MARKETING PARADIGM: TRANSITION FROM MC TO IMC

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Abstract

A major change is occurring in marketing in general and also marketing communications (MC) due to
the digital revolution and increased sophistication of consumers. In the paper the authors state that because of
the prevalence of this marketing trend the systematization aspects of marketing communication integration
and new marketing communication methods/approaches in the theoretical level declare about their urgency
for better interpretation of marketing communication structure in marketing practice. In the authors’ opinion
it is important to respond to this paradigm shift with enhanced integration and correct use of MC in order to
maximize marketing efficiency. Integrated marketing communications (IMC) are capable of solving a wide
range of problems in urgent marketplace. That is why the new marketing paradigm approach and analysis
underline the importance of IMC development and implementation in companies. The aim of the paper is to
reveal the importance and exigency of a new point of view on MC in general and its use in modern market –
the integrated approach. Following the accomplished survey, the authors propose to establish an innovative
point of view for defining and achieving companies’ aims according to the changes dictated by marketing
paradigm.

Keywords: marketing paradigm, marketing communications, integration, IMC.

JEL Classification: M30, M31, M39.

Introduction

Marketing is a discipline containing a number of paradigms which draw on a number of theories. A
major change is occurring in marketing in general and also marketing communication due to the digital
revolution and increased sophistication of consumers. Marketing Communications, as a very dynamic and
changeable concept, also is one of the new marketing paradigm approaches.

All over the world the market of marketing communications (MC), especially advertising, is saturated
and cluttered with different types and contents of reports. It seems traditional approaches have exhausted
themselves and traditional tools are becoming less effective. Marketing communications market is
developing very fast, including the new correctives into the marketing theory and practice according to the
trends in the development of technology, consumers’ changing values and perception aspects, content
aspects of products, services and ideas. Namely the consumers are determining/dictating the needs they want
fulfilled now. Besides globalization and non-traditional approaches influence MC perception and
implementation. Consequently, a rational marketing and communication approach must be demand rather
than supply-oriented in the modern society and markets. In the paper the authors emphasize that such
marketing point of view is becoming more and more urgent, therefore the systematization aspects of
marketing communication integration and new marketing communication methods/approaches in the
theoretical level declare about their urgency for better interpretation of marketing communication structure in
marketing practice.

In the authors’ opinion it is important to respond (for companies/marketers) to this paradigm shift with
enhanced integration and correct use of MC in order to maximize marketing efficiency in general, and also to
attract/involve and satisfy the modern consumer. That is why integrated marketing communications (IMC)
have become more urgent and powerful nowadays. Also, it is important to note that IMC provide the
demand-oriented (not supply-oriented) thinking and proceeding, transition from mass-marketing to more
effective individual approach, diversity of communication channels; they contribute to the solution of the
globalization- caused MC problems and substantiate the nature of the so popular non-traditional approaches.
IMC is capable of solving a wide range of problems in the urgent marketplace (much more effectively than
the classical MC). That is why the new marketing paradigm approach and analysis underline the importance
of IMC development and implementation in companies.

The main challenge (for marketers) is to reveal the importance and exigency of new point of view on
MC in general and its use in modern market – the integrated approach (point of view).

Research hypothesis: The application of the set of IMC tools and technologies provides for a more
efficient achievement of marketing aims than the application of the classic MC. Research aim: To study the
criteria (factors) which determine the prevailing necessity of using IMC in accordance with requirements of
the modern marketplace. **Research object:** Marketing communications paradigm. **Research subject:** IMC set for the solution of communication problems. **Research tasks:** (1) To study the theoretical aspects of the marketing paradigm by identifying the transition features from MC to IMC; (2) To carry out an expert survey based research aimed at updating the MC market situation in Latvia; to identify the positive MC practice as well as problems and challenges; to determine the IMC topicality, the need for their use and their likely pros or cons; (3) to present conclusions and recommendations for the increasing of the MC efficiency in Latvian market. **Research methods:** analysis of literature, expert survey. **Review of literature:** To be convinced about the existence of such an opinion the authors have accomplished (1) a wide literature survey regarding the leading researchers’ opinions by using ScienceDirect, Emerald, etc. databases and applying content, statistical, etc. research methods. In order to determine and correctly argue the topicality of the current market situation the examined literature covers a large time span; (2) and survey of professional marketers about the new paradigm in the case of transition from MC to IMC. **Expert survey within the research:** In October 2011-February 2012 an interrogation of the representatives of Latvian marketing agencies, biggest companies and academic environment was carried out under the guidance of the authors in order to accomplish the research tasks. According to accomplished interrogation, the authors propose to make innovative point of view in defining and achieving companies’ aims according to changes dictating by marketing paradigm.

