

**STRATEGIC INTEGRATED COMMUNICATION  
IMPLEMENTATION: TOWARDS A SOUTH AFRICAN  
CONCEPTUAL MODEL**

by

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## **Declaration**

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I declare that the Doctoral script, which I hereby submit for the degree PhD Communication Management at the University of Pretoria, is my own work and has not previously been submitted by me for a degree at another university.

**Ilse Niemann**

**April 2005**

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## Abstract

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Change on various levels in globalised markets necessitates organisations to adopt a stakeholder-based approach to communication management and marketing management. In order to meet the needs of these stakeholders, organisations need to create and nourish long-term relationships between the organisation, its brands and its stakeholders. Strategic integrated communication is fundamental in relationship building between these components to ensure that the organisation is viewed as cohesive. However, after almost 15 years of existence, the concept of integrated communication is still seen as a difficult concept to implement in organisations. Literature proposes various implementation models (predominantly developed in Europe and America) for the implementation of integrated communication. While these models could in theory be applied on an international scale, the South African context calls for specific communication approaches, as the country is in a unique situation in a post-apartheid era. It is therefore contended that there is a need for a strategic integrated communication implementation model for the South African business landscape, based on the specific needs related to this distinct environment.

Therefore, the primary research objective of this study was to develop a conceptual model for strategic integrated communication implementation in the South African marketplace. The research was conducted through three phases, based on the Mitroff *et al.* (1974) model of systematic problem solving. Phase 1 consisted of the literature review to determine the theoretical status of the concept of integrated communication. Phase 2 explored the state of integrated communication implementation among advertising and communication agencies in South Africa empirically, through in-depth interviews. These interviews were conducted with the strategic planning directors (or an equivalent) of the top ten advertising and communication agencies in South Africa, to establish the extent to which integrated communication is practised by these representatives of the field. Phase 3 consisted of the development of the conceptual implementation

model of strategic integrated communication in the South African marketplace, based on the findings from the first two phases.

The proposed conceptual model for the implementation of strategic integrated communication in the South African marketplace is based on the fundamental principle that the *strategic intent* of the organisation drives all communication and that *learning organisational principles*, amid profound global and national changes, incessantly reposition the organisation based on the consequent changes in the marketplace. In order to promote unity of effort in relationship building, the organisation needs to be integrated on three levels, namely the organisational, stakeholder and environmental levels, which form the centre of the conceptual model. At the core of the organisational integration area is the renaissance communicator, which could be the key to strategic integrated communication implementation. The renaissance communicator contributes to the organisational success through the alignment of communication objectives with the strategic intent of the organisation and the subsequent changing business landscape, thereby ensuring unity of effort in all organisational efforts through strategic consistency.

## Opsomming

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Verandering op verskeie vlakke in die globale mark noodsaak organisasies om 'n belanghebbende-gebaseerde benadering tot kommunikasiebestuur en bemarkingsbestuur aan te neem. Organisasies behoort langtermyn verhoudings tussen die organisasie, sy handelsnaam en sy belanghebbendes te ontwikkel en te bou, om sodoende die behoeftes van hierdie belanghebbendes aan te spreek. Strategiese geïntegreerde kommunikasie is fundamenteel tot die bou van verhouding tussen hierdie komponente om te verseker dat die organisasie as samehangend beskou word. Nietemin, na 'n bestaan van amper 15 jaar, word die konsep van geïntegreerde kommunikasie steeds as 'n moeilike konsep beskou in sover dit die implementering daarvan in organisasies betref. Literatuur stel verskeie implementeringsmodelle (meestal in Europa en Amerika ontwikkel) vir die implementering van die konsep in organisasies voor. Hoewel hierdie modelle in teorie op 'n internasionale skaal toegepas behoort te kan word, vereis die Suid-Afrikaanse konteks spesifieke kommunikasie benaderings, aangesien die land homself in 'n unieke situasie in 'n post-apartheid era bevind. Dit word dus geargumenteer dat daar 'n behoefte bestaan vir 'n strategiese geïntegreerde kommunikasie implementeringsmodel vir die Suid-Afrikaanse sake-omgewing, gegrond op die spesifieke behoeftes wat verband hou met die bepaalde omgewing.

Gevolgtik, was die primêre navorsingsdoelwit van die studie om 'n konseptuele model vir strategiese geïntegreerde kommunikasie implementering in die Suid-Afrikaanse mark te ontwikkel. Die navorsing is uitgevoer deur drie fases, gebaseer op die Mitroff *et al.* (1974) model van sistematiese probleemoplossing. Fase 1 het bestaan uit die literatuuroorsig, om die teoretiese status van die konsep van geïntegreerde kommunikasie te bepaal. Fase 2 het die toestand van geïntegreerde kommunikasie implementering onder adverterings- en kommunikasie-agentskappe empiries bepaal, deur in-diepte onderhoude. Hierdie onderhoude is met die strategiese beplanningsdirekteurs (of 'n

ekwivalent) van die top tien adverterings- en kommunikasie-agentskappe in Suid-Afrika gevoer, om die mate vas te stel waartoe geïntegreerde kommunikasie beoefen word by hierdie verteenwoordigers van die vakgebied. Fase 3 het bestaan uit die ontwikkeling van die konseptuele implementeringsmodel van strategiese geïntegreerde kommunikasie in die Suid-Afrikaanse mark, gebaseer op die bevindings van die eerste twee fases.

Die voorgestelde konseptuele model vir die implementering van strategiese geïntegreerde kommunikasie in die Suid-Afrikaanse mark, is gebaseer op die fundamentele beginsel, dat die *strategiese doel* van die organisasie alle kommunikasie dryf en dat *lerende organisatoriese beginsels*, te midde van diepgaande globale en nasionale veranderinge, voortdurend die organisasie herposisioneer volgens die gevolglike veranderinge in die mark. Ten einde eenheid van verhoudingsbou-pogings te promoveer, behoort die organisasie op drie vlakke geïntegreerd te wees, naamlik die organisatoriese-, belanghebbende- en omgewingsvlakke, wat die middelpunt van die konseptuele model vorm. In die kern van die organisatoriese integrasie area is die renaissance kommunikator, wat moontlik die sleutel tot strategiese geïntegreerde kommunikasie implementering kan wees. Die renaissance kommunikator dra by tot die organisatoriese sukses deur die belyning van kommunikasie doelwitte met die strategiese doel van die organisasie en die daaropvolgende veranderende besigheidslandskap, om sodoende ooreenstemming van pogings in alle organisatoriese pogings deur strategiese konsekwentheid te verseker.

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# CHAPTER 1

## Orientation and motivation

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### 1.1 INTRODUCTION

One of the challenges facing businesses the world over is the need for a transitioning process: transitions in production and manufacturing, logistics and distribution, and most importantly, transitions in marketing and communication (Schultz & Schultz, 2004:3). It is not feasible for organisations to continue to use marketing and communication approaches developed for and in the Industrial Age in an arena of globalisation, electronic commerce, instantaneous communication and the like. Schultz and Schultz (2004:3) suggest that the best mechanism for making transitions in marketing and communication is the integration of all efforts, that is, the development of processes, systems, and coordination. In short, this refers to the integration of all forms of communication both inside and outside the organisation with all the relevant stakeholders.

For organisations to survive in the midst of transition, senior executives, led by the CEO, need to manage and present the organisation in such a way that it not only protects and nurtures all the individual brands and stakeholder relationships (in other words a relationship management focus in terms of its stakeholder focus) within its portfolio, but that the organisation also stands for something other than an anonymous faceless profit-taking corporate entity. In order to manage this complex sphere in which the organisation functions, it is the task of business management in the organisation to examine factors, methods and principles that enable a business organisation to function as productively as possible, so as to maximise its profits and achieve its objectives (Cronje, Du Toit & Motlatla, 2000:25). But still, Nieman and Bennett (2002:5) concur and state that the field of study of business management is divided into different functional

areas of management in order to achieve these objectives by building profitable relationships with stakeholders. Among others, marketing management is one of the functional areas of business management, which is responsible for marketing the products or services of the business (Wilmshurst & Mackay, 2002:6). Nieman and Bennett (2002:5) further argue that there are other functional areas, classified as generic management functions, which include, communication management.

### **1.1.1 Integration in business management**

Few organisations were traditionally involved in the idea of integrating any of their business functional areas (Schultz & Schultz, 2004:3). Organisations were therefore divided into departments that operated as independent silos, operating as unique profit centres. Gronstedt (2000:7) acknowledges this and adds that still fewer organisations felt traditionally that there was any need to integrate the marketing and communication functions. Organisations were, therefore, strictly divided into individual, separate, independent business functions or units, all managed by the top management of the organisation.

Early moves towards integrating business management and the integration of management functions were made soon after the end of World War I, predominantly by Japan and Europe (Schultz, Tannenbaum & Lauterborn, 1992:iii). To compete in what was swiftly becoming a global economy, managers needed to find ways to work across boundaries and borders, not merely geographically, but culturally and internally. Examples of this move towards integration include Deming (1982) and Juran (1992) who argue for the use of total quality management systems, Hammer and Champy (1993) who advocate organisational reengineering, and Prahalad and Hamel (1994) who champion organisational focus. Not only at business management level did scholars propose the move towards integration, but it was also advocated in the context of marketing management.

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### 1.1.2 Integration in marketing management

The four Ps (product, price, place and promotion) traditionally governed the style in which businesses conducted their marketing activities. This approach of the four Ps, however, makes no mention of customers or profits in the model, which could be regarded as a sign of its internal “siloes” orientation. By using the four Ps approach, marketing managers merely managed matters they knew and controlled. The problem regarding the four Ps further arose in the 1980s when a new focus on “market share” as the key to future profits was introduced. This assumed that if the organisation achieved a dominant share of the market, by “crowding out” competitors and controlling customer choices, it expected that profits were to follow (Schultz & Schultz, 2004:5). The result was that organisations spent more time trying to do better than their competitors, rather than trying to understand customers and prospects. In addition, mass media, mass distribution and promotion were all themes of business management well into the 1990s (Wilmshurst & Mackay, 2002:29). However, to get to *mass* media, *mass* distribution and *mass* promotion, organisations need greatness. However, this is where the silo system of organisational structure that had accommodated the four Ps model began to fall short.

### 1.1.3 Integration in communication management

As the four Ps model became obsolete, similar factors were driving change in communication. Product proliferation, an overabundance of new channels, and more competitive pricing all demanded new forms and types of communication as a result of the driving changes. In the place of the promotional mix of the early 1980s, a new type of communication strategy began to take shape, as businesses sought ways to influence the behaviour of customers and prospects in an increasingly cluttered marketplace (Schultz & Schultz, 2004:6). According to Anchrol (1991:82), the fundamental four Ps view of marketing shifted to a large degree, from the four “Ps” to the four “Cs” of the 1990s: customer, cost to satisfy

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needs, convenience to buy (including negotiating terms and conditions) and communication (dialogue between field sales, the corporate office and the customer). In most organisations, changing from a focus on the traditional four Ps to more of a customer focus required a major change in the corporate culture and in the marketing strategy to make it more communication focused. In other words, an organisation must move from using inside-out thinking (focusing on the needs of the organisation), to using outside-in thinking (focusing externally on customers' needs and wants) (Duncan, 2001:14). Inside-out thinking starts with the organisation's needs, whereas outside-in thinking starts with the customer's needs (Schultz, 1993a:8). In line with these changes, the emergence of the concept of relationship marketing should be mentioned, as this proposes a means of ensuring outside-in thinking for the organisation. Regis McKenna pioneered this concept in 1991 in her book entitled "Relationship marketing". At the same time, courses devoted to relationship marketing began to develop in business schools around the world through the efforts of scholars such as Jag Sheth at Emory University in Atlanta, Christian Gronroos in Finland and Rod Brodie in New Zealand. McKenna (1991:2) challenged the marketing industry to become more customer-centric and to improve their understanding of customer relationships. "Advertising, promotion, and market-share thinking are dead, and what counts are the relationships a company develops with its customers, suppliers, partners, distributors – even competitors." (McKenna, 1991:3.) This new type of two-way symmetrical communication strategies is marked by the movement towards strategic integrated communication in order to build relationships between organisations and their stakeholders.

Steyn and Puth (2000:18) argue that communication is progressively gaining the standing of a central management function in an organisation's business management. Thus, organisations increasingly make use of database marketing with customer-driven practices, leading to an integration of all its communication functions (Christian, as quoted in Caywood, 1997:v). It can therefore be argued that communication professionals need to work together in such an approach in a

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manner that will help ensure business effectiveness and efficiency, in other words on an enterprise strategy level, analysing stakeholders and positioning the organisation strategically within its changing environment. It is therefore evident that the traditional role of marketing management and communication management is raised through the approach of integration to that of business management. This implies that marketing management and communication management become a business approach, which contributes directly, through the process of integration, to the bottom line and general wealth of the organisation (its effectiveness and efficiency). With the emergence of communication management into a business approach, integration is therefore prominent.

## 1.2 PROBLEM STATEMENT

The problem statement in this context is fourfold, based on the background of the three concepts of business, marketing and communication management. It can be summarised as follows:

- a) Because of the *globalisation* of markets and change on various levels in these markets, organisations need to adopt a stakeholder-based approach.
- b) In order to meet the needs of *stakeholders*, organisations need to build long-term relationships between the organisation, its brands and these stakeholders.
- c) Even after almost 15 years of existence, the concept of integrated communication (as an extension of the concept of integrated *marketing* communication) is still seen as a *difficult concept to implement* in organisations.
- d) In literature, various implementation models exist for the implementation of integrated communication. There is, however, no *implementation model of integrated communication for the South African marketplace*.

Each of these four components comprising the problem statement is discussed briefly.

### **1.2.1 Globalisation directs a stakeholder-based approach**

The most recognisable development in business and management today is the globalisation of markets for products and services (Kitchen, 1999:v). Kitchen and Schultz (2000:6) argue that for many businesses and industries, business extends well beyond the national marketplace. Dunning (1993:14) maintains that in such an environment, organisations need to notice the threefold focus of gaining and retaining a global competitive advantage, namely a) organisational resource, b) control over technology and c) marketing and strategic alliances. Bartlett and Ghoshal (1998:43) agree, but add firstly, that organisations also need to take full advantage of economies of scale and scope arising from global integratedness. This includes significant economies arising from experience and learning effects in both manufacturing and marketing. Secondly, Bartlett and Ghoshal (1998:43) state that organisations also need to have a proper understanding of differences in supply capabilities and consumer needs in different countries. This understanding would be derived from nationally and internationally integrated databases that monitor supply and demand (current and future) side capabilities and needs. Thirdly, organisations also need to use the experience gained in global and national markets to strengthen their resource base as a whole.

Keegan (1999:3) predicts that the twenty-first century will be “one of tremendous change and diversity”. Kitchen and Schultz (2000:14) reason that almost irrespective of the distribution and widening of world markets, multi-national organisations will be poised to take full advantage of market and marketing opportunities on a global scale.

Keegan further (1999:21) postulates that to many managers, executives and leading-edge managerial and marketing thinkers, globalisation is already a reality. However, Kitchen and Schultz (2000:9) declare that the driving force of marketing and branding products, services and organisations is the marketplace.

The “marketplace”, whether local, national, international or global, does not stand alone. It is a direct consequence of market economies bound up in those who “buy” or “sell” in it. Levitt (1983:xxii) illustrates that:

The purpose of business is to get and keep a customer. Without solvent customers in some reasonable proportion, there is no business. Customers are constantly presented with lots of options to help them solve their problems. They don't buy things, they buy solutions to problems. To create betterness requires knowledge of what customers think betterness to be. The imagination that figures out what that is, imaginatively figures out what should be done, and does it with imagination and high spirits will drive the enterprise forward.

Within this context of globalisation, where the marketplace does not stand alone, it is therefore imperative for South African organisations to be up to date with global organisational trends in order to survive in an era of globalisation. In South Africa, the period around 1994 was earmarked by an entire set of political, social and economic changes, which have deeply influenced both the life of this nation and the life of organisations in South Africa. An evaluation by Denton and Vloeberghs (2003:84) of the factors impacting on business in the past decade indicates that South Africa has witnessed irreversible changes.

An approach to manage these irreversible changes witnessed by South Africa is through a stakeholder focus that organisations need to adopt. The second component of the fourfold problem statement relates to this stakeholder focus and is discussed briefly.

### 1.2.2 A stakeholder focus

Kitchen and Schultz (2000:7) maintain that by 2010 the local manufacturer-driven marketplace and the distribution-driven marketplace will have been dwarfed in comparison with the global marketplace, which is characterised by interactivity. In this regard, the historical marketplace (the industrial age) is characterised by product integration and the current marketplace (the information age) is typified by customer integration. However, the 21<sup>st</sup> century marketplace is symbolised by stakeholder integration, which is built around a two-way symmetrical approach to interactivity and is therefore regarded as the stakeholder age. The most obvious characteristic of this global, interactive marketplace is that stakeholders will have significantly greater access to information than in any previous phase of economic (the industrial age) and social (the information age) development. Also, organisations will be more visible as accountable corporate citizens, and will have to exercise social responsibility to a greater extent than ever before towards its stakeholders. This means that all organisations will, as Kitchen and Schultz (2000:7) explain, have to build real relationships with real stakeholders. Referring to “real” implies that relationships are not outbound, based on spin, rhetoric and one-way communication – as was the case in the Industrial Age – but based on a correct understanding of the dynamics of served markets and constituencies throughout the world in which the organisation is competing. The approach that organisations need to follow in order to ensure interactivity with stakeholders is that of integrated communication.

### 1.2.3 Complexity in integrated communication implementation

Schultz *et al.* (1992:4) argue that since its inception, integrated communication has received considerable attention. Pettegrew (2000:1) reasons that despite its appeal, more than a decade has passed since the concept was first introduced and most major organisations have yet to fully implement the foundational ideas contained in integrated communication. Percy (1997:8) postulates that the

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theory of integrated communication, while theoretically pragmatic, ultimately fails because of significant structural-functional barriers to its implementation. However, it can be argued that the value of integrated communication lies less in which organisations have adopted it and more in the competitive advantage it can provide, as well as the fact that the complexity of human communication requires tenacious integration in order to be consistent and effective. If integrated communication is truly to become what Argyris, Putnam and Smith (1985:72) refer to as a theory-in-use, Pettegrew (2000:2) postulates that a substantive analysis of organisational barriers to the adoption of integrated communication and strategic actions to overcome them must be advanced.

#### **1.2.4 The need for a South African integrated communication implementation model**

Resembling the global complexity of the implementation of integrated communication, the South African business environment is also experiencing difficulty with the implementation of this concept, as South African organisations must keep abreast of the challenges of globalisation. Throughout global integrated communication literature, various implementation models for the concept of integrated communication exist. These include: a) the evolutionary integrated communication model (Duncan & Caywood, 1996); b) the stakeholder relations model (Gronstedt, 1996); c) Hunter's model for integrated communication (1997; 1999); d) integration through the public relations function (Grunig & Grunig, 1998); e) a three-dimensional integrated communication model (Gronstedt, 2000); and f) an eight-step integrated communication model (Kitchen & Schultz, 2000). These models are predominantly developed within the contexts of Europe and America and then implemented globally. Consequently, there is limited South African literature and previous research on the actual practice of integrated communication in this market. An example of existing literature is a thesis entitled "The development of a framework for structuring integrated communication in South African organisations" (Ehlers, 2002). However, this

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study focused predominantly on *structural* organisational issues in integrated communication and focused greatly on only two functions of integrated communication, namely marketing and public relations (focusing specifically on the analysis of web sites), and not from a *holistic* perspective.

Conversely, although the existing global models mentioned should in theory be practised and applied on an international scale, it could be argued that the South African context calls for unique communication approaches based on global communication trends and theories, as the country is in a unique situation, especially in a post-apartheid era. Against this background, the primary and secondary research objectives are discussed.

### **1.3 PRIMARY AND SECONDARY RESEARCH OBJECTIVES**

#### **1.3.1 Primary research objective**

To develop an implementation model for the management of strategic integrated communication in the South African marketplace.
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In order to address the primary research objective, the secondary research objectives should firstly be achieved. These are stated in the following section.

#### **1.3.2 Secondary research objectives**

*Secondary research objective 1:*

- To establish theoretically the link between strategic communication and integrated communication in the implementation of strategic integrated communication.

*Secondary research objective 2:*

- To determine theoretically the perceptible current universal problematic issues in the implementation of integrated communication.

*Secondary research objective 3:*

- To describe the current global approach to integrated communication implementation from a theoretical perspective.

*Secondary research objective 4:*

- To study existing models of integrated communication implementation in order to conceptualise an implementation model for the management of strategic integrated communication for the South African marketplace.

*Secondary research objective 5:*

- To ascertain empirically the current state of integrated communication implementation among advertising and communication agencies in South Africa.

#### **1.4 RESEARCH METHODOLOGY**

The research methodology was divided into three phases and is based on a qualitative research paradigm. Phase 1 established, through the literature review, the first four secondary research objectives. Phase 2 determined, by means of in-depth interviews, the state of integrated communication implementation among the top ten advertising and communication agencies in South Africa (the empirical phase of the study to address secondary research objective 5). The data-processing method used for phase 2 is the Morse and Field approach (discussed in greater detail in Chapter 6, Section 6.9). Phase 3 consisted of the non-empirical phase, which focused on the development and presentation of an implementation model for the management of strategic integrated communication in the South African market. Phase 3 was based on the theory of phase 1 in the literature review and the empirical findings in phase 2, in order to address the primary research objective.

The three phases, in relation to the objectives and the specific chapter in which they are addressed, are summarised in Table 1.1 below.

**Table 1.1 Relation of the phases to the objectives and chapters**

PHASE	RESEARCH OBJECTIVES	CHAPTER
1	Secondary research objectives 1-4	2-5
2	Secondary research objective 5	6-7
3	Primary research objective	8-9

In order to meet the primary research objective, the research process was based on the Mitroff model (Mitroff, Betz, Pondi & Sagasti, 1974), which is a model that outlines a process for studying science or a phenomenon in science from a holistic or systems point of view. According to Koornhof (2001:257), and in accordance with the purpose of this study, the Mitroff model was selected in Management Sciences in order to: a) define the scope of the research; b) provide guidance in structuring the research; and c) identify the processes and research stages that should be followed.

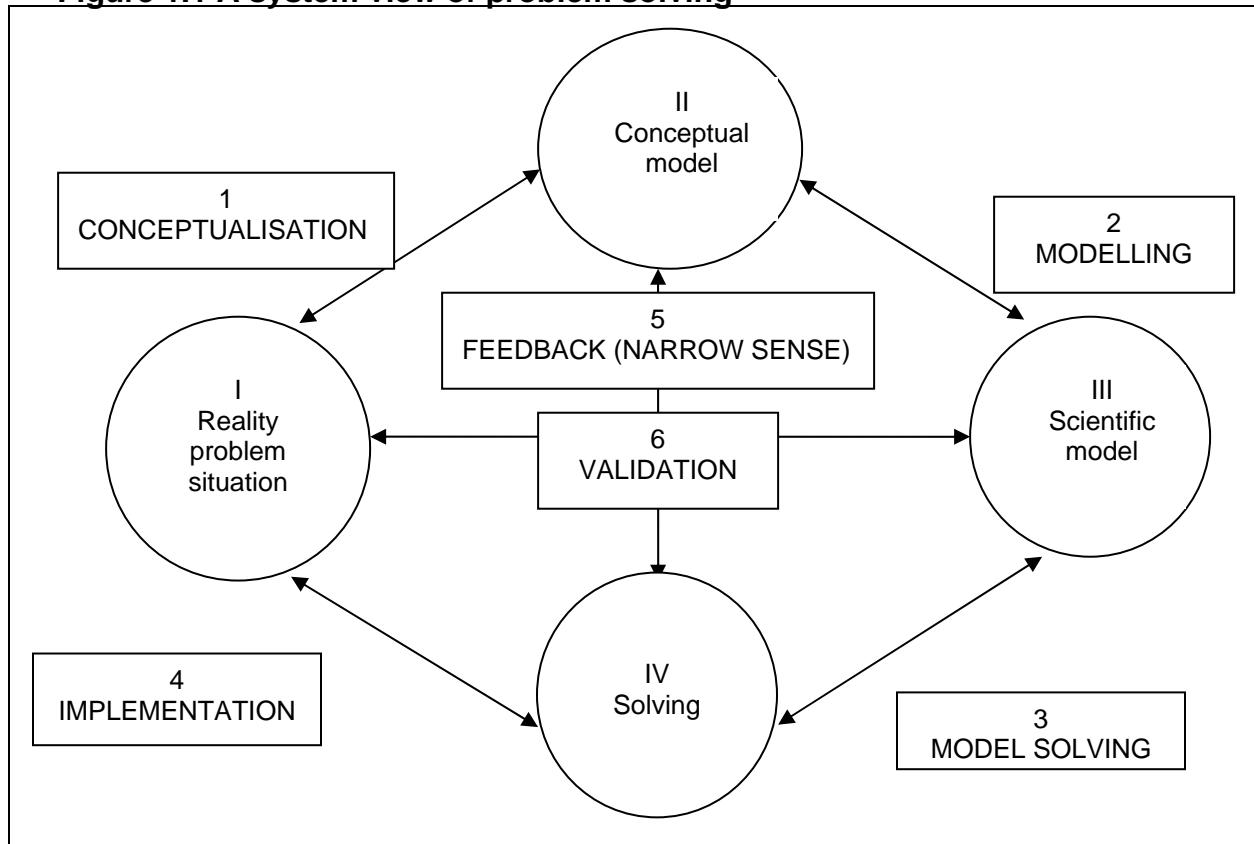
As the Mitroff model is based on a systems perspective, this also correlates with the general systems theory, which forms the grand theory of this study, and which is further discussed in Section 1.6. The Mitroff model is discussed in the following section.

#### **1.4.1 The Mitroff model for problem solving in systems thinking**

In 1974 Mitroff, Betz, Pondi and Sagasti developed a model that sought to highlight the processes involved in research inquiry. They used the systems theory as a basis to explain the intricate network of relationships in the research process. This relates to the explanation of systems thinking per Montouri (2000:63), where he states that systems thinking provides a model for seeing interrelationships among factors, rather than focusing on the individual factors (or circumstances) themselves. At issue, within the context of integrated communication, are properties that arise from the complex and interdependent

relationships between segments in the organisational arena. It can therefore be argued that the Mitroff *et al.* (1974) model is apt for this study as the grand theory (as set out in the meta-theoretical framework in Section 1.6) is that of the general systems theory, similar to the underlying theory of this model. The Mitroff model assists the researcher by documenting the various steps in research inquiry and allowing the researcher to identify and follow those steps that are appropriate in his/her research. Although the flexibility of the model's design makes it appropriate for a wide spectrum of research, it is particularly useful in less formal, experimental and naturalistic research (Koornhof, 2001:255).

In developing their model it was argued that there were aspects of science that could only be studied from a whole systems theory paradigm and that anything less than a holistic view of science would fail to identify some of the essential features of science (Mitroff, *et al.*, 1974:36). The model identifies the different phases of problem solving, and highlights various research approaches, styles and attitudes towards science. The model for problem solving represents a systems theory view of different varieties of scientific behaviour as illustrated in Figure 1.1.

**Figure 1.1 A system view of problem solving**

Source: Mitroff *et al.* (1974:47). (Graphic representation refined)

The systems theory view of the various kinds of scientific activity in the model results in a circularity, which implies that the diagram has no predefined beginning or end. Research does, however, have a beginning and thus a starting point. This starting point, together with the underlying assumptions of the researcher, has far-reaching consequences for the type of research conducted and the subsequent stages of scientific inquiry to be followed. The model implies that recognised and legitimate research does not have to start or end at a specific point, a view supported by Churchman and Ackoff (1950:22).

The core of the Mitroff model is the four circles indicated in Figure 1.1, as a) Circle I: Reality problem situation, b) Circle II: Conceptual model, c) Circle III: Scientific model and d) Circle IV: Solving. A research project could begin at any circle: I, II, III or IV. However, closely related to the four circles are six activities –

1) Conceptualisation, 2) Modelling, 3) Model solving, 4) Implementation, 5) Feedback and 6) Validation – representing or elaborating on the activity that is related to the specific circle. For example, the inquiry could commence at circle I, with the identification of an existing problem. The first phase of problem solving would then be the performance of activity 1, conceptualisation, so as to devise a conceptual model in circle II. The conceptual model establishes, in broad terms, the definition of the particular problem to be solved. It specifies the field variables that are used to define the nature of the problem and the level at which the variables are treated (Mitroff, *et al.*, 1974:47).

The next phase may entail the performance of activity 2, namely the formulation or development of a scientific model in circle III. A scientific model is a set of either qualitative or quantitative logical relationships, "... which link the relevant features of reality with which researchers are concerned, together" (Rivett, 1972:9). It should be borne in mind that the scientific model represents a simplified version of reality, or what Hakinson (1987:719) refers to as a form of reductionism.

The third phase concerns the performance of activity 3 to derive a solution (circle IV) from the scientific model. Koornhof (2001:257) argues that this function is related to the teleological dimension of social science, which assumes that the practice of science is invariably goal directed. It can therefore be argued that the aim of social science is to provide a solution to a specified problem. This dimension may act as a constraint on research inquiry, because the problems that are addressed are often limited or restricted to the achievement of specified research goals (Mouton & Marais, 1985:15).

The implementation of activity 4 entails a feedback of the solution to the original problem or reality. This requires the implementation or utilisation of the solution to the problem area in society. It is apparent that the skills required for the implementation of a proposed solution differ from those required to develop a

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mathematical model. Mitroff *et al.* (1974:50) confirm that the elements and activities in the model demand different skills and involve different standards or criteria of performance.

In validation (activity 6, relating to circle IV and representing the validation phase of this model) the degree of correspondence between reality and the scientific model may be evaluated. The comparison between the scientific model and reality may take place repeatedly until the scientific model is refined to reflect the necessary aspects of reality. In activity 5, that is, feedback in the narrow sense, problem-solving activities (circles II, III, IV) are applied when the goal is to derive better scientific solutions. In this activity, continual feedback causes a solution to be refined so that it meets the criteria and field variables specified in the conceptual model. It is typical in this research cycle that no reference is made to reality and implementation does not occur.

Given the simple system of interconnected elements, as depicted in Figure 1.1, Mitroff *et al.* (1974) calculated that a total of 3 555 research subsystems could be formed by considering all possible combinations of two, three and four elements. The authors excluded activities that are related to only one element because a system consists of at least two elements plus a relationship between them. Although not included in their total number of possible research subsystems, the authors did not preclude the possibility of subdividing activities 1 to 6 to incorporate, for example, different ways of performing the modelling or the conceptualisation activities. Such subdivision would substantially increase the number of research subsystems. Each of the research subsystems represents a different type or form of scientific activity.

#### **1.4.2 An application of this model for systematic problem solving**

The Mitroff model implies that legitimate research need not address all the activities and elements in the model. Therefore, the research for this thesis is

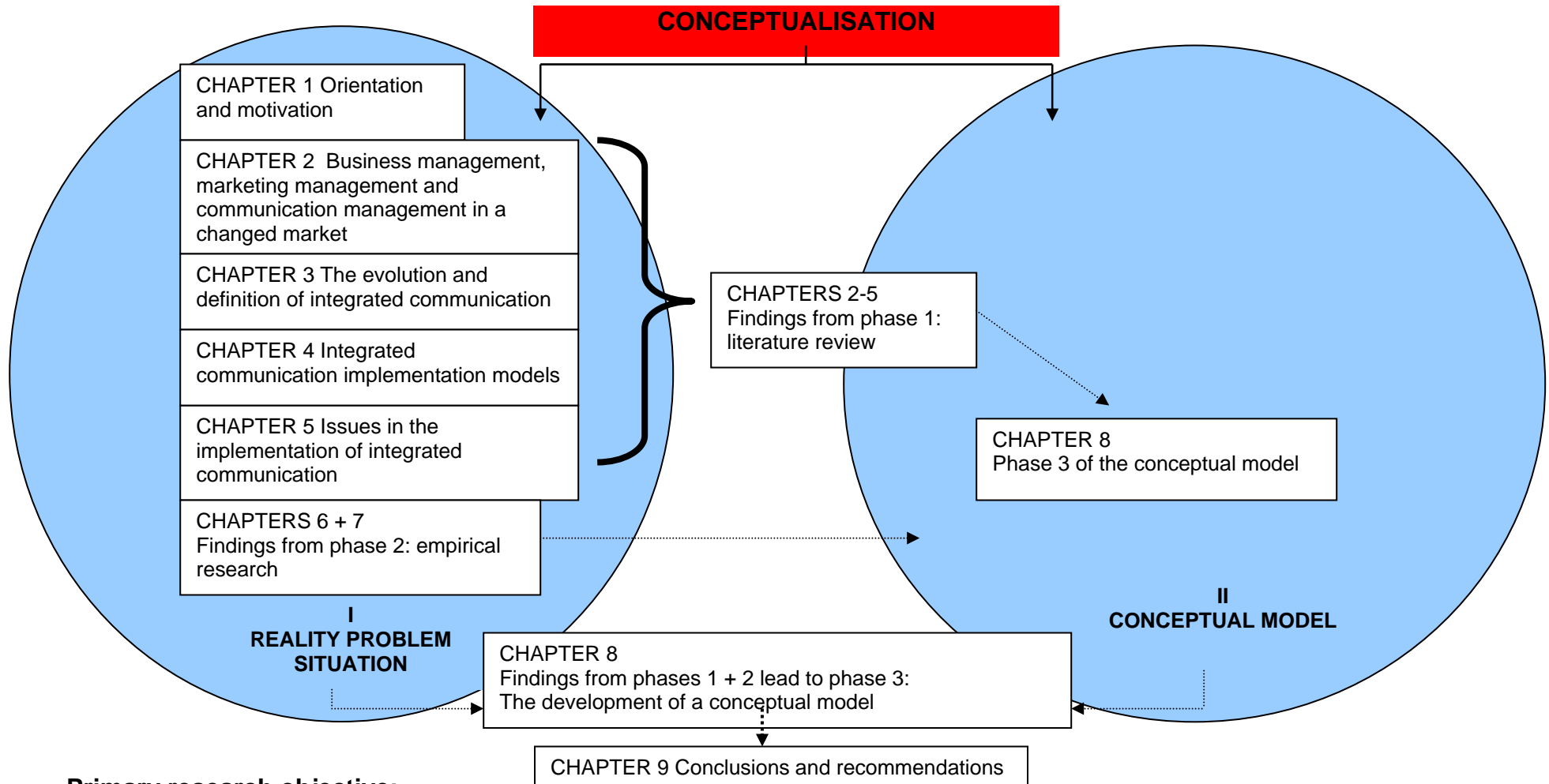
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limited to circle I (Reality problem situation), activity I (Conceptualisation) and circle II (Conceptual model). For the purpose of this study, the starting point of the current research comprises both circles I and II. The activity of conceptualisation takes place by means of alternative consideration of reality and the problem situation on the one hand and the feasible conceptual models on the other. Circle I entails phases 1 and 2 of the research methodology of this study. This therefore entails the literature review on existing theories and literature of integrated communication (phase 1) and an exploratory study on the current state of integrated communication implementation in the South African marketplace (phase 2). In circle II, an implementation model for the management of strategic integrated communication in the South African marketplace is developed (phase 3), based on phases 1 and 2 of the research methodology. It should be stated clearly that this model is merely a conceptual model. It is not in the parameters of this study to develop a scientific model that could be validated or implemented (circle III). This could be considered the heuristic value of the current research as the focus is specifically on the *conceptual* development of an *implementation* model for strategic integrated communication in the South African marketplace and not on a scientific model of integrated communication in a general context.

Therefore, in the proposed phase 1 (the exploration of existing literature on integrated communication through a literature review) and phase 2 (the exploration of the current state of the implementation of integrated communication in the South African marketplace), the activity of reality problem situation took place, which leads to circle II where the conceptualisation of the model took place (phase 3 – the conceptualisation of an implementation model for the management of strategic integrated communication in the South African market). The application of the model of problem solving for the purpose of this study can be viewed as illustrated in Figure 1.2.

Figure 1.2 An application of the model for systematic problem-solving of the study



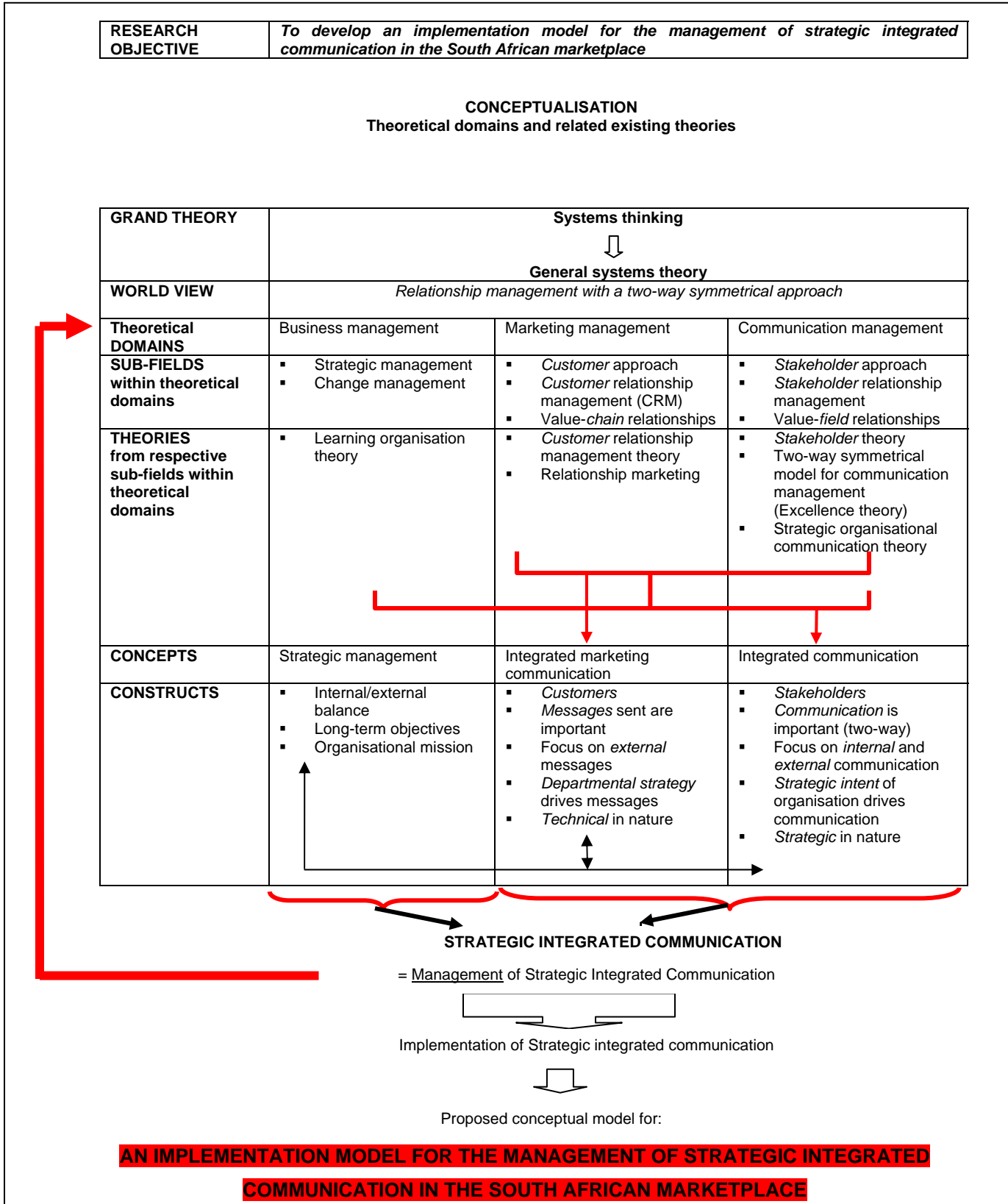
**Primary research objective:**

To develop an implementation model for the management of strategic integrated communication in the South African marketplace

## 1.5 CONCEPTUALISATION AND META-THEORETICAL FRAMEWORK

In order to address the primary research objective stated in Section 1.3, the study was conceptualised in the following manner: the grand theory is based on the general systems theory from a systems thinking perspective. It is argued that, in order for an organisation to exist, it needs to function in the world view of relationship management with a two-way symmetrical approach. Based on this argument, three theoretical domains (or fields of study) were identified, namely business management, marketing management and communication management. These three theoretical domains are interlinked in that business management, which is responsible for the strategic intent of the organisation, drives marketing management and communication management in the organisation. It is therefore argued that communication management is directly linked to business management, as it is reasoned that communication management is seen as a pertinent business contributing approach and not merely another function in organisations. Each of these theoretical domains consists of various sub-fields that influence the theoretical domains, with subsequent existing theories, which are pertinent. It is maintained that all three theoretical domains contribute to the conceptualisation of the implementation model of strategic integrated communication. In Figure 1.3 a summary of the conceptualisation and the meta-theoretical domains is presented.

Figure 1.3 Conceptualisation and meta-theoretical framework



## 1.5.1 Grand theory

### 1.5.1.1 Systems thinking

The grand theory is that of the general systems theory driven by systems thinking, as mentioned in Section 1.5. According to Montouri (2000:63), *systems thinking* provides a model for seeing interrelationships among factors, rather than focusing on the individual factors (or circumstances) themselves. According to Backlund (2000:444), systems thinking enables a dynamic, holistic examination of an organisation including as it unfolds as a means of ensuring that the changes made are in concert with environmental changes, demands and constraints. Systems thinking can therefore be regarded as the application of the general systems theory within the organisational context, focusing specifically on the interactivity and interdependence of the various segments in the organisation, whereas the emphasis of the general systems theory is on the greater wholeness of the system.

### 1.5.1.2 General systems theory

*The general systems theory* is a broad, multi-disciplinary approach to knowledge, based on the systems concept. The systems concept can be defined as "... a set of entities with relations between them" (Langefors, 1995:55). The definition used by Miller (1995:17) is similar: "... a set of interacting units with relationships among them"; so is the definition used by Van Gigch (1991:30): "... a system is an assembly or set of related elements". The general systems theory was developed primarily by Ludwig von Bertalanffy (Littlejohn, 1989:46). Von Bertalanffy (1968:5) describes the general systems theory as:

... a general science of 'wholeness' which up till now was considered a vague, hazy and semi-metaphysical concept. In elaborate form it would be a logico-mathematical discipline, in itself purely formal but applicable to the various empirical sciences.

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Littlejohn (1989:51) argues that the general systems theory has been "... an immensely useful tool in the study of communication". This scholar further mentions that systems theory is designed to capture the ways in which various phenomena can be viewed holistically as a set of interacting forces. Skyttner (1996:16) postulates that the general systems theory integrates a broad range of special systems theories by naming and identifying patterns and processes common to all of them. The researcher further argues that, while the special systems theory explains the particular system, the general systems theory explains the "systemness" itself, regardless of class or level. In this regard, it can be argued that the general systems theory is more apt for this study as the "systemness" of the organisation as a whole is studied, focusing on integrated communication within the greater system and not merely a particular system. It therefore focuses on the interaction between the various systems in an organisation and the related communication within the greater system of the organisation. Corman, Banks, Bantz and Mayer (1990:115) state in this regard that the general systems theory is basically concerned with problems of relationships, structure and interdependence rather than the constant attributes of objects.

A primary aim of the general systems theory, according to Backlund (2000:447), is to integrate accumulated knowledge into a clear and realistic framework. For the purposes of this study, based on this aim of the general systems theory and given therefore that a system is, by definition, a set of elements that interact over time, this study takes a general systems theory approach to study the organisation in relation to its internal and external environments in order to develop an implementation model for the management of strategic integrated communication in the South African marketplace. It is further argued that the organisation functions within the greater environmental system, where factors such as globalisation and a stakeholder focus of organisations has a direct impact on the "systemness", in that it calls for a more integrated approach to business, marketing and communication management.

