

## CHAPTER 4

### PUBLIC RELATIONS AND MARKETING

#### 4.1 Introduction

According to Lubbe and Puth (1994:26) the theory of public relations stresses that public relations is a management function equal to all other major functions of the organisation such as marketing management and financial management.

The marketing literature according to Kitchen & Papasolomou (1997: 71) indicates that many businesses have elevated marketing activities to a dominant organisational position. Marketing is therefore treated as the most important commitment within an organisation. This means that the public relations discipline has often been subsumed under the marketing function. There has however been an increasing recognition for strategically managed communications programmes that can contribute effectively to the achievement of corporate and business objectives (Moss *et al.*, 1996: 70). The growing acceptance and acknowledgement of public relations in recent years can be attributed in part to the increased social, political and consumer pressures experienced by organisations in all sectors to act in a more socially responsible manner. Public relations has proven its worth as the function best able to respond to such pressures (Moss *et al.*, 1996: 70).

The growing recognition of the importance of public relations has however, not occurred in all the sectors of the industry. In some of the sectors public relations still tends to be treated largely as part of the marketing communication mix within many organisations. The organisation therefore still treats it simply as a tactical publicity function (Moss *et al.*, 1996: 70). Kitchen and Papasolomou (1997: 71) reviewed various articles and concluded that PR and marketing communications practices are recognised as increasingly integrated and converging concepts. This led to the confusion concerning the distinction between marketing and PR in the literature as these articles reflect a growing tendency for PR and marketing to be seen as converging disciplines in both professional and academic circles.

The debate of not subsuming public relations under other functions or treat it as merely publicity, centres mainly on the relationship between marketing and public relations. It is therefore necessary to explore this relationship in more detail. The first part of this chapter will provide a brief overview of the marketing function and the evolutionary developments of it to be able to fully comprehend the concepts of integrated marketing communication. Various viewpoints in this regard will be discussed in the second part of the chapter.

## 4.2 Marketing

Similar to public relations, marketing has been defined in many different ways, emphasising different aspects of marketing. One of the most widely acknowledged definitions can be found in Kotler (1997: 9), namely:

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value with others.

Kotler (2000: 8 and 2003: 9) however distinguishes between a societal and a managerial definition. He uses the above definition (without the term “managerial process”) as the societal definition and the American Marketing Association’s definition as the managerial definition.

Two other popular and widely accepted definitions are quoted in Brassington & Pettitt (1997: 5). The one is preferred by the UK’s Chartered Institute of Marketing (CIM) and the other by the American Marketing Association (AMA), namely:

Marketing is the management process, which identifies, anticipates, and supplies customer requirements efficiently and profitability. (CIM)

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy individual and organisational objectives. (AMA)

The above definitions emphasise the fact that marketing is more than selling, just as public relations is more than publicity. Kotler (1997: xxxii) is of the opinion that marketing is one of the most dynamic fields within the management arena. Organisations therefore have to continually respond to the new challenges that the market place has to offer.

Kotler (1997: xxxii) identified several emphases in marketing thinking. Only those emphases that relate to the study will be discussed, namely:

- **A growing emphasis on quality, value, and customer satisfaction.** Customers place a greater weight on quality and value in making their purchasing decisions.
- **A growing emphasis on relationship building and customer retention.** The focus is on creating lifelong customers. The shift is from transaction thinking to relationship building.
- **A growing emphasis on managing business processes and integrating business functions.** Organisations are shifting their thinking from managing a set of semi-independent departments to managing a set of fundamental business processes. Organisations are assigning cross-disciplinary personnel to manage each process. Marketing personnel are increasingly working on cross-disciplinary teams rather than only employing staff in the marketing department. The usage of cross-disciplinary teams strengthens Askenas *et al.*'s (1995: 127) argument discussed in chapter 2, section 2.3.2(b) that the focus should be on the customer. Teams should form and reform to serve the customer and learning must be shared across teams thus creating multi-disciplinary teams that work across boundaries to serve the customer.

Kotler (2000: 27) believes that marketers are rethinking their philosophies, concepts and tools in the new millennium in the following ways:

- **Relationship marketing.** The focus is still on building long-term, profitable customer relationships.
- **Customer lifetime value.** Shift is from making a profit on each sale to making profits by managing customer value.

- **Customer share.** The focus has changed from market share to building customer share by offering a large variety of goods to existing customers and training their employees in cross-selling and up-selling.
- **Individualisation.** Focus is on individualising and customising messages and offerings.
- **Customer database.** Shift from collecting sales data to building a rich data warehouse of information about individual customer's purchases, preferences, demographics and profitability,
- **Integrated marketing communications.** Focus is on blending communication tools to deliver a consistent brand image to customers at every brand contact.
- **Channels as partners.** Shift is from treating intermediaries as customers to treating them as partners in delivering final value to customers.
- **Every employee is a marketer.** Changing the focus to the realisation that every employee must be customer focused.

Kotler's (2003) viewpoint on how the business beliefs in the old economy are shifting was discussed in section 1.3 and will not be entertained again in this chapter.

The factors identified by Kotler (1997) and the rethinking of philosophies purported by Kotler (2000) as well as the shifting of business beliefs offered by Kotler (2003) in section 1.3, correlates with the factors that is needed for integrated communication. Integrated communication focuses on the stakeholders (stakeholder map compiled by Steyn and Puth, 2000, and discussed in section 3.5) of an organisation – customers, channel members and employees identified by Kotler (2000: 28). Integrated communication integrates communication and does not divisionalise the communication function - a growing emphasis on managing business processes and integrating business functions identified by Kotler (1997: xxxii). Integrated communication also focuses on building two-way mutually beneficial relationships with stakeholders – growing emphasis on relationship building identified by Kotler (1997: xxxii) and Kotler (2000: 28). These are just a few of the factors identified that illustrate how marketing and communication have grown in orientation and focus.

The next discussion will provide an insight how marketing has evolved from being production-oriented to being concerned about the customer and society. The evolving focus of marketing also stresses the importance of the customer and successful relationship building as being essential for long-term business success.

#### 4.2.1 Development of marketing orientation

Strydom, Cant and Jooste (2000: 10) are of the opinion that four competing orientations – production, sales, marketing, and societal marketing orientations - strongly influenced organisations' marketing activities over the years. Kotler (1997: 17) also discusses the four orientations but includes the product concept as a fifth orientation. A brief overview will be given of each of the orientations.

- **Production orientation.** Consumers will favour those products that are widely available and low in costs (Kotler, 1997: 17). A production orientation therefore focuses on the internal capabilities of the organisation rather than on the desires and needs of the marketplace (Strydom *et al.*, 2000: 10).
- **The product concept.** According to Kotler (1997: 17) managers in product-oriented organisations focus their energy on making superior products as consumers will favour those products that offer the most quality, performance, or innovative features. These organisations therefore design their products with little or no customer input.
- **Sales orientation.** This orientation is based on the premise that aggressive sales techniques will ensure that more products are bought and will therefore result in higher profitability (Strydom, *et al.*, 2000: 11). Again the aim is to sell what organisations make rather than make what the market wants (Kotler, 1997: 19).
- **Marketing orientation.** This orientation according to Strydom *et al.* (2000: 12) is based on an understanding that a sale depends on a customer's decision to purchase a product and not on an aggressive sales force. They are of the opinion that this orientation has led to the *pure marketing concept*, which can be regarded as an ethical code or philosophy according to which the marketing task is performed. Kotler (1997: 19) is of the opinion that the key to the marketing concept is the *integration* of marketing activities in order to determine and satisfy the needs of the consumer.

According to Kotler (1997: 20) the marketing concept rests on four pillars, namely; target market, customer needs, integrated marketing and profitability. Organisations function more effectively when they define their target markets and prepare a tailored marketing programme for them. Marketing actions should then be aimed at satisfying consumer needs, demands and preferences. When all the organization's departments work together to serve the customer's interests it results in **integrated marketing**. Integrated marketing takes place on two levels. *First*, the various marketing functions must work together and *second*, marketing must be well co-ordinated with other departments.

- **The societal marketing orientation.** According to Kotler (1997: 27) this concept holds that *the organization's task is to determine the needs, wants, and interests of target markets to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being*. Building social and ethical considerations into marketing practices is at the core of the societal concept.

Marketing activities have changed over the years from focusing only on the internal processes of the organisation to recognizing the social responsibility of an organisation in terms of its marketing practices. The complete focus of practicing public relations within the two-way symmetrical model is to recognise that an organisation's actions can affect key publics and vice versa. Grunig and Grunig (quoted in Bruning and Ledingham, 1999) suggest that conceptualising and practicing public relations within the two-way symmetrical model may lead to the organisation developing a more relationally based focus, and can lead the organisation to become more effective and more ethical, and positively influence an organisation's revenue stream. Practicing the two-way symmetrical model of public relations complies with the societal marketing orientation.

The marketing focus has also changed over the years to support a relationship-based approach. Again practicing the two-way symmetrical approach to public relations can contribute to effective relationship building. The evolution of the changing marketing focus will be further explored in the next section.

#### 4.2.2 The evolution of marketing focus

Over the years the focus of marketing has changed. The movement from being mass oriented to a new orientation of customising marketing efforts both in terms of the communications and their promotion intensity or investment is illustrated in table 4.1 through three related sets of trends in the ongoing evolution of marketing practice (Morris, 1997).

**TABLE 4.1: THREE DIFFERENT WAYS IN WHICH THE FOCUS IN MARKETING IS EVOLVING**

Approach to the marketing mix	Approach to the customer	Performance objectives
Mass marketing "rely on one size fits all"	Discrete transactions "The customer is the fish to be caught"	Sales "close the deal"
↓	↓	↓
Segmented marketing "find groups of customers with homogeneous needs/buying behaviour"	Repeat the transactions "tie the customer in"	Market share "own your market, or capture all you can"
↓	↓	↓
Niche marketing "Specialise in a segment"	Brand source loyalty "Create a sustainable attitudinal preference"	Operating profit "Generate an acceptable rate of return on product/segment/channel investments"
Relationship marketing "Invest in a two-way, mutually and ongoing exchange"	↓	↓
↓	Relationships "Invest in a two-way mutually beneficial and ongoing exchange"	Customer equity "Focus on our desired proportion of the buyers' total expenditures on a product class over a number of years"
One-to-One marketing "Customise to the level of the individual customer"	↓	
	Partnerships "Develop products, processes, technologies jointly with customers"	

Source: Adapted from Morris (1997)

The trends of mass marketing versus relationship marketing identified by Morris (1997) in table 4.1 will be further discussed.

**(a) Mass Marketing**

In the early stages of the marketing orientation, marketers predominantly employed mass marketing, which according to Schultz, Tannenbaum & Lauterborn (1993: 5) was invented to sell standardised mass produced products to a similarly standardised, undifferentiated mass of consumers.

The media were also mass-oriented and led to mass marketing and mass consumption. Homogeneous markets were created through the combination of manufacturing efficiencies, mass distribution and mass media (Cram, 1994: 2). According to Schultz *et al.* (1993: 5) advertisers viewed the audience as mindless with manipulative, formula-driven advertising where repetition seemed to offer quick results.

The collapse of the mass media shook the foundations of the whole system upon which marketing and advertising was based. Fizdale (1994: xi) describes it as follows; “the old assumptions, strategies and tactics for reaching a broad base of people with a single selling message delivered by mass media are no longer valid. Television, once the greatest mass communication vehicle, is impotent. The database will prove to be a more powerful marketing tool than television ever was.”

Schultz *et al.* (1993: 51) contend that one-way forms of marketing communications worked well in the era of mass marketing when the manufacturer controlled most of the product information. The manufacturer could select broadly available and widely used media forms to reach a large number of consumers at the same time. Product and information however, expanded and the ability of the one-way form of communication to influence consumers declined. The dramatic changes of the media systems necessitated the need for two-way systems. In this system the marketer and the consumer are involved in an exchange of information. Schultz *et al.* (1993: 52) mention that in many arenas this two-way communication has been referred to as “relationship” marketing.



They also state: “we believe that relationship marketing is the key to all future marketing efforts. It is only through integrated marketing communications, however that relationships can be build”. Schultz *et al.* (1993: 52) are also of the opinion that in order to establish two-way relationship communication some form of database or a database-marketing programme is necessary.

### **(b) Relationship marketing**

According to Strydom *et al.* (2000: 16) relationship marketing is a logical development in the gradual evolution of marketing thought and can therefore be seen as the successor to mass marketing. Relationship marketing is defined by Cram (1994: 19) as “... the consistent application of up-to-date knowledge of individual customers to product and service design which is communicated interactively, in order to develop a continuous and long term relationship, which is mutually beneficial.”

Kotler (1997: 12) defines relationship marketing as “the practice of building long-term satisfying relations with key parties – customers, suppliers, distributors – in order to retain their long-term preference and business.”

Cram’s definition (1994) only focuses on the customer and relationship building with the customers whereas Kotler’s (1997) definition includes customers, suppliers and distributors as “key parties”. It is surmised that these definitions omit other important stakeholders. In relationship building it is imperative that a relationship should be build with all the organisation’s stakeholders thus reflecting a stakeholder orientation. By focusing only on certain stakeholder an organisation sends out a message that some groups and their needs are more important than others. In order for an organisation to communicate a consistent message all stakeholders should be the focus.

Payne (1995) also focuses on the customer as the main stakeholder in relationship marketing. He compares relationship and transactional marketing, but only from a customer’s viewpoint.

Payne (1995) is of the opinion that one of the reasons for the shift to relationship marketing was the changing view of marketing from a function in the 1980s to a business philosophy in the 1990s. With marketing being viewed as a function, like operations, finance and information technology, in the 1980s, staff was encouraged to work only within their field of specialisation. The 1990s view of marketing, however, is that of an organisational attitude, an ethos, which meant that it is no longer the job of the marketing department to be customer oriented. Marketing should represent a total approach to business with the customer placed at the centre. Instead of a transactional focus in marketing, the organisation should be focused on developing relationships with customers as presented in table 4.2.

**TABLE 4.2: TRANSACTIONAL VERSUS RELATIONSHIP MARKETING**

	<b>Transactional marketing</b>	<b>Relationship marketing</b>
<b>Focus on...</b>	Obtaining new customers	Customer retention
<b>Orientation to...</b>	Service features	Customer benefits
<b>Timescale...</b>	Short	Long
<b>Customer service...</b>	Limited emphasis	High emphasis
<b>Customer...</b>	Limited	High commitment
<b>Customer contact...</b>	Limited	High
<b>Quality...</b>	Primarily an operations concern	The concern of all

Source: Adopted from Payne (1995: 6)

Payne (1995) purports in table 4.2 that quality in relationship marketing is the concern of all. To only focus on the customer will not lead to such an orientation. To however, focus on all stakeholders, an organisation as a whole can become stakeholder oriented and in the process quality will become the concern of all.

Kotler (1997: 12) on the other hand argues that the ultimate outcome of relationship marketing is the building of a marketing network.

A marketing network, according to him, consists of the organisation and its supporting stakeholders: customers, employees, suppliers, distributors, retailers, ad agencies, university scientists and others with whom the organisation has built mutually profitable business relationships. He includes all stakeholders in his definition but discusses relationship marketing further only in regards to the customer.

He bases relationship marketing on the premise that important accounts need focused and continuous attention. He concludes that when a relationship management programme is properly implemented, the organisation will begin to focus as much on managing its customers as on managing its products.

The definitions of public relations discussed in chapter 2 postulate mutually beneficial relationship building as being crucial for organisations. The question that arises from the discussions so far is: what is the difference between relationship marketing/management and public relations. Ledingham & Bruning (1998: 55) are of the opinion that academics and practitioners are increasingly defining public relations as relationship management. According to them the term 'public relations' implies that the research and practice of the discipline should focus on an organisation's relationships with its key publics, concern itself with the dimensions upon which that relationship is built, and determine the impact of the organisation-public relationship on the organisation and its key publics. The view of public relations as relationship management also represents a conceptual change. The traditional view of public relations as primarily a communications activity is changing and instead relationship management is conceptualised as a management function that utilises communication strategically.

Bruning and Ledingham (1999: 157) posit that the relationship management perspective shifts the practice of public relations away from the manipulation of public opinion towards a focus on the building and maintaining of organisation-public relationships. They are also of the opinion that in order to study public relations as relationship management, it is necessary to integrate concepts that stem from various disciplines such as mass media, interpersonal communication, interorganisational behaviour, social psychology, marketing and management.

