



THE REALITIES OF INTEGRATED COMMUNICATIONS

Human relationships, including business ones, are founded on communication, through which people establish commonality of meaning and understanding. Marketing communications as a professional discipline reflects this reality, but Angus Jenkinson argues that current practice falls short of the ideal.

Imagine Robin, the head of marketing communications in the credit card division of a major bank. Robin would like to be able to plan marketing communications for the credit cards in the portfolio so that they contribute to the overall brand development and get leverage from other communications from the bank. He would like to plan communications for each type of customer so as to minimize the cost and maximize the return, with the fewest problems and the best learning opportunity – in order to do it even better next time. Robin wants to ensure that each customer receives the optimum mix of communications, and that each element maximizes its contribution to the brand/customer equity. And he

knows this needs the best use of agencies and their skills, working as a team, and of the available mix of external media and internal contact points. Finally, Robin wants to be able to evaluate every element from macro-plan to micro-communication, and to be able to prove the return on investment.

But Robin is managing an operation with different marketing communications groups, each working with their own agencies. Each defines objectives and evaluation criteria in its own way. Each struggles to work out solutions, largely in isolation from the rest of the communication planning and evaluation processes in the bank, except at the level of brand specification. Mostly,

external commercial media are employed. It is difficult to work out what mix of communications and media to use, and even trickier to evaluate it. It is hard to convince senior colleagues that the budget is worthwhile, and under competitive pressure it is getting squeezed.

Every brand recognizes the importance of communication. Consequently people, in all their various guises as prospects, customers, employees, shareholders, analysts and other publics, receive mounting volumes of communications that compete for attention and effect, sometimes to the point of being pollutive for the individual. The marketing challenge is made more complex by the fact that the sweet and simple promotional choices of the past – few media and lower TV costs – have been replaced by what is normally described as a world of fragmented media.

Add to this two more scoping dimensions. Firstly, as heirs of the direct marketing tradition, customer relationship management (CRM) practitioners argue that the scope of media planning includes every touchpoint: whatever conveys a message or idea or experience about the brand is a medium, and therefore must be included in the planning and management processes. As product design teams, telemarketers, salespeople and everyone else responsible for the reality media that customers most intimately engage with have been saying for long time, everything and anything communicates.

Everything that touches the customer *defines* the brand. Brand loyalty multiplies the value of the customer. That's an exciting vision and a nasty challenge.

And the second dimension – the work that has been done by integrated marketing communications (IMC) practitioners and thinkers¹ – raises the stakes. Their work shows that when communication is conceived and planned as an integrated whole, so that each element is efficiently chosen, creatively-expressed

within its own channel, and harmonized with the rest, a significant improvement in return on investment results. The benefit is unlikely to be less than 20% compared with traditional fragmented techniques, and potentially could be much more.

According to estimates collated by the Centre for Integrated Marketing, the annual UK spend on

The sweet and simple promotional choices of the past have been replaced by a world of fragmented media.

marketing communication is about £40 billion, and the worldwide figure is \$500 billion. These challenges and opportunities therefore clearly represent a "top of agenda" item – our research, echoed by commentary across the marketing industry, suggests that there are some serious gaps and problems in ideas, structures, skills and tools which, if fixed, could be worth between £4 billion and £10 billion.

Some brand teams and agencies have been seriously committed to integrated practice for some years, but ironically these practitioners² are typically the ones who report the deep problems:

- Marketing communication departments are frequently segmented into disciplines (such as advertising, direct marketing and PR), each of which has its own objectives and evaluation criteria, language, priorities, culture, planning and production skills, project rhythms, heuristics, assumptions and beliefs, media preferences, communities of learning, and biasing traditions. They may also belong to different management hierarchies, and may even report to different board members. Each also has its place in an implicit or explicit pecking order, with the leadership of the department often biased by the individual's career path. ►

Each discipline tends to apply different metrics, which are often only loosely connected with sustainable brand success.

- Marketing communication agencies commonly mirror this. They are also likely to be paid on different criteria, involved at different stages, and are expected to compete against each other (efficient business practice) whilst collaborating (as good team members).
- Clients and agencies therefore tend to reinforce each other.
- Academics and trainers often strengthen this *status quo* even as they lament it. The language and concepts of textbooks and courses often betray the same presumptions about the potential of the disciplines, but they may lag behind in integrated thinking and practice.

This is not an issue of functional power but rather of shared thinking and collaborative processes.

A fragmented industry

The marketing communications industry has a wide variety of methods and criteria that differ by discipline, media and audience type. Each discipline tends to apply different metrics, which are often only loosely connected with sustainable brand success – but are relatively easy to capture. So:

- Advertising is measured by awareness.
- PR is measured by column inches of copy.
- Direct marketing is measured by response rates.
- Personal selling is measured by call volumes and sales.
- Events are measured by numbers of participants and leads.
- Sales promotion is measured by short-term market share and sales volume gains.

