

CHAPTER 3

The evolution and definition of integrated communication

3.1 INTRODUCTION

No significant field of business management in organisations can be accomplished without being integrated through the efforts of marketing management and communication management. Caywood (1997:564) suggests that, in today's era of business, there is no tolerance for people wanting to practise a profession or craft isolated from other business management functions. Organisational leaders must compile knowledge on best practices in their areas of business and other organisational specialisations. These organisations will produce a return on their cooperative efforts that will add up to more than the sum of the different parts, which is in line with the general systems theory and systems thinking. Furthermore, these organisations will take their continued successes further into the twenty-first century, into the "stakeholder century".

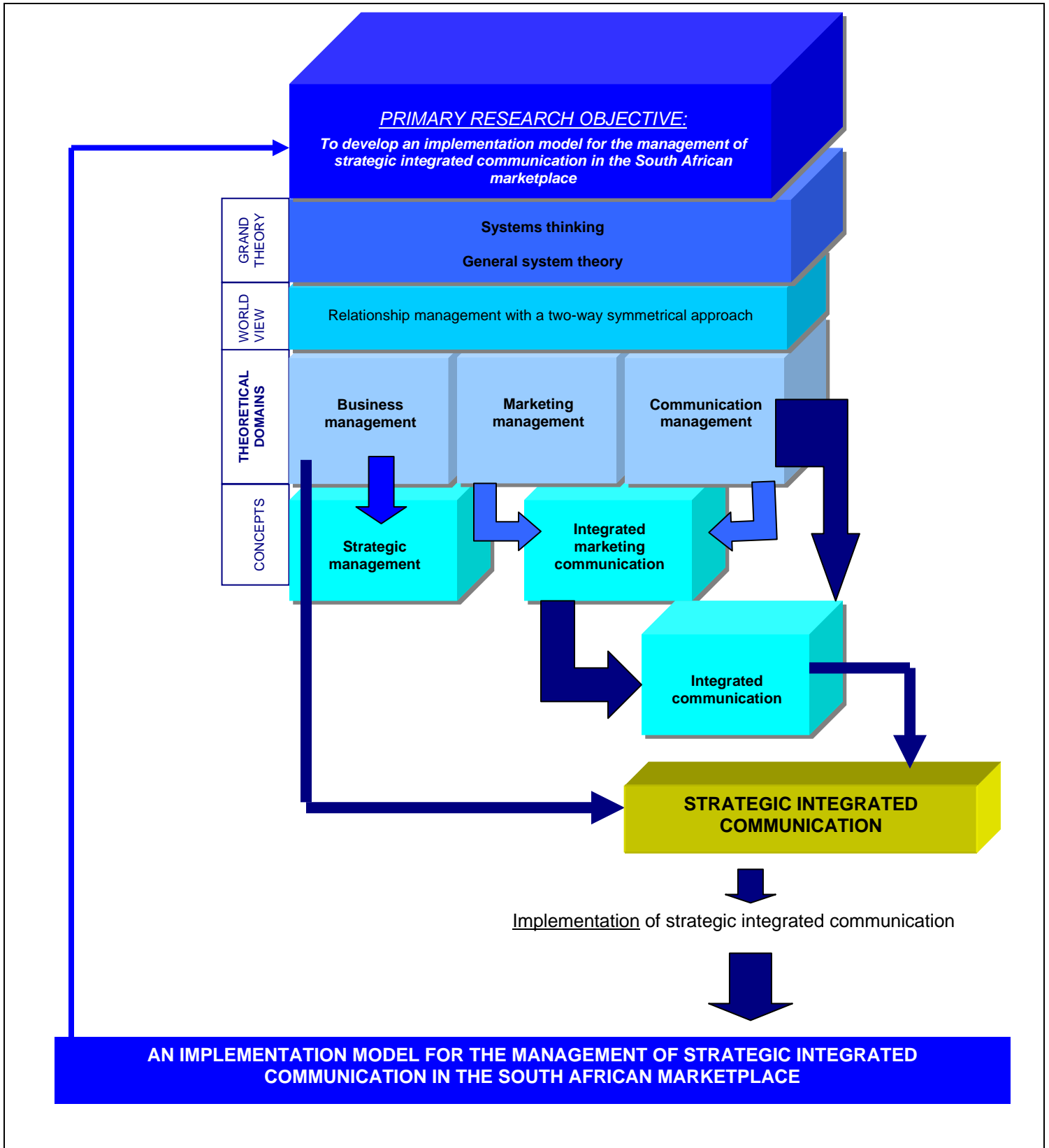
As discussed before, it is imperative, for the purposes of this study, to note that integrated communication is viewed as the evolved offspring of integrated marketing communication. It will therefore retain some characteristics of integrated marketing communication but is defined as a separate discipline. In Chapter 1, Section 1.6.2, the fundamental differences between these two concepts were clarified. The literature presented in the current chapter is based heavily on integrated marketing communication literature. However, this literature is used selectively to discuss the concept of integrated communication, and information is filtered to include only themes and characteristics that are in line with the concept of integrated communication. A distinction is therefore not made between the two concepts in this chapter, as the differentiation was

explained in Chapter 1 and is part of the delimitations of this study. But, as argued before, the concept of integrated communication became more common from 2000 and has been in use since 1997. Some authors (such as Schultz and Schultz (2004)) still prefer to refer to the concept of integrated marketing communication. It is however the contention of this study that the concept referred to, especially after 1997, is in reality that of integrated communication, based on the principles to be explained and discussed in this chapter on the evolution of integrated communication.

The scope of this chapter encapsulates the essence and history of integrated communication to identify what integrated communication was, why it came to be, what it is today and what it might be in the future, after which the change factors that influenced the history of integrated communication are expanded upon. Subsequently, from the evolution of the concept and from studying various definitions of integrated communication, four evolutionary eras of integrated communication become evident, which are discussed. Hence the three marketplaces in which integrated communication had been practised in its history are discussed.

Figure 3.1 provides a summary of the meta-theoretical framework to contextualise the current chapter within the greater meta-theoretical framework of this study, where the yellow highlighted textbox represents the focus of this chapter in order to address the research objectives of phase 1 of this study.