Bruning and Ledingham (1999) further postulate that in order for an organisation to practice public relations from a relational perspective, the organisation must first recognize that it can affect the lives of the members of its key publics, and also recognize that members of the key publics can affect the organisation.

Marketing has changed in its focus and orientation to accommodate the changing environment. Relationship marketing is being promoted as being an important philosophy for the new millennium. Some of the definitions of relationship marketing however focuses primarily on relationship building with the customer and omits other stakeholders (Cram, 1994, and Payne, 1995). Public relations on the other hand realises that an organisation can affect the lives of the members of their key stakeholders and also recognises that members of key stakeholders can affect the organisation. It seems inevitable that public relations and marketing are moving closer through the relationship management/marketing concept.

Relationships can however not be built without communication. The discussions to follow on the relationship between marketing and communication will therefore be based on the theme of communication in an organisation. The next discussion in section 4.3 will focus on the relationship between marketing and public relations from a communication viewpoint and will explore the concepts of integrated marketing communication (IMC) and integrated communication (IC) further.

### **4.3 The relationship between marketing and public relations**

Spicer (1991: 293) is of the opinion that although marketing and public relations programmes may be co-mingled in organisations, each field stresses different communication skills. Public relations engages in a broader and more diverse range of communication activities than marketing. He concludes that these functions should be viewed as independent and interdependent rather than independent and adversarial. His opinion, though relatively dated, highlights the debate centring on the “appropriate mix” between marketing and PR. More recent studies and models will be discussed in section 4.3.3 that focus on integration as the answer to the debate.

The IMC concept focuses on the integration of the various marketing communications elements to provide added value to the customer. Grunig and Grunig (1998: 157) opine that public relation theorists and marketing communication theorists conceptualise communication in a different way - integrated communication programmes apply marketing communication theory rather than public relations theory, and that public relations and marketing should remain separate.

Their model as well as other IMC and IC models will be discussed and explored in section 4.3.3. However, before the concept of integration can be discussed, the various elements of marketing communications involved need attention first.

#### **4.3.1. The marketing communication mix**

According to Bearden, Ingram and LaForge (1998: 401) marketing communications involve marketer-initiated techniques directed to target audiences in an attempt to influence attitudes and behaviours. They are of the opinion that the ultimate goal of marketing communications is to reach some audience to affect its behaviour. In order to inform, persuade and remind targeted consumers effectively, marketers rely on one or more of the major elements of the mix. Brassington & Pettitt (1997: 569) argue that the promotional mix is the direct way in which an organisation attempts to communicate with various target audiences.

Marketing authors (Kotler, 2000; Bearden *et al.*, 1998; and Brassington & Pettitt, 1997) identify the elements of the marketing communication mix as advertising, sales promotion, public relations and publicity, personal selling and direct marketing. Their explanations of the elements are very similar and will therefore be discussed according to Bearden *et al.* (1998).

Bearden *et al.* (1998: 403) identified the following five elements of the marketing communications mix, namely:

**Advertising.** It is nonpersonal, paid for by an identified sponsor and disseminated through mass channels of communication to promote the adoption of goods, services, persons or ideas. Marketers use media such as television, radio, outdoor signage, magazines, newspapers and

the Internet to advertise. Its ability to reach a mass audience makes it an efficient method for communicating with a large target market. Bearden *et al.* (1998: 403) opine that traditionally advertising has been the most recognised form of marketing communications due to its high visibility.

**Public relations.** This function identifies, establishes, and maintains mutually beneficial relationships between an organisation and the various publics on which its success or failure depends. A key aspect of public relations is publicity. Publicity is focused on generating media coverage at no cost to the organisation (Bearden *et al.* 1998: 404).

**Sales promotion.** It includes communications activities that provide extra value or incentives to ultimate consumers, wholesalers, retailers or other organisational customers and can stimulate immediate sales. It attempts to stimulate product interest, trial, or purchase (Bearden *et al.* 1998: 404).

**Personal selling.** Personal selling involves interpersonal communications between a seller and a buyer to satisfy buyer needs to the mutual benefit of both parties. What distinguishes it from other non-personal forms of marketing communication is the personal nature of the method. Bearden *et al.* (1998: 405) contend that the flexibility of this method makes it an excellent communications medium for establishing and nurturing customer relations.

**Direct marketing communication.** It is a process of communicating directly with target customers to encourage response by telephone, mail, electronic means, or personal visit. Popular methods include direct mail, telemarketing, direct-response broadcast advertising, online computer shopping services, infomercials and shopping networks. It often uses precise means of identifying members of a target audience and compiling customer/prospect databases with postal addresses, telephone numbers, account numbers, e-mail addresses or fax numbers that allow access to the buyers (Bearden *et al.* 1998: 404).

Note the inclusion of public relations as a tool of marketing communication. The definition used to describe public relations does acknowledge the building of mutually beneficial

relationships. Public relations however is still used interchangeably with publicity by various marketing authors (Kotler, 2000: 565; Boyd, Walker & Larréché, 1995: 374). However, the different phases in evolutionary process of public relations is ignored. Public relations moved from the press-agentry/publicity model to the two-way symmetrical model (discussed in chapter 1). By portraying public relations and publicity as the same and ignoring the evolution, will be similar as to view marketing and production as interchangeable concepts: thus ignoring the evolution of marketing.

Some authors such as Harris (1993: 13) make a distinction between public relations activities that support marketing and those that define the organisation's relationships with its publics: he adds another element to the marketing communications mix namely marketing public relations (MPR). Harris (1993: 13) is of the opinion that public relations' concern about an "attempted takeover of the public relations function by marketing" is nothing more than a near hysteria. He supports this by stating:

I take the view that marketing and public relations can, should and must be compatible. I make a clear distinction between those public relations functions which support marketing which I call **MPR** and the other public relations activities that define the corporation's relationships with its non-customer publics which I label CPR.

Harris (1993: 14) contends that corporate public relations (CPR) is needed to counsel management and gain understanding of corporate goals in a volatile business environment whereas effective marketing public relations (MPR) is needed to support marketing goals in a competitive marketplace. According to Harris (1993: 14) marketing managers are confused about the nature of the relationship between marketing and public relations despite their recognition of the strategic role that public relations can play in achieving marketing objectives. Harris (1991: 26) distinguishes MPR from the broader field of public relations by stating various differences between MPR and CPR. According to him CPR is concerned with the organisation's relationships with non-customer publics such as media, investors, government and the community as well as employee communications, public affairs and advocacy advertising. CPR is a line function and reports to top management whereas MPR is a staff function that reports to the head of marketing and supports marketing objectives.

Harris (1993: 15) concludes that MPR adds value to integrated marketing communications programmes by building marketplace excitement before media advertising breaks. MPR also creates advertising news where there is no product news, introduce a product when there is little or no advertising, provide a value added customer service and influence the influentials.

Marken (1995: 47) identified certain factors that have forced organisations to turn their attention to marketing public relations. The business climate has changed in the sense that consumers are demanding better product value and management are realising that product communication entails more than just new product advertising. The increasing clutter of advertising has also forced management to look for additional and cost-effective means of communicating. Marken (1995: 47) is of the opinion that the biggest force that caused a change in the way management think about MPR, was that management and marketers realised that the similarity in products, services, prices and advertising required new differentiators. Management needed “new tools” to differentiate them from their competitors.

The use of the Internet and the World Wide Web to build better and more effective relations with people can be regarded as such a tool. Belch and Belch (2001: 19) include interactive/Internet marketing as an element in the marketing communications mix. They postulate that the interactive nature makes it a very effective way of communicating. The difference between the Internet and the World Wide Web has been highlighted in section 3.4 and will not be entertained again.

The working relationship between the Internet and other communication elements will however be highlighted (from the viewpoint of Belch & Belch, 2001: 506) as it will form part of the coding sheet (discussed in section 1.10) that will be used in the data collection phase of this study.

- **Advertising and the Internet**

The Internet can be regarded as an advertising medium like broadcast and print. Advertising on the Internet employs a variety of forms such as banners, pop-ups, interstitials and push technologies. The aim of this research is however not to analyse the specific advertising forms but only to determine how organisations use their websites for communication purposes. The



advertising part on the code sheet will therefore only address advertising in terms of the products offered by organisations.

- **Sales promotion and the Internet**

Sales promotions on a web site are used as a method of generating excitement. Sales promotions can include free gifts, games and competitions and coupons. These elements are included in the coding sheet to determine if it forms part top South African organisations' communication on their websites.

- **Personal selling and the Internet**

Websites have been used effectively to enhance and support the selling effort. The Web has become a primary source of information and visitors to websites can gain information on an organisation's products and services. These visitors can in return become a valuable resource for leads that salespeople can follow up. The offering of demonstrations and/or samples online can also stimulate trial use of products. Personal selling was however not included in the code sheet as it does not form part of the focus of this research.

- **Public Relations and the Internet**

The Internet can be regarded as a useful medium for conducting public relations activities. Activities include media relations, annual reports and corporate social responsibility. The use of the Internet and the Web in building effective relations with the various stakeholders of the organisation was discussed in section 3.4 and will not be discussed again. Several public relations activities were also included on the code sheet and will be addressed in the empirical part of this study.

- **Direct marketing and the Internet**

Many direct marketing tools have been adapted to the Internet. Two perspectives can be adopted namely, the usage of direct marketing tools for communication objectives and e-commerce. Tools include elements such as direct mail and infomercials. E-commerce relate to direct sales on the Internet. The e-commerce perspective was adopted in the coding sheet under the heading of direct marketing and not the tools of direct marketing.

The relationship between the Internet and the marketing communication elements has been discussed. Belch and Belch (2001: 506) also stress the importance of integrating all these elements. Integration of the marketing communication elements in a complicated world of technology becomes a necessity. The concept of integrated marketing communications (IMC) stresses the amalgamation of the practices of public relations, marketing, advertising and promotion and therefore integration.

The concept of IMC has evolved since its conception and various models have been proposed. Moriarty (1994: 38) contends that IMC, through its evolution, has developed its own approach to holistic communication. She is of the opinion that the amalgamation of PR, marketing, advertising, and promotion is more than just marketing communication “revised with warmed over PR concepts like relationships and stakeholders”. It is a concept with its own identifiable theories and practices.

This study focuses on integration of communication in organisations. The concept of IMC and IC therefore need to be explored in detail, and the rest of the chapter will focus on these two concepts. The evolution of the IMC concepts and the various definitions are discussed first in order to ensure a better understanding of the concepts before the various models of IMC and IC are further explored.

#### **4.3.2 Evolution of the IMC concepts**

In the late 1970s and throughout the 1980s ad agencies merged with public relations, sales promotion and direct response agencies in an attempt for financial gain (Duncan & Caywood, *in* Thorstone and Moore, 1996:13). Duncan and Caywood (*in* Thorstone and Moore, 1996:13) are of the opinion that ad agencies still had tunnel vision in the sense that they were focusing on the financial benefits and not because they understood the integrated marketing concept.

The American Association of Advertising Agencies labelled the concept “new advertising” and in the process did little to build relationships with other non-advertising communication agencies. Public relations academics, according to Duncan and Caywood (*in* Thorstone & Moore, 1996:14) saw this as “marketing imperialism” and therefore preferred the term

“integrated communications” rather than including the “marketing” label. Duncan and Caywood (*in* Thorstone & Moore, 1996:14) see integrated communications to be the advanced stage of integrated marketing communication.

Percy (1997: ix) is of the opinion that during the 1990s integrated marketing communication became one of the most talked about ideas in marketing. The problem with this topic is that it seems to be focused more on the discussion than the implementation. He identifies (IMC) as “the planning and execution of all the types of advertising and promotion selected for a brand, service, or company, in order to meet a common set of communication objectives, or more particularly, to support a single positioning” (Percy, 1997: 2). This definition however, mentions only advertising and promotion as communication techniques in the positioning of a product, and omits the “target market” for the communication (as it is only aimed at consumers and does not explicitly include other stakeholders as well).

Percy (1997: 8) quotes the director of the integrated marketing communications graduate program at the University of Colorado in stating that IMC is both a concept and a process. One has to think about all of the marketing communications needs in an integrated way to ensure a “one voice, one-look approach” (criticised by Grunig and Grunig (1998) in section 4.3.3.) to how a brand, organisation, or service are presented, whereas the implementation might prove to be more difficult.

According to Percy (1997: 9) the marketing or communication manager should use the vast array of advertising and promotion alternatives available to achieve the desired communication effects. In his opinion what IMC actually means in practice, is the ability to select the best ways of delivering the marketing communication, once the appropriate types of advertising or promotion have been selected.

Harris (1998: 3) posits that IMC is the marketing concept of the 1990s and it will be the marketing practice necessary for survival in the 21<sup>st</sup> century. This is causing marketers to look at the components of marketing in a new way. Harris (1998: 5) simplifies the idea of IMC into one word namely, *synergy* and offers the following definition:

In marketing, synergy means that when all products and corporate messages are strategically coordinated, the effect is greater than when advertising, sales promotion, public relations, etc., are planned and executed independently, with each competing for budgets and power and in some cases sending out conflicting messages.

Bearden *et al.* (1998: 406) view integrated marketing communication as the strategic integration of multiple means of communicating with target markets to form a comprehensive, consistent message.

Schultz, Tannenbaum and Lauterborn (1993) see IMC as:

A new way of looking at the whole, where once we only saw parts such as advertising, public relations, sales promotions, purchasing, employee communications and so forth. It's realigning communications to look at the way the consumer sees it – as a flow of information from indistinguishable sources. Professional communicators have always been condescendingly amused that consumers called everything 'advertising' or 'PR'. Now they recognize with concern if not chagrin that that's exactly the point – it is all one thing, at least to the consumer who sees and hears it.

This definition also limits communication to only the customers.

Duncan and Caywood (*in* Thorstone & Moore, 1996:14) offer a definition compiled by Duncan that focuses more on relationship building with all stakeholders namely:

IMC is the process of strategically controlling or influencing all messages and encouraging purposeful dialogue to create and nourish profitable relationships with customers and other stakeholders.

Duncan and Caywood (*in* Thorstone & Moore, 1996:14) concluded that the evolution of IMC definitions has moved away from the literal integration of major communication functions under direct control of an organisation. It has expanded the concept of audience and placed more emphasis on long-term effects such as brand loyalty and maintaining relationships rather than just on impact. Duncan and Caywood (*in* Thorstone & Moore, 1996:14) also state that the adding of "stakeholders" to the definition has moved the concept beyond consumer target

audiences to include employees, stockholders, regulators, and all those who have a direct or indirect impact on organisational operations and profitability.

The question why organisations need to integrate their communications arises. Various authors highlighted trends that necessitated new ways of communication – moving from a single focus to a more integrated approach.

Duncan and Caywood (*in* Thorstone & Moore, 1996:15) identified certain market trends and changes that led to the adoption of integrated marketing communication, namely:

- ***Decreasing message impact and credibility:*** The growth of commercial messages led to decreased impact.
- ***Decreasing cost of using databases:*** Cost reduction and increased sophistication of audience segmentation has increased the opportunity for marketers to reach target audiences more efficiently.
- ***Increasing client expertise:*** Clients are no longer accepting TV advertising to be the primary medium for reaching consumers. They are also realising the importance of communicating to all other stakeholders and not just consumers.
- ***Increasing mass media costs:*** Database costs decreased but mass media, especially television increased.
- ***Increasing media fragmentation:*** The increase in different media (magazines and radio stations) increased the competition for consumers' attention.
- ***Increasing audience fragmentation:*** Computers and more sophisticated research methods led to more accurate segmentation of target audiences and in return led to greater emphasis being placed on finding the right media to effectively reach niche markets.
- ***Increasing number of “me-too” products:*** Retailers are being flooded with new products almost identical to existing products. This led marketing communication to create either a strong brand image and/or deliver enough commercial messages to gain attention and sales.
- ***Increasing power of retailers:*** Size and information provided with scanner data enabled retailers to be more assertive in the kind of products and promotions they want and when they want it.



the communication surrounding the organisation may become the driving factor that will increase sales and profits in the 21<sup>st</sup> century marketplace. This is because product differentiation might become impossible, the Internet and the Web equalise distribution and pricing and promotion can easily be matched. Organisations now have to rely on the value which the relationships built through communication with customers adds to their image and reputation. Schultz (1998) concludes that communication must therefore stop being a support activity and start being a strategic led function but adds that a few marketing communication organisations are prepared for this change.