Until now there has been no planning and evaluation methodology that enables common practice and perspectives across all disciplines, communication groups and agencies. The absence of a unified method means that marketers and other change agents can neither specify communication

objectives nor evaluate results to a universal standard. This makes comparison and discussion between the methods difficult, and makes it hard to collate, compare and analyse results between either contemporaneous or sequential communication projects. The absence of universal standards has held back development of many industries, including information technology and electronics. The current dysfunctions and fragmentation in approach to the different marketing communication disciplines described above are equivalent to that in the IT industry before the development of Internet protocols.

What does the solution need?

You can't solve a problem at the same level as the problem. The solution requires a new practical theory based on an elevated perspective and genuine realities rather than traditional assumptions.

Our research, involving a range of senior marketers and brands across the UK, suggests the need for a revised approach to both IMC and CRM that regards IMC and CRM as a single unified planning and evaluation discipline. This accommodates all communication avenues available to the brand, including the sales force, PR, internal marketing, design and merchandising. We call it just plain *integrated marketing*.

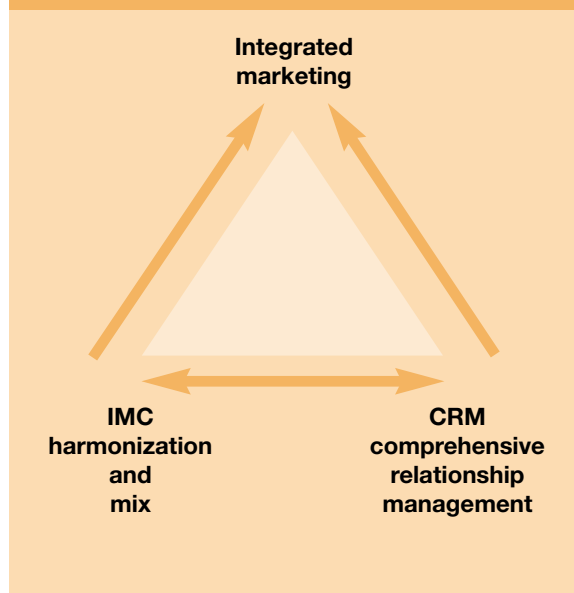
This is not an issue of functional power but rather of shared thinking and collaborative processes. Nor is it a question of creating monotonic communication: the point of the unified approach is to maximize creative potential by choosing from the full palette of possibilities.

The labels IMC and CRM have had a certain usefulness, because each expresses a particular focus of excellence – the emphasis on integration and harmonization across communication in IMC, which is *methodological*; and the parallel CRM emphasis on the *goal* of managing and enhancing customer relationships towards greater customer lifetime value, and therefore customer and brand equity. These are clearly complementary aspects and objectives.

IMC has tended to be more significant in FMCG, whilst CRM has been used more in business-to-business and service-based markets, including financial services, where one-to-one direct communication may be more important. However, this does not mean that the two approaches are fundamentally different. Brands in any

sector, corporate or product, need to be managed as an integrated, efficient, harmonized whole, and a unified solution can be developed as shown in Figure 1.

FIGURE 1: GETTING ON TOP OF THE COMMUNICATION PROBLEM



Unified thinking

This unified thinking yields a superior approach in four ways:

- **Better objectives:** Applying a universal, neutral, common-currency planning framework for all communications.
- **Better communication methods:** Taking advantage of the convergence of technique.
- **Better media selection:** Unprejudiced, wide media planning means that media work harder.
- **Better learning:** Applying econometrics across all communication channels, for rigorous evaluation with shared learning involving all participants.³

Communications convergence potential is based on four powerful principles:

- All communication, good or bad, in any medium defines the brand and influences relationships and sales. Terms such as above- and below-the-line are unhelpful, and potentially pejorative.
- Any discipline can be used within any medium to achieve any objective. The right combination requires improved rigour and creative insight
- Any communication activity in any medium can, by converging insights and methods from several disciplines, create new channels⁴.
- The best mix of communication disciplines and media (for a given audience) will optimize a communication project.

Unified planning

The application of these propositions in an iterative learning cycle is indicated in Figure 2, which reflects four

All communication, good or bad, defines the brand and influences relationships and sales.