Figure 3.1 Chapter 3 in relation to meta-theoretical framework

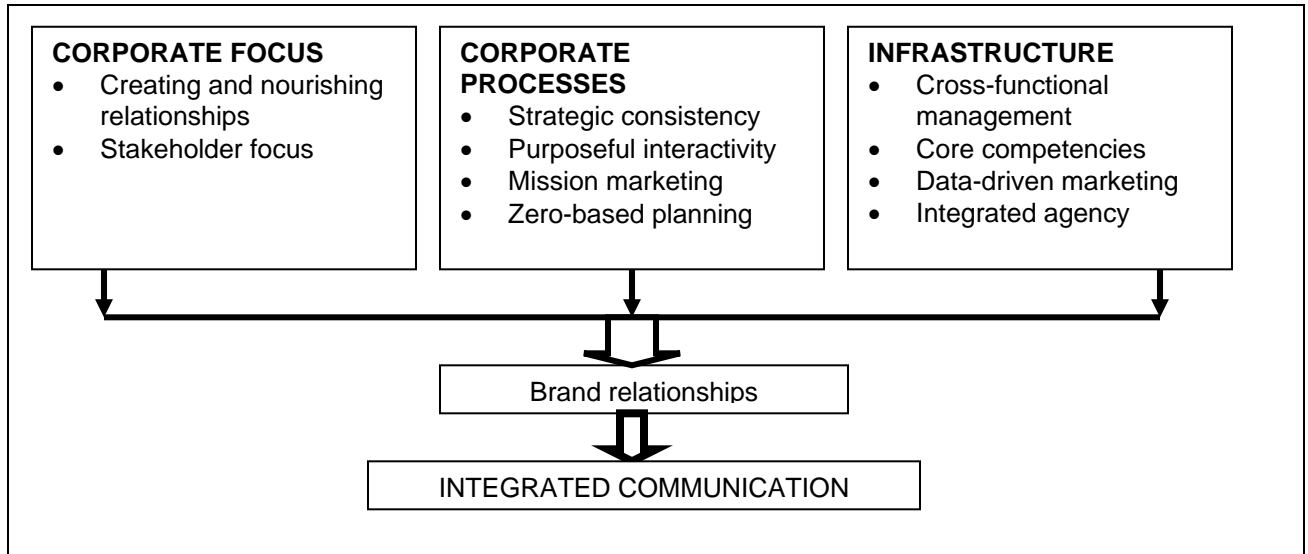


3.2 THE ESSENCE OF INTEGRATED COMMUNICATION: TEN STRATEGIC DRIVERS

Duncan and Moriarty (1997:15) have identified ten strategic drivers through research and integrated marketing communication audits that organisations are using, benefiting from integrated communication. They state that it is not necessary for all ten drivers to be fully in place before an organisation can begin to benefit from integrated communication, because integration is a continuum. Furthermore, other scholars have found that integrated communication works best when it starts at the top, supported by the proper infrastructure that makes it possible to apply integrated communication processes (Niemann & Crystal, 2002:12).

As shown in Figure 3.2, “The ten strategic drivers of integrated communication”, these ten strategic drivers can be divided into three categories. Two of them – creating and nourishing relationships and focusing on stakeholders (directly describing communication management) – relate to the corporate focus. Integrated communication must be driven from the top of the organisation. This necessitates that top management be persuaded that focusing on *relationships* is more important than focusing on *transactions*: also, they must comprehend that stakeholders overlap and therefore that their management must be integrated.

The second category includes the four process drivers – strategic consistency, purposeful interactivity, mission marketing and zero-based planning (relating to business and marketing management). These operational processes direct integrated communication. The third category consists of the four organisational infrastructure drivers – cross-functional management, core competencies, data-driven marketing and working with an integrated agency (relating to business and marketing management). These are the organisational strategies required to create the corporate infrastructure that needs to be in place to support the process drivers.

Figure 3.2 Ten strategic drivers of integrated communication

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

Figure 3.2 is adapted from Duncan and Moriarty (1997:16) in that they present the order of the three focus areas of the ten strategic drivers as firstly, infrastructure, secondly, corporate focus, and thirdly, corporate processes. In the adapted Figure 3.2, the order of the three focus areas is presented as firstly, the corporate focus, secondly, the corporate processes, and thirdly, infrastructure. The reasoning behind the change in order of the focus areas is that it is argued that integrated communication should be based on the outside-in approach, starting with the organisation's relationship with its stakeholders. The following are brief explanations of the ten strategic drivers of integrated communication, based on the three focus areas of a) corporate focus; b) corporate processes; and c) corporate infrastructure.

3.2.1 Drivers relating to corporate focus

The drivers relating to the corporate focus of the organisation identified by Duncan and Moriarty (1997:16) relate directly to communication management, as the focus is on building relationships with *stakeholders* in the broader sense.

- *Creating and nourishing relationships rather than just making transactions*
In the product century, marketing communication has been a process of developing and delivering brand messages to generate sales, i.e. transactions (Duncan, 2001:62). However, organisations have realised that they can be more profitable by concentrating on building customer relationships rather than only on transactions. It is progressively more costly to acquire a new customer (Harris, 1998:4). Organisations are thus finding that investing in growing current customers is more profitable (Duncan & Moriarty, 1997:16). Organisations must therefore get to know their customers and use that information in their communication with their customers, thus enhancing their credibility (Ehlers, 2002:178).
- *Focusing on stakeholders rather than only on customers and/or shareholders*
Integrated marketing should not be limited to managing relationships with customers, but used for planning and monitoring relationships with all stakeholder groups. By definition, all the stakeholders have a vested interest in the success of the organisation. What the organisation does affects them and what the stakeholders do affects the organisation. Also, 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.

3.2.2 Drivers relating to corporate processes

The drivers relating to the corporate processes are linked to business and marketing management in that all these drivers should be related to the marketing management of the organisation and subsequently to the strategy of the organisation as a whole.

- *Maintaining strategic consistency rather than independent brand messages*
Recognising the communication dimensions of *all* the brand contacts and sources of these messages is significant because they impact positively or

negatively on the behaviour of customers and other stakeholders (Niemann & Crystal, 2002:14). The more the brand's position is strategically integrated into all the brand messages, the more consistent and well defined the organisation'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 which is required to augment feedback from customers and to reach them. The more customer feedback and dialogue is facilitated, the more integrated the customers will be into the organisation's planning and operations. This means the organisation achieves more listening and learning, and less telling and selling (Duncan & Moriarty, 1997:17).
- *Marketing a corporate mission rather than just product claims*
According to Duncan (2001:31), the only way a sincere mission makes a positive contribution to an organisation is when it is integrated into everything that the organisation does, regardless of the department or programme. A mission programme needs to be focused in order for the organisation to develop a conspicuous presence rather than a fragmented one (Ehlers, 2002:178).
- *Using zero-based planning rather than altering last year's plan*
Zero-based communication planning means that all communication objectives and strategies must be valid in terms of what needs to be done to manage relationships better as opposed to simply modifying the previous year's allocations and programmes (Duncan & Moriarty, 1997:18). The process of planning an integrated communication 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 function that can effectively execute this function.

