INTEGRATED CORPORATE AND PRODUCT BRAND COMMUNICATION (1)

Philip J. Kitchen and Don E. Schultz

INTRODUCTION

Today, integrated communication needs to be viewed from a global perspective. Given the speed, span and reach of electronic communication, there are technically no local or national firms, only global ones. The reality is that organizations no longer have any choice. Once they enter the electronic arena, they become global almost instantaneously as witness the growth of Amazon.com, PriceLine, Charles Schwab and other "new economy" brands. This "global without choice" situation creates a two-fold communication scenario for executives:

(a) integrated communication that is created and related primarily at the corporate brand level; and

(b) integrated marketing communication that takes place primarily at the level of the individual brands.

Corporations or firms are brands in their own right. Thus, communication decisions are not just about traditional product branding directed by the mid-level managers, but corporate and organizational brand communication as well which generally is the purview of senior corporate managers. The important point, of course, is that both areas of communication are interactive, synergistic, and generally global. This duality in
communications at varying levels of management in the firm has caused much of the disruption in traditional communication planning.

In this conceptual paper, we start by looking at the global environment in which integrated communication (corporate) and/or integrated marketing communication (product or service) will be deployed. We justify the need for the two types of communication, one taking place at the corporate level, the other at the operating marketing level. Obviously for business-to-business firms or those with unitary product or service lines, this distinction may require more analysis, and in some cases, may not even be relevant. But, for those firms with multiple product lines, diverse brands, and brand architectures that rely on the corporate name for support and relevance, the issue is clear and the discussion below appropriate. More importantly, the principles and processes outlined can, we believe, be used in all organizations. The argument that follows is based on that in our book: Global Communications: An Integrated Marketing Approach (Schultz and Kitchen, 2000) and we further develop and expand this argument in Raising the Corporate Umbrella (Kitchen and Schultz, 2001).

THE CONTEXTUAL GLOBAL ENVIRONMENT

Clearly, this paper cannot consider all types of global marketing activity (see Dunning, 1993). As the period from the mid-1980's to the present day has defined the contemporary global economy, this is where we focus attention. It is in this time span, this scenario, and this economy and related marketplaces that corporations are engaged in the battles for market and mind share, competitive positioning, and global dominance. Today, businesses are still progressing through a series of environmental upheavals that are impacting business activity around the world. This has been created by an exponential advance in information technology that potentially is universally accessible; by the dislocation of labor away from the country of origin toward the Asian, Indian, and Eastern European economies; and by the rise of informed streetwise, savvy, and sophisticated consumers at least in the triad regions (i.e. in the USA/Canada, Pacific Rim, and the European Community). These factors are all influenced and impacted by the fluid nature of capital that can flow from one side of the world to the other at the flick of a computer button. And, all this is compounded by rising social issues and growing unrest concerning globalisation, not just in
underdeveloped countries but in the U.S.A., Australia, and other apparently
globally connected countries.

Dunning (1993) remarks:
The decision-making nexus of the MNE [global firm] in the early 1990's has
come to resemble the central nervous system of a much larger group of
interdependent, but less formally governed activities, aimed primarily at
advancing the globally competitive strategy and position of the core
organization. This it does, first by efficiently combining its organizational
specific resources with those it acquires from other firms; second by its
technology, product and marketing strategies; and, third, by the nature of
alliances it concludes with other firms (italics added).

Earlier, Bartlett and Ghoshal (1989) indicated that achieving corporate
success required development and management of a cross-border network of
separate but interrelated activities including:

a) taking full advantage of scale economies;

b) understanding the differences in supply capabilities and consumer
needs on a country by country basis; and

c) seeking to use the experience gained nationally and internationally to
strengthen the resource base of the organization.

To these we might add, a full understanding of the development and
implementation of information technology. For example, North America is
primarily focused on the development of broad-brand communication while
China, India, and South America are focusing on wireless. While the two
are compatible in a market, they are also extremely competitive in terms of
development, usage, and customer acquisition.

These three activities, with our fourth, involve a continuous sensitive
interaction in terms of communication and a necessary balance between
globalization and localization.

