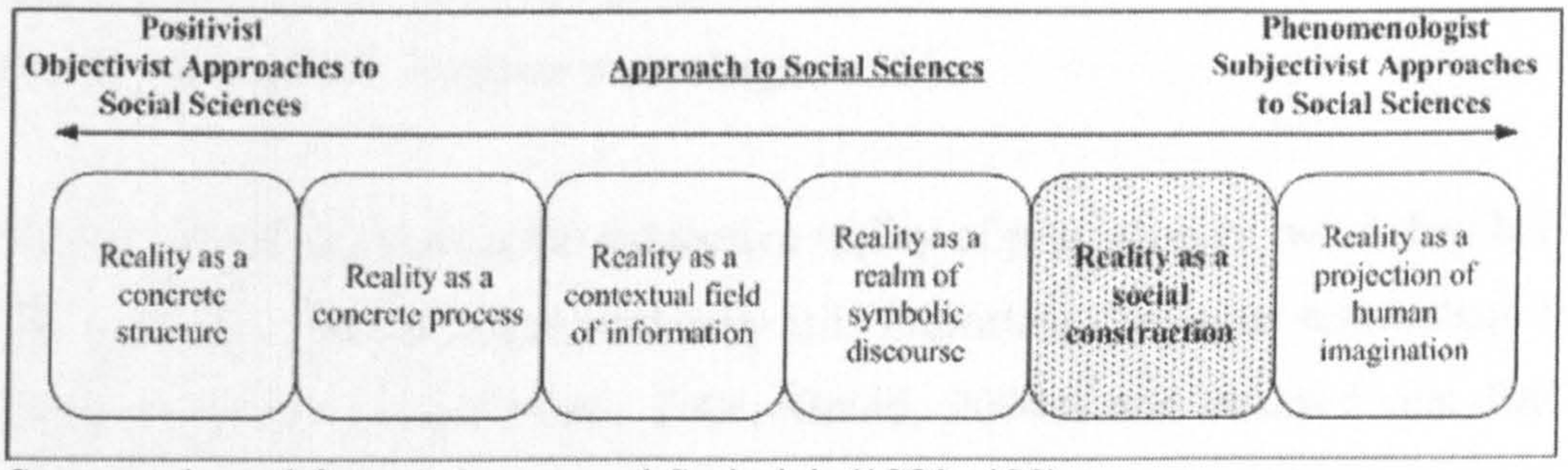
> The nominalist does not admit to there being any 'real' structure to the world which these concepts are used to describe (Burrell and Morgan, 1979: 4).

On the other hand, the positivist paradigm, presents an objective reality as external to the researcher and, thus, measurable and quantifiable (Collis and Hussey, 2003; Gill and Johnson, 1997).

> [It] postulates that the social world external to individual cognition is a real world made up of hard, tangible and relatively immutable structures (Burrell and Morgan, 1979: 4).

Figure 4.2 is a scale which represents the continuum of the main ontological assumptions, ranging from the positivist to the phenomenologist. The grey box represents the position of this research, as explained below.

Figure 4.2: Core Ontological Assumption



Source adapted from: Morgan and Smircich (1980: 492)

As indicated in Figure 4.2 ontological assumptions are not 'black and white' and, therefore, a researcher is able to choose either an extreme view or a more 'neutral' position in terms of how reality is perceived (Burrell and Morgan, 1979).

IMC exists in a reality created by its social actors, i.e. brand managers. Only managers or researchers who have implemented, applied or studied IMC can understand the concept. It takes the form of a symbolic mode and can be characterised via the marketing language and the actions undertaken by marketing communication employees from different companies – IMC is a social construct.

This research is not a mere projection of human nature because this would imply that IMC only exists as a flight of one's own imagination. Moreover, IMC is not created via rules which can constantly be changed, i.e. this study should not be seen as a 'realm of symbolic discourse'. Neither is the social world in this study interpreted on principles nor the transmission of knowledge and permanent relationships. Furthermore, IMC and its social world are also not concrete and 'out there' as IMC is highly dependent on the skills of its managers. Therefore, IMC is neither a concrete process nor a concrete structure.

If this research was based on the extreme realist standpoint, then IMC and marketing communications would exist independent of its social setting, without reference to the influence, perceptions and beliefs of managers. However, an in-depth understanding of the phenomenon can only be achieved through the actions and interpretations, themselves social constructs of IMC practitioners. As stated in chapter 2 (see section 2.5) marketing communications is not a static concept but changes gradually over time; this has led to the emergence of IMC. The nominalist or phenomenologist also believes that "social phenomena are in a constant change of revision" (Bryman and Bell, 2003: 20). This research will therefore follow the nominalist ontology.

This thesis will depend on the subjective reality of practitioners: what they believe IMC is; how it has emerged; and why it is important. Previous researchers have shared this view (Eagle et al., 2006; Gould, 2004a) and stressed that IMC is dependent on the company and can only be understood through the knowledge and understanding of managers and other practitioners. The proposed study considers the implications of marketing communications and IMC in client organisations at different levels within companies.

To understand and to compare and contrast individual practices in different organisations and industries, experiences of the emergence, growth and importance of IMC within different organisations need to be explored. The aim is also to understand the perceptions of corporate personnel with regard to the perceived integration of communication typologies. Accordingly, 25 different companies in Germany and the UK are considered individually and then compared in phase 1 and a case study methodology is utilised in the second phase, making the developed theory dependent on the interpretations of the interviewees and not existent independent from its actors, the practitioners.

Epistemology

The choice of the nominalist ontology is closely interlinked with another set of assumptions, i.e. epistemology. Epistemology deals with the connection between

the researcher and the investigation. On the one hand, the researcher may believe that knowledge is solid, real and tangible, while, on the other hand, the researcher might also believe that 'knowledge' is of a more subjective and malleable nature. The following question evolves: how does the researcher see the 'grounds of knowledge'? (Burrell and Morgan, 1979). In other words, how does the researcher think s/he can study the subject under investigation and which methods are most appropriate?

The objective extreme, i.e. the positivist, believes in an independent reality based on tangible facts. The positivist researcher will try to establish causal relationships within the research in order to explain the phenomena (Collis and Hussey, 2003; Burrell and Morgan, 1979). The anti-positivist may be a participant in his or her own research, where beliefs will shape the explanations and facts to be presented. Therefore, s/he needs to be involved in order to understand the perspectives and behaviours of human beings (Collis and Hussey, 2003; Burrell and Morgan, 1979).

Table 4.1 reviews ontological and epistemological standpoints about reality/truth and facts/knowledge:

Table 4.1: Ontology and Epistemology in Social Science

Ontology of Social Science	**Representationalism/Realism**	**Nominalism**
Truth	Is determined through verification of predictions.	Depends on who establishes it.
Facts	Are concrete, but cannot be accessed directly.	Are all human creations.
Epistemology of Social Science	**Positivism**	**Anti-Positivism**

Source: adapted from Easterby-Smith et al. (2002: 32)

Following the choice of nominalist ontology, the epistemological standpoint of this research will adopt the approach of an anti-positivist, i.e. interpretivist, because the overall aim of this research will be to explore the applications of IMC within client organisations and not to forecast or predict them. The thesis will rely on the judgements of managers and, therefore, this research cannot be seen as

objective.[1] As this research relies heavily on the interpretations as well as actions of managers within organisations and not actual facts, the research is of a subjective nature (Oxford Dictionary, 1995)[2]. The empirical work is carried out within organisations, IMC's natural setting, and not in an artificial experimental environment, as might be the case given a positivistic methodology.

The study considers that the world is complex and that the various social constructs, including an IMC approach within different organisations, depend and develop according to different interpretations and judgments of the people who give meaning to the phenomenon. Therefore, this research views the phenomenon as 'internal' to the individual, i.e. dependent on the practitioner's consciousness. Only s/he can influence it, and only s/he can decide how to develop it. Receiving first hand knowledge from managers will help in interpreting and understanding the phenomenon, making the information and knowledge gained on the topic area subjective and dependent on practitioners. The choice of an interpretivistic paradigm promotes respect for the different practices and perceptions of managers, whilst engendering greater understanding of their views regarding IMC.

Ideographic Methodology versus Nomothetic Methodology

A methodology can be viewed as the construction of the research in which it is employed. In this 'field' the research will be conducted via selected data collection tools. Thus, the proposed field of study will also be directed by a chosen methodology (Collis and Hussey, 2003).

Methodology can be placed on a scale from nomothetic to ideographic. Nomotheism calls for a scientific approach where systematic techniques are employed; for example, statistical tests are used to test hypotheses and data. A quantitative methodology would usually be adopted, e.g. a survey. Ideography,

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[1] Oxford Dictionary (1995: 428): Objective = adj; not influenced by your own personal feelings (=based only on facts)

[2] Oxford Dictionary (1995: 622): Subjective = adj; influenced by your own feelings and opinions instead of by facts alone

however, presents a more subjective standpoint, acknowledging that the researcher will be involved as part of the investigation. However, this research is of a qualitative inductive – theory building – nature, conducted in its natural setting and aiming to explain a phenomenon by understanding the actions of marketing communication managers. Thus, a primarily ideographic methodology is called for (Gill and Johnson, 1997; Burrell and Morgan, 1979).

4.3.2 The Research Paradigm

The literature on philosophical paradigms in the social sciences is vast and intricate. Lincoln and Guba (2000) indicated also that new paradigms are constantly being created and that both the extant and the new paradigms influence each other.

> A paradigm may be viewed as a set of basic beliefs (or metaphysics) that deals with ultimate or first principles (Guba and Lincoln, 1994: 107).

A paradigm can be described as the most important and critical characteristic of research. It influences all decisions made in the research process, i.e. the ontology, epistemology, methodology and method.

Most literature distinguishes between two extremes, i.e. positivism and interpretivism (Collis and Hussey, 2003; Easterby-Smith et al., 2002; Burrell and Morgan, 1979). The Geistes- und Kulturwissenschaften *(human and cultural sciences)* believe in a subjective world, and, thus, the interpretivist tries to understand human actions through the explanations and beliefs of different people. Its founders, Weber and Dilthey, adopted the view that everything has a subjective meaning (Schwandt, 2000). Thus, the interpretivist will try to find the 'truth' about the phenomenon through interpretations of human behaviour and actions. For the most part, this perspective is qualitative and ideographic (Neuman, 2000).

Researchers of the Naturwissenschaften *(natural sciences)* believe that the truth is 'out there' and can be described by causal laws (Schwandt, 2000). Positivism,

which is often associated with the Naturwissenschaften, was founded in the 19th century by Auguste Comte. He believed that knowledge can be found in a quantitative way in a measurable, objective world (Gummesson, 2000; Neuman, 2000).

These two extremes represent distinct ways of viewing reality; either in a subjective or in an objective manner (Burrell and Morgan, 1979). Table 4.2 therefore, illustrates the four most important approaches, ranging from positivism, to postpositivism, and critical theory to constructivism/interpretivism.

Table 4.2: The Four Main Paradigms in Social Research

Item	Positivism	Postpositivism	Critical Theory	Constructivism-Interpretivism
Inquiry aim	Explanation: prediction and control		Critique and transformation; restitution and emancipation	Understanding; reconstruction
Nature of knowledge	Verified hypotheses established as facts or laws	Nonfalsified hypotheses that are probably facts or laws	Structural/historical insights	Individual reconstructions coalescing around consensus
Knowledge accumulation	Accretion-"building block" adding to "edifice of knowledge"; generalisations and cause-effect linkages		Historical revisionism; generalisation by similarity	More informed and sophisticated reconstructions, vicarious experience
Goodness or quality criteria	Conventional benchmarks of "rigor"; internal and external validity, reliability, and objectivity		Historical situatedness; erosion of ignorance and misapprehension; action stimulus	Trustworthiness and authenticity
Values	Excluded – influence denied		Included – formative	
Ethics	Extrinsic: tilt toward deception		Intrinsic: moral tilt toward revelation	Intrinsic: process tilt toward revelation; special problems
Voice	"Disinterested scientist" as informer of decision makers, policy makers, and change agents		"Transformative intellectual" as advocate and activist	"Passionate participant" as facilitator of multivoice reconstruction

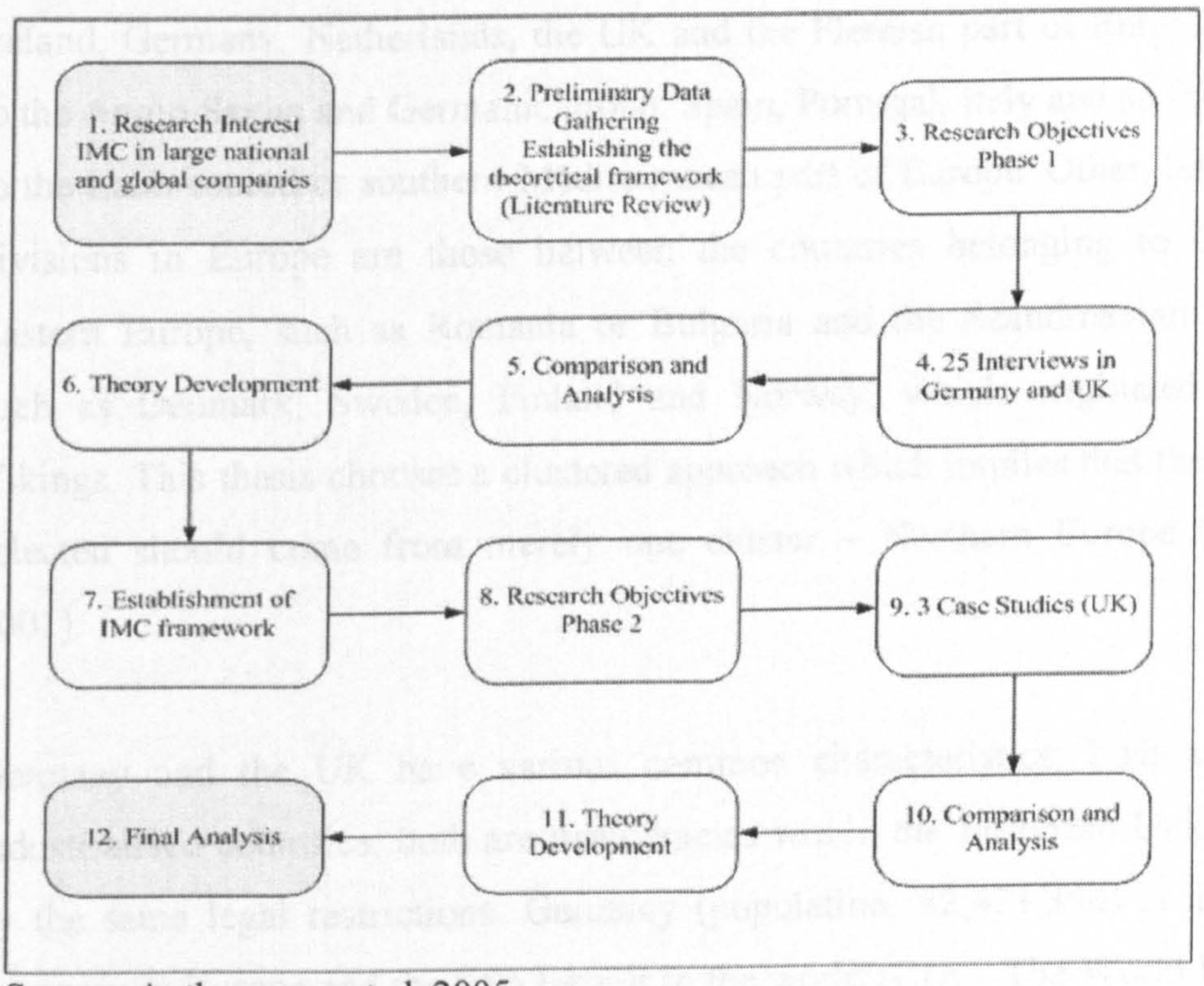
Source adapted from: Lincoln and Guba (2000: 166)

As previously stated, this thesis is of an interpretivistic nature. As Wolter (1993) demonstrated, IMC can only be defined and explored through those that practice it. One of the main objectives is to understand how various practitioners in different organisations implement and apply IMC, which can be explored through the explanations of beliefs, perceptions and practices of managers. Thus, the philosophical paradigm of this research will be that of the interpretivist (see the last column in Table 4.2).

4.4 The Research Design

This thesis aims to carry out an in-depth analysis specifically from a managerial perspective within businesses. Figure 4.3 presents an overview of what is to come in the following sections. It takes the reader through the individual steps of the research starting with the primary idea, going on to the literature review, expanding on the two research phases and, finally, coming to the conclusion of this thesis.

Figure 4.3: Research Strategy



Source: Author generated, 2005

As shown in sections 4.2 and 4.3, the research paradigm and concept are interrelated and form the basis for the selected methodology of this research. The following sections will concentrate on the reasons for utilising a cross-national study (see section 4.4.1), the arguments for choosing a two-phase research design (see section 4.4.2), the data collection method (see section 4.4.3), the sampling criteria (see section 4.4.4) and the development of the interview schedules (see section 4.4.5).

4.4.1 Cross-National Research – A Clustered Approach

In any cross-national study, the researcher needs to pay attention to cultural, political, legal, and economic differences, as well as to consumer values and lifestyles in the selected countries (Calantone et al., 2006; Neuman, 2000). As this thesis is at least partially grounded in a cross-national study, a review of the reasons for the choice of the countries studied – Germany and the UK – is provided.

Europe is divided into two distinct parts. Northern Europe, such as countries like Ireland, Germany, Netherlands, the UK and the Flemish part of Belgium, belong to the Anglo Saxon and Germanic group. Spain, Portugal, Italy and so forth belong to the Latin-rooted or southern-Mediterranean part of Europe. Other, less obvious divisions in Europe are those between the countries belonging to Central or Eastern Europe, such as Romania or Bulgaria and the Scandinavian countries, such as Denmark, Sweden, Finland and Norway, which originated with the Vikings. This thesis chooses a clustered approach which implies that the countries selected should come from merely one cluster – Northern Europe (Mercado, 2001).

Germany and the UK have various common characteristics: both are highly industrialised countries; both are democracies within the European Union, bound by the same legal restrictions. Germany (population: 82,431,390) is the largest economy in Europe and the fifth largest in the world (CIA - The World Factbook, 2006b). The UK (population: 60,441,457) is the third largest country in Europe.

According to the CIA (2006d: 1): "The UK, a leading trading power and financial center, is one of the quartet of trillion dollar economies of Western Europe". More specifically, the respective GDPs (Griffiths and Wall, 1997: 26)[3] of Germany and the UK in 2005 were US$2,454,000,000,000 and US$1,869,000,000,000, followed by France with a GDP of US$1,822,000,000,000 (CIA - The World Factbook, 2006a). Therefore, both countries have a similar market value, but due to population differences, Germany has a higher GDP. Overall, the UK and Germany have the highest GDPs in Europe, suggesting that the two countries in question here are comparable.

Germany and the UK were chosen partly because of practical considerations, most significantly the researcher's linguistic capacities and considerations of cost and time. More importantly, however, countries such as Denmark or the Netherlands were unsuitable because Denmark, for example, is far richer (per capita) than either the UK or Germany. The GDP per capita in Denmark is US$37.10 (year: 2005); in Germany and the UK it is only US$33.92 (year: 2005) and US$33.59 (year: 2005) respectively. Furthermore, other countries of Northern Europe, such as the Netherlands (CIA - The World Factbook, 2006c) are too small in size (population: 16,407,491) and, therefore, small- and medium country effects would have to be taken into consideration. The UK and Germany, due to their large country sizes, exert more power worldwide and especially in the European Union and, thus, have greater influence in EU policies and other political decisions (Economist, 2006a). Other large-country effects, depending on the actual land size of a country, are (Reiber, 2001; Daniels and Radebaugh, 1995):

1. Bigger countries export and import fewer products and services because they are more self-sufficient due to their country climates and natural resources.
2. Transport costs for foreign trade are higher in bigger countries because the distance goods travel is further than it would be in smaller countries.
3. Large-scale production is more likely in big countries due to the size of their economies and their need to invest in the country's production in order to

[3] Definition: "The GDP is the total value of output produced by factors of production located in a given country."

serve domestic market needs, promoting acquisition of different resources from the company's domestic market.

4. Bigger countries tend to be more heterogeneous than small countries; thus, they are able to influence the world's economy and prices.

Not only are the United Kingdom and Germany similar with respect to their country size, i.e. population, GDP and geography but they can also be compared on the basis of their respective cultures. Hofstede's (1980) examination of nations' cultural dimensions indicated that the UK and Germany are closely related to each other in terms of their cultural dimension, as shown in Table 4.3 (see also Appendix 1 for other country scores and ranks).

Table 4.3: Hofstede – Cultural Differences between the UK and Germany

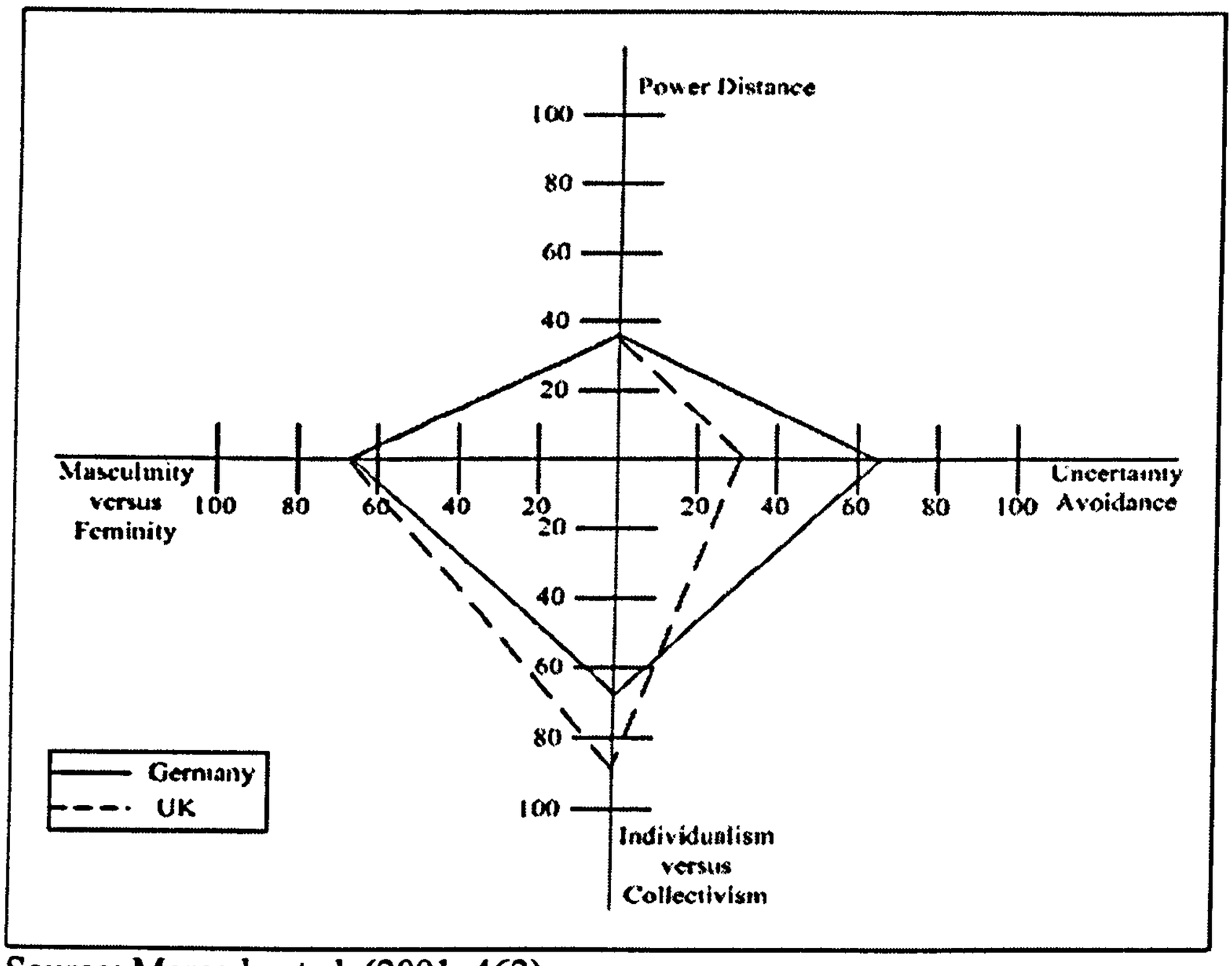
	Power Distance Index		Individualism Index		Masculinity Index		Uncertainty Avoidance Index		Long-Term Orientation Index	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Germany FR	42/44	35	15	67	9/10	66	29	65	14	31
Great Britain	42/44	35	3	89	9/10	66	47/48	35	18	25

Source adapted from: Hofstede (1994), *the rank illustrates the place taken by each country according to all 53 participating countries*

The two countries obtained the same scores in the power distance and masculinity indices, and similar scores in the remaining three. According to Hofstede (1980), these cultures are defined by equality and democracy within their current political structures and business environments. Low uncertainty avoidance cultures, such as Great Britain and Germany, can be described as the more tolerant and less obedient cultures. Thus, within such working environments risks and responsibilities are shared amongst employees and independent thinking or initiative-taking is very common. This is also reflected in the individualism versus collectivism dimension, where the focus is on the individual itself rather than on the overall team (Burgmann et al., 2006). Both countries are still dominated by male goal behaviour, i.e. employees thrive for achievement and recognition, and material possessions are considered important. Indeed, most Western cultures are

focused on short-term achievements. Eastern cultures like China, which follow Confucian thinking, are more long-term-orientated (Hofstede, 1980). Concluding, Figure 4.4 shows a visual comparison of the UK and Germany in relation to Hofstede's (1994) dimensions.

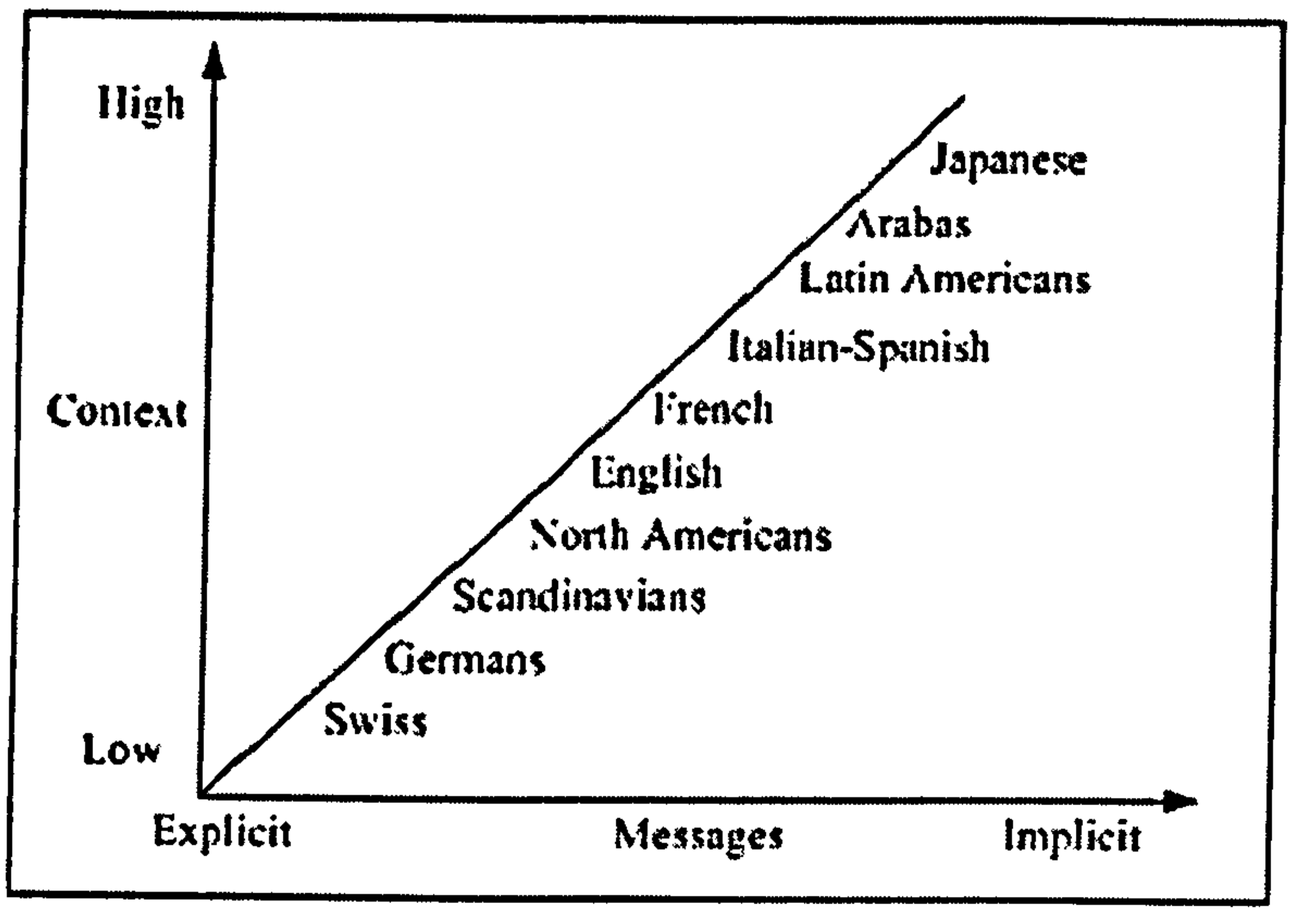
Figure 4.4: A Visual Comparison – Germany versus the UK



Source: Mercado et al. (2001: 462)

Hall (1976) also examined the differences between various cultures. He argues that the languages spoken in the countries of northern and central Europe, including Germany and the UK, consist of explicit words which carry most of the information and meaning within the context (low-context culture) (Mühlbacher et al., 1999). In a low-context culture the communication process is regarded as very explicit and direct, while the culture itself can be described as clear and unambiguous (Hall, 1976). Hence, in cross-national research difficulties with regard to the interpretation of data can be avoided via the application of a clustered approach. Figure 4.5 shows a comparison of different countries on a scale measuring the messages ambiguousness as well as the context content.

Figure 4.5: Hall's Continuum of National Clusters



Source: based on Hall (1976); Mercado et al. (2001: 453)

Approximately 10 years after Hofstede identified "his" cultural dimensions, Trompenaars surveyed in 1993 over 15,000 managers in 28 countries (Trompenaars, 1993). The findings were similar to Hofstede's five key 'relationship' dimensions, taking it a step further by adding two other 'dimensions' one concerned with the different perceptions of time and another one of engagement (Johnson and Colin, 2003; Trompenaars and Hampden-Turner, 1997).

Furthermore, Trompenaars (1993) also identified a link with different industries and cultural dimensions, which would usually be associated with a nation's culture. For example, his research demonstrated that pharmaceutical companies will respect more the given regulations and laws than the textile industry. In the mining industry and certain government bodies, the employees practise much more group orientated work than individual work. The dimension individualism is often associated with an academic setting due to their jobs tasks of presenting lectures and seminars, which are often held and coordinated by only one person (Trompenaars and Hampden-Turner, 1997). As will be explained in section 4.4.2, this thesis' empirical research is not only conducted across two countries but also within four different industry sectors. Hence, cultural differences among these may also be identified.

Other more marketing orientated studies also looked at the possibility to standardise advertisements across cultural similar countries. Sriram and Gopalakrishna (1991) findings showed that it may not be possible to employ a uniform theme at a global level but that marketers may be able to utilise a common theme for specific country clusters. These country clusters should therefore not only be defined by their culture but also by size, economy and media-based differences. For example, the same advertisement may be broadcast in the cluster USA, UK, Australia and Canada, or within all Scandinavian countries.

As previously established, the UK and Germany also belong to the same European cluster. Their cultural dimensions are comparable as well as it may be possible that these two countries even use similar marketing communication campaigns and approaches due to their comparable characteristics.

4.4.2 A Two Phase Research Design

The exploratory design and inductive objectives of this research (see section 4.2) support the decision to utilise qualitative methodologies. Experiments in laboratories, surveys, economic modelling, and so on, could have helped in testing existing IMC concepts in order to prove or disprove casual links. However, this thesis concentrates on the emergence, growth and importance of IMC and, therefore, relies heavily on actual events, which may have occurred during the past and over, which the researcher has little control. Hence, a quantitative design for the purpose of this research did not seem appropriate. Gummesson (2000: 171) also proposed that qualitative research may help in " addressing the complex reality of management issues, [making it] superior to quantitative methodology emanating from traditional natural sciences".

To begin with, the decision was made to utilise a two-phase research design. It was also decided to make the second phase dependent on the outcomes of the first, the design of the second stage would only commence following the conclusion of the first phase. In the first phase of research in-depth interviews in various large

national and global companies were carried out (see sections 4.4.3 and 4.4.4). This methodology was chosen with the aim of finding out about the history, practices, and perceived benefits of the application of IMC in these companies.

Empirical analysis of the research phase 1 revealed new findings about IMC, which are presented in chapter 5. These findings warranted a more in-depth exploration, and led to a further qualitative research phase. A survey did not seem appropriate at this stage of the research due to the fact that a qualitative approach and the overall paradigm of interpretivism preclude, to a degree, quantitative methodologies (Silverman, 2000; Burrell and Morgan, 1979). A quantitative methodology in the second phase would represent a purely deductive stage with the simple aim of testing the results of phase 1 (Silverman, 2000). This first phase was indeed inductive although it had a few elements of a deductive approach (see section 4.4.5 for interview questions). For the second phase, a case study methodology was adopted instead of conducting another set of 25 interviews.

In relation to IMC, Duncan and Mulhern (1997: 19) have stated "Telling businesses what they are doing wrong, however, without providing examples of how to correct these wrongs, has been a shortcoming of IMC an essential IMC research focus should be on best practices ". Furthermore, Madhavaram et al. (2005) and Yin (2003) stated that a case study methodology is most effective when a more in-depth and holistic exploration of a research issue is required. A case study can be defined as:

> an extensive examination of a single instance of a phenomenon of interest (Collis and Hussey, 2003: 68).

Phase 2 s case study methodology provides the opportunity to understand the impact of IMC at different managerial levels within the selected companies (see section 4.4.4). In addition, Gould (2004a) also noted that researchers will tend to fail in creating a 'one-size fits all policy' for IMC. Hence a case study methodology in which individual IMC approaches are explored may be more utile to theoretical advancement.

One of the most important advantages of case study research is that it does not eliminate information - unlike survey research, for example - but rather aims to retain a more holistic picture of the organisation studied (Yin, 2003; Remenyi et al., 1998; Phillips and Pugh, 1987). Furthermore, case studies concentrate on real-life, contemporary phenomena (Yin, 2003), in the same way that the proposed study stresses the significance of IMC in organisations as and focuses on the state of the art in IMC. The advantage of applying a case study methodology is that the researcher is able to capture the dynamic aspects of IMC; what occurred in the past and what is happening in the present? What trends are evident and merit further exploration? Other research methods would be unable to accomplish these aims.

On the other hand, a case study strategy is often criticised for its lack of rigor and for not following any systematic procedures, as well as for its low generalisability. However, if two or more cases can be replicated, and the same information can be obtained, the case has been successfully replicated and some form of generalisability can be claimed. This increases the credibility and validity of the study (see section 4.7).

In conclusion, the theory developed after both stages ended does not take on the form of an abstract, so-called 'grand theory' (Bryman and Bell, 2003). Through consideration of the perceptions and interpretations of practitioners, a 'middle range theory' is created, allowing for the preservation of the practical research findings and the conclusions of research phase 1 and 2. A grand theory is often too abstract to test and provides little reference to those businesses or academics that wish to understand a phenomenon in its real life context. Middle range theories are more likely to be used in empirical investigations, such as in this thesis, which aims to " understand and explain a limited aspect of social life" (Bryman and Bell, 2003: 8; Walsham, 1995). Furthermore, such theories are not separated from existing IMC concepts and thus involve some abstraction (Yin, 2003; Carroll and Swatman, 2000).

4.4.3 Data Collection

Marketing academics have agreed that IMC is a valuable concept both to theorists and to practitioners (Eagle et al., 2006; Schultz, 1996c; Duncan and Everett, 1993). However, there is a lack of empirical knowledge on IMC, creating a need for further exploration (Gould, 2004a; Cornelissen, 2000; Schultz and Schultz, 1998; Phelps and Johnson, 1996). According to the literature review, German IMC studies are very scarce. Although empirical findings on IMC exist in the UK, there have not been enough studies to call IMC an actual theory yet. Therefore, it is necessary to explore the phenomenon in greater depth through qualitative data collection techniques (Gould, 2004a; Gould, 2000; Schultz and Kitchen, 2000b; Sekaran, 2000). The collection of data was based on semi-structured interviews.

Semi-structured interviews are the preferred choice of data collection in both phases of the research design. Questions in relation to the employment of a database, e-mail systems and meeting schedules will be structured and asked in every interview. However, there needs to be time allowed to expand on certain topic areas with the interviewees. For example, if a company employs a cross-functional team, the interviewer will allow more time for practitioners to elaborate on this topic area. Questions relating to the emergence of IMC might also require expansion.

In comparison to unstructured interviews, the interview type selected provides some form of guidance to the researcher but also allows for an in-depth exploration of the phenomenon in question. Structured interviews were not an option as this particular method does not allow for further probing of suggestions or proposals from the respondents (Saunders et al., 2003; Tashakkori and Teddlie, 1998). Semi-structured interviews allow the researcher to consider areas of examination which were overlooked when designing the interview schedule. Such interviews also facilitate the systematic analysis of the empirical findings, especially when the researcher is inexperienced (Collis and Hussey, 2003).

4.4.4 Sampling Criteria

Research Phase 1

Eisenhardt (1989: 537) explains that the selection of different industries allows " [a] researcher to control environmental variation, while the focus on large corporations constrains variation due to size differences among the firms". The companies selected for this research have been identified through Datamonitor via the application of non-probability sampling. Choosing a non-probability technique is thought to increase the variability of this research because different industries are selected (Ashill and Jobber, 2002). Table 4.4 categorises the three main non-probability sampling techniques associated with qualitative data collection:

Table 4.4: Non-Probability Sampling

"A sampling design in which the elements in the population do not have a known or predetermined chance or being selected as sample subject." (Sekaran, 2000: 422)	
Convenience	To get a sample most convenient to the researcher.
Purposive	Certain criteria need to be fulfilled before people can be selected as representatives. *a) Judgement* The sample is being selected depending on the criteria and who can best provide information to the researcher. *b) Quota* Certain groups need to be adequately represented, depending on the set criteria.
Snowball/Referral	Initial subjects are identified typically through probability sampling but further respondents are selected through the initial respondents.

Source adapted from: Saunders et al. (2003) and Sekaran (2000)

Furthermore, according to Chaudhry and Crick (2003: 350) problems may occur in relation to " obtaining a satisfactory response rate by using a random sampling method" in a qualitative research study. Hence, purposive judgement sampling is applied (Saunders et al., 2003; Sekaran, 2000), i.e. companies are chosen depending on their characteristics and willingness to participate. Before contacting firms to participate in the first phase of research, the following four selection criteria were laid down:

1. Companies need to belong to a business-to-consumer industry, i.e. be in close contact with customers. As such, the following industries were selected: Fast-moving consumer goods (FMCG), consumer durable and service and retail organisations.
2. The companies need to operate on a large national basis within the located country, i.e. Germany or the UK or at a global level.
3. It is not essential that the same amount of companies be interviewed in each country, but data should be gathered from each selected industry type in each country.
4. Each company should consist of multiple levels, i.e. corporate, strategic business unit and brand levels.

McCartan-Quinn and Carson (2003) as well as Mercado et al. (2001) characterised large organisations on the basis of their employees. The first definition implies that a company should have more than 500 employees to be considered a large organisation (McCartan-Quinn and Carson, 2003), whereas the second definition - based on the European Commission's recommendation - states that a large firm should have a minimum of 251 employees (Mercado, 2001). All of the companies contacted had more than 600 employees and could thus be considered as large organisations.

Ideally, IMC should be delegated from the strategic level of a company (Kitchen and Proctor, 2002; Pickton and Hartley, 1998). Therefore, the interview application letter was directed at the chief executive officer of each company (see Appendix 2 for company letters). The letter also stated that if s/he did not have time for an interview, s/he could appoint a designated substitute capable of giving sufficient information about the research area. Thus, all of the CEOs of the selected companies were aware of the research going on within their organisations. However, almost all of the interviews were conducted at marketing director or CEO level. This ensured that sufficient information was collected and that a comparison would be possible since the highest organisational level within each organisation had shown willingness to participate in this research. Different

industries have been selected because the overall aim of this thesis is to develop a theory which will be generalisable,

In October 2005, approximately 80 companies in the UK and 60 companies in Germany were contacted and asked to participate in the research. The aim at the selection stage was to guarantee considerable variability among the chosen companies in terms of the industries selected. The sampling frame consisted of large business-to-consumer industries (service, retail, FMCG and consumer durable firms). After a three week waiting period, the first positive responses were received (in November 2005). Between November 2005 and January 2006 twenty-five interviews were carried out, ten interviews in Germany and fifteen in the UK. No problems were encountered while conducting the interviews.

In order to draw generalisable conclusions from interviews, Easterby-Smith et al. (2002) suggest that more than 100 interviews need to be carried out. Zikmund (2002), on the other hand, claims that if the population elements, i.e. companies, are highly homogenous, a small sample may be representative of the population and general conclusions may, therefore, be drawn. The reason for selecting more than one industry is also justified by Wright and Crimp (2000: 416) who said:

> All international research clients want to be able to compare findings from one market to another, and most also want a synthesis of findings in order to understand the broad patterns pertaining across markets as well as within them.

However, through the population specification of large national/global and consumer companies, this research attempts to explore general practices and perceptions of managers in these firms. Carrying out the interviews with 25 companies (15 in the UK and 10 in Germany) provides the opportunity to preserve the 'richness' of the data and to gain an in-depth understanding of IMC. Silverman (2000: 8) also stated:

> The methods used by qualitative researchers exemplify a common belief that they can provide a 'deeper' understanding of social phenomena than would be obtained from purely quantitative data.

Furthermore, Kliatchko's (2001) thesis is of a qualitative nature but consists of an open-ended questionnaire carried out in the Philippines with 10 advertising agencies and 10 companies (see chapter 3 section 3.4.3). White and Fitzgibbon (2005) conducted 25 interviews in a diverse industrial setting. Eleven of their interviews were within the financial sector and fourteen other interviews, to be used as comparators, were in other industries. Ashill and Jobber's (2002) research consists of 20 interviews, also across various large organisations in different industries. Similar to this research, the aim of the study was of an exploratory and confirmatory nature. Halepete et al. (2005) interviewed 20 different managers in US-based clothing retail chains. Chaudhry and Crick (2003) conducted 20 interviews with Asian owned small firms. Most of these researchers justified their sample size based on the significant time and cost constraints in relation to qualitative research. Although a study conducted by Thather et al. (2006) focuses on business-to-business firms, 20 interviews were carried out with CEOs or other senior managers, which is comparable with the sample analysed here. In these studies it was mentioned that almost all of the interviews took between 30 minutes and 120 minutes, with each interview being transcribed and analysed in much the same way as in this work.

To conclude, a figure of 25 interviews conducted in Germany and the UK represents an acceptable number of interviews given the aims of this thesis and the depth of the interview questions. Although the numbers of interviews conducted in each country are not even (i.e. 15 in the UK and 10 in Germany), it is very common in qualitative research that the sample sizes do not match exactly. Thatcher et al. (2006) and Fitzgibbon and White (2005) stated that in interpretevistic studies the focus should be on the 'quality' and not the sample size. Providing a detailed list of the steps taken in arriving at conclusions will help in replicating the study in other industries and organisational settings (see section 4.5). Thus, as indicated by Eisenhardt (1989: 537) "The goal is to choose cases which are likely to replicate or extend the emergent theory".

Research Phase 2

As explained in section 4.4.2, the second research phase consists of a series of case studies. According to many researchers, case study research can involve either a single case or multiple cases (Yin, 2003; Silverman, 2000; Eisenhardt, 1989). However, a single case should only be selected if the researcher is absolutely sure that the case is unique and will add great understanding to the research problem, e.g. Hofstede's analysis of different national cultures based on Microsoft employees (Yin, 2003; Hofstede, 1980). Daymon and Holloway (2002: 108) said that "two or more case studies enables some measure of generalisation to a wider universe". However, Daymon and Holloway (2002) and Silverman (2000) also said that a limited number of cases - i.e. a maximum of four - should be selected in order to preserve the richness of the data and to maintain the advantages of a case study. Therefore, it seems appropriate to choose between three and four companies to use as case studies.

Various researchers within the fields of marketing, communications and relationship marketing have adopted a case study methodology in their PhD theses, tending not to employ more than three cases in their research (Knutsson, 2001; Peck, 2000; Crane, 1998; Brown, 1991):

1. *Knutsson (2001) – University of Edingbugh*
   Topic: Strategic alliances; the role of central firm in governing strategic alliances between small- and medium-sized companies; the case in the Icelandic fish industry
   Cases: 2 Marketing Companies
2. *Peck (2000) – University of Cranfield*
   Topic: Towards a framework of relationship marketing: a case study approach
   Cases: 3 UK based manufacturers
3. *Crane (1998) – University of Nottingham*
   Topic: Marketing, morality and the natural environment
   Cases: 3 companies in conventional, social mission and business-NGO organisations
4. *Brown (1991) – University of Sheffield*

Topic: Communication and organizational culture: a grounded theory approach

Cases: 1 company

If a longitudinal case study strategy is employed, the researcher is able to show how IMC can be implemented and applied over a certain time; that is, to show the development of the phenomenon under investigation (Sekaran, 2000). However, in any research which is linked to a business environment, one may find it difficult to retain the same set of interviewees in every company. Access to classified company data is also hard to obtain as this information is highly confidential and needs to be handled with extreme caution due to competitor actions. Furthermore, due to time restrictions, country barriers and financial constraints, a cross-sectional case strategy was selected. Although the development of IMC within particular companies may not be pursued as it could be in a longitudinal study, the findings can still be analysed and compared through the use of various company cases.

As in research phase 1 purposive judgement sampling was applied in research phase 2 (see Table 4.4). The researcher was able to obtain access to three companies. However, the cases selected in phase 2 were highly dependent on the outcomes of phase 1. A lot of information was gathered in phase 1 about these companies, and it was concluded that they are representative of the phenomenon under investigation (IMC). The selection process was as follows: all 25 companies were considered in terms of advantages and disadvantages as case studies, interviewees' phase 1 responses and company size.

It quickly became apparent that differences especially between FMCG companies are vast and that these companies could, therefore, be used as a comparison for IMC practices. The participating interviewees from FMCG companies illustrated in their responses that corporate and product brands are often not the same. Furthermore, the status of their companies as large multinationals meant that they consisted of several levels, i.e. corporate, business unit and brand level. Since, the majorities of companies in research phase 1 are FMCG and service firms; the

intention was to gain access to four FMCG/service companies in order to establish a comparison among them. As such, each company was first seen on its own and after the individual data analysis the case studies were compared. Eisenhardt (1989) also pointed out that within case study research, the purpose of this study is not to generalise the IMC findings to all organisations or industries but to show how IMC can or should be practiced.

In August 2006, company letters were sent out (see Appendix 2). This time, letters were composed both in German and in English. The first company letter, including an executive summary of the results of phase 1 and an offer of participation in the second phase, was sent out to only seven companies (Diageo, Imperial Tobacco, Holsten, Granini, Lorenz Snack-World, RAC and Tryton Foods). Although initially four case studies were supposed to be conducted, these letters were addressed to seven companies hoping that at least four of them would be willing to participate in the second stage. The second letter was then sent out ten days later including the findings of phase 1 and a reminder that the interviewees would be contacted within ten days regarding the possibility of further collaboration. Furthermore, separate German and English letters were also composed and sent to the remaining 18 companies.

The seven companies selected for the case studies were chosen for the following reasons:

1) At least one case should be a 'truly' global company (Diageo or Imperial Tobacco).
2) At least one case should be a national or international company (Lorenz Snack-World, Granini, Holsten, Tryton Foods, RAC).
3) At least one company should be advanced in their IMC practices, as identified in research phase 1 (Diageo, Granini, Lorenz).
4) At least one company should be at the beginning-middle stage of IMC implementation, as also identified in research phase 1 (RAC, Imperial Tobacco, Holsten and Tryton Foods).

5) At least one company should face some government restrictions in relation to their advertising practices (Imperial Tobacco, Diageo, Holsten) in order to establish a comparison with a company that does not face such restrictions (Tryton Foods, RAC, Granini, Lorenz Snack-World).
6) At least one company needs to be located in each country under investigation, i.e. Germany and UK.
7) The companies' must be willing to participate in research phase 2.
8) The companies chosen must serve to explore further the research's objectives.

Furthermore, when conducting the interviews during research phase 1, the interviewees of these seven companies were very accommodating, and the information they provided was most valuable. However, RAC and Lorenz Snackworld declined the proposal to participate in the second stage of research due to time constraints. The resignation of Granini's marketing director, who was a participant in the first phase, also resulted in the company turning down the proposal to participate in the second stage.

Since in the initial contact phase of research phase 2 only seven companies were contacted and already three had turned down the proposal to participate further, British American Tobacco, Unilever, Vodafone and Kamps were contacted and asked to be involved as a case study in the second phase of research. Again, all four companies turned down the offer to participate. The next step taken was to contact Lufthansa and SABMiller. However, due to time constraints, Lufthansa did not want to participate in the second stage.

Although Young's Brewery, BSN, JDWilliams and Fraport participated in the first phase of research, they are highly specialised, i.e. involved in hotels and special brewed beer, medical products, and catalogue retailing and airport services respectively. Hence, it did not seem appropriate to select these companies for the second stage of research. A comparison or generalisation of the findings would have not been possible due to the nature of their products.

Debenhams, WH Smith and DM Drogeriemarkt are retailers which directly engage with consumers. They serve as the 'means' for FMCG companies to deliver their products and are thus highly dependent on how their marketing communication practices are structured. Audi, BMW, Rolls-Royce and Reg Vardy are all companies which belong to the consumer durable industry. These companies were not selected as potential case studies because their brand value and products, i.e. cars, cannot be easily compared to FMCG goods, which belong to an entirely different product category. Although an interview with Radeberger was conducted in the first phase, the interview was not as productive and the respondent was not as open in comparison to the other interviewees, meaning that the information provided was not as useful as the information garnered from other interviews. As a result, this company was not contacted in the second phase.

Unfortunately, the corporate relations director of Diageo, who was interviewed during the first-phase, did not want to involve any other employees in the research. Therefore, despite their having expressed a desire to continue to the second phase, it was not possible to include Diageo as a case study because not enough information would have been available given their stipulations regarding access to other employees.

Holsten agreed to participate in the second stage of this research and articulated that approximately five to seven interviewees would be available for interviews. However, after three months of e-mail and telephone contact with the secretary and human resources director, no arrangements had been made on Holsten's part. Surprisingly, the HR director asked for arrangements to be made at the end of March 2007 but it was then too late to conduct the interviews because the empirical phase of this research had finished.

It was difficult to overcome the problem that no German company would participate in the second phase of research. Due to time constraints and company access it was not possible to secure a German company as a case. But as established in research phase 1 (see chapter 5), a major finding was that IMC practices varied more according to industry type and especially individual

company practices than according to country. As such, in objective 1, it was established that the majority of organisations interviewed have started to implement IMC during the late 20th or early 21st century. However, three companies (2 in Germany and 1 in the UK) apparently have always been practicing IMC. Their IMC approach resulted from individual company practices, which were not dependent on the specific country location. The different reasons for the implementation of IMC, e.g. the maturity of a business or a new marketing director was employed as well as the associated benefits of an IMC approach were the same in both countries.

Furthermore, differences in relation to the advancement and tools employed, for example intranets or marketing toolboxes were dependent on the specific firms – how the departments were communicating with each other and their liquidity in terms of advancing their current communication technologies and issuing more consumer research (objective 2). Differences in relation to brand architecture (objective 3) were also experienced. However, these differences appeared to result from the specific industries and thus, were the same in both countries. As such, FMCG companies were following either an endorsed or branded identity strategy, whereas service firms were pursuing a monolithic brand strategy.

Hence, it was decided that all cases for research phase 2 have in common that they belong to the FMCG industry. These companies have multiple product brands, and may therefore, vary significantly in their employment of IMC practices. The following company cases, headquartered in the UK, were selected:

1. SABMiller
2. Imperial Tobacco
3. Tryton Foods

SABMiller

The results of phase 1 showed that SABMiller was one of the most successful companies practicing IMC. The firm does not 'just' belong to the category of large global FMCG companies but is also one of the largest global beer and cider

brewers in the world (SABMiller, 2006d). An overview of the company's position in its particular marketplace is presented in chapter 6 (see section 6.2)

It should be noted at this stage that the initial respondent from research phase 1 (Mark Sherrington, global marketing director) left the company in August 2006. However, Charles Hiscocks (communication director) agreed to participate in the second stage of research, as the successor of Mark Sherrington.

Imperial Tobacco

The analysis from research phase 1 demonstrated that Imperial Tobacco remained in the initial stage of developing an IMC approach. Imperial Tobacco is the fourth largest cigarette manufacturer in the world and operates in a legally restrictive and controversial environment (Economist, 2007c; Dewhirst, 2004). Therefore, this company is a unique case in itself. Furthermore, this was the first time that a tobacco company and its board had agreed to be involved in a PhD thesis, offering access to its employees as part of the research (Dewhirst, 2004). A brief analysis of the tobacco industry and Imperial Tobacco's positioning strategy is conducted in chapter 7 (see section 7.2).

Tryton Foods

Tryton Foods is also a company which has successfully implemented and applied IMC in the past. In comparison to the other two companies, which are of similar size and global reach, Tryton Foods is relatively small, as it is a strategic business unit of the William Jackson and Son group. Still, the firm employs over 600 people and can be seen as a large organisation. In addition, the company is the leading frozen food manufacturer in the UK (Hall, 2004). An assessment of Tryton Foods' position in the UK frozen food industry is provided at the beginning of chapter 8 (see sections 8.2 and 8.2.1).

All thee companies are large FMCG companies belonging to the UK business-to-consumer market. The organisations consisted of different brand levels, i.e. product brand, SBU level and corporate brand. Due to varied progress of each company through the stages of IMC implementation and application, it will be

interesting to compare the different directives and practices within and across the three companies.

The data collection commenced in October 2006 and ended in December 2006. Semi-structured interviews were carried out with the respondents in each company (see section 4.4.3). The following section will discuss the development of the interview schedules for both research phases.

In Appendix 3 participating company names, respondents' names and job descriptions from both research phases are presented.

4.4.5 The Development of the Interview Schedule

Research Phase 1

The interview schedule (see Appendix 4) was designed in light of the chosen research objectives and current IMC and marketing communication literature (Eagle et al., 2006; Gill and Johnson, 1997; Reid, 2003; Balmer, 2001b) in order to ensure construct validity. In particular, questionnaires and interview schedules from previous IMC studies were examined in order to create a topic guide. To establish a measure of common ground between research findings, the IMC definition (reviewed in chapter 3 section 3.2.1) was given to each respondent at the beginning of the interview, with the opinions of respondents discussed and taken into consideration.

The particular questions in relation to the first research objective were guided by an analysis of the questionnaire from Kitchen and Schultz's (1999) multi-country analysis and the research results of early IMC studies (Duncan and Everett, 1993; Caywood et al., 1991). The questions focused on:

- The importance of IMC in the specific company
- IMC's emergence or a particular time span
- Reasons for implementing an IMC approach
- IMC's future importance

In light of research objective 2, Cornelissen's suggestions (2001: 600; Cornelissen, 2000) regarding companies' internal integration were taken into consideration, as were the best practice cases of the American Productivity and Quality Center - APQC (Carlin et al., 1999; Hack et al., 1999; McGoon, 1998/1999). Furthermore, respondents were asked to locate their company in the four stage model (Kitchen and Schultz, 2001) and also to provide feedback on this concept.

In addition, Grove's et al. (2003) and Nowak and Phelp's (1994) research into the tactical employment of IMC and its effects on marketing communication activities were used to shape the interview schedule. Diagrams from the MET report by the London Business School (Barwise and Styler, 2003) showing predictions about marketing communication tools were shown to the respondents in order to explore specific company trends. The following key points were addressed in this research objective:

- The implementation and application of IMC
- The current organisational structures
- Interactions between departments
- Communication facilitators
- Marketing communication trends
- The role of a Communication Czar
- Strategic and tactical planning

Next, literature in relation to IMC and corporate communication was utilised (see chapter 3 section 3.7). As research in this domain is particularly limited (Schultz and Kitchen, 2000a), questions looked at:

- The corporate versus the product brand
- Cross-functional team coordination between the two communication domains
- Alignment with the corporate brand

In light of the fourth research objective and the final stage of the interview, it was possible to ask the respondents directly what they thought were the benefits of an IMC approach and why. As such, attention was drawn to:

- Perceived IMC benefits
- IMC cost effectiveness and higher financial returns
- Possible future changes in relation to the company's IMC approach

In total, 25 open-ended questions were asked. Some questions, depending on the responses given to the previous question, included sub-questions. For example, question 25 relates to perceived IMC benefits. If, however, the respondent did not mention that IMC is cost efficient and may lead to greater financial returns, the following two questions were asked:

1. Do you believe IMC is cost effective, if so why?
2. Do you have greater financial returns or benefits, if so why?

The face validity of this research phase was increased by the completion of two preliminary interviews, which ensured that the questions posed were related to the topic area and were understandable to potential respondents. These interviews were conducted with Professor Kitchen (researcher's supervisor and head of marketing communications group at the University of Hull Business School) and Andrew Sloan (Former Vice President, Head of Corporate Communications, Europe – The Bank of New York). A further advantage was that this process honed the interviewer's research skills.

The duration of one interview was approximately two hours. The majority of the interviews were carried out personally and within each company. But six interviews with German companies needed to be conducted via telephone due to time constraints. Again, no difficulties were experienced. The difficult task of carrying out interviews and not 'getting lost' was avoided by conducting the interviews with experts in the field of marketing communication. The interviewees were able to comment upon this definition and the researcher was

able to ensure that there was common ground for comparison in the analysis. Two interviews needed to be excluded from the data as they were incomplete. All of the interviews were transcribed, with the German interviews first transcribed and, subsequently, translated (see section 4.5 for translation issues).

Research Phase 2

A developmental phase for the formation of the interview schedules commenced in August 2006 and finished in September 2006. Firstly, the analysis and the three respondent transcripts from phase 1 were reviewed several times. IMC literature was consulted once again. The marketing directors and CEOs from the first stage put forward several interviewees who would be able to provide their expert views and opinions (see also the individual case chapters, e.g. SABMiller chapter 6 section 6.2).

A company-specific interview plan was designed, i.e. the interviewees were selected on the basis of the outcomes of the first interview (research phase 1). The interview schedules designed for this research had two purposes:

1. To test and verify the outcomes of research phase 1 and, in particular, the responses provided by the specific company.
2. To develop three case studies revealing how IMC has been implemented and practiced in different FMCG companies.

One interview schedule was designed for those interviewees who had already participated in the first phase and another interview schedule was prepared for the new respondents. Due to the two-fold purpose of the interview schedule for respondents in the second phase, some of the questions from phase 1 were repeated. See Appendix 5 for the two interview schedules.

The new interviewees received the same IMC definition from the first phase (Schultz, 2004b) at the start of the interview and had the opportunity to comment upon it. In light of the first research objective the following key points were discussed (see Table 4.5):

Table 4.5: Research Phase 2 – Objective 1

Research Phase 1+2 Respondent	Research Phase 2 Respondents
▪ Changes in relation to IMC ▪ Changes with regard to marketing communication activities	▪ The importance of IMC in the specific company ▪ The emergence or particular time periods ▪ Reasons for implementing an IMC approach ▪ IMC's future importance

Source: Author generated, 2007

The second objective was the most important one in this phase, as it focuses on the implementation and application of IMC in specific companies. Research by Cornelissen (2001; Cornelissen, 2000), the APQC studies (Carlin et al., 1999; Hack et al., 1999) and Kitchen and Schultz (1999) was of particular importance. Furthermore, Hutton's (1996a: 197) study on a 'Humanistic View of Relationship Marketing' suggested a set of questions regarding an outside-in approach, and these questions were utilised in research phase 2.

The IMC audit developed by Duncan and Morietary (1997), albeit to analyse integrated marketing, was also significant to this research objective. However, the audit is based on a census and not a sample, and, thus it takes into consideration responses by each member of the team who has an impact on brand relationships. This research focuses only on the views and IMC practices of senior executives and brand managers of different companies. Due to time and resource constraints, it was not possible to carry out interviews with whole marketing departments. Nevertheless, some of Duncan and Morietary's (1997) proposed questions, especially those relating to databases and outside-in planning, were taken into consideration and utilised in developing this research's interview schedule. In Table 4.6 the key issues are summarised in relation to the questions asked in research phase 2 – objective 2.

Table 4.6: Research Phase 2 – Objective 2

Research Phase 1+2 Respondent	Research Phase 2 Respondents
▪ Marketing code of conduct ▪ Research Studies ▪ Retail/Sales information ▪ Database ▪ Segmentation ▪ Marketing communication objectives development ▪ Outside-in approach ▪ Agency relationship ▪ Marketing communication tools ▪ Measurement of IMC	▪ Implementation and application responsibilities ▪ Brand managers and other departmental interactions ▪ Communication facilitators ▪ Outside-in approach ▪ Marketing communication objectives development ▪ Agency relationship ▪ Marketing communication tools ▪ Measurement of IMC

Source: Author generated, 2007

As research objectives three and four focus on the corporate brand and IMC benefits respectively, no new questions were posed to the old respondents. However, the key issues discussed in research phase 1 were raised with the new respondents in research phase 2 with the aim of facilitating a comparison of findings between respondents from varying managerial levels within individual companies. Research objective 5, which aims to compare company practices, will be discussed in chapter 9. Due to the nature of this research objective, no specific questions were posed during the interviews.

As in phase 1, two preliminary interviews were carried out before commencing the second research phase. The interview schedules were tested and perfected with Professor Kitchen (the researcher's supervisor and head of marketing communications group at the University of Hull Business School) and Charles R. Mankowski, an Enterprise Account Executive at Sprint Incorporated, USA.

In total, 21 questions were asked to the repeat respondents and 34 to the new ones. Each interview lasted between one and two hours. At the end of each interview feedback was obtained on the models developed in research phase 1.

4.5 Data Analysis

Within the 'qualitative research literature', different frameworks can be found which can help in analysing interview transcripts. Spencer et al. (2003: 200) also stated that in qualitative research "there are no clearly agreed rules". In general, it can be said that the analysis of both research phases is based on an inductive content analysis due to the research's exploratory nature. The aim of this thesis, as explained in section 4.4.2, is to create a middle range theory in order to add to present IMC findings and to further develop conceptual ideas. Hence, an inductive – theory-building – approach is utilised to accomplish this aim. Hence, the overarching objective of this research is to understand IMC in its settings and how it is being applied.

Despite the interpretivistic and qualitative nature of this thesis, a systematic and structured approach was applied. Harwood and Garry (2003: 479) postulated that " analysing the content of a variety of data enables the reduction of phenomena or events into defined categories so as to better analyse and interpret them". Permission was obtained from participants to record each interview, thus making possible their transcription. According to Lissack (1998), there are two different types of content analysis. The first one is inductive and concentrates on the 'actual' text, with the researcher attempting to identify textual data in order to create theory. The second type of content analysis usually refers to a deductive, measurement-orientated method, which is used to test certain propositions. As explained in previous sections, this thesis concentrates on an inductive approach wherein the former type of content analysis is applied. However, due to the high response rate in research phase 1, some interview responses were quantifiable, albeit they were not used to test any hypotheses.

Although inductive content analysis was used in both research phases, it is necessary to identify general steps taken in each phase to arrive at final outcomes. According to Miles and Huberman (1994) three steps should be followed to identify categories:

1. Before commencing the fieldwork, a list of possible codes should be developed derived from research questions, problem areas and key variables.
2. Create inductive categories derived from the fieldwork (which is described in detail below).
3. All derived codes should be informed by the aforementioned methods.

In reference to the coding procedures of the primary data, transcripts were made shortly after each interview was conducted, with the advantage that ideas and points stressed in the conversations were still 'fresh'. Once transcribed, the individual interviews were uploaded to the computer (research phase 1) or filed into specific folders (research phase 2) in order to begin the categorisation of each transcript – dividing them into individual units of analysis (Tesch, 1990). In both phases, the segmented categories were coded, modified and subdivided in order to link different categories to each other; this is also known as axial coding (Strauss and Corbin, 1990). Therefore, it was possible to 'mix-match' the interviewees' responses from research phase 1 and to link different events and opinions from phase 2 with the aim of better understanding the context of IMC in the individual firms.

It is now necessary, however, to give a more detailed description of how the data was analysed in each research phase.

Research Phase 1

One of the biggest challenges for any cross-national study is to show consistency within the research approach. To preserve consistency and guarantee a systematic approach, the author conducted the interviews in both countries in the native language, i.e. German or English. Thus, translation issues needed to be taken into consideration.

A dictionary translation would have misrepresented the findings. A decentring translation technique, whereby a different translator would be used for each interview, was also impossible due to the implied time and cost limitations (Ghauri and Cateora, 2005; Cateora, 1996). Furthermore, back translation was

also not an option, as this technique requires different people first to translate the transcript and then to re-translate it back into the source language, in the hope of avoiding any errors. The researcher was not able to apply this method as this technique is extremely time-consuming and would have delayed the research analysis by several months (Craig and Douglas, 2005). However, to translate interview schedules, questionnaires and interview transcripts other alternative techniques can be employed.

Two different techniques were used in this research. Firstly, the English version of the written interview schedule was translated into German, which is known as forward translation. The translator, in this case the researcher, translated the interview schedule from its source language (English) into the target language (German). As noted above, the two cultures are comparable, and similar managerial concepts exist in both Germany and the UK, and thus no translation problems were encountered. After the interview schedule was translated, a German colleague approved the translation and minor adjustments were made. The German colleague (Miss Angelika Köhler) is bilingual, speaking fluent English and German and working in an international company in Germany.

The next step was to transcribe the German interviews. It was decided that the interviews would be transcribed first in German and then translated into English. Parallel and split translation techniques were utilised (Craig and Douglas, 2005; Malhotra and Birks, 2003). In the first three German interviews of research phase 1 the parallel translation technique was applied. The researcher and Miss Köhler translated each German transcript into English separately before a common agreement on the best translation was reached. Due to time constraints and given the practise both translators had received from the first parallel translations, it was decided that the less time-consuming split translation technique would be used for the remainder. Therefore, the rest of the interviews were only translated once by either the researcher or Miss Köhler, with revisions and amendments made at a later meeting. This not only ensured that the translations were accurate but also free from bias, significantly underlining the validity of the research findings (Craig and Douglas, 2005; Douglas, 1992).

As briefly explained, the categories were created when analysing the data - i.e. inductively - but the development of these categories was also informed by the research objectives and existing IMC literature, as presented in chapters 2 and 3. The following steps guided the analysis of interview transcripts:

1. Information gathering about all 25 companies via company websites, Datamonitor and articles in order to be able to obtain a general picture about each organisation.
2. After the transcription was completed each script was read twice before all transcripts were coded and categorised. However, these categories were flexible. As such, it was possible to merge categories or separate others from each other as necessary. Grounded theory procedures were adopted which facilitated the analysis of transcripts (Miles and Huberman, 1994; Strauss and Corbin, 1990).
3. Firstly, the data was edited and segmented; codes were allocated to phrases or paragraphs of each interview and were then assigned to different categories (Miles and Huberman, 1994; Strauss and Corbin, 1990). A comparison of categories followed to illustrate the interdependence of some categories and the dependence of others.
4. In both research phases 'mind mapping' was applied, i.e. ideas were written down to form the basis of maps which would create the categories wherein the dimensionalities of IMC would later emerge (see chapter 5 section 5.9).

As the selected example shows (Table 4.7), categories were derived from extracts of the conversations with interviewees. As new sections were added, the categories were revised several times during the analysis procedures. For reasons of clarity and ease of analysis, some categories were defined via the information from transcripts. In some categories memos were also created for the researcher, which were mainly used as a reminder of an important point or to highlight a section worthy of attention in the coming analysis.

Table 4.7: Category – IMC 'Problems'

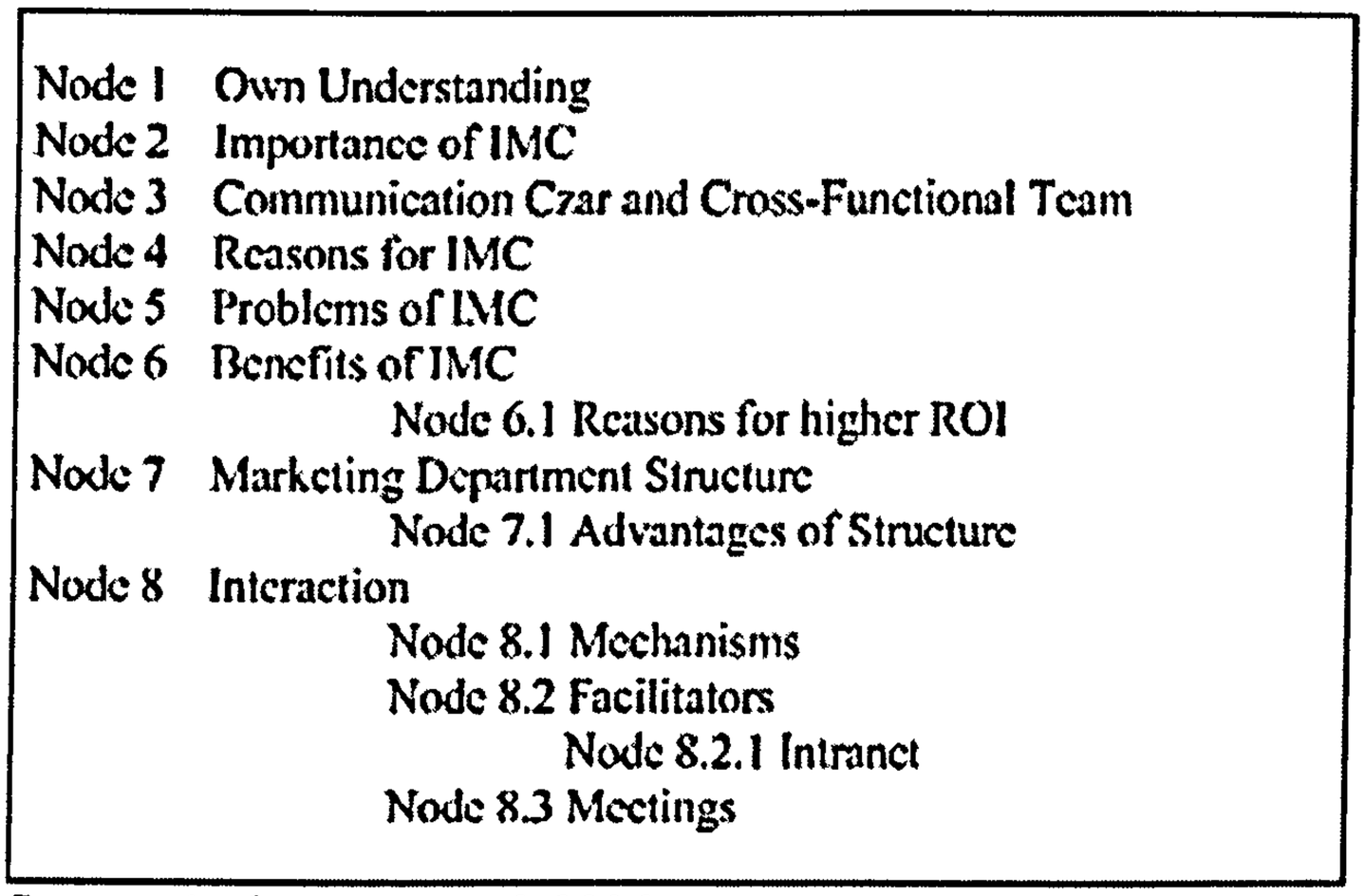
Definition
Difficulties in implementing and applying IMC. What are the problems companies encountered while implementing IMC. Future Problems.
Memo
- Choice of activity is sometimes element of spontaneity, e.g. Young's. - Rolls Royce can't use database to build communication strategy because segmentation doesn't work – consumer groups are too heterogeneous - WHSmith has to move one day
Extract
[Interview21_SAB : 34 - 34] MS: I think and I don't know if this is a question that is coming up. I don't think it is wrong. One of the problems and challenges of IMC, is that the suppliers [agencies] aren't integrated. [Interview22_vodafone : 33 - 33] We used to work in very fragmented almost different operating companies and for example, just our physical location is a real barrier. This place was created in 2004 the Vodafone Campus, before that time we had about 19 different buildings in Newbury alone and obviously, that inhibited comm. channels and they almost operated as separate businesses. And of course we actually acquired quite a lot of businesses as well and so they were almost bought on to Vodafone and it is only now that they started to feel almost integrated into one Vodafone.

Source: Author generated, 2006

Visual aids, in terms of tables, diagrams and charts helped at all stages of the data analysis because they facilitated the organisation and categorisation of the data, as well as its conceptualisation. IMC is the overarching phenomenon in this research, and, thus, all categories and subcategories are linked back to this central phenomenon.

Nud*ist Version 4 helped in analysing the 25 transcripts. Overall, research phase 1 had 25 English categories and 25 German categories. The English and German categories were identical in order to establish a comparison – excluding the subcategories of some nodes. However, some segments, i.e. responses of interviewees, accounted for more than one category. In Appendix 6 all of the categories created from research phase 1 are presented. An example of the themes and nodes established can be seen in Figure 4.6, below.

Figure 4.6: Sample of Nodes (Research Phase 1)



Source: Author generated, 2006

According to Tesch (1991), themes can be developed which account for a single idea. The categorisation of all themes and their links to the phenomenon was carried out to facilitate the utilisation of empirical data at a conceptual, theoretical level. A 'category tree' was developed to organise the data, as shown in Figure 4.6. After all categories were formed and read through several times, five overarching themes emerged (as shown below). In each of these, categories were formed which shape the underlying meaning of the themes.

1. IMC – Causal Conditions
2. IMC – Specific Dimensions
3. IMC – in Context
4. IMC – Intervening Conditions
5. IMC – Strategies

A model presented in chapter 5 (see section 5.9.1) shows the main categories and how they are linked to the phenomenon and the five overarching themes. The relationships between the categories and sub-categories were also explored.

Research Phase 2

As this phase consists of three case studies in which interviews are the primary method of data collection, case study procedures were followed. Eisenhardt

(1989: 533) utilised the following eight steps towards developing a theory when carrying out case study research in order to overcome the method's weaknesses. These steps were adopted for this research.

1. The definition of the research questions.
2. Selecting the cases.
3. Choosing appropriate data collection methods.
4. Relate fieldwork and analysis with one another.
5. Cross-analysis of cases.
6. Understanding the reasons behind relationships.
7. Cross-comparison with existing literature.
8. Theory saturation if feasible.

At first, each case was analysed separately (see chapters 6 through 8). It was not necessary to apply Nud*ist Version 4 because each case was treated independently. The information provided by each company and each company's website facilitated the analysis of the case studies. The documents studied are:

- Annual Reports
- Company brochures
- Budgets
- Company websites
- Investor and relation information
- Company newsletters
- Magazine and journal articles
- Leaflets
- Company presentations
- Other unpublished sources provided by the interviewees (labelled: unpublished primary source, company)

In research phase 2 each interview was read several times and categories were extracted manually, providing the opportunity to reduce the data while still being able to create specific sub-categories for each case. Although the categories were

informed by the results of research phase 1, these categories generally emerged from the transcripts of research phase 2; that is, from information provided by the individual case companies and current IMC literature. The triangulation of primary and secondary data guided the analysis of the case studies with the aim of, firstly, understanding the dynamics in each case and, secondly, generating theory which would support the overarching research results.

The research approach adopted by Mason (2003) was also used for the analysis of the three case studies:

1. A filing system was first organised to separate the individual case studies from each other. Each interview was analysed in itself before the findings were compared and contrasted with those of the other interviewees within the individual cases.
2. The thematic content analysis was based on the objectives and research outcomes of phase 1. Eight themes were developed which guided the subsequent analysis:
    a. The emergence and growth of IMC in the context of the specific companies
    b. Perception versus adoption of IMC practices
    c. Research and evaluation activities
    d. Client perceptions of agency activities in the context of IMC
    e. Old and new media trends
    f. The corporate brand in the selected FMCG companies
    g. Internal and external communication strengths and weaknesses
    h. IMC benefits
3. Verbal expressions, tone of voice and the repetition of certain issues by individual/various interviewees within one case study were interpreted as indicators of emphasis.
4. The findings from the inductive content analysis were certified by comparing and contrasting them with the data obtained from primary/secondary unpublished and published company data and by testing their validity with the selected interviewees.

