

IMC's History

A PERSPECTIVE



AGENDA

- IMC'S evolution
- The legitimation of IMC as an academic field
- Strategy vs. tactics
- IMC as strategic endeavor
 - Two strategy perspectives

IMC EVOLUTION: /st Wave



IMC's EVOLUTION

- The start of IMC's evolution can be traced to the end of “advertising's golden age”, circa late 70s
- You could call this the end of the “Mad Men” era



IMC's EVOLUTION

- Ad agencies saw “their” budgets being increasingly allocated to other MC functions (PR, sponsorship, direct marketing...)
- Naturally, they needed to do something about it



IMC's EVOLUTION

- Ad agencies responded to this “threat” by acquiring these functions themselves (recruiting, mergers etc.)
- At some point “**synergy effects**” and “**scale benefits**” when buying everything from one agency became key selling points
- And somewhere the word “**integrated**” got into the mix

IMC's EVOLUTION

- With every new emerging media channel, this process kept repeating itself → more **"integration"** rhetoric
- Then again, more media channels meant coordination on the buyer side → another argument "for" IMC and centralizing marketing communications functions



Wally Olins : 1930 - 2014

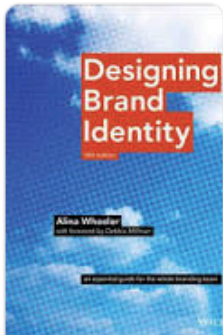
IMC's EVOLUTION

- New trends in advertising and branding that had an effect on IMC
- Wally Olins → totality of graphic design thinking and corporate brand identity
 - “all materials a company puts out should represent the brand!”

“The fundamental idea behind an identity programme is that in everything the organisation does, everything it owns, and everything it produces, it should project a clear idea of what it is and what its aims are.”

Wally

BOOKS/ Brand Identity



Designing Brand Identit...
Alina Wheel...



Logo Design Love: A Guid...
David Airey, ...



Creating a Brand Identit...
2016



The Brand Gap, Revise...
Marty Neum...



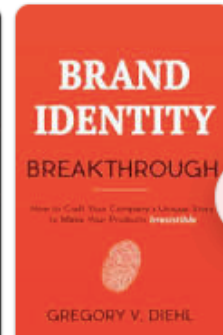
Brand Thinking and...
Debbie Mill...



C/ID: Visual Identity and ...
Emily King, ...



Brand Identity Essentials: 1...
2010

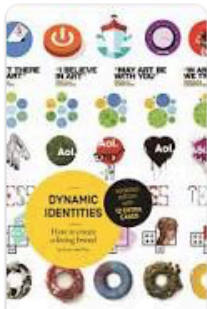


Brand Identity Breakthroug...
Gregory Die...

BOOKS/ Brand Identity



Upstart!
Visual Identit...
2018



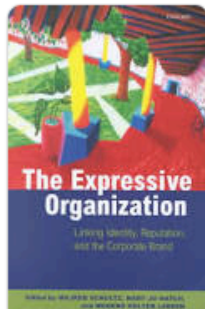
Dynamic Identities: H...
Irene van Ne...



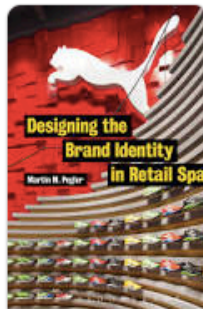
Identity Designed: T...
David Airey, ...



Branding the Nation: The ...
Melissa Aro...



The Expressive ...
2000



Designing the Brand Identit...
Martin Pegle...



Brand Identity Essentials, ...
2019



Brand EsSense: U...
Neil Gains, 2...

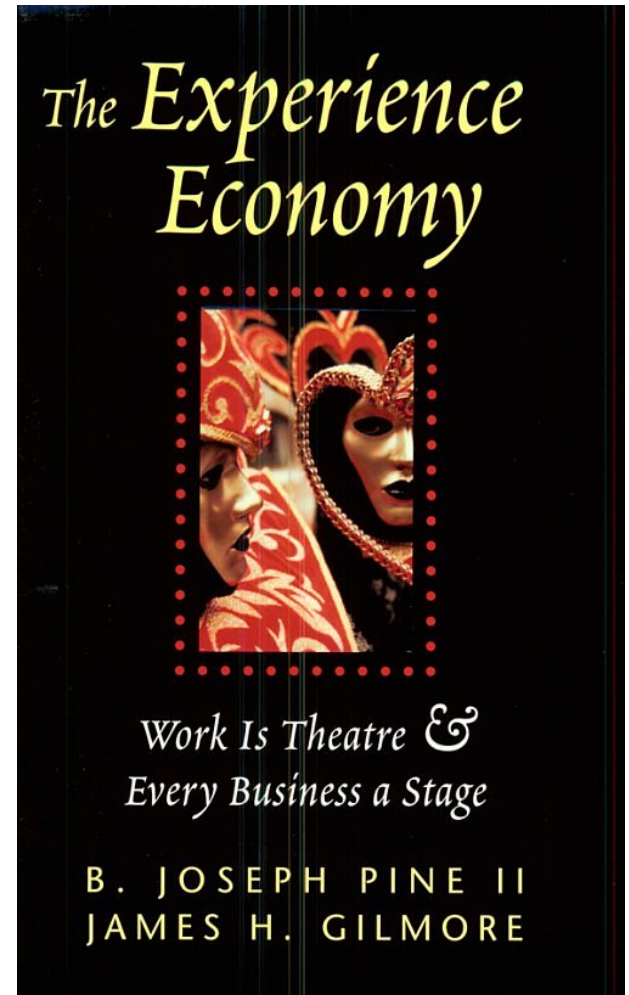


Logo Design
2007

2nd Wave

IMC's evolution

- Later on the idea of “marketing touch points” became popular
- Experiential retail and “the experience economy” certainly helped here



