

**INTEGRATED MARKETING COMMUNICATION:
EXPLORING INDUSTRY PRACTICES AND PERCEPTIONS
IN SOUTH AFRICA**

Communitas

ISBN 1023 – 0556

2001 6: 15-31

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ABSTRACT

A major new phenomenon confronting the marketing communication industry in the new millennium is integrated marketing communication (IMC). Although this concept was conceived in the early 1990s, it is still relatively new in the world of marketing, especially in South Africa. The nature and consequences of IMC are of particular interest to the marketing industry in terms of the remuneration systems of agencies, the services marketing agencies offer, and the relationship between agencies and clients. Indeed, neglecting IMC can have dire financial consequences for agencies (in terms of lost revenue), as well as clients (in terms of lost market share/awareness).

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INTRODUCTION

Integrated approaches to marketing communication management will necessitate changes in virtually all marketing communication functions. In fact, it has even been suggested by Nowak, Cameron and Delmore (1996) that mass media advertising as one component in the marketing communication mix and as it exists today, is "on its deathbed", and that the growth of sales promotions and direct marketing both come at the expense of advertising (Rust & Oliver 1994:71). Others, while perhaps less emphatic, have also acknowledged the impending changes in the mass communications industry (Kiely 1993:44-46; Kitchen 1993:367; Schultz 1993:16).

Whether integrated marketing communication (IMC) is an evolving new concept (Duncan & Everett 1993:30), simply experiencing a renaissance (Kitchen 1993:267), or a resurgence (Biziorek 1996:20), it would appear that even ten years after its inception there is still no common understanding with regard to its meaning or application. Phelps and Johnson (in Ewing, De Bussy & Ramaseshan 2001:3) conclude that there is no clear definition of IMC because it is an emerging field and therefore the lack of clarity and boundaries is to be expected. Whether or not this is an acceptable explanation is debatable, but it underscores the real need for empirical research in South Africa, in order that the notion of IMC can perhaps be refined and developed beyond its current existence as a popular boardroom buzzword.

Advertising, direct marketing, sales promotions, personal selling and public relations are communication sub-disciplines that have been in practice for decades. Traditionally, clients erected strong barriers around these functions - managing each separately, with different objectives, goals and budgets (Belch & Belch 1998:9). Today, these previously independent tools are increasingly being coordinated under an "umbrella strategy" in an attempt to increase communication effectiveness and consistency. As Grein and Gould (1996) point out, IMC is a reflection of the trend towards increased levels of coordination that is occurring in many tasks and industries besides marketing communication. The theory of an IMC program is that it has one basic communication strategy for each major target audience (Duncan & Everett 1993:30).

It has been suggested that more "traditional" marketing concepts are eroding, and that once the logistical teething problems involved with

IMC implementation and management are resolved, it (IMC) will provide the only sustainable competitive weapon available to marketers in the new millennium (Schultz, Tannenbaum & Lauterborn 1993; Rust & Oliver 1994).

PROBLEM IDENTIFICATION AND MOTIVATION FOR THE STUDY

Because of the growing importance of the concept of IMC, it is essential for today's marketers to understand what IMC is all about: how it should work, and when and how to apply it (Percy 1997:1). According to Burnett and Moriarty (1998:15) there are four main reasons for the growth of IMC: greater efficiency, stronger customer loyalty, international marketing, and added impact. To this Schultz (1993) adds management's new requirements for accountability and stewardship by communication practitioners and the growth and diffusion of information technology. If practiced correctly, IMC should also contribute to better employee morale and productivity, because the employees are more informed and feel important. Therefore, it is clear that this concept is not of a transitory nature and that it is necessary for agencies and their clients to familiarise themselves with IMC.

IMC is evolving quickly, but there is still no universal understanding of IMC, nor the process of its implementation. Whereas Duncan and Everett (1993) focused merely on client perceptions, this study explored the understanding and usage of IMC in South Africa from both an advertising agency and client perspective. Advertising agencies, for the purpose of this research, were those companies whose primary business is mass media advertising, while clients were those organisations who employ the services of *inter alia* advertising agencies.