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It can therefore be reasoned that the grand theory of this study (general systems theory) leads to the worldview of relationship management with a two-way symmetrical approach. In this regard it is maintained that as organisations need to maintain the “systemness” within the context of integration, the interactivity with the environmental system implies a worldview of relationship management within a two-way symmetrical approach, as shared communication and interdependence are fundamental to maintaining relationships within the organisation, as well as the greater system in which the organisation is functioning.

### **1.5.2 Theoretical domains**

In studying the behaviour of organisations for this study, the three theoretical domains within the paradigm of the general systems theory are business, marketing and communication management. It should however be noted that, based on the principle that a system is a set of elements that interact, the study is undertaken from the world view of relationship management with a two-way symmetrical approach. As stated in Section 1.5.1, a system is a set of interrelating units with relationships among them. Based on this premise, the organisation is viewed as a set of interrelating units, where this study is focused on the relationship management between these units. It is yet to be mentioned that these relationships should be viewed from a two-way symmetrical approach, to emphasise the true interrelatedness of the various units of the organisation. These three theoretical domains are discussed in Chapter 2 (business management, marketing management and communication management) and Chapters 3 – 6 (communication management). It is reasoned that communication management is linked to business management in that communication management is driven by the strategic intent of the organisation. It is further argued that communication management is integrated with marketing management to form a more holistic move (driven by systems thinking) towards relationship building in a two-way symmetrical approach.

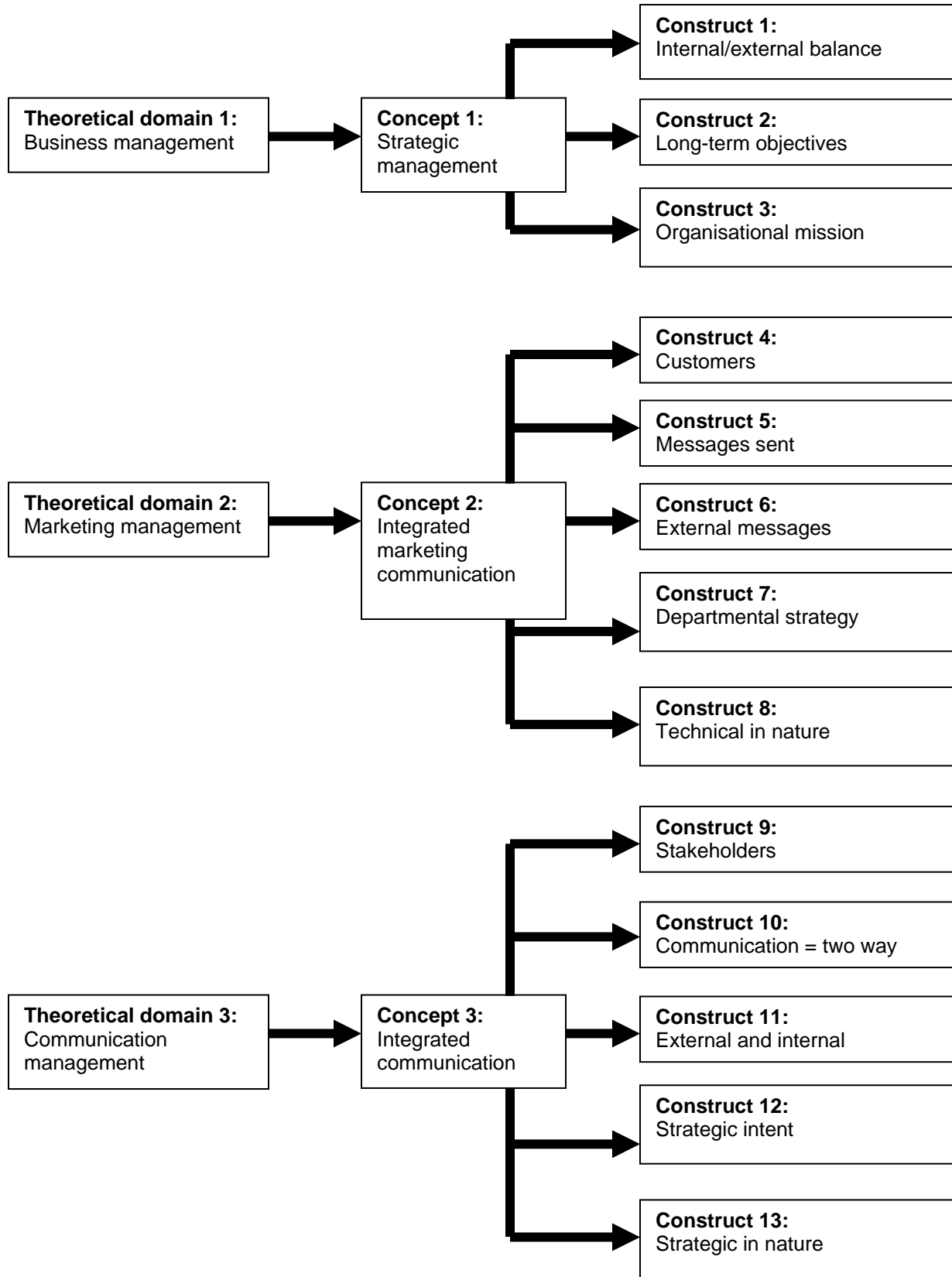
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## 1.6 DEFINITION OF TERMS

The definition of terms is divided according to the three theoretical domains. From the business management theoretical domain, the concept of strategic management is identified. In this regard, the concept of integrated marketing communication within the theoretical domain of marketing management is identified. The concept identified from the third theoretical domain of communication management is integrated communication. These concepts and their constructs are depicted in Figure 1.4, after which separate definitions for the respective terms are provided.



Figure 1.4 Key concepts and constructs underlying the study



The separate definitions and descriptions of the concepts and constructs, as presented visually in Figure 1.4, are discussed in the following section.

### 1.6.1 Strategic management

Strategic management is defined by Greene, Adam and Ebert (1985:14) as "... a process of thinking throughout the current mission of the organization, and the current environmental conditions, and combining these elements by setting forth a guide for tomorrow's decisions and results". Grunig (1992:119) postulates that traditional theories of management set forth principles for developing an internal structure to supervise internal processes. Strategic management, in contrast, balances these internal activities with strategies for dealing with external factors (Pearce & Robinson, 1997:35). According to Steiner, Miner and Gray (1982:6), strategic management can be distinguished from "operational management" by the "... growing significance of environmental impacts on organizations and the need for top managers to react appropriately to them". Grunig (1992:119) further states that managers who manage strategically do so by balancing the mission of the organisation with what the environment will allow or encourage it to do. Pearson and Robinson (1997:65) describe this internal-external balancing as "interactive opportunity analysis". They further state that its purpose is to provide the combination of long-term objectives and grand strategy, which will optimally position the total firm in the external environment as the means to achieving the organisational mission. Additionally on an internal level, strategic management ranges from the enterprise strategy to the operational strategy and is discussed in Chapter 2, Section 2.3.2.2 in greater detail, which should then be balanced on an external environmental level. It can therefore be argued that the communication function in the organisation should also be aligned with the organisational mission, therefore based on the *strategic intent* of the organisation.

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In the following section, the second and third identified concepts of integrated marketing communication and integrated communication are discussed in combination, to illustrate the reasoning behind the choice in terminology.

### 1.6.2 Integrated marketing communication vs. integrated communication

It is imperative to note that the focus is predominantly on *integrated communication* (IC) and not *integrated marketing communication* (IMC), which was the preferred term before the late 1990s. Integrated marketing communication is defined as 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. It is asserted that there are some fundamental differences between the concepts of integrated marketing communication and integrated communication (while integrated communication is seen as the evolution of the concept of integrated marketing communication). It is the contention, based on in-depth scrutiny of literature from approximately 1990, and the current body of knowledge of integrated communication and integrated marketing communication, that the fundamental differences between these two concepts can be summarised according to five main ideas, namely:

- a) Integrated marketing communication focuses predominantly on customers, where integrated communication proposes a more holistic perspective to include stakeholders, which Steyn and Puth (2000:198) define as "... groups of people are stakeholders when they are affected by decisions of an organisation or if their decisions affect the organisation". Steyn and Puth (2000:198) further state that publics form when stakeholders recognise the consequences of an organisation's behaviour as a problem and organise to do something about it. It is therefore necessary to understand that organisations are functioning in the *stakeholder century*. In the stakeholder century, organisations have to begin with, and focus very strictly on, the

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needs and wants of stakeholders (the outside-in approach) in order to become a stakeholder-centric organisation. Furthermore, an integrated communication approach will lead the organisation to greater stakeholder centricity.

- b) In the context of integrated marketing communication, the focus is on *messages sent* out by the organisation. In the context of integrated communication, the focus is on *communication* (implying a two-way process), therefore emphasising that all communication, and not merely messages, contributes to the brand of the organisation.
- c) Integrated marketing communication focuses heavily on *external messages*, whereas integrated communication focuses on *internal and external messages*.
- d) The most fundamental difference between integrated marketing communication and integrated communication is that with integrated marketing communication, the *marketing or communication departmental strategy drives the messages of the organisation*. In integrated communication, however, *the strategic intent of the organisation as a whole drives all the communication of the organisation*.
- e) Integrated marketing communication contributes to the *technical aspects* of the organisation, whereas integrated communication is *strategic in nature*, contributing to the strategic thinking processes within the system of the organisation.

Integrated communication is thus seen as a broader view of integrated marketing communication, based on these five ideas derived from the analysis of the said literature. It should be emphasised that integrated communication follows on integrated marketing communication. Integrated communication is therefore built

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on the premise that there must be interaction between the two forms of communication (internally and externally) in an ongoing, interactive, independent and synergistic manner (Gronstedt, 2000:7). There should be no walls or barriers, despite their often different functions, between these types of communication, for both are ultimately strategically indispensable to drive business forward. As a whole, integrated communication is therefore not a new concept. It has evolved from the need to prepare organisations to succeed in the future business landscape. The focus is therefore on integrated communication and not on integrated marketing communication, with integrated communication viewed as an extension of the concept of integrated marketing communication. It is as a result reasoned that *integrated communication is always integrated marketing communication* but that *integrated marketing communication is not always integrated communication*.

A shift consequently appeared in the concept of integrated marketing communication as well as the implementation thereof to a more broad-based strategic approach so that integrated communication is seen as an umbrella term for all strategic organisational communication (Kitchen & Schultz, 2000:4). In this evolutionary period of the concept, it would appear as if much literature exists on integrated marketing communication and integrated communication. Many of these texts claim to be focusing on integrated marketing communication and integrated communication, but they are in truth merely traditional promotional approach texts, which cover promotional elements, but not true integration. In addition, most of these texts exclude various other integrated communication mix elements and some of the literature, advocating the idea of integrated communication, does not view integrated communication as an organisational process, but merely as the superficial integration of a message for a specific campaign.

Additionally, the study of some of the component elements such as advertising, sales promotion, personal selling and direct marketing (Wilson, 2001:1) is not in

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itself unique, as there is a multitude of research that has been conducted on these elements of integrated communication. This can be seen in, for example, the research into the usefulness of online Internet-based advertising (McMillan, 1997:1). Also, Krishnan and Chakravarti (1993:213-231) studied the effects of traditional advertising on customer attitudes through branding, and Smith (1994:26) further studied the effects of sales promotion on operant conditioning.

Therefore, integrated communication is defined, for the purposes of this study, as:

... 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.

## 1.7 DELIMITATION OF THE STUDY

The delimitation of this study is twofold. Firstly, it should be noted that the intention of this study is strictly to develop a *conceptual* implementation model for the management of strategic integrated communication in the South African business landscape, and not the development of a *scientific* model.

Secondly, it should also be noted that, because of this evolutionary approach to the concept of integrated communication, most literature refers to the concept of integrated marketing communication. In this study it is acknowledged that the concept of integrated marketing communication is the preferred concept until the late 1990s. Thereafter, scholars such as Gronstedt (2000) and Caywood (1997) refined specific characteristics of integrated marketing communication to develop the concept of integrated communication. Therefore, it should be noted very carefully that throughout this study, integrated marketing communication literature is used in order to conceptualise arguments on the concept of integrated communication, since integrated communication is an extension of the 1990s concept of integrated marketing communication. A distinction is therefore

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not made between the two concepts in the theoretical conceptualisation of the term integrated communication in this study, as the differentiation is explained in Section 1.6.2.

## 1.8 DEMARCATION OF CHAPTERS

This study comprises nine chapters, including the current chapter. Chapters 2 to 5 cover the theoretical component (phase 1 of this study). Chapters 6 and 7 focus on the methodology and execution of phase 2, the empirical research phase. Chapter 8 contains phase 3 where the conceptual implementation model of strategic integrated communication in the South African business environment is developed and presented, and Chapter 9 provides the conclusions and recommendations.

For convenience, Table 1.2 provides a summary of the demarcation and content of each chapter.

**Table 1.2 Demarcation and content of chapters**

CHAPTER	CONTENT
CHAPTER 1: Orientation and motivation	The problem that the study investigates, an overview of the primary and secondary research, the Mitroff model and the application of the model for systematic problem solving, definition of terms and delimitations are introduced. The conceptual framework and meta-theoretical approach underlying the study are also described.
CHAPTER 2: Business management, marketing management and communication management in a changed marketplace	The focus of Chapter 2 is a discussion of business, marketing and communication management and their respective theories and sub-fields in the context of a changed business environment. It is argued that marketing and communication management should contribute directly to the business management of the organisation. Furthermore, the theoretical components of integrated communication are introduced. As the focus of this chapter is to discuss business, marketing and communication in a changed marketplace, South African organisations in a post-apartheid, transformed business landscape is

	discussed.
CHAPTER 3: The evolution and definition of integrated communication	Chapter 3 elaborates on the exploration of integrated communication. The main aim of this chapter is to arrive at an investigation into a conceptual basis of the concept of integrated communication. Besides arriving at a definition for integrated communication based on its evolution, Chapter 3 addresses the essence of integrated communication and the change factors that have necessitated the evolution of the concept. The chapter further makes a clear distinction between the various marketplaces in which integrated communication is practised.
CHAPTER 4: Integrated communication implementation models	Chapter 4 is an exploration of the various existing models for the implementation of integrated communication. Six existing models are studied and evaluated in order to arrive at an idealistic and practically implementation of the concept of integrated communication. Comments and critique are offered on each existing models to contribute to the development of the conceptual implementation model.
CHAPTER 5: Issues in the implementation of integrated communication	Chapter 5 focuses on the issues surrounding the implementation of integrated communication. Although the concept of integrated communication is fairly widely accepted, there has been resistance to the acceptance of the efficient implementation thereof. This chapter focuses on <i>when</i> integrated communication should be implemented, <i>what</i> should be integrated as well as the <i>minimal requirements</i> for its implementation. Furthermore, the <i>problems</i> and <i>barriers</i> to integrated communication implementation are examined in order to take these into consideration in the development of the conceptual model of integrated communication implementation.
CHAPTER 6: Methodology: Empirical research	Chapter 6 consists of the presentation of the meta-theory of the empirical research of phase 2. In this chapter, the methodology of phase 2 is discussed, focusing on the explorative research strategy, the formulation of the research propositions of phase 2, the research method in the form of face-to-face in-depth interviews. The sampling design is discussed, where the sample consists of the top ten advertising and communication agencies in South Africa. Also, the method of data analysis done through the Morse and Field approach is explained.
CHAPTER 7: The implementation of integrated communication in South Africa	Chapter 7 focuses on the implementation of integrated communication in South Africa, based on the empirical research findings of phase 2. The



	<p>chapter explains the research process of the second phase, in discussing the ten in-depth interviews (consisting of 16 interview questions) conducted with the strategic planning directors (or the equivalent) of the top ten advertising and communication agencies in South Africa. In this chapter, the results and interpretation of the results of phase 2 are presented, based on the responses, a summary of the key results, the relation of the responses to theory and the interpretation of the findings. The research propositions of phase 2 are then accepted or rejected.</p>
<p>CHAPTER 8: A conceptual model for integrated communication in South Africa</p>	<p>Chapter 8 presents phase 3 of this study where the conceptual implementation model of strategic integrated communication for the South African marketplace is developed and presented. In this chapter, the principles of the conceptual model and the three proposed areas of integration are explained. Thereafter, the focus is on illustrating the incorporation of the essence of integrated communication, mentioned in Chapter 2, into the conceptual model. Furthermore, it is indicated how the conceptual model addresses the comments and critique raised on existing models in Chapter 4 and the barriers to integrated communication implementation, discussed in Chapter 5.</p>
<p>CHAPTER 9: Conclusions and recommendations</p>	<p>In Chapter 9, the primary and secondary research objectives are revisited in order to draw the final conclusions from all three phases of the study. The chapter further focuses on conclusive remarks regarding the conceptual model for integrated communication implementation, and the reliability and limitations of the study. Recommendations for future research are also made.</p>

## CHAPTER 2

# Business management, marketing management and communication management in a changed marketplace

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### 2.1 INTRODUCTION

Today, organisations internationally have to manage many dramatic changes, as mentioned in the orientation and motivation in Chapter 1. These international changes range from fundamental restructuring to innovative shifts in traditional values. However, these changes are even more apparent in a post-apartheid South Africa. This climate of change offers communication professionals unique opportunities to achieve short-term success as well as the long-term survival and growth of the organisation in which they operate. Communication professionals need to function as strategists and leaders, and to involve a portfolio of internal and external communication strategies that will add value to the organisation, and ultimately ensure sustainable existence on both local and international organisational levels.

Against this background of change, international and more specifically South African organisations require a more strategic approach in terms of business management. A more strategic approach to business management in such a changed environment necessitates a learning organisation approach, which implies organisations learning from the environment. From a marketing management viewpoint, this relates to building relationships with *customers* and constantly learning what customer needs and wants are. However, within such a changed international and South African market, organisations need to follow a broader approach to relationship building than merely forging relationships with customers. Organisations need to listen to, and learn from, *stakeholders* on a

broader basis rather than simply with customers. This means that communication management should be driven by the strategic intent of the organisation as a whole in order to manage stakeholder relationships.

The approach to ensure that communication management is driven by the strategic intent of the organisation is integrated communication. However, what complicates the communication management of organisations on a local level is the unique, changed South African context, which has an impact on the implementation of integrated communication. Therefore, it is argued that this necessitates an implementation model for the management of strategic integrated communication.

It should, however, be taken into consideration that Chapters 2 – 5 are intended to address the secondary research objectives 1 – 4, as indicated in Table 1.1 of Chapter 1. These include:

*Secondary research objective 1:*

- To establish theoretically the link between strategic communication and integrated communication in the implementation of strategic integrated communication.

*Secondary research objective 2:*

- To determine theoretically the perceptible current universal problematic issues in the implementation of integrated communication.

*Secondary research objective 3:*

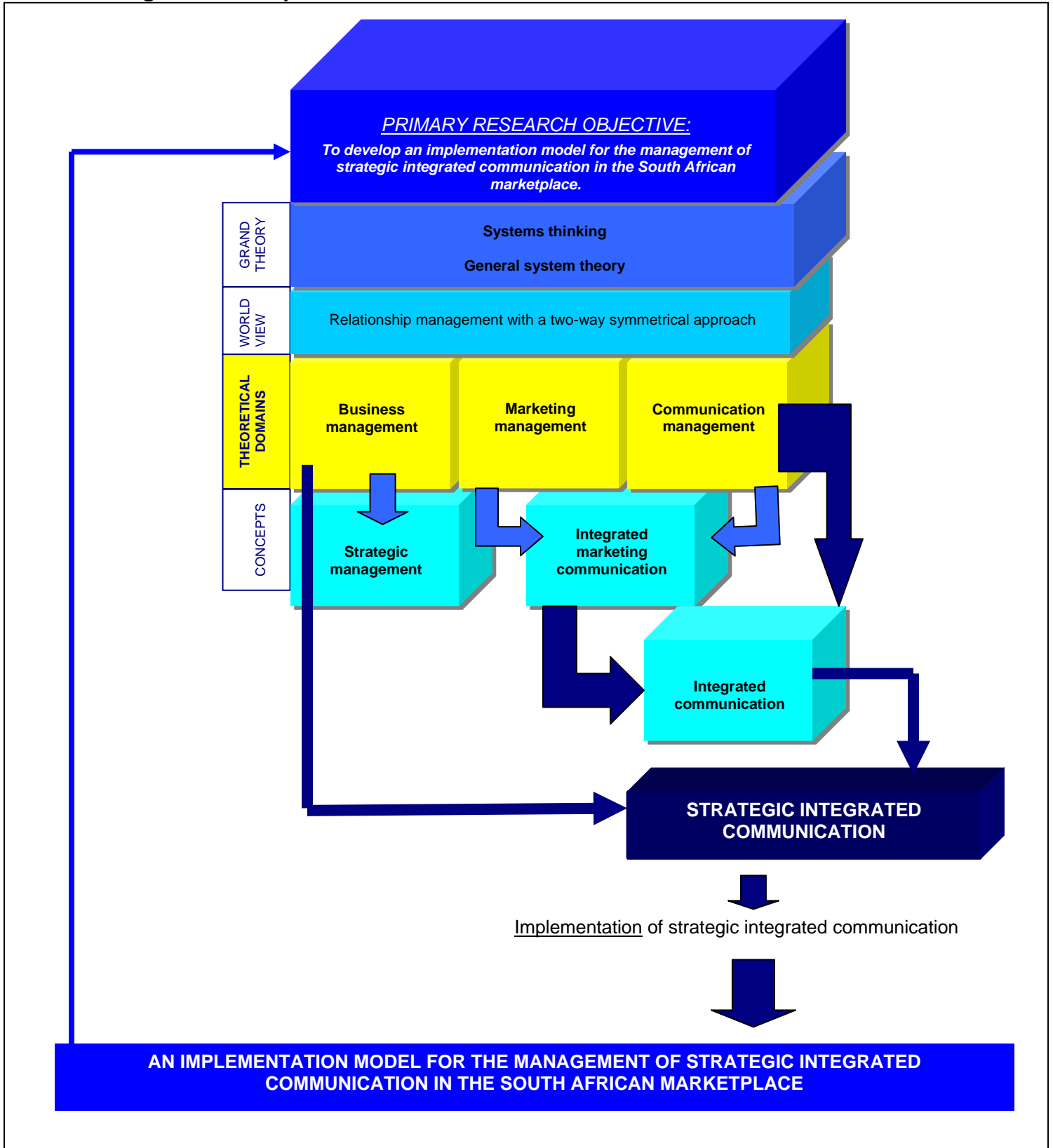
- To describe the current global approach to integrated communication implementation from a theoretical perspective.

*Secondary research objective 4:*

- To study existing models of integrated communication implementation in order to conceptualise an implementation model for the management of strategic integrated communication for the South African marketplace.

Figure 2.1 provides a summary of the meta-theoretical framework, to contextualise the current chapter within the greater meta-theoretical framework of this study in order to address the relevant research objectives.

Figure 2.1 Chapter 2 in relation to meta-theoretical framework



In this chapter, the three theoretical domains of this study are discussed in the context of a changed marketplace. In Figure 2.1, this is highlighted in yellow, and in the current chapter, it is depicted visually to show the relation between the three domains. This chapter concludes with a focus on the changed post-apartheid South African market to illustrate the need for new communication roles in this changed economic, social and political milieu within the domains of business management, marketing management and communication management.

## **2.2 BUSINESS MANAGEMENT IN A CHANGED MARKETPLACE**

The business world is a system of individuals and business organisations that produces goods and services to meet people's needs in a free-market economy. The business world and the society in which it operates coexist in mutual dependence and they influence each other. Similar to the grand theory of the current study, the derivation of business management is also based on the premise of the general systems theory. Cronje *et al.* (2000:23) state in this regard that the systems approach to management was developed in the 1950s to counter the most serious errors of each of the different schools of management (those of the scientific, classical, behaviourist and the quantitative schools), namely that they studied aspects and functions of businesses in isolation. Impelled by the need to combine the separate components of a business into a whole, the systems approach considers the business as an integrated system consisting of related systems. According to Thompson (2001:223), from a systems point of view, management may be seen as a balancing factor between the various parts or functions (therefore including marketing and communication management) of the business and between the business as a whole and its environment.

Cronje *et al.* (2000:23) argue that the purpose of business management is to hold an organisation to the economic principle of achieving the highest possible

output with the lowest possible input of means of production. More specifically, Nieman and Bennett (2002:4) state that this entails an examination of the factors, methods and principles that enable a business to function as productively as possible in order to maximise its profits. In short, it is a study of those things that have to be pursued and done to make an organisation as profitable as possible.

It can therefore be argued that the task of business management is to examine factors, methods and principles that enable a business organisation to function as productively as possible so as to maximise its profits and achieve its objectives. According to Cronje *et al.* (2000:24), one of the general approaches to management methods with the purpose of making an organisation function as productively as possible is that of strategic management. Nieman and Bennett (2002:14) state that organisations succeed if their strategies are appropriate for the circumstances they face, and feasible in respect of their resources, skills and capabilities. They argue that strategy is fundamentally about a fit between the organisation's resources and the markets targeted by it, as well as the ability to sustain fit over time and in changing circumstances. In the following section, change in business management, which necessitates a strategic management focus in order for organisations to exist as learning organisations, is discussed.

### **2.2.1 The management of change in business management**

Thompson (2001:8) argues that change management concerns the management of changes that take place over time according to the strategies and objectives of the organisation. Change can however be gradual or evolutionary; or more dramatic or revolutionary (Cronje, *et al.*, 2000:24).

Montuori (2000:64) states that change management relates to the conceptualisation of the notion of "organisational Darwinism" (i.e. evolution), which implies that, for continued existence in ever-changing environments, the generation of alternatives is an evolutionary process that enables organisations

to make the requisite changes for survival. He argues that such conceptualisation is at the heart of the general systems theory in terms of the organisation, which embraces the process of interactive dialogue between the organisation and its external environment.

It is the general systems theory that emphasises the importance of feedback, which means any mutual exchange of influence. Acknowledgement of, and response to, this feedback enables the organisation to adjust to environmental demands. According to Montuori (2000:64), such adjustments are equivalent to Darwin's "survival of the fittest": adaptive change is, therefore, by definition, evolutionary. The feedback portion of the general systems theory describes continual communication between the organisation and its environment, in that the environment "tells" the organisation what change must be made. It is further argued that this idea of feedback is directly related to the world view of this study of relationships management with a two-way symmetrical approach, as feedback is the key to relationship building. Furthermore, feedback is by nature a two-way symmetrical process as it can be seen as the interaction and learning that takes place between the organisation and the changing environment. However, for organisations to survive within a changed market, they have to place critical emphasis on the strategic management of business.

### **2.2.2 A greater emphasis on strategic management in a changed market**

In Chapter 1, it was stated that the definition of Greene *et al.* (1985:14) is used as the definition of strategic management for the purposes of this study. Alternatively, the modern concept of strategic management defined as "... balancing internal activities with strategies for dealing with external factors" (Pearce & Robinson, 1997:13) is the superlative way for the organisation to achieve maximum effectiveness. Thompson (2001:8) conversely defines strategic management as the process by which organisations determine their purpose, objectives and desired levels of attainment; decide on actions for

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achieving these objectives in an appropriate time-scale and frequently in a *changing environment*; implement the actions; and assess progress and results.

Higgins (1979:1) defines strategic management as "... the process of managing the pursuit of the accomplishment of the organisational mission coincident with managing the relationship of the organisation to its environment". By including the notion that strategic management focuses on the relationship between the organisation and its environment, the role of communication management is naturally included in such a strategic process.

It can therefore be argued that strategic management focuses on strategic decisions – those decisions that deal with the determination of strategy that provides the definition of the business as well as the general relationship between the organisation and its environment. It also deals with the strategic planning required to put these decisions into practice with strategic control, which ensures that the chosen strategy is being implemented properly and produces the desired results.

#### 2.2.2.1 Strategic thinking and strategy formulation

Mintzberg (1994:108) and Robert (1997:17) maintain that strategic *thinking* is not the same as strategic *planning*. Where strategic thinking is the process that the organisation's management use to set direction and articulate their vision, strategic planning often looks back at five years of numbers and extrapolates for the next five years. Therefore, this does nothing to change the "look" or the composition of an organisation.

Moreover, Robert (1997:54) contends that strategic *thinking* is a process that enables the management team to sit together and think through the qualitative aspects of business (opinion, judgments and the feelings of stakeholders, among others) and the environment it faces. It produces a framework for strategic and

operational plans, and attempts to determine what the organisation should look like, in other words the strategy of the enterprise.

Steyn (2000:7) declares that strategic *thinking* reviews and questions the direction of the business. Robert (1997:56-57) agrees and adds that it produces a profile that can be used to determine which areas of the business will receive more or less emphasis and is both introspective and externally focused. Digman (1990:53) asserts that it is problem solving in unstructured situations, being able to recognise changing situations. This involves, most importantly, the selection of the right problems to be solved.

#### 2.2.2.2 Strategic and operational planning

Robert (1997:26) reasons that where strategic *thinking* determines the strategy – *what* should be done – strategic and operational (tactical) *planning* helps to choose *how* it should be done. This researcher further states that this is the manner to put the strategy into practice. The chosen strategy is created for each division or business unit – the result is then the strategic, long-range master plan.

Digman (1990:54) argues that in the implementation phase, the strategic master plan turns strategy into reality, by means of more detailed and shorter-term plans and schedules at progressively lower operating levels of the organisation. Operational planning allocates tasks to specific existing facilities to achieve particular objectives in each planning period. Pearce and Robinson (1997:304) reason that the operational or action plan incorporates four elements:

- a) Specific functional tactics, actions or activities to be undertaken in the next week, month or quarter. Tactics in this sense refer to the fact that each business function, for example marketing, corporate communication or human resources, needs to identify and undertake key and routine but unique

activities (functional tactics) that help to build a sustainable competitive advantage.

- b) Each tactic, action or activity has one or more specific, immediate (short-term) objectives or targets that are identified as outcomes.
- c) A clear time frame for completion.
- d) Accountability, by identifying people responsible for each action in the plan.

In applying the above to the communication function in the organisation, it would seem that communication practitioners expend most of their effort on communication strategies on an operational or tactical level. It is however imperative that the communication function should be involved in the strategic thinking and strategy formulation as well as the operational (tactical or technical) planning level, in order to ensure consistency in communication and relationship building with internal and external stakeholders.

#### 2.2.2.3 Levels of strategic management

Strategy development takes place at different organisational levels, namely enterprise, corporate, business, functional and operational levels.

- a) Enterprise strategy: Top management and the board of directors develop the *enterprise* strategy (Ansoff, 1980:131) in which questions, such as why the organisation exists, what it attempts to provide to society and what types of relationships it will seek with stakeholders in its environment, are addressed. Dill (1979:49) proposes that two important aspects of creating an enterprise strategy are an analysis of the stakeholders, as well as their values and expectations. It can therefore be argued that these two aspects could be translated into the enterprise strategy being based on a stakeholder approach, therefore elevating the importance of communication into the enterprise strategy. Enterprise strategy also refers to the achievement of non-financial goals, such as enhancing the organisation's image and fulfilling its

social responsibilities. In part, Freeman's (1984:4) enterprise strategy represents the social and moral or ethical component of strategic management. In this sense, it can therefore be argued that communication should undoubtedly be part of the enterprise strategy formulation. Furthermore, it can be deduced that enterprise strategy formulation refers among others to the image and reputation management as well as the management of corporate social investment and sustainability programmes, which are part of the communication professional's organisational contributions.

- b) Corporate strategy: At *corporate* level, Steyn (2000:8) maintains that strategy is mainly concerned with defining the set of businesses that should form the organisation's overall profile, for example, decisions concerning mergers and acquisition as well as strategic alliances. Digman (1990:38) contends that at this level, strategies tend to be financially oriented.
- c) Business strategy: Pearce and Robinson (1997:6) as well as Jain (1997:9) reason that a *business* strategy usually covers a single product or a group of related products, and focuses on how to compete in the product, market or industry segment. Digman (1990:38) asserts that at this level, strategies are often marketing oriented.
- d) Functional strategy: Pearce and Robinson (1997:6) postulate that at a *functional* level, the principal responsibility is to execute the strategies of the organisation by developing annual objectives and strategies.
- e) Operational strategy: Digman (1990:38) states that at *operational* level, strategies are implemented by establishing short-term objectives and operating (implementation) strategies.

Although these different levels of strategy, namely enterprise, corporate, business, functional and operational strategies, on an internal level are pivotal within strategic management, per definition, strategic management further emphasises the importance of an internal-external balance in strategies. In order for organisations to survive within a changing marketplace, they have to maintain a constant external balance with the environment. Organisations can achieve this by being a learning organisation.

### **2.2.3 Strategic management in a changed market necessitates a learning organisation**

Organisational learning can also be regarded as an outgrowth of the general systems theory. In organisations, when behavioural change occurs in response to feedback, it can be concluded that learning has occurred. It can then further be concluded that when adaptive changes are made in an organisation in response to feedback in the environment, organisational learning has taken place. Thompson (2001:456) defines the learning organisation as that the whole organisation is able to think strategically and create synergy by sharing its knowledge and ideas, and generating actions that contribute to the interests of the whole. Senge (1991:26) postulates that the basic arguments of the learning organisation are as follows:

- a) When quality, technology and product/service variety all become widely available at relatively low cost, speed of change is essential for sustained competitive advantage.
- b) If an organisation fails, therefore, to keep up with, or is ahead of, the rate of change in its environment, it will either be destroyed by stronger competitors or lapse into sudden death or slow decline. The ideal is to be marginally ahead of the competitors – opening up too wide a gap might unsettle the customers.

- c) An organisation can only adapt if it is first able to learn. This learning must be cross-functional in terms of learning from other individuals, departments and business units in the organisation as well as specialist learning in terms of a specific function in the organisation.

Montouri (2000:67) argues that organisational learning, at the very least, involves developing new knowledge or insights with potential impact (ideally positive) on the behaviour of organisational members. Luecke (1994:34) explains that these insights come from the methodology in which organisation members ask themselves what is known, unclear and presumed about their organisational situation, and how this is similar to, and dissimilar from, past events. This will enable members of the organisation to recognise and meet changing environmental demands, a prerequisite for organisational longevity.

Hence, a learning organisation encourages continuous learning and knowledge generation at all levels. It has processes that can move knowledge around the organisation easily to where it is needed, and it can translate that knowledge quickly, into changes in the way the organisation acts, both internally and externally. In order for organisations to survive and sustain themselves (in other words achieve maximum effectiveness), they need to function as learning organisations with a greater emphasis on strategic management, which further impacts on marketing management.

### **2.3      MARKETING MANAGEMENT IN A CHANGED MARKETPLACE**

Kitchen (1999:20) maintains that marketing, as an academic and practical discipline, is a product of the twentieth century. The definition of the American Marketing Association (AMA) of marketing introduces a number of key concepts: "... the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational goals" (Bennett, 1995:244). Additionally, Evans and

Moutinho (1999:4) refer to marketing as "... the process of creating and providing what customers want in return for something they are willing to give (money, time, or membership)". According to these definitions, marketing involves the setting of (an) expectation(s) with customers and management, and the creation of reciprocal satisfaction through exchange processes. From these definitions, marketing can be seen as a concept as well as a process. This concept and process of marketing is based on the notion of *customer* wants and needs. From a marketing management viewpoint, it is therefore argued that in order to be a learning organisation the focus should be on external messages sent to these customers and building customer relationships driven by the departmental strategy of marketing management. Therefore, the focus for marketing management is on customer relationship management through a linear process referred to as the value-chain approach.

### **2.3.1 Marketing management's emphasis on a customer approach**

According to Lancaster and Reynolds (2002:1), Adam Smith noted as long ago as 1776 that:

Consumption is the sole end and purpose of all production and the interests of the producer ought to be attended to only as far as it may be necessary for promoting that of the customer.

These scholars further state that in this statement, Smith provided the guiding theme for marketing. The key word is '*customer*', as it is the identification and satisfaction of *customer* requirements that form the basis of modern marketing.

To survive and prosper, an organisation must be aware of changes in customer tastes to satisfy existing customers and secure new ones. Satisfying customer requirements is the central focus of an organisation's activities.

In addition, Lancaster and Reynolds (2002:120) argue that customer relationship marketing (CRM) is an extension of the marketing concept, which integrates a number of recent developments in marketing along with the increased technical capabilities open to marketing practitioners, resulting from developments in the application of information technologies.

According to Drummond, Ensor and Ashford (2003:131), CRM is a comprehensive approach that provides the “seamless” integration of every facet of business that relates to the customer whether it be marketing, sales, customer service or field support, through the integration of people, process and technology. This refers therefore to the idea that communication should be used to integrate all efforts of the business when customers are dealt with in order to provide ‘seamless’ integration. The objective of CRM, according to Wilmshurst and Mackay (2002:346), is to create a long-term, mutually beneficial relationship *with customers*.

The focus of modern marketing is therefore on the building and maintenance of longer-term relationships with customers. This long-term view of customer value and the buyer-supplier relationship are referred to as relationship marketing. The concept of relationship marketing takes marketing management back to its basic principles. It recognises the fundamental importance of sustaining customer relationships in order to generate customer loyalty and repeat business (Drummond, *et al.*, 2003:229). Additionally, relationship marketing acknowledges a broader view of marketing, and defines a number of “markets” which must be addressed in order to optimise customer relationships.

Lancaster and Reynolds (2002:122) argue that relationship approaches aim to develop customer alliances, whereby the customers not only see the organisation as their preferred provider, but actively recommend others to use their products and services. However, the traditional concepts of marketing, customer relationship management and relationship marketing are based on

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what Duncan and Moriarty (1997:11) refer to as the value chain perspective of customers in building these “relationships” with customers.

### **2.3.2 A value-chain perspective of building customer relationships**

The value-chain perspective is linear, describing a series of value-added, sequential steps in building relationships with customers. It shows how the supply side is linked to the demand side, moving raw materials through a series of value-added production steps, and through marketing and sales, to channel members who provide the final added-value elements for the end user. Since the value chain is based on an industrial economic model (Drummond, *et al.*, 2003:96) and the fact that it can be argued that the value chain takes an *inside-out* perspective, it literally ends when the final sale is made (Wilmhurst & Mackay, 2002:13). Lancaster and Reynolds (2002:49) reason that the value-chain also fails to include the value-adding role of relationships (therefore, two-way symmetrical relationship building approach) and communication with customers. Duncan and Moriarty (1997:11-12) maintain that the value-chain’s linear approach works for explaining transaction-based, traditional marketing that focuses on products and customers. It does little, however, to explain the ongoing relationships of all the important stakeholder groups that can both add and remove value. The value chain perspective therefore overlooks the interactive nature of all the various relationships that make up a brand’s environment, which is the essence of two-way symmetrical communication management in a transformed market.

## **2.4 COMMUNICATION MANAGEMENT IN A CHANGED MARKETPLACE**

As stated in Section 1.1.3, Chapter 1, Steyn and Puth (2000:18) reason that communication is increasingly gaining the status of an indispensable management function in an organisation’s business management. In this regard,

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Seitel (1992:14) maintains that senior communication professionals are no longer merely seen as “information conduits”, but rather as fully-fledged strategic advisers to top management. These professionals must think *strategically* and demonstrate their knowledge of the organisation’s vision, mission, goals and strategies by aligning communication goals with those of the organisation.

Hynes (2005:21) argues that, traditionally, business management was seen as a superior function in the organisation, with marketing management reporting to business management and merely acting as a function of business management. He also states that traditionally, communication was not seen as a “management” function, but merely as a function of marketing. However, Hynes (2005:21) strongly proposes that this is not the case in today’s organisation. He states that the areas of business management, marketing management and communication are seen as “equal partners” in contributing to the bottom line of the organisation. Therefore, it can be argued that all three functions should be integrated in order to ensure effectiveness and efficiency within the organisation. The emphasis on the organisational mission provides the connection for all three functions to the organisational goals in order to contribute to organisational effectiveness and efficiency on a strategic management level; thus aligning the various functions with the strategic intent of the organisation as a whole. For communication to be able to do this, communication professionals must specifically be part of the strategic management of the total organisation. Webster (1990:18) agrees with this statement by asserting that: “Trying to establish a communication programme without corporate direction, is a little like driving cross-country without a road map”. However, Steyn and Puth (2000:18) argue that to accomplish these tasks accurately, communication professionals must first establish what top management and stakeholders are thinking. Communication cannot be practised in a vacuum. Dozier, Grunig and Grunig (1995:15) concur that communication is only as good as its access to top management. Furthermore, communication professionals must have the opportunity to make strategic inputs in the strategy formulation of the

organisation by taking part in decision making. Communication professionals must also have first-hand knowledge of the reasons for top management's decisions and the rationale for organisational policy. Similarly, communication professionals must also interpret the *stakeholders'* views for top management by giving continual feedback; thus, through environmental scanning, ensuring that the organisation follows a learning organisation approach.

#### **2.4.1 Communication management's emphasis on a stakeholder approach**

Communication is not limited to managing relationships with customers as is the case with marketing management, but should be used for planning and monitoring relationships with all stakeholder groups. As mentioned in Chapter 1, Section 1.6.2, by definition, all the organisation's stakeholders have a vested interest in the success of the organisation (Skinner & Von Essen, 1999:34). Therefore, what the organisation does affects them, and what they do affects the organisation. Duncan and Moriarty (1997:55) state in this regard that the broader and deeper the support of the organisation's stakeholders, the greater the stakeholder capital and thus the greater the organisation's brand equity.

Kotter and Haskett (1992:67) mention that what marketing managers often forget is that profitability is a result of the action of *all the stakeholders*, not just the *customers*. This is because each of the key stakeholder groups can affect profitability just as much as the customers. Just as brand share is the result of the organisation's brand's customer franchise, brand equity is the result of the organisation's stakeholder franchise (Duncan & Moriarty, 1997:55). The marketing department must, therefore, be willing to work with other areas of the organisation and even to give up budget when resources can be better spent to address a problem or leverage an opportunity with a stakeholder group besides customers. Thus, it can be argued that, through this, communication should be

utilised to build relationships with stakeholders, broader than the original marketing focus area of only customers.

Relationships are communication driven. Therefore, an analysis of brand communication, especially two-way communication, can provide insight into the nature of these relationships. From an organisation's point of view, this means *learning* what type of support is required from each group. From the stakeholders' perspective, this means *learning* what they expect and what they are willing to pay (in terms of time, money and effort) for having these expectations met. This is therefore in contrast with the customer relationship management approach of marketing management, which focuses on learning about customers.

From a managerial viewpoint, corporate success depends on an ongoing process of stakeholder management in which the interests and demands of the stakeholders are identified and dealt with appropriately. Steyn and Puth (2000:210) argue that from this perspective, it is not social issues to which organisations respond, but rather stakeholder issues. It is important for managers to identify stakeholder groups and determine the amount of power they have as a group. Different groups have different degrees of power, depending on the organisation's dependence on the stakeholder group, the degree of access the group has to political processes as well as their access to the mass media (Verwey & Du Plooy-Cilliers, 2002:4).

As a result of limited resources, managers pay attention to the most powerful stakeholder groups first. Issues are therefore arranged on the basis of the perceived importance of the stakeholder group that is behind the issue. Any issue without a stakeholder group is, therefore, no issue at all (Steyn & Puth, 2000:21). Hynes (2005:41) argues that successful managers are therefore able to identify stakeholder groups and evaluate their sources of power. In this regard, Steyn and Puth (2000:210) point out that managers who fail to respond to

powerful stakeholder groups risk having these groups exercise their power to affect the organisation negatively. Based on the above, it is necessary for an organisation to maintain two-way symmetrical communication with the stakeholders, which is based on the stakeholder receiving inputs from many alternative sources rather than merely the organisation, which is the basis of the value-field relationship-building perspective.