As with research phase 1 (see chapter 5 section 5.9.1), a model was developed in each case to facilitate the analysis of the interviews (see chapters 6 through 8 – sections 6.2, 7.2 and 8.2.1). The categories and themes are directly linked to the individual cases and, thus, may vary accordingly (for the categories of research phase 2 see Appendix 7).

Chaudhry and Crick (2003) have also analysed their interview findings on the basis of 'qualitative content analysis'. They stated that quotations and examples of the responses can help in explaining and illustrating underlying themes and categories from the interviews obtained according to the qualitative methodology. The quotations from the interview transcripts were selected according to their importance to this research and their representation of views of interviewees in terms of the research objectives.

Finally, case studies and interviews which are conducted using qualitative research methods have been criticised for being less generalisable than quantitative studies and incapable of teasing out a specific explanation for a certain issue (Stokke, 2007). Despite this drawback, Stokke (2007) also mentions that a qualitative comparative analysis can help to overcome these two problems.

Specifically, a combination of the case studies and the findings from research phase 1 was analysed according to the pattern-matching method in chapter 9 (Yin, 2003). According to Yin (2003: 106), the researcher needs to compare "empirically based patterns" (which are in this thesis derived from 25 interviews and 3 case studies) with "predicted patterns" (which have been derived from the literature review). Comparable patterns represent a causal relationship and can offer further explanations of the IMC concept. Contrasting patterns need to be questioned and tested further. The pattern matching method is also known as "theoretical replication across cases" and is used to reinforce internal validity.

4.6 Ethical Issues

It is essential to consider ethical issues before, during and after the research process. Awareness of ethical concerns can help to avoid and prevent conflict with respondents. In interpretivistic studies it may also assist in avoiding bias. Ethical problems may affect both the legal and moral standing of the research project (Churchill, 1992).

Each participant (organisation) was informed through the covering letter about the research's purpose and objectives. Before the interviews were conducted, instructions about privacy rights were provided. Furthermore, the participants' permission to use a digital voice recorder was obtained. In July 2006 and June 2007 the analyses of research phase 1 and 2 were, as agreed, sent out to each participating company, while the case study firms were also sent the individual chapters dedicated to the respective companies (6,7, or 8). All respondents had the opportunity to make additional comments and provide feedback to the data analyses. However, no problems were encountered and all companies expressed their satisfaction with the analysis. A letter of gratitude was sent to all participating companies in June 2007 (see Appendix 2).

In both research phases confidential information was passed on to the researcher. In order to ensure confidentiality and 'security' for the participating firms, this thesis will be embargoed for the next five years. This thesis will not be available in the public domain. In addition, the company names were disguised in the analyses presented to other firms; none of the respondents were given the names of other firms participating in this research.

4.7 Validity, Reliability and Generalisability Issues

Reliability, generalisability and validity are measurements of the 'correctness' of data (Sekaran, 2000). These issues will arise in all social science research, and they are vital to the credibility of this research.

The validity of qualitative research can be divided into internal validity, generalisability and relevance (Daymon and Holloway, 2002; Silverman, 2000). External validity is concerned with generalisability. The researcher has to obtain access to appropriate companies in order to give an accurate reflection of the phenomenon (Bryman and Bell, 2003; Scandura and Williams, 2000; Sekaran, 2000).

Janesick (2000: 50) described internal validity as follows:

> [Internal validity] has to do with description and explanation, and whether or not a given explanation fits a given description. In other words, is the explanation credible?

Only participants will be able to judge the findings, i.e. if they are legitimate because the phenomena is interpreted and understood through the eyes of the practitioners. As such, internal validity is proven by rich data, the credibility of the interpretation and its relationship to theoretical ideas (Trochim, 2001).

Internal validity in research phase 1 and 2 was gained through carrying out interviews in connection with certain theoretical fundaments, as highlighted in chapter three. The objectives (see section 4.2) and interview schedules (see section 4.4.5) were developed in line with current theoretical constructs, thus allowing the research to link its empirical findings to those in the literature review. The concept of pattern matching and theoretical replication across cases has already been discussed in section 4.5. Research phase 2 was highly dependent on the outcomes of research phase 1. The internal validity has also been strengthened by the fact that ideas resulting from phase 1 were key to the realisation of the case studies. As recommended by Daymon and Holloway (2002), after the completion of both analyses, the findings were presented to the participating organisations. Therefore, feedback was taken into consideration to increase the internal validity.

Furthermore, the establishment of causal relationships also increases the research's validity (Yin, 2003). In chapter 9 of this thesis, all of the case studies,

and the research findings of phase 1, are linked to each other. Therefore, causal relationships are established and supporting explanations presented, again increasing the validity of this thesis.

The research's external validity, or generalisability, is bolstered by the extensive use of various companies both in different industries and in different countries. Twenty-five interviews were carried out in order to provide an in-depth analysis of IMC in phase 1. Furthermore, additional interviews were carried out in each of the three cases. According to Stake (1995) and Wolcott (1994), generalisability should not be an issue within qualitative studies because the in-depth findings of each interview or case matter more than their generalisability. Thus, one limitation of this research is that the findings of both research phases may not be generalisable to all FMCG companies or other business-to-consumer organisations. However, the empirical findings came from multiple sources, i.e. multiple interviewees, documentation and field notes, thus creating a sequence of evidence for IMC. Theory-based generalisation emerged and, therefore, the relevance of this work's finding is proven by demonstrating their significance to the existing literature and to managers and academics, resulting in a mid-range theory.

According to Stokke (2007: 501), the internal and external validity can be improved via "causal accounts to permit inferences to other cases", while specific explanations need to be given for complex issues. In chapter 5 the findings from Germany and the UK and from four different industries are linked together, resulting in the development of theory relating to the causes of the emergence of IMC. The findings from the three company cases are also linked together in chapter 9, in light also of the results from research phase 1. The complexity and specific context of each case was overcome by relating the results of the case studies to the existing IMC literature and to the findings from phase 1. The development of a cross-comparison of the case studies further improves the external validity of this research.

The research's relevance can also be verified because 25 companies and 3 companies eagerly agreed to participate in the first and second phases of the research respectively. Furthermore, the analysis also provides a benchmark for all participating organisations and helps the ones which are less integrated to take the best practice illustrations as possible solutions to their own problems with IMC implementation. Therefore, the guidelines provided for IMC application in other settings demonstrate that the findings could be transferable to other business settings.

The reliability issue is taken much more seriously in positivistic research because reliability can only be achieved by a high sample size. Yin (2003) proposes three areas of concern which should be taken into consideration when conducting qualitative research in order to ensure reliability:

1. Gaining access to key respondents – in the first stage of this research the majority of interviews were conducted with the CEO or marketing director. If this was not the case, the marketing director or CEO proposed other suitable interviewees who could provide sufficient information about IMC. In the second phase, the interviewee of the first phase was consulted and then nominated other persons to be interviewed.
2. A comprehensible timetable of the data collection schedule was adopted. This schedule was not presented to the interviewees so as to avoid anxiety and unnecessary pressure.
3. Changes in interview times and locations were taken into consideration. If an interviewee was not able to meet, a new time and/or location more suitable to the interviewee was agreed upon.

However, in both research phases, reliability concerns are overcome by findings from different organisations. Reliability has to do with consistency and stability and the extent to which a study can be replicated (Sekaran, 2000). Hence, the research interview(s) needed to be prepared with great care and in a replicable manner. Section 4.4.5 describes how the research interview schedules were formed and how the researcher arrived at the questions. The various interviews

were also conducted and analysed in a systematic and consistent manner (see section 4.5). Given that a systematic approach for the analysis and realisation of this research has been provided, future researchers should face little difficulty in replicating the study or either one of its phases, should occasion arise.

In conclusion, Gronstedt (1996) pointed out that a qualitative study's validity and reliability can be increased through method triangulation. He demonstrated this through his own research, i.e. he conducted 41 in-depth interviews. Relating his justification to the methodology of this thesis, the arguments are as follows:

- The interviewees (phase 1 and 2) were from different companies and industries (FMCG, service, retail, consumer durable).
- When conducting the case studies (phase 2) the respondents were drawn from different managerial levels, e.g. brand managers, SBU managers, marketing-, sales- and HR directors .
- Different research papers, company websites and articles about the organisations were utilised before commencing the interviews and making any final conclusions in each phase.

It can be argued that these provisions do not make the thesis as generalisable as, for example, a 'high sample' positivistic study would be, but these points may facilitate and strengthen the research's validity and reliability while also increasing the generalisability insomuch as this is possible in a qualitative study (Gronstedt, 1996).

4.8 Summary and Conclusion

This chapter focused on the research methodology and design of the proposed study. The different paradigms, i.e. interpretivism versus positivism were discussed and an appropriate choice (interpretivism) was made. Furthermore, the selected research strategy was explained and justified.

To enhance the credibility of the research, the research is divided into two inductive stages. In the first research phase 15 UK and 10 German semi-structured interviews are carried out to generate knowledge about IMC. The second stage involves a case study methodology, where three of the participating first phase companies are selected.

The following chapter will focus on the data description and analysis of research phase 1. A detailed comparison of the empirical findings is presented, whereby the data is categorised into an 'IMC model'.

Chapter 5: Phase 1 Empirical Research Findings

Figure 5.1: The Research Stages

Part 1	**Chapter 2 - Marketing Communications** Evolution of Marketing, Marketing Communications, Promotional Mix Elements, Trends
	Chapter 3 – Integrated Marketing Communications (IMC) Development of IMC, IMC Studies, Barriers, Criticism, Corporate Communications
	Chapter 4 – Research Methodology Research Purpose and Objectives, Paradigm, Design and Strategy, Ethics, Reliability/Validity/Generalisability Issues
Part 2	**Chapter 5 – Research Phase 1** Results of the Study
	Chapter 6 – Research Phase 2 Results of SABMiller Case Study
	Chapter 7 – Research Phase 2 Results of Imperial Tobacco Case Study
	Chapter 8 – Research Phase 2 Results of Tryton Foods Case Study
	Chapter 9 – Research Findings Analysis and Discussion of Research Phase 1 and 2
	Chapter 10 – Conclusion Academic, Managerial and Methodological Contributions, Limits to Results, Future Research

5.1 Introduction

Chapter 4 presented the overarching philosophical aspects of this thesis and the proposed methodology. Chapter 5 adopts an interpretivist approach and examines the research objectives (listed below) in a qualitative way.

1. To explore the emergence, growth and importance of IMC within large consumer firms.
2. To explore the current situation of IMC implementation and application within the selected firms at the:
   a. Corporate Level
   b. Strategic Business Unit Level
   c. Product Level
3. To explore interaction and interdependence between:

a. The corporate brand level
b. The product brand level

4. To identify, evaluate and compare perceived benefits with regard to the growth, importance and usage of IMC within the selected firms.
5. To compare and contrast similarities and differences in perception and practice of IMC within the selected firms.

The empirical phase of this thesis is divided into two phases which are presented in chapters 5 (research phase 1) and 6 through 8 (research phase 2). The first part concentrates on the research findings of 25 interviews in different industry sectors (Chapter 5); and the second part involves a more in-depth exploration of integrated marketing communications (IMC) via case study analyses.

In this chapter, section 5.2 reviews the sample profile, whereas the data interpretation approach is summarised in section 5.3. The analysis of the research findings is presented in sections 5.4 to 5.8 according to the five research objectives. In section 5.9 the theoretical implications of this phase of research are demonstrated. A conceptual model is developed in section 5.9.1 with regard to the categories of responses, which are discussed further in the text. Section 5.10 illustrates in a diagram the IMC implementation stage of each company and finally, section 5.11 concludes this chapter.

5.2 Sample Profile

Participants from 10 companies in Germany and 15 companies in the UK were interviewed: the companies are classified in Table 5.1.

Table 5.1: Companies by Industrial Sectors

Industry Sector	Interviews	Location
Fast Moving Consumer Goods	13	5 Germany, 8 UK
Retail	4	1 Germany, 3 UK
Consumer Durable	4	2 Germany, 2 UK
Services	4	2 Germany, 2 UK

Source: Author generated, 2006

Table 5.2 identifies each company from which respondents derived, in terms of industries, employees, turnover and geographical reach. The companies had a workforce which ranged between 600 and approximately 100,000. All companies were either large national, multinational or global organisations. Due to the companies' sizes, their geographic reach as well as individual companies belonging to specific groups each of them has shown via their sales figures and employee numbers to be profitable and successful enterprises, as shown in Table 5.2.

At the time of the interview with the respondent of BSN Medical, which was originally formed via a merger of Beiersdorf and Smith & Nephews, was sold to Montagu Private Equity in 2005 (BSNMedical, 2007). The equity firm specialises in management buyouts and growth companies. Thus, it was not possible to obtain BSN financial data but information was obtained about the buyout, which made it one of Montagu's most expensive investment decisions of €1.030bn (Montagu Private Equity, 2007). Some of the companies interviewed in this research also belong to company groups. As such, RAC is owned by Aviva, William Jackson & Son group owns Tryton Foods, Debenhams is owned by a private equity firm, whereas the Radeberger Group has been acquired by the Dr. Oetker Group, BMW and Rolls-Royce belong to the BMW Group, JD Williams is owned by the NBrown Group, Audi is owned by the Volkswagen Group, and Holsten was acquired by Carlsberg.

However, international accountancy standards do not oblige these companies to list employee numbers and financial statements for each 'sub-company'. Except for Audi, Debenhams, Tryton Foods and the Radeberger Group where it was possible to find the individual financial statements, the other financial statements were taken from the company groups annual reports. In addition, for all companies the most recent annual report made available in the public sphere was used to create Table 5.2.

Table 5.2: Company Overview[4]

UK				
Company + Year of Company Reports Obtained	Industry	No of Employees	Turnover in £mn	Global/ International/ National
1. Reg Vardy (2005)	Consumer Durable	5115	1717	National
3. British American Tobacco (BAT) (2005)	FMCG – Tobacco	90249	9325	Global
4. BSN	FMCG – Pharmaceutical	-	-	Global
5. Diageo plc (2006)	FMCG – Drinks	23720	9704	Global
6. Imperial Tobacco Group plc (2006a)	FMCG – Tobacco	16804	11676	Global
7. SABMiller (2006d)	FMCG – Drinks	39571	17081	Global
8. Tryton Foods (un-published primary source, 2006)	FMCG – Products	600	50	National
9. Unilever (2005)	FMCG – Products	206000	€39672	Global
10. Young's Brewery (2006)	FMCG – Drinks	1995	123	National
11. Debenhams (2006)	Retail	25593	340	International
12. NBrown Group– JD Williams (2006)	Retail	4190	485	National
13. WH Smith (2006)	Retail	24061	1021	National
14. Aviva Group – RAC (2005)	Service	54791	50939	International
15. Vodafone (2006)	Service	57442	29350	Global
Germany				
Company	Industry	No of Employees	Turnover in €mn	Global/ International/ National
1. Audi (2005)	Consumer Durable	52412	26591	Global
2. BMW Group – Rolls-Royce, BMW, Mini (2006)	Consumer Durable	106575	49000	Global
3. Barilla Group – Kamps (2005)	FMCG – Bakery	7321	2609	National
4. Carlsberg – Holsten-Brauerei (2006)	FMCG – Drinks	30000	DK41033	International
5. Eckes-Granini GmbH & Co. KG (2005)	FMCG – Drinks	1484	896	International
6. Lorenz (2004)	FMCG – Snacks	3500	500	International
7. Radeberger Group AG (2002)	FMCG – Drinks	2593	809	International
8. DM Drogeriemarkt (2006)	Retail	24500	3672	International
9. Fraport AG (2005)	Service	25781	2090	International
10. Lufthansa (2005)	Service	92303	18065	Global

Source: Date extrapolated from company reports

[4] Conversion £ 1 = € 1.44

Each interview was conducted with the CEO or a designated substitute. In Appendix 4 the German and English interview schedules are provided. It was intended, in ideal circumstances, to interview on a face-to-face basis; however, due to location difficulties six of the German interviews were conducted from the UK (Hull) via telephone. Each interview was transcribed and no difficulties were encountered during the analysis with Nud*ist version 4. Chapter 4 – section 4.5 explains the data analysis technique used in this research phase in more detail and section 4.7 discusses reliability, validity and generalisability issues.

5.3 Data Interpretation

As illustrated in chapter 4, the interviews were first transcribed and then grouped according to categories of responses elicited from the original research objectives (see Appendix 6), and by countries using Nud*ist. For example one category of response was the rationale for implementing integrated marketing communications (IMC) in companies located in Germany and the UK. When comparing these categories it was noticeable that respondents from both countries gave very similar responses. However, Nud*ist was especially useful within the data analysis process, section 5.9. In the following sections and subsections the research findings will be first described and interpreted in relation to the objectives.

Differences between the two countries will be highlighted where applicable; otherwise the description and analysis of the interview outcomes will apply to both countries. Various quotes are presented throughout sections 5.4 to 5.8, which have been selected from the different interviews. If stated, these illustrations may also embody more than one interviewee's view. The quotes have been selected on the basis of the clarity and precision of the response given by the interviewee and if the 'wording' of the particular phrase or section can be taken as a representative for the other interviewees responses.

5.4 An Outline of Integrated Marketing Communications (IMC)

This section focuses on the first research objective:

> To explore the emergence, growth and importance of IMC within large consumer firms.

The following subsections (5.4.1 to 5.4.3) are organised by a list of headings which capture the first objective:

- The emergence and growth of IMC
- The importance of IMC
- The future of IMC

The section summary (5.4.4) concludes the overall section and presents the most important findings.

5.4.1 The Emergence and Growth of IMC

This section focuses on the findings in relation to the emergent causes and increasing significance of IMC in individual companies. Varying time periods and causes are illustrated. Different reasons for the emergence and growth of IMC have been experienced within each of the 25 companies. This section will analyse the different reasons of each company in a separate manner, whereas section 5.9.1 will examine this data in a more holistic manner.

The respondents from Radeberger Group and Granini, two large German international companies, stated that IMC has always been important to them. The marketing director of the Radeberger Group also mentioned that the reason behind the importance of IMC in the industry for such a long time has been caused by its history of over 100 years of beer brewing traditions in Germany.

> I think in our industry it was always very important and maybe in our industry we are not always frontrunners but in that respect we are because of our long experience and more than 100 year history. We

> are selling different brands than for example Unilever or other companies do (Radeberger Group).

Marketing practices in Radeberger were always applied in an integrated manner. Furthermore, Granini's marketing team recognised the necessity of an IMC approach very early but the interviewee also said that its significance and rising importance was due to the increasing multiplicity of media channels. Granini's marketing director stated:

> [IMC] has always been important we are forming the brand in basically everything that we do and every day.

The interviewee from British American Tobacco (BAT) was the only UK respondent who argued that the company had always paid attention to adopting an IMC approach. This might however be expected from a tobacco sector company which is very restricted in relation to marketing communication practice. However, even here, the respondent also stated that due to increasing competition and increasing pressure to deliver higher returns or ROI the need to practice IMC within BAT had gradually become more important.

> I think that some companies are better at it than other companies. Has it always been important? In principle, yes it has to be important.

On the contrary, Vodafone was founded in 1984 and the company soon became one of the fastest-growing and most profitable global mobile phone corporations. However, according to the respondent, the business is now starting to mature as the rapid expansion, growth and changes of the telecommunication industry are slowing down. Thus, senior executives in Vodafone realised the great need to look into its marketing communication processes approximately two years ago and as a consequence has since integrated all operating companies into one global company, with a strong degree of control from headquarters. The impact of this on communication is given below:

> We only recently started doing [IMC] and I think it is because we have so many employees within the organisation who were dedicated to very specific tasks. There wasn't much integration or cross-fertilisation across projects or communication. However, that is

> starting to change and what we are doing is looking at these similarities and working with different business units. So, actually it took longer to get something out to the market but now we are starting to be wholly integrated through the line.

Like Vodafone, Fraport also recently entered what was perceived to be the maturity stage of its business in 2000 and started a project approximately two years ago (2003) whereby customer groups were redefined and consumer communication was improved which led directly to the implementation of an IMC approach. BSN was formed through a merger of two companies; and its inauguration (2000) senior management decided to pursue an integrated marketing communication strategy. Similarly, Diageo was founded in 1997: from then onwards the need for IMC was recognised, but after divesting the food business in 2000 the company aligned all product brands and categories behind a premium drink strategy which resulted in a much more focused and integrated marketing approach as reflected in this respondent's comment: "We announced our strategic intention to realign behind premium brands in 2000 that was the real paradigm shift focusing on the consumer."

Until its acquisition by Norwich Union – Aviva in March 2005, RAC was run in separate business units and an IMC approach was never considered. The company has thus only recently adopted an IMC approach, initiated by the new management of RAC:

> Until the point of acquisition which was mid year [2005] the company was run in separate business units so up until this point we wouldn't even have had this conversation.

Similarly, due to its takeover by Carlsberg in 2003, Holsten started to employ a much more integrated approach which was delegated to them by Carlsberg. The interviewee stated: "It should have always been important but because of the takeover we clearly have a stronger drive and a much more focused approach." Imperial Tobacco also acquired the German company, Reemtsma, four years ago; the latter was larger but less effective in sales compared to Imperial Tobacco. However, Imperial Tobacco's senior management made the decision to adopt a global company communications strategy approximately four years ago, by

developing an integrated marketing communications approach, which helped in integrating and coordinating all operating marketing departments and other divisions. In an entirely different sector, after BMW acquired Rolls-Royce in 1998, the brand was relaunched. The historical brand characteristics remained, but it was necessary for the newly owned subsidiary to adopt an IMC approach. As the marketing director stated " a lot of attention was given to how the company itself behaves and how the brand would be presented to the public".

In contrast, Reg Vardy is a successful consumer car retailer but for them acknowledgment of the necessity to use new media and develop customer relationship management and evaluate and measure marketing outcomes was only identified in 2005, which for them was prelude to the ushering in of an IMC approach. There, the CEO and the marketing department realised that, due to audience fragmentation and the strong growth of the company, a more integrated approach was needed. The reason for adopting an IMC approach within Tryton Foods in 2002 was as follows: "Our growth rate was very good but our return on sales and our return on capital was not as strong as it should have been [ ]. Therefore, it was really important to get everybody behind an integrated strategy to increase ROI."

Within Unilever and Young's Brewery, increased media fragmentation and splintering mass markets led them to develop an integrated marketing communication strategy for each product brand and this also has occurred only in the last five to six years, i.e. since 1999 (Unilever) and 2000 (Young's Brewery). JD Williams, a catalogue retail company, indicated that understanding of the interrelations between online and offline activities, as well as customer relationships were increasingly important and thus the company also adopted an IMC approach, which began to emerge approximately since 2003.

Within BMW, much management attention is given to presenting the brand value and its features, and communication of these to customers and employees. Therefore, understanding of the brand's importance and the need to act in a consumer-driven way led to the implementation of an IMC approach from 1998 onwards. The senior management team of Audi decided, due to the increasing

multiplicity of media and competition, to align the communication strategy in 2005 behind one common topic; the 25th anniversary of the Audi Quattro – "Vorsprung durch Technik". The corporate director said:

> If you take the image by itself then it is important for more than 10 years but due to the new communication strategy content-wise it only became important in 2004.

A change of communication strategy in the early 1990s led to the adoption of IMC within DM Drogeriemarkt. Moreover, consumer-driven communication, whereby now the importance is apparently with consumers and not necessarily different products, only became more important for the company since 2000. The interviewee stated:

> Within the last four to five years we have changed very much and became much more consumer-driven. But the real turn around plan emerged during the early 1990s, since we implemented the continuum-price-concept and since we decided not to have any short-term activities.

> Lufthansa saw the need for implementing an IMC approach resulting from budget constraints. The perception of effectiveness and efficiency of IMC helped Lufthansa in planning and using IMC successfully over the past five years. Consumer-driven communication, i.e. 'face to the customer', was also mentioned as another reason for implementing IMC.

Furthermore, the marketing director of Lorenz said that: "We actively started talking about applying IMC five to six years ago but it actually became important to us during the early 1990s." The company's strategy is to align all product brands behind one common direction and corporate brand. In comparison, WH Smith also tries to align its travel, retail and newspaper stores behind the WH Smith corporate brand. However, due to WH Smith's financial problems, a new marketing director and CEO were hired to develop a turn around plan, which also included the adoption of an integrated marketing communication approach. This means, therefore, that only recently, at the end of 2005, the company did start thinking about an IMC programme.

> The business got so much into trouble because it was very unfocused the importance of things like IMC will increase, as we get further into our turn around plan.

Kamps was traditionally a sales and tactically orientated company, comparable to WH Smith. However, due to Kamps' acquisition by the Barilla Group in 2005, a change of strategy was adopted which led to the employment of a new marketing director who saw the need to adopt an IMC approach. The interviewee stated: "I only started here on 1st August 2005; we will have an integrated communications approach on all product brands." Thus, since August 2005 the company has focused on an integrated approach. In 2002, SABMiller employed a new chief marketing director who also realised the need to employ a communication director. Both directors decided to optimise marketing communication processes and to articulate the fundamental communication ideas of the company, whereby from their point of view it was necessary to implement and apply an IMC approach. Also in 2002, Debenhams employed a new marketing director who saw the need to adopt an integrated marketing communication approach because the different marketing communication functions were working separately from each other. The marketing director from Debenhams commented: "About 4 years ago the marketing disciplines were very separated, reporting to different people allocated to different communication functions." The reason for implementing IMC here was also that the new marketing director realised the necessity of establishing a consistent approach throughout all communication functions as, especially within the retail industry, touch-points with consumers are very diverse, for example e-mail, commercials on television or radio, direct mail, etc. Thus IMC is required to provide a holistic picture of the company to customers.

Table 5.3 shows a summary of all responses with regard to the emergence, growth and implementation/application of IMC. If the interviewees did not mention different time spans for each category, the responses also account for the previous category. For example, many interviewees stated that they got to know about IMC at the same time as it became important for the company. Furthermore, some respondents also knew about IMC within the 1990s because they worked for a different company where IMC was already important and implemented. However, in most of the 'interviewed organisations' IMC was only implemented at a later

point, as shown in the last category. In particular, the last column – implementation/application – refers to the time period the individual marketing departments have started to develop and execute concrete IMC plans for the respective organisation.

Table 5.3: The Developmental Process of IMC in the Respondent Companies

Integrated Marketing Communications				
Company	**Always Important**	**Known About**	**Became Important**	**Implementation/ Application**
1. Audi			1990s	2004
2. Granini	X	1970s		
3. Lufthansa			1990s	2000
4. BMW		1990s		1998
5. Holsten		1990s	2003	2003 (acquisition)
6. Lorenz		1990s	1990s	2000
7. Radeberger	X			
8. Fraport		1990s	2000	2003
9. Kamps		1990s		2005 (new marketing director)
10. DM Drogeriemarkt		1990s	1990s	2000
A. Reg Vardy		1990s	Early 21st century	2005
B. Young's Brewery		1990s	2000	2000
C. Unilever		1990s	2000	2000
D. Tryton Foods				2002
E. Diageo		1990s	Late 1990s	2000
F. BAT	X			
G. RAC		1990s		2005 (acquisition)
H. BSN		1990s	1990s	2000 (founded)
I. Rolls-Royce		1990s	1998	1998 (acquired)
J. WH Smith		1990s		2005 (new marketing director)
K. SABMiller		1990s		2001/2002 (new marketing director)
L. Vodafone			Late 1990s	2003
M. Debenhams		1990s		2002 (new marketing director)
N. JD Williams		1990s	Early 21st century	2003
O. Imperial Tobacco				2001 (acquired Reemtsma)

Source: Author generated, 2006

As also previously mentioned there are only three companies where interviewees claimed to have always practiced IMC. In the case of Granini, the interviewee also

mentioned that the change towards a more customised and integrated approach was caused by technological developments at the start of the 1970s and continuously until now. Apparently, the importance of IMC within Granini was realised at a very early stage, thus, even before most of the IMC literature emerged during the 1990s. It seems that the majority of the other companies did follow recent marketing communication trends, insofar that although not directly implemented, interviewees were aware of the tremendous changes in the marketing communication environment which were recorded in the marketing communication literature during the 1990s. However, some of the interviewed marketing directors have previously worked in other companies where IMC was already established and thus, these interviewees were already aware of the concept.

Moreover, the companies that were acquired also adopted different business practices, i.e. IMC was delegated by the new 'mother company'. Despite the fact that some of the interviewees were aware of IMC, the importance and especially the implementation of IMC was only realised at the end of the 1990s – early 21st century within the majority of the respondent companies. Thus, these companies mainly adopted new business practices and also IMC due to changing market environments and individual business situations, i.e. mergers and acquisitions, communication strategy changes, decreasing profit margins or acquired experienced marketing staff from different companies where IMC has already been practised.

Consequently, IMC was found to be a valuable concept to all participating interviewees. Preponderant was the fact that both German and UK interviewees identified the reasons for the emergence and growth of IMC to be technological developments, the massive multiplication of media channels and consumer-driven market places. For all 25 participating companies the interviewees agreed on the significance of IMC: that it has become, and will become, more important due to changing and increasingly competitive market places.

IMC not only seems to offer greater cohesion and internal focus to employees but also apparently aids companies to achieve a much more consistent and integrated

marketing communication mix with regard to a successful brand strategy. Interestingly, research by Cornellisen (2001), one of the opponents of IMC, or at least one of the academics who has criticised it, has also expressed the same view.

As some researchers have always assumed (Reid, 2005; Cornelissen et al., 2001; Low, 2000; Nowak and Phelps, 1994) the interviewees from BMW and Imperial Tobacco pointed out that global or multinational companies may have a more theoretical approach towards IMC because of their size and their complexity with literally hundreds of people working on an integrated marketing communication strategy compared to small- or medium-sized companies where such intensified coordination is not always necessary. Therefore, changes in large global organisations may be more difficult to establish. This means that implementing IMC could prove difficult due to a high number of employees needing to accept such changes.

5.4.2 The Importance of IMC

The second part of objective 1 concentrates on the interviewee responses related to the importance of IMC and companies' movements to such an approach. The significance and meaning of an integrated approach will be interpreted in this section. The interviewees construed that it is a valuable concept, as this approach holds significant benefits to each company which have let to the implementation of such an approach. All respondents stressed the significance of IMC for the company. The 25 interviewees recognised the necessity of adopting an IMC approach in their companies but the majority of firms only did this during the very late 20th and early 21st century (see section 5.4.1). This was particularly apparent from respondents in the consumer durable and FMCG (alcohol and beverage) industries who pointed out the importance of IMC to their individual brands because of the high emotional value attached to each brand. The respondent from BMW stated:

> A person who buys a BMW does not buy the car because he or she wants merely to drive it; our customers buy a BMW because of the emotional value attached to it.

The interviewee from Radeberger Group also stated:

> [IMC] has an immediate effect on the brand. We are talking about a very emotional brand and a very emotional product category in rational respects there is hardly any way to differentiate beer apart from emotional values.

Although all respondents emphasised the significance of an IMC approach due to its significant benefits (see section 5.7), as described, the interviewees stressed the importance of an IMC approach in relation to companies which have highly 'treasured' brands where the marketing communication approach needs to be consistent and integrated to maintain and project the 'right' image to customers.

All respondents also recognised the changing media landscape and the significance of audience fragmentation in relation to their respective marketing plans. However, the impact of these facts for different companies varied. For example, Rolls-Royce, a company that sells luxury cars, communicates the benefits of its cars on a one-to-one basis to potential customers. As a result, mainstream mass marketing has never worked and never will work for Rolls-Royce because of the luxury car image that the senior management of the company is preserving. Hence, the company focuses on one-to-one marketing and direct relationships with its consumers. The interviewee of Rolls-Royce responded:

> We do not do TV ads, we do not do radio commercials, we do very limited broad public advertising. Our advertising is based on 1:1 marketing and we did this before it was even invented in the textbooks. Rolls-Royce cars, you have to sell one by one.

Furthermore, especially within the retail industry it was discovered that different companies, i.e. Debenhams and WH Smith recognise the increasing multiplicity of media channels but because television advertising still seems to provide the highest returns on investment (ROI) to them, changes are occurring very slowly. However, 80% of 20 respondents of those interviewed identified the need to target consumers on a much more personal basis, where tactics other than advertising were being applied. The underpinning force for the emergence and importance of

IMC was the value of IMC in terms of coordinating and integrating various communication activities and functions of a company in relation to a more fragmented, more media intensive marketplace where traditional advertising, such as TV advertisements is not as important as it used to be, and customers and consumers require communications targeted to them and not to a broad-scale or broad-cast mass market.

> An integrated approach from the centre ensures that the quality of what we send out and the timing of what is sent out is controlled. I think a lot of cost could be removed from our marketing budget if we could get direct to our customers with a 22 rifle rather than a 12 bore shotgun scatter approach (Interviewee – Reg Vardy).

Grein and Gould (1996) illustrated that integration can take place horizontally – across the companies operating country units and vertically – across communication disciplines. Interviewees also identified these two directions. Firstly, as already mentioned, IMC significance was found to be in coordinating and implementing a more consistent marketing communication approach. For example, all marketing communication mix elements needed to be integrated, and thus, consumers experience the same brand communication whenever and wherever they come in contact with it. Secondly, the importance of IMC was recognised within each company. Different company divisions and country units were expected to work in one direction. According to respondents, company objectives would be achieved in more efficient and effective ways. Only the interviewee from Audi explicitly mentioned such a two-way function of IMC:

> If we talk about the importance of integrated marketing communications, we talk on the one hand horizontal and on the other vertical communication – once through the channels, i.e. above and below the line coordination and throughout the organisation, i.e. we all have the same objectives which come from [the head marketing department] and we are all working towards the company's aims.

However, all other respondents implicitly interpreted the purpose(s) of IMC similarly, as described in the above statement given by Audi's respondent. The following four quotations illustrate this aspect, but they are generally representative of views from interviewees across all 25 companies:

> We discuss the topic of IMC within the board. Thus, it is not like something we merely delegate but we see it as a big part of our investments. We survive by increasing the value of the brand and the value of the company (Granini).
>
> All our activities such as product launches are consequently integrated, planned and coordinated. The product strategy is connected with the planning process which is then connected with the corporate communication strategy but everything is under the heading of integrated marketing communication (BMW).
>
> [IMC] has positively influenced us, i.e. by bringing different functions together. So, whereas before you might have had different people doing different bids, now everybody is working towards one goal (Unilever).
>
> I think over the last two years we have used this approach very much to bring together the whole business strategy so as to link our marketing strategy to our internal people's strategy. We have got a series of values that we share across the business which we have branded Aunt Bessie (Tryton Foods).

5.4.3 The Future of IMC

Although objective 1 is predominantly concerned with the emergence, growth and importance of IMC, attention was also given to the respondents' answers in relation to the future of IMC. This study has identified that consumer-driven market places are only one of the factors which has led to the emergence of IMC and may be the underlying cause for its future significance. However, these changes are irreversible; once IMC has been implemented within a company it makes little sense to stop it. Companies that have been practising IMC for more than four years also said that due to its benefits (see sections 5.7 and 5.9.4.2) its importance is increasing and it should be implemented nowadays as normal marketing practice in each company. The interviewee from Diageo stated:

> For us it will always be important because if we cannot manage the messages that we are addressing to consumers, we could go off message.

The interviewee from Lorenz described the future importance of IMC as followed:

> For me communication is the 'underlying' principle of everything therefore, IMC and brand management needs to be the priority.

Notably, no interviewee saw IMC as a fad, all 25 respondents emphasised that IMC has become important, and ought to become more important in the future. In summary, this research has identified the following three factors as indicators for IMC's increasing value to the various interviewees and their organisations:

- The changing media landscape and the need to integrate promotional activities.
- The global framework is becoming much stronger and thus, a firm needs to have a coherent and integrated appearance to various stakeholder groups on an international and global basis.
- Far more consumer-driven markets.

The importance and future value of IMC to companies may also be the key reason why the interviewees from each company stated that IMC is, and should only be client led wherein leadership has little to do with agencies. Further explanation of this important finding is given in section 5.5.6.

5.4.4 Section Summary

Interestingly, the findings from the first objective implied that most respondents were aware of the IMC concept during the 1990s; however, they only started implementing it in the late 20th or early 21st century. Agreement was found that IMC is a valuable concept and respected business practice among all interviewed companies. Although no specific country differences were found, specific 'company-related' causes were uncovered which let to the implementation of IMC in each company. In the second stage of research, specific attention will be devoted to the importance of IMC in each of the cases, i.e. does the time span with regard to the growth of IMC in the specific companies given by the interviewee of this stage correspond with the response of the new interviewees in the second stage.

5.5 IMC Practices – Implementation and Application

The discussion moves forward to examine the outcomes of research objective two:

To explore the current situation of IMC implementation and application within the selected firms at the:

c. Corporate Level
d. Strategic Business Unit Level
e. Product Level

As this objective is much more complex than research objective 1, it was decided to organise this section according to the specific questions asked in the interview in order to accomplish this research objective:

- Commissioning an IMC approach
- Application guidelines
- A consumer-driven IMC approach
- Measurement difficulties of IMC
- Segmentation
- A united or separated approach
- Promotional Mix Elements

An overall summary section is presented in 5.5.10.

5.5.1 Commissioning an IMC Approach

As such, this section focuses only on the implementation of IMC, i.e. where did the call for an IMC approach come from and who was responsible for implementing IMC. As stated, by for example Maddox (2005), Reid (2003) and Schultz (1993d), the implementation and application of IMC allowing it to unfold fully and reach effective outcomes is *highly dependent* on the senior management level of each company. Notably, in all 25 companies, the goal of developing an IMC programme came from either the Board or the marketing director. In the case

of companies that have been acquired (see section 5.9.2) the new board invariably ushered in a more consistent marketing communication approach. Other companies such as Debenhams, SABMiller and Kamps (a new marketing director was employed in each case) saw the need for change in the company and thus from previous working experience these new marketing directors implemented an IMC programme, with the support of and in consultation with, the Board. In all other companies, where the emergence of IMC was due to environmental or strategic changes, IMC implementation was set by the Board and carried out by the marketing director.

After Holsten was acquired by Carlsberg, and given Carlsberg's early understanding of the importance of IMC to an organisation, Holsten realised how valuable the concept of IMC is. Thus, the call for the implementation of IMC also came from Carlsberg's board and was justified by the interviewee as follows:

> If the board doesn't stand behind an IMC approach then one will always see the faults because you need to be able to talk cross-functionally and cross-culturally and thus the old functional silos need to be broken down: they are just too comfortable.

It is important to realise that turf battles among employees and functional silos are potential integration barriers when implementing IMC (Ratnatunga and Ewing, 2005; Eagle and Kitchen, 2000; McArthur and Griffin, 1997; Duncan and Everett, 1993). It is also unusual that the power of implementing IMC lies with Holsten's HRM director who admitted that implementation should really come from the marketing director. Hence, this is a company which still faces IMC implementation problems, such as the aforesaid turf battles or still existing functional silos among various departments (see also Chapter 3 section 3.5).

These are not experienced as difficulties within the other companies to the same degree because their IMC practices are apparently more advanced. Thus, other interviewed companies seem to have overcome such barriers. Tryton Foods, for example, established a cross-functional team, consisting of various members of staff, e.g. from marketing, sales, finance, manufacturing and technical teams, in order to overcome these barriers and they now ensure IMC application on a day-

to-day basis. Only within Fraport and Vodafone a project team was established for approximately two years to create an IMC approach which would be beneficial to the company and also guide all employees through the correct implementation of IMC. Certain criteria were set to avoid future duplications and to create better coordination. Thus, Fraport had a team who at the beginning of 2001 established an IMC approach: i.e. guidelines for the implementation of IMC were developed which were applied in a practical business sense in 2002.

Teamwork was encouraged amongst all marketing employees, whereby employees were able to eliminate duplications and simplify working processes. The interview findings echo the empirical findings of Niemann-Struweg and Grobler (2006); that is, in order for integration to work, internally all divisions must work together and must have some form of communication because failure of this would lead to duplications and contradictory messages externally. Furthermore, the simplification of internal working processes also has the advantage not only of reducing duplications and facilitating the integration of the marketing communication mix elements but also of reducing overhead costs, and thus, increasing ROI.

5.5.2 Application Guidelines

This section concentrates on the application of IMC within marketing departments, corporate departments and companies themselves. Therefore, the categories of responses are related to the questions, such as is there a person responsible on a day-to-day basis for applying IMC, where should an IMC approach start, and how is IMC developed throughout the organisation. One key finding is that all respondents perceived it as vital for their businesses to adopt an IMC approach, last but not least because "consumers get bombarded by communications all the time and to them it is one brand – why should the message be different" (Interviewee – Debenhams). One overwhelming finding was that all 25 participants indicated that the call for IMC had to come from the board, if first not from the chief executive officer (CEO). For example, one interviewee from Diageo noted that "The integrated marketing communication call should really

come from the chief executive"; the representative of WH Smith said, "Nothing would get implemented without our CEO being involved in it".

All participating interviewees shared the view that IMC starts with the marketing department and should then be cascaded down to the strategic business units or country units as well as to other divisions because the marketing department provides the closest contact to consumers. For example interviewees from RAC and Lufthansa stated that: "everything should be integrated". Thus, the application should start with the marketing area whereas IMC execution should come from a number of different areas within the company. As one interviewee (BSN) pointed out, most attention needs to be given to the marketing department because this department is the one with the closest consumer contacts. As said, if a company has established IMC within the marketing department steps need to be taken to ensure that IMC is also applied within all other SBUs, divisions and departments.

One interviewee (Young's Brewery) pointed out that " the legal department, the HR function or the engineering function may not be on a day-to-day basis dependent on exactly what customers are doing or how they are behaving, as is the sales and marketing functions where this is critical". This interviewee claimed that there are certain divisions in a company, which do not need to be fully organised using IMC to its full extent. The interviewee from BMW also indicated that some departments, such as aftersales may take longer to become integrated.

However, only interviewees from Audi and Vodafone pointed out that IMC should also be applied at planning and budgetary levels. Thus, for them the budget should be controlled globally in order to avoid duplication and ensure best practice among all operating countries and SBUs. The interviewee from Vodafone stated:

> Our budget is now starting to make sense: rather than reinventing the wheel we actually take best practice from different countries to ensure that our budget is spent once rather than three or four times in different markets.

See also section 5.9.3.2 for a more in-depth exploration of the budget planning process.

5.5.3 A Consumer-Driven IMC Approach

Interviewees from companies, such as RAC or even Holsten, which are at an early stage of implementing IMC, said that it is important to listen to consumers and to fulfil their wants and needs with regard to the company's communications and product offerings as well as their overall profitability. This means that consumer research is a valuable tool in relation to product launches, campaign planning and execution, as well as communication strategy evaluation. As Table 5.4 shows, almost all companies in both countries have used and are using qualitative and quantitative consumer research. Table 5.4 aggregates multiple responses of companies in both countries.

Table 5.4: Types of Research

Type of Research / Country	Quantitative Consumer Research	Qualitative Consumer Research	Market Research Company	Secondary Research Data
UK	15	13	2	0
Germany	10	9	1	1

Source: Author generated, 2006

Although Young's Brewery and BSN do carry out consumer research, interviewees here stated that they ought to conduct research more often. Young's Brewery's interviewee also said that small, not to say decreasing, marketing budgets has made him choose between 'actual' promotional activities and consumer research activities. Therefore, to act in a consumer-driven way may depend on the actual financial position of the company, i.e. how much money is available to carry out consumer research during the year.

The questions in relation to the companies' IMC implementation and application rules were not only concerned with the organisation's internal communication but

also with the extent to which companies adopt an outside-in approach, i.e. act in a consumer-driven way. Therefore, interviewees were questioned about this development and factors influencing their marketing communication strategy.

Only nine interviewees mentioned the importance of the consumer when asked how they created their marketing communication strategy or what influential factors appear to be affecting their strategy. The following nine points show comments from these interviewees:

> With our customer analysis we want to obtain the picture of a transparent customer (Audi).
>
> We use our customer intelligence department for our strategy (Lufthansa).
>
> To understand the human factor and the behaviour of our customers is becoming increasingly important (BMW).
>
> We heavily use consumer research to underpin and develop our new product launches (Holsten).
>
> We have got a funnel which starts from knowing the brand to becoming a loyal consumer and we are trying to identify which of our measures helps us on what step to bring consumers from merely being aware of the brand to purchasing the brand regularly and we are trying to make connections between these steps (Radeberger Group).
>
> We constantly use consumer research in order to understand our consumers and to get a better idea of what they would like to have (Unilever).
> We do a lot of work on market segmentation to try and ensure that every brand has its own particular target consumer, target occasion, particular kind of trade and distribution and so on (SABMiller).
>
> We constantly use discussion groups via the Internet to get an idea of what our consumers think (Tryton Foods).
>
> We have a complex matrix which consists of brand, behaviour and demographics to understand our consumer groups; the different brands have also a certain history and thus, specific target groups require different promotional tools (Diageo).

Although only these nine interviewees mentioned the consumer in relation to impacts on the development of their marketing communication strategies, in prior discussion it was highlighted that all companies conduct quantitative market

research and to some extent qualitative research in order to establish consumer likings and preferences. Thus, it may be that some interviewees did not regard it as necessary to state the 'obvious' – i.e. the consumer, as the most influential factor on their marketing communication strategies. On the other hand, the interviewees that did state that the consumer was of importance, are also the companies that appeared to be more advanced in respect to their marketing communication practices, e.g. these companies started to implement IMC already in the 1990s (see section 5.4.1).

In summary, more than half of the interviewed companies appeared to be rather product- than consumer-driven in relation to their budget and strategic planning process. These companies mentioned their product, product launches or new offerings as the most influential factors in their marketing communications strategy. Sales targets are set and new product offerings or other launches are developed and decided in order to achieve set outcome figures. In view of long-term (i.e. at least three years) strategic planning of a company the most popular response amongst interviewees was that the senior management of the organisation plans what the company is going to represent in the future with regard to long-term company objectives but also concerning their corporate social responsibilities.

To conclude, although all companies claimed to be IMC- and consumer-driven, the extent to which they are applying IMC in a consumer-driven sense is questionable; only nine interviewees, five from Germany and four from the UK, mentioned consumer needs and wants when developing the communication strategy. In theory, recommended for example by Schultz and Kitchen (2000a) as well as Pickton and Hartley (1998) companies should start thinking about the consumer first in order to create successful communication strategies.

5.5.4 Measurement Difficulties of IMC

Although not a specific research objective in the interviewee schedule, it is important at this point of time to mention the difficulties mentioned and evidently

experienced by respondents in relation to measurements of IMC and companies' segmentation guidelines and communication facilitators for the companies' internal integration before further proceeding to Kitchen and Schultz's (2001) 'Four Stage Model'. Furthermore, as stressed by Kitchen and Schultz (2001), close collaboration between customer relationship management (CRM) and Marketing department and also between the Marketing and the Finance department is very important in order to evaluate communication objectives.

All German companies have recognised the importance of measurement and are therefore, in close contact with the finance department: Holsten is still trying to strengthen this relationship. Therefore, companies are 'slowly' proceeding from merely seeing IMC as a tactical tool towards strategic integration. Holsten, Lorenz, BSN and WH Smith are also using external agencies to develop more sophisticated evaluation techniques. Reg Vardy and Fraport have only recently started a project to develop more precise measuring tools.

Comparing German interview findings with UK ones show that the majority of UK companies have also recognised the need for evaluating marketing communication outcomes. Interestingly, the interviewee from Unilever was the only one who mentioned that they have undertaken a project to measure the outcomes of an integrated campaign. This finding complements the existing literature on the evaluation difficulties of IMC because so far no consistent measurement approach has been developed (Wickham and Hall, 2006; Ratnatunga and Ewing, 2005; Kitchen and Schultz, 1999). Vodafone measures the outcomes of communication campaigns via the CRM department. Lufthansa's interviewee pointed out that the evaluation of online tools is easy, whereas interviewees from Audi and Holsten did not believe in the 'actual' measurement of ROI within the communication domain (for further discussion see sections 5.9.3.3 and 5.9.5.1). However, the issue of IMC measurement will be further investigated in the second research phase; thus, looking specifically at what kind of measurement is employed and how often campaigns or specific advertisements are evaluated.

Yet, all 25 respondents agreed that campaign measurements and evaluation techniques need to be undertaken in order to understand success or failure.

Concluding, Holsten, Reg Vardy, Vodafone and Imperial Tobacco acknowledged that the link between the Finance and the Marketing Department needs to be strengthened in order to enhance existing measurement techniques. There are several reasons for the increasing significance of marketing communication measurement. Firstly, there is growing importance on the marketing department as well as overall company to show profitability and ROI (Schultz, 2006e; Reid, 2003; Kitchen and Eagle, 2002). Secondly, due to increasing globalisation and competition budget constraints are put into action in almost every company and for marketing departments therefore, management needs to know which activities are the most valuable. Furthermore, to find out if a campaign was successful or not quantitative measurements need to be undertaken.

5.5.5 Databases and Segmentation Practices

Next to the importance of IMC measurement techniques, IMC's advocates, especially Schultz (2004e; Schultz and Schultz, 2003) have stressed the significance of behavioural segmentation and databases. Table 5.5 provides an overview of the responses concerning the use of database(s) for segmentation and evaluation techniques. Based on the qualitative responses of the interviewees no major differences between countries were found. Nevertheless, the information provided by different company databases is different, as presented in Table 5.5.

Table 5.5: Database Differences

Database Usage / Country	Database in Use	Database only Names	Construction of Database	No Database
UK	8	1	1	5
Germany	6	0	1	3

Source: Author generated, 2006

Seven of the German and ten of the UK companies also recognised the need not only to segment their consumer groups demographically but also to use information which provides a more in-depth understanding about consumer attitudes and behaviour. However, individual companies experienced difficulties in doing this. All global and international participating companies have separate

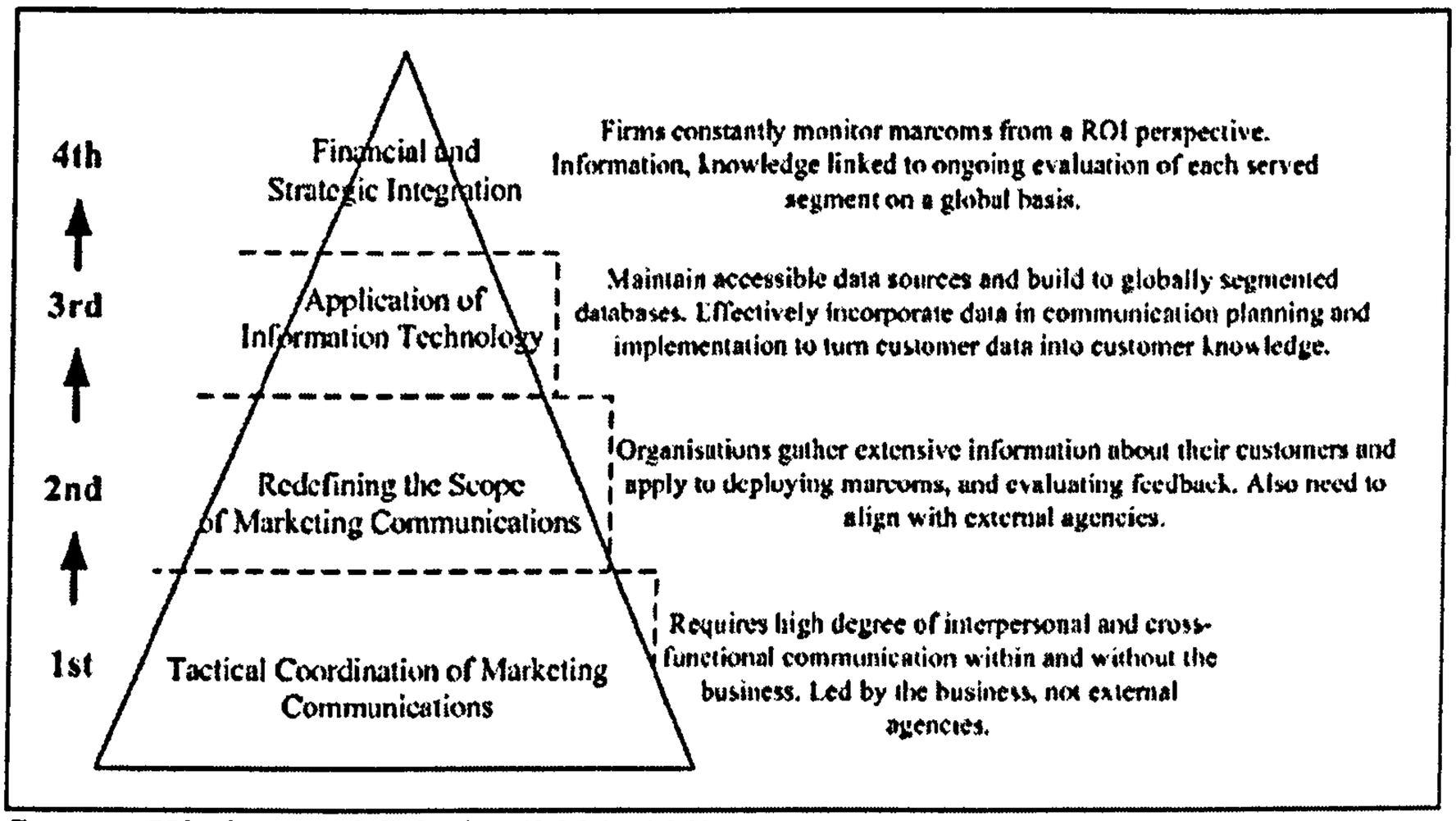
databases, i.e. country by country, thus no unified global database exists within these companies. Therefore, the realisation of one global database to implement a consumer-driven strategy on a universal basis has not been realised by any company in this research, thus negating comments to this in the literature (Nowak and Phelps, 1994; Pickton and Hartley, 1998; Schultz and Schultz, 2003; Yarbrough, 1996), insofar as this sample frame is concerned.

Due to legal restrictions enforced by the European Union and individual governments, BAT and Imperial Tobacco are not allowed to maintain a database in most of their operating country units. On the other hand, it was still possible to segment consumer groups not via a database but via demographical and behavioural data obtained through consumer research. Furthermore, two of the UK companies also said their target groups were too heterogeneous to form a segmentation matrix. Eventually, the interviewee from JD Williams said: "We have bought both attitudinal and behavioural data in the past but it was not as successful in targeting as transactional data is." In general, the majority of companies agreed that it is vital nowadays to have as much information as possible about consumers but although, behavioural data is a more recent trend, demographic data is still important for segmenting target groups.

5.5.6 A Comparison of the Research Findings with the Four Stage Model

During the interview the participants were asked to position the company by comparing their current level of development within the four stage model developed by Kitchen and Schultz (2001), as shown in Figure 5.2.

Figure 5.2: The Four Stage Model



Source: Kitchen and Schultz (2001: 108)

It was attempted to allocate each company to its current stage of IMC implementation and to understand if companies are using IMC as a tactical or strategic marketing communication tool. However, difficulties were experienced. For example, most respondents could not position their company in a single stage, or expressed the opinion that they were only partially at some levels. The literature on this four stage model has also never identified the issue that this model may not be applicable to all industries (Kitchen and Li, 2005; Kitchen et al., 2004a; Kitchen and Schultz, 2001). The interviewed companies belonging to the tobacco as well as beer and cider industries have tried to coordinate their promotional activities (stage 1) but due to regulations cannot employ as many promotional tools as other firms from different industries may do, e.g. from the clothing and textile industries. In addition, tobacco companies are also not allowed to operate a database, and thus, stage 3 is not applicable at all. However, with increasing regulations for many industries, e.g. in the beer and cider industry or the food industry, it could be speculated that database prohibition and advertising restrictions may also occur in the future.

The constructive feedback was used to further develop the above model, which will be explained in section 5.9.3.3. The results of the respondents' company stage perceptions are presented in Table 5.6.

Table 5.6: Company Position(s) in the Four Stage Model

Companies	Stage 1	Stage 2	Stage 3		Stage 4	
			Completed	Not Compl.	Completed	Not Compl.
1. Audi	X	X	X			X
2. Granini	X	X	X		X	
3. Lufthansa	X	X	X			X
4. BMW	X	X		X		X
5. Holsten	X	X		X		
6. Lorenz	X	X				X
7. Radeberger	X	X				X
8. Fraport	X	X	X			
9. Kamps	X	X		X		
10. DM Drogeriemarkt	X	X	X			X
A. Reg Vardy	X	X		X		X
B. Young's Brewery	X	X				X
C. Unilever	X	X		X		X
D. Tryton Foods	X	X				X
E. Diageo	X	X	X		X	
F. BAT	X	X				X
G. RAC	X	X				
H. BSN	X	X	X			
I. Rolls-Royce	X	X		X		X
J. WH Smith	X	X		X		X
K. SABMiller	X	X	X			X
L. Vodafone	X	X		X		X
M. Debenhams	X	X	X		X	
N. JD Williams	X	X	X		X	
O. Imperial Tobacco	X	X				X

Source: Author generated, 2006

Although an average cannot be calculated due to individual developmental phases of each stage a company may find itself, it can be said that except RAC (the last two stages are left blank as there have been no attempts made to complete these), all participating firms have by now developed through stages one and two and are now trying to rise to the third or/and fourth stage. Despite the fact that no company has a globally segmented database (third stage) the response: *completed* was accepted when the company had databases where the data is used for segmenting customer groups and strategic planning.

In future research, the model should be tested in other industries to see if the same difficulties were experienced or if the model is more applicable. For example, B2B companies have usually less customer numbers in comparison to B2C companies (Wilson, 2006; Laiderman, 2005). Hence, it may be easier for them to employ a database. It would also be interesting to use a scale, i.e. 1 early stage to 4 stage completed in order to establish where individual companies believe they are in relation to each level. Therefore, steps can then be developed to help other organisations progress through stages one to four, if this is deemed desirable.

Concentrating now on the last stage of the four stage model by Kitchen and Schultz (2001) it was explicitly stated by the two authors that if correctly applied IMC should be used in a strategic manner. The interviewee from Debenhams pointed out that "IMC is more than strategic it is something that should be almost embraced into the business" or as the interviewee from Kamps said: "It is a strategic approach which obviously needs to be converted into tactics." However, none of the 25 respondents said that IMC was merely a tactical tool.

Nevertheless, as the marketing director of Young's Brewery pointed out: "I think the idea of planning what you are going to do is great but there are tactical responses, as well as changing consumer habits and behaviour, and that is what IMC is about." This view, i.e. that IMC is used for long-term strategic planning may also be the underlying reason why all interviewees said that IMC is too important an issue internally and externally to the company to leave its implementation and application to agencies. Thus, IMC is *client-led.* Voicing the view of all, the interviewee from JD Williams said: "I am much keener to control things from here by ourselves. We tend to use agencies tactically rather than strategically." None of the 25 respondents indicated that IMC was led by their agencies, which indicates that empirical agency investigations (Niemann-Struweg and Grobler, 2006; Kim et al., 2004; Eagle and Kitchen, 2000; Caywood and Ewing, 1991; Caywood et al., 1991) should be brought into context with companies themselves in order to take advantage of the findings for further practical implications as well as theoretical conceptualisation.

5.5.7 IMC Programmes – A United or Separate Approach?

It is now perhaps time to address the question: 'Should different brands use IMC in a separate or united manner?' – in order to understand the necessary required interaction and coordination between brand teams, SBU and corporate communication.

With regard to the application of IMC strategy, the interviewee from Debenhams pointed out that short-term activities should not damage long-term brand-building activities. The interviewee from WH Smith also expressed the importance of short-term activities fitting into the long-term activities of the company. However, all interviewees strongly stated that IMC should be implemented in a united way throughout the business, i.e. single brands can have individual IMC plans but that all activities should be integrated into an overarching IMC approach because "the core essence of IMC is that the integration should be maximised wherever and whenever you can" (Interviewee - BAT).

The view that individual brands should have their own IMC programme was especially expressed by the large global and international FMCG companies, such as SABMiller, Imperial Tobacco, Diageo, Granini, BAT and the global carmaker conglomerates, such as Audi, BMW and Rolls-Royce where all interviewees stressed the importance of their independence from the company group, i.e. the Volkswagen and BMW Group. Only JD Williams, a retail catalogue company, operates according to brand teams which are comparable to FMCG structured companies, because the company's brand portfolio consists of various catalogue brands. The interviewees from the FMCG companies and JD Williams said that their individual brands have different brand and product characteristics, as well as the fact that their emotional value is so significant that it is necessary to adopt a separate IMC approach.

Despite that, alignment with the corporate strategy needed to be established but not necessarily be visible to all stakeholder groups in order not to create conflicting messages with other brands. In fact, when forming an IMC approach the SBUs were not taken into consideration or taken for granted because these

divisions and units only existed on 'paper', e.g. represented a country or a specific product unit which were therefore, represented by employees in different brand teams whose task was to implement the IMC approach.

Global beverage and alcohol companies, as well as the tobacco companies interviewed, have large brand portfolios, which include local, national, international and global brands. Categorising the different brands by their appearance in different markets has also been explored by Keegan (1999). Thus, the companies' global brands consist of a long-term strategic focus, i.e. based on loyal customers, high brand value and are highly integrated and of necessity looked after carefully. The least strong brands are used as cash generators and have a more tactical short-term focus. However, interviewees agreed that IMC should be used in a strategic manner and that individual brands can pursue a global or local IMC programme independent from other brands.

In general, high street retail companies and the companies interviewed belonging to the service industry did not consist of more than one brand. Thus, only one strategic IMC programme was carried out. But only DM Drogeriemarkt from Germany pointed out that all their attention is devoted to long-term brand-building activities and that they are trying to avoid any short-term activities. On the contrary, especially the interviewed FMCG companies pursued individual IMC programmes for their respective product brands. Hence, IMC can be utilised in a separated as well as united manner, depending on the company's brand strategy.

5.5.7.1 The Role of a Communication Czar

This specific section explores the last question of objective two, i.e. if there is one person or even a communication team available, responsible for overseeing and coordinating all communication activities within the organisations. The IMC literature often presents this person as a 'communication czar'. As described originally by Schultz (1991: 103):

> Most organisations will initially need a communication "czar" who will be responsible for the entire organisation's marketing communications, both internally and externally.

As demonstrated in the IMC literature (Kitchen and Schultz, 1999; Schultz, 1991), to avoid or solve contradicting messages or conflicts in connection with the brand image and identity, the marketing director had adopted the role of a 'communication czar' in the majority of companies. However, some disagreements were found in the responses: see Table 5.7. Table 5.7 contains quotations given by interviewees and their views of a 'communication czar' which account for those interviewees who expressed the same opinion in that category. The interviewees from Fraport, Holsten and WH Smith mentioned that the idea of a communication czar was inspiring but so far, neither the marketing director nor anybody else within the organisation has been appointed to this role. Contrary, Tryton Foods and Fraport have established and Holsten will establish a cross-functional communication team to control and guide all marketing communication activities.

Table 5.7: Communication Czar

Role of Communication Czar	**No. of Companies**	**Important Quotations**
Marketing / PR Director / Manager	19	"The SBUs have to report back to me so that all activities can be monitored and are aligned with the corporate strategy." (Interviewee – Diageo) "This needs to be the position of the marketing director." (Interviewee – BAT)
Internal Media/ PR Guru	2	"We have an internal media guru who is a source of advice." (Interviewee – Unilever)
Board of Directors	1	"We do it in the rounds of the directors; it is a task that we share." (Interviewee – DM Drogeriemarkt)

Source: Author generated, 2006

Audi, Lufthansa and Unilever, all companies that claimed to be highly integrated, pointed out that they have not assigned the role of a communication czar to any employee because everybody in the team performs this task, although as a control mechanism they have a strict global marketing framework which each individual

region has to follow and the strategy is ultimately overseen by the chief marketing officer.

Unilever and Diageo were the only companies which have media, marketing, communication or PR gurus who act as advisors to ensure best practice and guide communication and help choose promotional activities for brands in individual countries in order to effect global integration. Only DM Drogeriemarkt, a German retail company, stated that the role of a communication czar is not adopted by one person but by all directors who ensure that IMC is correctly implemented in all divisions.

5.5.8 Facilitators of Interaction

Message integration is a key factor when developing IMC programmes in relation to consumers' understanding of the product and the product's appeal. It assures that all messages are integrated and consistent with one another and thus, understood by consumers. However, in order to guarantee successful IMC implementation the internal communication of the marketing department is key because the marketing team is normally responsible for developing messages. The response category in this section is related to the interaction between employees and existing facilitators in the individual organisations in order to support communication.

Different interviewee opinions were evident with regard to facilitators of internal interaction and coordination. In general, face-to-face contact and 'simple talks' about current activities amongst employees and directors were found to be important by all participating companies. As such, the interviewee from Rolls-Royce pointed out: "Our teams are interacting daily and this is very important."

The interviewee from Granini mentioned that within the company they do not have a specific meeting schedule, whereas the respondents from Holsten, Imperial Tobacco and Debenhams pointed out that although meetings are facilitators of communication, one needs to be careful about having too many meetings and

therefore, not getting any work done. Interviewees from SABMiller and Imperial Tobacco also argued that having open space offices may also encourage and increase interaction between people, if not least interaction between different brand teams. Although within the Radeberger Group various brand teams meet the marketing director on a monthly basis, integration has also been established through written reports, which was also one of the facilitators for communication within BSN, whereby each individual brand team informs the marketing director about the development of individual brands. The interviewee from the Radeberger Group stated:

> We have the various functions in the brand teams. They must make sure that they work together every day, even with the logistics team, technicians, etc. All the brand teams meet and they have a certain reporting structure. So, they write reports and send reports with their activities, with their action plan and obviously we have then brand development meetings every four weeks depending on the size of the brand and the importance of the brand.

All interviewees as communication facilitators mentioned informal as well as formal meetings. During the interviews, it was not always evident how often, for example the various levels met. Table 5.8 represents the meeting schedules of the participating companies – respondents gave multiple responses.

Table 5.8: Time Frame of Formal Meetings

Time Frame	Company Count and Occasion
Weekly	10 Companies – Marketing team meetings 1 Company – International team meetings 2 Companies – Board level meeting
Every 2nd or 3rd Week	1 Company – Board level meeting
Every Month	2 Companies – Marketing team meetings 5 Companies – Board level meetings 1 Company – Project team meeting (includes various departments)
Quarterly	2 Companies – Global marketing/corporate meetings 1 Company – Board level meeting

Source: Author generated, 2006

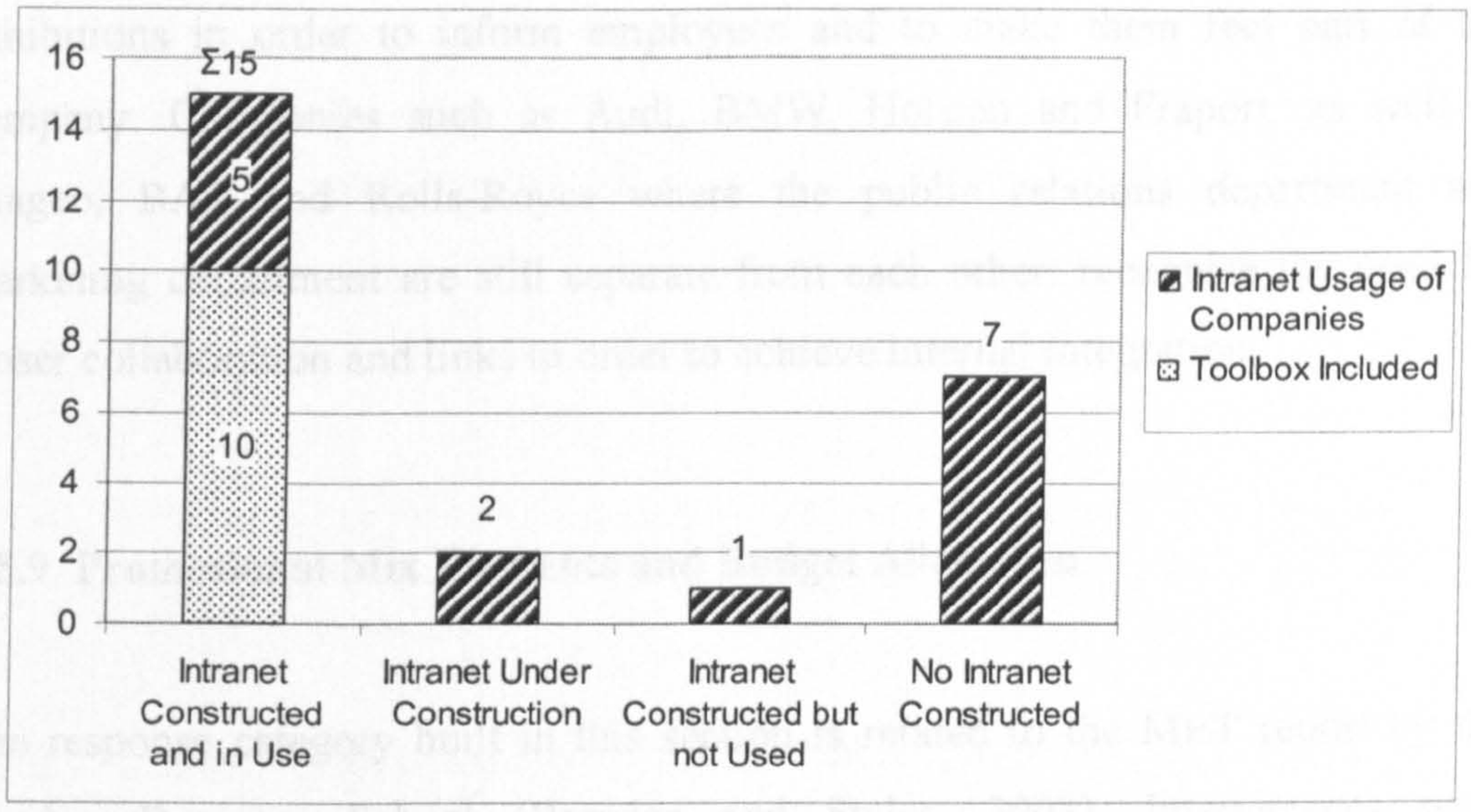
Diageo is different to the other companies; in that they do not have a formal meeting agenda each week or month. However, the marketing and PR team

converse on a daily basis with each other, through telephone, videoconferencing and other diverse activities via the web, which were also communication facilitators.

To ensure that marketing teams are following guidelines set by companies, intranets have been established by many. Except Rolls-Royce, RAC and Holsten, all global and international companies have created intranets which sometimes include 'marketing toolboxes' to guarantee best practice and facilitate the work of individual teams, e.g. branding guidelines, case study examples, etc., which can be located within these marketing toolboxes. Such marketing toolboxes have eased communication between different operating countries. The companies, Holsten and RAC are only at the start of implementing IMC and are planning to establish a functioning intranet and toolbox. Rolls-Royce, however, is managed very tightly from the UK and due to their one-to-one selling strategy do not have and will not establish a toolbox. Interviewees employed by the national companies very often do not see the need to implement a toolbox or intranet because in most cases, they are operated from one head office and thus marketing staff are present at the same location.

Respondents from 15 interviewed firms have established an intranet and ten included a marketing toolbox in their intranet as illustrated in Figure 5.3. On the contrary, four interviewees did not mention that the intranet is a special facilitator of communication for their company, whereas three more interviewees responded that they do not have an intranet and will also not built one. The reason for that may be that these companies did not have the money to invest or did not find the idea very useful. Despite this, the answers were generally mixed between German and UK companies; again no major country differences were found.

Figure 5.3: The Intranet in Use



Source: Author generated, 2006

Compared to all other German firms, Holsten is at an early stage of implementing IMC. To encourage interaction among departments and between product brand teams, an after-work club will be developed in order to establish a basis for employees to meet. Surprisingly, even though this company has only been acquired recently and therefore is not yet aligned with the corporate strategy, the respondent pointed out how important close collaboration between corporate level and SBU level is in order to achieve integration. This view was also shared by all interviewees: that collaboration between product, SBU and corporate level needs to be developed in a constant dialogue to ensure global integration. It would be interesting to see in future research whether lower ranked managers would have the same views. The interviewee from the Radeberger Group also pointed out that it is important for product and corporate brands to function together not only to ensure best practice but also to be able to guide and coach employees. However, the interviewees from BSN, WH Smith, Holsten and Fraport admitted that interaction between different levels in their companies needs to be improved.

Two German and two UK companies have also established marketing conferences which are held once or twice a year, whereby experts from different countries come together, exchange ideas, and spread best practice. Unilever, for example established a marketing academy to ensure best practice as a centre of excellence,

whereby different brand teams also have access to an internal library of case studies. Rolls-Royce distributes brochures about past events such as recent exhibitions in order to inform employees and to make them feel part of the company. Companies such as Audi, BMW, Holsten and Fraport, as well as Diageo, BAT and Rolls-Royce where the public relations department and marketing department are still separate from each other; recognise the need for closer collaboration and links in order to achieve internal integration.

5.5.9 Promotional Mix Elements and Budget Allocation

The response category built in this section is related to the MET report by the London Business School (Barwise and Styler, 2003). Interviewees were questioned about their budget allocation, promotional activities and occurring marketing communication changes and trends. When asked, the majority of participating interviewees said that in relation to their promotional activities the biggest part of the budget in their firms was still allocated to television commercial advertisements. On the contrary, the media landscape has changed and all companies have recognised new technological developments.

However, the way individual companies are acting upon these changes varies. Different comments by respondents concerning the future of their promotional activities were given. As demonstrated in Table 5.9 the majority of interviewees in the UK and Germany not only recognise the changing media landscape and audience fragmentation but also claim to be acting upon it effectively, i.e. online and other promotional tools are increasingly employed.

Table 5.9: Realisation of Audience Fragmentation

Audience Fragmentation / Countries	Recognised and Acted Upon	Recognised but not Acted Upon (Yet)
UK	14	1
Germany	8	2

Source: Author generated, 2006

Only RAC, WH Smith and Holsten have recognised the occurring changes in the media environment, but have not yet acted upon them. Seven companies claimed to act as frontrunners of realising change in relation to the audience fragmentation and increasing media channel utilisation were Audi, Lufthansa, BMW, Diageo, SABMiller, Unilever and JD Williams. However, according to other companies' responses, they are acting at a much slower and gradual pace upon the occurring changes. The interviewee from Debenhams said:

> I think that interactive media is going to grow more but we are behind the times because we are still getting great efficiency out of general above the line media.

This statement speaks for most of the other companies where participants rationalised slow change with the same reason, i.e. a focus on traditional advertising. The exceptions were Fraport, DM Drogeriemarkt, Reg Vardy, Rolls-Royce and BSN. For example, Fraport, DM Drogeriemarkt and BSN did only use TV advertising in the early 1990s, or have never relied on mass marketing tools. Thus, these companies claimed to have adopted a much more personalised communication strategy with their consumers more than a decade ago.

As explained earlier, Rolls-Royce is a consumer durable company, which in the past relied heavily on one-to-one marketing due to product characteristics, i.e. high-class luxury cars. Reg Vardy, although not a luxury car manufacturer, has so far not used any mass advertising either. However, future plans for these two companies include communicating the value of their offerings to a broader mass. Thus, both companies are planning to invest more into other forms of marketing communication, such as selective high quality TV advertisements or specialist magazines. However, both interviewees recognised the general industry trend, i.e. to use other promotional tools rather than using mass marketing. They justified their actions with the individual companies' situation and future communication plans to appeal to a broader market.

Furthermore, the interviewees from BMW, Lorenz, Fraport and DM Drogeriemarkt, as well as Tryton Foods, Rolls-Royce, BAT and Imperial Tobacco, recognised the need to establish active one-to-one dialogues between

consumer and company; thus more precise marketing communication tools are being used. However, none of the other interviewees mentioned this change directly. The interviewee from BMW commented:

> It does not always need to be a huge sponsorship activity; it can also be activities, such as word-of-mouth. For example, a member of staff talks to individual people and s/he search for ways how to get into other communities.

In general, it was also found that retailers or intermediaries such as Reg Vardy, Debenhams and DM Drogeriemarkt are gaining importance within their specific industry because of their claimed direct relationship with the consumers which is also evident in current marketing communication literature (Rosenbloom, 2004; Low and Mohr, 1999).

