

PREFACE

Back in the late 1980s and early 1990s, we developed the concept of Integrated marketing communications (IMC) and published what has since become the seminal work on this still-emerging topic, *Integrated Marketing Communications: Putting It Together and Making It Work* by Don E. Schultz, Stanley I. Tannenbaum, and Robert F. Lauterborn. Today, while the book remains a popular and useful work for marketing communications (marcom) specialists as well as top management, anyone reading it will clearly see that times have changed. George Herbert Walker Bush occupied the White House. Russian president Mikhail Gorbachov won the Nobel Peace Prize. China was just beginning to open its borders and its economy to the outside world. Asia was booming, driven by the Tiger economies. The Internet and mobile telephony were still the domain of computer geeks and a few academics, and not many of the rest of us even had E-mail addresses. No one had yet heard of dot.com companies.

The field of marketing communications also bore little resemblance to today's environment. Advertising—particularly television advertising—was still the dominant form of commercial communication. While David Aaker was on the verge of popularizing the branding phenomenon, most marketers still thought in terms of products, not brands. Most firms, too, were just beginning to realize that globalization of communication, finance, and transportation could tie the world together in ways that had never been previously imagined. Consolidation and

concentration in manufacturing and distribution were just beginning to surface. And Wal-Mart was just starting its march to become the biggest retailer in the world.

Against this background, integration was a new concept and one that businesspeople had difficulty understanding. Organizations were strictly divided into individual business functions or units, all separate, independent, and managed from the top down. There was little talk of cross-functional teams, and the concept of the “flat” organization—without the usual management hierarchy—was little seen outside of Japan.

The explosion of technology in the 1990s changed all that, radically altering the ways businesses and communication operated. It was into this tumultuous environment that IMC emerged.

When Don Schultz, Stan Tannenbaum, and Bob Lauterborn—along with colleagues at Northwestern University—began to take integration seriously, many thought they had taken a wrong step. Some business practitioners, for instance, could not see beyond the functional systems around which their organizations were built. Others, notably advertising agencies, saw integration of marcom activities as a threat to their single-minded specialization. Others thought the reliance of integration on data, databases, and analysis would destroy marcom “creativity.” Still others recognized the benefits of integration but believed the process was too difficult to implement within their own organizations. Despite the naysayers, integration hit its mark with a few forward-thinking pioneers who began to develop and implement IMC methodologies within their organizations, their agencies, their media systems, and, most of all, their classrooms and seminar halls.

Today, few people involved in any form of marketing or marketing communication would say that integration is a bad thing. While there are still significant challenges to its implementation, the concept has achieved acceptance in businesses of all types. We talk of business systems, of integrated processes, of aligned and focused business teams, and of cross-functional work groups. And while the concept of integrated marketing communication has evolved more rapidly in some

organizations than in others, it continues to take a stronger hold in companies around the world.

So, since IMC has already gained in acceptance—in part because of the publication of the first book and its translation into at least twelve major languages—why is there a need to revisit the subject? The reasons are many and complex, representing the growth to maturity of what was, less than fifteen years ago, a revolutionary concept.

In this book, we begin by reviewing the research, teaching, and practice that have taken place since the first book was published. Five major changes are immediately apparent.

A Move to Brands and Branding

Over the years, it has become clear that customers relate to brands, not to the various forms of marketing or marketing communication. Thus, branding becomes the basis for much of our discussion of integration. In today’s business environment, disintegration can destroy a brand, whereas coordinated and aligned communication—such as that practiced at companies like Dell, FedEx, and Starbucks—not only builds brands, but does so faster, more easily, and at less cost than traditional communication approaches.

A Five-Step Implementation Process

The first IMC book offered a conceptual framework but conceded that implementation of truly integrated communication remained a formidable challenge. The main reason was the constraints imposed by technology in the early 1990s. Today, phenomenal advances in communication technology provide a new platform for integration. In this book, our five-step process offers a disciplined and focused methodology through which to implement integrated communication programs for all types of firms. It presents marcom managers with the first viable

model for developing communication since the timeworn marketing concepts of the Four Ps and the hierarchy of effects model.

A Focus on Individuals, Not Market Segments

The concept of one-to-one communication has had great play during the past decade. Yet while the idea of communicating with customers at the individual level has intuitive appeal, its practical implementation has proven to be nearly impossible. In this book, we take the best of the one-to-one approach and combine it with a model that aggregates individuals into like-behaving groups in order to communicate with them effectively and efficiently. In short, IMC now blends the best of the old with the best of the new in a formalized process that is easy to understand and implement.

A Move Toward Measurement and Accountability

The biggest change in marketing communication since the first book was written is the increased focus on measurement and accountability. Back then, we talked in terms of what could be done to integrate communications at the tactical level. As IMC has evolved, it has become clear that its initiatives are strategic, not tactical, in nature. They are closely linked to the short- and long-term goals of the entire organization, not just to product sales objectives. In this book, our approach to IMC is primarily strategic and value-driven. It is designed to answer the questions senior management and shareholders ask, namely: How much should we invest in marketing communication? What will we get back from that investment? Over what period of time will those returns occur?

Traditionally, practitioners have assumed that marketing communication is a “creative process,” even an art form, and as such is neither measurable nor accountable in financial terms. We argue that this is simply not the case. Like any other asset the firm owns, its investment in

customers and prospects through marketing communication must deliver identifiable and measurable financial returns, building value for the organization and its shareholders. Using our value-based IMC process, companies are able to measure those returns in both the short term and the long term, putting a clear and distinct value on their marcom investments.

A Global Approach

Since the publication of the first book, IMC has circled the globe. When the concept was first being developed, many thought IMC could be practiced only in established, data-rich, sophisticated economies. Such is not the case. The concepts can and have been adopted in markets as diverse as India and China, Chile and Mexico, Japan and the Philippines. In short, as the cases and examples in this text show, IMC is one of the few approaches that really can be developed and implemented on a global basis.

As you read *IMC—The Next Generation*, it is important to keep these five areas of change that help define IMC clearly in mind, for you will find as you develop IMC programs in your own organization and watch the development of programs elsewhere that all five areas continue to change. You will see that integrated marketing communication is a dynamic, evolving concept that will help prepare you and your organization to succeed in the future business landscape.