
CHAPTER 4

Integrated communication implementation models

4.1 INTRODUCTION

Chapter 3 covered the history of integrated communication and how it embodies the areas of business, marketing and communication management; i.e. that a strategic integrated communication process is regarded as a *part* of business management, and not merely a function thereof. However, the integration of communication in an organisation is an organisational challenge. This is because there are so many partners involved in managing relationships, as discussed in Chapter 3. An organisation cannot build relationships externally until it builds them internally. The coordination of brand messages being created and delivered is exceptionally difficult (Duncan, 2001:79). This is why the practice of integrated communication often involves organisational restructuring. This is also a reason why integrated communication is more widely and successfully practised in smaller organisations. Nevertheless, larger organisations recognise the value of integrated communication and are working to be more focused through better internal integration.

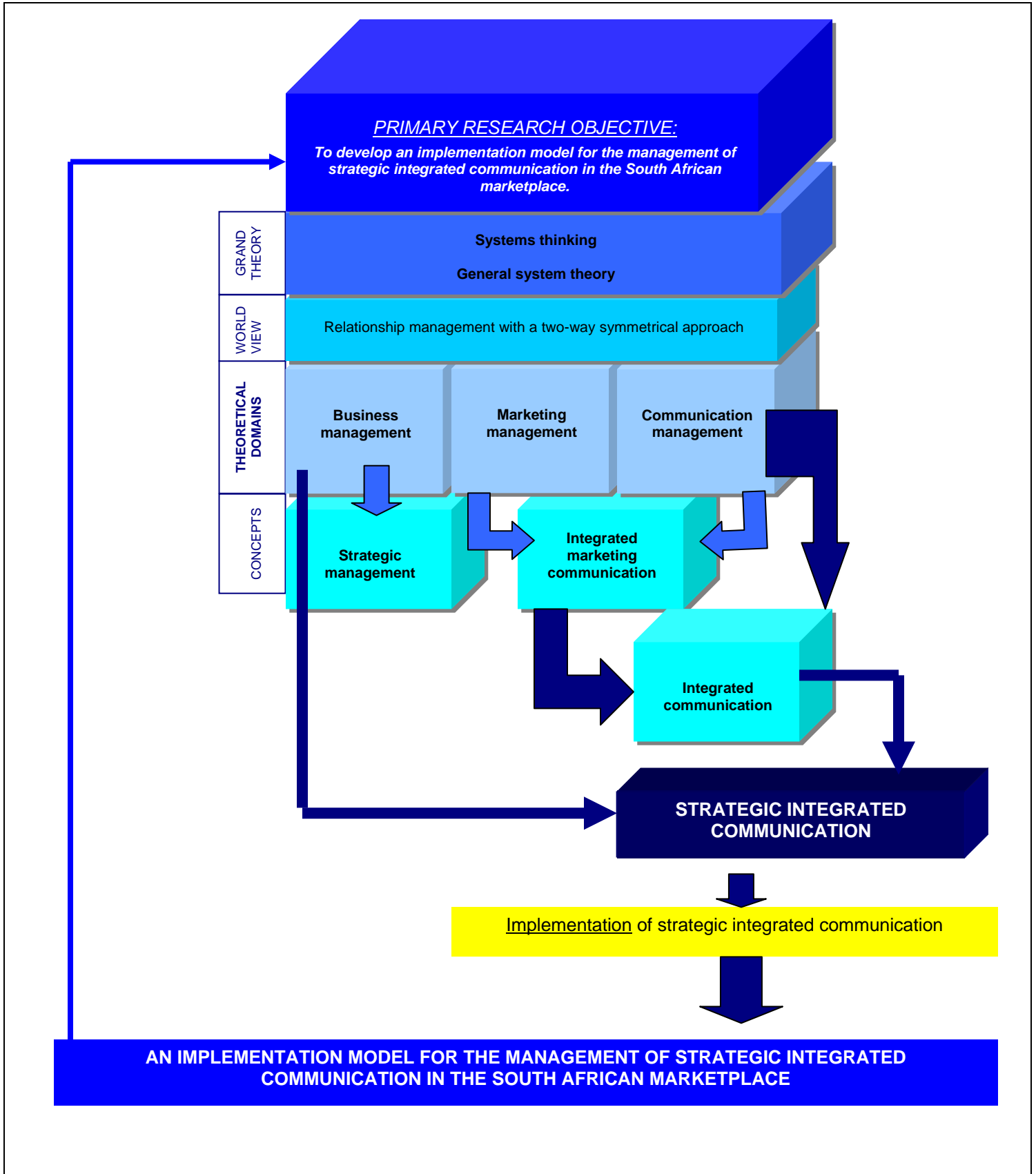
As discussed in Chapter 3, Niemann (2002:65) states that integrated communication in brief means unity of effort. “Unity of effort” does not however refer merely to consistent messages sent out by an organisation to all the stakeholders, but incorporates unity of purpose for the organisation, unity of organisational processes, unity of an organisational goal, and unity of action within the organisation. Moreover, integration refers ultimately to everything the organisation does and does not do. Consequently, integration is an organisational-wide pursuit, and not a quick-fix solution to communication problems. It is therefore necessary for integrated communication to be recognised from an organisational viewpoint.

As a result, it can be reasoned that implementation models of integrated communication should thus address integration in an organisation from an organisation-wide perspective, including more than merely communication *per se*. In this chapter, various models in integrated communication implementation in organisations are discussed, documenting the evolution of the concept of integrated communication, as discussed in Chapter 3. As pointed out in Chapter 1, it should be borne in mind that integrated communication came to be an evolutionary product of integrated marketing communication. Hence, reference is made to literature dealing with what it claims integrated marketing communication to be. However, at the time, the term integrated communication had not yet been coined. Therefore, if the characteristics of integrated marketing communication are presented, literature is used as if it had intended to refer to integrated communication. The majority of the models discussed originated in the United States: documenting the leading role this country plays in the field of managed communication, as referred to in Chapter 3, Section 3.3. The two leading institutions are Northwestern University in Evanston, Illinois, and the University of Colorado in Boulder, which have greatly contributed to the advancement of integrated communication.

There are two reasons for presenting such an overview of the models for integrated communication implementation. Firstly, most of the works on integrated communication spend virtually no time introducing existing models (except for Hunter (1999)), although the thoughts in the works are often based on these. Secondly, this overview will enable research towards an integrated communication implementation model for the South African context.

Figure 4.1 indicates this chapter in relation to the meta-theoretical framework summary, with the yellow highlighted section indicating the focus of this chapter in order to address the research objectives of phase 1 of the current study. Thereafter, the focus is firstly on the model of evolutionary integrated communication (Duncan & Caywood, 1996).