3.2.3 Drivers relating to corporate infrastructure

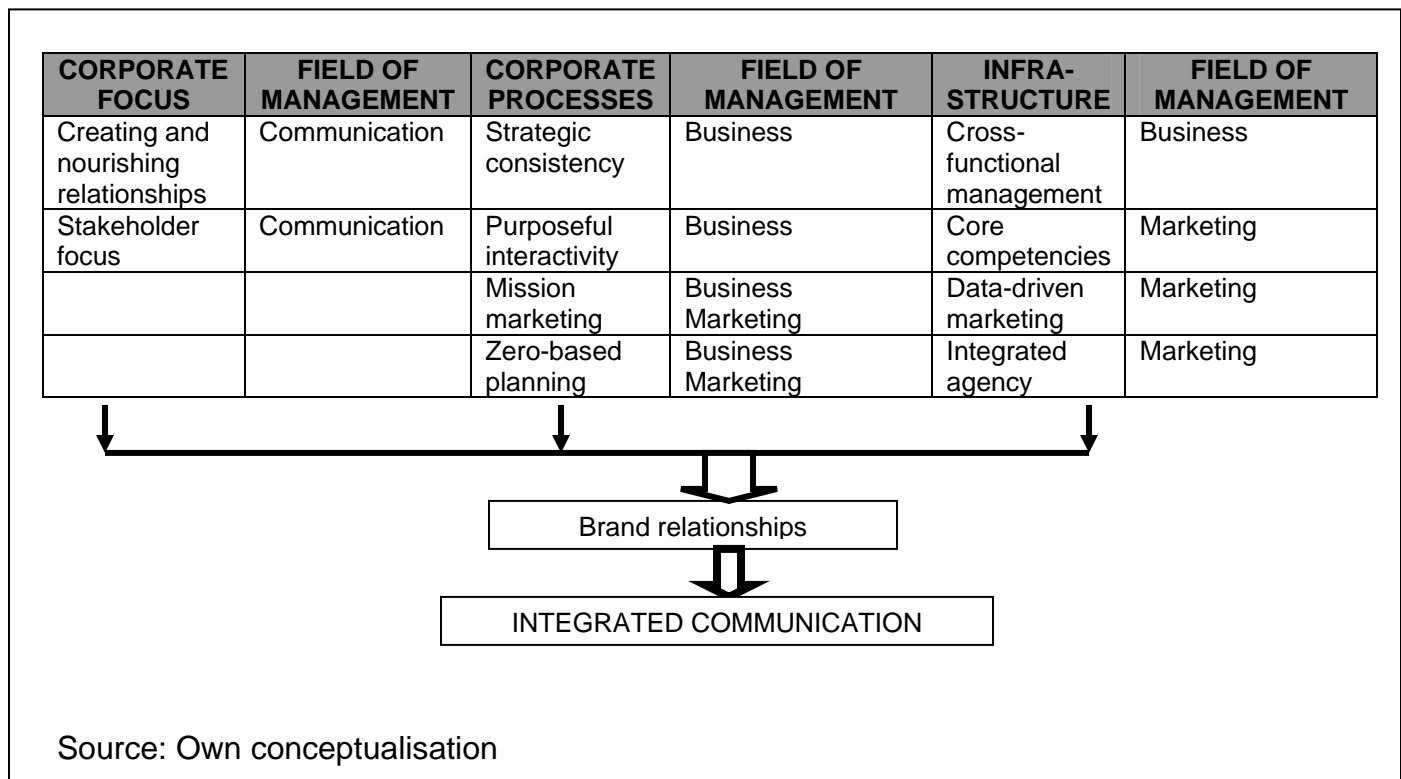
The drivers in this sub-section also relate to business and marketing management. The drivers of cross-functional management relate to business management, whereas core competencies, data-driven marketing and an integrated agency relate to marketing management.

- *Using cross-functional rather than departmental planning and monitoring*
Organisationally, integration is about relating proficiency and sharing information (Aakar & Biel, 1993:1). A cross-functional management process for planning and monitoring relationships provides a way to link (rather than merge) specialty departments and functions, allowing them to maintain their specialisation but eliminating their isolation (Duncan, 2001:763). Therefore, 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.
- *Creating core competencies rather than just communication specialisation and expertise*
All marketing communication professionals should have a basic understanding of the strengths and weaknesses of major marketing communication functions. The strengths and weaknesses must then be evaluated objectively and applied in a combination that will maximise the cost-effectiveness of each function (Ehlers, 2002:179). Experts are needed in the organisation to produce materials, but communication generalists are needed to plan and manage an integrated marketing communication programme.

- *Using an integrated agency, rather than a traditional, full-service agency*
A communication management agency takes responsibility for coordinating a brand's total communication programme. It handles the planning and routine executions internally, but when communication expertise is necessary, it has relationships with other specialist agencies that can offer this expertise (Niemann & Crystal, 2002:15). The integrated agency will monitor the work of these specialised agencies and ensure that they remain focused on the communication strategy and implement this strategy at the required level of quality (Duncan & Moriarty, 1997:19).
- *Building and managing databases to retain customers rather than acquiring new customers*
Information is a fundamental part of integration (Duncan & Moriarty, 1997:19). How customer and other stakeholder data is collected, organised and shared determines whether or not an organisation has a record of its stakeholders' transactions and interactions. Without a programme of building and using databases, it is problematical for the organisation to establish personalised communication (Duncan, 2001:62).

Through the ten strategic drivers of integrated communication, Duncan and Moriarty (1997) and Duncan (1997) move away from the "one voice, one look" idea of integrated communication and focus on building long-term, profitable brand relationships. From the discussion of the ten strategic drivers of integrated communication, it is evident that business, marketing and communication management is reflected in the drivers in order to arrive at the concept of integrated communication. The link between the ten drivers and business, marketing and communication management is illustrated in Figure 3.3, which builds on the model of Duncan and Moriarty (1997:16) depicted in Figure 3.2.

Figure 3.3 The relation of the fields of management with ten strategic drivers of integrated communication



With the ten strategic drivers of integrated communication discussed, it is evident that they focus on the implementation or the more practical side of integrated communication. However, as the essence of integrated communication is clarified, the history of integrated communication is reviewed.