On the other hand, the majority of manufacturers questioned have only recently identified the significance of intermediaries and retailers. Among these are such companies as Audi, BMW, Tryton Foods, BAT and RAC. Most of them are still trying to find out how to make sense of the valuable customer information that they have maintained and how to positively encourage sales through retailers or intermediaries. The reason for their belated understanding may have been caused by the fact that until now conventional marketing communication activities were 'enough' to reach consumer groups.

In addition, the increasing audience fragmentation and the multiplication of media channels in the mid 1990s have led the companies to rethink their marketing communication practices. This has also been revealed by the early IMC literature, i.e. that companies are and should be increasingly searching for new ways to interact with consumers on a much more personal and/or multiple channel basis. Television commercials are no longer seen as the panacea of advertising aiming to reach the right customer groups (McGrath, 2005a; Edelman, 2004; Lariscy et al., 1996; Miller and Rose, 1994; Nowak and Phelps, 1994; Schultz et al., 1993). Increasingly, car manufacturers, such as Audi or BMW are also employing the Internet as a broadcast tool for their commercials via free-launch broadcast providers, such as You Tube.

On the one hand, a key to future competitive advantage for consumer-driven companies may be to communicate more through dealers and retailers (Markillie, 2006). On the other hand, manufacturers such as Audi, Rolls-Royce or BMW are facing intense marketing difficulties with their dealers because these different retailing companies are often micro-sized or small companies and there is no employee merely responsible for marketing; rather it is somebody, who has different job tasks throughout the day. As a solution to this problem, the interviewee from the Radeberger Group pointed out that manufacturers need to carry out more research with trade partners in order to understand their actions and to obtain a better view of end-consumers. Hence, an integrated approach for all firms involved in the making, distribution and selling of the product was seen as an important factor, but also as an area of improvement. This finding is supported by current marketing literature (Markillie, 2006; Reid, 2003; Schultz, 1996a) and has also been highlighted in chapter 3 (see sections 3.2.2 and 3.2.3).

Although many companies may be able to improve their IMC programmes, for example act in a more consumer-driven way, encourage interaction or establish a well functioning database, it should not be ignored that many of the organisations such as firms selling tobacco, or alcohol nowadays face numerous restrictions implemented by national governments, advertising authorities or the European Union. Consequently, if a company is allowed to show TV advertisements, the information broadcast or the way it is broadcast may be restricted, in the same way as the information being kept within a database may be restricted by such rulings. Thus, some companies may become confined, i.e. they may be willing to act in a consumer-driven fashion, but are not allowed to use the appropriate tools. Therefore, government restrictions can be identified as barriers to correct IMC application and implementation.

5.5.10 Section Summary

Concluding, this section showed that the call for an IMC approach has come or should come from the senior management level within an organisation. To ease

communications within the marketing department as well as between departments, companies started to develop Intranets and Marketing toolboxes to assist their employees with their work. Despite of these technological advancements, each interviewee stressed the importance of verbal communications between employees in order to ensure integration, either for individual product brands or the corporation in general. According to the majority of interviewees' responses, the marketing directors were seen as communication czars, although they did not adopt the actual title of a 'czar'.

Due to increasing competition, media fragmentation and technological developments the interviewed companies are now trying to act in a much more consumer-driven sense. However, it is questionable to what extent German as well as UK companies do this and what they can do to improve their marketing communication plans. The trends towards advanced measurement techniques, more or better targeted marketing communication campaigns and the employment of databases were noticeable in both countries.

In the next stage of research, the focus will be to provide an in-depth analysis of how companies are segmenting, to what extent they use their databases and what kind of measurements they undertake, e.g. do they merely evaluate sales outcomes, do they measure the whole campaigns or specific promotional tools.

5.6 The Corporate and Product Brand Level

This section presents the interview findings in relation to objective three:

To explore interactions and the interdependence between:

a) The corporate brand level
b) The product brand level

As in all other sections, this section is also categorised according to particular subheadings:

- An overview of the companies' structures
- Interactions between corporate and product brand level

Furthermore, section 5.6.3 summarises the core findings of research objective three.

5.6.1 An Overview of the Companies' Structures

In particular, this part focuses on the responses with regard to individual as well as 'industry specific' company structures, and the coordination and management of individual teams within organisations. When questioning interviewees in relation to their individual company structures, it was noticeable that none of the participating FMCG companies were organised by functions, but structured as 'brand teams'. Thus, each brand team looks after one or more product brands. However, collaboration within functionally organised companies, especially service, retail and consumer durable firms has been greatly improved. Thus functional silos were not noticeable while interviewing the respondents because all interviewees stressed the importance which is placed on ensuring the highest possible interaction within and across the teams, and communicated to each employee. Thus cooperation within the marketing team was found to be an essential factor when applying IMC.

Five of the organisations in Germany and six in the UK are organised by functions and the other five in Germany and seven companies in the UK are structured by brand teams (mostly belonging to the FMCG companies). The interviewee from JD Williams expressed the advantage of having several brand teams as follows:

> It provides a high level of ownership and my experience is that if you start owning things the employees are in a better position to integrate across all the disciplines we have.

Furthermore, BSN and RAC admitted to the fact that their currently used structure, i.e. a matrix structure, was not the most suitable structure for IMC. At

the moment, there are too many reporting difficulties, decision-making problems and therefore too little integration.

However, to guarantee that IMC is taken a step further, i.e. from brand level to SBU or even corporate level, the marketing managers or directors recommended that their task should be to encourage individual brand teams to interact with other brand teams, to ensure best practice and to achieve the organisation's overall objectives.

As described in section 5.5, two of the German companies and three of the UK companies which are structured by brand teams also prioritise between their brands. Therefore, their brand portfolio is divided into global, local brands and merely short-term 'cash income' brands. As one interviewee from Imperial Tobacco stated:

> At the top end of the market we try to control things closely because it is a very upmarket image in the middle of the market we are a little bit more relaxed and at the bottom end of the market – there the local countries will do their own thing.

One of the companies, Granini, seemed to be very different from the other FMCG companies interviewed. The company also calls itself an 'Integrated Networked Organisation' that was described by the interviewee as a 'flower'. Granini is structured by brand teams but leaves individual countries to pursue their own IMC approach; while the overall image and more central questions about brands are managed from the head office. Thus a clear defined decision process is provided, with autonomy left to the individual operating countries. All other FMCG organisations mentioned the importance of clearly defined processes but rather stressed the importance of headquarters making all essential decisions rather than individual significance apportioned to operating country units.

With regard to its structure, DM Drogeriemarkt is exceptional because the company did not develop a communication strategy where 'real' corporate objectives are laid down. All directors split different tasks between them and therefore, seem to be able to guide and direct all employee actions. The internal

communication director characterised the company's approach to communication as a continuing flow of values and aims.

In general, it was found that to control and integrate one brand globally from headquarters is easier to manage than having a localised approach for all brands. This view corresponds with the debate of global, local or glocal strategies and if it is feasible to standardise a marketing strategy across different countries (Armstrong and Kotler, 2005; Keegan, 1999; Sriram and Gopalakrishna, 1991). The advantage of a global IMC programme is to have centralised control and a uniform approach to all operating countries. But, as shown by the interviewees from Imperial Tobacco and British American Tobacco interviewees, difficulties may arise with regard to interaction problems with the headquarter and conflicting brand messages created by individual countries. For example, it so happened that different brand identities were created in different countries for the same product brand (e.g. Imperial Tobacco experienced this problem with its West cigarette brand). However, such difficulties did not occur, e.g. for Davidoff for which a global branding strategy has always been adopted.

On the other hand, the advantage of a localised IMC programme is that each operating country is able to implement and apply its own individual IMC approach to the specific country's needs (Shimp, 2000; Keegan, 1999), whereby due to the subsidiary's size the interaction and coordination may be easier than in comparison to a global IMC approach. However, the main disadvantage, as already stated, would be that conflicting brand images may be developed by different operating countries and thus confusion may arise among those consumers who have seen the brand in different countries.

Furthermore, all respondents agreed that IMC needs to be pursued at all levels within a company – no matter if a global or local IMC approach is pursued. But product brands, which have different images, may pursue an individual IMC programme implemented by their respective brand managers. On the other hand, when asked if certain activities need more integration than others, interviewees' opinions differed. As such, the interviewee from Holsten said that especially public tours through headquarters or factories need a high level of coordination of

both corporate and product brand(s) whereby on the other hand, a simple commercial of a single product brand may not necessitate such complex coordination with the corporate brand. BMW and SABMiller pointed out that in general, the level of integration should always be the same. However, extra careful coordination and a great deal of attention needs to be given to product launches and image communication because this may be the first time consumers will come into direct contact with the brand.

> I think in the early stages of trying to establish a brand or a new brand or trying to establish a new idea, it is very important that there is a degree or a high degree of consistency and coherence (Interviewee – SABMiller).

However, all interviewees agreed that the importance of a well defined idea and message integration and consistency is essential when successfully applying IMC. Two interviewees commented:

> People always talk about the world getting scarier, about new technology and the fragmentation of media and that everybody and everything is a brand these days, for example banks and all sorts of institutions you wouldn't think about. They are all doing marketing and it is going to be impossible. I don't think it is going to be impossible, I think it is going to be really interesting. But it is definitely a world in which ideas will win. The people who can tell the best stories and the people who have the best ideas will win and being able to tell a good story and have a great idea is absolutely the foundation to integrated marketing (Interviewee – SABMiller).

> No it is the principle that you get better returns by having an integrated campaign. The tricky bit is that the success is due to two things. One is having an integrated campaign and the second is having a strong creative idea. The campaign will not work if a strong creative idea is absent. So, there needs to be a good idea at the heart of it (Interviewee – Unilever).

Although only two interviewees mentioned the tremendous importance of consistency and harmonisation, especially, at the beginning of new product launches. This information adds understanding to the reasons of the importance of IMC because it demonstrates that IMC should be applied at all product stages, i.e. its life cycle, in order to maintain the essence of individual and corporate brands and to increase their future value. Therefore, it is recommended to the companies

to realise the importance of IMC even in the developmental stages of a product and try to maintain a high level of integration throughout the product's life.

5.6.2 Corporate Brand versus Product Brand Involvement

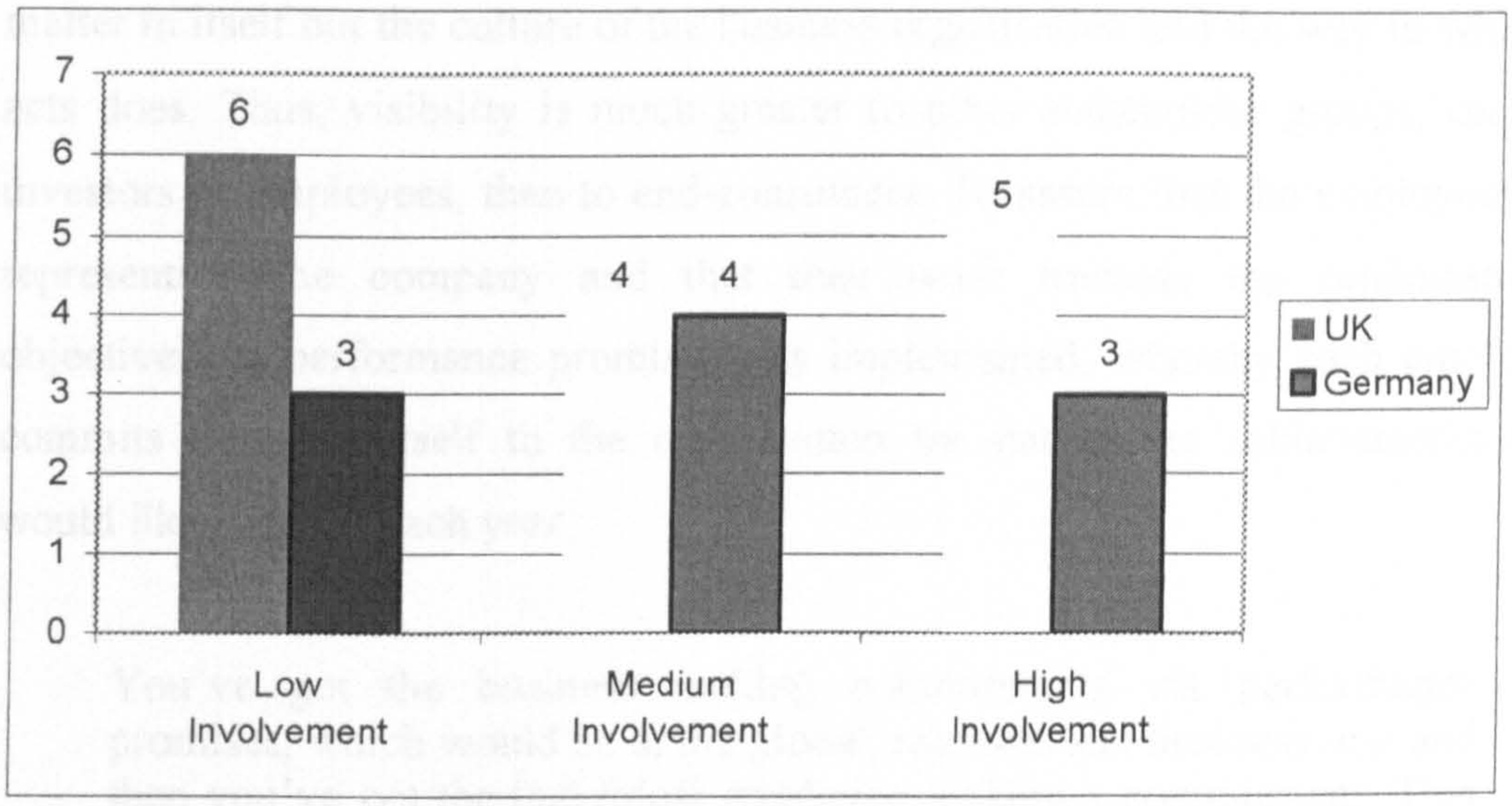
The last subsection focused on IMC programmes, in particular company structures, whereas this section provides an exploration of corporate and product brands within IMC programmes and to what extent these two visible levels influence each other. The FMCG companies especially expressed the trend towards a greater influence of the corporate brand on product brands in order to ensure best practice and higher overall company integration. The interviewee from the Radeberger Group phrased the importance of the corporate brand as follows:

> We are forming a roof for all the employees that they also have a home and that they feel at home also we deliberately have not chosen an artificial name but one of our product brands for our corporation.

The respondents from Kamps, Imperial Tobacco and BAT, which are FMCG companies, expressed the contrary opinion that because their individual product brands are so similar sometimes 'a little healthy competition is good'. However, the interviewee from BAT said that as long as the brands are different from one another, i.e. have different brand characteristics, overlaps are unlikely to be experienced. Thus, healthy competition may exist but not in the sense of brand features, in consequence, the brand image is preserved.

As Figure 5.4 points out the corporate brand is interpreted differently within each company. Figure 5.4 illustrates the importance of the corporate brand ranked between low-, medium- and high importance according to interviewees' responses, whereas Table 5.10 (below) shows the individual companies. The categories – high, low and medium involvement derived from Baker and Balmer's (1997) classification of brand strategy choices, i.e. monolithic, endorsed and branded identity options (see also chapter 3 section 3.7.2). Thus, according to the interviewee responses in relation to their branding strategy, the participating companies were ranked.

Figure 5.4: Corporate Brand Involvement



Source: Author generated, 2006

Table 5.10: Corporate Brand Involvement

Low Involvement		Medium Involvement		High Involvement	
UK	**Germany**	**UK**	**Germany**	**UK**	**Germany**
Imperial Tobacco	Audi	Young's Brewery	Granini	Reg Vardy	DM Drogeriemarkt
Rolls-Royce	BMW	Unilever	Holsten	Debenhams	Lufthansa
SABMiller	Kamps	Diageo	Radeberger	Vodafone	Lorenz
JD Williams		BSN	Fraport	RAC	
BAT				WH Smith	
Tryton Foods					

Source: Author generated, 2006

However, those companies with a low attachment to the corporate brand justified their reasoning as followed. In the case of Kamps it was an issue of reputation, whereas within all other companies the reason for keeping the corporate brand known as little as possible was justified by strong emotional values and the long history attached to individual product brands where management concentrated on product brands and did not involve the corporate brand as much in overall communication strategies.

In the case of Diageo, the interviewee stated that the corporate brand may not matter in itself but the culture of the business organisation and the way in which it acts does. Thus, visibility is much greater to other stakeholder groups, such as investors or employees, than to end-consumers. To assure that the employees are representing the company and that they work towards the organisation's objectives, a 'performance promise' was implemented, whereby each employee commits himself/herself to the organisation by stating the achievements s/he would like to reach each year.

> You've got the business making commitments via performance promises, which would be at the global, regional and business unit and then you've got the individual employee making a commitment. This is what we call a performance commitment. So, I'll make some performance commitments and then lots of other people will make them and that feeds into the business unit and that feeds into the corporate commitment (Interviewee – Diageo).

However the companies Diageo, Tryton Foods, Granini and the Radeberger Group, all FMCG companies that do not involve the corporate name within individual brand promotional activities, pointed out that it is important that stakeholder groups other than consumers, such as the employees, can identify themselves with the company. Thus, surveys have been conducted within various German and UK companies (eight companies collectively from the UK and Germany) to ensure that employees understand the company objectives in order to preserve the correct image with all stakeholder groups.

Although, for example Audi, Volkswagen, Skoda, etc. belong to the Volkswagen Group, the same as BMW, Mini and Rolls-Royce belong to the BMW group, these car brands operate as individual companies, and the interviewed respondents from BMW, Audi and Rolls-Royce stated therefore that there is no real corporate brand for them: the corporation is merely seen as the holding company. Internally, the companies can and do interact with each other, i.e. if help is needed it can be obtained from another product brand team. However, internal interaction is mainly focused on engineering inventions and solutions.

JD Williams follows a niche market strategy where it would not be sensible to present the company as a big national conglomerate because of individual communication strategies. Except BAT, all companies that involve more than one brand team within the marketing team did say that the different products do influence each other. Nevertheless, all companies said that the product brand needs to be part of the corporate operations, which is also the reason why Unilever, RAC and Diageo decided to focus on their core products and to divest themselves of all other brands. However, in the case of Unilever, the board gave a task to each brand team where the individual teams needed to show how their product is aligned and connected to the parent company in order for the board to see if the whole company is fully internally integrated.

On the other hand, the companies which involve their corporate brand to a medium or high level within their communication strategy have expressed that the corporate brand endorses their product brands and should stand for the history of the corporation, valuable reputation and as a 'quality assurance address'. In particular, the companies with high involvement of the corporate brand have identified this as their 'strongest asset', whereas the individual product brands may not be as important to them.

5.6.3 Summary Section

Although the majority of respondents identified that the involvement of the corporate brand in relation to the product brand strategy is becoming more important, the explicit or implicit involvement of the corporate brand was highly dependent on, firstly, the specific industry as well as the company itself. No differences were visible when comparing the results of both countries with each other. In research phase 2, the view of different managers with regard to the corporate and product brand interaction as well as involvement corresponding to the company specific IMC programme will be taken into consideration. The answers of the various respondents of each company will then be compared and analysed.

5.7 IMC Benefits

As the study has already indicated (see section 5.4.2), all 25 participating companies have realised the importance of IMC and have begun to adopt an IMC approach throughout the overall company. Therefore, this section concentrates on the research objective:

> To identify, evaluate and compare perceived benefits with regard to the growth, importance and usage of IMC within the selected firms.

Section 5.9.4.2 analyses the interviewee responses in relation to IMC in a holistic and generalisable manner, whereas this section concentrates on rather distinguishing and unique interviewee responses of IMC benefits.

As explored earlier, all respondents have begun to see integration as a vital part of their company, and that it is necessary to them in the 21st century to adopt such an approach. For example one interviewee from SABMiller pointed out: "I feel that it is absolutely important the more integrated you act the more efficient you are." The interviewee from DM Drogeriemarkt also pointed out that once IMC has been implemented and correctly applied it can only be further developed and should not be reversed.

The most noticeable advantage mentioned by 20 companies was IMC's effectiveness, both in terms of cost and in terms of reach. General benefits of IMC and its effect on the company's ROI are compared in section 5.9.4.2. However, the following interviewee comments (in no particular order) represent some rather distinctive views of IMC benefits:

> It made us more cohesive around the whole business to feel the culture and quality message before, we had a divergent brand strategy (Tryton Foods).

> We are not a rich company and therefore, we do assess every £UK that we spend against the value that we get from that (WH Smith).

> Before, we had much duplication and different divisions took on different directions and we were not developed according to customer

needs. Or The chance is greater that I will target the right customer at the right time and s/he will remember it because it provides a better picture of the company. Furthermore, our communication is now cheaper and much more coordinated (BMW).

There are more messages from the overall competition and you always find more channels and less time, thus IMC is quicker (Audi).

Resources are used efficiently whereby the 'one face to the customer' is preserved which leads to a higher recall effect (Lufthansa).

It can offer a better market presence (DM Drogeriemarkt).

Efficiency on every single point (Kamps).

Monetary benefits and of course, the process optimisation should not be neglected (Fraport).

The overall objective is to design the communication as effective as possible (Granini).

IMC reinforces your corporate mission (BAT).

It helps you to get all employees on board and to make them part of the same team and kicking the football in the same direction (BSN).

We would make more money because IMC helps preserve the image, thus in five or ten years we will have a better return (Imperial Tobacco).

It enables the company to do less but bigger. So, if you have £10 million (UK), rather than doing different things all over the place, you can do two things for £5 million (UK) each but then they are completely integrated. The results will justify themselves. So, I think it encourages the desire for big ideas (Unilever).

Due to IMC you are able to analyse more and therefore, investments are better examined and evaluated (Reg Vardy).

It is faster because it is more efficient, it generates better use of capital (Debenhams).

This section reviewed the interviewee responses with regard to individual IMC practices in relation to the specific companies. Companies from both countries identified that the most lucid advantages of an IMC approach were its cost effectiveness as well as its ability to form an integrated and holistic campaign. However, no evidence was offered on how IMC can achieve cost-effectiveness.

In the second phase of this research, IMC benefits will be reviewed with different managers in the selected case companies attempting to find out if there are differences with regard to IMC benefits at the various organisational levels, e.g. between brand managers and the marketing director and if the companies have evidence on how IMC can achieve cost-effectiveness.

5.8 IMC - A Comparison of UK and German Practices

The last objective set for this study is:

> To compare and contrast similarities and differences in perception and practice of IMC within the selected firms.

As shown in previous sections (5.3 to 5.7), no significant country differences were encountered when comparing the companies' IMC practices and interviewee responses. Despite this fact, variations were discovered when comparing individual IMC implementation and application approaches, as also illustrated in prior sections. As a result, it was decided to look at specific practices of only a few selected companies in the next stage of research. Consequently, it seems to be appropriate at this stage of the research to select a case study approach, instead of a survey methodology in order to be able to look in a more in-depth manner at IMC approaches in chapters 6 through 8.

5.9 Theoretical Implications of Research Phase 1

The previous sections 5.3 to 5.8 described in detail the data analysis with regard to the key issues of the research objectives. The theoretical implications of the research findings, e.g. the growth and importance of IMC or the management of an IMC approach will be discussed further. The results are categorised and explored in Figure 5.7 and the following sections.

5.9.1 An IMC Perspective

It was recognised by all interviewees that integration should have been important to any kind of business at all times but due to lack of understanding and knowledge, it was not always possible to implement it properly. Eagle and Kitchen (2000) stated that IMC in the context of New Zealand businesses was (at least partially) caused by the deregulation of the economy, whereas Kitchen and Schultz (1999) as well as Duncan and Everett (1993) stated that IMC is especially caused due to the ineffectiveness of TV advertising and increasing variety of new media. New media channels and increasing audience fragmentation were also found to be causes of the emergence and growth of IMC. In general, brands, their emotional values and especially premium brand images were identified as the reasons for the importance of IMC due to the need for these to be portrayed in an integrated manner to various stakeholder groups.

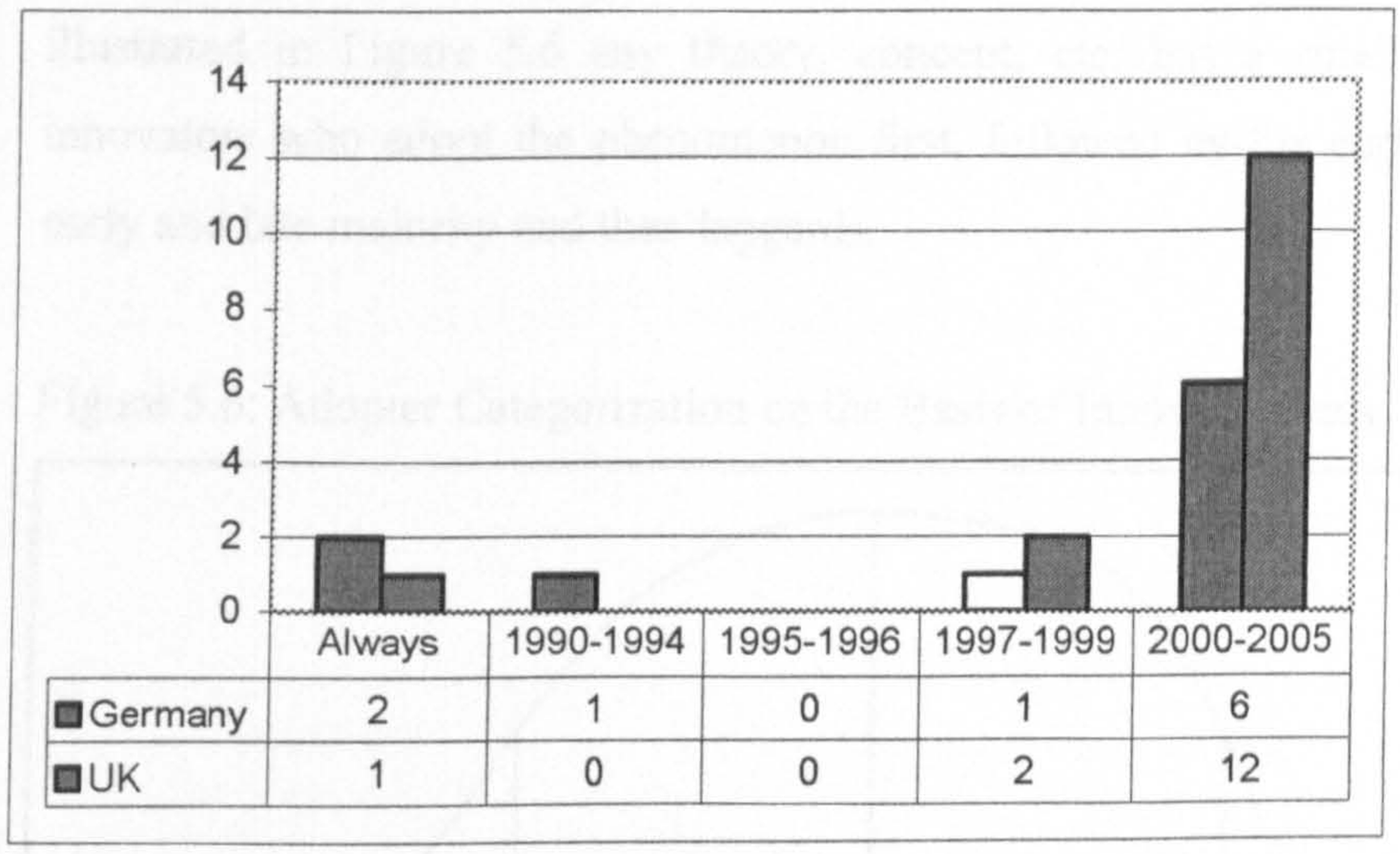
IMC needs to be enforced in the overall strategic business philosophy of a company to maintain integration throughout the firm. Within an organisation, IMC should be implemented in a united manner, where promotional elements should also be coordinated in an integrated manner. All interviewees also said that the level of integration should be the same, because only then consistency among promotional tools can be achieved. However, it was also discovered that, especially for product launches or public relation activities, coordination and control needs to be very strict because different messages will be delivered to the consumer which all need to have the same content and be back-coordinated to the other marketing communication activities of the company.

Interestingly, it was discovered that IMC may have emerged amongst academics during the 1990s (Duncan and Everett, 1993; Schultz et al., 1993; Caywood et al., 1991) but within these actual businesses it emerged and did not become established business practice until the 21st century. The interviewed companies became aware of the increasing audience fragmentation and multiplicity of media channels during the 1990s. However, they did not necessarily react to this immediately. It seems that these companies waited for a period of time and as

competition and globalisation increased, the need to implement IMC became unavoidable.

On the other hand, much of the IMC literature developed in the 1990s concentrated on US companies and advertising agencies (Carlin et al., 1999; Hack et al., 1999; Kitchen and Schultz, 1999; Grunig and Grunig, 1998; Miller and Rose, 1994). Thus, the concept was founded and developed in the USA, hence, it could also be assumed that European companies were less eager to embrace IMC within their businesses and therefore, started executing IMC only recently. Such a speculation would need to be further validated in a quantitative study. As Figure 5.5 shows, the majority of the interviewed UK and German firms only started to implement and apply IMC within the last five to six years.

Figure 5.5: The Emergence of IMC



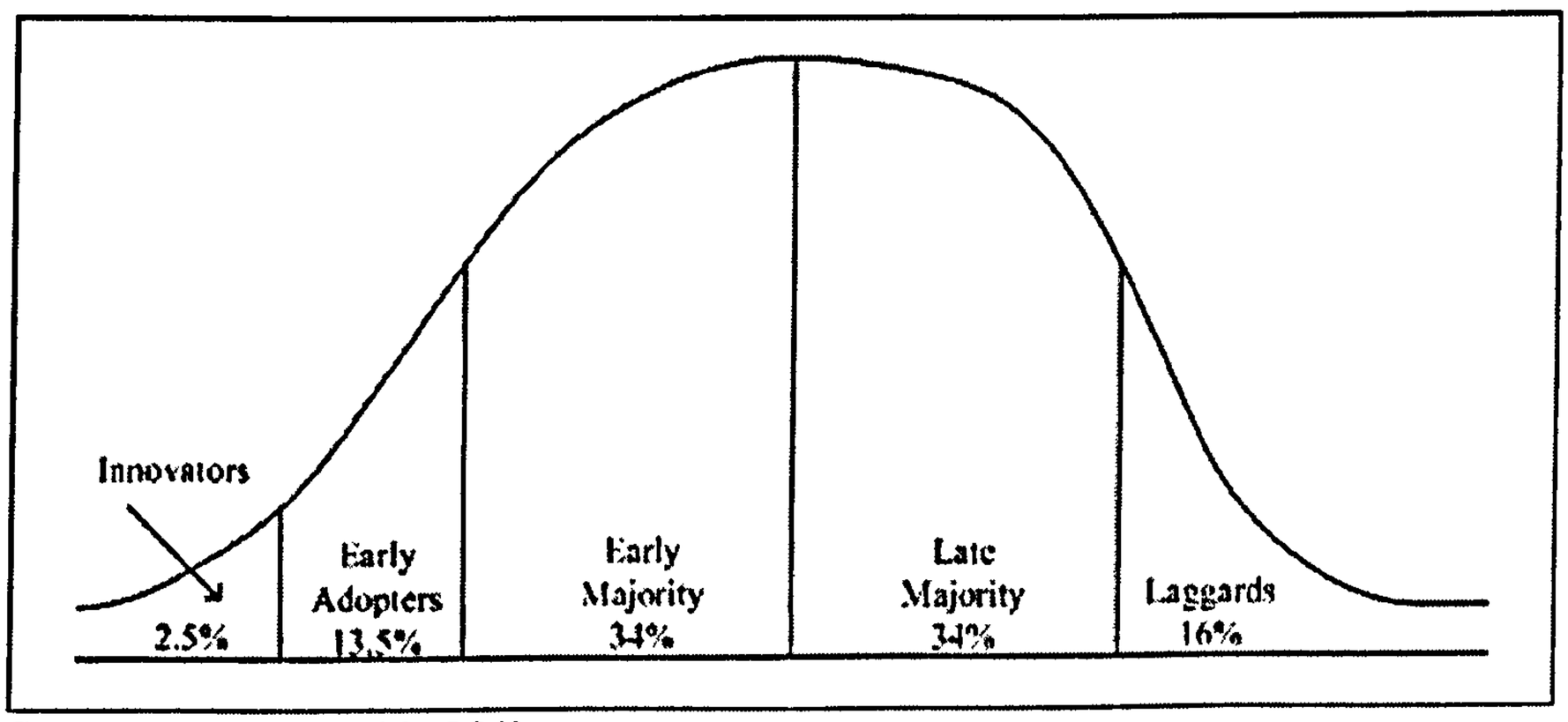
Source: Author generated, 2006

Only two German and one British company said that they have always practised IMC. One German company said that they started to implement IMC at the beginning of the 1990s; however, they also specified that the relevance and importance of IMC to their businesses became more intense and strongly focused within the last five to six years. Thus, IMC has been put into practice within most businesses recently, i.e. within the last five years and not, as seen in much of the literature, in the 1990s at least within these particular companies.

This late operationalisation of IMC may have also been caused by businesses needing to assure the correct application of 'basic business processes' before starting to think about putting IMC into practice, or that due to globalisation and increasing competition IMC became a necessity for large multinational conglomerates to implement in order to maintain their brand value and at least stabilise or increase ROI. Furthermore, the similar time-span of the emergence of IMC as well as its comparable importance and practice within the various companies may have been caused by the fact that these firms belong to similar industries, which are in close proximity with their customers. Moreover, all companies are large national or even global companies and thus, have applied similar business practices within their companies.

Another explanation for the late realisation of IMC within client businesses may be related back to the theory of 'diffusion of innovations' (Rogers, 2003). As illustrated in Figure 5.6 any theory, concept, etc. has a small percentage of innovators who adopt the phenomenon first, followed by the early adopters, the early and late majority and then laggards.

Figure 5.6: Adopter Categorization on the Basis of Innovativeness



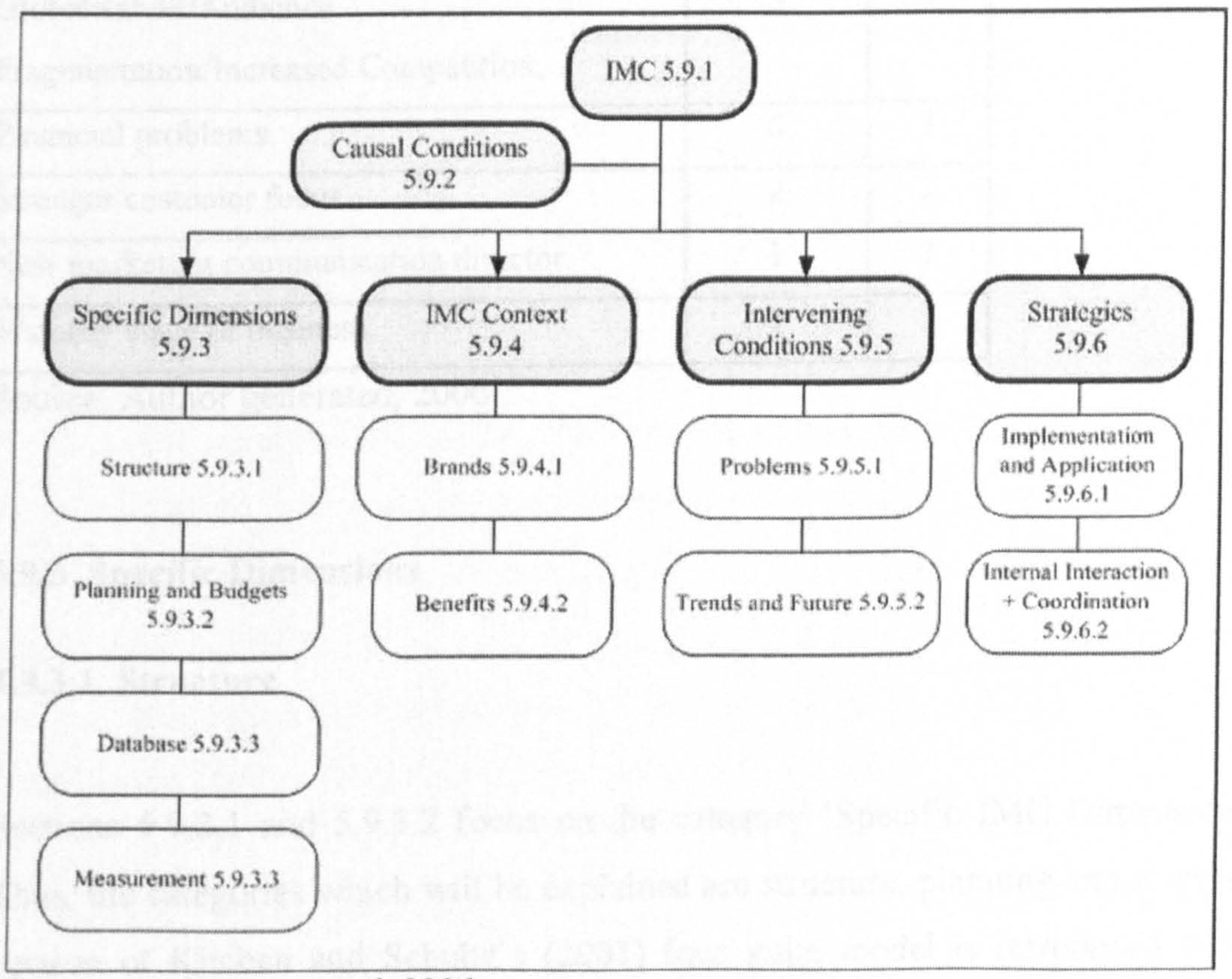
Source: Rogers (2003: 281)

Therefore, it may be that the four companies who have been practising IMC for more than ten years belong to the group of innovators and early adopters, whereas the rest of the 25 companies may be associated with the early majority. Concluding, more research needs to be carried out to explore this development,

i.e. if there are going to be more companies implementing IMC in the future and if IMC becomes a widespread adopted theory and practice among the majority of businesses and industries.

Following transcription and coding procedures with Nud*ist a model was developed to ease the understanding of developed IMC themes, as shown in Figure 5.7. Thus, Figure 5.7 demonstrates in what ways the data was analysed and then categorised. In order to understand the data better, this IMC model was developed to accomplish a greater picture of IMC and to understand its features. IMC is seen as the overarching phenomenon of this research whereas certain incidents and trends have led to the emergence of IMC. Furthermore, the classifications – specific dimensions, IMC context, intervening conditions and strategies – are used to illustrate how IMC can be influenced, what benefits and problems can be associated with IMC and how it can or should be successfully implemented and applied. Section 5.9.2 to section 5.9.6 analyses each attribute of the IMC model (see Figure 5.7) in detail.

Figure 5.7: The Underlying Dimensionalities of IMC



Source: Author generated, 2006

5.9.2 Causal Conditions

According to the analysis of transcripts via Nud*ist, there are certain reasons which have led to the emergence and growth of IMC. The following are the seven causes for implementing IMC. It was not possible to rank them by order of occurrence, because they returned similar counts in this exploratory phase: for example, three companies said that they had started to implement IMC due to financial problems, almost the same as four other interviewees said that they began to practice IMC because they had been acquired by another business, as shown in Table 5.11. However, multiple responses were also given by some interviewees, which are incorporated in Table 5.11.

Table 5.11: Reasons for IMC Implementation

Cause	Company Count	
	Germany	UK
Mergers and Acquisition.	2	3
Restructure organisation.	1	1
Globalisation/Audience Fragmentation/Increased Competition.	3	4
Financial problems.	0	3
Stronger customer focus.	2	2
New marketing communication director.	1	3
Maturity stage of business.	1	1

Source: Author generated, 2006

5.9.3 Specific Dimensions

5.9.3.1 Structure

Sections 5.9.3.1 and 5.9.3.2 focus on the category 'Specific IMC Dimensions'. Thus, the categories which will be explained are structure, planning and a revised version of Kitchen and Schultz's (2001) four stage model is introduced which contains the sub-categories database and measurement.

Functional silos claimed not to be present once IMC has been implemented and properly applied. Nowadays, most FMCG companies use brand teams, where a team of 3-5 people is managing one or more brands. Even though some companies and industries are arranged according to function, for example Debenhams, close interaction and coordination between different managers and functions occur. Other companies also acknowledge that within the companies marketing and PR still work as separate functions, but regular internal meetings and the close collaboration of specialists have helped improve coordination between activities.

The advantages of using such a structure were characterised as follows:

- Clearly defined decision processes.
- Clear tasks.
- Speeded up processes.
- Critical issues recognised at an early stage.
- Less political issues.
- Fewer hidden agendas.
- Higher integration.

In general, the companies interviewed did not have SBUs within their organisational structures or did not pay specific attention to them. Most SBUs were 'invisible' to them as they presented specific country units and not 'real' people. A shift away from functionalism towards brand and project team based work is also recognisable. BMW, for example selects different specialists from different departments and divisions for one project, after which the team leader and members will rotate to another project. Granini follows a similar approach spread across different operating markets. Thus, the motivation of employees, as well as learning outcomes seem to be higher and as a result interaction and coordination between different people and groups is ensured.

Furthermore, overall marketing structures were forecast by the interviewees to become much more centralised, i.e. led by headquarters in order to preserve premium brand images. There was not one company where the headquarters did

not have a strong influence on the decisions made in the operating country units. Within four UK FMCG companies (SABMiller, Diageo, Imperial Tobacco and BAT), global brands were managed and controlled strongly by headquarters and the local brands were left to regions to be managed.

5.9.3.2 Planning and Budgets

Concentrating now on the companies' strategic and budget planning processes, conversely, there was no agreement found. Many of the German and UK interviewees still base budgets on last year's plan or sales predictions for the up-coming fiscal year. However, the companies Vodafone, SABMiller and Fraport are trying to develop more complex budget planning approaches. Only Audi had created a more sophisticated budget planning approach, i.e. the marketing spent effectiveness approach. Herein, Audi utilised the following six items in order to develop a budget based on micro- and macro-environmental factors:

- Sales
- Strength and Weaknesses for each target group
- Activities selected
- Brand awareness
- Identity
- Comparison of strengths and weaknesses with competitors

Despite the fact that only four interviewees indicated that it is best to develop the communication budget and strategy on a global basis in order to avoid any duplication amongst various operating country units, it can still be used as a recommendation for national as well as other multinational companies in order for them to reduce costs. In general, legal restrictions on promotional activities have constrained the communication strategy of some companies, and will continue to do so. The wealthier companies have also decided to not set a budget but see what is necessary in order to achieve this year's communication objectives. BMW, Debenhams, Unilever and SABMiller especially have stressed the importance of the creative idea behind an integrated marketing communication approach. Thus,

it was found to be valuable to be more creative and then choose the appropriate communication activity and media channel, rather than merely saying "I want TV" (Interviewee – Unilever).

However, all companies have also emphasised how important it has become in recent years to measure communication outcomes in terms of how effectively the communication strategy was achieved. Furthermore, the companies also realised that due to the importance of customer loyalty and the immense pressure on delivering brand value, strategic planning has become more important in recent years rather than merely employing short-term tactics. Most companies have created a three to five year strategic plan which is annually reviewed.

5.9.3.3 Database, Measurement and Consumer Research – A Revised Version of Kitchen and Schultz's Four Stage Model

As explained in chapter 3 (see section 3.3.1 to 3.3.3), only very few models exist which have shown how IMC may be implemented. The model proposed by Fill (2002) was in its essence similar to the four stage model developed by Kitchen and Schultz (2001). However, it lacked of significant detail and description. The model proposed by Pickton and Broderick (2005) was one-sided and merely concentrated on integrated marketing communication campaigns. As such, the model by Kitchen and Schultz (2001) was utilised in this thesis in order to understand how IMC can be implemented and if this model can be further advanced.

The model sets criteria for the identification of IMC levels within individual firms (Kitchen and Schultz, 2001). However, as acknowledged in chapter 3 (see section 3.3.3) this model originated from empirical research but has never been validated or tested by researchers in different industrial settings. Thus, its application can be questionable. When interviewees were asked to position the company in the model, difficulties were experienced. Thus most companies were not able to say definitely 'stage two or three', but instead said, for example, 'one to three fully and four only partially'. More than seven interviewees did not

recognise these stages as a developmental process but as single entities of integration due to constant environmental changes. Thus, as already suggested in section 5.5.6, there seems to be a strong indication that this model may not reflect the realities for a number of market sectors.

Some interviewees commented on the four stage model as follows:

> I think you will find in this organisation like many that we are actually at different parts of different stages of it. So, tactical yes we do it, that is almost a given. But we are already doing some application of information technology. Some of what we do is already financially and strategically justifiable and so you are doing all bits of different stages (Interviewee – Reg Vardy).
>
> They are different steps but they don't fit together (Interviewee – Vodafone).
>
> Is this a development? I don't recognise this as a development (Interviewee – Young's Brewery).

RAC and especially Holsten have only recently started to implement IMC and think about the alignment of product brands with the corporate brand, but when asked to position them in the model they were able to say that they completed stage one and two and stage three and four to a greater or lesser extent: for example they have always done consumer research and employed strategic measurement tools. Five of the interviewed companies did not have a database because their products are mass produced and therefore, as expressed by the interviewees, this kind of 'knowledge', i.e. individual customer information seemed to be of no great value to the company. This contradicts the findings in the literature (Groenroos, 2006; Itamar, 2005; Mussi, 2003) because the majority of interviewees stated that it is increasingly important to have one-to-one communication with consumers and thus, this data is becoming increasingly valuable to the individual companies.

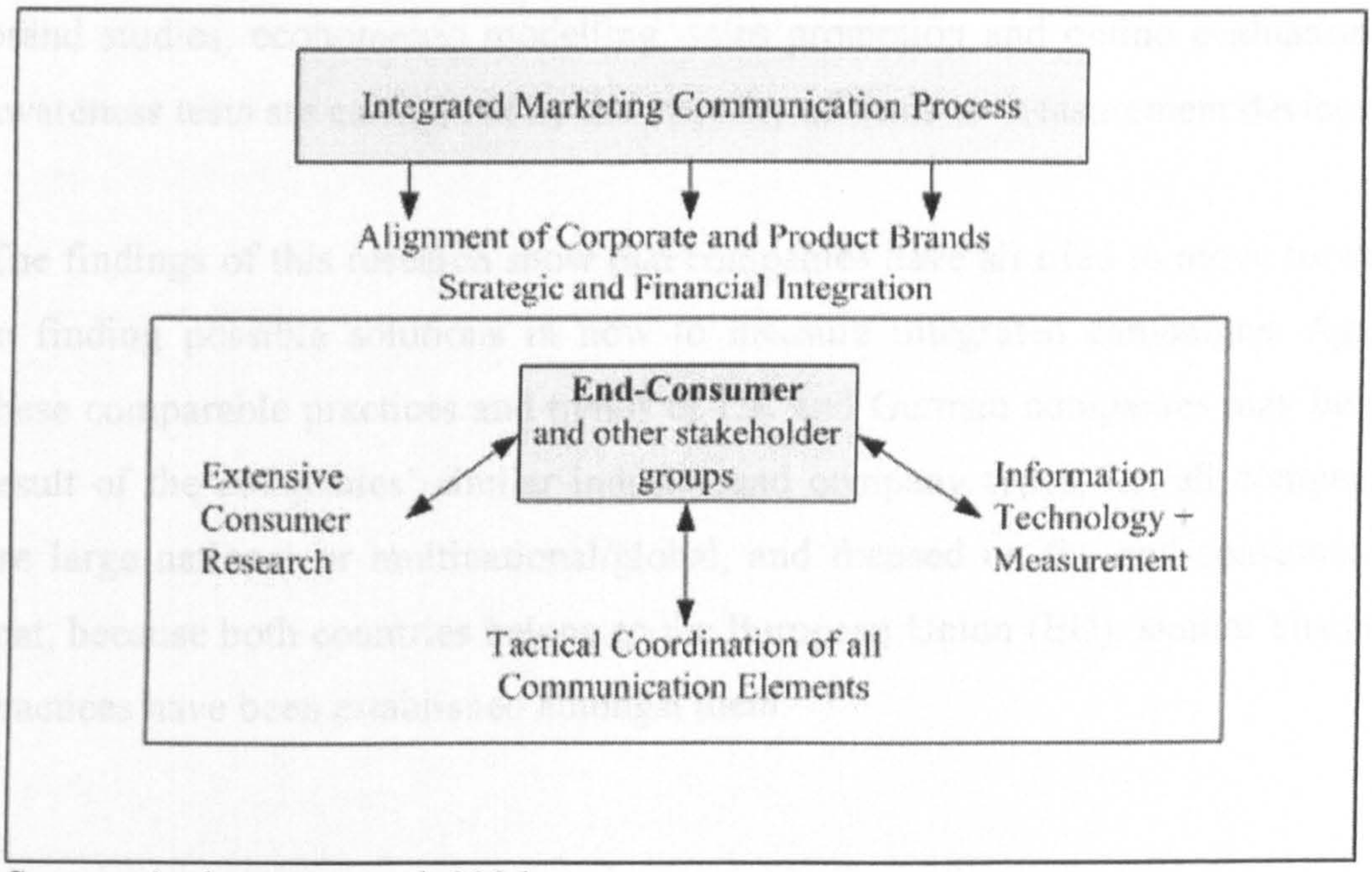
Two other companies also did not have a database due to legal restrictions. One other company also said that because of the nature of the product it is impossible to obtain and maintain an effective database. The last two justifications are valid and cannot be rejected. However, most other companies which were interviewed

do have databases; thus the argument that a company cannot establish a database because the product is mass produced cannot be taken as a sufficient justification. Although these companies may not have a database, at least two out of the five have employed other tools, such as market research companies, their own consumer research and evaluation techniques to become consumer-orientated and measure communication outcomes effectively.

In addition to the analysis of the individual stages of the companies, the interviewees' feedback was taken forward in order to change the model in a way that it would become more applicable to companies and researchers. Figure 5.8 demonstrates a revised version of Kitchen and Schultz's (2001) four stage model (see Figure 5.2). The model still has the four stages of integration, but rather than being aligned in a sequential manner – i.e. in the form of a pyramid, they are now next to each other and represent steps which can be accomplished simultaneously in order to implement IMC.

The customer is placed at the centre of attention by the company whereby consumer research activities, promotional tools and measurement techniques concentrate on the consumer in order to obtain a better picture of him/her. Internal and external coordination needs to be granted to facilitate communication within the company and to accomplish a constant dialogue with the customer. Therefore, a database can help to maintain data about the customer and employees. A database should also be utilised with the aim of establishing segmentation guidelines and facilitating the correct positioning of the brand(s). In addition, the evaluation and measurement of the long- and short-term objectives can be assisted via the application of information technology.

Figure 5.8: A Revised Version of the Four Stage Model



Source: Author generated, 2006

This model also shows that the product strategy needs to be connected with the planning process and the overall corporate communication strategy in order to be aligned with company objectives; only then IMC can fully be implemented and applied (also see section 5.5 and 5.6).

Currently, all of the interviewees questioned use consumer research to obtain data about their consumers and to build a 'better picture' of them. More than 90% of the interviewed companies use qualitative and/or quantitative research, at least, as support for their communication strategy. Therefore, it can be said with certainty that at least in Germany and the UK the consumer goods firms are moving towards more integrated and customer-focused marketing communication approaches.

All companies have also moved a significant step forward in terms of the tactical coordination of their promotional activities, i.e. the companies interviewed have reached the point where the tactical integration of promotional tools has been established. As already mentioned, most companies are still experiencing difficulties with regard to measurement of integration and communication, as described for example by Eagle and Kitchen (2000) as well as Kitchen and

Schultz (1998b), who looked at IMC issues in the UK and New Zealand advertising agencies. However, post-tracking studies for campaigns, image and brand studies, econometric modelling, sales promotion and online evaluation or awareness tests are carried out by the majority of firms as measurement devices.

The findings of this research show that companies have all tried to move forward in finding possible solutions in how to measure integrated campaigns. Again, these comparable practices and trends of UK and German companies may be the result of the companies' similar industry and company types, i.e. all companies are large national or multinational/global, and focused on the end consumer or that, because both countries belong to the European Union (EU), similar business practices have been established amongst them.

5.9.4 IMC Context

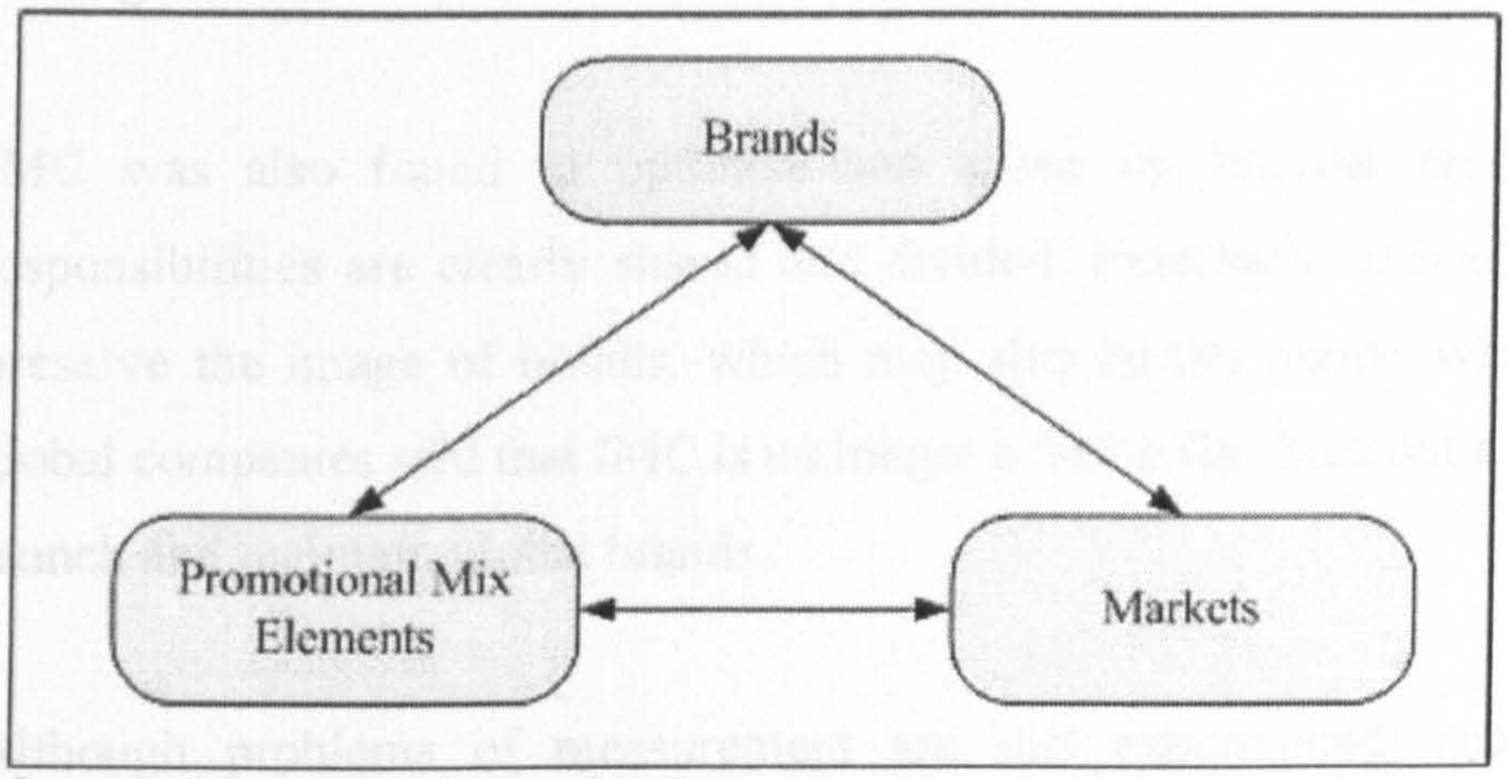
5.9.4.1 Brands

As shown in section 5.6, there is no clear agreement on how much the corporate brand should influence the product brand or even the strategic business unit. However, all respondents pointed out that a visible strategic mission for the company and a comprehensible positioning strategy of the various brands are necessary in order for employees to understand what they need to do and how to act upon market environmental changes. It also needs to be ensured that all product brands are aligned with the corporate strategy in order to ensure the long-term success for the company. The corporate brand should be important for every company, no matter how much influence it plays within the individual product strategies. Thus, it ought to be seen as a 'trust point' and 'home' for all employees.

In addition, shown in Figure 5.9 the interviewee of Diageo demonstrated the interdependence of market, marketing communication mix elements and individual product brands with each another. Noticeable is that all three components influence each other but the corporate brand is not visible. The

interviewee stated that this model is directed at end-consumers who in most cases do not know the corporate brand. However, if a company would pursue a monolithic branding strategy, i.e. the product brand equals the corporate brand then the 'brands' component could be replaced by the 'corporate brand'.

Figure 5.9: IMC – A United Approach



Source: Interview Diageo, 2005

In comparison to Figure 5.8 and the interviewee's comment from Diageo, the respondents from other companies which also employ different product brands stated that the corporate brand may not always play an important role externally but the culture of the business can have a positive effect on IMC. Thus, a friendly business culture where people are able to talk to each other and a community for employees finding themselves comfortable working in may influence and increase the internal integration of IMC. This important finding has also been illustrated by Madhavaram et al. (2005), i.e. that the business culture, the top management involvement and the internal market orientation is essential for a successful company of the 21st century.

5.9.4.2 Benefits

Two of the most influential factors within an IMC approach are the corporate and product brands. Implementing and applying IMC properly may lead to certain advantages which were experienced by the interviewed companies. The interviewees expressed no doubt in their responses about IMC's great cost

efficiency and communication 'reach effectiveness' compared to rather conventional marketing practices. Duplication can be avoided by the coordination of all departments and divisions. This leads to higher cost effectiveness, which in turn, externally leads to a unified consumer experience whereby all touch points have been thought of. Thus the effectiveness of the marketing mix is higher, resulting in clearer communication and one communication direction for all messages.

IMC was also found to optimise and speed up internal processes because responsibilities are clearly shared and divided. Externally, it was found to help preserve the image of brands, which may also be the reason why many of the global companies said that IMC is no longer a desire for them but a requirement to launch and maintain global brands.

Although problems of measurement are still experienced, according to the interviewee findings, the majority of respondents agreed with the statement that IMC leads to higher ROI (7 German and 14 UK interviewees). However, Reid (2003), who recorded similar findings, did not know why IMC actually leads to higher ROI and how this link can be established. Following Nud*ist analysis the interviewees reasoned higher ROI as follows:

- Being proud of company/brand – IMC will work better, thus better ROI
- Brings focus and people behind an integrated strategy => commitment drives behaviour positively
- Consistency within messages influences positively
- Integration strengthens brand position
- Preserves image
- Do less but bigger = encourage big ideas
- Internal resources used more efficiently

5.9.5 Intervening Conditions

5.9.5.1 Problems

Most barriers to integration, which have been discussed in chapter three, remain but only at an early stage of implementing IMC due to changes occurring within the organisation and thus, effecting employees' tasks and roles, i.e. new job descriptions may arise. However, a still remaining difficulty for all companies is the measurement side of integrated marketing communications performances. As described, the difficulty is to accurately calculate the ROI of a campaign because as the interviewee from Audi said:

> The coordination between sales and campaign is relatively difficult, the one that works this out is going to get a Nobel Price there are too many parameters influencing campaign measurements.

As already mentioned, closeness and human interaction are most important with regard to implementing IMC; therefore, geographical locations, language barriers and different cultures can become barriers to integration. Especially global companies, which participated in this research, indicated that the integration of a local subsidiary, i.e. to make it work to the standards of headquarters is easier than integrating all operating markets into one global one. This may be caused by the fact that the image is developed globally but brand communication is executed locally.

It was also pointed out that, especially in global companies, certain divisions or departments that are not directly connected to marketing, for example aftersales, sometimes lag behind and thus, more coordination is necessary. Sharing data such as customer feedback needs to take place within the company and between intermediaries and manufacturer. As mentioned in section 5.5.9, manufacturers have only recently realised the importance of retailers and intermediaries; however, they would like to advertise their product at the point of sale with the retailer. The problem is that incentives being paid by manufacturers to smaller stores or outlets are received most likely by the shop owner and not all employees.

The interviewee from Imperial Tobacco illustrated his experience with an example:

> Very often the communication will be directed at the shop owner. However, the shop owner is often not the shop assistant. So, you may have an 18 year old shop assistant and then people come in the store and say a pack of Dunhill – one of our opposition brands. But what we want somebody to say is: have you tried Davidoff? But she is not going to say that because she has no incentive to do so, and doesn't care frankly.

Thus, point of sale has certain limitations to marketing communications which will be very hard to overcome. On the other hand, the retailers also pointed out that it is "difficult to work with manufacturers who are trying to have one common communication approach to all customers regardless of who holds the franchise" (Interviewee – Reg Vardy).

5.9.5.2 Trends and Future Outlook

On the whole, all organisations agreed that IMC is not a fad and that it can only become more important especially due to rising global competition. Increasing audience fragmentation, environmental and technological changes and consumer trends were identified by all interviewees as possible reasons for strategic changes in communication. Although all companies expressed the problematic side of measuring integration, the interviewees predicted a trend towards measuring intangible asset values, i.e. their brands' values. Some companies also identified other trends and tried to present an outlook for their particular firm or industry, as described in the following parts.

The interviewees pointed out that one-to-one marketing, i.e. direct contact with the consumer, has become and will become increasingly important due to high competition in almost every industry nowadays. Thus, all manufacturers are trying to build a close relationship with retailers, dealers and sales people to gain direct insight into consumer buying habits and behaviour. Changes in relation to the increasing use of more precise marketing communication tools do occur not only

due to rising competition but also due to audience fragmentation and the multiplicity of media because there is too high a chance of not targeting the exact consumer groups when merely broadcasting a TV commercial, per se. Therefore, rather unconventional or new marketing communication tools are being utilised, such as the Internet, sponsorships, etc.

The interviewee from BMW also expressed the view that media channel boundaries are starting to blur, e.g. the example of a mobile phone was presented: it does not only function as a telephone but one may also receive pictures, music downloads, etc. The respondent from SABMiller also recognised this development, but then added that not only media channel boundaries but also definitional boundaries are starting to blur. In particular, the interviewee gave the example of public relations (PR) being a very commonly used word and marketers using it in different circumstances with different meanings, for example PR could represent a political statement, an advertisement or a dress worn by a famous celebrity.

Most companies, which are in some form restricted by governments and authorities, also said that the limitations to advertising and interventions to communication ideas are increasing. Furthermore, one UK interviewee also identified the growing need to understand the interrelation between online and offline activities. One participant especially pointed out that the next step within digital actions will be the moving picture. It was also speculated that digital techniques as well as the Internet will gain on importance.

5.9.6 Strategies

5.9.6.1 Implementation and Application

Despite the different perspectives of interviewees in relation to trends of promotional elements, as well as reasons for implementing IMC, the analysis via Nud*ist showed that it was clearly agreed by all interviewees that the call for IMC came or should come from the board level. This was also indicated in the

literature review of chapter 3. The necessary leadership from the board should be inspirational, directional and stand as an example of excellence for all employees. In return, the employees can take the example of their leader as a best practice model and put it into actions in their own daily jobs, which will in return result in an integrated organisation.

All 25 companies strongly supported the view that IMC has to come from the firm itself and not from an agency because agencies are simply used for creative ideas. Agencies did not seem to have any effect on the internal interactions of the company or on the tactical choice of promotional activities. Furthermore, a problem mentioned by the SABMiller and BMW interviewees was that most advertising agencies are not integrated in themselves and do not work with other agencies in an integrated manner, which may also represent a barrier to integration.

The probability may exist that in case of a poorly performing company an agency may have to support the organisation; but this was not the case in any of the 25 companies interviewed. Furthermore, some organisations also said that they were dissatisfied with their agencies due to lack of communication between them and the work they have produced. The participating companies which have started to apply IMC also noted that integration is rather a 'gradual evolution' than a 'revolution' and is very much dependent on the change of mindset of all employees within the company. Hence, seeing IMC as a strategic long-term business development and application may also be reasons why IMC is client-led and not agency-led. The latter are often used for merely tactical activities.

Implementation needs to start with the marketing department and has to be cascaded down to other divisions, in a cross-functional and cross-cultural manner. Other divisions need to be informed about the changes within the company to assure correct implementation and to notify other departments to whom they can go to, if they have questions concerning integration in their own department. When implementing IMC, all activities need to be looked at, evaluated and compared with one another to avoid duplications. It has been suggested that within global or large multinational companies, it might be useful to establish a

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- After-work clubs/meetings.
- Intranet/marketing toolboxes.
- Physical walls which separate the office space need to be removed in order to create a free atmosphere and team spirit.
- A strict marketing code and guidelines need to exist which talk about the nature of relationships and messages to consumers => brand positioning is clear.

A communication czar was found to be a valuable addition to the company, although most firms saw this role as falling within the ambit of their marketing director because preferably everybody will report to him or her. Within the FMCG sector especially, the marketing director's task is to coordinate between brands, to ensure best practice, encourage interaction between brand teams and other departments. The other global companies also liked the idea of a communication czar but due to the immense complexity of such businesses it was thought to be impracticable and not feasible and thus, only the marketing director was seen as the best link person. Only three companies established a cross-functional team to provide guidelines to the individual operating countries and oversee the overall communication of the company. This establishment enforced integration at senior and lower management level, which has led to great coordination advantages for the companies. Two other UK companies, Diageo and Unilever also employ internal media or communication gurus who provide individual brand teams with advice and guidance.

5.10 IMC Position of Individual Companies

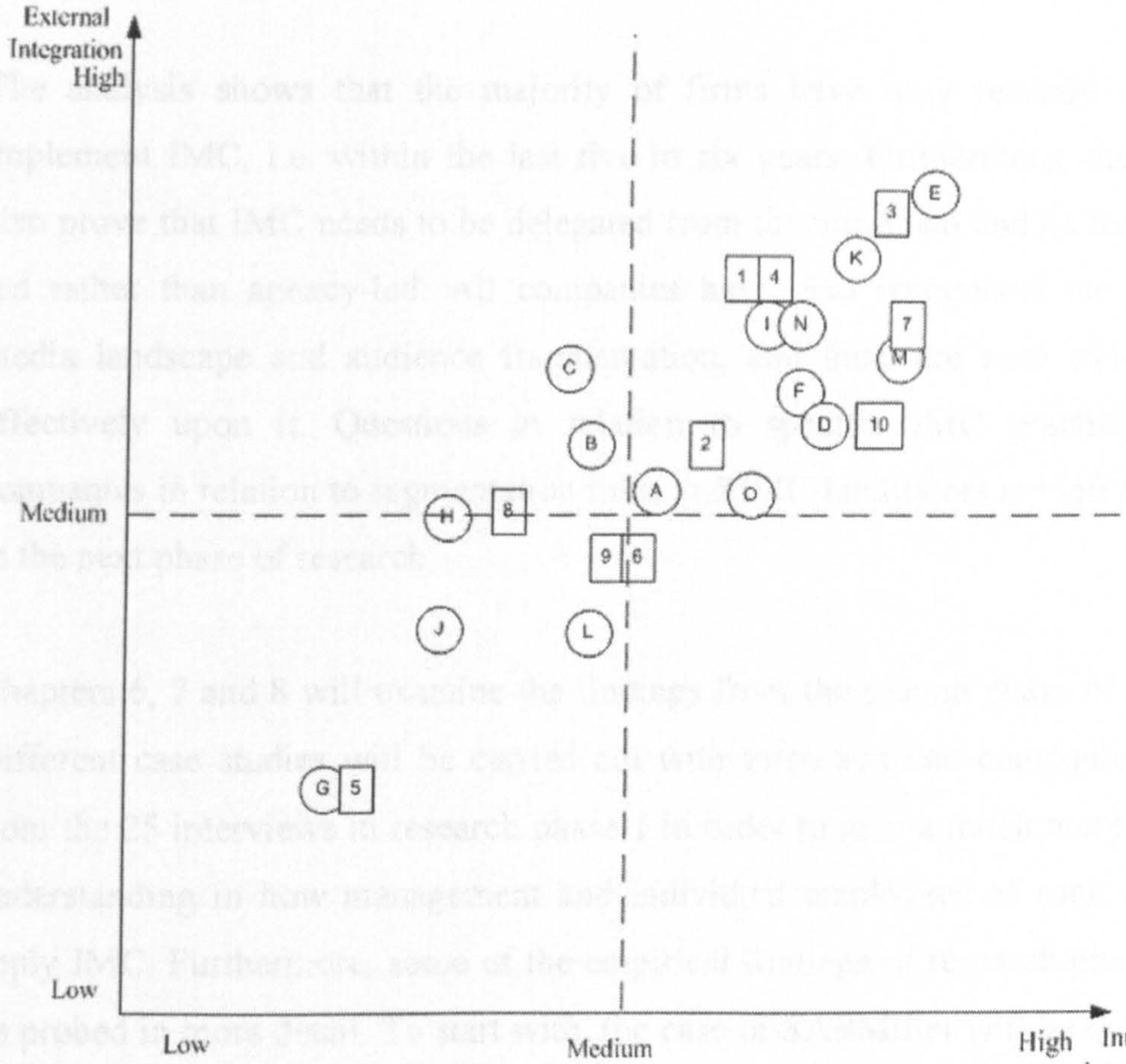
This section presents an overall summary of the companies' stages with regard to their IMC implementation and application. Figure 5.10 demonstrates the stage of IMC reached by each of the 25 companies interviewed, on a low-medium-high scale. The participating companies were not asked to position themselves but judged on individual interviews each company was positioned according to the interview findings, linked to the theory of IMC best practice cases (Carlin et al., 1999; Hack et al., 1999).

The purpose of Figure 5.10 was not for the individual interviewees to judge their own companies' external and internal integration but to establish a more 'objective and general picture' of all companies measured in a qualitative and interpretivistic manner by the author. Thus, Holsten and RAC are at an early stage of implementing and applying IMC, whereby for example Lufthansa and Diageo, located in Germany and the UK respectively, successfully implemented and are now practicing IMC.

However, due to rather slow changes within individual companies towards the usage of integrated marketing communication as well as in developing global communication strategies, it does seem that internal integration is easier to establish and operationalise than external integration in relation to customer communication. In general, internal integration was found to be more developed than external integration.

Furthermore, due to the early stages of IMC implementation, in which some companies find themselves, it may be that these organisations focus their attention first on internal integration before further progressing on toward the necessary required external communication to customers and other stakeholder groups.

Figure 5.10: IMC Position



UK		Germany	
A. Reg Vardy	I. Rolls Royce	1. Audi	6. Lorenz
B. Young's Brewery	J. WH Smith	2. Granini	7. Radeberger
C. Unilever	K. SAB Miller	3. Lufthansa	8. Fraport
D. Tryton Foods	L. Vodafone	4. BMW	9. Kamps
E. Diageo	M. Debenhams	5. Holsten	10.DM Drogeriemarkt
F. BAT	N. JD Williams		
G. RAC	O. Imperial Tobacco		
H. BSN			

Source: Author generated, 2006

5.11 Summary and Conclusion

This chapter has presented the empirical findings of research phase one. The results indicated that there were no considerable differences between companies in the two countries regarding the emergence and importance of IMC as well as in relation to IMC practices. Nevertheless, it was noticeable that some companies were applying IMC successfully due to, for example the company's history, a

specific person or team responsible for the IMC implementation, while other companies in the UK and Germany have only recently recognised its importance.

The analysis shows that the majority of firms have only recently started to implement IMC, i.e. within the last five to six years. Furthermore, the findings also prove that IMC needs to be delegated from the top down and be fully client-led rather than agency-led. All companies have also recognised the changing media landscape and audience fragmentation, and thus, are now trying to act effectively upon it. Questions in relation to specific IMC practices within companies in relation to segmentation rules and IMC facilitators are left to answer in the next phase of research.

Chapters 6, 7 and 8 will examine the findings from the second phase of research. Different case studies will be carried out with three selected companies chosen from the 25 interviews in research phase 1 in order to gain a much more in-depth understanding in how management and individual employees of each company apply IMC. Furthermore, some of the empirical findings of research phase 1 will be probed in more detail. To start with, the case of SABMiller will be explored in chapter 6.

Chapter 6: Research Phase 2 – SABMiller

Figure 6.1: The Research Stages

Part 1	**Chapter 2 - Marketing Communications** Evolution of Marketing, Marketing Communications, Promotional Mix Elements, Trends
	Chapter 3 – Integrated Marketing Communications (IMC) Development of IMC, IMC Studies, Barriers, Criticism, Corporate Communications
	Chapter 4 – Research Methodology Research Purpose and Objectives, Paradigm, Design and Strategy, Ethics, Reliability/Validity/Generalisability Issues
Part 2	**Chapter 5 – Research Phase 1** Results of the Study
	Chapter 6 – Research Phase 2 Results of SABMiller Case Study
	Chapter 7 – Research Phase 2 Results of Imperial Tobacco Case Study
	Chapter 8 – Research Phase 2 Results of Tryton Foods Case Study
	Chapter 9 – Research Findings Analysis and Discussion of Research Phase 1 and 2
	Chapter 10 – Conclusion Academic, Managerial and Methodological Contributions, Limits to Results, Future Research

6.1 Introduction

The previous chapter concentrated on the findings from phase 1 of the research. Twenty-five semi-structured interviews were carried out in companies from four different industries (fast-moving consumer goods (FMCG), retail, service and consumer durable) located in Germany and the UK. The findings showed that integrated marketing communications (IMC) seemed to be a valuable concept to practitioners in companies located in these countries. However, according to the results of research phase 1 IMC was only implemented in recent years and not as indicated by most of the IMC literature in the early 1990s. All interviewees clearly stated that IMC was delegated by the board or senior management level within the organisations and that agencies were often utilised for their creative and tactical skills.

It was evident that IMC in the first phase of research design was not dependent on an individual country but very much related to the specific companies. These significant findings of research phase 1 led to the development and implementation of a second phase of research. Choosing a case study methodology for the second phase of research, presents a unique opportunity to this research – to investigate the IMC phenomenon within real-life organisational settings. Although, the research objectives have been explained and analysed in chapter 5, a more in-depth, i.e. case related investigation was required in relation to IMC and the research objectives in order to investigate the IMC phenomenon within the context of individual companies in their organisational settings.

Case-based research provides the opportunity to address "how and why" questions rather than positivist questions, such as "how often, should, and what" (Yin, 2003; Carson et al., 2001). Companies from FMCG industries seemed to be an appropriate choice to be used as case studies in this research phase because it was established in research phase 1 that although they belong to the same generic product grouping, their strategies differ widely. All firms of this research consist of different business levels, i.e. corporate, business unit and product brand levels. Thus, these companies are multifaceted, comprised of complex organisational structures, and employ a variety of promotional tools; offering the potential to enrich the outcomes of the second research phase by a great extent.

In addition, the majority of participating organisations from research phase 1 belonged to the FMCG sector; it was anticipated to receive a higher response rate in comparison to selecting other companies from research phase 1. However, given the depth of phase 2 led to the fact that 'only' three FMCG companies within the UK were willing to participate. Nonetheless, two of these three firms were more global in scope and scale. The selected organisations are analysed individually, using content analysis, as in research phase 1.

This chapter and the subsequent two chapters present the empirical data analysis of phase 2; examining three different organisational settings with regards to IMC. The cases utilised are SABMiller, Imperial Tobacco and Tryton Foods. The

company cases were conducted over a three months period from October to December (2006) and four different interviews were carried out in all three organisations. The duration of each interview was approximately one and a half hours long and these were afterwards transcribed. The details of a case study methodology were discussed in chapter 4 (see section 4.4.2). Each selected case presents a distinctive company within the FMCG industry.

In research phase 1, initial findings demonstrated that SABMiller was perceived to be one of the advanced companies practicing IMC. Therefore, SABMiller was chosen to be the first case study to be examined. SABMiller is a company which operates in a controversial global marketing environment, i.e. the beer and cider industry.

SABMiller is currently present in more than 150 countries and is regarded as one of the top 10 brewers in the world (SABMiller, 2006b). Thus, due to its size and global marketing practices it becomes a unique case scenario for this research. This case study was analysed according to procedures of inductive content analysis, guided by the research objectives. Hence, the main focus of this chapter is on the first four research objectives with an emphasis on the following key issues (in *italic*):

1. To explore the *emergence, growth and importance* of IMC within large consumer firms.
2. To explore the current situation of IMC *implementation and application* within the selected firms at the:
   a. Corporate Level
   b. Strategic Business Unit Level
   c. Product Level
3. To explore interactions and the interdependence between:
   a. The *Corporate Brand* Level
   b. The *Product Brand* Level

4. To identify, evaluate and compare perceived *benefits* with regard to the growth, importance and usage of IMC within the selected firms.