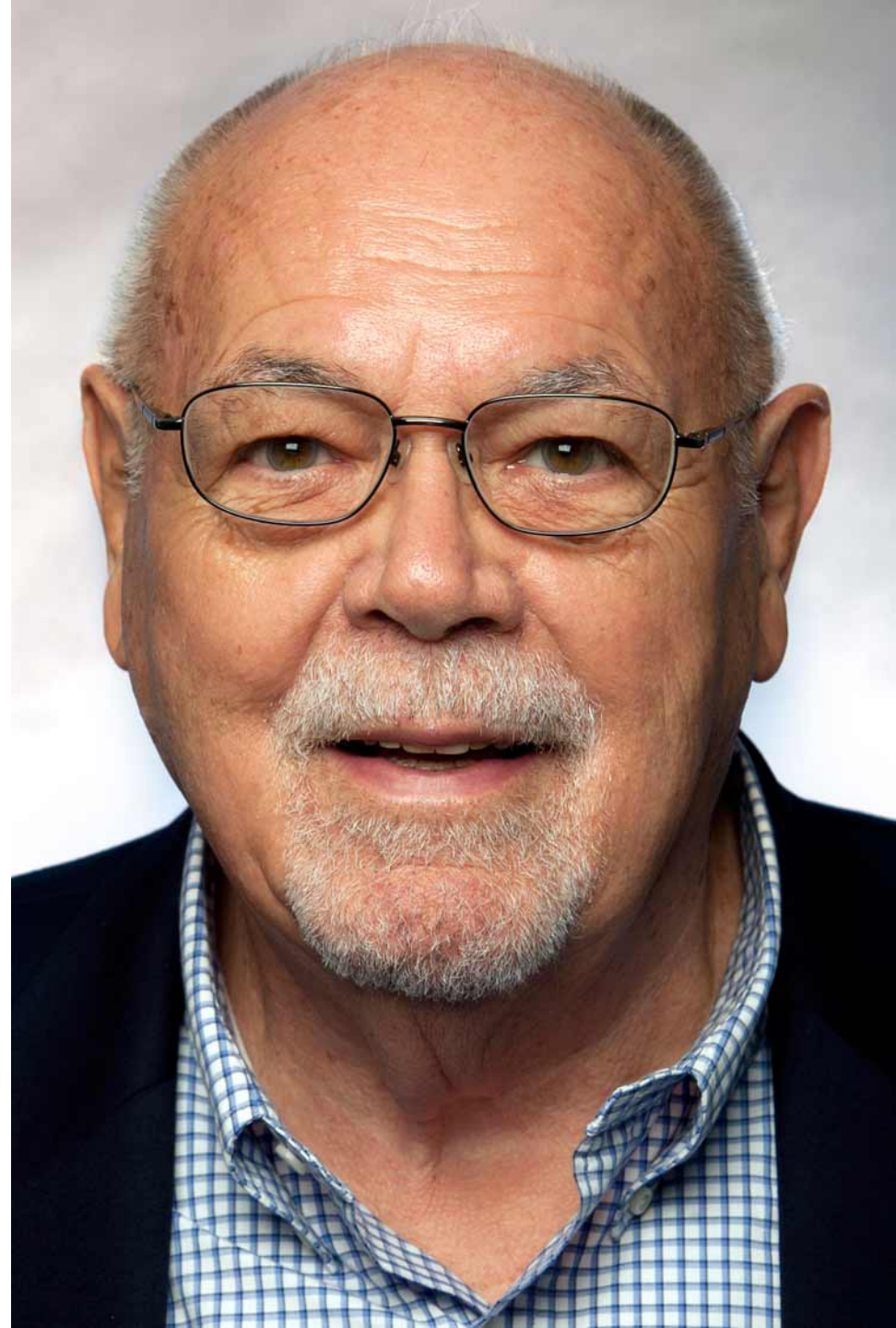
Birthday party

50-60's	60-70s	70,80,90's	90's-2000→
<ul style="list-style-type: none">-From scratch-ingredients-sugar-flour...-cost → 20-30c	<ul style="list-style-type: none">-Manufacturers-put ingredients in one package-cake not so good – perhaps, good for others- Cost → 2-3€	<ul style="list-style-type: none">-No more time to make a cake-call a cake maker and order-these and these ingredients, decorated like this and that-Cost → 10-20€	<ul style="list-style-type: none">-We don't organize B-day parties anymore, let alone make the cake-Outsource<ul style="list-style-type: none">- e.g. Hop Lop, McDonald, Museums, Zoo ...- “Pink Pony”→ Experience Economy → 200 + €

IMC's EVOLUTION

- The “second wave” of IMC has to do with the emergence of **information technology**
- Customer databases created the desire to integrate consumer data with marketing communications → database marketing

Schultz (1993):
“Information
technology makes
IMC inevitable.”



IMC's EVOLUTION

- The IMC + IT –debates were (are?) very hype-driven and expectations have fallen short
- E.g. Rust & Oliver (1994) “The Death of (*Mass*) Advertising”
- Nevertheless, the IT boom further established IMC within marketing literature

The Death of Advertising

Roland T. Rust and Richard W. Oliver

Mass media advertising as we know it today is on its deathbed, and its prognosis is poor. Advertising agencies are restructuring to accommodate a harsher advertising climate, agency income is flat, agency employees are being laid off, direct marketing is stealing business from traditional advertising, and the growth of sales promotion and integrated marketing communications both come at the expense of traditional advertising. The reason for advertising's impending demise is the advent of new technologies that have resulted in the fragmentation of media and markets, and the empowerment of consumers. In the place of traditional mass media advertising, a new communications environment is developing around an evolving network of new media, which is high capacity, interactive and multimedia. The result is a new era of producer-consumer interaction. Because of the speed of technological innovation, the new media advertising paradigm that results will attain prominence faster than did mass media advertising. The new paradigm of 21st Century Marketing and advertising will be dominant by 2010 and should last well into the middle of the century. If they hope to survive, university advertising departments will have about ten years to 1) think of themselves much more broadly, and 2) transform themselves into departments specializing in information transfer in the new media environment.

