

The internal stakeholders refer to the employees

Business



The current business environment is characterized by a considerable level of competitive rivalry and as a result businesses have to constantly reengineer their internal operations in order to build and maintain a competitive advantage.

In this respect, a business organization has three strategies at its disposal: differentiation, cost minimization and focus. However the effectiveness of these strategies depends on effective communications between the internal stakeholders and the external stakeholders.

The internal stakeholders refer to the employees and the top management while the external stakeholders are the channel members such as the customers, the distribution intermediaries and the suppliers. The top management in a business organization has to coordinate between the different stakeholder groups in order to maximize operational efficiency.

This is particularly relevant in the case of international business which is characterized by differing customer tastes and preferences across political boundaries. As a result, integrated marketing communications are the critical success factors in building and maintaining a competitive advantage.

A business organization has three strategies at its disposal: differentiation, cost minimization and focus (cited in Chanaron & Jolly, 1999).

In order to make these strategies effective, the management of a business organization has to conduct marketing programs on a periodic basis so that customer tastes and preferences can be tracked. For this reason, marketing is essential to improving business performance.

In this respect, the high state of competitive rivalry means that achieving sustainability in competitive advantages is no longer simple. For this reason, organizational structures have to be maintained flexible (cited in Culpan, 1989).

This allows the organization to adapt to changing circumstance in the market. However the management must have information about market dynamics in the first place. For this reason marketing metrics must be developed and according to these metrics performance measures must be developed.

Marketing shapes consumer needs and wants through efficient application of the 4Ps of marketing. The four Ps are price, product, place and promotion (cited in Hitt, 2007). Marketing managers can make use of the 4 Ps to manipulate consumer needs and wants because consumers are not always aware of their own needs.

Therefore it is left to the marketing manager to determine what needs are hidden and then to develop the products that would satisfy those needs (cited in Greenley, 1989). In this manner, the marketing manager creates both fresh needs and wants.

For example, computer users did not know that they needed a graphical user interface until Microsoft introduced the concept (cited in Kotler & Armstrong, 2005). In this case the need was user-friendliness in operating computer applications. By identifying this need, Microsoft created Windows which created the consumer want. Consumers wanted Windows to satisfy their need for user-friendly computing experience.

This example serves to illustrate that the marketing manager can certainly shape consumer needs and wants. He can do so by collecting information about the market and by forecasting future market demands based on this information.

Collecting information about the market takes place through market research. This information enables the marketing manager to conduct market segmentation effectively. Market segmentation facilitates target marketing.

The marketing manager shapes consumer needs and wants through the process of target marketing. The four Ps serve as the tools with which to conduct target marketing. In Microsoft's example, the product was given the features of a graphical user interface in order to enhance user-friendliness of the product.

The pricing method followed was the value-in-use pricing. Considerable expenditures were made in promotion in order to illustrate to the consumers how they could benefit from using the product.

Finally, place was attended to in the form of product bundling in which IBM personal computers were packaged with a version of Windows, thus facilitating product availability. The strategy at the heart of Windows' campaign was product differentiation and through this strategy Microsoft shaped the needs and wants of the IT market.

The marketing manager has to monitor the stage of the product lifecycle. He has to maintain the product in the growth stage because either in the

maturity or the decline stage, the product will have to be discontinued (cited in Dess, 2007).

However the threat of competitive rivalry means that the marketing manager will have to constantly introduce new features into the product in order to maintain it in the growth stage. In this respect, the marketing manager is shaping consumer needs and wants by differentiating product features in line with his reading of unstated needs in the market. However with effective market research, the market manager can also create wants unaccompanied by any needs.

This is the phenomenon of consumerism which leads to purchases for the purpose of personal satisfaction and not to satisfy any actual needs (cited in Martin, 1985). Consumerism is an example of the way in which marketing shapes consumer needs and wants.

Because of the high state of competitive rivalry, businesses must conduct the continuous improvement program. This means that managing change on a continuous basis becomes a critical success factor (cited in Zineldin, 2000).

However, as mentioned before, the challenge in making change work is to maintain alignment with the strategic focus of the company. This alignment cannot be maintained unless employees are involved in the process.

Most change management projects fail because of employee resistance (cited in Aaker, 2004). Employees are unwilling to give up traditional practices in which they had built up a considerable level of experience and expertise.

For this reason the top management must involve the employees when it comes to implementing change. However involvement of the employees must depend on external market conditions which will set the direction of change. In other words, the perspectives of learning and growth and internal business processes must be aligned to the customer perspective (cited in Bank, 1993). This illustrates the importance of marketing to the rest of the organization.

Because of the fast change in the current business environment, businesses can no longer continue to conduct their operations as before. For this reason they need a forward-looking performance management system which creates an evolving framework of metrics for performance measurement. That is why the balanced scorecard is valuable management tool.