But, all firms are not at the stage where global decisions need to be made on
a continuing basis. Each firm is located at some or various points on the
developmental continuum from domestic to global in terms of traditional
marketing evolution. In spite of the fact that global communication is
available, each firm may, at its choosing, be using what they believe to be
singular or plural approaches to communicate with those
publics/customers/consumers/users who could either impact corporate performance or constitute a target market. Further, each firm may also range from a clear focus on one element of the promotional mix (i.e. selling or direct marketing), to an integration of all communication and promotional elements combined. And those can be implemented in either a corporate or product marketing communication format. The goal of integrated communication aims, therefore, is to enhance the competitive strategy, position, and capability of the core organization to insure success -- in the competitive marketplace while recognizing that product-level branding and communication is still critically important to most firms.

Competitive performance, we believe, is the major function of marketing effort, since marketing is basically about creating exchanges. From a global external perspective,-- market share--or put another way -- satisfaction of consumer needs, and thus, greater shares of customer requirements is the desirable outcome. From the same perspective, consumers and publics need to be communicated with, effectively, efficiently, and in an integrated manner. Following Shimp (2000), it is evident that in the highly competitive global marketplace, whatever is marketed (product, service, corporation, political party, idea) has also to be communicated. The most meaningful physical metaphor for what is to be communicated is the concept of brand.

THE MOVEMENT OF COMMUNICATION TOWARDS A GLOBAL BRAND ORIENTED APPROACH

Marketing is the major business development of the twentieth century. It affects almost every aspect of consumer daily life. It has been argued by Sheth et al. (1988), that marketing rests inexorably on two pillars: (a) thorough understanding of consumer needs and behavior; and, (b) critical analysis of opportunities for competitive advantage. To these, we would add a third pillar, (c) creating, and maintaining positive relationships with publics or stakeholders that could impact or influence corporate performance.

Marketing concerns creating satisfactory exchanges with consumers and customers as a result of integrated marketing communication programs. We believe communication must be superimposed on the marketing discipline
because of the necessity of building and maintaining positive two-way relationships with other publics who could impact organizational performance. Those might include such firms or persons as suppliers of material, labor, and capital; the stock market(s), business analysts, employees, and other influential publics all of whom can be impacted through an effective corporate communication program. Conversely, such publics impact corporate performance.

Businesses today must be consumer, profit, and publicly oriented. Only a few years ago, the first two would have sufficed. But, in support of our dualistic argument regarding the marketing concept, that is -- creating exchanges that satisfy individual and organizational objectives more effectively and efficiently than the competition -- Philip Kotler (2000) has labelled marketing as inappropriate in a world of environmental deterioration, population expansion, world hunger and poverty, and neglected, under-funded, and business-like social services. Thus, marketing as exchange has been augmented by the need to preserve or enhance consumer and societal well being, too. Increasingly, this extends beyond 'seeming' to the needed 'substance' of corporate social responsibility.

This new type of societal marketing, when coupled with rapid and irreversible change in the international environment, means that businesses have to engage in a three-pronged balancing act between company profitability, consumer need fulfillment and satisfactions, and public interest. Each of the three elements can be delivered by integrated communication and integrated marketing communication. From a pure marketing perspective, profits and consumer want satisfactions are delivered by means of appropriate products/brands, conveniently available, priced appropriately and communicated in various ways. Whether one uses the Four Ps (McCarthy, 1981)-- Product, Price, Promotion, Place -- or the Six P's (Kotler, 2000)-- the Four P's plus Power and Public Relations -- they are the fundamental basis for many effective marketing strategies and tactics. They are focused on target markets. They are interactive and synergistic. They all have a role to play in communication terms. But are they enough?

One recent example from a major global corporation illustrates the point. Following nearly a century of textbook marketing development, the
supposedly premier-brand marketer-- Proctor & Gamble -- would be expected to get things right. But they discovered they had forgotten someone. Who? The very consumers they were intended and intending to serve. In the years 1995 to 1997, P&G was reportedly making over 55 price changes a day across 110 brands, offering over 400 sales promotion each year, and tinkering continually with package design, colour, and contents. In an article in the Wall Street Journal Europe (Narisetti, 1997) Durk Jager, at that time P&G’s President and CEO, admitted “we were confusing them”-- the customers. But it was not just the customers who were being confused; investors seemed to be confused as well. Thus, the stock market also took a jaundiced view of P&G value and the stock market valuation plummeted. Since that time, P&G has changed to a more concentrated, less ambiguous, approach towards both customers and consumers and the financial marketplace. They have also changed CEOs.