Figure 4.1 Chapter 4 in relation to meta-theoretical framework

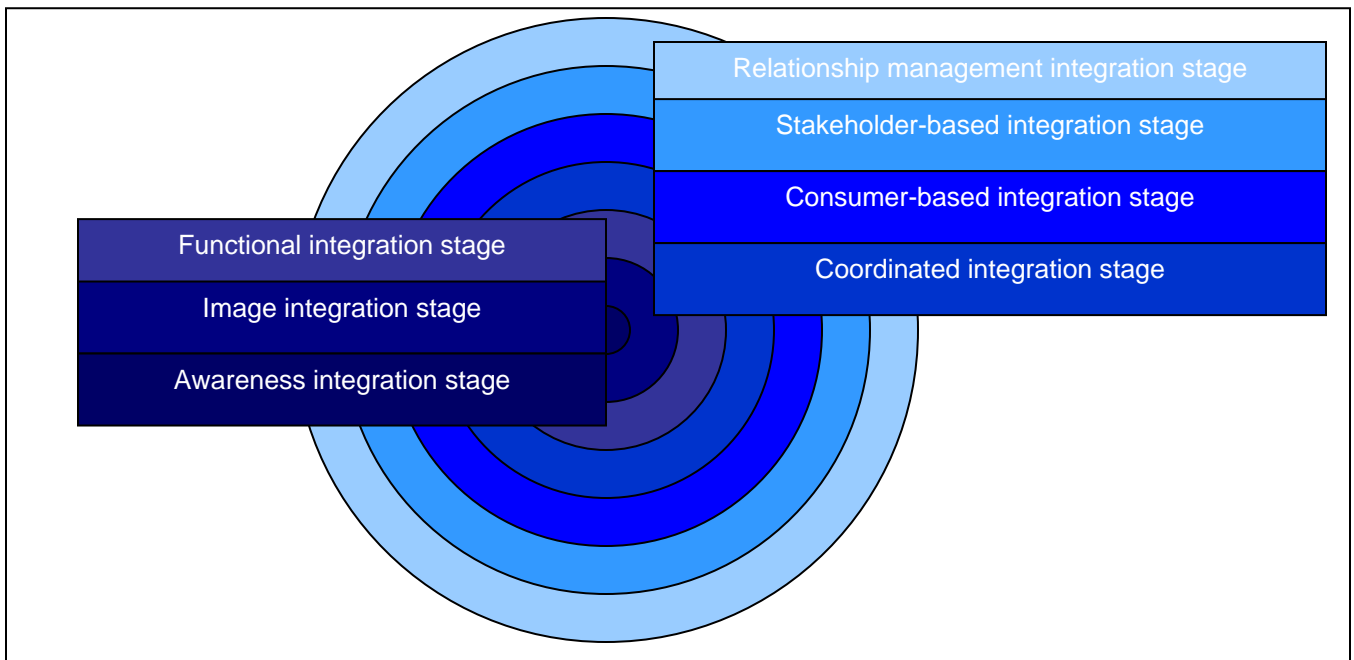


4.2 AN EVOLUTIONARY INTEGRATED COMMUNICATION MODEL

The evolutionary integrated communication model introduced by Duncan and Caywood (1996) has been discussed by various authors throughout the evolution of integrated communication. Examples of these works are by Caywood (1997), Ehlers (2002), Niemann (2002) and Smith (1993).

This model of integrated communication implementation assumes that organisations can integrate communication activities over time. The model consists of concentric circles as presented in Figure 4.2, illustrating that one stage of integration may build on the experience of the previous stage. The evolutionary model also assumes that communication professionals gain experience at each stage, allowing them to add to the level of performance. Integrated communication according to the stages of integrated communication begins at an awareness level and may advance through several stages to a general integration of new ways of conducting business.

Figure 4.2 The evolutionary model of integrated communication



Source: Duncan and Caywood (1996:22)

The various stages in the evolutionary integrated communication model are discussed briefly:

4.2.1 Awareness integration stage

The first stage of integration forces the assessment of changes in the environment and provides the motivation for a more integrated approach. Consequently, it can be argued that the first stage refers to the organisation's being aware of the changing business environment, which creates the demand for new business systems to respond to the market. Awareness further assumes that change reinforces the opportunity for developing an integrated management and communication system (Duncan & Caywood, 1996:22). In summary, the awareness integration stage refers to fundamental changes and awareness thereof in market power, taste, access and diversity. This leads to the requirement of new organisational strategies and tactics to communicate with the customer, consequently establishing new relationships with customers and others stakeholders (Caywood, 1997:xv; Niemann, 2002:56).

4.2.2 Image integration stage

According to Duncan and Caywood (1996:21-33), Caywood (1997:xv) and Sirgy (1998:6-7), stage two of integration recognises the value of having a consistent message, look and feel for an organisation. Integration efforts initially focus on the appearance of integration or the lack thereof (Hunter, 1999). In addition, Ehlers (2002:148) is of the opinion that although not a full array of marketing communication is required for all market challenges, the visual and verbal consistency might prove to be an eminent stage in developing internal co-operation among the various specialised communication disciplines.

4.2.3 Functional integration stage

Stage three moves the process of integration to a greater degree of involvement among the still traditionally separated areas of communication responsibilities. The process of integration at this stage begins with a strategic analysis of the strengths and weaknesses of each of the functional communication areas (Duncan & Caywood, 1996:26). A combination of promotional tactics based on the strengths and weaknesses of each is developed to best suit the organisational needs (Hunter, 1999).

4.2.4 Coordinated integration stage

At this level, the number of barriers to integration has been condensed and all the communication functions are equal in their potential to add to the communication effort. The opportunity for each of the communication functions to drive the communication efforts will depend on the goals and objectives (Ehlers, 2002:149). Each functional specialty must cooperate in the development of a communication programme. The process is guided by shared budgets, performance measures and outcomes. The emergence of a database might also be observed at this stage (Caywood, 1997:xv). It may initially only consist of simple contact information, but the database will continuously be extended through marketing-driven contacts.

4.2.5 Consumer-based integration stage

As each step of the communication integration strategy is mastered and accepted, the elements begin to work together. In this stage, only the fully targeted customers are reached with the strongest and most effective media. In a more fully developed marketing communication process, the customers are rediscovered, as marketing is planned from the outside in, as opposed to the inside-out approach (Lauterborn, 1999:13; Reich, 1998:29). The customer's

contact point with the brand and the organisation is documented through quantitative and qualitative research (Fortini-Campbell in Duncan & Caywood, 1996:29). Each contact point, regardless of whether it is initiated by the customer or the organisation, is identified and added to the database. According to Duncan (1997), each point of contact is a message, a form of communication that reinforces the customer's business opinion of the organisation. Rather than constantly replacing customers (the leaking bucket theory of Peppers and Rogers (1999:6)), attention is directed to holding and building the correct customer base in this stage of integration.

4.2.6 Stakeholder-based integration stage

The evolutionary analogy suggests that each stage may include a new dimension in the next stage. Beyond the customers are numerous publics and stakeholders that have a stake in the outcome of the success or failure of the organisation. At this stage, the scope is extended beyond a merely profitable promotional and sales-driven orientation (Hunter, 1999; Niemann, 2002). The issue of equity is added to the integrated programme at this stage, suggesting that the strongest element of social responsibility that drives the organisation to broaden its communication emerges in a more mature integration programme. The starting point of integrated communication is stakeholder identification. The process then demands the monitoring and tracking of their actions which are relevant to the organisation (Reich, 1998:27).

4.2.7 Relationship management integration stage

The development of a fully integrated communication strategy to reach customers and stakeholders brings the communication professional into direct contact with the full range of management functions in businesses and other complex organisations. Integration implies (and a managerial approach to communication demands) that communication be regarded as a strong element

in the total management process. The process has become a full range of relationship management, both internally and externally (Duncan & Moriarty, 1997:11; Schultz, 2000:14). Furthermore, the role of communication professionals in a fully integrative model changes from staff to management (Duncan & Caywood, 1996:33). As communication professionals move from staff to management, they gain access to the decision-making process, ideally to the dominant coalition, and can consequently influence the strategic decisions taken by senior management (Hunter, 1999).

4.2.8 Comments and critique on the evolutionary integrated communication model

It can be argued that the value of the evolutionary model of integrated communication is that it presents several evolutionary stages on the way to an ideally integrated communication function. This helps organisations that choose to integrate communication to establish their priorities in re-designing their processes and possibly even restructuring their communication functions. Furthermore, it is reasoned that the value of this model is that other stakeholders besides customers are assigned great importance. It is therefore evident that customers remain the most important group of stakeholders, but the value of other stakeholders to the organisation is explicitly mentioned and emphasised. The major point of criticism against this model would be that it advocates, in essence, a silo approach, by initially focusing on specific sections of business, not to include the strategic intent of the organisation as a point of departure. The implication of this is then that integrated communication implementation only incorporates the organisation's strategic purpose towards the end of the implementation process.