This chapter is divided into three sections. In section 6.2, the case analysis of SABMiller begins with the introduction of the company and its industry, including some of the highlights of the company's history. Section 6.3 offers an exploration of IMC within the context of the four objectives of this research (listed above) and the particular organisation, whereas also improvement suggestions for the company are provided. Lastly, a summary of the company concludes the case in section 6.4. In light of these research objectives, the chapter will proceed as follows:

- Section 6.2 focuses on the history of SABMiller, the South African Breweries & Miller merger and its current stage within the global beer market
- Section 6.3 offers the analysis of the case in relation to IMC
- Section 6.3.1 provides an overview of the different views about IMC, i.e. its emergence and growth within SABMiller – *Objective 1*
- Sections 6.3.2 – 6.3.7 offer implementation and application guidelines of how IMC has been used within SABMiller and could be used within other firms. Special attention is drawn to the BIBA process, a global research methodology and segmentation rules as well as a SABMiller outlook into future marketing communication tools. The client-agency relationship in relation to IMC is also discussed – *Objective 2*
- In section 6.3.8 corporate branding issues are explored – *Objective 3*
- In section 6.3.9 key benefits of an IMC approach are reviewed – *Objective 4*
- In section 6.3.10 problem areas are highlighted as well as particular strengths of the company are demonstrated
- Section 6.4 concludes the SABMiller case

6.2 Highlights of SABMiller's Background and Brand Strategy

SAB-South African Breweries plc was established in 1895. It is a multinational corporation which specialises in producing soft-drinks, ciders and beers (SABMiller, 2006a). Its original name was Castle Brewing, whereas the first brand was called Castle Lager. In 1956 Castle Brewing acquired Ohlsons and Chandlers Union Breweries and renamed itself to South African Breweries (SABMiller, 2006h; SABMiller, 2006i). In 2000, SAB was listed on the London Stock Exchange and decided to refocus all its activities and strategic choices on beers and beverages (SABMiller, 2000). In 2002, South African Breweries acquired Miller Brewing plc, which was at that point of time the USA's second largest brewer which led to the new name of SABMiller plc (SABMiller, 2006f; SABMiller, 2006g). Thus, SAB benefited from this strategic move in terms of becoming a key player in the USA, but also Miller achieved advantages from being acquired. Miller was able to benefit from SAB's global best practices and since then, the company has successfully relaunched Miller Genuine Draft (SABMiller, 2006h).

In 2006, the company achieved revenues of above $17billion a rise of 18.6% in comparison to 2005. However, the net profit decreased by 5.3% to $1.4billion (Datamonitor, 2006b; SABMiller, 2006b). In 2006, SABMiller owned more than 200 beer brands, was present in more than 40 countries and brewed more than 140 million hectolitres of lager and 39 million hectolitres of non-alcoholic beverages each year (SABMiller, 2006e; SABMiller, 2006c). SABMiller encompasses operations in more than 60 countries across all five continents. Due to the aforementioned merger as well as a high expenditure on marketing communication activities, the company is positioned as one of the strongest global brewers in the world. Although some firms, such as Interbrew and Anheuser – Busch have become more or less successful in the past three years, SABMiller has continuously been regarded as the second largest brewer pro performa in the world for the last three years (i.e. since it merged in 2002) with regard to both organic growth and acquisitions (see Table 6.1).

Table 6.1: Top 10 Brewers – 2005 vs. 2003

Rank	Brewer 2005	Brewer 2003
1	Interbrew	Anheuser – Busch
2	***SABMiller***	***SABMiller***
3	Anheuser – Busch	Heineken
4	Heineken	Interbrew
5	Carlsberg	AmBev
6	Scottish & Newcastle	Carlsberg
7	MCBC	Scottish & Newcastle
8	Modelo	Coors
9	Kirin	Modelo
10	Tsingtao Group	Kirin

Source: Plato Logic (2007) and SABMiller (2003a)

Similar to Interbrew which is positioned according to its sales as the number one brewer in 2005 (see Table 6.1), SABMiller has also grown through strategic acquisitions of brewing firms throughout the world. The results from research phase 1 demonstrated that the firm was well-structured and professionally managed regarding its global marketing communication activities, thus, SABMiller is a unique opportunity for a case study. SABMiller is a successful global company, as shown in Table 6.1 as well as its revenue and operating profit has increased substantially within the last five years, as illustrated in Table 6.2.

Table 6.2: SABMiller Financial Overview in US$mn

	2006	2005	2004	2003	2002
Revenue	17,081	14,543	12,645	8,984	4,364
Operating Profit	2,575	2,104	1,383	803	619

Source: SABMiller (2007)

Some of SABMillers' more international brands are Miller Genuine Draft, Peroni Nastro Azzuro and Pilsener Urquell (SABMiller, 2006a). Furthermore, it is also the largest bottler of Coca-Cola products around the globe and the South African Breweries are ranked as the largest brewer in South Africa (SABMiller, 2006a). It has interests in Asia, in particular China and India, but has also come to a successful agreement to enter Vietnam. Moreover, SABMiller merged with the second largest brewer in South America (Grupo Empresarial Bavaria) which makes the group a key player in Latin America. It is also present in Europe,

especially Central and Eastern Europe as well as Australia (SABMiller, 2006f; SABMiller, 2006j).

Despite SABMiller's global existence in all continents, as mentioned, it has mainly grown via acquisitions and mergers. Thus, its strategy focuses on the following four points (SABMiller, 2006j):

- Creating a balanced and attractive global spread of businesses
- Developing strong, relevant brand portfolios in local markets
- Constantly raising the performance of local businesses
- Leveraging SABMiller's global scale

Like many other FMCG companies, SABMiller pursues a portfolio strategy. Thus, its marketing activity plan concentrates on distinct and targeted ways of positioning the more mainstream brands, attractive packaging designs and enhanced labelling, as well as the company seeks to expand its premium portfolio. SABMiller's branding strategy focuses on the following (SABMiller, 2006c; SABMiller, 2002):

- Market definition and segmentation are key to releasing the full potential within specific markets both in competitive and monopolistic situations
- International brands are deployed where they are appropriate to the market not simply because they exist in the portfolio
- Leading global beer brewer

In research phase 1, the findings demonstrated that SABMiller's sophisticated marketing communication practices and its recent focus on IMC made the company one of the most advanced practicing organisations of this thesis with regard to the development and application of IMC. Thus, it seemed to be appropriate to seek the use of this company as a case study for the second phase of research. Although previous IMC research has been conducted with large national FMCG companies (Davison et al., 2005; Reid, 2003; Cornelissen and Thorpe, 2001; Low and Mohr, 1999; McArthur and Griffin, 1997; Phelps and Johnson, 1996), most of these studies have concentrated on a deductive quantitative

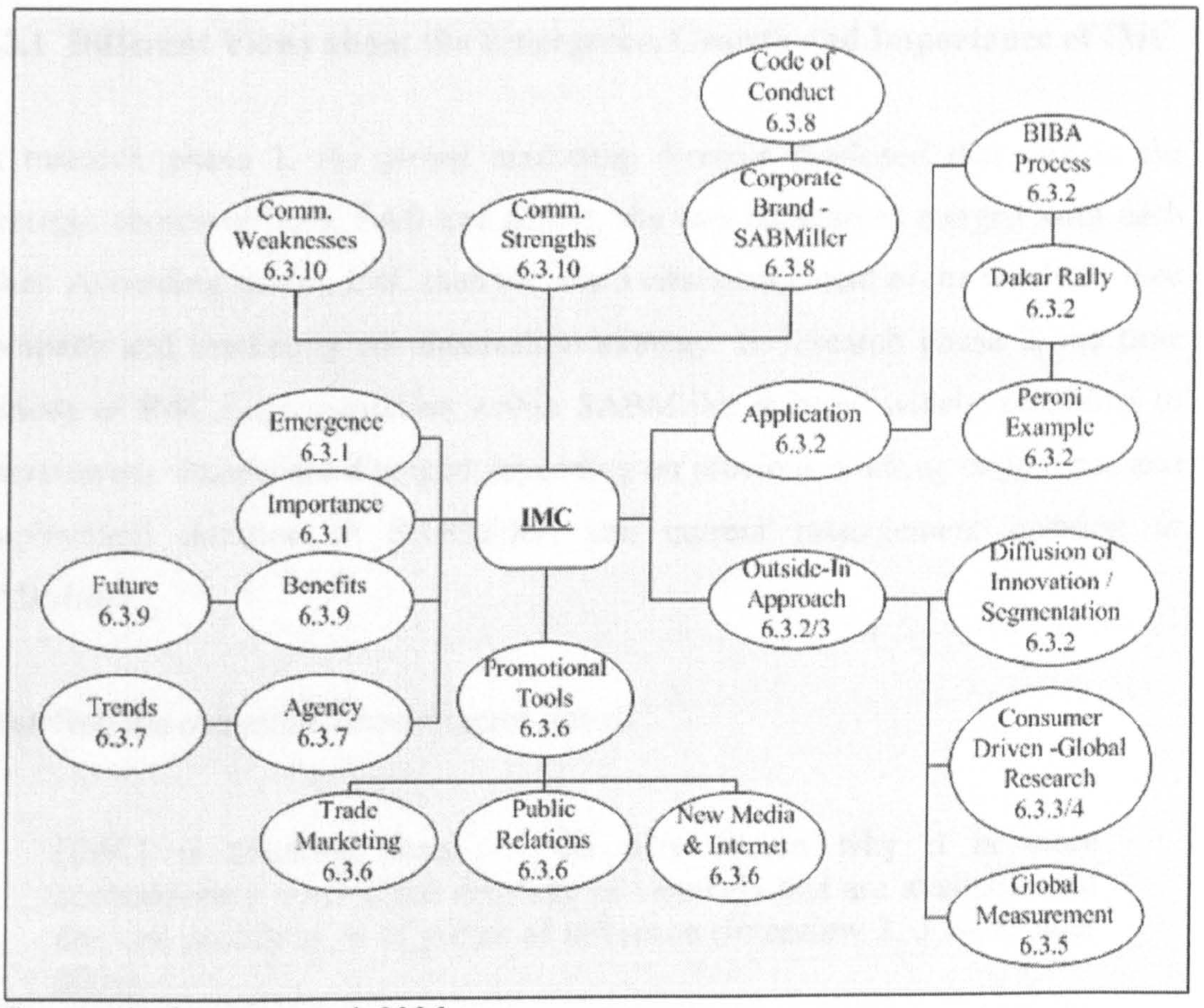
research design – i.e. questionnaires. SABMiller is not only a unique case scenario but is one of the first academic best practice case studies to be conducted in relation to IMC. Issues with regard to reliability, generalisability and validity concerns are discussed in chapter 4 – section 4.7.

In the subsequent sections, the case of IMC in relation to SABMiller will be analysed. The case study was structured based on the four research objectives (see section 6.1), the IMC literature review and according to the analysis of interview findings from research phase 2, as illustrated in Figure 6.2. The findings from research phase 1 were taken as a basis for creating the categories belonging to research phase 2. In addition, the different objectives, IMC literature, and most importantly, the interview findings were then taken into consideration to derive at the key themes and categories.

As in research phase 1, key dimensions (see chapter 4 section 4.5) were also formed which resulted from the mindmap, illustrated in Figure 6.2. However, this mindmap was used to make sense of the vast amount of data. As such, dimension 1 includes the categories – emergence, importance, benefits and future. Dimension 2 which concentrates on application issues includes the categories – application (BIBA process, Dakar Rally and Peroni Example) as well the Outside-In approach. Each theme forms an area or is included in the analysis and discussion in preceding sections. However, some categories are interlinked with each other as well as the dimensions. For example, although the categories global measurement and global research belong to dimension 3 – research evaluation activities, they also fall indirectly into the dimension application issues, i.e. dimension 2.

If a topic was stressed many times by several interviewees or repeated throughout the interview by one respondent, it seemed to be appropriate to create a sub-category. For example, the category promotional tools (see section 6.3.6) has three sub-categories because the relevance of these three subject areas were found to be most important to the interviewees – trade marketing, public relations and the new media – focus is drawn to these sub-categories in section 6.3.6. For the detailed steps of analysis procedures see also chapter 4 – section 4.5.

Figure 6.2: A Mindmap of the SABMiller Case Study



Source: Author generated, 2006

To generate relevant information interviews were conducted with the global communication director and brand managers of Peroni, Miller, and Pilsener Urquell which led to a case study approach. The analysis of the interview transcripts was augmented by the extensive gathering of other primary and secondary data, both obtained from the interviewees (labelled as: unpublished source), and from SABMiller websites and internal presentations (the links to these sources are provided in the reference list). The full interview schedules are presented in Appendix 5. The categories and nodes outlined in Figure 6.2, helped form the following sections and provided guidance to the content analysis of the interview findings and other material. For a full list of categories see Appendix 7.

6.3 An IMC Perspective of SABMiller

6.3.1 Different Views about the Emergence, Growth and Importance of IMC

In research phase 1, the global marketing director disclosed that due to the strategic choice of both, SAB and Miller, the two companies merged with each other. According to him, IMC then became a vital component of the newly formed company and marketing communication strategy. In research phase 2, the time periods of IMC implementation within SABMiller differed widely according to interviewees. Responses diverged depending on previous working experience and employment duration in SABMiller, and current management position in SABMiller.

Therefore the communication director stated:

> [IMC] is common sense the only reason why it is more contemporary now, is the diversity of channels that are available and the vast proliferation of points of influence (Interview 2, 3 November 2006).

The brand manager of Pilsener Urquell who has been working for SABMiller for over eight years shared the same view as the communication director but also stated that during the last decade marketing communication programmes have become much more sophisticated and IMC driven. However, the communication director also acknowledged the reason given by Mark Sherrington (former Marketing Director of SABMiller and respondent in research phase 1) that due to the company's decision three to four years ago to develop a group marketing function and not to let the individual brewing companies stand by themselves IMC became a vital component within SABMiller.

The brand manager of Peroni explained that in 2003 SABMiller acquired the majority interest of the brand rights of Peroni. It was then decided to relaunch the brand and it was one of the first priorities to integrate all aspects of the brand with each other. On the other hand, the manager of Miller Genuine Draft stated that especially within the South African Breweries IMC has always been important

and that due to globalisation aspects within SABMiller it is becoming an even more valuable tool.

> Communication is the most important thing for SABMiller and around the world and the better you get at communicating the more successful you will be. Communication applies in every single aspect of life (Interview 3, 22 November 2006).

The analysis of responses shows that marketing communication practitioners, such as the appointed marketing and communication directors, who have much wider knowledge and substantial working experience are able to be more reflective and can compare business practices in relation to other employments and changes within the company better. Other interviewees, who have not worked for the company for such a long time period, were not able to do this. In addition, the analysis of the interviewee responses also demonstrated that two different changes occurred in SABMiller.

Firstly, there is the gradual development of IMC, i.e. due to time, the multiplication of media channels and new technology IMC practices have become more sophisticated in the last ten years. Secondly, there is a 'sudden' change of IMC practice to note. Due to the merger of the two companies, it was decided to form a group marketing division, whereas marketing communication practitioners were hired in order to manage and control the communication of SABMiller's brands more effectively. As a result of this development, the substantial experience from the marketing director and communication director and their desire to integrate SABMiller's brands more has resulted in a rising importance for IMC.

6.3.2 Implementation Guidelines of SABMiller

Brilliant Idea Brilliant Activation (BIBA) – The BIBA Process

Due to SABMiller's healthy financial position and the company pursuing a global strategy significant effort has been put into developing and generating global

methodologies for the international brands and local markets. One interesting idea is SABMiller's BIBA process, which explains how a brand should evolve and how it should operate.

> BIBA is a mindset and an ambition. It sets itself out as a linear process the start point is that you first establish a very clear sense of where you want to be and a clear sense of your destination. The next step is to go out and get yourself a big idea (Interview 2, 03 November 2006).

To illustrate this process further the Dakar Rally was used to explain the analogy of the BIBA method. The analysis of the interview with the communication director provided five distinct steps which illustrate how the procedure can be put into practice by using the example of the Paris – Dakar Race:

1. Establish the destination (Dakar) – where is the company now and where does it want to go.
2. The race goes across roads, through deserts, through water, etc. – these are the strategic obstacles.
3. A vehicle for the task needs to be selected = the big idea.
4. The development of an integrated race plan – a joined-up strategy with everybody who is involved, i.e. strategic planning -, PR -, marketing communication – and the research team need to work together on the 'brilliant activation' (using an approximately three year perspective).
5. A detailed race plan is implemented – what is the first, second and third stage.

Despite the fact that this procedure is a well-thought through process, the communication director admitted that he has experienced certain problems. He stated that due to being a large global business it sometimes occurs that individual brands, departments and even agencies fall back into their individual silos, which comprises a developmental danger of a non-integrated strategy. To prevent this, the company started to restructure the business functions, i.e. one team has to continuously work with and is responsible for implementing the strategy for the whole time period.

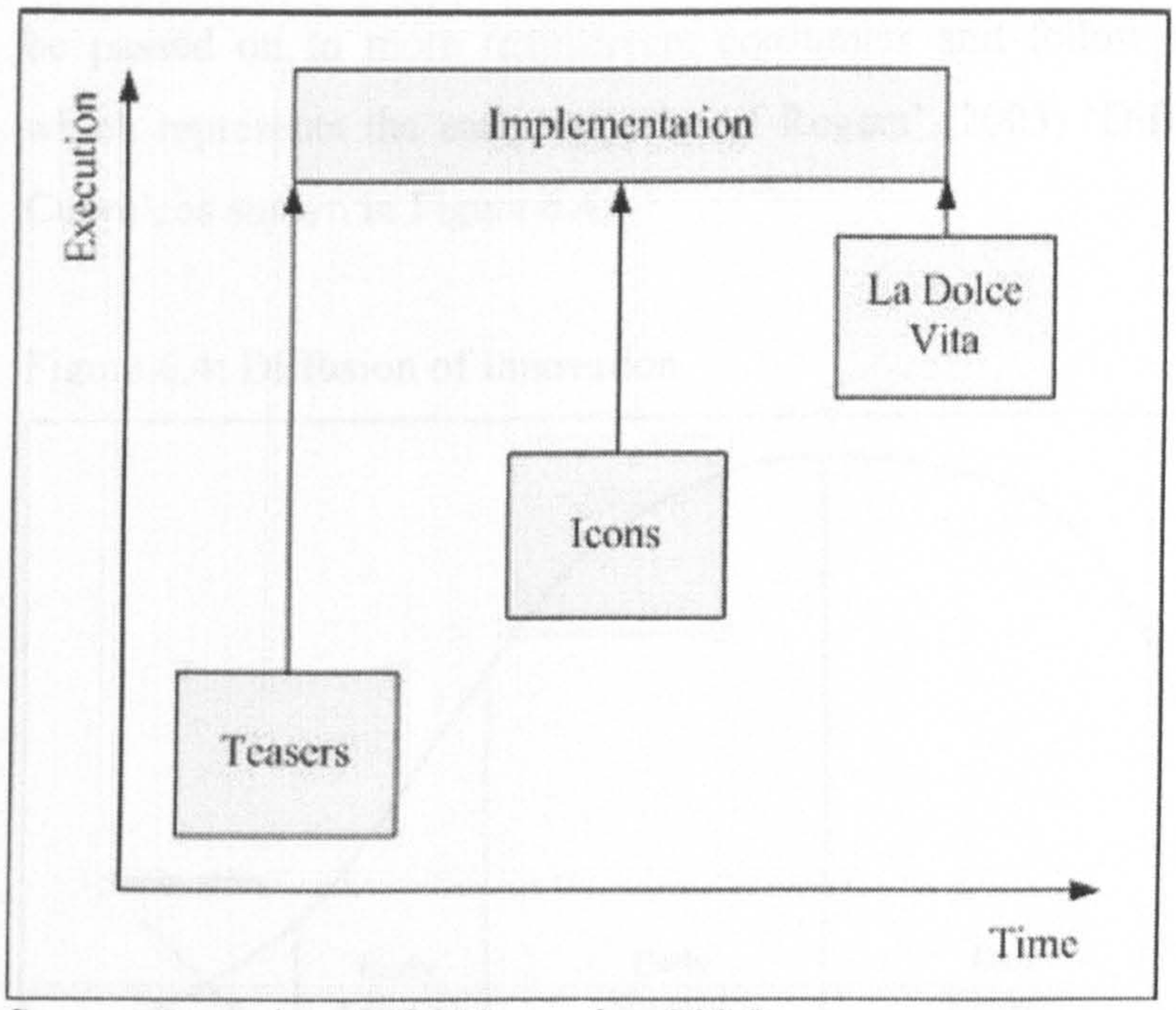
> My view is that the more time you put into understanding what your destination is, making sure that you really understand what your vehicle is capable of, developing a detailed race plan and developing an overall race strategy and then a detailed first stage race plan, actually what then happens is that when it comes to integration it just happens (Interview 2, 03 November 2006).

BIBA – A Peroni Example

Peroni, next to Miller Genuine Draft and Pilsener Urquell is one of SABMiller's success stories of international brand re-launches. Stated as advice of the beer's brand manager is " you have to be always truthful to what your core offer is it does not matter if it is an external or internal audience" (Interview 4, 24 November 2006). On the basis of consumer insights obtained via intensive consumer research, the brand's architecture, packaging design and communication strategy was re-created. Discovered via qualitative and quantitative research studies and through the help of the creative agency the big idea for Peroni is 'Italian Design Applied to Beer'.

The big idea of 'Italian Design Applied to Beer' was split up in a three stage campaign as shown in Figure 6.3 aiming at the consumer groups 'key opinion leaders'. These individuals were identified via their behaviour and key demographic factors.

Figure 6.3: A Peroni Example



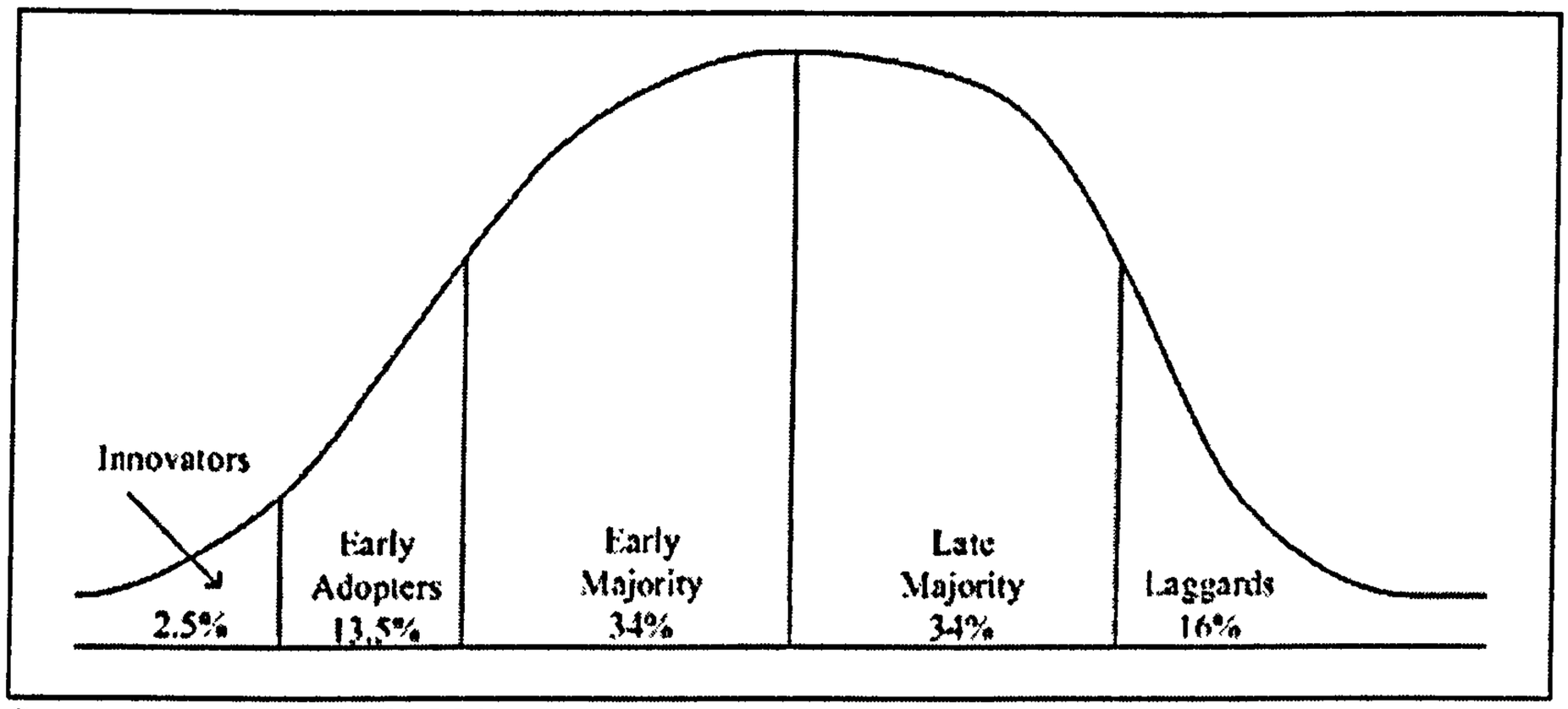
Source: Interview 5 (24 November 2006)

The first step – teasers – was the launch of the outdoor campaign, i.e. at this point of time the consumers did not know the brand but only saw the brand's name associated with Italian designer labels, e.g. a Gucci handbag – having the effect of making key opinion leaders aware of a new product and wanting to know more about the 'new kid on the block'. The second step was the launch of the product in association with Italian icons, such as boots, sunglasses and other premium brands – aiming to solve the mystery of the new product. The last step was to bring the teasers, icons and Peroni beer together in one campaign called 'La Dolce Vita' which associated the Italian lifestyle and the Italian labels applied to the Peroni brand via numerous touch points, such as posters, sponsorships, websites and cinema advertising – i.e. in an integrated approach.

Consumer key opinion leaders were a group of people between 25 and 34 years old, have medium to high disposable incomes, and like to discover and adopt new brands, such as the innovators and early adopters categories, derived from Rogers (2003) and shown in Figure 6.4. These people travel and connect with brands because they have seen the brand in different places but not because everybody else likes it. For them, an association with a brand is a process of personal discovery. The company is now hoping that by implementing a fully integrated

and consumer-driven campaign directed at key opinion leaders, the message will be passed on to more mainstream consumers and follow the opinion leaders, which represents the early majority of Rogers' (2003) 'Diffusion of Innovation Curve', as shown in Figure 6.4.

Figure 6.4: Diffusion of Innovation



Source: Rogers (2003: 281)

According to the analysis of content based on the interviews, the 'Diffusion of Innovation' or in the case of SABMiller 'The Diffusion of its Drinks' has proven to be a valuable tool to the company's brand managers. Although explained best by the brand manager of Peroni, the other two brand managers as well as the global communication director mentioned the theory in each interview. Utilising marketing communication theory in order to become consumer-driven, establish thoughtful and organised strategies as well as having a thorough understanding of the market place and environment are – to SABMiller's employees – a 'must' in today's competitive world. This theory and others (explained in subsequent sections) were stated to be vital components of SABMiller's IMC strategy and indeed, the firm's current success.

In addition, a well segmented brand portfolio has helped SABMiller establish a variety of product brands distinctively within different markets. It was explained by the communication director that the unique positioning of each brand has helped create focus for each brand and makes them appear to be more exclusive. Table 6.3 illustrates how the managing director (Tony van Kralingen) and investor

relations director (Gary Leibowitz) arranged SABMiller's successful brands in different product brand categories.

Table 6.3: Portfolio of (Non-) Alcoholic Drinks

Beer		**Flavoured alcoholic drinks**	**Carbon Soft Drinks**	**Non-carbonated beverages**			
Mainstream	**Premium**			**Juices**	**Water**	**Sports**	**Ice Tea**
Castle Lager	Miller Genuine Draft	Manic Mango	Coca Cola bottler	Just Juice	Bona-qua	Power-ade	Nes-tea
Castle Milk Stout	Lite	Premium Redd's Cold	Fanta bottler	Minute Maid			
Hansa Pilsener	Pilsener Urquell		Sprite Bottler	Winnie the Pooh Juice	**Other Beverages**		
Sterling Light Lager	Peroni Nastro Azzuro		Schweppes		Apple-tiser	Milo	Bibo
Carling Black Label	Amstel Lager		TAB				

Source adopted from: van Kralingen and Leibowitz (2006)

For each brand to be able to implement an IMC approach various facilitators are used in SABMiller. Open communication and the ability to freely talk to all managers was seen as the most significant factor for executing an IMC programme within this global organisation. However, the detailed analysis of the interviewee responses demonstrated four other major drivers for implementing a successful IMC approach in SABMiller. *Firstly*, the communication director acts as an internal consultant not only for local markets but also for individual brands and assists the work with the agencies to become aligned with the strategy of each brand. *Secondly*, the company has a well built intranet which international and local brand teams access, and can see not only branding guidelines but also best practice cases. The importance of the diffusion of best practice reports and best practice integrated marketing communication examples was stressed by every interviewee to be absolutely vital for the enhancement of current IMC campaigns. *Thirdly*, several external consultants are employed by the communication director. They act as advisors in local markets, i.e. they go to the markets for approximately four to six weeks and implement the BIBA process with the local marketing team. *Fourthly*, one- and two-day workshops are available to employees of SABMiller

where the BIBA process is practiced via examples, and illustrations are given. In addition, to be fully integrated and consumer-driven the contact to the sales teams in each market is firstly granted through local marketing teams who then report back to the global marketing team function, therefore, guaranteeing an IMC approach implemented at all levels.

6.3.3 A Consumer-Driven Approach

After explaining the IMC terminology 'an outside-in approach' – that a marketing communication approach should be developed starting with the consumer and working back towards the brand – all interviewees agreed that the company and brands do try to adopt such an approach. An outside-in approach was also justified because "in developed countries, we have to give the consumers a lot more control because that is what they want and if you don't do it they might do something detrimental to the brand" (Interview 3, 22 November 2006).

It was stated by all four interviewees that the aims of a campaign are on the one hand to increase sales and on the other, also to be in the mind of consumers. As such, research studies are conducted monthly based on consumer attitudes and behaviour, and to effectively identify changes occurring in the market place. Campaign developments are also based on identified product gaps within markets, i.e. product niches in order to create and obtain a unique selling proposition. Before a campaign or a new product is going to be launched pre-tests are carried out in order to understand if consumers like the new product campaign and the accompanying product features. Therefore, within SABMiller virtually all research studies and campaigns are indirectly and directly focused on the consumer.

> We want to be in the hearts and minds of our consumers. So, effectively we go through the BIBA exercise based on where we are and where we want to get to, what are the barriers we need to overcome; and those barriers are the basis of then developing the communication objectives (Interview 2, 3 November 2006).

The application of the IMC approach is carried out by local teams who also conduct research in order to understand what the specific needs are of their consumers. It was seen as extremely important to conduct consumer research as much as possible in order to be able to engage with consumers and to constantly have a two-way conversation with them.

> It is difficult for a global brand, we have to conduct research with our consumers to establish connections in each of the markets but at some point we got to develop assets based on those consumer insights which whilst maybe relevant to a certain number of countries may not be relevant to others (Interview 2, 22 November 2006).

The analysis demonstrates that SABMiller's brand teams attempt to act in a consumer-driven way, whereby its communication facilitators and research studies play a vital role. Although the company is a large global multinational, the analysis has also shown that it is important to listen to the knowledge and information provided by local marketing teams in individual subsidiaries in order to become the 'voice' of the consumer. Local advertising agencies and specific research studies with regard to specific countries are utilised in order to act in a consumer-driven manner. In addition, SABMiller's global brands' strategies may not always be adoptable to local consumer needs due to their 'global promise' but the company board also decided to develop local brands which are tailored to the specific needs of consumer groups from individual countries, offering a variety of choices reaching from global brands to specific local brands.

In consequence, all international brands have global brand managers who help local subsidiaries implement the global promise and marketing communication programmes. Although international brand managers are not able to be in continuous contact with all markets, each interviewee emphasised the significance of constant contact with key markets. To connect with all consumers as well as other stakeholder groups and for them to have various touch points with the brand, the international brand managers stressed the importance of employing several communication tools in a '360 degree communication approach', such as PR, direct marketing, advertising, billboard and posters. Such an approach has been stressed by Schultz throughout the last two decades (Schultz, 2006c; Schultz,

2001; Schultz, 1997c; Schultz, 1996a) as well as within practitioner journals (Economist, 2007d).

Despite trying to implement IMC approaches in all markets each brand manager stated that while the theoretical part may be clear to everyone some local markets still find it difficult to implement IMC due to resistance to change and local marketing needs. Hence, some subsidiaries have already established an IMC approach and are very good at conversing with their consumers, whereas other subsidiaries are still at an early stage. But due to increasing globalisation the interviewees were left in no doubt that in the near future all local markets will be adopting the BIBA process and other SABMiller marketing communication procedures.

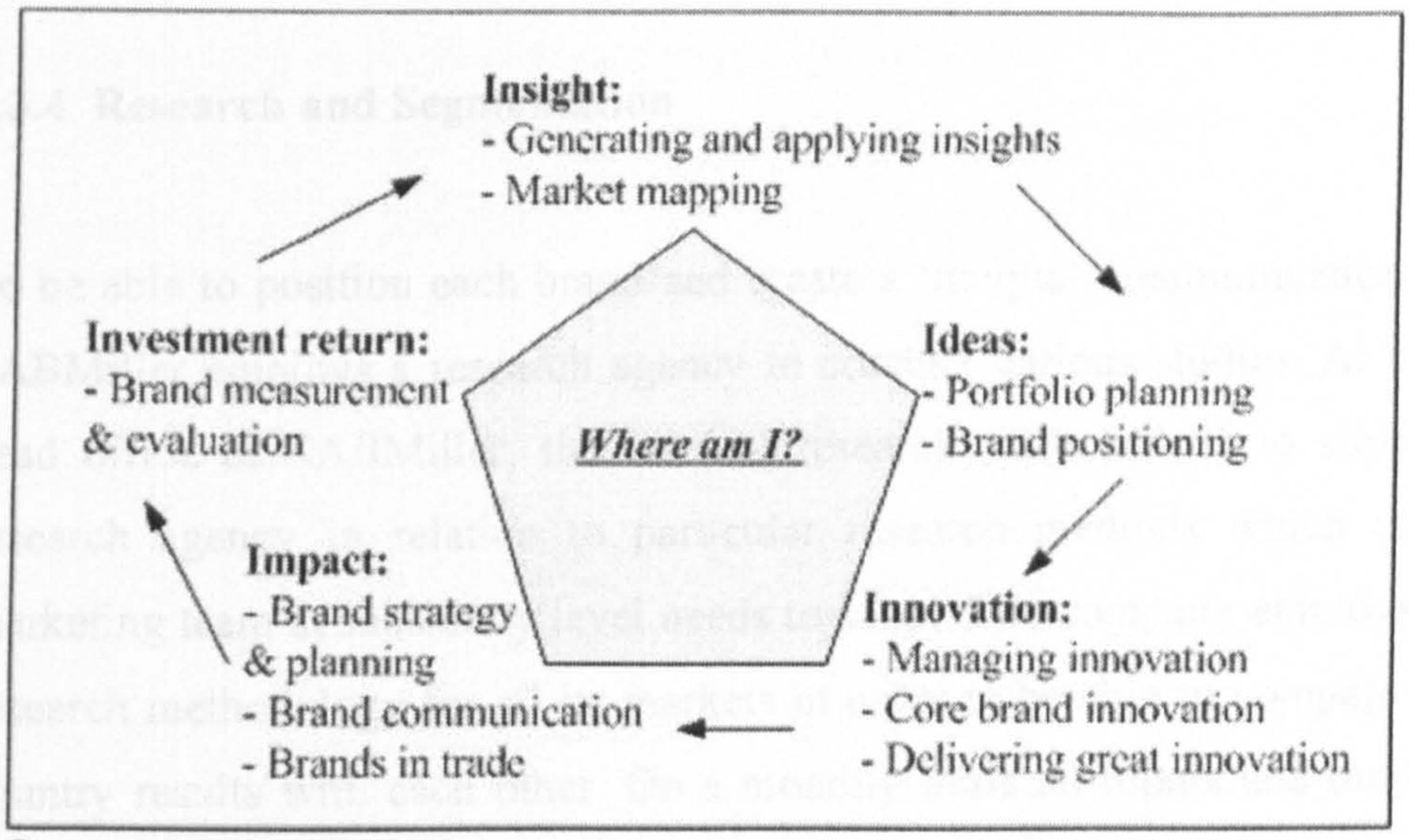
On the other hand, it was also demonstrated that not all communication campaigns can deliver active feedback from consumers. For example, a poster campaign may be heavily researched before its development but for example, the company does not expect active feedback from consumers while executing it. But when Peroni sponsored various fashion shows across the Millennium Bridge in London the brand team was formally and informally generating feedback. Interestingly, the communication director stated that beer should not always be changed according to consumer preferences because of its strong consumer loyalty, "Castle is Castle and Miller is Miller" (Interview 2, 3 November 2006). In contradiction to recent IMC literature, i.e. that a brand should be consumer-driven at all times, it was said that:

> Great brands are not simply led by what the consumer wants. Actually, great brands take a point of view. Great brands come up with ideas that consumers aren't yet able to articulate or what they want because it hasn't been made available to them previously (Interview 2, 3 November 2006).

Stressed by the interviewees and repetitively seen throughout the analysis, SABMiller is apparently a very process driven organisation (e.g. BIBA). External consultants and the internal marketing team are constantly working on improving the IMC approach. As shown in Figure 6.5, to be able to understand where each

brand is at the present time certain activities can be undertaken in order to further pursue and improve the existing strategy or to develop a new one.

Figure 6.5: SABMiller – The Global Marketing Way



Source: Mackay (2006d)

Figure 6.5 was mentioned by all interviewees and presented by Graham Mackay (CEO of SABMiller) in a SABMiller presentation (2006d), illustrating that SABMiller treats every brand as a business and not as a 'mere' brand, hence encouraging an IMC approach on an individual product brand basis and not necessarily as an umbrella approach for the whole organisation. Thus, 'Where am I' accounts for the position of each product brand and not just SABMiller. Firstly, the brand team needs to establish where the investment opportunities lie and what kind of product(s) are still missing in a particular market in relation to consumers wants. Then a more detailed approach may follow, i.e. the brand and portfolio position need to be specified. Thirdly, the characteristics of the brand innovation need to be built as well as a strategy needs to be formed in relation to how the 'big idea' can be delivered to the target market. This idea should in turn have an impact on the overall branding strategy, the trade, i.e. sales force team and retailers and above all on the brand communication. Lastly, the integrated marketing communication strategy needs to be constantly measured and evaluated. By adopting such a detailed planning approach, SABMiller has again demonstrated how advanced its IMC planning process and the marketing communication team's thinking is. Figure 6.5 illustrates a sensible and new

approach to IMC strategies and how other companies could adopt IMC, as well. Having each brand run through this exercise and especially, by viewing each brand as a unique opportunity and a 'separate business', demonstrates the importance and value of a single product brand to the overall company success.

6.3.4 Research and Segmentation

To be able to position each brand and create a 'unique' communication strategy, SABMiller employs a research agency to conduct various studies. At the global head office of SABMiller, the internal research team task is to supervise the research agency in relation to particular research methods which each local marketing team at subsidiary level needs to adopt. The company employs a global research methodology for all its markets in order to be able to compare different country results with each other. On a monthly basis all inputs and outputs from the local markets are tracked. As a result, each local market has to deliver a report back to the head office. These reports entail the following measurements:

- Share of spend
- Share of voice
- Distribution
- Pricing
- Brand attributes
- Brand awareness
- Brand perception

Before a new brand is developed or going to be launched in a market a 'market-map' is established to identify key drivers. These market mapping exercises encompass qualitative questions to consumers about what they drink, where they drink, how much they drink, and the brands they consume. Subsequently, investment opportunities are evaluated and the marketing communication strategy is developed and executed. By developing these guidelines for each marketing team in SABMiller, the company is able to ensure a structured and systematic IMC approach. Again, as stressed in the interviews, it is important to be process

driven because only then SABMiller's top management can ensure that behind each conclusion a brand team makes, an assessment exercise has been carried out. Thus, inadequate decisions and irrational choices can be eradicated.

A claimed new segmentation approach by Mark Sherrington (former Marketing Director) – but borrowed from the poet 'Rudyard Kipling' (2007) – is presented in his book 'Added Value' (Sherrington, 2003). These segmentation guidelines – the 5 W's are set at a global level for all subsidiaries in SABMiller:

- Who
- What
- When
- Why
- Where

Hence, the company first conducts different quantitative research in order to establish its most profitable segments, i.e. what kind of occasions are driving what volume, or what kind of demographics are driving what kind of volume. After the fundamental segments are established, qualitative research studies follow to establish the 'Big Idea'. However, as said, SABMiller is working on a methodology to quantify this procedure. Formerly, the company employed more qualitative studies, all interviewees stated that the measurement and evaluation side of marketing communication is becoming much more important which has also been stressed on numerous occasions in the IMC literature (Schultz, 2007; Ratnatunga and Ewing, 2005; Reid, 2005; Eagle and Kitchen, 2000). In addition, the company is also looking into changing its current segmentation model but so far, no changes have been made.

As explained in section 6.2, SABMiller is a company, which grows mainly through acquisitions and mergers around the world. In order to make the acquisition process and the development of the brand portfolio in its countries more sophisticated, the company is working on a structured process in relation to future investments, i.e. an 'Investment Scenario Model'. For example, the company develops an economy-value brand, which it would like to grow in a

market with low competition, but high growth expectancy, thus, Investment Scenario 1 would be required. Another investment scenario would be a highly competitive market, where SABMiller would like one of its more mainstream brands to become market leader. However, some preliminary work has already been carried out, but so far no final solution has been developed because an investment opportunity in one market does most likely not equal fully an investment opportunity in another market – only comparisons can be made. At the moment, investment decisions are concluded via the results presented from research studies and the information obtained via the databases, e.g. how big would the approximate size of market share in a specific country be. So far, no other company of research phase 1 has mentioned or explained its company's 'Investment Scenario Model' in the interviews. This may have been caused by the fact that this was not a specific question in research phase 1 but on the contrary, it could also be that none of the participating companies has actually implemented such an approach, which would make SABMiller one of the first companies to do so.

6.3.5 Measurements

> If we could measure with certainty our outcomes – i.e. 'I do this and that happens; then you would be a millionaire' (Interview 2, 3 November 2006).

All interviewees stated that measurements of campaigns in relation to consumer behaviour are becoming increasingly important parameters for the business. However, according to the interviewees responses, all perceived it as impossible to measure the effect of some individual communication elements or whole campaigns, as it is dependent on controllable parameters (the marketing budget, brand position, strategy) and non-controllable ones (environmental conditions, competitors, economy). Nonetheless, the end results of a campaign are measured quantitatively and qualitatively on three different levels through SABMiller's key performance indicators:

1. Brand image and awareness
2. Hierarchy of effect scores (explained below)
3. ROI, sales, propensity to buy and to test

Each campaign and its individual promotional components have objectives which are determined via research and are set before the launch of the campaign. During and after campaign implementation, measurements, which are comparable with the components of the hierarchy of effects model (see chapter 2 section 2.3.2) – awareness, trial, drink occasionally, drink regularly and most often – are carried out. PR is measured depending on the circulation of journals and magazine(s), the journalist writing, and space. At the moment, the average return on investment (ROI) of a PR campaign, e.g. of a £30000 project is that it would be three times the actual costs. Another SABMiller measurement technique is 'cost by content'. For example the company would invest £5000 per restaurant/bar, i.e. to promote a special drink or beer. During the night, a promotion team, from for example Peroni would talk to approximately 100 people – the cost per person is, thus, £50. After the night out, the consumers at the bar are asked which brands they have seen and if any in particular, how they have been exposed to it as well as follow-up talks with the bar manager will be made to find out at what rate and how much sales of the particular brand have increased. Unanimously, the interviewees echoed that trade marketing is becoming increasingly important. However, this trend has already been established in research phase 1 – chapter 5. But the detailed analysis of interviewee findings provided evidence that all interviewees of this phase viewed the link or also triangular relationship between consumer and retailer, retailer and SABMiller as well as SABMiller and consumer as interdependent and very important in order to be able to establish an outside-in IMC approach. As stated by the interviewees, only if the company is able to listen to and understand the views and opinions of different external stakeholder groups, i.e. in particular, the consumer and retailer, a consumer-driven approach can be established.

Table 6.4 shows how and in which ways the company measures the success of each brand, starting with its marketing communication activities, going on to the

measurement side of consumer habits and then to pure quantitative measures, such as ROI or sales growth.

Table 6.4: Brand Monitoring and Strategy

Actions – Marketing Leverage	**Consumer Dynamics**	**Results**
1. Marketing spend	1. Attitudes / brand image	1. Sales growth
2. Communications	2. Consumption funnel (awareness, trial, use, repeat)	2. Segment share
3. Price		3. Profitability / ROI
4. Product Quality		
5. Distribution		

Source: SABMiller Presentation by the CEO – Mackay (2006)

The company has already thought about implementing new measurement techniques in the future. One of these activities is the comparison of above- and below-the-line effectiveness at subsidiary level. The suggestion was made to carry out two separate tests in similar countries; one of the markets only using above-the-line activities and another market using below-the-line activities, where the results can be compared with each other and to other markets where above- and below-the-line activities have been applied. However, until now such an experiment has not been carried out.

Firstly, this experiment would present an enormous risk for both countries because both markets would have to renounce either above-the-line or below-the-line activities for specific campaigns which may lead to marketing errors and loss of market share in the particular country. Furthermore, the loss of sales and profit would be hard to estimate as well as the costs and time-span to create such an experiment are also reasons why this experiment has not been conducted yet. In conclusion, SABMiller thrives to become better and more sophisticated in its tactics as well as IMC procedures, including the development of new measurement techniques. Currently, the organisation employs several different methodologies to measure and evaluate its IMC strategies but these were not divulged in the interviews. But, the companies efforts to improve its evaluation techniques as well as the interviewees acknowledgement of the importance of marketing communication measurements is in agreement with the IMC literature

(Schultz, 2006e; Ratnatunga and Ewing, 2005; Swain, 2004; Schultz, 2003) and also demonstrates that SABMiller seemed to be an advanced practicing IMC company.

6.3.6 IMC Tools and Trends

SABMiller spends over $1billion annually on its marketing activities, whereas all interviewees shared the view that due to the audience fragmentation and sophistication of marketing communication programmes IMC will become more important than it already is. The company has steadily grown its investment into training its sales force about individual brands (SABMiller, 2006k; SABMiller, 2003b). The interviewees took great pride in the fact that each individual sales person, 'promotion girls' and bar tenders understand what each brand resembles. Shown in Table 6.5 are the results of the interview findings in relation to marketing communication trends. For example, public relations and the Internet have been identified by the interviewees as increasingly valuable tools, especially due to threats of alcohol prohibition and advertising.

Table 6.5: Promotional Mix Elements Comments and Trends - SABMiller

Interviewees / Comm. Mix Element	Interview 2 (3 November 2006) – Comm. Director	Interview 3 (22 November 2006) – Miller Brand Manager	Interview 4 (24 November 2006) – Peroni Brand Manager	Interview 5 (28 November 2006) – Pilsener Urquell Brand Manager
Advertising	Will increasingly decline	In decline – 'old-school'	Less important. Decline	Less important. Decline
Direct Marketing	Don't do much at the moment but 1:1 marketing will grow	Not used very much	Only in certain markets in order to generate loyalty and awareness	It is not very important. Needs to be done in a much more targeted and sophisticated way
Sales Promotion	Increasingly important	Not used on premium brand	Not very important	Not very important. Only important

				if brand is promoted on the basis of value not volume
Personal Selling	Very important	Important in trade marketing	Very important. Basis of the brand	Key strategy
Internet	Most important communication tool in the future	Very important with urban young cool brands	Very important due to media fragmentation	Important. Finds it important to be up-to-date
Marketing PR	Increasingly important	Most important tool	Key activity	Increasingly important
Sponsorship	Important but needs to be handled with great care	Important if it drives the brand communication	Important	Very important due to its dialogue function

Source: Author generated, 2006

Sponsorship was also found to be an essential tool, one interviewee voiced that especially sponsorships have the ability to talk to the consumers in a two-directional way rather than merely sending a message with limited feedback. During the interview with the communication director, he also mentioned that in the near future the company will develop a best practice framework of how to approach alliances or sponsorships the SABMiller way, which again illustrates how important it is that companies understand that process and structure can help a firm to become more integrated. So far, no other company being researched in this thesis has created such a framework.

Already being said by several marketing directors in the first phase of research design but also said by a brand manager from SABMiller, it was believed that there is not " one working recipe how [IMC] should be done, it varies from company to company" (Interview 5, 28 November 2006). Taking now into consideration the new media and growth of above- and below-the-line communication tools, Table 6.6 illustrates how the company develops and grows its strategic premium brands and which marketing communication tools are most important to achieve the set objectives at each stage of the brand's life cycle stage. For example, when creating the brand the target group selected are the early adopters, which is in support of Roger's (2003) 'Diffusion of Innovation' (also

explained in Peroni example see section 6.3.2). Attention at this early stage of the brand is drawn towards a pull-strategy, focusing on the on-trade sales, i.e. the direct contact and dialogue between SABMiller and potential consumers. Therefore, promotions, an image campaign and other below-the-line activities are utilised. In addition, at each stage of the brand the strategy also focuses on tactics needed to convey the message(s) to prospect consumers as well as used by the sales force team to convince consumers and retailers about the particular brand.

Table 6.6: A Strategic Approach for Premium Brands

	1. Create	**2. Build**	**3. Expand**
Objective	Build where early adopters	Grow consumer circle	Extend beyond core consumer segment
Focus	Drive on-trade, establish initial pull	Drive on-trade and off-trade penetration	Maintain penetration, target wider consumers
Tactics	Promotions drive image and trial, below-the-line (BTL)	Continue BTL, above-the-line (ATL) with product focus	Shift to ATL focus, maintain BTL spend
Sales Force	Build on-trade consumer relationships	On-trade focus, build modern trade presence	Enhance presence in on- and off-trade

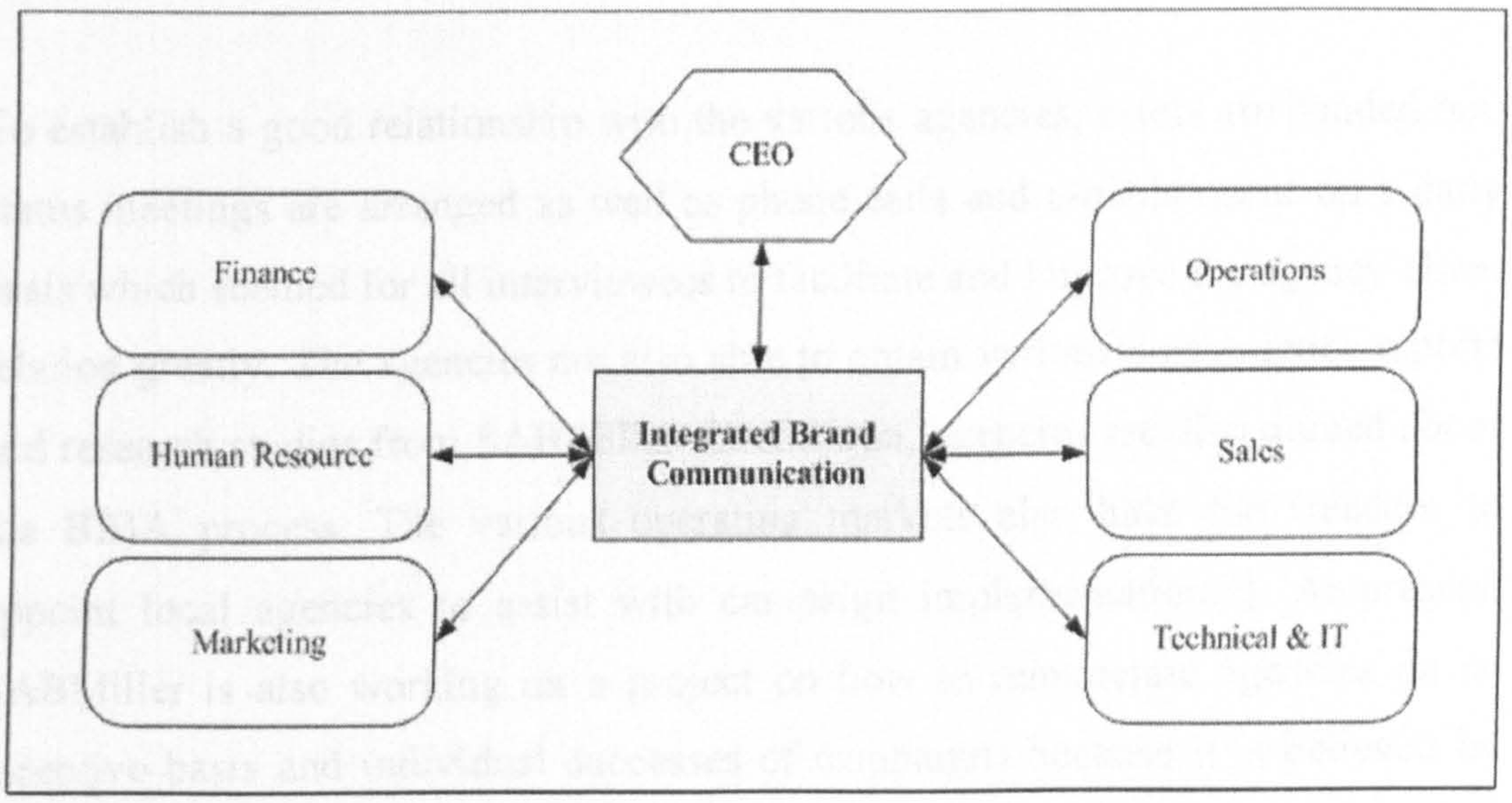
Source: Mackay (2006)

According to the interviewees each brand in each market has a database for its use. These databases are not globally deployed and are also not applied to segment consumer groups. Only recently at the head office a project was undertaken to store market data, brand health scores, awareness, propensity level and consumer preferences for the international brands in order to understand how the brand(s) are developing on a global level. Although stressed in the current IMC literature (Reid, 2005; Duncan and Mulhern, 2004; Johnson and Schultz, 2004; Duncan and Moriarty, 1998), a globally segmented database was not identified by SABMiller as a major need for an IMC approach at this time. However, Reid (2005) and Duncan and Moriarty (1998) illustrated in their 'IMC Audit Form' that an IMC orientated company should store, for example consumer preferences, customer complaints and customer inquiries in databases. Hence, SABMiller may be applying an advanced IMC approach in comparison to other companies but the firm could still leverage its database technologies better in

relation to what kind of information is stored in its databases and how this information is used at a global level.

Although a global database may not be part of SABMiller's IMC approach, the communication director specified IMC as a subset of a bigger idea called integrated brand communication which not only controls the marketing communication functions but resembles the brand in every way. As most companies, SABMiller is still led by the individual functions and operations of the organisation, i.e. sales, finance, human resources, operations, information technology and marketing. The communication director identified this as a weakness and is attempting to re-organise the firm by brands. Therefore, no longer are different departments but individual brand teams responsible for reports at meetings and the general day-to-day business, as a result, making the functions support the brands and not vice versa. Consequently, the brands become the key drivers of the business, as shown in Figure 6.6.

Figure 6.6: Integrated Brand Communication



Source: Interview 2 (03 November 2006)

A revised version of Figure 6.6 will be presented in the discussion of research phase 1 and 2 in chapter 9 section 9.6.

6.3.7 An Agency perspective

Most IMC research has been conducted in light of views and perceptions of advertising executives, very few studies have concentrated on the relationship between clients and agencies (Kitchen et al., 2004a; Eagle and Kitchen, 2000; Beard, 1997). Currently, SABMiller employs a creative advertising agency as the lead agency. Other agencies employed include a below-the-line, packaging-design and media-buying agency. A consultant agency and specialists are also employed to advise on strategy matters and execution (see section 6.3.2). Despite SABMiller's current agency practices, the communication director explained that due to increasing audience fragmentation and the multiplication of various media channels it may be advisable for the company to employ the media-buying agency as the lead agency and not necessarily the creative agency. The three brand managers did not express this opinion. These managers may not share the communication director's view but it may also be possible that their ideas are not as 'advanced' as those of the communication director whose previous working experience was with other MNCs, consultancies and advertising agencies.

To establish a good relationship with the various agencies, briefs are handed out, status meetings are arranged as well as phone calls and e-mails occur on a daily basis which seemed for all interviewees to facilitate and improve the agency-client relation greatly. The agencies are also able to obtain various best practice reports and research studies from SABMiller. In addition, agencies are also trained about the BIBA process. The various operating markets also have the freedom to appoint local agencies to assist with campaign implementation(s). At present, SABMiller is also working on a project on how to remunerate agencies on an incentive basis and individual successes of campaigns because it is believed by the communication director that collaborative behaviour will be more encouraged by such an incentivised approach.

It was stated by all interviewees that although, some agencies are used for the development of tactical tools, SABMiller does attempt to incorporate the agencies (especially the lead agency) into the strategising process, brand architecture development, brand positioning and planning for each and every promotional tool.

In particular, the lead agency's task is to facilitate the development of a creative strategy for individual brands and to ensure that integration between various agencies and, if utilised local market agencies, is maximised. Therefore, the lead agency has to make sure that the staff is in continuous contact with all other agencies, via e-mails, briefings and phone calls as well as the information flow and exchange should be ensured at all times. Research study results are also presented to each agency. As indicated in research phase 1 as well as this case study provided evidence that an IMC approach can only be applied, if internal integration is granted. Agencies and the company need to work together in order to ensure internal integration which will result in a more consistent IMC approach to external stakeholder groups. However, all interviewees agreed that the IMC approach and initiatives were controlled by SABMiller, led by the company, and not agencies.

As in phase 1, all interviewees of SABMiller unanimously agreed that the call for an IMC approach and its management *comes from the organisation itself*, whereas the communication director compared the role of the firm with that of a producer who assigns tasks. "When I joined my first job, interestingly agencies and clients used to say that the agency is the brand guardian but this is not the model in going forward" (Interview 2, 3 November 2006). He also stated that the idea of an agency leading the client is out-of-date. A prediction also made by the communication director who has previously worked for several agencies was that in the future "an increasing number of people who have an agency background will switch into client roles" (Interview 2, 3 November 2006), making the work between agencies and clients much more fluid, flexible and understandable.

For SABMiller respondents, the bond between themselves and their agencies is a 'partner-relationship' and not only regarded as the agent serving client needs, which in turn, encourages better communication outputs and message integration. To them, a long-term relationship with their agencies helps to establish trust, increase communication between client and agency, and enables their agencies to feed back ideas more easily which leads to greater contribution towards the company's external communication output. Thus, SABMiller continuously works on this relationship in order to leverage the agencies' skills to their full potential

and also to maintain a 'consistent voice' in communicating with all stakeholder groups. An example given by the brand manager of Peroni is that when the big idea 'Italian Design Applied to Beer' was created, all agencies, i.e. the lead agency, above- and below-the-line agencies and local agencies from key markets were brought together to discuss steps of implementation – in seeking to ensure that the campaign was 100% integrated. Hence, there appears to be an interest and recommendation for firms pursuing an IMC approach, to decide upon the kinds of agencies they would hire, and to note that a long-term relationship with agencies can be far more 'fruitful' than just a short-term arms length tactical operation.

6.3.8 The Interaction and Interdependence of the Product and Corporate Brand

As a result of SABMiller's strategy, i.e. to pursue a drinks portfolio strategy the corporate brand is 'detached' from the product brands. SABMiller does not make it known that any of its beer brands are brewed or produced by SABMiller. Furthermore, some of the local companies which they have acquired are not re-branded to 'SABMiller' but retain their original name. Therefore, the link between many brands and the corporate brand is almost invisible and may be further strengthened should the company decide to do this. On the other hand, being the biggest brewery in South Africa SABMiller has a very good reputation due to its many financial investments into the community.

> Very few people here, certainly in Europe would have heard of SABMiller versus a country like South Africa, where everybody knows and loves the South African Breweries because we have done so much to invest money back into the country and to exercise corporate social responsibility (Interview 3, 22 November 2006).

Although externally the connection between the corporate brand and the product brands is missing, internally, SABMiller established an 'alcohol manifesto', which can be described as a code of conduct of how the company and its employees should behave towards external stakeholder groups. Furthermore, internal regulations exist which each employee has to follow. Despite of the

human resource department conducting regular surveys, these studies are separated from the marketing department and thus, no further information has been provided.

In a monolithic or endorsed identity the corporate brand would be at least partially known (Kitchen and Schultz, 2001). As stated previously in section 6.2, SABMiller grows through mergers and acquisitions of different brands; pursuing a unique and single branded identity for each of its products. After questions being raised with regards to the corporate brand, the communication director said that he encourages interaction among different brands. It was also evident from the responses of the interviewees that due to the brands' different consumer groups that contact and interaction between the managers in relation to their respective brands is kept to a minimum and present only informally.

> Miller, Peroni and Pilsener [for example] have different consumers so there is no interaction only informally (Interview 4, 24 November 2006).

According to the interviewees and especially the three brand managers, at points it seemed that individual brands have greater influence and are more powerful than the actual corporate brand which may have been caused by individual brand histories and the fact that SABMiller has only recently merged. It was also stated that the corporate communication department is seen as a separate division from the marketing department. "There is corporate branding but it is done at different levels. It is more done from a financial point of view" (Interview 4, 24 November 2006). One may find this 'awkward' that these two communication elements are not linked more closely in order to establish a more consistent approach and an overall corporate culture (see also section 6.3.10).

6.3.9 IMC Benefits

By having an advanced IMC approach, the benefits of IMC were easily recognisable for the interviewees. All interviewees shared the view that "It is basically an approach that governs how we work and how we run the business"

(Interview 5, 28 November 06). IMC being embedded into the business practice and philosophy has especially led the brand managers believe that it is a natural way to do business. Apparently, good communication within each brand team, strong leadership and guidance from the top, and a strategic relationship with agencies lead to greater financial returns and cost effectiveness, though the precise measurement tools and formulas from which these facts were derived, were not explained but may be addressed in subsequent research.

Other major advantages of employing an IMC approach were identified by the interviewees as:

- Higher brand value and brand equity
- Internal consistency is encouraged
- Best practice cases can be established
- Better feedback on existing campaigns
- Alignment of brand activities
- Time, resources, relationships and turn-around times are managed more effectively
- Global research and measurement methodologies lead to cost effectiveness

6.3.10 Advancing the IMC Approach in SABMiller

The global nature of SABMiller and the employees' ability to develop global methodologies of many of SABMiller's business practices has helped individual product brands to become highly integrated and strong successful global 'players', thus, making it the most successful IMC case example in this thesis. The company's strong emphasis on a consumer-driven approach and its ability to leverage and integrate point-of purchase tools to their maximum are two activities which are immediately noticeable. However, as in any organisation and also answered by many interviewees in this thesis, improvements with regard to IMC are always encouraged.

As identified by the communication director and in the first interview with the marketing director, weak points of the company are the advertising – client relationship and the marketing/research/sales/PR relationship. As emphasised in chapter 2 as well as expressed by one brand manager, the coordination between PR and marketing needs to be deepened. Another interviewee stressed the importance of a consistent IMC strategy around the world whereby all markets adhere to the same standards. As an advice it was given that " all markets need to be open to the idea of working together with demonstrations" (Interview 3, 22 November 2006). All interviewees mentioned that only through direct conversations and meetings these relationships can be improved.

The detailed analysis of interview findings demonstrated that only one of the interviewees stated that enhancements could and should be made in relation to SABMiller's 'weak' corporate brand. Although in South Africa and the USA (the homes of the company), the corporate brand is much more advanced than in other countries, the corporate brand may be developed in order to create a 'home' for all brands and all employees. He and Balmer (2006) also proposed that a strong corporate brand may encourage consistency and integration among operating countries. On the other hand, the country South Africa may still have negative connotations in particular to external stakeholder groups, such as consumers from other countries than South Africa due to its history with regard to race discrimination and apartheid. Therefore, the association of product brands with the South African Breweries and Miller may not be advantageous, if not to say damaging (see also section 6.3.9).

Despite this problem, it is still found 'odd' that the marketing and corporate communication functions are separated which results from the origin of South African Breweries being South African whereas Miller originated in the USA, but with some of the major operations taking place in the UK. As an example, the Department of Innovations can be found in Johannesburg but the three most global brands (Peroni, Pilsener Urquell and Miller) are managed from the head office in London/Woking. In addition, it was also explained that the financial, marketing and commercial teams do not collaborate on a day-to-day basis. Furthermore, as the company grows through major acquisitions, SABMiller senior

executives need to make sure not to lose the company's strategic advantage and appear fragmented towards external stakeholder groups. In the long-term future the company may consider managing its major operations from one location in order to leverage the skills of each employee to their optimum and to be able to integrate the company.

6.4 Summary and Conclusion

SABMiller has successfully implemented IMC within most of its markets since South African Breweries and Miller merged in 2002. SABMiller's global reach and marketing communication programmes are rich and very well developed. Hence, SABMiller is a distinctive case study that illustrates beliefs and perceptions of brand managers and directors as well as how the marketing team has implemented and applied IMC in their subsidiaries and international brands. The company is very sophisticated in relation to marketing communication practices and tools it employs. Its marketing and communication management team established the BIBA process which helps subsidiaries and brands to implement an integrated marketing communication strategy. The company also holds global research methodologies which are used by the marketing teams for 200 brands, thus, ensuring a basis of comparison.

A potential weakness of SABMiller's communication strategy is the current lack of interaction between product brands and the corporate brand. Although the organisation's product brands are very strong, the corporate brand should not be neglected. SABMiller is well-known and regarded in South Africa due to its exercising of social responsibility. However, the company is relatively unknown in other countries, thus SABMiller still needs to build a home and image of the corporation in other countries for the financial stakeholder group and its own employees.

One of the strongest points of SABMiller is that it has embraced most of the new technologies, which each interviewee saw as vital components of a successful 21st century marketing communication mix. Moreover, each interviewee stressed the

importance and power of marketing public relations, whereas on the other hand, the decline of advertising and television commercials was admitted. Despite the fact that the company is emphasising the utilisation of new technologies, the importance was stressed by all brand managers and the communication director that each brand team needs to encourage a 360 degree marketing approach (Economist, 2007d; Schultz, 2006c; Schultz, 2001; Schultz, 1997c; Schultz, 1996a), which may utilise different promotional tools in order to deliver a consistent marketing communication strategy to consumers.

The interviewees from the first and second phase of this research and the obtained company information have verified that SABMiller has successfully implemented IMC at a global level. Its global research methodologies, practices and open communication throughout the business are only few facilitators which may be of assistance when implementing an IMC approach. Chapter 7 provides the findings and analysis of the case study 'Imperial Tobacco'.

Chapter 7: Research Phase 2 – Imperial Tobacco

Figure 7.1: The Research Stages

Part 1	**Chapter 2 - Marketing Communications** Evolution of Marketing, Marketing Communications, Promotional Mix Elements, Trends
	Chapter 3 – Integrated Marketing Communications (IMC) Development of IMC, IMC Studies, Barriers, Criticism, Corporate Communications
	Chapter 4 – Research Methodology Research Purpose and Objectives, Paradigm, Design and Strategy, Ethics, Reliability/Validity/Generalisability Issues
Part 2	**Chapter 5 – Research Phase 1** Results of the Study
	Chapter 6 – Research Phase 2 Results of SABMiller Case Study
	Chapter 7 – Research Phase 2 Results of Imperial Tobacco Case Study
	Chapter 8 – Research Phase 2 Results of Tryton Foods Case Study
	Chapter 9 – Research Findings Analysis and Discussion of Research Phase 1 and 2
	Chapter 10 – Conclusion Academic, Managerial and Methodological Contributions, Limits to Results, Future Research

7.1 Introduction

The previous chapter concentrated on the first case study, SABMiller, under investigation in this thesis. SABMiller is a multi-national corporation (MNC) practicing integrated marketing communication (IMC), especially in relation to its external communications. As shown in the analysis, the company's marketing staff and external consultants were able to develop global methodologies and procedures which have helped to create best practice.

This chapter provides the findings and analysis of the case organisation Imperial Tobacco. Imperial Tobacco is one of the largest tobacco companies in the world, but is, due to its products' harmful and somewhat controversial nature, dubious

and divisive. Still, its marketing communication practices are highly successful and the loyalty of consumers is admired by not only other FMCG firms but companies from many other industries.

Imperial Tobacco may be as large in size as well as in its operations as SABMiller but the initial findings of research phase 1 demonstrated that the company had not been as successful in implementing IMC as SABMiller. Thus, SABMiller was the first case study to be presented in this thesis, followed now by Imperial Tobacco. As in chapter 6, the case study is organised in the context of the first four research objectives, which comprehend a variety of key issues (in *italic*) which will be addressed in this chapter:

1. To explore the *emergence, growth and importance* of IMC within large consumer firms.
2. To explore the current situation of IMC *implementation and application* within the selected firms at the:
   a. Corporate Level
   b. Strategic Business Unit Level
   c. Product Level
3. To explore interactions and the interdependence between:
   a. The *Corporate Brand* Level
   b. The *Product Brand* Level
4. To identify, evaluate and compare perceived *benefits* with regard to the growth, importance and usage of IMC within the chosen firms.

Taking into consideration the four research objectives and the unique case scenario of Imperial Tobacco, this chapter will proceed as follows:

- Section 7.2 provides a summary of Imperial Tobacco in the context of the tobacco industry
- Section 7.3 presents the analysis of IMC within the context of Imperial Tobacco

- Section 7.3.1 investigates the views and perceptions of brand managers and the global marketing director in relation to IMC. In section 7.3.1.1 special attention is drawn to the Reemtsma acquisition in 2001 and its implications on the marketing communication programme within Imperial Tobacco – *Objective 1*
- Sections 7.3.2-7.3.7 demonstrate implementation and application difficulties in relation to IMC within tobacco firms. The impact and influence of government regulations and agencies on the marketing of cigarettes are highlighted. An investigation into future trends in relation to available promotional tools are provided – *Objective 2*
- Section 7.3.8 reveals the problems Imperial Tobacco is facing with regards to corporate branding – *Objective 3*
- Section 7.3.9 reviews the key benefits an IMC approach would provide to Imperial Tobacco – *Objective 4*
- Section 7.3.10 demonstrates how Imperial Tobacco could improve its marketing communication approach as well as a list of the company's strengths is provided.
- In section 7.4 a conclusion of this case is given.

7.2 An Overview of Imperial Tobacco

Persuading Imperial Tobacco to participate in this research is – of itself – a significant research outcome. For many years, researchers have tried to obtain interviews or access information on this company but without success (Dewhirst, 2004). Tobacco companies are most likely one of the most health damaging FMCG businesses in the world but they have displayed highly successful marketing communication campaigns and generated consumer loyalty for their brands as in no other industry, e.g. less than 10% of smokers will switch brands (Cummings et al., 1997b; Cummings et al., 1997a).

Imperial Tobacco was founded in 1901 and since then, has undergone major strategic changes (Datamonitor, 2006a). During the 1980s the company board took a major decision to concentrate on tobacco products and sold off its

remaining retail and food product businesses. In 1996, the organisation de-merged from Hanson and became listed as Imperial Tobacco plc in England and Wales (Datamonitor, 2006a). Until recently, Imperial Tobacco mainly concentrated on its UK sales. In 2001, the company acquired 90.01% of Reemtsma Cigarettenfabriken GmbH, a firm located in Germany and in 2004 acquired the remaining 9.99%. Immediately after the acquisition the majority of the German business was transferred to the UK head office. Today, the remaining Reemtsma company located in Germany is seen as one of Imperial Tobacco's acquired subsidiaries, the same as any of its other local subsidiaries.

Reemtsma was founded in 1910 and had by 2002 approximately 10000 employees. Through acquisitions and organic growth Reemtsma increased its market share in Asia as well as in Central and Eastern Europe (The Economic Times, 2006; Imperial Tobacco, 2002). Imperial Tobacco is now one of the four largest tobacco producing and marketing companies in the world (sales by volume), preceded by Philip Morris' Altria Group – based in the USA (Philip Morris, 2007), British American Tobacco – with the head office in the UK (British American Tobacco, 2005) and Japan Tobacco – a Japanese firm which also owns the British based Gallaher Group (Economist, 2007c; Gallaher Group, 2007). It sells its products in more than 130 countries and 60% of Group operating profit comes from non-UK sales. It has achieved world leadership in the categories of roll-your-own tobacco, rolling papers and tubes (Imperial Tobacco, 2006c).

In 2005, the net profit achieved by Imperial Tobacco was £570million, an increase of 28.7% in comparison to 2004 and an operating profit of £1044 million (an increase of 18%) (Datamonitor, 2006a). Imperial Tobacco, in the financial year 2005, achieved sales of more than 113billion cigarettes wherein its 4 most powerful brands accounted for more than half of the company's sales volume (Davidoff achieved 10.3%, Maxim 12%, West, 13.6% and Prima 16.8%) (Blashill, 2006; The Economic Times, 2006). Table 7.1 presents a financial historical overview of Imperial Tobacco's operations since 2000.

Table 7.1: Imperial Tobacco Financial Overview in UK£mn

	2006	2005	2004	2003	2002	2001	2000
Revenue (including duty)	11,676	11,255	11,005	11,412	8,296	5,918	5,220
Operating Profit	1,311	1,044	885	881	603	604	560

Source: Imperial Tobacco (2007) and (2003)

Due to restrictions in almost every country around the world, large tobacco companies are finding it increasingly difficult to market their products and for applying an IMC approach because of legal and regulatory constraints. Europe is one of the more regulated continents. Countries in Asia, such as Cambodia or Saudi Arabia are less restrictive and still much more open. Thus, especially in Eastern Europe and Asia, the company is finding its highest current growth opportunities (Blashill, 2006; Dyrbus, 2006).

The company divides its operations into four sectors – cigarettes, roll-your-own tobacco, cigarette papers and cigars & pipe tobacco. In Europe, Imperial Tobacco is market leader in the UK and number two in Germany (Imperial Tobacco, 2006a). Some of the strategic important brands of Imperial Tobacco include Lambert & Butler – the UK's largest cigarette FMCG brand, West, Davidoff, Drum – a roll-your-own tobacco product, Rizla – the world's number one rolling paper and Prima – which is the cigarette market leader in the Ukraine.

Imperial Tobacco's internationalisation and strategy focuses on growth and general shareholder value (Blashill, 2006): "To create sustainable shareholder value by growing our operations both organically and through acquisitions" (Imperial Tobacco, 2006b). Although the company gained the Davidoff cigarette brand through the acquisition of Reemtsma, the brand trademark rights for 'Davidoff' remained with the German company Tchibo. In 2006, the company board made a major strategic decision, i.e. to acquire the Davidoff trademark for £368million (Imperial Tobacco, 2006b; The Economic Times, 2006; Imperial Tobacco, 2002).

In the first phase an interview with the global marketing director of Imperial Tobacco (8 December 2005), explained an important element of terminology used by tobacco firms. If a country has gone 'dark' means that it is highly regulated and almost no marketing communication activities can be used. An increasing darkening market place is the UK, where smoking bans are implemented in public and private places, effectively put into action in the summer of 2007 throughout the country (Imperial Tobacco, 2006d). If a country is still 'light', that means it faces less restriction insofar as marketing communications are concerned.