Marketing has also moved from its national environmental moorings to a more global scale. From the U.S.A. to the UK, from Japan to Johannesburg, marketing is now not a corporate choice but a global necessity. Competitive rivalry is no longer company vs. company in a domestic setting, but global powerhouse vs. global powerhouse in a worldwide arena. Witness, for example, the sustained rush of mergers and acquisitions by firms jockeying for global position, that are to be players in the global marketplace. In oil -- British Petroleum has taken over Amoco. In automobiles, Daimler has merged with Chrysler (Martin, 1998). But not all globally-focused takeovers, such as BMW and Rover in the UK, have been successful. That marriage did not create the anticipated production economies of scale, nor was BMW able to take advantage of learning and experience curve effects as had been hoped. There were significant image problems in that liaison as well. Following a multi-million investment, BMW-- having hived off the parts considered to be of value to them, was delighted to offload Rover Cars for the nominal sum of just £1. Meanwhile, Daimler-Benz’ reputation for engineering excellence does not seem to square well with Chrysler’s overt focus on finance and marketing (see Schultz and Kitchen, 2000). So, while marketing is believed to be magic by some managers, it cannot compensate for inherent corporate or idiosyncratic executive problems.

Undoubtedly, the drive for global competitive geocentric position impacts on consumer behavior as well. It has been argued by Davidson(1998) that
consumers don’t really care about who owns the various brands they purchase and consume, so long as desired benefits are forthcoming. We disagree. In our experience, more and more consumers are becoming concerned about which firms make and market which brands. And they also care about what those firms do in the areas other than the specific product or service.

Meanwhile Schultz (1998) has argued that the brand is the very key to integrated marketing. The brand, in increasingly, is the central core or hub of what consumers want, need, and consider to be value. And, it is the brand with which customers and consumers have ongoing relationships. But, in this paper, we will be using the brand concept in a two-dimensional way. The brand can be a functional product wrapped in appropriate packaging, or it can be the corporation itself as brand. Obviously, the yin and yang of those combinations are what really challenge the communication manager.

Thus, integration needs to take place dualistically, in order to be of value. In an age of increasing commonality among competing brands, in an age where price strategies are fairly uniform, in an age where distribution channels have all the differentiation of a row of detergent packets on supermarket shelves, communication is becoming the sine qua non of marketing. As a result many theoretical and practical arguments have focused on the need for all organizational communication to be integrated. These arguments depend not just on organizational fiat, but also corporate culture, strategies, and brand life cycles, none of which is easily manipulated or changed.

So, what needs to be integrated? Undoubtedly, the brand has become, or is becoming the dynamic hub around which the entire organization revolves. So brand is king, at least for the moment. But, in our view, although firms create brands, consumers own those brands. Firms strive to create brand identities, but consumers give those brands their imagery. Brands can be modern or old fashioned depending on how customers and consumers view them. Brand images can change, but generally not without the approval of the customer base. Fashions and life cycles change, or put another way, consumers’ ways of satisfying their needs change and, thus, brands must change. But, in all these instances, the consumer or customer or buyer has control of the brand for he or she or the business-to-business firm can
decide to continue to buy or not to buy. This is the life of the brand.

Five years ago, Levi Strauss was galloping down the highway of global expansion, with a pair of 501's fixed firmly in the saddle. Today, Levi's sales and profits are declining significantly. The ambitious goals of this privatized company are being supplanted by lay-offs and factory closures across the U.S.A. and around the world. In this case, and despite the spin-off toward work day clothes in the form of the Dockers brand, Levi Strauss, as a jeans company, has encountered the downside of the fashion/casual clothing life cycle that has impacted their brand in unexpected ways, i.e. being supplanted (maybe temporarily) by newer and more fashionable products driven by more attractive (at least to the consumer) icons of more desirability to consumers.