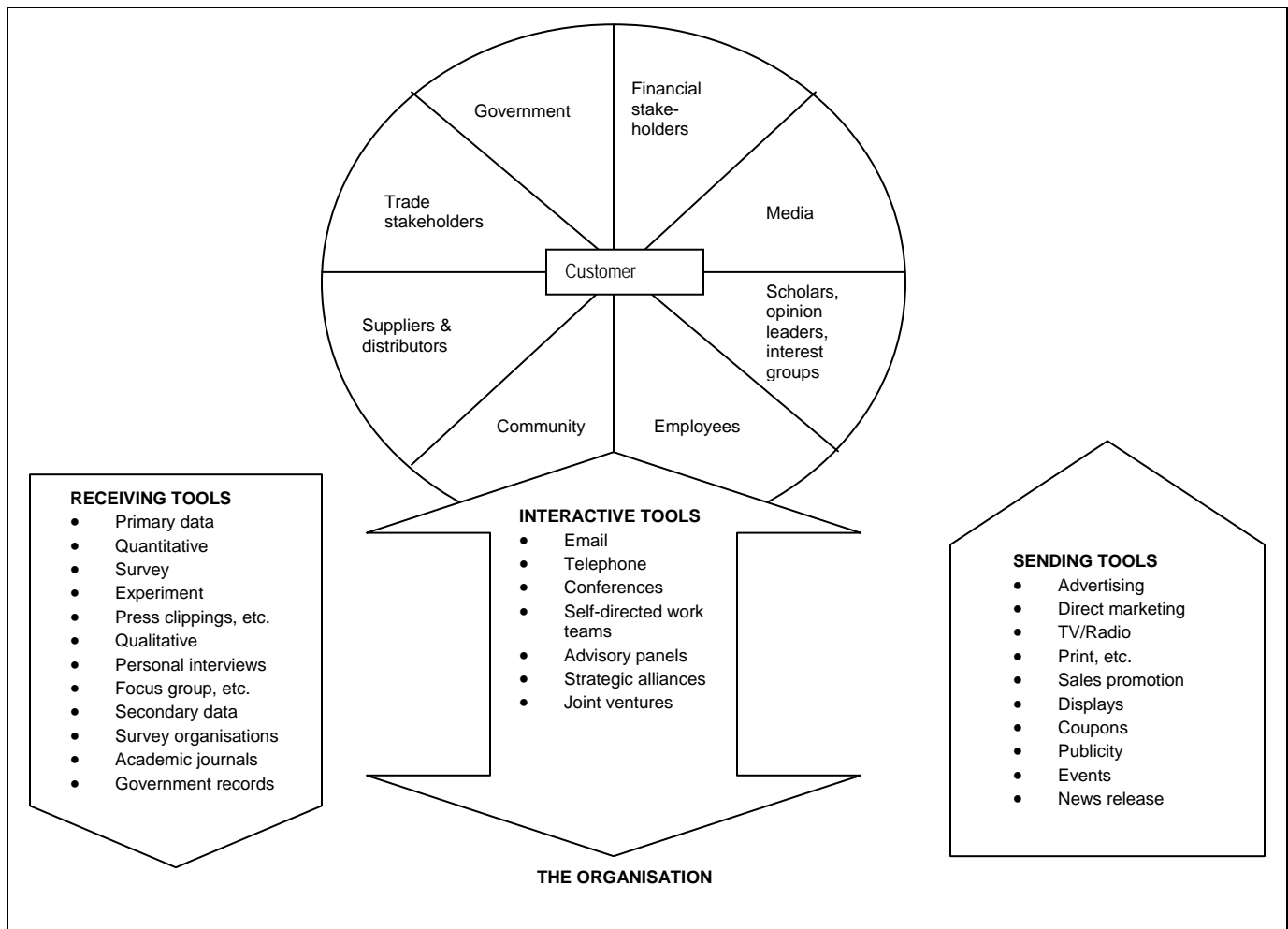
The proposed stakeholder relations model of Gronstedt (1996) takes the notion of stakeholder orientation even further.

4.3 A STAKEHOLDER RELATIONS MODEL FOR INTEGRATED COMMUNICATION

Gronstedt (1996) labels the model in which he attempts to integrate marketing communication and public relations a “stakeholder relations model”. His thinking is based on the criticism that “... the divisionalizing of the communications responsibilities into narrow disciplines has created communication technocrats” (Gronstedt, 1996:287). Furthermore, he presents two arguments as to why such a distinction does not make sense. Not only do publics and markets overlap (Kotler, 1986:117-124), but so do marketing and public relations tools. Hunter (1999) states that advertising is no longer limited to marketing, and public relations professionals are increasingly using “corporate advertising” to communicate their messages. Gronstedt (1996:289-290) provides evidence that marketers likewise are increasingly making use of public relations tools.

Figure 4.3 represents Gronstedt’s (1996:287) proposed model of integrated communication. It explains and unites the main dimensions of public relations and marketing communication and subsequently offers an approach to integrated communication.

Figure 4.3 Stakeholder relations model



Source: Gronstedt (1996:291)

In Figure 4.3, the circle is representative of the merging public relations' publics with the markets of marketing. Gronstedt (1996:291) uses the term "stakeholders" in the sense of Duncan's definition (2001:767): "... individuals or groups who can affect, or be affected by, an organisation" to refer to this new group represented by the circle. This definition of stakeholders is very similar to the understanding of publics by public relations scholars Grunig and Hunt (1984:7). It can thus be regarded as an important contribution to the integrated communication that was dominated by "pure" marketing thinking in its early days (Hunter, 1999). Furthermore, the term "stakeholder" emphasises the significance of such a group to an organisation more strongly than the term "public" does.

The arrows beneath the circle illustrate the tools of integrated communication available to communication professions. The right arrow, “sending tools”, links the public relations tools and the marketing tools. The left arrow links evaluative and research tools, or “receiving tools”, from marketing to those of public relations. The middle arrow finally links “interactive tools” from both fields. These components of the stakeholder relations model are discussed below.

4.3.1 Stakeholders

Gronstedt (1996:292) centres the customers in the circle as he views good relationships with customers as the quintessence of the successful functioning of an organisation – to grow and to make profit. The integrated communication approach treats communication with each stakeholder in the circle as an integral part of customer communication (Gronstedt, 1996:292-293).

All the stakeholders are interdependent in that their action or inaction has consequences for other stakeholders; hence it is likely that changes in one group of stakeholders will elicit changes in others (Ehlers, 2002:155). Taking this into consideration, the integrated communication approach builds on the interdependence, by synchronising communication activities with the total web of stakeholders.

Duncan (2001:60) argues that stakeholders do not merely interact with each other, but that they overlap in many cases. Additionally, Hunter (1999) clearly indicates that multiple stakeholder roles are becoming increasingly common. This reflection requires a re-conceptualisation of the traditional notions of a target market. In preference to only defining a target audience based on demographic data, the communication professional is responsible for establishing and maintaining relationships with *additional* important stakeholders.

4.3.2 Receiving tools

Gronstedt (1996:156) claims that a dialogue approach is mandatory to be able to integrate communication activities with all the stakeholders where they are documented as receivers as well as senders of information. By using receiving tools, the stakeholders can be treated as senders of information. Multi-methodological research tools are required because of the diverse character of the audiences and the sending tools employed in integrated communication. The integrated communication professional can use research tools to evaluate the stakeholders' perceptions of the organisation. The integrated communication professional is therefore concerned with the insights into the thoughts and behaviours of stakeholders, and not solely to "... fine tune their single communicative tools' ability to manipulate a single target audience" (Gronstedt, 1996:296).

4.3.3 Interactive tools

Interactive tools represent tools from both public relations and marketing that facilitate two-way dialogue between the organisation and its stakeholders, which are active, interactive and equal contributors of a continuous communication process. As per Gronstedt (1996:297), the purpose of such communication processes is to establish enduring relationships.

4.3.4 Sending tools

Once the key stakeholders have been identified and the communication objectives for each group of stakeholders have been decided on, the integrated communication professional selects the suitable sending tool. An optimal mix of sending tools for each identified group of stakeholders is essential for effective communication. These tools may be drawn from any communication discipline (Ehlers, 2002:157). Once the mix of sending tools has been chosen, the next

step is to collaborate them based on the three key elements of integrated communication: consistent message and image, common creative elements, and coordinated timing (Gronstedt, 1996:298). Integrating messages, creative elements and timing will cause the sending tools to enforce each other synergistically. The totality will have a greater effect than the sum of the discrete events.

In general, the first central idea of this model is that the manager will use that tool that promises the highest success in a given situation. Secondly, the stakeholders' perspective is highlighted. It proposes that for stakeholders, it is extraneous where a message originated from; they will attribute the message to the sender which, in this case, is the organisation.

Gronstedt (1996:302) summarises the need for an integrative approach to communication as follows:

The theory of integrated communication recognizes that organizational communication is too complex and interactive to be fractionalized into insular disciplines. This interdisciplinary theory inserts various communication disciplines into a holistic perspective, drawing from the concepts, methodologies, crafts, experiences and artistry of marketing communication 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.