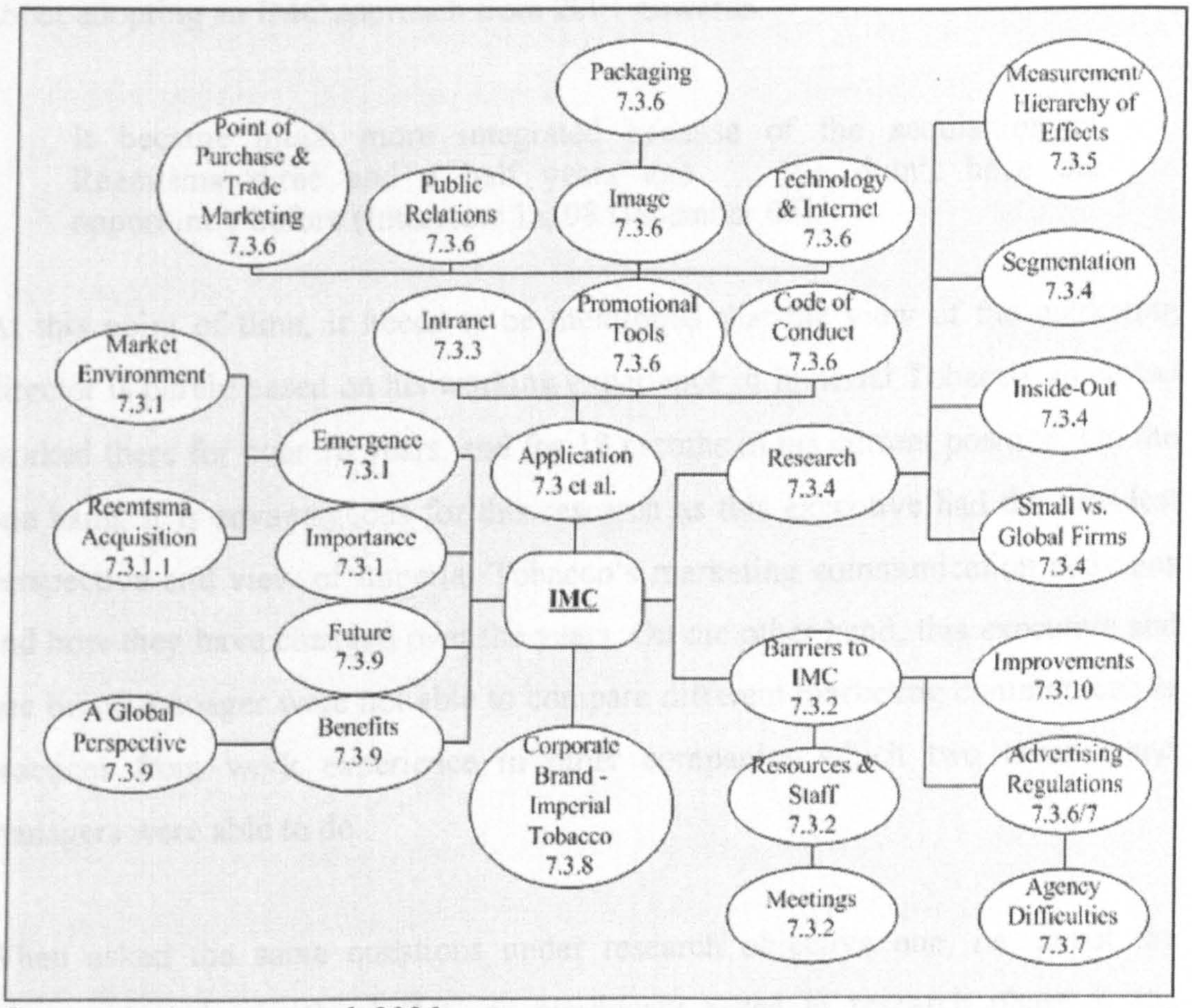
Because of Imperial Tobacco's extensive international activities and the company being the fourth largest tobacco company in the world, the firm is a major competitor to other large cigarette manufacturers, such as British American Tobacco (Interviewee – British American Tobacco, Phase 1). The firm has seen substantial growth due to the Reemtsma acquisition and is regarded by interviewees in this case as a dynamic multinational, as the company intends to become larger and more 'global' in the future (Imperial Tobacco, 2006a; Imperial Tobacco, 2006b). For this case study, articles from various books and journals, such as the *Tobacco Control Journal* have also been reviewed. This secondary data and unpublished primary data from within the company complemented the inductive content analysis of the interviews. Four interviews were carried out with the global marketing director and the brand managers of Davidoff, West and Rizla-Rolling Paper of Imperial Tobacco.

The interview findings from phase 1, as well as the abovementioned sources of information for this case study presented the basis for the development of categories. Most important, however, were the interviewee responses and objectives (see Figure 7.2). These in turn, helped establish a structured approach to subsequent sections.

As in the previous case study, SABMiller, a mindmap was constructed in order to help analysing the data. The dimensions presented in chapter 4 section 4.5 resulted thereof from the categories. For example, section 7.3.1 represents dimension 1, including the categories – emergence, the tobacco market environment, the Reemtsma acquisition and IMC importance. Because dimension

2 (perception versus adoption of IMC practices) can be interpreted extensively dimension 5 (old and new media trends) can be interlinked with dimension 2. Dimension 5 – old and new media trends also highlights promotional tools and aspects for tobacco companies. As such, specific categories are the image, public relations, packaging, point of purchase, technology and the Internet. The formed themes represent individual sections within this chapter and helped in approaching the vast amount of data and information with regard to its importance and relevance for the Imperial Tobacco case study and IMC findings.

Figure 7.2: A Mindmap of the Imperial Tobacco Case Study



Source: Author generated, 2006

Imperial Tobacco, does not represent a generalisable "sample" which corresponds to all FMCG companies but it is a unique *single* case which may represent other tobacco companies as well as it is hoped via the responses of the interviewees and its 'unique character' to add new theoretical propositions to the concept of IMC and also to understand to what extent tobacco firms can practice IMC. Reliability,

generalisability and validity issues are discussed in chapter 4 – section 4.7. Analysis procedures are also discussed in chapter 4 – section 4.5. The interview schedules and categories of the analysis can be found in Appendix 5 and Appendix 7 respectively.

7.3 Imperial Tobacco Perspective of IMC

7.3.1 Different Views about the Emergence, Growth and Importance of IMC

In research phase 1 it was established that Imperial Tobacco had started to think about adopting an IMC approach from 2001 onwards.

> It became much more integrated because of the acquisition of Reemtsma three and a half years ago We didn't have the opportunity before (Interview 1a, 08 December 05).

At this point of time, it needs to be mentioned that the view of the marketing director is purely based on his working experience in Imperial Tobacco, as he has worked there for over 36 years, and for 18 months in his current position. On the one hand, it is advantageous for this research as this executive had the broadest perspective and view of Imperial Tobacco's marketing communication activities and how they have changed over the years. On the other hand, this executive and one brand manager were not able to compare different marketing communication practices from work experience in other companies which two other brand managers were able to do.

When asked the same questions under research objective one, i.e. about the emergence and growth of IMC as previously asked in research phase 1, the analysis of the interviews demonstrated that to begin with the responses differed widely. The new interviewees adopted a much more personal view with regard to their brands and not in adopting an IMC view throughout the business. Firstly, the interviewees compared the business practice and marketing communication practice of Imperial Tobacco to that of their previous employers and working experience and secondly, they concentrated on the brand and when asked

specifically about the whole company and in particular the Imperial Tobacco – Reemtsma acquisition they adopted a much broader IMC view (see section 7.3.1.1). For example:

> I used to work for Philip Morris for seven years and I think that Philip Morris is far ahead of us in terms of integrated marketing communication strategies and approaches across all functions and departments (Interview 3, 01 November 2006).

The brand manager of Davidoff said that with the brand being the most international of Imperial Tobacco's brand portfolio, the team has always adopted an IMC approach. "For us it is very important because it keeps the communication focused" (Interview 4, 01 November 2006). On the other hand, the brand manager for Papers and Rizla stated that the IMC practice of Imperial Tobacco is rather short-term when compared to that of his previous working experience with Philip Morris. However, he also mentioned that Imperial Tobacco's marketing department itself and his particular brand category is trying to improve its IMC practices rapidly, but the actual problem according to him lies with the other departments and functions, i.e. that they are not marketing-focused or marketing-led in his view. Furthermore, the brand manager of West said:

> Personally, I find that IMC is very important but I am not sure whether the organisation would agree with that or if it does agree with it, whether it actually exercises it (Interview 2, 31 October 2006).

It is only logical that brand managers are first looking at their own responsibilities, i.e. brand communication and then secondarily, adopt a wider view in comparison to the global marketing director. In research phase 1, it was demonstrated that the marketing director's duty is to ensure IMC and consumer-focus throughout the organisation and not only for brands. However, company executives do recognise that IMC is vital for its survival. All interviewees mentioned that the future growth of IMC and its value to the whole organisation was undeniable; and that potentially integrated marketing communication would take place increasingly on a global level than it had been previously seen or experienced in the company, according to these interviewees. But due to legislation with regards to the use of mass communication tools as well as

increasing media fragmentation, it has become difficult to implement and apply an IMC approach within the tobacco industry, as indicated in the following comment as well as echoed by the other interviewees.

> Some markets are getting so dark that the message has to be the same regardless of channel or execution. You might have in a traditional marketing environment 100 to 150 different possible executions to get the message across; in tobacco you might have available just six or seven executions (Interview 4, 01 November 2006).

In light of Imperial Tobacco and other cigarette manufacturers, IMC can be interpreted in a two-fold manner. Firstly, IMC should be important to tobacco firms because in highly regulated markets, companies can only employ a small selection of promotional tools, thus, it should be even more important to integrate these and to ensure message consistency among them. On the contrary and secondly, in the IMC literature (Schultz, 2006a; Kitchen et al., 2004a; Swain, 2004; Kitchen and Eagle, 2002) discussions have shown that IMC is increasingly important due to the multiplication of media channels and splintering mass markets. However, this does not seem to be the case for tobacco companies, according to all interviewees. Tobacco firms' advertising is highly regulated or very often prohibited significantly and the product itself, i.e. cigarettes have not changed over time. Thus, the external part of an IMC approach in relation to tobacco firms seemed very limited and can be questionable to some extent.

7.3.1.1 The Reemtsma Acquisition

The responses provided by the three managers and director clearly pointed out that although none of the brand managers gave the same answer as the marketing director, when asked about the Reemtsma acquisition in 2001, all three managers commented and acknowledged the change throughout the organisation and identified the acquisition as a major turning point in relation to marketing communications and IMC practices in Imperial Tobacco. In fact, it was mentioned that " it was so big that this is a thesis in itself" (Interview 4, 01 November 2006). It needs to be pointed out that each interviewed brand manager came from a different background, i.e. one came from the former Reemtsma organisation,

one worked for Imperial Tobacco, and one had just started working for Imperial Tobacco when Reemtsma was acquired.

First, each identified that a cultural 'clash', i.e. between German and English business practices led to a transformation in Imperial Tobacco. Since then, the board has experienced two sales and two marketing director changes. Secondly, due to the acquisition Imperial Tobacco gained valuable brands, such as the Davidoff cigarette brand, which allowed the company to become more global in relation to its business practices and thus, started to think about implementing IMC on a global scale. Thirdly, Reemtsma was much larger in size than Imperial Tobacco and thus, was more mature in relation to many businesses and marketing practices, and its IMC adoption and usage was more developed.

Valuable observations came from the West manager who was employed by Imperial Tobacco when Reemtsma was acquired, thus was in a unique position to compare practices and obtain views of both Reemtsma and Imperial Tobacco employees. He stated that because of Reemtsma's company size and its concentration on an international strategy most of the imminent marketing and communication responsibilities stayed with ex-Reemtsma employees. Interestingly, most of the staff from Reemtsma referred to the acquisition as 'a merger' and did not acknowledge that the company had been taken over, and this attitude or perception had led to an identity crisis from both sides. The diverging views of employees from both companies hindered the company in adopting an IMC approach. Instead of interpreting the acquisition as a starting point to implement an IMC approach throughout the newly formed company, in this particular case the acquisition was seen as a barrier to IMC application. At this point of time, the biggest mistake by Imperial Tobacco was that nobody was responsible for the integration of the two companies and their communication, which caused divergent opinions and strategies.

> As a company you have to make it clear at the point at which you acquire that this is the new organisation I think it has taken three years to do what should have been done in three months My opinion is that sometimes you have to be cruel and then integration in terms of culture and working practices could have been much more rapid (Interview 2, 31 October 2006).

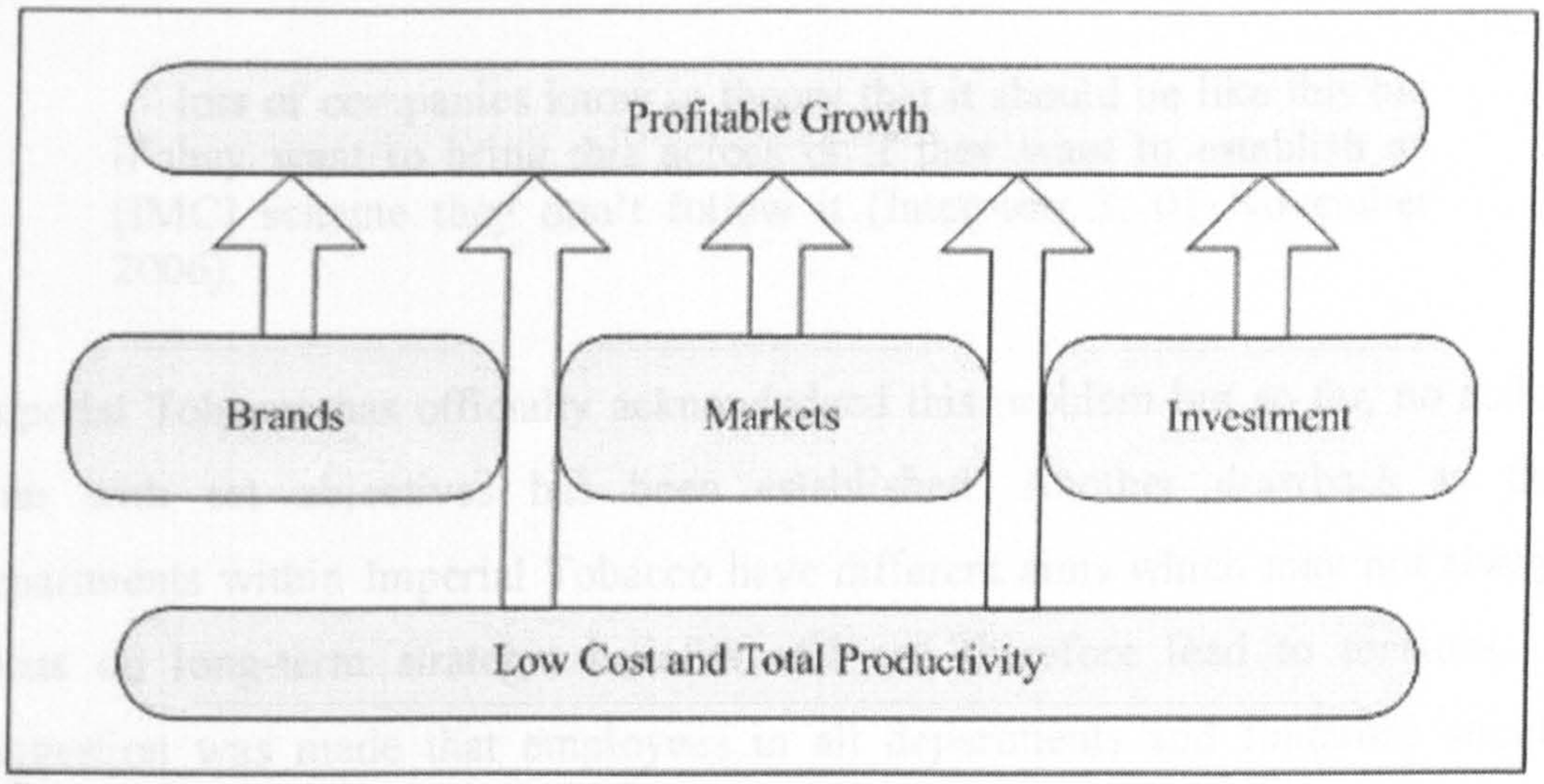
Only now is the marketing director held responsible for implementing and applying IMC for each company brand. Thus, an important finding is that especially when a new communications strategy is implemented or two companies merge, the board of the expanded company needs to ensure that somebody is responsible for the implementation and progression of the internal communication and IMC strategy in order to speed up the process and avoid long-term damage. It was also discussed in research phase 1, (see chapter 5) that acquisitions and mergers were the rationale for implementing IMC in other companies, such as in the cases of Holsten-Carlsberg, and the BMW Group and Rolls-Royce. This finding also relates directly to the literature review, in chapter 3 (see section 3.5) where it was said that implementation of a new organisational structure and the employment of a 'communication czar' can lead to greater integration (Nowak and Phelps, 1994; Schultz, 1993e; Schultz, 1991). To be able to increase the internal integration in Imperial Tobacco, the company board should have thought about creating a cross-functional team which could support not only the communication functions but also the inter-communication between departments. An example of such a cross-functional team will be presented in chapter 8 – the Tryton Foods Case Study.

7.3.2 Implementation and Application Issues in Different Brands

Illustrated in Figure 7.3, Imperial Tobacco's profitable growth derives from its current investments in brands and markets as well as its strategic focus on low cost and efficient productivity. As will be explained in the following paragraphs, financial 'well-being' and resources may be an opportunity to a company in relation to IMC implementation but on the contrary, a possible threat if a company's strategy is developed on the grounds of tight cost controls. However, in research phase 1 a significant finding was that IMC can lead to cost effects and benefits due to a better internal communication strategy. Thus, the majority of expenses would occur during the implementation of IMC, i.e. in relation to the time spent in developing IMC plans, the execution stage – the employment of a 'communication czar' and/or cross-functional team and the employees undertaking training courses about new structures, mechanisms and

communication within and between departments and brand teams. As such, if the company would invest money into the global implementation of an IMC approach, Imperial Tobacco could have significant cost savings in the long-run. Therefore, the reason given by the interviewees in relation to why the company has not realised an IMC strategy can only partially be accepted.

Figure 7.3: Strategic Focus



Source: Imperial Tobacco (2002)

The brand managers and the marketing director jointly agreed that an IMC approach needs to be implemented from the most senior managerial level. However, one brand manager added to this when he said that; "I strongly believe that every single person within top management should have a marketing background … as far as people come from various other functions they do not see the value of an integrated approach" (Interview 3, 01 November 2006).

The brand managers also stated that it is important in a global company to show authority from the top in order to pursue the execution of a communication strategy rapidly and accurately. In comparison to small- or medium-sized companies, it was also said that the types of communication activities may be questioned a lot more than in a global company, such as Imperial Tobacco.

> In FMCG companies of this size it is kind of an assumption that what you are doing is correct … we spend most of our time not on

> developing the content but on selling the content and in driving the content (Interview 4, 01 November 2006).

Hence, not being able to find the time to question or critically reflect on carried out activities may be one reason why global companies find it difficult to access and integrate all their activities. This is mentioned in the IMC literature (Duncan and Mulhern, 2004) and was also identified as a problem by another brand manager:

> lots of companies know in theory that it should be like this but if they want to bring this across or if they want to establish an [IMC] scheme they don't follow it (Interview 3, 01 November 2006).

Imperial Tobacco has officially acknowledged this problem but so far, no action plan with set objectives has been established. Another drawback is that departments within Imperial Tobacco have different aims which may not always focus on long-term strategic benefits and can therefore lead to tensions. A suggestion was made that employees in all departments and functions should attend a course in marketing in order to ensure that employees understand how each brand is positioned and above all, that they understand how the organisation *should* run, i.e. be consumer-focused and marketing-led.

The brand manager of West stated that in his previous employment everybody had to attend a standard sales force induction, which lasted for eight weeks with the intention to provide general knowledge about brands to new employees. Initiatives are put into action by employees within Imperial Tobacco, for example "communicating the marketing and sales function quite frequently to manufacturing and trying to involve them in the whole process" (Interview 3, 01 November 2006); or briefing the 'promotion girls and boys' about the brands, so that they are able to talk about the brands with confidence in relation to strategic objectives and promotional requirements, especially in relation to integrated marketing communications.

7.3.3 A Consumer-Driven Cigarette Approach

Developing marketing communications for brands or products based on consumer research is known as an outside-in approach within the IMC literature (Schultz, 1997c). The following questions were asked in relation to adopting such an approach, and the approach was explained when needed:

- How and in what ways do you consider customer values?
- How do you integrate the results of such research into your marketing communication activities?
- What does the brand or company promise customers? Is it the same promise globally?

The responses given by each interviewee to the above mentioned questions and other questions being raised in relation to an outside-in approach (see Appendix 5) demonstrated that although the company may not always act in a consumer-driven way or have a two-directional communication flow, it is still possible to be successful due to the following reasons:

- Tobacco products have not changed over the last 30 years
- Tobacco firms are very substantial in their activities – having decided on a global strategy means to be consistent – even when it may risk to fail to communicate to a specific group in a country
- Tobacco products appeal to some human needs
- Brand loyalty is extremely high
- Consumers look for instant satisfaction and gratification

Interestingly, the communication director of SABMiller stated the same as the global marketing director of Imperial Tobacco, i.e. that beer and cigarette products very often do not change according to consumer preferences. Their views provided a new perspective to IMC, illustrating that IMC researchers assume and, possibly, like to think that a company should always adopt an outside-in or consumer-driven approach but that very often large global

companies are not able to implement such an approach, due to the reasons stated above. Another interviewee commented as follows:

> The power delivered in branding on tobacco products comes from *image* and the quality is a generic standard but consumers won't tell you that ([Example:] Asking about a new pack design but contains regular cigarettes – the same brand the consumer has always smoked the first thing the consumer will say, well first of all we have to try the cigarette So, they smoke it and start coughing and they will say it is too light or something that they may have picked up from the packaging.) So, similar to alcohol consumers they are so much influenced by imagery that if you are listening purely what they are telling you it would lead you in the wrong direction (Interview 4, 01 November 2006).

The above comment and the views of the interviewees demonstrate that within the tobacco industry communication is essentially driven via image, which also corresponds with Shimp's (2000) analysis, i.e. that most brand communication is image led. In 1999, the House of Commons Health Select committee asked the centre for Tobacco Control Research at the University of Strathclyde to examine over 650 documents which contained detailed information about tobacco firms in the UK and their employed agencies (House of Commons Health Select Committee, 2000). The analysis of these papers showed that awareness and involvement with tobacco marketing increases smoking. Furthermore, the results of creative product and pack designs, sponsorship and especially advertising activities increase consumption and brand share of particular product brands (MacFadyen et al., 2001; Hastings and MacFadyen, 2000) which is in agreement with the findings of this research.

Despite the interview response of the Davidoff brand manager, a different brand manager stated that; " if you don't follow the expectations of your users and consumers, in the long-run you will have difficulties" (Interview 3, 01 November 2006). Furthermore, all brand managers also argued that tobacco firms still need to listen to their consumers and should be innovative in relation to new pack designs, create new line extensions and adopt new communication tools, the same as in any other FMCG company. As such, a consumer-led marketing approach is

still valuable in the context of pack designs and sizes as well as cigarette lengths and overall quality.

Responses to question 1 and 2 (stated above) illustrated that although from a research point of view, the company conducts various consumer studies, so far, these studies have not been taken into consideration when objectives are formed, i.e. the company still concentrates more on the 'actual' product and what it is able to produce and communicate rather than on the consumer. Therefore, the concentration of Imperial Tobacco's marketing communication activities is focused on the tactical implementation of IMC (i.e. ensuring that each brand – image, pack design and promotional tools – is integrated) which is in support of the first stage of Kitchen and Schultz's (2001) four stage model – the tactical coordination of marketing communication.

In conclusion, Imperial Tobacco has not realised an outside-in approach yet but continues to adopt an inside-out approach, i.e. placing the product first instead of the consumer which may also be partially caused by the nature of Imperial Tobacco's products, the increasing pressure to reinforce global promises and to utilise global marketing communication strategies and thus, making it much more difficult to adapt to consumer needs in relation to local subsidiaries.

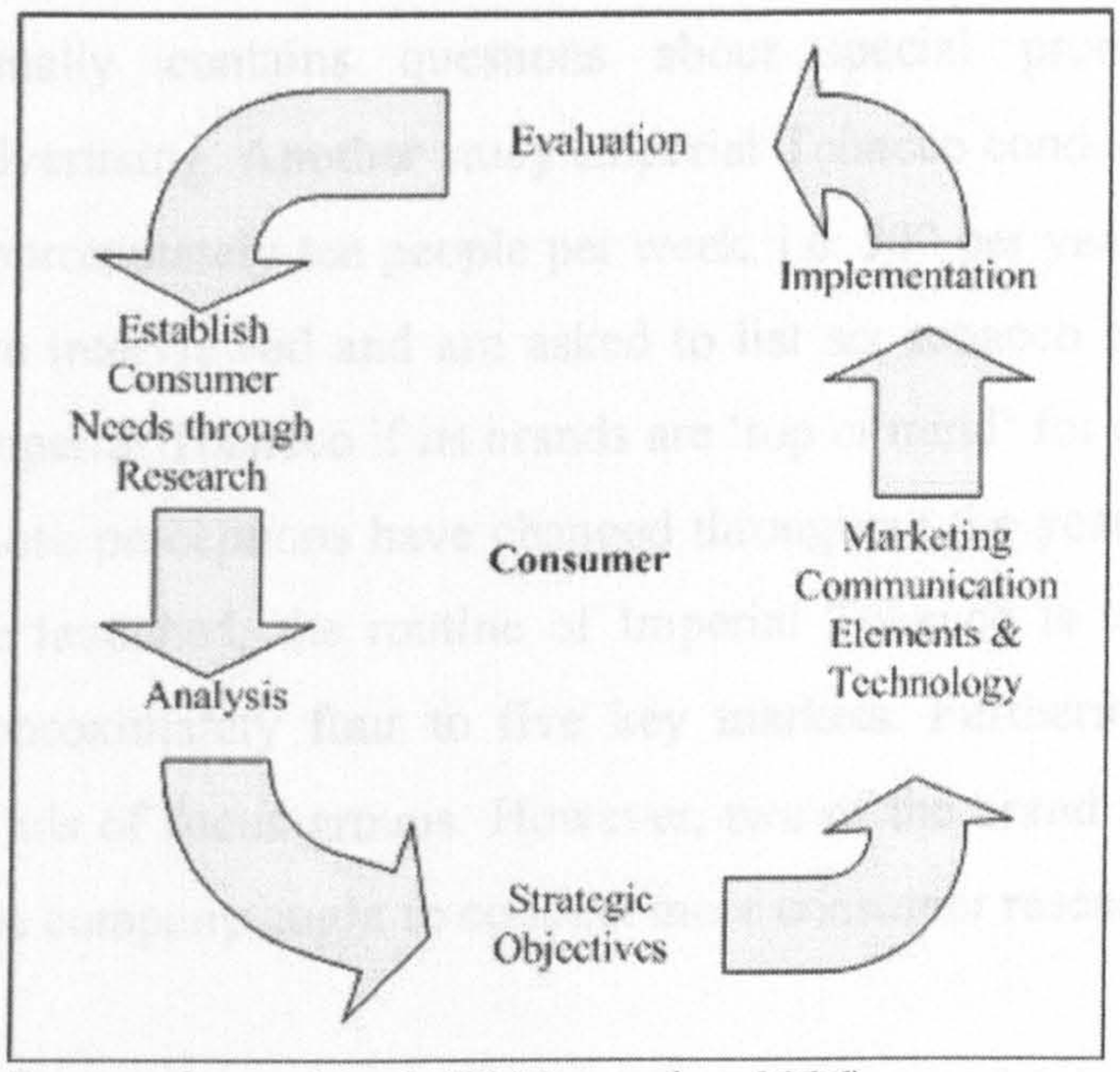
Due to tight budgeting, financial resources and the darkening markets' syndrome, Imperial Tobacco is becoming increasingly focused on profit margins, rather than on consumer values. One of the biggest drawbacks of Imperial Tobacco's internal strategy is that there is no formal structure in place where different brand teams can exchange ideas or participate in networking events because these meetings seem to be too time-consuming. The responses by the interviewees, especially the three brand managers, demonstrated that only global premium brands have the same brand promise in all markets. However, medium- to low-value brands are not as strongly integrated, and thus, a global promise approach is not exercised. Formally, only the members within one brand team are meeting weekly which results that skills of employees across the company are not leveraged to their full potential. Nevertheless, change is occurring, i.e. the 'Other Tobacco Product' team has decided to arrange quarterly meetings, not to share status and

information on projects with other members of the team, but to conduct brainstorming activities. All interviewees stated that Imperial Tobacco's formal structure could be improved because apparently – as also explored in research phase 1 – formal meeting structures can assist companies to become more integrated internally.

On the subject of integrated global strategies, the marketing director stated in research phase 1 and 2 that having implemented a portfolio strategy, the brands at the top end of the market need a more integrated approach than the low-value brands because when a global strategy on premium brands is executed it requires a highly consistent approach and global brand promise. Therefore, authority needs to come from the centre to implement an IMC approach.

Having considered Imperial Tobacco's communication strategy critically, the brand manager of 'Rizla and other Papers' created Figure 7.4, which shows his view of an ideal communication between consumers and company. In his view all communication activities *should* evolve around consumers; however, very often research activities seem to evolve more around the products, costs and manufacturing issues i.e. adopting an inside-out approach than focusing and establishing on what consumers wants and needs are. It was mentioned by the brand managers that research activities should be and are sometimes at least partially used to establish consumer needs, which ideally should assist in establishing the company's strategic objectives. In turn, these are used to develop tactical marketing communication tools, and technology may also be applied (if permitted). After the communication has been actioned, constant evaluation guides future marketing communication practices, i.e. evaluations can help to understand, if the approach was successful or if consumer needs are changing and strategic objectives need to be revised.

Figure 7.4: A New Approach to IMC



Source: Interview 3 (01 November 2006)

Figure 7.4 reflects and summarises ongoing trends and key components of a successful IMC approach. In conclusion, the significance of evaluating and measuring communication strategies as well as individual campaigns and the importance of consumer research in relation to the adoption of a consumer-driven strategy have been stressed numerously in the IMC literature (Eagle et al., 2006; Schultz, 2006a; Swain, 2004). Despite the fact that interviewees acknowledged the necessity for evaluation methods and campaign measurement; these are only partially realised at the moment (see also section 7.3.5).

7.3.4 Research and Segmentation

As briefly highlighted in the previous section, Imperial Tobacco uses consumer research for measuring, understanding consumers and segmenting target groups – such as:

- Nielsen (obtained from retailers) – transactional data
- Consumer tracking (awareness, brand recall, etc.)
- Finding out who smokes what and why

In particular, consumer tracking studies consist of different methodologies, usually a mix of quantitative and qualitative approaches. A quantitative study usually contains questions about special promotional activities, such as advertising. Another study Imperial Tobacco conducts throughout the year is that approximately ten people per week, i.e. 500 per year (excluding Christmas break) are interviewed and are asked to list six tobacco brands – which in turn shows Imperial Tobacco if its brands are 'top of mind' for consumers, and in which ways those perceptions have changed throughout the year. If a new product is going to be launched, the routine of Imperial Tobacco is to conduct research studies in approximately four to five key markets. Furthermore, it also utilises different kinds of focus groups. However, two of the brand managers also mentioned that the company ought to conduct more consumer research.

The head office has a research department, which is responsible for research on all global brands, but equally, each market or country is individually responsible for their own research, so they decide what types of studies and when and how they are going to conduct research. The problem thereby is that there is no data for comparison available due to studies conducted at differing times throughout the year as well as unique questions are asked in each study. However, senior management of Imperial Tobacco have realised that this is a problem and they are now working on a set of unified research tools and studies, which each country then has to implement. This will not only have the advantage of comparability among countries but also a centralised budget will be established. As a result of retaining and monitoring the budget from the head office, this will require all operating strategic business units and local subsidiaries to conduct similar or the same research. Furthermore, this more centralised approach would also help to ensure that sales, marketing and research teams work more closely together because the centre can look after and control the exchange of information, as in some individual countries the relationship is apparently not that well established, according to the interviewees.

On the other hand, the brand managers for more international brands, such as Davidoff and West use research studies conducted by the centre to establish segmentation guidelines for each brand. Each brand usually takes into

consideration price, packaging size, demographics, age, gender and psychographics. "By psychographics we mean where the person is in terms of his or her personal development ... Davidoff is quite an elegant brand, so we know there are certain males that we can attract in their lifecycle" (Interview 4, 01 November 2006). Furthermore, especially within the tobacco industry, consumer behaviour plays a very important role and therefore, corresponds with recent marketing communication literature, which stresses the importance and trend towards more consumer behavioural segmentation (Johnson and Schultz, 2004; Swain, 2004).

> Consumers either smoke cigarettes, roll tobacco with papers or they can tube, and based on their behaviour we decide whether we launch a brand which is suited to cigarette smoking, or the rolling part of smoking or the tubing part (Interview 3, 01 November 2006).

In the IMC literature explored (see chapter 3 section 3.2.2), to act in a consumer-driven way and implement an IMC programme, a company should develop and utilise databases. Databases not only assist in building one-to-one tailored marketing campaigns but also assist marketers in segmenting target groups based on more than demographics. However, due to darkening markets, such as those in Europe (especially in the UK) it is not permitted for tobacco companies to use databases or database marketing. Hence, it is not possible for the company to segment its target markets via a database. Despite the disadvantage of database regulations imposed on tobacco companies, nonetheless, there are very few possibilities for segmenting target groups. The only differentiation for taste is how tobacco is blended in cigarettes, i.e. American or Virginian blend, e.g. Germany is a more American blend market and the UK more Virginian – otherwise cigarettes are not distinctively different. The brand manager of West mentioned that although this may be against all theoretical marketing communication rules, in the tobacco industry, companies are often not interested who exactly smokes the cigarette as long as consumers buy. He also gave the example of Marlboro that in one country this particular brand may be perceived as very 'young' or in another country as very 'old' but Philip Morris does not segment demographically or behaviourally in these cases. However, interviewees also pointed out that while staying true to the brand values, nonetheless differentiation and a more specific

segmentation approach can be implemented when specific line extensions are created. Therefore, due to darkening markets and less differentiation possibilities Imperial Tobacco and its subsidiaries are adopting a 'broader brush' approach.

The image creation and maintenance of a tobacco brand is a vital, component of the marketing communication mix. According to the West brand manager, the remaining three distinctions of tobacco brands are:

1. Price
2. Distribution, i.e. is the brand always available
3. Packaging

According to this brand manager and the findings of the cigarette studies also mentioned in section 7.3.3 (MacFadyen et al., 2001; Hastings and MacFadyen, 2000), the future of differentiation for tobacco brands lies within the creativity and distinction of 'actual' cigarette boxes or packs, accounting for mainstream and premium brand tobacco products. Illustrated by Hyland et al. (2005) and MacFadyen et al. (2001), due to high taxation on tobacco products, smokers are becoming increasingly cautious about price promotions, which in turn results in falling cigarette consumption and switching to less expensive premium brands. Although for some mainstream brands price promotion can be effective, the marketing director stated that due to the high image of premium brands, the company tries to avoid price related promotions because of the damage to high-value images. Thus, Imperial Tobacco will have to invest in research and development programmes in relation to new designs on cigarette packs. The company also needs to monitor its pricing strategy, i.e. that it is compatible with that of other tobacco companies as well as the trade marketing team needs to ensure the availability of the company's tobacco products in each retail outlet.

Most importantly, according to Shimp (2000), previous tobacco research (MacFadyen et al., 2001; Hastings and MacFadyen, 2000; Cummings et al., 1997b) as well as the interviewees, each brand needs to be well positioned whereas the driving force behind each tobacco brand is the communication of the actual image. Extensive consumer and market research help Imperial Tobacco

establish in which markets what kind of brands, i.e. images are not present yet. The creative advertising team and the marketing team either develop a new image or launch an existing tobacco brand in a new market. Although tobacco companies have so far been very successful in utilising key images for their products, in other FMCG industries creating and acquiring such images may prove to be more difficult and requires a more outside-in driven communication approach rather than an inside-out product-driven approach which tobacco companies perhaps of necessity adopted. The reason may be that at the moment local markets and countries are dominated by the four largest and global tobacco companies, i.e. Philip Morris' Altria Group (Philip Morris, 2007), British American Tobacco and Japan Tobacco and Imperial Tobacco (Economist, 2007c; Gallaher Group, 2007; Imperial Tobacco, 2006a) whereas in other FMCG industries competition may be much higher, thus, forcing firms to adopt a more consumer-driven communication approach.

A common practice within Imperial Tobacco is also to establish where consumers or potential consumers are in relation to their knowledge and usage of a product (awareness, knowledge, liking, preference, conviction, purchase). However, this practice may be compared with the 'hierarchy of effects' model shown in chapter 2 section 2.3.2 (Lavidge and Steiner, 1961). The company conducts many research studies to understand, i.e. if smokers have switched from a competitor brand to an Imperial Tobacco brand, if consumers have become converts, and if they smoke the brand regularly. Therefore, the research department tries to find out, why a consumer for example, is aware of a product but has not become a regular smoker of this particular brand – after the reason(s) have been analysed an action plan is implemented. The risk of adopting such an approach is that the company focuses too much on new consumers and upon these consumers switching to an Imperial Tobacco brand, and thereby may neglect the needs and values of existing consumer groups.

It was also noted by one brand manager that Imperial Tobacco needs to increase its research spend and become more up-to-date with regard to research methods than they currently are. Imperial Tobacco has also never conducted an employee survey, which may be a significant drawback because the company and senior

executives do not fully know and understand whether internal marketing processes could be improved. Concluding, so far Imperial Tobacco has not realised an outside-in approach in relation to its external and internal marketing communication practices.

In the current IMC literature it has been stressed that companies should continuously thrive to become the 'voice' of their consumers (Schultz, 2006a; Eagle et al., 2005). After Imperial Tobacco's major acquisition of Reemtsma, it may seem timely and appropriate to concentrate on more consumer-driven communication approaches for its brands. If the company can recognise this need, it may become even more successful in the future. Furthermore, by providing local subsidiaries with global research methodologies, money and time can be saved, which in turn, can be used to strengthen internal communication processes, e.g. meetings and other communication activities between brand managers.

7.3.5 Measurement Improvements

Increased pressure on delivery and sales has influenced Imperial Tobacco. However, all interviewees agreed fully with the statement by Swain (2004: 19):

> The persistent and difficult challenge of developing effective measures of IMC has been commented upon by Schultz and Kitchen (2000): "We can't measure IMC now, and it may be some time before we can ," they said, adding, "The problem, however, is that many marketing activities can't be measured, and the value of communication effects and impacts are even more tenuous."

The interviewees commented as follows:

> I agree with it. The trouble with marketing is that you rarely look at one thing in isolation you are never sure why anyone particular bit has moved to the consumer (Interview 1b, 31 October 2006).

> If I could quantify the impact of every dollar that we spend in this organisation, I wouldn't be sitting here (Interview 2, 31 October 2006).

> Whether a brand can deliver emotional and functional values for the consumer, this is difficult to measure (Interview 3, 01 November 2006).

> I always believe that marketing communication should at least see some sort of payback but whether that is profit payback or it is more consumer sentiment towards the brand depends it is obviously much harder to measure at a quantifiable level (Interview 4, 01 November 2006).

Imperial Tobacco seemed to be still in its infancy in terms of measuring the effectiveness of its communication campaigns because at the moment, nothing is measured regularly and no common measurement practices exist at subsidiary level. However, the company does use sales and transactional data to understand how successful their campaigns have been. Apart from sales, the company is also measuring:

- How brands are perceived in terms of modernity and contemporary values versus other brands
- Brand's abilities to trade with young and older adult smokers
- Brand values versus perceptions of consumers
- Tobacco quality
- User share, distribution, awareness

Imperial Tobacco also differentiates its measurement activities according to the size of a campaign. If it is only a small campaign and not many communication channels have been used, then the campaign's success is measured via sales figures. However, if it is a large campaign the company still looks at sales figures but also considers – image change, brand awareness, and brand evolvement outcomes. Furthermore, a detailed analysis is conducted after the more general questions. Questions such as, where did the consumer learn about a brand, what kind of values do they think it delivers; or in which medium has the consumer seen the brand, will be asked.

One brand manager also pointed out that an organisation may not be able to measure the effectiveness of its integrated marketing communication campaigns but it is possible to measure the efficiency of employing an IMC approach. The

evaluation, which can be undertaken, was explained as followed. The cost figures of implementing a different communication approach in each country are calculated. After implementing an IMC approach from the head office, new cost figures will emerge. The costs, which are encountered at the head office, i.e. for developing a unified research methodology, budgeting approach and the costs for a globally integrated marketing communication campaign, can be calculated against the expenditures of previous years. As such, it is possible to measure the effectiveness of an integrated campaign, the effect of having a consistent pack design throughout all countries, the physical cost of producing one campaign, which may be adopted versus ten different campaigns.

Furthermore, another project is in place with the intention to deliver measurable outcomes of an Internet campaign – whereas not only the number of hits per website are monitored but also the agencies will be paid accordingly. This new technique has also been discussed in current business literature (Economist, 2006h; Economist, 2006j).

The measurement of IMC has been stressed significantly in the academic marketing literature (McGrath, 2005a; Reid, 2003; Eagle and Kitchen, 2000) and that it is an important indicator of an IMC approach. Imperial Tobacco employs an agency to do the research and measurement for them. However, this is not done by the lead communication agency (see also section 7.3.7) but by a research agency, which specialises in measurement, evaluation and other research studies. However, the company influences what should be asked as well as when and how the study should be conducted, thereby, having full control over its measurement and research studies.

7.3.6 The Cigarette Industry – A Darkening Market – Tools and Trends

Tobacco companies in the 21st century have not only to deal with the measurement side of marketing, highly competitive markets, new media and the fragmentation of markets but also with industry trends and increasingly regulated

market conditions (Davis, 2006; Imperial Tobacco, 2002). In summary, current trends are:

- Broadly stable global volumes
- Increasing consumption of low tar products
- Increasing regulation
- Tax increases
- Declining exports

Due to increasing regulatory environments in almost every country where Imperial Tobacco operates, the company has to adhere to laws and restrictions insofar as marketing communication activities are concerned. In response, Imperial Tobacco has also created a voluntary agreement with those countries in which it operates aiming to make its marketing communication activities appeal just to adults and also to portray the company's understanding of the health risks associated with smoking. Table 7.2 represents an overview of some of the standard rules and marketing communication principles Imperial Tobacco has developed.

Table 7.2: Summary of International Standards for the Marketing of Tobacco

Communication Activity	**Standard**
1. Style and Content of Brand Advertising	- Not aimed to those under 18 years of age Do not: - Encourage non-smokers - Discourage smokers to give up smoking - Feature celebrity endorsement - Suggest that smoking enhances popularity, is a healthy activity, most people are smokers
2. Print Media	- Evidence needs to be provided that at least 75% of readers are adults - Has to contain appropriate health warning
3. Outdoor Advertising	- No signs or billboards placed which are closer than 100metres to main entrance of schools used by those under 18years - Has to contain appropriate health warning
4. Radio, Television and Cinema Advertising	- Will not be shown when the audience is likely to compromise mainly young people under age of 18 - Programming directed primarily at those aged 18 or over
5. Internet Advertising	- No advertising unless satisfactory pre-site access adult verification methods are in place - At least 75% of users are adults

6. Promotional Events and Activities	- Restricted to existing smokers aged 18 year of age or higher - Promotional events restricted to adults - Personnel employed shall be aged 21 years or over - Tobacco brand promotional clothing will only be made available in adult sizes
7. Sponsorship	- Evidence needs to be provided that all competitors, team members and active participants are adults - No sponsorship will be provided for any event, activity, team or individual which has greater appeal to young people than to adults
8. Direct Mail	- Only to verified adult smokers - Clearly visible warning
9. Product Market Research	- Will only be commissioned amongst adult smokers

Source: Imperial Tobacco (2006e)

The analysis of the interviews illustrated that the internal company magazine as well as the company's intranet, which has undergone significant changes since the acquisition of Reemtsma (Marketing Net, 2003), were seen as integration faciliators and communication tools within Imperial Tobacco. Reemtsma's intranet focused on best practice cases, whereas Imperial Tobacco's intranet concentrated on a large database of financial performance figures, analyses and research studies. The Reemtsma intranet and the UK Imperial Tobacco intranet are now joined, creating one intranet accessible to all local subsidiaries. This intranet now contains brand histories, case studies, advertising, product and branding guidelines. One major weakness about Imperial Tobacco's intranet is that due to time constraints it is not up-dated regularly, according to interviewees.

The intranet is also used to establish communication platforms and to understand in which ways different promotional tools can and are allowed to be used. In Table 7.3, comments and views of the interviewees are represented in relation to the importance and future of some of the major communication tools used by Imperial Tobacco.

Table 7.3: Promotional Mix Elements Comments and Trends – Imperial Tobacco

Interviewees / Comm. Mix Element	Interview 1b (31 October 2006) – Marketing Director	Interview 2 (31October 2006) – West Brand Manager	Interview 3 (01 November 2006) – Rizla Brand Manager	Interview 4 (01 November 2006) – Davidoff Brand Manager
Advertising	Mass communication almost completely banned	Too regulated and media is too fragmented	Traditional advertising is dead	Important but clever media planning needed
Direct Marketing	Important because most other forms of advertising are banned	Is becoming more regulated, but more important in emerging markets (do not receive so much junk mail)	Important, but costs are too high to do regularly	Very important, becoming more regulated
Sales Promotion	Important, price is the strongest component (depending on brand)	Very important for increasing sales	Very important, incentives with values are best sales promotions	Very important especially for mainstream brands
Personal Selling	Important for distribution, you can influence the consumer but only marginally	Most important element irrespective of the brand cycle	Very important, foundation of the business	Important but not as much as other tools
Internet	Only important for younger consumers but market share does not improve via Internet advertising	Should inform and inspire but not advertise	Important, try to use it as effectively as possible because other mass media not as valuable anymore	Important due to possible one to one communication
Marketing PR	Important especially for premium brands	Seen as negative in tobacco industry, used as defence mechanism	Important, especially in trade	Important, increasing value in future
Sponsorship	Usually not allowed and value is not great (cost vs. effect)	Due to fragmentation only valuable to global brands	Only if correct sponsorship chosen, 90% wasted	Important only if global reach due to level of awareness

Source: Author generated, 2006

In general, it was found that the responses given by the interviewees were similar and comparable (see Table 7.3). During the year 2005, the company spent:

- £30 million on main media channels
- £100 million on sales promotion and point-of-sale advertising, e.g. expensive ashtrays, lighters, window posters
- £170 million on 'key money', e.g. distribution, shelves and display features

The budget did not significantly increase or decrease in 2004 and 2006, only minimalist changes occurred between the three main areas of communication. These modifications took place mainly due to regulations, such as the stopping of sponsoring the Formula 1 racing car team McLaren that previously had cost Imperial Tobacco £40 million. This decision was based on research results which showed the company that the Formula 1 sponsorship did not increase sales as well as brand awareness as expected. Furthermore, a short period after this decision was made, these kinds of sponsorship activities were banned by the UK advertising regulatory body. The residual money was put towards other marketing communication activities as well as a significant amount of this money was saved.

In addition, all interviewees stated that due to the increasing fragmentation and rising regulations on especially mass communication media, such as direct marketing or one-to-one activities are becoming more important (see Table 7.3). An example of a new one-to-one communication is:

> Potential consumers enter into a nightclub and our promotion team has a bluetooth detector and it sends messages to every mobile phone where the blue tooth is turned on. So, we send a [short messaging services] and ask the people if they are 18 years of age – yes; do they use tobacco product – yes; would you like to receive messages from Davidoff – yes; and then we start interacting with the consumer via the phone or other communication means (Interview 4, 01 November).

Contacting prospective consumers directly, as stated in the above example via new mobile phone technology, demonstrates how 'up-to-date' Imperial Tobacco is and needs to be in terms of new promotional activities and their consumers' actual and potential smoking behaviour. This may have been also caused by the

darkening market syndrome, as the use of traditional and rather conventional promotional tools is prohibited by most governments. Gilpin et al. (2005) discovered that most young smokers are social smokers who consume cigarettes in nightclubs and bars. As illustrated by Hastings and Mac Fadyen (2000) as well as Cummings et al. (1997b) these smokers are more easily influenced in relation to their brand choice than older smokers are.

One of the brand managers also had a distinct view or concept on direct marketing:

> At the moment the costs are too high to use [direct marketing] and it is always easier to use classical marketing tools and methods than electronic media and spend the money there rather than to understand the science of direct marketing. But when the costs of classical electronic media will be as high or even higher, then direct marketing becomes more effective then direct marketing will get more valuable (Interview 3, 01 November 2006).

One distinctive difference in the responses was the view towards personal selling. In recent marketing communications literature (Lavack and Toth, 2006; Loomis et al., 2006; Sergio et al., 2005; Jones et al., 2005), it was illustrated that a trend is the rise and importance of personal selling and trade marketing because these two very similar marketing communication activities are becoming more valuable in the constrained and regulated tobacco industry. According to the interviewee responses the relationship at the head office between the sales, trade marketing and marketing communication team is very strong but the link between these three departments is often very weak in Imperial Tobacco's local subsidiaries due to inadequate recognition by senior managers and supervision in these local markets.

Another difficulty is that the " sales force needs to be educated but it is often the very last thing done in preparing for a project" (Interview 3, 01 November 2006). Nonetheless, as mentioned by the marketing director, its effects are only marginal but if correctly applied the sales team is often able to get a premium position on the shelf without having to pay an extra amount of money. On the other hand, two of the brand managers found that this kind of marketing communication activity should be the base of communication for any kind of

brand because it can be used for 'switch selling', sampling and giving out product information. Loomis et al. (2006) added that due to increasing advertising restrictions, point of purchase advertising is becoming a valuable tool for cigarette and tobacco marketers. Point-of-sale is used for visual merchandising, incentive programmes offered by retailers, special offers and promotions (Lavack and Toth, 2006). In addition, if the sales force understands the brand and the marketing background correctly, the sales team is often able to convince retailers or consumers directly that the brand would be the 'best brand' to buy, simply because the sales force has a minimum of 30 seconds of quality talking time to consumers on the point-of-sale compared to the exposure time via a billboard which is often not more than 33 of one second (Interviewee 2, 31 October 2006).

In addition, increasing regulations and restricting laws have an enormous impact on the marketing communication activities of Imperial Tobacco. After the detailed analysis of interview findings and current analysis of tobacco research, evidently, tobacco firms do not have a great variety of choice in relation to marketing communication activities. As a result, tobacco firms need to utilise and leverage each potential communication activity to its optimum. An area of improvement for Imperial Tobacco's marketing team is its relationship to the sales force, whereby the team should try to take more actively their suggestions with regard to consumer needs and wants into consideration.

7.3.7 An Agency perspective

As established in chapter 5, the marketing director of Imperial Tobacco said that an IMC approach should be client-led, i.e. dictated internally by the organisation and not by an agency. The same question was asked to new respondents in phase 2. All brand managers agreed with this finding, i.e. that the lead for IMC should come from the client, because firstly, the power is with the client and secondly, the in-house marketers of Imperial Tobacco have greater brand knowledge than agencies. Interestingly, Imperial Tobacco employs one lead communication agency, the same as SABMiller does, which is based in Hamburg who is the 'guardian' of all ongoing communication activities. Therefore, their job is also to

coordinate and integrate its own work with that of all other agencies employed by Imperial Tobacco, such as the pack design agency, research agency, and other local agencies.

One of the most important issues identified by the interviewees was the briefing task when designing a new assignment for the agencies. "My opinion is that the reason the agencies fail is because of the client one of the key things with agencies is briefing" (Interview 2, 31 October 2006). In addition, the agencies also have access to an electronic communication platform where branding guidelines for specific products can be viewed. It was also explained that special attention is drawn to the start-up of a client-agency relationship in order for the agency to get to know Imperial Tobacco's corporate culture and ways of working. Through briefings, daily information exchange via e-mail and telephone, as well as more formal meetings once or twice a month, Imperial Tobacco controls its agencies.

Different views occurred about the strategic or tactical use of agencies into the company:

> Agencies are just servants for us and we have to lead them around the world An extreme, I call agencies picture palaces (Interview 1b, 31 October 2006).

> I think you have to treat an agency as a strategic partner. I think agencies fail when they are treated as a supplier They are basically an extension of the brand management team (Interview 2, 31 October 2006).

> I use them strategically We lead the process and the agency translates the objective to actions and communication (Interview 3, 01 November 2006).
> I guess they are quite strategic but again, there is room for improvement because a lot of the knowledge comes from [Imperial Tobacco] because the industry is so specific and anything can change (Interview 4, 01 November 2006).

Although the brand managers saw agencies as part of the brand management team, interestingly, the marketing director viewed the tasks and performances of agencies in a much more tactical way. Possible reasons for this view emerged based on the comments provided by one brand manager who stated that firstly,

agencies need to become better at below-the-line activities and building brand communication platforms, and secondly, that due to the nature of the industry most agencies find it very difficult and challenging to comprehend the environmental and legal changes affecting tobacco firms. In addition, it was also said that agencies need to improve their own communication skills in light of talking to other agencies about ideas, exchanging information as well as discussing briefs provided by Imperial Tobacco. As such, enhancement with regard to the client-agency relationship can be made. It would be rational to view the agencies as strategic partners and as links in the brand management teams in order to develop more trust among the two parties and in turn, create greater understanding and involvement from agencies in the development of marketing communication strategies.

It is hard to imagine that this relationship can be improved, if the agencies' work is not sufficient enough and does not comply with client needs and requirements. Thus, the agencies need to become more up-to-date in relation to current marketing communication developments effecting the tobacco industry and practice open-communication among each other in order for them to be taken seriously and become long-term strategic partners with Imperial Tobacco.

7.3.8 The Interaction of the Product and Corporate Brand

In general, the view was shared by all interviewees that it is not always necessary to adopt an IMC approach or so-called umbrella approach for the whole organisation in terms of its consumer communication. Explained in chapter 3 (see section 3.7.2) a company can either pursue a monolithic, endorsed or branded identity. In a monolithic approach the product brand(s) carry the same name as the corporate brand and in an endorsed brand approach the corporate brand strengthens the individual product brand(s), which is also known as an umbrella approach (Schultz and Kitchen, 2004). But in a branded identity strategy each product has its own name and the corporate brand is not necessarily supported.

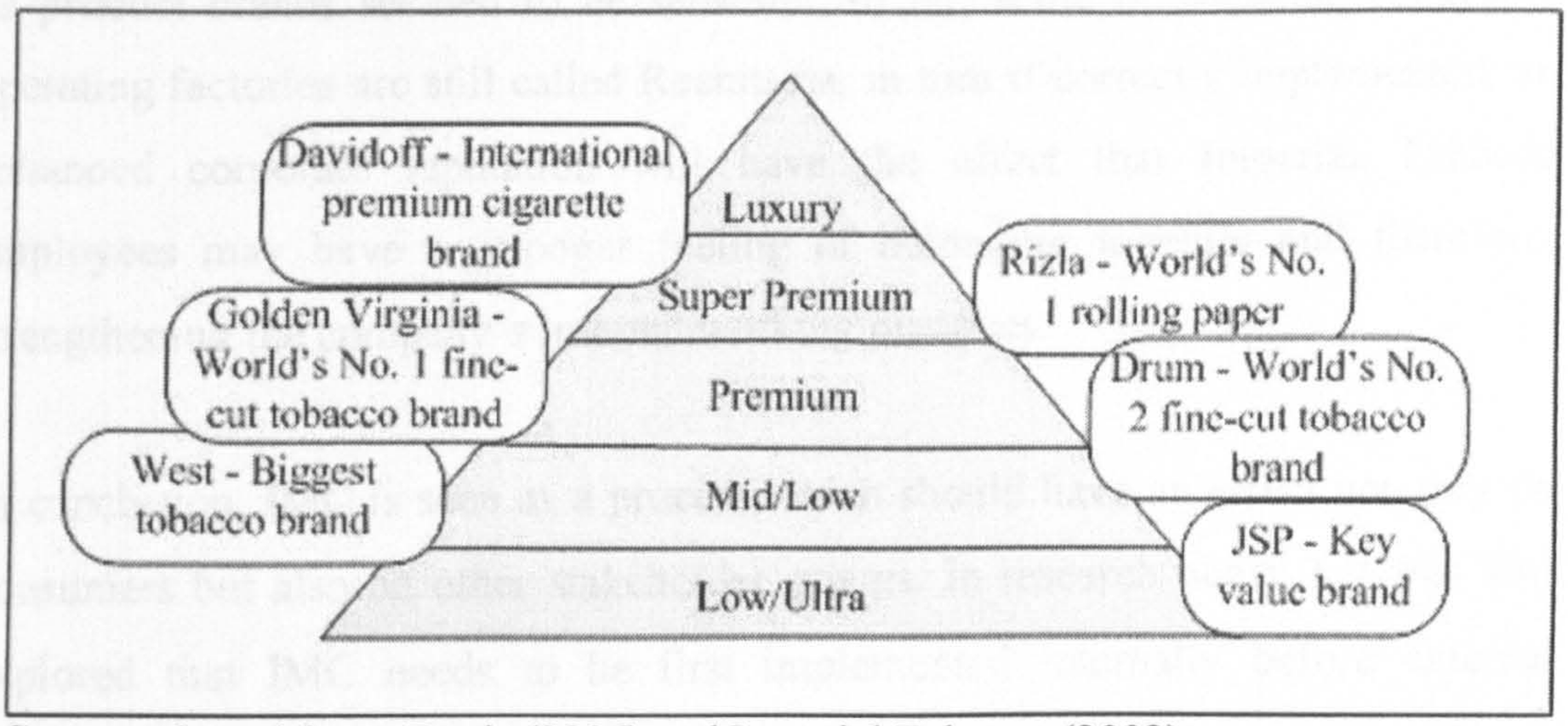
Following the analysis of these interview findings, in order to achieve profitable growth all interviewees thought that brands themselves needed to be integrated. Imperial Tobacco, thus, perhaps is adopting a branded identity for all its products. Although the advantage was pointed out, i.e. that through the adoption of an umbrella approach the consumer would find quality reassurance because no matter if s/he would purchase brand X or brand Y, it is still produced by Imperial Tobacco; the perceived disadvantage is that product brands would lose their uniqueness, mystique and inheritance. Thus, it would be clear and visible to consumers that the brand belongs to one of the big global consumer conglomerates, i.e. something to be avoided – echoed by all interviewees.

The brand manager of Davidoff stated that because his brand is the most international and premium of all Imperial Tobacco's portfolio brands, he and his team need to ensure that all communication activities, i.e. the above-the-line as well as below-the-line promotional tools are integrated at all times. He also said that; " the image driving the communication mix for Davidoff should be the most integrated the tactical activities can sometimes afford a little flexibility" (Interview 4, 01 November 2006). As such, Imperial Tobacco takes great care of the integration of its individual global premium brands.

On the contrary, one of the respondents pointed out that besides the marketing code of conduct as well as the same regulations and policies, there is no real alignment of brands within Imperial Tobacco. In addition, it was also pointed out by two brand managers that it may not be necessary to adopt a corporate umbrella approach with each of its products but that there is a need to improve the portfolio strategy. A portfolio approach is a strategy where a company focuses on an appropriate and well-balanced product-market fit; on the one hand to satisfy consumer needs and on the other, to generate profit for the organisation (Bradley, 1995). In some of the operating countries, the portfolio strategy of Imperial Tobacco has already been enhanced but more brands should be acquired because the only two international cigarette brands the company has so far are Davidoff and West.

Aiming to further pursue its investment in a portfolio strategy would result in a much clearer position for each brand as well as a clearer alignment with the corporate brand but above all Imperial Tobacco could strengthen its global place in the tobacco industry. Figure 7.5 illustrates the five categories in which Imperial Tobacco is trying to position its brands. Six of the company's brands are positioned, starting with Davidoff (upper left side) as the firm's most global cigarette brand and JSP (lower right side) as a key value brand which is positioned at the medium to low end of the market.

Figure 7.5: Imperial Tobacco's Brand Portfolio



Source adapted from: Davis (2006) and Imperial Tobacco (2002)

Despite earlier misgivings expressed by brand managers, Imperial Tobacco has decided to put a label on each of its cigarette packs, saying 'Made by Imperial Tobacco' (Interview 1a, 8 December 2005). An exception is Davidoff where it was decided not to put the corporate brand on the cigarette pack because of its premium image. However, the main driver behind the decision to build a corporate image is that directors assume that it will enhance the corporate identity of Imperial Tobacco maybe not to a great extent externally but internally – for Imperial Tobacco's employees. The marketing director said; "… I don't think it will influence brand choice but it might just give consumers some quality reassurance" (Interview 1b, 8 December 2006). One of the brand managers also explained that the company needs to be careful because "In theory the corporate image can help the brand as long as the corporate image is very strong and well

established, otherwise you use your brands to build the corporate image" (Interview 3, 01 November 2006).

According to the corporate and marketing communication literature (Balmer and Gray, 2003; Kitchen and Schultz, 2001; Schultz, 1995b), increasingly companies are trying to strengthen their corporate identity because employees are more valuable than they have ever been due to increased competition and consumer choices. In comparison with current corporate communication literature (Pina et al., 2006; Andreasse and Lindestad, 1998; Gray and Balmer, 1998), it can be concluded that the decision to augment Imperial Tobacco's identity with some of its product brands seemed to be sensible. So far, some of Imperial Tobacco's operating factories are still called Reemtsma, in turn if correctly implemented, an enhanced corporate reputation will have the effect that Imperial Tobacco employees may have a stronger feeling of belonging together and therefore, strengthening the company's internal working practices.

In conclusion, IMC is seen as a process which should have an effect not only on consumers but also on other stakeholder groups. In research phase 1 it was also explored that IMC needs to be first implemented internally before external integration can be developed. Employees should be seen as significant contributors to overall company success. As such, IMC may eventually be valued as an important approach to the internal integration of Imperial Tobacco and especially its individual product brands.

7.3.9 IMC Benefits

Although responses differed widely throughout the interviews, unanimity was achieved in relation to IMC benefits. Hence, according to all interviewees, the most important benefit to Imperial Tobacco of IMC is cost effectiveness and efficiency with regard to delivering messages to end-consumers.

Similar to the argument of adopting the same set of measurement tools throughout the organisation, Imperial Tobacco is taking into consideration now to adopt a

much stricter IMC approach from the centre, which is believed by the interviewees and the marketing and sales director to lead to significant cost benefits, in terms of saving money and implementing the IMC strategy at the top, i.e. the head office and not having each company adopt their own IMC approach. As a result, the company may not only be able to save money but also time. As mentioned previously, if these methodologies are applied in each local subsidiary the process will facilitate the budget setting and analyses of research studies, thus in turn, significantly save time for employees. The spare time may then be used to increase communication between brand teams or implement a more formal meeting structure. The brand manager for Rizla and other Papers also added that when an IMC approach is correctly applied, it is possible to pursue a long-term strategy for each brand, which is implemented across the whole organisation, which in turn, leads to greater success. Furthermore, the brand manager for West stated that if an IMC strategy is correctly implemented, information exchange, in relation to research and development investment, i.e. innovations as well as technology dissemination is more likely to happen.

7.3.10 Advancing the IMC Approach in Imperial Tobacco

Throughout the analysis of Imperial Tobacco's IMC practices, it was attempted to pinpoint the company's strong and weak points and how the company can potentially improve communication practices. Table 7.4, is the result of the detailed analysis of responses provided by the interviewees in relation to the strengths and weaknesses of the company's current communication practice.

Table 7.4: Communication Strengths and Weaknesses of Imperial Tobacco

Strengths	Weaknesses
Some countries are very good in conversing with the consumer, e.g. Taiwan (Interview 1, 31 October 2006).	The consumer and trade marketing relationship needs to be strengthened (Interview 1b, 31 October 2006).
Price Marketing (Interview 2, 31 October 2006).	Slow to embrace new technologies and physical pack designs (Interview 2, 31 October 2006).
Sales Promotions (Interview 3, 01 November 2006).	There is no concrete action plan for IMC implementation; it is only done project by

	project (Interview 3, 01 November 2006).
Davidoff has had a consistent communication campaign for over 10 years (Interview 4, 01 November 2006).	Below-the-line activities, such as the brand experience in hotels, restaurants, etc. as well as the integration between regions should be improved (Interview 4, 01 November 2006).

Source: Author generated, 2006

As shown in the above table, the strengths of Imperial Tobacco lie with its price and sales promotion activities for particular brands. In addition, it was also mentioned that in some countries each brand tries to actively converse with consumers in order not to adopt mere one-way communication. At this point in time, Davidoff is apparently the best and most integrated brand of all Imperial Tobacco's brands. Davidoff's global marketing team is working on a strategy to bring the brand closer to consumers via a campaign in restaurants and hotels throughout its markets; improving the below-the-line communication activities. However, this strategy will soon be implemented by the centre and directed to each market, thus ensuring better integration and a global budgeting approach.

In respect to the company's weaknesses it was stated by the interviewees that the company ought to adopt a more long-term strategic view and that relationships between different departments need to be significantly improved. The senior management needs to concentrate on a strategic action plan, which will ease the process of communication not only within one market but also across activities, functions, markets and regions. Furthermore, this may lead to increased information flows and idea exchanges, which can also help overcome some of the above mentioned weaknesses (see right hand column of Table 7.4). In addition, it was also demonstrated that Imperial Tobacco needs to be swifter in relation to the development of innovative pack designs and the adoption of new technologies.

As acknowledged by the marketing director, more authority should devolve from the centre and especially to the global brand managers. The company has to start questioning the SBUs and local subsidiaries about their expenditures and reasons for money being spent on specific communication activities. Rationales for spending money should be linked to findings and outcomes of research studies

and their potential value to product brands and their effectiveness on consumers. If this is not the case the central management should have the authority to remove ineffective communication activities. Based on the findings from the SABMiller case study, it can be said that if Imperial Tobacco starts practicing IMC, devolved from the centre, the company is likely to become more integrated and in turn, more successful.

7.4 Summary and Conclusion

Of the three cases, Imperial Tobacco is the company operating in the most troubled environment. The tobacco industry is becoming ever more pressurised from various external stakeholder groups. In consequence, Imperial Tobacco's marketing communication efforts are highly constrained. Its resources have to be managed tightly to be able to maintain Imperial Tobacco's global position.

Nonetheless, Imperial Tobacco's marketing communication practices can be significantly improved. Firstly, the company needs to enhance its corporate culture in order to form unity and a home for its employees. Communication between countries could also be improved in order to maintain good communications for its other global brands and to leverage expertise and best practice from the head office more – this could be established through annual meetings with all marketing teams from each country. The company should also make better use of individual employee skills, by for example establishing a meeting schedule at least monthly or every second month between different brand teams, thus ensuring internal interaction, potential learning and internal integration. Lastly, the company should clarify how the work and relationships with its agencies should develop, i.e. merely for tactical purposes or as a strategic two-way partnership.

Despite the fact that the company can significantly improve its marketing communication practices, many positive points also emerged. First of all, Imperial Tobacco's global brands are managed tightly from the head office to ensure maximum integration. The need for strong leadership and guidance, which is only

now being realised by the senior management level, has helped to commence integration and leverage brands, especially Davidoff has done so around the world through consistent communication and messages. The company understands the advantages of adopting an integrated marketing communication approach and plans to implement a global budgetary process and research methodology in the future. A marketing code of conduct as well as the intranet, which consists of best practice cases and branding guidelines, may ultimately encourage integration and help employees to create consistency in marketing communication approaches at least at the tactical level.

With regards to future marketing communication tools and IMC as a concept, it was explored in this case that IMC is becoming more valuable for Imperial Tobacco due to global brand building opportunities in which IMC and consistency in marketing communication seemed to be absolutely vital. This case also demonstrated an outlook for future marketing communication tools within the tobacco industry. Due to increasing regulations and darkening markets, advertisements and commercials will not be applicable within many markets, whereas creative pack designs, below-the-line activities as well as the actual distribution of cigarettes within shops will become more important. Interviewees agreed that the company could embrace new technologies and research methodologies more rapidly. However, the concentration on a consistent global IMC approach as well as a globally held research methodology will ensure that Imperial Tobacco's marketing communication activities are handled more accurately and basic comparison will be established. This may also present an opportunity to strengthen Imperial Tobacco's current position as a leading cigarette manufacturer and may help the firm proceed further with its internationalisation strategy.

Chapter 8 will discuss and provide the analysis of the final case study Tryton Foods.

Chapter 8: Research Phase 2 – Tryton Foods

Figure 8.1: The Research Stages

Part 1	**Chapter 2 - Marketing Communications** Evolution of Marketing, Marketing Communications, Promotional Mix Elements, Trends
	Chapter 3 – Integrated Marketing Communications (IMC) Development of IMC, IMC Studies, Barriers, Criticism, Corporate Communications
	Chapter 4 – Research Methodology Research Purpose and Objectives, Paradigm, Design and Strategy, Ethics, Reliability/Validity/Generalisability Issues
Part 2	**Chapter 5 – Research Phase 1** Results of the Study
	Chapter 6 – Research Phase 2 Results of SABMiller Case Study
	Chapter 7 – Research Phase 2 Results of Imperial Tobacco Case Study
	Chapter 8 – Research Phase 2 Results of Tryton Foods Case Study
	Chapter 9 – Research Findings Analysis and Discussion of Research Phase 1 and 2
	Chapter 10 – Conclusion Academic, Managerial and Methodological Contributions, Limits to Results, Future Research

8.1 Introduction

The previous chapter concerned Imperial Tobacco. This and other firms are acting upon significant pressures by governments and advertising regulatory bodies. Thus, Imperial Tobacco has to manage its marketing communication resources tightly in order to be able to sustain its position as the fourth largest tobacco company in the world. In that case, therefore, the integrated marketing communication (IMC) approach could not be used to its full potential. Nevertheless, the company recognised the advantage of applying a global IMC approach and had started to implement this wherever possible.

The difficulties in gaining access to other large and global organisations in the UK and Germany for this research phase presented major obstacles. Hence, this chapter concentrates on the case study of Tryton Foods. Tryton Foods is not a

'global player' and not as large as the other two case organisations. In fact, Tryton Foods is a strategic business unit (SBU) which is part of the William Jackson & Son Group (WJS). Despite Tryton Foods belonging to a family-run business, which also includes other companies and operations, Tryton Foods is an independent firm, which is allowed to make autonomous decisions in relation to its marketing and marketing communication practices. It can be argued now that due to the company size of Tryton Foods and it 'only' being a SBU of WJS, the IMC practices of the first two firms are not comparable to the IMC approach implemented by Tryton Foods. However, this case presents a unique opportunity for this thesis. It may not be possible to generalise from this one case study but the comparison of IMC practices from two major global companies with the one of Tryton Foods may shed light onto how to possibly implement IMC in FMCG companies, varying not only by product categories but also by size. Tryton Foods is the smallest company of the three case studies, thus, the decision was made to present this company last in the series of case studies from this thesis.

As seen in chapter 6 and 7, each case is analysed according to the first four research objectives in which several key issues (in *italic*) are highlighted:

1. To explore the *emergence, growth and importance* of IMC within large consumer firms.
2. To explore the current situation of IMC *implementation and application* within the selected firms at the:
   a. Corporate Level
   b. Strategic Business Unit Level
   c. Product Level
3. To explore interactions and the interdependence between:
   a. The *Corporate Brand* Level
   b. The *Product Brand* Level
4. To identify, evaluate and compare perceived *benefits* with regard to the growth, importance and usage of IMC within the selected firms.

In view of the abovementioned four research objectives and the uniqueness of the final case being an SBU of WJS, Tryton Foods, is structured as follows:

- In section 8.2 a review of the William Jackson & Son Group (WJS) is carried out with a special focus on Tryton Foods in section 8.2.1
- In section 8.3 the case study in relation to IMC is explored. To begin with in section 8.3.1 different views about the emergence of IMC within Tryton Foods are presented – *Objective 1*
- Sections 8.3.2 – 8.3.7 focus on the implementation and application of IMC. The Tryton Foods internal values approach is explained in detail. Attention is also given to new behavioural segmentation rules – *Objective 2*
- Section 8.3.8 discusses the decision-making problem Tryton Foods is facing in relation to re-naming the company to 'Aunt Bessie' and interaction difficulties between different WJS strategic business units are explored – *Objective 3*
- Section 8.3.9 compares individual views about the benefits of an IMC approach for each interviewee – *Objective 4*
- In section 8.3.10 recommendations in relation to an advanced IMC approach within Tryton Foods are explored
- Section 8.4 concludes this case

8.2 The William Jackson & Son Group (WJS)

In 1851 a small grocery store in Hull was opened by William Jackson. It was not until his son took over the business in 1888 that the company also opened its first bakery. Throughout the next two decades the business scope gradually widened and in 1904 the business was listed as a private limited company – William Jackson & Son Ltd (WJS). Nowadays, the company is a successful medium- to large business with a group profit of £68.5million and a total turnover of £128.1million in 2005 (WJS, 2006c; WJS, 2005b). The group profit may appear high as a percentage of sales but this is due to the profit on the disposal of actual WJS store business, as explained by the managing director.

Today, the fifth family generation of William Jackson manages the business, embracing the history of the organisation and representing ambassadors as well as guardians of the family business. It is still privately owned, with over 90% of the shares belonging to the Oughtred-Jackson family. The remaining 10% are hold by

non-family individuals. The current chairman and managing director of the WJS group is Christopher Oughtred who is the great grandson of William Jackson. The strong involvement and control of the family led to the values and visions of the business. The aims of the business are to achieve and maintain excellence in all actions being undertaken, as well as earn the respect and gain the continuous support of all stakeholder groups. The vision of the shareholders is: "A business to be proud of", whereas the family motto is "Be merry and welcome" (WJS, 2006e).

The management style of WJS has been described as 'accessible', and team effort is recognised by the board (WJS, 2006e). As declared by the chairman: "We want the people with us, not behind us." – indicating an all-encompassing and consensually oriented leadership style. In an internal case study taken from the WJS website it was stated that the secret of the company's success was due to (WJS, 2006e):

- Taking a long-term perspective
- Holding trust as a key value and practice throughout
- Giving unstinting support for people through change
- Maintaining stability of purpose and outlook

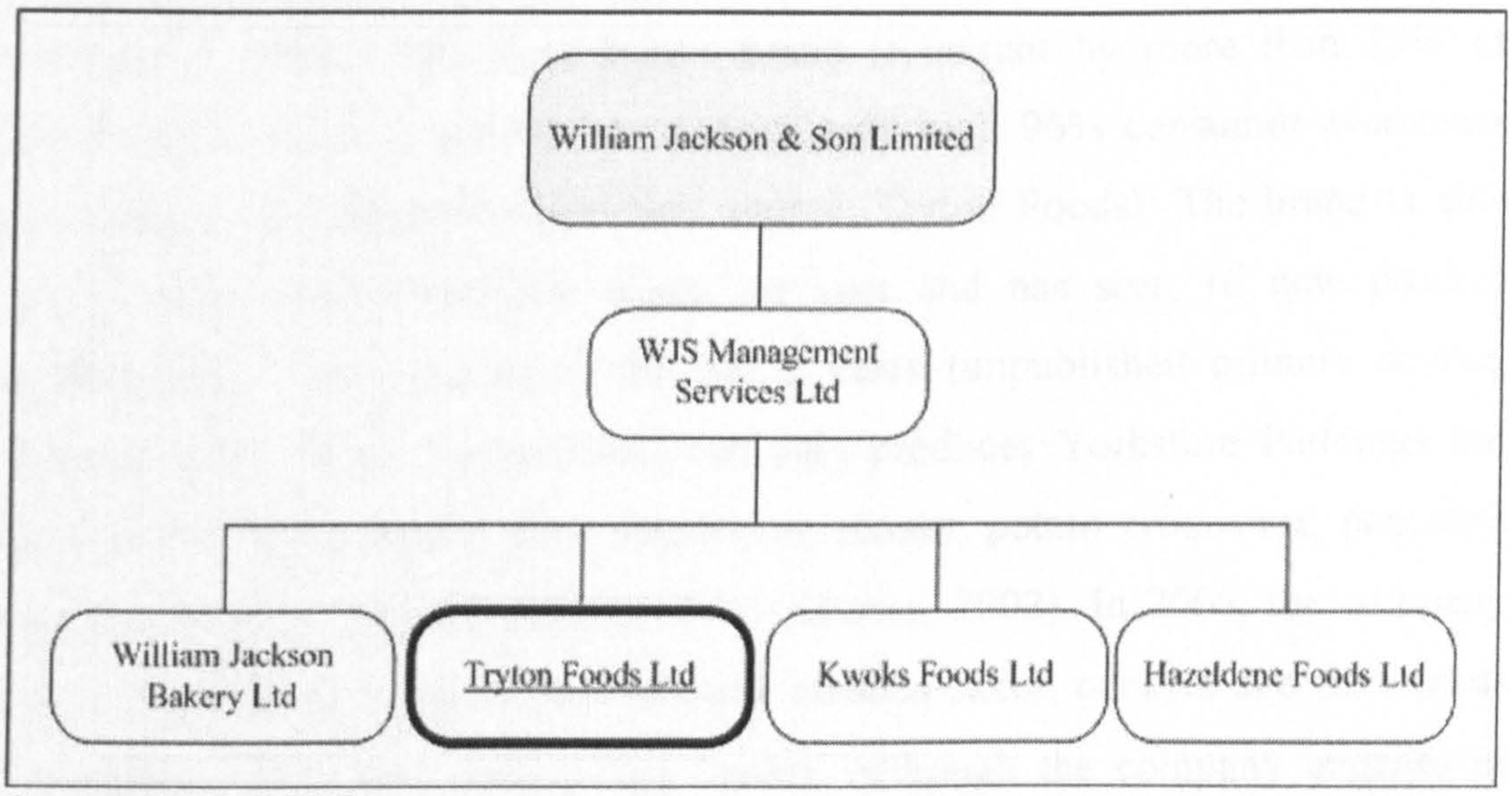
Innovations, including new internal communication practices as well as newly built manufacturing sites, and flexible processes, including opportunities for staff development, have played an important role in increasing the company's success. Moreover, employees are seen as a big part of this success, which also led to the winning of the family governance award in 2005 (WJS, 2006e). In addition, a fund has been formed for employees' children who are about to enter or who are already in full-time higher education. WJS provides a counselling service for all employees, which helps them in overcoming difficulties.