The motivation for the study was to contribute to a better understanding of the nature and scope of IMC and consequently the effective implementation of IMC programs in South Africa. The vast majority of studies in this field concentrate on an American perspective.

RESEARCH METHODOLOGY

A quantitative strategy was followed in this research project for various reasons. Apart from the fact that it was the best way to gather

data that could reach the aim and objectives of the study, the use of numbers allowed greater precision in reporting results and permits the use of powerful methods of mathematical analysis (Wimmer & Dominick 1991:46). The research constituted a literature and an empirical study. In the literature review attention was given to defining IMC, a comparison was made between traditional marketing communication and IMC, and reasons for the growing importance of IMC were explored. A few potential barriers to the implementation of IMC were also investigated. The empirical research was used to reach the objectives of the study and to specifically give an indication of the understanding and use of IMC in South Africa.

- **Aim and objectives of the study**

As mentioned above the aim of the study was to explore the understanding of the concept of integrated marketing communication and the use of integrated marketing communication in South Africa in order to gain a clear picture of the current situation in terms of IMC practice in South Africa. The objectives (derived from the aim) were to provide an indication of the familiarity of agencies and their clients with the term "integrated marketing communication", to test the definition of IMC among the knowledgeable, to determine the utilisation of IMC and to provide an indication of the importance that respondents place on IMC.

- **Population and sample selection**

The population from which the sample of the study was selected was made up of account executives from the top fifty advertising agencies in South Africa and the marketing managers from these advertising agencies' biggest accounts. Given the exploratory nature and objectives of the research, it was necessary to draw a non-random sample of expert respondents with a high degree of competence, knowledge, and relevant experience in mass communication - in other words, a purposive sample.

A sample of thirty account executives and thirty marketing managers was drawn for interviews. Because this was an exploration study to identify particular types of cases for in-depth investigation, the sample size of sixty was sufficient.

- **Method of data collection and analysis**

Data was collected by means of telephone interviews. This method was employed because it offers more control and higher response

rates than most other methods, and the telephone interview is a flexible method with most of the strengths of face-to-face interviews, but for half the cost (Neuman 1997:252). The response rate in this study was 100 percent for both the agency representative and client categories, but the filter question eliminated 16,7% of the representatives from advertising agencies and 76,7% of respondents in the client category.

The data was coded and statistically analysed by using parametric methods, after which the results were interpreted and compiled in this report. In the statistical analysis, frequency distributions were used for all variables and cross-tabulations were used between some of the variables. A chi-square analysis was computed between some variables, to determine possible statistical significant differences ($p < 0,05$) between responses.

- **Research instrument**

The questionnaire used in the telephone interview composed of 18 questions with both open and closed-ended questions asked. The latter represented most of the questions. The questionnaire consisted of five sections namely familiarity with IMC, definition of IMC, the understanding of the term, utilisation of, and lastly the importance of IMC. The first question (on familiarity with IMC) was a filter question. If a person was unfamiliar with the term, there was no use in him or her completing the rest of the questionnaire. Both nominal and ordinal levels of measurement were used.

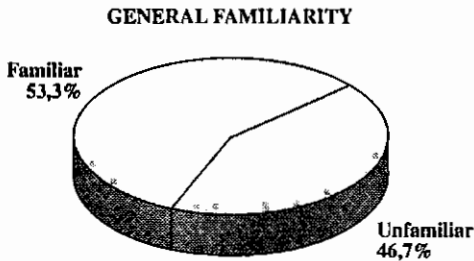
RESEARCH FINDINGS

Familiarity with the term integrated marketing communication

Although this concept was conceived in the early 1990s, it is still relatively new to the world of marketing. Because of the growing importance of the concept, it is necessary for today's marketers to understand what IMC is all about. From the literature study it was gathered that this concept was not of a transitory nature and that it was necessary for both agencies and their clients to familiarise themselves with the meaning of this term.