3.3 THE HISTORY OF INTEGRATED COMMUNICATION

Identifying the origins of a new business approach is essential when establishing its emergence, its appeal and, most importantly, its significance in theory and practice. This is however, difficult to achieve with integrated communication, as there are conflicting views about when it was devised and when it was put into practice. Since the concept of integrated communication started off as integrated marketing communication, Duncan (2001:11), Drobis (1997-1998:2) and Schultz (1997-1998:1) view the basic concepts of integrated communication to have

been in practised since the early 1970s when *communication* professionals recognised that the marketplace was changing and Duncan and Caywood (1996:13) offer in this regard that *advertising* was fast losing its “golden halo”. Accordingly, advertising agencies were involved in mergers and acquisitions in the late 1970s and throughout the 1980s in an attempt to offer clients more than only advertising. However, most advertising agencies then had little understanding of the integrated communication concept. They continued to have tunnel vision, responding to most situations with an attitude that Duncan and Caywood (1996:13) refer to as “advertising is the answer, now what’s the problem?”.

The evolvement of marketing management into integrated communication is discussed by Ogilvy (interview as quoted by Schultz, Tannenbaum & Lauterborn, 1993:1) in that the advertising agencies, led by the American Association of Advertising Agencies, attempted to co-opt the concept by calling it “new advertising”. Their notion of integrated communication therefore saw the concept as an extension of the existing practice of communication, without true *integration* of communication and merely an “add-on” to the existing marketing practices of the time.

Supporting this notion, Petrison and Wang (1996:153) and Van Riel (1995:14) consider integrated communication in the nineties as the combined use of multiple marketing communication techniques linked in the planning and execution thereof. These authors also contend that the idea behind integrated communication goes back to early 1970 as did Duncan (2001:11), Drobis (1997-1998:2) and Schultz (1997-1998:1). In contrast to this belief, other scholars such as Pickton and Hartley (1998:447) and Smith (1996:56) have argued that the concept emerged or gained increased salience in the early 1980s. Tedlow (1990:56), Schultz (1996a:139), Schultz (1999:26), and Zinkhan and Watson (1996:163) consequently see the concept of integrated communication as a

manifest outcome of the transformation of marketing communication in the 1980s.

While the origins of integrated communication are to some extent contentious, the term integrated communication appears to have emerged in the public relations/corporate communication literature in the late 1980s (Spotts & Lambert, 1998:212). Kitchen and Schultz (1999:21), however, strongly disagree with this point of view, by stating that integrated communication had its early developments with the Medill School of Journalism at NorthWestern University in the United States of America. According to Caywood, Schultz and Wang (1991:27) a study here, led by Caywood, served to initiate a new conceptual debate concerning integrated approaches to marketing communication activities.

Based on the evidence of the said study, it is clear that the concept of integrated communication did indeed originate in the early 1990s. This conclusion can be drawn, based on the fact that the literature before the Caywood *et al.* (1991) study demonstrates that though tactical “one sight, one sound” integrated communication had been mentioned, there had been little or no attempt to formalise the emergent concept (Drucker, 1958:252; Kotler, 1972:46).

During the 1990s, the developmental nature of integrated communication was further evident from a special issue of the *Journal of Marketing Communication* (1996), where four of the five papers included were concerned with the theory building of integrated communication and/or the identification of key issues of integrated communication. Furthermore, it is important to note the speed with which most major marketing texts and more specialist communication academic works have adopted some type of integrated approach to the communication function (Belsch & Belsch, 1995; Keugman, 1994; Kotler, 1991; Shimp, 1997; Zikmund & D’Amico, 1996).

At present, the concept is still undergoing continuous development. Duncan (2001) contends that an example of the developmental nature of integrated communication is found in various new, comprehensive literature that exists on the topic as well as the inception of the *Journal of Integrated Communications* (from the Medill School of Journalism, NorthWestern University). Also, within the South African context, several empirical studies and other literature were developed on the topic in the last two years (Ehlers, 2002; Niemann, 2002; Store, 2002).

The history and development of the concept of integrated communication are influenced directly by two specific change factors. These two change factors are firstly, information technology and secondly, the shifting nature of management's view of the accountability of communication professionals.

3.4 CHANGE FACTORS STEERING INTEGRATED COMMUNICATION

In Chapter 2, Section 2.6, various global and local change factors were discussed. However, it should be noted that, in this section, two of these change factors are highlighted as they have an impact on integrated communication *per se*. Thus, although there are many change factors, both internally and externally to the organisation that necessitate new ways of communication for organisations (Niemann, 2002:46-53), these factors are combined and reduced to two main change factors, namely information technology and the shifting nature of management's view of communication, which are impacting on and influencing the entire field of integrated communication. After these change factors have been dealt with, a discussion is provided on how they are related to the expansion that is required for the future.

Integrated communication, as it is being defined by organisations and academia today, is not just the amalgamation of communication activities into a common visual and verbal presence, often under the semblance of a set of brand,

trademark and trade dress standards. What is really changing integrated communication and how integrated communication is increasingly being practised is not coming from, or being driven by, communicators. Instead, the demand for change is coming from two separate but distinct major forces. One of these drivers is *external* to the organisation – it is information technology in all its many and varied forms. The second change factor is focused *internally* – it is senior management's new requirement for accountability and stewardship by communication professionals. These two change factors will now be discussed in greater detail.

3.4.1 The growth and diffusion of information technology

The first major change factor is the growth and diffusion of information technology (Rockart, *et al.*, 1996:46; Schultz, 1997-1998:2). Duncan (2001:17) acknowledges this change factor and defines information technology as all the primarily electronic methods by which data or information on or about the marketplace, customers, prospects, stakeholders and the like are captured, stored, manipulated and distributed among individuals and organisations, both within and outside the organisation. Thus, information technology in this definition includes not only computers and software and digital development, but also new media communication forms such as email and web sites, both internal and external databases, and even the ability of organisations to include their customers in their information technology approaches. An example of this is electronic ticketing by airlines and the tracking of overnight packages by companies such as Federal Express. Information technology therefore includes all new tools, which individuals and organisations possess to speed up and simplify all types of communication with the various stakeholder groups. It is thus this development of information technology – which is enhancing the ability to develop effective communication programmes, while creating all the chaos of multi-channel programmes and multi-resource systems – that seems to spin off new communication alternatives on almost a daily basis (Duncan (2001:17).

