

# A Vision for Integrated Marketing

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Integrated Marketing is the new paradigm of good marketing. It pulls together many existing elements of best and emerging best practice for the first time. In addition to the recognised marketing disciplines, including internal marketing and public relations, Integrated Marketing also leans on disciplines such as lean management, knowledge management and organisation development, and is arguably a natural progression of the effects of relationship marketing and CRM on organisation change as well as developing concepts of marketing planning.

The evidence is that Integrated Marketing not only builds on existing best practice but also overturns several well-established assumptions and offers a fresh vision and an enhanced challenge for both marketing leaders and other senior executives, including the CEO.

Integrated Marketing is an holistic discipline that inspires coherent and creative organisation, culture and customer experience alignment around fundamental truths of the brand to deliver value to customers, employees and the organisation.

It explicitly develops the importance and practice of cultural and organisational alignment as well promoting a mental and systemic infrastructure for integration. A diagnostic tool developed by the Centre for Integrated Marketing identifies nearly 126 key indicators suggesting a scope of action from leadership behaviour to quality of data and organisation structure. Some important ones are listed below, Table 2.

Figure 1 shows how Integrated Marketing builds on existing marketing development practice. If IMC (and Media Neutral Planning) represents best practice in the use of commercial media for a campaign, relationship marketing as best practice in developing customer equity and sustained brand building, and CRM (in association with Internal Marketing) best practice in Touchpoint management and infrastructure, then Integrated Marketing not only merges these but connects them to best practice in other organisational fields such as HR (e.g. learning company), production, (e.g. lean management) and finance (e.g. Activity Based Costing).

**Figure 1: Integration practices**

<b>Management Range</b>	<b>Internal media and customer touchpoints:</b>	<b>CRM/Internal Marketing</b>	<b>Integrated Marketing</b>
		<ul style="list-style-type: none"> <li>• Project rollout includes web, call centres, sales force and other channels supporting objectives and idea.</li> <li>• Internal Marketing activities.</li> <li>• Database enhancement.</li> <li>• Knowledge management.</li> </ul>	<ul style="list-style-type: none"> <li>• Culture, vision and brand alignment.</li> <li>• Seamless customer facing organisation.</li> <li>• Total Communications planning and execution.</li> <li>• All-stakeholder value.</li> </ul>
	<b>Marcoms Media:</b>	<b>IMC</b>	<b>Relationship Marketing</b>
		<ul style="list-style-type: none"> <li>• Brand</li> <li>• Media Neutral Planning (MNP)</li> <li>• Big creative idea harmonising communications across media and disciplines</li> <li>• Co-ordinated marcoms plan including PR.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustained brand positioning and communication harmony to maximise brand equity.</li> <li>• IMC deployed in relationship management programmes to optimise customer equity.</li> <li>• Investment in one-to-one management competence.</li> </ul>
		<b>Seasonal</b>	<b>Sustained</b>
		<b>Timeframe</b>	

The Integrated Marketing agenda is increasingly part of everyday good marketing and business practice, at least as a vision for development. Implementation success appears to be based on 18 leadership steps that bring together recognised and new action areas, which organisations such as SEEBOARD Energy have practised them with success (see below, Table 3).

## A vision of Integrated Marketing

The need for Integrated Marketing derives from the enormously fragmented world of the modern large organisation and its media and consequently the costs to its stakeholder experience and firm profits, well documented by research into media planning, organisation development, human resources, service marketing and customer satisfaction.

To overcome these costs, Integrated Marketing proposes achieving three inter-related objectives:

1. A customer experience that satisfies the customer and feels relevant, congruent and coherent across all touchpoints/media and builds brand and customer equity.
2. The whole organisation works as an aligned, creative team. Processes smoothly deliver value to customers, employees and company/shareholders.
3. The marketing team, including agencies, harmoniously executes best ideas across the optimum platforms and leads in the development of brand alignment.

The premise of Integrated Marketing is that this is a systemic approach, and that while isolated initiatives have value, none of these objectives will be fully realised in isolation: the second and third enable the first, while it in turn empowers them. This means that Integrated marketing consists of a 'vertical creative alignment' through the organisation and an 'horizontal creative alignment' through media, channels and Touchpoints, as shown in Figure 1.