It is clear from the above discussions on the evolution, definitions and the trends that IMC has received a considerable amount of attention. Pettegrew (2000) attributes this to IMC's strong intuitive appeal of it making sense. Pettegrew (2000) is however of the opinion that more emphasis is placed on the implementation than on the organisational barriers that might hinder its initial acceptance by an organisation. Pettegrew (2000) contends that the theory of IMC fails because of structural-functional barriers to its implementation. He contributes the greatest barrier in implementing IMC to the absence of direct support from the CEO and concludes that a substantive analysis of organisational barriers to the adoption of IMC must be advanced. It is therefore necessary to look at barriers to IMC in more detail.

**(a) Barriers to integration**

Schultz *et al.* (1993:155) believed that the major barrier to IMC is the resistance to change within an organisation. They also identified other basic organisational issues which must be resolved for IMC to work, namely:

***Planning systems and marketing thinking.*** Organisations have developed a structured approach to marketing planning. The reason for this was the movement towards financial analysis as the critical area of marketing. This resulted in a more 'inside-out' approach where planning is done on the basis of financial analysis. Schultz *et al.* (1993) blamed this approach on the unrealistic and ineffective marketing communication programmes of some organisations. They proposed an 'outward-in' approach that starts with the customer.

**Organisational structure as a barrier to IMC.** Schultz *et al.* (1993) have the view that the internal structure of U.S. organisations is a hindrance because of three reasons, namely (i) communications is seen as a low priority in most marketing organisations where advertising or promotion managers are located low in the organisational hierarchy (ii) vertical organisations are the norm in U.S. companies, although horizontal structures are needed, and (iii) functional specialists attempt to keep the communication programmes separate, and funds are allocated by functional speciality with little regard for the communication needs of either the organisation, or the customers.

The above barriers were identified in Schultz *et al.* (1993). Schultz (1999: 8) is still of the opinion that unsupportive organisational structures were primarily the reason for the failure of IMC. He contends that the greatest challenge in creating a global marketing and communication programme lies in the organisational structure. Unsupportive structures in the form of “command and control” organisation is not conducive to integrated marketing communications because it does not promote the combinations of activities, systems or people. He proposes that organisations must be structured, developed and designed around customers and customer groups and not around products, services, lines of business or SBU’s. He suggests that the way to go about it is to aggregate customers into groups that are similar in behaviour, attitude, needs and wants and someone must then be made responsible for the welfare of the group of customers by acquiring, increasing or maintaining income flows. This change to a customer-focused organisation forces marketing and communication people to become strategists and not just technicians.

Pettegrew (2000) supports Schultz (1999) by criticising Nike and Proctor and Gamble’s organisational structures as being an organisational barrier to integration. According to him Nike and Proctor and Gamble are marketing organisations that are organised around product marketing. He further uses Proctor and Gamble as an example of a “brand management” organisation where line and staff functions are situated within a company’s various products or brands. Staff communication functions such as public relations and employee communications are organised around and directly support each brand or group of brands. Pettegrew (2000) states that it is clear from the organisational chart that marketing dominates the top management levels of Proctor and Gamble, and concludes that although Nike uses



other forms of organisation its structure and function still emphasises the marketing of its products and services. Marketing decisions are made by the head of business units without the collaboration and central planning required by IMC. Pettegrew (2000) further highlights the fact that culture is ignored when it comes to the identification of organisational barriers to IMC. Some cultures might however be so strong and directed away from centralised control of communication, that it could hinder the implementation of IMC.

Other cultures might have a too narrow view of the communications function whereas the competition for resources in other organisational cultures might provide a barrier to the cooperation that is required by IMC.

Pettegrew (2000) is of the opinion that many organisations, especially during a crisis fail, to integrate their communication to all stakeholders. According to him adoption must precede implementation for IMC to be a reality in organisations.

IMC does make sense but so does the barriers to its implementation. Organisations need to be aware of the barriers before solutions can be explored. The next sub-section will look at possible solutions to IMC from the viewpoint of various authors.

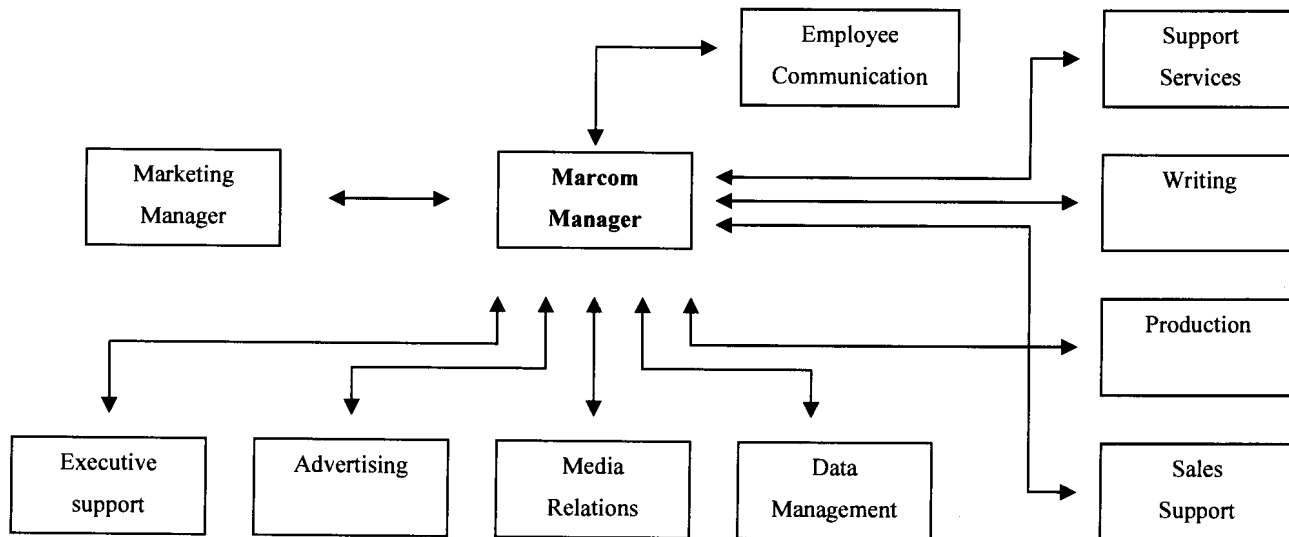
#### **(b) Organisational solutions to IMC**

Shultz *et al.* (1993: 165) identify three basic organisational structural changes that can be used to enable organisations to practice IMC. They use examples of organisational structures to explain the changes, namely:

##### **(i) Establishing a communications Czar**

There needs to be a central control in the hands of communication generalists who can see and understand the total communications programme for the organisation and can therefore develop basic communications strategies and basic communications programmes. The most common approach in establishing a communications central authority is the use of a marketing communications structure, or a 'marcom manager'. An example of this structure is illustrated in figure 4.2

**FIGURE 4.2 MARCOM MANAGEMENT STRUCTURE**



Source: Shultz *et al.* (1993: 165)

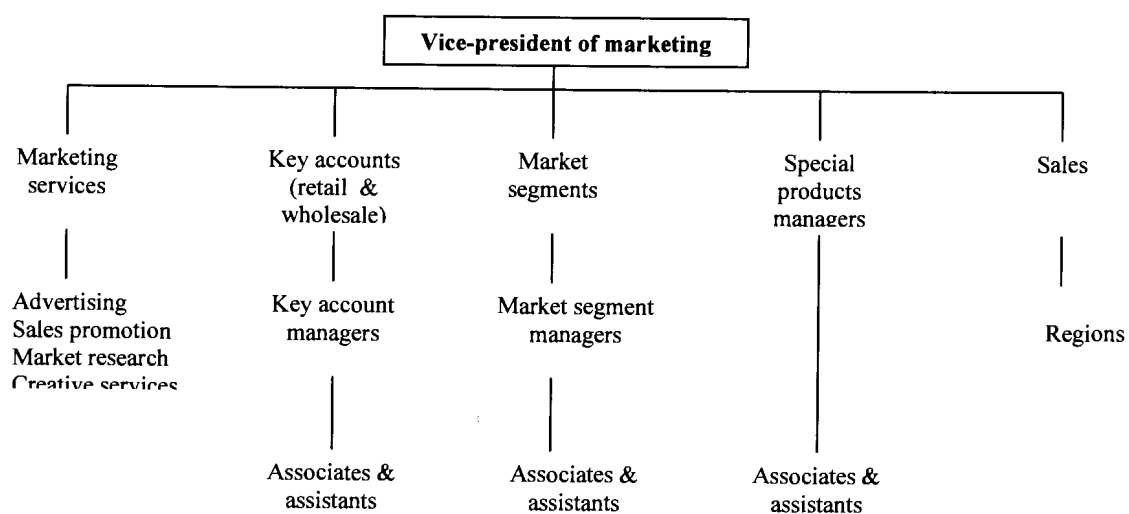
In figure 4.2 the marcom manager is depicted as the central controller of a broad array of communications specialists.

Working in combination with the marketing manager, the marcom manager plans the overall communications programme and initiates and controls the various types of marketing communications activities that are developed by the communications specialists (Shultz *et al.* 1993: 165). The organisation in figure 4.2 centralises the internal and external communications under the marcom manager. The functional specialists report back to the marketing manager through the marcom manager. This assures that all communication programmes have been co-ordinated and integrated. In a system such as the one depicted in figure 4.2 most of the communications programmes are generated in-house by a group of communications specialists. In other cases the organisation may work with outside specialists such as advertising or public relations agencies (Shultz *et al.* 1993: 165).

**(ii) Restructuring the organisation to become market-organised rather than brand-organised**

The second approach to implementing IMC according to Shultz *et al.* (1993: 169) involves the movement from a brand-focused to a customer-focused structure. The organisation moves from an external to an internal focus. An example of such an organisation is illustrated in figure 4.3

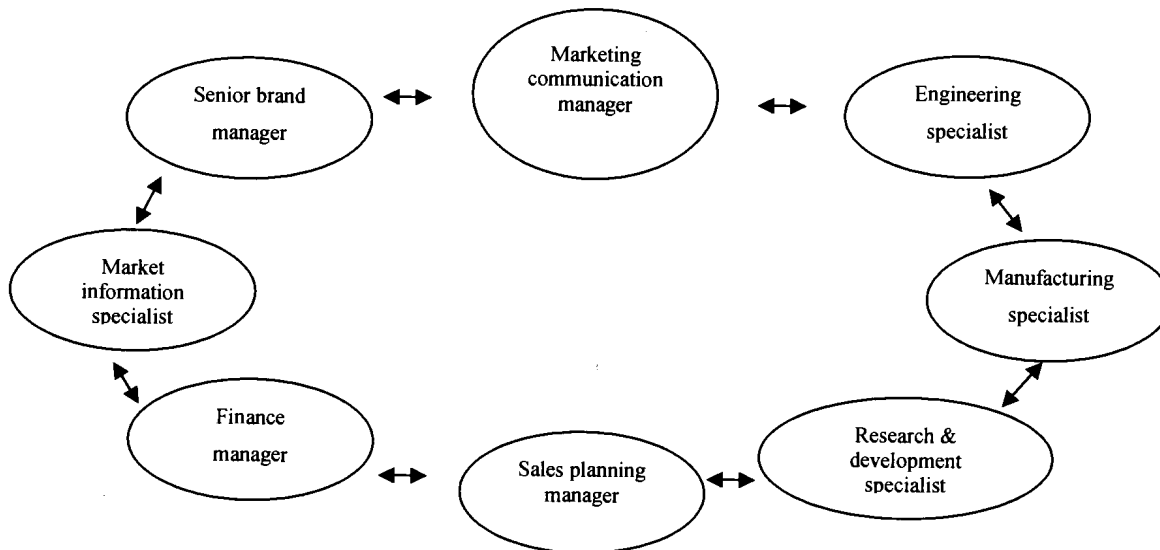
**FIGURE 4.3: MARKET FOCUSED ORGANISATION**



Source: Adapted from Shultz *et al.* (1993: 169)

In figure 4.3 it is clear that the main change from a brand-oriented to a market-oriented organisation in terms of structure is the focus on the customer or prospect and not on the brand. Thus, in a market-organised organisation the emphasis would be on how customers view the products, not on how the organisation manufactures them (Shultz *et al.* 1993: 169). According to Shultz *et al.* (1993: 170) the integrated marketing communications programme would be developed in the market segment group. They also illustrate the “team” approach to market segment marketing that is depicted in figure 4.4.

**FIGURE 4.4: MARKET SEGMENT MANAGEMENT**



Source: Adapted from Shultz *et al.* (1993: 170)

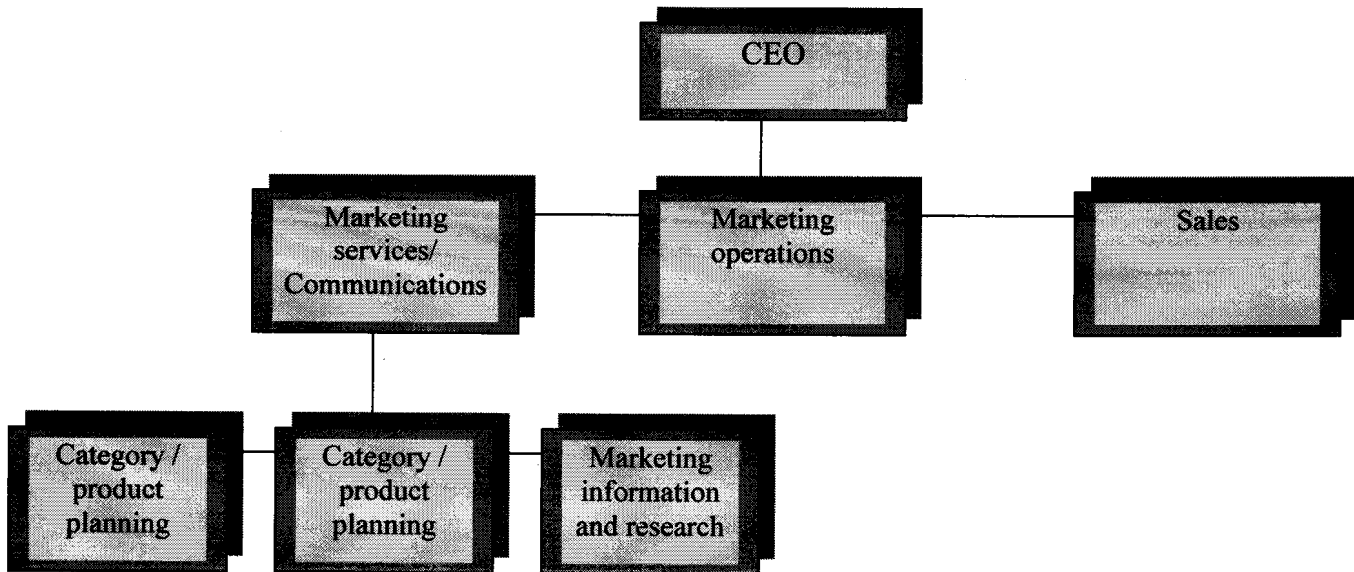
In figure 4.4 the team consists of a number of specialists who focus on a group of products. The specialists include all the functional specialists required to manage the brands that are in the market segment. Depending on the demands of the brands being managed, the group can be expanded or reduced to include other functional specialists as well. The rotating of the members of the team through the group rather than shifting from brand to brand or group to group represents the critical change in this approach. That way, team members can develop expertise in the market and brand. Although there is a marketing communication specialist, marketing communication is the responsibility of the group. The group therefore plans and co-ordinates all the marketing communications for the brands that it represents to all the markets it served.

The control lies within the group that is responsible for both external and internal communications and this approach can accommodate the use of outside functional expert groups such as advertising or public relations agencies (Shultz *et al.* 1993: 171).

### (iii) Revision to brand management

Shultz *et al.* (1993: 171) propose a structure as an alternative to the brand management system depicted in figure 4.5.

**FIGURE 4.5: REVISION TO BRAND MANAGEMENT**



Source: Adapted from Shultz *et al.* (1993: 171)

In figure 4.5 all the middle management layers (division managers, group managers) have been eliminated. A direct relationship exists between the marketing managers and the CEO. The management team comprises of the managers of each group plus the CEO. Sales are responsible for the face-to-face contact and the selling of the product. Marketing operations are responsible for all manufacturing and production of the product. Marketing services/communications consist of three groups as shown in figure 4.5. In this type of structure the category/product planning is responsible for long-term planning and strategic development of the brand.