Rockart *et al.* (1996:46) are however, of the opinion that the real reason information technology is changing the way integrated communication is developed and practised is the shifting nature of technology ownership and control.

3.4.2 The shift in management's view of communication accountability

The second major change factor responsible for steering integrated communication has been the shifting nature of management's evaluation of both internal and external communication programmes. Top management is increasingly focusing on the measurement of the return on communication investments, in other words, the "outcomes" or marketplaces or organisational results of investments made in communication programmes. Senior management's request to, and in some cases demand from, communicators is to determine, define and quantify what the funded communication programmes have accomplished. They are then also required to determine, define and quantify among which groups the communication programmes were accomplished and with what benefit to the organisation (Yastrow, 1999-2000:2). In short, management wants to know what returned to the organisation as a result of the communication investments, not just what was purchased or distributed. Having successfully developed processes and systems to measure the return on investment from manufacturing, logistics, operations and the like, management of today increasingly want to do the same with communication programmes. And, according to Semmelmayr (1998-1999:2), as senior managers responsible for the allocation of finite corporate resources, this is not only their job, but it is their fiduciary responsibility.

Integrated communication is thus being impacted on by the combination and sometimes collision of these two change factors: technology and accountability. Technology makes more complex communication systems possible, while

making greater accountability probable. It is where these two meet that is steering the change in what integrated communication is and how it is practised.

These change factors also had an impact on the nature of integrated communication and subsequently on defining this concept. The difference of opinion in the historical context (as discussed in Section 3.4) and the emergence of integrated communication go hand in hand with the lack of agreement on a definition of the concept (Kitchen, 1999; Nowak & Phelps, 1994; Phelps & Johnson, 1996). A more detailed discussion on the concept of integrated communication follows in order to reach a formal definition of integrated communication for the purposes of this study in view of the evolution of the concept.

3.5 DEFINING INTEGRATED COMMUNICATION BASED ON ITS EVOLUTION

Integrated communication has been defined as a management philosophy (Cornelissen, 2000:3; Stewart, 1996:149), an educational movement (Hutton, 1996:155) and a unifying business practice (Burnett & Moriarty, 1998). Parallel with the emergence of the concept of integrated communication, various definitions of this phenomenon emerged based on the fashion in which integrated communication was practised. For this reason, the various definitions are expanded on by categorising them based on the evolution of integrated communication. Four such evolutionary eras are identified.

3.5.1 First evolutionary era in defining integrated communication

In view of the practice of integrated communication in the 1980', integrated communication was described as the integration of various communication vehicles in a specific campaign (Spotts & Lambert, 1998:211). Based on this description, integrated communication is not merely the *combination* of various

communication functions – as is dominant in marketing communication literature (Broom, Lauzen & Tucker, 1991:220; Pickton & Broderick, 2001:3). However, this description takes integrated communication one step beyond combination to the *integration* of the various communication functions. This description of integrated communication is therefore based on the premise of synergy. Duncan (1997) expands on synergy in this context as follows:

In marketing synergy means that when all product 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.

Comparing this definition with the era in which integrated communication in this definition was practised, it is evident that the focus is very much on the various communication functions (tactics) in a specific campaign. Therefore, the focus remains on specific campaigns and not on the “bigger picture” of how these functions in the specific campaigns relate to the overall organisational efforts. A combined definition for integrated communication in the late eighties (the first evolutionary era of integrated communication) is therefore contended to be as follows:

Integrated communication is the integration of various communication vehicles and tactics within a specific communication campaign.

3.5.2 Second evolutionary era in defining integrated communication

During the early years of the nineties, various definitions were developed to describe the relatively new concept of integrated communication (Keegan, Moriarty & Duncan, 1992; Schultz, 1991:101; Tannenbaum, 1991). These definitions were mostly representative of the evolutionary stage of integrated communication as various underlying principles of integrated communication were addressed. For example, the definition of Schultz (1991) contributed to the field as it focused on the process of integrated communication as a process that

should be managed actively and therefore implied that it is not a process that would just happen. Furthermore, this definition of Schultz (1991) added the need for a conscious, behavioural outcome from customers when communicating with them. More importantly, this definition referred to customer loyalty, which indicated that there was a shift towards being a customer-focused organisation.

In addition, the definition of Tannenbaum (1991) added a new internal focus in stating that internal communication and actions also contribute to the communication efforts of the organisation. This definition therefore does not only focus on the traditional external audiences of the organisation included in the practice of communication in the 1980s. Another important contribution of this definition is the prominence of dialogue, by moving away from the transactional style, to focus on a conversational style. By including this principle, Tannenbaum (1991) acknowledges that customers want the ability to interact with organisations and initiate a discussion when they have a need to do so, and to have this dialogue in a convenient mode and at a time convenient to them. Tannenbaum (1991) further brings the concept of brand loyalty into the definition of integrated communication, thus also viewing brand loyalty as a behavioural change that should occur. This point of view is similar to that of Schultz (1991).

The third definition of integrated communication in the early nineties (Keegan, *et al.*, 1992:631) views integrated communication as the "... strategic co-ordination of all messages and media used by an organisation to collectively influence its perceived brand value". Their definition highlights three focal aspects:

- The use of "*strategic co-ordination*", which implies synergy through the co-ordination of complementary messages.
- Similar to the definition by Schultz (1991), the concept that *all* messages and media should be used collectively to create a greater *impact*.
- That the focus is more on influencing the *perception* of the brand, which results in more of an *attitudinal* change.

A combined definition for integrated communication from the early 1990s (which can be described as the second evolutionary era of integrated communication) could therefore read as follows:

Integrated communication is the strategic coordination of all messages (internally and externally) to create dialogue between the customer and the organisation, which will attitudinally and behaviourally move the customer towards brand loyalty.

3.5.3 Third evolutionary era in defining integrated communication

The third evolutionary era roughly represents the development of the concept between 1996 and 1998. During this period, the most prominent definitions of integrated communication included contributions by Duncan (1997) and Harris (1998) among others. Duncan (1997) defined integrated communication as "... the process of strategically controlling or influencing all messages and encouraging purposeful dialogue to create and nourish profitable relationships with customers and other stakeholders". Additionally, Harris (1998) defined integrated communication as "... a cross-functional process for creating and nourishing profitable relationships with *customers* and other *stakeholders* by strategically controlling or influencing all messages sent to these groups and encouraging purposeful dialogue with them" (own emphasis).