The results of the first (and filter) question (as reflected in diagram 1) was that, of the 60 respondents, 53,3% (N=32) were familiar with the term integrated marketing communication and 46,7% (N=28) had no idea of the meaning of the concept.

Diagram 1



A large percentage of the respondents from agencies (83.3%; N=25) were familiar with the term. A positive and highly significant correlation ($p \geq 0,01$) was calculated between respondents from the advertising agencies and those who were familiar with the term ($\chi^2=21,6$; d.f.=1; $p=0,001$) which underline this fact.

It is alarming that 16,7% (N=5) of thirty of South Africa's top advertising agencies (of which several are international agencies) are not familiar with the term. As Percy (1997:6) suggests, major advertising agencies in America may have gotten off to a slow or even wrong start, but there is no doubt that they seem committed to delivering IMC to their clients. However, from this research it is evident that some work still needs to be done in South Africa in this regard.

When looking at the *clients'* responses an almost reversed picture was received, only 23,3% (N=7) was familiar with the term IMC. This is a very low percentage. Perhaps this is one of the reasons for the numerous writings on and complaints about customer service in South Africa. The phrase "the customer is king" has a hollow ring to it, judging by the number of examples of customer neglect as discussed in the book *Service please, South Africa* (Blem 1995:1). Keeping the customer happy through establishing dialogue, focusing on customer needs and wants and building long-term relationships with customers are very important and one of the cornerstones of IMC.

As can be expected a positive and highly significant correlation ($p \geq 0,01$) was calculated between responses from the clients unfamiliar with the term IMC ($\chi^2=21,6$; d.f.=1; $p=0,001$). This situation is a cause for concern because later on most of the agencies that were familiar with the term IMC claimed to be using it. The

question comes to mind: How can they be using IMC if their own clients are unaware of it?

Definition of IMC

The following definition of IMC, developed by the American Association of Advertising Agencies (AAAA), was proposed to the respondents and they were asked if they would agree or disagree with this definition:

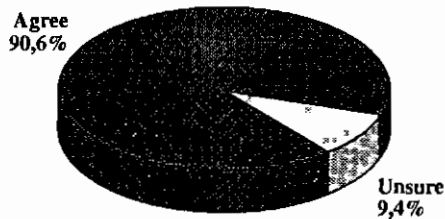
"...a concept of marketing communications planning that recognises the added value of a comprehensive plan that evaluates the strategic roles of a variety of communications disciplines, for example, general advertising, direct response, sales promotions, and public relations - and combines these disciplines to provide clarity, consistency and maximum communication impact."

(Belch & Belch 1998:9-10)

A high percentage (90,6%; N=29) of the respondents agreed with this definition while only 9,4% (N=3) were unsure (Diagram 2). No one, however, disagreed with the definition. It was also interesting to note that the 9,4% (N=3) respondents who were unsure about the definition were clients and not respondents from advertising agencies. One of the explanations provided for the uncertainty was that they were not that familiar with the term and only heard it a couple of times before. From these results we can deduct that respondents who indicated that they were familiar with the term, did not necessarily mean that they understood the basic premises thereof. Familiarity could also mean that they had heard the term but did not know what it was all about.

Diagram 2

AAAA DEFINITION



Respondents were asked to give their own definition of IMC and the following key elements presented in Table 1 were identified from the responses:

Table 1

DEFINING IMC

	Percentage
Combining marketing efforts	50,0% (N=16)
Integrated communication/marketing	15,6% (N=5)
Integrated marketing strategy	9,4% (N=3)

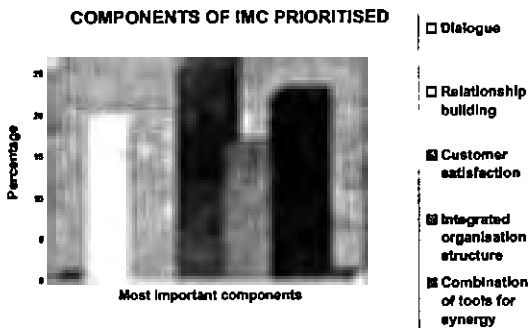
Combining marketing efforts were thus high on the list when it came to defining IMC. It is interesting to note that none of the respondents added anything about the relationships with customers and other stakeholders.