But, for many firms, the brand is a two-fold entity. The first entity is the brand consumers encounter, learn about, consider, value, purchase, and finally, use. From jeans to jet skis, from razor blades to roller-blades, consumers the world over know these brands. But, the individual brands no longer suffice. Consumers want to know more about the entity behind the well-known brands. What does the parent company do? What values does it personify? Which personalities are running the company? These are key elements in many markets and for many consumers. For an example, look at the major marketing issues Nike, one the world's premier brands, faces on a continuing basis as a result of their wage scale in factories in underdeveloped countries.

Undoubtedly, the corporation behind brands such as Crest, Pampers, Snickers, Gillette etc., stands for an identity, often deliberately planned by corporate communication specialists, and an image possessed by those publics impacted by the corporation.

The corporate brand needs to become the central meaning that provides the basis for identity programs, strategy and competitive thrust to the basketful of individual brands within its portfolio. Meanwhile, individual brands, powerful corporate assets in their own right, promote exchanges that build brand loyalty, provide brand equity, and immeasurably enhance and empower corporations that ostensibly "own" them. But these individual brands can be affected by consumer likes, dislikes, tastes and perceptions. Equally, perceptions of the corporation influence individual brand
performances. For example, the Nestle imprimature is known the world over as a symbol of quality and value. Understanding its blunder in Africa and other developing countries, it took action to change its image. It continues to expand and grow with acquisitions and organic growth of the firm. So the corporate brand can add value to product brands if properly managed.

However, the relationship between corporate brand and product brands has never been clearly explained. That is what creates the problem for communication managers or executives. How much of what? What mix of what? What inputs will result in the best returns for the marketing organization and for the corporate entity?

So, there is indeed a brand problem to be solved. From an individual brand perspective, communication needs to integrated, not just at the tactical level, but ultimately in terms of financial and corporate strategy as well. A strategy of communication has to be developed, underpinned by a sound ongoing analysis of consumer behaviors, in terms of returns on investment by behavioral segment is needed. From a corporate perspective, a similar strategy needs to be deployed. But, that strategy must be against internal organizational members, channels, suppliers, retailers, influencers, and analysts. Interactions between the two different types of brand i.e. the corporate brand and individual product brand within its portfolio, are still being analyzed in boardrooms around the world (see Schultz and Kitchen, 2000).

**INTEGRATED COMMUNICATION**

To many managers, executives, and leading-edge managerial and marketing thinkers (Keegan, 1999) globalization is already a reality. But, as we have indicated in our previous book (Schultz and Kitchen) the driving force of marketing, and branding products, services, and corporations 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. Sellers, according to Ted Levitt “marshall materials, technologies, people, sentiment, wits, and money to their intended ends, meeting head-on in an amalgamating and unforgiving crucible” (Levitt, 1983, italics added).
Admittedly, Levitt's crucible concerns *marketing* and exchanges. Marketing and managerial imagination commonly drives initial marketing impetus. And that marketing impetus has to be customer-focused or consumer-orientated. But eventually, consumers start to ask questions and to hold attitudes toward the companies behind the products and services they buy. Note, at this stage, they do not just buy or not buy brands (i.e. usable, functional, or symbolically representative products). They also buy or not buy, support or not support, and carry images (positive or negative) toward companies which they themselves have often created or often have had created for them by various media outlets. The company or corporation has meaning and resonance for consumers and other publics. The question, of course, is whether or not that meaning or resonance or image is beneficial to the firm?

Corporate performance is not just a function of how well its brands are doing, but also on how well the company *as brand* is doing. Thus, it is insufficient to integrate all communication activities at product brand level only. All communication activities at the level of the business or corporation must be integrated as well. Moreover, there must also be interaction between the two forms of communication in an ongoing, interactive, interdependent, and synergistic manner. There should be no walls or barriers, despite their often different functions, between these types of communication, for both ultimately are needed to drive the business forward.