4.3.5 Comments and critique on the stakeholder relations model

The most important point of criticism against the stakeholder relations model of Gronstedt (1996), is that no reference is made to the organisation itself and the relation of the stakeholders with the organisation. Therefore, all the emphasis is placed on the stakeholders and none on how the organisation should position and organise itself to build relationships with stakeholders. In relation to this, the second point of criticism is that this model focuses predominantly on external

messages to stakeholders, without placing sufficient emphasis on the internal messages to internal stakeholders such as employees (which are mentioned in the model).

However, the significance of the evolutionary integrated communication model suggested by Duncan and Caywood (1996) – described in Section 4.2 – and the Gronstedt (1996) model of stakeholder relations lies in the suggestion of *merging* the two models discussed thus far. In such a model, it can be argued that the organisation can then first determine where it is in terms of integrating communication efforts by applying the Duncan and Caywood (1996) model and then applying the Gronstedt (1996) model of stakeholder relations to focus more specifically on the stakeholders aspects that need integration.

The next model for integrated communication implementation to be discussed is the model for integrated communication presented by Hunter (1997).

4.4 HUNTER'S MODEL FOR INTEGRATED COMMUNICATION

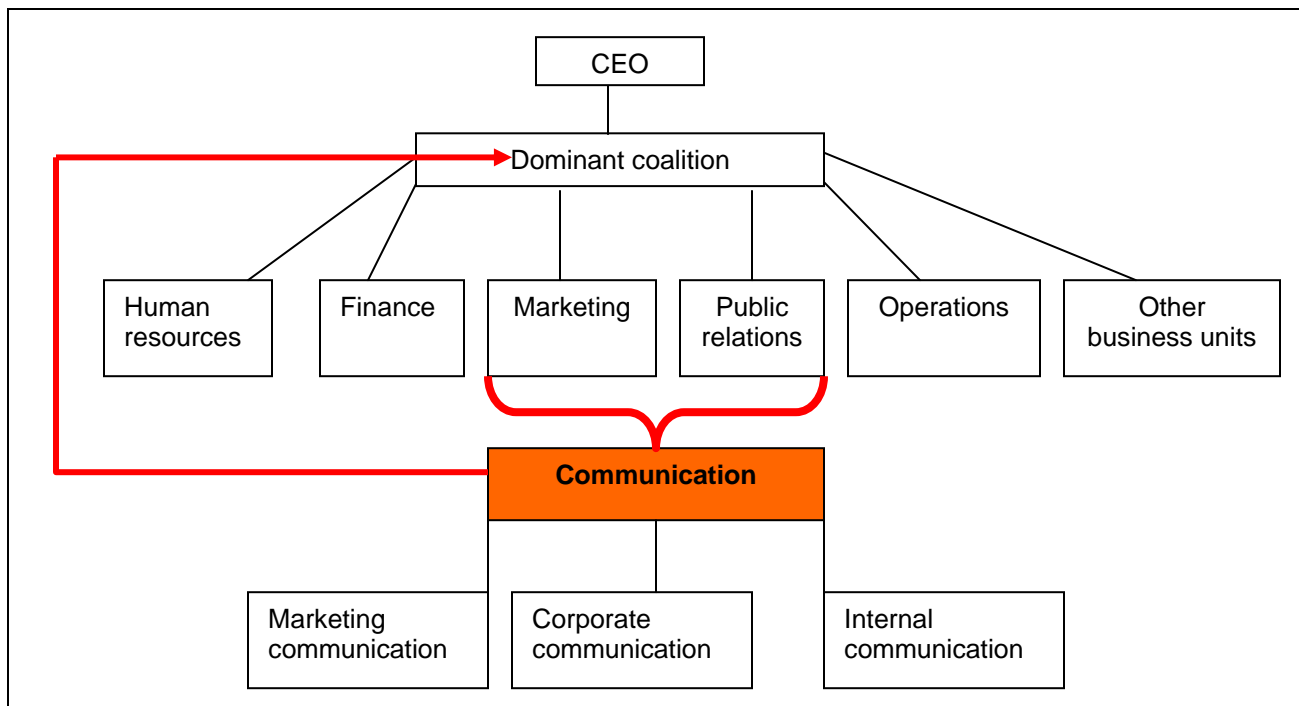
According to Wightman (1999:3), Thomas Hunter's thesis for the University of Salzburg offers the most extensive examination at that time of the issues surrounding the corporate implementation of an integrated communication structure. After an extensive analysis of the factors influencing corporate marketing communication structure, Hunter (1997) developed a five-stage model for integration, which is merely descriptive of the process and does not include a graphical model. Hunter's five-stage model (1997) is made up of the following five steps:

- a) Coordination and cooperation between public relations and marketing.
- b) Public relations and marketing are perceived as equally important by members of the organisation, especially top management, regardless of their organisational relationship.

- c) Marketing communication is moved from the marketing department to the public relations department that will then be known as the communication department. The communication department will then consist of three subdivisions: marketing communication, corporate communication and internal communication.
- d) Communication and marketing are placed on a hierarchical level immediately below the CEO, and both functions have their senior officer in the dominant coalition.
- e) Integration of the communication function into the relationship management approach as proposed by integrated communication scholars Duncan and Caywood (1996). There is a consulting relationship between the marketing department and the subdivision for marketing communication.

However, by studying these five stages, a graphical representation is provided in Figure 4.4, after which the five stages are discussed.

Figure 4.4 Hunter's five-stage model for integrated communication



Source: Own conceptualisation

4.4.1 Stage 1: coordination and cooperation between public relations and marketing

Stages 1 and 2 move the organisation towards the organisational culture, which is vital for the implementation of stage three. Stage 1 presumes that public relations and marketing are organised in two apparent departments. This stage encourages the two functions to collaborate in serving the organisation's communication requirements.

4.4.2 Stage 2: top management's view of public relations and marketing

Stage 2 maintains that "... public relations is usually hardly regarded as a profession nor as a strategic management function" (Wightman, 1999:4) and will therefore improbably be regarded as similarly important by members of the organisation. In order to evolve successfully through Stage 2, Hunter (1997:179) states that public relations professionals must acquire the highly skilled status of communication managers that have a central comprehension of marketing and management.

4.4.3 Stage 3: the communications department

Stage 3 describes the most original element of the Hunter model (Wightman, 1999:4). Hunter (1997:179) suggests that marketing relinquishes its marketing communication responsibilities to the public relations department. As a result, marketing would no longer direct advertising and marketing, but would be focused more on analysing customer markets and engaging in long-term strategic planning. The new division created from this process would plainly be termed the communication department. This department would contain the three subdivisions of marketing communication, corporate communication and internal communication (Hunter, 1997:180). Although marketing communication would officially report to the head of the communication department, it would continue to

serve the interests of the marketing department. Therefore, Hunter (1997:180) is proposing a matrix organisation similar to that recommended by Grunig and Grunig (1998) where marketing communication professionals would be responsible for fulfilling the interests of both the marketing department and the communication department.

In this regard, Hunter (1997:180) postulates:

Internal communications refers to all communications activities within an organization – horizontal communication within a single department; vertical communication between management and employees; communication between department; and any other forms of communication that may be observed in an organization.

He also reasons that the internal communication division will require forming a matrix relationship with the human resources department of the organisation.

Hunter (1997:185) further emphasises that the experts in the various specialised fields of communication need to work together in selecting the tools that promise the highest degree of effectiveness for synergies to be created so that the total communication effect can be higher than the sum of its parts. Finally, he reminds managers that the integration must extend over all three subdivisions of the communication department by stating that “it would not be a full integration if each of these integrated their own activities regardless of what is done by the other subdivisions”.

4.4.4 Stage 4: communication as part of the dominant coalition

Stage 4 builds on the completion of Stage 2 where marketing and public relations are viewed as equally important elements in the accomplishment of the organisation's strategic mission (Hunter, 1997:183). Stage 4 requires the marketing and communication departments to be placed at the same hierarchical level and both functions to have their senior officer in the dominant coalition.

This ensures that communication and marketing will both be equally represented at the decision-making table. This stage of Hunter's model (1997) is directly in line with the theoretical domains of this study, in that it is also argued that marketing management and communication management should be integrated in order to be incorporated as a business management approach (i.e. part of the dominant coalition of the organisation).