However the effectiveness of this tool can only be maintained with marketing because marketing enables the management to assess the future direction of demand patterns according to which internal processes can be reengineered. Even though employees are the most important assets of an organization, they are only relevant to the extent that they are able to satisfy market needs. So marketing is critical to improving business performance.

As mentioned before, the current business environment is characterized by a considerable level of competitive rivalry. This means that businesses have to constantly reengineer their internal operations in order to build and maintain a competitive advantage (cited in Grover & Kettinger, 2008). Therefore the process of managing change becomes a critical success factor.

When it comes to managing change involving a techno-structural intervention, the strategic alignment process becomes relevant. This alignment process takes place between four areas: IT strategy, business strategy, organizational issues and information systems issues (cited in Stair & Reynolds, 2007). IT strategy is the process of selecting the best software and hardware platform while business strategy refers to the financing strategy.

Organizational issues refer to the employees' skills sets while the information systems issues refer to the knowledge management system. In this respect, the alignment process cannot be achieved effectively unless there is an efficient and effective communications structure.

Employees are the most important assets of an organization and therefore the top management has to focus on creating the best possible working conditions (cited in Armstrong, 2005). In this respect, the critical consideration is to create an efficient and effective performance management system. This is so because the strategic focus of an organization should be to align employee interests to organizational interests.

Therefore the management has to build a communications structure which will indicate to the employees as to which behavioral aspects are desired by the top management. In this respect, the learning contract becomes relevant. The learning contract is a document which specifies the activities that will be taken in order to attain a learning goal.

The learning contract is an example of integrated marketing communications because it represents an agreement between different stakeholder groups such as the employees, their immediate managers and the external stakeholders (cited in Ross & Perry, 2002). The advantage of this learning process is that the learning goals are aligned to the strategic focus of the organization.

Organizations in the current business environment have to maintain a continuous improvement program. As mentioned before, this refers to the process of managing change.

However when it comes to managing change, integrated marketing communications become more important than ever because employee resistance is the main reason behind the failures of most change management projects (cited in Hoyle, 2007).

Therefore the most important aspect when it comes to managing change is that the top management has to stay in constant communications with the employees in order to promote the cause of change. In this respect, the management must determine how the change is aligned to enhancing the strategic focus of the company.

Once this alignment has been facilitated, the management can communicate with the employees to promote the potential of higher productivity as a result of the change. The main reason behind employee resistance to change is that the employees will have to learn new ways of conducting the operational processes.

Integrated marketing communications are critical when it comes to building a culture based on ownership, responsibility and accountability (cited in Besterfield, 2002). As mentioned before, organizations have the three strategies of differentiation, cost minimization and focus.

The problem with implementing these three strategies is that they create competitive advantages that are not sustainable. As mentioned before, the current business environment is characterized by a fast pace of change driven by both technological sophistication and managerial developments. Therefore achieving sustainability is the critical success factor (cited in Shannon, 1999).

However that objective cannot be met with the aforementioned three strategies because the competitor organizations can copy these strategies quickly in order to create similar operational improvements and thus the competitive advantage is gone quickly.

As a result, the management must create an organizational structure which can be the source of a sustainable competitive advantage (cited in Higgins, 1972).

This organizational structure is based on a specific cultural orientation which can be built through integrated marketing communications.

Integrated marketing communications are critical to building a culture based on innovation and learning. In order to maintain innovations, the management of the company has to conduct training and development programs on a periodic basis.

However the problem with formal training and development programs is that they cannot anticipate all the issues that are likely to arise in the actual business environment. An additional problem is to create a framework which can assess the return on investment in these training and development programs.

These problems are avoided with the learning contracts. This is because in the learning contract the learning outcomes are individually negotiated between the learner and the teacher.

Therefore the learning outcomes are directly tied to the strategic focus of the organization. In this respect the learner, the employee, is in the best position to determine the training needs while the teacher, the manager, is in the best position to determine whether these needs can be aligned to the strategic focus of the organization.

Integrated marketing communications also involve external channel members. This can be illustrated with the case of Dell Inc (cited in Leseure & Brookes, 2004). The computer hardware manufacturer implements the e-commerce business model.

This facilitates the direct distribution model which enables the company to eliminate distribution intermediaries from the value chain. In this manner, the company has managed to implement the cost minimization strategy effectively. However in order to maintain this effectiveness, the company has to coordinate closely with the suppliers in order to ensure that the needed components are delivered timely to the factory floor.

In this respect, the integrated marketing communications take place in the form of information sharing. The information sharing network enables the company to share demand forecasts with the suppliers so that they can maintain their own inventory accordingly (cited in Fred, 2006).

Implementing this system has enabled Dell to achieve the highest level of inventory turnover in the industry. The success that Dell has had in creating a market leadership position would not have been possible without integrated marketing communications.

Integrated marketing communications become even more important when it comes to international business. When it comes to globalizing operations, a business organization has three strategies at its disposal: acquisitions, joint ventures and Greenfield projects.