In this era, the focus is (particularly evident from the contribution of Duncan (1997)) more on relationship building than on the outcome of the approach (e.g. "create and nourish profitable relationships"). This implies attracting new customers and then interacting with them to find ways in which the organisation could further satisfy their wants and needs. The more satisfied customers or other stakeholders are, the more business or support they will give to the organisation (Gronstedt, 2000:4). This also emphasises the idea of the first developmental era of integrated communication to influence customers to move towards attitudinal and behavioural action. Furthermore, the concept of nourishing entails not only retaining customers and stakeholders, but also

increasing the organisation's percentage of their category purchases and espousal.

Another unique contribution of the Duncan (1997) definition is the inclusion of *profitable* stakeholders. Profitable customer relationships are specified, because not all relationships are of equal value to an organisation. This means that an organisation should not squander valuable time and money on customers who are unprofitable. The organisation needs to determine which relationships are profitable and which are not (Shimp, 2002:522). The concept is to invest, reward and work with those stakeholder relationships that can most influence cost and revenue. Furthermore, adding "stakeholders" to the definition of integrated communication moves the concept of integrated communication beyond the customer target audiences, to include all the relevant parties that have a direct or indirect impact on, or stake in, organisational operations and profitability.

The contribution of the Harris (1998) definition includes the idea that integrated communication involves a cross-functional process. This implies that all the organisation's major departments that affect the customer must have a means of working collectively in the planning and monitoring of brand relationships. A cross-functional process further integrates managers from different departments and agencies who are working on the same brand in order to plan and manage the messages an organisation sends to – and receives from – customers and other stakeholders (Duncan & Moriarty, 1997:169).

The following combined definition for the third evolutionary era of integrated communication is suggested:

Integrated communication is the cross-functional process of strategically influencing or controlling all messages and encouraging purposeful dialogue to create and nourish profitable relationships with customers and others stakeholders.

3.5.4 Fourth evolutionary era in defining integrated communication

The fourth evolutionary era of integrated communication epitomises approximately the era between 1999 and 2003. The leading contributions in defining the concept of integrated communication include scholars Gronstedt (2000) and Duncan (2001).

Gronstedt (2000:8) defines integrated communication as:

Integrated communications is 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.

3.5.4.1 Contributions by the Gronstedt (2000) definition

Firstly, the Gronstedt definition (2000:8) emphasises that integration should be encouraged from a managerial level, by including the idea of “strategic management”. Another added dimension in this definition is the use of “unity of effort” whenever the organisation communicates or comes into contact with the stakeholders or the stakeholders come into contact with the organisation. This dimension is not new in defining integrated communication, as it relates back to the combination of communication forms used in the definition of Tannenbaum (1991) in the first evolutionary era of integrated communication. However, the idea of “unity of effort” is one of the most important additions to the integrated communication concept development, as this signifies the idea that integrated communication stretches beyond only planned messages of the organisation, to include everything the organisation does and does not do. Therefore, the definition focuses on integrated communication as a process that must permeate through the entire organisation, rather than a quick-fix programme from the marketing or communication department.

Secondly, the Gronstedt (2000:8) definition adds the idea of learning in the relationships for the better cultivation of relationships with key stakeholders. By including this notion, Gronstedt (2000) stresses that the organisation should be a *learning* organisation, thus implying fostering long-term relationships between the customer and the organisation. This refers to learning organisations as discussed in Chapter 2, Section 2.2.3. This also refers to the notion of systems thinking, as discussed in Chapter 1, Section 1.5.1 as the grand theory of this study, in that systems thinking creates a learning organisation that is adaptable, receptive and flexible in order to foster long-term relationships. The more organisations know about current customers and the more they can use this information when communicating with these customers, the more credibility their communications will have and the stronger the relationship between the organisation and the customer will become.

The second important scholar in defining integrated communication in the fourth evolutionary era is Duncan (2001), who defines the concept as:

A cross-functional process for creating and nourishing profitable relationships with customers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialogue with them.

3.5.4.2 Contributions by the Duncan (2001) definition

The first contribution of the Duncan (2001:8) definition includes all the key elements contributed by other authors in the three developmental eras, but most importantly adds that the focus on two-way communication should be data driven. This is brought on by an increasing amount of communication taking place between the organisation and the stakeholder, based on information obtained and captured on a database. The integrated communication process has been developed to achieve three goals more effectively and efficiently than the traditional promotional mix, namely: acquire, retain and grow profitable customers (Duncan 2001:9). Integrated communication achieves all three in part

by using prospect and customer information compiled in some database form. Data-driven communication requires the co-operation of all departments and divisions within and organisation around this concept. The definition of Duncan (2001:8) is the most comprehensive and inclusive definition of integrated communication discussed thus far.

A combined definition for the fourth evolutionary era of integrated communication, which also serves as a definition for the purpose of this study, involves a combination of the definitions of this evolutionary era. It reads as follows:

Integrated communication is the strategic management process of organisationally controlling or influencing all messages and encouraging purposeful, data-driven dialogue to create and nourish long-term, profitable relationships with stakeholders.

To clarify the concept of integrated communication further, the evolution and definition are taken into consideration to identify three distinct marketplaces in which integrated communication has been practised.

3.6 THREE MARKETPLACES IN WHICH INTEGRATED COMMUNICATION HAS BEEN PRACTISED

The discussion in Sections 3.4 and 3.5 indicated the existence of four evolutionary eras of integrated communication. These eras are not only related to the development of integrated communication *per se*, but also to the overall marketplaces in which integrated communication is practised. These are a) the “historical marketplace” or the product century where the marketer is dominant, b) “the twentieth century marketplace”, or the customer century where the channel is dominant and c) “the twenty-first century marketplace” or the stakeholder century where the environment, including all the stakeholders, is dominant. These three marketplaces, based on the history of integrated communication can therefore be illustrated graphically as follows in Table 3.1, after which each marketplace is focused on:

Table 3.1 Evolution era in relation to marketplace

TIME LINE	ERA	CHARACTERISTICS OF ERA	MARKET-PLACE	CHARACTERISTICS	FIELD OF MANAGEMENT
Eighties	1 st	<ul style="list-style-type: none"> Integration of communication functions Campaign specific Technical 	Historical	<ul style="list-style-type: none"> Product century Marketer is important Little or no need for integration “One-sight, one-sound” Inside-out organisation 	Marketing management
Early and mid-nineties	2 nd	<ul style="list-style-type: none"> Focus on processes Strategic co-ordination of messages All messages Attitudinal change Strategic 	Twentieth century	<ul style="list-style-type: none"> Customer century Channel to customers is important Customer oriented Outside-in organisation 	Business management and marketing management
Late Nineties and early 21 st century	3 rd and 4 th	<ul style="list-style-type: none"> Create and nourish profitable relations Stakeholders Cross-functional process Strategic Data driven 	Twenty-first century	<ul style="list-style-type: none"> Stakeholder century Internal and external communication Stakeholder-oriented Interactive organisation 	Business management Marketing management and Communication management