In terms of the business's end-consumers, the business has committed itself to use only natural resources and, wherever possible, to avoid additives. However, a criticism found in the case study is that because too many members of the family are involved in the business, this has hindered and/or may still hinder decision-

making processes. In addition, the company could apparently be run more effectively and efficiently and utilise 'fresh' ideas more rapidly (WJS, 2006e).

After some major disinvestments, such as the sale of Jackson's grocery stores in August 2004, the company now focuses primarily on food products. The WJS group consists of four main businesses – Tryton Foods, Jackson's Bakery, Kwok Foods, Hazeldene Food, as shown in Figure 8.2 (WJS, 2006a; WJS, 2006e).

Figure 8.2: Group Structure



Source: WJS (2006b)

Each business is managed separately. In summary, Jackson's Bakery delivers bakery products for many major European sandwich makers, Kwoks Foods specialises in chilled oriental and Chinese foods, Hazeldene Foods concentrates on the production of salads and other fresh foods, and Tryton Foods is most known for its 'Aunt Bessie' brand, which is also the focus of this case study, dedicated to the manufacture and marketing of frozen foods. The group head office is based in Hull, and is responsible for the co-ordination and support of all businesses (WJS, 2006b).

8.2.1 A Business Perspective of Tryton Foods

Tryton Foods is the core business of WJS, bringing in more than 50% of the group's profit (Interview 1a, 2 December 2005). It was founded in 1985; currently, has more than 600 employees, and among other products sells over 20million Yorkshire Puddings each week, which does not only make it the fastest growing brand in this product category, but also market leader (with 69% market share) in comparison to other frozen food brands, such as Birdseye in the frozen food category of FMCG companies (WJS, 2006d; Hall, 2004; Campaign, 2004; The Grocer, 2004). The Aunt Bessie brand is bought by more than 53% of households in the UK and has an astonishingly high 96% consumer awareness (according to an unpublished primary source, Tryton Foods). The brand is also used in more than 500million meals per year and has seen 16 new product launches into 3 new sectors in the last 2 years (unpublished primary source, Tryton Foods). Thus, Tryton Foods not only produces Yorkshire Puddings but also various frozen meals, pies, vegetables, scones, potato croquettes, pancakes and other bakery products (Grocer, 2003; Grocer, 2002). In 2006, the company also invested £4mn in the launch of ready-to-bake cakes, cookies and fruit cakes (Marketing, 2006; New Media Age, 2006). Although the company engages in various licensing activities, Aunt Bessie its core brand, generates the majority of Tryton Food sales. Due to a severe fire in 1995, Tryton Food had to rebuild its main factory, where new state-in-the-art facilities can now be found. The new technologies and an effective creative team drove forward innovative ideas in the frozen food category. The company's vision and mission statement are shown in Table 8.1.

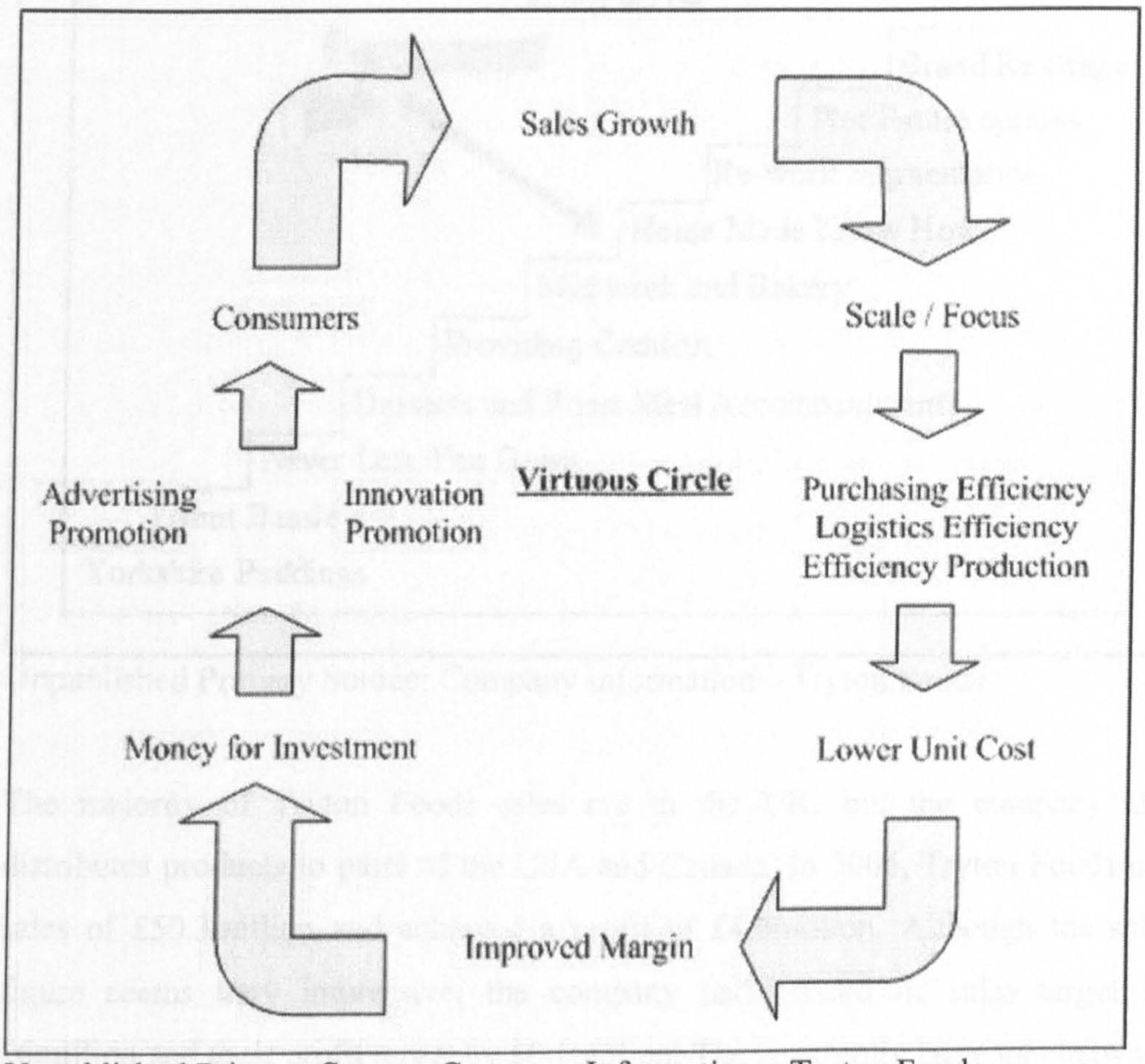
Table 8.1: Vision and Mission Statement

Mission	Vision
Building a brand to be proud of Building a culture to be proud of Building operations to be proud of Building finances to be proud of	Building a business to be proud of by helping people to rediscover the pleasures of great tasting foods.

Unpublished Primary Source: Company Information Tryton Foods

To translate the mission and vision statements into achievable targets for all employees and especially the marketing department, the company board has created a virtuous circle for employee orientation, shown in Figure 8.3. In comparison to the case study firm Imperial Tobacco (see chapter 7), similarly, Tryton Foods also strives to reduce costs and optimise its production sides in order to generate resource investment for new product launches and other expenditures. In Figure 8.3, it is demonstrated that efficiency and effectiveness in relation to purchasing, production and logistics result in lower unit costs which enables the company to invest the extra funds into product innovation and marketing communication activities which may lead to higher consumer awareness and consequently, according to the interviews, to sales growth.

Figure 8.3: Continuing the Virtuous Circle

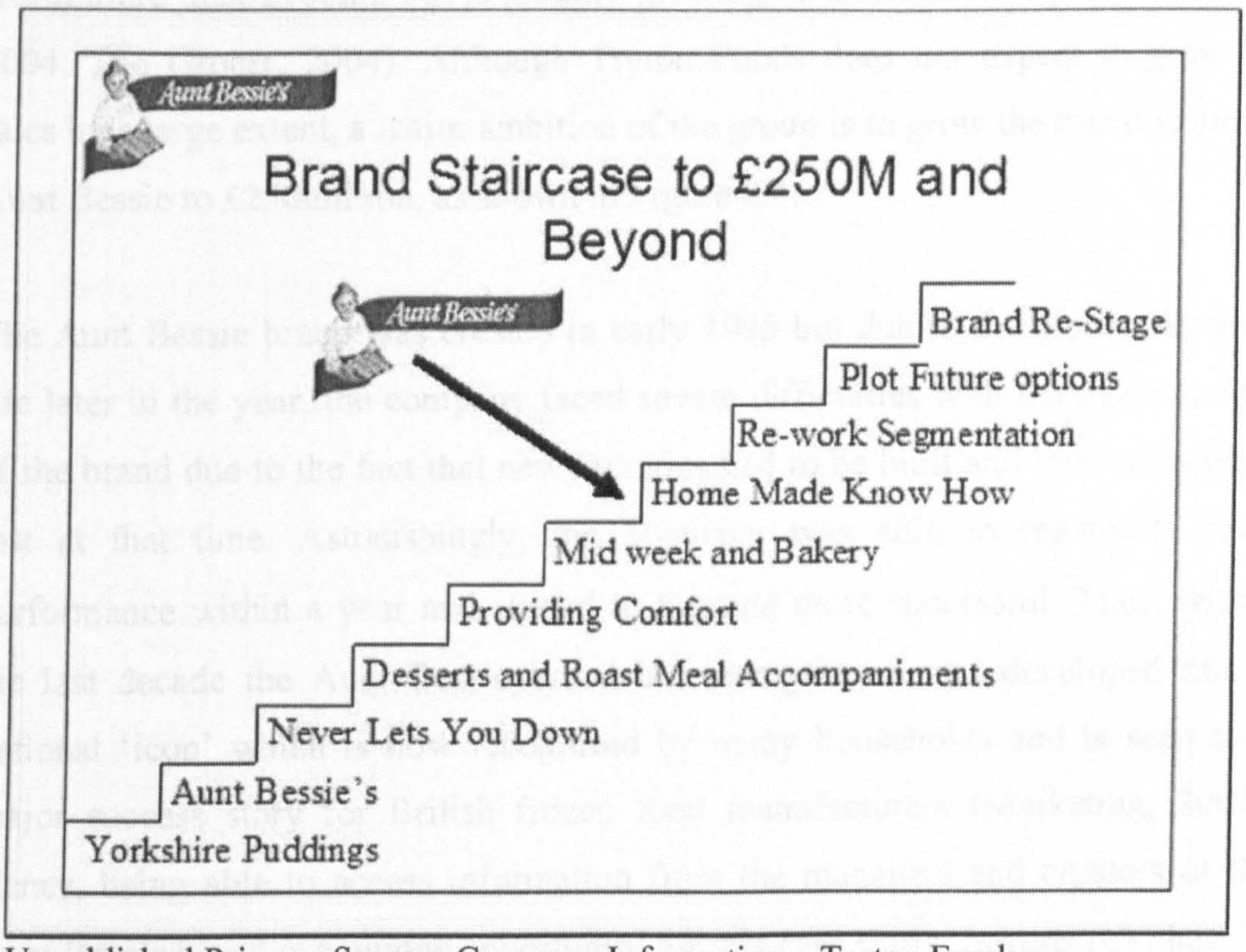


Unpublished Primary Source: Company Information – Tryton Foods

The Aunt Bessie brand is now worth more than £110million (unpublished primary source, Tryton Foods). Its brand essence can be characterised as 'home-made

know how' – a convenient way to cook traditional English food, as shown in Figure 8.4. In the first interview with the company (2 December 2005), the managing director stated that the success of the brand is primarily due to consumer loyalty. In 2005, Tryton Foods was not only voted best UK Frozen Food Manufacturer but also Company of the Year and Best Food Employer (WJS, 2005a). Furthermore, according to TNS Superpanel research data Aunt Bessie is the UK's 19th biggest supermarket brand by value (Marketing, 2005).

Figure 8.4: Brand Staircase



Unpublished Primary Source: Company Information – Tryton Foods

The majority of Tryton Foods sales are in the UK, but the company also distributes products to parts of the USA and Canada. In 2006, Tryton Foods had sales of £50.3million and achieved a profit of £4.6million. Although the sales figure seems very impressive, the company had missed its sales target by £6million and their profit target by £0.1million. The apparently large gap between profit and Tryton Foods profit is due to the effect of licensing the brand to other partners, changes in these arrangements also account for some of the sales target miss.

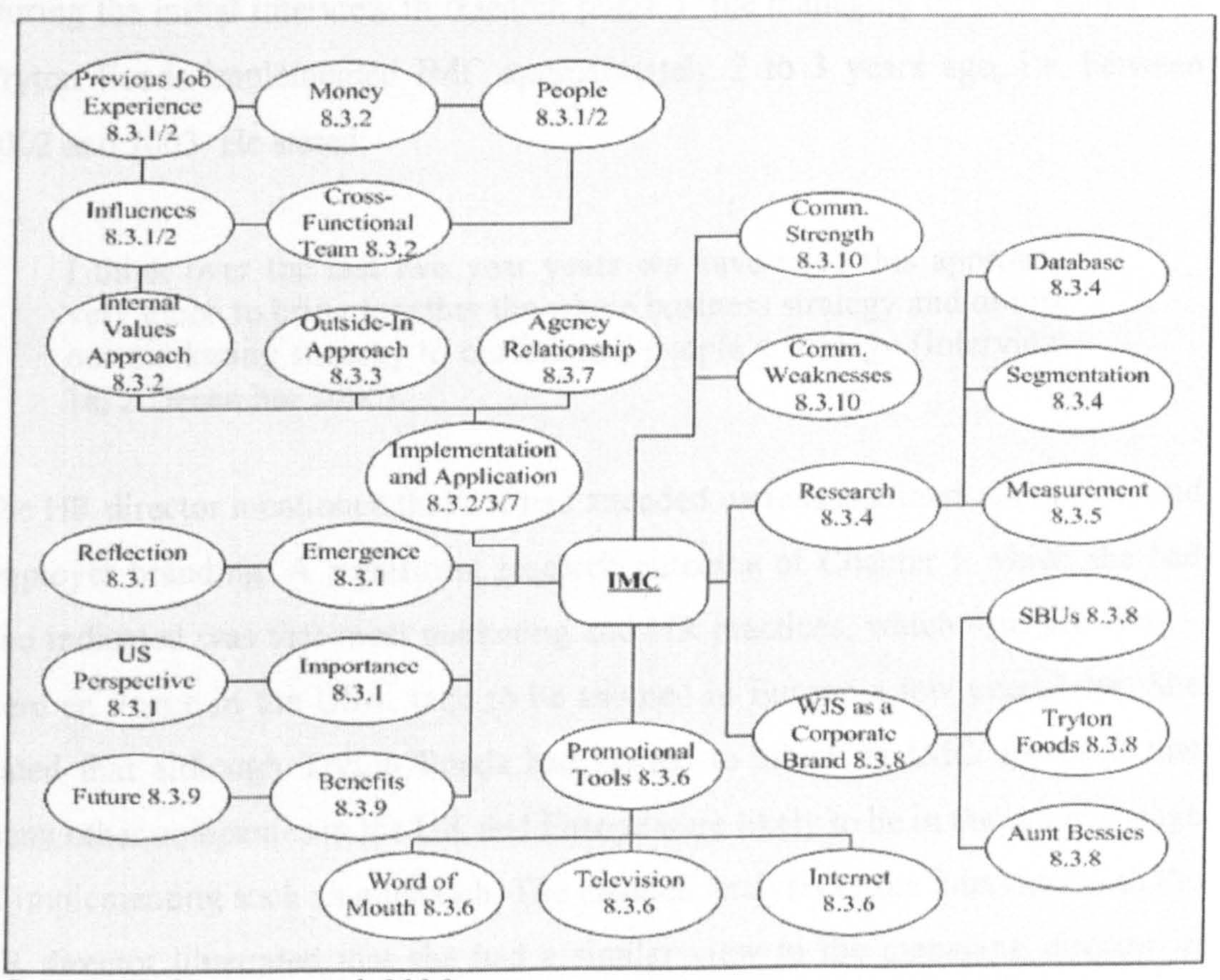
According to the company analysis, due to new food regulations and entrenched consumer awareness it will be increasingly difficult to grow sales. Thus, new campaigns will focus on its wholesome brand promise as well as preservative and additive-free cakes, scones and cookies, to establish and increase sales among existing and other consumers (unpublished primary source, Tryton Foods). Furthermore, new consumer groups and changing consumer habits have developed and led the senior management of Tryton Foods realise the need to invest in new product categories. Despite the difficulties and despite of missing their sales target, research has also shown that the Aunt Bessie brand is not only worth more than £100mn but is steadily growing on average 33% per year (Hall, 2004; The Grocer, 2004). Although Tryton Foods does not expect to grow its sales by a large extent, a major ambition of the group is to grow the brand value of Aunt Bessie to £250million, as shown in Figure 8.4.

The Aunt Bessie brand was created in early 1995 but due to the aforementioned fire later in the year, the company faced severe difficulties with the development of the brand due to the fact that new factories had to be built and vital sales were lost at that time. Astonishingly, the company was able to regain its sales performance within a year and started to become more successful. Thus, within the last decade the Aunt Bessie brand has strengthened and developed into a national 'icon' which is now recognised by many households and is seen as a major success story for British frozen food manufacturers (Marketing, 2005). Hence, being able to access information from the managers and creators of the Aunt Bessie brand is a unique opportunity for this case study. In research phase 1, it was established that the company did, in fact, employ an IMC programme; developing Aunt Bessie from a small regional brand into a large national one.

This in turn, provides a research opportunity to understand, i.e. how an IMC approach helped in achieving the success for the Aunt Bessie brand. For this case study interviews, with the managing director, marketing-sales director, human resource director as well as a brand manager took place. Extensive primary data was also provided by interviewees which guided the analysis of the interview transcripts. Prior to the analysis, the WJS website and Aunt Bessie website were consulted.

The research objectives and specific categories (see Figure 8.5) in relation to the application of IMC within Tryton Foods were taken into consideration and directed the development of this chapter's structure and sections. As in the previous two case studies, a mindmap was created which facilitated the analysis of the interview findings. The different categories were linked together, and the dimensions presented in chapter 4 (see section 4.5) were revealed. For example, dimension 1 is primarily concerned with the emergence and importance of IMC. Dimension 2, which refers to the implementation and application of IMC is also interlinked with other dimensions and several categories. Thus, one can find the category 'agency relationship' as well as dimension 4 - Client perceptions of agency activities in the context of IMC also under the heading of dimension 2. Dimension 3, which concerns the measurement and evaluation of IMC is linked with the categories – research, measurement, segmentation and database. Figure 8.5 illustrates the categories and nodes formed during the analysis of interview findings.

Figure 8.5: A Mindmap of the Tryton Food Case Study



Source: Author generated, 2006

For example, the discussion in relation to the emergence and importance of IMC (objective 1) within Tryton Foods can be found in section 8.3.1. The associated benefits (objective 4) of Tryton Foods' IMC approach can be found in section 8.3.9. However, during the analysis of interview findings a causal relationship between the emergence, importance and perceived IMC benefits was noticeable. Thus, a link between section and 8.3.1 and 8.3.9 is portrayed. In Appendix 5 and 7 the interview schedules as well as the full list of categories and themes for this case study are provided respectively. For further detail in relation to the analysis procedure chapter 4 – section 4.5 may be consulted. Issues in relation to reliability, generalisability and validity of this and other case studies is given in chapter 4 – section 4.7.

8.3 An IMC Perspective of Tryton Foods

8.3.1 Different Views about the Emergence, Growth and Importance of IMC

During the initial interview in research phase 1, the managing director stated that Tryton Foods implemented IMC approximately 2 to 3 years ago, i.e. between 2002 and 2003. He stated:

> I think over the last two year years we have used this approach very much to bring together the whole business strategy and to link our marketing strategy to our internal people's strategy (Interview 1a, 2 December 2005).

The HR director mentioned that she had attended various seminars about IMC and employer branding. A significant research outcome of Chapter 5 which she had also indicated was that most marketing and HR practices, which – in her view – were en vogue in the USA, tend to be adopted in Europe a few years later. She stated that although Tryton Foods had started to adopt an IMC approach that many other companies in the UK and Europe were likely to be in the infancy stage of implementing such an approach. The detailed analysis of the interview with the HR director illustrated that she had a similar view to the managing director in relation to the emergence of IMC within Tryton Foods. They saw IMC from an

internal marketing perspective, i.e. bringing people and the brand together in proximity in relation to brand values, and seeking to have consumers understand what the company stands for.

> About three years ago, we took a very clear and public articulated approach where we linked our company values to those of our brand values (Interview 2, 11 October 2006).

However, the managers involved more intensively with the company's marketing communication activities had a more 'marketing-led' view about the emergence of IMC within the organisation. Firstly, the marketing-sales director stated:

> The Aunt Bessie brand was launched in 1995. From that moment we were spending about £1million each year on advertising to the consumer [IMC] has always been important since the brand was launched. Our efforts have been principally externally on the brand up until most recently. *Now*, we try and talk about Aunt Bessie's and how it relates to our employees and our key stakeholders The internal values approach is far more recent, probably in the last two to three years IMC has really gained momentum (Interview 3, 12 October 2006).

One of the brand managers also mentioned a similar time span when IMC was implemented within Tryton Foods but stated that the emergence and growth of IMC was due to a major strategic new product development launch.

> I think we always tried to apply the principles but I guess the struggle was always the size of the business and the relative spend We just did not have the people and resources to spend on getting in the information in order to understand how to make the most of our investment. We tried to get into a more disciplined harness in the last 18 months. We just recently launched one of our major strategic new product development launches which is the ready to bake bakes The level of investment into experienced employees and the level of thinking with John Hendy [new marketing and sales director] and Neil Sanderson [new managing director] improved significantly which we would not have had previously (Interview 4, 20 October 2006).

This variation in opinion may have been caused by the different job roles and responsibilities within the organisation. The managing director adopted the perspective of the whole organisation, whereas the HR director was focused on

internal integration and employee communication. Furthermore, the marketing-sales director does have an overview of the whole company as one of the major directors but has only been employed for four years when the 'turn-around' plan started to develop. The brand manager viewed the emergence of IMC as a 'pure' marketing communication term and concentrated on the changes, which happened in his personal working environment, i.e. the strategic launch and the employment of a new marketing-sales director as well as managing director. Thus, all interviewees saw IMC from their own task point of view; as a result, IMC was seen from an individual perspective as everyone within the marketing team and company apparently felt responsible for its implementation. Although the managers interviewed firstly commented on IMC from their own perspective and dependent on their position within the hierarchy of the firm, all were able to comment on IMC from an overall perspective, as well.

Despite the fact that interviewees mentioned different causes for the emergence of IMC unison was found in relation to IMC importance and in adopting this approach. All interviewees mentioned that IMC can only become more important. The brand manager stated that especially in the frozen food sector it is becoming increasingly difficult to engage consumers because of their sophistication and understanding of the influences upon them. Consequently, he illustrated that it is important to know how to combine effectively above-the-line, through-the-line and below-the-line activities. Moreover, the marketing-sales director also added that due to media fragmentation and the significance of PR and marketing PR it has become more essential that the company adopts an IMC approach. The HR and managing director commented as follows on the importance of IMC:

> We are still very much focused on the Aunt Bessie brand and how we drive the Aunt Bessie brand across the organisation. We are using an internal values approach and an external brand approach (Interview 1b, 02 October 2006).

> I think we live in a very competitive world of talent and the war for talent is another key focus area for all UK business areas at the moment This is who we are and what we are about and I think it is important that our company adopts a brand as an employer (Interview 3, 11 October 2006).

8.3.2 Implementation and Application Issues at Different Levels

Approximately 3 years ago, Tryton Foods took the values associated with Aunt Bessie and translated them into core values for the organisation and its employees. Hence, the board sought to ensure that all employees understand the brand values of Aunt Bessie.

> An IMC approach is almost like a natural progression. It was an incremental progression from understanding the brand and to let us think about an internal perspective. How can we use that for our consumers via our employees to better understand what the brand is about and understand what the future stands for (Interview 3, 12 October 2006).

Thus, the HRM team found itself in the unique position, issued by the board of Tryton Foods, to create an internal value approach which encompasses the codification of the brand values in a three-fold perspective, as shown in Table 8.2. Each value of the Aunt Bessie brand (i.e. trust/integrity, reliability, family orientation, innovation, quality, growth, value for money) was first examined thereby analysing the meaning of every proposition. These characteristics were then taken forward and translated into meaningful statements for each member of staff, the managers and board as well as the organisation in general.

Table 8.2: Living the Aunt Bessie Values

Value	**The Company will …**	**Our Managers will …**	**Our People will …**
Trust / Integrity	**M**eet commitments made and be open, honest and ethical in its internal and external working relationships and practices.	**D**emonstrate a high regard for their team members and encourage a working environment based on openness, mutual trust and respect.	**D**isplay high personal standards of honesty and integrity.
Reliability	**D**eliver its promises to colleagues, customers, consumers and shareholders and be consistent in its standards of performance and behaviour.	**D**evelop and maintain working practices based on safe, fair and consist standards and management practices.	**B**e reliable with regard to attendance, delivery of performance expectations and be committed to doing their best.
Family Oriented	**R**ecognise family commitments outside the workplace and offer flexibility in its working practices to enable both family and work commitments to be met.	**E**mbrace team working and encourage involvement among their team, recognising the value of diversity in our internal family.	**R**espect all their internal family members and support each other in their duties.
Innovation	**C**ontinue to embrace change and explore opportunities to further improve and expand its product offerings, processes and service.	**E**ncourage the generation of new ideas and creativity among team members and look to identify new ways in which to improve our products and processes.	**B**e receptive to new ideas and demonstrate a 'can do' approach to new working practices that will improve performance.
Quality	**T**hrough the employment of high calibre people, maintain market leadership in the provision of quality great tasting foods.	**C**ontinuously develop their teams and systems to ensure that the Company's commitment to quality is delivered.	**A**dhere at all times to internal protocols introduced to maintain our high quality standards.
Growth	**B**e committed to growing its brand, its business and recognising, nurturing and developing its talent.	**T**ake an active role in developing their teams to achieve their highest potential through the provision of meaningful work and performance review and development systems.	**E**mbrace the opportunities provided for work enhancement and personal development and be willing to grow with the business.
Value for Money	***D**eliver strong financial profits in the short and long term.*	***S**trive to improve our cost base through optimum utilisation of our assets.*	***S**hare in the success of the business and be appropriately rewarded for their contribution.*

…… and we will in all we do ask ourselves "would Aunt Bessie be proud of this?

Unpublished Primary Source: Company Information – Tryton Foods

As explained and also demonstrated in Table 8.2, in order to ensure internal integration throughout the whole company, commitment from the Board and all members of staff was required. The company was portrayed by interviewees as an 'open' business culture which reflects upon employees views and takes these into account to encourage the aforementioned internal integration. It could be argued now, that the success of the apparently high internal communication is due to the internal values approach and commitment from Human Resources and not just the marketing team.

> We are very open in terms of our communication and I think that it is a key factor that you have to decide before you embark on this path. If you are a closed business culture, you are never going to get full integration and full engagement because people will only ever know their immediate surroundings. We want people regardless of their role or performance in the business to understand and truly believe they are part of the development of the Aunt Bessie brand regardless of what they do (Interview 2, 11 October 2006).

Having interviewees reflect on the changes being undertaken within the organisation in the last three to five years, the brand manager noted that especially by employing skilled and experienced directors in marketing, management and HR it was possible to create a change of mindset and 'bigger' thinking among all employees. According to interviewees, all managers within the company view the IMC approach not as an ad-hoc decision but a development of current marketing communication practices which was implemented throughout the organisation. The marketing-sales director also said that the integrated approach was implemented through the realisation of a 100% coordination need between the functional value of the Aunt Bessie brand, which is the value of British home-cooked meals and the emotional value of the brand which is about Aunt Bessie as a 'helping hand'.

In the IMC literature (Eagle and Kitchen, 2000; Gould et al., 1999; Cleland, 1995; Schultz, 1993e) it has often been considered that current organisational structures and hierarchies may present barriers to IMC implementation. The board of directors of Tryton Foods, however, did not decide to re-structure the whole organisation but chose to augment communication between departments. At first,

the directors decided to form a cross-functional team, consisting of members of the commercial and marketing, human resources, finance and operation team, unusually, managed by the HR team. This group then developed an employee survey and conducted several interviews with employees from Tryton Foods as to how to improve the communication and inculcate the Aunt Bessie values among employees. As a result, the employees felt that they had a significant influence as well as impact on the realisation of the new internal communication approach. The directors interviewed in this research phase perceived it as a necessity that employees feel part of the organisation and responsible for its survival, which in turn forms a vital contributor to Tryton Foods' IMC approach. The senior management level also wanted to ensure that the new approach would not seem like a management fad. Thus, the anticipated end effect would result in all employees being brand ambassadors of Aunt Bessie. Such an approach might be feasible for a company of this size, i.e. medium to large national organisation. However, it may not be appropriate for large organisations with respect to employee numbers, strategic business units and local subsidiaries, and the associated difficulties of implementation.

The foundation of the Aunt Bessie's value approach was illustrated in Table 8.2. Therefore, each of the seven values accounts for certain characteristics which all members of staff should respect and adopt in their job functions. The aforementioned employee survey has been altered and is now being conducted every 3 months and completed by 25% of the company's staff, therefore, the company not only ensures that all members of staff are being questioned throughout the year but also a trend analysis can be established without individual incidences influencing overall annual outcomes. The survey contains questions about employee satisfaction, how employees respond to Aunt Bessie's values; and their responses to perceived trust and integrity are measured. The company discovered via survey results that "people working on night shift are less aware of the Aunt Bessie values than people working in the morning where employees are more likely to have management contact and communication" (Interview 1b, 02 October 2006). Furthermore, the board of directors also take into consideration how to improve the communication to external stakeholder groups. After the responses for each value are appraised, a strategic action plan is developed by the

cross-functional team according to the above mentioned Aunt Bessie's values, in order to improve indicated weaknesses in communications and operations. An example of how the company assures and improves the family values is shown in Figure 8.6.

Figure 8.6: An Example of Survey Results Put Into Action

Trust and Integrity *Openness and honesty (communication), trust and respect* Hits: o Developing representative forum – ECG incl. local o Weakly Team Briefs – includes absentees o Improved shift handovers Misses: • Interdepartmental communication still lowest scoring statement on questionnaires and needs to be addressed	**Family Orientation** *Balancing work and home commitments, diversity, team working, welfare provision and benefits* Hits: o Flex. Working – job share, part-time, additional holidays o Pension scheme enhancements – final salary + s/holder o Introduction of higher education grants Misses: • company Shop! WIP – Social committee – Let's make it a Hit
Would Aunt Bessie be proud of this **- Value for Money** **- Trust/Integrity** **- Growth** **- Reliability** **- Quality** **- Innovation** **- Family Orientated**	
Reliability *Consistent standards and behaviours, safe working practices, high levels of attendance and performance* Hits: o Significantly improved safety performance o Reduction in absence levels o Strong questionnaire scores re: respect at work o Performance reviews now the norm for all employees Misses: • Absence levels still significantly above industry average	**Growth** *Commitment to business growth, developing talent, embracing opportunities* Hits: o 317 achieved NVQ level 1 o 289 Food Hygiene Level o 28 promoted/appointed to new roles in last year o 25 First Line managers completed 4 day programme Misses: • Disappointing levels of internal interest in new/skilled roles

Unpublished Primary Source: Company Information – Tryton Foods

As demonstrated in Figure 8.6, key family values are taken forward and translated into action plans which are implemented throughout the company. For example, trust and integrity means that openness and honesty needs to be practiced by all employees and external stakeholder groups should also perceive the company in these terms. The survey results indicated that trust and integrity have been accomplished in the following three areas:

1. A representative forum has been created exhibiting customer views and also local community members (e.g. Hull inhabitants).
2. A formal structure in relation to weekly meetings has been established.
3. The 'swap-over' between shifts of staff members working on the manufacturing side has been improved.

However, the survey analysis demonstrated that significant improvements with regard to inter-departmental relations and communication among employees still need to be made. As a whole, each value's characteristics are firstly defined; via an employee survey it is then established to what extent these values are fulfilled by the employees and what has yet to be accomplished, i.e. resulting in action plans. According to the interviewees, another beneficial factor, which results from adopting an internal value approach, is that maximising internal integration and communication between people helps in portraying a consistent message to other stakeholder groups.

8.3.3 A Consumer-Driven Approach

All interviewees stated that the adoption of an IMC approach is based on the key values of the organisation and that the external part of the IMC approach needs to be brand-led and implemented by Marketing. Having a long-term strategic vision and knowing all stakeholder touch points were important 'ingredients' for the application of an IMC approach in Tryton Foods. The marketing-sales director commented that the marketing programme was – in fact – the 'glue' that holds all communication activities together. The responsibility for ensuring the application of an IMC approach and the 'smooth running' of it was delegated from the board,

especially via the marketing-sales and managing director. Strategic planning sessions are also established in which both brand managers (one for new product development and the other for traditional Aunt Bessie's products), the marketing controller and marketing-sales director meet to discuss developments and changes. According to IMC researchers (Duncan and Mulhern, 2004; Kitchen and Schultz, 2001; Schultz, 1997c) a consumer-driven approach, i.e. an outside-in approach can only be adopted, if the company undertakes consumer research activities. According to interviewees from Tryton Foods, the company conducts both quantitative and qualitative studies (see section 8.3.5) in order to develop an outside-in approach, in which integrated brand communications are developed and implemented based on consumer needs and wants.

According to Hutton (1996b), a consumer-driven approach can only be established if all employees and especially the senior management level are aware of and know the brand values and promise. In relation to Hutton's (1996b) proposition, the interviewees all gave a similar response: "The overall vision is about the brand providing a helping hand to assist people in rediscovering the pleasures of great tasting food" (Interview 1b, 02 October 2006). Thus, the interviewees illustrate that they do not only recognise the importance of a consumer-driven approach but also that the company actually adopts this. Other IMC researchers (Stammerjohan et al., 2005; Eagle and Kitchen, 2000; Hartley and Pickton, 1999; Phelps et al., 1996) expressed in their studies that it is very important to have a consistent IMC and internal communication approach in order to be consumer-driven, and send out appropriate messages to consumers and various stakeholder groups through holistic campaigns. This finding supports these views and also reflects upon current IMC practice within Tryton Foods.

Although Tryton Foods tries to act in a consumer-driven way, an area of development is:

> We certainly have not got a surplus of people relative to the amount of things that are going on. We are aware that we could meet more formally to generate and adopt best practice (Interview 4, 20 October 2006).

Furthermore, in the interview with the marketing-sales director it was revealed that all new innovations are created internally. According to Schultz and Kitchen (2004), to be consumer-led, innovations and ideas should come from consumers. However, upon the explanation of an outside-in approach the marketing-sales director argued as follows:

> I think when you sit down with your consumers in groups and you say what do you think of this idea or can you come up with an idea then they don't commercialise the thing We first identify the category which we could go into and then we will take this to the consumer (Interview 3, 12 October 2006).

On the other hand, the managing director also gave an example of how the company and a license partner utilised a 100% consumer-driven 'marketing-brand-communication' approach. The example was that a roast potato manufacturer was seeking to find out what kind of brand would best portray British food in relation to home-cooked meals. The company then conducted various kinds of research in order to find out what brand was best perceived by its prospective consumers. The findings showed that Aunt Bessie was seen as the most suitable brand in relation to British home-cooked meals. Thus, Tryton Foods and the roast potato manufacturer formed an alliance based on consumer brand preferences in order to take advantage of the opportunity to move into a new food product category. Although it is inspiring to push a brand further and find new product development opportunities, such as the one presented, it was also explained by the managing director that any company should always stay true to its brand essence and what the brand stands for, in order not to confuse consumers and deliver conflicting messages.

In relation to the question if the communication is two-directional or one-directional, each interviewee answered that the communication should always be enhanced and that at the moment, the communication is both one- and two-way directional. The reason for not being fully consumer-led or not always having a two-way dialogue with consumers was:

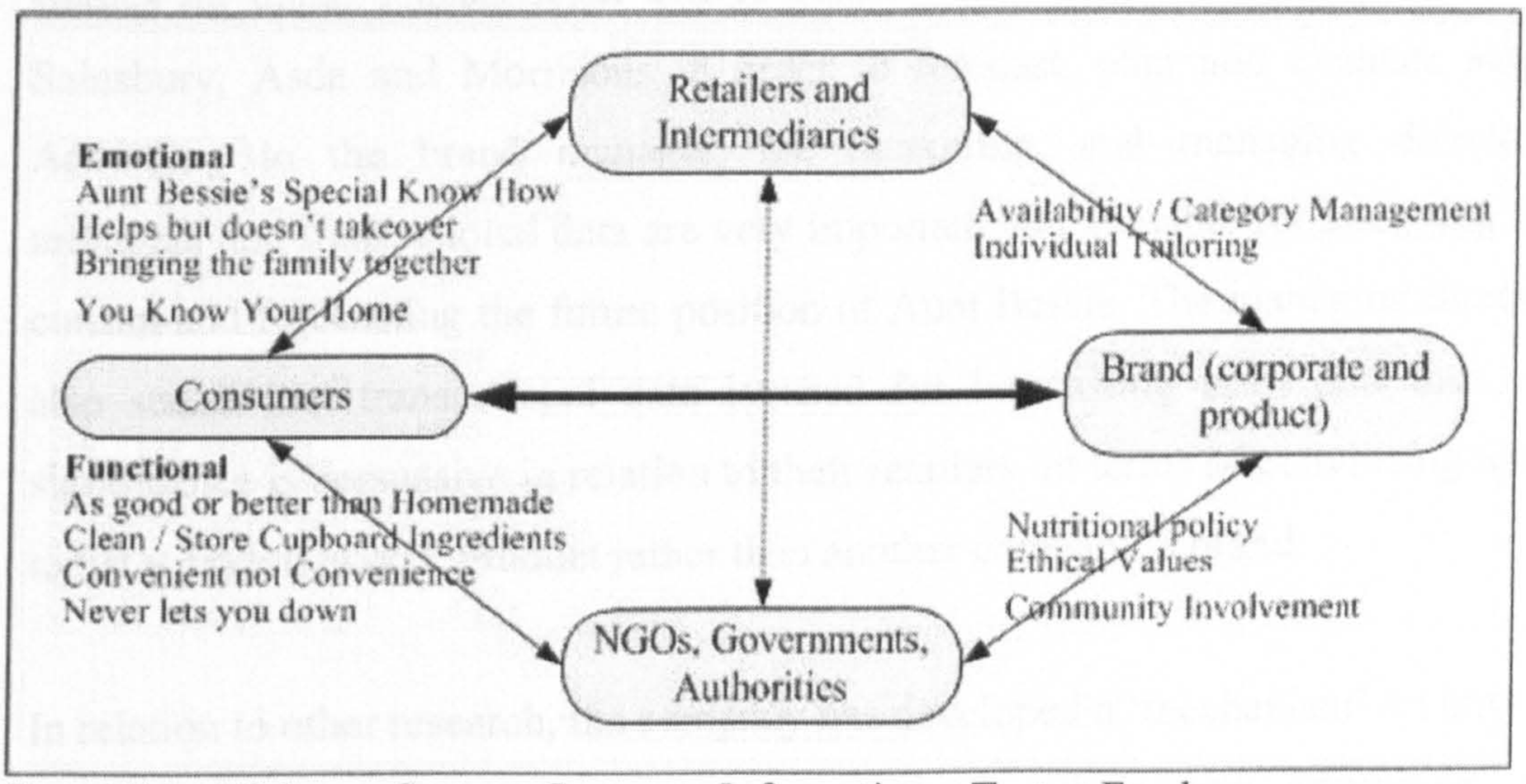
> We take feedback very seriously and respond to it in the most professional manner, but because we grow through licensing our

> brand consistency and standards of responding to feedback isn't always as consistent as it could be (Interview 4, 20 October 2006).

However, the marketing-sales director also recognised that the changing media landscape and especially new technologies, such as the Internet may help the company to establish a better dialogue, e.g. through the Aunt Bessie's Web Club with customers and consumers.

As a consequence of the extensive growth of the brand and the company, the managing director also provided a model developed internally to understand the influences the company can have on various stakeholder groups and vice versa (see Figure 8.7). The four main influences on the company are the product and corporate brand, which directly have the strongest affect on the second group – consumers whereas the other two groups (retailers and intermediaries as well as non-governmental organisations, other authorities and governments) do not have such a great impact on the first two groups. However, all groups have multi-directional influences on each other as well as on the whole organisation and the IMC strategy.

Figure 8.7: Market Dynamics



Unpublished Primary Source: Company Information – Tryton Foods

As noted from interviews conducted in the first research phase, many international and global companies have created a marketing code of conduct in order to guide and facilitate the work of the marketing department and advertising agencies.

Although Tryton Foods has certain guidelines about the essence and values of the Aunt Bessie brand, so far the company has not developed a marketing code of conduct. Nevertheless, since implementing an IMC approach two to three years ago and focusing on the Aunt Bessie brand the company's growth rate claimed to be significantly stronger in comparison to other food manufacturers (unpublished primary source, Tryton Foods). Due to the company's expansion and growth, Tryton Foods may develop a marketing code of conduct in order to make the work of marketing and advertising agencies more effective and less time consuming as well as to ensure correct image representation of the company to external stakeholder groups. Furthermore, in the case companies Imperial Tobacco and SABMiller a research outcome was also that best practice cases of the firm provide good examples on how campaigns should be developed or marketing communication tools should be used, which may also be a practice that Tryton Foods could adopt in the future.

8.3.4 Research and Segmentation

Tryton Foods employs an external research agency to conduct consumer research studies for them. Transactional data is obtained from major retailers, i.e. Tesco, Sainsbury, Asda and Morrisons in order to forecast, plan and evaluate sales. According to the brand manager, the marketing, and managing directors, relational and transactional data are very important and valuable for analysing the current and forecasting the future position of Aunt Bessie. The managing director also stated that transactional data is used for forecasting sales and thus, its significance is persuasive in relation to their retailers, in terms of convincing them to list a Tryton Foods' product rather than another company's brand.

In relation to other research, the company has developed a 'mechanism' on how to coordinate and utilise their research activities to their own advantage. As discussed, the managing director also stated that very often consumers are not able to express or come up with new ideas. Therefore, quantitative research studies are conducted with various consumer groups, which can lead to new ideas about brand image, or brand propositions, which can after more research in both

quantitative and qualitative forms be further developed. The managing director commented in his second interview as follows:

> Rather than trying to establish a brand hypothesis and saying do people believe that, we more broadly spread work in the form of quantitative research, which leads us to brand propositions, which can then be tested, with further research (Interview 1b, 02 October 2006).

Other creative research techniques that assist the development of a consumer-driven IMC approach, is the Aunt Bessie Internet Club, in which consumers are able to exchange recipes or leave direct feedback for the company. In comparison to the first case study, SABMiller, which conducts regular brand measurement activities on a monthly basis, Tryton Foods conducts a major brand tracking study only once a year, where quantitative (questionnaires) and qualitative (focus groups) methodologies are used to identify consumer attitudes and values. The managing director also explained some of the more qualitative research techniques via the following examples:

> We break our product apart and we ask consumers to take it home with them and try it out, where they then come back and tell us which bits they like and which ones they didn't. In our blue sky process, for new products and innovations we do different group dynamic work where we will actually take people into kitchens and have them cook food which shows us what they mean by traditional food and how they prepare it (Interview 1b, 02 October 2006).

In total, the company spent £280,000 on research activities in 2005/2006. These activities include brand tracking research (£45,000), advertising tracking (£40,000), product panels (£30,000), product modelling & design (£20,000), new product research (£95,000) and strategic inputs, i.e. consultancy research (£50,000). One brand manager commented upon the research activities as follows:

> [Tryton Foods] probably does more research than I have ever experienced previously in terms of seeking to understand our consumers (Interview 4, 20 October 2006).

Until now, the established database only utilises employee data. All research data is stored with the research agency. But in a previous campaign, for example, Tryton Foods used the Tesco ClubCard database in order to find out in which stores its targeted segments shop at and as a result, launched a successful poster campaign in suitable stores (Marketing, 2006; Campaign, 2004). Tryton Foods also has plans to build a fully functioning consumer database over the next three to five years. Transactional and relational data are already obtained and used to build segmentation rules.

> We look at bar codes and what people buy We are able to identify these individuals or clusters if we combine the data. We can see how many have bought, for example a Yorkshire Pudding, a ready meal or another one of our products It is a form of clustering technique (Interview 3, 12 October 2006).

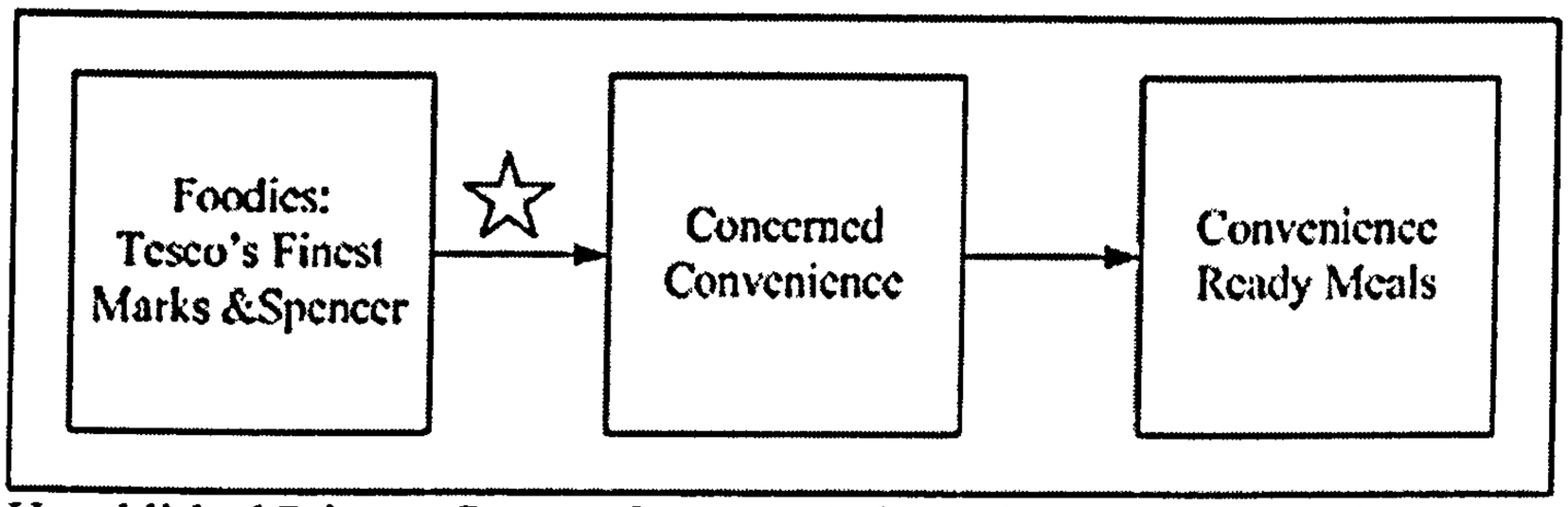
Transactional data is then used to understand and determine where profits and sales are coming from, i.e. understanding the success of each product individually, whereas the relational data is used to understand and enrich the transactional data. Thus, all four interviewees agreed that one should not separate these two forms of data.

A reason why Tryton Foods has not established a database yet is that research has shown that Aunt Bessie has 53% penetration among UK consumers. This indicates that more than 11million households are consuming Aunt Bessie products. It would not be effective to develop an 'ad-hoc' database because " you can't just do one or two pieces of activity, you've almost got to say let's do our whole marketing communication planning in a different way, therefore, it will take a while until we will be talking to consumers directly" (Interview 3, 12 October 2006).

Despite the fact that the company is currently not using a database for segmenting target groups to the extent Peltier et al. (2003) stresses, Tryton management has identified problems in their past segmentation rules. The segmentation activities were mainly based around end-consumer demographics and therefore, no 'real' targeted segments were identified. These were merely

determined by gender, age, family status and income – i.e. 'housewives with children'. Recently, however, Tryton Foods has improved its segmentation, as shown in Figure 8.8.

Figure 8.8: Tryton Foods' Segmentation



Unpublished Primary Source: Company Information – Tryton Foods

The new and improved segmentation is based on consumer shopping habits and their behaviour, rather than just demographics. The first group of consumers (Figure 8.8: left box) within the frozen food sector are called 'Foodies'. These consumers have high disposable incomes, higher aspirations, and value quality food. The second segment (Figure 8.8: middle box) are people who like quality food and are concerned about the nutritional values in their meals, such as levels of fat, sugar and salt. However, the driver behind buying a frozen meal is convenience for this group. The last consumer segment (Figure 8.8: right box), are people who are not bothered about food values but instead, want quick and inexpensive ready meals. Therefore, the new segmentation guidelines are based on consumer need stages, their values and attitudes towards food and shopping behaviour in terms of (sectors within) stores. At the moment, Aunt Bessie is positioned between the 'Foodies' and 'Concerned Convenience' segment. As such, marketing communication activities are directed at consumers who do not merely want a ready meal but would like to 'receive a helping hand' when preparing a meal in relation to ingredients and how to cook. In order to advance the company's new segmentation rules, it was mentioned that in the future specific video monitoring and survey techniques will be leveraged to gain a better understanding of how people shop as well as what and why they buy other products.

A further support for choosing the segment between the first and second group in Figure 8.8, is that after an evaluation of each segment, Tryton Foods concluded that the biggest profit can be accumulated via this target group. As explained by the marketing director, for the first time conclusions can be made with regard to media consumption by each segment.

> Research has shown that the media consumption of these people is quite different. For example the Foodies buy some of the BBC food magazines, they watch some of the UK food digital channels, whereas [the concerned convenience segment] are much more into everyday newspapers (Interview 3, 12 October 2006).

By developing a new segmentation approach, evaluating investment opportunities and trying to act in a consumer-driven way through research activities, the company shows a direct link to research results and predictions in relation to changes and trends within the domain of marketing communications (McGrath, 2005a; Swain, 2004; Kitchen and Schultz, 2001). The marketing team has realised the importance of IMC and is now attempting to adopt a consumer-driven marketing communication approach, which is facilitated by the aforementioned segmentation approach.

8.3.5 Measurement

The topic of 'IMC measurement' was introduced to each interviewee using a quotation from Swain (2004: 19):

> The persistent and difficult challenge of developing effective measures of IMC has been commented upon by Schultz and Kitchen (2000): "We can't measure IMC now, and it may be some time before we can ," they said, adding, "The problem, however, is that many marketing activities can't be measured, and the value of communication effects and impacts are even more tenuous."

The detailed analysis of responses provided by the interviewees demonstrated that all managers, independent of their job responsibilities, have more or less, the same opinion – that so far, no measurement techniques exist to evaluate IMC

programmes and it seems highly unlikely that a methodology can be created to measure the effect of all marketing communication tools to their fullest extent.

> It depends how you dissect the words and how strictly you take their meanings. I don't see a time when we will be able to definitely say that you can measure the outcomes. I think I would be a very rich man, if I were able to do this (Interview 4, 20 October 2006).

Although Tryton Foods measures some of its marketing communication activities, this area should be further improved and advanced by the company. As commented by the marketing-sales director, another difficulty about the measurement of marketing communication activities is to justify long-term brand building activities and its effectiveness versus financial annual measures. Furthermore, the interviewees also found it particularly problematic to evaluate an integrated campaign because Tryton Foods main media is still television advertising. In comparison to new media where the measurement might be easier, e.g. hits *per* website, the respondents argued that it is difficult to accurately 'say' how many new consumers the company should gain when employing certain communication activities, such as television advertising.

So far, the company tries to measure the following activities:

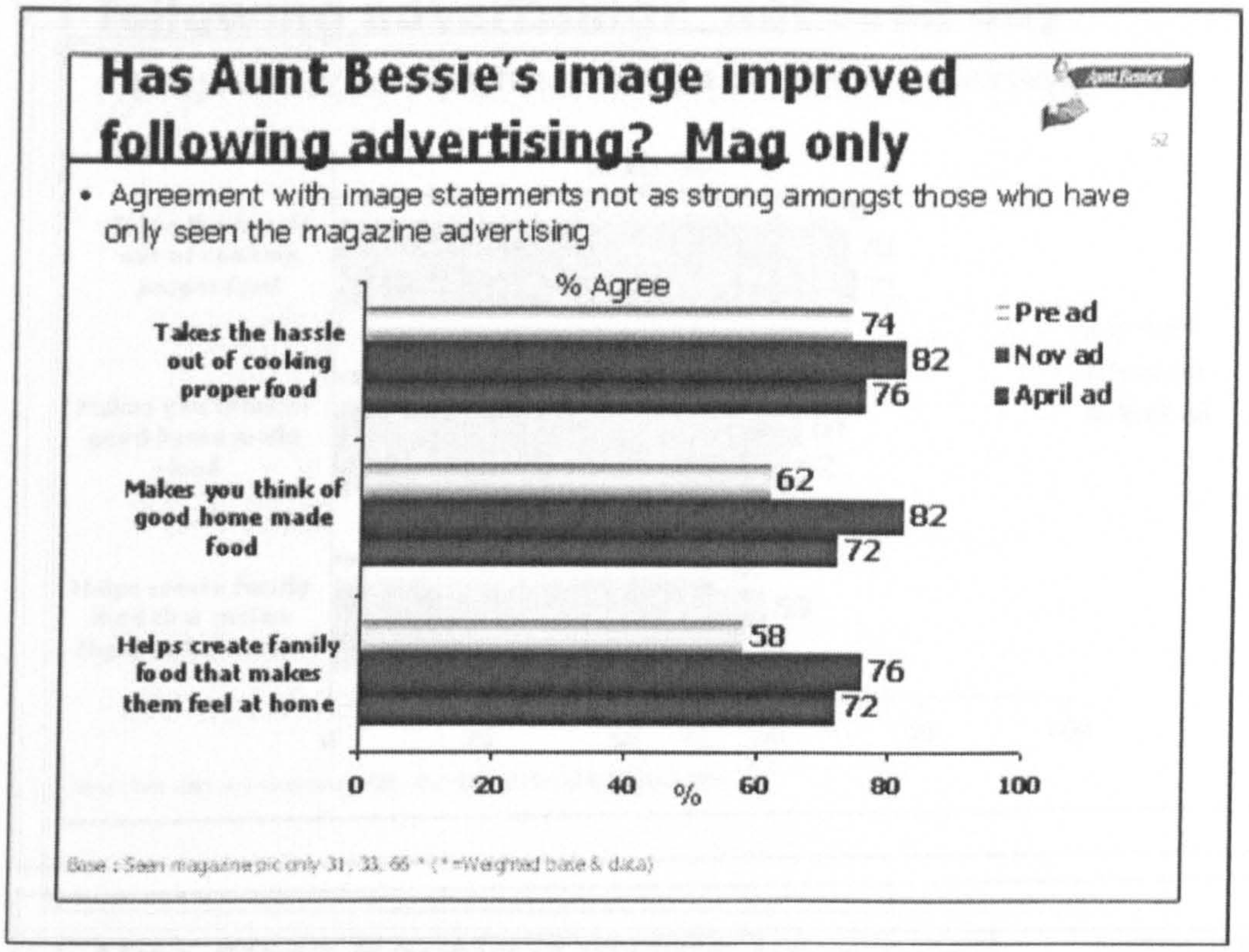
- Success of brand and product proposition
- TV viewings in terms of reach and brand recall
- Impact of retailers – e.g. how many and what kind of products are bought in which supermarket across the UK
- Level of store coverage by volume
- Which communication elements have worked best to affect individuals
- Marketing penetration, awareness, effectiveness (explained below) – *which may be compared to the 'hierarchy of effects' model explained in chapter 2 section 2.3.2*
- Frequency and repeat purchase
- Pre, during and post measurements of campaigns
- Expected sales versus actual sales

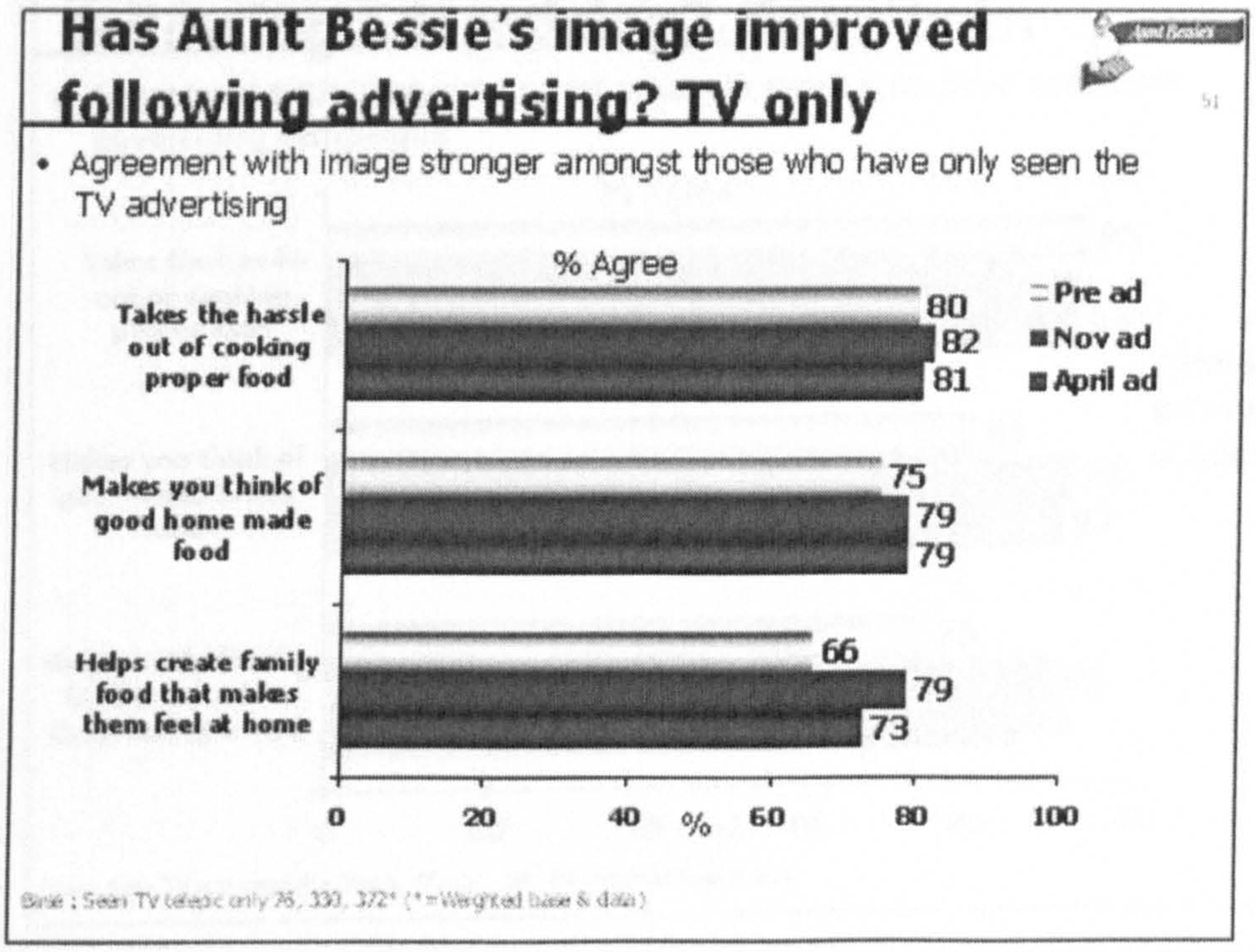
Although Tryton Foods has not been able to link ROI directly with its marketing communication activities, a variety of measurement techniques are in place. As such, the company tries to identify the level of awareness of the Aunt Bessie image before and after campaign implementation and to what extent sales have increased after a variety of promotional tools have been directed at consumer groups. In addition, the research agency conducts a yearly survey with consumers in order to measure the success and image improvement. On the one hand, the current campaign impact is measured in an integrated manner and on the other hand, different communication tools effects are also separately evaluated, see Figure 8.9. As such, three propositions in relation to Aunt Bessie products and image were made:

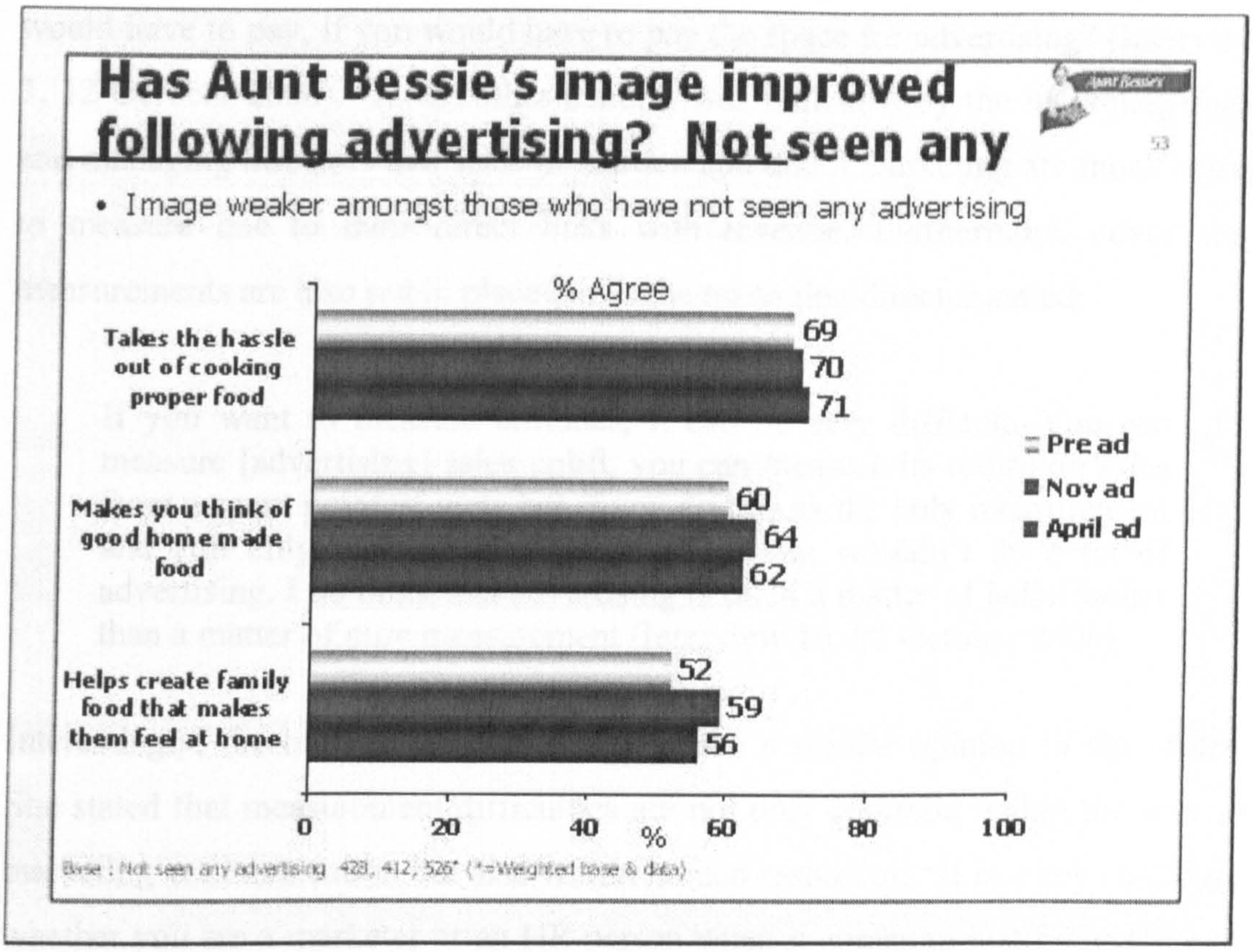
1. Aunt Bessie products take the hassle out of cooking proper food.
2. The image of Aunt Bessie makes consumers think of good home made food.
3. Aunt Bessie helps not only to create family food but the Aunt Bessie brand makes consumers feel at home.

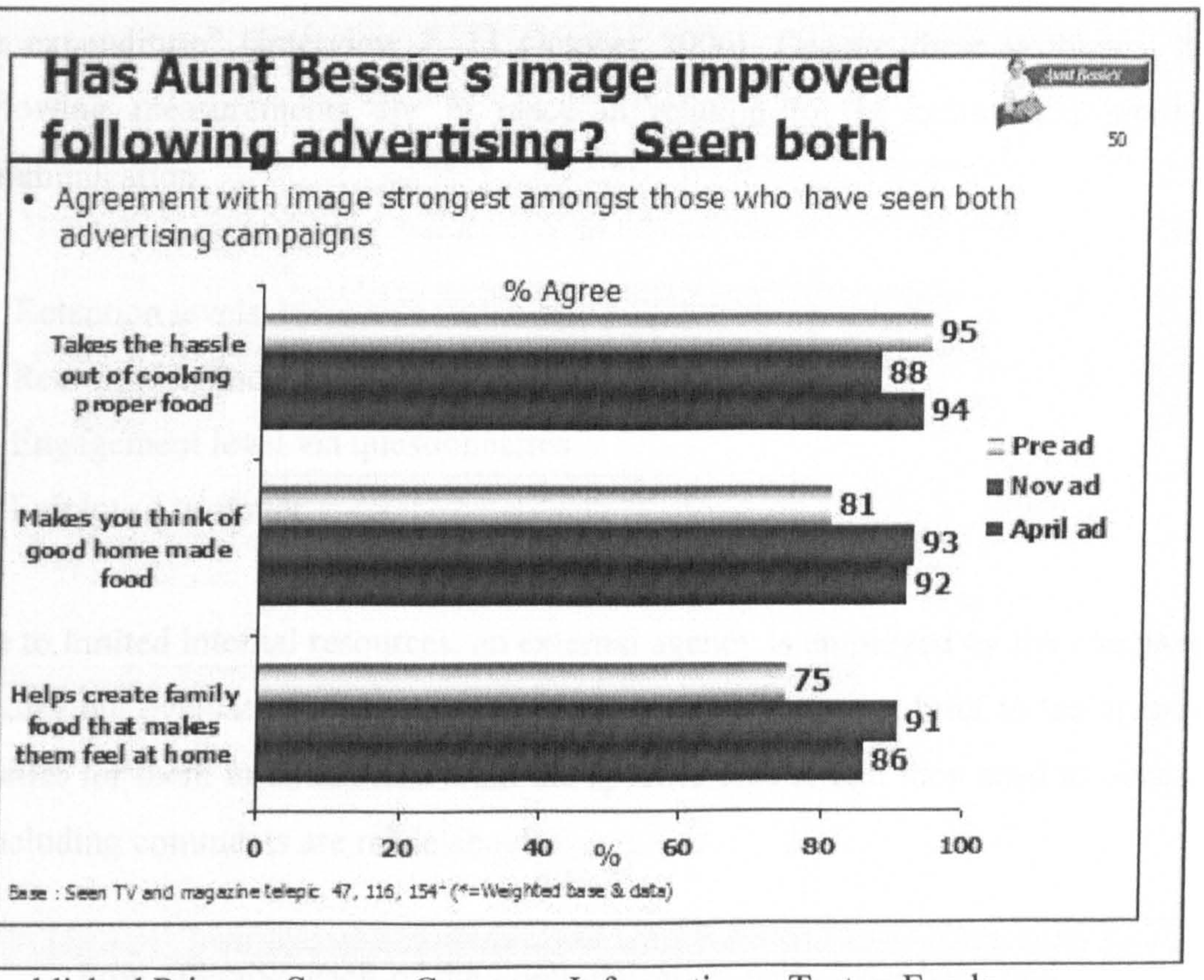
The findings of the latest survey were as follows. Firstly, image proposition 1 was only by a few percentage points stronger if the consumer had seen the TV advertisement rather than the magazine advertisement but this proposition did not significantly increase when both advertisements had been seen. Secondly, image proposition 2 received a higher agreement percentage when the consumer was exposed to the TV advertisement. However, as in proposition 1, this percentage was much higher when both magazine and TV commercial had been viewed. Image proposition 3 was not considerably different, if a consumer was only exposed to either the TV advertisement or the magazine advertisement but notably improved, if consumers were exposed to both advertisements. In conclusion, the results of this study demonstrate firstly that the image of a brand can be improved via advertisements and that although TV advertisements were still having the biggest positive impact on the perceived image of Aunt Bessie, major image improvements are made if both advertisements are viewed by consumers.

Figure 8.9: Image Tracking









Unpublished Primary Source: Company Information – Tryton Foods

One activity, which an interviewee has identified as particularly difficult to measure is Public Relations. At the moment, the only measurement in place for evaluating a PR campaign is to simply find "the equivalent of how much you

would have to pay, if you would have to pay the space for advertising" (Interview 3, 12 October 2006). On the other hand, it was indicated by the marketing-sales and managing directors that sales promotion and direct marketing are much easier to measure due to their direct links with revenue. Furthermore, advertising measurements are also put in place but as the managing director stated:

> If you want to measure attitudes, it can be very difficult. You can measure [advertising] sales uplift, you can measure its return on sales from a spent point of view but if you do this as the only measurement and you only listen to the hard figures, you wouldn't do a lot of advertising. I do think that advertising is often a matter of belief rather than a matter of pure measurement (Interview 1b, 02 October 2006).

Interestingly, the human resource director gave a similar opinion to the others. She stated that measurement difficulties are not only common within the area of marketing communication but also within human resources. "It is a key challenge whether you are a marketer or an HR person when it comes to justifying some of the expenditure" (Interview 2, 11 October 2006). Despite these problems, the following measurements are in place in relation to the company's internal communication:

- Retention levels
- Recruitment and absence level
- Engagement level via questionnaires
- Employee turnover

Due to limited internal resources, an external agency is employed by the company to carry out evaluation. However, the company issues a clear brief to the agency in order for them to understand what the specific data is that they need to obtain. Concluding comments are made about:

> how effective each of the communication parts have been and as a whole across the launch and across the investment, across all the elements. Then we can decide what key thoughts should shape our next communication activities and our next product launches (Interview 4, 20 October 2006).

In conclusion, senior executives and brand managers from Tryton recognise the need and value of measuring marketing communication outcomes individually and in terms of integrated campaigns. Although some continuous evaluation does take place throughout the year, the company also strives to advance its measurement techniques, with some recognisable success.

8.3.6 IMC Tools and Trends

As indicated in the SABMiller case study, according to the interviewees, Tryton Foods is also trying to develop a '360 degree' integrated marketing communications approach for which the company developed a communication framework (see Table 8.3) which underpins the company's communication and informs staff about ongoing events, new developments and promotional tools. However, a major drawback of this framework is that it is purely based on internal communications within Tryton Foods. As shown in Table 8.3, different internal company magazines exist, such as the Jackson Journal or Hot from the Oven which should primarily inform employees about the company news. Furthermore, discussion groups, briefings and meetings are in place to ensure effective internal communication among all departments. The company may consider extending this framework to its external communication activities with regard to other stakeholder groups rather than just (former) employees.

Table 8.3: Communication Framework

Information	Media	Frequency	Audience	Responsibility
Group Information	Jackson Journal	Quarterly	All incl. Retirees	Group HR
Aunt Bessie Update	Hot from the Oven	Quarterly	All Employees	Marketing
Tryton Foods Strategic Plan	Business Conference	Annually (New Year)	Management Team	NS + Board
Tryton Foods Strategic Plan	Briefing Programme	Annually (Post Conf.)	All Employees	NS + Board
Period Reviews Business Update Functional KPIs	Team Meetings	Periodic	Functional Teams, To First Line Mgrs for Ops Team	Function Head IW
Roundtables	Informal Group Discussions	Quarterly	By Site and Cross Functional Selection	Directors (+ Senior Managers for Operations team)
Business Update, Future Plans, Key Issues of the Moment, Cultural Review	Employee Representative Group (New)	Quarterly	Employee Reps from all Sites incl. FLM representation	Production + Personnel Directors
Business Update, Future Plans, Key Issues, Recognition	Shift Briefings	Quarterly (45 mins)	Manufacturing Shift Teams	Prod. Unit Mgrs (+ Employee Reps)
Local Performance Information incl. H&S, Changes, Forward Plans, Employee Recognition	Team Briefing	Weekly (15-20 mins)	Manufacturing Area Teams	Team Manager
Performance Results, Key Messages	Factory Noticeboards	Daily / Weekly as appropriate	Manufacturing Teams	Team Managers
Legislative Literature, Recruitment Activity, Social and Rec. Club	All other Noticeboards	As appropriate	All Employees	Personnel Officers

Unpublished Primary Source: Company information – Tryton Foods

Although an external communication perspective is not included in Table 8.3, it was still possible to summarise views and opinions of the directors and managers about the usage of various marketing communication tools. Table 8.4 captures the perceptions of the four respondents and identifies trends in relation to expenditure level and importance of promotional mix elements.

Table 8.4: Promotional Mix Elements Comments and Trends – Tryton Foods

Inter-viewees / Comm. Mix Element	Interview 1b (02 October 2006) – Managing Director	Interview 2 (11 October 2006) – HR Director	Interview 3 (12 October 2006) – Marketing Director	Interview 4 (20 October 2006) – Brand Manager
Advertising	Maximum spend, future growth predicted	Maximum spend, future growth predicted	Maximum spend, future growth predicted	Maximum spend, future growth predicted
Direct Marketing	Minimum, no future growth predicted	Important but only in combination with other tools	Future growth predicted caused by 1:1 communication	Minimum, decline predicted
Sales Promotion	Stable, no future growth predicted	Important but only in combination with other tools	Minimum, decline predicted	Stable, risk of devaluing product
Personal Selling	Minimum, no future growth predicted	Stable, no future growth predicted	Minimum, no future growth predicted	Difficult to leverage but important - retailers direct engagement with consumers
Internet	Minimum, next priority, future growth predicted	Minimum, future growth predicted	Minimum, absolute key future growth predicted	Minimum, future growth predicted but needs to be utilised better
Marketing PR	Maximum, future growth predicted	Maximum, highest future growth predicted	High future growth predicted	High Future growth predicted
Sponsorship	Yorkshire Cricket Club, no future growth predicted	No future growth predicted	It is going to become key due to changing media landscape	If right programme found can become key

Source: Author generated, 2006

In general, it can be said that all interviewees had similar predictions in relation to the usage and trends of promotional mix elements, as shown in Table 8.4. It was also noted in an article published by Campaign (2004) that due to the brand's growth, media spend on the Aunt Bessie brand has continuously been raised. In conclusion, advertising and in particular, television commercials were the most important media vehicle for the company, followed by marketing PR, despite problems in evaluation. Although changes only happen slowly with regard to

adoption of new technologies, all respondents stated that the company will invest significantly in Internet tools and online advertising.

> It is becoming incredibly difficult to engage consumers efficiently because they are more sophisticated in their understanding in terms of the influences upon them and their shopping habits It becomes more important to understand the essence of what it is you have, your proposition and what it means. Therefore, you then know how to combine above-the-line, through-the-line and below-the-line communication (Interview 4, 20 October 2006).