#### **2.4.2 A value-field relationship-building perspective of communication management**

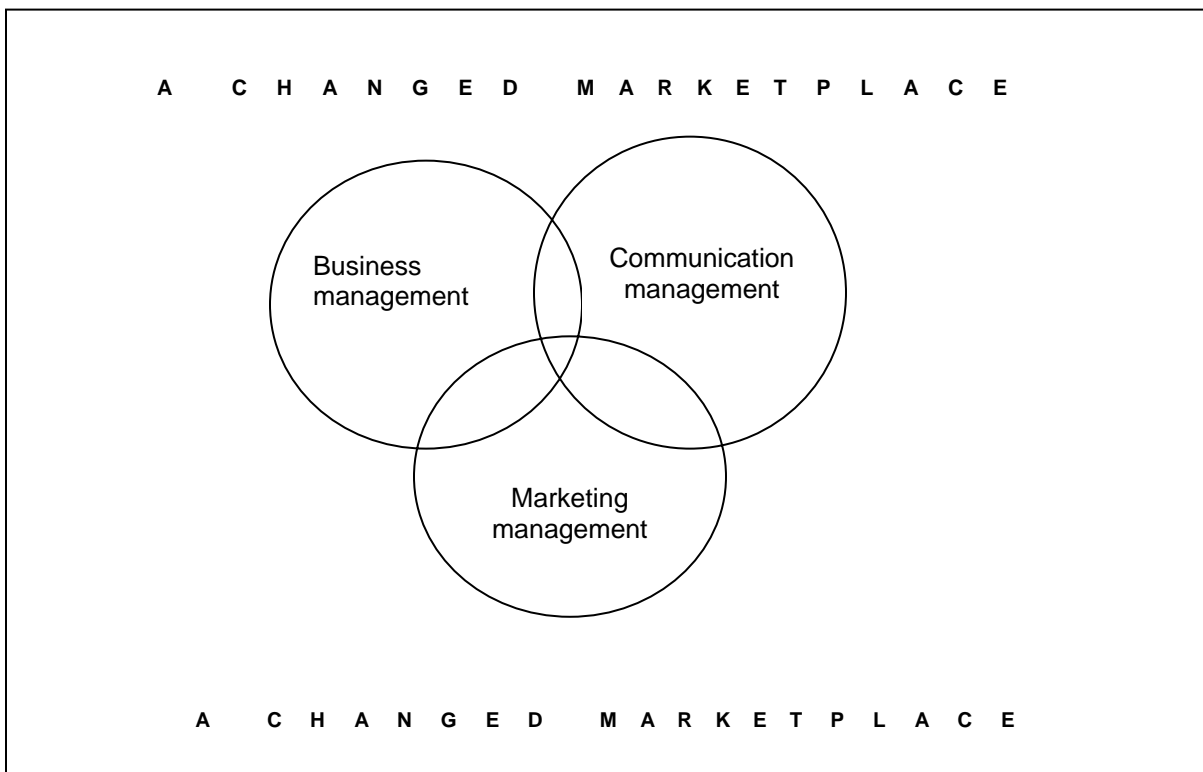
Since the world is more connected, with greater interaction and interdependence of brand stakeholders than in the past, Duncan and Moriarty (1997:12) propose that a value-field approach is more applicable in the context of communication, than the traditional value chain perspective of marketing management (Drummond, *et al.*, 2003:96; Lancaster & Reynolds, 2002:49; Wilmhurst & Mackay, 2002:13) in understanding how brand relationships and brand equity are created and how best to manage them.

The value field approach shows how brand equity is a result of a field of relationships and that adding value is a non-linear, dynamic process with continual, overlapping interactions, transactions and feedback (Duncan & Moriarty, 1997:12). Gummesson (interview as quoted in Duncan & Moriarty, 1997:13) calls this an imaginary organisation, while Normann and Ramirez (1993:66) refer to this concept as a “value constellation”.

A typical brand exists within a field of stakeholder interactions. The organisation may or may not be directly involved in all the interactions, and yet these interactions can greatly influence its brand relationships and brand equity. This value-field approach shows that the stakeholder is receiving brand inputs from many sources other than the organisation. Therefore, in order to maintain customer focus, it is necessary to manage relationships with all the key

stakeholders, because they impact on customer attitudes and behaviour (Duncan & Moriarty, 1997:13). In order to deal with stakeholder rather than customer relationships, the organisation requires a strategic approach to communication management. This implies that communication management is driven by the strategic intent of the organisation (business management) and that it should be aligned with the marketing management of the organisation. The relationship between these three concepts is depicted visually in Figure 2.2, which after a stakeholder approach to strategic communication management is discussed in the following section.

**Figure 2.2 The relation of the fields of management in a changed market**



### **2.4.3 A stakeholder approach to strategic communication management**

Freeman (1984:vi) declares that the stakeholder approach provides a new way of thinking about strategic management – that is, how an organisation can and

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should set and implement direction – and what the affairs of the organisation essentially constitute. This approach is concerned with the identification and managerial response to groups and individuals who can affect, and are affected by, the organisation's decisions. This approach is valuable not only in the context of strategic management (the domain of business management), but also in terms of marketing and communication. Where the focus in marketing is on customers, the focus in communication is on stakeholders. As stated, customers are the emphasis in integrated marketing communication, whereas stakeholders are the focus in the context of integrated communication. Since integrated communication is a strategic element of business management, it can therefore be argued that a stakeholder approach (rather than a customer approach) to strategic management in the organisational context is imperative.

Higgins (1979:1) defines strategic management as "... the process of managing the pursuit of the accomplishment of the organisational mission coincident with managing the relationship of the organisation to its environment". The organisation's environment can thus be seen as the product of the strategic decisions with others (i.e. stakeholders), such as the government, competitors, customers, society and a number of other outside influences. Freeman and Lidfka (1997:287) postulate that the concepts of stakeholder management as a method for systematically taking into account stakeholder interests and stakeholder analysis (assessing the stake and power of each group) emerged in the 1980s.

A strategy should be in place for each stakeholder group – including groups such as consumer advocates, environmentalists, the media or any other group affected by the organisation's decisions. Wheeler and Sillanpää (1998:4) argue that these groups' key issues and willingness to expend resources helping or hurting the organisation on these issues must be understood. It would be more advantageous to implement communication processes with multiple stakeholders, to negotiate on critical issues and to seek voluntary agreements

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with them, rather than having a solution imposed from the outside, for example, through the intervention of the government, activist groups or the media.

What is therefore required are concepts and processes that provide integrated, strategic direction for dealing with multiple stakeholders on multiple issues. For each major strategic issue, the organisation must consider the effects on a number of stakeholders. For each major stakeholder, managers responsible for that stakeholder relationship must identify the strategic issues that affect the stakeholder and understand how to formulate, implement and monitor strategies for dealing with that group. Freeman (1984:27) comments that many organisations do this well with one stakeholder group (e.g. customers), but few have the processes required to integrate a number of stakeholder concerns. Steyn (2000:9) proposes that this can be done by integrating boundary spanners into the strategy formulation process to anticipate stakeholder concerns and try to influence the stakeholder environment. Freeman (1984:28) calls for "... external affairs" managers to take the responsibility for strategically managing stakeholder groups – people who are boundary spanners; people with the so-called "soft skills" who excel in the management of values, perceptions, expectations and feelings; people who possess excellent communication skills; people who know how to listen; and people such as corporate communication, public relations and public affairs managers who have a good working knowledge of stakeholder concerns.

Tibble (1997:358) claims that the term strategy is used very sloppily, and "... bandied around like a mantra", but contains little substance. The main point of this thinking is that few communication professionals understand the meaning of strategy, although it is a known, uncomplicated concept for those familiar with management theory. The key problem seems to lie in the application of strategy for communication issues, in other words what strategy means within a communication context. Steyn (2000:10) concurs that the word strategy is often used by communication professionals to describe something "important" (as in



*strategic* messages, *strategic* direction) or to describe “activities” (as in communication *strategy*). It is also used mistakenly when, in reality, it should describe a communication aim, objective or tactic in order to accomplish the enterprise vision and/or mission.

#### 2.4.3.1 Communication management and the levels of strategic management

Argenti (2003:22) advocates communication strategy as the vital link between organisational strategies (business management) and the communication function – enabling the professional to implement communication programmes that advance the accomplishment of the corporate vision and mission. To elevate communication to the same level of importance as any of the main functional areas, it is necessary to impact on the organisation and its management where it really counts – the enterprise or corporate strategy. That is, the strategic intent of the organisation. As discussed in Section 2.2.2.3, it is imperative for communication to be part of this strategy, as this is where the organisation’s reputation and image are portrayed to the public through non-financial actions, such as corporate governance issues. Steyn (2000:10) adds that strategy formulation and strategic planning are prerequisites for developing a sound communication strategy, for they provide focus and direction to the communication as well as synergy between the enterprise or corporate strategy and communication.

To make communication relevant in the strategy formulation process, Argenti (2003:26) and Eiselen (conference paper quoted in Steyn, 2000:10) suggest the following approach: study the vision and mission, corporate goals and objectives, the major issues facing the organisation or areas of critical importance for achieving the vision or mission and corporate strategies. It is here that the strategic link between enterprise and corporate strategy and the communication function is made.

The implications of the organisation's key strategic issues and strategies as well as the risk of communicating the issue are determined, and the communication strategy is developed. The latter should essentially mirror the enterprise and corporate strategies. Argenti (2003:26) mentions that a draft should be presented to top management for approval and suggestions. Only at this stage should communication plans or programmes be developed.

This discussion is a reference to developing a communication strategy as a functional strategy, as the term is used in the strategic management context. Most communication management authors, such as Hainsworth and Wilson (1992); Windahl, Signitzer and Olson (1993:20); Cutlip, Center and Broom (1994:316-327); and Seitel (1992:146-147) seem to refer to communication planning at the operational level when using the term strategy. However, Steyn (2000:11-29) and Steyn and Puth (2000:62-73) view communication strategy as a functional strategy, providing the focus and direction for an organisation's communication with its stakeholders – determining the *what* rather than the *how* – the mechanism that leads the function towards effectiveness (doing the right things), rather than towards efficiency (doing things right).

Communication strategy is a pattern in the communication function's important communication decisions and actions regarding relationships with strategic stakeholders, stated in such a way that the attitude of the organisation to its stakeholders is clear. It is developed within the context of the organisation's vision, mission, corporate culture, policies and strategies (the internal environment) but it focuses on an assessment of the external (macro and task) environment, and on the stakeholder environment (Argenti, 2003:25).

Steyn and Puth (2000:60) maintain that communication strategy focuses on strategic communication decisions and is the outcome of a strategic thinking process by senior communication professionals and top management with regard to the identification and management of, and communication with, stakeholders.

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Argenti (2003:27) reasons that communication strategy can be seen as a proactive capability to adapt the organisation to changes in stakeholder expectations and opinions (through environmental scanning and boundary spanning activities). It can create a competitive advantage for an organisation through the early detection and management of issues, involving strategic stakeholders in decision making – giving the organisation the autonomy to concentrate on achieving its mission.

#### 2.4.3.2 Communication strategy in strategic management

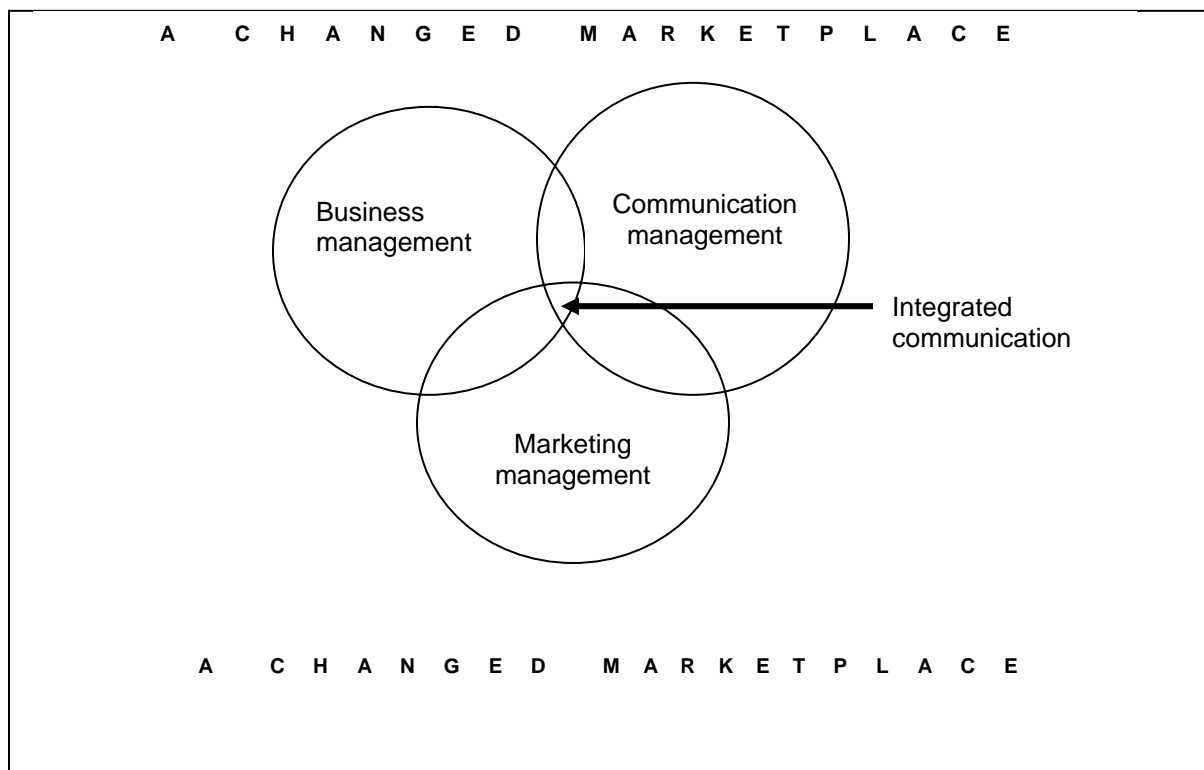
Steyn (2000:12) strongly argues and illustrates that communication *strategy* is not the same as communication *plans*, but it provides a framework for the strategic and operational communication plans necessary to carry out the strategy. She also states that it is problem solving in unstructured situations, selecting the right problems to solve. Steyn and Puth (2000:76) contend further that communication strategy does not follow the traditional linear approach where the emphasis is on planning, but it is moulded on the more modern approaches to strategy, for example, adapting the organisation to trends, events and stakeholders in the environment (adaptive strategy). It also focuses on relationships, symbolic actions and communication, emphasising attitudinal and cognitive complexity among diverse stakeholders, which is the essence of interpretive strategy. Grunig and Hunt (already) defined the task of communication two decades ago as “building and maintaining relationships with stakeholders” (Grunig & Hunt, 1984:21).

Furthermore, communication strategy makes communication relevant in the strategic management process through its focus on communication with strategic stakeholders, aligning communication goals to organisational goals. It provides the vital link between the enterprise, corporate and business strategies as well as the communication function. Although the communication strategy is influenced mostly by the organisation’s enterprise strategy and provides strategic inputs in

the enterprise strategy, it also supports the corporate and business strategies. The functional and operational strategy levels discussed in Section 2.3.2.3 refer more to the execution and implementation of the communication strategy, the enterprise strategy, the corporate strategy and the business strategy.

It can therefore be stated that the process of developing a communication strategy provides the strategic approach required by organisations to identify issues and stakeholders proactively, and to manage communication with strategic stakeholders through strategic organisational communication. It is further strongly maintained that communication in the organisation can and should therefore be an equal partner with all the other management functions in the vital process of strategic management. This approach that encompasses the strategic management of communication in an organisation is *integrated communication*. This is depicted visually in Figure 2.3, which builds on Figure 2.2 to include the concept of integrated communication.

**Figure 2.3 Integrated communication in relation to the fields of management in a changed market**



The theoretical components of integrated communication are discussed in the following section to illustrate the overlapping nature of the concept between the fields of business, marketing and communication management.

## **2.5 THEORETICAL COMPONENTS OF INTEGRATED COMMUNICATION**

The theoretical components of integrated communication can be summarised as follows, based on the discussions of communication management thus far relating to the constructs of integrated communication depicted in Figure 1.5, Chapter 1:

### **2.5.1 Two-way symmetrical communication**

As to be discussed in the history of integrated communication (Chapter 3), technology has enabled organisations to move from a one-way to a two-way interactive marketing relationship environment (Rockart, Earl & Ross, 1996:46). How organisations manage their two-way interactivity (brand relationships) is becoming more important than the products themselves (Duncan, 2001:26). This means brand value is determined by how well organisations not only create, but also retain and grow their brand relationships (Chicco & Chandler, 2002:132).

### **2.5.2 Managing stakeholder relationships**

As discussed, the old traditional production-based value chain (from marketing management) needs to be replaced by the non-linear, interactive value field of communication management. As traditional marketing departments are still focused on managing transactions, they do not know how to manage brand relationships. The result is then that the marketing function becomes marginalised.

The McKinsey report described by Carter (2003:1) emphasises this point by stating that:

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

It is therefore argued that integrated communication is a *business management approach* for developing brand value for organisations as well as their customers and other stakeholders. It is further argued that the approach is thus both a concept and an interactive process for not only acquiring but also, more importantly, for retaining and maximising the lifetime value of brand relationships. As brands are traditionally seen as the turf of marketing management, integrated communication implies that all stakeholder relationships (communication management turf) influence the brand of an organisation, therefore arguing for an integration of marketing and communication management. Integrated communication is fundamentally concerned with how to reengineer the intangible side of business – the management of brand value and brand equity, which in many organisations has a market value greater than the physical assets (Einwiller & Will, 2002:101).

Integrated communication is based on the fact that it recognises and responds to the fact that everyone in the organisation increasingly has the potential to “touch” the customer (Duncan & Moriarty, 1997:xii; Duncan, 2001:18). Every brand message, to some extent, has one of three effects according to Duncan and

Moriarty (1997:44) and Harris (1998:20): a) strengthens relationships by adding value, b) reconfirms current relationships, or c) weakens brand relationships by reducing brand value.

The purpose of integrated communication is to increase brand value by strengthening relationships, and can therefore be applied to any type of business (Schultz, 1998:20; Schultz, 1999:2; Kitchen & Schultz, 2000:466), for example, packaged goods, services, business-to-business, retail, industrial and non-profit organisations. It is a process that can also be used to manage relationships with stakeholders other than customers – employees, shareholders, government regulators, the media, suppliers and the community.

Based on the said constructs, integrated communication is directing brand value to manage profitable stakeholder relationships. Having a process for managing brand relationships is critical because relationships are the components of brand equity (Duncan, 2001:44). Although brand equity is influenced by how a brand has performed, investors are more interested in the brand's future performance – the collective net sum support of customers and other stakeholders (Gronstedt, 2000:89-90). It is therefore reasoned that stakeholder relationship management is based on the relationship that these stakeholders have with the brand. Thus, reference to stakeholder relationships also encompasses the brand relationships, as it is the brand as a whole with which stakeholders build relationships. Brand equity is also included in this relationship, as brand equity is in essence determined by the quality of a brand's relationships with its customers and other key stakeholders.

### **2.5.3 Brand relationships and brand equity**

Brand equity and brand relationships are seen as the soft or intangible side of business. Organisations have therefore found it easier and more comfortable to focus on cutting costs in the tangible areas (for example production, distribution,

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sourcing, pricing) by reengineering and downsizing in the organisation. Although brand equity now accounts for the greater part of organisation's market value (Duncan, 2001:37; Duncan & Moriarty, 1997:47), few sources exist on the strategic management of brand equity in organisations. A possible reason for this is that brand equity is still considered an intangible and a difficult concept to grasp and understand.

However, Yarbrough (1996:68) and Moriarty (2002:2) propose that brand equity no longer needs to be ambiguous. These authors as well as Duncan and Moriarty (1997:47) state that the reason for this is that relationships and lifetime customer value can be measured. Gibson (2002-2003:25) further supports this notion by stating that it is also five to ten times less expensive to sell to current customers than to new customers.

By building brand relationships and brand equity, organisations have the ability to track customers, learn their behaviour and predict more accurately how they will respond (Caywood, 1997:565). Also, because the cost of acquiring stakeholders, whether new customers, new employees, new distributors or new investors, has according to Duncan (2001:37) never been higher, organisations need a new model for leveraging these expensive acquisitions and maximising their relationship productivity.

#### **2.5.4 “One voice, one look” vs. “sophisticated” integrated communication**

In the last two decades, many organisations and agencies believed they could end all their mixed messages and build better relationships by simply making sure their marketing communication had “one voice, one look” (Thorson & Moore, 1996:136). However, building *long-term profitable relationships* requires much more. “One-voice, one-look” integration alone has generally failed because it focuses on tactics and continues to talk to (the so-called “tell and sell” approach),



rather than with (the so-called “listening and learning” approach), customers – therefore, not truly moving away from a traditional promotional approach to marketing communication. Creating “one voice, one look” is a logistical challenge, whereas creating and nourishing brand relationships (“sophisticated” integrated communication) is a strategic challenge, starting with how an organisation is organised. Furthermore, Duncan and Moriarty (1997:48) add that the responsibility for creating, retaining and growing profitable brand relationships can no longer be assigned to a single department in an organisation. It is therefore reasoned that the notion of integrated communication states that it is not a *function* in the organisation, but an organisation-wide *business management approach*, for developing brand value for the organisation and its stakeholders (as stated in Section 3.2.2). This is why Duncan (2001:58), Duncan and Moriarty (1997:174) and Niemann and Crystal (2002:14) strongly advocate that integrated communication is and must be a cross-functional process that involves all key business activities and takes all the stakeholders into account.

### **2.5.5 Cross-functional processes and planning**

Increasing the number of long-term profitable relationships requires more than integrated communication. It requires a cross-functional process that has a corporate focus, a new type of compensation system, core competencies, a database management system that tracks customer interactions, strategic consistency in all messages, marketing of the organisation’s mission, and zero-based marketing communication planning (Duncan & Moriarty, 1997:174). In other words, integrating the marketing communication is futile if contradictory, more powerful messages are being sent by other actions of the organisation. Integrated communication is more macro inclined and inclusive than integrated marketing communication, direct marketing and even relationship marketing. The reasoning behind this is that integrated communication requires a) top management’s endorsement and commitment, b) an organisational structure that is truly integrated, and c) communication that places as much emphasis on

listening and learning in order to ensure a truly two-way symmetrical relationship with customers and other stakeholders as it does on sending messages to these groups.

Integrated communication is therefore a continuum, and the far left is the organisation with no integration at all, and on the far right is the wholly integrated organisation, which does not exist to the knowledge of Duncan and Moriarty (1997:xvii). It is however more important to note that the organisation can benefit from integrated communication in stages. The more integrated the organisation becomes, the more benefits it will reap.

Now that the concepts of business, marketing and communication management in a changed market have been discussed, the changed post-apartheid South African market is focused on specifically to illustrate the need for new communication roles within this changed economic, social and political milieu.

## **2.6 CHANGED ORGANISATIONS IN A POST-APARTHEID SOUTH AFRICA**

The post-1994 election period has forced South African managers to learn rapidly and to handle situations differently. Organisations have been forced to become more competitive to retain and protect local markets against international competitors, and to ensure that they are able to compete internationally. At the same time, Denton and Vloeberghs (2003:85) argue that it is incumbent upon South African organisations to adhere to newly introduced labour legislation, which has changed the former face of labour relations dramatically as it firmly entrenches constitutional rights and duties. Anstey (1994:4) notes that these changes have manifested themselves clearly in the level and nature of South African employment, business enterprises, the organisation of work, trade union strengths and direction, the use of strike action and the shape of collective bargaining systems. Munro (1997:35-37) maintains

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that businesses in South Africa have major opportunities, provided that organisations learn to “... ride the waves of change”. Roodt (1997:16) is of the opinion that the typical South African corporate environment reflects the following characteristics:

- a) A “them and us” culture, which delineates a predominantly white management minority from the general workforce, which is a predominantly black and unskilled majority.
- b) Adverse labour relations with very strong union backing and the tendency towards conflict and violence.
- c) Ethnic and language diversity within the workplace, faction fighting, and stereotyping of co-workers.
- d) The existing privilege and discrimination practices based mainly on race and ethnicity despite changes in legislation.
- e) The wealth and poverty gap that exists and continues to grow between the “haves” and the “have-nots”.
- f) Illiteracy predominantly among the greater portion of the South African labour force, which causes the majority of the black population to be unemployable, because of the lack of skills and access to technology.

Against this background, the impact of major international managerial changes is discussed in order to understand the specific impact of these issues on the practice of these issues by South African organisations. These international managerial changes are interrelated in the sense that they can be viewed as a snowball effect of one international managerial change that affects the next change, including the following: a) the shift towards globalisation; b) the re-engineering of organisations; c) the outsourcing of functions; d) organisational restructuring; d) downsizing; e) the empowerment of employees and f) democracy in the workplace.

### 2.6.1 The shift towards globalisation

Denton and Vloeberghs (2003:85) declare that with globalisation, national managerial concepts have had to follow those of the international arena and meet the same challenges. Goodman (1995:13) argues that globalisation therefore underlies many of the changes in the current concepts of management, and business functioning boundaries are no longer important. The global context of business has created a borderless and boundary-free world (Einwiller & Will, 2002:103).

Verwey (2002:8) argues in this regard that the bipolar geopolitical world has disintegrated, giving way to a new, dynamic, volatile global environment. This phenomenon is related to the rise of the “New Economy”. Chambers (2000:20) alternatively argues that this “New Economy” can be defined more descriptively as the “Internet Economy”. Two confluent forces have triggered this phenomenon – the globalisation of business (borderlines) and the networking of information technology.

Globalisation describes the escalating convergence and co-dependence of national economies and of the extent and accessibility of markets, distribution systems, wealth, labour and technology. Grulke (1995:1) contends that through the application of communication networks and digital technologies, limitations of time and space have changed, geographical and industrial boundaries have shifted and the importance of geographic location has been reduced. Halal (1993:53) maintains that information technology creates communication networks that could form a universal standard of open trade, a global banking system and currency, and some form of world governance. Verwey (2002:8) reasons that the trade routes for this new global economy are the electronic networks that span the globe. Some evidence of this is the emergence of the European Union and the initiative that is currently being taken by African leaders to manage and develop NEPAD (The New Partnership for Africa’s Development). The main

objective of NEPAD is to give impetus to the continent's development by bridging gaps between Africa and the developed world (Anon., 2004).

The world arena is by no means static and hence it is a continually changing environment. As a result, adaptability is the key to success. In this regard, Denton and Vloeberghs (2003:86) maintain that flexibility, responsiveness, decisiveness and speed will be qualities on which organisations have to place a premium if they want to succeed. Organisations therefore have to act faster and become far more competitive. Organisations further need to utilise all their resources to maintain competitiveness. Micklethwait and Wooldridge (1997:4) reason that this could mean moving resources and facilities to the most appropriate place, although this maxim should include the removal of all barriers to the creative movement of people and, more specifically, of their ideas to create multi-cultural, multi-national organisations. Similarly, Day and Reibstein (1997:42) state that globalisation and technological change are spawning new sources of competition; deregulation is changing the rules of competition in many industries; markets are becoming more complex and unpredictable; and information flowing in a tightly wired world enables organisations to sense and react to competitors at a faster rate.

### **2.6.2 The re-engineering of organisations**

International competition has already forced many South African organisations towards re-engineering processes and the streamlining of operations to improve efficiency (discussed in detail in Section 2.2.2). Ryan (1997:34) supports this argument by stating that:

South African chief executive officers are also digesting the new lexicon: transformation, re-engineering, restructuring, downsizing, and right-sizing, with businesses re-designing and re-inventing themselves in a deadly serious quest for survival. South African organisations were suddenly thrust into the international competitive arena. Some are overhauling their businesses from top to bottom, others

are merely tweaking a process or two, but nearly all are engaged in change of one kind or another.

Hammer and Champy (1993) argue for the redefinition of work processes, the outsourcing of unwanted activities and the downscaling of management levels that have resulted in higher efficiency, higher productivity and better communication between management and staff, in order to survive international competition. Denton and Vloeberghs (2003:87) add to these typical re-engineering processes of organisations and maintain that South African organisations had to improve productivity and follow the international trends towards re-engineering organisations.

Furthermore, Buckingham (1997:3) not only proposes the down scaling of management levels, but also postulates that vertical management structures within organisations should further be limited because they do not always lend themselves to good cross-fertilisation of ideas and information-sharing. Likewise, Semler (1994:13) believes that decreasing the number of layers should result in greater trust and lead to a more humanistic management approach with more democratic organisations where more information is openly shared with a greater number of individuals. Verwey (2002:14) also emphasises the idea of a more humanistic management approach, referring to it as valuing human capital in the organisation. In order for employees to work effectively, they must be motivated, have trust in their fellow workers and their organisation, and have a real sense of commitment to, not compliance with, achieving team goals. This cannot be achieved with alienated, underpaid and abused employees.

However, Denton and Vloeberghs (2003:87) acknowledge that re-engineering has not been seen as what they refer to as “the saviour of the corporate world”. Marais-Steinman (1998:2) claims that organisations have been disillusioned by the fact that there are no “easy fix” solutions (which is what re-engineering promised to be, according to Denton and Vloeberghs (2003:87) to the problems

of growing global competition. Handy (1997:24) confirms this by stating that the problem with re-engineering, when it is done incorrectly, is that it leaves people traumatised. It is definitely an aspect that can have a significant impact on managerial degeneration.

### **2.6.3 The outsourcing of functions**

Ryan (1997:37) reports that it has been found that the consulting industry is growing by about 25% a year internationally. As a result of an increasing tendency to outsource certain activities, this shift towards utilising the skills of consultants in training and strategic planning as well as the move towards generating separate business units or smaller organisations is a direct result of the re-engineering process. The re-engineering of organisations has promoted the idea of outsourcing unnecessary, expensive or unwanted activities.

Fowler (1997:40) maintains that there is a growing tendency towards using contract workers and outsourcing, because of the fact that it is financially viable to outsource whenever necessary rather than carry the cost of full-time specialists.

### **2.6.4 Organisational restructuring**

Organisational structures in South Africa have been changing from the traditional and bureaucratic to more flexible structures that have a broader span of control and decentralised decision making in line with international trends (Denton & Vloeberghs, 2003:87). At government level, this principle is applied in that the country is divided and decentralised into nine provinces based on a federal structure, in an attempt to move away from the previous centrally controlled structures in the apartheid era.

Large organisations are by nature more structured, formal and static than smaller organisations. Buckingham (1997:3) claims that larger organisations are therefore less likely to be dynamic and less able to respond rapidly to changes in the marketplace. It is therefore more appropriate for organisations to decentralise or to create smaller organisations in the form of more manageable independent business units with a rapid response and turnaround time. Micklethwait and Wooldridge (1997:4), however, note that there will always be a place for larger organisations because they have the benefits of economies of scale, stability and resources.

Denton and Vloeberghs (2003:87) postulate that a reduction in the size of organisations allows for a focus on specific skills, competencies and resources. However, it may require a greater degree of multi-skilling and the continual updating of such skills to maintain the smaller infrastructure rather than acquiring additional staff. Brand (1997:28) contends that the concept of multi-skilling and continual competency enhancement and diverse career changes may bring about more flexible and viable business decisions. However, this has implications for both managerial and operational staff as well as the actual organisational structures. Pretorius (1997:15) argues that in a changing world, employees should be given greater freedom to enhance their own employability and self-worth, all of which will result in maintaining a higher degree of productivity and “buy-in”.

### **2.6.5 Downsizing**

Hammer and Champy (1993:21-39) argue that issues such as the redefinition of work processes, the outsourcing of unwanted activities and the down scaling of management levels (as already discussed) have, among others, resulted in many downsizing activities. Rantanen (1998:12) alternatively maintains that many such activities were poorly planned and managed, causing more and unique problems, such as the most skilled and hardworking employees leaving

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organisations, distrust between management and staff, the loss of employee loyalty, and demotivation with lowered morale and productivity. Denton and Vloeberghs (2003:87) declare that downsizing is happening throughout the South African economy and they are of the opinion that while some organisations have had no choice financially, other organisations have used downsizing to their own advantage by replacing unwanted employees later with better quality employees.

#### **2.6.6 The empowerment of employees**

Denton and Vloeberghs (2003:88) claim that as a result of the development of smaller competency-based business units, as discussed, there will be a greater degree of empowerment coupled with the tendency towards a more humane and people-centred (as opposed to task-centred) management style. Managers should consequently ensure that employees feel a sense of ownership or, in the words of Belasco and Stayer (1993:17): “If you want them to act like it’s their business, make it their business”.

Buckingham (1997:6) states that aligned with the notion of empowering employees is the concept that managers should spend less time “managing” and more time “mentoring”. The mentoring concept in itself brings about less control of staff, as it fosters greater empowerment by allowing decision-making to become a process with wider formal and informal consultation. This further embodies the idea that senior management does not have a monopoly on good ideas, only the most significant information at that moment. Denton and Vloeberghs (2003:88) declare that the emphasis should be on effective and coordinated teams rather than on a top-down information process. This lends itself to greater information-sharing, and breaks down the myth that the best ideas only come from the top of the organisation.

It is vital for management to realise that staff is the most important asset of any organisation, and that they hold the intellectual capital, which can place any

organisation at the forefront of the market. Handy (1997:23) argues that while this is often touted by corporate leaders, it is critical from a management point of view to note that the intellectual capital itself is the primary asset of the organisation. Peters (1994:5) declares that a focus on the value of employees' expertise, "brainware" and competencies is likely to give an organisation the competitive edge. Similarly, Goodman (1995:37) reasons that this realisation is especially critical following the decline of traditional industries as prime creators of wealth and the increase in the tangible growth of services and knowledge-based industries as the prime contributors to national wealth creation.

Bennis (1997:151), Covey (1993:44), Peters (1994:7) and Semler (1994:23) state that empowerment is also achieved through a shared vision for the future, which can only be implemented in an organisation where all staff affect common principles and values, and where there is a culture of openness, fairness, honesty and trust.

### **2.6.7 Democracy in the workplace**

In South Africa, the organised labour movements played a significant role in the fight against the previous government's unjust labour system (Mboweni, 1998). There has been a considerable increase in the demand by workers for democracy in the workplace in organisations in general. Mastrantonis and Nel (1995:19) argue that South African businesses have become aware of the need to change corporate governance in a manner that will ensure global competitiveness. Highly productive and flexible organisations have procedures in place whereby employees participate in managerial decisions and have access to relevant information. Employees are trained in understanding business strategy and are recognised for their contribution and given shares in the organisation.

Denton and Vloeberghs (2003:90) postulate that in order to become a competitive entity, there must be competence, coordination and commitment. The aim of democracy at work is, therefore, to increase effectiveness by attempting to move away from the traditional organisational structure towards the implementation of self-managed work teams. Employees will in turn need to be exposed to education programmes so that they can play a participative role in organisational development. Joffe (1995:24) asserts that restructuring with the intention of increasing employee participation should be handled with care as it can sometimes lead to more problems than solutions. Denton and Vloeberghs (2003:90) reason that workers need to be involved from the start: otherwise they will not buy into the process.

It is therefore evident that the milieu in which South African organisations function has drastically changed in the past decade. The international managerial concepts are also a very real challenge for organisations that need to be managed actively. These challenges give communication professionals the opportunity to gain prominence in managing the changed milieu. However, these environmental challenges and accepted international managerial concepts practised by South African organisations can only be managed in the organisation as part of the organisation's business, marketing and communication management.

## **2.7 CONCLUSION**

The increasing interdependence between the organisation, the environment and the stakeholders (in other words, the system in which the organisation is functioning) has placed renewed emphasis on the vital role of communication for organisational survival. Not only have environmental factors changed, but also the idea that business, marketing and communication management are equal partners in the contribution to advancing to the enterprise's mission and vision.

The 1990s were dominated by the realisation that the organisations of today's global economy are different from the way they were a decade ago, and that it is difficult to forecast broader societal and organisational changes in the future with any degree of certainty. It is, however, clear that future organisational needs will be influenced by how well organisations are managed strategically. In an era of continuous change, all organisations need to function as learning organisations in order to survive and sustain themselves. This calls for greater emphasis on strategic management, which implies the alignment of business, marketing and communication management in order to create and nourish long-term relationships with stakeholders. In the alignment of business, marketing and communication management, organisations need a new role in communication within this changed milieu. From this chapter, it is argued that integrated communication is the new role of communication within such a changed environment, as it is communication that creates and maintains relationships with stakeholders which is driven by the strategic intent of the organisation. As is evident from this chapter, change in organisations is complex on an international level, but even more so in a post-apartheid South Africa. Based on this background it is argued that there is therefore a need for an implementation model for strategic integrated communication in the South African context as the proposed new role of communication in this context.

In this chapter, the focus was firstly on business, marketing and communication management in a changed market, after which the essence of integrated communication was discussed, as integrated communication is seen as the new role of communication in a changing marketplace, especially in South Africa. The chapter concluded with a discussion of the changed organisation in a post-apartheid South Africa, in order to illustrate the necessity for an implementation model for integrated communication in such a complex environment. The focal point of the following chapter is the evolution and definition of integrated communication.

## CHAPTER 3

# The evolution and definition of integrated communication

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### 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

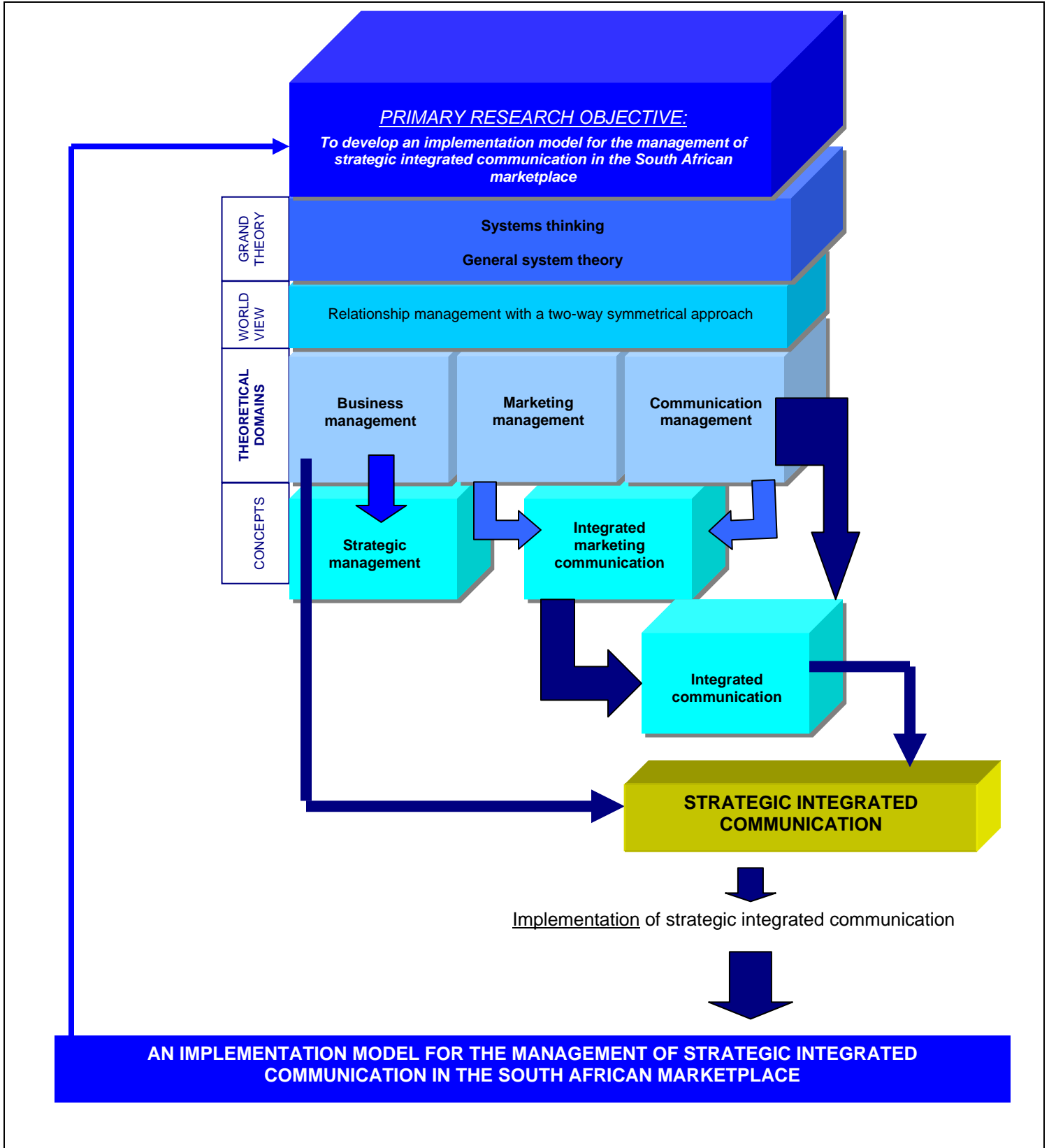
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explained in Chapter 1 and is part of the delimitations of this study. But, as argued before, the concept of integrated communication became more common from 2000 and has been in use since 1997. Some authors (such as Schultz and Schultz (2004)) still 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



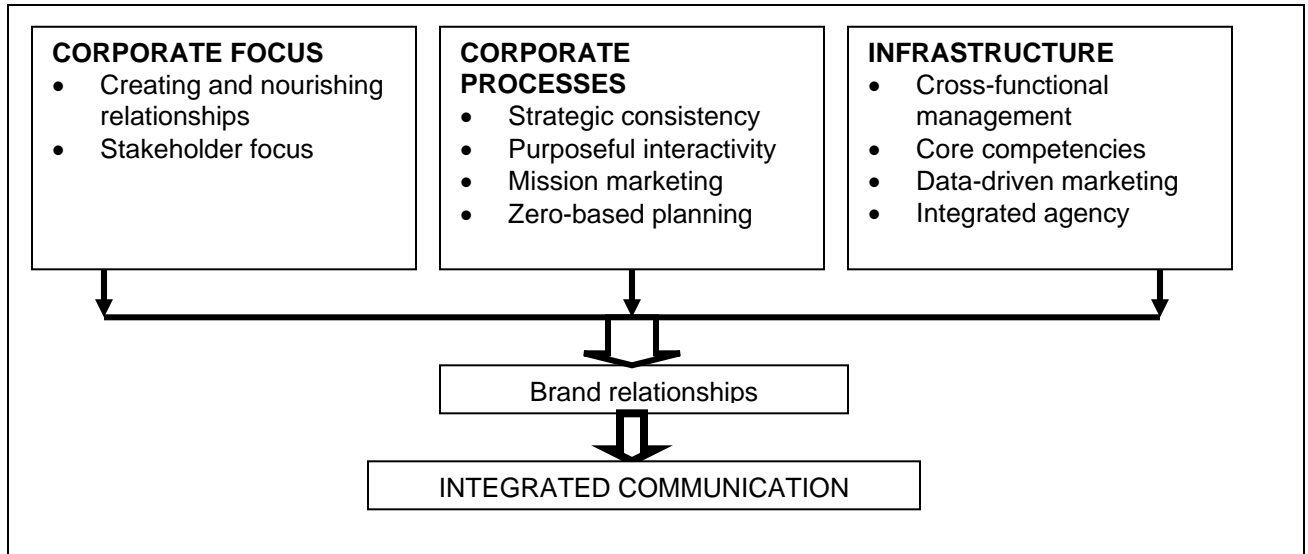
### 3.2 THE ESSENCE OF INTEGRATED COMMUNICATION: TEN STRATEGIC DRIVERS

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

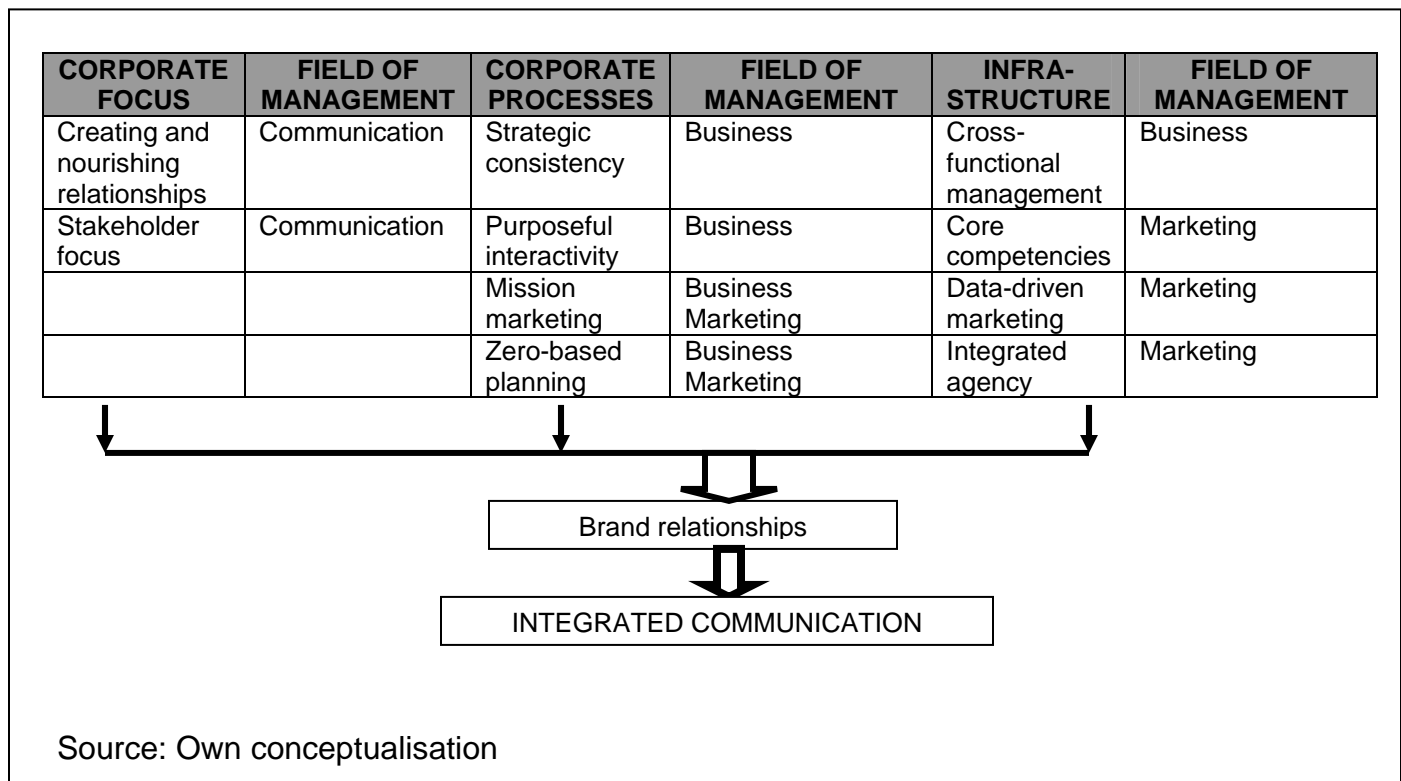
The drivers in this sub-section also relate to business and marketing management. The drivers of cross-functional management relate to business management, whereas core competencies, data-driven marketing and an integrated agency relate to marketing management.