Source: Own conceptualisation

3.6.1 The historical marketplace – the product century

The first marketplace is referred to as the historical marketplace as this is the marketplace where the marketing organisation had or still has most of the information technology. The technology referred to came in the form of manufacturing and marketing skills and research on customers and consumers through limited media choices. In the historical marketplace, the marketer was most evident. It dominated the channels, the media and the consumers as well as the systems and communication because it controlled information technology. There was therefore little or no need for integration in the historical marketplace system. The marketer controlled all the pieces and had all the power.

This marketplace can additionally be drawn back to the first and second evolutionary eras of integrated communication as referred to in Sections 3.5.1 and 3.5.2. This marketplace is representative of the attempts at defining and developing integrated communication. The marketplace at that time was dominated by large, national brand marketing organisations, primarily those that had developed in the 1950s and 1960s. They built complex and sophisticated marketing structures and used massive amounts of traditional media advertising to convince customers and consumers of their value. As a result, these organisations traditionally controlled the marketplace. As new forms of communication developed, they naturally used those systems and processes to continue their domination. The view of integrated communication was to tie all communication activities together under the banner of the marketer's brand. This was the basis of the first stage of integrated communication and, for many organisations, it continues to be the primary objective. Thus, it is argued that this era is identified as the "one-sight, one-sound" approach to communication, dealing with communication on a technical, superficial level of integration.

This historical marketplace proposed by Schultz (1997-1998:3) is to some extent similar to the concept to which Gronstedt (2000) refers as the production century. According to Gronstedt (2000:5), organisations in the production century are characterised by internal strife, with incongruent departments and opposing goals. Organisations functioning in the production century were furthermore organised to produce and distribute goods efficiently. These organisations consign customer management and brand building to marketing and communication departments and agencies that impound themselves in separate offices, isolated both from each other and from customers, producing advertising and other communication material to an information-overloaded world.

Another descriptive phrase of this historical marketplace (Schultz, 1997-1998:3) and the production century (Gronstedt, 2000:5) is what Schultz (1994a:2) refer to as the "inside-out" organisation. The inside-out organisation knows relatively little

about its customers or prospects. It thinks of markets and products, not of people, and relies on traditional survey research to tell the organisation about the “average customer”, relying on “marketing on averages”. These organisations are further intent on “making the numbers”. Quarterly goals, market share and volume are the objectives of the inside-out organisation. These organisations will generally do anything to make the internal goals, including mortgaging the future of the brand and the organisation, to achieve its predetermined marketing goals (Schultz, 1993b:12; Schultz, 1996b:4).

This historical marketplace is therefore built on reaching short-term goals and returns and not on reaching long-term sustainability. It can therefore be argued that the historical marketplace was not strategically conscious, as the focus was not on achieving long-term sustainability.

3.6.2 The twentieth century marketplace – the customer century

The second marketplace in integrated communication is what Schultz (1997-1998:3) refers to as the “current marketplace”, but is translated into the twentieth century marketplace when it was current. This marketplace can be drawn back to the third evolutionary era of integrated communication discussed in Section 3.5.3. In this marketplace, the channel is the dominant force, therefore emphasising the messages sent to customers. This is because information technology, in the form of point-of-sale systems, scanners, retail data gathering resources and the like, has given the channel more and greater information about the consumer and the marketplace than is available to the communication professional. The information technology of these channels therefore enables to determine what is working in the marketplace and what is not, as well as who is buying, how much and how often. These channels also control the physical distribution systems, which allocate store shelf space based on what the channel determines is most effective. Thus, in most marketing arenas, the channel dictates the terms and conditions of products, prices, service and the like to the

communication professional. It is the shift of information technology from the communication professional to the channel that created the twentieth century marketplace.

Similar to the twentieth century marketplace concept is what Gronstedt (2000) terms the customer century. This marketplace is typified by the alignment of the organisation's entire communication function so that all efforts are directed and involved in delivering coherent, timely, customer-oriented communication efforts through all forms and types of distribution systems. As a result, integrated communication has moved from a tactical activity that was practised by the historical communication professional, to a more strategic, managerial, customer-driven activity in the current marketplace. However, this idea of the customer century is still based on the traditional marketing management principle of focusing on the customer (i.e. marketing management) and not focusing on a broader approach to stakeholder relationship management of communication management.

An accurate description of this marketplace, in which integrated communication is practiced, is described as the outside-in organisation by Schultz (1993a:12), as also discussed in Chapter 1, Section 1.6.2. Such organisations always start with the customers. The key is knowledge of the customer as a person using longitudinal data, databases, and modelling and scoring of customers to determine what they are like and what they might want in the future. The outside-in organisation is constantly trying to build relationships with the customer, to win and retain a customer over time; above all to have customers so satisfied that they become the organisation's advocates in the marketplace.

3.6.3 The twenty-first century marketplace – the stakeholder century

It is however the "twenty-first century marketplace" that brings the greatest changes in the need for, and demand on, integrated communication. Where the

historical and current marketplaces are organised clearly and designed around outbound communication systems, this is and will not be the case in the twenty-first century marketplace. The twenty-first century marketplace can be drawn back to the fourth evolutionary era referred to in Section 3.5.4. The communication systems in the twenty-first century marketplace are not outbound; they are interactive (Crystal & Muir, 2003). They are not controlled by the communication professional, but the stakeholders of the organisation control them. Stakeholders in the twenty-first century marketplace are not individuals the organisation talks to or with; they are people to whom the organisation listens and responds to (Schultz, 1997-1998:5). It is therefore the stakeholder who is gaining the information technology and will thus have the power in the marketplace today and increasingly so into the future. It is this shift of information technology from the historical marketer to the channels of the twenty-first century communication professional that has created many of the changes in integrated communication that have been observed in the past fifteen years and will drive the future of the discipline of integrated communication.