4.4.5 Stage 5: communication as part of the relationship management approach

Finally, Hunter (1997:185) acknowledges that the communication department should implement the relationship management process recommended by Duncan and Caywood (1996). This stage recognises the need for the integrated communication department to develop relationships with the other organisational functions such as human resources and manufacturing to create a totally integrated organisation. Drobis (1997-1998:3) agrees by stating:

If integrated communication is to stand for anything in its new life, then it must go beyond marketing; it also must encompass employee and labour relations, investor relations, government affairs, crisis and risk management, community affairs, customers service and just about any other fact of management where effective communication is a critical success factor.

Hunter (1997), however, revised his initial model of 1997 (as discussed above) in a supplementary study (1999) 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 divisionalizes 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 recognize that the organization is attempting to engage in some form of communicative interaction.

4.4.6 Comments and critique on Hunter's model for integrated communication

Although Hunter (1997) and (1999) contributes strongly to the structuring, standing and approach to communication (and consequent relationship within the organisation to other functions), the model fails to include sufficient focus on the external emphasis of integrated communication. Also, although the model proposes a relationship management approach in the fifth stage, this proposed approach still focuses predominantly on the building of relationships with other organisational functions to create a totally integrated organisation. Therefore, it is argued that this model serves as a good grounding for the internal, departmental communication aspects in integrated communication, but lacks the inclusion of stakeholders and their consequent environment.

A further model was proposed by Grunig and Grunig (1998), where various authors' viewpoints on integrated communication are criticised. They recommend a model that supports the view that marketing communication should be coordinated by the public relations department.

4.5 INTEGRATION THROUGH THE PUBLIC RELATIONS FUNCTION

Grunig and Grunig (1998:146) reason that there is intrinsic worth in integrating all marketing communication functions. However, they criticise the narrow outlook of public relations held by supporters of integrated communication. Many scholars regard public relations as a technical support function and not a managerial function, considering public relations to be press agency and product publicity alone and dealing solely with customer publics. In essence, Grunig and Grunig (1998:146) therefore contend that most scholars see public relations in these two basic level roles suggested by Grunig (Wilcox, Ault, Agee & Cameron, 2000:144) in the press agency model and the public information model.

Grunig and Grunig (1998:147) review the models of Duncan and Caywood (1996) and Gronstedt (1996), and conclude the following: firstly, with regard to the model of Duncan and Caywood (1996), they argue that the last two stages (stakeholder-based and relationship management integration) strongly bear a resemblance to the integration of communication through the public relations function proposed by them. Secondly, with reference to the Gronstedt (1996) model, they disagree with the assignment of customers as central to the model, implying that it is the most important stakeholder. In this regard, they rather suggest that an equally sound argument 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.

It is the contention that the major difference between the suggestions with regard to the integration proposed by Grunig and Grunig (1998:147) and the previously discussed scholars is that the latter do not suggest moving integration upwards 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. Grunig and Grunig (1998:147) agree with Drobis (1997-1998:9) who declares that marketing is “dead”, and they argue further that integrated communication must “... go beyond marketing to encompass employee and labour relations, investor relations, government affairs, customer service and just about any other facet of management where effective communications is a critical success factor” (Drobis, 1997-1998:7). In this regard, it is reasoned that all communication functions in the organisation should rather be integrated and therefore then function as an overall, centralised communication department, as opposed to a communication department that is possibly promoting turf battles between various communication functions.

Grunig and Grunig (1998:157) believe that public relations scholars and marketing communication scholars conceptualise communication in a diverse

fashion, which leads to integrated communication programmes applying the marketing communication theory before public relations theory. This notion refers to the idea of the three theoretical domains of marketing management, communication management and business management, in that although marketing and communication management have individual significant functions, they should be integrated in order to be elevated to a business management approach. Grunig and Grunig (1998:157) additionally explain differences in the two types of theories and identify characteristics and a marketing communication theory that differ from their public relations approach.

Grunig and Grunig (1998:158) consequently state that public relations is a continuing process built into the organisational structure in which the ideas of the publics are brought into the decision-making processes of management. Therefore, describing two-way communication as a reply to a message rather than a mutual and incessant process of listening and dialogue does not support their strategic theory. These researchers further criticise expressions such as “speaking with one voice” because they consider that 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 innovation. However, this is in contrast to the idea of Duncan and Moriarty (1997:70) developing strategic consistency in the messages of the organisation and members of the organisation.

According to Grunig and Grunig (1998:158) marketing communication concepts (identity, brand, reputation and image) propose that reputation can be managed through the production and distribution of symbols. In the Grunig’s view, however, the reputation of an organisation comprises the behaviour of the organisation that publics can evoke. 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 negative reputation and to develop a trusting relationship with both consumer markets and publics. Grunig and Grunig

(1998:158) additionally condemn the overstressing of the behaviour of publics and the under-emphasis of the behaviour of management. The purpose of public relations is described by them as follows:

... 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 behaviour.

Grunig and Grunig (1998:157) conclude that the 1992 *Excellence Study* presents verification in support of separate marketing and public relations functions and of integrating communication programmes through the public relations department or by coordinating a set of specialised public relations departments. Grunig and Grunig (1998) further use the *Excellence Study* to develop their model of integrated communication. Although it might seem that the Grunig and Grunig (1998) model has a different focus – public relations-oriented versus a more marketing-oriented approach – the two models do however have common characteristics and complement each other. Stage seven of Duncan and Caywood's model (1996) (relationship management integration stage) highlights the management role of communication professionals and moves the focus to all the stakeholders of an organisation, in turn supporting the Grunig and Grunig (1998) argument that communication professionals must be part of top management.

4.5.1 Comments and critique on integration through the public relations function

Although this model of integrated communication makes valuable contributions to the field of integrated communication, the major criticism of this model is in line with one of the foundational ideas of integrated communication, namely that this model can potentially emphasise and advance turf battles in the organisation and equally place too much emphasis on the separation of functions. According to integrated communication theory, all communication functions have an equal opportunity to contribute to the integrated communication approach (Niemann,

2002:146). Furthermore, separating functions such as marketing and public relations as proposed by the Grunig and Grunig (1998) model is in direct contrast to the idea of cross-functional planning, which is a fundamental principle of integrated communication. Similar to Hunter's model, Grunig and Grunig (1998:146) do not propose a graphic representation of the model of integration through the public relations function.