**Figure 1: An Integrated Marketing framework**

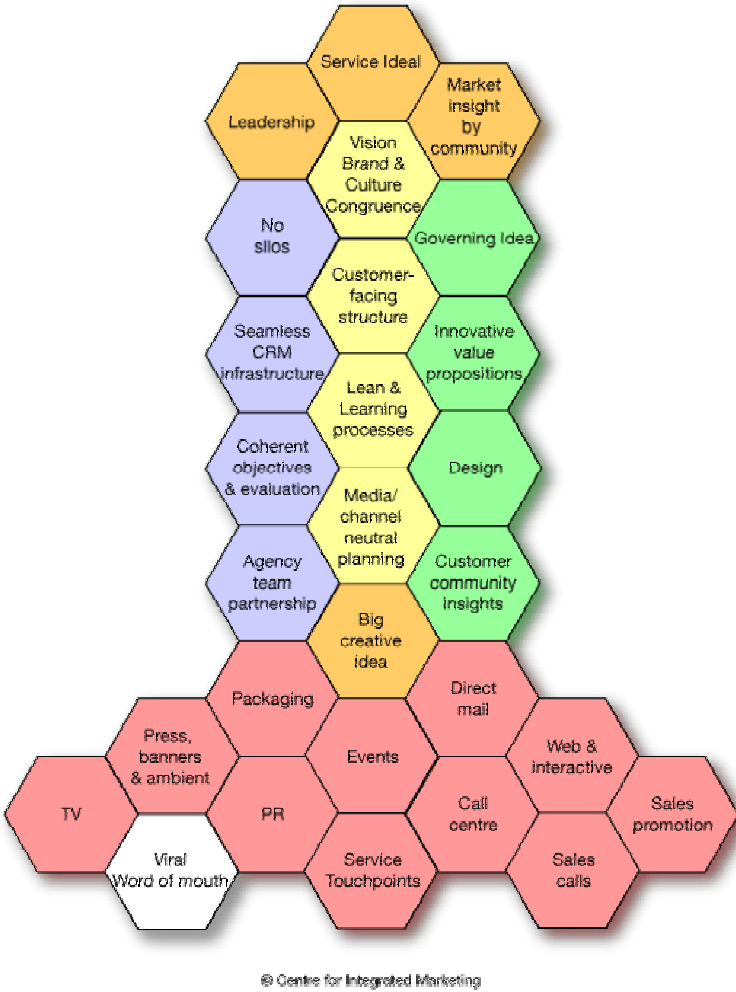


Table 1: Integrated and non-integrated marketing shows characteristic effects of an integrated organisation in contrast to a non-integrated approach.

**Table 1: Integrated and non-integrated marketing**

Integrated behaviours	Non-integrated
The brand cares about customers as people to serve.	Only revenue is valued. For example, there is a difference between service during the sales process and after purchase.
Customers feel that all their brand experiences - across all touchpoints/media - come from one coherent, true identity. Trust grows.	The experience of customers is fragmented and/or lost, inconsistent over time, between channels, or between advertising and reality. Trust declines.
The business is focused and organised by customer communities so that the brand treats different kinds of customers in ways appropriate to them.	The business is focused on products and functions and sees a vague, homogeneous or weakly segmented customer population.
The brand manages customers seamlessly. Whenever appropriate, the brand recognises individual customers wherever they interact or do business. The customer only needs to give basic information once for every relevant channel or person to get it.	Customer information is fragmented. The customer is a novelty at each Touchpoint.