Through various definitions in the literature (cf. Percy 1997:2; Duncan 1993:22 and Caywood & Ewing 1991:238) it was evident that IMC focused on the consumer, or audience, as a starting-point in the communication process and fostered long-term relationships between the customer and the company (Spotts, Lambert & Joyce 1998:211). The AAAA definition lacks to mention anything about the customer and none of the respondents were able to identify this shortcoming. Another omission in the AAAA definition is the fact that it does not include the importance of internal marketing communication. Once again, no respondent commented on this.

Understanding of the term IMC

Respondents were asked to prioritise the components of IMC. The response categories ranged from 1-5 (1 was the most important and 5 the least important). The results (Diagram 3) were as follows:

Diagram 3



The diagram indicates that, according to the respondents, customer satisfaction is the number one priority of IMC (25%; N=8) while an integrated organisation structure is regarded as the least important (15,6%; N=5).

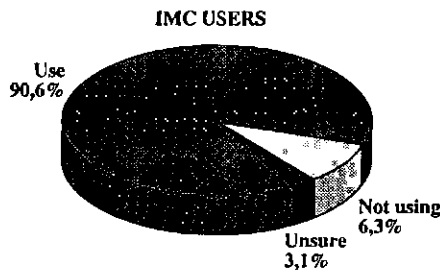
The notion of customer satisfaction being most important is supported by Schultz, Tannenbaum and Lauterborn (1993:55-56) who hold that a major difference between IMC and most traditional marketing communication is that the focus of IMC is on the consumer, customer, or prospect - not on the organisation's sales and profit goals.

What was strange about these results was that, in the previous section, when respondents were asked to define IMC, the focus on the customer was not even mentioned. However, when asked to prioritise the components of IMC, customer satisfaction was identified as top priority. The lack of a general definition for IMC could be the cause of this. Or it could be that respondents do not fully understand the concept of IMC.

The utilisation of IMC

The following diagram indicates that of respondents who were familiar with the term IMC, 90,6% (N=29) claimed to be using IMC. Only 6,3% (N=2) indicated that they were not using it while 3,1% (N=1) were unsure if they were using it or not. The respondents who were not using IMC or were unsure about using it (N=3), were all clients of agencies.

Diagram 4



Schultz (1993:16) correctly suggests that when the subject of integration is raised, the most likely response is: "We already do that". They probably do not, at least not in the way in which IMC has been considered. The problem is that in some limited ways they may, or at least feel that they do, use IMC. Pettegrew (2000/01:2-3) offer

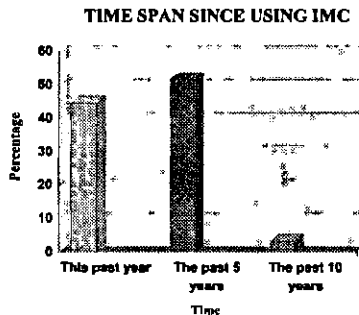
"conditions" which must be met in order for an organization to accurately reflect the practice of IMC. The conditions are as follows:

- it (IMC) must speak to all stakeholders with a "single", consistent voice;
- it must assume the consumers' point of view;
- its strategic communication disciplines must be internally integrated;
- it must have a clear and consistent message that is more efficient and effective than competing/conflicting messages;
- its messages must cut through the increasingly cluttered commercial landscape;
- it must foster a two-way dialogue between consumers and itself;
- it must build bonds that lead to long-term, consumer-to-brand relationships; and
- it must not place excellent marketing ahead of corporate reputation.

Agencies and organisations who claim to be using IMC, should study the conditions mentioned above to ensure that they truly use IMC.