- *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,

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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

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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

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

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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.

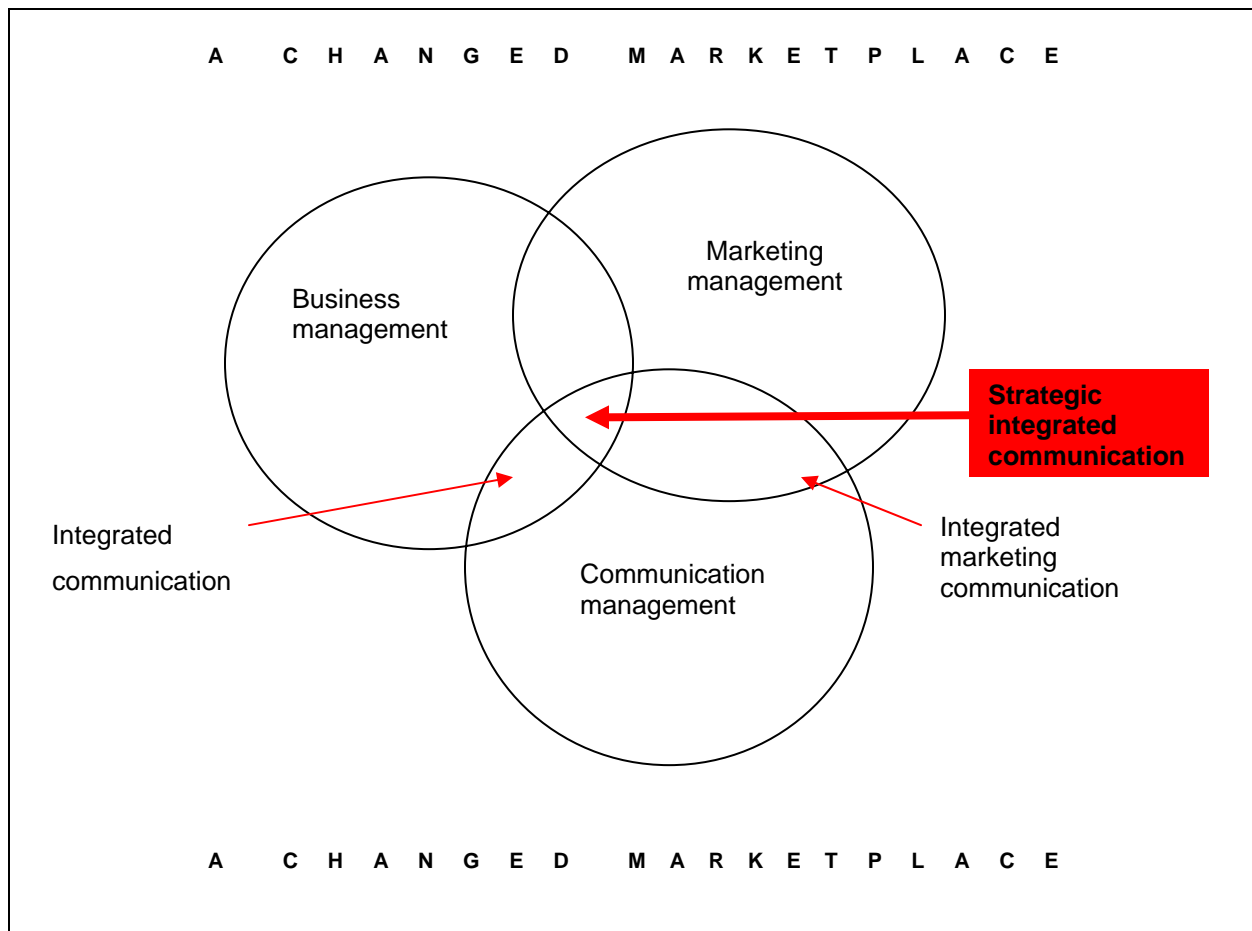
### **3.7 INTEGRATED COMMUNICATION AS A CONCORD OF ALL ENDEAVOURS**

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.

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## CHAPTER 4

### Integrated communication implementation models

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#### 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.

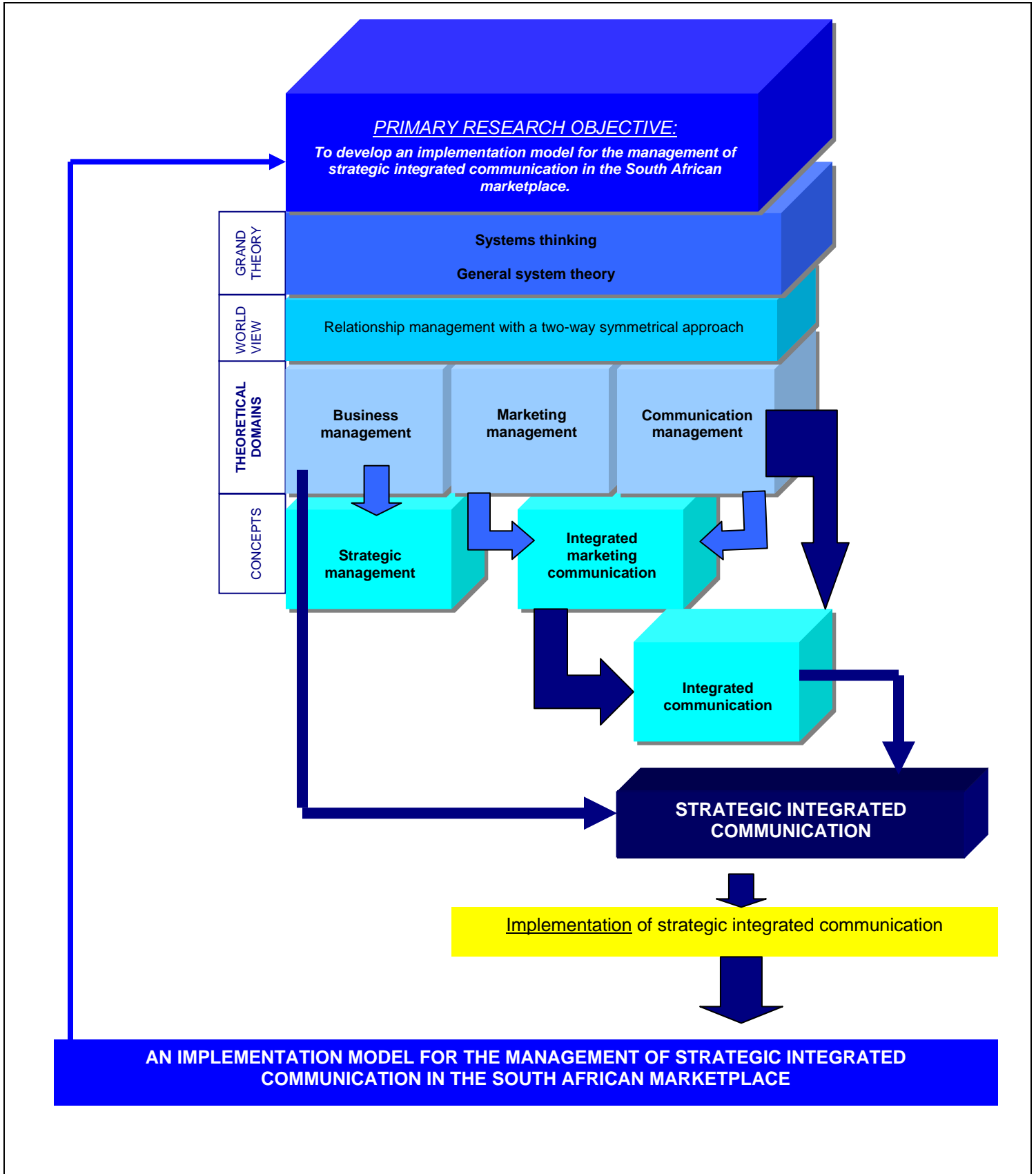
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As a result, it can be reasoned that implementation models of integrated communication should thus address integration in an organisation from an organisation-wide perspective, including more than merely communication *per se*. In this chapter, various 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

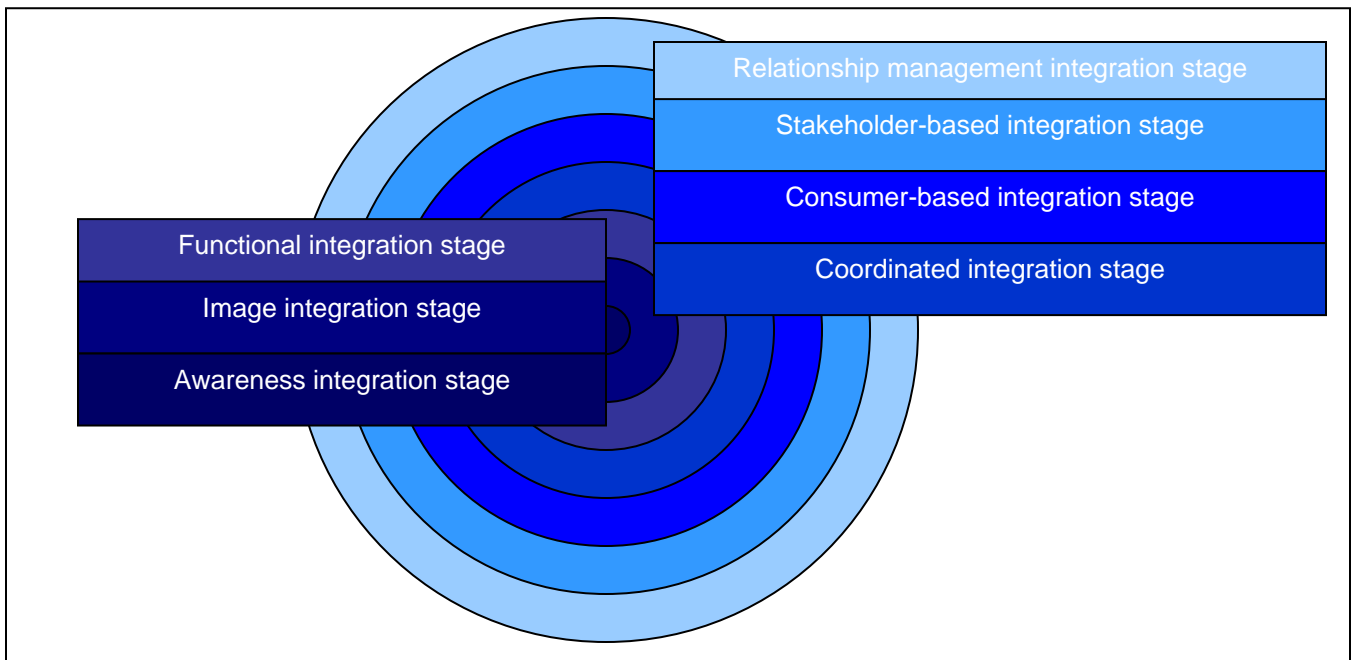


## 4.2 AN EVOLUTIONARY INTEGRATED COMMUNICATION MODEL

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

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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.

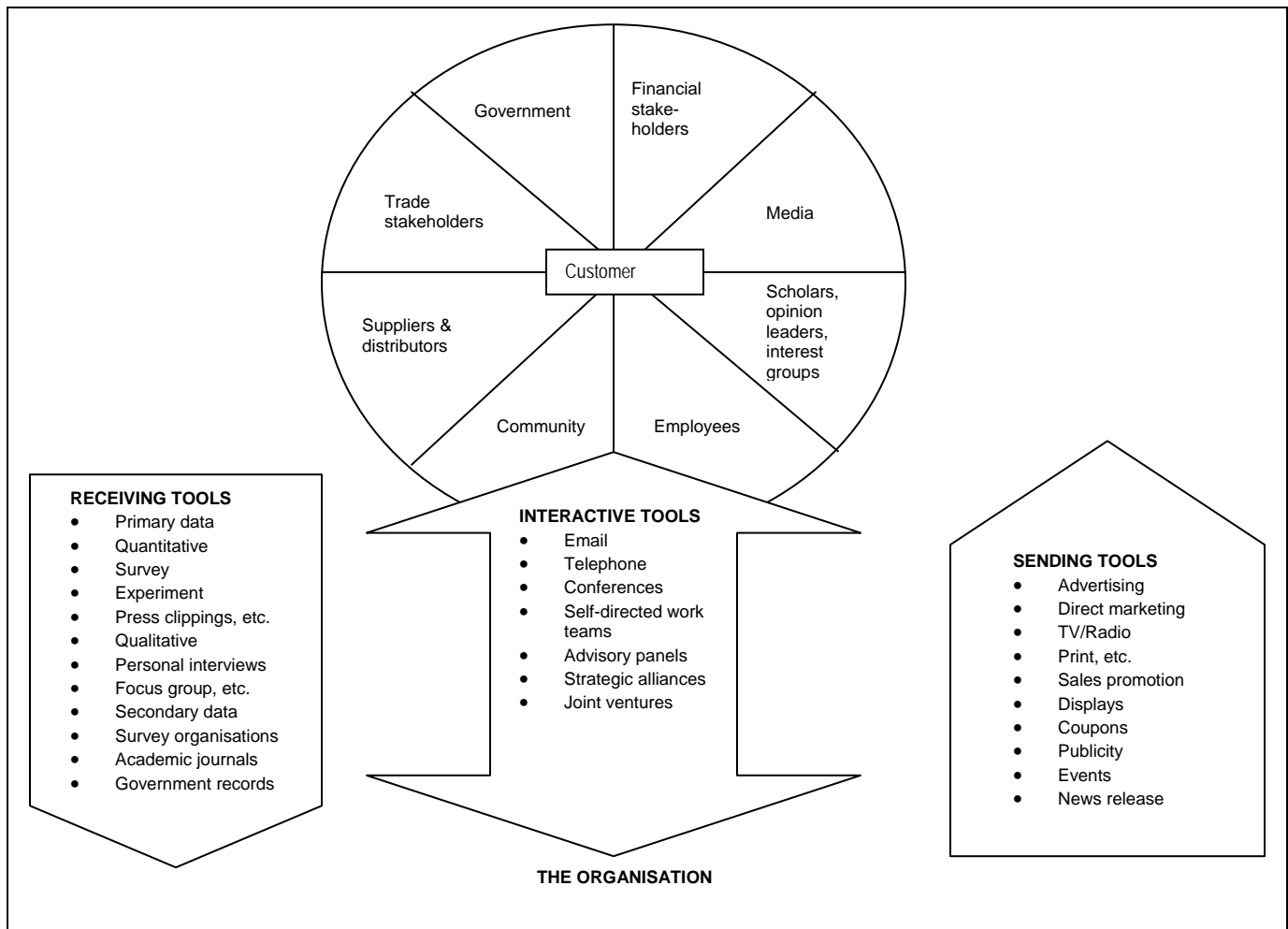
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### 4.3 A STAKEHOLDER RELATIONS MODEL FOR INTEGRATED COMMUNICATION

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**

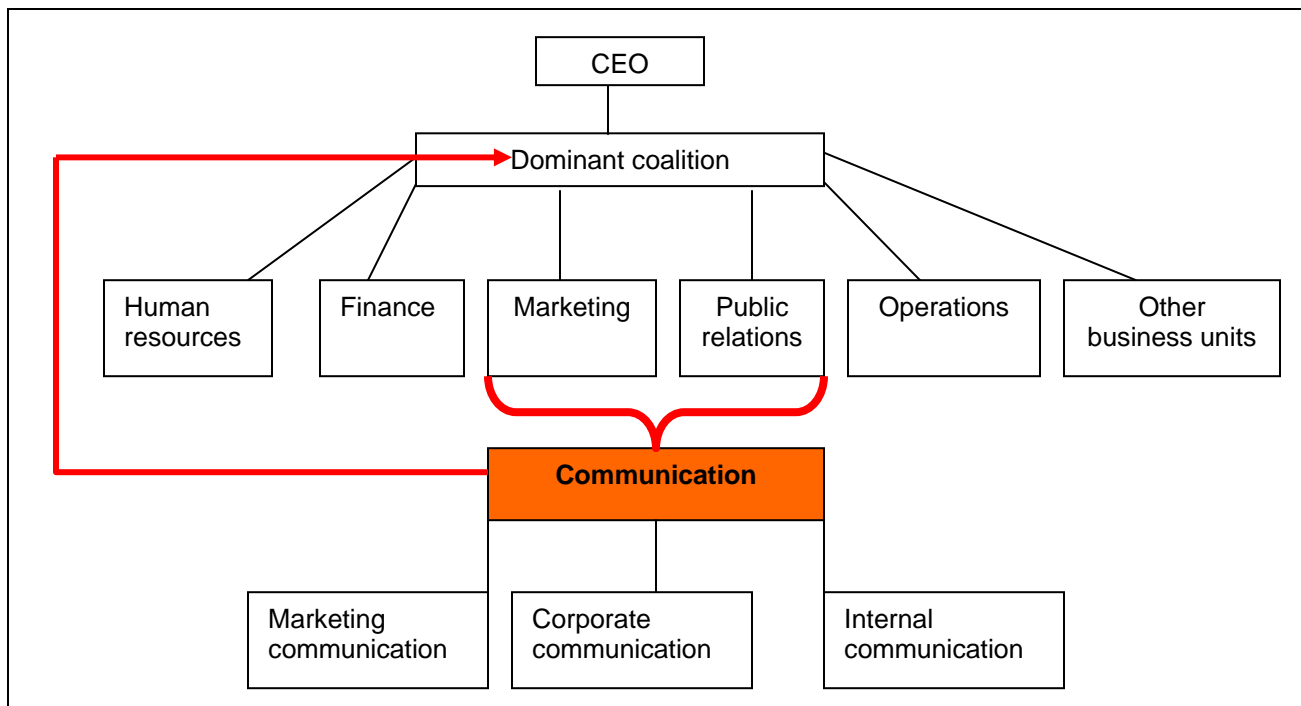
According to Wightman (1999:3), Thomas Hunter's thesis for the University of Salzburg offers the most extensive examination at that time of the issues surrounding the corporate implementation of an integrated communication structure. After an extensive analysis of the factors influencing corporate marketing 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.

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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.

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#### **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.

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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

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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



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(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,

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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.

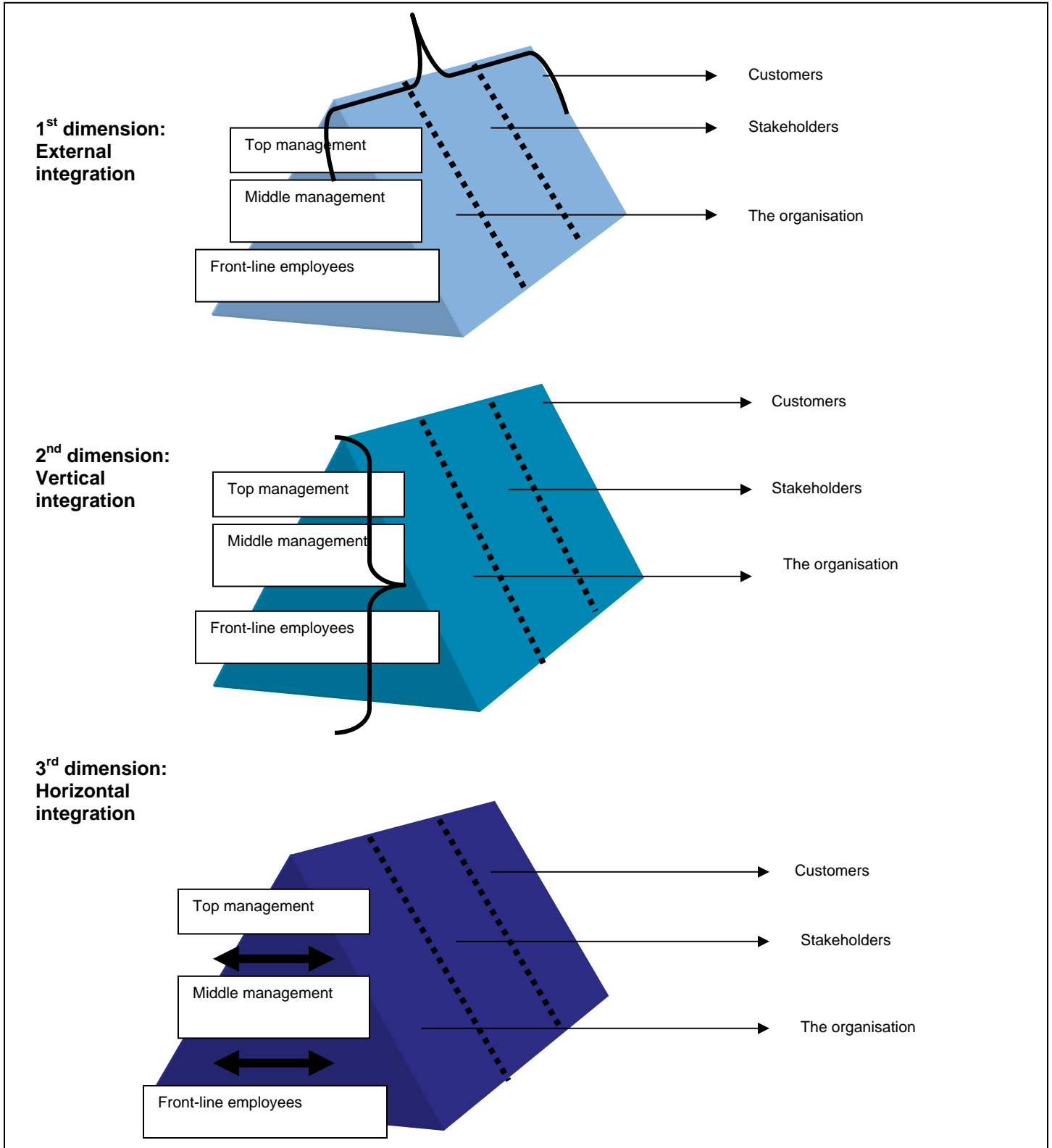
Gronstedt (1996), who suggested the stakeholder relations model (as discussed in Section 4.3), has since advanced his philosophy on integrated communication and proposes his most recent model, namely the three-dimensional integrated communication model.

#### **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 1<sup>st</sup> 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 2<sup>nd</sup> dimension: vertical integration**

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

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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 3<sup>rd</sup> 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,

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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.

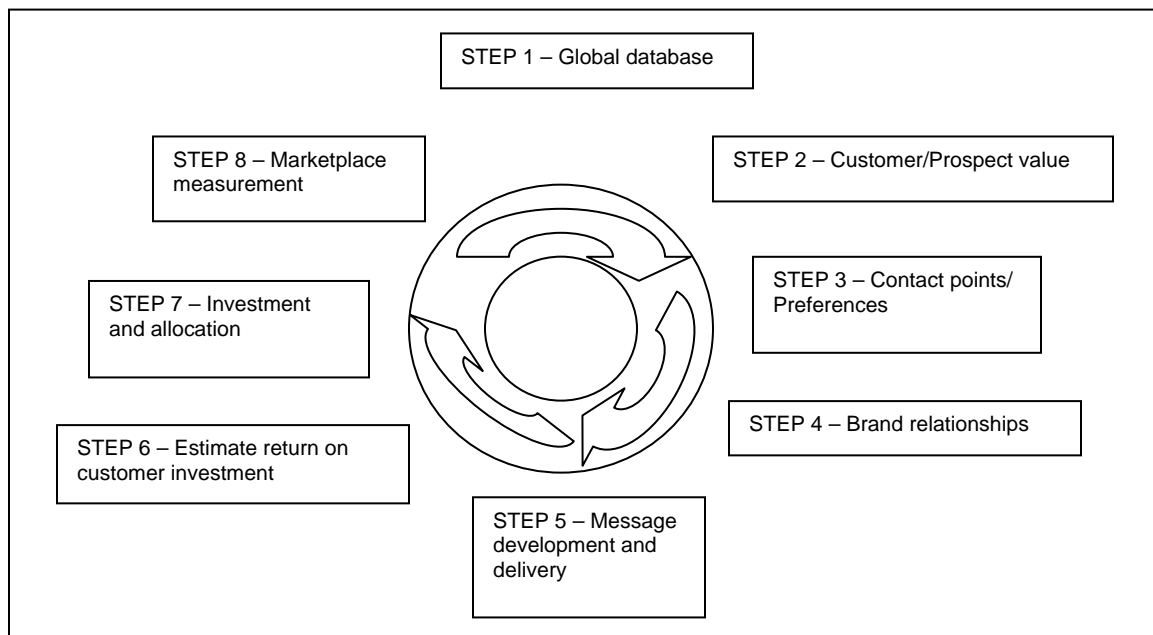
In the following section, the focus is on the eight-step integrated communication process suggested by Kitchen and Schultz (2000).

#### **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.

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### 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

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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

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(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

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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).

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#### 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.

## CHAPTER 5

# Issues in the implementation of integrated communication

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### 5.1 INTRODUCTION

According to Schultz *et al.* (1993), integrated communication has, since its inception, received substantial attention from both the academic and practitioner communities. Pettegrew (2000:29) argues that the widespread attention paid to integrated communication is largely a function of its "... strong intuitive appeal – it makes good sense". However, in order to elevate marketing and communication management to the level of business management, organisations should be aware of, and attend to, the issues in the implementation of integrated communication. Although Pettegrew (2000:9) advocates the concept of integrated communication, organisations have not yet accomplished the extensive implementation of the fundamental notions represented in the concept of integrated communication.

Schultz *et al.* (1992) state that the acceptance of integrated communication has not been as rapid as was hoped. Furthermore, proponents of integrated communication and integrated marketing communication are asking an important rhetorical question in integrated communication "that has hounded" economies (McCloskey, 1990), and marketing (Fortini-Campbell, 1992) and integrated communication (Schultz, *et al.*, 1993): "If IMC is so good, why is it not being implemented?"

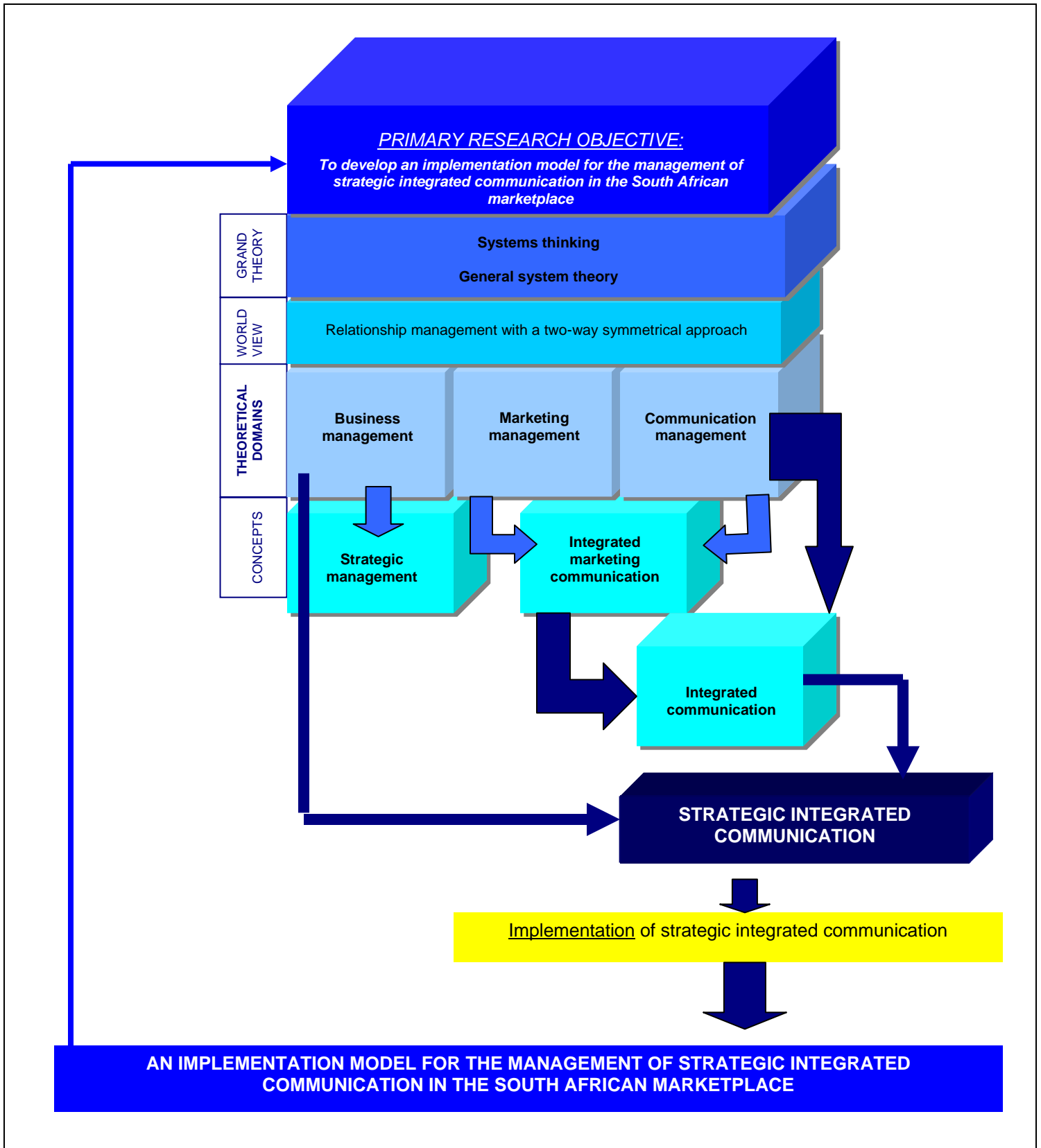
From the origins of integrated communication, there has been much more emphasis placed on the implementation of an integrated communication *programme* than on the *organisational* implementation of integrated

communication as a concept. However, the integrated communication programme is only one facet of the concept of integrated communication. It is therefore necessary for the organisation to implement the concept and underlying principles of integrated communication before the organisation can implement an integrated communication programme. Niemann (2002) states that the integrated communication programme can be seen as the advanced application of integrated communication within the organisational context.

In this chapter, the issues surrounding the implementation of integrated communication are discussed. Firstly, the focus falls on *when* integrated communication is likely to be needed in an organisation, and then *what* is needed to be integrated is discussed. The focus is then on the minimum requirements for integrated communication in organisations. This is followed by focusing on the problems of integrated communication implementation. The chapter concludes with a discussion on the barriers in the implementation of integrated communication.

Figure 5.1 provides a summary of the meta-theoretical framework of the current study with the purpose of addressing the research objectives of phase 1 of this study, continuing to focus on the implementation of strategic integrated communication, which is highlighted in yellow.

Figure 5.1 Chapter 5 in relation to meta-theoretical framework



## **5.2 WHEN SHOULD INTEGRATED COMMUNICATION BE IMPLEMENTED?**

According to Percy (1997:164), the source of identifying a need for integrated communication is the complexity of the markets that are dealt with. The more complex the market, the more likely it will be that multiple or innovative solutions will be required. In this complex market, many factors can further contribute to the complexity of the communication problem. Yeshin (2000:328) argues that the most obvious contribution to complexity is multiple communication objectives. There are various other factors that contribute to the complexity of the communication problem. In broad terms, this involves the complexity of the target audience, the complexity of the product or service itself, and the complexity of the distribution of the product or service.

### **5.2.1 Complexity of target audience**

There are a number of target audience considerations that lead to complexity in planning and delivering communication in an organisation. The more the people involved in the decision process, the more difficult the communication task. In the simple case, where one person plays all the roles in the decision-making process, a straightforward message to a single individual is all that is required. As more people become involved in the decision, the potential need for multiple messages through a variety of media or delivery systems increases. Moriarty (1994:39) refers to multiple messages in the integrated communication message typology. According to Duncan and Moriarty (1997:78), the integrated communication message typology is a model of various message types that are communicated by an organisation. Duncan (1997) identifies four types of messages of which an organisation needs to be aware, so that it can control or, if not control, influence them in the integrated communication message typology model. These messages are: planned, inferred, maintenance and unplanned messages. These messages are therefore based on the idea mentioned in Chapter 3 that everything an organisation presents or does not present is a

communication moment for the organisation. All these communication moments must be managed actively by the organisation according to the integrated communication message typology model.

In accordance with this notion of communication moments, Schultz *et al.* (1994:83) reason that each contact point (communication moment) that the stakeholder has with the organisation is a communication opportunity, therefore emphasising the idea of multiple communication moments in an organisation.

### **5.2.2 Complexity of product or service**

The second factor contributing to the complexity of a communication problem in an organisation is product or service complexity. If the product or service is highly technical or innovative, the communication task can be more complex. For example, when a new customer electronics product is introduced, people need to be made aware of it, and interest in this product needs to be stimulated. Furthermore, they will want a high level of information to complete what is usually a high involvement decision. If a number of models is available, the information requirements will again be greater.

### **5.2.3 Complexity of distribution**

Percy (1997:165) claims that an often overlooked opportunity for integrated communication can be found in the distribution of a product or service. This however, extends beyond trade promotions. Many delivery systems have a major influence on a brand being chosen by customers. This factor contributes to the complexity of a communication problem, and refers to the trend of increased global marketing that has necessitated new ways of communication for organisations. Even if an organisation is not selling outside its native country, it must be aware that its competitors will increasingly be foreign based (Kitchen & Schultz, 1999:21). These changes underline the increase in competition and the



need for organisations to concentrate on maximum efficiency in all their operations (Gonring, 2000-2001:2).

According to Percy (1997:165), if there is complexity in the marketplace, as evident from Section 2.6 (Chapter 2), it is likely that integrated communication will be needed. For integrated communication to be implemented, there are certain elements of the organisation that need to be integrated. These elements are to be considered further, together with findings from phase 2 (the in-depth interviews in the South African market) for the development of the conceptual model of strategic integrated communication implementation in the South African business landscape. These elements are explored in the following section.

### **5.3 WHAT SHOULD BE INTEGRATED?**

Duncan and Moriarty (1997:25) are of the opinion that, in order for integrated communication messages to have maximum impact, an organisation must integrate the following: employees, customers and other stakeholders, corporate learning, brand position as well as “the big creative idea. Furthermore, the corporate mission could also be seen as an important aspect to be integrated and has been added to the list of the aforementioned authors. Each of these is expanded on in the following section, to demonstrate the breadth of integrated communication.

#### **5.3.1 Employees**

Duncan (2001:22) argues that many employees do not have a basic understanding of what their organisation manufactures, how their organisation operates or what their specific role is in building customer relationships. The most common reason for this is that employees have not been integrated into the organisation. More specifically, employees have not been educated about the need for being customer focused. Duncan and Moriarty (1997:24) propose that

the way to integrate employees into a customer-focused approach is through internal marketing. Chiocchi (1999-2000:1) defines internal marketing as: "... an ongoing program that promotes the customer-focus philosophy and keeps employees informed of important marketing activities that affect both them and the company's customers". Today, internal marketing is essential because more and more employees have the opportunity to engage in a communication moment with the customer. The reason for this is the increase in interactivity, due to Internet and other two-way communication opportunities.

Additionally, Bernstein (2000-2001:2) maintains that the more employees feel part of the organisation and the better informed they are about its business strategies, the higher their morale. Duncan (2001:23) acknowledges this and states that research has shown that organisations with high employee morale have higher levels of customer satisfaction.

### **5.3.2 Customers and other stakeholders**

Customers and other stakeholders need to be integrated into the total operations of the organisation. In other words, they need to have input about how the organisation operates. Duncan (2001:23) declares that such input will ensure a more customer-focused organisation. McKenna (1995:92) agrees and adds that customers should be integrated into activities such as product planning.

Duncan and Moriarty (1997:25) propose that as speed and flexibility increase in manufacturing, so too must communication between an organisation and its stakeholders. One way to achieve this is to have frequent, in-depth interactions with customers and stakeholders in order to detect more quickly their changing wants, needs and concerns. The more feedback and dialogue is facilitated, the more integrated the customers and stakeholders will be in the organisation's planning and operations. Peppers and Rogers (1999:25) add in this regard that as an organisation moves to more customised marketing, they need the support

of more customised communication. Therefore, interactive communication is fundamental to any relationship. This is why the definitions of integrated communication discussed in Chapter 3 include interactivity as a critical component.

### **5.3.3 Corporate learning**

The third element that needs to be integrated in organisations is corporate learning, which relates to the idea of *learning organisations* as discussed in Chapter 2, Section 2.2.3. Employees who regularly interact with customers should have access to all the information the organisation has on each customer. One aspect to promote corporate learning is described by Schultz (1995:5-6), which states that in many organisations each department has its own customer databases. Duncan (2001:24) adds that unless databases are integrated into a common database management system, it is difficult or impossible to have a complete understanding of a customer and to provide a knowledgeable response to requests and complaints. As organisations expand their databases, this information needs to be integrated into a meaningful form – knowledge. The knowledge about customers should then be made available to everyone who can use it to increase customer service or to add value to the brand in the organisation.

### **5.3.4 Brand positioning**

Another element that needs to be integrated for integrated communication to be effective is brand positioning. Customers and potential customers form their opinions of a brand based on a variety of brand messages. Therefore, Duncan and Moriarty (1997:25) argue that the brand position should be integrated in all brand contact points where it is reasonable to do so. The more a brand's position is integrated into all the messages originating from all message sources, the more consistent and distinct the organisation's identity and reputation will be.

### **5.3.5 “The big creative idea”**

Today, organisations have become larger and able to afford more communication expertise, both internally and externally. Integrated brand messages have become diffused as each marketing communication specialty group comes up with its own ideas. However, Duncan (2001:219) proposes that a brand needs to have one “big creative idea” and then ensure that it is integrated into all the integrated communication messages. He states that “the big creative idea” provides a single focus to all communication efforts, gives direction to both message design and message delivery, and must be reflected in the executions of all the messages.

### **5.3.6 Corporate mission**

The final element that needs to be integrated is the corporate mission of the organisation. It should be noted that literature on this element that should be integrated focuses explicitly on the mission and does not mention the corporate vision, making no differentiation between the concepts. It can therefore be argued that the corporate mission, as stated in literature, assumes the corporate vision. Duncan and Moriarty (1997:26) reason that “... an organization that has a real mission based on a set of corporate values can maximize the impact of the mission by integrating it into everything it does”. Stakeholders are usually impressed with the corporate integrity of an organisation, but only if they are convinced it exists. Duncan (2001:24) proposes that the first step in this direction is to combine all so-called philanthropic efforts into a single, major programme that reinforces the organisation’s mission and creates greater awareness of the organisation’s social investment. Furthermore, integrating the mission into the organisation’s business operation, however, serves as a call to unity and provides a common, consistent focus for all employees.

Knowing what needs to be integrated in the organisation is a good starting point for integrated communication implementation. However, there are minimal requirements needed before integrated communication implementation can be considered by the organisation. These six are a) structural requirements, b) customer-orientation requirement, c) brand requirement, d) management requirement, e) cultural requirement and f) uniqueness requirement. These minimal requirements are a good foundation for unity of effort in the implementation of integrated communication.

#### **5.4 MINIMAL REQUIREMENTS FOR THE IMPLEMENTATION OF INTEGRATED COMMUNICATION**

Schultz *et al.* (1994:117-120) propose that the organisation must have mastered eight key areas before true integrated communication can be considered in an organisation. Eppes (1998-1999) agrees with the eight key areas proposed by Schultz *et al.* (1994:117-120), but states that an organisation should as an absolute minimum at least have access to these key areas. The reason for referring to “true integrated communication” is that Duncan and Moriarty (1997:14) state that all organisations are integrated to a certain extent. Therefore, integrated communication is a natural component of all organisations. However, the degree of integratedness in organisations varies. Similar to the eight key areas suggested by Schultz *et al.* (1994:117-120) and Eppes (1998-1999), Pettegrew (2000) identifies six suggestions before “true integrated communication” can be considered by the organisation. By using the set from Pettegrew (2000) as a basis, and integrating the eight requirements suggested by Schultz *et al.* (1994:117-120) and Eppes (1998-1999), a single comprehensive set of minimal requirements is developed. However, in studying integrated communication, most authors in the field suggest various methods and resources that can contribute to the implementation of integrated communication. In the following section, these suggestions are amalgamated into, and based on, six minimal requirements for the implementation of integrated communication.

### 5.4.1 Structural requirements

For an organisation to consider true integrated communication, it should create global processes of internal and external standardisation of operating, producing, transporting and communicating (Kitchen & Schultz, 2000:67). The reason for the standardisation is to ensure consistency of all messages (as discussed in the integrated communication message typology model in Section 5.2.1). Furthermore, Gronstedt (2000:115) declares from a structural point of view that the organisation should create flatter organisational hierarchies to prevent departmental silos obstructing the creation and retention of customers. This refers to the notion of Duncan (2001:763) as well as Niemann and Crystal (2002:14) of cross-functional planning. The idea suggested by Gronstedt (2000:115) is conversely only the initial framework for the more advanced idea of cross-functional planning. However, Duncan (2001:90) strongly proposes cross-functionality of processes in the organisation as a prerequisite. He argues that cross-functionality is essential so that all the departments in the organisation are able to cooperate with each other in the planning and monitoring of relationships with stakeholders and the brand.

Given the existing communication systems in an organisation, it is neither practical nor possible for communication to be planned or executed by every unit or business group. The brand has a certain meaning or value that must be maintained. For example, one would not give a local retailer the authority to change, adapt or re-invent the IBM logo. There must be some consistency across all media forms and customer groups.