The organisation is inspired by a service-oriented ideal and governing ideas that align, empower and motivate employees and teams.	The organisation is fractured into silos and managed by power, objectives and rules.
Quality is understood as that which is good for the customer, employee(s) and company. The company ethos values people as individuals.	Employees have been through downsizing and re-engineering, been merged and reorganised, assuming they have stayed long enough. Employees are revenue generating assets. Profit and shareholders aggressively dominate decisions.
Future vision and culture are consistent with core truths of the brand. There is a long-term orientation and commitment of the C-level team to champion the organisational values and to create a healthy and sustained organisational culture.	Culture and brand are managed independently. A new marketing director every fourteen months and a chief executive almost as often. Top executives seek to prove themselves rapidly and this means demolishing lots of old values and projects and creating new ones on the basis of rapid analysis and transferred values and assumptions.
There are no silos. Leaders encourage shared learning across the organisation and a trust-oriented culture encourages people to work together.	In the marketing department, professionals work in product and/or marketing communication disciplines silos. The groups may not talk to each other, or only in the most limited way, because time is short and objectives do not require it. In a large organisation this will be replicated for different product divisions and between hierarchies.
Policies are genuine and coherent.	Conflicting objectives for service people, e.g. in call centres. Hard measures of performance, including volume of calls, are closely tracked while soft measures may not even be measured. Staff are demotivated. Selfish objectives dominate.
Marketing strategy begins with quality insight about each relevant customer community and investment is intelligently prioritised and deployed in customer relationship planning that maximises lifetime value (customer equity) within business imperatives.	The marcoms budget is established by discipline at the outset of the year and each group deploys ring-fenced resources to achieve a set of discreet objectives that are unlikely to be formulated in the same terms as those of the other groups. Marcomms are implemented in a series of transactional/tactical initiatives to achieve quarterly/monthly targets.
Products and services have real distinctive value and support the brand.	Products and services are assumed to be a me-too category.
Senior marketing people are skilled in multiple communication disciplines and ensure others develop similarly. There is an informed and creative approach to planning and media-mix decisions, evaluating a wide range of Touchpoints/ media/disciplines without prejudice and using common, media neutral currency. Big media neutral creative ideas ensure harmonisation of communication.	The marketing team's training and experience is fragmented by various fields and driven by conventional assumptions and inconsistent, divergent and limiting evaluation criteria. Teams come up with independent communication ideas.
All agencies, including PR and research companies are recognised as strategic business partners operating as a team. They co-operate with the client, with each other and internally. Each contributes ideas/solutions to the same brief at the outset of each major communication	Agencies operate in singleton disciplines, and a pecking order and competition between agencies is valued. PR report into a different senior manager and are excluded. Agencies are poorly informed or there is no information to provide on results.

project. Payment by results elements recognise team performance and all are well informed on results.	
Communication expenditure is appropriate: creatively aligned communication gains a media-multiplier effect and wins significant word of mouth and free publicity gains.	Expenditure is wasted and communication is more expensive. Look and feel is divergent and unappreciated.

As the above table suggests, and as indicated above, there appear to be some 126 indicators of Integrated marketing excellence that range across internal and external measures. The most significant 26 indicators (or in an international context 27) are shown in Table 2.

**Table 2: Leading indicators of Integrated Marketing practice**

1. Customers feel that all their brand experiences come from one identity.
  2. Customers trust the brand's promises.
  3. The brand treats different kinds of customers in ways appropriate to them.
  4. Whenever appropriate, the brand recognises individual customers wherever they interact or do business.
  5. Customers are happy with the brand experience.
  6. There is a service-oriented ideal that encourages aligned commitment across the organisation.
  7. Everyone nurtures what the brand means to committed customers.
  8. Future vision is consistent with core truths of the brand.
  9. The values we express in the brand are the same as we experience in our company culture.
  10. The brand organisation is excellent at realising high value propositions.
  11. Quality is understood as that which is good for the customer, employee(s) and company.
  12. Objectives are coherent with the brand/company's competence.
  13. There are no silos.
  14. Practices ensure shared learning across the organisation.
  15. The organisation works in effective partnership with the members of its value stream.
  16. Each and every business process is actively aligned to the brand value promise.
  17. Quality customer information is available in a timely way at every point of need.
  18. Leaders promote what they practice.
  19. The Marketing function is organised primarily around customer groups with their different needs and opportunities, not marketing disciplines.
  20. Senior marketing people are skilled in multiple communication disciplines.
  21. Customer management focuses on the value of customers over their lifetime.
  22. The body language of the brand (how customers experience it in practice) is given at least as much importance as ad language (conventional marketing communication activities).
  23. The company and agencies all work together in partnership.
  24. Communication is creatively aligned through "big media neutral ideas".
  25. Evaluation is managed as a learning discipline across the participants.
  26. The key evaluation processes are primarily designed to increase knowledge about what most efficiently creates value for customers.
- And, if relevant:
27. UK and international marketing management collaborate effectively

# The value of Integrated Marketing

While the objectives of Integrated Marketing are tough to achieve, companies are proving the potential. Research by the Centre for Integrated marketing suggests that successful implementation is likely to be worth between £4 billion and £10 billion to UK companies.

Table 3 shows examples of Integrated Marketing initiatives and good practice.