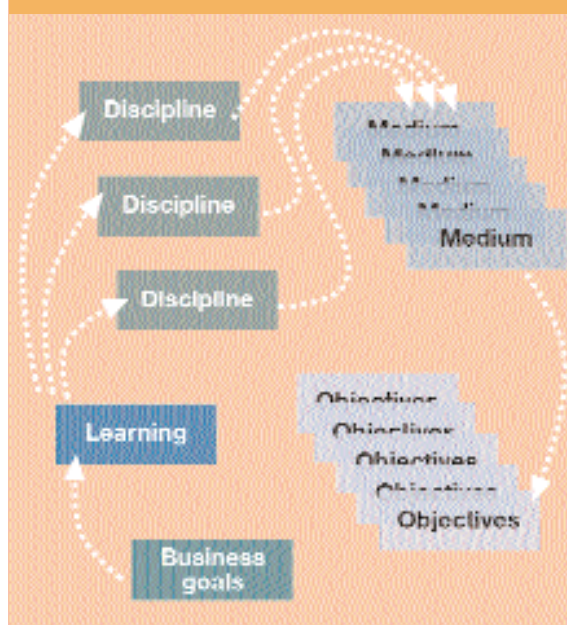
key qualities of communications planning: it is unified, holistic, fractal⁵ and method-neutral or open.

Most of the best media planning tools now enable a more systematic approach to the development of media schedules, by combining effectiveness parameters for different media with media cost and availability databases. The range of media included is also widening, and now includes mail, telephone and other contact points.

These tools make a powerful contribution to communication planning and comparing the efficacy of different media combinations, but there is still a danger that the very definition of the communication objectives can bias the selection of media. For example, if the goal is defined in terms of awareness, this is likely to predispose in favour of TV. Nor does media planning help with the equally large (or even greater) prior problem of *discipline* planning. So a unified approach to objective setting is needed first.

Similarly, econometric modelling can be helpful, but this approach ignores the entire field of communication purpose or objective – and does not identify which aspect(s) of what was done actually created the benefit.

FIGURE 2: OPTIMIZING DISCIPLINES TO ACHIEVE THE RIGHT OBJECTIVES



Any universal standard has to be based on how people, both consumers and other audiences, process communications (including product and service elements), and not on industry structures. Again, our research shows very significant dysfunction here, with common planning assumptions proving unreliable and weak planning tools.

Put more simply, marketing needs a holistic and fractal communication planning and evaluation tool.

Our research suggests that optimizing marketing communications requires a method of defining all communication activities from top to bottom using a single intelligent framework, derived from the way communication affects people, and related to all and any business objectives. This would enable *Robin* to achieve his objectives.

Such an approach encourages learning between the disciplines and their practitioners, and enables complex integrated projects to be designed and executed

This provides the basis for a superior learning process about the relative contributions of the different communication channels.

seamlessly. Client and service companies can compile workflow and database systems capable of comparing a multiplicity of national or international communication projects over time, based on a meaningful, sound and effective common structure for linking and comparing plans and results. Coupled with econometric modelling, this provides the basis for a superior learning process about the quality of the brief and the relative contributions of the different communication channels to the customer experience, and therefore to purchase and other behaviours.

A unified planning tool

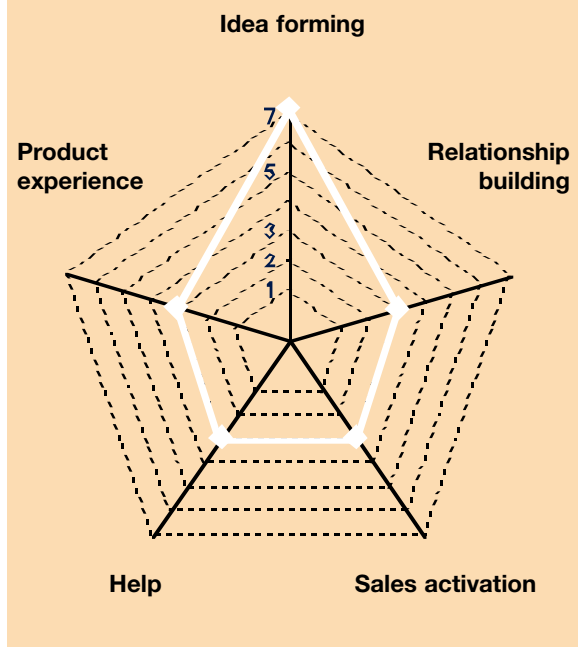
Having identified this need in our research, we have developed a proprietary tool, CODAR[®], that delivers this. It draws on both theory – in particular, cognitive psychology and behavioural and systems models – and decades of marketing communications practice.

And CODAR is both holistic and fractal. It has:

- An overall business-related goal, such as market share, brand or customer equity.
- A hierarchical but fractal communication planning structure: master communication objectives with multilevel subsidiary communication targets and activities.
- Communication priorities and objectives for each communication activity, from the master plan to the lowest level communication activity, based on a unified framework of planning dimensions.