The most common approach in establishing a communication central authority is the use of a marketing communication structure or, as it is called, a “marcom” manager (Schultz, *et al.*, 1994:167). The marcom manager is the central controller of a broad assortment of communication specialists. Working in combination with the marketing manager, the marcom manager plans the overall

communication programme, and initiates and controls the various types of communication activities that are developed by the communication specialists. This idea is in line with Hunter's model of integrated communication implementation (1997), Stage 3, where he proposes that a single department is set up for the management of marketing, corporate and internal communication.

This centralised approach, with the establishment of a communication controller, assumes that the existing organisation will not be changed (Sirgy, 1998:136). This is a consolidation of the communication function into one person or group. Thus, this structure is fairly easy to implement although there are inherent problems brought about by the existing organisational structures. It does, however, initiate the process of centralisation, which can then lead to the integration of the organisation's communication activities.

#### **5.4.2 Customer-orientation requirements**

Gronstedt (2000:22) has the same opinion as Kitchen and Schultz (2000:67) in stating that it is necessary for an organisation to start with customers, not products (thus the outside-in approach suggested by Schultz (1993a:12)). Organisations that consider "true integrated communication" therefore need to be aware of the demands of a stakeholder century organisation and be able to adapt to these demands. Similarly, Eppes (1998-1999:6) and Gronstedt (2000:22) agree that it is further necessary for the organisation to identify and value customers and prospects. However, Schultz *et al.* (1994:177), Gronstedt (2000:23) as well as Kitchen and Schultz (2000:67) propose that it is not only necessary to identify and value customers and prospects, but also to identify customer and prospect contact points. This is to maximise valuing customers and prospects. It is therefore essential for an organisation considering "true integrated communication" to align the organisation's interactive response capabilities with the needs and demands of the stakeholders (Schultz, *et al.*, 1994:177).

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For integrated communication to work, the organisation must therefore commit to the customer (and the stakeholder in a broader sense). It must identify, *learn* about, work and be concerned with customers (and stakeholders) at all times and at all levels. An organisation following this dedication to customers and stakeholders is referred to as a *learning organisation* (as stated earlier in Chapter 2, Section 2.2.3). A learning organisation has a feedback programme that involves four dimensions: a) ongoing data collection, b) continuous aggregation of this data, c) periodic trend analysis (looking for a “critical mass” of comments or behaviours suggesting problems or opportunities), and d) making information available to those who need it to do their jobs better (Duncan, 2001:279). It is therefore imperative for the organisation to have a strong database-driven strategy in order to ensure that learning takes place regarding the customers and the stakeholders.

The organisation must refocus its energies on locating and satisfying customers and stakeholders rather than just making products or providing services. It must therefore adjust communication programmes to make them customer (and stakeholder) friendly and customer (and stakeholder) active. Therefore, an organisation that truly follows an integrated communication approach must function as a customer or stakeholder century organisation as opposed to a product century organisation, as explained in Chapter 3. For this reason, organisations must commit to the Peter Drucker principle as quoted by Schultz *et al.* (1994:178), which supports this notion, stating that: The organisation is in business to build and satisfy customers (stakeholders). This will be a major change for most organisations but it is necessary for integrated communication to succeed.

### 5.4.3 Brand requirements

It is of vital importance for the organisation to view itself as a brand. Organisations must value their own brand, as the customers and stakeholders



are unlikely to value it if the owners are not seen to value it (Duncan & Moriarty, 1997:14). Again this refers to the notion of the integrated message typology model discussed in Section 5.2.1.

Verwey (2002:173) states that an organisation's brand is more than the image it presents to its customers through marketing and marketing communication. It is also the experience customers have of an organisation and its products. The success of a message depends not only on its appeal, but also on how well it aligns with the delivery of the actual promise to the customer. Totzi and Stotz (2002:2) note that an organisation's marketing can attract customers, but only a positive customer experience that matches the brand promise can capture and retain customers over time. Verwey (2002:173) therefore maintains that internal branding translates the organisation's brand promise into internal behaviours and systems that support people in turning the promise into the reality of customer experience.

#### **5.4.4 Management requirements**

For "true" integrated communication to be considered, the CEO must voice direct support for adopting integrated communication, because without this critical element, integrated communication efforts are condemned (Pettegrew, 2000:2). Regardless of the organisation, its structure or type of business, for integrated communication to be successful, it must start at the top management level and filter down through the organisation. It cannot start at the middle or at the bottom and work its way up. Top-down direction and commitment are vital for integrated communication (Pettegrew, 2000:34). The CEO must actively support integrated communication. He or she must remove the many barriers that will prevent the implementation of integrated communication. This means not merely financial support, but aggressive internal support in the form of directives, memorandums and, in some cases, what Schultz *et al.* (1994:178) refer to as "cheerleading". It

must be clear to every employee that integrated communication is vital and is supported at top management if it is to succeed.

Furthermore, structural and functional managerial issues must become a critical component of any effective integrated communication implementation in an organisation. Of particular importance is establishing a communication czar who will become the evangelist and conscience of the integrated communication implementation effort in the organisation (Schultz, *et al.*, 1993:167). While decentralisation of management is critical to being competitive in today's marketplace, the centralisation or consolidation of the communication function is necessary. There must be a broad view of communication and well-defined and well-established strategies to build and protect the brands marketed by the organisations. This cannot be done on a decentralised basis.

In any organisation, the corporate leadership must retain the communication function and it must be viewed as one of the major activities of that group, like financial or other corporate functions. Local implementations of well-planned and well-organised communication strategies are possible, but there can be little question that communication must be in the hands of generalists with a broad view of the entire corporate operation. The communication programme must be orchestrated so that a clear, concise relationship is built with each individual customer. Communication in the customer and stakeholder century is too important to put in the hands of unskilled managers or low-level employees, for it is the future of the organisation (Schultz, *et al.*, 1994:179).

#### **5.4.5 Cultural requirements**

Alignment through high-performance cultures in true integrated communication consideration is vital. Alignment mirrors the level of an individual's emotional investment in the organisational purpose, defined by Verwey (2002:179) as the meshing of organisational purpose with organisational practice. Fineman

(1993:13) notes that organisations are "... sites where individuals make meaning for themselves and have their meanings shaped". In essence, this occurs when individuals have internalised organisational values and beliefs (in terms of their most fundamental meanings), and can act instinctively in accordance with these values.

Furthermore, from a cultural requirement point of view, Pettegrew (2000:2) reasons that organisations should beware of strong marketing cultures, because issues such as corporate reputation can be overshadowed by "popular" concepts such as brand management. Although the cultural requirements are important to consider in the implementation of integrated communication, correspondingly, organisations should be sensitive to the political, social and economic environment as a requirement for integrated communication implementation, as these factors have a great influence on the viability of the implementation of integrated communication.

#### **5.4.6 Uniqueness requirements**

Any true integrated communication effort must be adapted to the unique character of a particular organisational structure. Duncan and Moriarty (1997:12) postulate that "one-size-fits all" integrated communication does not exist. For integrated communication to work effectively, it must reflect the unique culture in which it must operate. Additionally, integrated communication must be viewed beyond narrow integrated communication success in traditional businesses for exemplars (Pettegrew, 2000:2).

For integrated communication to thrive, the total organisation must recognise that communication will be one of its most important competitive weapons. When products are at parity, distribution is similar, pricing is equal, and high levels of customer services are common; then the lone competitive weapon that the communication professional has is communication and relationships with

customers. Communication can and must become the sustainable competitive advantage that the organisation uses to remain a viable factor in the marketplace. This requires new thinking and a new understanding of communication by all levels of management, but it is a must if the organisation is to succeed (Schultz, *et al.*, 1994:178).

These six minimal requirements for integrated communication implementation are however threatened by various problems to integrated communication implementation. The following section will focus on these problems in integrated communication implementation.

## **5.5 PROBLEMS IN THE IMPLEMENTATION OF INTEGRATED COMMUNICATION**

There is little substantive evidence that integrated communication, according to the definitional components discussed in Chapter 3, is practised widely or effectively among organisations. A study by Duncan in 1991, as described in Duncan & Moriarty (1997:17), revealed that almost 60% of corporate marketing managers were familiar with the term “integrated communication”. Prahalad and Hamel (1994:95) report a survey revealing that fewer than one-in-three (31%) believe success is attributable to better execution of communication functions. A large percentage of CEOs have said that success in business today is more a function of “newcomers who have changed the rules of the game” (Cornelissen, 2000:2).

Perhaps most evident is the fact that many organisations cited as exemplars in integrated communication literature seem to have fairly narrow marketing communication programmes that may, on closer scrutiny, not represent integrated communication well at all. Accordingly, Pettegrew (2000:32) argues that while organisations such as Nike and Proctor and Gamble “... do an excellent job with the marketing side of marketing communication without

integrating their public and employee relations functions”, their corporate reputations have suffered. However, the research of Gronstedt (2000) and Harris (1998) show evidence to the contrary, in discussing various organisations that have implemented integrated communication fairly successfully. Such organisations include Saturn, FedEx, Xerox, Coca-Cola, Eastman Kodak, Harley Davidson and McDonalds. However, these are only examples of fairly successful integrated communication implementation organisations, because as expressed by Duncan and Moriarty (1997:xvii): “... integrated communication is a continuum, and the far right side is the perfectly integrated company. To our knowledge, that company does not exist”.

Integrated communication theory has provided a vague or incomplete explanation of the organisational impediments that often prevent organisations from implementing integrated communication completely or effectively (Pettegrew, 2000:32). According to him, in almost 100 articles and books about integrated communication, fewer than three essays address cultural and structural functional barriers, and one resource focuses exclusively on organisational problems to integrated communication, from the agency perspective. In the few essays that do address organisational problems to integrated communication, the most important problem, and the need for the support of integrated communication by top-level management, particularly the CEO, is ignored. If integrated communication scholars are to address the criticism posed in Pettegrew (2000), the issue of CEO support for integrated communication must be placed on the theoretical front discussions. Therefore, if problems in integrated communication implementation are to be overcome, the communicator must have the knowledge and comprehension of the core organisational competencies as well as a close link with top management to ensure the alignment of communication objectives with the strategic intent of the organisation.

The various barriers to integrated communication implementation are discussed in the following section.

## **5.6 BARRIERS TO THE IMPLEMENTATION OF INTEGRATED COMMUNICATION**

As with many other innovative concepts, there is resistance to change. In most organisations, there are established “ways of doing things”, solidified positions, turf and budget concerns (and disputes) and, more importantly, corporate cultures that have grown to be accepted as “the right way to do things”. In these types of organisations, there is no real inclination to change. In the following section, seven common barriers to integrated communication implementation are discussed. The first four are a) structural barriers, b) manager’s perceptions of integrated communication, c) compensational barriers and d) marketing trends as barriers.

### **5.6.1 Structural barriers**

In discussing several barriers to integration, Schultz *et al.* (1993:167) have identified a barrier seen as the key to the problems in implementing integrated communication. The researcher points out that “... integration requires communication across brands, SBUs, and functional specialties”, yet “... almost all organisations have spent their time developing vertical communication programs”.

Integration demands cross-training in organisations, a process hindered by vertical structures (Gonring, 1994:47). Duncan and Everett (1993:32) state that a first step could be to develop teams throughout the organisation and create an opportunity for cross-functional assignments and advancement through acceptance of greater responsibility. Kitchen and Schultz (1999:30) agree and

add that breaking down the number of salary ranges could also help to flatten organisational levels.

The result, according to the three-dimensional approach to integrated communication (as discussed in Chapter 4, Section 4.6) suggested by Gronstedt (2000), is a need for *horizontal* relationships struggling within a *vertical* organisation. This leads to problems at the organisational level, where parallel structures, multiple departments and functional specialties discourage the kind of communication between specialties required for integrated communication. This type of problem is epitomised by the brand management concept, and recent moves by some large packaged goods organisations to category or channel management are likely to worsen the problem (Percy, 1997:174).

Integrated communication requires a central planning expertise in marketing communication (Duncan, 2001:14). With diffused resources, individual manager relationships with marketing communication agencies, and the lack of an incentive to cooperate, as well as problems when it comes to effectively implementing integrated communication, organizational barriers are inevitable. According to Percy (1997:174), there are two components to an organisation's decision-making structure that contribute to these problems: organisational structure and what Percy (1997:174) refers to as organisational character or the way an organisation "thinks". Based on this idea by Percy (1997:174), the three structural barriers of a) organisational structure barriers, b) organisational character barriers and c) technological barriers are focused on in the following sub-section.

#### 5.6.1.1 Organisational structure barriers

Although there is broad agreement among communication and marketing professionals on the need for integrated communication (Duncan & Everett, 1993:30-39; Schultz, *et al.*, 1993; Schultz, 1993b:17), the very organisational

structure of many organisations stands in the way of its being effectively implemented. As Schultz *et al.* (1994:157) argue, "... there is little doubt that organisational structures are one of the largest barriers to integrated communication in most organisations". At the core of this problem is an organisation's inability to manage the interrelationships of information and material among the various agencies involved in supplying marketing communication services. Percy (1997:174) states that there are various specific structural factors that can make this problematic, namely a) low standing of marketing communication personnel and b) fields of specialisation.

- *Low standing of marketing communication*

For many executives in top management, spending money on marketing communication is a luxury that can be afforded only when all else is going well (Percy, 1997:174). With this approach, it is not surprising that those most responsible for marketing communication occupy lower-level positions within the organisation. Senior management does, however, reserve the right to approve a campaign, and often does, but it is rare to find senior management involved in the planning of marketing communication. Rather, it is generally more junior brand managers (or their equivalents) who do the actual strategic planning, and the results of their work are passed on up the management ladder for approval. Even at organisations where there are specific managers for advertising or promotion, these managers have little power within the organisation. They almost never have final responsibility for the budget (Percy, 1997:175).

Furthermore, communication in general is also seen as low in precedence. Schultz *et al.* (1994:162) argue that in many organisations communications "... are developed and implemented at the lowest levels, that is, by the most junior and inexperienced employees". Yarbrough (1996:69) agrees and adds that being at a low level in the organisational order implies that



communication is not accepted as being imperative. Not being part of management means that the communication departments will not have the final say and suggestions are authenticated only by managers outside the communication field (Gonring, 1994:47).

Adding to this problem is the trend towards decentralised decision-making as pointed out by Schultz (1993b:16). With more and more people empowered to make decisions at lower and lower levels, it makes it very difficult, if not impossible, to ensure an integrated communication approach. Decentralisation in an organisation can be a two-way sword with regard to integrated marketing communication. On the one hand, according to Kitchen and Schultz (1999:30), there is a current trend of management to take decision-making down to the lowest possible level in the organisation. This could prove counter-productive to integrated marketing communication, because it would be impossible to centralise control over decisions in the organisation. On the other hand, there is a need for employees to be empowered and able to respond to customers and other stakeholders. This creates problems for the organisation's communication programme, especially where employees do not possess the skills necessary to deal with customers. Furthermore, it is virtually impossible to maintain a single, integrated approach, while delegating decision-making powers to the lowest level.

- *Barriers in the different communication specialisation fields*

To manage integrated communication effectively, those in charge should ideally be communication generalists. In organisations today, people are specialising in a particular area; and these specialists rarely communicate with each other. They have their own budgets and their own suppliers, and they jealously guard the areas they control. This is what Schultz *et al.*

(1994:158) refer to as ego and turf battles between individuals and departments.

Yarbrough (1996:69) states that most employees are reluctant to move to integration because they believe it will require them to give up some of the power and the prestige to which their present positions entitle them. Schultz (1993b:16) agrees with this statement and adds that some employees also think that integrated communication will take away some of their often hard-won turf. Wightman (1999:19) as well as Kitchen and Schultz (2000:208) suggest that it might threaten the employees' perceived position in the organisation and that even fewer managers want to give up any territory or position, for this is how they calculate their value to the organisation.

Integration necessitates a broad view of the customer, the marketplace, competition and communication. Schultz (1993b:16) argues that integrated communication creates the need for a move from the production century principle of specialisation in an organisation. Alternatively, in the stakeholder century, the focus is on employees with multiple skills (Wightman, 1999:19). This means that organisations require employees with a general understanding and knowledge of the business world as a whole. The reason for this is to have employees with an understanding of the concept of synergy within the organisation.

#### 5.6.1.2 Organisational character barriers

In addition to the problem inherent in the way in which most organisations are structured, there are more intangible aspects of an organisation's thinking and behaviour that also pose problems for implementing integrated communication. The traditional organisational structure can impede the flow of information and ideas within the organisation. It is very difficult for the entire organisation to share a common understanding of that organisation's communication, because

of this type of structural barrier. Yet it is important for everyone working at an organisation to understand and communicate the appropriate “image” in any communication. Anyone who has any contact with customers must reflect the image projected by the organisation’s communication. This again refers to the integrated message typology of Duncan and Moriarty (1997:98) and furthermore the integrated communication synergy approach of Moriarty (1994:42). The latter approach identifies three different components of integration, namely consistency, interactivity and mission. This approach leads to an understanding of the complexity of corporate message synergy (Gonring, 1994:45). According to Percy (1997:176), too often only those directly involved with the marketing communication programme are familiar with it, which in turn creates a serious problem for integrated communication implementation. Percy (1997:176) therefore identifies two organisational character barriers namely a) financial versus customer emphasis and b) the culture of the organisation.

- *Financial versus customer emphasis*

Another important aspect of the character of an organisation that bears upon integrated communication implementation is the misguided emphasis on financial rather than consumer considerations in the development of a communication strategy (Percy, 1997:176). This refers to organisations functioning as a customer-centric organisation (Gronstedt, 2000) or what Schultz (1993a:12) refers to as an outside-in organisation. Schultz *et al.* (1993) refer to some of the problems that come from this increasing reliance on financial analysis to guide a communication strategy. The researchers point out that the attitude of most managers is to let financial considerations drive their thinking when setting objectives, rather than customer wants or needs. However, the customer is the centre of integrated communication. Integrated communication requires an understanding of how consumers make decisions and behave. When a communication professional’s attention is more financially focused than customer focused, the environment will be

less likely to nurture integrated communication successfully. In relation to this, the second organisational character barrier is that of the culture of the organisation.

- *Culture of the organisation*

Together, the manager's own background and the culture of the organisation determine how managers think (Percy, 1997:176). This potential problem is then compounded in the integrated communication case when the culture of the marketer must interact with the culture of the communication agencies. Managers from different organisations are likely to have different views of what makes effective communication.

Literature on management addresses the idea that an organisation will have its own defining corporate culture, and that employees of the organisation will absorb that culture. While that culture will not completely determine an individual manager's way of doing things, it will have a significant impact on its development (Prensky, McCarty & Lucas, 1996:167-184). According to Percy (1997:177), this inevitably leads to organisational feelings such as "this is the way we do it"; "we have always done it this way" and "it works for us". These kinds of attitudes can, however, get in the way of integrated thinking and planning. This can occur both within an organisation and working with outside agencies.

#### 5.6.1.3 Technological barriers

Another barrier to the implementation of integrated communication in organisations in terms of the structural barriers is the absence of databases and the accompanying technology to track and profile customers and other key stakeholders (Schultz, *et al.*, 1994:158). Goring (1994:47) declares that marketing technology exists to determine customer behaviour, but organisations

have been slow to accept it. Schultz *et al.* (1994:177) argue that some industries struggle with database development more than others (e.g. packaged goods). However, Duncan and Moriarty (1997:29) maintain that everyone can follow the lead of financial services and direct mailers, many of which have become proficient at identifying segments and sending them targeted messages.

### **5.6.2 Manager's perceptions of integrated communication**

The second barrier identified to the implementation of integrated communication is manager's perceptions of integrated communication. When managers come from different backgrounds or have different marketing communication specialties, either within the organisation or from communication agencies, they are likely to have different perceptions of what constitutes integrated communication. Another implication of this is that managers have different perceptions of the roles various employees should play in integrated communication implementation.

For this reason, is it not surprising to find that there are a number of notions about how best to accomplish the implementation of integrated communication. According to Duncan and Everett (1993:30-39), the 1991 study among marketing managers found a variety of opinions about how integrated communication should be achieved. Among the managers who said they were familiar with the term "integrated communication", about 60% seemed to look at the responsibility of integrated communication planning in roughly the same way: Thirty-five per cent felt they would collectively set communication strategies with all the appropriate agencies, and then specific assignments would be executed by the best qualified agency. Another 25% felt they alone were responsible for setting the integrated communication strategy, but would then make specific assignments to appropriate agencies and expect them to coordinate the execution (Duncan & Everett, 1993:30-39).

Percy (1997:178) argues that while the communication professional must take the lead in integrated communication planning, strategy should be worked out among all relevant parties, who then execute creative work guided by the common creative brief(s), coordinated through the communication professional.

According to Duncan and Everett (1993:30-39) among the remaining managers in the previously mentioned study, 25% felt that they would work with one agency to execute everything (the notion of full-service agencies or “one-stop shopping” encouraged by some advertising agencies); and 7% felt they would set the communication strategy and then have it executed by the individual agency most appropriate for each task. However, different perceptions of integrated communication will mediate effective implementation, but more disconcerting is the natural resistance to change that the idea of integrated communication is likely to trigger, making it difficult to implement despite general acceptance of the benefits. Resistance to change as barriers, and politics and power as emotional barriers are discussed in the following section as part of the barrier that manager’s perceptions hold of integrated communication.

#### 5.6.2.1 Resistance to change

Percy (1997:178) states that the most serious concern is a fear that the manager responsible for integrated communication will not fully appreciate someone else’s area of expertise. This is a problem that is especially compounded when advertising takes the lead, because of long-held feelings that advertising managers simply do not understand or even consider other means of marketing communication (which is too often the case). This is aggravated by the short-term tactical experience, for example, of those working in promotion versus the more long-term thinking of advertising managers. If employees feel the integrated communication manager does not fully appreciate their worth, they are certain to worry about where their specialties fit in, in departmental budgeting, and fear

their jobs become less important or even redundant. Such feelings easily cause resistance to the implementation of integrated communication (Percy, 1997:178).

The disciplines in an organisation must overcome their fear of conceding control to a single planning system. Group performance measures help to change current power structures in the organisation, because team members are representative of the entire organisation, and when performance is measured at a group level, team members are likely to be concerned with the performance of the whole group. A significant tenet in measuring performance is “that what is measured is what will be delivered”. Thus, the performance measurement system should be in line with the required performance of the employee. This, in return, relates back to the need for cross-functional teams and cross-functional planning (Duncan & Moriarty, 1997:181; Duncan, 2001:9-10) in the organisation.

#### 5.6.2.2 Politics and power

Another way of looking at some of these issues of resistance to change is in terms of both intra-organisational and inter-organisational politics. According to Prensky, *et al.* (1996:168), it does not matter if the motivation is individual self-interest or an actual belief in the superiority of one’s way of doing things, the result is the same. Employees, departments and organisations want power and the rewards that go with it. Too often managers and their staff believe they will be giving up too much if they implement effective integrated communication. Compensation is only one aspect of this problem. There are feelings of prestige and position that have in many cases been hard-won, that the combining of responsibilities required by integrated communication seem to threaten. In the light of the fact that this barrier is based on the emotional connection of communication practitioners to hard-won ground, this can be regarded as one of the most difficult barriers to overcome, which will in turn have a long-term effect on the acceptance of integrated communication.

### 5.6.3 Compensational barriers

The third barrier to integrated communication implementation identified, is compensational barriers in the organisation. Compensation issues are less of a direct problem within an organisation than within agencies, but even this is still a problem. As remuneration systems are specifically changing in agencies, compensational barriers are becoming more prominent. All the previously discussed barriers also lead to worries about salaries and promotion, and consequently dampen enthusiasm for integrated communication.

The real concern over compensation, according to Percy (1997:179), lies with those agencies that serve the communication needs of the marketer. This has certainly proved to be a stumbling-block for many large advertising agencies that have tried to offer their clients a full range of communication services. Group managers at these agencies are traditionally rewarded based on their total billings and income.

Somehow these managers must be compensated without regard for how much is spent on their particular specialty, but in terms of the overall business. Without such a scheme, effective integrated communication is impossible because those in charge of a particular type of communication will be more concerned with “selling” their specialty, not with how their specialty will best contribute to an overall integrated communication approach.

### 5.6.4 Marketing trends as barriers

The fourth barrier to integrated communication implementation is that of some trends in marketing. A major trend in marketing has been niche marketing and micro-marketing (Duncan, 2001:23). These two types of marketing are increasingly popular ways of addressing complex or diverse markets. However, too many marketers believe that each segment requires individual and distinct



communication programmes. If a single brand is involved, an integrated communication programme is most effective. The executions need not be identical, but the overall look and feel should be similar. This refers to the idea of synergy.

Percy (1997:181) states that multiple positions or images have a negative impact on a brand. Similarly, they have a negative impact to change images related to the brand too frequently. Images and messages should evolve, not change radically. This can be a danger with micro-marketing and the flexibility of direct marketing. Duncan (2001:23) agrees with this notion and argues that when an organisation is not integrated internally, it is difficult, if not impossible, for the brand to be integrated externally in the minds of the customer. When a brand is not integrated, it becomes apparent to the customers. Customers may say that the brand does not interrelate. Percy (1997:181) further states that it is important to guard against ignoring the disciplines associated with integrated communication, because the organisation is focusing narrowly on a particular group or market segment. Therefore, the organisation has to work from one of the principles of integrated communication: all the marketing communication functions have an equal opportunity to be used in integrated communication (Duncan, 1997).

The last three barriers of the seven common barriers to integrated communication implementation to be discussed are a) organisations think that they are already integrated, b) short-term planning and c) lack of core capability in communication.

#### **5.6.5 Organisations think they are already integrated**

When the subject of integration is mentioned, the primary reaction of employees is often that they are already integrated (Schultz, 1993b:16 and Percy, 1997:180). For example, some employees responsible for public relations in an

organisation, at the very least, consult with the human resources personnel in the organisation before releasing a new campaign. In this regard, Duncan and Moriarty (1997:29) state that beyond such limited interaction (and often only when it is considered necessary), there is often no, or very limited, communication regarding the overall communication objectives of an organisation.

### **5.6.6 Short-term planning**

A further barrier to the implementation of integrated communication is to have a short-term planning focus (Percy, 1997:178). One of the effects of integrated communication is to have an effect on customer behaviour over time. Short-term planning focuses on the idea that new customer acquisitions weaken an organisation's ability to build a loyal customer base (Schultz, 1993b:16). It is therefore essential for an organisation to have a long-term strategic planning approach for integrated communication, in order to align communication objectives with who the organisation is and where it is headed.

### **5.6.7 Lack of a core capability in communication**

Duncan and Moriarty (1997:29) propose that another barrier to integrated marketing communication in organisations is the lack of core capability in communication among those responsible for managing communication. This lack of communication proficiency in the organisation results further in disagreement on the marketing and marketing communication objectives of the organisation. In return, this then also leads to a misapprehension or lack of understanding among this department of the relative and changing significance of customers and stakeholders (Duncan & Everett, 1993:32). Therefore, the organisational communicator should, undoubtedly, have a comprehension and knowledge of the core organisational competencies in order to align communication objectives with those of the organisation as a whole.

Gonring (1994:49) contends that although these barriers to integration are a major challenge to the organisation, they can also provide the opportunity for communication to gain a standing in the organisation. This integrated approach will result in higher revenues, due to a more focused communication strategy as well as limited expenditure on communication, given the synergies resulting from an integrated approach. The revenue generation influence is positive on the top line of the organisation's income statement, while the combined effect of increased revenue and lower expenditure contributes to an improved end result.

## **5.7 CONCLUSION**

The effect of the integrated communication for the organisation is a drive towards centralised planning, implementation and budgeting, in all its communication functions. Integrated communication creates true accountability by maximising resources and linking communication activities directly to organisational goals, therefore part of the business management of the organisation, thereby positively affecting the organisation's income statement through increased effectiveness.

Issues surrounding the controversial implementation of integrated communication were the focal point of this chapter. However, a basic understanding of the concept of integrated communication and the development of the concept as discussed in Chapter 3 must first be recognised by employees. The various barriers related to the implementation of integrated communication as well as possible solutions to these problems were discussed.

Only when these barriers are realised and active attention is paid to these problems to implementing integrated communication can the communication professional move towards the actual implementation of the concept and advance marketing management and communication management to the level of business management. In the South African context, these barriers, although mostly global barriers, are similarly applicable. However, in this context, where

organisations in other countries can adapt and apply the existing models (as discussed in Chapter 4), the South African context has specific needs and challenges. The existing models can therefore not merely be adapted to suit the South African context. It is therefore imperative that an implementation model, learning from the existing models, and based on the barriers to implementation and the unique context of the environment, is developed for the South African context.

The literature review conducted in Chapters 2, 3, 4 and 5 (phase 1 of this study) together with the empirical findings are used to develop an integrated communication implementation model for the South African context. Chapters 2 – 5 therefore addressed the secondary research objectives 1 – 4 of the study. These objectives were: Firstly, to determine theoretically the relation between strategic communication and integrated communication in the implementation of strategic integrated communication; secondly, to clarify theoretically the perceptible current universal challenging issues in the implementation of integrated communication; thirdly, to illustrate the existing global approach to integrated communication implementation, from a theoretical viewpoint; and fourthly, to study existing models of integrated communication implementation so as to produce a conceptual implementation model for the management of strategic integrated communication for the South African business landscape.

The next chapter focuses on the meta-theory of phase 2 of the current study, where in-depth interviews were conducted to empirically establish the current state of integrated communication among advertising and communication agencies in South Africa.

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## CHAPTER 6

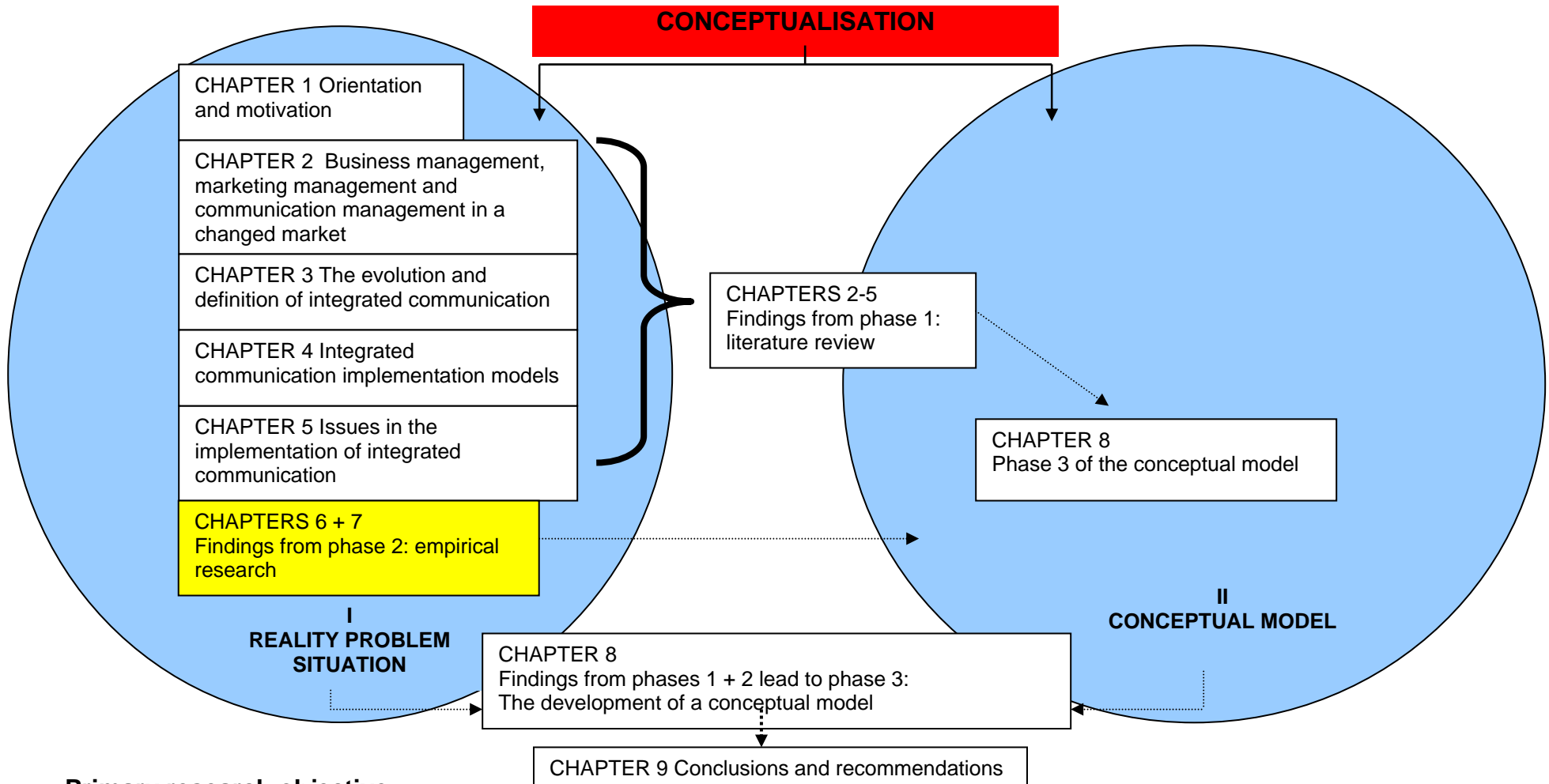
### Methodology: empirical research

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#### 6.1 INTRODUCTION

Through the literature review undertaken in Chapters 2 – 5 (phase 1 of the current study), it was argued that both communication management and marketing management and not only communication management should be driven by the strategic intent of organisations (business management), through the concept of strategic integrated communication. Strategic integrated communication is therefore seen as a business approach in the organisation, with the strategic intention of the organisation as a whole driving all the communication of the organisation. As stated in Chapter 1, Section 1.3.1, the primary research objective was to develop an implementation model for the management of strategic integrated communication in the South African marketplace. This is predominantly because the South African business landscape cannot be equated to other landscapes, which necessitates a unique South African model. The purpose of this chapter is to focus specifically on the meta-theory of the methodology in the empirical research phase of the study, namely to address secondary research objective 4, which is to ascertain empirically the current state of integrated communication implementation among advertising and communication agencies in South Africa. As stated in Chapter 1, Section 1.4.1, the Mitroff model for problem solving in systems thinking is used as the basis for this research process. It should be noted that, in terms of the Mitroff model, phase 2 of the current study is still focusing on circle I of the Mitroff model for systematic problem solving, which involves the reality problem situation. Figure 6.1 provides an indication in yellow of the focus of this chapter in relation to the Mitroff model, after which the research paradigm is discussed.

Figure 6.1 Application of systematic problem-solving model: phase 2



**Primary research objective:**

To develop an implementation model for the management of strategic integrated communication in the South African marketplace

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## 6.2 A QUALITATIVE RESEARCH PARADIGM

Mouton (1998:37) argues that the highest level of complexity in research is referred to as methodological paradigms, including qualitative and quantitative paradigms. Babbie and Mouton (2001:270), Denzin and Lincoln (1994:2), Du Plooy (2001:29) as well as Marshall and Rossman (1995:1-5) describe qualitative research as a paradigm that allows the researcher to obtain an “insider perspective on social action”.

For the purposes of this study, all three phases make use of a qualitative research paradigm. Qualitative research can be described as any type of research that produces findings not arrived at by statistical procedures or other means of quantification (Straus & Corbin, 1998:10). According to Schwartz and Jacobs (1979:7), the qualitative approach focuses on understanding the people studied in terms of their environment, and their perception of their context. Baker (1999:8) agrees and states that qualitative research attempts to understand how an entire social unit such as a group, organisation or community operates in its own terms. Qualitative methods are characterised by the use of non-numeric data, induction and exploratory methods (Smith, 1988:180). Allan and Skinner (1991:16) state that qualitative approaches contain procedures that are not as strictly formalised and explicated, with a limitless range and a more philosophical working method.

Babbie and Mouton (2001:270) and Henning (2004:3) describe the primary goal of qualitative research as describing and then understanding (“Verstehen”), as opposed to merely explaining social action. Furthermore, the qualitative researcher perceives concepts and constructs as meaningful words that can be analysed to provide an in-depth understanding of the phenomenon. Qualitative research emphasises description rather than observation (Miller, 1991:5). Baker (1999:8) explains that qualitative research is often carried out to investigate some important concerns to be found in some parts of the human view. It can therefore

be concluded that qualitative research can be explained as context specific and the data attained from such studies may be transferred and applied to related contexts for comparative or other purposes.

The qualitative approach is therefore based on the intensive study of as many features as possible of one phenomenon or a small number of phenomena (Miller & Brewer, 2003:193). It is not so much that qualitative refers to the “all roundedness” of one or a number of social phenomena. Rather, qualitative research seeks meaning (rather than generality as with its quantitative counterpart) and contributes to theory development by proceeding inductively. Meaning is achieved not by looking at particular features of many instances of a phenomenon but rather by looking at all aspects of the same phenomenon to see their interrelationships and establish how they come together to form a whole (Henning 2004:10).

To be able to determine the appropriateness of qualitative research methodologies for the purposes of the two phases of the study, it is important to identify the advantages and disadvantages of qualitative research methodology.

**Table 6.1 Advantages of qualitative research methods**

ADVANTAGE	AUTHORS
<ul style="list-style-type: none"> <li>Qualitative research methodology lets the researcher view behaviour in natural surroundings without the artificiality that encloses experimental survey research from time to time.</li> </ul>	Wimmer and Dominick (1983:49); Dillon, Madden and Firtle (1993:130)
<ul style="list-style-type: none"> <li>Qualitative research can intensify a researcher’s depth of understanding of the occurrence under investigation. It is apt for this study as the use of this approach will increase the depth of understanding, as there is a need for the development of an integrated communication implementation model in the South African context.</li> </ul>	Wimmer and Dominick (1983:49) Dillon <i>et al.</i> (1993:130)
<ul style="list-style-type: none"> <li>Qualitative methods are flexible and allow a researcher to practise new ideas of concern. This is advantageous for the current study, as this method is adaptable and accepts the practice of new ideas that might appear during the course of the data analysis. Such flexibility is especially important for this study, as if new ideas arise during the</li> </ul>	Wimmer and Dominick (1983:49) Du Plooy (2001:33)



research, the study can be adapted to provide more meaningful results.	
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**Table 6.2 Disadvantages of qualitative research methods**

DISADVANTAGE	AUTHORS
<ul style="list-style-type: none"> <li>In qualitative research, sample sizes are commonly too small to allow the researcher to generalise the data beyond the sample selected for the specific study. Therefore, qualitative research is often conducted preliminary to quantitative research for the reason of enlightening and operationalising concepts, if the ultimate purpose of such research is intended at quantification or generalisation.</li> </ul>	Wimmer and Dominick (1983:49) Dillon <i>et al.</i> (1993:131)
<ul style="list-style-type: none"> <li>Reliability of data can be a difficulty in qualitative research since single observers are describing unique events. The researcher is in close contact with respondents, which may result in a loss of objectivity.</li> </ul>	Wimmer and Dominick (1983:49) Du Plooy (2001:32)
<ul style="list-style-type: none"> <li>If qualitative research is not properly planned, the project may produce nothing of worth and therefore the researcher who uses qualitative methodology has to make particular provision to focus on the key issues in the research project.</li> </ul>	Wimmer and Dominick (1983:49) Dillon <i>et al.</i> (1993:130)

As stated, a qualitative research paradigm is therefore used for phases 1, 2 and 3 of this study. In the following section, the primary and secondary research objectives for the purposes of this study, as indicated in Chapter 1, are provided.

### 6.3 PRIMARY AND SECONDARY RESEARCH OBJECTIVES

#### 6.3.1 Primary research objective

To develop an implementation model for the management of strategic integrated communication in the South African marketplace.
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### 6.3.2 Secondary research objectives

*Secondary research objective 1:*

- To establish theoretically the link between strategic communication and integrated communication in the implementation of strategic integrated communication.

*Secondary research objective 2:*

- To determine theoretically perceptible current universal problematic issues in the implementation of integrated communication.

*Secondary research objective 3:*

- To describe the current global approach to integrated communication implementation from a theoretical perspective.

*Secondary research objective 4:*

- To study existing models of integrated communication implementation in order to conceptualise an implementation model for the management of strategic integrated communication for the South African marketplace.

*Secondary research objective 5:*

- To ascertain empirically the current state of integrated communication implementation among advertising and communication agencies in South Africa.

Secondary research objectives 1 – 4 were addressed in the literature review. In order to address the fifth secondary research objective, phase 2 and the meta-theory thereof are elaborated on.

## 6.4 RESEARCH STRATEGY

The development of a research strategy follows logically from the research paradigm. A research strategy is defined as a set of guidelines and instructions to be followed in addressing the research problem (Mutchnick & Berg, 1996:7).

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The main function of a research strategy is therefore to enable the researcher to anticipate what the appropriate research decisions should be so as to maximise the validity of the eventual results (Mouton, 1996:x).

For the purposes of phase 2 of this study, the research strategy follows that of exploratory research. According to Babbie and Mouton (2001:79), a large proportion of social research is conducted to explore a topic or to provide a basic familiarity with that topic. Subsequently, the discussion of the use of an exploratory research strategy is divided into four aspects. It focuses on when exploratory studies are typically done; on research design considerations for an exploratory study; and when exploratory studies are essentially applied. Lastly, the focus is on the most important shortcomings of exploratory research.

- Firstly, Babbie (2002:79) argues that exploratory studies are most typically done for the following reasons: a) to satisfy the researcher's curiosity, b) to test the feasibility of undertaking more extensive research, c) to develop the methods to be employed in any subsequent study, d) to explicate the central concepts and constructs of a study, e) to determine priorities for future research, and f) to develop new hypotheses about an existing phenomenon. The latter reason is specifically applicable to this study, as phase 2 is a means to develop new understandings (not hypotheses) of the existing phenomenon of integrated communication.
- Secondly, Miller and Brewer (2003:302) postulate that the most important research design considerations that apply to exploratory research are: a) the need to follow an open and flexible research strategy, and b) using methods such as literature reviews, interviews, case studies and informants, which may lead to insight and comprehension.
- Thirdly, Babbie and Mouton (2001:80) state that exploratory studies are essential whenever a researcher is breaking new ground and they can almost always yield new insights into a topic for research.

- Fourthly, Baker (1999:204) asserts that the chief shortcoming of exploratory studies is that they seldom provide satisfactory answers to research questions, though they could hint at the answers and could give insights into the research methods that could provide definitive answers.

Proposition research and the related research propositions for phase 2 are discussed below.

## **6.5 PROPOSITION RESEARCH**

According to Henning (2004:14), theories are created by developing sets of propositions that establish relationships between things in a systematic manner. Cooper and Schindler (1998:43) argue in this regard that a proposition is a statement about concepts that may be judged as true or false if it refers to observable phenomena. Consequently, Babbie (2001:52) reasons that propositions are drawn from postulates, which are fundamental assertions, taken to be true, on which theory is grounded. He states that, from postulates, propositions are derived, which are specific conclusions about the relationships among concepts. As indicated in Section 6.4, this study is of an exploratory nature. The study will therefore only test propositions due to the exploratory nature. The following research propositions were derived for the purpose of phase 2.

### **6.5.1 Research propositions**

The research propositions to be addressed in phase 2 are as follows, based on the exploration of the concept of integrated communication in the literature review in Chapters 2 – 5:

**Table 6.3 Research propositions for phase 2**

	<b>RESEARCH PROPOSITION</b>
a:	The concept of integrated communication among South African advertising and communication agencies is understood.
b:	Integrated communication is practised from a strategic perspective.
c:	There is a link between communication objectives and achieving organisational objectives in South Africa.
d:	Structural alignment takes place in organisations with which South African advertising and communication agencies deal, in order to ensure cross-functional communication planning.
e:	Mediums are used to ensure interactivity in building stakeholder relationships.
f:	Mission marketing plays a role in the implementation of integrated communication of the clients of South African advertising and communication agencies.
g:	Measures are taken to ensure strategic consistency in the implementation of integrated communication.
h:	Various means of evaluation are used to determine the integratedness of the actions of South African advertising and communication agencies.

### 6.5.2 Theoretical statements

The purpose of the theoretical statements is to clarify the concepts utilised in the research propositions. Also, Babbie (2001:52) argues that research propositions should be grounded in theory. Consequently, the theoretical statements are discussed.

