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The Executor of
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Manager's Working
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The Executor of Integrated Marketing Communications Strategy: Marcom Manager's Working Model

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ISSN 2191-5482 ISSN 2191-5490 (electronic)
ISBN 978-3-642-38090-7 ISBN 978-3-642-38091-4 (eBook)
DOI 10.1007/978-3-642-38091-4
Springer Heidelberg New York Dordrecht London

Library of Congress Control Number: 2013938175

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Introduction

By collating with the development history of marketing theory in the past few decades, we can find that the marketing concept has undergone an evolution from consumer marketing (1950s), industrial marketing (1960s), non-profit and social marketing (1970s), service and relationship marketing (1980s), integrated marketing (1990s).

Along with the progress of the society, the development of science and technology, especially the development of information and communication technology, the environment of business operation has undergone great changes. Enterprises that just pursue profit maximization are no longer welcomed. If enterprises wish for sustainable development, they must establish and maintain a good long-term relationship with the stakeholders. Therefore, improving the level of comprehension and sense of trust from the stakeholder is strongly suggested to be an important activity in its daily operation. In other words, along with Customer Relationship Management (CRM), Supply Chain Management (SCM), Enterprise Resource Planning (ERP), and other tools applied in management practices, communication effect in marketing practices becomes more and more apparent and interactive communication between enterprises and consumers will become the key to gain the competitive advantage. In such a market where all products are homogeneous, marketing channels are identical and prices are not much of a difference, with the increasing competition in the market, how to achieve the synergy effect of the activities from interest-related branches and stakeholders, to build a harmonious relationship between enterprises and the stakeholders, to increase brand value, has become a new subject in the study of marketing theory. Therefore, integrated marketing communications (IMC), the new management paradigm emerged as required in such a background and it revised Jerome McCarthy's 4Ps (Production, Price, Place, Promotion) and Robert F. Lauterborn's 4Cs theory. IMC theory satisfied the requirement of the complicated and changing market today and it may be proclaimed that the age of the "Communication Synergy" is coming. Therefore, Don E. Schultz believed that marketing is an interactive communication between enterprises and their customers. In another word, marketing is communication itself, communication is also marketing, communication can create a high level of brand loyalty, and continuously growing profits.

In practice, the application of IMC has risen to a strategic level and been widely used in all stakeholder interactive relationship management. Nowadays, IMC activity has become a wholly new topic in enterprises as well as enterprises system. In the practice of IMC, each media tool has its own advantage, different departments and brands also apply these tools differently, thus Enterprises need to integrate all communication activities in a strategy perspective. This is the very work that any traditional function cannot cope with. Therefore, Don E. Schultz proposed to create a communication “Czar” in order to overcome the IMC’s “non-integrated” obstacle: to set up an IMC Strategic Planning Manager, the Marcom manager. In enterprises, a Marcom manager is a communication agent as well as an IMC strategic planner and manager in the new era, who manages all enterprises communication activities across all functional departments to achieve the strategy objectives.

The Marcom Manager is composed of words of market communication and manager, in a company, is a new company position whose key responsibility is to focus on communication and he integrates operation, marketing, and communication into one whole work. Marcom Manager manages enterprises communication activities centrally, design integrated communication strategies, and he is able to work well with the media to produce bigger effect, namely “ $1 + 1 > 2$ ”. If marketing, public relation, sales promotion, and other enterprises media tools are the defenders, forwarders, and strikers on a basketball field, then Marcom manager will be equivalent to the team’s coach, who brings out the “team-combat” capability through good understanding and organization. Therefore, the role of a Marcom manager in a company is no longer just a general media professional but has risen to a media strategic manager level.

Marcom Manager is a new term, yet it plays importantly in enterprises IMC practice. However, tracking all the research results in the world, there are still not the systematic exposition and design to guide enterprises IMC practice. In such background, this book was born. It discourses and analyzes systematically the Marcom manager’s working model in three parts: concept’s introduction, organization planning, and specific implementation.

This book is composed of three chapters, introduction, organization, and execution. The introduction mainly reviews and introduces the development history, main ideas, and research trend of the IMC strategic theory; conducts a systematic analysis on the objects of IMC strategy, the stakeholders, and finally provides a comprehensive definition of the Marcom manager based on the introduction background and organizational positioning and other aspects; the organization chapter mainly inquires into the implementation of the IMC strategy, i.e., how to create an IMC organizational structure method, to construct a Marcom manager’s working platform. The execution chapter mainly inquires into how to create a working model for the Marcom manager. The author analyzes the theme in both integration perspective and communication perspective, meaning to integrate marketing resources, stakeholders’ expectations, and the knowledge of the integrated marketing manager, meanwhile, through certain communication methods and communication strategies to build an Marcom manager’s working model, including team-building, code of conduct, strategy process, etc.

Through hard working, the main research results are presented, listed as below:

First, the book systemically introduces the outstanding international research achievements; meanwhile, combined with the current IMC strategy practice in China, the basic theory elements of IMC are summarized, and based on the above, the executor of IMC strategy, the Marcom manager is defined.

Second, the book proposes IMC organizational structure designing principles and general route, and based on the pertinent different characteristics between different organizations, it designs different IMC organizational structure models, such as linear IMC organizational structure model, virtual network IMC organizational structure model, centralized power IMC organizational structure model, and IMC special small working group organizational structure model that concentrates on individual stakeholders, and external IMC organizational structure model etc.

Third, it breaks integrated marketing communication down, exploring in integration perspective and communication perspective to construct a Marcom Manager's working model, which is extremely persuasive and is also the very innovation point of this book, as usually the best model restrict in the core of the problem to diverging, developing, and designing directly. The discussion in integration perspective and communication perspective in this book is still exploratory and there is still incompleteness that requires further study.

As a monograph in the integrated marketing communication field, this book covers all research results from inside and outside the country, striving to reach for both theory perspicacity and applicability. In details, this book has the following characteristics:

First, perspicacity, this book is a conclusion and advanced research of a sectional achievement of the Program the Marcom Manager's working model research, sponsored by Department of Humanities and Social Sciences, Education Ministry of China. IMC strategy is the hope-to-be for big companies toward success in the new century. The book is standing on the frontier, through the basics of outstanding domestic and international achievements, combines with the current practice of IMC strategy, and has done some exploratory research and exposition.

Second, practicality, the idea of this book is originated from the actual practice of company IMC strategies, interlocks from concept introduction, organizational structure design to the specific implementation. Moreover, the Marcom manager working model, set up in the book takes sufficient consideration to definition of the company survival niche and to the correspondence of IMC strategy and organizational objectives; meanwhile, it bring brings two work fields of integration and communication into the IMC strategy to achieve kind of appropriate balance so that the working model becomes a constant optimization of closed strategy circulation.

Third, integration, this book combines the IMC theory with advanced marketing concepts like internal marketing, external marketing, relationship marketing, direct marketing as well as the zero-base budget and other financial concepts, supplemented by the introduction of advanced world theories. In a word, the book integrated kinds of theories and knowledge very well.

This book is suitable for teaching and science research work of economic management colleges and comprehensive universities in purposes; meanwhile, it can

be used for the majority of practitioners to take a decision for reference. Although the author provided a detailed outline, and made a great effort in writing the book, given the author's limited knowledge and the continuous development of IMC theory and practice, it is hard for the book to cover everything, there are still a lot of things to be further looked into and perfected. This book might also have some incorrect points in its study and enunciation, please do not hesitate to criticize and correct.

Part I
Introduction

Chapter 1

Theory of IMC Strategy

Highly competitive commercial environment eventually led to three phenomena: change in information dissemination methods, change in marketing managers' attitude and cost considerations on company information transmission. Simply speaking, the change in contact point communication method was due to the fact that the information receivers attend to select what they received, because of commercial information expansion and lower and lower communication affectivity. Therefore we should strengthen the consumer attention and acceptance to the brand, and simple branding ideas are far from enough. Only when the company can shape the true images of products and services identify the right goods for the consumers, the true meaning of business or service and the understanding of the relationship between the brands, can the company truly stand on consumer's standpoint and develop an interactive communication plan. Thus the integrated marketing concepts emerged in this background.

Integrated marketing communications (IMC) theory has more than 20-year development history and its theoretical connotation has also been continuously enriched and perfected. This chapter is focused on the theory background and theoretical connotation and essence to highlight the innovation and advancement characteristics of the integrated marketing communications theory.

1.1 The Background and the Pretical Origin of IMC Theory

1.1.1 *The Background of IMC Theory*

Robert L. Dilenschneider (1991) believed that the market environment factors are the driving factors for the emergence of IMC theory, from the two perspectives, inside and outside, Thomas Duncan (2002) had concluded that the external driving factors to the emergence of IMC consist of the increasingly complex relationships

between the advertisers and the retailers, cost increase from traditional advertising media while company performance is declining, fierce global competition, the use of the database to reduce the production cost, media segmentation and other factors. More changes could be seen. The new technologies such as Unit Production Cost (UPC), Point of Sale (POS) system, the emergence and application of product database; the information flow being slowly shifted to the distribution channel (or commonly known as retailers); the increasing globalization of brand and competition, the differentiation between the mass market and media, the sustainable cut of advertising budget. With the growing tendency of market segmentation, the consumer demands are getting more and more diverse and dynamic, which is driven by the change in information dissemination method, cost and shortened product life cycle, the new media derived from science and technology makes media choices more diversified and the audience customization phenomenon also became more and more obvious. Duncan supplemented Dilenschneider's point of view, and pointed out that the information and communication technology applications contribute to other environmental factors to the emergence of IMC, see Table 1.1.

Companies need to effectively communicate with customers, and improve the marketing efficiency, on premise of considering costs. Moreover, with the increasing environmental protection, society supervision on company's conducts and sudden eruption of company crisis, company have begun to pay attention to the influence from stakeholders and interest group, because, only with the establishment of good relationships with the government, media, public relations, can the company achieve a long-term development. Overall, the emergence of IMC is affected by the following factors:

- First, the marketing competition getting more intense and complicated, the traditional marketing methods have lost their original effectiveness;
- Second, the application and development of the new media offered new choices and also company is required to reduce the cost of media use and improve the marketing communication efficiency;

Table 1.1 The Market Environment While IMC Emerging

Scholars	IMC strategy causes
Dilenschneider (1991)	<ul style="list-style-type: none"> • the emergence of market customization • product diversification, fierce competition • information overloaded and overflow • the tendency of media segmentation • the decline of credibility and influence from media information
Duncan (1992)	<ul style="list-style-type: none"> • the cost of using database has decreased • the cost of using mass media has increased • global marketing has become a trend • the pressure on low cost limit has increased • the level of customer marketing specialization has increased • marketing agencies have been taking over each other • the era of hypermarkets has come

Source Duncan (1993)

Third, the customer's power getting stronger, their demands becoming more dynamic, the company must develop marketing strategies from the customers' point of views; Fourth, the stakeholders' influence over the company getting stronger, achieving a win-win relationship between company and its stakeholders has become a new objective;

Fifth, the information and communication technology (ICT) has improved the corporate information processing capability, which made adjusting the company marketing strategy possible on the schedule.

1.1.2 The Theoretical Origin of IMC Theory

1.1.2.1 The Trend of Marketing Factor Mix

In 1954, Neil Borden proposed the "marketing mix" concept, which means that a single marketing factor cannot achieve the marketing goal, but must carry out in the marketing mix. While Jerome McCarthy proposed the 4Ps (Product, Price, Place, Promotion) of marketing mix theory, which has a profound impact on marketing theory and practice and is worshiped as the classic of marketing theory by the marketing manager. It is primarily the marketing mix that focuses on the product itself, relies on R&D, pricing strategy, market positioning, channel strategy, advertising/personnel selling and other tools. In the 1970's, due to the economic crisis, the Boston Consulting Group had raised that company should not treat all of its business functions equally, and should be based on the overall objectives of the company itself instead. Different business relationships and market share growth would decide what business needs to be established, and what business needs to be retained. This is the so-called "BCG Grid". During this stage the market competition level was low, so as long as the company has an effective planning and implementation in addition to the 4Ps variables, it would be able to achieve marketing objectives, and therefore, marketing stopped at the static level.

With the rapid development of information and communication technology and the increasingly fierce competition in the market, network marketing, one-to-one marketing, relationship marketing, telephone marketing, marketing communication and other marketing tools have emerged. The aggravation of the market competition, the high level of product homogenization, the individual variables or application methods have been unable to integrate the independent strength, and unable to satisfy the consumer demand; with energy crisis and environmental protection consciousness arising, public relations have been applied widely.

Kotler and Mindak (1978) proposed the five different functions of marketing and public relations: (1) separate but equal function; (2) equal but overlapping function; (3) marketing as the dominant function; (4) public relations as the dominant function; (5) marketing and public relations as the same function. They elaborated the five possible relationships between marketing and communication, but did not provide any standards to select from these functions. Details are shown in Fig. 1.1.

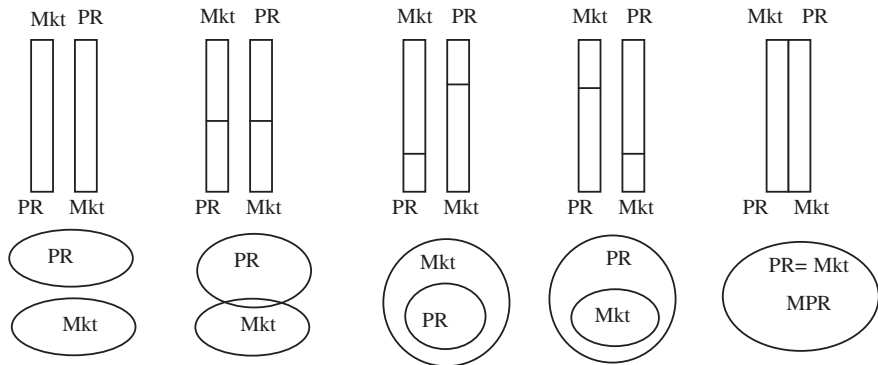


Fig. 1.1 The relationship between marketing and public relations. *Source* Kotler and Mindak (1978)

Company with limited capital and human resources are facing with the efficient allocation and utilization of marketing resources to achieve the best state to formulate the overall business marketing strategy.

1.1.2.2 The New Role of Marketing Communication

Customer relationship management and the need of customer value made customer communication more valuable, and the marketing communications, a new concept in marketing management area has attached great interest to the theoretical and the practical fields. Marketing communication has become an important channel for the company to deliver value to the customers, and played a more important role in the customer relationship management. According to Duncan and Everett (1993), although marketing communications have been used for several years as an umbrella term to refer to the various communications functions used by marketing, the strategic integration of these functional areas is what makes IMC a new approach to reaching consumers and other stakeholders. The theory of an IMC program is that it has one basic communications strategy for each major target audience. This strategy is used as the basis for executing each communications function (advertising, PR, sales promotion, etc.) throughout a variety of communications channels. Beside of these activities, modern marketing communication should also include a variety of interactive communication methods like database marketing. In the concept of transaction marketing, corporate marketing communication is one-way communication, and the purpose of corporate communication lies in the creation of consumer perception, sale promotion, etc. While in the relationship marketing paradigm, through creating two-way communication between the company and the customers, marketing communication means to understand the needs of the customers and deliver the company added value to the customers. As Schultz (2000) said, in today’s fierce competition

market, only the circulation and communication will create the distinctive competitive advantage, communication can create high brand loyalty of the relationship with interest, and thus increases the organization’s profit growth continuously. The traditional one-way persuasive marketing communication has been no longer able to gain the competitive advantage, the trust in advertising, personnel selling and other traditional persuasive communication has declined, and through the marketing tools like the rate of return on investment (ROI), network marketing, tele-marketing as well as the interactive management tools can assist company in two-way and interactive communication with customers, successfully delivering its values, and creating harmonious relationship with the customers. Therefore, marketing communication needs to create positive dialogue based on the consideration of mutual demand between the customers and company, so that communication activities could further strengthen the relationship between the company and customers.

1.1.2.3 The Application of Database in Marketing Communication

The database is a way of collecting market information for the company to acquire, analyze, and store relevant stakeholders and customer’s information. Based on the collected information of the object the database can be divided into: customer database, internal corporate debase and external stakeholders’ database. Business information analysis is generally divided into two aspects: operational and analytical, see the Fig. 1.2.

In operation field, companies apply data management to communicate with customers and stakeholders better and more interactively. Through customer service contact points and other auxiliary functions, the company can provide to the customer the additional value in different aspects like sales, service, public relations; in analysis field the company provides the basis for business decision-making through data analysis, for example, classification, customer profitability, financial cost analysis and marketing strategy adjustment, etc. The application of information and communication technology mainly relates to, establishing management process and data analysis mechanism (including data warehouse), collect

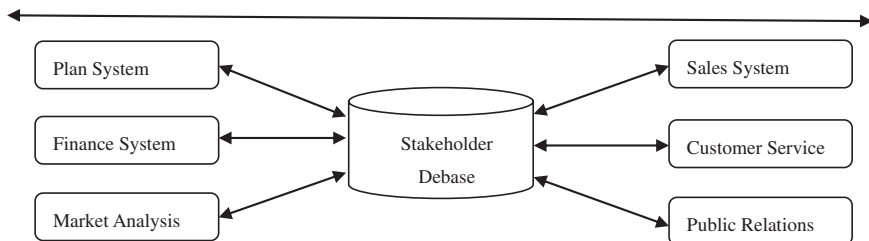


Fig. 1.2 The role of stakeholders database. Source O’Connor and Galvin (1997)

relevant customer information, and apply various analytical methods to integrate with the stakeholders' knowledge.

To IMC strategy, how to analyze, assess and process by integrating company internal marketing information system and moderately classifying the data collected in order to provide the information for marketing managers in an effective and timely manner is the most important task.

1.2 The Core Ideas of IMC Theory

1.2.1 *The Evolutional Definition of IMC*

Advertising, direct marketing, sales promotions and public relations are communications disciplines that have been in existence for decades. Traditionally, clients erected strong barriers around these functions - managing each separately, with different objectives, goals and budgets (Belch and Belch 1995). Today, these previously independent tools are increasingly being coordinated under an 'umbrella strategy' in an attempt to increase communications 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 communications. The theory of an IMC program is that it has one basic communications strategy for each major target audience (Duncan and Everett 1993). 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 age (Schultz et al. 1994a; Rust and Oliver 1994). The notion of communication synergy is central to most, if not all, arguments in favor of integration (Duncan and Everett 1993). Arens (1996) contends that 'synergy' is the key benefit of IMC because each communication tool reinforces the other for greater effect. The trend toward integrated marketing communications is the result of numerous factors, but the most predominant of these, as Schultz (1993a, b) points out, is probably advances in technology.

1.2.1.1 The Media Mix and Stakeholder Orientation Stage

In 1989, The American Association of Advertising Agencies (4As) defined integrated marketing communications as follows:

...a concept of marketing communications planning that recognizes 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.

Foster (1990) believed that IMC conveys deliberate messages through the most suitable media to the designated audience, triggering the expected response; apply a variety of communication tools to amplify the same voice of the company.

Schultz (1993a, b) believed that the IMC process starts with the customer or prospect and then works back to determine the forms and methods through which persuasive communications programs should be developed. Influencing or directly affecting behavior is the ultimate goal.

Ralph Olivia (1993) believed that the prerequisite for IMC execution is to construct a complete customer database, and establish interactive communication methods with the customers, understand consumer needs and wants, and based on these requirements and behavior pattern offer the suitable product for the consumer, then propose unique selling proposition and meet consumer demand, and plan effective tools for an interactive communication with the consumers.

Duncan and Moriarty (1999) proposed an alternative view:

1. *A value field of interactions*: A company exists within a value field (rather than a linear value chain) of stakeholder interactions. Companies communicate directly with customers and retailers at the same time retailers are talking with customers and customers are talking among themselves. The interactions among suppliers, distributors, and even competitors can affect brand value.
2. *Stakeholders overlap*: An example of the integrated nature of stakeholder relationships is the employee stakeholder group where a person may also be a customer, an investor, and a voter in the local community. These interacting and overlapping relationships demand that a company be strategically consistent in its basic core values and brand messages. A company can't say one thing to investors, something else to employees, and still another message to customers.
3. *Integrity builds trust*: Integration means unity of effort or purpose. When an organization becomes more integrated, its interactions become more consistent, its reputation more distinct, and its stakeholders more trustful. Integration produces integrity because an organization seen as working together rather than as a collection of fragmented, autonomous functions is perceived as being sounder and trustworthy-prerequisites for sustaining relationships.
4. *Brand equity equals support*: Just as brand share is the result of a brand's customer franchise, brand equity is the result of a company's stakeholder franchise. All stakeholders, not just customers, choose to what extent they support a brand or company. People have a choice where they work; investors have a choice of investment opportunities; and customers have an ever increasing choice of what they buy. In other words, people *choose* to be stakeholders. And when they do, this gives them the right to understand and influence what a company does. A brand exists in people's minds; it is owned by them, as much as by the company.
5. *Profitability is the relationship bottom-line*: Profits can be improved by increasing revenues and/or decreasing costs. Therefore, all stakeholders can affect the bottom line as their actions can have an impact on costs, as well as revenues. Both can increase or decrease depending on the efforts, attitudes, ideas, and

support of all stakeholders. Actions of groups such as the financial community, government regulators, and employees can often affect profits more quickly and significantly than changes in customer behavior.

Nowak and Phelps (1994) used a circular effect to explain the importance of dynamic marketing database, proposed that via the database company formulate IMC strategies and activities, correct the database through feedback from the reactions and results received, track a specific consumer and tailor company support and service.

To sum up, to be able to response to the variability and indefiniteness of the environment, the organization must develop, maintain and link with other organizations through which organization can be coordinate with each other to operate, exchange, and share information resources. Marcom Managers must integrate and coordinate all marketing communication methods, media communication tools, and other formal and informal information sources that may influence decision-making process of the stakeholders, connect with the stakeholders via communication. At the same time, the company should abandon the past “Inside-out” one-way linear persuasion pattern, and change to “Outside-in” planning method, integrated marketing communications planning from the stakeholder perspectives, understand the needs of existing and potential stakeholders, the core media application pattern, information access timing, etc., and conduct a interactive communication with the stakeholders.

1.2.1.2 Strategic Coordination and Relationship Management Stage

Petrison and Paul Wang (1996) presented that IMC was composed of two concepts, one is executable integration, such as Schultz’s strategic integration, refers to the agreement of communication information, also known as information integration, using the same theme, tonality, character, mark, appeal, and other related communication characteristics to achieve the purpose of integration. The other one is planning integration, i.e. the idea of integration, such as the Schultz’s strategic integration, the independent operation of the traditional company advertising department and the public relations department have weaken the marketing effectiveness, while planning integration is about integrating all related product marketing activities, coordinating with strategic planning to amplify the marketing efficiency and effectiveness.

Duncan and Caywood (1996) discussed about the elements composed of IMC as follows: (1) in order to achieve a complete integration, a company must integrate with all of its internal communication departments, e.g., working together with advertising agencies; (2) The company must integrate the internal and external communication functions, to achieve information consistency; (3) Communication itself is a process of establishing and maintaining the relationships between the company and the stakeholders. Integrated marketing communications are the strategic control of the related information, encourage the company to organize an

interactive communication with the customers in order to create a mutual relationship (Belch and Belch 1995).

Don E. Schultz (1997) proposed a new IMC definition, integrated marketing communications is the long-term strategic method toward consumers, customers, potential customers and other correlative internal and external target audiences, to develop, implement, and evaluate the persuasive communication plan which can be measured. He pointed out the core of integrated marketing communication, and also made the communication no longer confined in a tactical field, but elevated itself to a strategic level.

Shimp (2002) pointed out that a good IMC plan should identify the brand image first, and then understand the target customer needs and wants. It can help the marketers to know what the target customers concern to make a purchase decision; therefore the marketers can design promotion strategy, which match the customers' preference, provide some information and satisfy the customers' requirement.

1.2.1.3 IMC Strategy Implementation System Stage

Since IMC was deemed to be a valuable concept by the practitioners, some scholars have believed that organizational factors confined IMC execution effects, and thus they studied the obstacles and methods to implement. Schultz (1993a, b) pointed out that the acceptance of the IMC was not as fast as expected, and in the advertising company, new clients who really need to be provided with IMC services were not many. Zhu Fenggang (1996) had presented the following problems to the media, advertising industry and advertisers during the IMC cognition and execution, the employee's cognition was not clear and did not have unified understanding about IMC; in the process of integration, organization integration and communication integration did not reach their fullness; each function acted on its own will, IMC was executed poorly; the database was not completely built and generally did not affect IMC performance; the lack of IMC talent prevented the promotion of IMC.

Percy (1997) sorted out potential obstacles preventing IMC promotion, Seeing Table 1.2. McArthur and Griffin (1997) pointed out two obstacle factors that the organizations encountered during IMC execution: (1) organization preoccupation. Organization and personnel are confined in the functional departments, such as advertising, PR, and direct marketing, who can't effectively integrate each other, nor solve business problems; (2) lack of high level management support. Brand management and implementation are still done by inexperienced staff, in addition to lacking of top management support.

Kitchen and Schultz (1999) compared the IMC development of the five countries like the United States and concluded comparatively optimistic research results on the obstacles of the implementation. Most respondents believed that the existence of the obstacles do not stop the customers' demands of the integration. From the 15 IMC implementation obstacles listed, the respondents pointed out

Table 1.2 The Potential obstacles of IMC implementation

The potential obstacles of IMC implementation	
<i>Decision-making framework</i>	<ul style="list-style-type: none"> • longitudinal organization creates obstacles for the cooperation of lateral functionality • marketing department belongs to the lower class of marketing organization • professional employees act in their own • organization marketing information is not fully understood • financial concept overlaps with consumer's concept • the inflexibility of the organization's culture
<i>The cognition toward IMC</i>	<ul style="list-style-type: none"> • lacks of IMC consensus • other marketing communication employees don't know about IMC • those who are in charge of IMC feel afraid
<i>Reward</i>	<ul style="list-style-type: none"> • lack of financial budget control, professional employees lack of advantage • the correlation between individual reward and specific forms of marketing communication, and not the whole organization's achievement
<i>Marketing trends</i>	<ul style="list-style-type: none"> • organizations have been using IMC themselves • organization, advertising agencies and suppliers lacking of human resources • believed that market segmentation doesn't have IMC yet

Source Percy (1997)

that these obstacles could be overcome, and not even considered them as obstacles. After conducting an exploratory research on conflicts of politics and interest among agencies, Ewing (2000) confirmed that the conflict among the agents would indeed have a negative impact on IMC.

Some scholars showed skepticism to IMC regarding to the IMC strategy implementation obstacles. Cornelissen and Lock (2001) believed that IMC is a kind of management fashion based on the following five points: IMC theory lacks of academic content and strictness; IMC theory is too simplified; IMC's rationality is the reason for manager's acceptance; IMC's use of exaggerating words is the reason for manager's acceptance; IMC's influence is only a short form. They reviewed the United States and Britain's related research with regards to the lack of evidential data, proposed an IMC life cycle model, and the IMC's gradually derived criticism and implementation issues to the point beginning to recess.

Regarding this, Schultz and Gould (2000) believed that Cornelissen and Lock (2000) contemplations towards IMC was not appropriate. If IMC lacks of definition, then it is not rational to construct life cycle curve, as IMC is still in its pre-paradigm stage, perhaps its definition seems to be inadequate, but the concept is completely appropriate, and it would be prevalent in the twenty-first century. Nickels and Wood (1997) proposed that IMC as a cross-functional process, in order to control or influence all marketing information methods to establish and strengthen the relationship between the consumers and other stakeholders, its purpose is to

maintain the relationships between the stakeholders, and correspond to their demands and responses. IMC is a cross-sectional department process used to establish and strengthen the relationship between consumers and other stakeholders. And all the marketing information should be more coordinated to create a consistent organization and product image, and allows the marketer to have faster response to the demand changes.

Divid Prensky (2000) pointed out that the IMC strategy integration consists of two stages: the communication content integration and the communication process integration. Content integration refers to the various communication elements and strategic business plan coordination; process integration consists of internal material and financial resources, information resources and human resources integration process, as well as the cooperation and integration process between the organization and external agencies as well as other stakeholders.

One of information and communication technology aspect is to create a market environment for company during IMC strategy implementation, and provides technical support on another hand. The application of information and communication technology is to help IMC strategy implementation process to overcome technical obstacle so that customized information and customer management can be achieved.” Yarbrough (1996) proposed the IMC theory model in Fig. 1.3.

Figure 1.3 uses the database as a mean to develop strategy, feedback results, and update the database content. The traditional marketing methods lack of consumer attention, therefore IMC selected the outside-in marketing process started with the customer or prospect that means the company must first understand what consumers have done or are doing, and then examines the meaning behind these behaviors.

Don E. Schultz (2000) further proposed the 5Rs framework connecting with the customers and stakeholders, responsiveness, how Marcom Managers can respond to the customer or consumer demand rapidly and effectively; relevance, resolves the much relevant problem in marketing communication plan and marketing managers’ work; recognition, distinguishes information from “response mechanism” and provides clear positioning, to distinguish it from other organization provided information; receptivity, refers to the information provided to the stakeholders who wish to receive, and not the information the communicator wishes to send; relationship, is to establish a good long-term business relations with the customers.

Based on more than 20 years experience of IMC research, from the organizational structure, human resources and information and communication

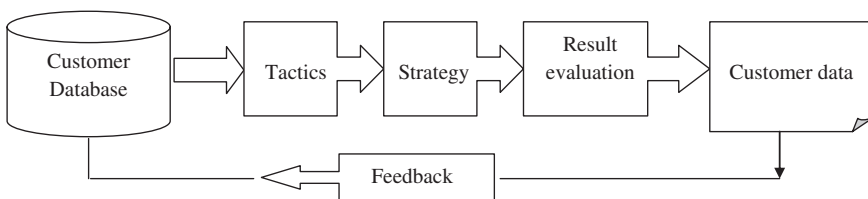


Fig. 1.3 Database and IMC strategy. Source Yarbrough (1996)

technology perspectives, the author proposed the following views on IMC: “IMC refers to a kind of communication strategy centered on Marcom Manager in the company business activities, based on the outside-in strategic point of view, to effectively communicate with the stakeholders and interest groups, meaning to have close and organized communication activities with the consumers, employees, investors, competitors and other interest groups as well as the community, the mass media, the government, social groups and other stakeholders...”

Qu Fei-yu believed that academia views on IMC definition have experienced three main stages, the research findings on IMC have shown more normative and practical features, as shown in Fig. 1.4.

The first two stages from Fig. 1.4 were mainly concentrated on the stage from the 1990s to the end of the twentieth century, IMC concept were mainly focused on IMC definitions and conceptual discussion. To the practical non-integrated phenomenon many scholars proposed the concept of marketing resources integration through IMC strategy implementation, but a lot of ideas and definitions lack of empirical support, and were not clear about how to implement IMC strategy and the obstacles during the implementation process. Overall it was still in a pre-paradigm stage.

The first stage defined IMC’s denotation and connotation mainly from a tactical level, and its key viewpoints could be summarized as: using the outside-in

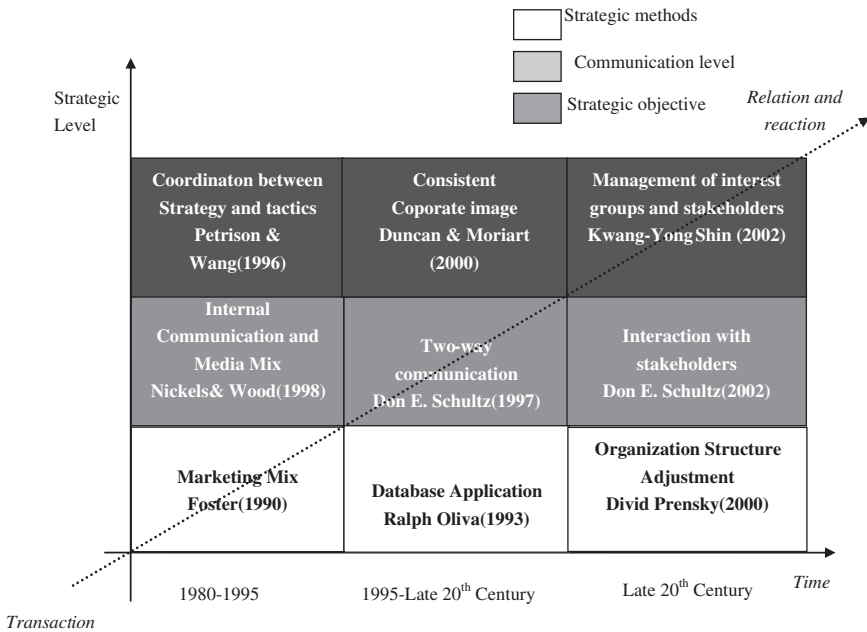


Fig. 1.4 Clear IMC theory development. Source Qu (2005)

concept as the guidance, based on the understanding the needs of customers and stakeholders, comprehensively apply the company marketing communication methods, and create an interactive communication with it, to achieve synergistic effects from various marketing communication methods, coordinate marketing communication from strategic standpoint, internally company requires a high degree of interpersonal and cross-functional communication, including: advertising, sales promotion, direct mail, public relations, event marketing, emphasizing the development of integrated scheme with an identified idea and a same voice.

The second stage mainly discussed about the IMC implementation levels from the strategic level, to combine the company marketing activities, strategies, positions, and missions, pay more attention to the internal interest integration, and strive to achieve a win-win situation between company and customers as well as other stakeholders, and the importance of customer and stakeholder relationship management began to be recognized, organizations began to verify their communication in customers' perspective, collect related external customer information, develop marketing communication, assess feedback and adjust the relationship with external agencies.