The product implementation group is responsible for the ongoing day-to-day marketing and communications activities and the research group is responsible for all market, consumer, and retail information that the group needs. All three groups work together to develop the annual marketing and communications plan. All marketing activities, including all types of communication are centralised in the implementation group. They are therefore able to develop IMC programmes and since the groups are focused on categories, it will result in the necessary Outside-In view.

Pettegrew (2000) also explored certain conditions that must be present for IMC to be adopted effectively by an organisation and made certain recommendations for the adoption process to be effective.

- The IMC concept must be implemented systematically and simultaneously at all levels and functions of an organisation.
- The CEO must voice direct support for adopting IMC.
- Structural and functional issues must become a critical component of any effective IMC programme. The establishment of a communications czar is necessary to be the conscience of the IMC implementation effort (agrees with Schultz *et al.* (1993).
- Any IMC programme must be adapted to the unique character of a particular organisational culture. An IMC programme must reflect the unique culture in which it operates as a “one-size-fits-all” approach does not work.
- Traditional business’s narrow IMC successes must not be used as examples as they failed to exemplify country-wide integration.

Instead of a definition, Pettegrew (2000) also offer “conditions” that must be met in order for an organisation to accurately reflect the practices of IMC, namely:

- It must speak to all stakeholders with a “single consistent” voice.
- It must assume the consumer’s point of view.
- Its strategic communications disciplines must be internally integrated.
- It must have a clear and consistent message that is more efficient and effective than competing messages.
- Its message must cut through the increasingly cluttered commercial landscape.
- It must foster a two-way dialogue between consumers and itself.
- It must build bonds that lead to long-term consumer-to-brand relationships.
- It must not place excellent marketing ahead of corporate reputation.

From the above discussions on barriers and solutions to IMC implementation it can be surmised that it is a complex issue to integrate all communication efforts in an organisations and one needs to have a holistic approach.

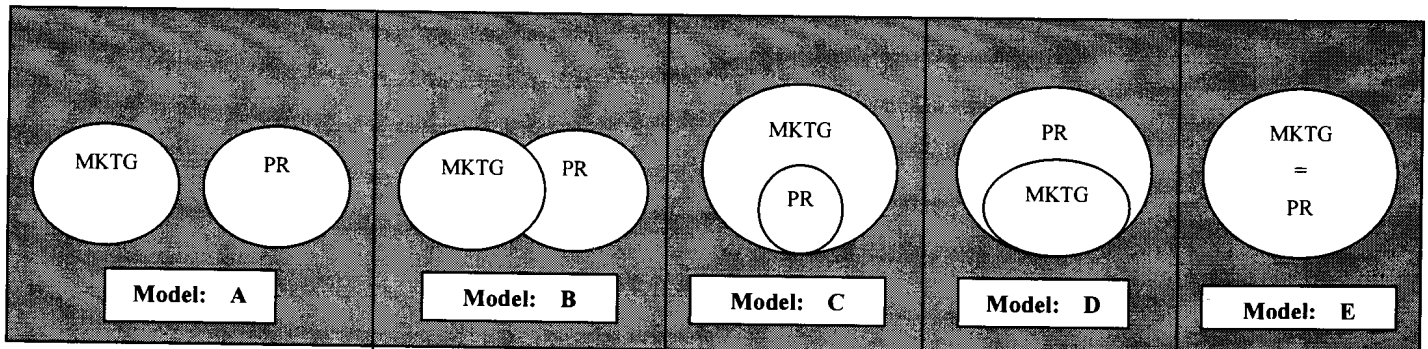
Schultz *et al.* (1993) proposed three organisational structural changes that can be used to enable organisations to practice IMC. Based on the three solutions certain factors that will apply to this research study needs to be highlighted. Figure 4.2 emphasised the role and responsibility of a central communication authority needed to integrate communication. Schultz *et al.*'s (1993) structure again excludes the other important stakeholders. They include employees and the media but leave out the others. Pettegrew (2000) also proposed valuable conditions needed for IMC but again focus more on the consumer although he mentions that IMC must speak to all stakeholders. Certain limitations still exist in the solutions proposed to an IMC structure so far. Other models therefore need to be explored.

Various well-known authors on the topic of IMC and IC have proposed different models. It is the primary objective of the research to propose a framework for structuring the communication function to encourage integration and it is therefore necessary to evaluate each model. The models were constructed to explain the integration of communication in an organisation. Earlier models by Kotler and Mindak (1978) tried to explain the relationship between marketing and public relations. Kotler and Mindak (1978: 15) were among the first to address the relationship between marketing and public relations. Before the discussion on the models of IMC and IC a brief overview will be given of the earlier models of Kotler and Mindak (1978) as they will be tested in the empirical part of the study.

- **Kotler and Mindak's (1978) models of public relations and marketing**

Kotler and Mindak (1978: 15) first analysed the evolution of the two functions before they conceived five different models for viewing the relationship between marketing and public relations. Kotler and Mindak (1978: 17) developed five different models for viewing the relationship between marketing and public relations illustrated in figure 4.6

**FIGURE 4.6: MODELS OF POSSIBLE RELATIONSHIP BETWEEN MARKETING AND PUBLIC RELATIONS**



Source: Adapted from Kotler and Mindak (1978: 17)

**Model A: Separate but equal functions**

This model represents the traditional view of the two functions because they are different in their perspectives and capacities. Marketing exists to sense, serve, and satisfy customer needs at a profit. Public relations exists to produce goodwill with the organisation's various publics so that these publics do not interfere in the organisation's profit-making ability (Kotler and Mindak, 1978: 17).

**Model B: Equal but overlapping functions**

Another school of thought is represented in this model that states that while marketing and public relations are important and separate functions, they share some common terrain. The common terrains identified by Kotler and Mindak (1978: 17) are product publicity and customer relations.

**Model C: Marketing as the dominant function**

According to Kotler and Mindak (1978: 18) some marketers advance the view that corporate public relations should be placed under the control of the corporate marketing department. The marketers argue that public relations exists essentially to make it easier for the organisation to market its products and argues that public relations is unable to measure its contribution in terms of profit.



**Model D: Public relations as the dominant function (D)**

According to Kotler and Mindak (1978: 18) in some quarters marketing can also be viewed as being a sub function of public relations. The argument revolves around the fact that the organisation's future depends critically on how it is viewed by its key publics, including stockholders, financial institutions, unions, employees, community leaders as well as customers. The task of the organisation is therefore to satisfy these publics as much as possible. Satisfying the customer is seen as just one part of the task.

**Model E: Marketing and public relations as the same function (E)**

In this last model the two functions are viewed as rapidly converging in concepts and methodologies. They are both concerned with publics and markets, and recognise the need for market segmentation; acknowledge the importance of market attitudes, perceptions, and images in formulating programmes; and the primacy of a management process consisting of analysis, planning, implementation, and control (Kotler and Mindak, 1978: 18).

Kotler and Mindak (1978: 1) concluded that the divisions separating marketing and public relations are breaking down. The best way to solve a marketing problem might be through public relations activities and the best way to solve public relations problems might be through the disciplined orientation that marketing provides. Marketing and public relations have managed to establish themselves as essential corporate functions. As organisations undergo increased regulation and pressure from interest groups and government agencies, new patterns of operation and interrelation can be expected to appear in these functions (Kotler and Mindak, 1978: 20). Their models will be tested in the empirical part of this study to determine South African organisations' viewpoint on the relationship between marketing and public relations.

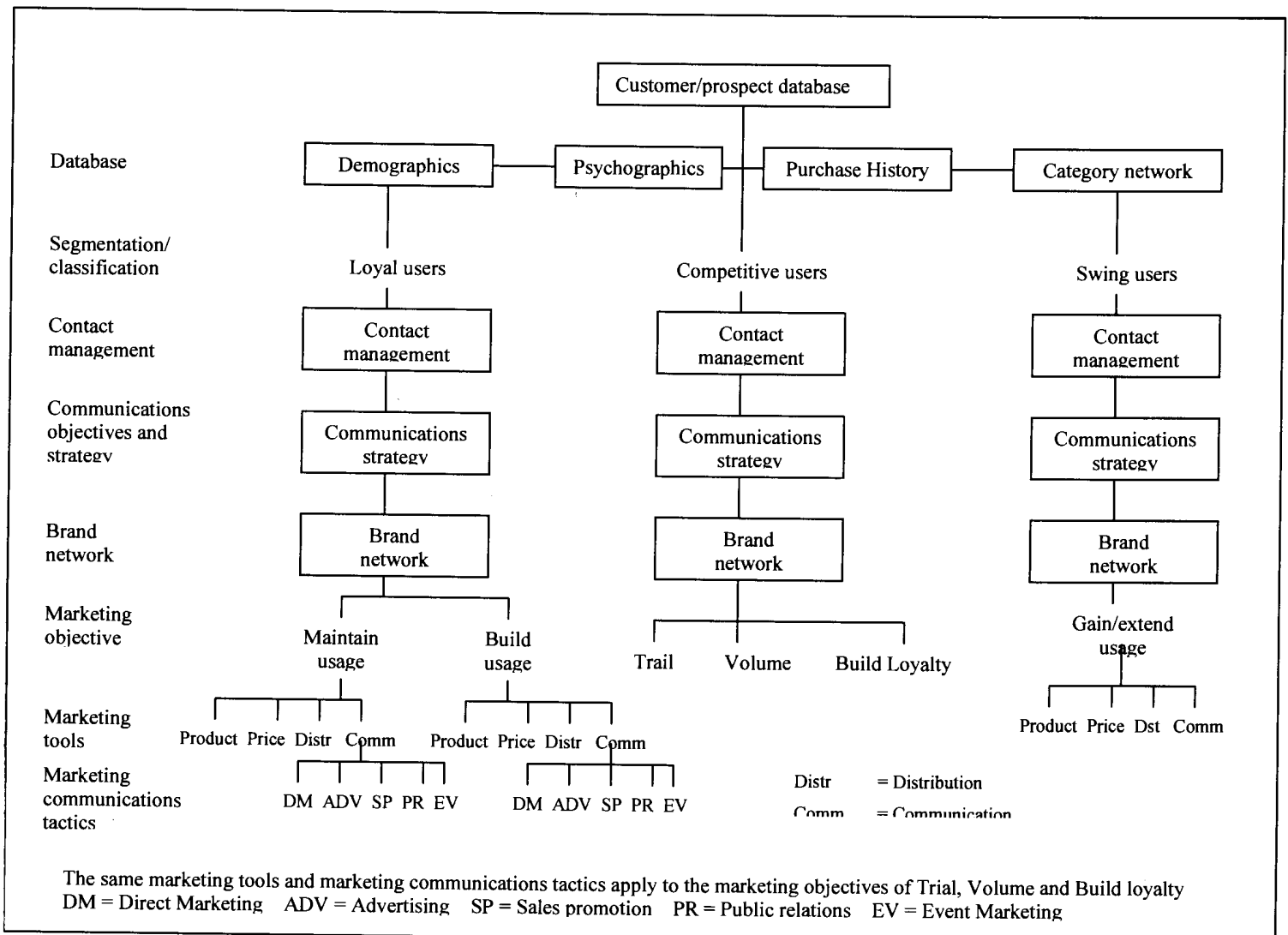
The integration of marketing communication illustrates that the prediction made by Kotler and Mindak (1978) on the break down of divisions has become a reality. The various models of IMC and IC will be discussed in the next section.

### 4.3.3 Models of IMC and IC

#### (a) The Integrated Marketing Communications Planning Model – Schultz *et al.* (1993)

Schultz *et al.* (1993: 50) based the effectiveness of an integrated marketing communications programme on the planning model illustrated in figure 4.7.

**FIGURE 4.7: INTEGRATED MARKETING COMMUNICATIONS PLANNING MODEL**



Source: Schultz *et al.* (1993: 50)

Schultz *et al.* (1993: 50) build their model upon the usage of a database. They call the model “idealised” because not all organisations have reached this point in database analysis. As depicted in figure 4.7 the database should contain data such as demographics, psychographics, and purchase history. Schultz *et al.* (1993: 50) see attitudinal information such as the customer’s category network and how consumers associate the products they use, as vital for a solid integrated marketing communications approach. They view their model as being different from other models proposed because it focuses on the customer, consumer, or prospect and not on sales and profit goals.

Another way in which their model differs from the rest is that they use customer and prospect behaviour whenever possible as a first segmentation approach. The next step in their planning model is contact management. It is based on the idea of finding a time, place, or a situation in which the customer/prospect can be communicated with. They believe that because of information overload and marketing communication clutter, the most critical variable in the process is how and when contact can be made (Schultz *et al.* 1993: 51).

Next follows the development of a communications strategy. It involves the message that is to be delivered given the context (contact management) in which it will appear. The objectives of communication are stated and based on these specific marketing objectives for the integrated marketing communications, plans are defined. The next step is then to determine which of the marketing tools should be used to achieve the marketing objectives. The last step will be to select the various marketing communications tactics that will help achieve the communication goals set earlier. Schultz *et al.* (1993: 51) are of the opinion that the key ingredient in their integrated marketing communication planning approach is that all forms of communication are designed to achieve agreed upon objectives. Because of this, they conclude that they have turned all forms of marketing into communication and all forms of communication into marketing and in the process they have integrated all their messages and goals.

Schultz *et al.* (1993: 51) conclude that the real value of their integrated marketing communications process is that it is circular in nature.

The responses of the groups of customers or prospects need to be measured and therefore ensuring a commitment to two-way communication. The responses are then stored in the database where they can be evaluated. In the next planning cycle these responses can be used to adjust the next plan. Thus the marketer develops the communications programme, the customer responds, information is generated, the marketer adapts to the customer's needs and wants and the cycle starts again. Schultz *et al.* (1993: 52) see it as “relationship marketing at its best” where integrated marketing communications develops a win-win situation for the marketer and the customer or prospect.

An element that adds value to the model is the use of database marketing to manage information about customers. The database is becoming more important to communication managers faced with an ever-growing amount of information they have to deal with. The model does not however support the two-way symmetrical view of communication in the sense that the communication process is portrayed as one-sided, i.e. one side transmits signals (messages) and the other side receives these. The authors emphasise, though, that integration means “eliciting a response, not just conducting a monologue”. This does not make the communication process symmetrical: the communication is now seen as the process through which the participants achieve mutual understanding and not just responding to communication.

The use of a database to manage information will be considered in addressing the primary objective. The usage of a database will however be expanded to include all the stakeholders of an organisation.

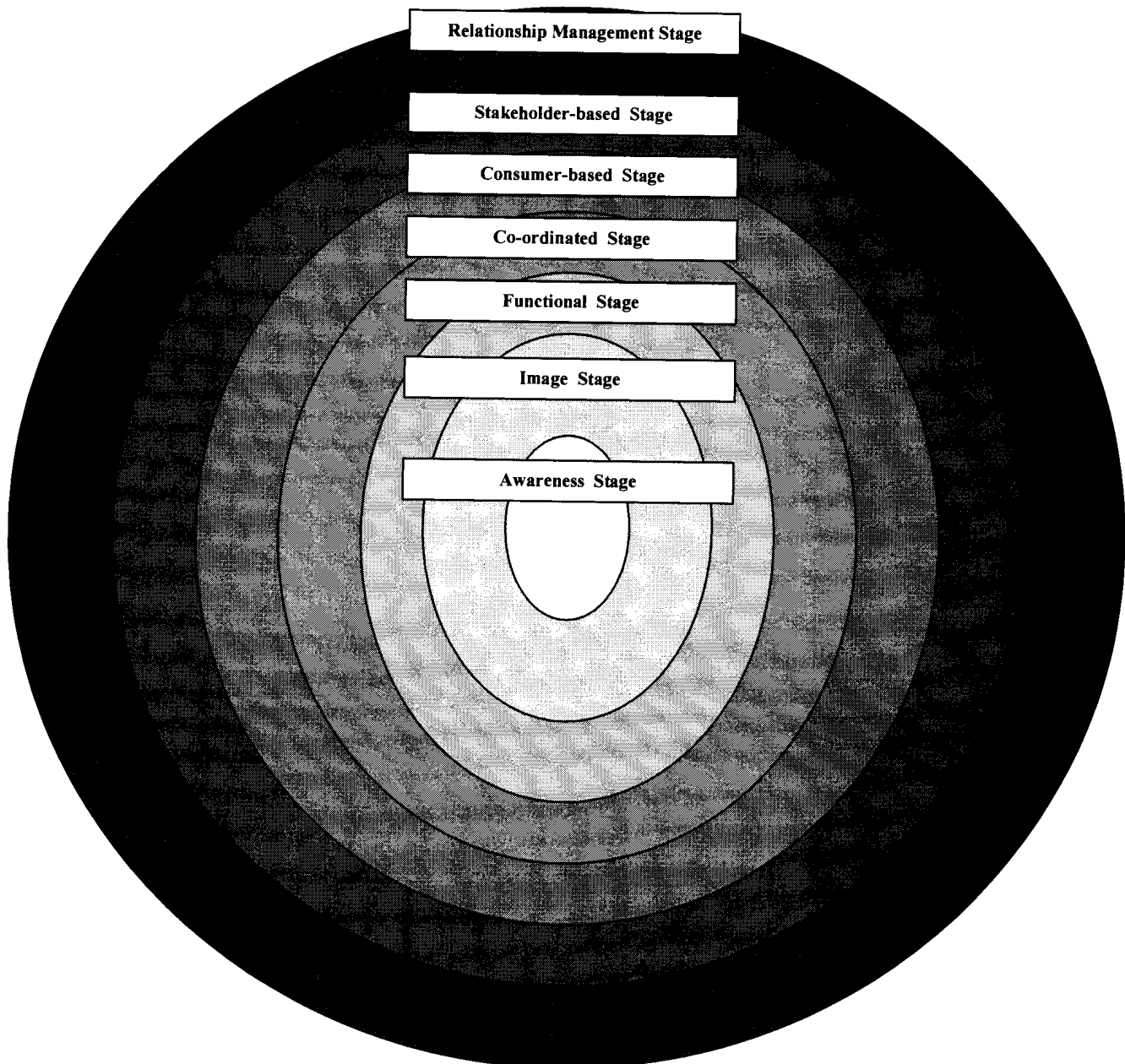
The next model of Duncan and Caywood (*in* Thorson & Moore, 1996) takes on a different approach by focusing on the different stages of IMC.