- a) Duncan (2001:8) defines 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 ...”. This is in contrast with the definition of Spotts and Lambert (1998:211) of integrated communication, which states that it is “... the integration of various communication vehicles within a specific campaign”.
- b) Integrated communication has moved from a tactical activity that was practised by historical communication professionals to a more *strategic*,

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managerial, customer-driven activity in the current marketplace (Gronstedt, 2000).

- c) Integration refers ultimately to everything the organisation does and does not do. Also, integration is an organisational pursuit, and not a quick-fix solution to communication problems (Niemann, 2002:65).
- d) “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).
- e) *Interactivity* refers to two-way communication, which allows both the organisation and the stakeholders of the organisation to send and receive messages (Thorson & Moore, 1996:296).
- f) *Mission marketing* is the process that binds the organisation’s marketing communication efforts with the mission of the organisation (Duncan, 2001:765).
- g) *Strategic consistency* is the coordination of all types of messages that create or cue brand images, positions and reputations in the minds of customers and other stakeholders (Kitchen & Schultz, 2000:122).
- h) Evaluation to determine the *integratedness* of organisations includes the measurement and evaluation of brand messages and customer interactions, which include the generation of feedback on brand strategies and the different brand messages and programmes used by the organisation (Duncan, 2001:765).

## 6.6 RESEARCH METHOD

The research method used in phase 2 was face-to-face in-depth interviews. The focus is firstly on in-depth interviews, after which the face-to-face approach to in-depth interviews is discussed.

### 6.6.1 In-depth interviews

In-depth interviews are less structured and more intensive than a standardised questionnaire (Van Vuuren, Maree & De Beer, 1998:410). In-depth interviewers aim to collect detailed, richly textured, person-centred information from one or more individuals (Kaufman, 1994:123). According to Berg (1998:61), in in-depth interviews, the researcher initiates a dialogue with a real person and engages the interviewee as a human being, not as a study subject. Therefore, the interviewer does not utilise a structured interview, but rather constructs a guide of open-ended questions. The principal advantage of an open interview schedule format is that it does not suggest the terms in which respondents should answer a question (Abrahamson, 1983:318).

Kaufman (1994:125) agrees with the statement by Abrahamson (1983:318) in that the aim of open-ended questions is to elicit subjective idiosyncratic responses that allow for deeper understanding. Open-ended questions allow the researcher therefore to follow up with probing questions in order to deepen the response to the question, thus increasing the richness of the data obtained. These open-ended questions serve as a guide to ensure that all topics, relevant to the research (that is, meeting the aims identified), are covered during the interview (Kaufman, 1994:125). Van Vuuren *et al.* (1998:406) and Patton (1990:288) list the following advantages and disadvantages of in-depth interviews:

**Table 6.4 Advantages of in-depth interviews**

ADVANTAGE	AUTHORS
<ul style="list-style-type: none"> <li>The respondent is well motivated because of the personal contact. In the study the respondents should be motivated to cooperate, as the personal contact will cause them to feel that their responses are valued highly enough by the researcher to warrant personal attention.</li> </ul>	Van Vuuren <i>et al.</i> (1998:406)
<ul style="list-style-type: none"> <li>There is a high question completion rate, because of the personal contact as well as the fact that respondents are less likely to ignore a person sitting in their office than a</li> </ul>	Van Vuuren <i>et al.</i> (1998:406)

written questionnaire by itself.	
<ul style="list-style-type: none"> <li>An increased number of questions can be used, as the researcher can tailor the line of questioning as well as the individual questions as the interview progresses to suit the direction in which the interview is heading.</li> </ul>	Van Vuuren <i>et al.</i> (1998:406)
<ul style="list-style-type: none"> <li>It is possible to control the sequence of the questions, in a similar way, as discussed in the previous point.</li> </ul>	Van Vuuren <i>et al.</i> (1998:406)
<ul style="list-style-type: none"> <li>Since the topics and issues to be discussed are outlined in advance, the comprehensiveness of the data is increased, making data collection somewhat systematic and allowing for comparison</li> </ul>	Patton (1990:288)

There are, however, also some disadvantages in the use of in-depth interviews as a research method. The disadvantages of in-depth interviews proposed by Van Vuuren *et al.* (1998:406) and Patton (1990:288) are described in Table 6.5.

**Table 6.5 Disadvantages of in-depth interviews**

DISADVANTAGE	AUTHORS
<ul style="list-style-type: none"> <li>It is the most expensive method of data collection.</li> </ul>	Van Vuuren <i>et al.</i> (1998:406)
<ul style="list-style-type: none"> <li>Interviewees can become fatigued.</li> </ul>	Van Vuuren <i>et al.</i> (1998:406)
<ul style="list-style-type: none"> <li>Important and prominent topics may inadvertently be omitted.</li> </ul>	Patton (1990:288)
<ul style="list-style-type: none"> <li>The process of in-depth interviews is time consuming.</li> </ul>	Patton (1990:288)

The first two disadvantages are not factors that influenced this study, because the interviews had no financial implication and they were not long enough for the interviewees to become fatigued. However, it could be argued that through the use of in-depth interviews, significant and key issues may unconsciously have been omitted on the implementation of integrated communication in South Africa. Also, it is acknowledged that the in-depth interview process is exceptionally time consuming.

### 6.6.2 Face-to-face approach to in-depth interviews

A face-to-face approach to in-depth interviews was used as a research method.



Face-to-face administration offers some advantages, but it has some disadvantages as well. The advantages are discussed first in a table containing the views of different authors.

**Table 6.6 Advantages of face-to-face interviews**

ADVANTAGE	AUTHORS
<ul style="list-style-type: none"> <li>Face-to-face interviews have the highest response rates and permit the longest questionnaires.</li> </ul>	Babbie (1992:269)
<ul style="list-style-type: none"> <li>These interviews can be used with people who could not otherwise provide information, such as respondents who are illiterate, blind, bedridden or very old.</li> </ul>	Singleton, Straits, Straits and Mcallister (1988:243)
<ul style="list-style-type: none"> <li>Interviewers can also observe the surroundings and use non-verbal communication and visual aids. In this regard, well-trained interviewers can ask all types of questions, can ask complex questions, and can use extensive probes.</li> </ul>	Babbie (1992:269) Bernard (2000:230) Neuman (2000:272)

Consequently, the use of a face-to-face approach in conducting interviews also has some disadvantages. These disadvantages are discussed in Table 6.7.

**Table 6.7 Disadvantages of face-to-face interviews**

DISADVANTAGE	AUTHORS
<ul style="list-style-type: none"> <li>High cost is the biggest disadvantage of face-to-face interviews.</li> </ul>	Neuman (2000:273)
<ul style="list-style-type: none"> <li>The training, travel, supervision and personnel costs of interviews can be high.</li> </ul>	Babbie (1992:269)
<ul style="list-style-type: none"> <li>Interviewer bias is also greatest in face-to-face interviews. The appearance, tone of voice, question wording, and so forth of the interviewer may affect the respondent.</li> </ul>	Babbie (1992:269) Bernard (2000:230) Neuman (2000:273)
<ul style="list-style-type: none"> <li>Interviewer supervision is less than in telephone interviews, which supervisors monitor by listening in.</li> </ul>	Singleton <i>et al.</i> (1988:243-244)

The greatest disadvantage of face-to-face interviews in this study was that interviewer bias could be considered as a possible factor, as the appearance, tone of voice, and question wording of the interviewer might have affected the respondents. However, the other three disadvantages did not have an impact on the interviews, as the interviews did not have major cost implications and all the interviews were conducted by the researcher and therefore no supervision of other interviewers was required.

## **6.7 SAMPLING DESIGN**

In the social sciences, the typical unit of analysis is the person, or groups of people, although there may also be other units of analysis, such as general phenomena. The unit of analysis for the purpose of this study is South African communication agencies. According to Wimmer and Dominick (1983:69), the chances of investigating the entire population are remote, if not non-existent. Therefore, a sample is drawn from the population for research purposes. The population and samples for phase 2 of the study are demarcated and discussed below:

### **6.7.1 Population**

After determining the unit of analysis, the first task in sampling is to define the population of interest – to describe the particular collection of units that make up the population. According to Tudd, Smith and Kidder (1991:130), a population is the aggregate of all the cases that conform to some designated set of specifications. Mouton (1996:134) refers to the population as a collection of objects, events or individuals having some common characteristics that the researcher is interested in studying. Although researchers must begin with a careful specification of their population, poetic licence usually permits them to phrase their reports in terms of the hypothetical universe. The population therefore refers to the complete set of elements and their characteristics about which a conclusion is to be drawn, based on a sample.

The target population of phase 2 of the current research is South African communication agencies, including advertising and so-called full service agencies.

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### 6.7.2 Sampling technique

From the target population of all South African communication agencies, ten agencies are selected via purposive (judgemental) sampling. Purposive sampling is an acceptable type of sampling for special situations. It uses the judgement of an expert in selecting cases or it selects cases with a specific purpose in mind (Neuman, 2000:198). In other words, in this form of sampling, investigators rely on their expert judgement to select units that are “representative” or “typical” of the population. This method of sampling is chosen with the knowledge that it is not representative of the general population: it rather attempts to represent a specific portion of the population. This therefore, involves selecting respondents based on the fact that they are representative of the population (Dillon, *et al.*, 1993:229).

Consequently, a list of South Africa’s top agencies issued by *Adfocus* served as the means for the sample selection. *Adfocus* is an annual publication that is associated with the *Financial Mail*. The purpose of *Adfocus* is to publish the most pertinent issues in the field of advertising and communication on an annual basis and to provide statistics in terms of the most profitable and successful agencies for a specific year. The top ten agencies, according to *Adfocus* (2004:48), were FCB South Africa, TBWA Hunt Lascaris, Ogilvy, Young and Rubicum, J Walter Thompson, Net#work BBDO, Saatchi and Saatchi, HerdBuoys McCann-Erickson, Jupiter Drawing Room and Grey Global South Africa. No distinction is made between the small, medium and large agencies in this edition of *Adfocus*; therefore, it was not taken into consideration and merely the top ten agencies as indicated were used in the research.

## 6.8 PILOT STUDY

The purpose of a pilot study is to improve the success and effectiveness of the questionnaire because modifications can be made after the pilot study and before

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the questionnaires are given to the other respondents (De Vos, 1998:183). In the case of this study, the pilot study was used as the comprehending phase in the Morse and Field approach and to ensure the success and effectiveness of the interview schedule in order to ensure the reliability of the study.

### **6.8.1 Execution of the pilot study**

The pilot study was conducted in March 2004 in order to validate the measurement instrument of the final study. The methodological orientation adopted for this pilot study was also a qualitative orientation. In accordance with the requirements of the pilot study, it should be conducted replicating the final study. Therefore, the target population of the pilot study research was also South African advertising and communication agencies. From this target population, five agencies were selected via purposive (judgemental) sampling. Consequently, a list of the country's top agencies issued by *Adfocus* (2003) served as the means for the sample selection. As the 2004 *Adfocus* had not yet been published at the time, the list provided in their 2003 edition was used. The top three large agencies at the time were TBWA Hunt Lascaris, FCB South Africa and Ogilvy & Mather Group (which changed to Ogilvy in June 2004). As Glover (2004) stated that the growth in the industry is being catalysed by midsize agencies, the first two thereof were also selected from the list. This added Net#work BBDO and Jupiter to the sample of the pilot study. It was decided not to include small agencies as many do not necessarily have dedicated strategic planning departments. Five in-depth interviews were administered at the agencies mentioned above with the Strategic Planning Director of each agency. Thus, Tim Allermann, Nicci Kurland, Hayden Townsend, Clive Evans and Alistair Duff (Business Unit Director) respectively were each subject to a 45-minute interview.

### 6.8.2 Consequences of the pilot study

The timeframe of a 45-minute interview used in the pilot study was found to be sufficient for the purpose of the final study, as it allowed for adequate time to go through all the questions and to allow for suitable responses. However, as notes were taken during these interviews, it was found that this was not a suitable way of data capturing for the final study, as valuable information was lost during this process. This necessitated the use of a Dictaphone in order to ensure better quality and more accurate information gathered from the final interviews.

As the nature of the information was satisfactory in the data gathering through the interviews with the Strategic Planning Directors in the pilot study (as set out in the description of the execution of the pilot study), it was argued that the Strategic Planning Directors were indeed the suitable respondents for the final study. Hence, in the final study seven respondents were also in the position of Strategic Planning Directors of the advertising and communication agencies (and three respondents the equivalent thereof).

In the pilot study, five in-depth interviews were conducted. It was however reasoned that, by increasing the number of in-depth interviews in the final study to ten interviews, it would contribute to the merit of the study. Furthermore, the in-depth interviews in the pilot study were conducted in the offices of the respondents. It was found in the pilot study that the occupational context contributed to the formality of the study. It also added to the fact that the respondents felt comfortable in the surroundings to provide a favourable environment for answering questions regarding their experience of the implementation of integrated communication.

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## 6.9 METHOD OF DATA ANALYSIS: MORSE AND FIELD APPROACH

The data was analysed by using the Morse and Field approach. Morse (1994:25-35) is of the opinion that creative and solid data analysis entails a persistent search for answers, active observation and truthful recall. De Vos (1998:340) argues that it is the process of corresponding data, making the invisible apparent and relating and attributing consequences. For Morse and Field (1996:103-107), four cognitive processes appear integral to this data analysis method, namely: comprehending, synthesising (decontextualising), theorising and recontextualising. De Vos (1998:341) argues in general comments made on this approach that these four processes occur more or less sequentially, because the researcher must reach a reasonable level of comprehension before being able to synthesise, and until the researcher is able to synthesise, theorising is not possible. Recontextualisation cannot occur until the concepts or models in the investigation are fully developed. These four steps are elaborated on:

### 6.9.1 Comprehending in the Morse and Field approach

De Vos (1998:341) states that as soon as data collection begins, preparation for data analysis begins. Morse and Field (1996:104) maintain that the process of making sense of the data begins as the researcher makes sense of the setting and learns what is going on. The stage of comprehension is reached when the researcher has enough data to be able to write a complete, detailed, coherent and rich description (Morse, 1994:26). De Vos (1998:341) mentions that when comprehension is reached the researcher is able to identify stories that are part of the topic and patterns of experience, and predict their outcome. When little that is new is learned, then saturation is reached and comprehending is complete. Comprehending of the concepts and theories was done through the literature review in Chapters 2 – 5 (phase 1) as well as through the pilot study, as discussed in Section 6.8.

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### 6.9.2 Synthesising in the Morse and Field approach

De Vos (1998:341) is of the opinion that synthesising begins when the researcher has become familiarised with the setting. Morse (1994:26) argues that indications that the stage of synthesis has been reached are the ability to provide, with confidence, descriptions of phenomena. Morse and Field (1996:105) argue that there are two types of analysis that can be utilised here: inter-participant analysis or the comparison of transcripts from several respondents, and the analysis or the categories sorted by commonalities, consisting of segments of transcripts or notes compiled from transcripts of several participants. During the synthesising component of the current study, three categories and sub-categories were identified based on the in-depth interviews. The questions used in the face-to-face in-depth interviews (discussed in greater detail in Chapter 7) were used as a guideline to determine specified categories, in order to facilitate data processing in this phase of the study. The following categories and sub-categories were identified:

- a) *Category 1*: The understanding of the concept of integrated communication
  - Sub-category (a)*: The South African context
  - Sub-category (b)*: The concept of integrated communication
- b) *Category 2*: The implementation of integrated communication
  - Sub-category (c)*: Holistic orientation
  - Sub-category (d)*: Internal communication
  - Sub-category (e)*: Dialogue
  - Sub-category (f)*: Stakeholders
- c) *Category 3*: Barriers to the implementation of integrated communication

The respondents' answers to the various questions were grouped into these categories and subsequent sub-categories. Straus and Corbin (1990:63) also refer to this stage of the Morse and Field approach as categorising. The different responses were then placed into categories to reflect similarities and differences.

De Vos (1998:341) concurs, and states that the analysis enables the researcher to synthesise, interpret, link, see relationships, conjecture and verify findings.

### **6.9.3 Theorising in the Morse and Field approach**

Morse and Field (1996:105) postulate that theorising is the systematic selection and fitting of alternative models to the data. It is the process of constructing alternative explanations and holding these against the data until the best fit is obtained that explains the data most simply. Morse (1994:26) contends that the first step in theorising is to ask questions of the data that will create links to established theory. The second method is to use lateral thinking by examining similar concepts in other settings or seeking other complementary data sources in other contexts. The third method is the systematic and inductive development of substantive or formal theory from the data. De Vos (1998:342) reasons that theoretical sampling is an integral part of this process, whereby characteristics surmised to contribute to an experience are identified in certain participants who are interviewed to verify or refute the surmise. During this process of the Morse and Field approach, the literature review (phase 1) together with the information gathered during the interviews were used to theorise about the implementation of integrated communication within the South African market.

### **6.9.4 Re-contextualising in the Morse and Field approach**

De Vos (1998:342) reports that the goal of recontextualisation is to be able to place the results in the context of established knowledge and to identify the results that support the literature or claim unique contributions. In the re-contextualisation stage of the Morse and Field approach, the conceptual implementation model for strategic integrated communication in the South African landscape is proposed (phase 3), thereby claiming a unique contribution to literature, as no such model currently exists.



## 6.10 CONCLUSION

The purpose of this chapter was to discuss the meta-theory of the methodology in the empirical research of the study. The focus was on the research paradigm, strategy and method used. It further clarified the sampling design and the method of data analysis, which is done according to the Morse and Field approach. Lastly the pilot study was discussed.

In Chapter 7, the meta-theory of the methodology in the empirical research of phase 2 is applied in discussing integrated communication implementation in the South African context.

## CHAPTER 7

# The implementation of integrated communication in South Africa

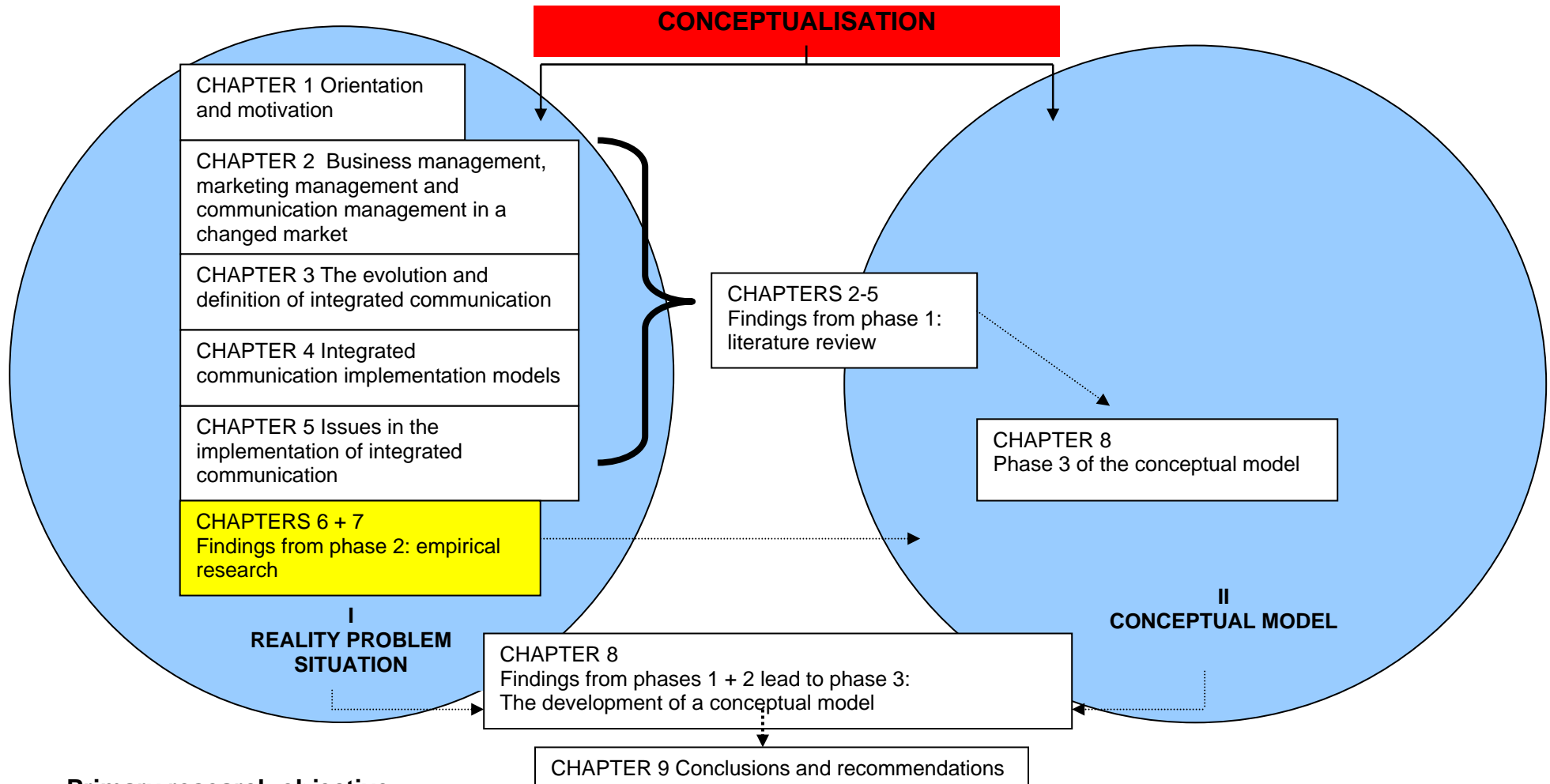
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### 7.1 INTRODUCTION

Chapter 6 elaborated on the meta-theory of the empirical research methodology. Using the meta-theory of the empirical research methodology (phase 2), the focus of the current chapter is on the application of Chapter 6. The research method followed in determining the implementation of integrated communication in South Africa is firstly discussed. Thereafter, the aims of the interview questions and the relation of the interview questions to the research propositions as well as the interpretation categories are focused on. The reporting and interpretation of the results of the implementation of integrated communication in South Africa are the main focus of this chapter, after which the propositions formulated for the study are accepted or rejected.

As indicated in Chapter 6, the Mitroff model for problem solving in systems thinking is used as the basis for this research process. Figure 7.1 revisits this chapter in relation to the Mitroff model where the focus of this chapter is indicated in yellow.

Figure 7.1 Revisiting the application of systematic problem-solving model: phase 2



**Primary research objective:**

To develop an implementation model for the management of strategic integrated communication in the South African marketplace

## 7.2 RESEARCH METHOD FOLLOWED

As indicated in Chapter 6, Section 6.6, the interviews in phase 2 were conducted in the form of face-to-face, in-depth interviews. The first advantage of in-depth interviews is that there is a high completion rate. Secondly, it is the contention that in-depth, face-to-face interviews is regarded as the preferred research method, as an increased number of questions could be used, which could increase the comparability of the replies to different questions provided by the respondents.

Ten in-depth interviews were conducted. The interviews were scheduled with the Strategic Planning Directors (or the equivalent as indicated by the respondents) of each of the selected advertising and communication agencies. Seven of the respondents were in the position of strategic planning directors. Two respondents indicated that their agencies' equivalent position to a strategic planning director was that of strategic planner and one respondent indicated that their agency's equivalent to the position of strategic planning director was that of client planning director. It must be noted that the respondents were not interviewed in any order of preference and the interviews were based on the availability of the respondents. The interviews were conducted as per the timeframe presented below in Table 7.1. In the case of J Walter Thompson, the Strategic Planning Director of the Lagos office, Michael Madueke, also participated in the interview. This was specifically useful in terms of an African perspective, which was an added bonus, although it did not formally form part of the research design.

**Table 7.1 Interview timeframe**

NAME	POSITION	COMMUNICATION AGENCY	DATE AND TIME
Nicci Kurland	Strategic Planning Director	FCB South Africa	23/11/2004 10:00
Haydn Townsend	Strategic Planning Director	Ogilvy	30/11/2004 10:00
Tim Alleman	Strategic Planning	TBWA Hunt	23/11/2004

	Director	Lascaris	13:00
Cecilia Andrews	Strategic Planning Director	J Walter Thompson	02/03/2004 10:00
Alan Schreiber	Client Planning Director	Young & Rubicum	01/12/2004 08:15
Clive Evans	Strategic Planning Director	Net#work BBDO	10/03/2005 9:00
Allistair Bruyns	Strategic Planner	Saatchi & Saatchi	11/03/2004 9:00
Rita Larisma	Strategic Planner	HerdBuoys McCann Erickson	11/03/2005 15:00
Tim Byrne	Strategic Planning Director	The Jupiter Drawing Room	11/03/2005 13:00
Dallas Glover	Strategic Planning Director	Grey Global South Africa	11/03/2005 11:30

Sixteen questions were asked during these interviews. The complete interview questionnaire can be found in Appendix A. With the knowledge and agreement of the respondents, the interviews were recorded for processing purposes by means of a Dictaphone, as mentioned in the discussion of the pilot study. The Dictaphone recordings of the interviews were transcribed verbatim by Charmain Bezuidenhout, a professional transcriber of Rossouws attorneys in Johannesburg. (The transcriptions are available on request.)

### 7.3 AIMS OF INTERVIEW QUESTIONS

The 16 questions in the interview questionnaire were all included for a specific reason, based on the theory explored in phase 1 through the literature review in Chapters 2 – 5. The interview questions, subsequent aims and related literature review chapters that resemble the theory of each of the questions are illustrated in Table 7.2.

**Table 7.2 Interview questions, aims and related theory chapters**

QUESTION	AIM	THEORY CHAPTER
1) <i>Does your communication agency make use of the</i>	To determine whether the respondent is familiar with the concept of integrated	Chapter 3

<u>concept of integrated communication?</u>	communication	
2) <u>How do you define this concept?</u>	To determine the scope of understanding of the concept of integrated communication in terms of an integrated marketing communication vs. an integrated communication view	Chapter 3
3) <u>How do you see the current state of the communication industry in South Africa compared to international trends?</u>	To establish whether the agency is familiar with international trends such as the concept of integrated communication	Chapter 3 Chapter 4
4) <u>Do you think the <u>concept of integrated communication</u> is implementable?</u>	To determine whether the agency sees integrated communication as a realistic approach to be implemented by organisations that they advise	Chapter 4 Chapter 5
5) <u>What do you see as the most threatening <u>barriers</u> to the implementation of integrated communication in the South African context?</u>	To determine what impediments make the implementation of integrated communication in the South African context difficult	Chapter 5
6) <u>Does the agency internally see the process of managing brand/company reputation and building stakeholder relationships as a <u>cross-functional</u> responsibility that includes all departments?</u>	To determine whether a cross-functional planning culture exists within the agency in order to implement integrated communication for clients	Chapter 3
7) <u>How does the agency ensure <u>cross-functional</u> operations?</u>	To determine the specific methods used by agencies in the South African context to ensure cross-functionality, which could be an indication of the unique implementation of integrated communication in the South African context	Chapter 3
8) <u>Does the agency include <u>internal marketing</u> for clients, informing all areas of the organisation about objectives and communication programmes?</u>	To determine whether internal marketing takes place in the organisation to align organisational and communication objectives	Chapter 3
9) <u>How does the agency include <u>internal marketing</u> for clients, informing all areas of the organisation about objectives and communication programmes?</u>	To determine the specific methods used by agencies in the South African context to ensure the inclusion of internal marketing for clients, which could be an indication of the unique implementation of integrated communication in the South African context	Chapter 3
10) <u>How often do agencies meet clients to align communication, marketing and organisational objectives?</u>	To examine to what extent communication, marketing and organisational objectives are aligned, to determine whether integrated communication is practised from a strategic perspective	Chapter 2
11) <u>What mediums/channels does the agency put in place for clients to ensure</u>	To explore whether there is true interactivity between clients and stakeholders to build relationships that build the brand, in order to	Chapter 3 Chapter 4

<i>interactivity between clients and their stakeholders?</i>	be part of effective integrated communication implementation	
12) <i>How does the agency ensure consistency in brand messages for clients?</i>	To determine whether agencies use brand messages from a strategic consistency perspective or still in the “one voice, one look” perspective as was used in the idea of integrated marketing communication	Chapter 3 Chapter 4
13) <i>What means of evaluation does your agency use to determine the integratedness of your clients’ actions?</i>	To determine whether there are formal mechanisms in place to measure the intensity of the organisation’s relationship with customers and other key stakeholders and the implementation of integrated communication	Chapter 3
14) <i>Should the organisation’s mission be part of the designed communication strategy of clients?</i>	To determine whether the agency sees mission marketing as part of an integrated communication approach	Chapter 2 Chapter 3
15) <i>Would you say there is a difference between IMC and IC?</i>	To establish whether communication agencies see a difference between the concepts of IMC and IC	Chapter 1 Chapter 3
16) <i>How do you see the future of the communication industry in SA?</i>	To establish whether the agency sees integrated communication as an approach that will be utilised in future	Chapter 2

With the discussion of the aims and related theoretical groundings of each question in the interview questionnaire, it is furthermore necessary to link the interview questions to the research propositions and interpretation categories referred to in Chapter 6, Section 6.5 and Section 6.8.

#### **7.4 INTERVIEW QUESTION IN RELATION TO PROPOSITIONS AND INTERPRETATION CATEGORIES**

In order to address the secondary research objective of phase 2, namely to establish empirically the existing status of integrated communication implementation among advertising and communication agencies in South Africa, eight research propositions were formulated. These, together with the different categories, as determined through the Morse and Field approach (discussed in Chapter 6, Section 6.9), are included in Table 7.3 to indicate the relation between the interview questions, the research propositions and the interpretation categories.

**Table 7.3 Interview questions, research propositions and interpretation categories**

QUESTION	RESEARCH PROPOSITION	INTERPRETATION CATEGORY
1) <i>Does your communication agency make use of the <u>concept of integrated communication</u>?</i>	a	Category 1
2) <i>How do you define this <u>concept</u>?</i>	a	Category 1
3) <i>How do you see the current state of the communication industry in South Africa compared to international trends?</i>	a	Category 1
4) <i>Do you think the <u>concept of integrated communication</u> is implementable?</i>	a	Category 2
5) <i>What do you see as the most threatening <u>barriers</u> to the implementation of integrated communication in the South African context?</i>	a	Category 3
6) <i>Does the agency internally see the process of managing brand/company reputation and building stakeholder relationships as a <u>cross-functional responsibility</u> that includes all departments?</i>	d	Category 2
7) <i>How does the agency ensure <u>cross-functional operations</u>?</i>	d	Category 2
8) <i>Does the agency include <u>internal marketing</u> for clients, informing all areas of the organisation about objectives and communication programmes?</i>	c	Category 2
9) <i>How does the agency include <u>internal marketing</u> for clients, informing all areas of the organisation about objectives and communication programmes?</i>	b	Category 2
10) <i>How often do agencies meet clients to align communication, marketing and organisational objectives?</i>	e	Category 2
11) <i>What mediums/channels does the agency put in place for clients to ensure <u>interactivity</u> between clients and their stakeholders?</i>	e	Category 2
12) <i>How does the agency ensure <u>consistency</u> in brand messages for clients?</i>	g	Category 2
13) <i>What means of <u>evaluation</u> does your agency use to determine the integratedness of your clients' actions?</i>	h	Category 2
14) <i>Should the organisation's <u>mission</u> be part of the designed communication strategy of clients?</i>	f	Category 2
15) <i>Would you say there is a difference between IMC and IC?</i>	a	Category 1
16) <i>How do you see the future of the communication industry in SA?</i>	b	Category 1

Now that the relation between the interview questions, the research propositions and interpretation categories is clarified, the focus is on the method followed in reporting the results from phase 2.



## 7.5 METHOD OF REPORTING THE RESULTS

The method of reporting the results of phase 2 is predominantly based on the categories assigned by using the Morse and Field approach as discussed in Chapter 6, Section 6.9. However, in reporting these results, the set method of reporting was based on the logical representation of the responses that were used as a guiding principle in reporting. In other words, the arguments in the reporting of the results were based on the logic of the responses, rather than alphabetically, in terms of the respondents.

Each of the various categories is reported based on four consistent principles, namely: a) responses; b) summary of key results; c) relation to theory; and d) interpretation of findings.

Furthermore, in terms of the respondents, it should be noted that confidentiality was not considered as a factor in the reporting of the results, as none of the respondents indicated that information should be considered in a restricted manner. It is however important to note that the information presented in the reporting of the results is considered to be these agencies' competitive advantage. Consequently, the agencies were not aware of the type of information presented by other agencies and, thus, the relations drawn in the reporting of the results are not those of the agencies. In this regard, it should also be noted that the responses were considered as the voice of the agencies and not specifically in terms of personal viewpoints, unless otherwise stated. For convenience, the names of the agencies were abbreviated for the purpose of reporting the results. These are presented in Table 7.4.

**Table 7.4 Codes for agencies**

AGENCY	ABBREVIATIONS FOR REPORTING PURPOSES
FCB South Africa	FCB
Ogilvy	Ogilvy

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TBWA Hunt Lascaris	TBWA
J Walter Thompson	JWT
Young & Rubicum	Y & R
Net#work BBDO	Net#work
Saatchi & Saatchi	S & S
HerdBuoy McCann Erickson	HerdBuoy
The Jupiter Drawing Room	Jupiter
Grey Global South Africa	Grey

Based on the description of the method of reporting the results of phase 2, each category is subsequently presented.

## **7.6 REPORTING AND INTERPRETATION OF THE RESULTS**

The reporting and interpretation of the results of phase 2 relate to the synthesising and theorising steps in the Morse and Field approach, as discussed in Chapter 6, Section 6.9. The categories and sub-categories are used to report and interpret the results of phase 2.

### **7.6.1 Category 1: The understanding of the concept of integrated communication**

The understanding of the concept of integrated communication is divided into two sub-categories, namely a) The South African context and b) The concept of integrated communication.

#### **7.6.1.1 Sub-category (a): The South African context**

In order to understand the context in which integrated communication is practised in South Africa, the respondents were asked to indicate their view on the current state of the communication industry. The responses in this sub-category are divided into three components, based on the logical flow of the responses presented.

**Table 7.5 The general state of the industry**

<b>RESPONSES</b>
<ul style="list-style-type: none"> <li>• FCB offered that the change was revolutionary and the industry was consequently struggling with this change and the change to the broader marketing discipline. The agency added that the industry was “taking strain” and “re-inventing itself almost on an annual basis”, due to the changes in the industry.</li> <li>• S &amp; S and TBWA agreed and TBWA reiterated that “it’s in a difficult place”. The agency continued that the reason for it being “in a difficult place” was because there was “incredible financial pressure, political pressure and client pressure”.</li> <li>• The rest of the respondents did not contribute anything additional to this component of sub-category (a).</li> </ul>
<b>SUMMARY OF KEY RESULTS</b>
<ul style="list-style-type: none"> <li>• The communication industry in South Africa has to deal with major changes and opportunities, and is influenced by environmental, political and economic pressures.</li> <li>• Change is revolutionary and the industry is consequently struggling with this change and the change to the broader marketing discipline.</li> <li>• The industry has not adapted to the changing global and, and in particular, the local environments.</li> </ul>
<b>RELATION TO THEORY</b>
<p>As indicated in Chapter 2, Section 2.6, organisations are functioning within a changed marketplace, especially in the light of a post-apartheid South Africa. This places strain on all industries in the South African economy, as businesses have to deal with new opportunities, threats and challenges. In order to adapt to these changes, businesses require guidance in dealing with a changed marketplace.</p>
<b>INTERPRETATION OF FINDINGS</b>
<p>It can be argued that the South African communication industry is currently in a process of constant change. Maduake from the JWT Lagos office reiterated that this was also the case from an African perspective. For advertising and communication agencies to survive in the South African marketplace, they need to be aligned with the changed marketplace. Then only will these agencies be capable of contending with the pressures of the business landscape on global and national scales.</p>

**Table 7.6 Financial state of the industry**

<b>RESPONSES</b>
<ul style="list-style-type: none"> <li>• JWT stated that “clients are pressurising all the time to reduce fees”. FCB agreed in this regard in that clients were requesting “more for less”.</li> <li>• Jupiter added that clients were requesting strategic input, but Grey and Ogilvy acknowledged that clients were not willing to pay for this.</li> <li>• TBWA stated that the consequence was then that clients received strategic advice, in the words of JWT, which agreed, “they’re getting that advice, that skill and that expertise, free of charge”.</li> <li>• Y &amp; R and Net#work theorised that the change in the traditional fee structure away from commission-based remuneration had been progressive in changing the way agencies practised business.</li> <li>• S &amp; S and HerdBuoys stated that this short-term focus had also led to clients demanding a greater degree of agency accountability, which Maduake agreed with.</li> </ul>
<b>SUMMARY OF KEY RESULTS</b>
<ul style="list-style-type: none"> <li>• Clients are pressing agencies to reduce their fees, but are simultaneously expecting more from the agencies in the sense that clients are requesting strategic advice.</li> <li>• Due to the pressure that clients are finding themselves under, the shift is towards short-term results.</li> <li>• There is tension between a client orientation today vs. building the brand over time.</li> </ul>
<b>RELATION TO THEORY</b>
<p>Percy (1997:176) warns against the emphasis on financial vs. a stakeholder emphasis, and believes that a financial focus prevents the organisation from functioning as what Schultz (1993a:12) refers to as an outside-in organisation. This “rubs off on the agency and they are forced to use vehicles other than above the line vehicles in order to meet these short term expectations.” Hence, more emphasis on the utilisation of below the line means of communication.</p> <p>This finding is furthermore in line with Yastrow’s (1999-2000:2) sentiment who identifies the move to determine, define and quantify what the funded communication programmes have accomplished in the agency.</p>

**INTERPRETATION OF FINDINGS**

It is imperative for the agency to ensure that the emphasis of their actions remains on stakeholders and not on a financial focus, in order to maintain an outside-in approach. The fact that clients are requesting strategic advice from agencies could be considered an indirect admission that communication management and marketing management are undoubtedly contributing directly to the business management of the organisations. Therefore, there is a need for communication to be driven by the strategic purpose of organisations.

**Table 7.7 The South African market and integration****RESPONSES**

- Ogilvy argued that the concept of integration and its synonyms had become generic. S & S elaborated by stating that the shift tended to be on paper in general and while the buy-in was there from the client side, it tended to be superficial.
- Furthermore, JWT and HerdBuoys believed that few people actually knew what the concept meant and how to implement it effectively.
- Maduake added in this regard that it was requested on the clients' side from an African perspective, but clients wanted knowledge they could depend on.
- Jupiter and Grey offered a different contribution. For them, the South African industry had a high competence level.
- Grey stated that "talent of the people both from a strategic and creative point of view ... is very good".
- FCB however appealed for the professionalisation of the field. In fact, FCB put forward that some clients currently wanted a dedicated planner and hence, the Strategic Planning department would have to become a cost centre (as this did not occur due to the commission system). Y & R added in this regard that some clients had shifted to a retainer basis as a preferential means of remuneration in order to ensure permanent involvement in the branding process.
- The rest of the respondents (TBWA and Net#work) did not make comments in this regard.

**SUMMARY OF KEY RESULTS**

- The South African advertising and communication agencies generally felt that few people specifically knew what the concept of integration entailed, but in general, the South African advertising and communication agency landscape had sufficient talent to deal with issues such as integration.
- Catalyst of change in the industry was the “new” focus on integration.
- The shift to integration tended to be on paper in general and while the buy-in was there from the client side, it tended to be superficial.

**RELATION TO THEORY**

Adfocus (2001:81) reinforced this need to shift from commission by stating that payments would increasingly need to take place based on results. Furthermore, this would also ensure that agencies would have to move away from a pure creative awards focus, to a strategic creative orientation (Adfocus, 2001:50).

**INTERPRETATION OF FINDINGS**

Although integration of communication is accepted in principle, integration tends to be implemented on a superficial level. Objectives are predominantly short-term driven because of various factors such as the lack of alignment. The implication of this is that “true” integrated communication cannot be implemented, as it is based on a long-term strategic approach of brand building over time and not merely on what the client requires at a specific time.

7.6.1.2 Sub-category (b): Integrated communication

This sub-category is based on the comprehension of the concept of integrated communication, in determining whether the agencies make use of the concept and the distinction between integrated marketing communication and integrated communication.

**Table 7.8 Integrated communication****RESPONSES**

- All the respondents fully agreed that their agencies definitely made use of the

concept of integrated communication.

- Ogilvy stated in this regard that it was “probably at the heart of this organisation”, while FCB stated this study was very appropriate as “this [integrated communication] is a business model for us”, and Net#work stated that “this is quite an appropriate discussion”.
- Jupiter also stated strongly that their agency “makes a hundred per cent use of integrated communication”.
- While all the respondents supported a strategic approach, a question arises as to how they define the concept of integrated communication.
- For FCB it was the process that defined integration and not the end result. Basically it was about which communication solutions would ultimately best achieve business solutions. Therefore, there is a need to think through the line and to be measured against these criteria.
- Grey, S & S, Ogilvy, HerdBuoys, TBWA, Y & R and JWT focused on the notion that integrated communication is the integration of the brand idea and that it is brand driven. These respondents strongly propose that integrated communication be built around brand positioning, brand definition and the brand vision. In other words, it is about a central agreed message managed at a central point. This philosophy is reflected in the business model of Ogilvy’s 360 degree brand stewardship.
- TBWA was in agreement and reinforced that consumer’s bought into an idea and integrated communication was thus about amplifying the idea. In addition, this therefore reflects a focus on strategic consistency versus the repetition of a single consistent message.
- This was reinforced by Y & R who believed that integrated communication implied that a brand had one face and that every interaction had one face – but not necessarily the same face.
- Grey supported this notion and stated that this implied that the strategist must not be limited by media selection, but determine what media would best leverage the brand.

#### **SUMMARY OF KEY RESULTS**

- All the respondents agreed that despite the strategic nature of their definitions, integration was in reality often used tactically in the industry.
- In fact, JWT, Grey and Jupiter believed that a strategic perspective would

increasingly play an important role, and JWT added that integrated communication included not only the brand idea, but also “your internal customers, your investors, your .... Whoever the stakeholders are of the business”.

- It is the process that defines integration and not the end result.
- Integrated communication was regarded as a central agreed message managed at a central point. “It is a campaign idea that works anywhere.”
- Integrated communication implies that a brand has one face and that every interaction has one face – but not necessarily the same face.
- Consistency and continuity across every single touch point between the consumer and the brand.
- Despite the strategic nature of their definitions, integration is in reality often used tactically in the industry.

#### **RELATION TO THEORY**

The “big creative idea” referred to by the respondents provides the single focus of all communication efforts as per Duncan (2001:219). Therefore, based on the definition of the concept of integrated communication, the respondents acknowledged the notion that integration is built around a creative idea that should be consistent. Furthermore, where Grey referred to the idea that plans should not be limited by media selection, Duncan and Moriarty (1997:18) refer to this as zero-based communication planning and indicate the need for such a process in their research.

#### **INTERPRETATION OF FINDINGS**

The majority of the respondents’ definitions are in line with that of Spotts and Lambert (1998:211), i.e. that in the 1980s integrated communication was about integrating various communication vehicles in a communication campaign. However, the above definitions overwhelmingly continued to have an external communication focus, and have not moved to the acknowledgement of the need to incorporate the integration of internal and external messages, except for the definitions that JWT, Jupiter and Grey provided.

As such, these definitions do not even reflect the second evolutionary era in defining integrated communication (as discussed in Chapter 3) in which authors like Keegan *et al.* (1992) and Tannenbaum (1991) speak about the importance of strategically coordinating *all* messages. Consequently, it would appear as if these respondents’



definition of integrated communication is actually an integrated marketing communication perspective. The definitions of JWT, Grey and Jupiter can be viewed as a representation of the third evolutionary era of integrated communication where Harris (1998) defines 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]. It can therefore be argued that the definitions of JWT, Grey and Jupiter are reflections of integrated communication, rather than the integrated marketing communication focus of the other respondents' definitions. This is also evident from the responses to the question of whether there is a difference between integrated marketing communication and integrated communication. All the respondents with an "integrated marketing communication definition" said that there is no difference between the concepts. Only JWT, Jupiter and Grey argued that there is a difference, although JWT could not articulate the difference between the two concepts.