Therefore, the IMC theory in the first two stages were actually founded based on the 4Cs marketing mix theory that were proposed by Schultz et al. (1994b): consumers, cost, convenience, communication. 4Cs marketing theory concentrates on consumer demand orientation, which is the marketing factor integrated concept of customer relationship orientation, it proposes the principles of marketing factor application in the customer relationship perspective, but essentially it is still a mass marketing concept, thus unable to form a marketing individuality and characteristic.

The third stage from late twentieth century to the present, towards the IMC strategy implementation obstacles and the objection from the academia, scholars proposed IMC implementation ideas mainly from the adjustment of organizational structure, application of information and communication technology, strategy process reengineering, customer interactive communication. Through information and communication technology, organizations maintain data acquirement, establish a global market segmentation database, and effectively apply company data in marketing communication planning and implementation, convert customer data into the integration of customer knowledge, finance and strategy which is the highest levels of integration, emphasizing the transformation from technology, data to the input of company's strategic planning, then from the rate of return on investment point of view, the company could continuously monitor the marketing communication performance. It fully shows that the theory research has become more relevant and practical.

Therefore, in the latest part of the IMC theory study, the traces of the 4Cs theory will disappear, and eventually it has gradually formed a frame of the new IMC theory including the 5Rs stakeholder communication strategy, Marcom Manager's IMC team and the flat organizational structure centered on database, and the IMC theory has gradually become a new management paradigm.

1.3 The Research Trends of IMC Theory

1.3.1 New IMC Strategic Theory Basics

Peltier et al. (2003) have pointed out that in an interactive market environment driven by information and communication technology, the IMC model is different from the traditional IMC, as shown in Table 1.3.

1.3.1.1 IMC Metrics

The purpose of integration is to resolve the inefficient output of marketing resources, includes the following three levels:

Marketing Resources Integration

Providing product information through the 800 free-dial or other channels, and creating opinion leader, company should also follow up with services provider and

Table 1.3 Traditional versus interactive IMC

Change components	Traditional IMC	Interactive IMC
<i>Role of databases</i>		
1. Importance of databases	1. Moderate	1. High
2. Data collection	2. Traditional survey methods	2. Traditional plus interactive methods (email, web)
3. Type of data	3. Demographic, some behavioral	3. Demographic, psychographical, behavioral
4. Use of data	4. Media selection and profiling	4. Traditional plus detailed understanding of individual customers and relationships
<i>Communication issues</i>		
5. Media/placement	5. Based on weight and breakthrough	5. Based where customers already are
6. Scope of communications	6. Mass communications	6. Targeted/personalized
7. Communication flow	7. Outbound and specific	7. Dialogue and ongoing
8. Nature of message consistency	8. One best message/ theme across media	8. Overall best message, augmented by target-specific and individual specific messages
<i>Relationship dynamics</i>		
9. Specification of relationship	9. Marketers identified value/form	9. Customer and marketer identified value/form
10. Degree of interaction	10. 'Arms length' relationships	10. Two-way relationships, mutual information exchange
<i>IMC metrics</i>		
11. Return on investment	11. Investments and output	11. Value and returns
12. Acquisition versus retention	12. Acquisition/number of customers	12. Customer retention
13. Contact measures	13. Efficiency measures (e.g. CPM)	13. Effectiveness measures (lifetime value)

Source Peltier et al. (2003)

be equipped with the ability to answer questions from the callers, otherwise will cause a process defect, and damage the company image.

Organizational Integration

Each organization unit must be integrated and avoid to act on own will, otherwise will weaken the existing and potential customers trust, before the IMC implementation, the organization must first determine its internal units including product, brand equity, strategic business units (SBU), as well as completely integrate its current integrated organization structure, and also cooperate well with internal sales, marketing and production departments, including adjusting the organization structure, building and developing the organization culture, innovating marketing budget concept to provide marketing activity the financial resource support, select the appropriate advertising agencies, and maintain a smooth internal communication of information to provide effective support for the corporate decision-making.

Stakeholder Integration

Stakeholders are the objects of IMC strategy, the stakeholder integration means to achieve the win-win situation between company and stakeholder interests, to understand their needs, and establish a long-term win-win interactive relationship with the stakeholder. IMC strategy uses the outside-in view to subdivide the stakeholders, and organizes an IMC task force team to correspond to the respective stakeholder based on the necessary condition. In other words, establish company internal, external IMC special working groups to meet these stakeholders' demands.

1.3.1.2 Communication Topic

Using stakeholder oriented communication is an important means to practice important methods of integration, including the following two stages.

To Create a Good Image for the Company

This requires the outside-in concept to support, create an interactive communication with the stakeholders to reflect its interests; communication with the stakeholders is based on Schultz's stakeholder 5Rs framework, responsiveness and receptivity elaborate the communication plan to reflect the stakeholders' interests and needs, while recognition and relevance elaborate how to improve the transmission efficiency, thus ultimately achieve the consistent communication effect.

Stakeholder Relationship Management

Stakeholder relationship management strategic tools consist of: establishing stakeholder database; communicating with internal stakeholders; establishing interactive communication with the stakeholders. "Relationship" reflects the company acknowledgement toward the obtainable profits, also implies that the company

marketing paradigm shift has started transforming from transaction marketing into relationship marketing.

The Role of the Database

To the role of information and communication technology in the IMC strategy academia and industries hold different views. On one hand, the company uses information and communication technology to address how to convey the information to the customers, potential customers and other target audience; acquires store customers, consumers and potential customers' information. Through the analysis of customer experience and behavior, forecast the customer behavior and attitude, cultivate valuable customers and improve business performance, timely convey the information to customers, potential customers and other target audience, and develop high quality and long-term relationships.

Schultz (2000) proposed four levels of IMC strategy implementation: tactical coordination, marketing communication scope definition, information and communication technology application and financial and strategic integration. Another important role of database is to act as marketing potential source and creates an ultimate framework for the closed loop evaluation system; it also means that the company can measure its implementation IMC strategic performance through the database. In strategic planning stage, the function of the database is to store customer and stakeholder information, understands and responses to their needs to develop a strategic foundation for the company; in strategy implementation phase, database and other new media tools can provide technical support for the company to implement IMC strategy, develop various communication strategic integration based on new media technologies; and in the IMC strategic performance measurement phase, the database becomes the tool to measure the effect of IMC strategy, and on other hand provides basic needs and support for the company to improve its marketing strategy.

The purpose for building an IMC database is mainly to hope that by applying information and communication technology IMC management process can be computerized, and then the company will be able to meet stakeholders' changing needs and desires in a timely manner.

Therefore, in order to effectively seek market opportunity and deal with IMC problems and take access to useful information in a timely manner, an effective basic environment must be established, in which IMC activities could be supported and company transforms the professional knowledge that owned by the internal departments, after categorizing its object through the knowledge framework, to IMC knowledge which can be completely shown through database-specialized management methods. In this way it not only contributes to the recording and preservation of organization's memory and intellectual assets, but also allows the marketing managers to obtain the effective information and share knowledge. In the future IMC database based on knowledge management will effectively help to predict the future trends in the operation and marketing management fields and become the company key factors to gain competitive advantage in the future.

1.3.2 IMC Implementation Model

Figure 1.5 proposed the basic model of IMC implementation strategy. On one hand, IMC uses database as a starting point to add classifications to the consumer, and then further develops communication strategies and communication information; on the other hand, IMC develops communication strategy for the company stakeholders. And finally adds integration to the communication strategy created by each stakeholder as the basic for each communication tool selection.

The IMC strategy is a systematic process, not just merely an integration of information communication means, but a more effective concept to manage the customers and stakeholders, proposed a three stage model of IMC implementation, seeing Fig. 1.6.

The first step, the IMC is a outside-in oriented concept, starting from the survey and research from the company customers and stakeholders, comparatively analyze customers' and stakeholders' experiences and information;

The second step, the company determines its strategic position and marketing objectives, coordinates between the company communication activities and company strategy, the relationship between mission and marketing strategy, and then based on the actual situation of company determines whether the resources are available or not and then obtains the resources to implement IMC strategy.

The third step, implement IMC communication activities, and effectively feedback the information communication effectiveness to the company, organizations must flexibly change in time to track customer behaviors, and use these data to evaluate the marketing effectiveness and results.

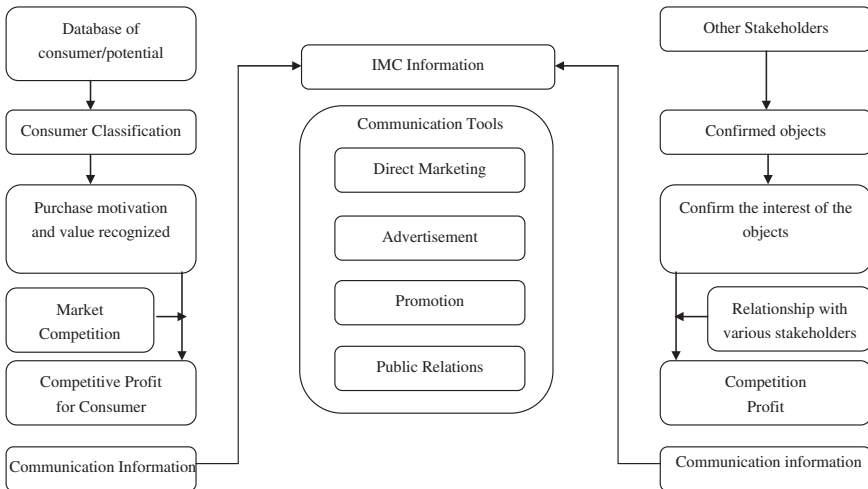


Fig. 1.5 The integrated model of IMC tools

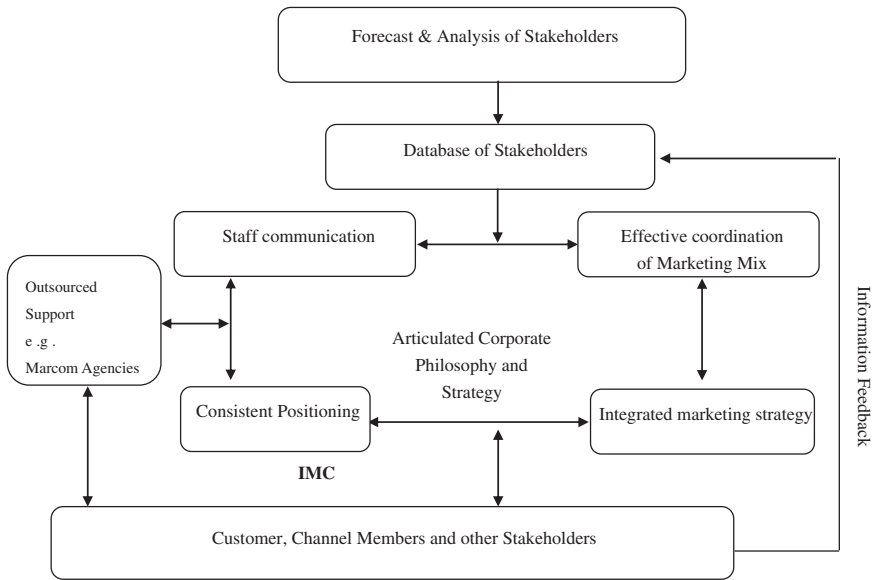


Fig. 1.6 IMC implementation process

To sum up, the author believes that IMC strategy implementation factors and IMC organization modules should include organization structure optimization and organization culture construction, and IMC must be built from top to bottom, top management should first recognize the importance of the IMC strategy, while staff must build a stakeholder oriented concept, which belongs to the IMC organization culture scope; IMC organization structure requires cross-functional management, cultivates core competency, applies information and communication technology and cooperates with IMC agencies; media module of IMC strategy mainly refers how the company develops IMC media planning, how to select IMC media tools, and how to develop the stakeholder’s media strategy, media strategy must achieve consistency, integrating mass media and network media, and create a necessary interaction with the stakeholders; IMC strategic performance module mainly refers to how the company effectively measures the effect of IMC strategy implementation, seeing Fig. 1.7.

1.4 Summary

IMC strategy theory is a theoretical tool that IMC managers must master, and also the methodology guidance for their operation management. This chapter mainly introduces the IMC theory background and its origin, analyzes the core concepts and the developing trend of the research on IMC theory. IMC theory

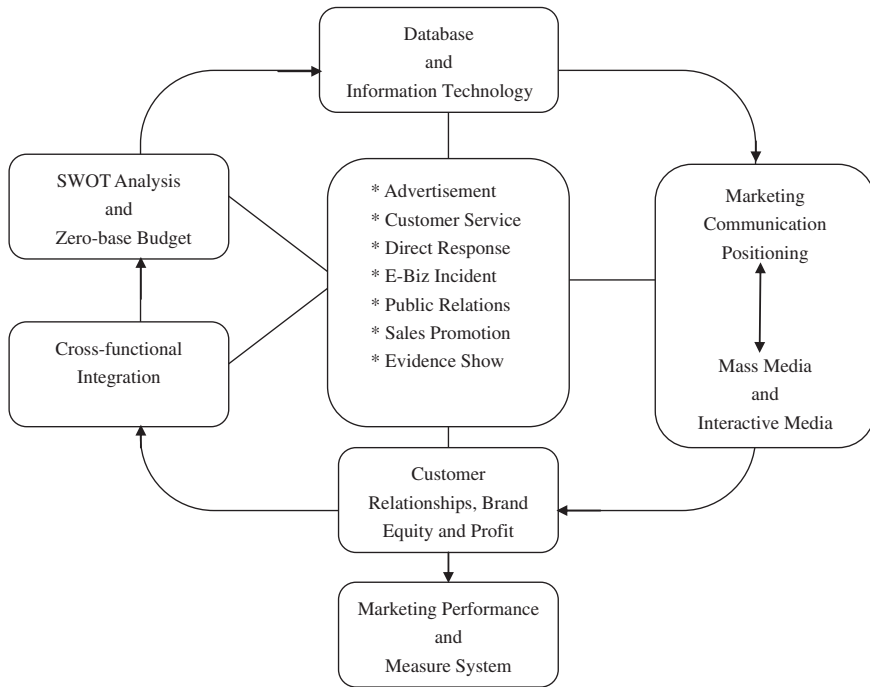


Fig. 1.7 Implementation factor of integrated marketing communications strategy

was introduced by the interaction among numerous market factors, the company need efficiently interact and communicate with company stakeholders, and fully integrate various marketing means such as external marketing, internal marketing, database marketing, transaction marketing, relationship marketing and the marketing integrated factors, to form a kind of interaction, a close interaction, in order to achieve the best and the highest marketing effect. The IMC theory is the hope of company, toward future success and also the new trend of the development. To achieve the “1 + 1 > 2” synergy and effect through circulating various kinds of marketing strategic integrations, is the starting point and core of IMC theory.

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Chapter 2

The Object of IMC: Stakeholders

The form of social transaction relationship is often not the one-time transaction among the behavior subjects, but multiple, long-term transaction based on long-term trust and mutual relationships. This type of marketing consciousness change is also reflected fully in the development of IMC theory, from a simple definition to analysis, the theory definition of the market-oriented, customer-centric concept from the beginning has gradually changed to “company internal and external stakeholders”. Although by definition we might feel that this kind of change is only a few words, but this shift in consciousness has a direct impact on the whole course of theory development logic. First, its theory connotation is enriched, theory research has exceeded the profitability boundary to not just concern with the company cost and profit or consumers and suppliers, the two main stakeholders of the company who are directly affected by the market share, but also focus on those internal and external interest groups who have direct and indirect impact to the survival and development of the company as well as the implementation of strategic objectives.

From the IMC perspective consideration, these stakeholders will not be classified and managed accordingly to the importance to the company development and strategic objectives implementation but only be divided into direct stakeholders (Interest Groups) and indirect stakeholders (Stakeholders) according to the way of interaction between these groups and the company. Secondly, the introduction of stakeholder concept has also changed the whole framework of IMC strategy radically, making the job description of the completely new position of the Marcom Manager in the organization completely different from the traditional marketing manager, and also make it necessary for this position setting to find the root of the theory. In conclusion, introducing the stakeholder theory and making it the core object of the IMC strategy “integration” and “communication”, the two big areas, is the innovation and advancement of the whole IMC theory, in the same time it also reflects that the company senior managers think about the company short-term actions in the point of the company long-term development, transforming the company from transaction oriented into relationship oriented.

In the early 1960s, scholars began to study and came up with the definition of stakeholders. A definition proposed by some scholars from the Stanford Institute was: in the company there are some interest groups without whose support the organization would cease to exist. Therefore this theory study was far more advanced than the IMC theory. The author adopts the “stakeholder” theory whose starting point mainly derived from the definition of the word “stakeholder” literally and originally to refers to those interest groups who are bound to the company existence and development, and ignores those groups who negatively affect the company existence and development such as the media with negative broadcasting, unfavorable policies and regulations, far-away customer groups, etc. In addition, there are also scholars who made classifications on company stakeholders into three groups, positive stakeholders, negative stakeholders and potential stakeholders, and according to different groups, company should directionally adopt encouraging, persuading as well as competitive communication strategy. Therefore from comprehensive analysis of the company internal and external environment, the author chooses to adopt this “stakeholder” concept, but there is no contradiction between the basic analysis model and stakeholder theory.

2.1 The Definiton of Stakeholders

2.1.1 The Meaning of the Stakeholders

Stakeholder Theory has become an established framework within which to identify and examine the impact of organization action. It has been used to inform discussion of corporate governance, business ethics, strategic management and organizational effectiveness. Donaldson and Preston note that “a dozen books and more than 100 articles with primary emphasis on the stakeholder concept have appeared and that “the stakeholder model has become a standard element of ‘Introduction to Management’ lectures and writings” (Donaldson and Preston 1995: 65–66). In fact, one might argue that stakeholder theory is approaching paradigm status. It consists of a general system of ideas and assumptions, standard examples and established assertions. Given its broad impact, the broad outlines of stakeholder theory rest warrant examinations based on the general foundation and assumptions. Stakeholder theory posits a model of the enterprise in which “all persons or groups with legitimate interests participating in an enterprise do so to obtain benefits, and there is no prima facie priority of one set of interests and benefits over another” (Donaldson and Preston 1995: 68). The model rejects the idea that the company exists to serve the interest of its owners, be that maximizing their wealth or some other reason for being in business. Rather, the model is based on the idea that the company exists to serve the many stakeholders who have an interest in it or who in some way may be harmed or benefitted by it.

The author thinks that to study of stakeholder theory, we need consider from three aspects:

- *First, Who are the stakeholders?*
- *Second, What are the stakeholders' needs?*
- *Third, How do the stakeholders realize their own interests?*

The first problem we need to tackle is who are the stakeholders? So far there has been no unified view to this problem. Freeman gave a general definition of the stakeholders. He believed that, the stakeholders are those “groups and organizations that are affected by or affect a company’s operation” (Freeman 1984). This definition does not only consider individuals or groups who affect the company’s objective as stakeholders, but also consider the individuals and groups who are affected by the process of achieving company’s objectives as the stakeholders. Formal local communities, government agencies, environmentalists and other entities are into company stakeholder management research category, which greatly expanded the meaning of stakeholder.

Richard Freeman’s coincided with the Corporate Social Responsibility (CSR) rising in western countries, and his view was agreed by many economists and became a standard paradigm of stakeholders definition in the late 1980s and early 1990s. The stakeholder definition that Freeman proposed includes not only the shareholders and individuals and groups needed for the company survival, but also expand its meaning from “survival” to “influence”. However one of its critical flaws is unable to give a precise definition method to make sure which stakeholders in the company should be included, and who should not be included.

Until now, there have been nearly 30 definitions of stakeholder. Mitchell and other scholars have summarized them, seeing Table 2.1.

Based on a detailed study on the stakeholder theory and its development history, Mitchell proposed the Score Based Approach to define the stakeholder. Mitchell pointed out that, the core of stakeholder theory has two problems: stakeholder identification and stakeholder salience, i.e. who are the stakeholders and based on what the management pays attention to a specific group.

We can score the possible stakeholders based on the three characteristics above, after that based on high or low scores determine whether an individual or group are the company stakeholder or not, and what type of stakeholders they are. These three characteristics are: (1) *the legitimacy*, meaning whether a group is endowed with the legal, moral or specific claim over the company or not; (2) *power*, meaning whether a group has the position, capacity or the corresponding means to influence the company decision-making process or not; (3) *urgency*, meaning whether a group’s demands can catch immediate attention from the management or not. Mitchell believed that, in order to become a company stakeholder, one must at least meet either of the characteristics above, meaning either have a legitimate claim over the company, or immediately catch the management attention, or able to put pressure on to the company decision-making process. Otherwise they cannot become the company stakeholders.

Table 2.1 The Stakeholders' definition

Author	Relevant definition
Standford Memo (1963)	"those groups without whose support the organization would cease to exist" (cited in Freeman and Reed, 1983 and Freeman 1984)
Rhenman (1964)	"are depending on the firm in order to achieve their personal goals and on whom the firm is depending for its existence" (cited in Näsi 1995)
Freeman and Reed (1983)	An individual or group who can affect or is affected by the achievement of the organization's mission. A shorter version of the definition: stakeholder is a person on whom the organization need to depend to achieve its mission
Freeman (1984)	An individual or group who can affect or is affected by the achievement of the organization's objectives
Freeman and Gilbert (1987)	An individual or group who can affect or is affected by the achievement of the organization's objectives
Cornell and Shapiro (1987)	Stakeholders are the claimants who have contractual relations with the firm
Evan and Freeman (1988)	Stakeholders are those individuals or groups who have a "stake" or right in a firm
Evan and Freeman (1988)	Stakeholders are those who benefit from or are harmed by, and whose rights are violated or respected by, company actions
Powell (1988)	Those groups without whose support, the organization would cease to exist
Alkhafaji (1989)	Those groups to whom the company is responsible
Carroll (1989)	Those who have either a legal or a moral claim over the company's assets or property
Freeman and Evan (1990)	Contract holders
Savage et al. (1991)	"have an interest n the actions of an organization and... the ability to influence it."
Hill and Jones (1992)	Stakeholders are groups of constituents who have a legitimate claim on the firm; they exist through a contractual relationship, meaning they supply critical resources to the firm in exchange for their personal needs
Brenner (1993)	Having some legitimate, non-trivial relationship with an organization such as exchange transactions, action impacts, and moral responsibilities
Carroll (1993)	An individual or group that asserts to have one or more of the stakes in a firm. Through these "stakes", they can also affect or be affected by the operation of the firm.
Freeman (1994)	Participants in "the human process of joint value creation"
Wicks et al. (1994)	"interact with and give meaning and definition to the company"
Langtry (1994)	The firm is significantly responsible for their well-being, or they hold a moral or legal claim on the firm
Starik (1994)	"can and are making their actual stakes known"—"are or might be influenced by, or are or potentially are influencers of, some organization"
Clarkson (1994)	"bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a firm" or "are placed at risk as a result of a firm's activities"
Näsi (1995)	"interact with the firm and thus make its operation possible"
Brenner (1995)	"are or which could impact or be impacted by the firm/organization"
Donaldson and Preston (1995)	"persons or groups with legitimate interests in procedural and/or substantive aspects of company activity"

Source Mitchell et al. (1997)

The author believes that stakeholders are “*all individuals or groups who are able to influence an organization’s objectives and may affect achievement of the organization’s objectives in the future*”. The ultimate goal of the company stakeholder management is to achieve their goals. If a person or group cannot or will not affect an organization from achieving its objectives, then it’s not necessary to consider them as company stakeholders. However if some individuals or organizations though cannot affect the achievement of company objectives themselves, but might influence the company from achieving its objectives through another person or organization, such individuals or organizations are the stakeholders.

2.1.2 Stakeholder Classification

The word “stakeholder”, the way we now use it, first appeared in an internal memorandum at the Stanford Research Institute (now SRI International, Inc.), in 1963. The term was meant to challenge the notion that stockholders are the only group to whom management need be responsive. By the late 1970s and early 1980s scholars and practitioners were working to develop management theories to help explain management problems that involved high levels of uncertainty and change. Much of the management vocabulary that had previously developed under the influence of Weberian bureaucratic theory assumed that organizations were in relatively stable environments. In addition, little attention, since Barnard (1938), had been paid to the ethical aspects of business or management, and management education was embedded in a search for theories that allowed more certainty, prediction and behavioral control. It was in this environment that Freeman (1984) suggested that managers apply a vocabulary based on the “stakeholder” concept. Throughout the 1980s and 1990s Freeman and other scholars shaped this vocabulary to address these three interconnected problems relating to business:

- *The Problem of Value Creation and Trade*: In a rapidly changing and global business context, how is value created and traded?
- *The Problem of the Ethics of Capitalism*: What are the connections between capitalism and ethics?
- *The Problem of Managerial Mindset*: How should managers think about management to:
 - (a) Better create value and,
 - (b) Explicitly connect business and ethics?

Stakeholder theory suggests that if we adopt as a unit of analysis the relationships between a business and the groups and individuals who can affect or are affected by it then we have a better chance to deal effectively with these three problems. First, from a stakeholder perspective, business can be understood as a set of relationships among groups that have a stake in the activities that make up the business (Freeman 1984; Jones 1995). It is about how customers, suppliers,

employees, financiers (stockholders, bondholders, banks, etc.), communities and managers interact to jointly create and trade value. To understand a business is to know how these relationships work and change over time. It is the executive's job to manage and shape these relationships to create as much value as possible for stakeholders and to manage the distribution of that value (Freeman 1984). Where stakeholder interests conflict, the executive must find a way to re-think problems so that the needs of a broad group of stakeholders are addressed, and to the extent this is done even more value may be created for each (Harrison et al. 2010). If tradeoffs have to be made, as sometimes happen, then executives must figure out how to make the tradeoffs, and then work on improving the tradeoffs for all sides (Freeman et al. 2007).

Second, although effective management of stakeholder relationships helps businesses survive and thrive in capitalist systems, it is also a moral endeavor because it concerns questions of values, choice, and potential harms and benefits for a large group of groups and individuals (Phillips and Freeman 2003). Finally, a description of management which focuses attention on the creation, maintenance, and alignment of stakeholder relationships better equips practitioners to create value and avoid moral failures (Post et al. 2002; Sisodia et al. 2007).

There has been a great deal of discussion about what kind of entity, "stakeholder theory" really is. Some have argued that it isn't a "theory" because theories are connected sets of testable propositions. Others have suggested that there is just too much ambiguity in the definition of the central term to ever admit of the status of theory. Still others have suggested that it is an alternative "theory of the firm" contra the shareholder theory of the firm. As philosophical pragmatists, we don't have much to say about these debates. We see "stakeholder theory" as a "framework", a set of ideas from which a number of theories can be derived.

Charkham (1994) divided stakeholders into contractual stakeholders and community stakeholders. Its classification is based on whether or not there is a transactional contract relationship between the related groups and the company. Contractual stakeholders include shareholders, employees, customers, distributors, suppliers, lenders; while community stakeholders include all consumers, regulators, government departments, pressure groups, the media, and the local community and so on.

Clarkson (1995) classified stakeholders by distinguishing stakeholders who voluntarily and involuntarily involved in company activities. Clarkson believed that "stakeholders are those individuals or groups who can bear some form of risk in a firm". Based on the form of risk the relevant groups can bear in company operation activities, stakeholders can be divided into voluntary stakeholders and involuntary stakeholders. The former refers to the individuals or groups that invest material and human capital into the company, they voluntarily undertake company operation activities risks as their own; the latter refers to the individuals or groups who passively assumed the risk by the company operation activities.

Based on the compactness between the related groups and the company, stakeholders can be divided into primary stakeholders and secondary stakeholders. The former refers to some individuals and groups: without their continuous

participation, companies would cease to survive. It includes shareholders, investors, employees, customers, suppliers and public interest groups such as government providing infrastructure and marketed community. The company and their primary stakeholders are highly interdependent. While secondary stakeholders indirectly influence the company’s management or indirect affected by the company’s operation. But they do not have any business transactions with the company, and therefore does not play a fundamental role in the survival of the company, such as the media and many special interest groups. The relationship between the company and its primary stakeholder is mainly through the market place, while the relationship with the secondary stakeholder is non-market.

Subsequently, Wheeler introduced the social dimension into the stakeholder’s definition. He believed that some stakeholders have sociality, meaning they are created from a direct relationship with the company through human participation; some stakeholders do not have the sociality, i.e., they do not have a relationship with the company through “the actual existence of a specific person”, such as natural environment, human off springs, nonhuman species. Combined with compact dimension proposed by Clarkson, all Wheeler’s stakeholders are divided into four categories, see Table 2.2.

Wheeler’s use of these two dimensions for the stakeholders definition can be clearly seen in Fig. 2.1.

Table 2.2 Wheeler’s classifications of stakeholders

Stakeholders	Specific meaning
The primary social stakeholders	They have a direct relationship with the company or even participate in
Secondary social stakeholders	They form an indirect relationship with the company through their social activities, for example organization resident, related company, various interest groups
Primary non-social stakeholders	They have a direct impact on the company, but not related to any specific human being, for example natural environment, human offspring
Secondary non-social stakeholders	They have indirect influence on the company, and not related to humans, for example nonhuman species

Source Wheeler and Maria (1998)

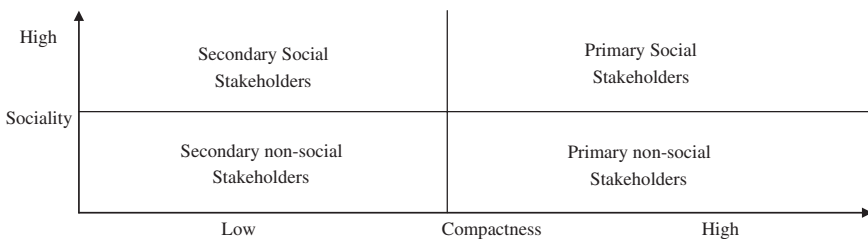


Fig. 2.1 Wheeler’s classifications of stakeholders. Source Wheeler and Maria (1998)

Grant (1991) divided the stakeholders into four categories based on their threats and cooperation with the company:

- *Supportive*: stakeholders who support the organization objectives and actions. This type of stakeholders is characterized by its high potential for cooperation and low potential for threat, such as shareholders, employees.
- *Marginal*: stakeholders who have low potential for cooperation and a low potential for threat, such as the public, the community, the union.
- *Non-supportive*: what causes the most headache for organizations and managers are the high potential for threat and a low potential for cooperation stakeholders, such as the competitors, the environmental protection department.
- *Mixed blessing*: could be supportive, but could also be non-supportive, such as creditors, suppliers, the media.

In Fig. 2.2 we can see various characteristics that these types of stakeholders possess more clearly.

Based on the specific situation of the company, and through the scoring of the three characteristics legitimacy, authority and urgency, Mitchell et al. (1997) divided the company stakeholders into the following three categories:

- *Definitive Stakeholders*: They have the legitimacy, authority and urgency in the company problems. In order to survive and develop, the company management must pay very close attention to their wishes and demands and try to satisfy them. Typical determined type of these stakeholders includes shareholders, employees and customers.
- *Expectant Stakeholders*: They maintain a close relationship with the company and have two of the three characteristics mentioned above. This type of stakeholders further divided into the following three situations: First, being the groups that have both legitimacy and power, they hope to have the management attention, and often achieve their objective, sometimes they can formally participate in company decision-making process. These groups may include investors, employees and government departments. Second, the groups who have the legitimacy and urgency but have no corresponding powers to put forward their demands. In order to achieve their objectives, these groups need to win support from a more powerful stakeholder, or hope for the good deeds of the management. Their usual approach is to ally, participate in political activities, and call

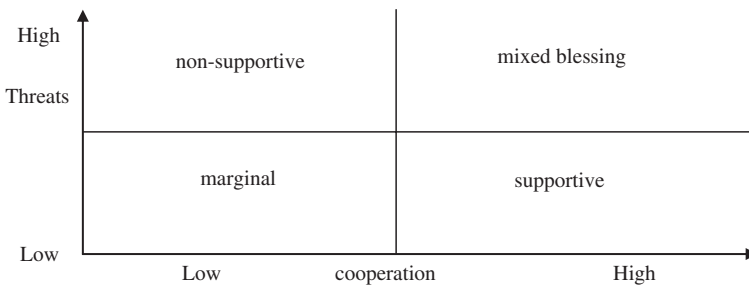


Fig. 2.2 Grant's classifications of stakeholders. Source Grant (1991)

for management conscience. Third, the groups that who have the urgency and power, but no legitimacy. These types of people are often very dangerous for the company; they often resort to violence to achieve their demands. For example, during the time of intense conflict, unsatisfied employees will launch the impulsive strikes, environmentalists will choose to demonstrate and take other acts of protest and political and religious extremists even resort to terrorism.

- *Latent Stakeholders*: They only have one of the three characteristics (legitimacy, power, urgency). The groups who only have legitimacy but lack of power and urgency will decide whether to play the role of stakeholders based on company operations. The groups who only have power but no legitimacy or urgency, will stay in the dormant status, when they really use power, or threaten to use this power, they will become a notable stakeholders. The groups who only have the urgency, but the lack of legitimacy and power, in Mitchell's view, is like "buzzing mosquitoes by managers ears, annoying but not dangerous, disbursing but without too much trouble". Unless they can show that their demands have certain legitimacy, or obtain a certain power, the management will not need, or will have little incentive to pay attention to them.

