

SOME ASPECTS OF MEASURING INTEGRATED MARKETING COMMUNICATIONS (IMC)

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Abstract. *Author deals with a new trend in marketing - combining different communication instruments, as promotion, public relations, sale promotion, personal selling, Internet communication. This concept of IMC enables adequate tendencies accompaniment in the modern business conditions, which deal with Internet application in business activities, globalization and brand image importance. Author then analyses advantages and disadvantages of basic communication instruments in marketing. In measuring IMC, author emphasizes that main difference between this and traditional communications is functional oriented activities (connected with mass medias). At the end, the author analyses time aspect of measuring IMC, and main characteristics of controllable and uncontrollable communications.*

1. REASONS FOR ACCEPTING IMC

In the good old days, not so long ago, the marketing world belonged to advertising. Advertising had a big effect, because it was easy to generate high reach by advertising in popular media vehicles.

In recent days, this picture considerably changed. Media have fragmented, making it very difficult to achieve high reach. The following section will try to analyze the basic trends [1] that are challenging the ways many companies conduct business today.

1.1. Technology and the Internet

Technology touches every part of our lives making our world faster, smarter and more mobile than ever. Amidst the proliferation of online businesses, the Internet has made online business models and offerings transparent. Such transparency has two key results. First, competitive advantages historically enjoyed by companies have diminished. Products and technologies that were once unique can be now duplicated within months, while

services can be copied within days or even hours. Second, because of a Web site, there is a single source of company's information for all, message inconsistencies are more easily discovered. If outgoing messages do not align with product or service offerings, a company's brand is jeopardized.

Just as Internet technology has leveled the competitive playing field by providing a window into the competition's strategy, technology has also placed the power of information in the customer's hands. Today, customers are more knowledgeable and demanding than ever of marketplace conditions. They are able to research product attributes, investigate competitors' offerings and compare prices.

While technology gives increased power to competitors and consumers, the same technology also enables the principles of IMC to operate on new levels. Mechanisms for two-way communication are more efficient and fluid than ever. By using technology to support IMC concepts, companies have ability to exceed customer expectations and outsmart the competition.

1.2. Globalization

As transaction capabilities are advanced by technology, the geographic boundaries of trade are beginning to disappear. Additionally, global trade agreements between countries have created a windfall of economic opportunity. Global mergers and acquisitions are developing every day. Global networks, both technological and organizational, are connecting organizations in all parts of the world. Driven by the first truly global companies and supported by trade agreements, globalization is here to stay. This high degree of consolidation and global connectivity creates a need for global communication strategies. As different cultures, ideas, currencies and economic ideals converge, it is necessary that the strategies behind global organizations are consistent around the world and across the board.

But companies cannot ignore unique attributes of different cultures. Analysts suggest that in order to globalize, companies must attempt to localize globally. In these conditions, the task of marketing communications is to carry understandable and harmonic messages. The usage of different communication tools has to be planned as an integrated campaign.

1.3. Importance of brand's image

In contrast to business in the past, today's marketplace puts a much higher value on intangible assets. Companies such as Microsoft, Coca-Cola, and McDonald's have capitalized market values that correspond with their intangible capital, rather than hard goods produced or manufactured. The significance of brand equity is rising because a high level of brand equity means a high level of loyal customers. That's why the value of the brand name is a key factor for marketing success. The leading managers know that, and they try to reach two "conflicting" goals: first, to achieve considerable sales' volume (usually by sales promotion) and second, to build a strong brand's image. The way of reaching these goals is called integrated marketing communications.

2. IMC - DEFINITION AND ILLUSTRATION

2.1. What is IMC?

Two years ago Wrigley Company developed an integrated communication program with tremendous effect from the point of view of the costs and time devoted to this campaign. Launched in January 1998 in UK, with the publication of a report. "Oral Health and Sugarfree Gum" the program cost the company about -pounds- 500,000 over the first 18 months. By raising awareness of the role of saliva in dental health, it aims to persuade the dental profession to recommend the benefits of sugarfree chewing gum. Elements in the program include advertising in the trade press, a patient education action pack, a quarterly magazine, leaflets and posters. Orbit for Children, the UK's first kids' dental care gum, was launched with an ad in the dental press with an attached sample. Simultaneously, a dental student handbook was sponsored.

The posttests registered amazing results: 73% of dentists "always" or "frequently" recommend sugarfree gum to patients, up from 44% in the pretests.

The example above is a brilliant illustration of a new trend in the world of marketing - combining different communication instruments (advertising, public relations, sales promotion, personal selling, Internet communication, etc.) in a solid integrated campaign.

Developing an integrated communication program helps using the advantages of some communication tools for compensating the disadvantages of others. The scientific researches, as well as the practice, undoubtedly prove that the integrated planning and implementing of the communication programs is far more effective than their separate usage.