### 7.6.2 Category 2: Implementation of integrated communication

Through synthesising in the Morse and Field approach, Category 2 was decided on to arrive at the implementation of integrated communication and related issues.

**Table 7.9 The implementation of integrated communication**

RESPONSES
<ul style="list-style-type: none"> <li>• HerdBuoys, S &amp; S, Ogilvy and TBWA argued that the first condition for the implementation of integrated communication in the South African context was definitely that an appropriate budget should be allocated to communication efforts.</li> <li>• Grey said in this regard that "big budget, big commitment and big resources" were needed for integrated communication to be implementable.</li> <li>• Jupiter added that the implementation of integrated communication had "a lot to do with processes" and "the way business is set up".</li> <li>• Additionally, JWT argued that integrated communication was implementable, but</li> </ul>

should be done on a “much higher level”. With this, the agency mentioned that it should be driven from CEO level and the willingness to “bring the key people to the strategic table”. The agency further stated that integrated communication should be a “deliberate strategy”.

- Y & R offered a different contribution. The agency stated that it needed to be driven from a client perspective and clients had to believe in it, i.e. the organisation.
- In this sub-category, FCB and TBWA did not add anything.

#### **SUMMARY OF KEY RESULTS**

- All the respondents agreed that the concept of integrated communication was implementable in the South African context, but all, except Jupiter, had reservations in terms of the conditions of implementation.

#### **RELATION TO THEORY**

Integrated communication is an implementable concept, although, as stated in Chapter 5, organisations have thus far not achieved the far-reaching implementation of the fundamental notions represented in the concept of integrated communication. Also, it is imperative for integrated communication to be based on the notion that it should be directly aligned with the strategic purpose of the organisation, through the inclusion of communication in business management by top management level.

#### **INTERPRETATION OF FINDINGS**

This therefore implies that integrated communication should be driven organisationally, in accordance with the strategic intention of the organisation.

The implementation of integrated communication involves various aspects. The most important aspects, as indicated in the interview schedule, are divided into sub-categories in this category of the implementation of integrated communication, namely holistic orientation, internal communication, dialogue and stakeholders. These are discussed below.

7.6.2.1 Sub-category (c): Holistic orientation

Respondents were asked to comment on whether agencies tended to focus on a campaign per se and not on the bigger picture of how the campaign related to holistic organisational efforts.

**Table 7.10 A holistic orientation in the implementation of integrated communication**

RESPONSES
<ul style="list-style-type: none"> <li>• FCB believed the problem was that some clients expected the agency to deal with communication and not internal organisational matters and hence the issue was how the role of the agency was defined. The agency illustrated that some clients made use of consultants to aid them in internal matters as opposed to approaching their agency.</li> <li>• Similarly, Ogilvy showed that agencies were moving away from an operational focus but were not yet strategically marketing driven as they were still in the transition process.</li> <li>• With regard to the corporate mission per se, TBWA noted the need for a consumer mission as opposed to a corporate mission in determining brand positioning.</li> <li>• Ogilvy supported this view by also offering that the brand role and where it was should be the impetus of the strategic orientation.</li> <li>• FCB added to this by stating that the corporate mission should not be transparent in the campaign; the values that underpinned the organisation should rather be utilised.</li> <li>• This was criticised by JWT, Grey, Jupiter and HerdBuoys who believed that the corporate mission was fundamental to brand strategy as HerdBuoys elaborated that the brand should speak to what the company stands for and the aligned communication should reflect this.</li> <li>• Net#work and Y &amp; R did not make additional contributions in this sub-category.</li> </ul>
SUMMARY OF KEY RESULTS
<ul style="list-style-type: none"> <li>• In their response, all but one admitted that agencies could do more to align campaign and organisational objectives. Also, the organisation's mission appears not to guide its strategic communication platform.</li> </ul>

- Agencies could do more to align campaign and organisational objectives.
- The problem is that some clients expect the agency to deal with communication and not internal organisational matters and hence the issue is in how the role of the agency is defined.
- The need for a consumer mission as opposed to a corporate mission in determining brand positioning is advocated.
- The corporate mission is fundamental to brand strategy as the brand should speak to what the company stands for and the aligned communication should reflect this.

#### **RELATION TO THEORY**

The “bigger picture” implies having maximum impact and to achieve this, an organisation must integrate the following, as discussed in Chapter 5: employees, customers and other stakeholders, corporate learning, brand position, “big creative idea” (Duncan & Moriarty, 1997:25) and the corporate mission. Consequently, Duncan’s recommendation (2001:24) that the mission be integrated into the totality of the organisation’s business does not always occur as is evident from the responses.

#### **INTERPRETATION OF FINDINGS**

From the findings it is apparent that a holistic orientation to integrated communication is not taken. This could be regarded as the result of the lack of alignment between organisational and communication objectives, as well as the absence of the organisational mission in the communication efforts.

The findings mentioned above on the inclusion of the corporate mission are not directly in line with the responses to the question of the frequency of the alignment of the business, communication and marketing objectives of the clients. It can therefore be argued that this is an indication that alignment does take place in terms of the various objectives in organisations, but that it is not aligned with the corporate mission of the organisation, in other words the long-term organisational strategic plan.

#### 7.6.2.2 Sub-category (d): Internal communication

A related issue is the agency’s responsibilities towards internal communication.

**Table 7.11 Internal communication in the implementation of integrated communication**

RESPONSES
<ul style="list-style-type: none"> <li>• All the respondents indicated that the level of involvement in internal marketing matters would differ depending on the client and the nature of the agency-client relationship. Again there was consensus with all the respondents acknowledging that this was an area of weakness – often the agency would only become involved if the client asked them to.</li> <li>• A possible reason for this according to TBWA was simply that agencies did not possess the expertise in this area as this had become a discipline only in the last few years, as FCB also pointed out.</li> <li>• S &amp; S elaborated by saying that it tended to be within the realm of below the line agencies and similarly FCB indicated that there were consultants who specialised therein.</li> <li>• Furthermore, TBWA also placed some of the blame on the client as they had experienced that there could be confusion surrounding who took responsibility for internal communication within the client's organisation.</li> <li>• The “turf battles” between Human Resources and Marketing departments respectively was cited by Net#work.</li> <li>• In the same vein, FCB mentioned that this was often not a primary concern of the client and therefore there was limited budget allocation if any.</li> <li>• Jupiter believed that not all was lost in this regard, as he stipulated that agency involvement was a process of evolution. The agency elaborated by highlighting that as clients trusted the agency more, they would allow the agency to become involved in the operational side of their business. The idea for this agency is that the agency needs to become a purchase decision influencer in the client's business. However, the agency qualified this statement by clarifying that agencies should become involved in the intangible issues beyond communication but not participate in, for example, the restructuring of supply chains.</li> <li>• FCB disagreed and Kurland expressed the personal sentiment that an agency needed to be an expert in one area (remain focused) and not a so-called jack of all trades.</li> </ul>

- Ogilvy showed how this latter point of view could be supported as he suggested that the creatives in the agency might not show enthusiasm for internal communication campaigns, as “it will not win them awards”.
- Similarly, Y & R believed that agencies should play an advisory role but should not be responsible for running internal campaigns.

#### SUMMARY OF KEY RESULTS

- The level of involvement in internal marketing matters will differ depending on the client and the nature of the agency-client relationship.
- The agency will often only become involved if the client asks them to.
- Internal communication is requested increasingly by clients.
- Agencies do not always have the ability to do internal marketing for clients. In such cases, it is outsourced to experts.

#### RELATION TO THEORY

By not placing emphasis on internal communication, there is consequently no way to ensure that one of the fundamental principles of integrated communication, namely that everyone in the organisation has the potential to touch the customer (Duncan, 2001:18), is put into practice. Correspondingly, Niemann (2002:65) states that integrated communication in short 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. Thus, the external integration of an organisation should flow from the internal communication of the organisation if an effective strategic perspective is to be implemented, as per JWT.

Moreover, integration refers ultimately to everything the organisation does and does not do. Consequently, integration is an *organisational pursuit*, and not a quick-fix solution to communication problems. When an organisation becomes more integrated, its interactions with stakeholders become more consistent, its reputation more distinct, and its stakeholders more trustful of it. It is therefore necessary that integrated communication must be recognised strategically from an aligned organisational viewpoint.

**INTERPRETATION OF FINDINGS**

It is apparent from the findings that the predominant focus of communication is still external, while the internal communication is merely seen as an add on. It can therefore be argued that this approach to focus predominantly on external messages is a representation of integrated marketing communication and not integrated communication.

7.6.2.3 Sub-category (e): Dialogue

In the previous section the importance of relationships with clients was emphasised. Consequently, it became necessary to investigate what agencies do to foster dialogue with their clients.

**Table 7.12 Dialogue in the implementation of integrated communication****RESPONSES**

- Ogilvy stated that interaction initially tended to be related to communication campaigns, but as the relationship developed, the process grew. For example, Ogilvy is now responsible for the menu boards of KFC.
- Ogilvy explained that the agency preferred to manage the holistic process, so when clients had separate companies working on separate components, they would like to be involved in the entire review process. This is why they have supplier meetings at the agency itself and a quarterly review with the full team. Their philosophy is all about trust and building relationships with their clients. "A philosophy of integration doesn't happen in one go, growth of integration occurs by building trust". Consequently, Ogilvy do not refer to project planners but to relationship planners.
- Ogilvy added another perspective to this discussion by raising the issue of ensuring balance between cost to the agency and what is good for the brand.
- Similarly, FCB emphasised that it was all about building personal relationships with the client as consistency was of paramount importance for them.
- Grey re-iterated this notion and stated that "... relationships with clients are extremely important".

- TBWA have a unique method of fostering long-term relationships with clients. They believe in taking the client with them through the entire process but their previous structure acted as a barrier to achieving this. Consequently, they restructured their internal structure using their own proprietary tool of disruption. They looked at the conventions and preconceived notions in place that governed the agency process and relationship with clients (i.e. internal and external structures), and identified what no longer worked but had been accepted as common practice. The dominant philosophy is one of connection with the client in order to educate them about the ways of the agency, thereby breaking down the “us vs. them” mentality. This translated into their offering clients workshops (“disruption” and “inspiration101”) in order to foster a partnership mentality. The aim is to achieve client buy-in to the “idea explosion” and not just the media types. However, the focus is process and not outcomes driven and this could hinder the strategic implementation of integrated communication.
- This approach of TBWA is, however, criticised by Y & R who reject the notion of “pre-packaged” formulas when dealing with clients, as this is case insensitive and according to him, “squeezes client into a formula”.
- S & S commented that the cross-functional responsibilities were usually driven by the creative department and not strategically driven.
- Y & R argued that the reason for this was that the creative department aggressively believed in this at their agency.
- JWT strongly argued that “it would be disastrous if we didn’t”, referring to the idea that it was imperative to ensure cross-functional planning in the functioning of their agency.
- FCB argued that it was client specific and added that “basically, they will go and do it themselves”.
- Three respondents (Net#work, Herduoys and Jupiter) were not sure whether there were any measures in place to ensure consistency, and one respondent said that “we don’t put any medium in place”.
- Maduake commented from an international perspective that “we’re not asked to do it – that’s the trouble”.
- All the respondents agreed that the evaluation of integration efforts was important.



- Nevertheless, all but two respondents argued that evaluation took place on an informal, continuous basis.
- FCB mentioned that evaluation was done by clients where clients rated the agency on their view of the integratedness of actions, but internally in the agency, evaluation remained informal.

### **SUMMARY OF KEY RESULTS**

- Client dialogue is client specific and dependent on the personality of the “lead people” on clients’ side.
- Interaction tends to be related to communication campaigns, but as the relationship develops, the process grows.
- “A philosophy of integration doesn’t happen in one go; growth of integration occurs by building trust.”
- The dominant philosophy is one of connection with the clients in order to educate them about the ways of the agency thereby breaking down the “us vs. them” mentality. This translated into their offering clients workshops (“disruption” and “inspiration101”) in order to foster a partnership mentality.
- Some agencies “Squeeze client into a formula”.

### **RELATION TO THEORY**

TBWA’s proprietary tool of disruption reflects the idea of a learning relationship to the greatest degree. Gronstedt (2000) stresses that 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. This idea of the learning organisation reflects a component of the fourth era in defining integrated communication.

The relationships element presented by TBWA reflects an aspect of the third era in defining integrated communication (as discussed in Chapter3), but not of the concept of integrated communication in its totality. This is due to the fact that the relationship component partly characterises the third era in which authors like Gronstedt (2000:4) offer that the more satisfied the customer is the more support they will give to the organisation. Furthermore, this is also reflective of Duncan’s contribution (1997) where he reflects on the need to create and nourish profitable relationships.

With regard to dialogue, agencies are attempting to build cross-functional relationships via two-way interactivity with clients, which reflects Harris's definition of integrated communication (1998). The importance of a cross-functional orientation is represented in the work of Duncan and Moriarty (1997:169), where they state that "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".

#### **INTERPRETATION OF FINDINGS**

It is therefore clear that there is no conscious drive to ensure strategic consistency by clients. However, it became apparent through other questions in the interviews that there is an unconscious awareness of consistency, but on a "one voice, one look" level and not on a strategic consistency level.

This is not in line with one of the key principles of integrated communication, as suggested by Duncan and Moriarty (1997:261), which states that evaluation of the integratedness of actions is imperative if an organisation wants to maximise its brand equity.

#### 7.6.2.4 Sub-category (f): Stakeholders

**Table 7.13 Stakeholders in the implementation of integrated communication**

#### **RESPONSES**

- FCB mentioned that stakeholders were factored in, meaning that they were taken into consideration, but stakeholder involvement was dependent on the power of the stakeholder.
- This was similar to TBWA's comments, namely that it depended on the project and the brand but in general the agency tended to "farm it out to Public Relations" and "it is almost as an afterthought".
- Alternatively TBWA continued that they became a secondary market.
- In concurrence with the previous statements, Y & R said that ads were not made for stakeholders, but for gaining consumer mind space, as the agency believed

consumer mind space would bring about market space, and if both were evident, key shareholders would benefit. The agency also repeatedly spoke about shareholders *per se*.

- Alternatively Ogilvy, Jupiter, Grey and JWT recognised the importance of stakeholders as being central to the success of a campaign.
- Net#work, S & S and HerdBuoys did not make any additional contributions in relation to this sub-category.

#### **SUMMARY OF KEY RESULTS**

- Stakeholders are factored in, but stakeholder involvement is dependent on the power of the stakeholder.
- It depends on the project and the brand but in general the agency tends to “farm it out to Public Relations” and “it is almost as an afterthought”.
- The importance of stakeholders was recognised as being central to the success of a campaign.
- From a strategic perspective, one agency ensures that campaigns and strategies go beyond including customers to try and include stakeholders on a broader basis.

#### **RELATION TO THEORY**

A contributing aspect to the third era of integrated communication was the strategic inclusion of stakeholders in the definition. Clearly, only three of the ten agencies interviewed place enough emphasis on a *customer vs. a stakeholder* orientation. In addition, the industry has recently been accused of racism with black-oriented media complaining that they do not get their fair share of advertising spend as media planners and buyers are accused of not understanding the so-called black market. For example, Adfocus (2002) shows that the South African population is 88% black, yet most television commercials still portray white rather than black characters. Similarly, television adspend per viewer is highest for M-Net, a private television station with predominantly white viewers. The overall black employment average among the top 30 agencies is currently around 31%. This is also mentioned by TBWA and Jupiter in that there are high transformation pressures on the industry. The credibility of agencies to serve all client stakeholders in the South African context becomes questionable. The issue is of credibility to offer strategic insights to clients if the agencies are not representative of the overall population of South Africa.

**INTERPRETATION OF FINDINGS**

Although most respondents recognise the importance of stakeholders, it would appear as if the focus is still predominantly on customers as the primary target audience, except for one agency that does predominantly include stakeholders as opposed to merely customers. Therefore, from a general perspective this resembles the characteristic of integrated marketing communication and the customer century and not the focus of integrated communication, which is on stakeholders and the twenty-first or stakeholder century.

**7.6.3 Category 3: Barriers to the implementation of integrated communication**

The most common barriers referred to by the agencies are lack of a strategic management philosophy from particularly client and restricted budgets. This is necessary as integrated communication involves a strategic orientation.

**Table 7.14 Barriers in integrated communication implementation****RESPONSES***Lack of strategic intention alignment*

- FCB felt that there needed to be a strategic role for agencies due to a communication vs. advertising paradigm, but in reality the agency claimed that it was relegated to the role of supplier by clients. Net#work agreed and stated that “agencies have become more strategic but this is debased”.
- TBWA and HerdBuoys agreed and for them the dichotomy was between what the client wanted vs. what the consumer wanted to hear and this hindered a strategic orientation.
- Pertaining to this matter, S & S alleged that the expertise of the client was decreasing due to the lack of experience and that there could be non-marketing people in marketing positions. Yet, Y & R added in this regard that these clients still adopted an “I’m the client you are the agency attitude”.
- In direct contrast, Y & R blamed the agencies as they complained that they were not seen as anything more than a supplier role, but the agency believed that they were

not doing anything to become more involved.

- In order to survive in such a context, FCB and S & S related that agencies were employing management/business consultants in order to provide the required expertise needed.
- Jupiter and JWT echod this notion, in stating that clients were asking for strategic input, and they were receiving the advice, skills and expertise free of charge.
- A comment made in this regard by Grey illustrated that there was a lack of fundamental understanding in how to use integrated communication strategically from both client and agency sides. Therefore, both the manager and the strategic planner perception of the integrated communication would impact on the effectiveness of the implementation of an integrated communication strategy.
- JWT rejected this notion, by criticising agencies in general, for not being strategic enough, for example, the agency singled out TBWA and referred to them as an “idea agency”. The agency also added that clients were not demanding enough of the agency output. Furthermore, Ogilvy stated that many clients did not see it as the agency’s responsibility in the strategic management of their business.
- TBWA illustrated this point by indicating that agencies’ strategic roles were sometimes limited by clients who “relegate the agency to a supplier role vs. a partner mentality”.
- In this regard, JWT suggested that agencies needed to adopt a broader perspective, in order to meet client shifting needs.
- Jupiter also called in this regard for “... a major overhaul” of the industry.
- An additional component of strategic management was that the client focused on the transaction while the agency focused too much on the relationship according to TBWA. “Some clients only worry about the message getting through”.
- Grey stipulated the need for a healthy balance between the two.
- For JWT and Ogilvy, the value was in the brand and not in the product as markets moved progressively to parity markets.

#### *Lack of cross-functional planning*

- Another barrier referred to was that from an agency perspective, clients lacked a cross-functional orientation. TBWA, Y & R, Maduake and FCB referred to

“squabbling” as a result of internal client politics and the continued application and allocation of separate budgets.

- The remaining respondents did not mention the lack of cross-functional planning as a barrier to integrated communication implementation.

#### *Structural barriers*

- Structural barriers were also identified by all the respondents. Specifically, issues were raised pertaining to the low standing of marketing communication. This was specifically mentioned by TBWA when the agency described that a dichotomy existed in that clients were calling increasingly for a strategy beyond advertising. But as soon as they gave insight into business, they were told “but you are only an agency”.
- S & S argued that as such, clients were tending to approach consultants and he believed that consultancies were not only taking away business, but also client trust, relegating the agency to “the bottom of the food chain”.
- The reason for this is partly that integrated communication requires a committed investment, but as S & S, Ogilvy and FCB pointed out, agencies are both operationally and knowledge challenged, hence the need to outsource.
- Furthermore, Ogilvy explained that agencies were often consulted, but not paid for this service, while a client was willing to pay for a “McKinsey report”.
- With regard to the client, the agency believed that, firstly, brand managers tended to move from company to company in a short period (TBWA), which minimised the consistency as one of the brand custodians.
- This was reinforced by Ogilvy who also mentioned that the marketing departments were often seen as a stepping stone.
- A contrast existed between Ogilvy and TBWA pertaining to where the clients were pushing for an integrated approach from the agency.
- HerdBuoys indicated that in his experience, it tended not to be a strong thrust.
- Ogilvy indicated that clients were very aware of integrated communication.
- Ogilvy was supported by Net#work, FCB and Y & R, who acknowledged that clients wanted better maximisation and integrated communication, as one way of achieving this.

- However, there was acknowledgement by JWT that clients requested integration from the agency, yet their outcome was a sales focus and not a brand one.

#### *Lack of core competencies*

- The lack of competencies was experienced on both agency and client sides (S & S, Net#work, FCB, Y & R, TBWA & JWT).
- HerdBuoys elaborated by illustrating that the clients' dependencies on agency skills were determined by the clients' life-cycle.
- Simply put, JWT explained that brand managers did not know enough about communications.
- Alternatively, Ogilvy, Jupiter and Grey believed that there is a lot of talent in the South African advertising and communication field.

#### *Perceptions of the agencies' competencies:*

- The agencies fail to win business because the team is inappropriate to reflect markets in which they operate (FCB).
- Strategic planners are forced to become jacks of all trades as their "loyalty" is split between servicing client and internal departments (Net#work).
- Y & R offered in this regard that strategic planners were in fact communication planners that were there to serve creative output.
- Similarly, Jupiter proposed that the departmentalisation associated with the agency structure created a disjointed process of dealing with clients' business in a holistic manner.
- S & S stated that agencies believed that clients showed resistance due to cost, time constraints, resource requirements and logistics necessary for the implementation of an integrated communication campaign.
- Strategic planners' ability to add value could be affected by their ability to conduct effective research. TBWA justified this statement by pointing out that the majority of research houses in South Africa do not conduct needs based research, but rather model-generic research.
- Similarly, HerdBuoys believed that the offering of strategic planners was only as good as their understanding of "what is happening out there".

- Grey elaborated by highlighting that in their opinion agencies did not spend enough time or allocate enough resources to the conduction of research.
- The agency further criticised strategic planners do not sufficiently going into the field.
- Another agency competency barrier identified by JWT was that many strategic planners had come from account management positions. Consequently, Ogilvy agreed and stated that they did not have the necessary strategic orientation foundations.

#### **SUMMARY OF KEY RESULTS**

- “Agencies have become more strategic but this is debased.”
- What the client wants vs. what the consumer wants to hear, and this hinders a strategic orientation.
- Blame the agencies, as they complain that they are not seen as anything more than a supplier role, but believed that they are not doing anything to become more involved.
- Criticising agencies, in general, for not being strategic enough.
- “If you are not managing all aspects of the clients’ business, you are not managing the brand.”
- “Some clients only worry about the message getting through.”
- “Squabbling” as a result of internal client politics and the continued application and allocation of separate budgets.
- A dichotomy exists in that clients are calling increasingly for strategy beyond advertising. But as soon as they give insight into business, they are told “but you are only an agency”.
- The reason for this is partly that integrated communication requires a committed investment, but agencies are both operationally and knowledge challenged, hence the need to outsource.
- Clients want better maximisation.
- Clients request integration from the agency, yet their outcome is a sales focus and not a brand one.
- “That brand managers don’t know enough about communications.”
- Agencies do not spend enough time or allocate enough resources to the conduction of research.



- Many strategic planners have come from account management positions. Consequently, they do not have the necessary strategic orientation foundations.
- Taking into account the five elements relating to the implementation of integrated communication, the over-arching finding is that integrated communication lacks a strategic orientation to the implementation thereof in South African advertising and communication agencies.

#### **RELATION TO THEORY**

It appears as if some clients approach agencies to resolve strategic problems through creative execution. Therefore, unity of effort cannot be achieved. For example, this is reflected in the following quotes from Adfocus (2003): “They should pull back into the role of creative communication experts and invest in that” (Coca-Cola Director, Nandi Scorer) and “Strategy is the domain of the leadership of the client organisation. Agencies should stick to advertising and do a better job of it” (Thebe Ikalafeng, previous MD of Nike South Africa). In order to overcome such perceptions, agencies are attempting to provide business competency with companies like TBWA, setting up a partnership with PricewaterhouseCoopers. Agencies are consequently unable to function within the philosophy of the fourth evolutionary era of integrated communication.

Another component of strategic management that is not implemented as it should be is that agencies tend to focus overwhelmingly on planned messages. This is a direct contradiction to the message typology model of Duncan and Moriarty (1997:78) that also highlights the importance of managing unplanned, service and product messages. Therefore, while agencies are able to provide synergy in terms of external communications, the same cannot be said of synergistic integrated communication. JWT, Grey and Jupiter appeared to be the exceptions to the rule. JWT’s basic business philosophy is to become involved in *all* areas of the clients’ business and look at the business as a whole.

#### **INTERPRETATION OF FINDINGS**

The most common barrier referred to by the agencies is the lack of a strategic management philosophy from the client, in particular. This is necessary as integrated communication involves a strategic orientation. The lack of competencies was experienced on both agency and client sides. With regard to the client, the agency believed that, firstly, brand managers tended to move from company to company.

Duncan and Moriarty (1997:29) propose that the lack of core capacity can inhibit the effective implementation of integrated communication. Unlike the literature that identifies resistance to change (not in infrastructure change) and organisations that believe that they are already integrated (Percy, 1997:178) as barriers, in the South African context, it is not the case, but manifests as core competency and comprehension restrictions.

Based on the results, the relation of the results to the theory, the summary of key results and the interpretation of the findings, the research propositions as stated in Chapter 6, Section 6.5.1 are accepted or rejected in the following section.

## 7.7 ACCEPTANCE OR REJECTION OF PROPOSITIONS FORMULATED FOR THIS STUDY

The propositions applicable to this study (formulated in Chapter 6) are again listed in this section for convenience purposes and will either be accepted or rejected, based on the findings from phase 2 in this chapter.

**Table 7.15 Research propositions revisited**

	<b>RESEARCH PROPOSITION</b>
a:	The concept of integrated communication among South African advertising and communication agencies is understood.
b:	Integrated communication is practised from a strategic perspective.
c:	There is a link between communication objectives and achieving organisational objectives in South Africa.
d:	Structural alignment takes place in organisations with which South African advertising and communication agencies deal, in order to ensure cross-functional communication planning.
e:	Mediums are used to ensure interactivity in building stakeholder relationships.
f:	Mission marketing plays a role in the implementation of integrated communication of the clients of South African advertising and communication agencies.
g:	Measures are taken to ensure strategic consistency in the implementation of integrated communication.
h:	Various means of evaluation are used to determine the integratedness of the actions of South African advertising and communication agencies.

### **7.7.1 The concept of integrated communication**

Research proposition a was addressed through interview questions 1, 2, 3, 4, 5 and 15. If the results discussed in Section 7.6 are viewed collectively, it can be concluded that South African advertising and communication had a conscience of the concept of integrated communication, but that they did not comprehend the concept in its entirety. It can therefore be argued that, based on the findings, research proposition a should be rejected.

### **7.7.2 A strategic perspective of integrated communication**

Interview questions 9 and 16 addressed research proposition b. Although it was evident that all the respondents supported a strategic approach to integrated communication, there was a major lack in the alignment of communication objectives and the strategic intention of the organisation. Also, the mission of the organisation was not regarded as an integral part of integrated communication implementation. Therefore, research proposition b should be rejected.

### **7.7.3 The link between communication and organisational objectives**

Research proposition c is closely related to research proposition a, and was based on interview question 8. Based on the findings that agencies do not, in general, ensure the alignment of organisational and communication objectives, research proposition c should be rejected.

### **7.7.4 Structural alignment to ensure cross-functional planning**

Research proposition d was addressed through interview questions 6 and 7. It was found that although a lack of cross-functional planning from the clients' side is considered as a barrier to the implementation of integrated communication, most agencies have measures in place to ensure cross-functionality. Therefore,

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although the agencies are focusing on cross-functionality, the organisations they deal with do not include cross-functional planning in their communication. Therefore, based on the findings, research proposition d is rejected.

#### **7.7.5 Mediums used to ensure interactivity**

Research proposition e was based on interview questions 10 and 11. It is evident from the findings that most agencies have measures in place to ensure interactivity in building stakeholder relationships, according to the needs of specific stakeholder groups. However, it should be noted that the majority of agencies refer to customers rather than a broad-based stakeholder approach to relationship building. Therefore, research proposition e cannot conclusively be accepted or rejected.

#### **7.7.6 Mission marketing in integrated communication implementation**

Interview question 14 was included to address research proposition f. It was clear from the findings that the majority of the respondents did not view mission marketing as an integral part in the implementation of integrated communication. There were, however, some respondents who did recognise the importance of mission marketing in the strategic alignment of communication objectives with the strategies of the organisation. Consequently, research proposition f cannot convincingly be accepted or rejected.

#### **7.7.7 Strategic consistency measures**

Research proposition g was based on interview questions 12, in determining whether measures are taken to ensure strategic consistency in the implementation of integrated communication. Based on the findings, it was clear that very few formal processes were in place to ensure strategic consistency, but that agencies generally rather adopted business models to ensure the

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consistency of brand messages. Research proposition g can therefore not be accepted or rejected conclusively.

### **7.7.8 Evaluation means in determining integratedness**

Interview question 13 was formulated to address research proposition h. It was evident from the findings that very few agencies had a means of evaluation in place to determine the integratedness of their agencies' actions. The general feeling was that evaluation of integration was done on an informal basis. Consequently, research proposition g cannot decisively be accepted or rejected.

## **7.8 CONCLUSION**

Chapter 7 provided the empirical research findings of phase 2, focusing on the implementation of integrated communication in South Africa.

An overriding conclusion is that while zero-based marketing is implemented, "unity of effort" is not in the South African context. Therefore, an integrated marketing communication as opposed to an integrated communication orientation still exists in the implementation of integrated communication in the South African context. It would appear that, in South Africa, the ability of communication agencies to provide a strategic integrated communication offering to clients is limited, as the focus is predominantly on external integration with the lack of internal horizontal and internal vertical integration. This is reinforced by the fact that the most common barrier identified pertained to issues relating to strategic management. Subsequently, in South Africa, agencies can be categorised as predominantly functioning in the first (eighties) and second (early and mid-nineties) eras in defining integrated communication as presented in Chapter 3, with fragments of the third and fourth eras (late nineties and early 2000s) in defining integrated communication. Therefore, agencies' fundamental model of business will have to adjust as the stakeholder century is entered.

Based on the findings, research propositions a, b, c and d were rejected, whereas research propositions e, f, g and h could not conclusively be accepted or rejected. It could be argued that the reason for this is that respondents were, to a certain extent, implementing the concept of integrated communication, but that the implementation of the concept was done on a “superficial” level, without taking into consideration the totality of the concept. This was also evident in that the respondents overwhelmingly claimed to base their actions undoubtedly on integrated communication, where various integral elements of integrated communication were in fact not considered.

Chapter 8 focuses on the conceptual model for the implementation of the management of strategic integrated communication in the South African marketplace, based on the findings from phase 1 (the literature review in Chapters 2 – 5) and the empirical findings from phase 2.

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## CHAPTER 8

# A conceptual model of integrated communication in South Africa

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### 8.1 INTRODUCTION

The purpose of this chapter is to use the results of phases 1 and 2 to propose an implementation model for the management of strategic integrated communication in the South African landscape (phase 3). Within the Morse and Field approach used in phase 2 of this study, phase 3 is part of the third step of re-contextualising in the Morse and Field approach. This chapter revisits the application of the model of problem solving suggested by Mitroff *et al.* (1974). Model building as the research strategy of phase 3 is discussed. The focal point of this chapter is the discussion of the proposed conceptual model for integrated communication implementation in South Africa. The discussion revolves around a summary of the model in terms of the systems approach, the graphical representation and a subsequent explanation of the representation. Furthermore, the key principles and the three areas of integration are explained. The chapter concludes with an explanation of the incorporation of the essence of integrated communication into the conceptual model as well as discussions on how the conceptual model addresses critique on existing models and barriers to integrated communication implementation.

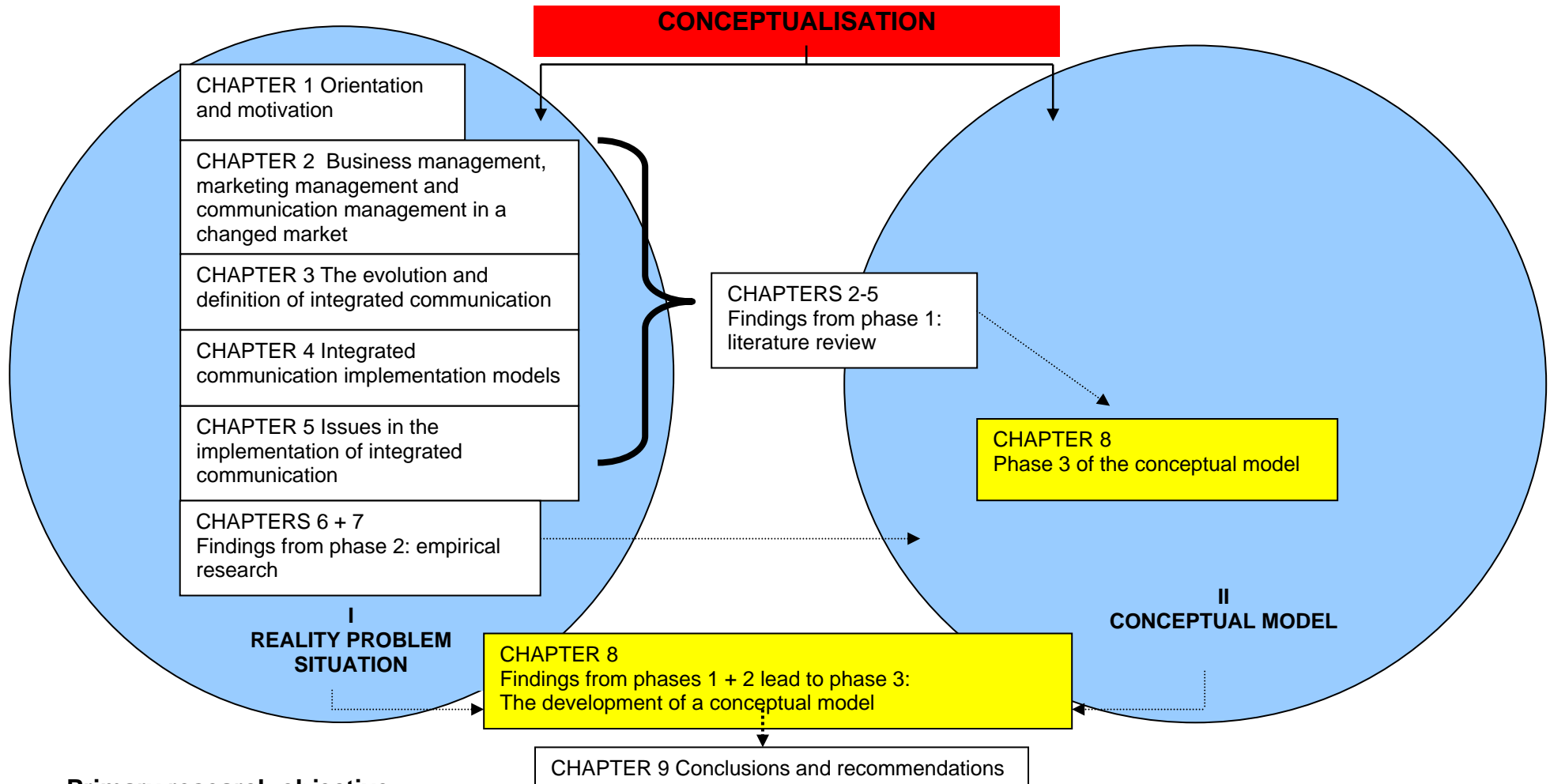
### 8.2 REVISITING THE PROBLEM-SOLVING MODEL

In Chapter 1, the application of the Mitroff model was elaborated on. Phases 1 and 2 of the methodology were based on Circle I of the Mitroff model, which involved the problem situation reality. Phase 3 of the methodology is based on Circle II of the Mitroff model. In Figure 8.1 an application of the model of problem

solving is revisited to contextualise phase 3 (which is highlighted in yellow) of this study, in relation to the Mitroff model.



Figure 8.1 The application of systematic problem-solving model: phase 3



**Primary research objective:**

To develop an implementation model for the management of strategic integrated communication in the South African marketplace

### 8.3 RESEARCH DESIGN FOR MODEL BUILDING

Phase 3 of this study follows a model-building study as a research strategy within the Mitroff model for systematic problem solving. Mouton (2001:176) argues that this can be referred to as a study aiming at developing a new model to explain a particular phenomenon. This study makes use of textual data in order to build the proposed model.

One of the earliest definitions of “model” states that “... a model is a representation of reality” (Ackoff & Sasieni, 1968:7). Cooper and Schindler (1998:48) define a model as a representation of a system that is constructed to study some aspect of that system or the system as a whole. However, Pidd (2003:10) argues that a suitable definition for the discussion of models is that “a model is an external and explicit representation of part of reality as seen by the people who wish to use that model to understand, to change, to manage and to control that part of reality”. Cooper and Schindler (1998:48) further state that models differ from theories in that a theory’s role is explanation, whereas a model’s role is representation. The strengths of this specific research strategy are proposed in Table 8.1, after which the weaknesses are elaborated on:

**Table 8.1 Strengths of a model-building study**

STRENGTH	AUTHORS
Science cannot make progress without theories or models.	Mouton (2001:177) and Cooper and Schindler (1998:48)
Through the construction of models, an attempt is made to explain phenomena in the world.	Mouton (2001:177)
A model is a set of statements that aim to represent a phenomenon or set of phenomena as accurately as possible.	Mouton (2001:177) and Cooper and Schindler (1998:48)
Good models provide causal accounts of the world, allowing one to make predictive claims under certain conditions, bring conceptual coherence to a domain of science and simplify the understanding of the world.	Mouton (2001:177) and Cooper and Schindler (1998:48)

However, as mentioned, this research strategy also has some limitations.

**Table 8.2 Limitation of a model-building study**

LIMITATION	AUTHORS
The limitation of the model-building strategy is that models are ineffective if they make implausible claims on reality, if they make claims that are not testable and vague, or that are conceptually incoherent, inconsistent and confusing.	Mouton (2001:177) and Cooper and Schindler (1998:48)

The research strategy of model building is therefore used to address the research objective of this phase, which also forms the primary objective of the study. This primary research objective is revisited.

#### 8.4 PRIMARY RESEARCH OBJECTIVE REVISTED

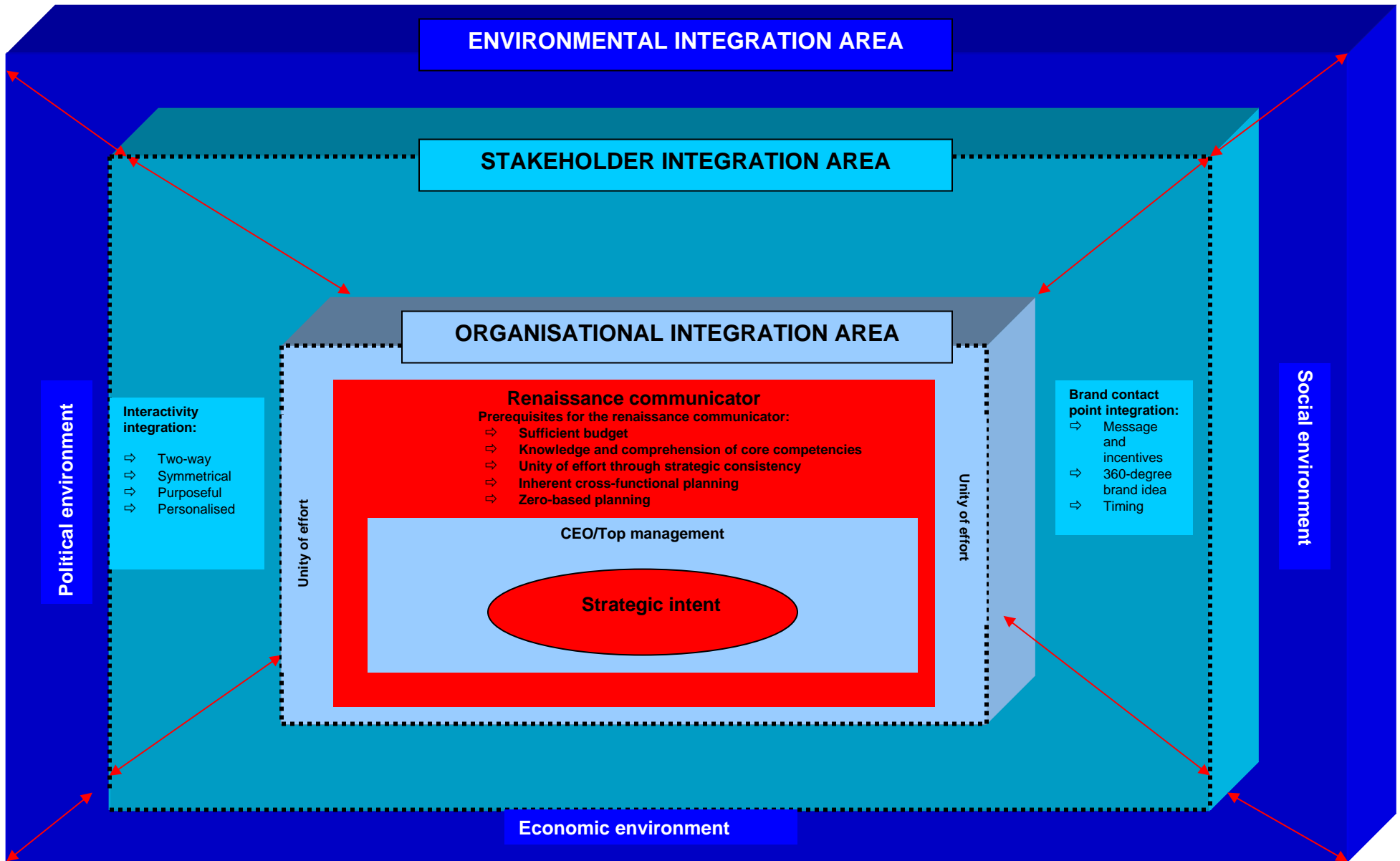
As indicated in Chapters 1 and 6, the research objective of phase 3 represents the primary research objective of this study, which reads as follows:

To develop an implementation model for the management of strategic integrated communication in the South African marketplace

#### 8.5 CONCEPTUALISATION OF THE PROPOSED MODEL

The implementation model for the management of strategic integrated communication in the South African context is presented in Figure 8.2. To ease the discussion of the proposed model, it will be approached as follows: firstly, a systems approach to the proposed conceptual model is mentioned. Secondly, a broad summary thereof is stated briefly. Thirdly, an explanation of the graphical representation of the model is presented. Fourthly, a detailed discussion of the proposed model is presented, in terms of its key principles and the areas of integration.

Figure 8.2 A conceptual South African model for the implementation of strategic integrated communication



### **8.5.1 A systems approach to the implementation of integrated communication in South Africa**

The conceptual model for the management of strategic integrated communication in the South African marketplace is based on the general systems theory (which is also the grand theory of the study) in terms of the graphical representation of the model. To facilitate the understanding of the conceptual model to be discussed, a brief summary of the proposed model is presented.

### **8.5.2 Summary of the proposed conceptual model**

The model is based on two distinct principles, namely that a) the strategic intent of the organisation drives strategic integrated communication and b) learning organisational principles continuously reposition the organisation. Furthermore, the model proposes that three areas of integration are imperative. Firstly, organisational integration, which is divided into two levels: a) CEO/top management integration and b) the renaissance communicator. It is argued that the renaissance communicator is central to the implementation of integrated communication, as this is the coordination centre of communication and marketing management in the organisation. Gayeski and Woodward's (1996:2) idea of the renaissance communicator is utilised and elaborated on in this conceptual model. The second area of integration is stakeholder integration, which is further divided into the two levels of a) interactivity integration and b) brand contact point integration. The third area of integration of the conceptual model of strategic integrated communication implementation in the South African business landscape is environmental integration. These areas (and sub-areas) are elaborated on in Section 8.7.