1. **Theoretical review of transition from MC to IMC**

One of the significant marketing trends of recent years is a move toward fully integrating all business practices that communicate something about a company’s brands to customer (IMC). No promotional tool should be used in isolation or without regard to the others; hence there is a trend toward integrated marketing communications (Czinkota & Ronkainen, 2007). Many conclusions of researchers and most of the studies justify the effectiveness of the IMC and point to multiple advantages in comparison to the classical MC (by classical MC meaning a separate application of marketing communication means and instruments without harmonizing them and not creating a common marketing communication program which is subordinate to one common marketing aim and achievement of the aim) (Batraga, 2007; Clow & Baack, 2007; Dahlen et al., 2010; De Pelsmacker et al., 2007; Drobis 1997; Duncan & Everett, 1993; Egan, 2007; Lee & Carter, 2005; Schultz & Kitchen, 2000; Shimp, 2007; Smith & Zook, 2011; Stewart, 1996). Nowadays effective marketing communications are mostly Integrated Marketing Communications (IMC). The appearance of numerous new approaches is explained by the multiplicity and great opportunities of IMC by combining different marketing tools. In order to describe transition from MC to IMC it is important to identify MC and IMC major differences, and also the contributing factors of the IMC development and popularity.

In Table 1 major differences between ‘classic’ communications and integrated communications are summarised. In this overview the focus is on the changing nature of communications and the changing attitude of the consumer. Both necessitate a seamless integration of communications instruments. Integrated communications are much more personalised, customer-oriented, relationship-based and interactive. By means of integrated communications the key objectives of modern marketing can be reached much more effectively. (De Pelsmacker et al., 2007; Yeshin, 2007; Fill, 2001)

**Table 1.** Classic and integrated communications (Based on: Van Raaij 1998)

<table>
<thead>
<tr>
<th>Classic communications</th>
<th>Integrated communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aimed at acquisition</td>
<td>Aimed at retention, relationship management</td>
</tr>
<tr>
<td>Mass communications</td>
<td>Selective communication</td>
</tr>
<tr>
<td>Monologue</td>
<td>Dialogue</td>
</tr>
<tr>
<td>Information is sent</td>
<td>Information is requested</td>
</tr>
<tr>
<td>Information provision</td>
<td>Information – self service</td>
</tr>
<tr>
<td>Sender takes initiative</td>
<td>Receiver takes initiative</td>
</tr>
<tr>
<td>Persuasive ‘hold up’</td>
<td>Provide information</td>
</tr>
<tr>
<td>Effect through repetition</td>
<td>Effect through relevance</td>
</tr>
<tr>
<td>Offensive</td>
<td>Defensive</td>
</tr>
<tr>
<td>Hard sell</td>
<td>Soft sell</td>
</tr>
<tr>
<td>Salience of brand</td>
<td>Confidence in brand</td>
</tr>
<tr>
<td>Transaction-oriented</td>
<td>Relationship-oriented</td>
</tr>
<tr>
<td>Attitude change</td>
<td>Satisfaction</td>
</tr>
<tr>
<td>Modern: linear, massive</td>
<td>Postmodern: cyclical, fragmented</td>
</tr>
</tbody>
</table>
A number of important changes and trends have created the need and urge to integrate marketing and corporate communications and to facilitate them. The main key drivers of integrates communications are: loss of faith in mass media advertising, media cost inflation, need for more impact, need for more cost-effectiveness and efficiency, media and audience fragmentation, increased reliance on highly targeted communication methods, low levels of brand differentiation, increased need for greater levels of accountability, technological evolutions, greater levels of audience communications literacy, overlapping audiences, more complex decision-making units, need to build more customer loyalty, move towards relationship marketing, globalisation of marketing strategies. (De Pelsmacker & Roozen, 1993; De Pelsmacker et al., 2007; Schultz et al., 1992; Low, 2002; Liechty et al., 2001)