Rethinking Marketing

by Roland T. Rust, Christine Moorman, and
Gaurav Bhalla

IMC's EVOLUTION

- John Deighton (1996): “companies who wish to succeed in the new marketing paradigm are ones who successfully gather and leverage customer information”
- Through information-driven relationships, marketers strive to acquire knowledge about consumers' preferences to better meet their needs, improve customer service, learn about new product ideas, and target their advertising better (White, 2004)

Artificial Intelligence in Service

Ming-Hui Huang¹ and Roland T. Rust²

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Abstract

Artificial intelligence (AI) is increasingly reshaping service by performing various tasks, constituting a major source of innovation, yet threatening human jobs. We develop a theory of AI job replacement to address this double-edged impact. The theory specifies four intelligences required for service tasks—mechanical, analytical, intuitive, and empathetic—and lays out the way firms should decide between humans and machines for accomplishing those tasks. AI is developing in a predictable order, with mechanical mostly preceding analytical, analytical mostly preceding intuitive, and intuitive mostly preceding empathetic intelligence. The theory asserts that AI job replacement occurs fundamentally at the task level, rather than the job level, and for “lower” (easier for AI) intelligence tasks first. AI first replaces some of a service job’s tasks, a transition stage seen as augmentation, and then progresses to replace human labor entirely when it has the ability to take over all of a job’s tasks. The progression of AI task replacement from lower to higher intelligences results in predictable shifts over time in the relative importance of the intelligences for service employees. An important implication from our theory is that analytical skills will become less important, as AI takes over more analytical tasks, giving the “softer” intuitive and empathetic skills even more importance for service employees. Eventually, AI will be capable of performing even the intuitive and empathetic tasks, which enables innovative ways of human–machine integration for providing service but also results in a fundamental threat for human employment.

***OTHER* TRENDS**

IMC's EVOLUTION

- Other “IMC trends” (real or perceived) that helped IMC:
 1. Marketers becoming better buyers of advertising (i.e., more price conscious)
 2. Marketing becoming more “strategic”
 3. The desire to measure marketing returns
 4. Globalization of markets
 5. Fragmenting audiences and media
 6. “Consumers integrate our messages anyway!”

So what is IMC
really about?

(some definitions from over the years)

“A concept of marketing communication planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines – for example, general advertising, direct response, sales promotion, and PR – and combines them to provide clarity, **consistency** and maximum communication impact through the seamless integration of discrete messages.”
(AAAA*, 1989 definition of IMC)

*AAAA → American Association of Advertising Agencies

“Companies communicate with everything they do.” (Olins, 1989)

“One look, one voice.” (e.g. Miller & Rose, 1994)

“IMC is essentially a matter of consistency.” (Fill, 2001)

“IMC is the concept and process of strategically managing audience-focused, channel-centred, and results-driven brand communication programmes over time.” (Kliatchko, 2005)

“IMC is a process for planning, executing, and monitoring the brand messages that create customer relationships.” (Duncan, 2007)

“There do seem to be common elements in the various definitions and uses of IMC, which involve managing marketing communications in some holistic manner to achieve strategic objectives.” (Gould, 2009)

“There are so many different definitions and ideas of what IMC is about and what it entails, right through to its implementation.” (Kitchen, 2005)

“IMC is just a management fad lacking any theoretical content or rigor.” (Cornelissen & Lock, 2000)

So what is IMC
really, REALLY
about?

IMC's key themes*

1. Consistency of communications
2. (Strategic) control of communications
3. Media neutrality
4. Constant optimization of media and channel portfolios and synergy seeking
5. Measuring and connecting to sales and customer relationships

(*Derived from multiple sources)

Other noteworthy themes

- **IMC and “leveling”**
 - Successful IMC is about connecting it all the way up to a corporate strategy
 - From strategy you get an IMC strategy, from there tactical implementation etc.
- **“IMC is a process”**
 - Both as how it is implemented, but also how it is developing theoretically (Schultz, 2007)

No single definition

- Despite some effort, no single definition for IMC or model of implementation (unlike, say, “Kotler’s 4 Ps”)
- IMC is developing to different directions, with many champions → an indication of theoretical novelty and practical emphasis

Theoretical Concept or Management

Fashion?

Examining the Significance of IMC

Particularly throughout the last decade Integrated Marketing Communications (IMC) appeared to have found increasing acceptance as a theoretical concept, idea, technique, or simple rhetoric with advertising agency executives, marketing, and advertising practitioners, as well as with writers in the popular and academic marketing and management press. Despite its pervasive penetration in the marketing and communication management world, little has been said, however, about IMC's theoretical robustness as well as its *actual* significance for marketing and advertising thought and practice. In an attempt to help remedy this situation, this article examines IMC as a body of theory and hypothesizes its influence upon practice—as a theoretical concept, general idea, management technique, or simple rhetoric. The analysis and argument presented in this article suggests that IMC is a management fashion, apparent in its lack of definition and transient influence, and that its influence upon practice should be conceived accordingly.

IMC as Theory and as a Poststructural Set of Practices and Discourses: A Continuously Evolving Paradigm Shift

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As evidenced in this issue, IMC remains a controversial theoretical concept in terms of generalizing what it is and what it does. However, if IMC is viewed from a different paradigmatic perspective on theory, namely that of poststructuralism, then we might consider it as a set of contingently framed practices and discourses where localized, particular practitioner interpretations are just as important as general theoretic ones. When viewed this way, IMC emerges as a powerful tool that guides practitioners in developing and implementing marketing communications programs even if they apply it in disparate ways according to their own specific understandings and circumstances.

No "one way" to "do" IMC

- There are several approaches to getting started with an IMC strategy
- Understanding how it all "comes together" is more important than any one model
- ACHIEVING integration is the goal, really → getting all MC functions to work together
- Overall, understanding the strategic and process nature of IMC is key

Some key concepts

- Zero-based planning
- Media neutral planning
- Connecting strategy to marketing communications
- Measuring success

- These are the "major themes"

Zero-Based Planning

- “Finally, there must be a process of zero-based planning for marketing communication that is driven by prioritized SWOTs (strengths, weaknesses, opportunities, and threats)
- Zero-based planning helps identify those marketing communication functions that are the most cost-effective ways to leverage critical strengths and opportunities and address key weaknesses and threats.”