**(b) Evolutionary Integrated Communications – Duncan and Caywood (*in* Thorson & Moore, 1996)**

Duncan and Caywood (*in* Thorson & Moore, 1996:22) use circles to emphasise the equal nature of each stage as opposed to the other. It is a more realistic model in the sense that it does not focus on the “ideal situation” but bridge the gap between the present and the ideal by providing ideas of how to get there.

They are of the opinion that IMC begins with awareness and may advance through various stages and visualise the model by using a set of concentric circles where it moves progressively from the first stage of awareness to the final stage of “general management integration”. The model is illustrated in figure 4.8.

**FIGURE 4.8: EVOLUTIONARY INTEGRATED COMMUNICATIONS**



Source: Adapted from Duncan and Caywood (*in* Thorson & Moore, 1996:22)

The model depicted in figure 4.8 is circular and not a pyramid indicative of the perception that one stage is superior to another. Instead, each stage of integration may build on the experience of the previous stage and each organisation finds the stage that best fits its current management, market, and environmental situation. Duncan and Caywood (*in* Thorson & Moore, 1996:23) conceived the stages of integration to be the following:



1. Awareness.
2. Image integration .
3. Functional integration.
4. Coordinated integration
5. Consumer-based integration
6. Stakeholder-based integration.
7. Relationship management integration.

At each stage the communications strengths and weaknesses of advertising, promotions marketing, direct response marketing, marketing public relations, and corporate public relations are weighed and balanced to create the right mix (Duncan & Caywood, *in* Thorson & Moore, 1996:23). They are of the opinion that a fully integrated strategy will permit each form of communications to contribute to the success of the corporate mission. Each stage identified by Duncan and Caywood (*in* Thorson & Moore, 1996:23) will now be discussed.

**(i) Stage 1: Awareness**

New business systems have to respond to the market due to demand created by the awareness of the changing business, social, technological, political, and cultural environments. According to Duncan and Caywood (*in* Thorson & Moore, 1996:23) in the awareness stage it is assumed that change will reinforce the opportunity for developing a integrated marketing and management system.

**(ii) Stage 2: Image Integration**

The value of having a consistent message, look, and feel for an organisation is highlighted in this stage. The contend that although not a full range of marketing communications is needed for all market challenges, the visual and verbal consistency might prove to be an important stage in developing internal co-operation among advertising, sales, public relations, and other areas of communications.

**(iii) Stage 3: Functional Integration**

A greater degree of involvement among the separate areas of communications responsibilities is emphasised. The strengths and weaknesses of each of the functional communications areas are strategically analysed in the beginning of this stage (Duncan & Caywood *in* Thorson & Moore, 1996:26). A wider range of services on offer are permitted in this stage through the “cross-selling” of services among agencies providing public relations, advertising, sales promotions, or direct marketing.

**(iv) Stage 4: Coordinated integration**

In this stage the potential of all communications functions is equal in contributing to the marketing effort. The previous negativity or positivism associated with each field has been reduced. The opportunity for each of the communications functions to drive the communications effort will depend on the marketing goals and objectives. Each functional speciality must co-operate in the development of a communications programme and shared budgets, shared performance measures, and outcomes rule the process. The emergence of a database might also be observed at this stage. Initially it may only consist of simple contact information such as names, addresses, phone numbers, but the database will continuously be extended through marketing-driven contacts (Duncan & Caywood *in* Thorson & Moore, 1996:29).

**(v) Stage 5: Consumer-based integration**

The elements are starting to work together at each mastered step of integration. Now, only the fully targeted customers are reached with the strongest and most effective media. Marketing is being planned from the outside in and both customers and prospective customers are the focus. Customers’ contact points with the brand and the organisation are uncovered through research and all contacts are considered to be a form of marketing communications. The consumer-orientations of marketing can now be fulfilled with an integrated strategy that focuses on the communications-stimulated behaviour of the customer (Duncan & Caywood *in* Thorson & Moore, 1996:30).



**(vi) Stage 6: Stakeholder-based integration**

The successes of each stage may lead to new dimensions in the next stage according to the evolution of integration. Numerous other stakeholders beyond customers and the consumer also have a stake in the outcome of the success or failure of an organisation. At this stage the scope is extended beyond a merely profitable promotional and sales-driven orientation. Integrated marketing communications move to a more broadly defined integrated communications as it expands the communications to other stakeholders. The element of equity suggests that the strongest elements of social responsibility that drives the organisation to broaden its communications emerges in a more matured integration programme. The starting point of integrated communications is stakeholder identification. The process then demands monitoring and tracking of their actions that will be relevant to the organisation. During the first five stages the full role of public relations might have been limited but the sixth stage demands a fully integrated corporate communications function. Communications at the corporate stage of integration must include employees, the media, community leaders, investors, vendors, suppliers, competitors, and government (Duncan & Caywood *in* Thorson & Moore, 1996:32).

**(vii) Stage 7: Relationship Management Integration**

The development of a fully integrated communications strategy to reach customers and all stakeholders brings communications professionals into direct contact with the full range of management functions in businesses and other complex organisations. Integration implies that communications be regarded as a strong element in the total management process. The process has therefore become a full range of relationship management, internally and externally. The role of communications professionals in a fully integrative model changes from staff to management (Duncan & Caywood *in* Thorson & Moore, 1996:33).

The value of the model for South African organisations lies in the evolutionary stages of the model. This model will help these organisations to re-design their processes to be able to meet the challenges of integration. This model also places more emphasis on the other stakeholders

and not just the customers. Customers are very important stakeholder groups but the value of other stakeholders is also emphasised.

In managing communications with all relevant stakeholder groups the use of databases becomes more important. Duncan and Caywood (*in* Thorson & Moore, 1996:33) argue strongly for such databases that represent not only marketing databases but rather stakeholder databases, storing information about a company's stakeholder groups. Emphasis is placed on the whole organisation to regard integrated communications as a central element in the management process.

In proposing a framework for structuring integrated communication the emphasis in this study will be mostly on stage 6 and stage 7 in the above model. Stages 1-5 serve as good reference to organisations that want to move progressively towards integrated communication. The proposed framework will however assume that organisations have already moved through the stages and are now ready for the stage of stakeholder-based integration and relationship managed integration.

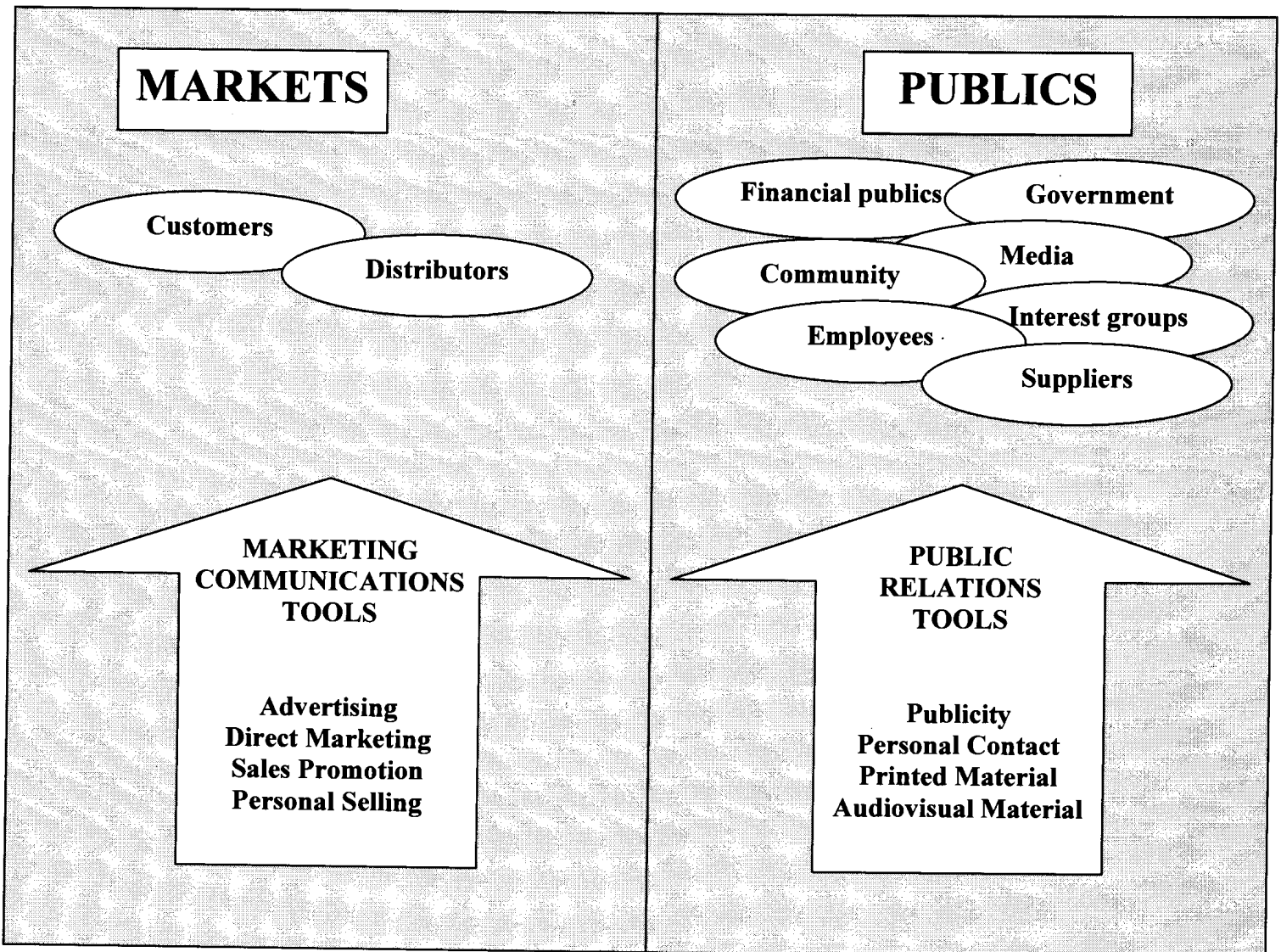
Gronstedt's (1996) proposed stakeholder relations model takes the idea of stakeholder orientation even further.

**(c) A Stakeholder Relations Model: (Gronstedt in Thorson & Moore, 1996).**

Gronstedt (*in* Thorson & Moore, 1996:287) first discusses the areas of overlap between marketing communications and public relations and then proposes an integrated approach to these functions.

To put the relationship between marketing communications and public relations into perspective Gronstedt (*in* Thorson & Moore, 1996:287) reviews and critiques how the two functions traditionally have been defined and distinguished. Figure 4.9 is a schematic depiction of the distinction between public relations and marketing communications.

**FIGURE 4.9: THE TRADITIONAL MODELS OF MARKETING COMMUNICATIONS AND PUBLIC RELATIONS**



Source: Adapted from Gronstedt (in Thorson & Moore, 1996:291)

Gronstedt (*in* Thorson & Moore, 1996:288) is of the opinion that the two defining traits of public relations are that it addresses publics by using public relations tools, such as news releases, annual reports, and newsletters, and that public relations practitioners have traditionally relied on publicity and uncontrolled media in their communication to publics but that hard sell marketing methods are normally considered inappropriate in public relations.

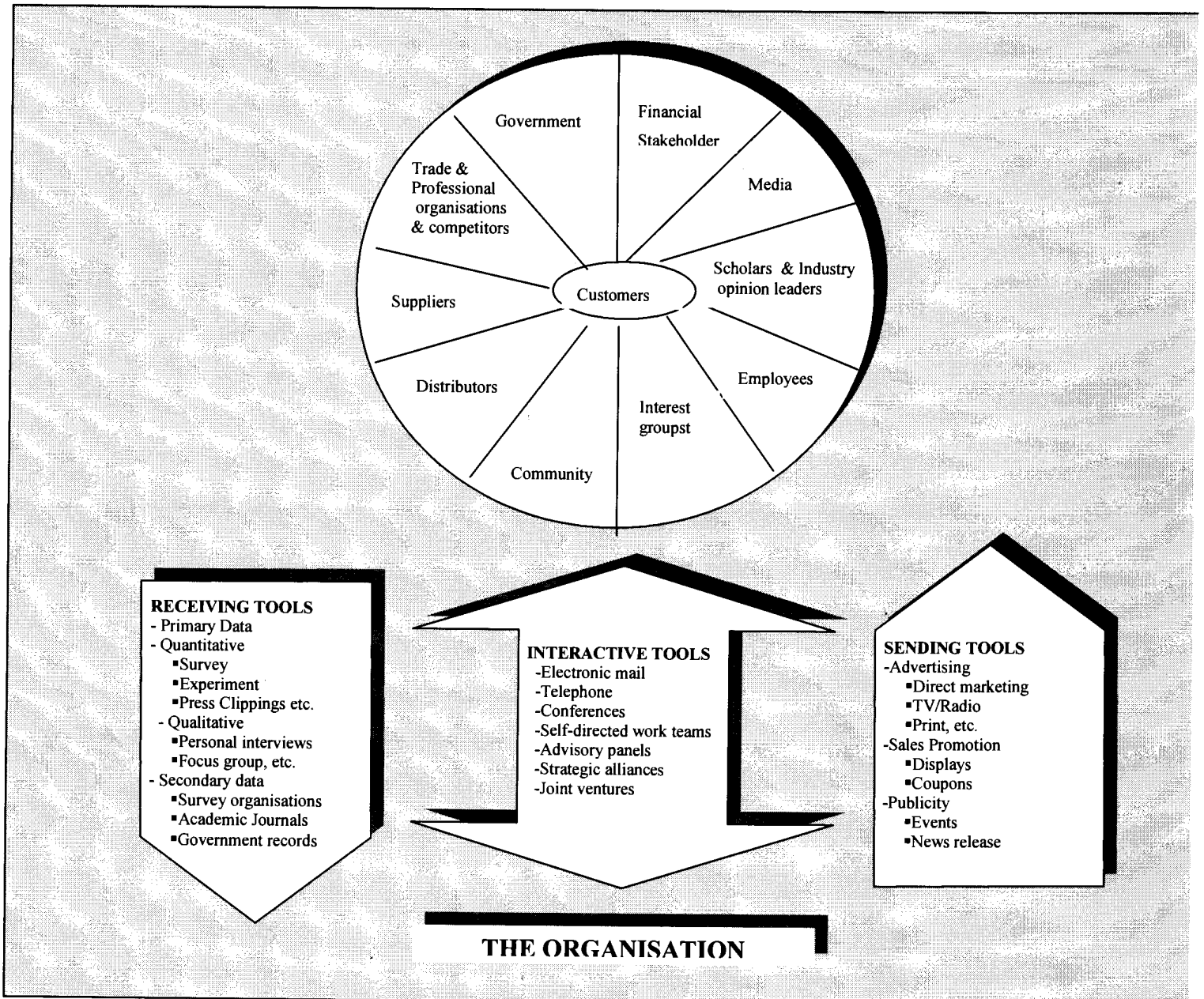


Marketing communications on the other hand was conventionally defined in similar sender-receiver terms. A few audiences consisting of markets are addressed with a limited set of communication tools such as paid mass media outlets, sales promotion, and personal selling.