Depending on the level of cultural differentiation, the international business can select one of these strategies when it comes to globalization. However those companies which focus on maintaining a particular cultural orientation adopt the strategy of Greenfield projects because it allows them to recreate the same organizational structure as there is in the home country.

In this respect delegation of authority becomes a critical consideration because companies must customize their strategies to align with the local cultural attributes. In this respect, the issues of standardization and customization become important. However in order to address these issues effectively, integrated marketing communications become critical. In this respect, the management must communicate with different stakeholders.

For both public and private sector organizations, adopting the strategy of integrated marketing communications is a vital component of improving operational effectiveness in terms of maximizing the value of each dollar spent. According to the traditional framework, different marketing activities are conducted in separate silos.

However there is no need to maintain separate silos as the different marketing programs are communicating with the same target market (cited in Raffee & Kreutzer, 1989). Therefore the result is duplication of efforts and the waste of resources.

In order to make the communications process effective, the separate silos have to conduct market research activities. As a result the activities are being duplicated across the organization. In this framework, the strategy of spending is not in alignment with the strategic focus of the organization.

In order to create this alignment, the management in both public and private sector organizations must conduct integrated marketing communications. This means that different departments across the organization are coordinating their marketing efforts and therefore expenditures are not being duplicated

In conducting integrated marketing communications, the process of internal benchmarking becomes effective (cited in Chandra, 1993).

According to the process of internal benchmarking, the different departments within an organization compare internal processes to identify those which are producing the best results. In this respect, a database of

best practices is developed and these best practices are implemented throughout the organization, thus organizational effectiveness is maximized.

The process is relevant when it comes to conducting integrated marketing communications. In this respect, different departments can compare their success rates in terms of communicating with the public via different promotional media and thus consolidate the operations in terms of focusing only on those media which have been producing the best results.

This maximizes operational effectiveness not only in terms of minimizing costs but also in terms of maximizing the effectiveness of promotional messages that are sent to the target market.

In order to make the process of integrated marketing communications effective, the management has to conduct market research in order to facilitate the process of market segmentation (cited in Omachonu & Ross, 2004). The process of market segmentation enables a business organization to determine the stakeholders in terms of their demographics and psychographics so that specific needs can be addressed in the communications process.

However as the case of Dell Inc. illustrates, the advent of the Internet has changed the communications process fundamentally. The advent of the Internet means that the consumers are inundated with information. Therefore both private and public sector organizations have to work harder in order to grip the consumers' minds.

In addressing this difficulty, integrated marketing communications are the critical success factors. This is because the modern business organization

has a knowledge management system which maintains information on the different promotional media that are being applied. Integrated marketing communications enable the management to capitalize on this knowledge management system.

In order to maximize the effectiveness of integrated marketing communications, both private and public sector organizations have to develop unique positioning strategies. This means identifying the needs of the target market because an effective positioning strategy must address these needs. However because the consumers are inundated with information from all kinds of media, it is difficult for an organization to get their attention.

Therefore the organization must broadcast its message in such a manner that it will grab the audience's attention immediately. This objective can only be met through integrated marketing communications because under this framework, the different departments are coordinating their activities so that a variety of promotional strategies can be synergistically combined (cited in George & Weimerskirch, 1998).

This maximizes the efficiency of the communications process. Therefore the process has to start with identifying the needs of the audience. Once these needs have been identified, the management can create an effective positioning strategy (cited in Goetsch & Davis, 2003).

The effectiveness of integrated marketing communications lies in the fact that consumers are indifferent as to which source of information the message is coming from. They certainly do not discriminate between

different promotional media. Yet it is only through broadcasting through different promotional media that a private or a public sector organization can get the message across to its audience (cited in Pearlson & Saunders, 2007).

Therefore the different departments in an organization must coordinate in order to send a consistent message using different promotional media. Therefore the process of integrated marketing communications also ensures that a consistent message is delivered to the audience.

This strengthens the positioning strategy of the company. This is a critical consideration in the current business environment which is characterized by a considerable level of competitive rivalry which drowns the market in information in the form of promotional campaigns. This creates a challenge for public sector organizations which must engineer an integrated marketing communication process to cut through the static

For both private and public sector organizations, marketing communications are the vitals tools of ensuring the viability of their operations. This has been long recognized. Therefore all organizations are conducting the communications process in one form or another. However particularly in public sector organizations the communications process is highly fragmented across different departments.

As a result, the same organization may be transmitting different messages to its target audience. These inconsistencies can be eliminated through the integrated marketing communications process which is essentially a process of addressing the needs of the stakeholders by targeting them with the same

message across a number of different promotional media. Therefore the process has to be driven by the needs of the audience.

Depending on the needs and the segmentation characteristics of the audience, the private or public sector organization has to develop the message and select the right promotional media.

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