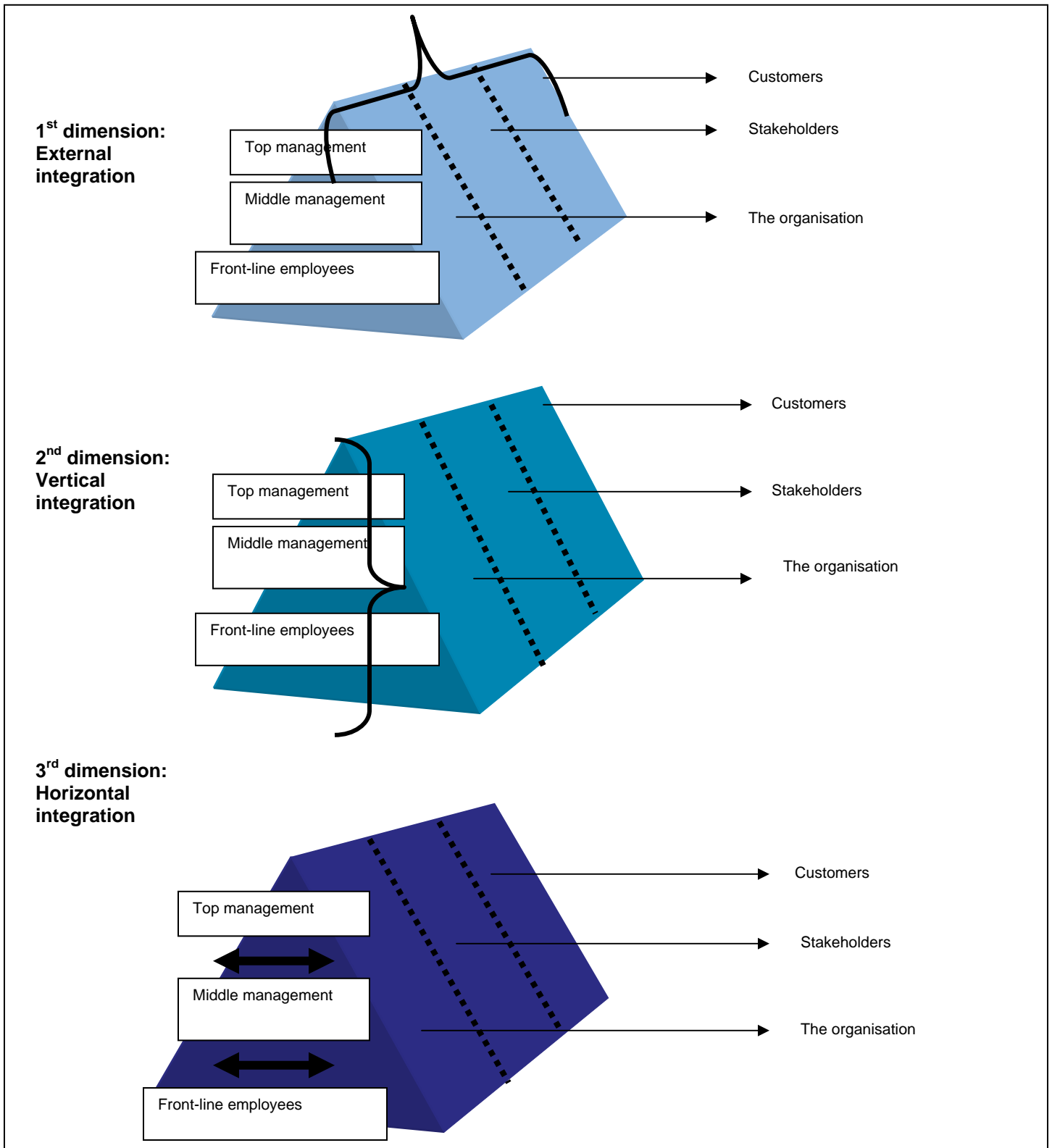
Gronstedt (1996), who suggested the stakeholder relations model (as discussed in Section 4.3), has since advanced his philosophy on integrated communication and proposes his most recent model, namely the three-dimensional integrated communication model.

4.6 THE THREE-DIMENSIONAL INTEGRATED COMMUNICATION MODEL

The three-dimensional integrated marketing communication model is based on a nine-year study conducted by Gronstedt on the role of communication at fourteen leading organisations in America and Europe to research the concept of effective integrated marketing communication. The model Gronstedt (2000) proposes from this research moves the organisation from a "production century" (inside-out thinking) organisation to a "customer century" (outside-in thinking) organisation. This therefore refers to the notion discussed in Chapter 3, Sections 3.7.1 – 3.7.2, which argued that integrated communication is more evident in the customer century. It was however argued that "sophisticated integrated communication" takes place in the stakeholder century, which takes the notion of customers one step further to include all the stakeholders. Gronstedt's model (2000) proposes that the organisation should integrate communication externally with key customers and stakeholders, vertically between senior management and frontline workers, and horizontally across departments, business units and geographical boundaries.

The first triangle depicted in Figure 4.5 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 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 represents the customers. Gronstedt (2000:17) illustrates the groups as overlapping triangles to show that “customer century” organisations (or “stakeholder century organisations”) need to involve people from all ranks and from every department in ongoing dialogues with customers and other stakeholders.

Figure 4.5 The three-dimensional approach to integrated communication



Source: Gronstedt (2000:8)

The model illustrated in Figure 4.5 represents three dimensions, as already mentioned, which are discussed in the following.

4.6.1 The 1st dimension: external integration

To Gronstedt (2000:15), integration on external communication is “... about integrating the voice of the customer into the organisation”. This would focus everyone in the organisation on anticipating and exceeding the needs of customers, and supporting them in communicating consistent messages in every interaction with customers. As Figure 4.5 demonstrates, customers are set behind stakeholders. This reiterates an idea seen in several models discussed previously in this chapter. Integrated communication is about integrating communication with *all* the stakeholder groups that an organisation has, but customers are the most important of these stakeholder groups. The placing of customers behind stakeholders by Gronstedt (2000:15) in this model matches this demand. When managing communication to all stakeholders consistently through an integrated approach, communication to customers will also be integrated. Reaching the customers with integrated communication implies that the other stakeholder groups have also been reached.

The first dimension of integrated external communication is therefore the process of involving everyone in the organisation in both internal and external communication with customers and stakeholders (*integrated external communication*). To accomplish this, senior management needs to train, empower and support frontline employees through a process of *integrated vertical communication* (the second dimension).

4.6.2 The 2nd dimension: vertical integration

The second dimension entails opening up direct, frequent and two-way communication between senior management and employees. It keeps

management in touch with the front-line workers and through them, the customers and employees are in line with the strategic context of the employees' work. However, as long as communication is restricted to the vertical "silos of function", business units and countries, it will not appear integrated with the customers of an organisation.

This third dimension of integrated communication integrates communication between people working in different business units, departments and countries, according to Gronstedt (2000:21):

... [this dimension] empowers the people who are closest to the customers and company operations to communicate more openly, more frequently and more effectively with the managers who have the authority to change the business process.

To Gronstedt (2000:21), the focal point of integrated vertical communication is to align "top-down communicators" around a clear vision, which is evolved through a process of "bottom-up communication", an ongoing dialogue between employees of all ranks. Once a consensus on a vision and mission of an organisation has been reached, top management consistently communicates them to the lower levels of the organisation.

4.6.3 The 3rd dimension: horizontal integration

True integration comes from the cross-business, cross-function and cross-region alignment of *integrated horizontal communication*. Gronstedt (2000:21) argues for the establishment of functional councils and project teams that are devoted to linking knowledge and expertise between departments and work units to leverage them throughout the organisation. One way of creating an environment of open communication is by eliminating what Gronstedt (2000:22) calls "caste systems" – corner offices, specially assigned parking spaces, titles and dress codes. Furthermore, he states that the most prevalent barrier to open communication, however, is the "kill the messenger" syndrome. By doing this,

management essentially damages any form of helpful internal dialogue and thus the dissemination of information across levels, functions and departments.

4.6.4 Comments and critique on the three-dimensional approach to integrated communication

Gronstedt's new model (2000) is clearly based on his stakeholder relations model (1996), but offers several new elements that advance his views on integration. The major contribution in the new model is the analytical approach in the distinction of three separate levels of integration, i.e. externally, horizontally and vertically. In the new three-dimensional model to integrated communication, Gronstedt (2000) emphasises (similar and more so in comparison to his first model) the importance of not supporting the traditional divisionalisation of the communication functions. Gronstedt's new model (2000) further includes the brand and a stakeholder orientation as the guiding principles of integrated communication. The point of criticism against Gronstedt's (2000) model would be that insufficient emphasis is placed on the communication function itself in integrating the three dimensions, therefore not providing guidance on the source of communication in the three-dimensional integration.

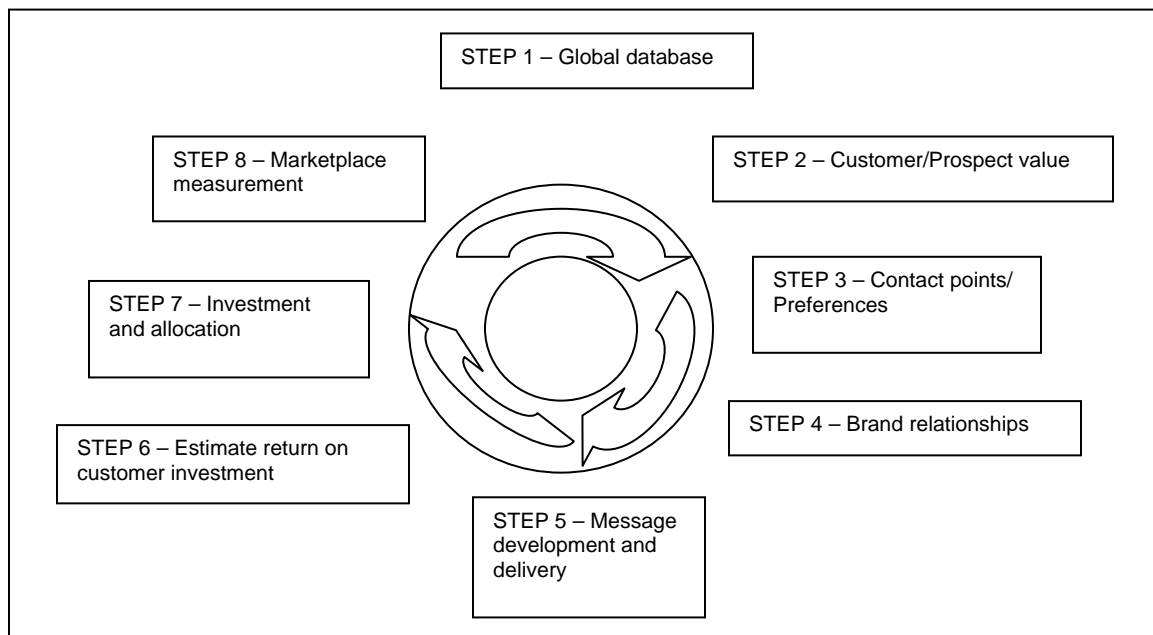
In the following section, the focus is on the eight-step integrated communication process suggested by Kitchen and Schultz (2000).