-Duncan & Moriarty 1998

Zero-based planning

- The brand and the market environment are the “zero point” of all IMC planning (usually for the next 12 months)
- “Here we are now, and here’s where we want to be”
- ZBP is a telling example of the analytic and goal-oriented nature of IMC

Zero-based planning

1. Recognize target audience
2. SWOT-analysis on segments
3. Decide marketing communications goals
4. Strategic and tactical procedures
5. Define a budget
6. Measure success

(Duncan 2007)

Zero-based planning

- ZBP goes top down
- At the highest level is the corporate strategy, then business processes (organizational activities utilized to achieve an organizational goal), then sales goals
- Only after this will you start thinking about ad agency roles, responsibilities, budgets, goals and key performance indicators (KPIs)

Zero-based planning

- As the name suggests, it's important that we “renounce” last year's IMC decisions (what was our strategy, what was our main message, who was our main agency etc.)
- Re-planning the communications palette every year is also smart financially

Media Neutral Planning

Media neutral planning (MNP)

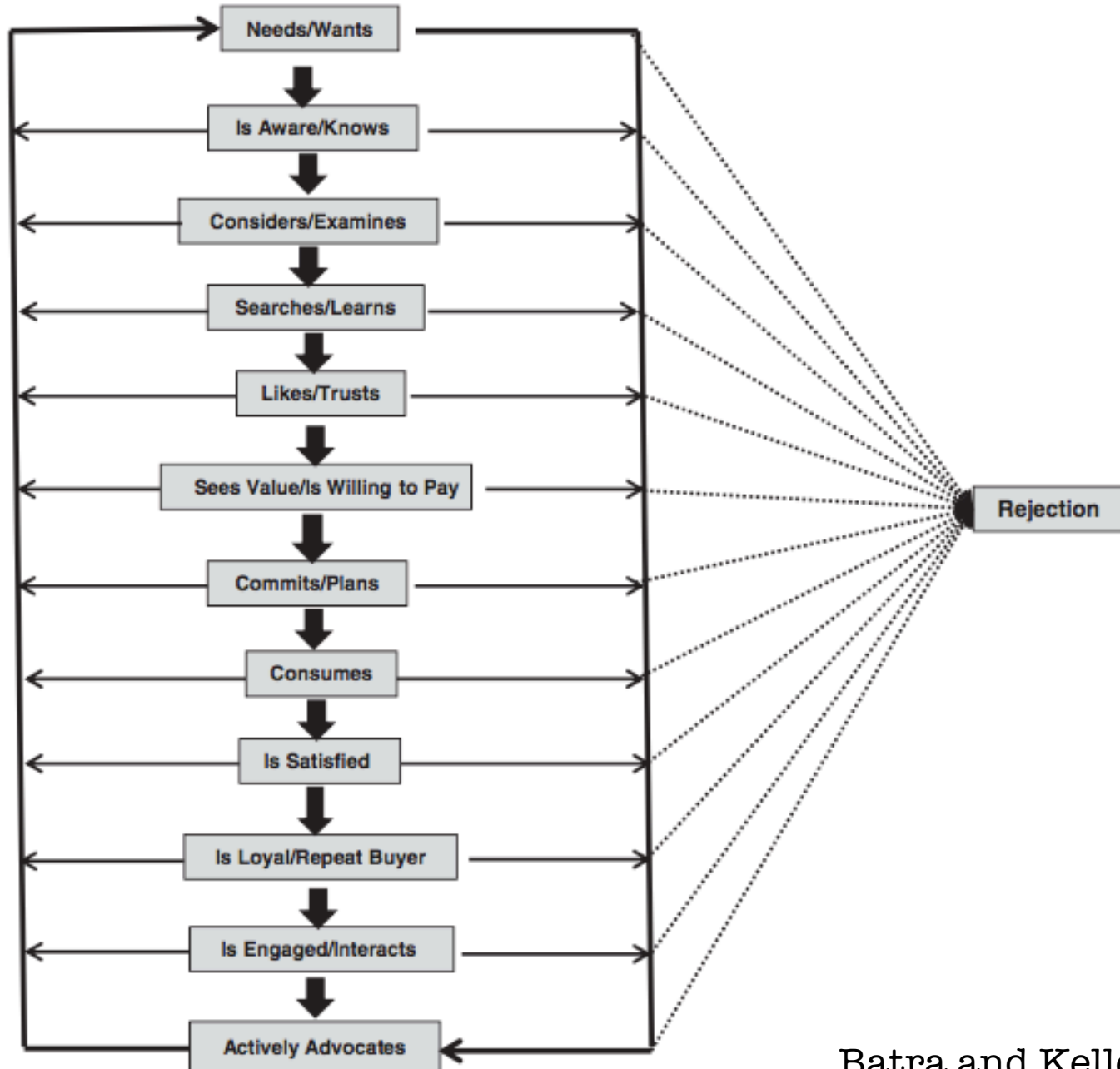
- Essentially: choose your communication methods according to your needs, not out of “habit”
- Examples:
 - a company that has an image problem → public relations
 - a company needs brand awareness → mass media advertising, sponsorship
 - a company needs people to visit stores → sales promotion etc.