It was also mentioned by all interviewees that because television advertising has the highest expenditure, marketing employees are challenged to ensure it is integrated with all other communication elements utilised within the campaigns. Although the opinions differed in relation to the future prediction of sponsorship activities within Tryton Foods, the comment by the marketing-sales director was still in-line with current marketing communication literature (Fahy et al., 2004; Smith and Taylor, 2004; Wells et al., 2003):

> [Sponsorship], I would say definitely because the media is changing It is hard to find the right programme, there is no point in Aunt Bessie going to sponsor a four wheel drive programme or robots. It got to be more about light comedy and family programme. It has to stand and be with to the values of the brand (Interview 3, 12 October 2006).

Despite differing opinions, the detailed analysis of responses showed that ongoing media change and increasing media fragmentation were recognised by all interviewees. "The shifting media is from a push media to a pull media, which is about PR, word of mouth through trade promotion which are all relevant to the brand" (Interview 3, 12 October 2006). Despite the fact that word-of-mouth may not be a direct communication tool which can be utilised by a company, it is still encouraged by Aunt Bessie's staff. The brand manager stated:

> I think word of mouth is important without a doubt. We get people at groups who just absolutely live, breath, eat and sleep the brand. There was a woman the other night she uses every one of our products and she tells everybody else she ever comes across how good everyone of them are and for what reason (Interview 4, 20 October 2006).

In the year 2005/2006 the company spent approximately £2.6million on marketing activities. Media activities increased by 24% to 2004, to £1.8 million and £120,000 were spent on PR activities. Tryton Foods also has to pay more than £150,000 on agency fees whereas the product costs totalled to £350,000. Only £0.1million is spent on Internet activities, which are extracted from the PR budget. According to the marketing director, within the last three years Tryton Foods' marketing budget has shifted towards creative media and PR campaigns, whereas in the past it was purely focused on marketing promotion activities. At the moment, the company spends approximately one third on media, such as TV and press, one third on direct mail activities and one third on sales promotion. However, it was particularly hard to judge how much money the company is spending on interactive marketing activities versus sales promotions because most of the interactive marketing is done through retailers' websites in form of sales promotions. A summary of the company's marketing expenditure is given in Table 8.5.

Table 8.5: Marketing Budget 2005/2006

Budget	**£**	**% Change v's actual 04/05**	**Assumptions**
Creative Fees	150000	21%	Euro needs renegotiation currently £10320/mth
Media Fees	81000	0%	Blm will be renegotiated currently £6719/mth
Production / creative	350000	-12%	New Bakes ad and new products in press e.g. Meat Pies / Cottage Pie
PR	120000	0%	**Same budget more activity
Redemption	10000	0%	No coupons planned
Photography	10000	100%	New product support
Artwork	60000	27%	Current level of activity + Bakes
Research	280000	7%	*Brand plan support / tracking / consumer tests / modeling
Data	236000	0%	Renegotiating for more data
Others	50000	-32%	Brand plan support / couriers
Tryton AB Media	1780000	21%	Needs to cover all brand plan support I.e £40k Mum plus one, you know you're home hampers, Toad on pack, trade press
TOTAL	*3127000*		

Heinz Media Est	750000	-11%	
Cheviot Media est	55000	10%	
Total AB Media	**2585000**	**9%**	***Current Estimate

**Excludes Cost of Critical Management System £30k

* Brand tracking £45k / Ad tracking £40k /
Product panels £30k / Modelling £20k/
Brand plan & new product research £95k / strategic input £50k

Unpublished Primary Source: Company Information – Tryton Foods

Tryton Foods revenue increased from £50million in 2005 to £50.3million in 2006 as well as its retail sales value is now over £130million. As such, investment in traditional and new media has steadily increased. Tryton Foods investment into main media types have more than doubled between the financial years of 2003 to 2007 (Interview 1a and b, 02 October 2005/2006) whereas the expenditure for trade marketing and other communication activities have only slightly risen.

Although in contradiction to current marketing communication literature (Economist, 2007d; Schultz, 2006b; Kitchen and Li, 2005), Tryton Foods continues to invest heavily into mainstream traditional media, such as TV. This decision was reasoned because the company is still trying to raise awareness of the brand and become a much more 'mainstream' brand within the UK market. However, the marketing team does also not want to neglect new technologies and the resulting changes in consumer behaviour, and has only recently agreed to launch its first online campaign in partnership with AOL, worth approximately £2million (New Media Age, 2006). Overall, it was stated by the interviewees that due to increasing competition and media fragmentation the company will have to grow its communication mix expenditure in order to deliver its messages to the right consumers through the correct media. Furthermore, as stated previously, it also wants to increase expenditure in terms of new technologies and more creative campaigns.

8.3.7 An Agency perspective

In chapter 5, it was discussed that all 25 interviewees responded to the question of whether an IMC approach was client- or agency-led, and all indicated that the leadership comes from the organisation. It was also agreed by all interviewees from Tryton Foods that the integrated marketing communication approach is implemented and applied by the company and that leadership came from within Tryton Foods.

> Internally, I would definitely say that IMC comes from us. For me it is absolutely paramount that you own the approach (Interview 2, 11 October 2006).
>
> We are big believers that you cannot leave advertising agencies or any external parties to implement an IMC approach. The company needs to be the author of such an approach, driven by the board of directors (Interview 3, 12 October 2006).
>
> It comes from us. At the moment, we are seven people in our core team and because of the fact that we are just working through the biggest strategic launch which we had over the last 5 years, it is important that it comes from the organisation in order to deliver the ultimate objectives and proposition which will in return drive the best opportunities (Interview 4, 20 October 2006).

One of the key events for Tryton Foods is their annual business conference, bringing different departmental managers and agencies together. The aim of this conference is not only to inform the participants about Tryton Foods' current financial status but also to make sure that each department understands its objectives and how they contribute and are integrated into the IMC strategy and company vision. The different agencies are also invited to this meeting to understand the progression of the company where they not only hear about marketing activities but also about the different strategies within each department, i.e. operations, sales, human resources, etc. Throughout the year, the company also organises strategic updates (approximately 4) with all agencies attending, i.e. creative advertising, research, PR as well as the media buying and planning agency. Furthermore, all data obtained from market research is also shared among agencies which according to the interviewees encourages an IMC approach. It is

the role of the different brand managers to coordinate and solve conflicts among the agencies.

The marketing director and managing director pointed out that especially the creative advertising agency is used as a strategic partner because according to the interviewees the advertising agency is most aware of consumer needs and wants and thus, is able to adopt a 'better' outside-in approach than the other agencies. It was also stated that the media agency has started to follow a similar approach, i.e. in relation to media consumption of specific consumer target groups. The other agencies are used for tactical rather than for strategic purposes and need to be joining the lead agency, i.e. the advertising agency. The lead agency is not only responsible for creative communication campaigns but also ensures that integration takes place among all agencies employed by Tryton Foods, as expressed in the statement below. The precise techniques used by the advertising agency are not known to the researcher, as due to time and money constraints it was not possible to also include respondents from agencies in this research.

> The advertising agency is our biggest agency that we are using and the most skilled. When you buy into an advertising agency you tend to buy those skills. PR agencies tend to have different skills and media agencies tend to come from an efficiency point of view more than for what the brand stands for approach (Interview 1b, 02 October 2006).

The human resource director also pointed out that it is important for Tryton Foods to try and "encourage more of a partnership with the agencies rather than a client provider relationship" (Interview 2, 11 October 2006). However, the brand manager pointed out that because Tryton Foods is a medium- to large-sized business, which sets very ambitious targets for the company to achieve, the resources, i.e. in terms of agencies and people within the business are not always used to their optimum effectiveness due to time and money constraints. Thus, although Tryton Foods can still improve the communication between its agencies, it is important to note that especially the marketing team has realised the value of aiming for a strategic relationship with agencies and the need of strong leadership and guidance from Tryton.

8.3.8 The Interaction and Interdependence of the Product and Corporate Brand

Classified in chapter 5, as a company adopting a brand strategy which involves the corporate brand to a limited extent, some questions remained open for further queries with respondents from Tryton Foods. As a quick reminder as well as explained in more detail in section 8.2, the corporate brand is the William Jacksons & Son Group (WJS) which owns different subdivisions, such as Tryton Foods and Jackson's Bakery. Tryton Foods, however, is a business on its own which produces various frozen foods and the majority of the business is dedicated to the Aunt Bessie brand.

Still, alignment with the corporate strategy and all business units exist. Due to WJS longstanding history and the family still running the business, the "overall vision is to run a business to be proud of and we, in Tryton Foods, adopt that in our own strategy as well" (Interview 2, 11 October 2006). Therefore, the family values are retained in each part of the business, which has also been noted by Hall (2004). He added that Tryton Foods and especially Aunt Bessie's competitive advantage also lies with the WJS group's strong corporate culture and the company seeking to invest in and utilise new team members. But in this specific article the company was also characterised as the 'publicity-shy Hull food manufacturer' (Hall, 2004: 2). Thus, only locally the family behind the WJS group promotes the corporate brand in various sponsorships and community work.

All four interviewees agreed that each business should be run separately in order to preserve their unique selling points as well as because the businesses trade in different environments and operate in different product categories. On the other hand, the board of WJS has suggested establishing a more visible internal group identity and working standards throughout the various firms' operations; however, no concrete actions have taken place so far. An increase of business transparency can also be turned into a competitive advantage and may help an organisation to develop better internal and external communication (Melewar et al., 2005).

All three directors interviewed also said that the corporate brand is not affecting communications to any significant extent. Interestingly, the opinions differed when taking into consideration the view of the brand manager.

> We try and take advantage of synergies between parts of the group. I work on a project with the Jackson's bakery to harness and take advantage of their expertise in delivery of high quality goods but I find that our communication as a group is invisible and disparate. It is very disjointed because an IMC approach you can take it from any level and we could make more of some parts within the company (Interview 4, 20 October 2006).

The detailed analysis of the interview findings indicated that the corporate brand and the different business units do not influence Tryton Foods and vice versa. The brand manager also commented that:

> There is an aligned overarching group strategy. Maybe there is an influence and I am just not aware of it. But if I am and my team are not aware of it as one of the core divisions of the group, then we are not making the most of it (Interview 4, 20 October 2006).

Although such an approach guarantees autonomy to each of the SBUs, the skills and expertise of each business unit are as a result not leveraged and shared to their optimum. Conversely, only the brand manager identified this as an improvement area for the whole company.

When singling out Tryton Foods as a company on its own, the board has been thinking to rename itself to 'Aunt Bessie' for over a year. The managing director commented that this assessment is driven by the fact that the success of the business comes from the Aunt Bessie brand and therefore, it would seem appropriate to leverage the brand name even further in order to accelerate growth. However, when asking the different interviewees about this potential change, attitudes varied. The human resource and marketing-sales director similarly stated:

> We are all about the Aunt Bessie brand and personally; I would be an advocate for changing our name because Tryton Foods doesn't mean anything to the people (Interview 2, 11 October 2006).

The brand manager, however, commented as follows:

> There are relative merits of each approach. I think it is strategically important to retain the Tryton Food aspect of our naming because Aunt Bessie might not be the only thing that we are going to do (Interview 4, 20 October 2006).

Despite the fact that the company may not want a corporate brand visible to all stakeholders, it should still consider an internal IMC umbrella approach in order to have the various divisions engage with one another. However, this should not result in each of the businesses losing autonomy but in extending their know-how and capabilities to each other. The companies within the WJS group should try and take advantage of each others skills and expertise in order to become more successful, learn about new processes and hence, achieve better internal integration. This could be done by employing a number of cross-divisional and cross-functional project teams.

8.3.9 IMC Benefits

Although the benefits of an IMC approach have been discussed in chapter 5, one aim of the second phase of research was to determine, if different benefits could be defined at various levels within an organisation. It was discovered that perceived IMC benefits are very similar within Tryton Foods.

According to the detailed responses provided by the interviewees, the advantages of an IMC approach are shown in Table 8.6.

Table 8.6: IMC Benefits – Tryton Foods

Interview 1b (02 October 2006) – Managing Director	**Interview 2 (11 October 2006) – HR Director**
▪ Cost effectiveness ▪ Coherence ▪ Provides strategic focus ▪ Sense of ownership and feeling part of the organisation, i.e. change of behaviour which may lead to higher financial returns	▪ Cost effectiveness which leads to a greater output and higher financial returns ▪ Provides a communication framework internally and externally to the organisation ▪ Provides a strategic focus ▪ Encourages employee engagement ▪ It is the binding force of the communication mix
Interview 3 (12 October 2006) – Marketing Director	**Interview 4 (20 Otober 2006) – Brand Manager**
▪ Cost effectiveness and higher financial returns ▪ Tailoring the message effectively ▪ It is the binding force of the communication mix	▪ Cost effectiveness ▪ The inputs, i.e. the communication mix are better utilised ▪ Leveraging the optimum effect from every aspect of the company, i.e. money, investment, people/employees

Source: Author generated, 2006

Although the interviewees operate at different levels within the organisation, the benefits of an IMC approach were clearly understood by all respondents. The most frequent response was that it was undeniable that using an IMC approach can lead to great cost effectiveness and higher financial returns. Both the marketing-sales and human resource director described IMC as the 'glue' of the communication mix, externally and internally to the organisation. Above all, IMC was found to bring a strategic focus to the company and its objectives, as well as an integrated communication approach among employees within the company may in effect lead also to a better external IMC approach.

8.3.10 Advancing the IMC Approach in Tryton Foods

It was found by the interviewees that the "more disparate the business and brand become; the understanding of who makes what, where and under what control becomes harder and it also gets harder to ensure consistency and integration" (Interview 4, 20 October 2006). Furthermore, the brand manager also stated that it is particularly difficult, as the business grows, to ensure the delivery of the

customer promise but not to promise too much as well as not underdelivering in terms of the product positioning strategy.

In order to understand where the company can improve its communication and where the respondents think the communication is most effective, Table 8.7 has been created to indicate the strengths and weaknesses.

Table 8.7: Communication Strengths and Weaknesses of Tryton Foods

Strengths	Weaknesses
"Our employees really understand where our business is going and they also see behind the Aunt Bessie brand" (Interview 1b, 02 October 2006).	"We don't sell all of our products under the Aunt Bessie brand that means our license partners sell some, as well. Therefore, the biggest area where we don't leverage the brand as much as we could is with our retail customers, like Tescos" (Interview 1b, 02 October 2006).
"Proportionally we spend a strong amount on consumer marketing. We adopt the philosophy to reinvest into the business. The financial returns for our shareholders are kept at a lower level so that we can continue to invest behind our consumer brand" (Interview 2, 11 October 2006).	"We could improve our trade marketing and our relationship with our employees could be stronger, as well" (Interview 2, 11 October 2006).
"I think we are strong at our media choices and getting our message across, i.e. the Aunt Bessie's values" (Interview 3, 12 October 2006).	"We could be more targeted and have a better segmentation. We need to make sure not to be only about the product but also about the brand values" (Interview 3, 12 October 2006).
"Delivering on our promise" (Interview 4, 20 October 2006).	"Certainly internally, within departments and divisions but also between divisions of the group" (Interview 4, 20 October 2006).

Source: Author generated, 2006

The key strengths of Tryton Foods were claimed to be in relation to consumer marketing and in adopting a consumer-driven IMC approach, i.e. making appropriate decisions in relation to media choices, a strategic long-term view concerning the future growth of the company and a brand promise understood by every member of staff within the business. On the other hand, the respondents stated the communication between and across functions can be improved as well as segmentation guidelines can be further advanced. Furthermore, the

interviewees mentioned that it is challenging to integrate trade marketing with the marketing communication mix. The human resource director also stated that in order to utilise trade marketing and personal selling more effectively the retailers and shop owners need to be treated as partners rather than mere selling opportunities. Furthermore, as the managing director stated: "We are trying to improve the coordination of all sales objectives with the brand objectives with all our partners which is a definite area of clear improvement." Because of Tryton Foods' strong growth in recent years, most certainly the identified weaknesses (see Table 8.7) need to be overcome but also; special attention should be drawn to the strengths of the company's communication in order to advance the communication strategy and not to lose focus on the end-consumers.

8.4 Summary and Conclusion

Due to Tryton Foods' company size; it was evidently easier for a company of this size to establish an IMC approach internally and externally than for the other two larger companies. In 2003, with the support of Tryton Foods' senior management the HR and marketing team developed an internal values approach. A team of employees from each department still exists which was then responsible for the implementation of the IMC approach and is now still in place to ensure integration across functions. The interviewees strongly support the argument that great internal communication has led to a more consistent external IMC approach. The strong influence of the HR team, e.g. via the employee survey and the open-business culture have made it possible for the organisation to create, what appears to them to be an integrated marketing communication approach.

Each manager and director saw it as part of the job responsibility to make sure that an integrated marketing communication approach is applied throughout Tryton Foods. However, one of Tryton Foods' brand managers viewed the IMC activities of the WJS group as much more critical and stated that the interaction between the different companies of the WJS group can be improved and used more effectively. Further projects could be established to leverage the skills and

expertise from the four firms better and enhance each others working practices. Mentioned by the directors, the company's continuous growth could lead to a divergent or inconsistent strategy. Thus, it may be plausible to establish best practice cases as a possible structure or form of guidance for future projects, as it has been done in the two previous case studies.

Chapter 9 focuses on the unification of all three case studies combined with the theoretical propositions of research phase 1. Each objective is discussed and the academic and managerial implications are laid out.

Chapter 9: Contextual Analysis of Research Findings

Figure 9.1: The Research Stages

Part 1	**Chapter 2 - Marketing Communications** Evolution of Marketing, Marketing Communication, Promotional Mix Elements, Trends
	Chapter 3 – Integrated Marketing Communications (IMC) Development of IMC, IMC Studies, Barriers, Criticism, Corporate Communications
	Chapter 4 – Research Methodology Research Purpose and Objectives, Paradigm, Design and Strategy, Ethics, Reliability/Validity/Generalisability Issues
Part 2	**Chapter 5 – Research Phase 1** Results of the Study
	Chapter 6 – Research Phase 2 Results of SABMiller Case Study
	Chapter 7 – Research Phase 2 Results of Imperial Tobacco Case Study
	Chapter 8 – Research Phase 2 Results of Tryton Foods Case Study
	Chapter 9 – Research Findings Analysis and Discussion of Research Phase 1 and 2
	Chapter 10 – Conclusion Academic, Managerial and Methodological Contributions, Limits to Results, Future Research

9.1 Introduction

Chapter 5 provided the discussion and analysis of this research phase 1. The findings from research phase 2 were presented in chapters 6 through 8. Three individual cases – SABMiller, Imperial Tobacco and Tryton Foods were analysed separately. Each case was distinctive and contributed to the theoretical and practical findings of this thesis. The procedures associated with integrated marketing communication (IMC) as well as its development and practices within each company have helped in understanding how IMC can be implemented and further developed. In addition, current practices in relation to internal and external marketing communication practices were provided.

The company cases demonstrated new information about IMC; its present status in three different companies via senior executives and brand managers views in

light of current marketing communication practices. In each case new media technologies and the utilisation of different promotional tools was becoming more important to reach different target groups in multiple ways. However, IMC was clearly identified as a responsibility that lies with the case companies and not the agencies who serve their needs. This chapter focuses on the unification of research phases 1 and 2. The chapter has a narrative character as it joins on the one hand the three cases with each other and on the other hand, adds to the theoretical implications of research phase 1. Each research objective (see below) starts with a brief summary of research phase 1 findings, followed by the analysis of the research findings from phase 2 in the context of current marketing communications and the IMC literature.

1. To explore the emergence, growth and importance of IMC within large consumer firms.
2. To explore the current situation of IMC implementation and application within the selected firms at the:
   a. Corporate Level
   b. Strategic Business Unit Level
   c. Product Level
3. To explore interactions and the interdependence between:
   a. The Corporate Brand Level
   b. The Product Brand Level
4. To identify, evaluate and compare perceived benefits with regard to the growth, importance and usage of IMC within the selected firms.
5. To compare and contrast similarities and differences in perception and practice of IMC within the selected firms.

A case study methodology was chosen for phase 2 because a major outcome of phase 1 was that IMC was perceived to be highly dependent on an individual stage a company may find itself in. As such, the detailed analysis of the findings of research phase 2 was focused individually on the three selected case studies. Deliberately, research objective 5 was not discussed in the analysis of the three case studies. Therefore, greater emphasis on comparing and contrasting IMC practices within the three case firms is provided in this chapter. In section, 9.2,

attention is drawn to the emergence, growth and importance of IMC among the companies, which relates to objective 1. The analysis of objective 2, i.e. section 9.3, demonstrates how a company should or can implement and apply an IMC approach at different company levels, whereas section 9.4 focuses on objective 3 which provides the analysis of the corporate and product brand exploitation within an IMC approach. Section 9.5 explores possible and perceived IMC benefits, illustrating the findings in light of research objective 4. In section 9.6, revised models derived from chapter 5 and 6 are offered. Section 9.7 provides recommendations to managers for IMC implementation. Lastly, section 9.8 presents the conclusion.

9.2 The Emergence, Growth and Importance of IMC

Objective 1

To explore the emergence, growth and importance of IMC within large consumer firms.

Summary of Research Phase 1

The most significant finding of research phase 1 was that the majority of participating firms have only implemented IMC recently, i.e. in the last five to six years. A contradiction to current IMC literature exists – IMC supposedly emerged during the early 1990s (Schultz et al., 1993; Caywood et al., 1991). The interviewees of phase 1 indicated that while IMC should have always been important, due to organisational barriers these firms had not implemented it. According to Rogers (2003) 'Diffusion of Innovation' model it may also be that a minority of firms started implementing IMC at an earlier stage – i.e. they were innovators or early adopters (in this thesis 4 firms) and that the majority of participating firms belonged to the early or late majority. Another plausible explanation may be that early IMC literature (McArthur and Griffin, 1997; Gronstedt, 1996; Duncan and Everett, 1993; Caywood et al., 1991) concentrated on practices in North America. Both, Germany and the UK, are countries in the European Union but they also belong to the same Northern European cluster. In addition, Hofstede (1980) also demonstrated that the two country cultures are very

similar. Thus, US firms may well have been practicing IMC since the 1990s and due to globalisation their promotional practices later had the potential to affect European businesses.

In the current IMC literature increasing audience fragmentation, globalisation and rising competition and a much stronger customer focus together with accelerating technological innovations are major causatory factors of IMC (Kliatchko, 2005; Reid, 2003; Eagle and Kitchen, 2000; Griffin and Pasadeos, 1998; Bruhn, 1997/1998; Hutton, 1996a; Schultz et al., 1993). This research confirms the importance of these factors but additional reasons were added. The employment of experienced staff, e.g. changes of senior personnel, the restructuring of the organisation, the maturity stage of the business, financial issues and problems as well as mergers and acquisitions all underpinned the implementation and development of IMC (see chapter 5 section 5.9.1). Acceptance among the interviewees was found in relation to the current and future importance of IMC. IMC was regarded as a useful tool which can lead to positive effects with regard to companies' long-term success (see section 9.5 for IMC benefits).

The results of research phase 2 point to a similar time period of IMC implementation and growth within the UK (see chapters 6 through 8 sections 6.3.1, 7.3.1 and 8.3.1). However, evaluation of the findings from the second research phase did not necessarily correspond with the reasons for the emergence and timing of IMC implementation found in research phase 1. The directors of each case study firm whose job responsibilities were greater and took in a broader perspective of the organisation interpreted IMC as a concept which was implemented throughout each organisation and department as well as at individual brand levels. On the other hand, brand managers interviewed in each case study tended to have a limited view of IMC which was focused merely on their own brand(s), as shown in Table 9.1.

Table 9.1: Reasons and Time Periods for the Emergence of IMC

Firms Interviewees	SABMiller	Imperial Tobacco	Tryton Foods
1	Communication Director – 2001/2002, group marketing function was formed - new MD	Marketing Director – 2001 onwards through the acquisition of Reemtsma	Managing Director – 2002/3 IMC focus due to internal integration / restructure
2	Brand Manager – IMC focus has always been adopted on Miller	Brand Manager – Only started thinking about IMC, 2006 caused by acquisition	Human Resource Director – 2003 IMC focus due to internal integration / restructure
3	Brand Manager – Brand rights of Peroni acquired in 2003 and from there on adopted an IMC approach	Brand Manager – Long-term focus missing, but IMC focused on individual brands is present	Marketing Director – External integration has always been important, internally from 2003 onwards
4	Brand Manager – Within the last decade focus on IMC has become stronger due to globalisation	Brand Manager – IMC focus has always been adopted on global brands	Brand Manager – Brand investment led to IMC in 2004

Source: Author generated, 2007

The different perspectives which underpinned the development of IMC, presented in Table 9.1, can be related to companies' primary focus on individual brands and their own identity rather than upon a focus on a corporate brand which would then be embraced by all brands. The brand managers as well as the directors of these firms adopted the view that each brand should be seen as an individual business with its own IMC campaign rather than 'one brand of many' included in an IMC umbrella approach by the organisation. When asked in particular to reflect on IMC processes within and throughout the companies, brand managers gave a much more critical and reflective view on the company's IMC application and current marketing communication practices than did the marketing and communication directors.

The reason may be that primarily, brand managers are involved in the success of one particular brand and not the whole company and are not responsible for communicating between brands and departments. This corresponds with the research conducted by Kitchen and Schultz (2001) who stressed that an IMC

approach can be implemented for individual brands and does not always have to be applied across brands. As such, organisational change within most companies had occurred, e.g. a merger or new marketing personnel have led to the implementation of IMC. But, in the second phase, the brand managers interviewed referred first to their own brand issues which were affected by the change at the same time. Their views about a common internal IMC approach adopted throughout the organisation were much more objective and decisive than the views of directors because it often seems to be easier to criticise actions of others than to be self-critical.

Furthermore, the integration of marketing communication tools from a single brand is in most cases much easier than the integration and coordination of many product brands and the whole organisation together. In fact, the suggestions implied by the brand managers as well as marketing directors helped unveil recommendations and guidelines on how to adopt an IMC approach (presented in section 9.7). In conclusion, the three case study companies evidently had realised an IMC approach for *individual product brands*.

Although the desire to adopt an internal IMC approach for the whole organisation exists, such as some of the retailers, consumer durable and service firms had already realised, this has yet to be recognised by executives within fast-moving consumer goods (FMCG) companies in this thesis (see also section 9.4). Although current research has not compared the success of individual firms, which have adopted an internal communication approach throughout the organisation with those who have established an IMC approach for individual brand teams, a study conducted by Herrington et al. (1996) suggests that consumer service firms' marketing communication impact is higher than for consumer non-service firms. Thus, future research should investigate this (in)direct link and its possible dependence on success. In addition, the two researchers, McArthur and Griffin (1997) also stressed in their study of four different business types that the only possibility to establish IMC internally, is if the upper management support is granted.

Distinctions in relation to sudden and gradual causes which led to implementation of IMC were more apparent after the first and second research phase had ended. The rationale which led to a more indirect and gradual implementation of IMC was that participating companies had become more mature in relation to their internal business practices, a more consumer-driven approach needed to be adopted, and increasing globalisation and audience fragmentation. These reasons for the gradual implementation of IMC correspond with current IMC literature. Different studies throughout the past two decades have demonstrated these trends and changes, as well (Grove et al., 2007; Kitchen and Li, 2005; Reid, 2003; Kallmeyer and Abratt, 2001; McArthur and Griffin, 1997). On the other hand, the findings from this research shed new light on the contributing factors which can lead to a more rapid IMC implementation. Mergers and acquisitions, structural changes within organisations, new marketing directors and/or staff, and financial problems were all causes which could possibly accelerate the implementation of an IMC approach.

In contradiction to Kliatchko's (2001) thesis, the majority of respondents saw IMC as a 'new concept'. All interviewees interpreted IMC as an absolute 'must' and vital communication approach for the future success of their marketing communication strategies. Apparently, there is a strong link with regard to the growth, importance and future of IMC. According to researchers (Peltier et al., 2003; Reid, 2003; Neuman, 2000; Fill, 2001; Low, 2000; Hutton, 1996a; Gonring, 1994) and the reported findings from this thesis, IMC applications are gaining in momentum due to increasing audience fragmentation, multiplicity of media channels and technological innovations. No longer do new technologies only serve their external purposes, such as online campaigns or direct marketing campaigns via mobile phones but new technologies are also used by the organisations internally, which will be explored in the following section. As such, IMC has been acknowledged as a crucial managerial tool to successful businesses of the 21st century, above all, its perceived benefits and the need to act more efficiently signify its future importance.

9.3 IMC Implementation and Application

Objective 2

To explore the current situation of IMC implementation and application within the selected firms at the:

a. Corporate Level

b. Strategic Business Unit Level

c. Product Level

In this section objective two, i.e. IMC implementation and application issues in relation to the three different case studies and their company levels are discussed. However, this objective needs to be explored in greater detail due to its multiple dimensions as well as its importance in relation to the current IMC literature. Therefore, section 9.3 is subdivided into:

- 9.3.1 – Implementation Issues
- 9.3.2 – Application Issues
- 9.3.3 – Agency versus Client – a Leadership Perspective
- 9.3.4 – A Consumer-Driven Communication Approach – Tools and Trends
- 9.3.5 – Remaining Measurement Difficulties

Summary of Research Phase 1

An outcome of research phase 1 was that the influence of the corporate brand on IMC programmes was dependent on specific industries. As such, in the contacted service, retail and consumer durable companies, importance was given to the corporate brand, which was occasioned by the fact that in the majority of these firms the corporate and product brand are identical. The impact of the corporate brand on individual branded products is far less visible among companies operating in FMCG industries. Functional silos were apparently overcome by organising these firms according to brands and not promotional activities, such as advertising, sales promotion and direct marketing. Open communication, away days, intranets and conferences were found to be important contributors to encourage internal integration within all firms. The significance of the involvement of senior management in the IMC approach was visible in each

participating organisation. The strategic business units in the participating firms were in general, specific country units or continents whereas the management needed to delegate IMC to local subsidiary levels. IMC was also found to be purely client-led, and reasons for this finding are discussed subsequently. Initial findings in relation to marketing communication activities and promotional mix elements demonstrated that a trend toward greater creativity and an increasing variety of communication tools was apparent. The disclosure of this result was further queried in research phase 2. A global database was not in place in any of the 25 participating organisations but questions in relation to database segmentation and what kind of measurement techniques exist in the three case firms were raised in research phase 2.

Other important research findings in conjunction with research phase 2 are discussed below.

9.3.1 Implementation Issues

After the detailed analysis of interview findings, results from both phases were compared. Evidently, all interviewees supported the argument that IMC is in fact client-led (see chapter 5 section 5.9.6.1 for research phase 1 and chapters 6 through 8 sections 6.3.7, 7.3.7, 8.3.7 for the individual case studies). This result is only partially supported by the literature. As such, Kallmeyer and Abratt (2001) and Kitchen and Schultz (1999) research demonstrates that IMC is client-led. However, the first study on IMC by Caywood et al. (1991) illustrates that more than 75% of client-companies lead an IMC approach, whereas the marketers interviewed by Duncan and Everett (1993) were in support of a shared responsibility (i.e. between the client company and advertising agency) for the IMC implementation and application.

The findings presented in the preceding four chapters indicated that IMC implementation depends on the business's culture and upon top management support which corresponds with the findings of previous IMC studies, see for example Madhavaram et al. (2005) or Reid (2005) as well as the best practice

cases accessed via the American Productivity and Quality Centre (APQC, 2007; Webb et al., 2000; Carlin et al., 1999; Hack et al., 1999). Researchers (Reid, 2005; Swain, 2004; Kitchen and Schultz, 2001; Pickton and Hartley, 1998) have long recognised that successful IMC programmes can only be developed with the support of senior management.

After a thorough analysis of the three case studies, it was evident that senior management guidance was provided in SABMiller and Tryton Foods, which facilitated integration of external and internal marketing communication practices. On the other hand, Imperial Tobacco's acquisition of Reemtsma (see also chapter 7 section 7.3.1.1) and constant managerial changes led to a delayed realisation of the benefits associated with an IMC approach. Only now the company is starting to adopt a long-term strategy which has the strong support of newly employed managers and directors. Hence, the argument that IMC can only be implemented with senior management support and guidance is supported by this research.

IMC needs to be established internally first in order to be able to develop a consistent IMC approach directed at external stakeholder groups. This important finding is supported by numerous IMC researchers (Reid et al., 2005; Duncan and Mulhern, 2004; Fill, 2001; Grein and Gould, 1996). The suggestion of employing a 'communication czar' brought forward by Schultz (1991), almost two decades ago, was regarded as valuable. Although none of the interviewed companies actually appointed a person named 'communication czar'; in general the communication or marketing director of each organisation was regarded by brand managers as a 'mentor' or 'coordinator' who should ensure that IMC does, in fact, take place.

An important research outcome of this research as well as from other research studies, such as Kliatchko's (2001) doctoral thesis and investigations led by Cornelissen (2001), and Hartley and Pickton (1999) is that it might be useful to utilise a cross-functional team when implementing an IMC approach attempting to improve working relationships and develop action plans to enhance brand values internally and externally insofar as the organisation is concerned (see research phase 1 – chapter 5 section 5.9.6.1). In addition to this finding, external

consultants may help in implementing different processes within subsidiaries and act as points of contact for brand managers from subsidiaries in relation to developing or implementing integrating communications campaigns or communication tools (see also SABMiller case study – chapter 6 section 6.3.2).

9.3.2 Application Issues

As previously noted, an IMC approach needs to come from senior management and strong leadership and guidance are required. For example, senior executives of Tryton Foods which in terms of its number of employees and geographical reach is a much smaller company than SABMiller and Imperial Tobacco, suggested that the IMC approach should be 'owned' by all employees and therefore, a 'big bang' approach from the top for them was not a sensible option. The idea of 'owning' an IMC approach may seem reasonable, but for a larger firm this can be problematic due to company size, numbers of employees involved and integration barriers, such as functional silos, resistance to change, hierarchical structures or subcultures within the organisation (Kitchen et al., 2004a; Swain, 2004; Eagle and Kitchen, 2000; Hartley and Pickton, 1999; Pickton and Hartley, 1998; Bruhn, 1997/1998; Gonring, 1994; Duncan and Everett, 1993; Schultz et al., 1993). As such, brought forward by the interviewees from SABMiller, global companies may use external consultants to implement IMC with different brand teams and help them overcome potential barriers to IMC. Project teams as well as cross-functional teams were also utilised by global and large national companies from research phase 1 to reduce barriers to implementation.

After implementing an IMC approach, the marketing department needs to ensure that processes and practices are maintained. As noted in both research phases, a company can use facilitators and tools to ease and 'stabilise' an IMC approach (see chapter 5 section 5.9.6.2 for a list of facilitators). For example, a firm could contact and update all its employees and other stakeholder groups on regular basis, e.g. via magazines, meetings or feedback touch points. Quarterly surveys can establish flaws in working relationships, which can in turn be improved, thus, resulting in better internal integration. Similarly, SABMiller respondents

explained and showed many of their IMC processes in the interviews (see chapter 6 section 6.3.3 for the BIBA process). These processes have been developed, written down and made available to all subsidiaries, helping local marketing teams to adopt the 'SABMiller IMC approach'.

In order to ensure an internal IMC approach throughout the organisation or at least within individual brand teams, Cornelissen (2001) has suggested implementing different mechanisms to guarantee integration. These facilitators were also named by the interviewees of this research. As such, marketing teams who employ a more advanced IMC approach have also established routines and working practices, such as formal and informal meetings which help to brainstorm ideas or new communication strategies, away days and conferences, and after-work club parties which encourage teamwork and internal integration of the organisation. In addition, new SABMiller employees also undertake a training course, which helps ensure common understanding of company values and brand positions. A common practice for large global organisations is to develop a marketing code of conduct, which helps in keeping marketing communication practices focused, and within legal boundaries. Previous research by Pickton and Hartley (1998) as well as the detailed analysis of interview findings illustrated the importance of verbal and open communication with each department and especially within the marketing department.

Despite suggestions on how to improve or increase internal integration within companies, in all three company cases the communication *between brands* still seems to be inadequate. Imperial Tobacco does not arrange any formal meetings where different brand managers can meet and exchange ideas. There is almost no communication between brand managers in SABMiller, only on an informal basis. In the William Jackson & Son Group some cross-communication and projects exist between for example Tryton Foods and Jackson's bakery in order to leverage the advantages from each SBU to its best possible. The analysis of all 12 interviews within the case studies indicated that links between different strategic business units and brands should and could be strengthened. Low (2000) and Phelps et al. (1996) argue that the smaller a company is in size, the easier it becomes to integrate. The outcome of research phase 2 supports this proposition

made because in comparison communication within the William Jackson & Son Group in which Tryton Foods is a subsidiary is more integrated than within Imperial Tobacco or SABMiller, which could be caused by their massively different company sizes and geographic scope of activities.

In the best practice cases by the American Productivity and Quality Center (APQC) (McGoon, 1998/1999; Schultz, 1998), it was explored that e-mail communication can significantly help in communicating between subsidiaries in different countries. In this research, intranets, marketing toolboxes, branding guidelines and best practice cases which are made available online for local subsidiaries of the global organisations have become a 'must-do' for the majority of participating companies (see also research phase 1 findings – chapter 5 section 5.5.8). As stressed in current marketing communication literature (Pilotta et al., 2004; Naik and Raman, 2003; Lawrence et al., 2002; Hutton, 1996a) new technologies augment and simplify the adoption of an IMC approach. However, as demonstrated in this research, new technologies may also help in implementing an IMC approach at the global level. It becomes easier for global brand managers to talk to and provide advice to local subsidiaries and to integrate marketing communication campaigns globally. Evaluation and measurement techniques can also be implemented and compared globally because tools and results can be accessed via the Internet (see also section 9.3.5).

In research phase 2, additional questions were asked in relation to this finding. SABMiller disseminates its current best practice cases via the intranet, as such all local subsidiaries have access to it. The SABMiller intranet also provides branding communication guidelines and is an important tool with regard to an IMC approach for individual global and local product brands. Although the other two companies also noted that an intranet and best practice cases are important, Tryton Foods had yet to establish a database (see section 9.3.4 for database applications) and intranet, and Imperial Tobacco needed to develop and update best practice cases more frequently (see chapters 7 section 7.3.4 and 8 section 8.3.7, respectively). However, Imperial Tobacco was not allowed to establish a database in most operating countries due to government restrictions. But money and time constraints, in general, have hindered these companies in developing and

executing more sophisticated IMC practices, such as the deployment of a database, a frequently updated intranet or more advanced measurement techniques. This finding is also supported by Fill (2002), Kliatchko (2001) and Kitchen and Schultz (2001) – in particular to their four stage model, i.e. in order to implement the third stage of the four stage model – database technology – financial investment is needed to advance a company's marketing communication practices from the second (investment into consumer research) to the third stage (see chapter 3 section 3.3.1).

In relation to multinational and global firms, IMC was found to be very important *in particular* for brands following a global strategy where the same communication tools and messages should reach a global audience, without conflicts or inconsistency when communicating – which confirms the findings from prior IMC studies (Kitchen and Eagle, 2002; Schultz and Kitchen, 2000a; Gould et al., 1999). However, this finding conflicts the research conducted by Sriram and Gopalakrishna (1991) who stated that in order for a standardised campaign to become successful, some operational decisions should be left to the local managers with the intention to motivate and encourage them. Only in SABMiller were regular measurements and global budget setting techniques (see chapter 6 section 6.3.5) established and applied (see also section. Based on the findings from Imperial Tobacco, presented in chapter 7, the firm will soon follow this practice, aiming to manage subsidiaries better whereas Tryton Foods' growth will underpin and facilitate the company's marketing communication practices.

In the cases of all global and international companies interviewed in both research phases, it was found that brands which have different marketing communication mixes throughout their subsidiaries are often not integrated at the global level and in these circumstances the marketing teams have more freedom and influence with regard to message and communication choices at the subsidiary level. As noted by the marketing director of Imperial Tobacco as well as Keegan (1999), a disadvantage of a 'local' brand approach is that in the long-term the brand will potentially grow across its country boundaries, and thus, it could lead to conflicting messages. Different communication messages may contradict each other and the brand value and position can differ depending on individual

countries. In conclusion, it may be easier to maintain a global or large national brand from the head office than having to implement and execute individual IMC strategies in various subsidiaries, which could not only lead to message conflict but also to increasing costs and discrepancies among marketing teams who are in geographic proximity and therefore, could benefit from better coordinated and more coherent strategies.

9.3.3 Agency versus Client – A Leadership Perspective

In chapter 4, it was pointed out that most IMC studies have focused on IMC perspectives, as modulated via advertising agency executives (Fitzpatrick, 2005; Kitchen and Li, 2005; Swain, 2004; Eagle and Kitchen, 2000; Kitchen and Schultz, 1998a). However, the limitations of these studies as well as the call by researchers for in-company descriptions (Eagle et al., 2006; Gould, 2004a) were taken forward and issues concerning 'client-ad' relationships were addressed in this study. As such, these issues were focused only on the views of senior managers and company practices with regard to agency relationships.

A major outcome of this research is that integration needs to come from the organisation itself and not an agency (see chapter 5 section 5.9.6.1 for research phase 1 and chapters 6 through 8 sections 6.3.7, 7.3.7 and 8.3.7 for research phase 2). In research phases 1 and 2, senior executives and brand managers argued that the company needs to be responsible for an internal IMC approach and that agencies were not involved in this process. A cause for client-leadership of IMC was introduced by Duncan and Everett (1993) who stated that the leadership debate of IMC may be dependent on company size. As such, Caywood et al. (1991) who surveyed large organisations had similar outcomes as in this thesis, i.e. that IMC is client-led. The sample utilised in Duncan and Everett's (1993) early study included smaller organisations, whereas the results showed that the involvement of an outside agency was needed to implement IMC.

The case companies used the creative skills of their agencies for campaign planning far more often than they did in seeking advice from them for the

development of long-term IMC strategies. In comparison, McArthur and Griffin (1997) also demonstrated that in their investigation companies used full-service advertising agencies as the basis for creativity, but other marketing services were utilised inside these companies. In this research, agencies were included when campaign objectives were formed and they were invited for meetings and conferences. The motive was that agencies should feel part of the organisation whereas these meetings can be utilised for the actual integration among agencies and not only with the client, aiming to ensure that future external marketing communication activities are supporting each other and consistent communication campaigns will be implemented. However, this finding is in contradiction to an earlier study conducted by Duncan and Everett (1993) who investigated IMC practices in 216 companies. Their results showed that at least one agency should be involved in the implementation and application of IMC in order to coordinate the promotional tools with each other.

As shown in research phase 2, although the case companies may employ many agencies, one agency was always appointed to be the 'lead' agency whose responsibility it was to ensure that all other agencies were integrated and working towards the communication goals associated with specific brands and above all, to serve the needs of the client. This particular finding supports the results of the APQC study (Hack et al., 1999; McGoon, 1998/1999; Schultz, 1998), wherein IMC best practice case companies also employed one agency as the lead agency.

A tendency of the case companies in this research was apparent in relation to assigning the role of the lead agency to the creative advertising agency which could be caused by traditions or skills developed by these agencies. The interviewees from SABMiller noted that in the future, due to increase in media channels and the importance placed on the usage of multiple communication channels, a shift of power towards multi-media agencies away from creative advertising agencies might occur. As such, the tasks of the lead agency may be ceded to the multi-media agencies; to those who have extensive knowledge about media channels and purchase media space and time.

During the early 1990s, research (McArthur and Griffin, 1997; Novelli, 1989/1990) indicated that agencies may widen their expertise in order to offer a 'one-stop shopping experience' to their clients. The outcome of this thesis, here introduced to a degree, oppose these early research findings because each organisation employs more than one agency. Kallmeyer and Abratt (2001) as well as Kitchen and Schultz (2001) have also noted that sometimes client-firms try to avoid delegating the control to one single agency, and therefore, split the power among different agencies.

The results of research phase 2 have shown that organisations, which are utilising advanced IMC programmes, tend to treat their agencies as strategic partners, rather than for mere tactical purposes (see chapter 6 – SABMiller case study – section 6.3.7 and Tryton Foods case study – chapter 8 – section 8.3.7). Contradicting views were nonetheless found in those companies, which are at the beginner stage of an IMC approach, i.e. the agency – client relationship was seen as 'merely tactical' – as in Imperial Tobacco (see chapter 7 section 7.3.7).

Despite diverging views, it seems to be the more rational and logical choice that clients should form a bond and maintain a good relationship with their agencies in order to preserve and improve integration among all communication elements. As such, there seems to be a positive connection between firms with advanced IMC programmes and their long-term views with regard to their agency relationship. Nonetheless, the strategic integration of internal and external marketing communication practices, with the support of agencies, needs to come from clients. However, the respondents of the case studies admitted that it can be difficult to develop integrated marketing communication campaigns when different agencies are involved due to the agencies functional silos and 'closed' information sharing systems, as was demonstrated by Duncan and Mulhern (2004).

9.3.4 A Consumer-Driven Communication Approach – Tools and Trends

An outside-in approach, i.e. developing or amending communication on the basis of consumer needs was considered a 'must-do' approach of a successful business or brand as this supports the argument of consumer-driven integrated communication of many marketing communication researchers (Kitchen and Li, 2005; Schultz and Schultz, 2003; Low, 2000; Hartley and Pickton, 1999; Stewart, 1996; Schultz, 1993e; Schultz, 1993c). IMC should be important at all times but especially at the launch of a new product because of its perceived effectiveness in reaching consumer target groups (see also section 9.5 for the benefits of an IMC approach). The result may be that recall behaviour among consumers can be increased (Stammerjohan et al., 2005). However, it was stated by the interviewees of the case studies that communicating a global or large national brand sometimes requires sacrifices, as it may not always be possible to adopt the specific brand communication that the consumers may desire in one particular market. Furthermore, a strong brand also needs to have a clear positioning strategy and a consistent message throughout its life-cycle, thus, an outside-in approach is not always possible.

Nevertheless, consumer research is regarded as a valuable tool in relation to setting communication objectives, finding out consumers needs and wants as well as understanding the brand attributes and their meanings to consumers. Although SABMiller is the most advanced company in the context of its deployment of current research tools, an important research outcome was also that in all three case companies the marketing and research teams are utilising similar brand awareness and usage tests which can be compared to the 'hierarchy of effects' model (Lavidge and Steiner, 1961: 61) as well as which SABMiller employs a model which is comparable with the innovation-adoption model (Rogers, 1962: 79-86) (for further details see chapter 6, SABMiller case study section 6.3.5 and 6.3.6, and the Imperial Tobacco case study, chapter 7 section 7.3.4, as well as Tryton Foods, chapter 8 section 8.3.5).

In relation to the marketing communication programmes of each organisation these theories facilitate the setting of objectives at various stages of a brand's life cycle, the selection of communication tools which to a degree are dependent upon consumer research studies, and measurement with regard to marketing communication campaigns. Not all traditional marketing communication theories may be applicable in the 21st century but still, some theories are well entrenched in organisations, and do seem to assist constructively in the firm's planning and evaluation of IMC programmes.

Although the majority of companies use qualitative and quantitative research methodologies for understanding brand values, consumer choices, or campaign success, it was noticed in the second research phase that the research tools and the extent to which they are utilised differed widely. SABMiller employs regular tests, e.g. brand awareness and attitude scores every month on a global level, which helps the company to compare data of its product brands at subsidiary level – i.e. on the basis of countries as well as at a global level. Tryton Foods has only been able to conduct more consumer research in recent years due to its substantial growth and better financial position of the company.

The problem but also necessity of allocating financial resources to consumer research in order to act in a consumer-driven manner has been discussed by other IMC researchers (Kitchen and Li, 2005; Kim et al., 2004; Blythe, 2003). Until now, Imperial Tobacco has not been able to conduct 'global research studies' as well as it was stated by the interviewees that its research methodologies needed to be more up-to-date. The importance of consumer research has now been realised by senior executives from Imperial Tobacco, which in turn, will lead to the management and control of consumer research, and the research budget by the head office.

In conclusion, research is highly dependent on available resources and secondly upon, the ability of managers to utilise the research information on a regular basis within marketing departments at a subsidiary and global level. Various research studies Kitchen and Burgmann (2007); Kitchen et al. (2004b) and Schultz (2004c) have stated that the cost of research is very high and can be seen as a barrier to

become consumer-driven because frequent consumer research cannot be conducted or new hardware and technology would be expensive to buy and implement, which supports the findings of this research.

None of the 25 marketing (research) teams, including the three case study firms, are using a database as enthusiastically propounded within current IMC literature, i.e. for segmenting target groups, evaluation or campaign measurement (Johnson and Schultz, 2004; Kitchen et al., 2004a; Schultz and Schultz, 2003; Hutton, 1996a; Nowak and Phelps, 1994). Conversely, in all three case studies basic segmentation rules in relation to consumer behaviour as well as measuring attitudes remained in place (see chapters 6 through 8, sections 6.3.4, 7.3.4 and 8.3.4).

Therefore, the findings of this thesis show that a database may not be as essential as thought in relation to the development of appropriate segmentation. A global or one consistent large national database has still to be realised by the national and multinational firms in this research (see chapter 5 sections 5.5.5 and 5.5.6 of research phase 1). Although a global database has yet to be developed by the companies, database technologies have helped in storing information about consumer demographics and preferences, thus, in turn database(s) should and are to some extent already used to adopt a more consumer-focused communication approach. Different databases are also operated in relation to the development of direct marketing campaigns and evaluation of investment opportunities (in SABMiller and Tryton Foods) but the organisations studied in this research have not fully recognised the potential opportunities and advantages a database may provide concerning an IMC approach, for example a database can assist marketers when measuring and evaluating marketing communication campaigns (Smith, 2005b; Reid, 2005; Duncan and Mulhern, 2004).

Despite the fact that all three cases as well as the other 22 companies from research phase 1 are at different stages of their IMC implementation, predictions in relation to future communication tools were very similar and support the current integrated marketing communication literature (Key, 2005; Lages and Lages, 2005; Cutlip et al., 2000). A recommendation recently given by Grove et

al. (2007), and also recognised as a must-do by the case companies, is the need to employ a variety of marketing communication tools at campaign level, which should augment the long-term objectives of the brand.

The importance of the link between the PR and marketing department has been discussed by various marketing and PR researchers (Cornelissen and Lock, 2000a; Miller and Rose, 1994; Kitchen, 1993; Kotler and Mindak, 1978) but it is this link, which was found to be incoherent. As such, all participants in this research also noted that this collaboration needs significant improvement in their respective companies. Increasing regulations, restrictions and consumer awareness in every industrial sector analysed in this research, raises pressure on sales and the need to utilise more effective marketing communication campaigns. An important aspect being stated by the interviewees and also explained in chapter 2 and 3 (Eagle et al., 2006; Schifferes, 2006; Smith, 2005b; Chun, 2002) is the *context*, i.e. of increasing audience fragmentation, developments of new media channels, and the rise and future value of one-to-one marketing, and trade marketing, all of which directly impact on decisions made in relation to promotional tools and companies' marketing communication campaigns.

The results of research phase 2 are consonant with current trends and changes in relation to promotional tools. For example, senior executives and brand managers stated that the Internet, one-to-one marketing tools and the value of a good sales force–retailer relationship are vital success factors to their IMC strategies. This, however, is consistent with the research conducted by, for example Lawson (2006), Smith (2005a) and Jaramillo and Marshall (2004). This change of mindset has been caused by the transforming media landscape and the need to actively listen more effectively to the wants of consumers (Schultz, 2007; Pitta et al., 2006; Smith, 2005b; Kitchen et al., 2004a; Joachimsthaler and Aaker, 1997). The case organisations were then used to explore the interviewees' views and perceptions in relation to current marketing communication trends. A significant outcome was that again SABMiller was the most advanced company in terms of its usage of new media tools. The company almost completely disregarded traditional advertising and indeed, stated that to them advertising's future decline was unavoidable – as has also been demonstrated in practitioner (Economist,

2006j; Economist, 2006e; Economist, 2006h) and academic journals (Schultz, 2007; Thompson, 2006; Cox et al., 2002). However, Tryton Foods and Imperial Tobacco have not been as swift in the implementation of new media tools. Although both these companies recognised and acknowledged future trends in relation to new media, Tryton Foods still spends most of its marketing communication budget on traditional advertising, whereas Imperial Tobacco due to government laws may be more restricted in relation to applying traditional and new advertising tools but is still very slow in adopting new technologies.

9.3.5 Remaining Measurement Difficulties

The responses given by all interviewees in relation to measurement difficulties are in support of the research findings from many IMC scholars (Ratnatunga and Ewing, 2005; Reid, 2003; Eagle and Kitchen, 2000; Kitchen and Schultz, 1999). Company interviewees found it to be extremely difficult and time consuming to develop accurate measurement tools, and at least partially, did not believe in the actual measurement of IMC. Despite this fact, the effectiveness of new marketing communication tools was found to be possible, e.g. number *per* hits on a website or responses to direct marketing campaigns. The interviewees did not view the measurement of traditional marketing communication tools, such as television advertising, radio or billboard campaigns as feasible. This finding is, albeit only to a certain degree, in contradiction to current IMC research. As such, Stammerjohan et al. (2005) have been able to measure the effects of radio and print advertising. Their results have demonstrated that especially at the early stages of a product's life, different promotional tools (new and old) should be utilised in order to increase the company's market share and buyer behaviour. In addition, although the reason for the link between IMC and ROI is unknown, Reid (2005; Reid, 2003) claims that integration results in better performance.

As part of this research, in the second phase a more in-depth analysis was conducted in relation to measurement and evaluation techniques within the three case studies. SABMiller was the only company where the marketing team has

utilised a global as well as 'regular' measurement methodology – Key Performance Indicators – for all its markets – in order to be able to compare results on a monthly basis (see chapter 6 section 6.3.5). However, all case study companies currently employ several projects to improve their measurement and evaluation techniques. This finding is consonant with the research of Reid (2005; Reid, 2003; Reid et al., 2001) and other IMC scholars (McGrath, 2005a; Patti, 2005; Gould, 2004b; Pickton and Hartley, 1998) who also explored the measurement difficulties experienced in an IMC approach. As such, Imperial Tobacco and Tryton Foods, due to limited resources, utilise only minimal measurements, such as brand awareness or recall scores (see chapters 7 section 7.3.5 and chapter 8 section 8.3.5, respectively for individual case studies).

Interestingly, in all three company cases the firms are employing research agencies to carry out evaluation projects on behalf of company brands. In each scenario, an in-house research or marketing team was responsible in developing and assigning projects to agencies. Despite, it should not be assumed that agencies are leading an IMC approach because the companies are in all cases the initiators of the projects, and they are responsible for further progression of these projects. Although IMC measurement activities have been regarded as vital components of an IMC approach (Schultz, 2006e; Duncan and Mulhern, 2004; Schultz, 2003; Kitchen and Schultz, 2001; Eagle and Kitchen, 2000), so far, no agreement has been reached in relation on how to link ROI to marketing communication activities or integrated campaigns.

9.4 The Interactions and Interdependence between Corporate and Product Brand Level

Objective 3

To explore interactions and the interdependence between:

a. The corporate brand level

b. The product brand level

Summary of Research Phase 1

This thesis initially encompassed four different industries in research phase 1, i.e. FMCG, consumer durable, service and retail firms. Various researchers (de Chernatony and Drury, 2004; Balmer and Gray, 2003; McDonald et al., 2001) said that especially within service industries the corporate brand is much more visible and important than it may be in a FMCG company. The analysis of the findings confirmed these researchers' views. In addition, a strong association with the corporate brand was also visible among interviewees from the retail and consumer durable companies (if BMW, Rolls-Royce and Audi are seen as individual companies and not part of the Volkswagen Group or BMW Group). A medium to strong alignment with the corporate brand was found in these firms where the arrangement and coordination of different product groups seemed to be easier and less difficult to manage, for example different clothing brands and Debenhams as the corporate brand, RAC and its different motor services, or BMW and its various car series (see also chapter 5 – sections 5.5.7 and 5.6.2).

Very few FMCG companies of this research have realised the possible value a corporate brand can provide to their individual product brands. Only the interviewees of Unilever, Diageo, Lorenz Snackworld and Granini felt that the corporate brand is important and that their respective companies should pay closer attention to it. For example, Unilever now compels product brand managers to show how their brands interact and align with the corporate brand; or the employees of Diageo commit to a promise each year as to what they could achieve for the corporation and not only for their product brands. Although Granini and Lorenz Snackworld are FMCG companies, their products are also

branded with the corporate brand, which facilitates better the coordination and pursuance of an IMC strategy.

In relation to the case studies and the majority of other FMCG companies within this research, a branded identity – portfolio strategy (Harris and de Chernatony, 2001; van Riel, 1995) was the preferred approach. These firms have acquired and developed many brands over years which suit different consumers at different levels and need stages, e.g. low cost products versus high quality (expensive) products. In general, the products are named individually and have little or no association with the corporate brand; resulting in consumers' general unawareness about the companies marketing these products. In the first phase of research it was already apparent that the companies which do not wish to show their corporate brand do not seek to leverage to the optimum the potential advantages that come with a strong corporate brand, such as a point of differentiation, a strong image or reputation, or representation of the whole organisation (He and Balmer, 2006; Aaker, 2004; van Riel and Berens, 2003; Balmer, 2001a; King, 1991; Bernstein, 1989). On the other hand, these companies did not want to embrace the corporate brand any further; generally, because the individual product brands were already associated with a strong image as well as the interviewees stated that there is no need for consumers to be aware of the corporate brand.

The case study companies have not incorporated the corporate brand in their marketing communication practices and connections with the corporate brand are less apparent. Currently, the only existing alignment is via a code of conduct (see also section 9.3.2) developed by both global companies, Imperial Tobacco and SABMiller, which need to be followed by every employee to ensure the correct application of marketing communication and other working practices throughout the organisation. So far, Tryton Foods has not developed a code of conduct but will do this as the company grows. In each organisation, IMC practices are focused on the product brands – i.e. the brands most visible to consumers, and thus, involve brand managers, assistants, strategic business units.

Nevertheless, Imperial Tobacco is starting to view the corporate brand as an asset; in particular, creating a 'home' for its employees by employing corporate

branding to its products, such as putting the Imperial Tobacco logo on cigarette packs (see chapter 7 section 7.3.8). SABMiller has realised that its corporate communication needs improvement in all countries except South Africa where its origins are found (see chapter 6 section 6.3.8). However, the corporate brand was not seen as a necessity in order to boost sales. On the contrary, Tryton Foods may change its name to Aunt Bessie because of the brand's value and the benefits it apparently provides especially to the internal communication of the company (see chapter 8 section 8.3.8).

In conclusion, the main focus and importance is provided to IMC at the brand level and secondary attention is drawn to integrated brand communication at the corporate level. Although all three companies have not unfolded the full potential of their corporate brands, the findings are in agreement with current corporate communication literature, i.e. that the corporate brand is becoming more important (Gylling and Lindberg-Repo, 2006; He and Balmer, 2006; Muzellec, 2006; Balmer and Gray, 2003; Schultz, 1995b).

9.5 Benefits of IMC

Objective 4

To identify, evaluate and compare perceived benefits with regard to the growth, importance and usage of IMC within the selected firms.

Summary Research Phase 1

According to the interviewees from research phase 1, a significant benefit of IMC is that it can lead to better ROI caused by better internal working practices and a joined communication approach to other stakeholder groups. In addition, it was also explored in research phase 1 that the reasons for higher financial returns can be pinpointed to the fact that IMC encourages people to work in teams which influences individual employee's behaviour positively and drives commitment for the organisation. Internal resources are also used more efficiently. The implementation of IMC led to the encouragement of greater ideas in relation to the engagement of traditional and non-traditional promotional mix elements. It was

also stated that IMC can help in strengthening the product brand's image and position. Many of the benefits discussed under research phase 1 (see chapter 5 section 5.7) were repeatedly stated by the interviewees of research phase 2. These are now discussed in a more in-depth manner.

The various benefits of applying an IMC approach were listed in chapter 3 (see section 3.2.2.1), these advantages were widely known to new respondents in research phase 2 (see chapters 6 through 8 sections 6.3.9, 7.3.9, 8.3.9). Despite the fact that Imperial Tobacco's IMC implementation was lagging behind in contrast to SABMiller, and that Tryton Foods is only a subsidiary of the WJS group, in all three cases it was found that IMC needs to be implemented by all functions and departments within the organisation in order to be valuable to the firms. The interviewees were able to comment on benefits of an IMC approach either reflecting on previous working experience, current IMC practice or presenting possible trends on how IMC could make marketing communications programmes better and more advanced.

Reid (2003: 241) argued that IMC can lead to greater return on investment (ROI): " in order to help improve performance, managers should work to improve the integration of marketing communications activities and practices". Thus, the outcomes of research phase 2 not only support the findings from phase 1 but also correspond with Reid's (2005; Reid, 2003) findings, adding that higher ROI is achieved through a possible global and consistent reach of communication message(s) which in turn, improves the product and company image in a much more focused manner.

For example, Tryton Foods launched its Aunt Bessie brand in 1995 but increases in the brand value and sales growth only occurred in the last two years. In 2003 the company board replaced the marketing and managing director with more experienced employees and also issued the implementation of an IMC approach which was to focus on the long-term brand value of the Aunt Bessie brand; eventually demonstrating (as claimed) the cause and effect relationship between ROI and an IMC approach. Fill (2001: 416) also stated that " the need to co-ordinate internal communications becomes ever more vital to sustain integrated

marketing communications". As such, this research supports Fill's (2001) argument, i.e. internal integration is very important because greater employee thinking is encouraged which can result in positive working behaviour through which functional marketing communication silos can be demolished or at least, partially deconstructed.

IMC's cost effectiveness was not only indicated by previous researchers (Madhavaram et al., 2005; Pickton and Broderick, 2005; Duncan and Mulhern, 2004; Fill, 2001; Pickton and Hartley, 1998; Stewart, 1996) but was also perceived as a benefit in both research phases of this thesis. For example, Imperial Tobacco is now starting to implement a global IMC approach and the company expects to achieve significant cost savings due to the fact that the budget and research methodologies are decided by the head office and then provided to local subsidiaries. In the past, each local subsidiary has had the right to decide on their budget and how to spend it. So far, no actual budget figures were provided to the company through which a comparison with previous years would be possible. Although the precise mechanism to how this benefit is achieved was not identified, SABMiller and Tryton Foods respondents strongly advocated that internal resources are better utilised and working relationships are strengthened if IMC is implemented.

After the detailed analysis of research findings from phase 1, it was evident that the respondents supported the idea that IMC not only leads to a protection of the brand image but also to higher brand recall among consumers. In phase 2, the respondents provided further evidence for this finding; in particular Tryton Foods offered their own research findings to the researcher (chapter 8 section 8.3.5). As such, surveys conducted by the three case companies demonstrated that after IMC has been implemented and marketing communication programmes have become integrated, brand recall behaviour scores were enhanced and positive changes in relation to consumer behaviour emerged in comparison to less integrated marketing communication strategies from previous years. This outcome contradicts McGrath's (2005b) findings, i.e. that IMC application does not automatically result in higher brand recall. On the other hand, Stammerjohan et al.

(2005) and Stewart (1996) noted that if messages contradict each other, it may lead to negative brand recall.

With regard to IMC cost effectiveness, it was found that when a global research methodology and a permanent IMC programme are implemented throughout all subsidiaries cost savings will occur due to the fact that the individual company does not need to develop new research studies every year as well as the subsidiaries are able to use the same methodology which also results in cost savings as found in the SABMiller case study (see chapter 6 section 6.3.9). Therefore, the data available to the head office is comparable, showing the company which product brand or subsidiary is developing well and which is not.

Respondents of this research have said that IMC is the binding force or 'glue' of the marketing communication mix which helps align brand activities with each other. Moreover, an IMC programme also helps avoid internal duplication with regard to employees' job responsibilities as well as other resources can be managed more effectively and in an advanced manner. As seen in research phase 1 (see chapter 5 section 5.6.2.1) and further explored in research phase 2 (see chapter 8 – Tryton Foods case study), a cross-functional team as part of an IMC approach can help in developing better internal integration. In addition, branding and measurement guidelines, the code of conduct and best practice cases can now be obtained online whereas IMC can be applied on a global basis via the assistance of new technologies, hence, saving time and resources. Overall, the perceived benefits of IMC as well as the benefits shown via the companies' research have exposed a strong link between the advantages of applying an IMC approach and the future importance of IMC (see research objective 1 section 9.2).

9.6 Revised Models and Conceptual Frameworks

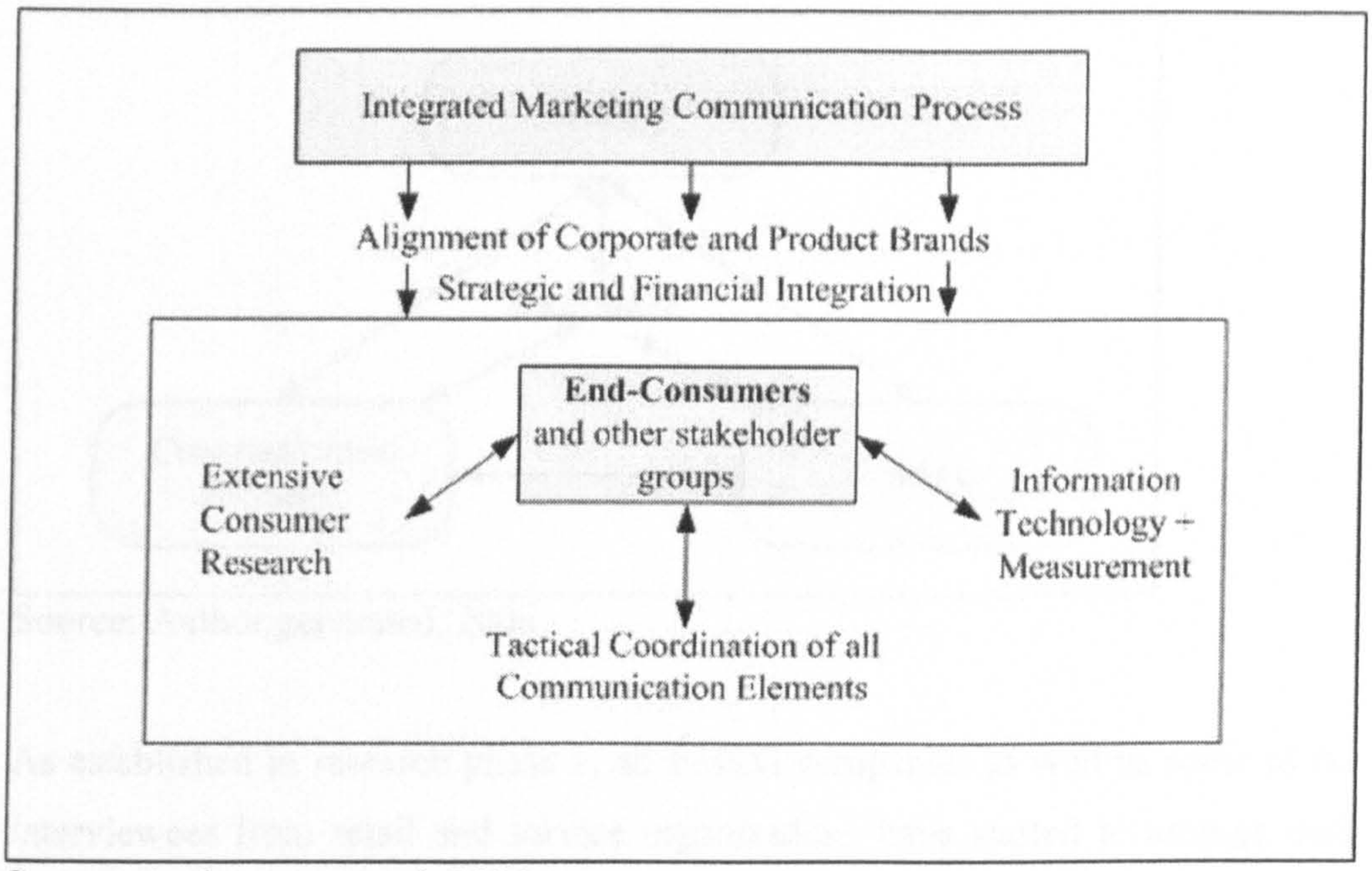
In research phase 1, chapter 5 section 5.5.6, each company was positioned in Kitchen and Schultz's (2001) – four stage model in relation to their current stage of IMC practice. However, the comments received by the interviewees were taken forward and the model was improved in phase 1 (see chapter 5 section 5.9.3.3).

The 'new' model was then revised and shown to all respondents from each case in research phase 2. Figure 9.2 presents the revised version of Kitchen and Schultz's (2001) initial model.

The model now places the consumer and all other stakeholder groups at the centre of attention, whereas all communication and research activities as well as technologies are directed towards and are there to improve communication with them. The reason why only these three activities are placed within the inner box is that they present the 'how', i.e. how can the company act in a consumer-driven way, how can research studies help to implement the communication strategy; or, how can technology help the company to ensure that the communication is consumer-driven and how can a company measure and evaluate its marketing communication activities, in both an integrative and individual manner. This may not be realised by the case companies and participating organisations from phase 1, still information saved in one or many databases may enable the company to recall, manipulate and compare data sets as needed. The fourth and final step is the company's strategic and financial integration which is linked back to the three 'how's' but presents the 'what' – in terms of what kind of objectives does the company set, and how and if they are achieved.

It was decided to place financial and strategic integration outside the inner box because this procedure is directly carried out by the internal communication department within specific companies. At this stage, a company also needs to ensure that, although depending on the company's strategy it may not be visible to all stakeholder groups, corporate and product brand(s) are aligned with each other.

Figure 9.2: The IMC Process

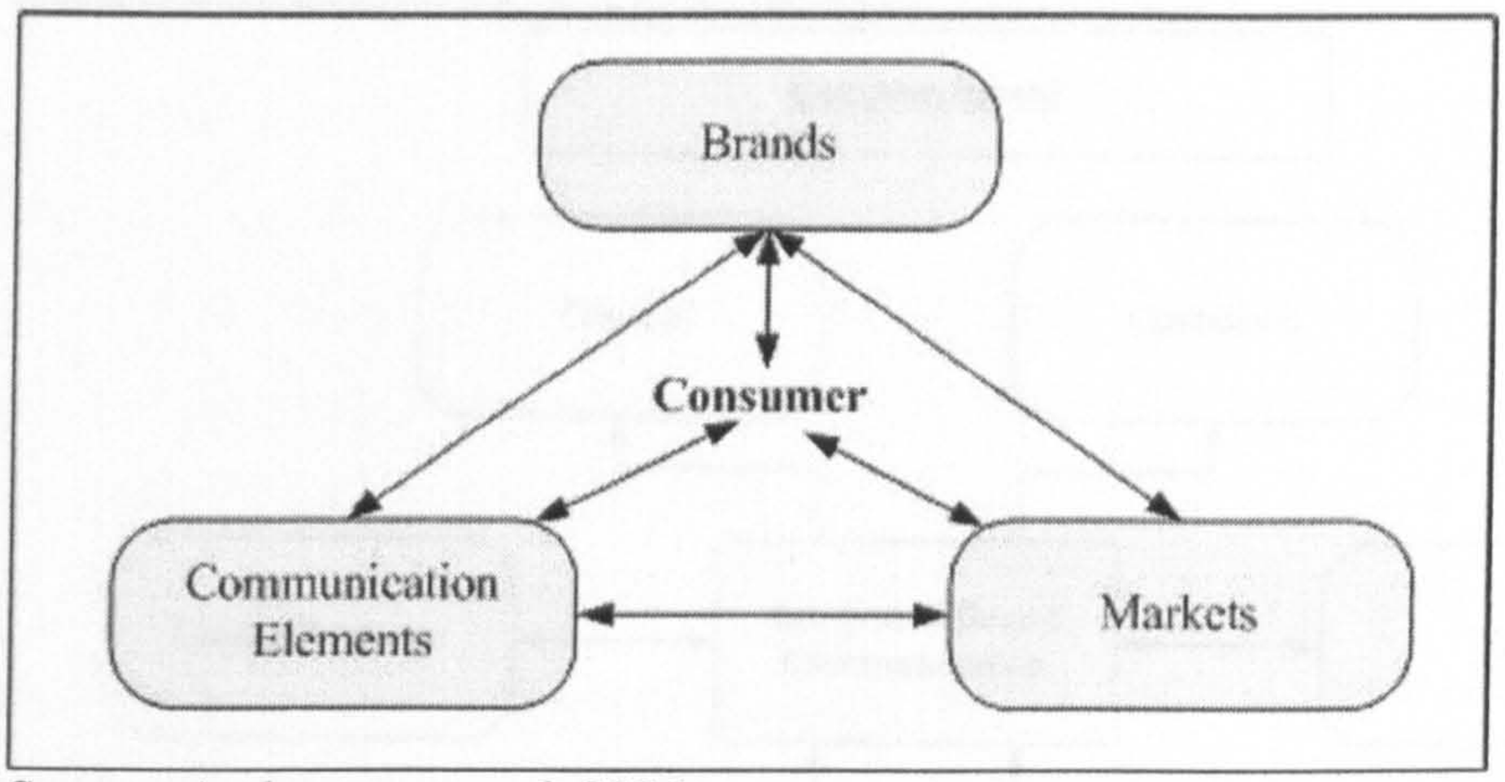


Source: Author generated, 2006

A model developed by the Marketing Department of Diageo, which demonstrates the influence of market, brand and communication mix elements, was shown in chapter 5 (see section 5.9.4.1). This altered model was also presented to each of the case respondents in order to further develop. The feedback has been taken into consideration and the following improved model is demonstrated in Figure 9.3.

As found in the IMC literature (Schultz, 2006a; Swain, 2004; Schultz, 1997c), the consumer is placed at the 'centre of attention' in a consumer-focused company, thus, influencing all ongoing marketing communication activities of the company. Either a single brand team or multiple brand teams needed to be able to work with subsidiaries and communication strategists in order to implement an IMC approach. It was mentioned by several respondents from each case that the different components of the model, i.e. market, brand and communication mix may have stronger or weaker influences on each other depending on the company's strategy. For example, a company, which pursues a global strategy, may place the biggest weight on its brands rather than on individual subsidiaries, whereas a firm, which adopts a local branding strategy, may find the influence of the markets much more important.

Figure 9.3: IMC – A United Approach

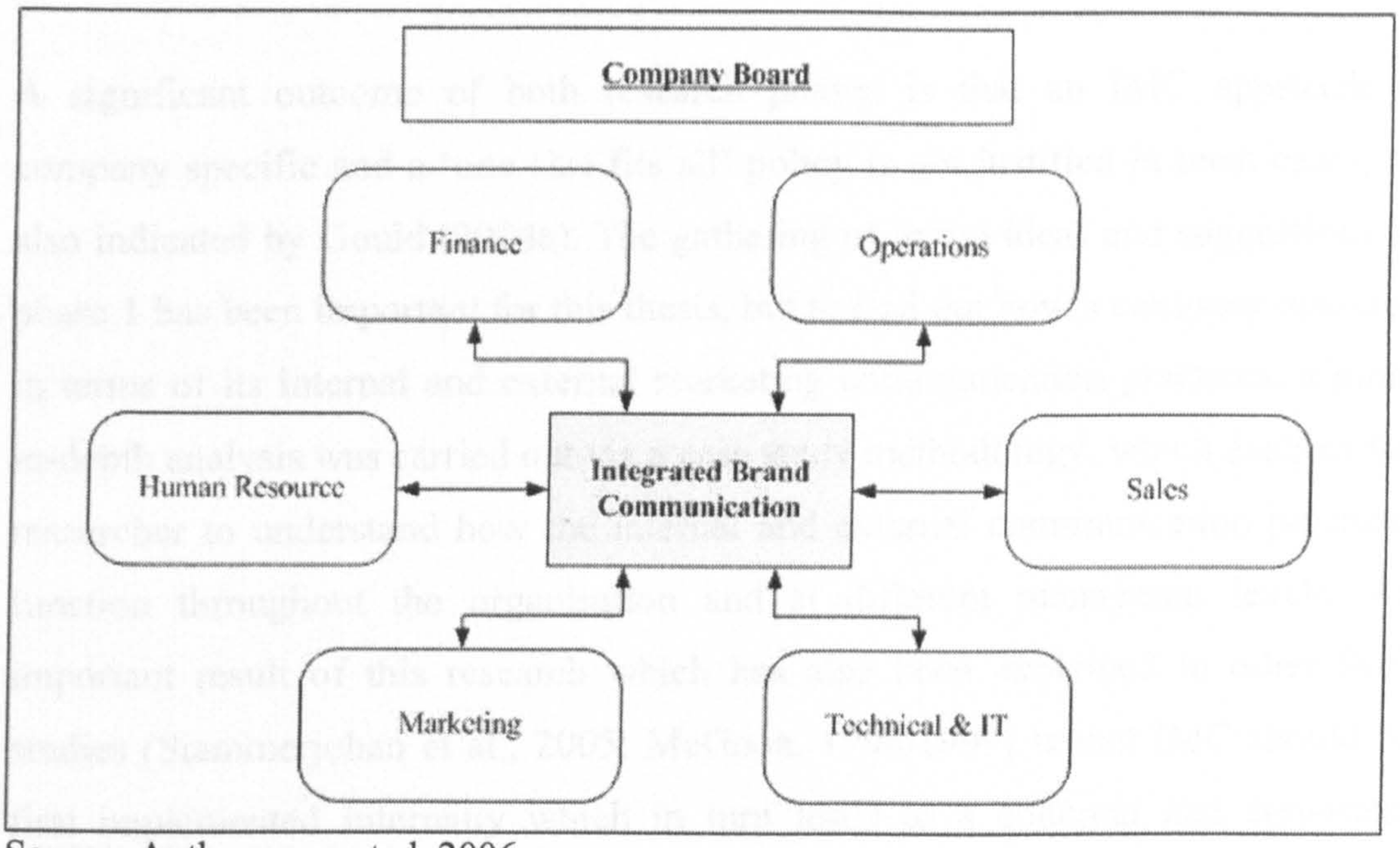


Source: Author generated, 2006

As established in research phase 1, all FMCG companies as well as some of the interviewees from retail and service organisations have started to arrange their marketing communication activities by brands or activities and not by functions, resulting in much more consumer-driven processes. Consequently, it is easier to avoid functional silos, which may be harder to overcome in a functional operated organisation. An IMC driven company would not only implement an IMC programme across functions but also across departments and SBUs with the purpose of becoming consumer-led. However, no company in this research has achieved this. As explored in chapter 3 – section 3.5, language boundaries, functional and organisational silos, resistance to change were explored and remain as barriers to a consistent integrated marketing communication approach.