2.2. Advantages and disadvantages of the major marketing communication tools

The major communication tools in marketing are advertising, public relations, sales promotion, personal selling, direct marketing. Some authors also include product design/package, point-of-purchase displays, Internet communication, etc

Advertising is a very important tool on the earlier stages of the response hierarchy models. Due to its public presentation, persuasiveness and amplified expressiveness, advertising campaigns can help reaching high levels of awareness about the product, the brand or the company. Also advertising could be successful in building a long-term image for a brand (such as Absolute, Coca-Cola, etc.) Advertising is cheaper than sales promotion and more expensive than public relations, but often evokes negative feelings (such as annoyance, anger, distrust, etc.).

Sales promotion campaigns offer a distinctive purchase invitation. This sort of programs also offer some kind of stimulus (discount, free sample, etc.). They are preferable in the cases of new product launching, sales stagnation, etc. But, the effects of sales promotion are usually short run and do not build long run brand preference.

The major characteristics of **public relations** are: high credibility, off guard, and dramatization. People accept the PR campaigns as news, not as paid publication. That's why they trust to PR messages. The basic problems of the PR campaigns are connected with the low level of control on what, where, and when is said.

The direct marketing approach is based on databases containing the names and characteristics of potential customers. As a result, the direct marketing offer greater possibili-

ties for message adaptation. Target audience selection is far more precise, as well as the measurement of the effectiveness of database programs. But this communication tool is the most expensive (in the context of fast moving consumer goods).

Combining the marketing communication tools in a solid and well-balanced campaign is more effective. The integrated marketing communication programs give chance to low-budget campaigns. Due to their increased impact, these integrated programs are suitable in low-growth economies. One of the difficulties concerning the implementation of the integrated method is the measurement aspect. Some guidelines for measuring IMC will be suggested in the next paragraphs.

3. DIFFERENCES IN MEASUREMENT CONCEPTS

The main difference between the IMC and the traditional, functionally oriented activities (particularly those of mass media advertising) is that IMC must, in some way, impact the behavior of the target audience. It does not mean that functional activities such as advertising, sales promotions, direct marketing, and public relations do not influence behavior. In fact they do, especially direct marketing and sales promotion. The major difference is that IMC is planned, developed, executed, and evaluated with affecting one specific consumer behavior in mind, the process of making purchase now or in future.

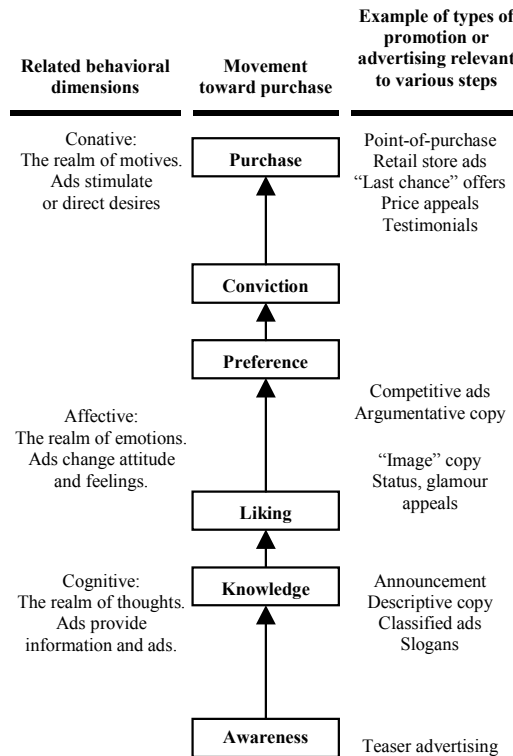


Fig. 1. Different starting point of the measurement process

3.1. Database

The database is in the center of IMC. This means accumulation of lots of data and lots of information. The data are stored, examined, and evaluated through various forms of database analysis. This process differentiates IMC from traditional, functional marketing communications. IMC starts with the outside-in view. In other words it means to understand what the consumer is doing or has done and to explain why this behavior exists. From the point of view of IMC, behavior is any measurable activity by the customer or prospect that either (1) moves the person closer to a purchase decision or (2) reinforces the presently favorable buying patterns that already exist.

The common approach of many managers is starting at what they perceive to be the beginning of the communication process - message delivery. They believe this is the process of forming attitudes. According to this proposition message delivery and attitude formation lead to knowledge, preference, conviction, and finally, to purchasing behavior. This basic model is known as the "Hierarchy of Effects" model developed by Lavidge and Steiner (4, p. 6). In fact, this is a one-way, linear approach. It means that the marketer sends out the message (hoping it would be received) and then tries to measure the effect. The sender usually assumes that his message is responsible for any change in the communication process. But the marketer's message is not the only one in the market-space and is hard to assume that it could always move the consumer through the process.

Finally, in most cases little or no effort is made to measure the actual behavior that occurs as a result of the communication program.