It is clear that such trends present new challenges in the field of MC, also requires MC effective use and integrated approach. Some of the most forceful supporters for the integration of communications have argued that the question “integration or not” is, in fact, futile as the drive towards IMC is inevitable due to the revolution of Internet and Communications Technologies and an enlightened understanding of the nature of communications (Lee, Carter 2005). Identifying important MC trends, the authors conclude that the IMC is more efficient than the classical MC, using tools independently/separately. Therefore, in the next stage of the research the expert survey is carried out to identify the actual market situation in practice.

2. Expert survey results

In October 2011-February 2012 an interrogation of the representatives of Latvian marketing agencies, biggest companies and academic environment was carried out under the guidance of the authors in order to update the MC market situation in Latvia, identify the positive MC practice as well as problems and challenges and to determine the IMC topicality, the need for their use and their likely pros or cons. The experts addressed were the following marketing agency representatives – Euro RSCG Riga/BigIdea (G.Ozoliņš), PR agency Mediju Tilts (G.Klēģers), DDB Worldwide Latvia (G. Mūrnieks); Internet Marketing Group (M.Skuja), Baltic Communications Center (G.Feders); Baltic Entertainment Agency/Idejunams (A.Jēkabsons); marketing top managers – Johnson & Johnson AB Latvia (D.Rūtītis); Knauf (A.Vīksna); Marketing Department of the University of Latvia.

The authors have decided to summarize the research results under three stages: (1) Current MC market situation in Latvia; (2) Evaluation of the efficiency of marketing communications; (3) Topicality of integrated marketing communications.

2.1. Current MC Market situation in Latvia

During the first stage of the expert survey the experts presented their estimation on the current MC situation in Latvia by naming the most important problems/trends, which influence the success of the implementation of marketing communications. Figure 1 presents the most important trends/problems characterizing the MC market of Latvia.

According to Figure 1 the most important factors/trends leading to the MC market changes are the following: increasing role of internet; media and audience fragmentation; technologies; customer loyalty exigency, etc. In addition the experts provided their comments which supplemented the factor review and underlined the following aspects: (1)Marketing communication has been most affected by the socio-economic factors, the main of which is the purchasing power of population and changes in the money spending habits. This has led to the situation when the price has acquired the dominant role in influencing the consumer’s buying decision when purchasing, for example, their casual services/products and at whiles it even oppresses the significance of the brand; (2) the key factors are to be associated with the rise in the number of the users of social networks and the Internet in proportion to the total number population. The role of the Internet as a communications channel is steadily increasing. Besides we have to take into account the changes in the market and consolidation in various industries as a result of the recession. (3) The development of marketing is currently influenced by diverse social development factors which imply a steadily increasing rivalry not only among the domestic enterprises, but also internationally. They are closely linked with the development of science and technologies. The technological revolution has promoted the use of subjective data not only in forecasting the development of economy on the microeconomic level, but also in macroeconomics. Markets are shrinking, increasingly big importance is allocated to the environment protection, there is a constant rise in the speed of the development of communication technologies and rapid changes are taking place in the popular attitude to the consumption itself. Marketing and investments are aimed
at the implementation of long-term corporate goals. Marketing and marketing communications in the Latvian market are most directly affected by the evolution of technologies, economic situation, information availability as well as changes in the consumer mode of life and consumption habits.

From the results presented above we can conclude that the current market situation and its trends generally coincide with the most popular global trends in the MC context as well as with the conclusions of scholars on the problems and challenges in the market and the most important factors which promote the development of IMC and underline the need for their application. On the whole these factors are analogous to the reasons suggested in the theoretical context as the key driving forces behind the need for increasing the topicality of IMC. Having established the current MC situation it is important to identify the possible MC solutions, directions and the respective enterprise orientation aimed at overcoming the existing problems, follow the trends and react to the influencing factors. Consequently, the next stage offers the expert opinion on the conditions for the successful application of MC and estimation of the current situation regarding the fulfilment of these pre-conditions.