One of an important feature of Mitchell's classification models on stakeholder is their dynamic nature, meaning that after any person or group gain or lose some characteristic, they can move from one form to another one. For example some anticipated stakeholders had legitimacy and authority on the company, if political or economic environment changes forced their demands to appear more urgent, they would then transform into determined stakeholders. As Mitchell et.al pointed out himself, these models shed us important enlightenment on the following two aspects:

At first, whether a group having the legitimacy or not should not be the only reason the management should pay attention to them, neither the group is confirmed to be the sole characteristics stakeholders. Company management when define the stakeholders also need to consider someone who has some power somewhere in the company, as well as those whose demands require to be met urgently.

Next, stakeholder state does not have a "fixed property". The use of political force, various union, social economic condition changes are likely to make a stakeholder's status change into various statuses.

Mitchell's scoring method greatly improved the operability of the stakeholder definition, greatly promoted the popularization and application of stakeholder theory, and gradually became the most commonly used method to define and classify the stakeholders. Many scholars combined the research with a specific company situation, using this method to score the relevant company groups for company management reference during the decision-making.

2.2 Relationships Between Company and Stakeholders

Stakeholders refer to any internal or external groups who have a influence on the organization performance, i.e. the individuals or groups that can influence or affected by the company strategic achievement, who can be influenced by the

company’s performance, and can also protest against the company performance by refusing to participate in the activities related to the company’s survival, development and profit, etc. If the company’s performance meets or exceeds their expectations, stakeholders will continue to support the company. As each industry and scope is different, so stakeholders are different. Common companies can refer to Fig. 2.3 to find out about their stakeholders, and thus communicate effectively with them.

2.2.1 The Interest of Stakeholders

Different stakeholders have different interests. The company should try to meet their interests as much as possible, and maintain a good relationship with them; create a good external environment for the company. But due to the difference of interests and limited resources, company is inevitably unable to meet all the stakeholders’ demands, and must set up a management mechanism of equilibrium.

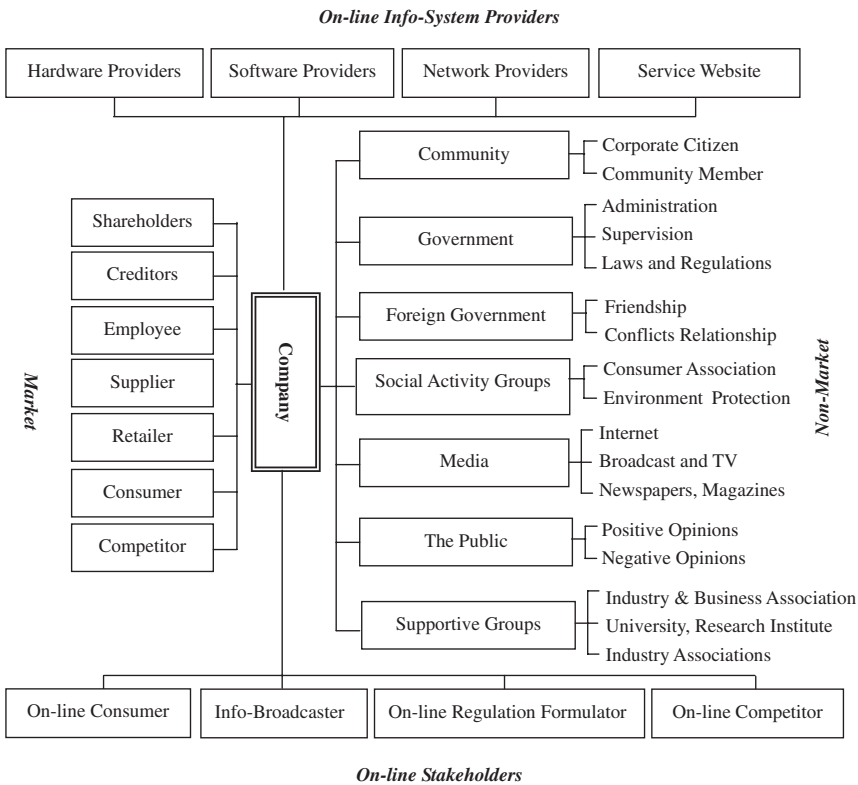


Fig. 2.3 Interaction diagram between the company and stakeholders

Table 2.3 Benefits demanded by the stakeholder

Stakeholders		Demanded benefits
Offline stakeholders	Shareholder	High investment returns, and sustainable development
	Employee	Sustainable development, stable income, good corporate image, good benefits
	Creditor	Capital recovery rate, capital recovery period, credit scope
	Supplier	Loan recovery rate, level of difficulty of access to raw materials, supply price
	Retailer	Supply assurance, commodity market conditions, adaptability of existing company facilities
	Consumer	High quality goods, good service, low price, easy to use
	Competitor	Price level, conditions of commodity production and competitiveness
	Government	Require the company to abide by the law, timely and full payment of taxes
	Foreign government	Protect the interests of domestic enterprises, access to foreign exchange earnings
Online stakeholders	Hardware provider	Require company scale, commodity price
	Software provider	Company scale, commodity price, capital
	Network provider	Company outstanding speed, supply price, demand function
	Service website	The content the company demands, function, price
	On-line consumer	Business to assure data security and personal privacy of the consumers, providing information truly accurately and timely, provide timely product delivery, low cost
	On-line regulation formulator	Internet company abide by the law, protection of intellectual property rights
	On-line competitor	Exchange business information, fair competition
	Info-broadcaster	Timely and accurately broadcast abundant information

Corporate stakeholders have two kinds of interests: offline (traditional) and online. See the stakeholders’ interests in Table 2.3.

2.2.1.1 Off-Line (Traditional) Stakeholders’ Interests

Traditional companies only pay attention to the interests of their shareholders, as shareholders are the only stakeholders. This view has encountered great challenges since 1990s. In the stand point of stakeholder theory, modern company are composed of various stakeholders with equal of interests, shareholders are only one of

them, managers should not only serve the shareholders, but also the interests of all stakeholders.

2.2.1.2 On-Line (Network) Stakeholders' Interests

The application of internet technology, corporate marketing strategy has changed the form and content of market transaction. Using the internet platform, the relationships among each involved company factors, including customers, suppliers, intermediaries, shareholders, employees, and government in market system, have been expanded and deepened, and even mixed together to form a new integrant. Following a new business environment, market competition pattern has also changed; irreconcilable adversaries were replaced by various cooperation relationships, kinds of competition in cooperation. This is reflected in four main aspects:

Cooperation and alliance between Companies Formed through the Internet

Since the internet has no boundary and no barrier, it has overcome the geographical restrictions, what the company is faced with are not only local competitors, and it will be very difficult for the company to tell who is the competitor. Especially with the e-commerce technical problems being solved, such as the goods distribution, payment, credit, the geographical advantage will be more and more minimal.

In the meantime, in a technology era where the Internet is updated with an increasing speed, it is difficult to maintain company technical advantage for a long time. In the industries like computers and communications, an average product life cycle is only 18 months, software products even have shorter life cycles. Therefore, in a market where the competition is fierce and technology updates are accelerated, regardless of how big the company is, its resources will always be limited, the company will have to focus its resources on cultivating core competitiveness, and cannot participate in developing in multiple areas related to the leading products like in a traditional technology economy, to bring down the cost through internal transaction.

More Intimate Contact between the Company and Consumers

In the traditional industrial economy era, the exposure between company and consumers was expansive and scattered, marketers tended to rely on intuition to decide on the market, although market and customer researches also adopted some methods, such as customer survey, telephone survey, but it was time and effort consuming, thus hard to achieve the desired effect. With the popularity of the Internet, the exposure between company and consumers became more convenient, faster, and the cost of building and managing customer database is greatly reduced, its comprehensiveness and accuracy are also not something that non-traditional marketing can able to equal.

The Growth and Integration of Internet Consumer Groups

In the traditional industrial economy society, the communication between the consumers was more difficult than between the consumers and the company, the communication means merely either through the consumer association or “word of mouth”, the consumers could not form a powerful market force. Using the online media, consumers of same region, disposition, hobby and experience can communicate with each other through online chat room, forums, online news, information filtering and other tools to find the users who share the same interests and hobbies, to build a more in-depth contact, and form a community of interests, electronic community, to share the information. The electronic community is an informal organization of the consumers in the internet technology which differs from the common consumer association. Its biggest characteristic is the organization’s informality, self-service to influence the market through the information exchange between consumers. If consumers using products feeling happy or unhappy, they will quickly transmit and spread it through the community, and thus plays an important role in the future market.

Relational Integration between the Company, Customers and Employees

In the traditional technology market, company, consumers, competitors, suppliers, government are independent organizations and individuals, the relationship between them was mostly unidirectional and antithetical. In the Internet marketing, organizations in the market often form a relational integration, these factors link the entire process throughout the company marketing activities, and it is very hard to break them down clearly, and it might even cause the ambiguity of the organization boundary to disappear. The development trend of the future Internet marketing is that, the company is no longer just an organization who provides products and services, and the consumer is no longer the valuable recipient. Company, consumers, suppliers, intermediaries, government and other market factors form up a valuable community. In the Internet technology, an even more comprehensive electronic community can be formed by different types of manufacturers, dealers, consumers, research and development companies, and market management agencies that involved.

2.2.2 The Significance of Stakeholders Relationship with the Company

Between the company and stakeholders is a mutual benefiting, influencing and restricting dynamic relationship. On one hand, company actions and decisions will affect the interests of the stakeholders. For example, the company contempt of the environmental investment and management will cause environmental pollution which directly affects the living quality of the surrounding ecological and social public. Disclosure of false financial information will directly influence the validity of the investors and other stakeholders’ decisions. On the other hand, these

stakeholders will also affect the company actions and decisions. For example, government policies and regulations may cause the company to either enter or exit a particular field or industry. Consumers' feedbacks and opinions to the products provided by the company will drive the company to improve its product quality.

By both terms, this relationship may have a potential cooperation, or may also have a potential conflict. It depends on the factors like connection methods from both sides, the mutual interest characteristic and stakeholders' directions affected by company behaviors. As the company is bound by the stakeholders formed contract network, linking mutual interests of each other closely, the company and its stakeholders build a long-term, stable, mutual trust and mutual benefit relationship, to provide the internet organization a good business environment, and bring a significant meaning to the long-term and stable development of the company.

2.3 The Development of Stakeholder Theory Within IMC Theory

The development of IMC theory is a constantly improved and perfected process, the original concept and the definitive meaning of this theory were not as good as now, which is the theoretical innovation and development process that any theory must go through. For example, to evaluate the IMC initial definition, American Advertising Agency Association (4As, 1989) followed the inside-out way of thinking to develop a set of perfect communication plans for the consumers, while turning a blind eye to the outside-in "consumers-oriented" marketing concept, but this time from the "market-oriented" concept first proposed in 1957 by John McKitterick, the president of General Electric, has also spanned over half a century. This definition is not perfect and the main reason for the obvious flaw in the theory meaning is that the original definition of IMC theory was quite simple, while this theory was a reference of communication theory in marketing theory from the information communication study, therefore the researchers original intention to introduce it to the company marketing planning was only to strengthen the implementation plans after the company marketing planning, and bring its role to the marketing planning implementation stage, therefore the introduction of this inside-out concept is understandable.

Stakeholder theory together with IMC theory and development also show progressiveness rather than to accomplish at once. In 1993, the IMC theory founder, Don E. Schultz made a systematic exposition on the IMC theory, and compared with the traditional marketing concept and IMC planning process. And Duncan (1993) was the first to widen the definition of company communications scope as "those who are interested in the company or the brand". In 1994, one of his published work explicitly introduced stakeholder concept. And IMC was defined as "a process which strategically control or influence all related messages, it requires the coordination between all information and media, integrate impacts

on consumers' brand cognitive value, and encourage interactive communication between the company, organizations, consumers and stakeholders, to create a mutual profitable relationship." This type of communication object extension was seen as a publicly challenge to the Schultz' viewpoint. Later on the researchers basically also accepted this kind of formulation.

Stewart (1996) also focused on how to use all of the media tools to communicate with the stakeholders so as to establish the corporate brand equity.

In 1997, Schultz also introduced the "targeted, related internal and external audience" in his new IMC definition. This concept is similar to the "stakeholder" concept. In 1998, Schultz elaborated the IMC definition as "all integrated management on communication level of the organization, to establish a positive relationship between the employees, legislators, the media, government departments, and other public groups and other potential customers and stakeholders". This also marks that the scholars have reached a basic consensus on the stakeholder and IMC theory integration issue.

2.4 Summary

This chapter reviewed the progress on the study of IMC and stakeholder theory, and then based on the information collected summarized development process of IMC's stakeholder theory. The review on IMC theory mainly describes the theory background and concept, characteristics and its theoretical innovation have been recognized by scholars. The review on the stakeholder theory mainly analyzes the management category development angle, and put the IMC theory aside. Finally combining the two to illustrate that the combination between stakeholder theory and IMC theory is an innovation in the IMC theory, also to adapt to the trend of management development, in order to demonstrate the advanced nature of theory on one hand and combine with the author's thesis on the other hand, stakeholders are the working objects of Marcom Managers themselves, and also the research topic to cover their working models. This intensive discussion in this section is prepared for the study below.

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Chapter 3

The Executor of IMC: The Marcom Manager

This chapter focuses on introducing the basic meaning of a completely new role of the Marcom Manager, explaining and introducing the original intention of this concept. Its content covers the analysis of marketing management background, the definition of working object and IMC organization positioning.

3.1 The Background of Marcom Manager Concept

A number of inconsistencies have arisen as a result of studies published about integrated marketing communications (IMC) in past 20 years. In an attempt to shed new light on some of these inconsistencies and related issues, those studies treat the findings of a study among advertising and marketing executives in consumer, business, service, and retail organizations. Specific topics addressed among the four distinct business types include the time and attention devoted to IMC and other communication subjects, various IMC activities considered in campaign planning, the extent to which IMC activities are coordinated, and where IMC activities are sourced. While this book confirms that the subject of IMC is of substantial importance, little else conforms to information previously reported. Of cardinal importance is the need to respect the differences of various types of managers in planning IMC activities.

“The body of literature on IMC is thin and what is available mostly deals with superficial case histories and anecdotes” (Duncan and Everett 1993). Those of us who are interested in but not directly involved with managing integrated marketing communications (IMC) programs have been exposed to a considerable amount of information disseminated through the trade press and journal articles on the subject in the 1990s.

While IMC has been viewed as a valuable concept by practitioners (Duncan and Everett 1993), some believe that organizational factors have imposed constraints on its institution. In certain client situations, because of organizations’ pre-occupation with functional focus, capable people are seen as being “strapped in

functional boxes, constrained and trained not to solve business problems but to ‘do advertising’ or ‘do public relations’ or ‘do direct marketing’”. In others, where brand management is practiced, communications “are being developed and implemented at the lowest levels, that is, by the most junior and inexperienced employees”. Both conditions are considered as barriers to implementation.

Duncan and Everett (1993) reported that multiple communication function responsibility was being assigned to a single agency and a single position internally. However, the span of functional responsibility (respondents were queried about their involvement or lack of same in five communication functions) for either agencies or one of four client positions, such as “director of advertising” appeared to be limited in the majority of cases. Without knowledge of the client-reporting relationships, it is not possible to conceptualize how the assorted functions, limited to only five in their study, were coordinated or controlled. Also left unanswered was the question: who should direct the IMC program, client or agency?

Argument has been made for the advertising agency to coordinate and control the IMC function. However, other evidence indicates that clients don’t place a high priority on “full service” agencies. If companies are not looking to their IMC agencies to provide multiple communication services, where are they sourced?

Other related questions concern the extent of use of IMC activities by clients and the variance in usage by different business types since no single tool or technique is appropriate for all situations.

The purpose of this chapter is to address these inconsistencies and questions in an attempt to better understand the perceptions of Marcom Managers toward IMC and to learn more about the extent of use of communication alternatives and the organization, coordination, and sourcing of these activities across different types of business.

In 1997, an IMC benchmarking study was conducted by the American Production Quality Center (APQC) in Houston. The aim of the study is to analyze and determine the IMC strategy implementation level of well-known United States companies through IMC theory implementation methods and effects, as well as the aspects that are needed to be improved. In order to enhance the credibility of this study, they also specially invited Professor Don E. Schultz as the external expert. The organization designed a 45 questionnaire covering five IMC aspects.

- IMC structure and planning;
- application in IMC information and computer aided technology;
- the customer and stakeholder needs and organization integration;
- using information and communication technology to understand the internal and external environment;
- integrating finance, strategy and organization structure.

The objects for the questionnaires were also well-known United States companies that have implemented IMC strategy, including the United Airlines, General Electric, Arthur-Anderson Insurance, Texas Instrument, FedEx, HP, Prudential Insurance, Public Service Electric & Gas Co. etc., totaled 22 companies. The

above organizations completed IMC practices, activities, strategies and organization adjustment. The report pointed out some findings, covering the following:

First, the organization internal lacked directional team or position, which is disadvantageous to the strategy implementation and the organization coordination, the whole process should be completed within the organization and not rely on the agency or the supplier to complete.

Second, the company must collect the behavior information from the customers and other stakeholders, and use this information to formulate strategies, specific communication tool selections and finally communicate effective assessment.

Third, companies that best applied IMC practice often built a series of information feedback channels, and analyzed and “feedback” these information by specialized employees and group.

Fourth, one of the greatest challenges IMC faced was to make internal practice procedures and external communication behavior unanimous.

Fifth, during IMC planning, development and implementation process, the company must effectively use information and communication technology to transform customers and stakeholders information into cognitive demands.

Sixth, many organizations have claimed to be “consumer-oriented”, but almost none of the interviewed companies really understand the meaning of “consumer-oriented” in the strategic and organizational level.

The companies from which the research survey samples selected were all leading companies in the United States industries, this showed that the IMC theory has achieved wide recognition in the United States; company had hoped that with the introduction of the theory they will be able to improve the business efficiency and gain competitive advantage. However from the existing problem it is not difficult to understand the theory practice immaturity. In the contrary, existing problems of the theory implementation mentioned in the report were mostly mentioned in the IMC theory study, some were even studied intensively, such as IMC organization, media mix, and database application and also targeted IMC strategy—“stakeholder-oriented” is a more profound concept of “consumer-oriented”. However, even the company executing the IMC strategy doesn’t have a real understanding or application of “consumer-oriented”. These cannot be attributed to the theory research not being deep enough, but only because of the lack of the directionality from the research itself. The author thinks that the reason-oriented companies had the above flaws lying in not having an ideological meaning and planning process that strictly follow the IMC theory to redesign the organizational process, the internal resources integration, and truly establish a relationship management consciousness, in short the “execution force” was not enough. To overcome these flaws, the company must deepen the theory research in order to improve the practice application of the theory. In 1997, in response to IMC theory discussion, Schultz moved the theory from the strategic application level to strategic planning levels. The author also accepts this strategic level position of IMC theory. Jump out of IMC theory and strategic application thinking, the company should restructure the organization from the system engineering point of view, and review the mindset of strategic essence. According to the designer’s viewpoint in

strategic management, corporate management strategy must adapt the environmental changes, the organization structure must be changed accordingly to the strategic needs". Therefore the author's starting point is to introduce this particular position of the Marcom Manager, as well as generalize its working core and content.

3.2 Introduction of Marcom Manager Position

If the IMC theory was analyzed in specific practical situations, in fact, it would have revealed the urgency to perfect the organizational structure of IMC. Although IMC strategy practice has not been presented as similar to "Marcom Manager" this kind of specific position setting for execution and implementation of IMC strategy, but in theory research, there have been a number of scholars proposing the organizational structure adjustment problems of IMC.

Schultz believed that, the organizational structure of the company often is one of the main obstacles of IMC. Because most of the corporate communication developments and executions are handled by the low layer of the corporate pyramid, the communication department is kept away from the core of the company, while the top is often financial-oriented, all kinds of different functions "experts", such as advertising manager, promotions manager, event marketing manager, brand manager often think of themselves as the most important link due to their own professional origins, causing all communication activities selfish departmentalism unable to link organically. Therefore, to improve the communication efficiency, the company must establish the central control concept; establish communication centralized system, for example setting up a marketing communication agency or "Marcom Manager". Despite of the conflict with current management concepts, top-down and central controlled IMC organization is necessary. Marketing operation and sales organization can be decentralized, so that the company can combine the unified high efficiency and decentralized energy. Kitchen and Schultz (1999) proposed the idea of establishing the communication "Czar" to overcome the IMC obstacles, even the existing communication system cannot let every single professional or business group be involved in communication program design and implementation, IMC communication activities should be planned and managed by the Marcom Managers. Cross functional IMC working groups formed by the Marcom Manager and the department professionals should be responsible for strategic IMC services. This idea in theory, complies with the changes in the external environment for the centralized management of communication functions, and can overcome the problem where it is hard for the professionals from internal department to form a coordination and integration effect.

Chris (2004) also proposed that for the integrated marketing communications to achieve a single sound, the company must deeply plant a consistent concept in information, strategy, implementation and organization structure, so that IMC is able to maintain the consistency of information in every marketing stage.

“Coordination of integrated marketing communications should have a single manager or team to be responsible for planning the integration of marketing communications programs as poor organization structure can become the barriers of integrated marketing communications, therefore the company must form cross-functional team supported by the top management”.

To sum up, the author believes that the company internal needs to set up a strategic IMC planning manager—Marcom Manager. Marcom Manager is the new compound word of “Marketing Communication” and “Manager”, he(he) is a new occupation that combines operation management, marketing and communication as one, the subject of communications and the planner and manager of IMC strategy in the new era, who centrally controls corporate communication activities across all functional departments through the Marcom Manager, quickly responds to the stakeholders needs, communicating “speak in one voice” information. His(Her) job content includes the circulation establishment and supervision ranging from introducing IMC strategy, communicating strategic thinking within the organization, strategy formulation, implementation, adjustment, performance evaluation to the overall strategy optimization. The internal Marcom Managers should have basic qualities of the leadership, and have deep understanding of IMC strategy attributes, but at first he should have the communication and coordination ability across departments within the organization to ensures that when introducing the IMC strategy the strategic thinking can be communicated to various departments within the organization to ensure the consistency of strategy identity. Obviously, organization processes reengineering strategy introduction and adjustment not only require marketing managers to have the abilities, but also need company to grant them appropriate authority to eliminate the obstacles of lateral communication and coordination. Therefore next section will define the organizational positioning of Marcom managers.

3.3 IMC Managers’ Organizational Positioning

In order to adapt to the requirements of IMC strategy, it is necessary to adjust the organization structure, and the adjustment of organizational structure is designed to eliminate the obstacles in the implementation process of the IMC theory. There are many empirical researches showing that it must have the connection between the IMC implementation levels with the result of IMC implementation. Therefore, the organization positioning of Marcom manager is very important. If a Marcom manager stands on an important position, the supply of the staff and equipment will be sufficient, and for the position in the centrality of power, the organizational obstacles to the strategy formulation, introduction and implementation will be cleared out. Conversely, if the organization positioning is not appropriate and even in the much lower power level, the IMC team will function as no such position and increase the difficulty and obstacles between departments. In general, the IMC organization has the following two forms.

3.3.1 The Centralized Organization Centered on Marcom Manager

The most general developing IMC method is to build an organization centered on communication which means in the organization, the Marcom Manager will be selected as the center, and authorize him(her) to integrate all the communication functions, utilize the integrated effect to maintain the relations with stakeholders. This kind of IMC organization idea was originated from the Business to Business transactions field. But recently the enterprises serving general customers also begin introducing this concept. Marcom Managers maintain two-way communication system with all departments' manager and integrate, adjust all internal communication activities.

Although from the above mentioned, it may be regarded that Marcom Managers control all the change related to the corporate communication, but in fact the Marcom Managers only adjust and control the individual communication activities with the departments' business-related stakeholders in order to achieve a state of consistency and correlation of corporate integrated communications, i.e. the function of Marcom Manager is to manage, support the individual communication and make it consistent with the integrate communications of the whole organization. The organizational structure is only the "ideal" design to the initial implementation of IMC strategy, as the IMC strategy rising in recent years, the company must hire outside experts to guide the organization in carrying out the marketing management as the center of the IMC team.

The author believes that it is a long-term and step-by-step process from the introduction and implementation of the IMC theory to integrate it with corporate operation philosophy developed long. The progressiveness can be attributed to two aspects, one is for the inconsistency between the innovativeness of the theory itself and old strategy concept, organization structure as well as even corporate culture; the other is the rhythm for Marcom Manager, the core of an IMC team, to control, in the strategy implementation, the rhythm depending on the company acceptance to "new concept" by internal corporate culture, and whether carrying out IMC theory receives the recognition and support from the top management. In the introduction of present IMC implementation status, corporate managers should be clearly aware of that although the IMC theory has been promoted both in academia and practical industries; the actual implantation effects have a big difference. To any company, the introduction of new strategy itself is a process of "Exploration" and "Learning" while these two sides require company to control the rhythm of strategy integration according to its detailed conditions. Although the organizational structure is urgent for IMC theory, and it is necessary to the mature phase of IMC theory implementation, in the initial stage, introduce this theory to the company, the adjustment of the original organization structure will lead to unexpected and dangerous situations.

3.3.2 *The IMC Team Centered on Marcom Manager*

Most of the marketing organization structures are loose, marketing communication strategies are expansive, marketing activities are a type of fragmented, non-systematic, discrete instead of continuous, pell-mell instead of integrated, product-focus instead of a relational marketing communication. In essence, it is a kind of top-down, inside-out, unidirectional communication using product sales as main objective, and not an organized system that is demanding, bottom-up, outside-in and consumers and other stakeholders-oriented. Yarbrough (1996) believed that although many company have realized the urgency and the future trend of IMC value, but in practice, there are still practical barriers leading to the poor implementation effect. And the reasons are many and varied, such as that the organization does not truly understand the IMC meaning and value, its implementation is limited by the organization overall marketing budget and fails to get top management support and other reasons. Therefore in the beginning of IMC organization design, need to take these factors into account and to overcome these organizational structure flaws.

Thomas Duncan argued that IMC is both a concept and a process, "integration" doesn't just imply to the use of "complete" and "cooperation" concept, but also transforms communications into a driving integration force in the marketing mix, and runs through the entire organization operation. And what is this driving force exactly? The author has the following understandings:

First, the acceptance level of IMC theory from internal IMC participants or the internal members of organization directly and indirectly influence the effect of the strategy implementation. This requires to build a IMC expert team producing internally in the organization or engaged externally to communicate the theory within the organization at first, help the internal organization to reach a consensus and achieve a higher acceptance to the theory essence and hope that with the help of the theory introduction and individual implementation and the organization will grow together. The driving force is internal and spontaneous.

Second, the IMC team must have the corporate top management's approval and support, and the team is placed in the corporate organizational level, directly led by the chief executive. This kind of high level power positioning itself can also form a certain driving force.

Third, the birth of the final driving factor also rely on IMC strategy implementation after a certain period, and strategic positive effects are communicated in organization, this kind of behavior communication is most persuasive.

We shall introduce the three points above into the IMC structure as shown in Fig. 3.1, in which the core IMC team is the Marcom Manager.

In this model, the IMC team belongs to a unique position in the organization structure, playing an important role in the strategic integration effect among the CEO and internal operations, human resources, marketing, sales, public relations, R&D departments, between inside and outside the organization, planning and coordinating the whole organizational IMC activities.

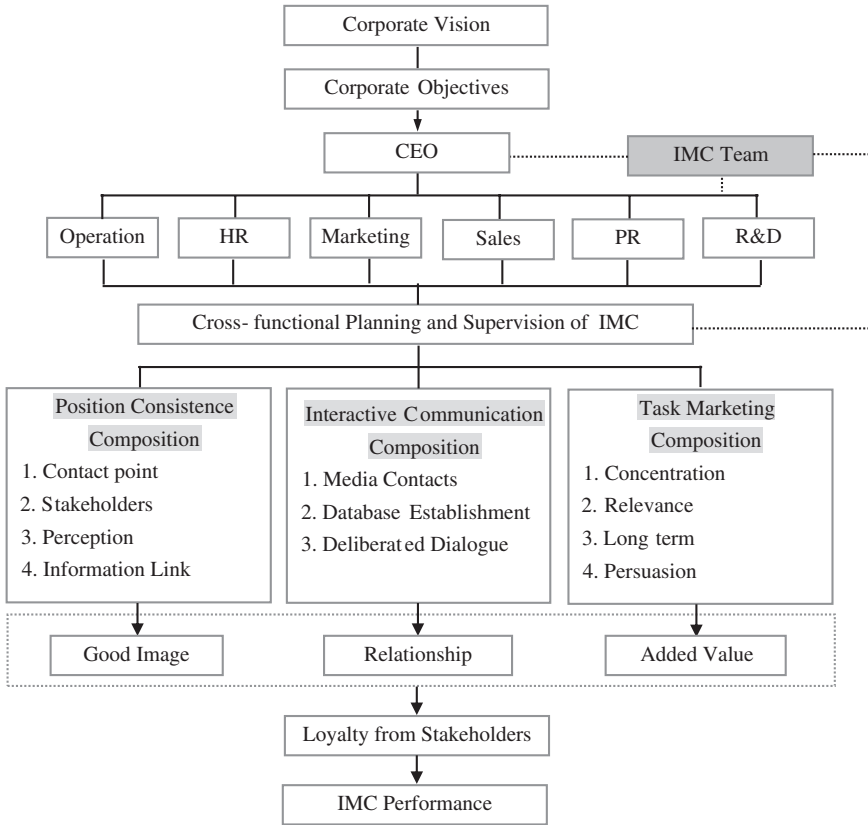


Fig. 3.1 IMC team in organization structure

The advantage of this structure is that it can be tailored to the needs of the individual stakeholder group and the corporate internal function departments to execute the Marcom Manager-oriented integrated decision. On one hand the organizational structure complies with the external characteristics that the IMC theory introduced; on the other hand, except from the longitudinal and direct communication with the CEO the organization also establishes the horizontal communication mechanism with each functional department. This is helpful for the communication of IMC strategic thinking within the organization as well as when there is a conflict between the interests, the dual resolution model of power and lateral communication could be resort to.

3.4 Summary

This chapter firstly introduces the process and results of IMC benchmarking researches through the Empirical way in American Production Quality Center (APQC) to explain that IMC theory in the “original place”, the United States, still

exists many problems. To find its reason, the first reason is the difference between the theory and practice itself, the second reason is the studies on the practice and application do not satisfy the needs to guide the practice. Next, it listed the facts that IMC theory is so popular to show the contrast between the levels of theory and practice and to emphasize the significance of the Marcom Manager position. According to the strategic positioning of IMC theory from the relevant scholars, and their emphasis that “organizational structure should be adapted to the demand of the strategy”, the author thinks that the successful implementation of IMC theory needs enterprise to adjust its organizational structure. In organizational structure description, the author believes that the IMC centralized organizational structure is still an ideal organizational mode with the characteristic of external introduction and unfavorable practice, so its introduction should be carried out step by step.

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Part II

IMC Organization

Chapter 4

Researches on IMC Organization

The integrated marketing communication theory has become a new business management paradigm, and has gained more and more attention from marketing theory researchers and company managers. The significance, necessity, and importance of IMC theory strategy have already been discussed many times. This chapter focuses on the IMC strategy implementation, focuses on discussing an important foundation of the implementation process, the organization structure design. The author attempt to propose an idea contributing to achieve the IMC structure design objectives during the discussion of integrated marketing communication in the implementation process; how to guarantee that the organization structure design of IMC strategy be fully executed and implemented; how to guarantee the collaboration between the IMC department and other relevant departments for the integrated marketing communication; how to promote the integrated marketing communication in the development tendency.

4.1 IMC and Reorganization

4.1.1 *Reorganization and Integration*

Since Adam Smith proposed the opinion of the division of labor which has been applied to production forming the assembly line organization model of production and applied to management creating a pyramid-hierarchy-controlled organization, marketing theory has also been affected by division of labor and specialization, committed to functional research, emphasizing on the segmentation of customer demand, dividing the marketing strategy into 4Ps, each of which also develops its respective application strategies, for example, sales promotion strategy includes advertising, public relations, sales staffs and sales promotion. During this period, mass communication method was widely applied; advertising, public relations and other specialized means of communication matured rapidly, and played a huge role in application. It can be said that, the tendency of division of labor and

specialization promoted the marketing and communication theory logic system and the application framework, improved the practical application of the marketing and communication theories.

But as the division of labor and specialization theories further advance, their defects start to show. Meticulous division makes it harder for the whole company to be integrated, reduces efficiency, cost rises, staffs lack sense of achievement, difficult for customer demands to meet. Therefore, it is necessary to re-evaluate the division of labor theory. The “Reengineering the Company” of Michael Hamel and James Champy is the best representative for the abrogation of the labor division of labor theory. Company restructure emphasizes customer oriented, it focuses on the restructure process, breaks the original division of labor system that no longer adapts to customer demand, re-integrates to improve the effect and efficiency of company operation, improves the market reaction ability and speed. Restructure theory promotes the marketing development in two aspects: firstly, emphasizing on the ideology transformation. The marketing strategy must be dynamic, as the marketing environment changes and continuously reforms and renews; secondly, company restructure makes “customer oriented” no longer just a mere slogan, nor simply a guiding principle of the marketing department, but the orientation of the company whole value creation process.