Respondents were asked for how long they have been using IMC. The following diagram summarises the results:

Diagram 5

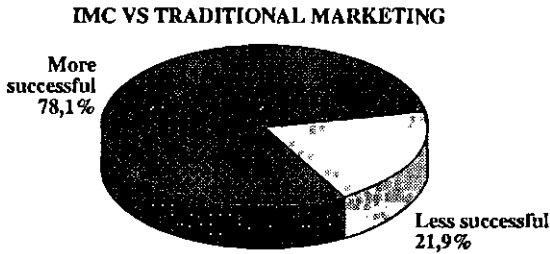


Through the literature study it became apparent that IMC was a relatively new concept in the field of marketing and the results of this study supported that notion. Only 3,4% (N=1) of IMC users were

using IMC for the past 10 years, whereas 51,7% (N=15) of users were using it for the past 5 years and 44,8% (N=13) of IMC users have only started using it this past year. These results underscore the notion that IMC is still in its infancy in South Africa.

As indicated in Diagram 6, most of the respondents (78,1%; N=25) believed that IMC was more successful than traditional marketing communication.

Diagram 6



An integrated approach to communication planning and implementation does not necessarily reduce the role or value of traditional advertising. But IMC does put advertising in a new light, which requires a different view (Schultz 1995b:18).

From its origins there has been much more emphasis on the implementation of an IMC program than the organisational barriers which mitigate against its initial acceptance by a given corporation (Pettegrew 2000/01:1). Users were also asked to identify some of the barriers they experienced in the implementation of IMC. As illustrated in Table 2, it seemed much emphasis was placed on the following three problem areas:

Table 2

PROBLEMS WITH THE IMPLEMENTATION OF IMC

Problems	Percentage
Internal coordination	37,9% (N=11)
Clients' unwillingness	31,0% (N=9)
Deadlines	6,9% (N=2)

According to Watras (1995:23) the more divisions, product lines or distribution channels, the greater the difficulty may be in establishing consistency in communication efforts. It is necessary to make structural and management changes to ensure that communication efforts are consistent. A smaller company has far fewer obstacles impeding an integrated marketing campaign.

Different perceptions of IMC will certainly mediate effective implementation. Much more concerning is the natural resistance to change that the idea of IMC is likely to trigger, making it difficult to implement despite general acceptance of the benefits (Percy 1997:178). As the results of this research indicated, very few of the agencies' (used in this study) clients were familiar with the term IMC. Clients can't really be a barrier and be earmarked as unwilling to the implementation if they are unaware of it.

As Schultz (1995a:20) suggests, integration is a process and does not occur overnight. Deadlines could provide further limitations to the integration process.

According to Harris (in Pettegrew 2000/01:3) IMC could be characterised by four specific outcomes, namely:

- a clear and consistent message is delivered that is both more efficient and effective than competing messages;
- a clear and consistent message cutting through the increasingly cluttered commercial landscape;
- communication that fosters a two-way dialogue between consumers and companies; and
- an interaction that builds bonds that lead to long-term consumer-to-brand relationships.

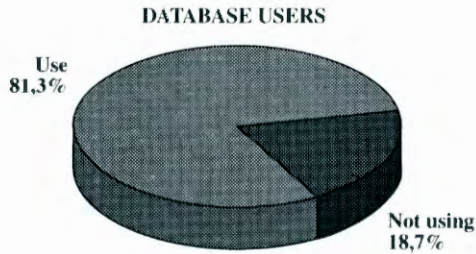
Dialogue is one of the main characteristics of IMC and all the respondents (100%; N=32) who were familiar with the term IMC indicated that they did try to create dialogue with their customers. Some of the responses on how they tried to create dialogue with their customers included competitions, relationship marketing and meetings.