Gronstedt (in Thorson & Moore, 1996:289) offers critique on the traditional models and base his thinking and his “stakeholder relations” model on the criticism that “the divisionalising of the communications responsibilities into narrow disciplines has created communication technocrats.” Gronstedt (in Thorson & Moore, 1996:289) bases his first critique on the traditional views illustrated in figure 4.9 on the argument that markets and publics are interacting and overlapping systems that cannot be treated in isolation. His second critique highlights the cross-over between the communicative tools of public relations and marketing. He concludes that the boundaries between public relations and marketing communications are eroding and that public relations is evolving from a press-agentry publicity role into a managerial communications function just as marketing is evolving from a sales function to a strategic marketing management discipline. The distinction between the two functions is also blurring because of the broadening of definitions in the sense that public relations practitioners are addressing markets and marketers are addressing publics.

Gronstedt (in Thorson & Moore, 1996:291) presents a model that explains and unites the main dimensions of public relations and marketing communications and offers an approach to integrated communications. The model is illustrated in figure 4.10.

**FIGURE 4.10: A PROPOSED INTEGRATED COMMUNICATIONS MODEL**



Source: Adapted from Gronstedt (in Thorson & Moore, 1996:291)

In figure 4.10 the circle is representative of the merger of public relations' target audiences of publics and the marketing audiences of markets. The arrows illustrate the joining of the sending tools (marketing and public relations), the receiving or research tools, and interactive tools.

Gronstedt (in Thorson & Moore, 1996:292) uses the following working definition to represent the integrated communications model:

Integrated communications uses an appropriate combination of sending, receiving, and interactive tools drawn from a wide range of communication disciplines to create and maintain mutually beneficial relations between the organization and its key stakeholders, including the customers.

The component parts of the model illustrated in figure 4.10 will now be entertained:

### **(i) Stakeholders**

The circle is representative of the fact that every organisation is linked to a complex system of interrelated individuals and organisations who have a stake in the organisation. Gronstedt (in Thorson & Moore, 1996:292) uses the definition of Freeman (1984) to define stakeholders, namely “any group or individual who can affect or is affected, by the achievement of an organization’s purpose”. Gronstedt (in Thorson & Moore, 1996:292) places the customers in the centre of the circle as he sees good relationships with customers as the essence of any successful performance by an organisation. In the model in figure 4.9 all other “generic categories” of stakeholders are attached to the customer to illustrate the point that all the stakeholder groups “have consequences for the customer”. The integrated communications approach treats the communication with each stakeholder in the outer circle as an integral part of the customer communication because the customer can be addressed through communication with other stakeholders.

Gronstedt (in Thorson & Moore, 1996:295) argues that all stakeholders are interdependent and that their action or inaction has consequences for other stakeholders, hence it is likely that changes in one group of stakeholders will trigger changes in others. Bearing this in mind, he emphasises that “the integrated communications approach builds on this interdependency by co-ordinating communication activities with the entire web of stakeholders.”

Stakeholders do not only interact with each other, in many cases they overlap. Apart from that, multiple stakeholder roles are becoming increasingly common. This observation requires a re-conceptualisation of the traditional notions of a target market. Instead of simply defining a target audience based on demographic data, the communicator is responsible for establishing and maintaining relationships with *other* important stakeholders

**(ii) Integration of the receiving tools**

Gronstedt (in Thorson & Moore, 1996:295) is of the opinion that a dialogue approach is required to be able to integrate communications activities with all the stakeholders where they are recognised as receivers as well as senders of information. Through the use of receiving tools, depicted in the left arrow of figure 4.9, the stakeholders can be treated as senders of information. Multi-methodological research tools are necessary due to the diverse nature of the audiences and the sending tools employed in integrated communications. The integrated communicator can use research tools to evaluate the stakeholder's perceptions of the organisation, and the integrated communicator is therefore interested in the insights into the thoughts and behaviours of stakeholders and not just to "fine tune their single communicative tool's ability to manipulate a single target audience" (Gronstedt in Thorson & Moore, 1996:296).

**(iii) Interactive tools**

Examples of the tools are shown in the middle two-way arrow in figure 4.9 and represent tools from both marketing and public relations that facilitate a two-way dialogue between the organisation and its stakeholders. Interactive tools facilitate a two-way dialogue between an organisation and its stakeholders, which are active, interactive, and equal participants of a continuous communication process. The goal of such communication processes is to establish lasting relationships (Gronstedt, in Thorson & Moore, 1996:297).

#### (iv) Integration of the sending tools

The appropriate sending tools can be selected once the integrated communicator has identified the key stakeholders and establish communication objectives for each group of stakeholders. An optimal mix of sending tools for each identified group of stakeholders is required for effective communications. The tools may be drawn from any communication discipline and examples are illustrated in the right arrow in figure 4.9. Once a mix of sending tools has been selected, the next step is to apply them together based on the three key elements of integrated communication: consistent message and image, common creative elements, and co-ordinated *timing*. Gronstedt (in Thorson & Moore, 1996:298) argues that, “integrating messages, creative elements, and timing will cause the sending tools to enforce each other synergistically. The totality will have a better effect than the sum of the discrete events.”

Gronstedt (in Thorson & Moore, 1996:302) summarises the need for an integrative approach to communications as follows:

The theory of integrated communications recognizes that organizational communication is too complex and interactive to be fractionalised into insular disciplines. This interdisciplinary theory inserts the various communication disciplines into a holistic perspective, drawing from the concepts, methodologies, crafts, experiences, and artistries of marketing communications and public relations. Specialists in certain communicative tools will still be in demand, but instead of being solo performers, they will find themselves being instrumentalists in an orchestra, under the conductorship of the integrated communicator.

First, the central idea to this model is that a manager will use that tool that promises the highest success in a given situation, i.e. that tool with which the set goals and objectives can best be reached. It is of no importance whatsoever to which function such a tool would traditionally be attributed.



Second, a stakeholders' perspective is emphasised. To stakeholders it is irrelevant where a message originated from they will attribute the message to the sender, in this case the organisation.

The value of the Duncan and Caywood model (section 4.3.3b) and the Gronstedt model lies in combining the two. Organisations can first determine where they are in terms of integrating their communications efforts by applying the Duncan and Caywood model and then apply the stakeholder relations model of Gronstedt.

Hunter also reviewed various models and theories of integrated communications before proposing his own framework.

#### **(d) Hunter's models for integrated communications**

Hunter (1997) did an extensive investigation into the issues surrounding the corporate implementation of an IC structure, and developed a five stage model for integration, namely

1. Co-ordination and co-operation between public relations and marketing.
2. Public relations and marketing are perceived as equally important by members of the organisation, especially by top management, regardless of their organisational relationship.
3. Marketing communications is moved from the marketing department to the public relations department, which will be known as the communications department. The communications department will consist of three subdivisions: marketing communications, corporate communications, and internal communications.
4. Communications and marketing are placed on a hierarchical level immediately below the CEO, and both functions have their senior officer in the dominant coalition.
5. Integration of the communications function into the relationship management approach as proposed by integrated communication (IC) scholars such as Tom Duncan and Clarke Caywood. Consulting relationship should exist between the marketing department and the subdivision for marketing communication.

Stage one and two lays the foundation for the organisational culture that is essential for the implementation of stage three. In stage one it is assumed that public relations and marketing are organised in two distinct departments. This stage encourages the two functions to work together in serving the organisation's communication needs (Hunter, 1997: 179). In stage two Hunter (1997: 179) contends that, "public relations is usually hardly regarded as a profession nor as a strategic management function and will not be regarded as equally important by members of the organisation". He therefore suggests that in order to progress successfully to stage two public relations practitioners must achieve the status of skilled communication managers that have a basic knowledge of marketing and management.

Hunter (1997: 179) discusses in stage three that the marketing communications responsibilities must be handed over to the public relations department. The marketing department will in the process no longer control advertising and direct marketing but would focus more on analysing consumer-markets and engage in long-term strategic planning. The new division would be called the communications department consisting of three subdivisions, namely marketing communications, internal communications and corporate communications. Hunter (1997: 180) is proposing a matrix organisation where marketing communicators would be responsible for fulfilling the interests of both the marketing and the communications department. Internal communication in this case refers to all the communication activities within an organisation, horizontal within a department, vertical between management and employees, communication between departments, and any other forms of communication in an organisation. Hunter (1997: 180) proposes that there needs to be a matrix relationship also with the human resources department.

Stage four requires that marketing and communications departments are placed on the same hierarchical level and that both functions have their senior officer in the dominant coalition. Marketing and communications will therefore be equally represented in management decision-making. Stage four builds on the completion of stage two, where marketing and public relations are being viewed as equally important elements in the fulfilment of the organisation's strategic mission (Hunter 1997: 183).

Finally, Hunter (1997: 185) suggests that the communications departments should implement the relationship management processes put forward by Duncan and Caywood (discussed in section 4.3.3b). This stage also recognises the need for the integrated communications department to develop relationships with the other organisational functions such as manufacturing and human resources to create a totally integrated organisation. He emphasises that experts of the various specialised fields of communication need to work together in selecting the tools that promises the highest degree of effectiveness for synergies to be created so that the total communications effect can be higher than the sum of its parts.

Hunter (1997) however revised his initial model of 1997 discussed above, in a further study by stating the following:

What does the term "integrated communications" refer to today? It refers to an approach to communication management that no longer separates or divisionalises the communication function. Viewed from the stakeholders' perspective, such a separation is irrelevant. The average stakeholder could not care less whether a communication originated in a public relations or an advertising department. He or she will merely recognise that the organisation is attempting to engage in some form of communicative interaction.

The above statement represents the first characteristic of IC that Hunter (2000) identified.

The characteristics of IC identified by Hunter were discussed in chapter 1 section 1.7.2. The characteristics will form an important part of this study and will therefore be mentioned briefly.

The second characteristic of IC is a stakeholder's orientation. Organisations need to look at stakeholders and determine what kind of communication they might need to satisfy the stakeholder's interests. The integrated communicator must then manage communication in such a way that it will adhere to the expectation of the stakeholders in terms of communication. To do so an integrated communicator must use the instruments that promise the most success in reaching this goal, which is the third important characteristic of IC.

Hunter (2000) is however of the opinion that IC is too complex for managers to remember the information gathered on their stakeholders. He proposes a solution to the problem in the form of a stakeholder database, similar to a customer database.

An example of a basic type of database is a simple list of names and addresses of media contacts. Hunter (2000) compares this to a customer databases in the sense that the most basic form of a stakeholder database will contain demographic data such as the names and addresses of stakeholders.

In proceeding to the next level of a stakeholder database an organisation might store information on the communications that it has engaged in with stakeholders, the date on which these communications took place and an assessment of the result of this interaction. This will eliminate duplication of communications. On a more advanced level it will provide managers with an additional analysis and evaluation instrument at their disposal, enabling them to easily re-trace previous interactions with stakeholders and the results of these interactions (Hunter, 2000).

Research on stakeholders' attitudes and behaviours can be used to further enrich the data stored in such a database. The database, if updated regularly, can be used as a tool that will enable them to compare changes in stakeholders' attitudes and behaviours to communication programmes and other interactions (Hunter 2000).

Hunter (2000) is of the opinion that a well-managed stakeholder database enables communication managers to communicate individually with every single member of a stakeholder group.

Before planning a communicative interaction with a stakeholder group, managers can now consult their database and check the attitudes and behaviours of the members of the stakeholder group in question. The value of a database lies in the identification of several different sub-categories of individuals within a stakeholder group for which individualised tactics need to be designed.

Hunter (2000) concludes by pointing out the two main advantages of stakeholder databases. First, it helps managers to cope with the vast amount of information available on stakeholders and which is crucial to an organisation's success in a globalised and highly competitive environment. Second, databases enable communication managers to design their communications in a more personalised fashion than would otherwise be possible, thus meeting the demands of the various stakeholders more closely and consequently increasing their level of attention.

Hunter's model provides valuable insights into the use of databases to manage communication effectively. His characteristics of integrated communication can be useful for organisations in their integration efforts.

To extend the usage of a customer database to other stakeholders provides a valuable tool to communication managers in building relationships. The database proposed by Hunter (2000) will enable an organisation to "customise" their communication to satisfy the communication needs of various stakeholders just as marketing use it to "customise their product/service offering to fulfil customer needs. "Marketing" principles such as market segmentation, market research, need fulfilment, and customisation can be applied to communication by "segmenting" stakeholders. An organisation will then fulfil their communication needs by "customising" communication and conducting research with all the stakeholders to determine communication needs, perceptions and attitudes towards the organisation. This will enable the organisation to build better relationships with all stakeholders.

Another model is proposed by Grunig and Grunig (1998). They criticised various authors viewpoints on IMC and proposed a model that supports the view that marketing communication should be co-ordinated by the public relations department.

**(e) Integration through the Public Relations Function – (Grunig & Grunig, 1998).**

Grunig and Grunig (1998: 146) are of the opinion that there are merits in integrating all marketing communication functions but they critique the narrow view of public relations held by supporters of IMC. Most supporters of IMC, according to them, see public relations as a

technical support function and not as a management function, consider public relations to be press agency or product publicity alone, and deal solely with customer publics.

Grunig and Grunig (1998: 147) review Duncan and Caywood's model [discussed in section 4.3.3 (b)] and conclude that the last two stages – stakeholder-based integration and relationship management integration – closely resemble the integration of communication through the public relations function, which they propose. Grunig and Grunig (1998: 147) also reviewed Gronstedt's model [discussed in section 4.3.3c)] but disagree with the placement of the customer in the centre as being the most important stakeholder. They posit that an equally good case can be made that employees or investors are the most important stakeholders and that different publics are more or less strategic for different kinds of organisations. The major difference between the integration they propose and that of IMC theorists (previously discussed) is that they do not suggest moving integration upward through the marketing communication function but rather to begin at the highest level of integration, incorporating marketing communication and communication programmes for other stakeholders into the public relations function. To strengthen their argument they quote Drobis, the CEO of Ketchum Public Relations Worldwide in declaring the following:

Integrated marketing communication is dead. It died because we never could decide if it was a tool to help sell advertising and public relations agency services or if it was a true, complete communications discipline. As a result, the term integrated marketing communications was frequently abbreviated to “integrated communications” and came to stand for a many things, but nothing in particular. Admittedly, integrated marketing communications as it was originally conceived, seemed to stand for the blending of multiple forms of marketing communications.

Still, given its potential for greatness, the discipline withered under the chronic stress of being misunderstood by public relations professionals, many of whom consider the role of public relations in “integrated marketing communications” too narrow. Let's just call its cause of death unknown.

He went on to say that IC must go beyond marketing to encompass employee and labour relations, investor relations, government affairs, crisis and risk management, community affairs, customer service and just about any other facet of management where effective communications is a critical success factor. He concludes that public relations practitioners are in the best position to manage the integrated communications process, because unlike any other communications discipline, they are involved in every facet of the organisation. It is their job to listen and to respond to the full range of important stakeholders.

Grunig and Grunig (1998: 157) conclude that the excellence study (1992) provides evidence in support of separate marketing and public relations functions and of integrating communication programmes through the public relations department or by co-ordinating a set of specialised public relations departments. They have developed a list of criteria that must be satisfied in order for public relations to remain excellent within an integrated communications framework. The list of criteria has already been discussed in section 1.6 in chapter 1.

Grunig and Grunig (1998: 157) are of the opinion that public relation theorists and marketing communication theorists conceptualise communication in a different way to the effect that integrated communication programmes apply marketing communication theory rather than public relations theory. In conclusion Grunig and Grunig (1998: 157) describe differences in the two types of theories and identify characteristics of marketing communication theory that differ from their public relations approach.

Markets consist of individuals making individual choices whereas publics are groups trying to change organisational behaviour. Marketing strategies aimed at individuals will be of little use in dealing with activist groups. They criticise the over generalisation of the importance of marketing or of communication with statements such as “everything is marketing and marketing is everything” or “all communication is marketing and all marketing is communication”. Grunig and Grunig (1998: 158) believe that there is more to marketing than communication and more to communication than marketing.

Grunig and Grunig (1998: 158) also criticise phrases such as “speaking with one voice” because they believe all members of organisations should be encouraged to speak and listen to many members of publics and markets in many voices so that they obtain new ideas and innovate.

