

# The emergence of integrated marketing communications



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IMC is considered to be beneficial in many ways and yet many organizations seem to be only implementing IMC at the lower levels of the theoretical models. Identify and discuss reasons why this is the case. Use at least two companies as examples to illustrate your points.

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Introduction:

The emergence of integrated marketing communications (IMC) has developed into one of the most significant example of growth and expansion in the marketing discipline (Kitchen, 2003). It has influenced acting and thinking among companies but also state owned companies, authorities and political parties, all facing the realities of rivalry in an open economy(Smith, 1996).

Today, integrated communications has developed into an expansive discipline that links marketing to a number of other grounds, including corporate culture, corporate design, corporate communication and public relations (Van Riel, 1995; Baker and Balmer, 1997; Balmer and Greyser, 2003; Christensen et al., 2008).

IMC has received significant interest in both the practitioner and academic communities, since the beginning. The interest played to IMC is largely a purpose of its strong appeal which makes good sense. It's been more than a decade since the concept was first introduced but however most major businesses have yet to fully apply the ideas contained in the IMC. In fact

Schultz, et. al. (1992) state that recognition of IMC has not been as rapid as they thought.

Despite of instinctive demand, the IMC theory fails to take into account the way most firms are functioned and structured. Many companies that are said to be examples of IMC, fail to support the IMC principles on a company-wide basis. Following inspection of Nike and Proctor & Gamble will disclose that neither of these companies are functionally or structurally integrated public relations and employee communications with their marketing roles. In fact, these two companies being so renowned have always failed to follow the advice of public relations myth. Arthur W. Page(1984) wrote, “ Conduct public relations as if the whole company depends on it.” If IMC is actually to become a theory-in-use (Argyris, Putnam & Smith, 1985; Van DeVen, 1989), the acceptance of IMC and tactical actions to overcome them must be more advanced. Only then can there be widespread implementation of IMC by companies.

### **Key to success for implementation of IMC**

IMC is a theory that must be implemented logically and simultaneously at all levels and functions of a corporation. Marketing functions and Public relations are not the only programs that are integrated which makes the company an example of IMC (Low, 2000).

The key tip is to be careful of companies with strong marketing cultures, because topics like corporate reputation will take a back seat to the provincialism of brand management (Pettegrew, 2000). Functional and Structural issues must become a critical part of any effective IMC series. Of

particular importance is beginning with a communication czar who will become the principles and evangelist of the IMC implementation attempt (Reid, 2005). Any IMC program must be personalized to the unique character of a particular organizational culture. For an IMC program to work successfully, it must reflect the distinctive culture in which it must function well.

## **IMC UNDERWHELMING SUCCESS**

A study by Duncan(1991), revealed that nearly a decade ago, almost 60% of corporate marketing managers were familiar with the term IMC. Hamel (1997) reports a more recent MCI/Gallup survey of American corporate CEOs revealing that fewer than one-in-three (31%) believe success is attributable to better execution of communication functions. A large percentage of CEOs said that success in business today is more a function of newcomers who have changed the rules of the game. Possibly most telling is the fact that many corporations cited as examples in IMC literature turn out to have fairly narrow marketing communication programs that, on closer study, may not represent IMC well at all.

## **NIKE – THE QUINTESSENTIAL MARKETING COMPANY**

Nike- the athletic footwear and attire manufacturer, has been cited as an example of IMC excellence and marketing. In a cover story from Fortune, (Hamel, 1997) states: “ Ask Nike- CEO Phil Knight what he likes to do best, and he does not falter a beat, he likes to break things....” then in the 1980s, he turned his booming athletic shoe corporation into a marketing machine, saturating the airwaves with drastic commercials that highlighted emotion

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rather than the product.” Schultz, et. al. (1992) publicized Nike’s success in their IMC book: “ The thinking behind IMC is that every statement – logo, price, promotion, label, distribution should be created to help convince the intention of the competitive advantage.” Duncan and Caywood (1996) also include Nike among several companies that have been tremendously successful and based on observation, they are doing brilliant jobs of integrating their communication labors.