**THE CORPORATE BRAND PERSPECTIVE**

Around the world, many individual product or service brands are in trouble. They are being impacted by lack of innovation, excessive trade dealing, confused or non-rationalized brand portfolios, inconsistent brand extensions all of which create customer ambivalence toward the brand. Include then, inadequate services and inconsistency in terms of communication and it is clear that firms are being challenged. All these problems are generated *not by customers or stakeholders* -- but by the organization. This raises the important question of the value of the corporate brand in relation to the individual product brands and whether or not the corporate brand should impose structural relevance on what the individual brands could or should do. Thus, by definition we are implying an interrelationship and interaction
between corporate and marketing communication in terms of totally integrated communication.

But, just what is the corporate brand supposed to do? Does it help create sales for the product line or is it something that creates value for customers, shareholders and employees? We would argue that trying to measure marketplace sales results from a corporate communication program, at least at the corporate brand level, is generally the wrong approach. The aim of the corporate brand is or should be to supplement, underpin, and reinforce the various product and service marketing activities being used by the product brand(s). Corporate communication should, thus, provide value to customers, publics, stakeholders, shareholders and the like in addition to customers and prospects for the product brand(s). But, it should be noted that those values may not be immediately measurable in terms of increased exchanges. And, that is the measurement challenge for corporate branding. What value? Over what time? With what return on investment?

The purposes of corporate branding have been illustrated by Chernatony and McDonald (1998) and are adapted by us below to indicate what a corporate brand is and what it can potentially accomplish:

- make the company name known, distinct, and credible in the minds of existent and potential customers, consumers, and stakeholders
- facilitate the building of relationships with existing and potential customers, consumers, and stakeholders
- portray, if possible, the benefits offered to buyers and stakeholders that embody the value system of the corporation

To these criteria, we would add the corporate brand also provides value to employees, -- shareholders, market analysts, community leaders, and on and on. We focus first, however, on the value the corporate brand can provide to consumers, customers, and other more closely aligned stakeholders.

Many major organizations have done a great deal of work in this area. Many companies divide the corporate brand into three levels:

**Trademark** – these are the symbols, names, icons and the like the firm owns and can protect. Corporate communication is generally responsible for this through the legal department.
**Brands** – These are the relationships with customers and consumers and stakeholders that products and services create for the firm through the promises they make and the experiences these stakeholders have.

**Trustmarks** – These are the quality and experience that are the result of brand activities promised and delivered through the various brands and trademarks. For the most part, these are reliability, trust, consistent dealings and the like that reside within the corporate organization. The corporate communication group is responsible for seeing that the brands and trademarks provide the trust that the organization owns or wants to own.

**Building Brand Identities**

The senior management of one corporation -- Electrolux -- believes Corporate Brand Identity is composed of “Familiarity” which comes from the marketplace i.e. from customers, consumers, stakeholders, and the like through their knowledge and experience with the firm’s products and services. That’s what corporate communication is supposed to do, build familiarity for the trustmark. That is critical. If stakeholders don’t know or aren’t familiar with the name or brand or the firm, little else matters.

In addition, Brand Identity is also influenced by two other major elements. One is Specialization; that is, what the organization does best, what it is known for, its place in the market. This can be separated into Relevance and Differentiation. In other words, what does the firm do that is relevant to the stakeholders and what makes the organization different from its competitors? These two areas are vital at the market and individual customer level.

The second element is Authority; that is, what is the basis for or the support for the corporate identity? Electrolux believes there are three factors: Quality, which is straightforward, i.e., workmanship, ingredients, construction, distribution, service, etc. Leadership, defined as where and how the organization rates in the world or in certain attributes or activities. For example, are they leaders in various areas such as technology, pricing, intellectual capital, value, and so on? The third factor is Trustworthiness; that is, can the stakeholders trust the company and its management? Has it been honest and fair in its dealings with various publics over time?
Using this approach Electrolux management is then able to construct their Brand Architecture approach; that is, how the various units can or should use the corporate brand in all forms of communication.

Electrolux has created a corporate brand architecture that ranges from Solo where the brand is on its own with little or no corporate identification to Hallmark. Hallmark equates to instances where the corporate brand means authority and a reason why the expertise of the corporate parent enhances or supports the promises of the individual brands. Extensions indicate how or in what ways the corporate or individually supported brands can be extended and expanded into other product and service areas. Finally, there is Family. The firm creates a family of brands under the corporate name as organizations such as Virgin or Nestle have done. All these structures are, of course, dependent on how corporate brand value is created and what it means to customers and prospects.