Measuring IMC success

Mark. Comms. goals

- Another way is to think of the classic AIDA-continuum
 - Awareness → communication goal
 - Interest → communication goal
 - Desire → communication goal
 - Action → marketing goal
- “+25% awareness → +10% more visits to our retail stores → +2% in sales”

A Dynamic, Expanded Consumer Decision Journey



IMC and management

- Business has become increasingly dominated by numbers
- "Prove that this works and I'll approve it"
- Measuring MC accurately, however, is REALLY hard

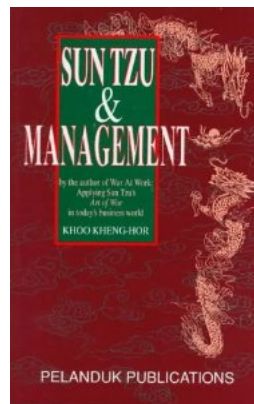
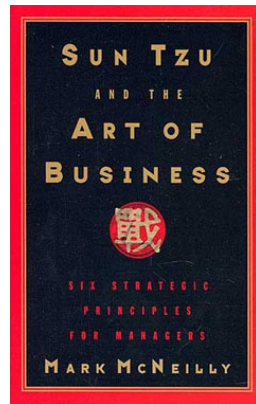
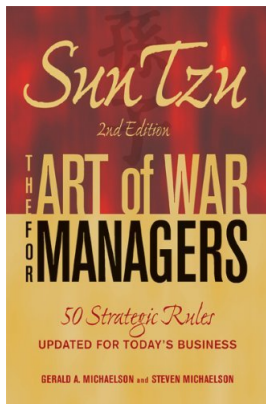


Strategy
(and tactics)

Strategy vs. Tactics

- The distinction is sometimes lost on people, but...
- “Strategies are ideas about how to accomplish objectives”
- “Tactics are specific actions to be taken to execute a strategy”
- Hopefully this becomes clearer as we learn about different tactics and how they relate to strategy

”Strategy, a word of military origin, refers to a plan of action designed to achieve a particular goal.”



Three levels of strategy

- **Corporate**
 - Directional, broad, parameters
- **Competitive**
 - How the company competes, resources
- **Functional**
 - **Marketing**, financial, production etc.
 - Integration to corporate important!

Three levels of strategy

- **Corporate strategy**
 - What business are we in? What's our growth plan? What products are we offering?
- **Marketing communications strategy**
 - What are our communications goals? What is the big message for next year? Communications mix?
- **MC tactical undertakings**
 - Buying ad space, promotional mix, delivering on the message...

Two paradigms of corporate strategy:

Planning vs Emergent

Planning school

- Planning school more prominent and established
- Long history in capitalism in general, all the way to Taylorism and the birth of the corporation
- "Minimizing human error"
- Again, numbers numbers numbers...

Emergent paradigm

- Emergent school more about incremental steps, trial and error, organisational learning etc.
- "Empower people to do the right thing when things go weird"
- Google's 70-20-10 policy is an indication of sorts of emergence logic
- → today's trend: "design thinking concept" see: Kolko 2015



Management is, above all, a practice
where art, science, and craft meet

— *Henry Mintzberg* —

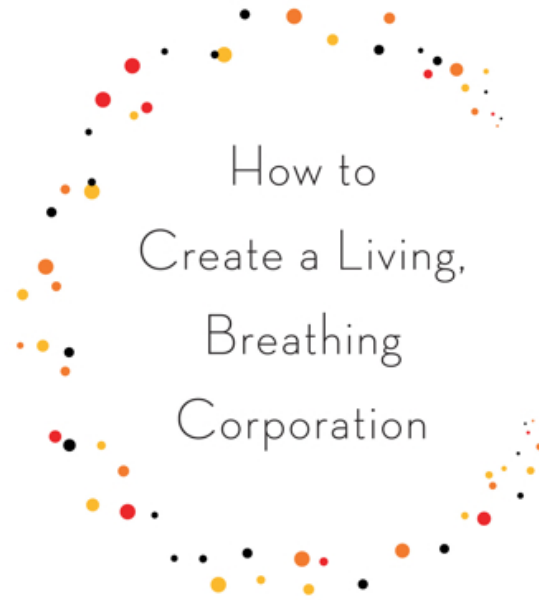
AZ QUOTES

IMC and the two paradigms?

- IMC sort of balances between the two strategic view
- On the one hand, a lot of planning but also there needs to be room for intervention and tinkering
- Where do you think IMC is currently going?