SABMiller, the most integrated company, from the three case studies in terms of its communication processes as well as measurement and evaluation techniques has advanced its IMC approach and developed a process, which it wishes to implement in the near future in order to become more integrated. As shown in chapter 6 – the SABMiller case study (see section 6.3.6), Figure 9.4 demonstrates a new approach as to how a company (especially FMCG's) could be structured in order to overcome functional silos between departments.

Figure 9.4: Integrated Brand Communication



Source: Author generated, 2006

The model was then revised and can be explained as follows. For example, at monthly meetings each department, such as finance, operations, marketing and sales would not report independently, i.e. for their own departments, but the teams would have to work together in order to be able to report by brand. The communication is then led by brands and ultimately led by the consumers because the whole organisation would be organised by brands and not functions. The usability of this scheme should be tested in subsequent research. The proposed model, Figure 9.4, demonstrates how a company can adopt an umbrella – IMC – approach throughout the organisation, as mentioned by Reid et al. (2005) and also Schultz and Kitchen (2001). If, however, the applicability and effectiveness could be proven, researchers would be able to link IMC with integrated corporate communications by 'connecting' all departments with each other and having them aligned in relation to the objectives of the company and its brands. The firm would still be able to provide an individual IMC approach for each product brand but also form alignment with the corporate brand, consequently, creating internal integration.

9.7 Recommendations for Future IMC Practitioners

A significant outcome of both research phases is that an IMC approach is company specific and a 'one size fits all' policy is not justified in most cases, as also indicated by Gould (2004a). The gathering of initial ideas and suggestions in phase 1 has been important for this thesis, but to find out how a company operates in terms of its internal and external marketing communication practices, a more in-depth analysis was carried out via a case study methodology, which enabled the researcher to understand how the internal and external communication practices function throughout the organisation and at different managerial levels. An important result of this research which has also been explained in other IMC studies (Stammerjohan et al., 2005; McGoon, 1998/1999) is that IMC should be first implemented internally which in turn leads to a coherent and consistent communication approach to external stakeholder groups. This important outcome has led to the development of further managerial recommendations for future IMC practitioners:

1. IMC has to come from the senior management level.
2. The organisational structure needs to facilitate communication among employees in order to encourage internal integration and strategic thinking which can then lead to a successful external IMC approach – at different levels.
3. Formal meetings should not only aim to inform managers and brand teams, but also to 'brainstorm' new activities with the marketing team.
4. Agencies should be seen as part of the organisation.
5. There should be one agency leading the IMC approach for all other agencies, but all should be used with strategic objectives in mind.
6. To avoid functional silos the whole company should be organised by brand teams.
7. An IMC focused company should establish a research methodology and evaluative procedures on a global basis, which will make comparisons across regions, countries and continents possible over time, subject to the required technological infrastructure.

8. Best practice reports and cases should be prepared, stored either manually or electronically, and disseminated to employees and agencies where they may be of use.

These suggestions present possible guidelines of how to implement an IMC approach and how marketing managers and directors seek to control external as well as internal integration. Therefore, these eight bullet points offer practical guidelines within the context of industries rather than academic implications (for this thesis' theoretical contributions see chapter 10 section 10.2.1).

9.8 Summary and Conclusion

This chapter presented the outcomes of the research objectives of this thesis focusing on comparing and contrasting IMC practices in different firms. For the empirical phase of this research, interviewees within different companies and secondary company information were utilised. The data analysis was guided by the principles of qualitative data analysis techniques, i.e. content analysis. In both phases categories and themes were developed in relation to the research objectives. This chapter drew upon the findings from research phase 1 and 2, i.e. 25 interviews in different consumer-focused organisations (research phase 1 was presented in chapter 5) and three case studies from the FMCG industries (research phase 2 was presented in chapters 6 through 8) and analysed them in light of the findings of other researchers.

As such, the analysis of case companies from research phase 2 was guided via the outcomes of research phase 1. This chapter also provided revised and new conceptual IMC models as well as recommendations for IMC practitioners. It was recognised that different views of marketing directors and brand managers exist in relation to the emergence and growth of IMC. In addition, a link between the future importance of IMC and its benefits, such as cost savings and its effectiveness in terms of reach and exposure to communication messages was exposed. It was also pointed out that IMC needs to be supported by the senior management team, whereas the marketing department(s) are responsible for

applying IMC at the head office, SBU and local subsidiary level. This chapter also acknowledged the development and importance of new media and communication tools, such as one-to-one marketing, PR, and the Internet as they were now considered to be very important tools in a successful marketing communication mix.

The findings of this research, previous IMC literature and the call for more IMC research in relation to client organisations allowed the researcher to conclude that an IMC approach can only be led by the organisation in order to be fully implemented. Agencies were employed for their knowledge and expertise in relation to creative campaign planning as well as for the development of research and measurement projects. The more advanced practicing IMC companies, i.e. SABMiller and Tryton Foods are treating especially their advertising agencies as strategic partners. However, the primary intention was to exploit their creativity and originality and not their skills to develop an IMC approach (Note: This research has not shown or proven, if agencies are capable of implementing IMC). Based on the research findings, in particular from phase 2, an area of improvement for FMCG companies is the relationship between corporate and product brand. It was evident that in most cases, IMC was implemented at the product brand level but that the link between corporate and product brand was almost invisible in the FMCG product brands' IMC strategies.

Chapter 10 concludes the research by presenting a summary of this thesis. The contributions to knowledge in relation to the dissertation's managerial, theoretical and methodological implications as well as the limitations of this study are stated. Further avenues for investigation and IMC practice based on the outcomes of this research are proposed.

Chapter 10: Conclusion

Figure 10.1: The Research Stages

Part 1	**Chapter 2 - Marketing Communications** Evolution of Marketing, Marketing Communications, Promotional Mix Elements, Trends
	Chapter 3 – Integrated Marketing Communications (IMC) Development of IMC, IMC Studies, Barriers, Criticism, Corporate Communications
	Chapter 4 – Research Methodology Research Purpose and Objectives, Paradigm, Design and Strategy, Ethics, Reliability/Validity/Generalisability Issues
Part 2	**Chapter 5 – Research Phase 1** Results of the Study
	Chapter 6 – Research Phase 2 Results of SABMiller Case Study
	Chapter 7 – Research Phase 2 Results of Imperial Tobacco Case Study
	Chapter 8 – Research Phase 2 Results of Tryton Foods Case Study
	Chapter 9 – Research Findings Analysis and Discussion of Research Phase 1 and 2
	Chapter 10 – Conclusion Academic, Managerial and Methodological Contributions, Limits to Results, Future Research

10.1 Introduction

This thesis has examined the development of integrated marketing communication (IMC) in large consumer-focused organisations within the UK and Germany. The research initially utilised a cross-cultural comparative approach in these two countries and then developed three case studies in fast-moving consumer good (FMCG) firms with headquarters in the UK. In chapter 1, five research objectives were specified in order to conduct a thorough analysis of IMC practice within different companies:

1. To explore the emergence, growth and importance of IMC within large consumer firms.
2. To explore the current situation of IMC implementation and application within the selected firms at the:
   a. Corporate Level
   b. Strategic Business Unit Level
   c. Product Level
3. To explore interaction and interdependence between IMC at:
   a. The corporate brand level
   b. The product brand level
4. To identify, evaluate and compare perceived benefits with regard to the growth, importance and usage of IMC within the selected firms.
5. To compare and contrast similarities and differences in perception and practice of IMC within the selected firms.

The previous chapters presented the study under investigation in light of these five research objectives. Chapter 1 introduced the general scheme and outline of the thesis. In chapters 2 and 3, the literature review foundations were provided. Marketing communications in the context of marketing, its latest developments and trends were reviewed in chapter 2. Chapter 3, however, concentrated on IMC as a newly developed concept, focusing on for example, different IMC research studies, barriers to IMC implementation, and accompanying critiques. In response to the call of many current researchers in this domain (Eagle et al., 2006; Reid, 2005; Kitchen and Li, 2005; Duncan and Mulhern, 2004; Johnson and Schultz, 2004), a research framework, including the philosophical paradigm selected for the empirical phase was provided. The methodology and data analysing techniques were also proposed in chapter 4. This research was concentrated on IMC in client organisations grounded in a qualitative research strategy. Because of the perceived necessity for different phases of research design, this research was developed in two phases, and the analysis of the empirical findings of research phase 1 was presented in chapter 5, whereas the exploration of IMC within specific case companies in research phase 2 was carried out in chapters 6 through 8.

The previous chapter provided a joint analysis of the three selected company cases, i.e. Imperial Tobacco, SABMiller and Tryton Foods and the findings of research phase 1 were added in order to carry out a comprehensive analysis of the research's empirical findings. This chapter presents the final conclusions of the thesis. A review of the main research findings is given in section 10.2 which also states the contributions to knowledge made by the thesis. Thus, section 10.2.1 provides the theoretical implications; section 10.2.2 presents the managerial contributions and section 10.2.3 offers the implications in relation to the applied methodology. Section 10.3 presents the research limitations, an agenda for future research in relation to IMC within client organisations, and indicates possibilities on how to further advance the empirical research found herein. The final conclusion is presented in section 10.4.

10.2 Main Summaries and Contributions to Knowledge

10.2.1 Theoretical Implications

1. Strong support for IMC implementation and application were noted in all companies in both research phases, but the analysis also showed that there were considerable variations in terms of when IMC implementation took place. Numerous researchers (Grove et al., 2002; Cornelissen, 2001; Hartley and Pickton, 1999; Caywood et al., 1991) had indicated that IMC emerged as a concept and practice in the early 1990s among US based companies. Further research elsewhere seemed to confirm that implementation was primarily associated with that decade, with some evidence of diffusion spreading out from IMC's origins in North America. The findings of this thesis revealed that IMC within the context of German and UK companies was known among practitioners and managers in the early to mid 1990s. However, implementation, strong focus and utilisation of IMC within these companies did not commence until the late 1990s, and indeed, well into the early 21st century. Thus, it seems that the earlier implementation of IMC in US firms was not replicated until the late 1990s among these UK and German firms; however, awareness and understanding of the concept itself was widespread prior to that time within the researched companies.

In addition, reasons for IMC implementation in the participating companies were also explored. It was possible to classify these outcomes into two categories – a) a gradual shift towards IMC and b) the sudden emergence of IMC. Mergers and acquisitions, the employment of new marketing staff and especially senior directors, as well as restructuring programmes that were developed as a result of financial pressures, resulted in a sudden emergence and rapid implementation of IMC as indicated in previous chapters. However, as mentioned by many IMC researchers, increasing globalisation, emerging technologies, the shift towards utilising more consumer-focused communication strategies, and growing audience fragmentation resulted in companies reassessing their communication activities via a more gradualist approach. Based upon outcomes from the two research phases, in general, a more gradual emergence and implementation of IMC was also perceived to take place if a company had reached what seemed to managers to be the maturity stage of their business lifecycle, and as a consequence of that resulted in re-evaluating and re-adjusting their communication practices towards a more integrated approach.

2. The investigation also revealed that IMC was not only company specific but also dependent on the development of each brand and implementation of IMC within specific subsidiaries. This led to diverging views about IMC among practitioners here, which is an important finding. Notably Low (2000) had shown that IMC was easier to implement in smaller or national firms due to fewer employees and geographic proximity. Another major outcome was that, regardless of company size, IMC should be first developed internally by reducing implementation barriers and then extending this to the company's external marketing audiences and constituencies. Therefore, interviewees from large global and national companies either recommended, or in some companies already employed, a 'communication czar' and/or cross-functional team who were responsible for developing and applying an IMC approach. But above all and akin with the current IMC literature is the clear importance of senior executives understanding the benefits of an IMC approach and encouraging IMC implementation among the marketing team and throughout an organisation, as it will then be easier for marketing staff to recognise the

importance of IMC, and proceed with greater confidence towards implementation.

3. Due to the studies focus on large national and global organisations, a significant research outcome was that IMC is purely company-led and not led by an agency at any time. This important outcome is supported by many writers which have focused on views of advertising agency executives (Kitchen and Li, 2005; Kim et al., 2004; Kallmeyer and Abratt, 2001). A lead agency was indeed employed by all participating case companies, but in each case, it was only responsible for the development of creative campaigns and coordination of all agencies employed by the client-firm. The companies, as seen in chapters 6 to 8, were in control of their own internal communication processes and improvements of formal communication structures as well as for the development of communication objectives and their product brands.

4. Measurement and evaluation have been and continue to be challenges in the majority of organisations but companies are trying to evaluate and measure integrated campaign outcomes to some degree. Advanced IMC-driven companies have started to adopt global research and budget setting methodologies in order to ensure that all subsidiaries are integrated at the strategic business unit level. Different local subsidiary results could be compared at the corporate level not only in relation to financial outcomes but also message integration and with regard to achieved synergistic effects. Global companies in this thesis, which had local brands operating in only a small number of markets, simplified integration procedures by giving authorisation and some autonomy to these subsidiaries. Therefore, integration did not take place at the corporate level but at the local national market level, or if more than one market was involved, at strategic business unit level. In addition, the investigation showed that functional silos within and across departments have started to break down due to the realisation and understanding of employees in favour of an integrated approach. Cultural barriers and language differences were identified as much larger obstacles when implementing an IMC approach on an international or global scale and seem to be almost impossible to eradicate.

5. Finally, the importance of IMC and its future value to companies' success was strongly associated with the benefits of IMC. Internally, IMC was found to encourage teamwork, which helped to improve relationships within the organisation and brought focus to a company's communication strategy. It also facilitated pride among employees to be working for the organisation, which in turn, had a positive influence on working behaviour and encouraged big ideas. Externally, IMC was found to help improve message consistency and thus, preserve the image of the corporate and individual brands at a tactical level. Research from the companies showed that IMC can increase recall behaviour among consumers, leading to higher sales and higher return on investment (ROI). The investigation of both research phases also demonstrated that IMC should be seen as part of the business process due to its importance and associated benefits. For example, a globally conducted IMC approach, however utilised, was perceived to lead to increased cost benefits, caused by a globally implemented methodology and cascaded down to local subsidiaries. Therefore, expenditure and managerial time are minimised.

10.2.2 Managerial Implications

1. An outcome of this research in relation to managerial implications is that IMC needs to be first implemented internally, before tactical coordination of marketing communication tools can be taken forward and 'converted' into strategic aims. An implication of the empirical phase was that IMC implementation is dependent on company size. The larger a company is in terms of employee size and geographical reach, the harder it is to implement IMC at a global level and vice versa. In both research phases it was demonstrated that clear leadership guidance from the senior management level needs to be present in order to implement IMC throughout the organisation.

2. Meetings, enabling employees to reflect on current business practice and discuss new ideas with other employees, have been illustrated as valuable tools which encourage and facilitate integration internally. The creation of best

practice cases, intranets and toolboxes were found to be especially helpful in global companies where many local subsidiaries are involved. Nonetheless, local or national marketing teams were responsible for the implementation of IMC. These guidelines can be taken into consideration when forming an IMC approach at local subsidiary level. If an intranet, best practice cases and a meeting structure are developed, IMC practitioners could utilise these in order to maximise the communication strategy's integration, and also to move towards integration in terms of the corporate brand, if needed.

3. The research findings also indicated a trend towards a mixture of behavioural and attitudinal segmentation. The majority of participating firms have created company-specific segmentation frameworks, which consist on the one hand of constant variables, such as demographic factors and on the other hand, flexible variables, which are related to consumer behaviour, purchase occasions and frequency of purchase. It was also identified that transactional and relational data should be used as information to create such frameworks. Kitchen and Schultz (2001) have stressed the importance of global segmentation guidelines resulting from an international database as vital components of an IMC approach. However, the participating companies in this thesis did not recognise a database in these terms. This may have been caused by the companies not operating a global database and therefore, having not seen the advantages and full potential such a database could offer to them.

4. A major implication of this research is that companies need to improve their communication programmes. A clear lack of consumer focus was noted mainly due to apparent financial constraints in relation to the employment of new technologies, such as databases, more frequent consumer research studies and the employment of new staff. A contrary outcome of this research to current IMC literature is that although consumer focus is important, 'big brands' need to have a clear positioning strategy and viewpoint, even though it may not entirely on occasions reflect on actual consumer needs and desires.

5. This research also showed that the majority of firms have started to implement IMC at the product brand level in both a strategic and tactical manner.

Nevertheless, the majority of FMCG companies in this research have not incorporated the corporate brand and product brand into one overarching strategy. The internal integration between product brand teams and the corporate communication team in FMCG firms was found to be weak in comparison to the integration found in other industries, i.e. consumer durable, retail and services (see phase 1 chapter 5).

6. This research identified that IMC has, and will, become even more important in the future due to the increasing multiplicity of media channels, competition and audience fragmentation. The findings also indicate that globalisation is a strong force which will make global integrated brands highly valuable and successful tools for thriving businesses in the future. The changes in government regulations and laws in almost every industry around the world are of concern to organisations. These issues have provided evidence that companies are looking for new and more innovative communication tools. Alliances with other businesses, the importance of the product image as well as innovative pack designs and trade marketing were seen to be valuable indicators of differentiation opportunities for successful companies. However, the strongest trend was found in relation to the use of public relations and new technologies, such as the Internet, as the two most powerful developments associated with integrated marketing communication in the 21st century.

10.2.3 Methodological Implications

During the past 15 or so years, many researchers have tried to advance the assumptions and concepts surrounding IMC. However, Schultz and Kitchen (2000b) claimed that IMC should not be called a theory but a concept which needed more empirical work to become a theory. Substantial knowledge was gained from this research which has contributed to a greater understanding of IMC.

Primarily, most IMC researchers have chosen the survey method as a research strategy for their projects where in the majority of cases a questionnaire was

administered to advertising agencies or among marketers, for example Kitchen and Li (2005), Kallmeyer and Abratt (2001) or Kitchen and Schultz (1999). In addition, studies with client organisations focused on the tactical implementation of IMC among advertisements or other promotional tools, and/or campaigns where the chosen research approach was experimental in nature (see for example Garretson and Scot (2005), McGrath (2005b), Stammerjohan et al. (2005)). Thus, very few IMC studies have utilised a qualitative approach with a focus on implementation and application of IMC within actual companies. Therefore, most IMC studies have adopted a positivistic-quantitative perspective, where researchers have been able to test perceptions and beliefs of advertising executives, but it has not been possible to generalise from these findings.

1. With any developing theory it has been said that qualitative research needs to be carried out in order for the theory to become generalisable (Sekaran, 2000; Gill and Johnson, 1997). Only then the emerging theory can be tested via quantitative research methods (Sekaran, 2000; Silverman, 2000). For this reason, this thesis was built upon a qualitative-interpretivist standpoint, because research has illustrated that IMC can only be understood via the opinions and beliefs of practitioners (Gould, 2004a; Gould, 2000; Schultz and Kitchen, 2000b). The research strategy of this thesis consisted of two qualitative phases, where the findings served to augment the theoretical foundations of IMC. Due to cross-national interviews conducted in phase 1 and a case study methodology in phase 2, the researcher was able to carry out empirical work in a manner that has not been done before. Therefore, the research was able to add theoretical knowledge to the academic field of IMC (see section 10.2.1) and provide IMC best practice examples offering implications for managers (see section 10.2.2 and chapter 6 – SABMiller case study).

2. A qualitative research methodology provides the researcher with the ability to conduct an in-depth analysis of the phenomenon under investigation, whereby it is possible to gather detailed information about the subject area. Data in relation to complex perceptions, beliefs and opinions with regard to IMC were captured. A unique characteristic of this thesis is that the researcher was able

to carry out 25 interviews within large global and national companies. All participating companies are highly successful. It was an accomplishment to be able to convince these firms to participate in this research, but above all, to conduct the majority of interviews with the marketing director or CEO of each company. So far the researcher has not come across a study of such a range of firms in an IMC context. These 25 interviews in the UK and Germany presented valuable theoretical constructs and managerial implications regarding IMC (presented in sections 10.2.1 and 10.2.2).

3. Although case study methodologies have been chosen by some IMC researchers, another methodological implication of this study is that the three cases utilised in this thesis were unique. In particular, other researchers failed to obtain responses via questionnaires or interviews from tobacco companies; the researcher was able to get access to British American Tobacco in the first stage and secondly, was able to conduct a case study on IMC with Imperial Tobacco – the fourth largest tobacco company in the world. Furthermore, the respondents of the Tryton Foods case study granted access to all confidential material which presented a unique opportunity for the researcher. To obtain access to SABMiller and to utilise this company as one of the three case studies was also a success to this research because the company is presently the second largest brewer in the world and has an enormous brand portfolio, including more than 150 brands. For the above mentioned reasons, it is understandable that the thesis needs to be embargoed for the next five years.

4. All in all, many different qualitative or quantitative methods could have been employed to test or expand the theoretical grounds of IMC. However, this research was a direct answer to the call of IMC researchers – to explore IMC within companies in a cross-national setting. As such, the exploration was conducted via the employment of two research phases. The utilisation of a qualitative methodology in relation to the research problem and objectives offered a unique opportunity as to conduct an in-depth exploration of IMC which would have not been possible via a quantitative methodology. It may well have been appropriate to adopt a different qualitative approach or to conduct a single case study utilising different methods, but at this point of

time, it seemed to be appropriate to carry out a qualitative methodology through the means adopted.

10.3 Limitations and Directions for Further Research

As presented in this thesis, IMC was perceived to be a valuable concept for all participating organisations. In the first phase of research, 25 senior managers, directors and officers within different organisational settings in the UK and Germany were interviewed. However, it could be proposed that more countries of the EU should have been included in research phase 1 to be able to generalise the findings to a greater sense. As this research is one of the first European cross-cultural IMC studies to be carried out, future research could involve other EU countries, where the findings of this thesis can be compared and contrasted to those of new studies. Although no significant differences in relation to IMC practices in Germany and the UK were found in the researched companies, Kitchen and Schultz's (1999) longitudinal studies identified differences among IMC practices by conducting their research in diverse and differing countries. Therefore, it would be interesting to compare the findings to another country cluster where perhaps different corporate and working cultures exist, such as organisations from a different European cluster or even from the Asian or Pacific region.

If this research were to be conducted again and it would already be known that few country differences were found in relation to IMC practices within and across Germany and the UK, it would have been advisable to include another country from Northern or Central Europe to increase the research's reliability. Consequently, it could be confirmed through the involvement of a third country that in general large national or global companies may implement and apply IMC programmes similarly throughout their organisations.

Focusing now on research phase 2 – for the three case studies, limitations and future research suggestions also need to be considered. If more time and resources would have been available, another industry type would have been selected to

conduct three additional case studies. Therefore, the research findings of the FMCG case studies could have been compared to those of another industrial setting (e.g. consumer durable). Although a limitation here, this could become a new research proposal for future researchers.

Nevertheless, any research study has limitations with regard to access utilisation of limited case studies, countries involved and information available. Still, as shown in sections 10.2.1 and 10.2.2, the theoretical and managerial implications of this research are valuable to both companies that may wish to implement or improve their communication in an integrated manner and to writers who are interested in this subject area and wish to conduct further research. As a result, two options for future research plans are presented.

As mentioned previously, the benefit of selecting a qualitative research methodology was that extensive information and data were gathered about the views, perceptions and actual IMC approaches within different companies from Germany and the UK. The qualitative findings of this research could be taken as the ground for quantitative research. A cross-national questionnaire could be developed for testing the findings and major implications of this thesis within large companies located in Northern Europe. A survey could be sent to large European companies with the aim of understanding to what extent the findings of this research are generalisable. Hypotheses could be formed in relation to potential differences between companies located in diverse economies. As such, if the research findings inform further quantitative research, the resulted combination of these studies would certainly further strengthen the foundations of integrated marketing communications.

Secondly, as this thesis and its approach is a response to the call of current IMC researchers (Cook, 2004; Duncan and Mulhern, 2004; Cornelissen, 2003), i.e. to conduct more research in companies, future researchers could follow the applied method and expand it to other cases and/or industrial settings. A suggestion indicated previously, is to conduct more case studies in different large organisations. However, it would be interesting to take this research forward and contrast the results with findings from business-to-business or small- and

medium-sized enterprises. As mentioned in sections 10.2.1 and 10.2.2, one important outcome of this research is that small- to medium-sized companies may find it easier to implement IMC than large corporations. Thus, future researchers could investigate IMC from both perspectives, i.e. large versus small- to medium-sized companies.

10.4 Final Conclusion

As this thesis draws to an end, the managerial, academic and methodological implications of this thesis as well as limitations and future research proposals were presented in sections 10.2 to 10.3.

Globalisation and competitive markets in which companies operate today, the need for experienced and skilled practitioners, increasing audience fragmentation and multiplication of media channels, augmented via the emergence of new technologies, are key issues which have led to the perceived importance of integrated marketing communications in the 21st century. Each of these domains represents major areas of research in their own right. However, this thesis has illustrated not only that there is a need to integrate all marketing communications activities at a tactical level but that businesses need to be more strategically driven and thus, have to adopt an integrated approach or something similar in order to be successful. Yet, if corporations and especially senior managers do not recognise the urgency for their firms to communicate in a consumer-driven way, and do not fully support IMC implementation and application, IMC as a business process will remain, at least partially, an illusion in many organisations.

Finally, this thesis has considered the emergence, importance, and practice of integrated marketing communications by the means of depth interviews and case studies in two phases of research design. The empirical findings demonstrate not only recognition by executives and managers, but also current practice within selected, national, international and global firms. The findings indicate the perceived necessity for usage of an integrated approach. Thus, the theoretical foundations of integrated marketing communications have been strengthened, as

called for in the extant literature. Further, not only have current trends been identified and augmented, but the rationale for implementation – albeit within selected firms – has been provided, potentially providing guidelines for consideration by others. It is now dependent upon these future researchers, practitioners and theorists, to expand on the emergent theory and make it more applicable to businesses, both in its current format or following further modifications. Weaknesses are still extant, but these can be and are being addressed. But, undoubtedly, integrated marketing communications or some derivative thereof will be around for some time to come.

Appendices

Appendix 1: Hofstede's Dimensions of Culture

	Power Distance Index		Individualism Index		Masculinity Index		Uncertainty Avoidance Index		Long-Term Orientation Index	
	Rank	**Score**	**Rank**	**Score**	**Rank**	**Score**	**Rank**	**Score**	**Rank**	**Score**
Arab Countries	7	80	26/27	38	23	53	27	68		
Australia	41	36	2	90	16	61	37	51	15	31
Bangladesh									11	40
Brazil	14	69	26/27	38	27	49	21//22	76	6	65
Canada	39	39	4/5	80	24	52	21/42	48	20	23
China									1	118
France	15/16	68	10/11	71	35/36	43	10/15	86		
Germany FR	**42/44**	**35**	**15**	**67**	**9/10**	**66**	**29**	**65**	**14**	**31**
Great Britain	**42/44**	**35**	**3**	**89**	**9/10**	**66**	**47/48**	**35**	**18**	**25**
Greece	27/28	60	30	35	18/19	57	1	112		
Guatemala	2/3	95	53	6	43	37	3	101		
Hong Kong	15/16	68	37	25	18/19	57	49/50	29	2	96
India	10/11	77	21	48	20/21	56	45	40	7	61
Netherlands	40	38	4/5	80	51	14	35	53	10	44
Pakistan	32	55	47/48	14	25/26	50	24/25	70	23	0
Philippines	4	94	31	32	11/12	64	44	44	21	19
Poland									13	32
Singapore	13	74	39/41	20	28	48	53	8	9	48
South Africa	35/36	49	16	65	13/14	63	39/40	49		
South Korea	27/28	60	43	18	41	39	16/17	85	5	75
Sweden	47/48	31	10/11	71	53	5	49/50	29	12	33
Taiwan	29/30	58	44	17	32/33	45	26	69	3	87
Thailand	21/23	64	39/41	20	44	34	30	64	8	56
USA	38	40	1	91	15	62	43	46	17	29

Source adapted from: Hofstede (1980)

Appendix 2: Company Letters

Research Phase 1

English Company Letter

Company Address

Dear Ms. X,

I am a current PhD student in marketing and communication theory at the University of Hull, UK and I am writing in connection with my proposed research area. The topic of my doctoral thesis will be "Integrated Marketing Communication (IMC): A Multilevel Approach". I am writing to you because I would welcome your participation especially in the first phase of my research.

As part of this research, I would like to conduct a number of interviews with international companies in the United Kingdom and Germany in different industries in order to understand the importance and application of IMC within different companies. I would be very grateful if I could have the opportunity to conduct an interview with you or the communication/marketing director of your company. This interview would add greatly to the understanding of this fundamental area and I would welcome your agreement for an interview. The anticipated time of the interview will take no longer than one hour. My contact details are stated below however I will also contact you within the next two weeks to follow up on my correspondence with you and to answer any questions you may have about my proposal.

After completion of the first research phase, I will also send you or your designate a copy of my research findings and analysis. It is anticipated that this report will provide a general picture of marketing and communications activities of consumer focused organisations and thus it is hoped providing a useful overall benchmark against which you will be able to measure your own organisation's activities. If you have any further queries in regards to these results or you desire a feedback meeting after the first research phase I will be happy to arrange a suitable time to meet with you.

I assure you that all data will be dealt with anonymously and confidentially and will only be used in an academic context. The thesis will also be embargoed, i.e. the research findings will not be made public for the next five years.

I appreciate the need to converse resources and time but feel that the inclusion of your company in particular would add greatly to the results of the research, and provide an ideal basis for further exploration of this fundamental area.

Thank you very much for your cooperation.

Yours sincerely,
Inga Burgmann

German Company Letter

University Address
Company Address

Hull, den 24. November 2005

Recherchen zur Promotion zum Thema "Integrierte Marketing Kommunikation - eine Analyse von deutschen und englischen Grossunternehmen"

Sehr geehrte Damen und Herrn,

ich bin Inga Burgmann und lebe zurzeit in England. Ich lebte von 1997-1998 in Amerika. Nach Beendigung meines Abiturs begann ich ein Studium für Internationale Betriebswirtschaft an der Fachhochschule in Bernburg. Nach zwei Jahren setzte ich das Studium in England an der Universität in Lincoln fort und habe dieses mit gutem Abschluss beendet. Danach begann ich ein weiteres Studium, das ich im Jahr 2004 wie folgt abschloss - Master of Science in Business Management mit Auszeichnung. Momentan unterrichte ich an der Universität of Hull und promoviere zu dem o.g. Thema unter der Leitung von Herrn Prof. Dr. Kitchen.

Im vergangenen Jahr habe ich die theoretischen Grundlagen zu diesem Thema erarbeitet und befinde mich nun in der empirischen Phase meiner Forschung. Um die von mir aufgestellte These zu analysieren suche ich Kooperationspartner aus der Praxis. Hierzu werde ich Ihnen, wenn Sie mir Gelegenheit geben, mein Thema genau erläutern und anschließend eine Befragung von ca. 1 Stunde durchführen. Ich würde mich sehr freuen, wenn Sie mir Gelegenheit geben würden, mit dem CEO oder dem Marketing Direktor der Actris AG dieses Gespräch zu führen. Die von Ihnen aufgebrachte Zeit würde sehr gering sein, jedoch zum akademischen Verständnis diese Gebietes außerordentlich beitragen.

Nach erfolgreichem Abschluss dieser Forschungsphase würde ich Ihnen gern meine Ergebnisse der Analyse und Auswertungen zur Verfügung stellen, so dass Sie diese bei der konzeptionellen Erarbeitung von Markt- und Integrationsstrategien Ihrer Firma nutzen können. Ausserdem, wäre ich auch gern bereit ein persönliches Gespräch mit Ihnen nach der Auswertung durchzuführen.

Ich versichere Ihnen, dass die Informationen und Auswertungen ausschließlich der akademischen Zwecke dienen und streng vertraulich behandelt werden. Zusätzlich, werde ich ein Embargo auf meine Doktorarbeit aufsetzen, d.h. nur die Prüfer werden die These lesen und erst nach fünf Jahren wird die Arbeit publiziert.

Ich wäre Ihnen sehr dankbar, wenn Sie mich bei der Forschungsarbeit unterstützen könnten und bitte Sie höflichst um Kontaktaufnahme.

Mit freundlichen Grüßen
Inga Burgmann

German Company Letter – English Translation

University Address

Company Address

Hull, 24th November 2005

PhD Research on the topic of "Integrated Marketing Communications – an Analysis of German and English Large Companies"

Dear Sir and Madam,

My name is Inga Burgmann and I am currently living in England. I have also lived in the USA from 1997-1998. After finishing my A-Levels, I started studying international business at the University of Anhalt in Bernburg. I continued my studies at the University of Lincoln, in England and finished after two semesters with a BA (Hons) with good results. Then, I commenced a Master of Science in Business Management, in the year of 2004 which I graduated from with distinction. Currently, I teach at the University of Hull and read for my PhD in the above mentioned subject area, under supervision of Prof. Dr. Kitchen.

Last year I have critically reviewed the principles of this literature and now, I have commenced the empirical phase of my research. In order to analyse the research aim I am now looking for corporation partners who are willing to participate in my research. As such, if you would be so kind and allow me, I would introduce the topic area to you and I would like to conduct an interview with you, which will take approximately one hour. I would be very happy if an opportunity would arise in which I could either conduct the interview with the CEO or Marketing Director of the Actris AG. The time spent from your side is only minimal but it would add greatly to the academic knowledge of this important topic area.

After successfully completing the phase of empirical work, I would like to present you with the results of the analysis and discussion, which you may use for the development of your marketing and integration strategies. I would also be more than happy to have a personal talk with you about my results.

I would like to ensure you that the information and results of this research are only used for academic purposes and are treated strongly confidential. In addition, I will embargoe my thesis, i.e. only the examiners will be able to read my thesis and the thesis will not be published for further 5 years.

I would be very appreciative if you would be able to support my research and I would kindly like to ask you to contact me.

Yours truly,
Inga Burgmann

Endorsement Letter

Philip J. Kitchen
Chair in Strategic Marketing
Business School
University of Hull
Hull
United Kingdom
HU6 7RX
E: p.j.kitchen@hull.ac.uk
T: 0044 1482 463532

7 November 2005

To Whom It May Concern

Dear Sir/Madam

I am writing on behalf of Ms. Inga Burgmann who is a doctoral candidate within the Business School under my supervision. The topic of her thesis concerns a multi-level analysis of the development, growth, importance, and application of integrated marketing communications within international/multinational companies in the United Kingdom and Germany.

She is now conducting the first phase of her research, which involves interviews with senior executives within companies located in these two nations.

Please be assured that any information from the interview process will only be divulged in aggregate form, for the purposes of academic research, and as part of a doctoral thesis.

I would support her request for your participation in the research. Please do not hesitate to contact me directly should there be any queries concerning Ms. Burgmann's research.

Yours Sincerely,
Professor Philip J. Kitchen
Chair in Strategic Marketing

Research Phase 2

English Company Letter 1 – Participating in 2nd Phase

14 November 2005

Company Address

Doctoral Research in "Integrated Marketing Communications"

Dear ,

You will be pleased to know that I have now completed the first analytical phase of my PhD research. Thank you for participating in this. I am now completing the 'final touches' for this chapter. However, with the passing of time I did want to present to you an executive summary and in the next two weeks I will send you the complete chapter. I hope you will find the executive summary as well as the chapter useful and interesting to read. Once you have received the chapter, as well and you would like to make any comments or recommendations, or, if you would like me to make any changes, please contact me directly.

However, I am hoping that you are still willing to participate in the second stage of my research. Last week I had a meeting with my supervisor and we have decided to use a case study approach in the next phase of research design. I will need six companies (3 from the UK and 3 from Germany) from the first stage of research to participate.

Given your very detailed responses in the first phase of my research, I would be very appreciative, if you would agree that Imperial Tobacco would participate in the second phase of my research, i.e. to carry out a case study with the company in relation to integrated marketing communications. Therefore, I would ask to be able to interview yourself and other members of your department about this important topic.

Note, as before that all information and findings will be presented to you for your comments and emendations. Also, please be assured that any information provided by you will be treated anonymously and will only be used for the purpose of academic research. You should also know that the thesis - when completed - will be embargoed, i.e. it will not be available in the public domain.

I wish to thank you for all the information and participation which you have extended to me thus far. Thank you. The information provided has been most valuable. However, as I said before, if your company could participate in this second phase of research design via yourself I would be very grateful.

Thank you very much for all your help.

Yours truly,
Inga Burgmann

English Company Letter 2 – Participating in 2nd Phase

7 August 2006

Company Address

Doctoral Research in "Integrated Marketing Communications"

Dear ,

I have now completed the final version of the analysis chapter. As promised, I enclose a hardcopy of the executive summary and chapter as well as an electronic version on CD. I hope you will find it useful and interesting to read, your company letter is 'D'.

As I told you in my letter of 25th July 2006, if you do have any additional comments, suggestions, or if you would like me to make any changes please feel free to contact me.

I hope very much that you are willing to keep involved with my research and participate in the second stage as one of my case examples. I should like to take this opportunity of thanking you for the help you have given me. I hope to hear from you in the near future. However, I will try to contact you by the end of next week.

Yours Sincerely,
Inga Burgmann

English Company Letter - Not participating in 2nd Phase

11 August 2006

Company Address

Doctoral Research in "Integrated Marketing Communications"

Dear ,

I have now completed the analysis chapter of the first phase of my research. As promised, I have sent two hardcopies of the executive summary and the chapter as well as an electronic version on CD. I hope you will find it useful and interesting to read, your company letter is 'A'.

If you do have any additional comments, suggestions, or if you would like me to make any changes please feel free to contact me.

I should like to take this opportunity of thanking you for the help you have given me.

Yours truly,
Inga Burgmann

German Company Letter 1 – Participating in 2nd Phase

University Address

Company Address

Hull, den 25. Juli 2006

Recherchen zur Promotion zum Thema "Integrierte Marketingkommunikation - eine Analyse von deutschen und englischen Grossunternehmen"

Sehr geehrter Herr ...,

zur Zeit habe ich die erste Forschungsphase meiner Doktorarbeit abgeschlossen. Ihre Informationen dazu waren sehr interessant und aufschlussreich. Ich bin nun mit der ‚Feinarbeit' dieses Kapitels beschäftigt und möchte Ihnen im voraus schon einmal das ‚Executive Summary' präsentieren. Innerhalb der nächsten zwei Wochen werde ich Ihnen das vollständige Kapitel zukommen lassen. Ich hoffe, dass Sie einen Teil meiner Analysen in Ihrem Tätigkeitsbereich nutzen können. Sollten Sie noch Anmerkungen haben, so würde ich mich freuen von Ihnen eine Nachricht zu erhalten.

Gemeinsam mit meinem Mentor Professor Kitchen befinde ich mich nun in der Vorbereitung der zweiten Forschungsphase. Dazu werde ich mit fünf Firmen aus der ersten Forschungsphase (3 aus Großbritannien und 2 aus Deutschland) Fallbeispiele erarbeiten. Da Ihre Informationen bisher erläuternd und informativ waren, möchte ich Sie bitten an dieser Phase teilzunehmen, d.h. Granini würde eine Firma der fünf Fallbeispiele werden in Bezug auf das Thema ‚Integrierte Marketingkommunikation'. Dazu müsste ich Sie und einige Ihrer Mitarbeiter demnächst noch einmal interviewen und Ihre Zeit ein wenig in Anspruch nehmen.

Nach der Beendigung dieser Phase werde ich Ihnen dann auch dieses Kapitel zukommen lassen. Ich versichere Ihnen, dass alle Informationen die Sie mir zur Verfügung stellen anonym behandelt werden und nur zu akademischen Zwecken dienen. Sie sollten auch wissen, dass auf die Dissertation ein ‚Embargo' aufgesetzt wird, d.h. nur die Prüfer werden die These lesen und erst nach fünf Jahren wird die Arbeit publiziert.

Für Ihre bisherige Teilnahme an meiner Forschungsarbeit möchte ich mich noch einmal rechtherzlich bedanken. Ich wäre Ihnen sehr verbunden wenn sich mich weiterhin bei meiner Doktorarbeit unterstützen würden.

Mit freundlichen Grüßen,
Inga Burgmann

German Company Letter 1 – Participating in 2nd Phase - Translation

University Address

Company Address

Hull, 25th July 2006

PhD Research on the topic of "Integrated Marketing Communications – an Analysis of German and English Large Companies"

Dear Mr. X,

I have now completed the first phase of my doctoral thesis. Your information was very interesting and motivating. I am currently working on the final parts of this chapter and I would like to present you with the Executive Summary of this chapter. Within the next two weeks, I will send you the complete chapter. I hope that you will be able to utilise at least some parts of my analysis in your work. If you have any feedback for me, I would be more than happy to hear from you.

Together with my supervisor Professor Kitchen, I am now preparing the second phase of my research. For that, I will utilise five companies from my first research phase (3 from Great Britain and 2 from Germany) in order to conduct case examples. Because your information has been highly illustrative and useful, I would like to ask you to take part in this phase, i.e. Granini would become one of the five case examples with regard to Integrated Marketing Communications. For that, I would need your time again in order to conduct interviews with you and your employees.

After finishing this phase of research, I will also send you the complete analysis of this chapter. I am again ensuring you that all the information you provide me with will be anonymous and is only used for academic purposes. You should take into consideration that the dissertation will be embargoed, i.e. only the examiners will see the thesis and it will not be published for another 5 years.

For now, I would like to thank you for your participation. I would be very appreciative if you could further support my doctoral thesis.

Yours truly,

Inga Burgmann

German Company Letter 2 – Participating in 2nd Phase

University Address

Company Address

Hull, den 7. August 2006

Analyse der Forschungsphase I

Sehr geehrter Herr X,

wie versprochen möchte ich Ihnen nun die vollständige Analyse meiner ersten Forschungsphase zukommen lassen. Anbei erhalten Sie noch einmal das ‚Executive Summary' und eine CD die alle Dokumente beinhaltet. Ihre Firmenidentifikation lautet ‚2 . Wie schon einmal erwähnt, sollten Sie noch Verbesserungsvorschläge haben, möchte ich Sie bitten mich zu kontaktieren.

Ich hoffe sehr, dass Sie sich dafür entscheiden eines meiner Fallbeispiele zu werden. Voraussichtlich werde ich im September zurück nach Deutschland kommen um die Fallbeispiele zu erarbeiten.

Ich möchte mich noch einmal auf diesem Wege für Ihre bisherige Unterstützung bedanken. Es würde mich sehr freuen wenn Sie auch künftig an meiner Doktorarbeit mitwirken.

Mit freundlichen Grüßen,
Inga Burgmann

German Company Letter 2 – Participating in 2nd Phase - Translation

University Address

Company Address

Hull, 7th August 2006

Analysis of Research Phase 1

Dear Mr. X,

As promised, I have sent you the complete analysis of the first research phase of my doctoral thesis. I have enclosed the Executive Summary and a CD, which includes all documents. Your company identification is '2 . As already said, if you do have any suggestions on how to improve my work, I would like you to contact me.

I am hoping very much, that you will make a positive decision with regard to your company becoming one of my case examples. I am hoping to return to Germany in September in order to conduct the cases.

I would like to take this opportunity to thank you again for your support until now. I would be very happy if we could work together on my doctoral thesis, in the near future.

Yours truly,
Inga Burgmann

German Company Letter - Not participating in 2nd Phase

University Address

Company Address

Hull, den 10. August 2006

Recherchen zur Promotion zum Thema "Integrierte Marketingkommunikation - eine Analyse von deutschen und englischen Großunternehmen"

Sehr geehrter Herr Österling,

ich habe nun die erste Forschungsphase meiner Doktorarbeit vollständig abgeschlossen. Ihre Informationen dazu waren sehr interessant und aufschlussreich. Ich möchte Ihnen die Analyse meiner bisherigen Arbeit zukommen lassen. Anbei erhalten Sie ein ‚Executive Summary' und eine CD die alle Dokumente beinhaltet. Ihre Firmenidentifikation lautet ‚I'. Ich hoffe, dass Sie einen Teil meiner Analysen in Ihrem Tätigkeitsbereich nutzen können. Sollten Sie noch Anmerkungen haben, so würde ich mich freuen von Ihnen eine Nachricht zu erhalten.

Ich versichere Ihnen auch künftig, dass alle Informationen die Sie mir zur Verfügung stellen anonym behandelt werden und nur zu akademischen Zwecken dienen. Für Ihre bisherige Teilnahme an meiner Forschungsarbeit möchte ich mich noch einmal recht herzlich bedanken. Ich wäre Ihnen sehr verbunden, wenn Sie mich weiterhin bei meiner Doktorarbeit unterstützen würden.

Mit freundlichen Grüßen,
Inga Burgmann

German Company Letter - Not participating in 2nd Phase - Translation

University Address

Company Address

Hull, 10 August 2006

PhD Research on the topic of "Integrated Marketing Communications – an Analysis of German and English Large Companies"

Dear Mr. Österling,

I have now completed the first phase of my doctoral thesis. Your information was very interesting and motivating. I would like to present you with the results of my work. I have included the Executive Summary and a CD which includes all documents. Your company identification letter is 'I'. I hope that you will be able to utilise at least some parts of my analysis in your work. If you have any feedback for me, I would be more than happy to hear from you.

I would like to ensure you again that all the information you provided me with is ananoymous and is only used for academic purposes. I would like to take this opportunity to thank you again for your support until now. I would be very happy if we could work together on my doctoral thesis, in the near future.

Yours truly,
Inga Burgmann

End of Research – Gratitude Letter

Participated in research phase 2:

10 June 2007

Company Address

Dear ,

I would like to present to you the SABMiller company analysis and the final chapter which encompasses the outcomes of research phase 1 and 2 of my PhD. I included one electronic version on CD and two hard copies.

I would also like to take this opportunity to thank you for participating in my research. I am very satisfied with the outcome of my PhD whereas SABMiller was a great contributor. Your help with my research has been greatly appreciated over the past two years.

Yours truly,
Inga Burgmann

Letter companies not participated in research phase 2:

10 June 2007

Company Address

Dear ,

Due to my research design it was not possible to further precede my research with 'company name'. I would still like to present to you the final analysis which encompasses the outcomes of research phase 1 and 2 of my PhD. I included one electronic version on CD and two hard copies.

I would also like to take this opportunity to thank you for participating in my research. I am very satisfied with the outcome of my PhD whereas 'company name' was a great contributor. Your help with my research has been greatly appreciated over the past two years.

Yours truly,
Inga Burgmann

Appendix 3: Company and Respondents' Names / Job Descriptions

Research Phase 1

Company Name	Respondents' Names	Respondents' Job Description
1. British American Tobacco	Mr. Waterfield	Director Marketing Development
2. BSN	Mr. Blenkin	Marketing Director
3. Debenhams	Ms Jones	Marketing Director
4. Diageo plc	Mr. Wright	Corporate Relations Director
5. Imperial Tobacco Group plc	Mr. Good	Marketing Director
6. JD Williams	Mr. Hinchcliffe	Marketing Director
7. RAC plc	Mr. Meadows	Marketing Director
8. Reg Vardy	Sir Peter Vardy	Chief Executive Officer
9. Rolls-Royce	Mr. Oesterling	Marketing Director
10. SABMiller	Mr. Sherrington	Chief Marketing Director
11. Tryton Foods	Mr. Sanderson	Managing Director
12. Unilever	Ms. Walters	Brand Manager for PG Tips/Lipton Ice Tea/Hellmann's Team/Keith
13. Vodafone	Ms. Edwards	Brand Communications Manager
14. WH Smith	Mr. Clarke	Marketing Director
15. Young's Brewery	Mr. Wright	Marketing Director
16. Audi	Mr. Schuwirth	Director for Brand Development
17. BMW	Ms. Stranz	Manager of Aftersales Communication
18. DM Dogeriemarkt	Mr. Stoffel-Kehry	Chief Executive Officer
19. Eckes-Granini GmbH	Mr. Felber	Marketing Director
20. Fraport AG	Ms. Zintel	Manager for Marketing and Strategy
21. Holsten-Brauerei AG	Dr. Dombrowski	Human Resource Director
22. Kamps AG	Ms. Lindthammer	Marketing Director
13. Lorenz	Mr. Knuf	Marketing Director
24. Lufthansa	Ms. Hilverkus	Director Marketing Support
25. Radeberger Group AG	Mr. Krüger	Marketing Director

Research Phase 2

Company Name	Respondents' Name	Respondents' Job Description
1. Tryton Foods	Mr. Sanderson	Managing Director
	Mr. Hendy	Communication Director
	Mr. Whiteley	Product Group Manager – New Product Development
	Ms. Pennington	Human Resource Director
2. Imperial Tobacco	Mr. Good	Global Marketing Director
	Mr. Jones	Senior Manager West
	Mr. Winterford	Senior Manager Davidoff
	Mr. Gatjko	Senior Manager Roll your own Tobacco
3. SABMiller	Mr. Hiscocks	Communication Director
	Mr. Indelicato	International Brand Manager Peroni
	Ms. Biskupova	International Brand Manager Pilsener Urquell
	Ms. Holley	International Brand Manager MGD

Appendix 4: Interview Schedule Phase 1

English

The guru of integrated marketing communications, Professor Don Schultz of Northwestern University, USA offered this definition of Integrated Marketing Communication (IMC):

> "Integrated marketing communication ... is a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communications programs over time with consumers, customers, prospects, employees, associates and other targeted, relevant external and internal audiences. The goal is to generate both short-term financial returns and build long-term brand and shareholder value." (Schultz, 2004b:9)

Introductory Question:

a) Please let me have your views of this definition of IMC by Schultz.
b) How relevant is this definition in relation to your business?

Objective 1

To explore the emergence, growth and importance of IMC within large consumer firms.

1. In what way(s) is IMC important to your organization?
2. How and in what ways has the emergence of IMC influenced the way communication takes place within your company? Please explain.
3. When do you think IMC became particularly important (how, why, certain time span) to your company?

(Has IMC become more important in your company over the past five to ten years?)

4. Do you feel it is necessary that your firm adopts an integrated marketing communications approach? (Please explain)

5. Do you have certain activities in your company, which require an integrated approach or a more integrated approach than others?
6. What is your future prediction for IMC?

Objective 2

To explore the current situation of IMC implementation and application within the selected firms at the corporate level, strategic business unit level, and product level.

7. Which organizational levels are significant in developing an integrated marketing communications approach? Please explain.
    a. Who is responsible for the application?
    b. Who is responsible for implementing IMC?
    c. Should a specific person or persons lead the development of IMC? (explore)
8. How are the communication functions/departments arranged in your organisation and what advantages do you think this offers in relation to IMC-favourable?
9. How and to what extent do different communication departments interact with each other in your company?
10. What structures and mechanisms exist to facilitate coordination (for me only: informal via the intranet e-mail system or formal, i.e. board meetings):
    a. What interaction between different levels is important in relation to an IMC approach?
    b. Is there a need to deepen the interaction of communication at the different levels?
11. Does the MET report from the London Business School have any relevance to the way promotional expenditure is deployed in your company?
    a. Explain findings if respondent does not know.
    b. Do you think that the allocation of your promotional budget changed over the past five years? If so how?

12. Do you anticipate substantial changes in the near future (Please explain)
13. How do you create your marketing communication budget? Do you think this is the most efficient way or are there improvements to be made?
14. How do you create your marketing communications strategy (inside-out or outside-in)?
15. Which factors influence your marketing communication strategy?
    a. Has there been a substantive changes in these factors in the last five years?
    b. How do you coordinate all your marketing communication activities?
    c. How does your firm use customer feedback data to create and manage the communication strategy?
    d. How does your firm use databases to underpin the communication strategy (behavioural information or just list)?
    e. How is marketing communication strategy evaluated, i.e. do you work with any other departments together, e.g. finance?
    f. Would you please position yourself in this figure?
16. Do you believe that IMC is a tactical or a more strategic tool for your company? After answer: What makes you come to this conclusion? Please explain.
17. Is there a person responsible for coordinating the communication activities between the corporate and marketing department?
    a. Is there a cross-functional team established in companies?
    b. Would you prefer for this to change?
    c. Do you feel a communication czar is needed?
18. Should different brand levels use IMC in a separate or united manner?

Objective 3

To explore potential interaction between the two different brand levels at:

c) The corporate brand level

d) The individual brand level

19. What role does the corporate brand play in your IMC approach?

20. What kind of role does the corporate/product brands play in your IMC approach? Would you please elaborate?
21. In what ways do the different brand levels influence each other or are they two separate functions within an IMC approach?
22. How do you control or coordinate the integration between corporate and product brand?

Objective 4

To identify, evaluate and compare perceived benefits with regard to the growth, importance and usage of IMC.

23. What benefits does IMC provide for your company?
    a. Do you believe IMC is cost effective, if so why?
    b. Do your have greater financial returns or benefits, if so why do think this is?
24. What forces and factors are influencing the way marketing communication strategies are implemented in your company?
    a. Consumer trends – audience fragmentation, environmental issues, technology?
25. Are you planning any major structural changes in the future in relation to IMC?
26. Are you planning a different communication strategy in the near future?
27. Who is leading an IMC approach your company or the marketing/advertising agency? Please Explain.

General Questions:

1. How long have you worked at this company?
2. What is your current position?
3. Is there any written information about your comm. strategies, budget allocation, etc. which you can give to me?
4. Would you like to participate in the 2nd phase of my research?

5. Are there any questions you want to ask me or is there anything to add?

Interview Schedule – German

„Integrierte Marketingkommunikation ... ist ... ein strategischer Geschäftsprozess, der dazu dient, koordinierte (abgestimmte), berechenbare (messbare) und überzeugende Programme der Marketingkommunikation zu planen (konzipieren/entwerfen), zu entwickeln (erarbeiten), auszuführen und einzuschätzen (zu bewerten) im Zeitablauf mit Konsumenten, Kunden, Interessenten, Arbeitnehmern, Teilhabern (Gesellschaftern) und anderen relevanten externen und internen Zielgruppen. Das Ziel ist, einerseits kurzfristige Umsätze (financial returns) zu generieren und (andererseits) Langzeit Brand/ eine Langzeit-Marke sowie Unternehmenswerte (shareholder value) aufzubauen." (Schultz, 2004b:9)

Introductory Question:

a) Was denken Sie über diese IMC Definition von Schulz?

b) Wie relevant ist diese Definition für Ihr Unternehmen?

Ziel 1

Die Herausbildung und die Bedeutung (Wichtigkeit) der integrierten Marketingkommunikation in internationalen und multinationalen Konsumer Unternehmen.

1. In welcher Hinsicht ist IMC wichtig für Ihr Unternehmen?
2. Inwiefern hat sich die Kommunikation innerhalb Ihres Unternehmens geändert nach der Herausbildung von IMC?
3. Wann denken Sie, ist IMC besonders wichtig geworden (wie, warum, bestimmter Zeitraum)?

(Hat IMC in Ihrem Unternehmen in den letzten fünf bis zehn Jahren an Bedeutung gewonnen?)

4. Denken Sie, dass es für Ihre Firma notwendig ist sich eine Herangehensweise / Einstellung der integrierten Marketingkommunikation anzunehmen? (Bitte erklären Sie. / mit Erläuterung)

5. Gibt es bestimmte Werbeaktivitäten (promotional activities) in Ihrem Unternehmen, die eine integrierte Herangehensweise bzw. eine größere Integration benötigen als Andere?
6. Was prognostizieren Sie für die Zukunft von IMC?

Ziel 2

Die Untersuchung von IMC Programmen bei der Einfuehrung und Umsetzung sowie bei der Anwendung/Verwendung der integrierten Marketingkommunikation im Management unter der besonderen Beachtung Unternehmensebene, der strategischen Geschäftsbereiche und der individuellen Markenebene.

7. Welche Organisationsebenen sind besonders wichtig, um eine integrierte Marketingkommunikation zu entwickeln?
    a. Wer ist verantwortlich für die Beauftragung von IMC?
    b. Wer ist verantwortlich für die Ausführung / Umsetzung der IMC?
    c. Sollte es eine bestimmte Person(en) geben, die die Entwicklung von IMC führt oder vorantreibt??
8. Wie sind die verschiedenen Kommunikationsbereiche in Ihrer Organisation arrangiert und welche Vorteile bietet diese Anordnung in Bezug auf IMC?
9. In welchem Ausmaß wirken die verschiedenen Kommunikationsbereiche in Ihrem Unternehmen aufeinander?
10. Welche Strukturen und Mittel gibt es, welche die Kommunikation und Koordinierung erleichtern (Intranet, informell, Ber atungsgremien)
    a. Welches Zusammenspiel zwischen den verschiedenen Ebenen in der Organisation ist wichtig bezogen auf IMC?
    b. Denken Sie, dass es erforderlich ist die Interaktion oder das Zusammenspiel der Kommunikation auf und mit den verschiedenen Ebenen zu vertiefen?
11. Kennen Sie den MET Report der London Business School?
    a. Hat sich die Zuweisung und Vergabe Ihres Marketing Budgets über die letzten 5 Jahre verändert?

12. Erwarten Sie wesentliche Änderungen in den nächsten fünf Jahren?
13. Wie stellen Sie Ihr Marketing Kommunikationsbudget auf? Ist das der effizienteste Weg oder haben Sie bestimmte Verbesserungsvorschläge?
14. Wie erstellen Sie Ihre Marketing Kommunikationsstrategie?
15. Welche Faktoren beeinflussen Ihre Marketing-Kommunikationsstrategie?
    a. Gab es bestimmte Strategieveränderungen in den letzten 5 Jahren?
    b. Wie koordinieren Sie Ihre Marketingkommunikationsaktivitäten?
    c. In welcher Art und Weise nutzt Ihre Firma das Feedback der Kunden/Konsumenten um die Kommunikationsstrategie zu erstellen und zu managen?
    d. In welcher Art und Weise nutzt Ihr Unternehmen Datenbanken, um die Kommunikationsstrategie zu untermauern?
    e. Wie wird Ihre Marketingkommunikationsstrategie beurteilt? Arbeiten Sie mit anderen Bereichen auch zusammen, z.B. der Finanzierungsabteilung?
    f. Auf welcher Stufe würden Sie Ihr Unternehmen in dieser Pyramide einordnen?
16. Glauben Sie das IMC für Ihr Unternehmen ein taktisches oder eher ein strategisches Mittel ist? Was bringt Sie zu dieser Schlussfolgerung?
17. Gibt es eine bestimmte Person die für die Koordinierung der Kommunikationsaktivitäten zuständig ist?
    a. Gibt es ein Team, welches aus Personen aus mehreren Funktionsbereichen zusammengesetzt ist?
    b. Wenn nicht, würden Sie es gern ändern?
    c. Glauben sie das ein 'Kommunikationskönig' benötigt wird?
18. Sollten die verschiedenen Markenlevels einen eigenständigen IMC Methode besitzen oder eine gemeinsame die alles vereinigt?

Ziel 3

Erforschen einer möglichen Wechselwirkung, eines Zusammenspiels und der Beeinflussung zwischen den zwei verschiedenen Markenlevels (Ebenen)

a) Konzernmarke (corporate brand)

b) Individuelles Markenlevel (product brand)

19. Welche Rolle spielt die Konzernmarke in Ihrer IMC Einstellung?
20. Welche Rollen spielen die strategischen Geschäftseinheiten und Produktmarken in Ihrer IMC Einstellung? Können Sie dies bitte näher erläutern?
21. Wie beeinflussen sich die verschiedenen Markenebenen in Ihrer Organisation oder sind es eigenständige, verschiedene Funktionen in Ihrer IMC Methode?
22. Wie kontrollieren bzw. koordinieren Sie die Integration zwischen der Konzernmarke und den Produktmarken?

Ziel 4

Auswerten und Vergleichen der Vorteile einer integrierten Marketingkommunikation im Bezug auf Wachstum, Bedeutung und Nutzen im jeweiligen Unternehmen.

23. Welche Vorteile bietet Ihnen die Anwendung von IMC in Ihrem Unternehmen?
    a. Glauben Sie es ist wirtschaftlich/rentabel/kosteneffektiv?
    b. Erzielen Sie bessere Renditen oder Erträge?
24. Welche Faktoren und Wirkungen beeinflussen die Implementierung Ihrer Marketingkommunikationsstrategien?
    a. Konsumenten Trends – Umwelteinflüsse, Technologie, Kunden und Marktfragmentierung
25. Planen Sie bedeutende strukturelle Veränderungen in Bezug auf IMC?
26. Planen Sie eine andere Kommunikationsstrategie in der Zukunft?

27. Wer führt eine IMC Einstellung die Organisation selber oder die Marketingagentur?

General Questions:

6. Wie lange arbeiten Sie schon in dieser Firma?
7. Was ist Ihre derzeitige Position?
8. Gibt es dokumentierte Informationen über Ihre Kommunikationsstrategien, Budgetaufteilungen, etc. die Sie mir zur Verfügung stellen können?
9. Würden Sie so nett sein und in meiner 2. Forschungsphase dran teilnehmen?
10. Haben Sie noch irgendwelche Fragen an mich oder haben Sie Ihrerseits noch Ergänzungen?

Appendix 5: Interview Schedules Phase 2

Interview Schedule for Participants of Research Phase 1 + 2:

Objective 1

To explore the emergence, growth and importance of IMC within large consumer firms.

1. Has anything changed since we spoke last time in relation to your communication strategy vis-à-vis integration in your firm?
2. Has your budget allocation changed and if so how?

Objective 2

To explore the current situation of IMC implementation and application within the selected firms at the corporate level, strategic business unit level, and product level.

Some companies from my first stage of interviewing have developed a marketing code of conduct to help them guide through their marketing communication processes.

3. Has your company developed a marketing code of conduct? And if so, in what ways does this facilitate and underpin your firm's IMC activities?

In our last interview, we briefly talked about the consumer research you undertake annually. However, I would like to find out a little bit more about this.

4. Research activities, what, how often, when, where
   a. In which ways do you correlate the results of your various consumer research studies?
      i. Do you also combine qualitative and quantitative research with each other, if so how?
   b. Do you generate data from retailers and sales organisation/people to complement consumer research studies and if so how?

c. In which ways do you use information from retailers, sales people or other intermediaries?
d. How frequently do you conduct employee surveys and to what use is this information put?

In the last interview we have also discussed databases. I do have some more specific questions now (not asked in Imperial Tobacco interview; only segmentation questions).

5. Database
    a. Did you establish a database now? If so, what do you do with it?
    b. How do you segment your target groups?
    c. How has this changed in recent years?
    d. How much of the information that you obtain do you share with retailers, distributors, etc. and vice versa and what is the purpose of this sharing?
    e. In which ways do you use transactional (i.e. customer transactions, demo and geographics, subscription, purchase history) data as well as relational data for your segmentation (values, motivation, beliefs, attitudes)?
    f. How do you prioritise your (database) segmentation to determine investment objectives?
6. Are different communication objectives set for each of the promotional mix elements? Are they attitudinal or behavioural goals?

Within the IMC literature, researchers stress the importance of an outside-in approach, i.e. starting with the consumer and then working back towards the product/brand. I would now like to ask you a few questions in relation to your customers and consumers.

7. IMC - an outside-in approach.
    a. How and in what ways do you take into consider customer values? Explain
    b. What kind of research do you undertake to establish customer likings/preferences?

c. If yes, how do you integrate these results into your marketing communication activities?
d. What does the brand or company promise customers? Is it the same promise globally? Explain
e. What kind of research do you conduct to understand if you are keeping your customer promises? If yes, how do you integrate these results into your marketing communication activities?
f. What are the customer needs and how are these incorporated into your IMC strategy? Explain
g. How do you keep your customers interest in mind in your marketing communication plan? Explain
h. How and in what ways are your employees connecting with the customers? Explain
i. Do you feel that you are actually conversing with your customers in a bi-directional way or do you feel it is merely one-directional? Explain

8. In what ways are your intranet (if established: marketing tool box) helpful in relation to integration issues?
9. What kind of marketing communication objectives do you set, i.e. in relation to campaigns and/or promotional components? (qualitative and/or quantitative)
10. How are these communication objectives determined?
    a. Behavioural goals (sales promotion or point of purchase)
    b. Attitudinal goals (advertising and PR)
11. What are your predictions regarding the current status and development concerning the following promotional tools and please give reasons why:

    Direct marketing

    Sponsorship

    Advertising

    Internet

    Sales promotion

    Personal selling

    MPR
12. What are your predictions with regard to the future of IMC in relation to:
    a. The organization itself

b. Its marketing communication activities

13. How do the marketing, PR, sales and research department collaborate with each other?
    a. Why do you feel is this interaction important?
14. How often do you meet individual employees, brand teams, brand managers, etc. in order to ensure the integration of marketing communication tools? Explain.
15. How and in what ways are your agencies integrated into the company vision?
    a. How many agencies do you employ?
    b. Do you have a lead agency?
    c. How do you ensure that advertising agencies integrate your marketing communication objectives into your advertising campaigns?
    d. In what ways do you share market research data with your agencies?
    e. Do you use agencies in a strategic or tactical way? Explain.

Within the IMC literature, the measurement of marketing communication and integrated campaigns has been stressed many times. However, academics have undertaken various research studies and found out that it is very hard to 'actually' measure IMC. May I please show you this statement by Swain (2004: 48):

> The persistent and difficult challenge of developing effective measures of IMC has been commented upon by Schultz and Kitchen (2000): "We can't measure IMC now, and it may be some time before we can ," they said, adding, "The problem, however, is that many marketing activities can't be measured, and the value of communication effects and impacts are even more tenuous." (p.19)

16. May I have your views on this statement?
17. Could you please explain (again) what kind of measurement you undertake or research in relation to IMC, integrated campaigns and brands?
18. Are agencies evaluating and measuring IMC campaigns on your behalf?
    a. If so, how do they do this?
19. Where is the marketing communication particularly strong or effective in your company?

20. In what ways could the organisation deepen its communication?
    a. Do you have any suggestions how you and the rest of the team(s) can develop this depth?
21. Show Models and try to obtain feedback on the revised version of Kitchen and Schultz's model and model by Diageo.

General Questions:

1. How long have you worked in your current position?
2. Are there any questions you want to ask me or is there anything to add?

Interview Schedule for Participants of Research Phase 2 but not 1:

Definition

"Integrated marketing communication is a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communications programs over time with consumers, customers, prospects, employees, associates and other targeted, relevant external and internal audiences. The goal is to generate both short-term financial returns and build long-term brand and shareholder value." (Schultz, 2004b:9)

Introductory Question

a. How relevant is this definition in relation to your business?

Objective 1

To explore the emergence, growth and importance of IMC within large consumer firms.

1. In what way(s) is IMC important to your organization?
2. How and in what ways has the emergence of IMC influenced the way communication takes place within your company? Please explain.
3. When do you think IMC became particularly important?
   a. How and why did it become important to your company?
   (Has IMC become more important in your company over the past five to ten years?)
4. Do you feel it is necessary that your firm adopts an integrated marketing communications approach? (Please explain)
5. Do you have certain activities in your company, which require an integrated approach or a more integrated approach than others?
6. What is your future personal prediction for IMC?

Objective 2

To explore the current situation of IMC implementation and application within the selected firms at the corporate level, strategic business unit level, and product level.

7. Which organizational levels are significant in developing an integrated marketing communications approach? Please explain.
    a. Who is responsible for the application?
    b. Who is responsible for implementing IMC?
    c. Should a specific person or persons lead the development of IMC?
8. How often do you talk to other brand teams, managers and also other employees?
    a. Do you find this important and if so why?
9. What structures and mechanisms exist to facilitate coordination (for me only: informal via the intranet e-mail system or formal, i.e. board meetings)?
10. What benefits does your marketing code of conduct and your toolbox have in relation to IMC?

Within the IMC literature, researchers stress the importance of an outside-in approach, i.e. starting with the consumer and then working back towards the product/brand. I would now like to ask you a few questions in relation to your customers and consumers.

11. IMC - an outside-in approach.
    a. How and in what ways do you take into consider customer values? Explain
    b. What kind of research do you undertake to establish customer likings/preferences?
    c. What does the brand or company promise customers? Is it the same promise globally? Explain
    d. How and in what ways are your employees connecting with the customers? Explain

e. Do you feel that you are actually conversing with your customers in a bi-directional way or do you feel it is merely one-directional? Explain

12. What kind of marketing communication objectives do you set, i.e. in relation to campaigns and/or promotional components? (qualitative and/or quantitative)
13. How are these communication objectives determined?
    c. Behavioural goals (sales promotion or point of purchase)
    d. Attitudinal goals (advertising and PR)
14. Do you believe that IMC is a tactical or a more strategic tool for your company? After answer: What makes you come to this conclusion? Please explain.
15. Please give your view on new media developments and technology.
16. In which ways do you incorporate them into your campaigns?
17. What are your predictions concerning the following promotional tools please give reasons why:

Direct marketing

Sponsorship

Advertising

Internet

Sales promotion

Personal selling

MPR

18. What are your predictions with regard to the future of IMC in relation to:
    a. The organization itself
    b. Its marketing communication activities
19. How and in which ways are your agencies integrated into the company vision?
    a. How do you make sure your work is coordinated with theirs?
    b. How do you make sure that your advertising agencies integrate your objectives into your marketing communications?
    c. In which ways do you share market research data with your agencies?
    d. Do you use the agencies as a strategic or tactical means? Explain.

20. Should different brand levels use IMC in a separate or united manner?

Objective 3

To explore potential interaction and interdependence between the a) Corporate brand level & b) Individual brand level

21. In what ways do different brand (levels) influence each other?
22. Are there different brand levels? If yes, do the different entities influence the IMC approach?
23. Does the corporate brand play a role in your IMC strategy?
24. In which ways is the corporate brand affecting your communication strategy and work?
25. How do you ensure that your specific product category communication is in line with the corporate communications?

Objective 4

To identify, evaluate and compare perceived benefits with regard to the growth, importance and usage of IMC.

26. What benefits does IMC provide for your company?
    a. Do you believe IMC is cost effective, if so why?
    b. Does using an IMC approach produce greater financial returns or benefits, if so why do think this is?
27. Who is leading an IMC approach? The company or the marketing/advertising agency?

Within the IMC literature, the measurement of marketing communication and integrated campaigns has been stressed many times. However, these academics have undertaken various research studies and found out that it is very hard to 'actually' measure IMC. May I please show you this statement by Swain (2004: 48):

> The persistent and difficult challenge of developing effective measures of IMC has been commented upon by Schultz and Kitchen (2000): "We can't measure IMC now, and it may be some time before we can ," they said, adding, "The problem, however, is that many marketing activities can't be measured, and the value of communication effects and impacts are even more tenous." (p.19)

28. May I have your views on this statement?
29. Could you please explain (again) what kind of measurement you undertake or research in relation to IMC, integrated campaigns and brands?
30. Do you use the hierarchy of effects models to measure advertising effectiveness?
    a. If yes, in which ways do you use it?
31. Are agencies evaluating and measuring IMC campaigns on your behalf?
    a. If so, how do they do this?
32. Where is the marketing communication particularly strong or effective in your company?
33. In what ways could the organisation deepen its communication?
    a. Do you have any suggestions how you and the rest of the team(s) can develop this depth?
34. Show Models and try to obtain feedback on the revised version of Kitchen and Schultz's model and model by Diageo.

General Questions:

1. How long have you worked at this company?
2. What is your current position?
3. Is there any written information about your comm. strategies, budget allocation, etc. which you can give to me?
4. Are there any questions you want to ask me or is there anything to add?

Appendix 6: Nud*ist Categories Phase 1

Nodes of Research Phase 1
1 Own Understanding
2 Importance of IMC
3 Communication Czar
4 Reasons for IMC
5 Problems of IMC
6 Benefits of IMC 1 Reasons for better ROI
7 Structure
8 Interaction 1 Mechanisms 2 Facilitators 1 Intranet 3 Meetings
9 Client versus Agency
10 Dependence
11 Idea
12 Strategy and Budget
13 Four Stage Modell 1 Stage and Comments 2 Criticism
14 Implementation and Application
15 Brands 1 Influencing Factors 2 Corporate Brands 3 Product Brands 4 Strategic Business Units
16 Future of IMC
17 Involvement and Call for IMC
18 MET Report 1 Comments 2 Trends 3 Changes
19 Trends 1 Audience Fragmentation
20 Consumer Research 1 Forms and Times of Consumer Research 2 Segmentation 3 Qualitative and Quantitative Comments
21 Evaluation 1 Finance Department
22 Strategy and Tactics
23 Year
24 Level of Integration 1 United versus Separate
25 Database

Appendix 7: Categories Phase 2

Nodes of SABMiller
1 Emergence
2 Future
3 Importance 1 Benefits
4 BIBA Process 1 Dakar Rally 2 Peroni Example 3 Diffusion of Innovation & Segmentation
5 Outside-In Approach 1 Intranet 1 Marketing Toolbox 2 Code of Conduct
6 Global Research Methodology 1 Hierarchy of Effects 2 Database
7 Global Evaluation 1 Global Investment
8 Promotional Tools 1 Public Relations 2 New Media and the Internet 3 Trade Marketing
9 Agency 1 Trends
10 SABMiller as the Corporate Brand
11 Communication Strengths
12 Communication Weaknesses
Nodes of Imperial Tobacco
1 Emergence 1 Marketing Environment 2 Reemtsma Acquisition
2 Future
3 Importance of IMC within Tobacco Firms
4 Benefits 1 Global Perspective
5 Implementation and Application Barriers 1 Small versus Global Firms 2 Resources and Staff 1 Meetings 3 Advertising Regulations 1 Database Prohibition
6 Application 1 Code of Conduct 2 Intranet 1 Maintenance
7 Research 1 Segmentation – A Behavioural Perspective

2 Inside-Out Approach 3 Hierarchy of Effects
8 Agency Difficulties
9 Promotional Tools 1 Image 1 Packaging 2 Technologies & the Internet 3 Point of Purchase & Trade Marketing 4 Public Relations
10 Imperial Tobacco as the New Corporate Brand 1 Interaction between Brands
11 Improvements
Nodes of Tryton Foods
1 Emergence of IMC 1 Reflection on the Past 2 Future Outlook 3 US Perspective
2 Importance
3 Benefits – A National Perspective
4 Influences 1 Previous Job Experience 2 Money 3 People
5 Implementation 1 Cross-Functional Team
6 Application 1 Internal Values Approach 1 Survey 2 Project Team 3 Brand Promise 4 Conference 2 Image 3 Code of Conduct & Database
7 Agencies 1 Creative Agency
8 Research 1 Segmentation 2 Measurement 3 Hierarchy of Effects
9 Promotional Tools 1 Television 2 Word of Mouth 3 Interactivity & Internet
10 WJS – A Family Brand 1 The Role of Aunt Bessies 2 The Role of Tryton Foods
11 Communication Strengths and Weaknesses

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