The corporate restructuring theory has a great influence on the thorough implementation of IMC. In the traditional pyramid-hierarchy organization type, it is not easy to define the scope of IMC. If it is defined as the combination of traditional communication methods, then the scope is too narrow, because other functions or departments, such as product design, packaging, pricing, also hold the communication value. However, although the communication activities are related to various coordination and cooperation functions, if the IMC is defined too broadly, becomes an all-inclusive omnipotent function, it will lose the practical operation, thus the definition also loses its meaning. Restructure theory puts the IMC managers in the company creating high level strategic value for the customers to evaluate IMC positioning and implementation; communication objective no longer affects the customer but becomes an organic component of the company strategic business process to increase the value. IMC segments lie in communication stream, communication position, and are needed for the stakeholder identification process and information communication service, while coordinating the whole process with the information communication of each segment oriented stakeholder, making the value creation process of the whole company become more effective. IMC is neither above the other segments, nor it is operating independently, it and other functions are integrated with the company during the stakeholder value creation strategy process. Therefore, it can be said that, the ideology of company restructure theory has provided the theoretical reference to the successful implementation of IMC.

The ideology of integration is not a complete denial to division of labor theory, but a selective abrogation. The principle of labor division in the IMC application process still has a role to play; otherwise integration is but an empty slogan, not practical and cannot put into practices. The new meaning of division of labor is to divide the labor under the guidance of the integrated ideas.

After the recognition of integrated ideas, IMC, in the actual operation, has been presented in many different points of view from the theory researchers and practitioners. The author believes that it can be summarized in two big dimensions.

Firstly, in the horizontal dimension, advocating the integration of traditional advertising, public relations, sales promotion and other departments or communication methods; or in a wider scope, advocating that all elements of the traditional marketing integration should be within the scope of integration; or broader, advocating each department, function and segment within the company should participate in IMC. One of the representatives for IMC theorists, Schultz, in the early time, saw “a whole new way to see things as a whole instead of parts as we did in the past”, for the perspective of IMC was a horizontal dimension. These advocates saw the suitable environmental changes, undertook the necessary integration, have also proposed a dimension suitable for the IMC implementation. However, in the traditional hierarchy, in the partitioned function organization, these approaches were met with many difficulties. The restructure theory mentioned above is one of the references for solving the problems.

Secondly, in the vertical dimension, meaning is that the implementation of IMC should be a phased strategy business process (Schultz’s later viewpoint). Each stage of the implementation process implicates a feedback mechanism that forms a closed-loop system. IMC cannot be done in one night, it is not static, nor a simple slogan, therefore it needs to be implemented in stages; having a strategic control system to continuously adjust the movement, only then can truly obtain the actual effect.

4.1.2 Integrated Marketing, Integrated Communication

The marketing theory development process is also “those who are parted for long shall be rejoin, those who rejoin for long shall be parted”, parting and rejoining are parts of life. Market segmentation, product life cycle, positioning and brand image theories focus on the marketing functions and division of labor skills, improve individual function efficiency; marketing integration and strategic business integration theories were based on the above-mentioned theory, focusing on marketing functional elements and the importance of business integration. This suggests that the marketing theory studies single factor intensively on one hand and explores the integration effect on different elements on the other hand. The application of marketing was also extended from profit organizations to non-profit organizations, and even individuals. At the same time, in marketing philosophy, marketing gradually deviated from product oriented to customer oriented, then to customer satisfaction, relationship marketing, moving from inward to outward, paying close attention to whether or not company strategy, structure and system could adapt to the environment.

These developments of marketing had produced major effects on the formation of IMC. IMC emphasizes on the “outside-in” strategic perspective, relationship marketing and integration, these ideologies and the integrated marketing always complement each other.

Traditional marketing communication refers to the organization using its products, services, ideas, images or brand, through advertising, personal selling, visual design, packaging, promotion, public relations, web and other tools to carry out persuasion and communication activities toward the market (consumer) and society (the public). Its purpose is to promote product sales or lead the behavior of the public, promote the organization image; its nature attribute is strategic creative design of information. The marketing concepts philosophy is to develop communication strategies, more influential marketing concepts are shown in Table 4.1. David W. Stewart believed that during the IMC implementation, if the objective was still like the traditional communication theory: defined to affect the consumers, IMC would not be successful. The business environment has changed the role of the consumer and other stakeholders in information communication which have become more and more different than ever; the use of mass media is no longer valid; interactive communication tendency between stakeholders and enterprise become more and more obvious and no longer just one target audience.

Therefore, the organization should fully understand the needs of the stakeholders, the IMC managers should grasp the overall concept of strategic management, understand the organization value creation process toward the stakeholders, understand that the communication activity is a coordination process, and that its objective should be to create values for the stakeholders.

4.2 Influencing Factors on IMC Organization Structure Design

Currently, IMC has entered into the stage of practical operation from the theoretical level, according to Schultz and Kitchen (1997); the investigation of IMC implementation status showed that the obstacles in the relationships between company organizational structure, organizational culture, organizational and financial budget methods, agents and other stakeholders had limited the IMC strategy implementation effect. IMC strategy needs the support of corresponding organizational model, and the obstacles of traditional organization method on IMC strategy are mainly shown in the following aspects.

4.2.1 Organization Structure Factors

IMC strategy does not only require the coordination between the communication activities, corporate strategies in relation to management philosophy, but also requires the effective support from employees, investors and other internal stakeholders, so that the corporate marketing activities, communication activities and strategy are able to form a consistent positioning. Therefore, the recognition from the top management and employees' support are crucial for IMC strategy

Table 4.1 The evolution of marketing concept in the twentieth century

Communication concepts	USP	CI	Brand image	Positioning	Brand character	Brand identity	Integrated communication
Time	1950's	1950's	1960's	1970's	1980's	1990's	1990's
Background	Information recognition	Information recognition	Psychological recognition, competitive environment	Information environment, competitive environment	Competitive environment	Competitive environment, internet information environment	Information environment
Effect base	Empirical support	Visual difference	Image difference	Intellectual positioning	Character charming	Value and significance	Unified perception
Contact point	Product	Enterprise	Brand	Brand and product	Brand advertisement	Brand	Brand
Communication means	Advertisement	Kinds of info-carrier	Advertisement	Name and advertisement	Advertisement	Various tools	Various tools
Core proposition	Emphasizing the product difference and effect	Visual design, enterprise Idea and culture convey	Seeking for long-term difference of brand image	Creating the no. 1 position in customer mind	Endowing its own brand with life, make it look like a human with unique character	Establish long-term position through brand essence and spirit	Speaking in one voice in brand communication

Source Jia-Xun (2002, p. 151)

implementation, while companies who lack communication system, overall planning, often use the marketing departments themselves to execute the IMC strategy. This leads to the lack of serious communication within the organization activities, inexperienced staffs responsible for the development and execution of communication within the organization, the frequent budget cut or frozen by the top financial managers, the declining efficiency of marketing communication activities.

To raise the integration level between corporate operation and suppliers, marketing agents, wholesalers and customers, IMC strategy requires the internal communication activities of organization to be able to communicate consistent information to the target group, producing the desired effect, while the corporate internal department responsible for the stakeholder relationship management is unable to provide effective stakeholder communication strategy. The traditional organization structure limits the execution of IMC strategy, the IMC process must be executed through the brand name, Strategic Business Unit (SBU), as well as the communication between functional specialized staffs in order to obtain the effectiveness, however companies often put too much focus on the longitudinal communication mechanism, while ignore the lateral communication that IMC need most; departments within the organization cannot share the information effectively, thus cannot form an unanimous understanding on IMC strategy.

4.2.2 Organization Culture Factor

Employee behaviors are influenced by the organization culture, coming from different departments; employees have different opinions on how the marketing communication can be effective, between the marketing staffs; more complicated issues on culture exchange of different organizations also exist in agents and suppliers; the traditional 'pursuit of velocity', increased efficiency and department interest of organization culture cause different stakeholders in the internal organization pursue their own interests, forming a corporate "Inside-out oriented market culture". This limits the effective integration of organization resources, reducing the market awareness ability of organization. During the development of marketing strategy, organization focuses too much on financial targets, rather than customer satisfaction, the experts (advertising manager, direct marketing manager, sales manager), driven by their own interests, will attempt to separate the communication activities to retain their own budgets. The occurrence of these problems is due to the gradual dependence on financial analysis.

When setting marketing goals, most managers would like to think of making financial standards to manage the organization, rather than consider from the customer demand perspective. The customer is the center of integrated marketing communication. IMC needs to understand the customer purchasing decisions and its behavior patterns, if marketers focus on financial orientation rather than customer orientation, then the whole marketing communications planning environment will not be able to create a successful IMC planning.

4.2.3 Integration Levels and Stages

The integration of integrated marketing communication is divided into levels and stages.

4.2.3.1 The First Level of Integration

At first integrated marketing communication is meaning to achieve effective communication. First, communication methods selected based on the communication target must be differentiated based on effectiveness, and integrated marketing communication does not mean the more communication methods the better, nor does it mean simply putting various communication methods together. For a common communication objective IMC requires the communication segments to integrate with different communication methods, relay the same information to the communication target, and require the communication to be efficient and effective. This is the first level of integrated marketing communication, and is also a basic stage of the strategic business process in integrated marketing communication.

According to the view of the Integrated Marketing Communication Research Institute of Colorado University in the United States, this also means that IMC shows a consistent appearance and personality from a unified image, next maintains a consistent voice. The meaning of maintaining a consistent voice in this organization level is to relay a consistent information with the same intonation and attitude to the consumers, customers, employees, shareholders, channels, suppliers and other stakeholders (although the specific content may vary according to different targets).

This means that during the IMC implementation, organization structure design must first ensure that the traditional communication methods, the communication departments or segments can achieve a harmonized integration, cooperate for a unified communication objective. Merging the advertising and public relations departments is not important; the important thing is to have a clear coordination mechanism, and a clear cognizance of responsibility.

4.2.3.2 The Second Level of Integration

Stewart (1996) believed that the communication elements and distribution elements of marketing mix had become more difficult to distinguish, and required integration. In some cases distribution channel is the same as communication channel, for example, direct response marketing through different media and direct sales force. Although it is difficult to distinguish products and prices from communication elements, some scholars suggested the increase of information available and the increasing complexity in acquiring, processing and analyzing these information technology have gradually broken in the limits between the elements in marketing mix, hence need further integration.

4.2.3.3 Third Level of Integration

IMC requires the changes within the marketing function and the company itself together with the integration between traditional marketing functions and the integration between marketing functions and other functions, therefore the company's restructure process must revolve around the customer needs. For example, NICE group launched Diaopai natural soap powder, its communication objective was to build a natural, high quality product image to propagate the "natural soap powder and laundry detergent" theme.

From the first level of integration, NICE was not doing a very good job. Its first "Are you soaked? Are you cleansed?" version of the ads raised controversy, regardless of whether it was intended to be a gimmick to attract attention, the ads did not help to build a high quality, natural image, but damaged the company image instead. Even if the ads reached its target (if controversy was from the target), due to overall damage, ads were ineffective or even harmful, it could even destroy the company effort in the communicating its other usefulness. This is one of the non-integration cases.

The price of Diaopai laundry detergent was more or less the same as high-grade laundry detergent, and it could have communicated the "high quality good price" information, but although its packaging design was the new, Diaopai looked like a new laundry detergent product, moreover it was placed mixed together with other laundry detergent products in supermarkets. Highlighting the difference between the two, and separating soap powder and laundry detergent is a very difficult thing to do. At this stage, perhaps the company should have reconsidered whether the "natural soap powder and laundry detergent" communication subject could really reflect the communication target.

Natural soap powder technology has already existed for a long time, but NICE with its breakthrough in R&D and manufacturing technology, has laid a foundation in producing a large-scale of high-quality products. In this case, the company paid too much attention to products, emphasizing on the product characteristics, which was also the intrinsic reason for the "natural soap and washing powder" communication theme. R&D and production established a foundation for communications, they can be said to be consistent. However, the integrated marketing communication for the product is basically inside-out, and in fact whether the most important stakeholders of the company, consumers, really do care about the difference between soap powder and laundry detergent or not, What their real needs are is the key issue. Only by answering this question in the right direction, can integration truly be meaningful, and communication be integrated.

4.2.4 Types of Stakeholders

The IMC communication targets are the internal and external stakeholders of the organization. A higher level of integrated marketing communication development

is to act as World-class Citizen. They have social responsibility and environmental protection awareness, and their unique corporate culture leads everything, not just the focus on the relationship with the stakeholders, but extending to dealing with more community groups.

Each organization has different objectives and purposes, organization development processes and stages are also different, thus not only the stakeholders are different, the communication focuses are also different, therefore it is necessary to distinguish the stakeholders by their significances, and change over time, meanwhile not all communication forces are used equally. Organization design must make sure that information from the key stakeholders can effectively be reached by the relevant departments or segments, ensuring that the assignment of communication tasks for the key stakeholders are clear, ensuring the effectiveness of communication contents and methods.

For Crown & Zeller Barker, the largest pulp and paper manufacturer, is located in American west coast, long-term forest management is so important and so crucial that it became the main function of the organization. The importance of stakeholders' involvement in forest management thus goes without saying.

In the woman clothing industry, the often discussed process is easy to understand, and its manufacturing is often very simple, even it is not considered as a main function, yet its design is very important. Therefore the importance of corresponding communication activities revolving around the design is also increasing. It requires effective monitoring of consumer trend while conveying the message to the designers, propagating the design trends, leading the consumers. Acting as the organization internal stakeholders the position of the design is very important.

AT&T Inc. uses raising funds in the capital market as the only main function, distinguished from the accounting department and long-term capital investment program. The importance of the investors in the company is different from other companies.

Even though consumers, the main type of stakeholders, are the communication targets of each organization, the communication focuses are also different. A large American bulb manufacturer makes the educating public to use electric light and developing a good habit of bulb lighting as its main objective, only if this task is made to a separate function, the organization would meet this objective. Since almost all American families, shops and factories use electricity, market expansion and business development do depend on the increase of light bulbs use of the American customers, rather than rely on the finding of the new customers.

4.2.5 Interactive Communication

Integrated marketing communication means interactive communication. If there is a starting point in the integrated marketing communication process, the starting point should come from outside, from the targets the organization needs to serve, and from the value and contribution of the organization, in a word; it must become

a good listener. This hierarchical organization uses the bilateral and reciprocal dialogue to establish the true interactive communication, its targets include the customer group, the competitors, employees, shareholders, suppliers, in the same time they also use the database establishment, strengthen the feedback system, such as communicating with each other via customer service telephone, consumer research, seminars, product launches, website contact channels, twitters and other tools to build a long-term relationship.

The principle of interactive communication, especially the information system design has show significance in the organization structure design. It means that it is impossible to rely on a single department to complete the work of integrated marketing communication. Merely the work of collecting stakeholder information already involves front-line staffs (e.g. customer behavior), marketing (e.g. competition intelligence), procurement staffs (e.g. supplier's information), financial officers (shareholders' demands) and other groups and it sometimes may require external assistance. Interactive communication also means that the information system is not a closed system within the organization, but an open-system connecting the internal and external environments.

4.2.6 Dynamic Change

Integrated marketing communications is a strategic business process. It is phased, executed step by step, adjusted according to the relevant circumstances. The dynamic characteristic of IMC is linked to the other characteristics. The outside-in perspective naturally requires the organization to adapt to internal and external environments, to each stakeholder's requirements, and arrange interactive communication with it. It is difficult for a rigid organization structure to achieve this requirement. As the integration is a long-term phased mission, neither has it required the adjustment of organization structure in one step, nor is it always the same.

From the above analysis, we can see that these characteristics of IMC are not clearly separated, but interrelated, affect the IMC implementation and the organization structure design in implementation process from different aspects. Integrated marketing communication must convey the information, establish the relationship, and involve all aspects of the organization. True integrated marketing communication is not a task that can be done by a single department, nor it can be completed in one step, it is a coordinated strategic business process.

In short, the characteristics of IMC lead to the extensibility that IMC strategy involves, and IMC strategy is not achieved by integrating a few communication departments. It requires the cooperation between the IMC department and other departments or segments; strategy implementation has maneuverability; during the IMC implementation the IMC department, each of other departments and segments needs to be defined clearly with their respective responsibility; the implementation is a strategic business process; the implementation is a staged process, each stage has specific targets with different significance.

4.3 Principles of IMC Organization Design

A good organization structure is a necessary foundation, and if lack of this kind of foundation, all the achievement of other management areas will be futile endeavor. IMC implementation needs support and guarantee from good organization structure. The author will borrow Haier's strategic business units (SBU) ideology to propose an organization structure design guideline that is beneficial to the IMC implementation.

4.3.1 SBU Concept

The definitions of contribution and resources involve two dimensions and three directions. Vertical dimension is related to what responsibility does a SBU (Strategic Business Unit) has for a higher class SBU, what kind of responsibility does a higher class SBU has for a lower class SUB that has obtained achievement; horizontal dimension is related to defining the powers and responsibilities between the SBUs of the same level. Does a SBU need to work with someone? What kind of contribution must it be responsible for the works of other SBUs? On the other hand, what do these SBUs must do as return? People often define a SBU's job based only on its activities, which is only a downward relationship, which is not enough. The more important thing to be considered when defining a SBU job is its activities, unit's contribution affiliated with its work.

Haier creatively defined SBU as a unit by its traditional definition, which can also be a secondary department or segment, even narrow down to an individual. Haier SBU core idea is to clearly define each SBU contribution and resource: what does it need to contribute, who needs to use its contribution and achievement; what resources does it need to make these contribution and achievement, which is responsible for the provision of these resources.

In other words, an upward relationship must also be analyzed and established, and the indirect relationship of the horizontal direction also needs to be analyzed as well. The contribution of a SBU responsible for other SBU activities has always been a part of its job, and may moreover be the most important part. The detail is shown in Fig. 4.1.

Take a major railway company for example. Traditionally, railway companies always put the two engineering functions, new equipment design and old equipment maintenance under the transport department responsible for cargo and passenger. If these two engineering departments are determined according to the downward relationship of their respective employee management, then this tradition is effective, because from this standpoint, these functions are used to support the transportation.

But, at the same time it creates a problem, what is the upward relationship of these two engineering project managers? The traditional organization structure is considered to be a fallacy, a serious obstacle in good railway management.

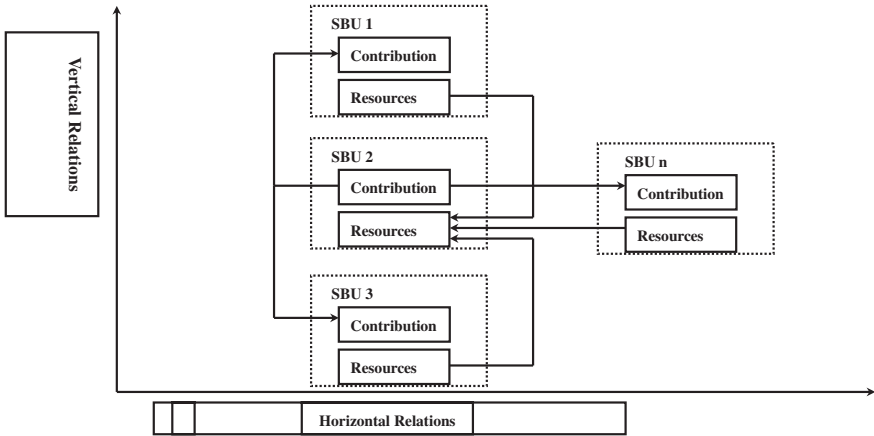


Fig. 4.1 The strategic business unit relationship from the view of the contribution and resource

Because the most important job of these two managers is perhaps to raise suggestion to the top management, and participate in formulating a long term policy related to what a railway company’s business should be. As the result of the jobs and expertise that they possess, they are directly responsible for one of the most important goals: to provide the material resources. They are in charge of working out new objectives and achieving the important responsibilities of these objectives. Therefore, they should organize their jobs properly, so that even if they are not a member of the board of directors, they could still consult with the highest level of management directly. Otherwise, they will make critical decisions that affect the future (or even the survival) of the company due to the lack of necessary knowledge. Even if the decisions themselves are correct, they would not be understood by the people who make these decisions, those engineering project managers, and could be discarded. In other words, these departments’ functions were forced to break through the transport functions, and report directly to the top management.

An example is the job of a marketing manager, in his downward relationship; he is a “sales manager” of a sales team engaged in acquiring orders. However, if this relationship decides the working organization structure (similar to the traditional method), then perhaps the contribution that company wishes the marketing job to make might not be possible. In order to do the job properly, engineering departments must obtain new products information related to the market’s needs and improve the old products information from marketing activities. It must obtain the product development and design instruction as well as pricing information. In the mean time, the production department is able to obtain important information such as expected sales and delivery plans only from the marketing activities; purchasing department also relies on the information that only the sales manager can provide. Accordingly, sales manager needs the information obtained from all of these departments to properly deal with the downward relationships, which is his responsibility in managing sales department. The relationship did become so

important that more and more companies either put sales managers under a marketing manager who is mainly responsible for indirect relationships, or split marketing activities into marketing and sales functions, in which marketing and sales manager have equal status, and though work closely, but operate independently.

For example a purchasing staff in charge of buying steel plate for the Haier household electric appliances is required to provide qualified steel plates for manufacture, with the quality being the prerequisite, and the lowest price as possible. In the purchasing manager's point of view, to complete this task, he can even use their own money to hire other assistants. Whereas besides the meaning of having the authority power over his subordinates, the purchasing manager is also responsible for his subordinate's ability to complete the task, he needs to provide the corresponding resources for the purchasing staff. The purchasing department provides raw materials to the production department and other departments, while the other departments need to provide resources like production planning, finance, logistics support to the purchasing departments.

4.3.2 Outsourcing and Inter-Organizational Cooperation

Organizations, media and agencies rely on each other and play important roles in the market competition. When the media conveys an organization's brand information or customers purchase the organization's products and services, agencies provide specific marketing communication technology to the manufacturers and retailers, the responsibility of the media is to take advantage of advertisement to convey the brand information; Customers, as the media listeners, need to realize their needs and ideas. Along with the increase in the company's size, business scope expansion and marketing communication partners' substantial increase; the relationship between company and the media becomes more complicated.

Companies use the marketing communications agency to increase the possibility. Companies have realized the importance of IMC to them and are looking for agents in the market who have profound understanding and ability to help companies to have a consistent voice and consistent image to face the customers and stakeholders. But the majorities of agents are only good at one or some marketing communication skills, and are very weak at integrating different marketing methods, conveying consistent information, advertising agents' lack of the ability to implement IMC for the company.

Media companies greatly depend on external content resources; during the advertisement the media can transact its advertisement time to the advertising agency that helps company to convey information. In the customer-oriented marketing communication plan, customer becomes a valuable property, the center of the plan; agency's purpose is to provide better service for the customer. The scope of IMC application is not limited to the customer relationship management, employees, investors, suppliers, retailers, wholesalers, market analysts, media, product sales region, special interest groups and government officials and other stakeholders also

have important influence on the company's overall income and brand asset is the results of stakeholder integration with the company. Therefore, how the marketing department collaborates with other departments, how to achieve each stakeholder partnerships is the most important for company survival and development.

4.3.3 Principles of Organization Design For IMC Implementation

4.3.3.1 Clearly Define the Contribution and Resource

Clearly define all relevant stages, departments, segments contribution and resources in the IMC implementation process. During the IMC implementation, the organization is not required to set up a special "IMC department", nor reconstruct its original departments totally. The organization should decide according to the actual situation. One of the methods the organization can use is to redefine an original department, transform it to an IMC related functional unit, while reconstruct the organization communication process at the same time, so that the communication functions of their respective departments and segments become clearer and link more closely, such that the IMC implementation truly becomes practical, the organization design is guaranteed, and is beneficial to the relationship and cooperation between the departments or segments, and also beneficial to the organization's intrinsic planarity. The so-called organization's intrinsic planarity is not just intrinsic planarity through compressing the organization levels, but redefines the relationship between upper and lower levels through contributions and resources, thus helps the hierarchical organization overcome the flaw of the simple command—execution form. The supervisors do not only ask the subordinates for their results, but are also responsible for whether or not the subordinates can achieve those results and they themselves are one the resource's origin.

This design helps determine the accountability and measure the performance of IMC implementation. The IMC department measures and controls the performance, as well as other IMC related communication responsibilities for which each segment is responsible; issues like what is needed, what could be contributed to the communication should be included in the overall planning of integrated marketing communication. Specialized IMC department or segment focuses more on integrating the information to the target audience, thus the department's objectives become more clearly, the implementation process becomes easier. Stakeholder information can effectively influence the related operation, truly drives the organization to move toward external. From the structure design the whole system has the intrinsic requirement for division of labor and cooperation; division of labor based on the collaboration is no longer a slogan, but each department (each segment, each function) completes its own goal and mission, and then achieves the organization's entire objective and mission.

4.3.3.2 Information System’s Responsibility Assumed in Interactive Communication

The information system here does not mean the narrow sense, a system consist of operator, machine, hardware and software, and it includes all contact points, methods, channels and other elements that can obtain the morphological information from the stakeholders’ behaviors.

For example: through consumer information, channel customer information, customer information, and information provided by front-line service staff in servicing company, research and development institutions can thoroughly analyze competitor’s product and technology and obtain certain competition information; the finance and accounting department can provide channel customer and supplier information to relevant departments and shareholders.

As seen from the interactive communication profile in Fig. 4.2, even if the organization set up a special IMC department, it still cannot undertake all communication tasks. A feasible division of labor is having the organization information system responsible for collection, transmission and other functions related to marketing communication information, and IMC department (in a narrow sense) focuses on the resources responsible for stakeholder information integration and distribution.

4.3.3.3 The Organization Executes IMC Functions Independently

Integrated marketing communication implementation does not only involve in division of labor and cooperation of functions within the organization, but also whether some functions can be outsourced or not. Based on the contribution and

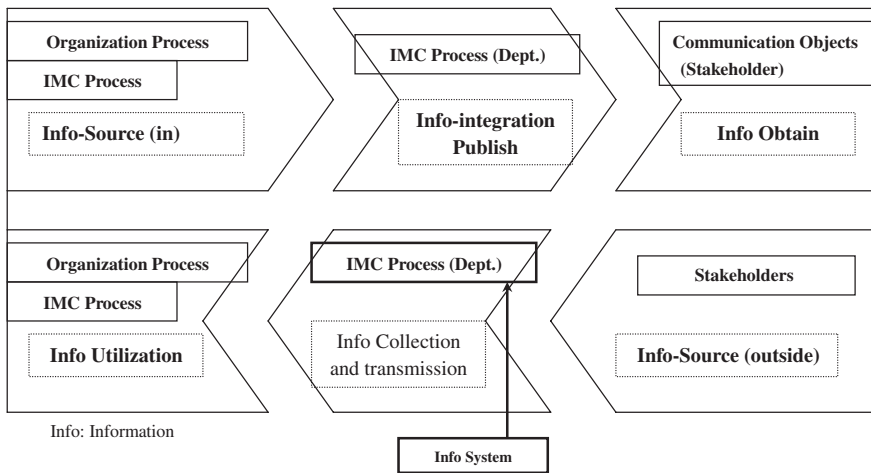


Fig. 4.2 The responsibility of information system during IMC implementation

resource guiding principle, if some IMC related functions cannot be completed by internal organization, or the cost is too high, or the completion efficiency is too low, then external assistance can be considered.

There are different levels of external assistance. For example, organization might just outsource the advertisement function from the professional companies, or associate with IMC consulting company to achieve a comprehensive cooperation.

In the early of 1990, IMC consulting companies were originated from the United States as the earliest. Their main functions were providing IMC activity agency services to the organization; providing strategic advices and suggestions to the organization; training Marcom managers, etc.

Problems related to the cooperation with IMC consulting companies which need to be paid attention to are that although external consulting companies can provide a lot of assistance, ultimately IMC key strategic decisions need to be made by the organizations themselves; IMC is a decision related to the organization strategy that cannot be entrusted completely to an external organization.

The mentioned IMC mechanism is in a narrow sense, and the communication mechanism is responsible for implementing the integrated marketing communication for some functions, which means after the integrated marketing communication tasks required in the existing departments or segments have been assigned, if there is a vacant function, or original departments or segments cannot complete the integration task well enough, then it is necessary to consider setting up a specialized IMC mechanism.

Integrated marketing communication involves all components and stakeholders both from inside and outside of the organization, therefore integrated marketing communication implementation is a coordination process between each department and segment, and it is very difficult to simply rely on advertising, marketing, public relations and other departments or the methods to achieve integrated communication purpose. However this does not mean to set up an IMC department superior to other departments or segments. If it is necessary to set up the IMC department, then it should be equal to other departments or segments with a harmonious and cooperating relationship, as each of the other departments or segments has its own important role to achieve the organization goals and objectives. Like IMC, financial management also touches upon all organization's aspects, yet the finance department has never been placed above other departments or segments.

The organization structure should have as few management levels as possible and shortest chain of command as possible. When management levels increase, it becomes more difficult to form a common orientation and achieve mutual understanding. For each increase the target becomes distorted, and the attention becomes deviated. Each link in the chain of command will generate additional pressure; the increase is a root of inertia, conflict and indiscipline.

If IMC takes the direct line command, control approach to treat other departments or segments, this kind of organization structure may incur an intrinsic instability, while this vertical multilayer approach increases the management level, thus increases the possibility for power conflict among the top management. As shown in Fig. 4.3:

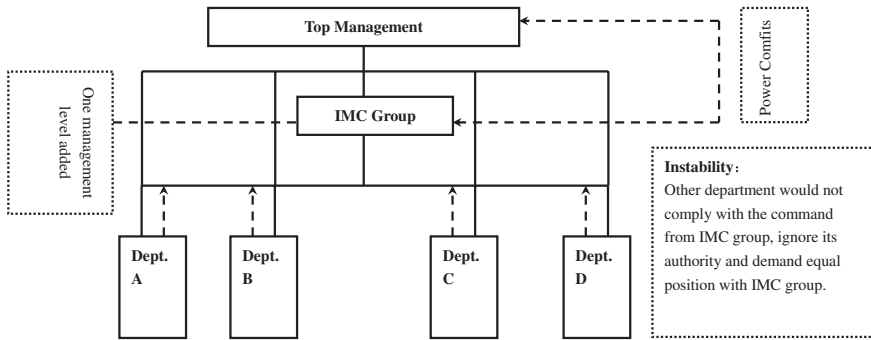


Fig. 4.3 A schematic diagram of IMC mechanism method and its existing flaws

4.3.3.4 The Adaptability and Flexibility of Organization Structure Design

IMC implementation should be a phased strategic business process. Each organization has different objectives and purposes, as well as development processes and stages, thus not only the stakeholders are different, the communication focus is also different; there is a distinction between primary and secondary level that changes with time. The outside-in standpoint requires the organization to adapt to the internal and external environments, every stakeholder’s requirements, and conducts an interactive communication with them; a rigid organization structure is hard to achieve this requirement. The integration is not a long-term phased mission that requires the organization structure to be adjusted right in one step, nor can it always be the same.

All of these require the organization structure design to have sufficient adaptability and flexibility, strategic control system, and constantly make dynamic adjustment. One of the important factors is the IMC strategy forming mechanism. When formed, IMC strategy should follow the outside-in principle, adapt to the internal and external environments, and each stakeholder’s requirements. Another important factor is the control system. Control system measures the performance of the phased implementation, and makes necessary adjustment accordingly to the measured results.

The purpose of integration should be the integration of all internal and external resources of the company, to provide the stakeholders the best services or products, so as to realize the company’s value, so that the company can continue to grow. As the result, integrated marketing communication as an integral part of the whole company integration cannot only be limited to an integration tool level (how to integrate PR, advertising, sales promotion, direct marketing and other existing tools, and produce bigger effect).

Since the division of labor theory was proposed, it has been applied in production forming a assembly line organization model; It’s applied in management creating a hierarchical organizational structure. But as the division of labor and specialization theories were further developed, their flaws started to show. Therefore, it is necessary to reconsider.

Integrated ideology promoted many new ideas and concepts from management, marketing, communication and other areas to be born, integrated marketing communication ideology is one of the results. How to implement and apply these new ideas, new concepts, to guide practice, and obtain the practical results, is crucial to test the ultimate meaning of integration ideology.

The final implementation of integration ideology is inseparable from division of labor. Integration is not a simple negation of division of labor. The mentioned division of labor uses integration as guidance, to integrate division of labor and specialization objectives.

Another thing to note is, different management tools added on to the organization, will make the organization struggle to cope with; therefore, the organization should pay attention to the integration of different management tools, establish management tools application plan and audit system, increase its effectiveness, eliminate the unsuitable, and integrate the effective tools.

4.4 Design of IMC Strategic Organization Model

Companies need to balance between outsourcing and the addition of IMC department; not only that, there also exists issues such as how does the company’s marketing department communicate with external IMC agents, and what is the status of the newly added IMC department in the organization. In 1997, the failure of adding IMC department to IBM showed that the IMC organization adjustment is not as simple as adding a department or establishing a team, under different specific circumstance and the strategic objectives of the companies, implementing IMC will have different specific patterns.

Based on two dimensions, the strategic orientation and communication object, the author distinguished the IMC strategy level and application scope, as shown in Fig. 4.4.

The first quadrant: company achieves short-term goals in controlling the market through persuasive communication methods such as advertising, marketing personnel, direct marketing and image display; which is a short campaign behavior with customers being the main object of communication.

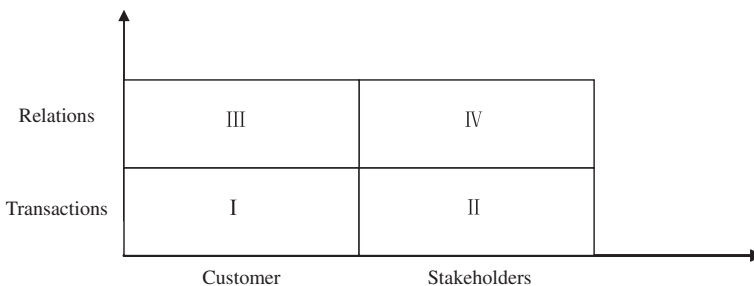


Fig. 4.4 Integrated marketing communication quadrant diagram, Source Shin (2004, p. 4)

The second quadrant: company adopts a variety of communication methods, using the customers and stakeholders as core to establish good brand awareness. Because the stakeholders' public reputation can influence customers' perception toward the company, therefore, company should pay sufficient attention to the stakeholders' needs, depending on stakeholders and customers, its communication methods also vary.