Creating Corporate Brand Value

Corporate Brand Value comes from four things. Quality that is maintained throughout the firm. Power which means the authority and capability that the firm is able to generate through internal and external resources such as R&D, manufacturing capability and so on. Price which means the value they deliver to stakeholders in all areas. And, Loyalty, that is how much support and advocacy the firm has been able to develop over time in the marketplace from customers, employees, channels, and so on.

Loyalty has been a major problem for the new economy dot.com firms. Because of their lack of time in the market, level and quality of customer experience, and their resulting questionable profitability, it has been extremely difficult for these and other start-up firms to build either a product or corporate brand.

Surrounding Stakeholders with Corporate Communication

The goal of corporate communication is to surround the various stakeholders with communication that inoculates or least helps insulate them from other external influences. Charles Handy (1995) taught the principle of the American doughnut In The Empty Raincoat. He stated that the principle of the doughnut requires it to be “inside-out” with the hole on the outside and
the dough in the middle. It is, therefore, as with most useful metaphors, an
*imaginary doughnut*, a conceptual doughnut, one for thinking about, not for
eating, but the concept holds great relevance for our discussion.

However, we are using Handy's metaphor in a different way. The core of
any organization is the corporate values it represents. This we personify as
the corporate brand. And corporate brands exist irrespective of the
communication policies advocated by senior management. In the 21st
century, corporate communication must be the core element in all
organizational communications, for it is the basis for all organizational
direction and purpose. This core of corporate values is then surrounded by
the various forms of product branding and the associated integrated brand
and marketing communication programs that might be developed and
delivered. Thus, the corporate brand should form the core of the
communication program and all other forms of communication must be
allied to and integrated with the core. Likewise, at the marketing level,
individual brands become the core for communication associated therewith.

To us, stakeholders are the main focal point of any integrated
communication activity. Stakeholders are perceived as customers rather than
consumers. The stakeholders are surrounded with the actual things the
organization does and the resulting experiences the stakeholders have or
might have. For example, that could include products, pricing, channel
contacts, customer services, perceived value compared to competition and
the like.

Corporate communication is aimed at *publics* via a variety of interactive
deployable tools. These include corporate advertising, corporate publicity,
public affairs, government relations and lobbying activities, issues
management, financial and analyst relations, and corporate sponsorship.
These are conceptualised and explained in Kitchen (1997) and Cutlip et al.
(1994). The aim of such activities is to support and underpin both the *image*
and *identity* of the firm.

**Corporate Image**

Corporate image has been described by Van Riel (1998) as the picture
people have of a company. In other words, corporate image is “owned” by
people without any conscious effort going on by the company concerned. Dowling (1986) described image as:

the set of meanings by which an object is known and through which people describe, remember and relate to it. That is, the net result of the interaction of a person’s beliefs, ideas, feelings, and impressions about an object [company].

People can be employees; consumers; suppliers of material, parts, labor, or capital; customers; distributors; agents; joint venture partners; business analysts; share dealers; newspaper editors; business journalists; or pressure groups. Each have a view, an opinion, an image, which consciously or unconsciously sway their expectations or attitudes toward or against the brand and firm. Integrated communication at the corporate level implies that relationships with each of these publics or groups needs be managed in a pluralistic interactive manner and with a long term relationship marketing perspective in mind (see Kitchen, 1997). Image is too important a subject to be left to chance. Relationships need to be built and managed over time. Image can be strengthened, reinforced, or altered perhaps more positively by organizational efforts to create and manage the corporate identity.

**Corporate Identity**

The corporate image can, to a degree, be seen as representative of the identity of an organization. Undoubtedly, such identity is conveyed by the messages (signs, signals, symbols) that an organization communicates about itself. Thus, we argue that images are the internal criteria which people have of an organization, while identity is the planned or managed effort by an organization to communicate with its target groups. At best, image will be a microcosm of the attempts an organisation makes to communicate its identity. Firms and businesses approach identity, or the ways in which they attempt to communicate with publics, in different ways (Olins, 1989).