### 8.5.3 Explanation of the graphical representation of the model

The model is structurally also representative of the general systems theory, in that it proposes an open systems approach. By using dotted lines for the boundaries between the three areas of integration, namely environment, stakeholders and the organisation, the model implies that there is an acknowledgement of the constant influx and outflow of energy and information between the various parts of the system. Also, there is recognition that all systems consist of a sub-system and a supra-system in the general systems theory. The application of this model also recognises that the organisation is functioning in a greater system, i.e. that of the environment (supra-system), and consists of a sub-system of organisational functions. This implies that there is constant interaction between the various parts of the system. This implementation model for the management of strategic integrated communication further recognises the interaction and proposes that the interaction between the various parts of the system should be based on a relationship management, two-way symmetrical communication world view.

Furthermore, three components in the model are highlighted in red, namely the strategic intent of the organisation, the arrows (which signify the learning organisational principles continually repositioning the organisation) and the renaissance communicator. This was done to indicate that the strategic intent of the organisation drives all the communication of the organisation to ensure unity of effort in terms of the organisational functioning, based on what is *learned* from the stakeholders and the environment. Consequently, the renaissance communicator (representing marketing management and communication management) is the central point of communication to secure alignment between communication and organisational objectives so as to ensure union in the actions and messages of the organisation.

## **8.6 PRINCIPLES OF THE CONCEPTUAL MODEL**

It is imperative for two fundamental principles of the model to be discussed before focusing on the three areas of integration. These two principles are that a) the strategic intent of the organisation drives strategic integrated communication and b) that learning organisational principles continuously reposition the organisation.

### **8.6.1 The strategic intent of the organisation drives strategic integrated communication**

The conceptual implementation model for the management of strategic integrated communication in the South African business landscape is driven by the long-term strategic plan, referred to as the *strategic* intent of the organisation. It is argued that the organisational mission should drive all the communication and business objectives and operations of the organisation. As mentioned in Chapter 3, Section 3.2.1, the prominence of the mission incorporation in the internal business operation serves as a call to unity and provides a common consistent focus for all employees. Externally, using the mission to be prominent in the long-term strategic organisational plan (strategic intent) builds the brand relationship with stakeholders by emphasising the corporate integrity of the organisation. This was one of the major barriers identified in phase 2 of the study and therefore needs to be emphasised in this model for the South African context.

### **8.6.2 Learning organisational principles continuously reposition the organisation**

Furthermore, the organisation must follow the principles of a learning organisation in order to position the organisation according to the environmental needs. Following this approach enables the entire organisation to think strategically and create synergy by sharing its knowledge and ideas, and

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generating actions that contribute to the interests of the whole of the system of the organisation (Thompson, 2001:456). This further implies that there should be an overall acceptance and awareness of the fact that the organisation is functioning in an environment where changes are taking place. This also requires, very importantly, that relevant resources be allocated according to the changing environment to the various functions of the organisation, which is an aspect identified in phase 2 of this study, specifically pertinent in the South African environment, as this environment calls for a unique communication approach.

The long-term strategic plan or strategic intent of the organisation should therefore (including the organisational mission and learning) drive all strategic integrated communication actions internally and externally for the organisation.

## **8.7 THREE DISTINCT AREAS OF INTEGRATION**

With the long-term strategic plan or intent of the organisation as the driver of the proposed model, the three distinct areas that need to be integrated in the implementation of the management of strategic integrated communication are identified, namely the organisation, the stakeholders and the environment. The discussion starts with the organisational integration area as integration should firstly be achieved internally in the organisation before integration can take place in terms of stakeholders and the environment.

### **8.7.1 Organisational integration area**

Organisational integration is the first area of integration in the implementation model for the management of strategic integrated communication. The organisational integration aspect of this model is based on horizontal and vertical integration as proposed by Gronstedt's three-dimensional approach to integrated communication (2000). This is one of the aspects identified in phase 2 of this

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study that need to be emphasised in the South African context, since organisations rarely integrate communication on horizontal and vertical levels, and mostly on an external level. Also, it is argued again that the long-term strategic organisational plan (strategic intent) drives the horizontal and vertical integration in the organisational integration.

Firstly, horizontal integration involves integration and alignment across business units, functions and regions in terms of systems, process, procedures and communication. As mentioned in Chapter 4, Section 4.6.3 Gronstedt (2000:22) proposes 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. Secondly, vertical integration integrates communication between people working in different business units, departments and countries. Vertical integration empowers the people who are the closest to the customers and organisation operations to communicate more openly, frequently and effectively with managers. The vertical integration of this model is similar to Gronstedt's vertical integration (2000:21) mentioned in Chapter 4, Section 4.6.2, which argues that the focus of vertical integration is to align "top-down communicators" around a clear vision, which is evolved through a process of "bottom-up communication", ongoing dialogue between employees of all ranks.

In the organisational integration area of the conceptual model for integrated communication implementation, two distinct levels are identified: a) CEO/top management integration and b) the renaissance communicator. These are explained in greater detail below:

#### 8.7.1.1 CEO/top management integration

CEO/top management integration in the implementation model for the management of strategic integrated communication is closely related to the

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vertical integration mentioned in the organisational integration part of this model. For example, in phase 2 of the study JWT emphasised specifically that in the South African context there was a pertinent need for the integration of the CEO or “exco” level of the organisation in the organisational communication. The reason for this is that the CEO/top management can be seen as the initiator of the organisational integration in that it serves as the example setter of integration of the mission in all the communication of the organisation. CEO/top management integration implies that the mission of the organisation is consistently communicated to the lower levels of the organisation. It further implies that there is a consciousness of communication importance on top managerial level in the organisation. This awareness of communication should be evident in all efforts of top management, including determining the long-term strategic organisational plan. This awareness of communication also contributes to the open system culture of the organisation and the commitment to being a learning organisation. This consciousness of communication should however be stressed consistently by a source in the organisation to remind the CEO/top management of the importance of communication. It is suggested that the source should be the renaissance communicator.

#### 8.7.1.2 Renaissance communicator

It is argued that organisations and environments are changing, and that there is a definite need for an alternative approach to communication in order to move towards strategic organisational communication management. This model is based on Gayeski and Woodward’s idea of the renaissance communicator (1996:2). The renaissance communicator in this sense implies communication solutions to decisive organisational problems. Therefore, a strategic approach to communication is required for the renaissance communicator. It is therefore not only about the execution and implementation of strategies of the organisation, but also about understanding the business issues that the organisation faces. More importantly, the renaissance communicator must be part of top management in

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order to be up to date with the business issues so as to understand them sufficiently. Constant interaction with the CEO is therefore a natural endeavour for the renaissance communicator.

The renaissance communicator is further firmly based on Hunter's model of integrated communication (1997;1999) in the following ways: a) there is constant 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); c) marketing communication is moved from the marketing department to the renaissance communicator department – this department will therefore consist of marketing (including marketing communication) and communication (including public relations); and (d) the renaissance communicator is placed on a hierarchical level immediately below the CEO, and this function has a senior officer in the dominant coalition of the organisation.

The idea of the renaissance communicator in this model is further based on Hunter's vision (1997:185) that the various specialised fields of communication and marketing 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. Additionally, there are five prerequisites that are pivotal in the functioning of the renaissance communicator, discussed below:

- *Sufficient budget to ensure the renaissance communicator's effectiveness*

The first prerequisite for the functioning of the renaissance communicator is that integration on the various levels in the implementation model for the management of strategic integrated communication requires a sufficient budget in order to ensure effectiveness. In the South African context, in particular, this issue seems to be the most threatening barrier to strategic

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integrated communication implementation as is evident from the results of the in-depth interviews in phase 2 of this study. It is however argued that if the renaissance communicator is part of the dominant coalition of the organisation and if CEO/top management integration takes place, the budget will be allocated according to the perceived importance of communication in the organisation.

- *Renaissance communicator should have knowledge and comprehension of core competencies*

The second prerequisite for the functioning of the renaissance communicator is that this incumbent should have exceptional knowledge and comprehension of core competencies. This was identified as one of the threatening barriers to integration in the South African context, not only on the organisational side, but also on the client side. In this regard, one of the interviewees argued that there was ‘a lot of talent’ in South Africa, but that it should be utilised on a strategic level. This function should have exceptional knowledge and comprehension of core competencies on three levels. Firstly, knowing the brand or company core competencies and then making sure his or her work supports these. Duncan and Moriarty (1997:192) argue that the corporation’s core competencies are what give it its competitive edge. Therefore, if renaissance communicators are doing their jobs, they are continually ensuring the core competencies are properly “packaged” and interpreted for the stakeholders. An important element of the corporate core competency should be the organisation’s mission as part of the long-term strategic organisational plan. This should help determine how the core competencies are packaged and presented. It should therefore be the priority of the renaissance communicator to integrate these competencies and keep them as a foundation in the relationships with stakeholders. The second level of core competency is understanding how the company functions. It is important to be involved with, and interested in, the “skills and techniques” in other areas of the organisation. This will enable the renaissance communicators to

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network and position themselves and their programmes internally. The third level that applies specifically to the renaissance communicator is having a core competency in strategic integrated communication and managing stakeholder and brand relationships.

- *Strategic consistency in all organisational efforts ultimately ensures unity of effort*

The third prerequisite for the functioning of the renaissance communicator is to ensure that strategic consistency is inherent in all efforts in the organisation to ensure ultimate “unity of effort”. Strategic consistency is the coordination of all the messages that create or cue brand messages, positions and reputations in the minds of the customers and other stakeholders (Duncan & Everett, 1993:30). It does therefore not imply only consistency in terms of the “one-voice, one-look” approach, but truly integrates everything the organisation does and does not do. Consistency begins with brand positioning, which is based on core values, selling promises and distinctive features. All the messages must complement and reinforce this position. This strategic consistency prerequisite is also closely related to the contact point integration element of the proposed implementation model for the management of strategic integrated communication. This relation is discussed in a later section. From phase 2 of this study it is evident that strategic consistency needs to be pertinent in the implementation of integrated communication in the South African context, and not merely a superficial integration of brand ideas or the “one-voice, one-look” approach.

- *Cross-functional planning should be inherent*

The fourth prerequisite that is essential in the functioning of the renaissance communicator is that cross-functional planning needs to be inherent in his/her functioning. From phase 2 of this study, it became apparent that cross-

functional planning is not receiving the required attention in the implementation of integrated communication in the South African context. This implies that all of the organisation's major departments (including outside communication agencies) that affect the stakeholders 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 – the stakeholders. This is also in line with what Duncan (2001:90) proposes, in that the cross-functionality of processes in the organisation is a prerequisite, so that all the departments in the organisation are able to cooperate with each other in the planning and monitoring of relationships with stakeholders and the brand.

- *Communication and marketing planning should be zero based*

The last issue that is central in the functioning of the renaissance communicator is that planning in this function, should be zero based. Zero-based communication planning (as discussed in Chapter 3, Section 3.2) is the idea that communication tools are used based on an assessment of what needs to be done now and not based on the previous year's budget allocation (Duncan & Moriarty, 1997:148). This also links up with the idea that the organisation should be following a learning organisation approach, in that the communication tools are used based on what the organisation is learning from the changing environment and the stakeholders.

This decision of the communication tools to be used is linked closely to the stakeholder integration of the proposed implementation model for the management of strategic integrated communication. This second integration area is discussed in the following section.

### 8.7.2 Stakeholder integration area

The second integration area in the implementation model for the management of strategic integrated communication is stakeholder integration. By focusing on stakeholders, this model acknowledges that organisations, incorporating the concept of strategic integrated communication, are functioning in the stakeholder century. This implies that such an organisation has a broader view in terms of the environment and end-users, taking into consideration *all the stakeholders* that have a vested interest in the success of the organisation, and not only the *customers*. This notion was predominantly overlooked by most of the respondents in phase 2 of this study, where most of the respondents still focused on a customer as opposed to a stakeholder perspective. Therefore, it is argued in the model that all the stakeholders, and not just the customers, choose to what extent they provide or withhold support for the brand or the organisation. In other words, most advertising and communication agencies choose to be stakeholders, and when they do so, it automatically gives them the right and the opportunity to understand and influence what the organisation does and does not do.

Strategic integrated communication is important in managing stakeholder relationships because of the overlap, interdependence and interaction between stakeholders in the value field. Therefore, placing emphasis on a value field approach to stakeholder integration shows how brand equity is an outcome of a field of relationships and adding value is a non-linear, active process with constant, overlapping exchanges, connections and responses.

Unlike some existing integrated communication models (Grunig and Grunig's model (1998) of integration through the public relations function), when each stakeholder group was only involved in one or two parts of the value stream, this proposed model advocates that stakeholders are increasingly involved in the way the product or service is designed, assembled, promoted and delivered. This proposed model is therefore based on the outside-in approach to communication

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as proposed by Schultz (1993a:12). This proposed implementation model for the management of strategic integrated communication further recognises this increased level of involvement, encourages it, and provides a structure for managing it as well as a philosophy that provides this relationship-building process with a sense of direction.

The stakeholder integration area of the conceptual model recognises two distinct levels where the integration of stakeholders should take place. These include a) interactivity integration and b) brand contact point integration, which are elaborated on.

#### 8.7.2.1 Interactivity integration

Interactivity integration is based on two ideas, namely that communication should be a) two-way symmetrical and b) purposeful and personalised.

- *Two-way symmetrical communication*

Interactivity integration is based on a two-way symmetrical relationship between the organisation and its stakeholders. As based on the Excellence theory, Grunig (1992:289) argues that the assumptions of two-way symmetrical communication can be explained traditionally as assumptions including “telling the truth”, “interpreting the client and public to one another,” and “management understanding the viewpoints of employees and neighbours as well as employees and neighbours understanding the viewpoints of management”. Research is therefore used to facilitate understanding and communication rather than identify messages most likely to motivate or persuade stakeholders. Understanding is therefore the principle objective of the two-way symmetrical model, rather than persuasion. It can therefore be argued that this point of integration in the implementation model for the management of strategic integrated communication is inherently



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based on the Grunig and Grunig (1998) integrated communication model, which proposes integration through the public relations functions. Although it is not suggested that this model is integrated through the public relations function as such, it proposes similar principles in terms of viewing communication as a mutual and incessant process of listening and dialogue, based on two-way symmetrical communication to manage the behaviour of stakeholders as well as the behaviour of management and the organisation as a whole.

- *Purposeful, personalised interaction*

It became apparent in phase 1 of this study that insufficient emphasis is placed on ensuring interactivity between the organisation, agencies and stakeholders, involving two-way symmetrical, purposeful interactions.

Interactivity from a stakeholder perspective means accessibility, recognition, responsiveness and accountability. From a brand (or organisational) perspective, it means the ability to listen as well as speak and then modify behaviour as a result of the feedback. Interactivity is the process by which customers are integrated into the organisation, made part of the product planning and development process, and dealt with individually (i.e. personalised). To be interactive, the organisation must place as much emphasis on receiving messages as it does on sending messages. The interactivity integration dimension of strategic integrated communication proposes that the media can be used both to send messages efficiently and to receive and capture messages from stakeholders in order to create long-term, purposeful dialogue. Purposeful dialogue is a type of communication that is mutually beneficial for the stakeholder and the organisation, thereby reinforcing the notion of two-way symmetrical communication.

### 8.7.2.2 Brand contact point integration

Brand contact points are the second distinct level where the integration of stakeholders should take place. Brand contact points are situations in which stakeholders have the opportunity to be exposed, in some way, to a brand message. The strategic integrated communication management of brand contact points requires identifying them, prioritising them based on their potential impact, determining which are most suited for capturing stakeholder feedback, determining the cost of controlling messages being sent and collecting stakeholder data at each contact point, and then determining which contact points can be used to carry additional brand messages and facilitate purposeful dialogue. In phase 2 of this study, it was found that although good work is done in terms of the organisation's planned messages, other types of messages are not integrated to ensure a total brand contact point integration.

Brand contact point integration is based on three ideas, namely a) that the message and incentive delivery system must be stakeholder appropriate, b) continuing dialogue ensures a 360-degree brand idea and c) the timing of messages and incentives should be built on stakeholder references.

- *The message and incentive delivery system must be stakeholder appropriate*

The first key principle is that of messages and incentives, based on the eight-step integrated communication model of Kitchen and Schultz (2000). One of the most evident differences of integrated communication compared to the traditional promotional mix is that the 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 one of the basic premises of the implementation model for the management of strategic integrated communication, in that the organisation cannot develop effective messages or incentives, unless and until it

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understands the stakeholders. In this model, the message itself is often secondary to the message or incentive delivery system. For this reason, it is vital for the renaissance communicator to customise the message or incentive delivery system to be appropriate to the stakeholder.

- *Continuing dialogue ensures a 360-degree brand idea*

The second key principle of brand contact point of integration in the implementation model for the management of strategic integrated communication is 360-degree brand idea. The organisation must engage stakeholders in continuing dialogue that permits the organisation to learn more and more about the stakeholders' particular interests, needs and priorities. As mentioned in Chapter 4, Section 4.7.3, Owrid and Grimes (2001:7) propose that there is one requirement for arriving at this, which is referred to as a 360-degree brand idea. Hereby, the organisation needs to be entirely single-minded about the effect it wishes to achieve – and simultaneously being neutral (zero degree) about the ways the organisation uses to obtain it. This 360-degree brand idea further needs to be strategically consistent in all presentations and interactions with stakeholders (as mentioned in the prerequisites of the renaissance communicator component of this model).

- *Timing of the messages and incentives should be built on stakeholder references*

The timing of messages and message incentives is the third key principle of the brand contact point of integration in the implementation model for the management of strategic integrated communication. The timing of messages and message incentives should be built on stakeholder preferences. Timing was also revealed as one of the barriers to the implementation of integrated communication in the South African context, through the research in phase 2

of this study. This could be based on a lack of planning. However, understanding current and existing stakeholder contact points and preferences is required for this model as advocated by Duncan and Moriarty (1997:96) and Schultz *et al.* (1994:83). Therefore, the organisation needs to develop ways in which to collect more information about stakeholders.

### **8.7.3 Environmental integration area**

By including environmental integration in the proposed model, it is argued that the organisation is functioning in an open system. The environment includes the political, social, economic and related environments. It was discussed in Chapter 2, Section 2.6 that the landscape of the South African business has changed dramatically since 1994. However, change is constant. Organisations have to keep abreast with their environment in order to survive. Again, this implies that the organisation should function as a learning organisation. The model emphasises the interaction between the organisation, its stakeholders and the environment in order to manage strategic integrated communication effectively, to ultimately build strong brand relationships. It should be noted that integrated communication is generally more widely and successfully practised in smaller organisations. However, larger organisation can equally gain from the implementation of this model. The environment and the system in which such larger organisation functions will however be more complex.

This environmental integration can be compared to the awareness integration stage of the Duncan and Caywood (1996:22) evolutionary model of integrated communication. However, the environmental integration referred to in the proposed model for this study focuses not only on environmental changes (Duncan & Caywood, 1996:22), but also on environmental demands related to the organisation.

In the following sections, it is illustrated how the proposed conceptual model incorporates and addresses the most prominent topics identified through the literature review. Firstly, the ten strategic drivers of integrated communication, referred to as the essence of integrated communication in Chapter 3, are discussed in relation to the proposed model.

## 8.8 INCORPORATING THE ESSENCE OF INTEGRATED COMMUNICATION IN THE CONCEPTUAL MODEL

Table 8.3 indicates the ten strategic drivers of integrated communication proposed by Duncan and Moriarty (1997:16) and subsequently how these are incorporated in the conceptual model for strategic integrated communication implementation.

**Table 8.3 The essence of integrated communication in relation to the conceptual model**

TEN STRATEGIC DRIVERS	ADDRESSED IN CONCEPTUAL MODEL
Creating and nourishing relationships	Creating and nourishing relationships is addressed in the stakeholder integration area, in that relationship building with stakeholders is seen as a long-term pursuit of the organisation.
Stakeholder focus	A stakeholder focus is followed in the stakeholder integration area, in that a broad stakeholder as opposed to a customer focus is adopted.
Strategic consistency	Strategic consistency is addressed in the prerequisites of the renaissance communicator, as it is acknowledged that strategic consistency in all organisational efforts ultimately ensures unity of effort
Purposeful interactivity	Purposeful interactivity is addressed in the stakeholder integration area in the level of interactivity integration. Interactivity in this model is based on accessibility, recognition, responsiveness and accountability.
Mission marketing	Mission marketing forms one of the key principles, in that the mission of the organisation is seen as part of the strategic intent of the organisation, which drives strategic integrated communication.
Zero-based planning	Zero-based planning is inherent in the conceptual model and is addressed in the organisational integration area, on the renaissance communicator level.

Cross-functional management	Cross-functional planning is incorporated on the renaissance communicator level of the organisational integration area, to ensure integration across functions in the organisation.
Core competencies	The renaissance communicator in the organisational integration area should have knowledge and comprehension of core competencies as a prerequisite for strategic integrated communication.
Data-driven marketing	Although data-driven marketing is not decisively addressed, it is intrinsic to the model. It is however contended that including two-way relationship building in stakeholder integration necessitates data-driven marketing in order to encourage relationship building.
Integrated agency	An integrated agency is not specifically addressed. However, by including the renaissance communicator it is reasoned that such a person should ensure that when communication and marketing are outsourced, they should support the basic principles of integrated communication to ensure strategic consistency and relationship building across the stakeholder value field.

It can therefore be reasoned that the conceptual model for the implementation of strategic integrated communication includes the ten strategic drivers of integrated communication.

## 8.9 ADDRESSING CRITIQUE ON OTHER EXISTING MODELS

Table 8.4 illustrates how the conceptual model of strategic integrated communication implementation for the South African market addresses the critique on the existing models as discussed in Chapter 4.

**Table 8.4 Addressing criticism of other existing models**

EXISTING MODEL	SUMMARY OF CRITICISM	ADDRESSING CRITICISM IN CONCEPTUAL MODEL
Evolutionary model of integrated communication	Advocates a silo approach, by focusing on specific sections of business initially, not to include the strategic intent of the organisation	The strategic intent in the conceptual model forms one of the key principles.
Stakeholder relations model	No reference made on how the organisation should position and organise itself to build	The conceptual model addresses this point of criticism in the second key principle, in

	relationships with stakeholders  Model focuses predominantly on external messages to stakeholders, without placing emphasis on internal stakeholders such as employees	that learning organisational principles continuously reposition the organisation  By including stakeholders in this model, it is contended that it includes employees and therefore pays equal attention to internal as well as external messages and relationships
Hunter's model of integrated communication	Fails to include sufficient focus on external emphasis, therefore too much of an internal focus	Although the internal focus is seen as important, the conceptual model pays definite attention to external stakeholders and the changing environment
Integration through the public relations function	This model could encourage turf battles and places too much emphasis on communication functions	In the conceptual model, this is overcome by introducing the renaissance communicator to include communication management as well as marketing management
The three-dimensional integrated communication model	Insufficient emphasis is placed on the communication function itself in integrating the three dimensions, thus not providing guidance on the source of communication	As mentioned, the renaissance communicator addresses this point of criticism, in acting as the starting point of communication in the organisation
An eight-step integrated communication model	This model focuses predominantly on customers, therefore excluding stakeholders, and not placing equal emphasis on internal and external messages	The conceptual model consciously takes a broader stakeholder approach to include, by definition, all stakeholders, including internal stakeholders and customers

Based on Table 8.4, it is contended that the criticism of existing models received attention in the development of the conceptual model for strategic integrated communication implementation in the South African business landscape. In the following section, it is illustrated how the proposed conceptual model addresses the barriers in integrated communication implementation identified in Chapter 5.

## 8.10 ADDRESSING BARRIERS IN THE IMPLEMENTATION OF INTEGRATED COMMUNICATION

In Chapter 5 it was evident that the implementation of integrated communication revolved around various barriers in the implementation of the concept. The most prominent barriers and how they are addressed through the conceptual model are summarised in Table 8.5.

**Table 8.5 Barriers in implementation addressed**

BARRIERS	ADDRESSED IN CONCEPTUAL MODEL
Low standing of marketing communication	Although an existing low status of marketing communication will be difficult to alter, it is proposed that by including the renaissance communicator, the standing of marketing communication should improve. This is because the renaissance communicator needs to be involved in the strategic planning of the organisation to understand the strategic intent of the organisation.
Barriers in the different communication specialisation fields	By including the renaissance communicator, it is argued that such an incumbent should ensure that hindrances among different communication specialisation fields are permeated.
Financial versus customer emphasis	The conceptual model is based on building relationships with stakeholders in order to improve the financial wealth of the organisation, by making sure that relationship building with stakeholders is in line with the strategic intent of the organisation.
Culture of the organisation	Addressing the culture of the organisation is not a distinct part of the conceptual model. However, it could be argued that organisations have to be learning organisations in today's market to succeed, which is a key principle of the conceptual model, which might address the culture of the organisation consequentially.
Technological barriers	Although technological barriers <i>per se</i> are not addressed, it is argued that, including a two-way relationship-building approach necessitates technology in order to encourage interactions.
Manager's perception of integrated communication	Through cross-functional planning in the conceptual model, the roles of various employees in integrated communication implementation should be clear.
Resistance to change	This barrier is related to corporate culture, and the conceptual model does not conclusively address it.
Politics and power	Again, the conceptual model does not conclusively address this barrier. However, by including the



	renaissance communicator, it should contribute to the improvement of politics and power in the organisation.
Compensational barriers	This barrier is not conclusively addressed through the implementation model, but through the inclusion of the renaissance communication, it should improve the standing of communication in the organisation, which could result in addressing compensational barriers.
Marketing trends as barriers	By including learning organisational principles, the organisation should be able to reposition itself according to environmental (i.e. marketing) trends.
Organisations think they are already integrated	This barrier is not conclusively addressed through the implementation model.
Short-term planning	This barrier is definitely addressed by including strategic intent in the conceptual model, which drives strategic integrated communication.
Lack of core capability in communication	In the conceptual model it is imperative for the renaissance communicator to have knowledge and comprehension of core competencies.

Although not all the barriers to integration as discussed in Chapter 5 were mentioned in Table 8.5 through the conceptual model of strategic integrated communication implementation, it should be taken into consideration that integration is not a quick-fix solution to organisational communication problems. It is a continuous, conscious alignment of efforts in the organisation to ensure relationship building with stakeholders, which will inherently include obstacles in the implementation of the concept.

## 8.11 CONCLUSION

This chapter focused on the conceptual model of integrated communication in South Africa. This model is based on two key principles, namely that the strategic meaning of the organisation directs strategic integrated communication and that learning organisational philosophies constantly reposition the organisation. In addition, the model offers that three areas of integration are necessary. Firstly, organisational integration, which is centred around two levels: a) CEO/top management integration and b) the renaissance communicator. Secondly, stakeholder integration is regarded as the next area of integration,

which is additionally divided into two levels, namely interactivity integration and brand contact point integration. The third area of integration of the conceptual model of strategic integrated communication implementation in the South African business marketplace is environmental integration.

Chapter 9 will conclude this research study by providing a summary of the three phases. Additionally, conclusive remarks regarding the conceptual model for strategic integrated communication implementation in the South African market will be provided. The limitations and reliability of this study will be provided and directions for future research will be offered.

## CHAPTER 9

### Conclusions and recommendations

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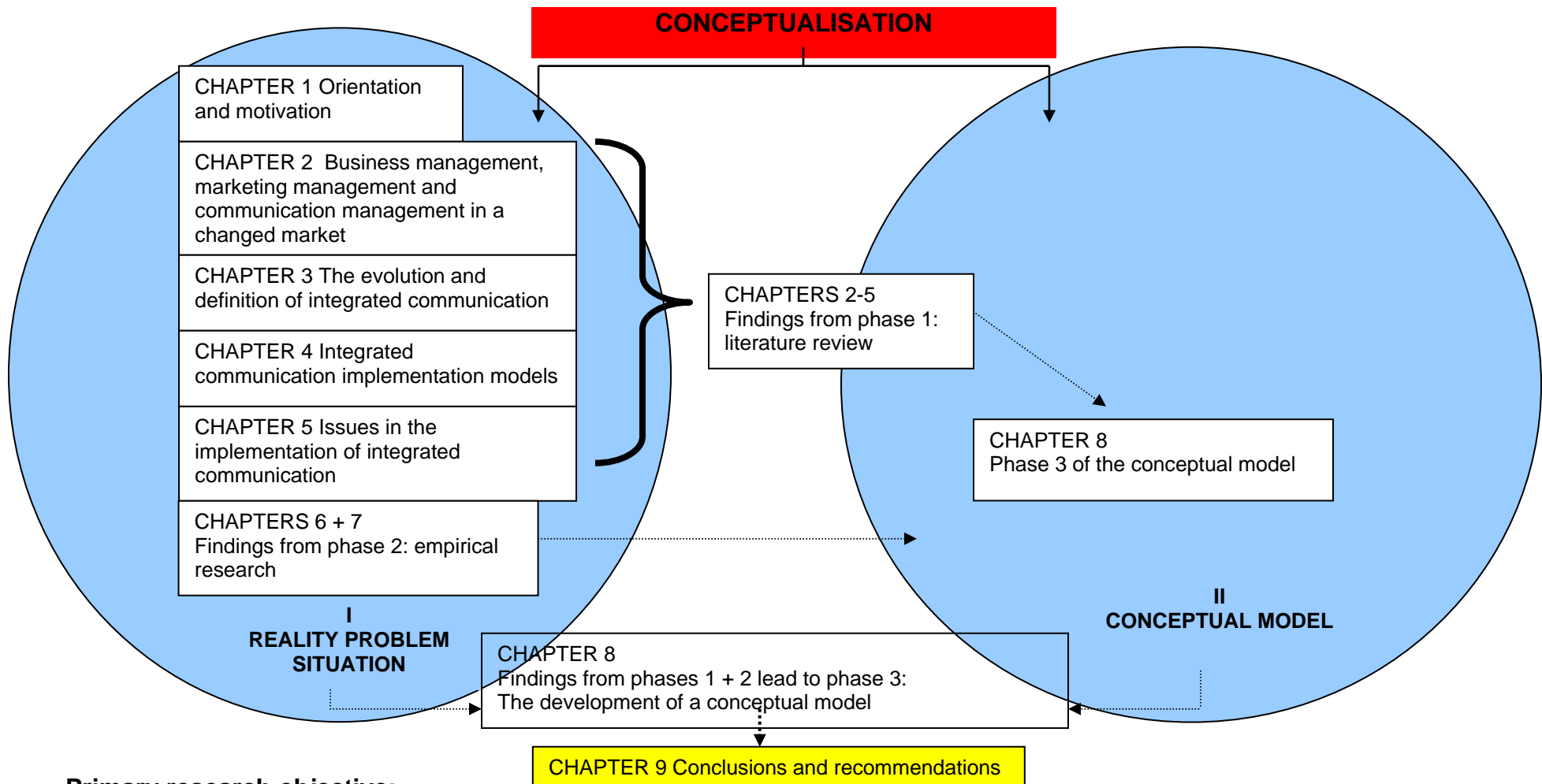
#### 9.1 INTRODUCTION

Chapter 9 completes the full circle of research, by returning to the primary and secondary research objectives and by making concluding remarks about the study as well as the conceptual model for strategic integrated communication implementation in the South African business environment. Furthermore, the reliability and limitations of the study are expanded on. The chapter ends with suggestions for further research.

#### 9.2 CONCLUSION OF FINDINGS RELATED TO RESEARCH OBJECTIVES

All the research objectives were addressed and the results emanating from them were included in the development of the conceptual implementation model for the management of strategic integrated communication in the South African marketplace, based on the Mitroff *et al.* (1974) model of problem solving (Figure 9.1), in the three defined phases of research.

Figure 9.1 The application of the systematic problem-solving model in relation to Chapter 9



**Primary research objective:**

To develop an implementation model for the management of strategic integrated communication in the South African marketplace

The model for the implementation of strategic integrated communication in the South African market could be significant, because South Africa, as is the case in global markets, experiences major difficulties in the implementation of integrated communication. However, although various models exist to assist organisations with integrated communication implementation, these models are predominantly Anglo-Saxon in their origin. Also, South African guidance, literature and research on this topic are limited. Most importantly, South African businesses need direction in implementing integrated communication, as this business landscape calls for unique integrated communication solutions in a post-apartheid country. Given this background of the need for a uniquely South African model, the research objectives were addressed as follows:

### **9.2.1 Strategic integrated communication in integrated communication implementation**

It was found in the theory that integrated communication should undoubtedly be practised and implemented on a strategic level within the organisation, thereby addressing secondary research objective 1. Communication objectives should be aligned with the organisational goal and, more importantly, the strategic intent of the organisation. Then and only then, can communication and marketing management be regarded as being a strategic contribution to the business management of the organisation. Furthermore, only when integrated communication is practised and implemented on a strategic level can unity of effort be advanced through the strategic consistency of all communication and all efforts.

### **9.2.2 Existing universal concerns in integrated communication implementation**

Secondary research objective 2 was to determine theoretically the perceptible current universal problematic issues in integrated communication

implementation. From scrutinising the theory in this regard, it became evident that various concerns exist regarding integrated communication implementation, which is predominantly linked to the barriers to the implementation of the concept. The barriers relate mostly to structural organisational barriers and barriers regarding the managers' perceptions regarding integrated communication. It should be noted that, although these barriers are the existing universal problematic issues in integrated communication from a theoretical perspective, many of them were also referred to by the respondents in the empirical phase of the study. Therefore, the theoretical barriers could be regarded as universal in terms of a South African perspective as well.

### **9.2.3 Global theoretical approaches to integrated communication implementation**

Various global theoretical approaches to integrated communication implementation were discussed in focusing on six existing models (secondary research objectives 3 and 4). Although these models were all acceptable foundations in terms of integrated communication implementation, they were all discussed, commented on and critiqued. Based on these discussions, it became clear that integrated communication should be studied from a general systems theory approach, in order to ensure a holistic orientation. However, most of the existing models place too much emphasis on only one part of integrated communication, and in so doing, go against the principles of the concept, which is unity in *all* efforts of the organisation. For example, Grunig and Grunig (1998) place much emphasis on the communication itself, thereby encouraging turf battles in terms of this function, whereas Gronstedt (2000) focuses predominantly on integration with stakeholders and internally in the organisation, but no reference is made to the source of communication or, in other words, the communication function itself. Furthermore, Gronstedt (1996), for example, places emphasis on external messages, without referring to the importance of internal messages. Similarly, Hunter (1997) and (1999) focuses predominantly

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on internal messages, without an external focus. Therefore, it could be contended that, although the existing models of integrated communication implementation could be regarded as a good starting point, they mostly lack the holistic orientation required by integrated communication to ensure concord of endeavours.

#### **9.2.4 The current state of integrated communication implementation in South Africa**

It could be argued that an integrated marketing communication, as opposed to an integrated orientation, still exists in the practice of the concept in the South African marketplace. This is evident in that, although integrated communication is regarded on a strategic level, agencies still tend to regard integration as a “one-voice, one-look approach”. The consequence of this is then that strategic consistency of all communication in the organisation cannot occur. The implication of this is that “unity of effort” cannot be promoted in building and nourishing stakeholder and brand relationships. It would appear that in South Africa, the ability of advertising and communication to provide a strategic integrated communication offering to clients is limited, as the focus is predominantly on external integration with the lack of internal horizontal and internal vertical integration. This is reinforced by the fact that the most common barrier identified pertained to issues relating to strategic management. Subsequently, in South Africa, agencies can be categorised as predominantly functioning in the first and second eras of integrated communication as defined in the chronological discussion of the evolution and the development definitions of integrated communication, with fragments of the third and fourth eras in defining integrated communication. Therefore, agencies’ fundamental model of business will have to adjust as they enter the stakeholder century with an emphasis on strategic alignment and consistency with business, marketing and communication objectives.

### **9.2.5 A conceptual model for integrated communication implementation in South Africa**

The relation between the phases and the flow of the study is presented in Figure 9.1 to indicate the positioning of this chapter in relation to the Mitroff *et al.* (1974) model in developing the conceptual model for integrated communication implementation in South Africa. The conceptual model of integrated communication implementation in the South African marketplace recognises, based on the above conclusions that the organisation must learn from its environment and stakeholders in order to build and nourish profitable relationships with the organisational brand. Also, the organisation should reposition itself and its strategic goal continuously according to what is learnt from the environment, in order to survive in a dynamic, challenging post-apartheid South Africa. Consequently, communication objectives and strategies should be driven by, and aligned with, the strategic intent of the organisations.

### **9.3 CONCLUDING REMARKS**

To address the primary research objective, the grand theory of this study was indicated as a general systems theory approach. Similar to the grand theory of this study, the proposed implementation model for the management of strategic integrated communication was also inherently based on systems thinking and the general systems theory. In the case of this model, the intention of the use of the systems theory is that the phenomenon of integrated communication implementation is viewed holistically as a set of interacting forces between the organisation, the stakeholders and the changing environment, and in the three-dimensional, systems-based graphical depiction of the model. The systems theory is also concerned with problems of relationships, structure and interdependence rather than with the constant attributes of objects. In this model the focus is on the relationships, structure and interdependence of the parts of the model, rather than on the parts in the model itself, thereby, emphasising



learning organisational principles to constantly reposition the organisation in relation to its stakeholders and the environment.

Furthermore, based on systems thinking, the meta-theoretical framework of the study proposed three domains for the purpose, which is intrinsic in the proposed conceptual implementation model for the management of strategic integrated communication. Firstly, the business management domain is represented in the two key principles of the model, namely that a) the strategic intent of the organisation drives all communication and b) learning organisational principles continuously reposition the organisation. This therefore implies that an organisation that follows this implementation model for the management of strategic integrated communication can be regarded as a stakeholder century organisation, taking a broader, stakeholder-based strategic view of integrated communication in the organisation, which is in touch with a changing environment and the needs and wants of its stakeholders. Communication consequently becomes a business approach and not merely another function in the proposed implementation model for the management of strategic integrated communication.

The second and third domains of this study are those of marketing and communication management. In the proposed conceptual integrated communication implementation model, marketing and communication management are combined into one area, namely the renaissance communicator. The key element of the renaissance communicator is that this could be regarded as the potential “definitive” practice of communication on a strategic level in the organisation. The renaissance communicator is regarded as the possible proposal of communication answers to organisational problems, focusing on internal *and* external communication to promote increased organisational reflexivity to the greater system in which it is functioning and contributing to organisational successes.

The significance of the proposed model is fourfold. Firstly, it incorporates the ten drivers of integrated communication, which indicates that the most central concepts in integrated communication were considered. Secondly, the model incorporates comments and critiques made in the discussion of the existing models of integrated communication implementation to ensure that the conceptual model addresses integrated communication implementation from a holistic perspective. Thirdly, the conceptual model addresses the most pertinent universal problematic barriers in integrated communication implementation, to ensure that it remains realistic in terms of the marketplace challenges experienced. Fourthly, it consciously incorporated specific issues and impediments pertaining to the South African marketplace as indicated from the empirical research. This was done to ensure that the model addresses the needs of the South African business landscape by promoting *unity of effort* through the three integration areas of organisational, stakeholder and environmental integration in order to build and nourish relationships with stakeholders in a changing South African environment.

#### **9.4 RELIABILITY OF THE STUDY**

Mouton (2001:11) states that the aim of research is to produce reliable data. Reliability is defined by Babbie (2002:447) as the measurement method that suggests that the same data would have been collected each time in repeated observations of the same phenomenon. Huysamen (1995:130) similarly defines reliability as the degree to which the instrument produces equivalent results for repeated trials.

Cooper and Schindler (1998:171) propose that stability, equivalence and internal consistency should be used as perspectives on reliability. Firstly, stability is said to be, based on these authors' views, stable if consistent results can be secured with repeated measurements with the same instrument. In the case of this study, the empirical part (phase 2), where a measurement (the in-depth, face-to-face

interview) was used, the same instrument was used in the pilot study as in the final study. The research method produced the same results in the pilot as in the final study. The results of the pilot study were in keeping with those of the final study, which indicates that the research method was internally consistent.

According to Cooper and Schindler (1998:172), the second perspective on reliability considers how much error may be introduced by different investigators or different samples of items being studied. As this study was only done by one researcher, the second perspective on reliability concerning the different investigators remains an open question. Also, only one sample group was considered in the items that were studied, and therefore it should be considered that another sample group might draw different conclusions, although this sample focused on the top ten advertising and communication agencies at the time, and should therefore be relatively representative of the current state of the South African advertising and communication field.

A third approach to reliability, proposed by Cooper and Schindler (1998:173), uses only one administration of an instrument or test to assess consistency or homogeneity between the items in the measurement instrument. In the case of the current study, the measurement instrument in phase 2 was tested in the pilot study to ensure internal consistency of the interview questions, in order to secure reliability in the final study. However, it should be taken into consideration that errors could have been present in the execution of the empirical research process.

Additionally, this current study made use of three phases to increase the reliability of the research. However, as the study was based on the Mitroff model, it should be emphasised that the Mitroff model was not applied in its totality and the focus of this study was merely on developing a conceptual model for strategic integrated communication implementation for the South African market.

## 9.5 LIMITATIONS OF THE STUDY

Any study has inherent and specific limitations, and for this study, the following limitations are identified:

- There is a lack of cases and examples within the sphere of integrated communication in the South African context, and specifically in the sphere of the implementation thereof. This resulted in the use of international examples of best practice in the study. It could be argued that these examples do not necessarily apply to the South African context, which further necessitated the need for information about the implementation of integrated communication from a South African perspective. The reason that there are no significant South African examples is that integrated communication is not yet used optimally in this context.
- The respondents in the sample did, in some cases, not have the desired level of theoretical knowledge to answer the questions asked of them, and some questions needed a level of clarification for them to answer them effectively.

## 9.6 SUGGESTIONS FOR FURTHER RESEARCH

This study has identified four potential topics for future research:

- Firstly, research could be conducted to test the proposed implementation model for the management of strategic integrated communication in the South African business landscape in order to move the model from merely a conceptual model to a scientific model – the third circle in the Mitroff *et al.* (1974) model used for the methodology of this study. This study focused on the development of a conceptual implementation model for the management of strategic integrated communication in the South African market. It is suggested that research be focused on the development of a scientific

implementation model for the management of strategic integrated communication in the South African business environment.

- Secondly, based on the findings of this study, it could be argued that an expectation gap exists between what advertising and communication agencies offer and what their market requires, with specific reference to the implementation of integrated communication in the client's organisation. Research should be conducted to develop guidelines on integrated communication implementation, specifically for advertising and communication agencies in the South African context. This should assist the agency in bridging this expectation gap between the service they offer and the requirements of its clients.
- Thirdly, research could be conducted to determine the differences between the implementation of strategic integrated communication in small versus large organisations. Subsequently, these differences in implementation could be addressed through size-specific implementation models of strategic integrated communication.
- Fourthly, research could be carried out to determine how *all* the barriers to integrated communication, including specifically the barriers of resistance to change, politics and power, compensational barriers and organisations that think they are already integrated, could be overcome successfully.

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**APPENDIX A**  
**Interview questions**

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## **INTERVIEW QUESTIONS**

1) *“Does your communication agency make use of the concept of integrated communication?”*

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2) *“How do you define this concept?”*

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3) *“How do you see the current state of the communication industry in South Africa compared to international trends?”*

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4) *“Do you think the concept of integrated communication is implementable?”*

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5) *“What do you see as the most threatening barriers to the implementation of integrated communication in the South African context?”*

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6) *Does the agency internally see the process of managing brand/company reputation and building stakeholder relationships as a cross-functional responsibility that includes all departments?*

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7) *How does the agency ensure cross-functional operations?*

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8) *Does the agency include internal marketing for clients, informing all areas of the organisation about objectives and communication programmes?*

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9) *How does the agency include internal marketing for client, informing all areas of the organisation about objectives and marketing programmes?*

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10) *How often does agencies meet clients to align communication, marketing and organisational objectives?*

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11) *What mediums/channels does the agency put in place for clients to ensure interactivity between clients and their stakeholders?*

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12) *How does the agency ensure consistency in brand messages for clients?*

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13) *What means of evaluation does your agency use to determine the integratedness of their actions?*

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14) *Should the mission be part of the designed communication strategy of clients?*

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15) *Would you say there is a difference between IMC and IC?*

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16) *How do you see the future of the marketing communication industry in SA?*

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