Third quadrant: IMC does not only affect the persuasive communication activities of the target's "herd behavior", but uses response, correlation, perception, recognition, relationship as framework to interactively communicate with the customers, (Day et al. 2002) for the purpose of establishing a good relationship with the customers. Therefore, companies begin to implement customer relationship management (CRM) and IMC strategy.

The fourth quadrant: the purpose of IMC strategy implementation is to establish and strengthen mutually beneficial relationship with the customers, investors, general public and other stakeholders through the coordination of communication activities, various media or other contact methods.

The implementation of IMC requires the effective support from employees, investors and other internal stakeholders, in order for the company's marketing activities, communication activities and strategies capable of forming a unique position; as a social citizen, the company is required to fulfill social responsibilities and obligations, and must actively propagate the company concept and culture.

Therefore, companies implementing IMC strategy have different purposes and their organizational methods are also completely different, for IMC activities have limited resources, companies can use the original marketing department to implement IMC; in case of lacking resource and manpower, they also can seek for agency support; with Marcom managers as center, absorb professionals from various departments to form a communication team for all stakeholders and customers. Just like we have analyzed above, the traditional organization model created crucial obstacles for the IMC strategy; how to promote company's marketing activities objectively from the strategic perspective requires the reconstruction of the organization model; the organization needs to build a good framework to integrate internal and external resources; form good organizational culture, to form a correct understanding about the IMC for the organization's members; cultivate a good market perception ability, perceive the stakeholders' needs and establish the relationship from the outside-in; change organization's concept of budget to truly focus on customer demand as the starting point.

4.4.1 Organization Structure Optimization and Boundary Indistinctness

The IMC organization needs to achieve the stakeholders' alliance, organization boundary indistinctness and resource complementation, displaying complementation and multiplier effect of heterogeneous technology, information, management

experience, achieving social resource cooperation and interaction. Network Organization is an organic organization system composed of active “nodes” and “links”, relying on information flow driving organization operation through the cooperation, innovation of the network organization members, adapt to the dynamic state and complex environment in order to realize the network organization objectives. Network organization can gather the advantage of various elements; create synergy effect to overcome the malpractice in market mechanism and hierarchical organization control and information exchange. Therefore, the author believes that the general IMC organization should be marketing manager oriented, with the stakeholders being the nodes, social organization resources mutual cooperation being the target, and quick response to stakeholders’ demands as the foundation, so that the virtual network organization can achieve synergy effects through IMC strategy.

4.4.1.1 Network the Internal Organization Structure

With internal information sharing, IMC strategy requirements make the company’s marketing activities, positioning, staff behaviors consistent with corporate strategy, and achieve the “one voice” interaction with external stakeholders. Therefore, implementing IMC will create the cognition conflict between different departments and personals within the organization, because the traditional organization structure creates specific regulations for responsibility and authority of various departments, which creates the work motivation, work background, working time and conflict of interest, which is contrary to the original intention of IMC strategy. Therefore, organization structure and process optimization has become an inevitable choice. IMC strategy implementation requires communication-specialized staffs and proficient communication business talents to build a Marcom manager oriented communication system, so as to match with the organization structure. Human resource factor is a very important problem during the integration implementation process, it is very difficult for companies to look for and keep good communication talents in different fields and the company internal lacks of the communication form application and professional communication personals who have somewhat understanding of the interaction and coordination between different communication forms. IMC communication activities must be centrally controlled, as from the existing communication system perspective, it is impossible to make each expert or undertaking groups participate in the execution of communication plan together with the company; most common way is to set up a position of Marcom manager overcoming the non-integration of internal benefits, coordinating all communication media to create an interactive communication with the stakeholders through the integration of communication strategy.

Therefore, the author thinks that company’ internal should be marketing manager oriented, laterally coordinates functional departments and the longitudinal relationship between superior and subordinate, breaking the boundaries between departments, to promote effective communication of information to the internal stakeholders, implements internal resources integration and coordination, forms a

flat and multiple unclear boundary department network complexity, joins the horizontal and vertical business process expert of functions together, so that the organization is closer to market demand changes in the organization transformation, while maintaining the flexibility, but still has a certain organization ability. Moreover, aside from being proficient in communication skills, Marcom managers also need to have some understanding in other departments' skills, so that they can effectively manage, integrate different media sector and brand benefits. We proposed the positioning and mutual relations model of the senior management, Marcom managers and professionals in the company, as well as the responsibilities each should bear.

In order to implement IMC strategy, Marcom managers centrally manage the company's communication activities, design integrated communication strategy, and coordinate with the media operation, so that the media cooperates with each other. Thus, marketing managers are not company's media professionals, but communication strategy managers. Marcom managers are put directly under the company high level management, and favorably supported by the company high level management, which gives the Marcom managers the power to pervade the IMC strategy downward to the whole organization. IMC is a systematic work, which requires the use of information technology tools like database and internal network, with the help of professional staffs from marketing, public relations, and finance, therefore, cross-functional team led by Marcom managers is the basic unit of IMC strategic execution planning and management. The IMC team needs to promote the mutual communication with the stakeholders, to achieve the agreement between the company's local interests and the overall interests. Between the company's top management team and the IMC team there must be an interactive communication. Through the IMC team, the stakeholders' information is quickly and effectively reflected to the enterprise top management, the top management team then formulates a corresponding strategy based on IMC analysis of stakeholders' information. The IMC team should timely collect stakeholders' feedback information about the company communication activities, and provides basis stakeholder analysis for the company.

4.4.1.2 Boundary Ambiguity and Inter-Organizational Collaboration

Base on the internal network, companies to achieve the win-win situation objective, integrate the expectations of different stakeholders' such as integrated media, customers, competitors is the shared desire of the internet organization, and relying on the information dissemination and communication among the stakeholders finally form a comprehensive relationship network of multi-dimension and multi-field cooperation and collaboration. In the internal integration, hand a part of the external business over to the stakeholders, through external stakeholder segmentation, find the target stakeholders of the company, integrate them into the IMC network organization, conduct a bidirectional and interactive communication with them through the IMC team or department, and then establish a good and long-term relationship. Companies adopt the outsourcing method to get the support from the professional IMC agents who understand different kinds of communication skills well, which brings great influence

to the traditional advertising company. Gronstedt and Thorsen (1996) proposed the five IMC agency models: the expert alliance method, the core agency alliance, the integrated agency, the matrix organization, and integrated organizations, providing options for the company to implement IMC service. Based on different relationships between the network organization members, complete the organization pattern design with different agreed method, for example, company’s suppliers can use the supply chain idea, to construct the virtual enterprise form, the competitor may adopt the form of strategic alliance and other network organization.

The mass media is an important tool and channel for the company to communicate with the public, it is also the important tool for the company to executive IMC strategy; meanwhile the relationship between the company and government, community, public organizations and other stakeholders cannot be neglected. The network organization is driven and maintained by information flow and relationships, according to the outside-in communication concept, Marcom managers take advantage of information and communication technology through the database, through a variety of communication methods to create an interactive communication with the stakeholders. Marcom managers need to have the strategic analysis ability to design a communication strategy consistent with the company’s strategy; they can obtain the top management support, and can ensure the implementation of external network. The IMC organization framework of virtual network is shown in Fig. 4.5.

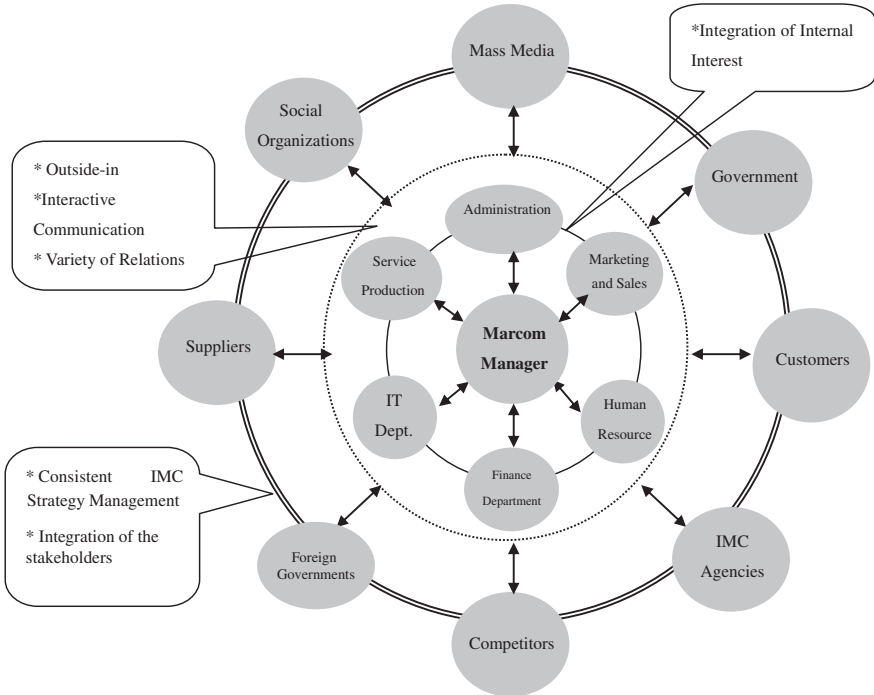


Fig. 4.5 IMC virtual network organization, Source Shin (2004, p. 6)

4.4.2 Create Organization Culture Suitable for IMC Strategy

Day et al. (2002) as a representative, believes that organization culture represents an organization's beliefs, ways of thinking and understanding, and also identifies what kind of behavior is worth having, what kind of behavior is not worth having in the organization, it has the universal and the intangible characteristics, and to the employees of the organization it is a soft constraint. The result of the organization strategy implementation is affected by the culture of the organization, conservative and close-minded ideology; negative and obsolete values could not produce an innovative organization strategy. Fill and Chris (2001) believes that IMC strategy implementation requires breaking down the opposition to organization innovation and the boycott to information sharing and integration. Schultz and Kitchen (1997) pointed out that in practice the non-integration phenomenon of IMC strategy is mainly due to the lack of culture atmosphere within the organization during the implementation of IMC strategy. IMC strategy implementation needs a good organization culture support, and it should be outside-in oriented, using communication as strategy; an open-cooperative internal communication culture which effectively relieves the conflict between the organization departments, maintain a culture consistent with the internal policy and is customer and stakeholder oriented.

Organization culture using communication as strategy; IMC strategy implementation should first upgrade communication to a strategic level, communication manager needs to get strong support from the top management of the company, communication development and execution are done at strategic level, by the communication management generalists and Marcom managers; companies need to create an open cooperation organization culture, so that between each expert would have a deep understanding on various communication forms and the coordination and interaction between various communication forms. In the organization culture creation process, company top management, the, Marcom manager as the representative are the key characters who form the organization culture. Marcom managers are the distributors of communication activities resources, their personalities, behaviors and manners will affect, and even form a unique company culture; Marcom managers are the information structure designers, their authorization behavior will affect the company internal information communication; in business communication Marcom managers should also play the role of motivators, in order to push company information to become an actual force, and in some case express the commitment to the business mission timely to influence the staffs approval of the company; Marcom managers need to create all opportunities for interaction, forming a consensus within the enterprise in order to establish a perfect decision system.

The top management should actively use a guiding, reminding, even inspiring ways to support and create an employee sharing environment to help employee correctly understand the IMC strategy. Firstly, the level of organization communication content must be complete, communication content should not only consist of

business goals, productivity, customer satisfaction, but should also include employees sharing company mission, communication concepts at mental level such as the manager's philosophy and values. With regard to communication method, besides speech, written and other traditional communication methods, mobile communication has also played an important role through which companies could take some opportunities, occasions or actual events to convey their emphasized matters. Secondly, the communication process must be bidirectional. One-way communication is mainly the announcement, sending information to employees, while two-way communication is a positive interaction pattern, encouraging the organization to create a positive communication. Therefore, the organization should establish an information feedback mechanism to fully grasp the subordinates' feedbacks to the supervisor. The establishment of a good business information feedback mechanism depends on the encouragement of Marcom managers, the Marcom managers' attitudes toward the employees feedbacks will have an important impact on the organization communication culture and the company levels must also maintain a fully bidirectional communication and thus the company can form a positive communication culture. Finally, companies should timely review all internal communication channels in order to keep the information fluency.

Related to the emphasis on customer and stakeholder oriented culture, self-centered organization cultures focus their energy on the sale of market products or services, while IMC strategy focuses on outside-in customer oriented culture, therefore, every decision is originated from the customer or from the opportunities of seizing the advantage, organizations must insist on providing quality products and excellent the services to the customers, this requires the organization and customer to maintain a high level of coordination. The organization must pay attention to customer needs, feel each connection to customer experience, learn customer culture, and timely create, share or use the present or future market knowledge including the knowledge of customers and sales channels.

4.4.3 Develop Sharp Market Perception Ability

Communication is a dynamic, two-way process, analyzing market information, forecasting market reaction, and sharing the knowledge within the organization's scope is the starting point of IMC strategy. A successful IMC strategy must be based on the information feedback obtained from the customer behaviors, which determines whether the IMC strategy can truly reflect the customers and stakeholders demands. Schultz (2000) presented the 5Rs interaction frameworks for customers and stakeholders (Day et al. 2002) in order to achieve the higher correlation between the communication strategy and customer needs to gain effective recognition of the company brand, and to establish a good relationship with them, company must at first be able to effectively perceive and quickly response to the demand of the stakeholders. Therefore, when carefully planning communication strategies, companies need to develop a good market perception, constantly

perceive every move and trend in the market, and truly reflect the customer and stakeholder needs to achieve the IMC strategic effect. Organization must continuously develop and accumulate the market effective perception ability.

According Day's (2002) point of view, organizations can adopt a different ways to develop a collective wisdom to accept new information, including:

Firstly, establish an open conscious inquiry spirit. The organization should open attitude to face the market changes and trends that would bring opportunities to the company, the employee should strive to adjust their work schedule to follow the changes of customers' demands, servicing staff, sales staff, and market research staff must correctly handle customer information, market opportunities and potential threats during their works.

Secondly, analyze competitors' products and behaviors. Pay close attention to competitors, foresee and use the actions that influence the competitors as lessons to learn from, correctly analyze the faced failures carefully. In order to deliver the information to the hands of those who need, improve the analysis of competitors' abilities, cultivate the consciousness of the competitors intelligence within the organization, for the sake of receiving and editing the information, to ensure that the information can be quickly and effectively used; intensively study the organization behaviors, attitudes, values and management of industry leaders, in order to help the organization to recognize how to communicate with the customers more effectively, enhance the competitive ability, solidarity and cooperation efficiency between different functional departments.

Thirdly, listen to the front-line employees' ideas. Staff who work in the frontline and directly contact with customers therefore are able to obtain information like customer dissatisfaction, demand and the most effective information communication method, but the company's management rarely make the decision based on the information provided by staff, this is mainly due to the increasing amount of information processing or poor the information channel. Therefore, they need to make the organization aware of the value of information source, establish a information report channel for the front-line employees, and make a good application of information technology.

Fourthly, explore the demands of potential customers. Traditional structured customer analysis method cannot clearly predict the potential demands of the customers. Through customer communication, current and potential customers' opinions about the company's products or services can be obtained; through comprehensive interaction with customers, customers' behaviors, as well as their real feelings about a product or service can be understood; Through database, direct marketing, e-mail and other information tools the information about the stakeholders' demands can be effectively and quickly acquired.

4.4.4 Guidance for the Zero-Based Budget Concept

Schultz (1997a, b, c) proposed IMC return on investment (ROI) model, and pointed out that IMC strategy needs to be established under the zero-based budget method. The traditional market or marketing communication department need

organization. Within the IMC organization model each sector must be integrated as a whole, people, money, content, information of the organization are integrate to meet the overall strategic requirements. Thus, an internal network organization structure is developed.

(1) The centralized organization centered on Marcom managers

Meaning to build an organization that revolves around communication, take the Marcom manager as the center, integrate all communication functions of the organization, and use this combined effect to maintain the relationship with the stakeholders, as shown in Fig. 4.7.

(2) IMC special working group revolving around the stakeholders

Segment the stakeholders in the outside-in perspective, and in the necessary circumstances organize a special IMC task force team to correspond to the specific stakeholder groups. That is to say, establish the IMC working group consists of internal professionals and external experts to meet these stakeholders' demands, seeing Fig. 4.8.

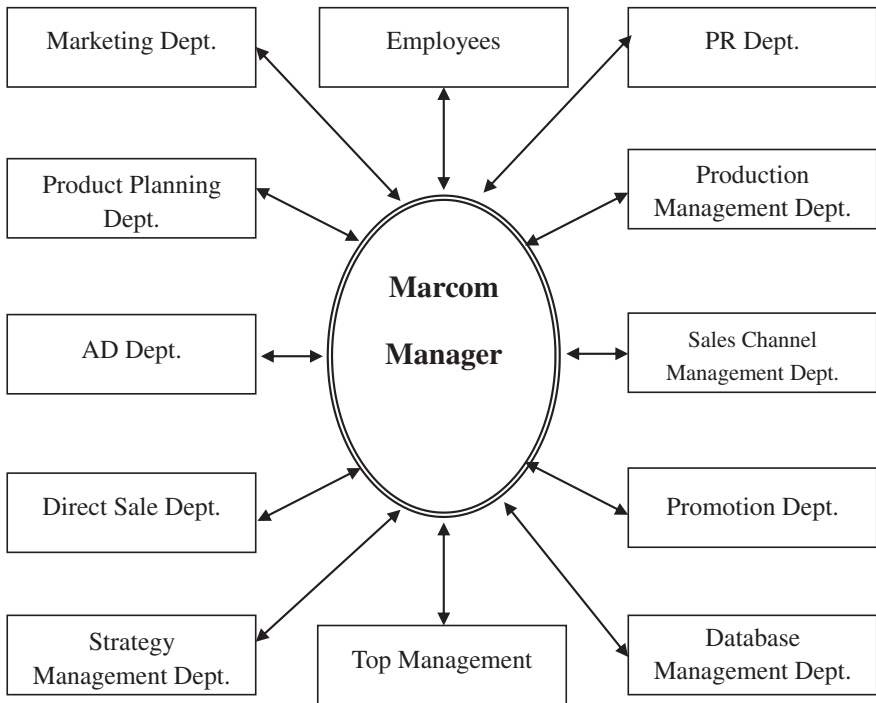


Fig. 4.7 The centralized IMC organization structure, Source Shin (2001, p. 136)

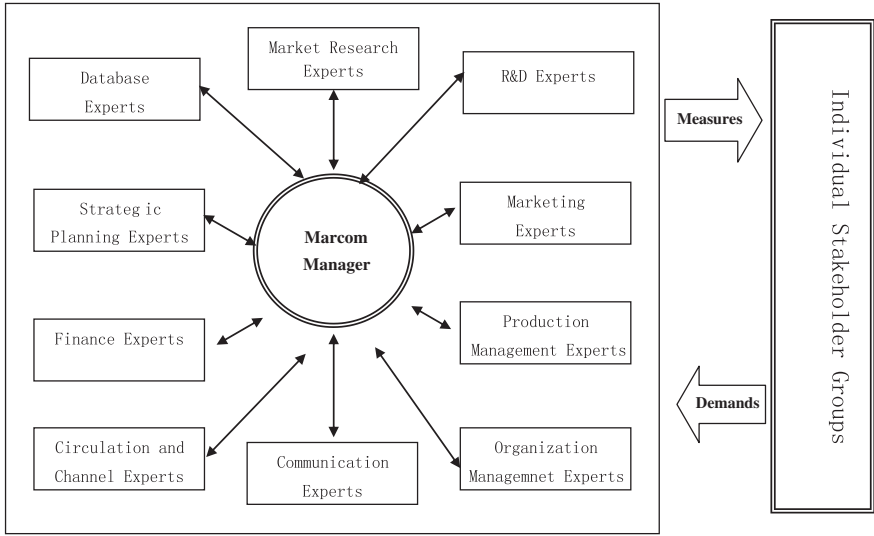


Fig. 4.8 IMC working group organization structure revolving around individual stakeholders, *Source* Shin (2001, p. 137)

4.4.5.2 The External IMC Organization Structure Design

The author believes that the preferred model of external IMC organization structure is a dynamic network, an IMC external organization structure in a form of new network using the stakeholders as node. After the internal integration, with the help of integration function of the Marcom manager, and with a unified image, unified goal, depending on the internal organization team, system construction, cultural construction, and with the help of the advanced information technology, through the internal network, the organization internal resources, personnel, information are integrated as one, the communication between the internal departments members are promoted and, ultimately the objectives of the organization are achieved.

On this basis, through the organization information database, and a variety of communication methods, companies carry out an interactive communication with the stakeholders, establish a good relationship with them. According to Williamson’s organization design principle, company could externalize a part of business transactions with the help of stakeholders. In the network and the information environment, information transmission, network extension have undoubtedly expanded company’s survival space, and also made it possible for companies and stakeholders to establish network organization.

Under the guidance of integrated marketing communication concept, the whole social organization will become a network system where each organization is a core node, a system in which every member formed as “I am Inside of You” relationship, information flow is the power driving the whole organization system, network

environment is the hardware facility for this system transportation, whereas each organization is a member in this system. Achieving social resources, information and personnel optimization in the social field in order to achieve the Pareto's effect in economics is also the author's vision outlook of the integrated marketing communication management strategy. The specific contents can be seen in Fig. 4.9.

The constantly changing organization environment and management practice requires guidance from continuous theory studies. In this chapter, the author analyzed the integrated marketing communication from a completely new management paradigm background, proposed the IMC strategy organization model, somewhat enlightened the companies to the IMC strategy implementation. The author systematically reviewed the theorists' on the basis of integrated marketing communication standpoint, analyzed the organization obstacles during the integrated marketing communication implementation, pointed out that the organization model is able to provide important support for the IMC strategy implementation, the author discussed the relationship between the IMC strategy executors, Marcom managers and IMC organizations, the concepts of the network organization structure, outside-in organization culture, good market perception and zero-based budget, and finally the author discussed how to construct a suitable IMC strategy organization model.

Only when the integrated marketing communication theory is put into practice, is used to guide practice and is ceaselessly explored in practice, can it develop? And one of its implementation bases is the organization structure design. Only

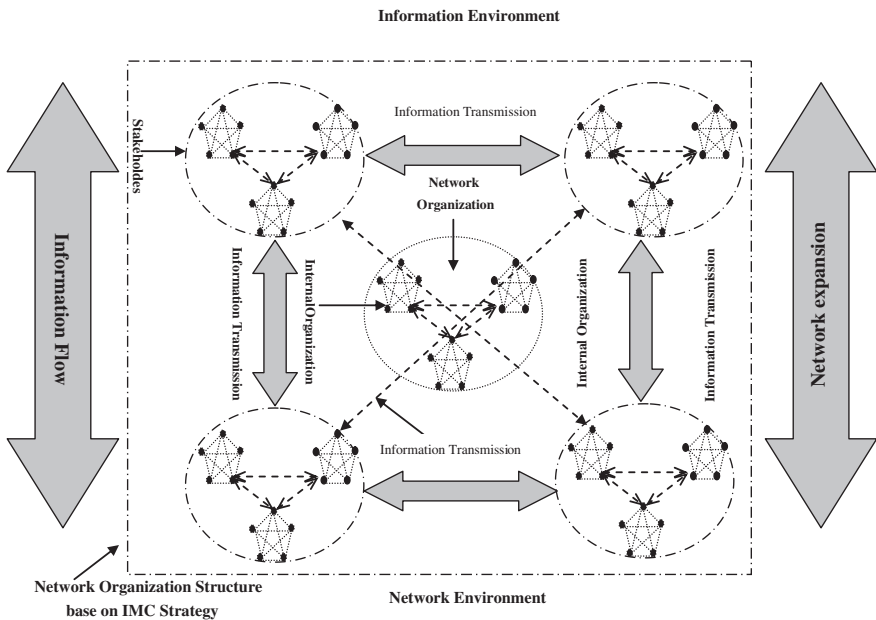


Fig. 4.9 The IMC external organization structure assumption

when each department's IMC responsibilities is defined from the organization structure, IMC cooperation mechanism is established, the implementation is kept in stages and flexible, and the IMC implementation can truly be secured. Otherwise, IMC will be but an ideal that cannot be achieved.

The author only elaborated this theory frame and the methods from the whole, as for specific problems lying in various companies; companies need to formulate a feasible strategy according to their own actual situations. Following the development of its practice, every theory is developed gradually. The author hopes to develop the integrated marketing communication theory to a certain advanced effect.

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Part III
IMC Implementation

Chapter 5

The Function of Marcom Manager: Integrating Scope

After introducing the Marcom manager, the most urgent task is to define its work scope and refine the job descriptions. This chapter introduces the job descriptions covered in the “integration” scope.

5.1 Integration of Marketing Resources

If IMC theory is regarded as the marketing strategy theory, then it is necessary to cover the marketing resource level into its integration content. As strategy management is the key factor to business success, it is both a dynamic management process of decision-making and implementation for the firm’s future development, and a complex dynamic management system taking resource use and value creation as means, and company development as its purpose. The strategy is to integrate internal resources and external market opportunities through market driving force analysis to get the market positioning, and then by the unique positioning to gain competitive advantages. From the resource perspective, the author will attempt to analyze how Marcom managers achieve a set of abilities needed for IMC strategic planning, implementation and control through the resource control and integration.

The nature of management is resource integration, among the managers conducting the resources integration there are senior managers, middle-ranking managers and low level managers. Although they all carry out resource integration activities, their respective roles are different, the management activities of middle and low level managers can be seen as an extension of the senior managers’ management activities. Senior managers are the decision-makers and the supervisors of the whole resource integration activity, and through internal and external resource integration they improve the efficiency of resource use, increase value creation, and then enhance corporate competitiveness. The author’s original intention was to improve the success rate of IMC strategy in company practice through introducing the Marcom manager position, so as to enhance the key

competitiveness. Resource is the most basic unit of strategy analysis, and strategy implementation process actually follows a “resource investment-ability development-strategy implementation-resource re-investment” circular logic. Therefore IMC strategy is also an outcome which has been produced by integrating all the abilities of a company. And what kinds of abilities does IMC strategy implementation need after all? What kinds of resources are used to support these abilities? All these questions are the factors that Marcom managers should take into account when formulating strategy.

To discuss about what kind of ability and resource support required for the IMC strategy implementation, the author analyzes the marketing environment background of IMC theory. In his writings Schultz pointed out that “the fast changes of marketing in large environment had brought an end to the traditional marketing communication including the variables of traditional marketing forms and composition of product development, pricing, distribution channels and in practice the traditional marketing communication is no longer as effective as in the past. Due to science and technology advancement, there is less and less difference between the competitors; and the differences between products could be under graded or even delimited in as short time as possible. The benefits which were indirectly provided by the past learning curve, now with the computer-aided design production and robot application, have almost disappeared. Additionally, characteristics of some distribution channels and methods are also easily copied and imitated by the competitors; moreover the price does not have enough flexibility or mobility and under these conditions, the only way to produce differentiated marketing in such a balanced market is only the circulation or communication.” Although the above discussion points out that the domain in which a company can create competitive advantages is only limited in the circulation and communication, and in others he cannot form the competitive advantages to differentiate from the competitors, the company should ensure that the other aspects are at least as good as the competitors to maintain this competition “balance of power” and to ensure that the created competitive advantages can not be discounted just for some disadvantages. Therefore firms should be equipped with production resources that are able to provide good products and services; channel resources that are able to provide products at the customer convenience; management system resources that are able to build flexible cost control in term of product self-pricing; marketing human resources that are able to formulate effective product promotion strategy; and relationship resources that are able to mobilize and use a variety of favorable media. These resources form the corresponding product development ability, price competitiveness, channel control ability and the product sale crisis- solving ability. All of these resource integrations ultimately facilitate the implementation of IMC strategy. The whole process of resource integration and strategy formulation, as well as their mutual support and the optimization is shown in Fig. 5.1.

Being the core of IMC strategy planning, Marcom managers should first collect the resources and abilities that are required in strategy planning, implementation and control, integrate these resources and abilities into the firm’s IMC strategy, and break the strategy down into identifiable and implementable specific measures to achieve

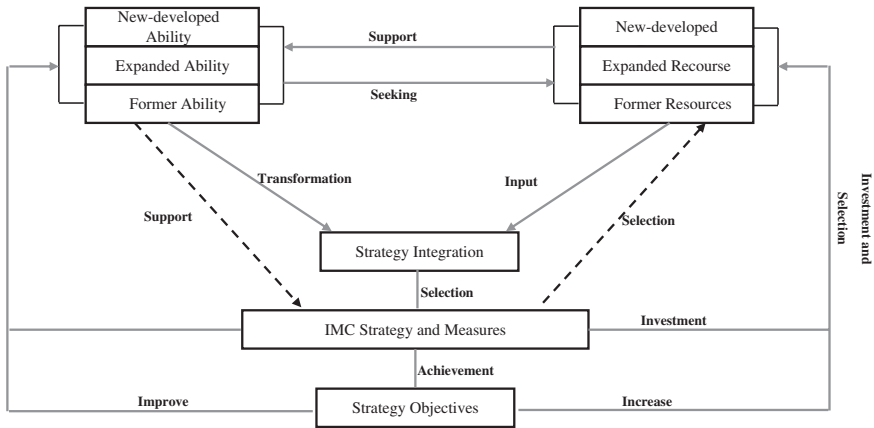


Fig. 5.1 Related mutual relationship factors in IMC resource integration model. *Source* Lu (2005, p. 30)

the final strategic objectives. On the one hand, in some aspects strategic objectives achievement means ability enhancement, like manager’s decision-making ability, strategy control ability, resource integration ability etc. These ability enhancements will also have great contribution to the strategy adjustment and optimization.

On the other hand, the implementation of strategic objectives also means that resources re-investment ability is enhanced, such as a large amount of available funds, stakeholders’ related information collected during the strategy implementation process. This forms a good closed-loop of resource integration, ability and strategy optimization, in which Marcom managers mainly supervise and control main segments in each phase, and select, collect and re-invest the necessary resources according to the objective requirements of the strategy implementation.

5.2 Integration of Stakeholders’ Expectation

The integration of stakeholders’ needs is not only involved in the development of IMC theory itself, actual investigations have also shown that taking its demand and value system into the firm’s day-to-day decisions, long-term development and positioning would bring great advantages to the firm as well. A research report spanning for 11 years period showed that, revenue of the companies paying attention to customers, employees and suppliers, the three big stakeholders, grew 682 %, while other companies only grew 166 %; stocks of companies having multiple stakeholders rose up to 901 %, compare to the 91 % increase in stocks from companies paying attention to a single group of stakeholders. As analyzed in the report, it is primarily because the companies that have multiple stakeholders integrated an important value system conveying the stakeholders’ interests in its whole operation.

5.2.1 Recognize Different Stakeholders' Needs

The reason that stakeholders have noticeable effects on the firm is that they have all kinds of legal interest or claim to rights on the firm. Therefore, firms need to maintain a good relationship with the stakeholders and must have a correct understanding of different rights from different stakeholders. The so-called “stakeholder rights” means the stakeholders have the ability to use their resources to make an event happen or to obtain a desired result. As an IMC executor—Marcom manager should follow the outside-in principles to identify different stakeholders' needs first, and then formulate the communication content and establish good relationships based on these different demands. Understanding the stakeholders' needs is the starting point of the integration, and the different demands from a firm's internal and external stakeholders are shown in Table 5.1.

Stakeholders' different needs directly decide method influencing the achievement of company objectives, and by identifying these interest groups, big or small depending on their influences on the firm's survival and development, stakeholders can be divided into primary and secondary ones. Although this type of division is broad, the classification itself means integration, and by identifying the stakeholders' needs, the starting point of integration should have the following considerations:

Firstly, based on the relationship-oriented characteristic of IMC, the establishment and the maintenance of stakeholders' relationship are the starting point and the ultimately pursued result of the overall IMC strategy implementation, therefore identifying different stakeholders' needs is the premise and foundation to carry out IMC strategy. The core of IMC strategy theory has broken through the limitation of “profit obtain ability”, and changed from “consumer oriented” into “stakeholder oriented”, stakeholders' classification is only to easily identify similar needs from different groups, and better understanding of the demand trends to manage the stakeholders.

Secondly, analyzed from the company development perspective, within a certain period the stakeholders is closely bound to the company's development, and paying attention to each group's benefit is one of the most important company IMC activity, but in a longer term perspective, the company internal and external stakeholders are not distinguished.