THE
AGENDA
WITH STEVE DAKIN

tvo

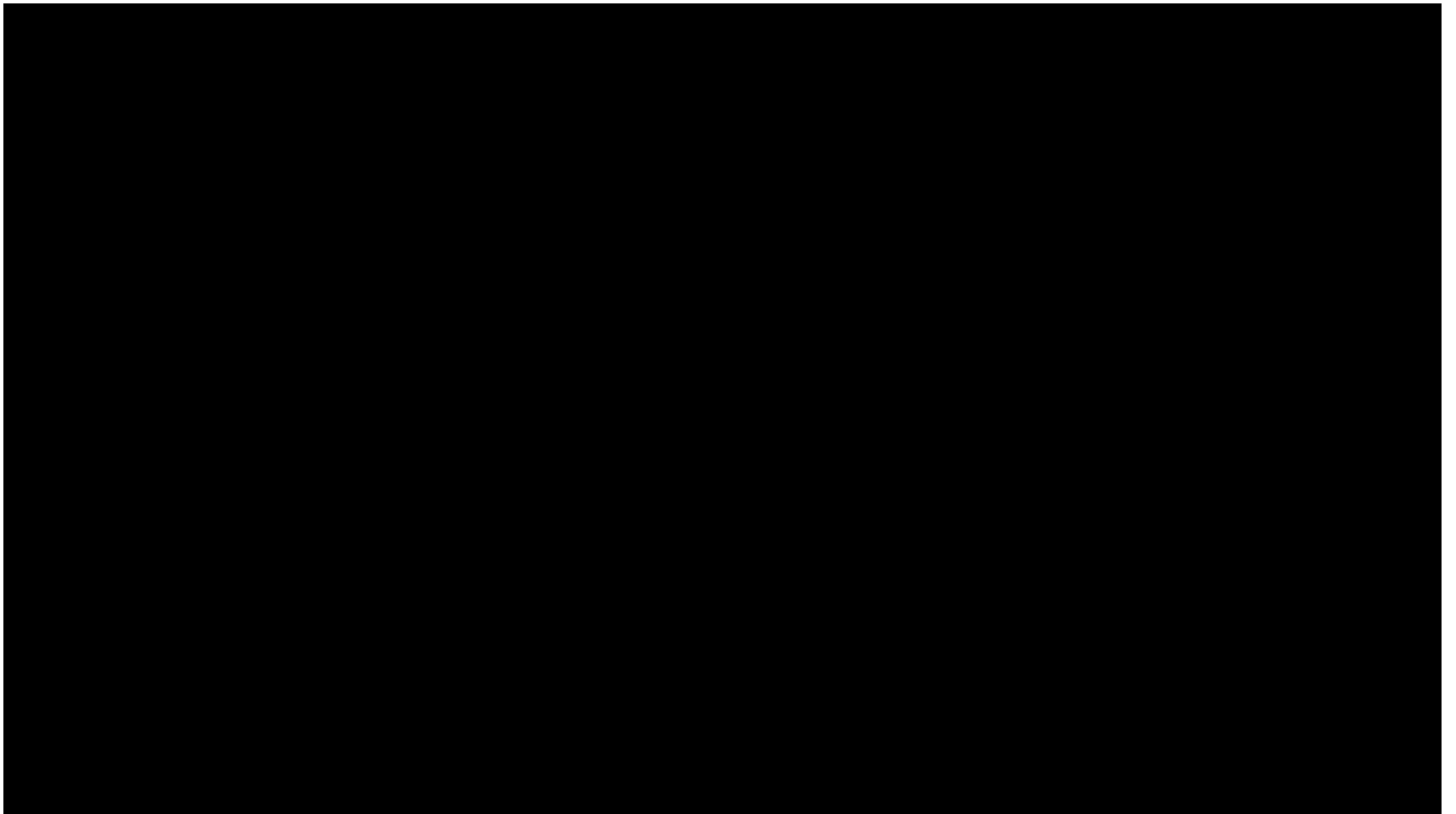


CHIEF
CULTURE
OFFICER

Grant McCracken

IMC and the two paradigms?

- The increasing relevance of digital environments necessitate a move to more emergent strategy (without neglecting planning, of course)
- Fast reactions to PR crises, social media, → contingencies and opportunities etc.





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RICCIE



RICCIE
CARTOONS





IMC and strategy

- A quick lecture recap
 - + Ad agency conglomeration (synergy)
 - + More media channels
 - + The IT boom
 - + Marketing strategy movement
 - = pressure to strategize marketing communications

Holm (2006)

” A study of leading Swedish schools and institutes in the fields of management shows that approximately **only 3 percent of total time is devoted to communication theory and methodology.** The study also shows that the education programs of the leading marketing communications schools contain **less than 10 percent of leadership and strategic management** while **more 90 percent is aimed at communication theory, various techniques, advertising, art, copy and account executive training.**”

Holm (2006)

” A concluding remark is that the concept of IMC is dominated by a simplified and insufficient theoretical perspective and handled by professionals with skills on a technical and tactical level. This indicates that there is a gap between two cultural, intellectual and empirical spheres.”

So what Holm (2006) is saying...

- IMC is currently dominated too much by "practitioners"
- For IMC to become truly strategic, it needs to take new communication models more seriously
- I'll come back to this and explain why we haven't seen this already

“business analytics degrees are booming in recent years as the result of big data, but our theory of [Artificial Intelligence] AI job replacement suggests that **analytical intelligence** may **not** be the **comparative advantage of human experts for long**, and at that point, education should instead **emphasize intuitive intelligence** for making sense of analytical results and leave the analytical tasks to AI”

Huang and Rust (2018)

Main Problem:

There can be an insurmountable difference between how consumers consume brands and how marketers are forced to see brands as internal and proprietary resources

(see e.g., Vargo and Lusch, 2004; Reinecke, 2010; Arvidsson, 2011).

So when is IMC
strategic?

Smith et al (1999)

- Vertical objectives integration
 - It means that communication objectives fit with marketing objectives and the overall corporate objectives.
- Horizontal/functional integration
 - Marketing communications activities fit well with other business functions of manufacturing, operations and human resource management.
- Marketing mix integration
 - The marketing mix of product, price and place decisions is consistent with the promotion decisions, e.g. with the required communication messages.

- **Communications mix integration**
 - All the 6-12 communications tools are being used to guide the customer/consumer/client through each stage of the buying process and all of them portray a consistent message.
- Creative design integration
 - The creative design and execution is uniform and consistent with the chosen positioning of the product.
- Internal/external integration
 - All internal departments and all external employed agencies are working together to an agreed plan and strategy.
- Financial integration
 - The budget is being used in the most effective and efficient way ensuring that economies of scale are achieved and that long-term investment is optimized.

**Connecting
strategy to
marketing
communications**

Strategy and IMC

- Connecting IMC to strategy is the ideal, but rarely achieved
- In reality, there is always some degree of compromise when crafting an IMC strategy
- Some companies are more integrated than others (in Finland, most are not)