Grunig and Grunig (1998: 158) opine that public relations is an ongoing process built into the organisational structure in which the ideas of publics are brought into the decision-making processes of management. Thus, to define two-way communication as a response to a message rather than a reciprocal and continuous process of listening and dialogue do not support their strategic theory.

Grunig and Grunig (1998: 158) also criticise the overemphasis on the behaviour of publics and the underemphasize on the behaviour of management. The purpose of public relations according to them is to “contribute to organisational decision making so that the organisation behaves in ways that publics are willing to support rather than in ways that publics oppose with their own behaviours”.

According to Grunig and Grunig (1998: 158) marketing communication concepts – identity, image, brand, and reputation – suggest that reputation can be managed through the production and distribution of symbols. In their view however, the reputation of an organisation consists of the behaviours of the organisation that publics can recall. The best way to manage reputation or brand image is by using two-way symmetrical communication to help manage the organisational behaviours that produce a bad reputation and to develop a trusting relationship with both consumer markets and publics.

Grunig and Grunig (1998) use the excellence theory to develop their model of integrated communication. Although it might appear that the Grunig and Grunig (1998) model and the model proposed by Duncan and Caywood (1996) have a different focus, (public relations oriented versus a more marketing oriented approach) the two models do however overlap and complement each other. Stage seven of Duncan and Caywood’s (1996) model emphasises the management role of communication professionals and move the focus to all stakeholders of



an organisation which in turn supports Grunig and Grunig's (1998) argument that communication professionals must be part of top management.

Wightman (1999) reviewed the Hunter (1997) model and the Grunig and Grunig (1998) model and offered some criticisms.

- **Criticism of the Hunter (1997) and Grunig and Grunig (1998) models**

Wightman (1999: 24) is of the opinion that public relations has not proven itself to the degree necessary to take over the crucial role of managing all the communications within an organisation. Marketing already views public relations as a subservient function and will not be willing to allow public relations to take over most of their major communication responsibilities: marketing has developed expertise in areas such as database marketing and advertising. Wightman (1999: 24) also contends that public relations does not have the experience in managing marketing communications and is just beginning to move from tactician to manager. He states:

Most public relations practitioners leaving school today have only a very limited understanding of marketing and the overarching principles that the profession upholds. Public relations practitioners generally view themselves as communicators and not as managers. They are great at writing press releases but not as working on the bottom-line results crucial to the dominant coalition”.

Wightman (1999: 24) finally concludes that a massive change in organisational thinking would have to occur before the Hunter five-stage model could be implemented. He is of the opinion that the model offers the most promise for the successful IC organisation of the future but will need skilled communicators to integrate it.

It is true that a skilful integrated communicator will be needed to integrate all communication successfully in an organisation. The question however, arises whether South African organisations view public relations as having the management competency to be part of top management decisions or do they also view public relations mostly as a technical function.

The viewpoints of South African organisations will be tested in the empirical part of the study and will influence the proposed framework for integration of the communication function.

Gronstedt proposed a stakeholder relations model in section 4.3.3 (c) but has since advanced his thinking on integrated communication and proposes his newest model, namely three dimensional integrated communication.

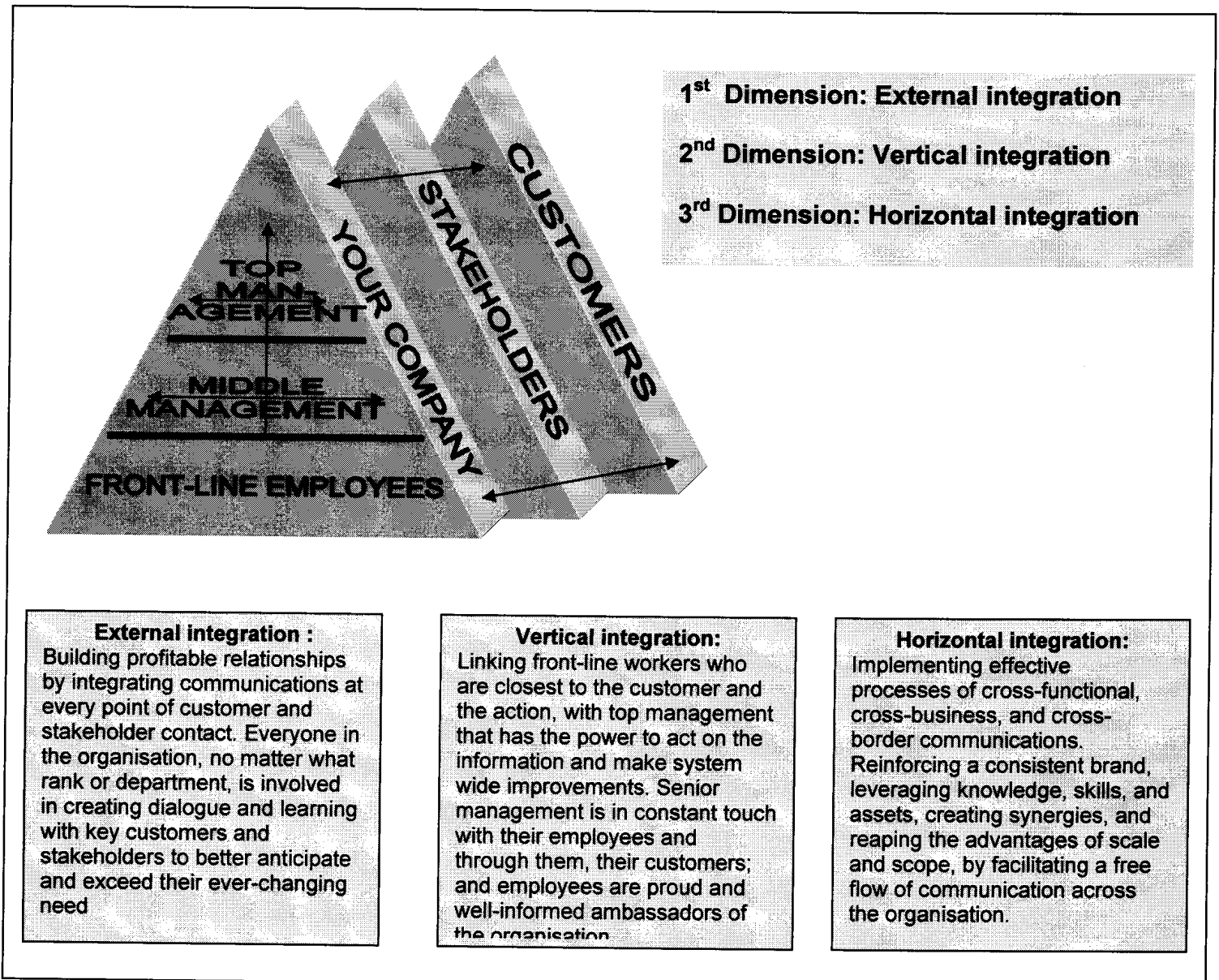
**(f) Three dimensional integrated communication – (Gronstedt 2000)**

Gronstedt (2000: 5) defines integrated communications as being “the strategic management process of facilitating a desired meaning of the company and its brands by creating unity of effort at every point of contact with key customers and stakeholders for the purpose of building profitable relationships with them”.

It is a “strategic management” process that must permeate through the entire organisation and it involves other stakeholders as well. Gronstedt (2000: 5) is of the opinion that customer and stakeholder relationships are the only source of truly sustainable competitive advantage in what he calls “the customer century”.

Gronstedt (2000: 17) proposes a “three dimensional “model for integrated communications. The model is illustrated in figure 4.10.

**FIGURE 4.11 THE THREE DIMENSIONS OF INTEGRATED COMMUNICATIONS**



Source: Adapted from Gronstedt (2000: 18)

The first triangle depicted in figure 4.11 represents the organisation with senior management at the top, middle management in the middle, and front-line employees (anyone below middle management who is adding direct value directly or indirectly to the customer) at the bottom. The triangle behind represents stakeholders, such as the local community, the media, investors, and government regulators.

The last triangle is the customers. Gronstedt (2000: 17) illustrated the groups as overlapping triangles to show that “Customer Century” organisations need to involve people from all ranks and from every department in ongoing dialogues with customers and other stakeholders.

The model illustrated in figure 4.11 represents three dimensions. The first dimension of *external integration* is the process of involving everyone in the organisation in both inbound and outbound communications with customers and stakeholders. Senior management therefore needs to train, empower, and support frontline employees through a process of *vertical integration*.

The second dimension of *vertical integration* focuses on two-way communication among senior management, middle management, and employees. The vertical silos of functions and business units may however hamper integration.

*Horizontal integration* is therefore necessary. The third dimension integrates communication among people working at different business units, departments and countries. Gronstedt (2000: 17) contends that the three dimensions illustrate that integrated communications needs to take place throughout the organisations (external integration), ranks (vertical integration), and functions, business units and regions (horizontal integration). He is of the opinion that all three dimensions need to be in place to reap the full benefits of integrated communications in the Customer Century.

Gronstedt’s new model makes an interesting distinction between the three separate levels of integration. He also includes the brand and a stakeholder orientation as the guiding principles of integrated communication. These principles seem to be an important element in any integrated communication effort and will be tested in the empirical part of the study.

Various models of integrated marketing communications (IMC) and integrated communication (IC) have been reviewed and commented upon. A summary of the most important comments follows.

Schultz *et al.*'s (1993: 52) model added value by emphasising the use of database marketing to manage information about customers. The database is becoming more important to communication managers in changing environments. However the model does not support the two-way symmetrical view of communication because the communication process is portrayed as one-sided. The idea of using a database to manage information will be considered in addressing the primary objective. The usage of a database will be expanded to include all the stakeholders of an organisation.

Duncan & Caywood (*in* Thorson & Moore, 1996:22) are of the opinion that IMC begins with awareness and may advance through various stages and visualised the model by using a set of concentric circles where it moves progressively from the first stage of awareness to the final stage of "general management integration". The value of the model for South African organisations lies in the evolutionary stages of the model. South African organisations might be in the beginning stages of integration only (this will be investigated in the empirical part of this research). This model will help them re-design their processes to be able to meet the challenges of integration, and place more emphasis on the other stakeholders, not just the customers.

In proposing a framework for structuring integrated communication the emphasis will be mostly on stage 6 and stage 7 in this model. Stages 1-5 serves as a good reference point to organisations that would like to move progressively towards integrated communication. The proposed framework will however assume that organisations have already moved through the stages and are now ready for the stage of stakeholder-based integration and relationship managed integration.

Gronstedt (1996) proposed stakeholder relations model takes the idea of stakeholder orientation even further. The central idea to this model is that a manager will use that tool that promises the highest success in a given situation, i.e. that with which the goals and objectives can best be reached. It is of no importance whatsoever to which function such a tool would traditionally be attributed. Gronstedt also emphasised a stakeholders' perspective.

The value of the Duncan and Caywood model and the Gronstedt model lies in combining the two where organisations can first determine where they are in terms of integrating their communications efforts by applying the Duncan and Caywood model and then apply the stakeholder relations model of Gronstedt.

Emphasis placed on stakeholders will depend on the organisation. Every organisation will have different strategic stakeholders and the framework that will be proposed must make provision for this. Flexibility and adaptability are therefore essential. The Internet and the Web will also be included in the final framework for integrating communication in an organisation.

Hunter also reviewed various models and theories of integrated communications before proposing his own framework. The database proposed by Hunter (2000) will enable an organisation to “customise” their communication to satisfy the communication needs of various stakeholders just as marketing use it to “customise their product/service offering to fulfil customer needs. “Marketing” principles such as market segmentation, market research, need fulfilment, and customisation can be applied to communication by “segmenting” stakeholders. An organisation will then fulfil their communication needs by “customising” communication and conducting research with all the stakeholders to determine communication needs, perceptions and attitudes towards the organisation. This will enable the organisation to build better relationships with all stakeholders.

Grunig and Grunig (1998) use the excellence theory to develop their model of integrated communication. Although it might appear that the Grunig and Grunig (1998) model and the model proposed by Duncan and Caywood (1996) have a different focus, (public relations oriented versus a more marketing oriented approach) the two models do however overlap and complement each other. Stage seven of Duncan and Caywood’s (1996) model emphasises the management role of communication professional and move the focus to all stakeholders of an organisation which in turn supports Grunig and Grunig’s (1998) argument that communication professionals must be part of top management.

Gronstedt (2000: 5) views IC to be a “strategic management” process that must permeate through the entire organisation and it involves other stakeholders as well. He is of the opinion that customer and stakeholder relationships are the only source of truly sustainable competitive advantage in what he calls “the customer century” and proposed a “three dimensional “model for integrated communications.

Gronstedt’s new model makes a distinction between the three separate levels of integration. He also includes the brand and a stakeholder orientation as the guiding principles of integrated communication. These principles seem to be an important element in any integrated communication effort and will be tested in the empirical part of the study.

The concept of integrated marketing communications (IMC) stresses the amalgamation of the practices of public relations, marketing, advertising and promotion and thus integration. Integrated communication (IC) is seen as the advanced state of IMC because it focuses on all of an organisation’s stakeholders and not just on its customers. But as indicated by Gronstedt (2000) the brand has also become an increasingly important element of integrated communication in recent years.

Duncan and Moriarty (1997) on the other hand proposed a model where they focused on integrated marketing (IM) as being essential for effective brand relationships. Their model will be discussed next to provide insight into the concept of integrated marketing (IM).

**(g) Integrated marketing – (Duncan and Moriarty, 1997)**

Duncan and Moriarty (1997:xi) are of the opinion that the management of two way interactivity (brand relationships) is becoming more important than products. Brand value will therefore be determined by how well organisations create, retain and grow their brand relationships. This means that the production-based value chain needs to be replaced by an interactive value field – a brand relationship environment containing many stakeholder groups (e.g. employees, shareholders, suppliers, the media, as well as customers), extensive brand contact points, aftermarket support, the reputation of the organisation, customer recourse and many other relationship-sensitive factors.

Duncan and Moriarty (1997:xi) quote a McKinsey report in saying: “Some marketing practices are certain to need reform. One approach is to treat marketing as a process rather than a department. Here the organisation is not divided by function – into marketing, sales, and production – but by its core processes, such as brand development and delivery system fulfilment. In the last two decades, marketing departments have generated few new ideas. True, they have helped to execute the necessary structural changes arising from developments in globalisation, information and communication technology, strategic planning and organisational design. But when we look for new marketing frameworks, or for fresh approaches that will help build the long-term relationships that manufacturers most need today, the examples are few.”

Duncan and Moriarty (1997:xii) propose an integrated marketing (IM) business model for developing brand value for both organisations and their customers and other stakeholders. They base IM on the fact that everything an organisation does, and doesn’t do sends a message. Every brand message has one of three effects: it strengthens relationships by adding value; reconfirms current relationships; or weakens brand relationships by reducing brand value.

Duncan and Moriarty (1997:xii) also identify the primary differences between integrated marketing and the traditional marketing concepts as:

- Shifting the emphasis from acquiring customers to retaining and growing them
- Communicating *with* rather than just *to* customers and other stakeholders, and
- Expanding the “marketing” responsibility beyond the marketing department (e.g. making marketing less a function and more a philosophy of doing business).

The fact that IM is designed to increase brand value by strengthening relationships, implies that it can also be applied to any type of business – packaged goods, services, business-to-business, retail, industrial, and nonprofits (Duncan and Moriarty 1997:xii).

Duncan and Moriarty (1997:xii) are of the opinion that to have a process for managing brand relationships is critical because relationships are the components of brand equity. They



conclude that in essence brand equity is determined by the quality of a brand's relationships with its customers and other key stakeholders.

Duncan and Moriarty (1997:xiii) emphasise the fact that building long-term profitable brand relationships require more than just the "one voice, one look" integration of integrated marketing communications. They see the "one voice, one look" as being a logistical challenge whereas the creating and nourishing of brand relationships present a strategic challenge that starts with how an organisation is organised.

According to Duncan and Moriarty (1997:xiv) the responsibility for creating, retaining and growing profitable brand relationships cannot be assigned to a single department, as it is not a function. They therefore view IM as being a cross-functional process that involves all key business activities and takes into consideration all stakeholders. Marketing communications is only a part of building successful brand relationships. Increasing the number of successful relationships require more than just IMC. It requires a cross-functional process that has a corporate focus, a new type of compensation system, core competencies, a database management system that tracks customer interaction, strategic consistency in all brand messages, marketing of the organisation's mission and zero-based marketing planning. They see IMC as being "only the tip of the integration iceberg and what is needed is a total re-integration of marketing in order to have a cost-effective relationship building process".