Identity structures are related to different types of overarching strategy (see Kammerer, 1988, cited in van Riel). While it is not necessary to review all types of strategy here, plainly companies are not only at different stages in terms of their international, multinational, or global development, but they also adopt different strategies based upon the overarching organizational strategy, which itself is a function of historical development. However, it is
our view that corporations are becoming more visible and more accountable. Corporations have to play a role, become global citizens, be seen to contribute in some way to the quality of life on this planet. In other words they must go beyond quid pro quo exchanges. For example, what a company does in Pacific Asia in terms of employment policy impacts on corporate image around the world (see Kitchen, 1997; Yip, 1996).

Corporate communication at its simplest is primarily a mechanism for developing and managing a set of relationships with publics or interested parties who could affect overall performance. These relationships must be viewed in a long term strategic fashion. For monolithic or branded or endorsed companies, all the tools of corporate communication will need to be deployed. Even for those firms which maintain a branded approach, many publics (including consumers) are becoming more and more interested in what a company is, where it is coming from, who is managing it, whether there are problems created of an environmental nature because of business processes, and how and in what ways the organization as a whole is acting as a solid corporate citizen.

Moreover, each type of firm is involved in the process of analysis, planning, implementation and control of corporate identity programmes in various markets around the world. Images are, to a very significant degree, dependent on the meanings inherent in the identity programmes deployed. And, it is relatively straightforward these days via the Internet to not only access positive information (via a company Website), but also to gather criticisms of firms, products, and brands, -- at least some negative aspects of corporate and brand behaviors which most firms would probably like to see ignored. Organizational image, in our view, can act as a powerful and protective force field in containing and nurturing the basketful of brands within corporate portfolios. Expenditures, however, in the corporate domain, are dwarfed by the expenditures taking place at the level of individual brands and it is to that area that we now turn.

INTEGRATED MARKETING COMMUNICATION

Integrated marketing communication is the major communication development in the last decade of the twentieth century. Most of the history of IMC approaches, theory, and contribution, however, are very recent in
nature. Just as businesses do not spring, full-blown, into the arena as global forces, so businesses do not suddenly decide to become “integrated.” It is clear, though, more and more firms are considering communication as the key competitive advantage of marketing per se.

Most firms are starting to, or have raised, the corporate umbrella over the basketful of brands within their portfolios. These brands are powerful strategic assets. They need to be protected, nurtured, and developed into international, and in some cases global, brands. But to consumers, the only real brand equity they possess is their knowledge organization packets about the brands they buy, are persuaded to use, or in some cases reject. What do consumers believe about a company, product, service, or their relationship with the brand? Put another way, what really creates and sustains brand loyalty? It is communication and customer experience! Product design, packaging, brand name, pricing strategy, location and ambience of accessibility (or distribution) are all (following Shimp, 1998) forms of communication. And, indeed, we argue that communication is essentially the experience the customer has with the brand over time. Quality is a form of communication. Customer service is another form of communication, as is availability, price, and so on.

From our perspective, all forms of communication over which the company can exercise control or influence can be integrated. Firms obviously do not arrive at integration overnight either. Instead they progress through at least four stages discussed below:

Stage 1: Tactical Coordination

Firms in this first stage of tactical coordination focus on the idea of one sight, one sound; that is they attempt to integrate promotional elements such as advertising, sales promotion, marketing public relations, direct marketing, and/or the Internet. Firms, also, strive to maximise consistency and synergy among all promotional mix elements. They may typically instruct advertising agencies to maximize all potential exposures to the brand through a multiplicity of different media. Typically, and in accord with marketing communication theory, messages will vary in content, but the same core values will be depicted repeatedly. Repetition of the same promotional campaigns, however, that have been successful in, for example, the U.S.A., often mean problems if adopted and implemented wholesale.
overseas. Typically, consumers may respond in different ways simply because their fields of experience differ.