Figure 2: Three pillars of the IMC model

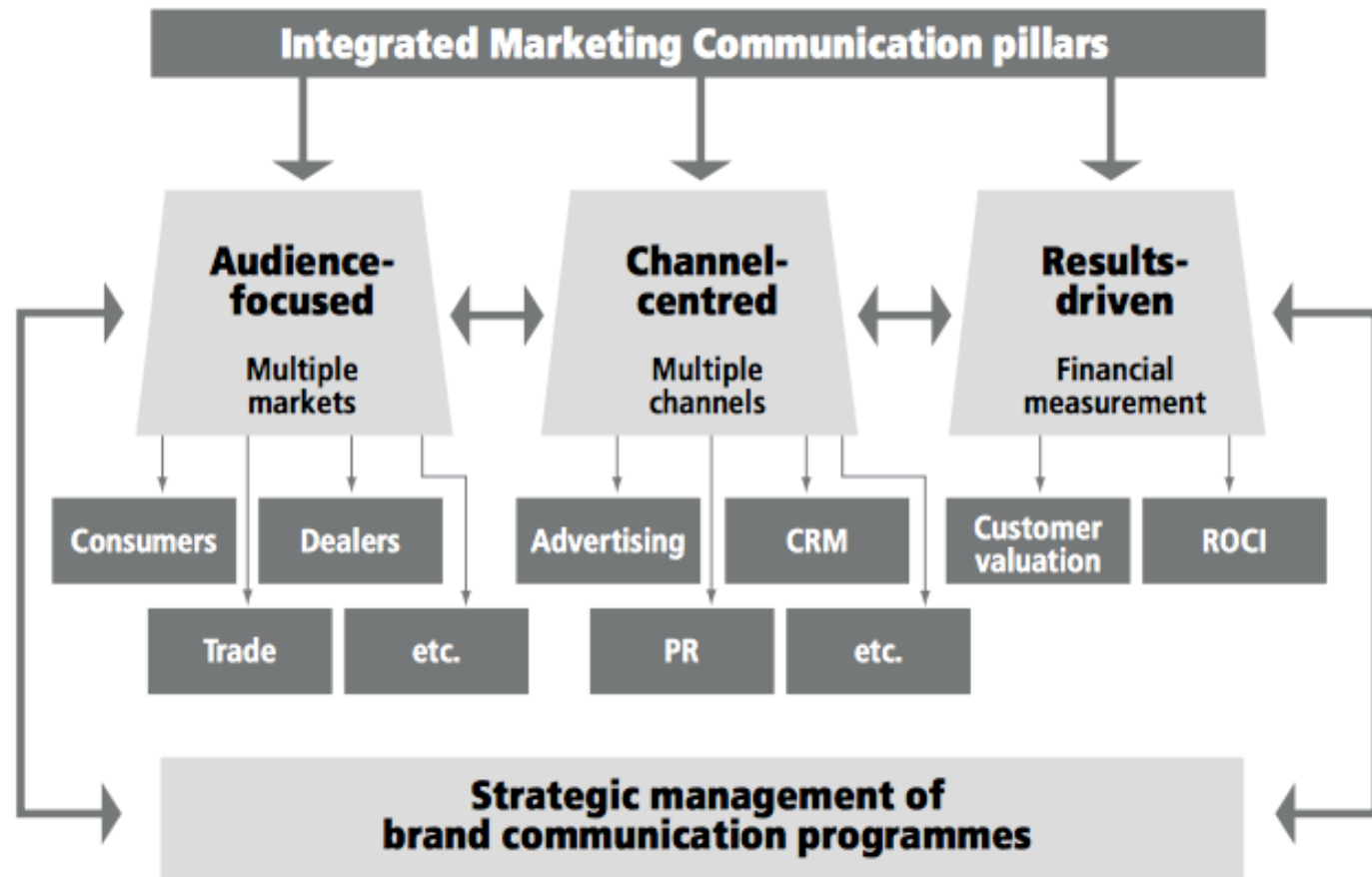
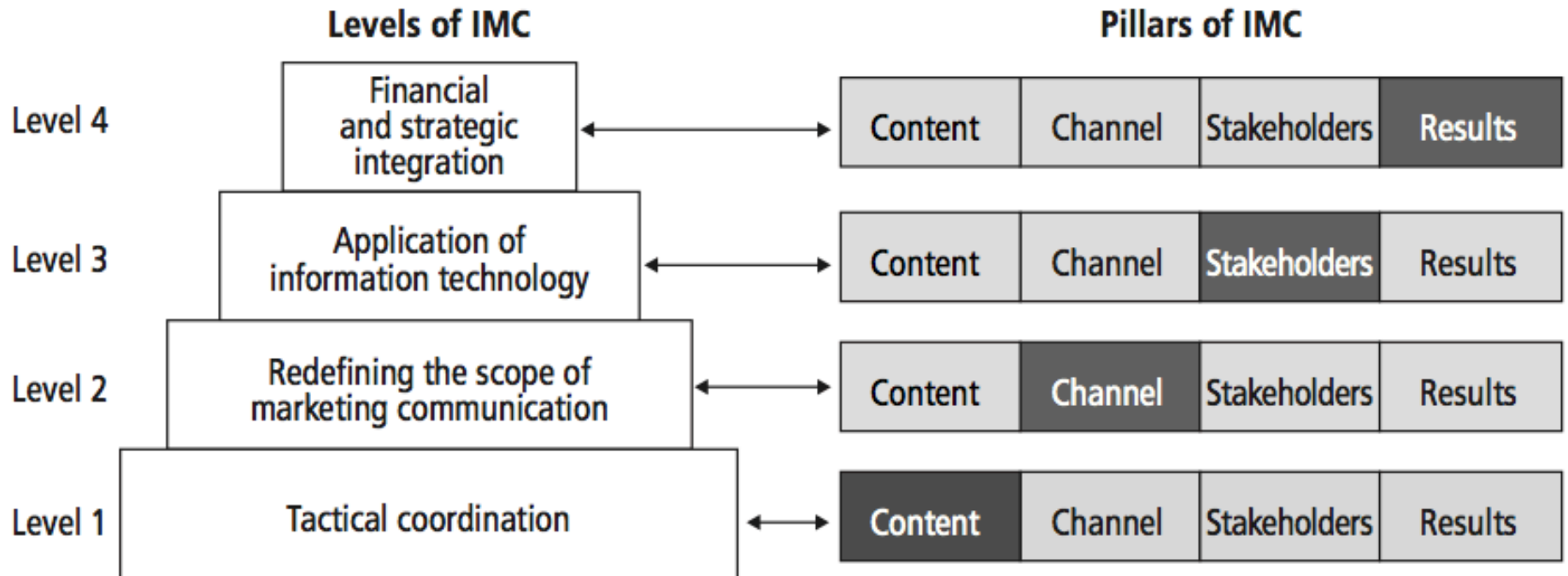


Figure 4: Interplay of levels and pillars of IMC



Kliatchko 2008

IMC and strategy

- As said, there is no real model for how to achieve strategic integration
- However, it is still important that you think of "strategically"
- IMC's calls for more research and numbers-based decision making are worthy goals
- However, it has its limits

Good ideas in IMC

- Consumer-centric decision making
 - Brand-centered (in terms of importance but also realism of goals)
 - Achievability
 - Measurability (to a degree)
 - Top-down (connect to corporate strategy)
-
- It's good that these issues are re-emphasized and they ARE strategic shifts