Marcom manager should treat all groups equally and consistently; which makes the job become more difficult. The understanding of this point should cover two aspects, one is to strictly differentiate between the natures of transaction orientation and relationship orientation, the former is only aimed at a particular transaction and when the transaction occurs it can be done only following a certain operation sequence; and the latter model shows a strategy to establish and maintain a long-term relationship, when the external environmental change shows an opportunity or threat, the establishment of an “Temporary relationship” is considered to be impossible and ineffective. If a time span is added onto the relationship between the firm and the stakeholders, then there will also no longer be priority

Table 5.1 Stakeholders' needs and power

Stakeholders	Demands-stakeholders' expectation	Power-stakeholders' influence
<i>Primary stakeholders</i>		
Employee	Stable work, Fair work return, Work in safe and matched environment	Requirement by union Work or on strike Obtain open information
Owner (shareholders)	Satisfied ROI, Value-added Stake	Voting based on share Auditing the corporate files and papers
Customer	Fair trade: providing value matched, safe and reliable product and service	Chances to buy from competitors Boycott the unacceptable policy or company
Supplier	Product purchase complying with business rules, in-time payment to the delivery	Refusing to commitment and giving supply to competitors if contract being interrupted
Competitor	Acquiring higher profit; Getting more market share; Seeking for the increase of total industry	Inventing new technology to force the company to execute with low price
Retailer (distributor)	Receiving qualified product with reasonable price; Providing customer with reliable and valuable products	Purchase from other substitute supplier in case of an unsatisfactory contract; Boycott the company with unsatisfied product or policy
Credit agency	Loan can be paid back Debt and interest can be paid back.	If loan can not be paid back, and the loan will be terminated; Constitutional rights can be applies to deal with assets of debtor with serious default; Refuse to add the additional credit
<i>Secondary stakeholders</i>		
Local community	Employment of local resident; Environment protection; Promotion to local economy development	Permit or license release or constriction; Lobby to government to formulate relative policies or designate specific measures to use land, sewage treatment etc.
Social community	Supervision of behavior and policies of company to make them complied with law and ethic standards; Measurement of public security	Through open question to get enough support; Lobby to government to manage the companies
Media	Inform the public with relative content; Supervise companies' behaviors	Disclose the affairs that have impact on the public and specially have a negative impact

(continued)

Table 5.1 (continued)

Stakeholders	Demands-stakeholders' expectation	Power-stakeholders' influence
Business support community (e.g. trading association)	Provide the relevant research and information to help companies to act in the dynamic environment	Assist in company development with people and resources; Support of law and organized policy
Foreign government	Promote economy development; Encourage to propel the society forward	Economy permit Management with conditions
Federal government, state and district government	Raise in tax Promotion in economy development	Management with conditions; Permit or license release or constriction; Permit or constrict in some economy activities
The public	Maintenance to society value; Danger relief; Promotion of social prosperity.	Supportive actions Force to government's action; Denounce and praise to individual companies

Source Post et al. (1996), pp. 16–17

or not priority. Analyzed from a larger time span, potential consumers will eventually be converted into either the company or the competitor's customer group, because of the change in macro-economic situation, more stable business policies will either adjust the firm positively or negatively, and the firm's sudden occurrence will also change the general public classified as secondary stakeholder group in the past directly into the target for company crisis public relations.

Thirdly, Company could not treat all stakeholders indiscriminately based on the discussion above, as it has its practical flaws, which means the firm's limited resources cannot support the global strategy. As Sun Tzu has described in Weakness and Strength chapter of *Sun Tzu's Art of War*, "If he strengthens the front, the rear will be weakened; vice versa, if he strengthens the rear, his front will be weakened. If he defends his left, his right will be exposed. If he defends his right, his left will be exposed. If he tries to defend everywhere, he will be vulnerable everywhere". This "everywhere is defended" as introduced in the stakeholders' analysis, is to reflect on all groups indiscriminately, establish, strengthen and maintain a "treat everyone equally" relationship, so that the "everywhere is defended" situation will appear.

The author believes that the identification and classification of stakeholders' needs lie in two points:

Firstly, Understand the dynamic characteristic, classifying the correlation between current stakeholders and firm's development is only established based on the assumption that the internal and external environments are static and have no change. At certain period firm's concerned relationship with a particular stakeholder group is also reflected in the operation management "crucial point control" ideology, but must adjust their classification standards and relationship management emphasis constantly based on the environment changes.

Secondly, treat unbiased, distinguish and measure the level and development trend of the related stakeholder groups, and establish, strengthen, and maintain three different relationship strategies appropriately. Although it guarantees to be focused in a certain period, but from the attitude standpoint by no means the real significance of a group's relationship can be contempt.

5.2.2 Integration of Stakeholders' Needs

Different stakeholders have different effect on each department of the company; moreover, the meaning of the stakeholders to the firm will also change in time with circumstances. Different interest groups within firm with different understanding about the stakeholders' may become inconsistent to the firm's overall strategy. For example, when the company experienced a financial crisis, the most important stakeholders are the investors of the company; and when the company wants to issue stocks, the most critical stakeholders would be the external securities organizations. Therefore, Marcom managers sort the stakeholders based on the company's strategic positioning, determining the stakeholders most significant to the company, and sequencing the stakeholders based on their influence and long and short-term profit impact as well as cost to influence and control their behavior etc. See more details in Fig. 5.2.

Based on identifying the importance of the stakeholders, Marcom managers need to respond to each stakeholder's needs reasonably and rapidly. This rapid response mechanism is based on timely obtaining the stakeholders' information and changes in surrounding environment through stakeholders' information collection, data mining and information extraction techniques. And using this as the basic for IMC strategy formulation, implementation and optimization, through

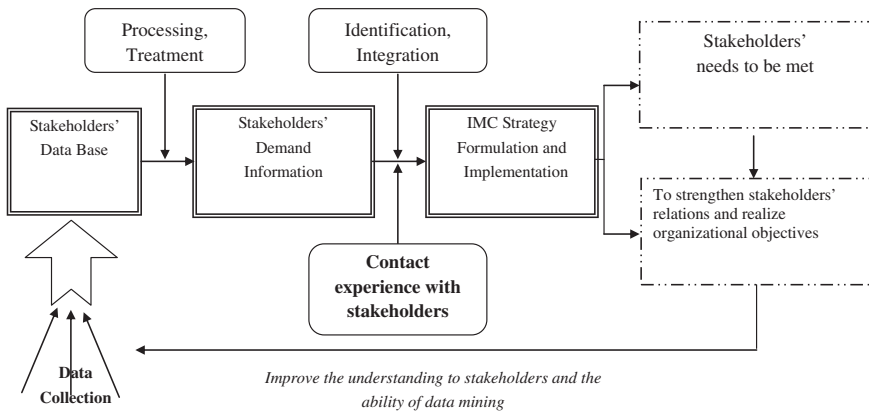


Fig. 5.2 Stakeholders' needs identification and integration process

strategy implementation the Marcom managers meet the stakeholders' needs to achieve the organization's objectives. Successfully achieving the organization's objectives means more powerful resource investment and stakeholders' deep understanding, thus further optimize the overall stakeholders' needs integration process.

The IMC team obtains the stakeholder information through database, traditional marketing research method and environment monitoring tool, combined with internal communication and analysis they will be able to obtain the company status information, analyze the difference between stakeholders and company, find out the information source causing these gaps, further confirm which difference is most serious, as well as the cause for these gaps; then convene a department meeting responsible by the Marcom manager, identify whether the stakeholders' expectations for the company are reasonable, if reasonable, then integrate company internal interests based on their expectations, revise the company's status, and communicate the company's revision information to the stakeholders; if not reasonable, then design an integrated communication strategy based on stakeholder expectations, change the stakeholders' expectations for the company. The company will realize the stakeholders' dynamic management process, in order to make a rapid response to the dynamic environment. As mentioned in the introduction, IMC is based on "5R" theory, in which because the stakeholder groups become more complicated and the competitors also compete for relationship resource, under such circumstance, a good grasp of Relation must rely on the establishment of a quick response mechanism.

5.3 Knowledge Integration of Marcom Manager

5.3.1 The Introduction of the Database in IMC Theory

Marketing theory has developed from the traditional transaction oriented into relationship oriented. The purpose of companies doing the transaction with the existing or potential customers is not limited to the original meaning which is to complete a deal, but to maintain and deepen the interactive communication between customers and stakeholders under the assurance of certain obtainable premise. This transactional relationship has different features from previous concept. Due to low transaction frequency and the non-repeatability of transaction object of the traditional marketing in some extent, the characteristic recording of each transaction or specific customer group looks not so necessary. Even if this type of transaction is being recorded it is also because the transaction objects change frequently, making the cost for information collection and collation rise greatly, dynamic transaction group also causes the lacks of data collection application direction. IMC theory did not only introduce the concept of relationship marketing, but expanded the related denotation to the company's internal and external

stakeholders. Therefore the collection, collation and analysis of different stakeholders' information are to ensure the "instant" decision accuracy and response rapidity. Schultz (1997c) specifically proposed customer database to be the main IMC integration force, must be properly applied to promote the IMC effectiveness. Oliva (1993) believed that IMC is a database which has the information of consumers and other stakeholders, and an intrinsic form of interactive communication. Therefore IMC and database marketing are related intimately, companies must create a valuable communication scheme for customers and business stakeholders, then via the stakeholders' responses, revise the communication plan based on the needs for customers and potential customers' communication.

IMC strategy is established based on the "outside-in" view, this requires the company's strategy selection, formulation, implementation, and revision should be carried out according to the changes in external environment. This requires the company to have the ability to objectively reflect to the external environment. In other words, the company should have its own environmental monitoring, information collection, and information processing system. And the principle of "stakeholder orientation" also defined the company's environment information collection scope, not just to pay attention to the customers and suppliers who have direct affect onto the company's profitability, but along with the introduction of IMC strategy also extend the observation scope to the direct and indirect stakeholders outside the company. Only having full understanding of these "environmental groups", the company can recognize their different needs, and finally establish a solid relationship through meeting these different levels of needs.

5.3.2 The Establishment and Integration of IMC Knowledgebase

5.3.2.1 The Establishment IMC Knowledgebase

The starting point for upgrading the database to the knowledge base within the organization Marcom manager should be aware that the purpose for information collection is to have a profound understanding of the company's stakeholder groups, and use it as the support for company's "instant" decision, and after decision is completed its usefulness will also rapid decline. On one hand information collection and processing can be used as the response to internal and external environment, through this information collection environment the company rapidly formulate or adjust the strategy, so as to construct a rapid response model. On the other hand, in-time information used to support the decision must also be further consolidated, stored and ascended into the company internal database. In the author's view, the contribution to the company database establishment is but an "information" support (a general reflection to the internal and external environment), and it needs to be further upgraded to the "knowledge base". Through

knowledge acquisition, storage, sharing, accumulation and releasing to a certain extent it can reach the company's competitiveness objective. In the "application of knowledge in society", Hayek first pointed out that the decision-making efficiency depends on the decision making authority and the match with important knowledge of this decision. Caywood (1991) Therefore it can be thought that, the supporting role of information on decisions is still reflected in its externality, and helps the decision makers achieve a certain level of cognition on external environment (Know What); and the role of knowledge reflects an upgrade in the manager's intrinsic decision-making capability (Know How).

The author believes that the organization's internal knowledge resources can be regarded as reserved resources, and the information is a form of existence of the resource flow, if we want to enhance the cognition level of Marcom managers toward company's internal and external stakeholders, or want to transform the in-time information used to respond to the stakeholders' dynamic needs into group's knowledge cognition.

5.3.2.2 Knowledge Integration Model

In the overall design of IMC knowledge base operation model, the author believes that it is necessary to build three platforms; a platform to maintain good relationships with the stakeholders, and knowledge integration platform and knowledge terminal application platform. Moreover the relationship between these three platforms is inheriting relationship, that is to say, in this system the company first uses the stakeholder service center to collect and collate the information, and establish a knowledge base within the company via the database. Re-process the knowledge to achieve the integration classification purpose. This post-integration knowledge strengthens the pertinences of practical problems. This kind of knowledge application deepens the understanding of internal and external environments, coping with stakeholders' conflict and disharmony, maintain and strengthen the relationship with the stakeholders. Finally, establish the knowledge terminal application platform. The overall model is shown in Fig. 5.3.

As shown in Fig. 5.3, firstly, the IMC team led by Marcom managers keeps in touch with consumers and other stakeholders via various media tools such as advertising, direct marketing, sales promotion, public relations and the Internet. Through the recording of the contact process and research and information collection of a particular group of stakeholders, understand their demands' changes, and take it as the basis for communication strategy adjustment like product, publicity and public images and achieve the objective of maintaining the relationship with various stakeholder groups through satisfying their demands. The content of the information collected includes the consumers' demands to the company's products and services, change in potential consumer groups, and the aggressive marketing strategy implementation from the competitors etc. The IMC team must make corresponding responses to this real-time information in order to build and maintain a stakeholder relationship platform.

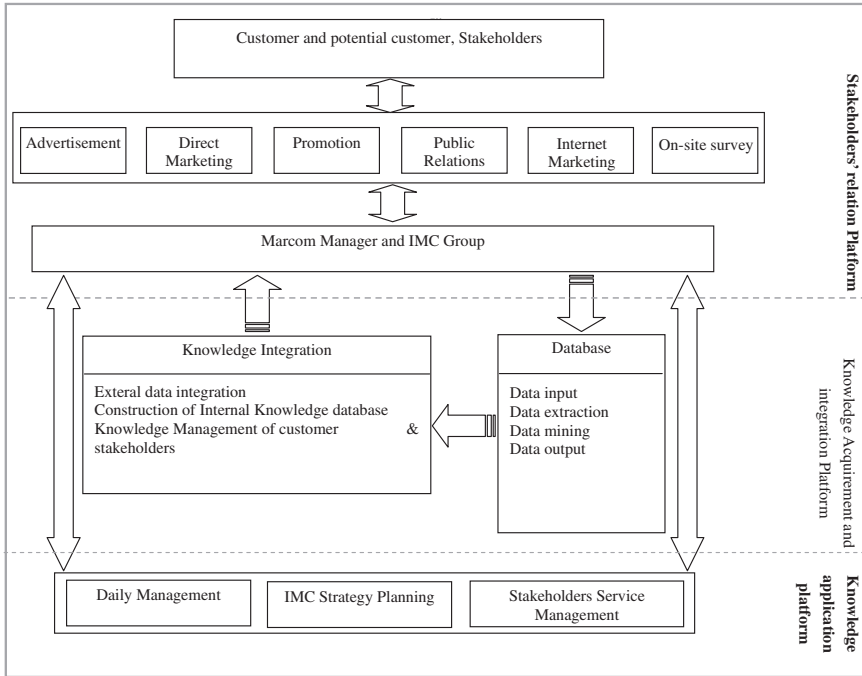


Fig. 5.3 IMC Knowledge integration model

For the sake of corporate correct decision-making the “flow resource” information put into the organization should not flow out of organization right after the decision is made, but must be analyzed further, consolidated into “reserved resource” that can stay in the form of knowledge within the organization. This procedure is accomplished via data mining, extraction and other research methods in statistics, Marcom managers must also determine the availability of the knowledge, and diffuse and share these stakeholders’ targeted cognition knowledge among the IMC team and within the organization, so as to optimize the stakeholder service level, the company daily management level and the acknowledgment and implementation of IMC strategy in the organization.

5.4 The Media Integration of Marcom Manager

The original IMC theory was praised and welcomed by companies because it has the “instant effect” in the actual operation, but this theory is mainly used in the marketing planning and product information promotion stages. Use all available media tools to capture every customer contact point to centrally communicate the company and product information, and make the information communication

comprehensive, multi-angular and consistent through the integration of media tools. Thereby strengthen the consumers' good impression on the company's product and direct the guidance on consumers' spending. of course, at first IMC theory is still only a method of strategic marketing (following the in-depth study of theory, in 1997 Schultz has elevated this theory to a strategic level), the effect mechanism from its theory in practice is not hard to guess, including main researches about how to use and understand the media tools, or its strategy application stage. Therefore the researches in IMC theory about media classification, evaluation, selection are also quite mature.

The author believes that, media integration means that Marcom managers adjust, combine, configure, and share the media tools based on the intrinsic connections of various media tools in accordance with the integrity and regularity principles. What needs to be pointed out is, this integration is not the simple combination of communication tools by structure, form, function and meaning, but makes the tools inside the media system to maximize the benefits through agglomeration, reconstruction, and optimization. To put things simply, it means to optimally combine various communication functions and methods such as advertising, direct marketing, sales promotion, public relations, in-store merchandising, store sales promotion, POP advertising and packaging around a central subject, so that they cooperate with each other to produce a collaborative operational synergy effect, in order to provide clear and consistent information, establish a unified image, finally achieve a long-term and stable relationship with the stakeholders, maximize the communication effect, and achieve optimal matching between the communication costs and benefits.

5.4.1 Media Types and Media Evaluation

Caywood (1991) saw the integrated marketing communication as “the strategic decision to assess various communication specialized fields (such as advertising, public relations, sales promotion, direct marketing, etc.), and integrate these specialized fields together, in order to provide clarity, consistency, and maximum communication influence”. Deep understanding of the functions and features of the communication tools is the first step to achieve IMC, along with the development of science, technology and the media, the role of the communication tools in the marketing field becomes more and more ambiguously determined, but basically each still maintains its own characteristics, for example advertising mainly needs common consumers, and can quickly build the public consciousness for the company. Sales promotion can stimulate consumers' desire to buy in short-term, increase product sales. Direct marketing emphasizes on one to one marketing method, can establish, maintain, strengthen the relationship between the company and stakeholders; public relations activity has its own effect in enhancing the company's public image. The following will introduce the definitions and analyses on these communication tools:

5.4.1.1 Advertising

American Marketing Association (AMA)'s definition of advertising: non-personal communication activities about the products or concepts of an identified advertiser to specific groups via mass media, these communication activities usually exist as paid forms, their communication characteristics mainly focus on persuading or influencing the consumers. Advertising is paid, and through professionally planned persuasive message, can be through various methods such as media application information transmission, rational demands, repeated assertion, command type, symbol association and imitation, to convey to consumers and potential consumers.

The greatest difference between advertising and other communication tools lies in its commodity information communication method being done through the mass media, by considering the customers as a whole, the information content can not be too personalized or pertinent; this is the main limitation of advertising. Advertising planning steps include objective settings, target groups definition, budget planning, information transmission, media selection, timing, and advertising assessment and promotion integration.

5.4.1.2 Sales Promotion

American Marketing Association (AMA)'s defined sales promotion as: a marketing activity different from the personnel, advertising, public reporting, to stimulate consumers' purchase and enhance sellers' efficiency, such as the goods deployment, commodity exhibition, exhibitions and a variety of irregular, non-routine product sales promotion activities. It is often used in three kinds of circumstances: purchase encouragement, new user attraction, and testers' repurchasing rate improvement. Sales promotion offers short-term incentives to encourage the purchase or sale of a product or service. The objectives of sales promotion may be to attract consumers to try out new products, attract consumers to stop using competitors' products, and make the consumers repeat the product purchasing habit, and maintain and reward loyal customers. Sales promotion tools include samples, coupons, discounts, discounted products and gifts.

5.4.1.3 Direct Marketing

The Direct Marketing Association (DMA)'s definition of direct marketing: direct marketing is an interactive marketing system which affects the consumers through one or many advertising media regardless of their origins, to obtain a measurable response or transaction. It usually contains the methods such as telephone marketing, mailing, or direct response to convey the information directly to the consumers, focuses on consumer individual communication to establish a mutual trusting relationship.

The direct marketing of IMC strategy planning process is reflected as: target audience settings, through different media and stakeholders at different times and locations to create interaction, its marketing communication effect mainly relies on brand establishment, not only helps sales, but are also beneficial to the database establishment and persistent data update. Direct marketing has the following advantages and characteristics: it has more distinct target audiences, having identified target groups means that it can adopt a pertinent personalized selling method, and direct marketing can perform evaluation on communication effect, and also collect the data of marketing process and target groups, these features are all conducive to establishing a good stakeholder related database.

5.4.1.4 Public Relations and Event Marketing

Rex F. Harlow defined public relations as “a special management function which helps establish and maintain the communication between the organization and public, understand, accept and cooperate, and participate in the resolving public problems, assist the management to guide the public to understand the truth, somewhat reflect public opinion, emphasize on the responsibility mechanism attached to the public interests, and use the research tool whenever necessary and take advantage of external environment changes, form early warning system to help predict the trend of the future trend of development”. Public relations are often carried out through press releases, business brochures, public speaking, public welfare activities, event marketing, lobbying, and crisis management.

Event marketing: an IMC concept created by the need for continuous experience and information exchanges between the company and consumers, highlighting the significance of event marketing tools. Schultz believed that we're in an information purchasing decision era where personalized consumer information process method forces the marketing staff to give up on mass-oriented marketing method and use clear, consistent and easy-to-understand information to create a long-term brand or company image, draw activities or create event marketing from the consumers' perspective to achieve integrated marketing communication multiplier acceleration effect.

5.4.1.5 Personal Marketing

All sales methods include sales staff and customer face-to-face contacts. Personal selling is a kind of sales promotion activity, sales promotion execution in communication integration often uses the minority or small groups to be the targets of personal marketing, as well as aims for public advertisement, the combination of the “push and pull” tactics will be more likely to stimulate purchases and sales promotion.

Based on the different fundamental purposes of the company information communication, evaluations of each media communication tools are summarized in Table 5.2.

Table 5.2 Comparison between marketing communication tools' functions

Media tools	AD	PR	Promotion	Direct selling	Sales promotion
Mkt objectives and functions					
Popularity	○	○			×
Loyalty			×		○
Band positioning	○	○			
Re-purchase incentive			○		○
Sense of involvement		○			
Special target consumer contact				○	○
Product trial incentive			○		
Brand transferable		×	○		
Image shaping	○	○	×		
Promotion of interactive communication				○	○
Lower cost	×	○			×
Credit construction		○			
Individualized communication means	×			○	○
Public information disclosed		○			
Recollection of target group information	×	○	○	○	○

The IMC outside-in perspective requires company first to combine the characteristics of company's products based on the contents and characteristics of the needs of the target group to identify the information content the company wanting to convey, identify the ultimate demand of marketing communication, aiming to enhance the relationship with the stakeholders or to stimulate the purchase behavior or to establish brand awareness, then finally determine the effective media combination. An important principle that needs to be noted during this process is on one hand it must ensure that the information's content conveyed by each selected media during this information communication is actually consistent, because each media has a different form, function, and characteristic their communication form should not be limited to one.

From another perspective, through different media tools, based on the contrast maximum communication form to convey consistent product and company information to the stakeholders, comparing with the method which uses a single media to convey a consistent voice based on an unified form, this kind of media tools integration approach is more appealing, and gives more prominence to the information consistency. Besides, the grasp of the "information consistency" cannot only be confined to a consistency of some communication, it should consistently incorporate the products, company image as well as the past company communication behaviors that are reflected in this communicated information content, so as to achieve product implementation and company image consistency required by the IMC theory, in short in order to grasp the consistency the two dimensions lateral (each is a media tool) and longitudinal (the consistency of company communication behaviors within a relatively large time span) need to be comprehensively considered.

In the media function evaluation table, the author added a last item—stakeholder information re-collection, purpose is to record the contact end-to-end process through media transmission process, through interactive communication method, thus deepen the understanding of stakeholders, and database updates. From long-term consideration, the data collection should also serve as an important consideration standard for media selection.

5.4.2 Systematic Integration to Media Tools of Marcom Manager

Lloyd (1996) planned an in-depth interview with the media director of an advertising company, studied their evaluation of the IMC, the study result showed that, the media concept in current media planning has been extended to “all contact marketing tool” and “the possibility of any exposure to the consumer”. Media planning does not just contain advertising; it also covers all of the media communication tools. The biggest influence of the IMC concept proposed to the media planning is shown in two aspects, one is the media planning communication targets who are simple consumers and potential consumers being expanded to the internal and external stakeholders who have any correlation with the company’s objectives achievement; and the other one is the introduced “zero” method in media budgeting.

Based on the environmental changes reflected in the stakeholder data collection, formulate targeted media communication planning. Such as if seeing the competitors are embezzling the company’s existing product market share, then the strategy the Marcom managers should adopt is “defensive” or “offensive”, facing the pressure from similar products’ price, then adopt similar strategy to defend or retain existing customers, execute aggressive media persuasion plan to the potential consumers and even the consumer group of the competitor. Therefore the selection of target groups is a response to environmental changes based on the outside-in perspective.

Firstly, related to the media target, right after defining the object, need to identify the communication content and the objective needed to be achieved. This includes conveying the information content, frequency, duration, cost and the media minimum efficient setup, another meaning of non-standard setup is the standard which can be used to evaluate efficiency after the communication planning has been completed.

Secondly, choose the communication media and the specific communication tools mix, based on the target groups described, as well as the communication objective setting, to consider all characteristics of the media and the suitability of communication planning, choose the best media mix. There should be two principles to master in choosing the media:

- (1) Must select media tools based on the target group characteristics, Schultz (1993) pointed out that the media selection depends on which media the consumers or potential consumers and other target audience use specifically, rather than depend on the media which has more communication efficiency to Marcom managers.

- (2) Media selection prevents simplification, and moreover is not limited to a single media form, such as various newspapers, magazines, but they also belong to the print media. Media mix method is easier to access by wider target audience, at the same time can increase the contact frequency, and the appearance of different media with the same information can increase the stimulation to achieve the synergy effect of integrated communication. This requires the diversity, stereoscopic impression and comprehension in media selection.

Third, media contribution and performance evaluation, Marcom managers monitor the whole media end-to-end planning process, and should be aware that the media communication effect evaluation is not necessarily similar to the summative evaluation after media planning has been implemented, should make phased assessment during the whole media contribution process, and timely adjustment and optimization according to the assessment results.

Finally, must achieve the integration of the different media tools, Marcom managers should abandon the traditional media budget form, and get into the “zero base budget” mode. When analyzing the background factors causing IMC appearance, Professor Schultz explicitly proposed that the traditional budgeting compilation system has caused the appearance of functional departments and the departmentalism between different media forms, which created the “integration” appeal for budget rivalry. Zero-base budget seeks for the best way among numerous resource allocation schemes to improve resource allocation efficiency, it requires comprehensive consideration of all budget expenditure items accordingly to their importance, thereby improving the budget decision making effect. The introduction of this budget model completely breaks the traditional media budget restrictions, truly evaluates its importance based on the media characteristics and communication effect, and achieve media tools integration.

5.4.3 Positive and Negative Effect of Internet Media on Media Integration

As a new media form, the Internet media, in the author’s book, should be classified as advertising media in media assessment, and its characteristics, advantages and disadvantages as well as television, newspapers, magazines, radio and other traditional media should be clearly describe. However the author believes that to companies the emergence of the Internet is not just limited to a communication tool, it brings positive and negative influences to the company’s implementation on IMC theory. Therefore it is used as a focus for a separate discussion.

After comparing the penetration rate of three big innovative media in 20th century—radio, television and cable television, the researchers from Morgan Stanley bank discovered that, it took the radio 38 years to accumulate 50,000,000 audiences, took the television 13 years to accumulate 50,000,000 viewers, while it only took the Internet media 4 years to have the same number of audiences. From its development speed, we could say that the Internet media should have its own advantages

to which the traditional media cannot compare. The emergence of the Internet is not just an intervention of a formed media either, more importantly perhaps it is an arrival a lifestyle. Although it is almost certain that the Internet media will become the main marketing communication. A basic reason is, during the decline of mass media and replaced by numerous media process, the Internet does not just have this type of characteristic, but it also has a unique communication and interaction effect. The Internet brought a great shock to human most basic communication activities. Being a media, the Internet is called “the fourth media” after the newspapers, radio and television. It has both the timeliness and storability of the newspapers and the figurativeness and vitality of radio and television. Its information content is extensive, its interactivity and freedom in application are what all other media have. Internet transmission broke through the boundary of time and space, weakened the difference between the communicator and the audience, and strengthened the interaction between the communicators and the audience. The characteristics comparison between the Internet and traditional media tools are shown in Table 5.3.

The Internet media has interactivity, meaning the Internet media can achieve the two-way interactive communication between the communicator and the audience, this interactivity is something the traditional media cannot achieve, and this interactivity is also beneficial to the Marcom manager to assess the communication effects, thus is more “countable” than the traditional media. The Internet media has the capability to bypass publication enquiry and information retrieval. It would be very difficult to hear and see specific information if the radio and television missed their broadcast time. Information providing method provided by the traditional media, when the consumers are interested in specific consumption information and actively search for it, has relatively high cost. While the keyword query function provided by the Internet media can provide timely information services.

The Internet media has the global characteristics. Although the traditional media has certain internationality, due to the media’s own characteristics and

Table 5.3 The characteristics of internet communication

Communication characteristics	Specific meanings
Diversification	Diversification of communication subject, means and internet culture
Personalization	The target group is no longer a whole body, but a group with different needs, therefore communicators should provide personalized information to meet the diversified needs of target customers.
Interactiveness	Direct, instant and interactive communication between communicators and target group
Rapidity	Distribute the information to users instantly without the constriction print, transport, publishing and other factors of traditional media.
Extensiveness	The scope of communication is so extensive that people could obtain the information through login on the website of companies
Open degree	Information was communicated with enough freedom and open degree and does not need the cumbersome audit as usual.
Richness	The information from internet media is not constricted for the time and place and it is rich and comprehensive.

limitations, it is only covered in a certain number of countries, and the expanded scope of this communication coverage also brings relatively large investment results for the media holder, although the radio geographical restriction is small, but it is subjected to the constraints of the geographical environment. While it could be said that the Internet media can break the regional restriction, any information released through the Internet, will be provided to the whole world through website links. Due to the space and time constraints, the traditional media can not carry a lot of information; this limits the comprehensiveness of company-related information, thus unable to support long-time persuasive communication strategy.

The Internet media has the real-time information release characteristic, unlike printed media which has to go through a long production cycle, and unlike radio, television which need to wait for “arranged broadcasting”. Summarized from its previous characteristics, the media integration positive effects in which the Internet media being the completely new media can be classified as the following three points.

Firstly, as a completely new media, its development speed is astonishing; it is enough to make the company media users do not dare to underestimate. Its rapid transmission speed, large audience groups, low cost production method, text, image, voice, picture integrated audio-visual are all three-dimensional communication effects that the IMC media integration effortful pursues.

Next, IMC has always emphasized on theoretical essence of “outside-in” stakeholder oriented, but for media choice and media planning process, due to the traditional television, radio, newspapers, magazines and other media own limitations, as their transmitted information is limited by time and space, and basically belongs to mass communication category, the audience basically has no right to choose the transmission content. While filtering function as well as keyword indexing function provided by the Internet media can achieve the real-time information inquiry, therefore each stakeholder groups can collect related information according to their own needs through the Internet.

Lastly, the contact between the traditional media forms and target audience is still under singular communication form, and has not achieved two-way communication. Because the traditional media does not have the “memory function” for the contact process therefore it cannot reach the stakeholder information re-collecting function during this process, on the other hand, relating to information technology, such as click rate statistics, user registration and the setting up of electronic message board the Internet media is able to collect the media effects and audience data, this brings big advantage to the database establishment and update.

Being the Marcom managers, having positive evaluation of the Internet media is not the focus of their job, if a media user who knows nothing about the advantages of the Internet media but became the Internet media user because of the general trend then he or she has also become the new media beneficiary. Conversely, often the negative effects of not knowing the Internet media are because of its harmfulness. The author summarizes the understanding of the harmful effects as follows.

Firstly, the integration’s difficulty increases, just like the discuss about the Internet information retrieval function above, doing some searches on interested

product information, consumers or other stakeholders form a collection of information on the Internet platform at this time, the current information and even the historical information about company product would be gathered. If the information is not consistent then it would be completely exposed, thus higher requirements were proposed at the information integration consistency level.

Secondly, the requirements of low cost and low technical skill Internet media and even the open of public forums like electronic message boards all make the social public to be able to “arbitrarily” give comments on the product information, sometimes the comments are extreme, but this negative effect would also quickly take advantage of the quickness characteristic of the Internet to spread rapidly. Marcom manager should be responsible for the real-time monitoring and controlling of the whole media planning implementation process, but this Internet media’s “freedom” is something very difficult for the managers to control.

5.5 Summary

This chapter focuses on discussing specific contents of the “integration” category in Marcom manager working model covers, and its four integration aspects: refined resource integration, knowledge integration, stakeholder expectations integration, and media integration, because IMC researchers usually focus on how to establish company brand image through consistent communication behavior, thus forming a “value communication and make light of integration” theory research situation. And the author believes that the consistency of communication does not only depend on the establishment of communication planning, understanding the “consistency” during the execution process, but also largely relies on the integration level of the Marcom managers toward the corresponding media resources and stakeholders’ demands. After all IMC theory as a strategy introduced to the organization internal need all kinds of resources and the support ability derived from resources; focus on resource integration in distinct strategic resources and through strategy implementation to achieve resources re-investment and optimization. The starting point of knowledge integration is to upgrade the database established for targeted stakeholders to the company internal knowledge base, apply the idea of knowledge management into improving the company internal managers’ approval and the stakeholders’ awareness of the IMC theory, thereby enhance the decision making ability of the management. The stakeholders’ needs integration first requires the identification of different stakeholders’ needs, through the requirement for communication establishment and company development consistency. While the discourse on media integration basically focuses on the IMC strategy implementation stages, including media tools evaluation and integration method, the discuss on integration category belongs to exploratory research, and is also the author’s innovation point, thus the exploratory character often implies a kind of immature discourse, this would also become the field researcher’s deepened direction.

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Chapter 6

The Function of Marcom Manager: Communication Scope

The author's research focuses on how to clearly define the job category of a Marcom manager: IMC theory is a strategic level theory that has become progressively enriched and grown from strategic marketing tool to include the characteristics such as marketing idea, organization structure and power matching. Therefore there were a lot of researches and discusses on IMC theory communication functions, and less attention at the integration level, and a good communication effect first benefits the comprehension of the integrated job. In this chapter the author will introduce the basic principles of the scope and operation included in the communication that should be understood.