**Stage 2: Redefining the Scope of Marketing Communication**

In the second stage, the firm starts to adopt an outside-in, as opposed to inside-out, perspective. Typically, the focus here is on the customer's or consumer's reception, perception, and perspective. Rather than simply integrating from a tactical Stage 1 perspective, businesses look at all potential contacts a customer or consumer may have with a product, service, brand, or company. For the first time, firms start to consider integrated communication -- from the dual perspective of both internal and external communication activities. Thus, they begin to attempt the alignment of all communication to fit the needs of corporate publics, including consumers, and exchange partners, customers or consumers.

**Stage 3: Application of Information Technology**

The third stage does not constitute the arrival and incorporation of consumer and customer data as the driving force for marketing activity. Usually, this empirical data is already available inside the organization. Instead, the firm starts to understand, aggregate, and apply the data to identify, value, and monitor the impact of integrated communication programs to key customer target markets or segments over time. It is generally here that communication clearly becomes a strategic corporate tool and not just a departmental tactical activity.

**Stage 4: Financial and Strategic Integration**

The fourth stage constitutes the highest level of integration at this time. Here, the emphasis moves to deploying both the marketing database(s) identified in Stage 3, with the previous abilities developed from Stages 1 and 2 to drive corporate and marketing strategic planning using customer information and insight. Firms in this stage tend to re-evaluate financial information and infrastructures to aid in the development of "closed-loop" planning and evaluation. Thus, firms at this stage are able to evaluate marketing expenditures based on some type of return-on-investment in customers or in marketing communication activities.
CONTEXTUAL OVERVIEW

The majority of firms, whether international or global in scope or scale, are moving through these stages, though relatively few (possibly a handful) have now arrived at Stage 4. Most multinationals and global marketers, in our experience, will be working at Stages 1 or 2. Initially, their goal is to find ways to integrate the broad variety of brands they have created over time. They also struggle with the integration of the large number of individual marketing databases and with the customer segments or niches they are serving, and relating all these to the to-be targeted marketing communication plans they hope to deploy. However, overlaid on this ideal template will be their position in their historical, cultural, managerial and contextual situation. Likewise, each brand within the corporate portfolio may be positioned nationally, internationally, regionally or globally which, of course, compounds the communication management problem.

While a specific study of corporate communication has not, to our knowledge, been conducted such as the one on IMC cited, we strongly believe the same type and structure of integration development would likely be found. Thus, we believe the four stages of integration are applicable to corporate activities, not just to product brand communication. Further, we believe the framework outlined can be used by corporate communication managers as a guideline for integration development in all types of firms.

SUMMARY AND CONCLUSION

This paper has considered the global marketplace in which integrated communication or integrated marketing communication has to be deployed. The key word is contextual. Contextual in the sense of firm and environmental dissimilarities. Contextual in the sense of differential approaches by firms over time. Contextual in the sense of brand positioning either from a corporate or marketing perspective. We then discussed the move to a global approach in which brand dimensionality (external image vs internal identity) drives firms to consider more societally oriented approaches. In the early 21st century, the process of businesses and consumer exchanging brands and monies will undoubtedly continue. But the corporate brand, what the firm is, what it stands for, will be of major interest to consumers, customers, and stakeholders around the world.
Information, not just from a partisan company perspective, will also be available from anywhere in the world. Notably, consumers, customers, and stakeholders are no longer dependent on company-generated information. This will, we believe, necessitate two types of integrated communication—namely corporate and marketing. For some firms, this distinction will be irrelevant. For others it will be crucial. Businesses must decide for themselves. Stakeholders want to know who the firm is and what it stands for and how it operates. Today, there is no escaping and “stonewalling” is certainly not a solution, as firms such as Monsanto, Coca Cola, and others have learned to their chagrin.

REFERENCES


---

Philip J. Kitchen holds the Chair in Strategic Marketing at Hull University, Hull, UK. An author of five books, he has published many papers on corporate and marketing communications in academic and practitioner journals in the U.S.A. and Europe.

Don E. Schultz is Professor of Integrated Marketing Communications at the Medill School of Journalism, Northwestern University, U.S.A. Author of ten books, Don is a prolific writer, and has published and presented academic and practitioner papers at leading conferences around the world.

**Acknowledgement**

We gratefully acknowledge the kind permission of NTC, Chicago, and Palgrave (nee Macmillan), London in allowing us to draw upon elements from our book: Schultz and Kitchen (2000) op cit.