Nike’s breaking the marketing rules of the athletic footwear business which has come at a cost paid by its worldwide company reputation. Given these setbacks, one could argue that Phil Knight’s tactical wisdom for Nike is more alike to original advertising and horizontal integration than true IMC. There is a little proof that Nike’s victory was achieved by the tactical management of all messages and media used by an organization to jointly influence its perceived brand value (Keegan, Moriarty & Duncan, 1992).

There are missteps that suggest Nike’s marketing communications which may not be so ideal. For example, in 1997, Nike followed its patently bold and brash “ in your face” marketing formula in an attempt to gain market share in an international soccer (Thurow, 1997). In Spain, an overwhelmingly Catholic nation, Nike introduced a commercial of Satan and his demons playing against a team of Nike endorsers. Spain refused to allow the commercial to air during primetime. Nike also placed an advertisement in Soccer American magazine saying: “ Europe, Asia and Latin America: Barricade your stadiums. Hide your trophies. Invest in some deodorant, as Asia and Latin America have been crushed. So will Europe. The world has been warned” (Thurow, 1997). And finally, Nike ran an ad on British TV <https://assignbuster.com/the-emergence-of-integrated-marketing-communications/>

featuring a controversial French soccer player who detailed how spitting at a fan and insulting his coach had won him a Nike contract. Far from having an insight into the soccer market from the customer's point of view and gaining ground against rival Adidas, Nike garnered a scathing editorial in the International Federation of Football (soccer) Associations' newsletter.

Another recent evidence that says Nike is hardly the quintessential IMC company. Nike groped and allowed accusations of child-labor sweatshops in Asia that subcontract the manufacturing of Nike shoes to fester. In 1999, a team of journalists went to document the conditions for themselves, but Nike shut the factories. Prior to this series of incidents, widely published news stories detailed incidents in which poor children in the inner-city were robbing, stealing and seriously injuring peers to obtain expensive Nike shoes such as Air Jordan's. Publicly Nike ignored these charges for years.

Considering these two incidents, there was a genuine public relation crisis where any company engaged in lawful IMC could have anticipated before it became a crisis. Instead, Nike just kept on marketing until crisis overwhelmed it.

Nike's power as an IMC exemplar is, at best, overstated. Harris (1998) contends: " That master marketer of our times, Phil Knight, likes to point out that while an ad page in Sports Illustrated costs \$150, 000, no amount of money can buy the front cover where swoosh-bearing athletes appear with great frequency. The omnipresent swoosh has a 90 percent-plus awareness among consumers, enabling it to stand alone." Many seasoned public relations professionals are quick to admit that companies that live by extraordinary market exposure can also die by the same token. In a recent <https://assignbuster.com/the-emergence-of-integrated-marketing-communications/>

effort to distance itself from its public relations problems, Nike first tried to eliminate its swoosh from its marketing campaigns and replace it with a “kinder-friendlier” marketing approach that emphasizes fair labor practices, the global community and environment.

## **PROCTER & GAMBLE- THE WORLDS GREATEST CONSUMER PRODUCTS COMPANY**

Procter & Gamble is considered by academic scholars to be a world-class marketing company. Similar to the Nike brand, Procter & Gamble possesses some of the most identifiable brands in the world including: Tide detergent, Jiff peanut butter, Duncan Hines cake mix Crest toothpaste and Cover Girl cosmetics. It also has dominant market share with many of its leading brands. But is Procter & Gamble an IMC example as explained in the literature (Baldinger, 1996; Harris, 1998)? If starting with stakeholders and speaking to them with one voice across all communication channels is an important principle of IMC, the answer must be a ‘ NO’.

Despite Procter & Gamble’s marketing domination, it has a history of internal and external communication blunders suggestive of Nike. Procter & Gamble publicly misused both the Rely Tampon crisis and accusations that their packaging symbol documented the company’s satanic links. Recently, Procter & Gamble lost face openly and estranged employees when it was exposed that the company had phone-tapped three staffs they had assumed of revealing business information. This was followed by a poor job of dealing with some of the physiological effects of its new replacement, Olestra.