The basis of a good IMC strategy is segmentation and knowing your customers

Segmentation

- Segmentation is key for any strategy
- Segmentation: "grouping customers or prospects according to common characteristics, needs, wants, or desires"
- Targeting: "analyzing, evaluating, and prioritizing the market segments deemed most profitable to pursue"

Segmentation

- Segmentation in itself is no new concept
 - General Motors one of the first to have different products, 1920s → answer to Ford's successful mass production
- 1900s was however dominated by mass media
 - mass communications
 - Also reflected in communication studies and how communications effectiveness were evaluated

Segmentation

- The end of 1900s and new media technologies brought change to marketing thought as well
- Marketing became more targeted
- New media, new cultural atmosphere made segments ever smaller, or segmentation criteria more
- Niche-marketing, one-to-one marketing

Segmentation strategies

- Demographic
 - Gender, age, occupation, level of education

Segmentation strategies

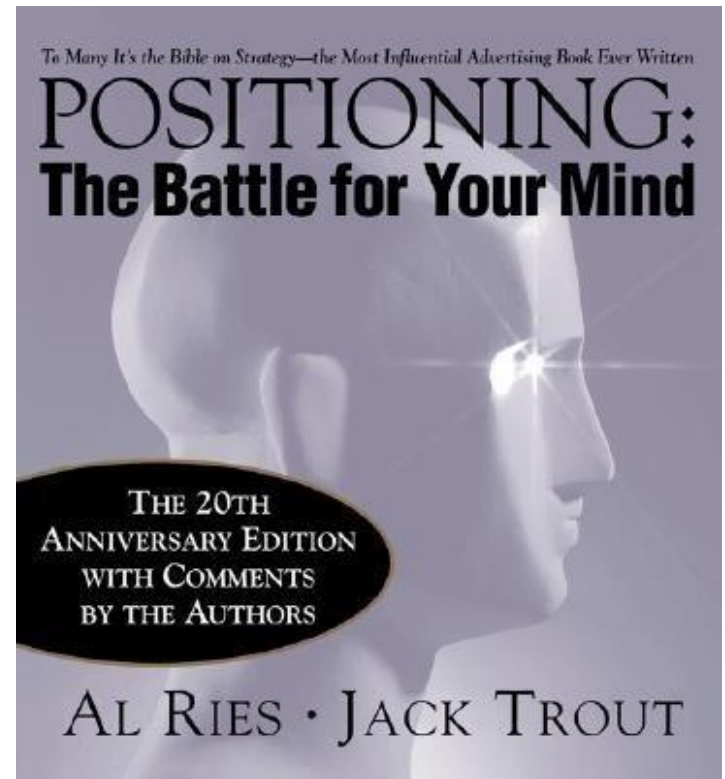
- Psychographic
 - Motivations + personality types + core values = psychographic profile
- Behavioristic
 - Lifestyle patterns, cultural patterns
- But naturally, it's never purely any one of these

Segmentation analysis

- Measurable
 - Can we identify and measure the segment?
- Accessible
- Substantial
 - Is it worth our while?
- Differential
 - Is the segment "different enough" from other?
- Actionable
 - Do we have the resources to pull it off?

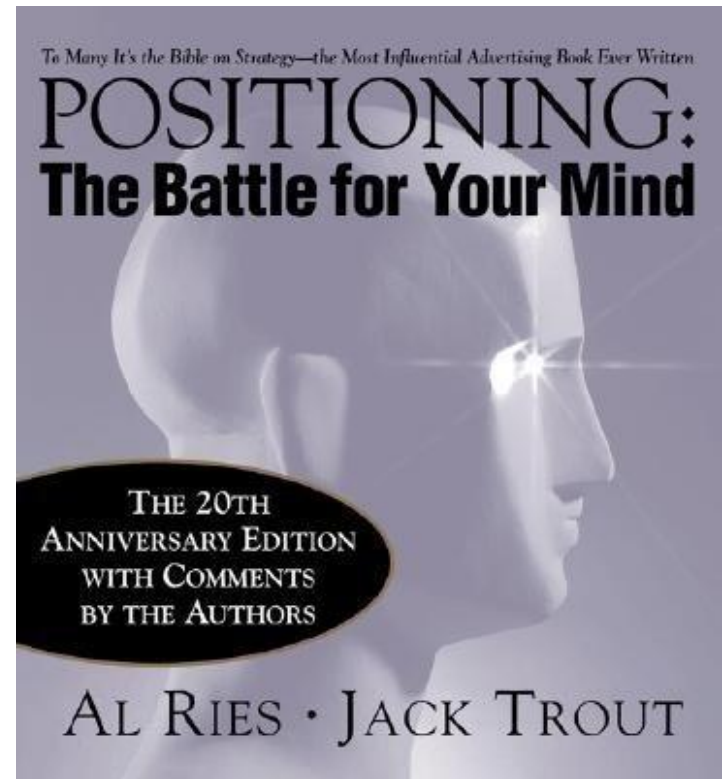
Positioning

- Basically, what view of the product/service/organization we want our customers to have
- “Occupy a distinct competitive position in the customer’s minds”



Positioning

- Positioning done against competitors (through analysis)
- Occupying “free space” or a place we can “own”
- Convey a “benefit”



Positioning

- The most common positioning tactic is of course price vs. quality
- But, there are other ways depending on the category (safety in cars, for example)
- Other, based on promise of feeling: (luxurious, ecological, affluent... see Kolko 2015)

Positioning

- A clear position is key in IMC
- Relates to consistency of communications
- But again, measurability key

Positioning and value proposition

- “The reason why a consumer would buy the brand and the value the consumer gets for his or her money in respect to other competing brands” (Christopher 1996)
- “A distinctive constellation of abstract concepts in the consumer’s mind” (Holt 2004, p. 16)
- “If consumers’ minds were full of mental billboards - each one depicting a single brand - then a brand’s awareness would be reflected in the size of its billboard.” (Aaker 1996, p. 10, 234-244)

Q & A!