JUST AAsk

The AA's previous communication strategy, based on the endline *The 4th Emergency Service*, proved dysfunctional, ignoring over half the brand's revenue lines, including insurance. A brand relaunch based on a more coherent proposition (the AA rescues you from uncertainty) was summed up in the icon *Just AAsk*. The CODAR signature shows the relative priorities in the overall communication mix. Each element in the subsequent communication plan contributed to these objectives. CODAR uses the same tool from top to bottom, and across all media and disciplines.



- A set of measurable objectives for each planning dimension, defining what constitutes success.
- A defined relationship between lower- and higher-level communication activities, so that the contribution of each to the overall plan is clear.
- The capacity to develop a learning database, and to optimize tools for channel planning.

CODAR uses five dynamic and inter-dependent planning dimensions:

Idea forming: the communicator's objective of influencing the ideas, associations and thinking of the communication recipient. For example, about the brand or a particular project or product.

Relationship building: the objective of making the recipient feel connected through some form of relationship with the brand or its representatives. For example, affinity with the values of the brand, or the sense of being personally recognized and appreciated.

Because the same framework is used from master level to fine detail, the tool has fractal properties.

Behaviour activation: the objective of causing an intentional or actual behaviour change by the recipient. For example, sales activation, a sales inquiry or commitment to a behaviour change.

Help or service support: the objective of providing required help or support to the recipient. For example, information about a product or help in a process.

Product, service or environment experience: the objective of giving the recipient an experience, either actual, such as a product trial, or imaginal, such as a virtual, visual or verbal representation of the product.

Each of these objectives or dimensions is present to some extent in every act of business-oriented communication, but the relative priority and specific objectives of each element will vary. The selection of the relative priorities (which can be represented on a radar chart), the specific content of these objectives and the subsequent evaluation of performance against them, constitute the core of the process and tool. And because the same framework is used from master level (eg global brand positioning) to fine detail (eg a banner ad), it has fractal properties.

The scores assigned at the planning and evaluation stage represent the CODAR signature, and each communication can then be compared with any other, or against the objectives. The communicators also provide precise descriptions of the objectives, define successful performance in relevant units, and specify the planned contribution of each activity. It is therefore possible to define a planned score or performance level, against which the actual score can be judged. The application of these ideas in the AA's now-familiar *Just AAsk* campaign is illustrated in the box.

Experience so far suggests that this approach is much more effective in terms of precision and creativity, and gives the opportunity to brief requirements using common or universal criteria. Every agency, including PR and research companies, and internal groups can also offer solutions on an equal basis.

It gives a more effective (and rigorous) basis for discussion and debate about what the communication objectives should be, and how they will contribute to brand and customer equity.

It enables complete and unified planning tools and interfaces with good media and contact planning tools for joined-up solutions.

It provides an effective "common currency" evaluation tool when assessing agency propositions or pitches. (Agencies benefit too, in their dealings with clients.)

For probably the first time, it becomes possible to do really joined-up analysis and econometrics, and prove effectiveness.

It guides the effectiveness of research instruments and programmes across all communications.

Conclusion

Marketing communications has developed into a number of specialized tools, each of which uses considerable internal expertise but lacks transparency and common planning and evaluation techniques across the mix. Tradition, habit and bias has led to formulations of structure, budget allocation and communication methods that sub-optimize marketing communications. These problems are perpetuated even within the two primary techniques for integration, IMC and CRM. Indeed the existence of IMC and CRM implies polarity and distinction. Fortunately, new thinking and tools are emerging that promise to shift the marketing communications ball game to an entirely new performance level. This is potentially as important to marketing as the Internet was to computing. □

Professor Angus Jenkinson is Director of the Centre for Integrated Marketing at Luton Business School.

¹ Including those who prefer variant names, such as total marketing communications, as well as those who focus on specific aspects of the discipline, such as media- or channel-neutral planning.

² For example, IBM, Vauxhall, the Automobile Association, Land Rover, Unilever, ATG MindShare, Y&R, Ogilvy and EURO RSCG.

³ These have been identified and validated in our research.

⁴ In this analysis, the combination of any marketing discipline with any communications medium constitutes a channel.

⁵ I use the term fractal, by analogy with the self-replicating geometric figures, in which progressive magnification reveals the microscopic structure to be identical to the macroscopic other than in size. The analogy is not precise, as clearly the specific detail of a communication will vary with the sender and the recipient, but the sense is that there is a common framework throughout the process, onto which the particular detail is built.

⁶ This uses a patented technique developed by Stepping Stones Consultancy Ltd