6.1 Method Selection of Information Transmission

Due to the appearance of new types of media such as the Internet, a notable characteristic of today's information dissemination is, as information channels and information flow extensively increase simultaneously, the rumbles coming from all aspects in the information dissemination process also increase significantly accordingly. From the marketing standpoint, the places of dissemination and communication have become more and more prominent, but dissemination and communication have become more problematic. Merely designing and producing product with solid content information is not enough, perhaps this is not the key of the problem, and the fundamental problem is to have to carefully consider how the media audience is dealing with your message. And the attitude of the audience group when receive the information is first decided by the information receiving method, moreover with the development of the media form itself and the growth of the consumers, and other stakeholder groups, media communication environment has carried the characteristics different from the past.

Firstly, the benefits of communication method using mass media as the main medium in the past have been declining. Main reason for transmission efficiency

marginal benefit diminishing produced the diversification of media and information, large flow of information leads to the “zero-sum response” of the consumer information reception; at the same time due to advertising media using commitment and creativity as characteristics, there is a huge gap between the company and brand name in advertising creativity, commitment and actual action, which leads to the credibility of public media being reduced greatly; and the integration of market pattern, making many brand names to be on equal competition position in the common market; brand names and the information interference between brands also reduced the consumer recognition and long-term loyalty to a particular brand.

Secondly, consumers reluctantly accept the information which they passively receive. The notable features of mass media during its reigning era, is that the media has full control. The simple fact is the ruling of mainstream media over public information, because of the information asymmetrical and the absolute communication dominant position, has led to the audience passively accepting the media information and a certain level of trust. But now the situation can be said to be “turned over”, the competition between the media themselves has created information quantity geometric growth, facing so much information the audience groups no longer passively accept, people begin to take the initiative and go to collect the useful information in their own ways.

Thirdly, the importance of recognition way surpasses the facts. An obvious issue in marketing is, the consumer purchasing decision-making method has had subtle changes. The habit in the past is to use the fact as the basis of making final decisions, therefore advertising and marketing communication not only emphasize on the “commitment”, but more importantly emphasize on the “committed reasons”. But now the situation has changed; due to information and competition plurality the consumers rely more and more on recognition than facts when making purchasing decisions. They take their results of recognition which they believe to be important, true, and accurate as a basis for decision making, rather than apply the rational or even detailed analysis results to the judgment standard.

The change in media communication environment and the continuously matured audience groups all required companies’ strategy implementation stage after introducing IMC theory should be based on the audience characteristics to choose the appropriate information communication method, because the information generating method will directly affect the audience’s evaluation of its credibility.

Duncan and Moriarty summed up four big information sources:

Firstly, through the designed information, which is also the information transmitted by the traditional marketing behavior. Secondly the product, including the product’s function position, image, price and the information transmitted by the marketing channel. Thirdly, “service”, the information transmitted from personal contacts by the company service staffs and the service itself. Finally, “non-designed information”, such as news reports, the behaviors of internal and external stakeholder groups, competitors’ opinions, findings from the government and research institutions and the public reputation of the surrounded community.

Furthermore, different information sources have different influences. However the information influence often shows the opposite relationship with the company on its control, the information that company can master the most through design, but its influence is indeed the lowest among the four information sources, yet the lowest company control among the four major information sources is the non-designed information that influences the most. It depends on the people long-time and ingrained self-awareness and understanding of the purpose for company’s existence. The company itself sets profit as the ultimate goal, and the traditional company groups first define the relationship between companies and consumers as the two big groups of zero-sum game, the starting point and the final objective of all behaviors of the company is through self-benefit information communication and persuasive behavior from consumers to grab the maximum profit, thus outside of the company, consumers and other public will think that these information are all self-serving, and thus are doubtful of its authenticity. Such information communication efficiency is a great discount. As Duncan and Moriarty have pointed out, different information sources have to be unanimous on speech, behavior and confirmation, that the integration is considered to be successful in the hearts of customers and stakeholders.

As shown in Fig. 6.1: company public opinion information transmitted through marketing communication needs to be consistent with the information transmitted by the company’s actual production and operation “behavior” from the product and the service function, and together with the information consistency “confirmed” by the groups besides the customer and stakeholder groups, customers and stakeholders will believe that the company lives up to its words, and others prove that the company is indeed as it is said to be, the information will have higher reliability then.

From the company’s information environment change and the discussion on information generation method, Marcom managers should be carefully analyze the compatibility between information communication method and the company characteristic, to exert maximum effectiveness of communication. Our understanding on compatibility is as follow: take company product advertising as an example, besides being in different life cycle stages the product’s information

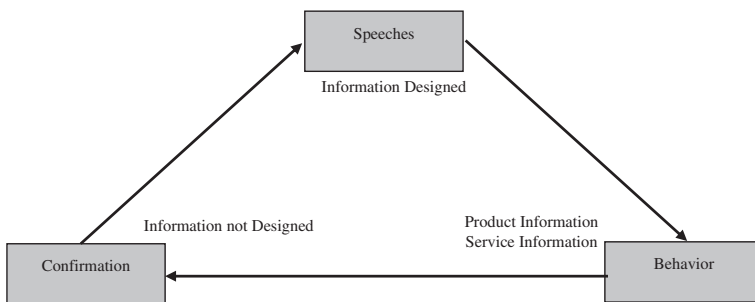


Fig. 6.1 The triangle of information integration. Source Duncan and Moriarty(1997, p. 132)

communication focus is also different. To introduce its products, companies should make full use of the mass media large information centrally unloading characteristics, first expand the products visibility; and the products entering mature stage should change the direction of product communication focus to product loyalty nurturing; the information sources selected are the product, service self-transmitted information and some kinds of correlative associate that is easy to set up; the product competition among the products entering the mature stage becomes more fierce as each passing day, at this time due to same information from similar competing products the designed information communication report becomes less efficient, then we could use event marketing, like the launch of Procter & Gamble Company's "Tide family actual validation" activity, the communication demand from this period still relies mainly on building unique differences between the company and competitors; and as for the products entering the decline stage, when seeing that the decline trend is irreversible or does not have the reversible value the Marcom managers should consider to reduce information communication frequency and shift the focus to the company product image transmission.

6.2 Communication Strategy Diversification Combination

Designing an effective communication strategy is the key to the success of the IMC strategy, moreover in order to achieve IMC communication comprehension and effectiveness the company should not just limit the communication to the traditional marketing communication, should not put the position of communication activity utilization on the company "profit chain" group. But should consider communication as the whole communication process aiming to reach a consensus between the company functional departments, achieve the coordination, as well as establish the relationship between different external stakeholder groups. And the author believes that the communication activities should be divided into the following four different areas: social communication, marketing, organization behavior communication, operation management communication, and the following four communication types all have different focus levels on the major stakeholder groups. See Fig. 6.2: social communication mainly aims at the social public to build good company social image, to illustrate good company position in the social public. Social communication is the basis of other communication forms, as to establish a good social communication effect, such that company marketing communication behavior can be efficiently carried out; marketing communication is the main communication form that Marcom manager should be most concerned about, because the communication effects are mainly reflected in the company products performance in the market, therefore it is also the segment that the company top management and the board of directors are most concerned about, its negative and positive effects will directly influence the company executives' evaluation of

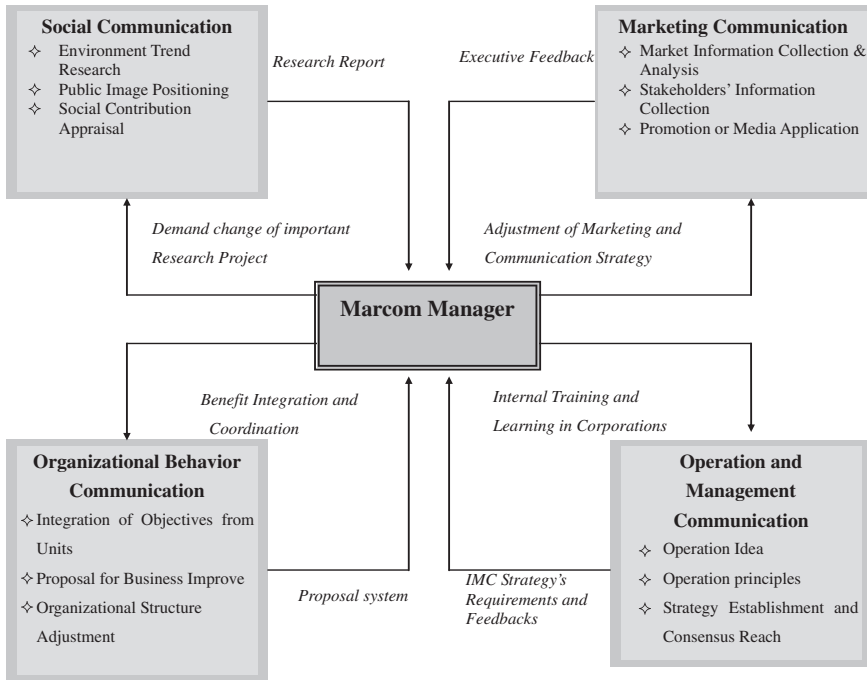


Fig. 6.2 Communication strategy diversification combination. *Source* Shin (2001, p. 136)

the Marcom manager performance, and impact the top management’s support for the resources of other communication forms; operation management communication prominently presents the internal characteristics, it mainly aims to the company internal managers and basic level staffs, and this transmission efficiency will be presented through strategic thinking communication inside IMC strategy and the corresponding training and learning, making the whole company to achieve theory integration while avoiding the obstacles perceived during the strategy implementation process; finally organization behavior communication presents the unification of interest and demands of each functional departments. Figure 6.2 shows the whole framework communication strategy diversification combination.

Diversified communication strategy is the objective requirement of systematically implemented IMC; organization behavior communication and operation management communication become the company’s communication methods for IMC information consistency, and the construction of a quick reaction mechanism to respond to the stakeholder needs has played a fundamental role. While social communication and marketing communication present the externality, they are the main external communication methods for IMC strategy implementation stages; their effects directly affect the external stakeholders’ reactions on the company’s products and image.

6.3 The Function Analysis of Different Communication Methods

The communication category in integrated marketing communication is not limited to marketing communication, but refined as social communication, organization behavior communication, marketing communication and operation management communication, it is the inevitable requirement for IMC strategy systemization, however there exists differences in the application of communication objects as well as the communication tools by various communication methods. The following will analyze the different functions from different communication methods.

6.3.1 Social Communication Realization

Social communication program development and implementation reflect the depth of introducing the IMC theory, can it truly integrates stakeholder theory with the company operation management practice or not. From a long-term point of view, social communication public refers to those such as government agencies, industry associations, community, consumer right organizations and the general public; all the groups that seem to not have much relevance to the development of the company. Conducting positive company's image reports on these social publics, and encouraging behaviors benefiting the company both contribute to the long-term development and long-term profit of the company. Social communication mainly relies on company information system to strengthen the real-time monitoring for the change of this stakeholder group's demands, using the company's rapid response mechanism to promptly formulate the solutions, finally using the company grasped media resources to communicate this plan to the target group. The job content covered in this includes the company's positioning in the public's own image and the social activity planning suitable for the image. In the introduction of information source chapter we learnt that the credibility of the designed information is often very low, therefore the company social communication functions must seize every opportunity of event marketing, as the cost in event marketing is the lowest and a form of most beneficial social communication is the capture and positive guidance on the news events. Finally, one important function of social communication is to help the real-time monitoring system of company information system create an own crisis warning and response system for the company, making fast defense and solution for these emergency events which are harmful to the company, and try to guide and transform its directions to be advantageous to the company as much as possible. In summary, social communication provides support for the marketing communication, and provides space for the existing and potential consumer groups of the company to expand.

6.3.2 Implementation of Marketing Communication

Marketing communication mainly focuses on the stakeholder groups within the company profit chain, including suppliers, customers and competitors in the market strategy. The company should position their own product image and then choose the best media combination to communicate the product image effectively. They must timely adjust the communication strategy based on different life cycle stages of the product as well as the tendency of the competitors. If social communication is the basis of other communication forms, then marketing communication effect will directly create support for other communications. Marketing communication business content includes: external based opportunities, threats and company internal advantage, weakness matching determine the company's products, market strategy (new product development, market penetration, market development); select the company's media combination based on consumers and potential consumers characteristics and the current situation of competitors' media tools application; formulating pertinent media contributes to planning and implementation; using staged effect evaluation during the media planning implementation and summative effect evaluation after the planning is completed to adjust and optimize the media strategy.

When selecting media tool the marketing communication should comprehensively consider the factors from many aspects such as economic strength of the company, product life cycle characteristic and industry characteristic. If marketing promotion is to use the mass and communication-concentrated characteristics of the advertising media to enhance the product purchasing rate, the direct marketing method is more practical. In the marketing communication strategy formulation process we must place the Internet, the new emerging media, in the most important place, comprehensively consider its characteristics and combine with the company's IMC communication strategy.

6.3.3 The Implementation of Organization Behavior Communication

The above illustrates the communication activities between the Marcom managers and the company external stakeholders, while the Marcom managers also have business dealing with internal stakeholders. When having individual interest with the company internal stakeholders, Their functions are as follows: Collecting the information regarding to the company activities formed by the company internal organization members, and Marcom managers should consider: information about the communication efficiency inside the organization in vertical direction and horizontal direction; information about the employees recognition of company; information about the employees capability; information about organization structure efficiency; information about the organization members participating in social activities; information about the organization members participating in informal

organization activities; information about the organization members participating in formal organization activities; information about the organization proposal system to improve the business. Through the above information collection, Marcom managers clearly grasp the interest demands of the internal stakeholder groups, integrate this consistency into the company's IMC strategy, and meet the needs through the strategy implementation. And to the inconsistency of the needs Marcom managers need to adjust organization structure and direct communication of the functional departments and the application of organization rights to make it unified.

This communication model concentrates on "internality", and therefore it can rely on the company's good communication mechanism, coordination method advocated by the company culture, and even depend on the power of Marcom managers endowed by the organization Marcom manager to implement compulsorily. Specific communication can be completed relying on the organization's formal proposal system, department supervisory coordination system, internal information inquiry and feedback system.

6.3.4 The Implementation of Operation Management Communication

Operation management communication is the communication activity that should be carried out at first within the organization after introduction of IMC strategy and in the communication activity, the essence of the IMC theory and the environmental background should be conveyed within the organization so that the internal groups will have a consistent awareness on the strategy introduced. In the strategy formulation and implementation process the information about the progression schedule and implementation affectivity should all be sent to the relevant functional departments as feedbacks. The biggest demand of operation management communication is to upgrade the management skills of all managers in the company, therefore the basic knowledge management mentioned above is also unfolded in this context, through the application of knowledge management tools, the knowledge which aims to improve the decision-making ability and the stakeholders recognition could be communicated and shared within the organization.

The purpose of operation management communication lies in implementing the communication to the internal objected strategy participant with the information of strategy essence, function mechanism and the staged effects of the implementation and in this way while the IMC strategy is introduced, it can simultaneously make the company internally achieve enough enthusiasm about the introduced theory, and eliminate the obstacles in the strategy implementation phase. Moreover the introduction of the strategy means corresponding adjustment for the organization structure, and this type of organizational change encounters resistance inevitably, therefore with the help of operation management communication these obstacles can be eliminated. Operation management communication channel mainly relies on the theory training of internal employees and at the top management levels, the

establishment of a spontaneous learning mechanism advocated by the company culture, as well as the application of company informal communication channel. It is necessary to be mentioned that, the implementation of “knowledge integration” in the company mentioned in the last chapter; still mainly depends on the communication effect of the operation management communication in the company. Marcom managers improve the execution capability through the communication activities refinement. And the job content covered in specific communication activities are shown in Table 6.1:

Marcom manager should consider the priorities and the different implementation effects of each communication activity. Social communication is the company long-term development, the basis of profit; marketing communication is the most powerful explanation for the company IMC strategy implementation effect, and organization communication and operation management communication are the supporting communication activities, with the purpose of accomplishing the organizational structure knowledge and the internal functional departments’ consensus necessary for the IMC strategy implementation.

The goal of the communication process itself is integration. For example the communication behavior of the organization is to integrate the different needs of all functional departments, while the integration is also to achieve the “consistency” effect of information communication. The Marcom manager must fully consider the two working categories: “integration” and “communication”.

6.4 Summary

In the Marcom manager job content, the discussion on “communication” category should be regarded as the author’s key chapter, however as Marcom manager is a new management position, therefore its research focus should be placed on the definition aspect of its working category, additionally since IMC theory was originated from journalism and communication studies, the relevant researches have been quite mature. This chapter redefines the communication category in IMC theory, extends the communication meaning to include full range communications of the related categories such as social communication, operation management communication, organization behavior communication. The factors considered in this expansion mainly are, since the IMC theory research has achieved the transformation from “put the consumers as the center” to “put the stakeholders as the center”, then its communication objects should also expanded to include the public’s social communication accordingly. Business management communication is mainly the application of knowledge management ideology, implementing management concept, the establishment of business skills within the organization sharing mechanism. While organization behavior communication aims at the contradictions and inconsistencies between each functional department within the organization, implement communication and coordination through transmission, achieve the internal interest consistency, eliminate the obstacles for IMC strategy implementation within the organization.

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Chapter 7

Marcom Manager Working Model

Prior to define the and refine the Marcom managers job content the purpose after clarifying the position setting should be grasping the focus of the work. How to organically combine the two working contents: the “integration” and “communication” categories, and integrate them into the company IMC strategy, this requires the description of Marcom manager working model.

In [Chaps. 1](#) and [2](#) sections we have introduced the IMC theory and the stakeholder theory in details, and systematically described integration process of the two theories. In this section, we can finally draw the conclusion: information collection and analysis of the stakeholders, the demand classification and grasp; the relationship establishment and maintenance are all the key contents of IMC theory. And after the introduction of Marcom manager which is a key concept, and in addition define its core working content as IMC theory executioner; its working “core” would naturally fall on stakeholder’s related topics. The current IMC theory key research still focus on the concept definition and communication function concretization, and less focus on the integration discussion. The popular “value communication, and make light of integration” phenomenon in IMC theory after more than 10 years still has not changed; the main reason is because we do not have a deep understanding for theory positioning.

In the beginning the IMC theory is a concept of using communication as the basis, the main purpose is to strengthen the company brand image through the understanding of the communication and the integrated application of the media tools. This method is different from the persuasive marketing model, but using a consistent voice to enhance the brand unified image in the consumers, and show the long-term and consistency. Incorporating it into the concept of marketing field is also because its effect is mainly limited to the contribution of brand equity. With the development of theory its content is continuously enriched, when using its positioning as the company marketing strategy we must fully consider its systematization. IMC theory initiated the integrated tools to convey the “One Voice” and information consistency should also undergo the integration. However the problems cannot be ignored are how to integrate the product with the company’s

information; this time we cannot limit the studied objects just to the information itself, but must expand the integration category based on the systematic viewpoint to include the organization structure, relationship resources, stakeholder needs and media tools, all the segments and the influencing factors. In order to have deeper understanding for IMC theory strategic content, as a Marcom manager and an IMC strategy executioner, one should be aware that integration is the internal factor, and the consistent information communication is only an external display of this internal cause function result. Analyze from another point of view, when the relationship management ideology was introduced into the IMC theory, the ultimate goal of theory was no longer simply to establish a company consistent, strong brand image to achieve the customer loyalty, but maintain and consolidate the relationship with the stakeholders through consistent branding and company information communication, and transform the pursuit of brand assets into the grasp for the relationship. This also correspondingly increased the proportion of the integration of the stakeholders' needs that a Marcom manager occupies in the overall work.

As a new big generation management paradigm adaptation to the complicated and changeable market environment, the IMC acceptance speed in practice is not as quickly as we hope it would, moreover there existed the "non-integration" problem, the "non-integration" is mainly presented in: the company internal, because people emphasize on clear division of labor in the departments, and ignored the importance of integration, the majority of the companies find it difficult to form an effective cooperative effect. Due to internal resource competition, moreover the independence between the departments often causes the objective inconsistency, thus reduces the company performance, affects the company's competitiveness, and finally loses the specialized functions; outside the enterprise, the rapid development of information and communication technology cause the emergence of the networkization and informatization characteristic in the organization's business and environment, and networkization and informatization aggravate the uncertainty and complexity of the business environment, which aggravate the organization's dependencies on the stakeholders more; most companies when implementing the IMC strategy, either neglect or only partially consider the stakeholders' interests, and not consider the stakeholders from a strategic height.

In IMC practice, effectively acquire the stakeholders' information; use integrated ideology as guidance, implement the organization resource integration; conduct two-way propagation and communication with the stakeholders; to the companies these are all systematic and completely new topics. In conclusion, communication efficiency enhancement and information all-around direction, consistent communication is not a result of media tools comprehensive application, but the ultimate result of Marcom manager's integration of the company internal resources, knowledge, stakeholder needs, and media tools. Integration is the internal factor, communication is the method, therefore "integration" and "communication" must be kept balance.

7.1 Standards and Conditions for a Marcom Manager Position

7.1.1 The Position Standards of a Marcom Manager

Company implementing IMC strategy means competition, and the company IMC competition is actually the competition of quality between companies' Marcom manager. There is no doubt that, all IMC activities are the exploitation of Marcom manager quality.

All the industries have job requirements for the employees, namely behavior standards. Along with the IMC occupation standards continuous improvement, the requirements for the Marcom managers also naturally develop according to the situation. Professional Marcom managers should improve their professional qualities through continuous learning, training and practicing. As a department dealing with the stakeholders, a guiding service occupation which sets the establishment of a good organization image as the objective, its doings meeting certain social ethics and behavior standards is the basic guarantee for its own survival and development. Therefore, Marcom managers should not only be familiar and strictly abide by certain occupation behavior standards, but should gradually internalize a part to become their values, which are consciously expressed in words and deeds.

Just like other occupations, IMC moral principles are gradually formed in practice, the difference is that the requirement of IMC occupation moral standards is even higher than the employees' ethical standards of other occupation. This is because in IMC the moral cultivation from which the Marcom managers demonstrate not only affects the individual, but more importantly influences the whole company's organization. Therefore, people who are engaged in this occupation need to develop their own moral cultivation and sentiment first. Marcom manager ethics standards mainly convert the following two aspects:

Firstly, carry out the company's responsibility. In any IMC mechanism, Marcom managers when formulating working plans and planning activity plans, all have to act in conformance with the spirit of company organization responsibility. As a management activity of the company organization, IMC must accept the unified command and management of the organization's top leadership. Any IMC mechanism and Marcom manager must not hide the truth from the company organization leaders. Professional IMC mechanism and Marcom manager must not interfere with the clients or customers' internal affairs.

Secondly, the responsibilities for the stakeholders. Marcom managers must try to maintain the interests of stakeholders, truthfully report authentic information regarding the stakeholders' rights and interests, respect their views and personalities, do not interfere with their demands and actions to protect their own interests. They must treat all stakeholders equally; any one cannot be more favored than the others caused by different stakes. They must be truthful and resolute to the stakeholders, they must make every attempt to achieve their own announced

information, signed contracts, and promises, must not go back on their own words, and must not use unethical means to deceive the stakeholders' trust.

7.1.2 The Conditions of a Marcom Manager

Below we will list a number of qualified basic conditions and skills of a Marcom manager, which can be used as the direction for Marcom manager's self cultivation attempt, or the reference for the company organization when choosing a Marcom manager.

7.1.2.1 New Work Adaptability

The new situation and new work adaptability of a marketing communication manager directly affects the quality of the company IMC activity. Marcom manager must be able to anticipate the changes in economic situation, market environment and culture, science, politics, and social background, and scientifically analysis and collate the new situation and new job and from that predict their development trend, provide reasonable advice and suggestions for the survival and development of the company. More importantly, Marcom managers should timely plan (Real-time Planning) and quickly respond (Quick Response) to the organization IMC activity according to the change of the situation. If the Marcom managers are slowly responsive or even apathetical to the external changes, then they will not be able to grasp the good IMC activity opportunity. Sensitive adaptability helps the Marcom managers seek and take suitable communication methods from different stakeholder to carry the information, to ensure that the information communication channel is open. In addition, successful Marcom managers always rely on their adaptability to the new job, propose bold ideas, innovative plans, and plan all kinds of ingenious and creative IMC activities, in order to attract, persuade their company stakeholders, to make it look forward to the good effect.

7.1.2.2 Communication Ability

From the marketing communication point of view, to a great extent the work of marketing communication is a specific application of information communication science. This requires Marcom managers to master the knowledge including information communication content, channels, information receiver, and system communication theory containing the information communication effect, and put this theory application into the marketing communication practice.

7.1.2.3 Organizational Ability

The Marcom manager job mainly is to link the company with the stakeholders through recreational activities such as attending meetings or social gatherings, creating influence and effect with the stakeholders. Therefore, Marcom managers should

have great organizational ability, specifically including: planning, plan selection ability, organizing meetings or ceremonies ability, process control and work assessment abilities, coordinating interpersonal relationship ability and so on.

7.1.2.4 Creativity Ability

Imagination and creativity are very precious qualities in planning IMC activities. If a Marcom manager is equipped with rich imagination and creativity, their IMC activities will be innovative, and catch the attention of the stakeholders. After the IMC work becomes popular in the society, IMC activities will become more and more similar, such as company events, activities, press conferences, community service activities; the stakeholders who have been quite familiar with these company's activities, once getting wear of them will lose the interest. Marcom manager must have a rich imagination, design some excellent activity forms, or same activities but done in different ways.

7.1.2.5 Investigation and Analysis Abilities

Marcom managers must have various social investigation abilities. Of course, IMC investigation content not only include investigating and studying the stakeholders' opinions of the company, but also includes investigating and studying the benefit, the company located social environment and the possible risks and opportunities of the IMC activity. The company basic situation is the evaluation object of the stakeholders, in order to properly assess stakeholder opinions first the Marcom managers must totally understand the company current situation and history: such as the company's operation state, the company's operation target, the company's market distribution and market competition, the company's product sales and profits, the company's products and services and pricing characteristic, the company's employees basic conditions. This information should be the essential materials on every Marcom manager's desk. Whether writing press releases, or answering the stakeholders' questions, or making propaganda material, or providing company background materials to the press, all require these accessible-any-time data and references. We can see that, whether it is the stakeholders' public survey, or the company marketing situation investigation, it all requires the Marcom managers to: define the subject of investigation; develop the investigation outline; design the questionnaire; arrange and analyze data and write the report.

7.1.2.6 Broad Knowledge and Interest

As a Marcom manager, in order to help the organization to catch the stakeholders' attention, especially the press journalists' attention, one must be good at organize various IMC activities, shows unique characteristics. Besides relying on a rich experience, this also requires a wide range of knowledge. Therefore, in addition to

mastering management, marketing, organizational behavior, communication, economics, psychology, sociology, advertising, public relations and other subjects, the Marcom managers should also read a lot of newspapers, magazines and other relevant specialized books to continuously accumulate and update their knowledge. The Marcom managers also should have a wide range of interests and hobbies. In the daily life, people generally like to be associated with the people who share the same hobbies and interests. As a Marcom manager, if one has only one interest or hobby, then it is very difficult to do a good IMC job, moreover interests also affect a person's working attitude, spirit and sensitivity.

7.2 IMC Activities Implementation Elements

IMC strategy must be an outside-in oriented concept, first collect the stakeholders' information, establish the stakeholders' database, then analyze the stakeholders based on this; on the basis of stakeholders segmentation, setup the IMC strategic objective; based on the characteristics of the organization resources and the virtualized principles of the organization design, find the target stakeholders of the organization, and then develop key strategy; the strategy is to launch and implement through a certain organization structure, IMC strategy requirements for the organization are: cross-functional, flat and open organization culture characteristics. IMC organization module type is the basic framework of IMC strategy implementation, through IMC optimization the organization module can produce good market perception for the organization, which plays a good supporting role in the IMC strategy implementation.

IMC media module mainly includes how to establish the company media planning, media tools, design a communication strategy for the stakeholders, its strategy aims to improve the communication ability of the organization and stakeholders.

IMC performance module includes the basic flow and performance indicators of IMC performance evaluation, through the implementation of IMC performance evaluation; it can improve better resources efficiency.

Based on this, the author further studies, analyzes the database on the responsibilities of IMC strategy executioners and the IMC team to see how they take effect between IMC execution factors, and study the key points in the IMC strategy implementation process, see Fig. 7.1 for the key points in IMC strategy execution process.

7.3 Integrate Stakeholders Database

On the basis of fully understanding the stakeholders, the company must perform the knowledge management on the stakeholders. Knowledge Management is a concept and practice of the company on information processing; it combines all kinds of originally invisible data and information in the company in a structured

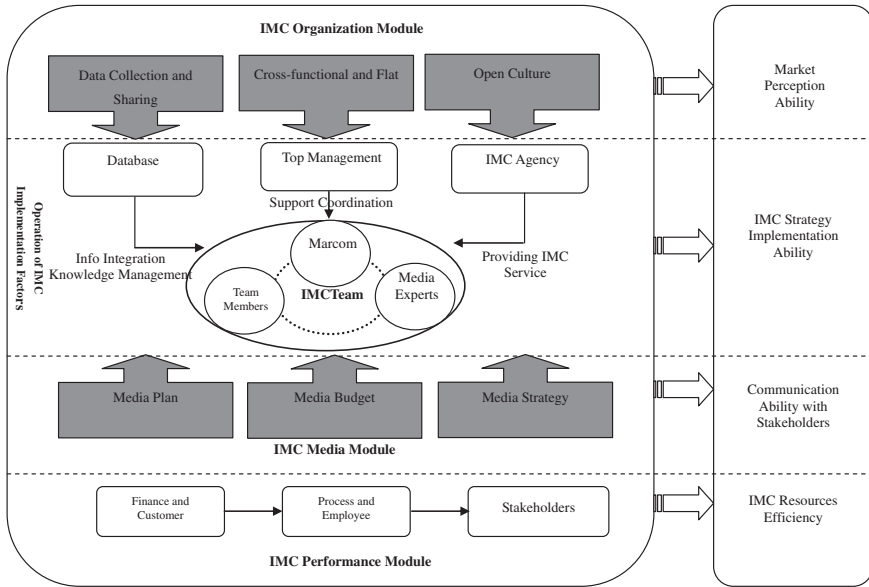


Fig. 7.1 The key points in IMC strategy execution process

way into an asset, for the marketing staffs to analyze and apply. Knowledge management aims to stimulate knowledge creation, sharing and use, to enhance the company efficiency in operation.

First of all, create the stakeholders’ knowledge through interaction, dialogue, observation, and analysis; secondly, integrate the stakeholders’ knowledge, and establish an analyzed knowledge sharing system, achieve knowledge internal sharing; finally, effectively use the stakeholders knowledge acquired, that is the benefits of the company’s stakeholders knowledge management, the company needs the stakeholders’ knowledge to improve both the interaction processes. When managing the stakeholder relationship, it is important whether the company has grasped comprehensive information data of the stakeholders. In the past because the degree of openness of company system itself was not high, different departments interact with the stakeholders independently, and no way to integrate and share the information. To avoid this situation, the company cross-internal system integration will be the inevitable trend, through the exchange of information among different systems, and company’s external information, the company will have a comprehensive understanding of the stakeholders.

7.3.1 Integrating Corporate Internal and External Information

The database is established by the information management department, most companies establish database to assist accounting, production or wholesale, and it is seldom used in marketing, so marketing department purchases or build a

database on their own, and this caused the departments' incardination. Because, when developing the database, without the coordination the department would produce duplicate data, inconsistent data, customer data can be dispersed in many databases of the dealer, customer service, and sales department. If there is no connection or integration between these databases, the company will only have limited information of the customers, even if the number of customers reaches a certain size, the company will still be unable to establish the product life cycle, marketing management, customer purchasing behavior data, nor will it able to further establish a good relationship with the customers. Therefore, companies should integrate all department-related databases, make the information department and marketing department mutually cooperate through function management, jointly develop the customer marketing database; only then they would be able to establish a complete customer data dimension model. The most ideal state of customer relationship management system is the comprehensive and integrated customer information, however due to limited basic interactive data like transaction and service between the company and the customers, the company need more customer information to provide personalized service and improve sales. Therefore, external data plays an important support role. External data acquisition methods are: purchase information, purchase surveys, relevant data from statistical analysis and psychological analysis to match the internal data, providing relevant information outside the customer and company contact time; seek cooperation or alliance, which having cooperation effectiveness with its product and service, can provide a part of the customers' data, build common customer database. Therefore, establishing a database is not just the acquisition of existing customer address list; the wholesalers, distributors, retailers and other channel member databases are also indispensable. With the help of information obtained from the customers and company interaction, further provide the customized marketing activities. When developing a common database, the agencies must consider the application level of both sides, so that the database marketing produces more effectiveness.

7.3.2 Database and Corporate Management System Integration

Databases emphasizing on the entire value chain integration and information sharing, built based on the company mutual trust and commitment from up and downward, can provide customized products to the customers, to meet different needs, this requires the integration of the company database management system and the company internal management system. The company existing application systems, such as Customer Relationship Management (CRM), Marketing Information System (MkIS), Point of Sales (POS), Distribution Sales Information System (DSIS), Customer Complain Database System, may have their own database application, but often act of one's own free will. Database and the company management system integration framework are shown in Fig. 7.2.