One of the many ways that they used to achieve this dialogue was by using databases. Companies are using computers to build databases containing customer names; geographic, demographic, and psychographics profiles; purchase patterns; media preferences; credit

ratings; and other characteristics. Marketers are using this information to target consumers through a variety of direct-marketing methods, such as telemarketing and direct-response advertising, rather than relying on mass media (Belch & Belch 1998:13). Griffin (2001:17) holds that the database is probably the most important marketing tool of this decade. Schultz (1998:4) supports this notion when he suggests that information technology is shifting the marketplace power from the marketer to the consumer.

As indicated in Diagram 7, 81,3% (N=26) of the respondents who were familiar with the term IMC, use databases in their marketing communication efforts and 18,7% (N=6) don't. These results are strange because IMC and the use of databases go hand in hand and it is almost unthinkable to use IMC without the use of databases.

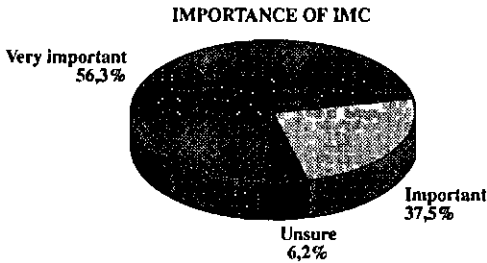
Diagram 7



The importance of IMC

The diagram below shows that respondents place a great deal of importance on IMC. Of the respondents who were familiar with the term IMC, 56,3% (N=18) rated IMC very important; 37,5% (N=12) rated it important and 6,2% (N=2) were unsure. No respondent rated IMC as insignificant. It is clear that respondents who were familiar with the term, recognise the important role that IMC is playing in the marketing field.

Diagram 8



When asked about the growth potential of IMC in the South African market, 93,8% (N=30) thought that IMC definitely had growth potential and the other 6,2% (N=2) were unsure.

CONCLUSIONS

Conclusion with regard to the familiarity of IMC

The most important finding of this particular study was that the majority of advertising agencies were familiar with the term IMC and were using IMC in marketing efforts. However, the majority of their clients were not familiar with the term.

Conclusion with regard to the definition of IMC

The definition of IMC, developed by the American Association of Advertising Agencies, was accepted by an overwhelmingly high percentage of the respondents. It was interesting that none of the respondents added anything about the customer in this definition despite the fact that when it came to prioritising the components of IMC, customer satisfaction reigned supreme.

Conclusion with regard to the utilisation of IMC

Most of the respondents who were familiar with the term IMC claimed to be using it. Only a very small percentage of respondents had been using IMC for more than five years. The problems which respondents experienced during the implementation of IMC included coordination; clients' unwillingness; and deadlines.

All of the respondents, who were familiar with the term IMC, indicated that they had tried to create dialogue with their customers and the majority of respondents use databases in their marketing efforts.

Conclusion with regard to the importance of IMC

The respondents rated IMC very important and more successful than traditional marketing communication. However, many role-players in the marketing industry are still totally unfamiliar with the IMC concept, and some of those who claim to be familiar with the concept do not understand the essence of IMC.

A high percentage of respondents indicated that IMC definitely has growth potential in the South African market.

RECOMMENDATIONS

Advertising agencies should educate their clients in IMC and point out its advantages. Both the agency and the client are needed in IMC. The one cannot succeed without the other.

The academic community should take the lead in training marketing communication specialists who are not only implementers of communication, but also integrators of communication in the business world. An important issue for the academic community, if IMC is to develop a theory base, is to develop a more acceptable or relevant definition which includes the role of customers.

Agencies should delve deeper than just the surface of IMC in order to discover the sustainable competitive advantage that a fully integrated approach to marketing can hold.

SUGGESTIONS FOR FUTURE RESEARCH

From this study it should be clear that IMC development concerns execution and implementation of integrated programs. These appear to be key areas for future research.

There does not appear to be any consistent or mutually agreed upon definition, description, or process to identify what IMC is and what it is not about. Building an agreed-upon and agreeable working definition of the subject-matter is important. Disagreement about what constitutes IMC must be eradicated.

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