**Table 3: Integrated Marketing examples, source Centre for Integrated Marketing research**

- SEEBOARD Energy used internal and external research by their agency to reposition transform the company and its communication. The result was a dramatic transformation in customer equity, netting £51 million additional worth. In addition, J. D. Power customer satisfaction research showed that SEEBOARD Energy was the most improved company in its category in 2002 and the first to improve on every measure. The project operated in conjunction with HR and other functions and also led to significant improvements in employee satisfaction and recruitment costs. (Jenkinson, A. and Sain, B. (2003a)).
- i2 Technologies, Inc. founded in 1988 to supply chain technology market leader with a multinational team of nearly 5,000 employees. (Integrated supply chain management is itself a key feature of the Integrated Marketing model.) Its governing idea, to create \$75 billion value for the clients by 2005 motivates, mobilises the company and develops the brand. Everything at i2 is aligned to this idea: strategy, objectives, vision, demonstrating the ability to achieve governance by idea rather than power. The effect is to recruit, retain and mobilise an empowered workforce. (Jenkinson, A. and Sain, B., 2002).
- The AA repositioned from 'The 4<sup>th</sup> emergency service' to 'Just AAsk' when its agency identified the internally dysfunctional effect of a strapline that privileged a part of the firm at the expense of the rest. (Jenkinson, A., 2002).
- Harley Davidson initiated an organisation wide process to align and empower its thousands of employees. The result was not only the innovative 'circle organisation' that integrates the firm from production to customer relationship management, but an ongoing integrated process of business planning and implementation that has led to its status as a marketing and business leader with exceptional customer loyalty. (Jenkinson, A. and Sain, B., 2003b, Jenkinson, A., 2002).
- Amazon uses integrated interactive technology to enhance customer service and brand experience. As proof of effectiveness, Brandz research by Millward Brown shows they have exceptionally high levels of customer bonding (65% of UK and 54% of US category buyers are Bonded, compared with a US category average of 7%). In 2002 and 2003, Amazon.com secured ratings of 84 and 88 respectively in the prestigious American Customer Satisfaction Index (ACSI), the highest ever given to any company, online or off. Service is the prime brand communication. (Jenkinson, A. 2001; Jenkinson, A. and Sain, B., 2003c)
- During 2002, IBM UK marketing was reorganised around customer communities not disciplines. IBM solutions are implemented in collaboration with the client's own expertise and resources.. Investment in knowledge and expertise in IBM technology by its customers contributes to IBM brand equity and customer loyalty. (Jenkinson, A., 2002).
- Weleda UK provides holistic healthcare and body therapy products. Its customers are believers and advocates. Thousands turn out at its biannual picnic and fair; their children and other constituencies contribute to its annual charity calendar and of course they recommend the products, not only to other customers but even to potential stockists. In ten years despite varied fortune it has not made a single employee redundant. As a result, employees work at Weleda out of preference not pay.
- Royal Bank of Scotland Commercial Services used better knowledge of customers to redesign direct communication and product, offers, build better relationships between marketing and sales and increase business. The success was used as a best practice model within Royal Bank of Scotland Group.

- Passionate commitment and clarity of values ensures Lush communicates a coherent brand message that bonds customers and their friends to the brand. Lush opened its first shop in Poole in 1994 and mushroomed into a chain of more than 130 shops worldwide, which operate as the most powerful of reality media for customer communication. Lush production ensures innovative product. The leaders' ideas and values attract like-minded customers, and communicate the brand essence with a clear vision and direction. (Jenkinson, A. and Sain, B. 2003d).
- World Rally Championship work in partnership with Sony and Channel 4 to create a consistent and enhanced brand experience. Its partners and agencies work as an integrated team across a wide variety of media to enhance customer experience.
- Specsavers Optical Group has grown into the fifth biggest optical retailer worldwide through its business model, which ensures that Specsavers has a consistent positioning and image while securing professional opticians to run the stores with commitment and ownership. The combination helps to maintain a unique positioning and value proposition. (Jenkinson, A. and Sain, B. 2003e).
- Sainsbury's is committed to understanding its customer communities and serving each more effectively. Its Little Ones programme uses direct marketing to build the brand and create value for core customer communities. Its success is exemplified by its 1% reduction in customer attrition each mailing. The programme is on the front line of the brand's trend towards better-tailored value propositions. (Jenkinson, A. and Sain, B. 2003e).
- Centrica invest in creating customer management competency across the Group (which includes British Gas, AA, Goldfish and OneTel). This includes not only CRM technology, data and call centre practice but shared learning and talent development.
- The National Trust direct marketing team initiated a brand research project to determine the Brand Signature (essence, values, positioning etc.) and used this not only to improve direct marketing but also customer experience across all touchpoints.

## Conclusion

In conclusion: Integrated thinking and practice represents the key to competitive advantage.

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