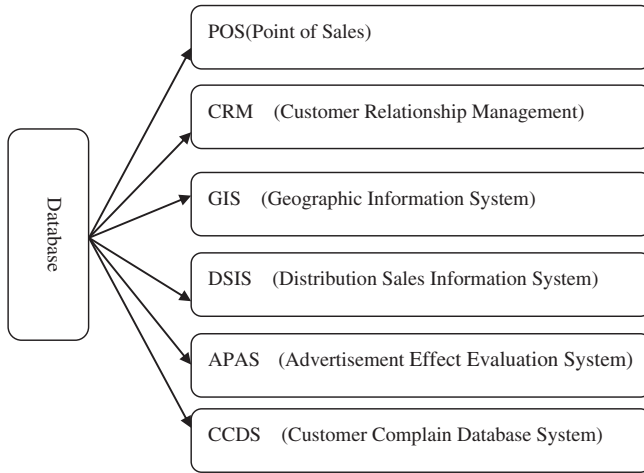


Fig. 7.2 Databases and the company management system integration, *Source* Dai (2005, p. 114)

Company must integrate all internal systems, to produce a synergy effect. Company maybe originally has been responsible for defining all company's functions and commercial activities as the transactions the computer can process, and the Enterprise Resource Planning (ERP) operation which is processing cross border and not affected by the company organization and geographical dispersion; and provide quick response system, so that the company in the whole complex, uncertain and changeable business environment can quickly adjust to control response state.

7.4 Responsibility of the IMC Team

7.4.1 *The Role of Marcom Manager*

In connection with IMC strategy and the Marcom managers' specific requirements from the company actual situation, the company can use the internal training, and outsourcing methods to solve the human resource issues disturbing the IMC strategy. Jessica Lipnack and Jeffrey Stamps and others believe that Marcom managers should play six following roles:

Firstly, coordinator: coordinate the allocation of company resources; eliminate the gap between companies and between the departments.

Secondly, designer: based on the need for environmental change, flexibly change the stakeholder response model, and constantly enrich the knowledge of relevant fields, strive to become the policy maker in the organization, to develop an appropriate marketing communication mix.

Thirdly, communicator: share the knowledge of related fields with the suppliers, customers or employees, become a good consultant.

Fourthly, information manager: become an expert in information management; establish good information and communication network with the company’s stakeholders, in order to achieve sharing objective.

Five, relationship manager: interact with staffs and customers, provide them the information about a product or service, timely feedback, and provide resources to help them solve their problems.

Lastly, the execution experts: lead to complete all integrated marketing communication plans.

Besides, Davidow and Malone theory can also be used for providing some clues about the Marcom manager role:

At first, Marcom managers must define the overall vision of the company future, and communicate it to all relevant companies. Its main duty is to establish a new organization philosophy, including a beautiful vision described to the suppliers and customers, Marcom managers must fulfill this responsibility through their own system of values, communication skills, management style, performance measurement, etc.

Next, Marcom managers are the creators of the organization culture, their behaviors affect the employees’ working style and manner, their personalities and styles influence and even form the culture of the organization.

Finally, Marcom managers must be the most excellent generalist. Due to the external environment fluctuation and acuteness, the Marcom managers must be sufficiently prepared, so that they deal with the unexpected situation at any time, and make the decision in a short period of time.

The author defines the main roles from which the Marcom manager must assume: strategic planning and executioner, resource allocationer, troubleshooter, information disseminator, communicator and boundary crosser. These roles are connected as a whole, although due to different occupations, ranks, and functions for the managers, the components that each role assumes might not be the same, but in general they more or less play these roles.

Table 7.1 Compare the Mintzberg proposed “traditional organization manager role” with “Marcom manager role”.

Table 7.1 Comparison of traditional organization manager role and Marcom manager role

Traditional organization manager	Marcom manager
A representative of enterprise	Integrator of department interest conflicts and organization culture constructor
Lead to achieve objectives	IMC strategy planner and executor
Communication with external people	Excellent consultant
Supervise operation performance	Experts in multi-fields
Communicate the right information	Who crossing organization boundaries
Speak for enterprises	First-class generalist
Professional operation manager	Broadly apply IT
Crisis handle	Listen to the demands from stakeholders
Optimize resources utilization	Flexibly adapt to environmental changes
Negotiation experts with external groups	Coordination with agencies and other stakeholders

Source Yuan (2004, p. 47)

7.4.2 The Responsibilities of the IMC Team

The IMC team who puts Marcom manager as the center specifically responsible for the IMC strategy planning and execution, the IMC strategy implementation is a systematic work, and is difficult to accomplish if relying on the Marcom manager only, it needs to rely on the strength of the professional staffs from marketing, public relations, finance, to form up a cross functional IMC team led by the Marcom manager, and various functional departments providing necessary supports, using information technology tools like database and network, to formulate IMC strategic planning and management. Therefore, the IMC team execution power is crucial for IMC strategy success or failure. Marcom manager is put directly under the company top management, and receive the support from the company top management, this gives the Marcom manager corresponding power. Between the company top management and IMC team there needs to be a two-way communication, stakeholder information is quickly and effectively reflected to each level of the company through IMC team; based on the IMC team analysis on the stakeholders' information, company top management formulate the company strategic decision, and decide the IMC strategy for the stakeholders.

Under the support of advanced information technology tools like the internal network, using database as the center, the Marcom managers choose different information collection methods to acquire the stakeholders' demand information and the company internal brands, departments and other stakeholders' information; based on this, the IMC team analyzes the stakeholders' needs and the company internal situation, based on importance level of the stakeholders to the company, coordinate all stakeholders relationship inside the company, integrate conflicts between different internal stakeholders such as departments or brands, achieve the internal benefit consistency; and then, design a communication strategy consistent with company positioning and subject, as well as meeting stakeholders' demands characteristics, through the IMC team implementing the communication strategy, and timely collecting the stakeholders' feedback information of the company communication strategy, evaluate the communication to see whether it achieved the desired objective or not. At the same time, they also need to make the prediction on the stakeholders' needs changes, timely change the company communication strategy, and finally execute the IMC strategy, to achieve the win-win situation for the company and stakeholders. Figure 7.3 shows the positions, mutual relations and job responsibility that the senior management, Marcom managers and professional employees in the company should bear.

7.4.2.1 Integrate the Stakeholders

Based on the acquisition of information on stakeholders' needs, the IMC team's important responsibility is how to deal with the stakeholders' needs, in this process; the IMC team main responsibilities include the following aspects.

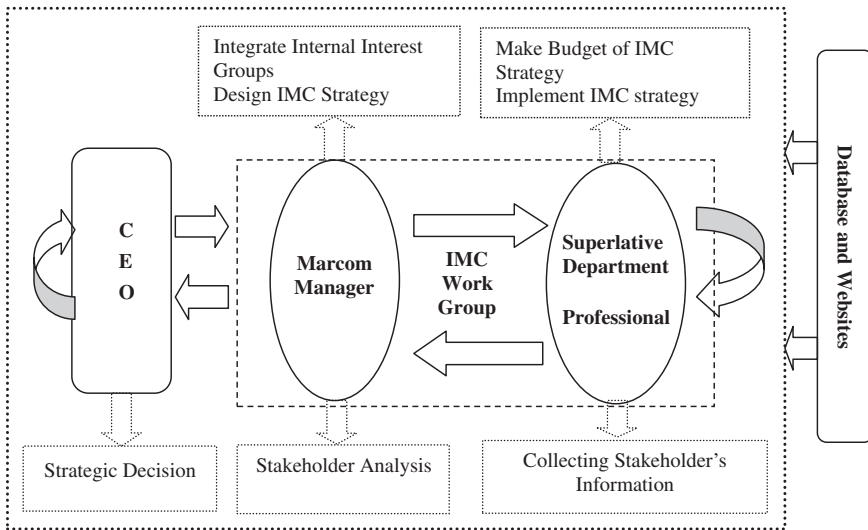


Fig. 7.3 The positioning relationship and responsibilities of Marcom managers and professional, Source Shin et al. (2004), p. 4

Identify the Importance of Different Stakeholders to the Corporate Strategy

When identify the importance of different stakeholders to the company, we can often find some strategies inconsistent with the stakeholders' expectation. After that, we can proceed to the next strategy evaluation stage, during this stage we need to solve the following problems:

Firstly, the strategy could be modified to meet all stakeholders' expectations better, while not excessively sacrificing the acceptability of measurable indicators like risks and income. There cannot be an optimal strategy. Therefore, successful strategies are the strategies which can find point of equilibrium in the stakeholders' conflicts of interests. When positioning the stakeholders, allow them to give weight to these interests based on the size of their interests and powers.

Secondly, in the strategy implementation process, must be able to successfully manage stakeholders' expectations. Particularly should have some key maintenance activities the stakeholders require, to ensure that they receive a strategy.

Three, similarly, must encourage or persuade some of the stakeholders, transform their standpoints to give the strategy the first chance. There are two ways to achieve this point: reduce their objection degree to the new strategy; or persuade the people who have authority but have no stakes to become the main participants, and support the new strategy.

Effectively Manage the Expectations of the Stakeholders

On the basis of identifying the importance of the stakeholders, IMC team needs to make reasonable and rapid response to all kinds of stakeholders' needs. Due to the

company public reputation, there exists cognitive differences between the cognitions and expectations of the company management for the company reputation, the expectations of the stakeholders for the company; the expectations of company management for the company current and the future state will rarely be consistent with the cognition of the stakeholders.

Furthermore the reasonable and rapid responses to the stakeholders' are built based on the company's existing resources, therefore, Marcom managers should not only understand the customers and other stakeholders' needs, but should also listen to the opinions of the management, Marcom managers have to analyze the expectations of the company management and stakeholders for the company, and strive to narrow the gap between these two, so that they can achieve the win-win situation.

7.4.2.2 Integrate the Inter-Organizational Stakeholders

The content of internal stakeholders' integration mainly includes the integration of information and the conflict of interest. The primary task of cross functional integration is, revising the information flows between stake holding subjects, based on relevant information which identifies the stakeholders, Marcom managers must decide to use the strengthened stakeholder relationship information and revise the weakened stakeholder relationship information, in other words, changing the stakeholder expected communication strategy or the company making corrective action to the existing situation (make changes on product, service, finance, marketing strategies), must be thoroughly investigated by the IMC team, through which to understand how these alterations convey the information needed to the stakeholders.

Meanwhile, Marcom managers must ensure that other stake holding subjects received information related to promoting new proposal and action, this way, the staffs in charge can make full use of the information they need, and make reasonable decisions, because from this information, they can clearly see to certain actions they should and should not take. The conflict of interest is caused by ignoring the interests of others and the overall interest of the company, conflict of interest widens the gap between the company internal stake holding subjects, and is harmful to the internal stakeholders' cooperation and integration.

Therefore, cross-department IMC team must let each stake holding subject understand other stakeholders as the effort to establish the relationship with the stakeholders; ensure that the stake holding subjects truly aware of their positions in the company. Revise the communicated information and reduce the struggles between conflicts of interest, all of this requires the Marcom managers to build an internal communication system.

7.4.2.3 Design an Integrated Communication Strategy

Designing an effective communication strategy is the key to the IMC strategy success, this responsibility falls on the communication management generalists—the

Marcom managers. Each stakeholder integrated strategy must be linked with the company's overall goal and positioned strategy, and must be consistent with goals and strategies connected with each stakeholder.

Various marketing communication activities through Marcom managers design comprehensive communication solution, integration, control and developed by the communication professional staffs, can help the company communication strategy to achieve the internal consistency, ensure that the designed information and the position and subject of the company maintain a consistency, at the same time can coordinate the time for different promotional activities, reduce the activity overlapping phenomenon. Communication strategy design process includes: first, determine the communication targets based on the stakeholder analysis and company overall strategy (including the target customers and potential stakeholders) and the purpose the communication needs to achieve; then, based on the characteristics of the communication targets, the communication purpose determines the media tools of the information communicated, this requires the Marcom manager to know exactly about the advantages and disadvantages of the media tools, can design the integration and effective communication strategy based on the purpose of communication; finally, the communication-required resources will be allocated to different media tools by the Marcom manager.

Under the leadership of the Marcom manager, the IMC team specifically implements the IMC strategy, ensures that among the designed information there is not a contradictory situation, and show the maximum impact at the most appropriate time through the communication media such as advertising, marketing, promotion, and packaging. Marcom manager is the central controller of the many communications professionals in the field, different functional groups responsible for the communication of the specific business, such as the business, marketing services, advertising, and public relations departments, for different stakeholders and the communication contents, the business is completely different.

7.4.3 The IMC Team Execution Promotion Approach

An IMC team with weak execution ability limits the IMC strategy implementation effect; therefore, companies need to upgrade the IMC team strategy execution ability. For the companies, execution is an ability reflected in the company executing and implementing the company's established goals of strategies. Company execution is the company operation process, staffs' skills, and staffs' aspiration—the effect of three variable functions. Process refers to the company operation process, including management process and business process; skills are mainly the business execution skills of the company members, which are the individual execution composed skills mentioned above; aspiration refers to the activeness and enthusiasm of the company's staffs.

7.4.3.1 Improve the Execution Skills of IMC Team Members

On one hand, choose staffs equipped with strong IMC execution skills in the recruitment process, on the other hand, continuously perform occupation training within the company, occupation training does not only include the media skills, but also includes the training of many other occupation skills, such as communication skill, leadership, decision making skill. During the IMC agencies cooperation process, employees can also enhance their marketing communication skills and communication cooperation consciousness.

7.4.3.2 Improve the Aspiration of IMC Team Members

Tom Duncan believes that under the favorable condition to establish relationship and brand asset, integration requires a rewarding system whose costs must be shared among the departments, the organization's rewarding standards come from each department's workload and job types, will also create resource fights between the departments, thus if the company wishes to put the integration into effect, rewarding standards should be defined based on the mutual cooperation and business sharing with other departments.

The aspiration of the IMC team members executing the IMC strategy will often be limited to the risks of implementing IMC strategy, the traditional performance measurement method that is performance oriented also limits the employees to start out from the company's overall interests. Therefore, through a competitive rewarding system and incentive system, construct the employee overall performance measurement system to motivate employees to strive for the IMC strategic objectives; basically speaking, it is to improve the employee's satisfaction with the company, and stimulate their enthusiasm.

7.5 IMC Strategy Process Integration

This section mainly introduces and discusses the process integration of IMC strategy from the two aspects: personnel process and strategic process integration and optimized organization operation process. IMC strategy process integration emphasizes on company stakeholders integration as well as the effect integration between functional departments within the organization.

7.5.1 Personnel Process and Strategic Process Integration

7.5.1.1 Senior Management and the Support of Organization's Staffs

Consensus is a level of joint involvement in solving problem; it has an important role in the IMC's implementation success. Each department must gradually

achieve the consensus of the target, strategy and plan, marketing communication manager would need to clarify each department's responsibilities, and integrate the consensus into the department's operation and plan. The organization's senior managers and staffs also have important influence to the IMC strategy implementation. The top managers are the promoters and coordinators of IMC strategy; organization's staffs play the role of IMC strategy executors and supporters, when becoming the members of IMC team they are the strategy executors, and when they do not belong to the IMC team, they are known as the strategy supporters. The effect of the IMC strategy implementation greatly depends on promoting level of top managers and staffs recognition and support.

Any IMC plan executor, must have a top manager's strong vision, commitment and resource support, otherwise even with more IMC investment it could still lead to failure. Company internal different stakeholders due to being affected by their own interests, thus lack lateral communication between each other, and unable to understand IMC from a global perspective; company's management level must positively use a directive, reminding, or even encouraging way to support, so that each employee knows the importance of IMC, in order to guarantee the IMC strategy can be effectively implemented top-down. From the decision making authority, information receiving comprehensiveness, resource allocation authority, and finance budgeting authority aspects, IMC requires company's top management participation, and should be upgraded from the tactical level to strategic level. Duncan and Moriarty believed that, besides financial support top managers should actively use a guiding, reminding, even advocating way to assist, and establish high level staff common strategic thinking culture and an open and harmonious organization atmosphere, to substantially reduce the potential conflict within the organization.

Senior management must provide the necessary supporting system, such as flexible budget, team pay and reward system, continuously monitors the stakeholder's idea, to show support to the IMC team. IMC strategy involves the cross-functional strategic process of all members of the organization; it requires the integration of the organization internal departments and the involvement of the external IMC agencies. The responsibility and authority conflict between department staffs as well as the cooperation problem between the company and IMC agencies will suddenly present. Therefore another important role of the company's senior managers is negotiator and troubleshooter. High level managers provide some training to promote effective communication, avoid the occurrence of acting on one's own free will, coordinate all IMC department plans and communication experts from advertising agencies, coordinate IMC plan accordingly, and strengthen communication and coordination with IMC agents, so that the agents understand the IMC plan.

7.5.1.2 The Recognition and Support of Organization's Employees

The employees are the IMC strategy supporters and executioners. The employees' recognition level is the staffs' desire to strive for the same goal in concept and implementation, if the employees and the department supervisors are confused

about the concept of IMC, selfish departmentalism, the communication will not be smooth, and will cause the low IMC strategy recognition level of the employees. In this case, the employees will maintain the status and even resist the integration plan. Thus, in the IMC strategy implementation process, companies should improve the employees' recognition level in IMC strategy through employees' communication and organization culture methods, let employees believe, and are willing to promote the IMC strategy implementation process. The main reason for IMC failure is not to provide added value to the stakeholders, companies need to have frequent in-depth interaction with the customers and stakeholders, and understand their desires and demands in a short time. Therefore, in order to actively show their positive effects in IMC strategy, companies should encourage the employees to directly contact with the stakeholders, and timely feedback to their needs, the employees transmitted information belongings to the non-planning information, the stakeholders trust this type of information more than the planned information, this does not only contribute to the cooperation between the organization's departments, but also produces a good information communication coordination effect; and at the same time, maintain the interactive communication between the employees, to convey the consistent information.

7.5.1.3 Agencies Resources Support

For those companies who are in urgent need to implement IMC strategy, looking for an IMC agency is a good choice. Companies must balance between outsourcing and adding an IMC department, Tom Duncan studied the agency function integration degree, found that more than half advertising agencies were equipped with multiple communication functions (Davidow and Malone 1992). Therefore, compare with other communication agencies, advertising agencies have clearer advantages in IMC implementation. Companies should consider the existing organization structure and culture of the IMC agencies, to see whether they can fuse with each other. Cooperating with many agencies will result in competition among the agencies' and lack of coordination between communication tools. Single agency is emphasized by the integrity service, which can mutually cooperate, coordinate and consider consistency when using the communication tools. When companies use a single communication agency, they can respond more quickly to the market changes, and change the communications combination, while with many agencies having to go through the comparison process, the response would be slower.

Before the company selects the most appropriate agency cooperation method, the relationship between clients and the agency and the characteristics of agency will affect the IMC content. Because each agency has unique skills, experience, related organization structure, policies, and cognition through the agency's director, it clearly affects the cooperation relationships with other agencies for the same communication plan, affects the relationship between different departments in the same agency; the departments of the company should have more communications

with advertising agencies, exchange technical expertise in their respective professional fields with each other, establish appropriate communication channels, so that the relationship between the two sides become closer.

The cooperation between a company and an IMC agency might exist in many ways, Gronstedt and Thorsen believe that there are two ways of cooperation between a company and an IMC agency: horizontal integration and vertical integration, horizontal integration is the company’s cooperation with the agency via a communication method; vertical integration is the company’s cooperation with an agency through all the communication channels. Beard believes that the relationship between companies with its IMC agency decides the IMC success and failure, their expectations for the new role and the cooperation performance affect the development of their relationship.

Fill proposed the IMC strategies and agencies cooperation model, one end is the highly centralized organization, provides a variety of integrated communication services; the other end is to form a network team for all kinds of agencies. This depends on the company’s integration level and professional ability. As McArthur and Griffin (1997) pointed out, marketing communications activities that mainly rely on an all-around agency to provide creative and media services, while in promotion and publicity, heavily rely on the company marketing departments.

In addition, companies mainly coordinating the marketing activities model through personal or interpersonal network should be as shown in Fig. 7.4: IMC activity is an integration and control process where every member shares the responsibilities, but the company is in charge.

7.5.2 Optimize the Organization Operation Process

The application of information technology is not only reflected in the promotion of IMC strategy, but also beneficial to the optimization of the organization operation flow. Information technology can increase the mutual dependences between

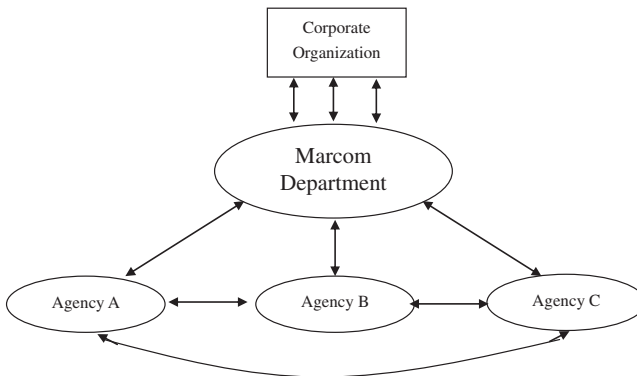


Fig. 7.4 Alliance of Marcom organization

the organizations departments; different stakeholders can carry out more complicated communications; shared database applications provide technical support for the company internal stakeholders' better decisions. The organization integration level also has an important effect on the information technology development level, higher consistency inside the organization contributes to the development of the information technology, and can strengthen the information technology to promote the communication and dissemination information abilities; interdepartmental conflicts will hinder the application of information technology.

The optimization of organization operation process requires the company to begin from two aspects: on one hand, Marcom managers should try to eliminate the conflicting contradictory information the departments transmitted, to create conditions for the database applications, it also requires the departments' employees to cooperate, this requires the employees to have an overall view, and can see the communication plan from the organization goal perspective, in addition with the conflicts created from the departments' interests; on the other hand, Marcom managers must provide adequate resource, coordinate the departments and employees to use the database and communication tools, ensure that employees understand the database and communication tools, and can participate in the database design and communication tools planning, coordinate information technology function with internal strategy, structure and system. The traits of a Marcom manager will have an important impact on the information technology introduction and application, these traits include: Marcom manager personality, education background and level, the depth of support level, information awareness level, leadership being enlightened or not, weather he or she can fully communicate with the internal members; this is also the qualities a Marcom manager need to train and enhance.

7.6 Marcom Managers Working Model

Positioning and integrated marketing communication are the two rules and methods in the new marketing era, to ensure the brand's long-term vitality, as well as effective brand building and promotion. Therefore for the Marcom managers the working model studies should not be limited to the IMC fields. The resources required to support the successful IMC strategy implementation are not only confined to the marketing resources either. The discussion in the Marcom manager organization positioning section has illustrated that, placing them under the organization's top management (Chief Executive Officer: CEO) will give them the power to maneuver the financial, manpower, marketing, production, distribution and other resources. Draw support from communication method and control to coordinate various departments' interests to finally achieve the effective integration of resources. Therefore, Marcom manager's work should start with the company clear positioning, and then consider how to use IMC to strengthen this position. The author believes that the overall working model of the Marcom manager should include the determination of company survival niche, IMC resource input and integration, IMC strategy

formulation and implementation, IMC objective achievement and the competitive advantage consolidation, the specific work stages are as follows.

7.6.1 Survival Niche Definition and Clarification

To put things simply, a company survival niche is the meaning of a company existence, the reason for the company existence. These reasons could be good brand, company image, price competitiveness of low cost products, good channel control force and other factors. Every company has its own survival niche, and because the diversification in competition the reasons for the company survival are different. Table 7.2 summarizes the survival niche of various well-known companies.

Company survival niche originates from clear positioning of the managers based on deep understanding for the company existing resources. Therefore, when introducing and implementing the IMC strategy Marcom managers should first define the company survival niche, of course if the company already had a fairly clear positioning, Marcom managers should still give a comprehensive consideration to that positioning, and integrate it into the organization IMC strategy. If the company survival niche is the quality pioneer, innovation pioneer or image pioneer, IMC strategy objectives should be consistent with the positioning. For example, the positioning for Kelon Electrical Group is the “technology pioneer”, so its IMC strategy implementation objective is to establish this distinctive image for the Kelon brand. In short, IMC introduction and implementation objectives are decided by the company survival niche, therefore Marcom manager’s work should also begin with clearly defining the company survival niche.

7.6.2 IMC Resources Introduction and Integration

After defining the company survival niche, the communication effect achieved via IMC strategy should also be defined respectively, because different communication objectives determine different resource supports and stakeholder relationships that need to be grasped. Marcom manager will need to identify the supporting resources required, including marketing resources, relationship resources, human resources and financial resources. Human support on one hand refers to the consistent identification of IMC strategy of the company top management; on another hand it refers to the necessary expert talent support to implement the strategy. Financial resource support mainly refers to the support of Finance Department for the Marcom manager using the “zero base budget” model, of course this also includes the corresponding effect evaluation of financial index after IMC strategy implementation, such as return on marketing investment rate, contact point purchase rate or customer profit contribution rate. Marketing resources include the formulation of media tools support required for effective communication plan, advertising

Table 7.2 Different survival niche of well known companies

Survival niche	Core objectives	Representatives	Key factors
Cost leadership	Providing product and services at the lowest cost	Texas instruments, Toyota	Clear strategy planning, value chain strategy and effective customer satisfaction ability and control levels
Innovation leadership	Providing unique products, invention and optimized processing techniques	3 M, sun microsystems	Long-term vision, innovation strategy, innovation ability, team spirit, intellectual capital and sharp market perception
Quality leadership	Improve product quality and service	BMW	Core values, HR and quality control Skills
Large-market leadership	Occupied large markets and large market share	P&G GM	Developed distribution network, strong need creation ability and brand promotion ability
Image leadership	Its products and service symbolizing social identity, status and high-quality life value	Rolls-Royce Benz	Consistence in the directions, strictly-controlled product design, good brand recognition and clear market positioning and distribution strategy
SBU integration	Integrating the closely-related business as a whole	Panasonic Haier	Clear vision and strategy planning, finance and risk management skills, network and alliance management skills
Value chain integration	Vertically integrating the processes with high ROI in value chain and then developing the corresponding resources and capabilities.	Disney	Identified vision and strategy planning, excellent need satisfaction capabilities and control levels
Market channel integration	Penetrating the market in the original way and communication with substantial buyers and suppliers at the same time	Coca-cola	Clear value proposition, need satisfaction capabilities, network skills, goodwill and dominant marketing strategy
District integration	Selling products in districts in the world as many as possible	Coca-cola Bell-Alcatel	Clear objectives, abundant resources, strong distribution network, HR and integrated strategy planning

required for consistent image transmission, and product packaging integration. Besides the relationship between resource supports is mainly to define the company direct stakeholders in short term based on the company IMC strategy objective, and adopt different relationship strategies based on different relationship types, or establish, strengthen, and maintain. As shown in Table 7.2, Benz company survival niche is summarized in image pioneer, therefore correspondingly IMC strategy objectives should be positioned in high quality and high level image communication of the product, corresponding human support required includes product innovative design, and the grandeur image transmitted by the product design.

The support on production aspect represents strict quality control, and marketing resource comprehensive application directly aims toward the high-end media (well-known magazines, refined exquisite brochures, hot TV ads during prime-time), the consistent communication. While the main direct stakeholders in society are high-income consumer groups, top-class product design R&D personnel and clear segmentation with the competitors' products. The staged works of Marcom manager is mainly based on the consistent requirements of IMC strategy objectives and the organization objectives, determine the corresponding resource input needed to support the IMC strategy objectives, and the corresponding resource collection and integration.

7.6.3 IMC Strategy Formulation and Implementation Process

IMC strategy implementation is the deployment process of putting IMC plan into action and task, and ensures the completion of tasks, to achieve IMC set target. This segment should be the focus for the Marcom manager work, because this segment includes most content of the "integration" and "communication" works that was defined previously, and balance between these two large working categories is also achieved in this segment. To successful implement IMC we must follow the scientific decision-making steps, the whole strategy is broken down in the following stages.

7.6.3.1 Determine the IMC Strategy Implementation Objective

Determine the IMC strategy implementation objective and communicate with the target groups, analyze the group psychological characteristics and behavioral traits. Determine the IMC strategy objective based on the company survival niche as well as possessed resource state, and determine the corresponding communication group, and describe this group based on stakeholders database established in the company, including size, psychological characteristics, behavior characteristics and purchase history. In Table 6.1 the leading survival niche of Benz company image determining the direction of company's IMC strategy objective is the high-quality products and high-quality image transfer. And thus determine the communicated target group including the characteristics description of high income

consumption group in the society, the highlights of company product image in high-end media relationship control and in major news events. Communication group includes the marketing communication object—high-income consumption group; mass communication—product exposure rate in major celebrations; R&D in organizational behavior communication, the consistent interests between the product design group and other functional departments thereby avoid selfish departmentalism and establish a product high-quality image; operation management communication—company internal managers, so that it revolves around the product image and improves the decision making efficiency.

7.6.3.2 Determine the Integrated Reasoning, Clarify the Integration Method

By this time most integration methods must rely on communication functions to be completed. Just as the company stakeholders' demands integration must rely on the stakeholder database, and the interest integration of each functional department must be integrated through an organizational behavior communication proposal system, of course sometimes it requires the company full strength to enforce the coordination. IMC strategic thinking requires the company internal management communication to achieve the consistent integration.

7.6.3.3 Elect the Communication Channels, Limit the Communication Range

Communication channels should be chosen based on the characteristics of IMC strategy objective as well as the company retained media resources and the characteristics of the target groups. Again, take the Mercedes-Benz company as an example, since its marketing communications objective is to establish a high-quality product image and its target group is the high-income group in the society, then there should be corresponding high-end media chosen as the communication channel. Due to the group's cultural background and life-style characteristics the next specific selections should be direct marketing, personal selling or PR event marketing. Because the product target group is not too big therefore obviously we cannot use mass advertising communication method but should choose the interactive communication way.

7.6.3.4 Select Communication Strategies

Communication strategy is determined by the combined factors of stakeholder group characteristics, the company economic strength, the product life cycle and industry status. The discussion in the marketing communication chapter has elaborated that according to the communication strategy ideology must be adjusted based on different product life cycles.

7.6.3.5 Obtain Stakeholder Feedback Information

Maintain a good relationship with the stakeholders and enrich the stakeholder database. Through feedback information timely adjust the product and communication strategies to meet the needs of different groups.

7.6.3.6 Evaluate IMC Strategy Implementation Effect

Effect evaluation is the measurement and evaluation result formed after the IMC information output, generally this evaluation should be combined with the comparative evaluation prior to the company objective setting. And effect evaluation should also be very based on different groups, for example the evaluation of management communication effect can be the questionnaire survey of the company managers to evaluate the familiarity of this group to the IMC strategy. Marketing communication effects can be evaluated through financial indices like customer profitability analysis, purchase frequency index analysis. Finally the effect evaluation result should be transformed into IMC strategy optimized suggestion as well as incentive plan for the Marcom managers and other participating employees.

7.6.4 Construct and Consolidate Competitive Advantages

Through overall IMC strategy implementation and objective achievement, thereby establish the company competitive advantage. These competitive advantages are mainly shown in strong association between the consumers and brands and long lasting relationship between the company and the stakeholders. The brand recognition is the competitive advantage the company gained bypassing the price competition. The establishment and continuous consolidation of this competitive advantage will also strengthen the company's survival niche. Such that through IMC objective implementation and the competitive advantage establishment as well as survival niche consolidation, Marcom managers can achieve the overall IMC strategy optimization through resources input re-investment, communication strategy, and strong intensification, and thereby form a Marcom manager closed working loop.

In summary, Marcom manager's job model is to break through the limit of the IMC strategy model and then enhance its starting point to determining the company's survival niche, and at the same time identify the IMC required key resources, then IMC strategy formulation and execution, and finally strengthen the competitive advantage of the company through the achievement of IMC objectives, the framework of overall working model is shown in Fig. 7.5.

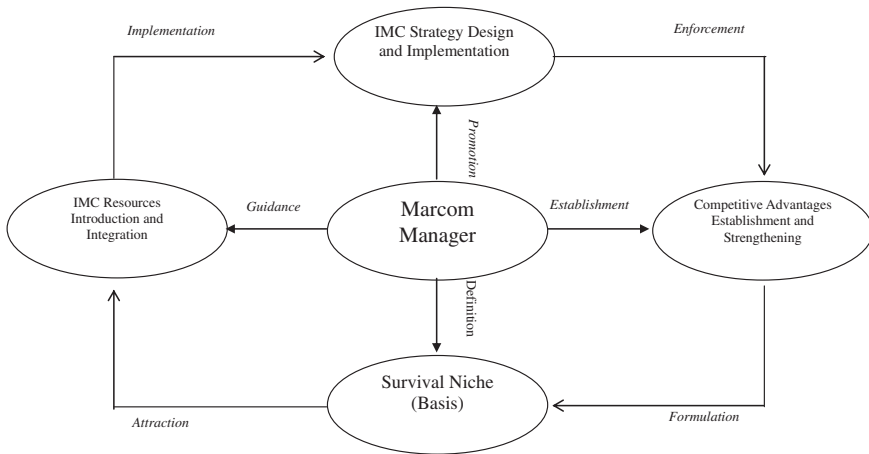


Fig. 7.5 Marcom manager’s working model

7.7 Summary

This chapter summarizes and generalizes the idea of Marcom manager working model through the standpoints of the Chap. 6. And analyzes the intrinsic connections of “integration” and “communication” works at the very start, thereby illustrates that both of these aspects are the focus for the Marcom manager work to grasp. Next, based on the analysis of IMC activity execution elements, the author conducted a study on the Marcom manager working model, and enhanced the IMC strategy and organizational objectives consistency and positioned its working starting point as the definition of the company survival niche, so that the IMC strategy implementation can directly or indirectly contribute to the overall objective of the company. In the overall working model summary the author also discussed the important segments-the IMC strategy formulation and implementation stages, step by step in detail. In conclusion, the working model included the discussion on how to integrate the two big areas, “integration” and “communication” works, into the IMC strategy, and seek for a suitable balance, and furthermore the model is a continuously optimized closed-loop strategy cycle process.

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