Schultz (1997-1998:5) argues that this twenty-first century marketplace is however based on the same principles of the customer century (Gronstedt, 2000) and the outside-in approach (Schultz, 1993a). The major difference between this third marketplace and the second marketplace is that the focus shifts to a broader view of customers to include all stakeholders, therefore the proposed idea of the stakeholder century as discussed in Chapter 1. However, it can also be argued that although the focus is based on the outside-in approach, it is taken one step further into a totally interactive approach to dealing with stakeholders. The notion of the customer century originally brought in line with the third marketplace mentioned here is taken beyond the customer century to the stakeholder century. By focusing on stakeholders rather than on customers only, this new century instantly includes all the relevant parties that have a direct or indirect impact on, or stake in, organisational operations and profitability. It is

however not a new independent century, but rather an extension of the twenty-first century marketplace idea.

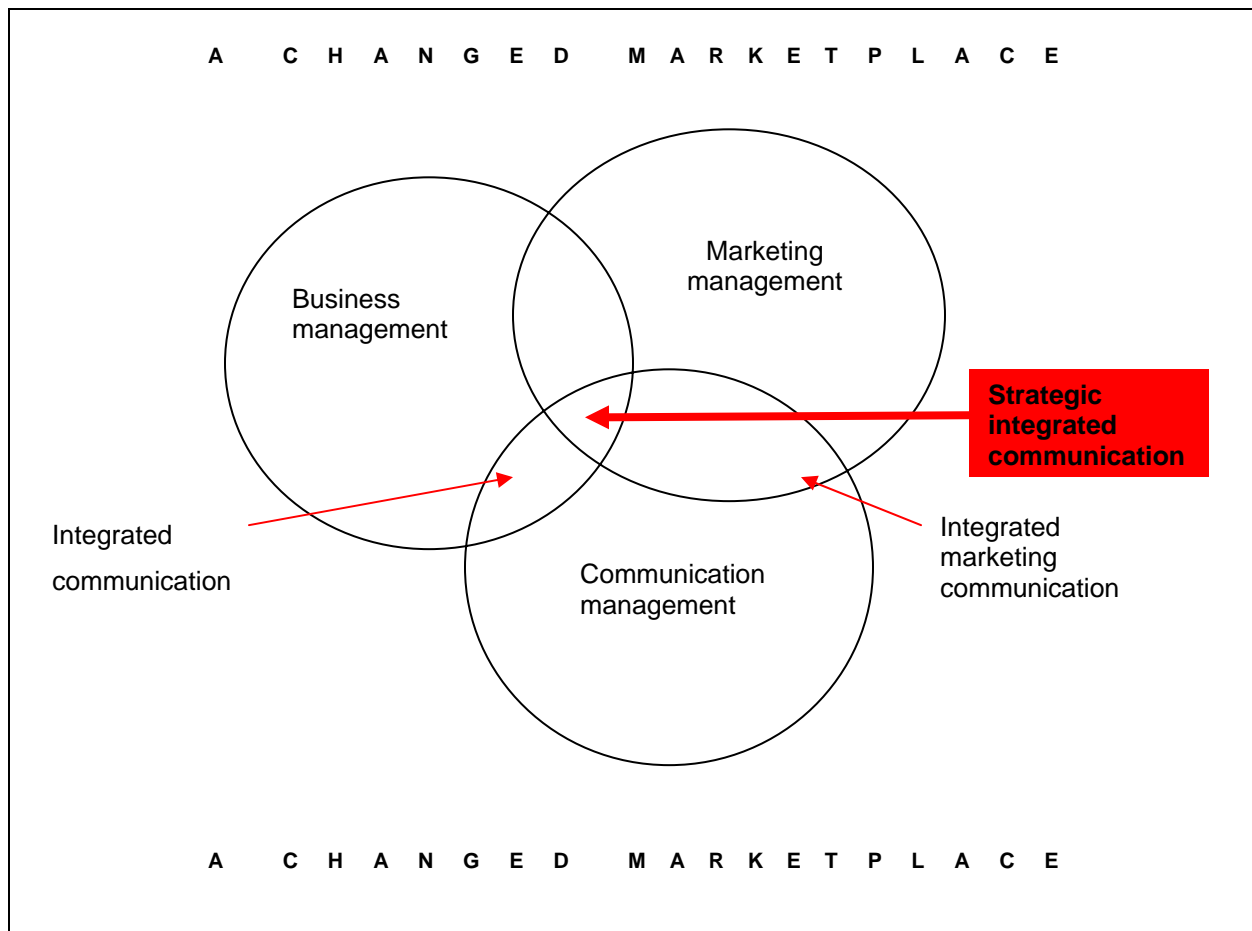
3.7 INTEGRATED COMMUNICATION AS A CONCORD OF ALL ENDEAVOURS

It can therefore be argued that the concept of integrated communication in brief means concord of endeavors. This does not however refer only to consistent messages – the “one look, one voice” approach – but includes concord of rationale for the organisation, concord of organisational procedures, concord of an organisational purpose, and concord of achievements within the organisation.

Furthermore, integration refers ultimately to everything the organisation does and does not do. Thus, integration is an organisational pursuit, and not a quick-fix solution *to marketing management*. *In essence, integration intensifies the integrity of the organisation*. Integration produces integrity because an organisation that is seen as a whole rather than an anthology of incongruent, autonomous functions is perceived as being more sound and reliable (thus a concord endeavour), and these are imperatives for sustainable relationships with the stakeholders.

Based on the above, Figures 2.2 and 2.3 of Chapter 2 can be developed further to include the arguments presented in Chapter 3 to be presented as follows in Figure 3.4:

Figure 3.4 Strategic integrated communication in relation to fields of management in a changed marketplace



3.8 CONCLUSION

The underlying principle arising from this chapter is that the marketplaces of the twentieth and twenty-first centuries or the “customer or stakeholder centuries” are based on how organisations manage their brand and stakeholder relationships that determine their brand equity. Physical assets in this century are no longer the only elements that matter, but rather intangibles such as relationships and communication. What is needed in this twenty-first century marketplace is a business management model that manages the brand relationships with stakeholders driving the brand equity. This business management model is integrated communication.

Based on evidence in this chapter, merely placing more emphasis on traditional promotional approach practices is no longer the efficient way to build brands. The focal point of this chapter is the study of the concept of integrated communication, and studying the essence, evolution and definition of integrated communication.

Strategic integrated communication is a stakeholder-centric, data-driven method of communicating *with* stakeholders (i.e. two-way communication), and therefore organisations need direction in applying this concept in the organisational functioning. In Chapter 4, the existing implementation models of integrated communication in organisations are discussed.