Due to technology changes, it is nowadays possible (in many cases) to measure actual consumer behavior through scanner panels, electronic marketing, two-way communication channels, and advanced direct marketing techniques. It is technology that makes IMC possible. In the context of IMC, the goal is to get as close as possible to actual buying behavior. "Thus we start at the other end of the communications 'hierarchy of effects', with behavior. Then we try to explain that behavior as a result of communication exposure which resulted in attitude, brand, or category network changes" (5, pp. 105-156).

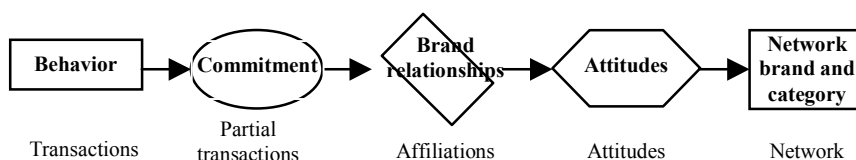


Fig. 2.

In IMC, the actual purchase behavior is called *transaction* [5, pp. 105-156]. When this behavior cannot be measured, the marketer may examine other consumer's commitment - visiting a dealer, requesting a brochure, or calling for more information. This kind of behavior is called a *partial transaction* [5]. If it cannot be measured then the marketer may go to the next level of behavior - brand relationship. This is some kind of relationship or past affiliation the customer may have had with the brand or the category. For example, being a former brand user, or being a user the overall product category, or having an affiliation with the brand (such as being a coffee drinker, a gamer, or a new mother). If no

measurable relationship exists, the next step back up the purchasing process would be to attitudes. If the marketer understands the prospect's attitudes he or she might be able to explain some of the preceding behaviors. The last measurement attempt is to understand the brand and category networks that the customer has developed that relate to the brand.

3.2. IMC is a circular process

Marketing communication is a circular, not a linear process. There is no doubt that attitudes influence behavior, but it's also true that behavior influences attitudes. If a consumer has a good experience with a brand, this experience either reinforces the positive network that existed before it or it caused the consumer to change the previous network and attitude. The major difference between IMC measurement and traditional one-way, linear mass communication program, is that the behavior of the prospect is a vital factor in developing the next wave of IMC programs. The concept of IMC means a long-term synchronization of messages and campaigns.

4. GUIDELINES FOR MEASURING INTEGRATED MARKETING COMMUNICATIONS

The measurement of IMC starts with the actual purchase and moves back the purchase decision until a measurable point is found. Therefore, measurement concepts should be built into the planning process. When developing an IMC plan, the marketer should define the brand contact that is needed. Then he or she should anticipate the result of the brand contact. If the contact is through direct marketing, an actual purchase may be the measurable behavior. If television advertising is in use, then the objective might be a change in attitudes.

4.1. Measurement over time

Traditionally, marketing people measure only a single point in time - when the message is delivered or shortly thereafter. In the context of IMC programs, there is a need to understand how the communication program impacts the consumer's behavior at several points in a period of time. In other words the marketer must know the communication history of the customer in addition to the delivered message.

4.2. Controllable and uncontrollable communications

A basic characteristic of IMC planning is the expansion of the concept of communications. In fact every contact a consumer has with the brand is a form of communication. It includes the design of the packaging; the way the product is displayed in the supermarket, the product placement (BMW Z3 in "Agent 007"), etc. Some forms of communication are under the control of the marketer. Controllable communications are the following: marketer's advertising, marketer's sales promotion, marketer's public relation, marketer's direct marketing, packaging, sales force presentations, events, "hot" telephone numbers, and company customer service.

But many other communication elements exist, and the marketer has little or no control over these elements. The uncontrollable communications are: competitor's advertising, competitor's sales promotion, competitor's public relations, competitor's direct mar-

keting, retailer's signage, retailer's display, media reports, consumer comments, users' experiences, and retailer customer service [5].

The key to a successful integrated marketing communications program knows which communication elements can be controlled and which cannot. So, the basic rule of IMC measurement is that a very broad view of communications must be taken. The marketer must assess which communications are unfavorable or undesirable and which are favorable.

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NEKI ASPEKTI MERENJA INTEGRISANIH MARKETING KOMUNIKACIJA (IMK)

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Autor ukazuje na novi trend u marketingu - kombinovanje različitih oblika komuniciranja, kao što su propaganda, odnosi s javnošću, unapredjenje prodaje, lična prodaja, komunikacija putem interneta. Ovaj koncept integrisanih marketing komunikacija omogućava adekvatno praćenje tendencija u savremenim uslovima poslovanja koje se odnose na primenu internet tehnologije u poslovnim aktivnostima, globalizaciju i značaj imidža marke. U pogledu merenja integrisanih marketing komunikacija autor naglašava da je osnovna razlika ovih komunikacija u odnosu na tradicionalne, u funkcionalno orijentisanim aktivnostima (vezane uglavnom za sredstva masovnih medija). Na kraju se analizira vremenski aspekt merenja integrisanih marketing komunikacija, kao i osnovne karakteristike kontrolabilnih i nekontrolabilnih komunikacija.