Without bearing in mind the public response, they permitted their scientists to term the discharge of Olestra, “ anal leakage” (Henkoff, 1996), raising a <https://assignbuster.com/the-emergence-of-integrated-marketing-communications/>

further wave of public controversy. Lately Procter & Gamble shot itself in the business reputational base again. The Chief Financial Officer (CFO) proclaimed to the financial media that Procter & Gamble fully estimated to meet its earnings forecast for the end of the quarter. Two weeks later, new CEO Durk Jager was forced to declare to the same media that they had faultily overestimated their quarterly income and that the company would fall considerably short of its quarterly earnings forecast. Over the following week, the company's stock fell sharply as financial markets and shareholders lost faith in the respected company. The Procter & Gamble Board of Directors then after fired Mr. Jager. New CEO A. G. Lafley must now try to recover the market share and end the defections of many of the company's finest and brightest to the hi-tech industry. Despite Harris' (1998) classification to the opposite, these examples show just how far away Procter & Gamble has been working from the necessary IMC state of speaking to all stakeholders with one voice (Schultz, et. Al., 1992).

## **THE PROBLEM WITH IMPLEMENTING AT THE HIGHER LEVEL OF MANAGEMENT**

In the previous section, we revealed that scholars, in their enthusiasm to make their case, have picked exemplars that are not true practitioners of IMC. While Nike and Procter & Gamble do an outstanding job with the marketing side of marketing communications without incorporating their employee and public relation functions, their company reputations have suffered. IMC theory has given short shrift to the organizational barriers that often avoid companies from implementing IMC effectively. As seen, in about 100 articles and books about IMC, less than three essays address



educational and structural practical obstacles, and one supply focuses completely on organizational barriers from the communications agency viewpoint. In the few essays that do address organizational barriers to IMC, the most important barrier, the need for support of IMC by top-level management, particularly the CEO, is ignored. If IMC scholars are to address the criticism posed in the title of this article, "If IMC is so good, why isn't it being implemented more by corporate America?" the issue of "CEO support" for IMC must be placed on the theoretical front burner.

## ORGANIZATIONAL BARRIERS

I have argued that two companies, Nike and Procter & Gamble, touted by IMC scholars to be exemplars, fall far short of the IMC ideal. Neither company has comprehensively or effectively integrated its many communications functions seamlessly or spoken to their stakeholders with one voice. Both companies are very strong in marketing, but remain weak in public relations, employee communications, or both. The question remains, how do great companies like these miss the IMC mark? The answer to this important question lies, to a great extent, in their respective organizational structures. Both Nike and Procter & Gamble are marketing organizations, organized around product marketing.

Procter & Gamble exemplifies a "brand management" organization where both line and staff functions are situated within a company's various products or brands. While Procter & Gamble's organizational structure has evolved over the years, staff communication functions such as public relations and employee communications are organized around and directly

support each brand or group of brands. Brands receive the greatest resources and exert huge internal influence. Beginning in June, 1999, Procter & Gamble undertook a new organizational initiative that created a unit called “ Global Business Services” providing a centralized staff support service across all of its Global Business Units (GBUs). Prior to this initiative, each brand unit had its own communications staff functions with little company-wide centralization and control. While Nike uses another form of organization, its structure and functions still emphasize marketing its products and services. CEO Phillip Knight is Nike’s marketing chief and, until its recent reputational woes, exemplified its bold and brash approach to the market (Thurow, 1997). Below the CEO level are business units that include athletic footwear, watches and eyewear, clothing, out-door and auto racing clothing and equipment, upscale dress shoes (Cole Haan), special events and sponsorships. Most marketing decisions are made by the heads of these business units without the kind of collaboration and central planning required by IMC. Staff communication functions such as investor relations, public affairs and human resources have traditionally played support roles.

## CONCLUSION

The concept of IMC is a good one but it only exists at lower level management and not the higher level management and reasons for it are very clearly stated in the passage above.