Duncan and Moriarty (1997:4) predict that organisations will change its primary priority from focusing on goods and services to managing stakeholder relationships that determine brand equity. This is because brand equity will often have a greater value than the physical assets of an organisation.

They contend that the efficient way to build brands is no longer through the traditional 4Ps of marketing as it was not meant to be just about product, pricing, place, and promotion but rather to create long-term profitable brand relationships.

Duncan and Moriarty (1997:9) define IM as follows:

Integrated marketing is a cross-functional process for managing profitable brand relationships by bringing people and corporate learning together in order to maintain strategic consistency in brand communications, facilitate purposeful dialogue with customers and other stakeholders, and market a corporate mission that increases brand trust.

The essence of this view of integration is the brand and relationships. Any relationship – personal or commercial – is being driven by communication. They emphasise that “real” communication means listening as well as speaking and consequently argue for a purposeful two-way communication between an organisation and its stakeholders. Figure 4.12 illustrates the driving force of communication in the brand management process.

**FIGURE 4.12 THE BRAND EQUITY EQUATION**

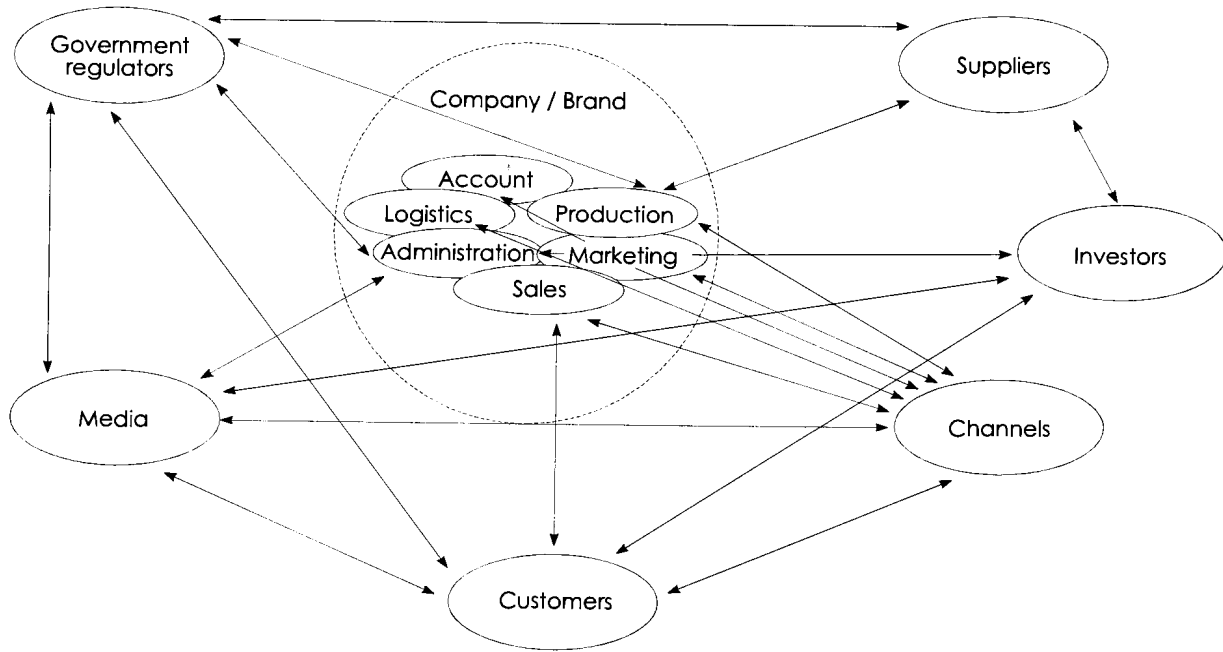


Source: Adapted from Duncan and Moriarty (1997:10)

Duncan and Moriarty (1997:12) introduced the *value field* to understand how brand relationships and brand equity are created and best managed. The value field replaces the traditional concept of the value chain as the latter does not recognise the interactive nature of all the various relationships. The value chain is linear and describes a series of value-added, sequential steps that link the supply side to the demand side.

As shown in figure 4.13, a brand typically exists within a field of stakeholder interactions. The organisation may or may not be involved in all the interactions, and yet these interactions can greatly influence its brand relationships and brand equity (Duncan and Moriarty 1997:12).

**FIGURE 4.13: VALUE FIELD**



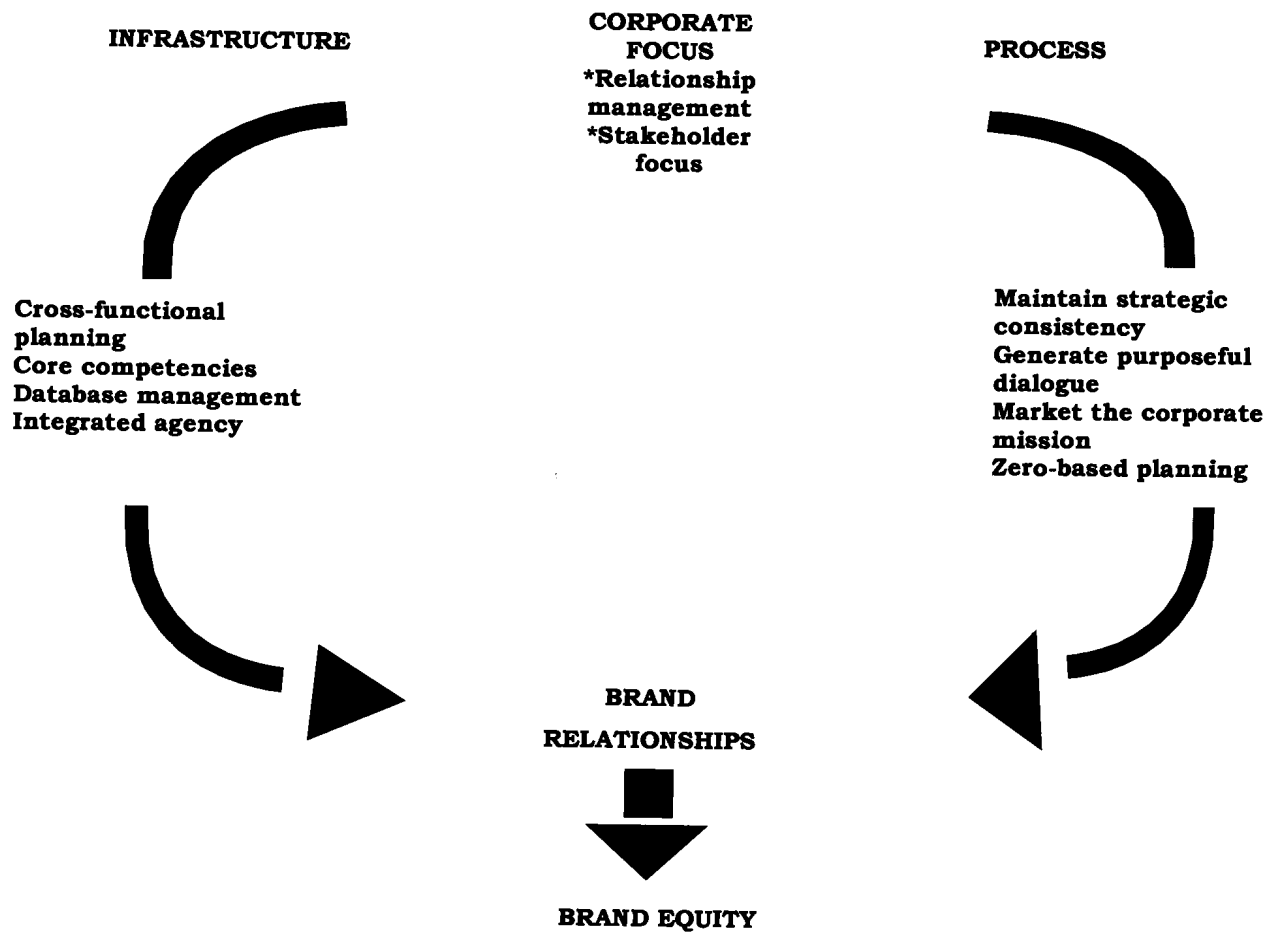
Source: Adapted from Duncan and Moriarty (1997:13).

Figure 4.13 illustrates that a customer is receiving brand inputs from various sources other than the organisation. In order to maintain a customer focus it is necessary to manage relationships with all key stakeholders as they impact on customer attitudes and behaviour.

Duncan and Moriarty (1997:15) identified ten brand relationship drivers that organisations who have benefited from IM, have used. They stress the importance of considering integration as a continuum. It is therefore not necessary to have all ten drivers in place before an organisation can benefit from integration.

As illustrated in figure 4.14 Duncan and Moriarty (1997:13) divided the drivers into three categories with two of them relating to a corporate focus – creating and nourishing relationships and focusing on the stakeholder.

**FIGURE 4.13: DRIVERS OF BRAND RELATIONSHIPS**



Source: Adapted from Duncan and Moriarty (1997:16)

The first category stresses the importance of driving integrated marketing from the top. This requires top management to be convinced that focusing on relationships is more important than focusing on transactions. Furthermore, top management has to realise that stakeholders overlap and their management has to be integrated.

The second category includes the four process drivers – strategic consistency, purposeful interactivity, mission marketing, and zero-based planning – representing the operational processes on which integrated marketing is based.

The third category consists of the four organisational drivers – cross-functional management, core competencies, data-driven marketing, and working with an integrated agency. These

organisational strategies are needed to create the corporate infrastructure that must be in place to support the process drivers.

The ten drivers identified by Duncan and Moriarty (1997:16) and illustrated in figure 4.14 are as follows:

- **Creating and nourishing relationships rather than just making transactions.** It costs more to acquire a new customer than to keep a current customer. Organisations will therefore benefit more by investing in growing their current customers. Organisations must get to know their customers and use that information in their communication with their customers, thus enhancing their credibility.
- **Focusing on stakeholders rather than just customers or shareholders.** Brand equity is determined by the quality of relationships not only with the customers but also with all the stakeholders. Gaining the support of key stakeholders in the short-term generates profits for investors in the long-term, and therefore reaching the objective of shareholders equity.
- **Maintaining strategic consistency rather than independent brand messages.** It is important to recognise the communication dimensions of all brand contacts and the sources of these messages as they impact positively or negatively on customers and other stakeholders' behaviour. The more a brand's position is strategically integrated into all the brand messages, the more consistent and distinct a company's identity and reputation will be.
- **Generating purposeful interactivity rather than just a mass media monologue.** Interactivity is a form of integration and a balance between mass, personalised, and interactive media is necessary to enrich feedback from customers as well as reach them. The facilitation of customer feedback and dialogue will ensure better integration of the customer into the organisation's planning and operations.
- **Marketing a corporate mission rather than just product claims.** A mission will only make a positive contribution to the organisation when it is integrated into everything an organisation does - from planning to execution. A mission programme needs to be focused in order for the organisation to develop a distinct presence rather than a fragmented one.

- **Using zero-based planning rather than tweaking last year's plan.** The process of planning an IM campaign starts with a SWOT analysis that takes into consideration all the brand relevant internal strengths and weaknesses as well as external opportunities and threats. The findings are then prioritised and addressed by the marketing communication functions that can effectively execute the function. Zero-based planning means that all communication objectives and strategies must be justified in terms of what needs to be done to better manage relationships and not just adjusting last year's programmes.
- **Using cross-functional rather than departmental planning and monitoring.** Internal groups, such as sales, marketing, and customer service, must interact more frequently in order to ensure integration through the sharing of expertise and customer information to enhance consistency. A cross-functional management process provides a link to specialist departments and functions therefore eliminating their isolation but maintaining their specialisation.
- **Creating core competencies rather than just communication specialisation and expertise.** Marketing managers must have a basic understanding of the strengths and weaknesses of major marketing communications functions. The strengths and weaknesses must then be evaluated objectively and applied in a mix that will maximise the cost-effectiveness of each function. Experts are needed for the production of materials but communication generalists are needed to plan and manage an integrated communication programme.
- **Using an integrated agency rather than a traditional full-service agency.** Such an agency takes the responsibility for co-ordinating a brand's total communication programme. It handles the planning as well as routine executions internally and has relationships with other specialist agencies when necessary. The integrated agency will monitor the work of these specialised agencies and ensure that they stay focused on strategy and implement at the required level of quality.
- **Building and managing databases to retain customers rather than just acquiring new customers.** Information is an integral part of integration. How an organisation collects, organises, and shares customer information determines whether or not

shareholders' interactions and transactions are being stored in order to personalise communication.

Duncan and Moriarty (1997) emphasise communication with all stakeholders and not only customers as being essential in integrated marketing. They move away from the “one voice one look” idea of integrated marketing communications and focus on building long-term profitable brand relationships. They also emphasise the cross-functional nature of IM that takes into account all business activities and all key stakeholders. This viewpoint shows similarities with the viewpoints on integrated communication namely, that all stakeholders are included and that major business functions need to co-ordinate activities in a cross-function approach. The difference however, is that Duncan and Moriarty (1997) see brand equity as the outcome of managing stakeholder relations. They place the emphasis on the brand and brand communication. This could however mean that the broad appeal typical to the management of public relations to create mutual understanding between an organisation and its stakeholders, might be blurred.

#### **4.4 Summary**

Marketing is considered to be one of the dynamic fields within the management arena and organisations have to respond to challenges in the marketplace. Marketing has also grown in its orientation and focus over the years to accommodate the changing environment. The marketing orientation has changed from a production orientation to a societal marketing orientation and thus supporting the two-way symmetrical model of communication.

The focus of marketing has also changed from being mass oriented to focusing on relationships. Mass marketing focused on mass produced products and mass media led to mass marketing and mass consumption. Relationship marketing however, can be seen as the successor to mass marketing and is based on the logical evolution of marketing thought. The shift to relationship marketing was also based on the changing view of marketing as a function to that of a business philosophy.



Some practitioners and academics are defining public relations as relationship management and this led to the existing confusion between these two functions. Various authors offered viewpoints on how the relationship between these two functions should be.

Some of the marketing authors view public relations as an essential marketing tool. Other authors distinguish between marketing public relations and corporate public relations to clarify the confusion. Based on all the discussions it seems inevitable that marketing and especially the elements of the marketing communication mix, are moving closer to public relations.

This integration is best explained by the concept of integrated marketing communication (IMC) that evolved because of the need for a more holistic approach. Certain trends and changes are identified that led to the adoption of integrated marketing communication. There have however been barriers to integration that needs to be resolved before IMC can be implemented effectively. In order to overcome these barriers certain solutions have been proposed and explored.

Various models have been proposed to clarify the issue of implementing integrated marketing communication and integrated communication effectively. The integrated marketing communications planning model stressed the use of a database to manage information as being important in the successful implementation of IMC but portrays communication as being one-sided. The evolutionary integrated communications model focuses on different stages of IMC. The model is represented in a circular form to move away from the idea that one stage is more important than the other. Instead each stage may build on the experience of the previous stage and each organisation finds the stage that best fits its current situation.

The stakeholder relations model proposes an integrated approach to communication by uniting the main dimensions of public relations and marketing communications. The central idea to the model is that a manager will use the marketing or public relations tool that promises the highest success in a given situation. Hunter's models for integrated communication are based on the revision of previous models. The first model identified five stages necessary for integration. The second model stressed however, that divisionalisation of



the communication function is not effective and various characteristics of integrated communication are proposed. The second model also emphasises the database as being essential in integrated communication.

Another model, integration through the public relations function, offers some criticism of the previous models and emphasises the importance of integrating all the communication efforts through the public relations department. The excellence study is used as a reason why marketing and public relations should be separated and all communication should be coordinated through the public relations department.

The three dimensional model of integrated communication illustrates that integrated communication is a strategic management process that must involve the whole organisation. The model represents three dimensions that need to be in place before an organisation can survive in the customer century.

The integrated marketing model focuses on the development of brand value for organisations, customers and other stakeholders. The model focuses on building long-term profitable brand relations as well as the cross-functional approach needed to take into account all the stakeholders and not just the customers. This focus on relationships illustrates the evolution marketing went through over the years.

An extensive literature review was conducted in chapters 1, 2, 3 and 4. The literature together with the empirical findings will be used to develop a framework for structuring the communication function in South African organisations to encourage integration. Chapters 5 and 6 will focus on the research process that was followed in the empirical part of this study.