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“Best Practice: Integrated Marketing Communications”

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“Best Practice: Integrated Marketing Communications”

By Professor Don Schultz, *Northwestern University*, Dr Emma Macdonald and Dr Paul Baines, *Cranfield School of Management*

Integrated marketing communications can substantially improve target audience reception, message resonance, and positive behavioural response but, to reach its true potential, the process requires a strong focus on data integration/customer insight.

In an era of unprecedented austerity in Western markets, with ad spend dropping or maintaining parity in many countries, and continued strong ad spend growth in developing countries, it is increasingly important that clients get the most of out of their communications budgets. Many companies however spend too much on communications and too little on the associated insight necessary to communicate well. The picture is further coloured by the differential importance of various communication channels. Internet, TV, outdoor, radio, and cinema are all achieving growth in global spending while spending is falling on print ads in newspapers and magazines, but as ever, it’s the local trends that matter. The pattern of spending that works in one country does not always work in another. Integrating marketing communications therefore helps to plan more efficient, less costly, and more effective campaigns. But what does integrating marketing communications really mean?

Over the years since the inception of the concept, Integrated Marketing Communications (IMC) has developed along two basic lines of planning and measurement: coordinating outbound communication and understanding customer IMC consumption.

Coordinating Outbound Communication

IMC, initially developed in the 1980s, was an advertising agency initiative to provide clients with a way of aligning their outbound marketing communications programs. As clients increasingly transferred funds from their traditional media advertising budgets into direct marketing, sales promotion and public relations, areas where the agencies had limited influence, it was to the agency’s benefit to try to develop integrated approaches. The increasing client focus on the brand was another driving force.

Initial agency efforts focused on planning processes, important in the newly emerging account planning field, and on the organization and implementation of all brand communication. Ogilvy & Mather called it ‘Orchestration’, as did the IPA’s recent dataMINE 3 report. Young & Rubicam label it ‘The Whole Egg’ and other agencies developed their own terminology. The primary goal: to create a consistent external communication planning process to be driven by agency planners. A common theme developed around ‘One Sight, One Sound’ to summarize IMC.

This IMC approach focused on alignment and coordination among disparate client functional groups. Measurement quickly became a central issue since all functional communication disciplines had developed their own measurement and evaluation methodologies. Marketing Mix Modeling proved to be the most relevant tool where all outbound communication activities could be evaluated using ROI (Return on Investment) based on sophisticated econometric analyses.

Today, that view of IMC is an attempt to find the optimal communication mix to achieve the greatest organizational returns, i.e., optimization. Leaders in this IMC approach are Ford Motors and their Ford 150 introduction, Coca-Cola and their “Paid, Owned, Earned and Shared” approach and Unilever with their Dove and “Inner Beauty” and Old Spice with “What Your Man Should Smell Like”. All are seminal IMC outbound approaches.

Understanding Consumer IMC Consumption

IMC changed dramatically in the middle 1990s, with the development of the Internet and the World Wide Web. Customer knowledge, gathered through interactivity, challenged the IMC outbound approach. Consumer information access, through online search and customers’ own networks, changed marketing communication from outbound ‘push’ only, to a combination with inbound ‘pull’. Traditional IMC had to be re-thought. The growth of accessible consumer/end user information through data repositories such as loyalty programs, ‘cookies’ on web sites and the like, enabled a totally new view of the consumer. Today, data analytics and cloud computing are critical elements of IMC.

Northwestern University’s IMC Department led much of this change. In 2004, using new data analytic techniques, their faculty proposed evaluating what marketing communications consumers took in, not just what marketers sent out, i.e., media and message consumption. Flipping the communication process around using technology enabled IMC to become a consumption - not a distribution - issue. They also developed a unique communication planning process called SIVA, an acronym for Solutions, Information, Value and Access. S represented the solution customers wanted to the problem they had and that the marketer could solve. I was for Information the customer required. V was for Value the customer would receive and A, Access, where customers wanted to obtain information, not where marketers wanted to distribute it. This ‘customer first’ rather ‘product first’ approach has proven quite popular, particularly with managers. It can be seen today in Apple Stores where the employee focus is on solving customer problems, not on just selling Apple products.

IMC has developed along two lines. One: the original coordination and alignment of the firm’s outbound communication. The second: starting with customers and working backward to determine messages and delivery systems which fit consumer needs. Both work, but, the challenge of integration continues, as it has for the past 20 years.

Getting Better Insight to Support IMC

Best practice integrated marketing communications require co-aligned best practice insight programmes. A key challenge in delivering IMC programmes involving multiple communications channels is obtaining useful insight. This challenge arises from both the difficulty in obtaining insights that align multiple channels, and in responding to this insight in a timely way. Insight is crucial if brands are to succeed in making resource allocations across communications, and in integrating their outbound and inbound communications to achieve a ‘customer first’ approach. Insight is needed not only to understand the impacts of directly controlled communications – such as TV, press and online advertising – but also brand-related communications that are not controlled by the firm, such as those from the retail channel, through product/service usage, and through customer word-of-mouth (WOM) and word-of-mouse.

Many sources of customer data are available to the marketing manager today, but, most of these do not capture the full range of brand communications. Traditionally the survey has been used to collect brand health metrics, but it is difficult to capture all stages of the customer journey using this method. Furthermore survey data is subject to forgetting because respondents are asked to recall past experiences with the brand. Ethnographic techniques (such as observing or shadowing consumers) are the traditional methods of choice for understanding holistic experience, but these are limited by time and cost involved. Information technology enables other insight techniques including transactional data analysis (such as, scanner data and loyalty programmes) and clickstream data. Each of these methods has its place, enabling examination of different parts of the customer journey (such as the in-store experience and online). But none address the challenge with which we began: providing a quantified overview of the holistic customer experience to inform resource allocation.

A promising new method of understanding the holistic brand experience is provided by real time experience tracking (RET), such as that pioneered by UK research agency, MESH Planning. In this approach, a panel of consumers is recruited to participate in a study for a period of 1 to 4 weeks. During the study they complete brief 4-digit micro-surveys via their mobile phone handset whenever they come across one of a set of competing brands. The participants' responses are displayed back to them in an online diary where they can interact with their data, comment and upload photos. Using this method, insight is collected about all forms of brand communications (including mass communications, WOM, point-of-sale, brand usage – even purchase), in real-time as the participant encounters them. In combination with brand health measures, this method provides a richer, more holistic view of the customer experience, enabling a better understanding of inbound and outbound communications. Another promising approach uses micro-blogging data (i.e. Twitter) – such as the qualimetrics approach by Spectrum Insight – to understand what consumers are saying to each other about a brand. This data is then modelled against behavioural data to develop a predictive model of how communications drive sales. While this method does not capture an individual journey and therefore cannot tease out sequencing issues, it can be an effective complement to RET in understanding communications content.

Integrating marketing communications is about much more than simply aligning communications so that they are similar across channels, it's also about integrating customer insight from the 'customer first' perspective. If we understand first what drives customers' behavioural responses, we can design much more appropriate communications to persuade and influence them.

FURTHER READING ON WARC.COM

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