4.7 AN EIGHT-STEP INTEGRATED COMMUNICATION MODEL

Kitchen and Schultz (2000) advocate an eight-step integrated communication model. This model proposes a circular nature of integrated communication: progressing through all eight steps, and then taking the communication professional back to Step 1 (See Figure 4.6). Through this "closed loop" planning system, the learning from each step in the model and from each completed communication effort is incorporated and combined with the data previously

gathered and stored, and offers a basis for planning the next stage of communication or the next communication effort. The organisation is constantly learning from marketplace experience, and is continuously improving and enhancing the knowledge of customers and prospects. In this model, the organisation is also constantly testing assumptions and relating them to the marketplace reality.

Figure 4.6 An eight-step integrated communication model



Source: Kitchen and Schultz (2000:9)

Each step in the model illustrated above is discussed briefly:

4.7.1 Step 1: global database

One of the constituents in this integrated communication model is substantive, continually updated knowledge about customers, stakeholders and prospects. This generally derives from data and information stored electronically in a customer or prospect database or in databases that the organisation may retain (Kitchen & Schultz, 2000:5). Personalised, purposeful dialogue with customers

and stakeholders cannot take place without a database following all the interactions and not simply transactions. The intention of the purposeful dialogue is to build a relationship with customers and stakeholders. This consideration is parallel with the concept of relationship marketing, for the reason included in the definition of Gronroos (1994:9):

... to establish, maintain and enhance relationships with customers and other partners at a profit, so that objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises.

Data is present throughout the entire organisation and unless it is drawn together, it is often futile (Kitchen & Schultz, 2000:90). Database mining can be used to bring this information together. Data mining is the act of using software programmes to analyse the customer databases to look for trends and buying patterns and to reveal customer segments that are only buying a small portion of the organisation's product offerings (Duncan & Moriarty, 1997:225). Data mining consequently identifies communal characteristics of the customers with the best potential based on a large number of factors, including demographics and buying behaviour (Gronstedt, 2000:54). Duncan (2001:763) describes the rationale of data mining as identifying trends, relationships (e.g. heavy users buy less frequently than the average customer but in larger quantities), and other information and insights about customers, to facilitate better communication decisions. Communication professionals must therefore be knowledgeable about data, data handling and data access (Harris, 1998:118).

The Kitchen and Schultz (2000) model therefore focuses greatly on *obtaining information* about the (apparently already identified) customer. It can, for this reason, be considered to identify the customer first (as confirmed by the relationship marketing idea to identify customers first (Peppers, *et al.*, 1999:ix)), and then obtain information about those customers to ensure the learning relationship between the organisation and the customer.

4.7.2 Step 2: customer value

The momentous disposition of global customer databases becomes apparent when the organisation considers that Step 2 in the Kitchen and Schultz (2000) integrated communication model is to value customers or prospects by some means (Kitchen & Schultz, 2000:95). The motivation for this valuation is that if the organisation is to invest the predetermined resources of the organisation in cultivating the best customers and prospects, it must have some means of valuing each of them as a basis for this investment process (discussed in Step 7 of the Kitchen and Schultz (2000) model).

In the approach to customer and prospect valuation, the most important return for the organisation (sales and, ultimately, profits) is contended with. That is, the organisations try to identify those customers who are at present the most financially valuable to the organisation and those who might be worth the most for the organisation in future by using the purchase information in the database information (Kitchen & Schultz, 2000:95). The best method to value customers and prospects is financially, namely by determining their purchases or what Kitchen and Schultz (2000:79) refer to as “income flows”.

It is thus argued that the essence of Step 2 of the Kitchen and Schultz (2000) integrated communication model is merely a general valuation of the customer or prospect in order of importance to the organisation. This is done to be able to aim the integrated communication approach at customers and prospects, based on their consequent value for the organisation.

4.7.3 Step 3: contact point/preferences

Step 3 of the eight-step integrated communication model (Kitchen & Schultz, 2000) records two areas for implementation: contact points and contact preferences. Contact points are all the ways in which customers and prospects

engage in contact with the organisation, the brand, channel members or any other people or activities that are related directly to the brand and that can be or are utilised to influence either present or future considerations of the brand (Duncan, 1997). Contact preferences are the ways in which customers and prospects would prefer to receive information or material from the organisation or the brand (Duncan & Moriarty, 1997:161).

It is vital to determine what communication approaches customers and prospects *prefer* because, given the many product and media alternatives available, the organisation cannot force a message on a customer. As an alternative, the organisation must respond to the preferences of the customer. In the customer and stakeholder centuries, it is no longer how the organisation wants to communicate, but how the customer wants to be communicated *with* that is ultimately of importance in the global system.

An understanding of current and existing customer contact points and preferences is required for integrated communication (Duncan & Moriarty, 1997:96; Schultz, Tannenbaum & Lauterborn, 1994:83). Therefore, it is argued that the organisation needs to develop ways in which to collect more information about customers. These strategies must be devised in such a manner that *relevant* information about customers can easily be captured by all staff or employees (Peppers & Rogers, 1994:9). Every engagement with a customer must be seen as an opportunity and “moment of truth” (Duncan, 1997) for the customer. This notion refers to the relationship marketing step of interacting with customers. Peppers *et al.* (1999:5) argue that in this step of relationship marketing, the organisation must engage the customers in a continuing dialogue that permits the organisation to learn more and more about the customers’ particular interests, needs and priorities. Owrid and Grimes (2001:7) advocate that there is one requirement for arriving at this, which is referred to as a 360-degree brand idea. This prerequisite is to be totally single-minded about the outcome the organisation wishes to achieve – and simultaneously being neutral

(zero degree) about the methods the organisation uses to obtain it. The 360-degree view, according to Gronstedt (2000:69), refers to the idea that there needs to be some type of *interrelated* data system that can serve numerous applications in the organisation.

4.7.4 Step 4: brand relationships

The brand will progressively be one of the most valuable resources that the organisation controls (Kitchen & Schultz, 2000:102). Given the lack of other sustainable competitive advantages, the brand develops into the primary relationship medium between the organisation and its customers, stakeholders and prospects. This makes brand knowledge or the understanding of current brand meanings by customers, stakeholders and prospects central in identifying and developing new brand communication efforts (Duncan & Moriarty, 1997:48-49).

It is essential for the organisation to recognise the brand networks customers and prospects have formed with the brand before attempting to implement integrated communication efforts to augment, change or reinforce those networks. Several research techniques are available to help communication professionals identify current brand networks among customers, stakeholders and prospects. These techniques normally fall under attitudinal research and involve the awareness, knowledge and feeling that customers, stakeholders and prospects have about brands and organisations. One such technique to identify existing brand networks among customers is the laddering technique suggested by Schultz *et al.* (1994:127-129). This research technique helps researchers understand the various forms of hierarchical category, product and brand levels that exist in a customer's mind. The research aim is to get beyond the superficial reasons people normally use to clarify their behaviour and to reach the actual reasons people act and react as they do. The laddering method (consisting of in-depth inquiring about the reasons why a respondent identifies a concept as being

important), which shifts customers to higher levels of abstraction in order to obtain responses closer to the “end” or values level, illustrates how customers group products differently at different levels of abstraction. In theory, it is this higher values level that governs perception and, ultimately, product evaluation (Botschen, Thelen & Pieters, 1999:162).

Thus, it is contended that by merely knowing the brand relationship that is present – that is, the brand knowledge that comes from the formerly developed brand network brought about by the brand experience – the communication professional can develop an effective message or incentive.

4.7.5 Step 5: message development and delivery

One of the most evident differences of integrated communication compared to the traditional promotional mix is that development of messages and incentives – generally at the core of the traditional promotional mix process – enjoy a lower priority in terms of implementation in the development process. This reflects the basic premise of integrated communication that the organisation cannot develop effective messages or incentives, unless and until it understands the stakeholders (Schultz, *et al.*, 1994:108).

Kitchen and Schultz (2000:82) state that the use of the terms *messages* and *incentives* before *advertising* or *public relations* or *sales promotion* is intentional because based on their research, they found that customers seldom differentiate between the functional areas of marketing communication. As an alternative, customers tend to translate the functional areas into messages and incentives.

In integrated communication, the message itself is often secondary to the message or incentive delivery system. For this reason, it is vital for the communication professional to customise the message or incentive delivery system to be appropriate to the customer. Customisation entails adapting some

facets of the organisation's behaviour towards the customer, derived from that customer's needs and values (Peppers & Rogers, 1999:5).

Traditionally, delivery systems were forms of media – print or broadcast, in-store or through the mail, and the like. In the integrated communication approach, delivery systems include when and where a customer, stakeholder or prospect comes into contact with the brand or organisation – the “what” is referred to as the moments of truth. If new and unique forms of delivery are to be used, there must be methods and ways of measuring the impact and effect of those delivery systems in order for them to be compared to existing media forms (Schultz, *et al.*, 1994:101).

4.7.6 Step 6: Estimate of return on customer investment (ROCI)

Following the five steps of the eight-step integrated communication model of Kitchen and Schultz (2000) discussed thus far; the next logical step is to estimate what type of return or response the organisation might produce from the communication efforts. In this integrated communication model, Kitchen and Schultz (2000:83) label this *return on customer investment (ROCI)*, not what Schultz (1994b:11) refers to as *return on investment (ROI)*, which is the more well-known term.

This step determines the financial value of the entire communication effort thus far, and converts results into financial terms, based on the utilisation of various measurement methods. The key difference between this step and Step 2 (the valuation of customers or prospects) is that in Step 2, the focus is on the *general* valuation of the relationship the customer has with the organisation and where that customer stands on the organisation's communication priority list. This is in contrast to the valuation that takes place in Step 6, where the return on the customer investment (ROCI) – specifically – is determined in financial terms with scientific financial measures.

Step 6 further describes a framework for measuring both communication effort end-points and processes. It is a framework, pointing out the essential elements of a strategy that can be implemented, economically and effectively, to make communication efforts more capable and accountable. It is designed to provide the organisation with the information to make concurrent adjustments and optimise the results of continuing efforts and improving planning for subsequent communication efforts.

4.7.7 Step 7: investment and allocation

The next step in the Kitchen and Schultz (2000) integrated communication model is the tangible determination of the financial investment the organisation plans to make in the customers, stakeholders and prospects through various forms of integrated communication efforts. In the Kitchen and Schultz (2000) model, this step is first and foremost a process of corresponding costs of various communication activities and testing them against the estimated returns. Great judgment is needed here, together with the information and material contained in the database (established in Step 1) and the actual marketplace experience (Schultz, 1994a:12). In this integrated communication, customers, stakeholders and prospects are the centre, not markets and countries – the outside-in approach.

Furthermore, an important step in most investment and allocation decisions is to take a zero-based budgeting approach (Duncan, 2001:768) rather than a continued or rolling budgeting approach (Drury, 1992:443). There should be no fixed conditions or preset media or delivery choices. Each decision should be made autonomously, allowing for interaction between the various communication efforts. Inherent in this model is the idea of media neutrality: decisions are based on what will provide the best benefit to the organisation, not on which medium is most attractive to the communication professional or what might be considered the best allocation decision (Gregory, 1996:39).

4.7.8 Step 8: marketplace measurement

Once the investment and allocation decisions have been made, the final step is to set up systems of measurement to establish what occurred in reality in the marketplace. The marketplace results are, however, what really happened, what the organisation received for its investment in various customers, and how long it took to achieve those returns (Schultz, *et al.*, 1994:115). It is also here that the determination is made about whether or not all the preceding steps have been developed correctly and the returns produced.

The concluding step in this integrated communication model can be seen as the “recycling” phase of the integrated communication efforts. The organisation takes the results achieved in the marketplace and, after evaluation, adds them to the database, preferably connecting the results to each individual customer. If this is not achievable, the organisation then relates the results to each customer group. It is this agility to test and measure that in fact differentiates the integrated communication approach from other communication approaches. By taking results from current communication efforts and using them as input to the database, the organisation generates a “closed-loop” system that allows it to learn and improve on previous results incessantly (Harris, 1998:122).

4.7.9 Comments and critique on the eight-step integrated communication model

It is argued that it is the “closed-loop” circular system that differentiates this integrated communication model from other generally *ad hoc* approaches. Only by using actual marketplace results as the basis for the next communication effort can the organisation essentially become a learning organisation. Knowing what was successful and what was not, knowing what performed up to expectations and what did not enables better, more effective communication professionals. The most significant contribution of this model is that it proposes a

clear understanding of the value of customers, in order to spend communication resources and effort according to the return on customer investment. However, the point of criticism against this model is that it focuses predominantly on customers, therefore excluding a broader stakeholder approach and thus not placing sufficient emphasis on *internal* and external messages.

4.8 CONCLUSION

In this chapter, various models have been proposed and criticised to elucidate the issue of implementing integrated communication effectively. The evolutionary integrated communication model proposed by Duncan and Caywood (1996) focuses on several stages of integrated communication. The model is epitomised in a circular form to diverge from the idea that one stage is more important than the other. As an alternative, each stage may utilise the experience of the previous stage and each organisation determines the stage that preeminently matches its existing situation.

The stakeholder relations model (Gronstedt, 1996) proposes an integrated approach to communication by merging the main dimensions of public relations and marketing communication. The central tenet of the model is that a communication professional will utilise the marketing or public relations tool that potentially has the highest success in a certain situation. Hunter's model (1997) is derived from the modification of a previous model (Hunter, 1999). The model identified five stages essential for integration.

Grunig and Grunig (1998) propose integration through the public relations function. This model presents criticism of the earlier discussed models and emphasises the importance of integrating all the communication efforts through the public relations department. The *Excellence Study* is used as a motivation for separating marketing and public relations, all suggesting that communication should be coordinated through the public relations department.

The three-dimensional model of integrated communication suggested by Gronstedt (2000) demonstrates that integrated communication is a strategic management process that must implicate the entire organisation (the “unity of effort” of the organisation). The model symbolises three dimensions that are considered necessary for an organisation to survive in the customer and stakeholder centuries.

Lastly, the eight-step integrated communication model of Kitchen and Schultz (2000) describes the implementation of integrated communication comprehensively. This model has a very distinct business management approach with the explicit recognition of the financial implication of integrated communication for the organisation.

Based on the discussion of the existing models of the implementation of integrated communication, the argument stated in Chapter 3 that marketing and communication management should be integrated and raised as part of business management is reiterated in these models, especially the models of Hunter (1997) and Grunig and Grunig (1998). It can therefore be reasoned that the implementation of strategic integrated communication should be regarded as *part* of business management, and not merely a function thereof. It is also further argued, as in Chapter 3, that, based on these existing models, organisations cannot build relationships externally until they build them internally.

However, based on the discussion of the existing models of integrated communication implementation, it is evident that various pitfalls and shortcomings exist in the various models. The comments and criticisms on the various discussed models, together with the findings from the empirical research through in-depth interviews on the implementation of integrated communication in South Africa (phase 2), are to be utilised to produce the conceptual model for the implementation of strategic integrated communication in the South African

business landscape. In the following Chapter, issues in the implementation of integrated communication are discussed.