2.2. Estimation of Marketing Communications Efficiency

The next stage of the research explored the expert opinions on the MC orientation directions/conditions that provide for a higher efficiency of marketing in the Latvian market. During this stage both the estimation of the directions for the MC efficiency as well as actual market situation was provided. The results present specific trends which indicate rather essential differences between the desired and actual situation and market potential as well as development directions. The selection of the success conditions for marketing communications and the communication directions is presented in Figure 2.
As it can be seen in figure 2, among the factors determining the MC efficiency the experts chose cyclical and interaction-oriented communication which involves the dialogue with consumers, brand-loyalty etc., which suggests the potential and advantages of IMC compared to the classic MC. Thus, on the whole, the experts were unanimous in supporting the application of IMC (instead of the classic MC) and attributed an important role to IMC in the implementation of the marketing process thus denying the unconditional sustainability of the classic MC in the current market conditions. As a result, the authors came to the conclusion that IMC provide a full-fledged potential for the achievement of the marketing aims which mostly cannot be ensured by the classic MC.

However, during the research the authors also faced a certain contradiction which revealed significant differences between the above-mentioned desired (providing efficiency) – market situation regarding the MC application directions and the actual situation in the market. The expert estimations indicate the situation when the generally acknowledged MC methods often are not used and enterprises still do not apply the IMC potential and their advantages. Based on the expert comments and estimation of the current market situation the following aspects were highlighted: (1) Latvian enterprises apply the above-mentioned IMC methods (IMC potential) within their own capacity and understanding, however it is done rather seldom; (2) Either due to the lack of funds or qualified marketing specialists smaller enterprises often fail to meet the conditions for the success; they apply IMC just partly or focus on individual MC solutions. It is certainly more useful to apply IMC rather than just MC therefore almost all of the biggest enterprises of Latvia use IMC. However, it must be stressed that no particular change has taken place in the mass-consumption goods segment and mainly the classic communication solutions and methods are applied there; (3) the approach has currently been significantly deformed by the financial situation. The situation has been improving lately, however, for a long period of time the „payment of current invoices” was more significant than the formation of long-term relations. On the one hand, saving has imposed following the return or ROI more carefully. The return, however, is currently more focused on the short-term result – enterprises concentrate on the next day rather than the next month as the overall economic situation is unstable at the moment and another recession is forecast which makes many enterprises revise their long-term strategic aims. This inevitably affects marketing. Respectively, it must be assumed that the market will be unstable and less predictable.

When summarizing the acquired information the authors came to the conclusion that disregarding the fact that concrete MC efficiency conditions exist /have been developed (and coincide with the IMC potential), which are supported by several scholars and practitioners, participants of the Latvian market, there is still a pressure (market situation) in the Latvian market context that often requires acting inaccordingly/contrary to “in the old fashion”/irrationally (by taking into account the consumer behaviour aspects, the funds available to the MC providers etc.). The actual market situation significantly lags behind the formal guidelines, the ratio between the awareness/desire to efficient marketing (MC management and IMC application) management and the intentions/desires of the involved persons, considering the financial
situation and insufficient resources etc. in the country as the key negative factor. However, there is a positive trend that can potentially provide for the shifting of stress between two aspects – saving and efficiency.

When looking for the most significant MC success conditions in general and in the context of the Latvian market it is important to identify the IMC potential in the Latvian market which was examined in the following stage.

2.3. **Topicality of Integrated Marketing Communications**

Upon the identification of MC success directions and their correspondence to the IMC definition and potential it is important to find out the expert estimation of the IMC topicality, potential and likely benefits from applying them. The results regarding the estimation of the IMC topicality are reflected below.

The majority of the survey results within this survey section indicate the topicality of IMC, the necessity of their application, in general and specifically in the Latvian market as the suggested estimations are very high – 75-100% agreement:

1. The most effective MC approach is an integrated, coordinated communications set – 95% agree
2. IMC provides the highest efficiency of the company's marketing efforts – 100% agree
3. IMC promote the company's cost reduction – 65% agree
4. IMC encourage consumer loyalty to the company, product and brand – 75% agree
5. IMC require more investment than the classic MK (using MC tools independently/separately) – 25% agree – This issue is very disputable, as it follows from the answer results, therefore the reasons were found out from which the most significant was the situation when the introduction of the IMC programmes requires bigger resources, however, the application stage optimizes the total costs of MC by subjecting the tools and funds to a single marketing strategy, aim and tasks as well as other MC management aspects.
6. IMC meet the global economic internationalization and globalization trends – 95% agree
7. One of the essential conditions for successful MC in the global marketing context is a comprehensive, coherent, synergistic, adapted MC, provided by the IMC program – 95% agree
8. Consumers' perception of IMC it ensures the flow of information from indistinguishable (unidentifiable) sources (the side noise prevention) – 85% agree
9. IMC combines discipline, providing clarity, consistency and maximum communication impact and effectiveness – 100% agree
10. IMC is a communication tool combination that provides synergies and "seamless", single, holistic / consistent results – 100% agree
11. IMC is a consistent set of reports to all target audiences, pointing to all the contact form and report the channel approaches – 95% agree
12. IMC makes the communication tools and processes according to Marketing (MC) goals – 100% agree
13. IMC is characterized by added value compared to traditional / classic marketing communications and their implementation – 90% agree
14. IMC promotes corporate internal communications – 95% agree
15. IMC facilitates the company's MC planning and coordination functions – 85% agree
16-18 - Reverse questions, where disagreement was required with the aim to establish the role, efficiency and usefulness of IMC in the Latvian market.
16. IMC are not topical in the case of company's functional specialization – 15% agree
17. The functional specialization of marketing agencies contribute to the IMC development – 10% agree
18. Latvian marketing specialist knowledge level provides for the IMC establishment and implementation – 20% agree

**Question 19-22 results suggest essential problems and contradictions in the IMC introduction regarding the IMC application efficiency and usefulness.** These findings are very valuable for the conclusion and recommendation purposes as well as for ensuring the IMC development in the Latvian market which, as suggested by the experts, is a very important issue.

19. IMC is characterized by the growing popularity in the Latvian market – 45%
20. IMC use in the Latvian market correspond to the universally recognized requirements of IMC program development – 40% agree
21. IMC use in the Latvian market correspond to the universally recognized requirements of IMC program implementation – 40% agree
22. There are no significant barriers / obstacles to the implementation of IMC in Latvian market – 10% agree.

In addition to the acquired results on the topicality of IMC the authors also summarized the expert
estimations and comments and arrived to the following conclusions as a result: (1) IMC represents the key concept for the successful implementation of MC. IMC are aimed at simultaneous work with various audiences: enterprise employees, sales staff, retailers, customers and individual government representatives; (2) The necessity for MC under modern conditions is substantiated with the achievement of better marketing results and increased efficiency as due to new MC tools enterprises can more efficiently segment their markets, establish their target audience more precisely and forecast consumer behaviour in the market; reduction of costs as careful planning and co-ordination of marketing activities with MC allows for reducing the planned budget per potential consumer; promotion of consumer loyalty as under the stiff competition conditions the combination of various kinds of MC is the only possibility to retain and promote customer loyalty; (3) Nowadays the use of IMC is more efficient as balanced and harmonious use of various marketing communication tools allows for achieving a bigger effect than the using of each of the marketing communication tools separately; (4) the interaction of MC and IMC is becoming increasingly bold, noticeable, motivated and effective. Marketers have persuaded their customers that with the current volume of messages received by a consumer one information transmission channel can turn out to be not enough to persuade the consumer; (5) If we assume that the budget is not an obstacle, then IMC are certainly more efficient as they provide the consumer meeting the product/service under various conditions which is certainly more efficient than a routine encoding of the same message under the same conditions and in the same form; (6) In Latvia increasingly more enterprises are starting to use IMC. There also are the cases of rather experimental application of IMC which serve as a lesson to the implementers/clients themselves, but also to their competitors, thus facilitating efficient practice of using IMC; (7) it is not enough with just one MC as the community thinks along and it cannot be hypnotized by a single advertisement. The specific situation of Latvia is that the community is bilingual and IMC solutions must be adjusted to the specific character of each audience and language; the adaptation must not be formal as it will be senseless in such a case.

Experts have also commented on the negative aspects of the situation regarding IMC and problems that are characteristic to the Latvian market. The authors summarized the problem explanations and found the following: (1) The use of classic MC is to be linked either to a limited budget or the specific character of a product/service and respective consumer buying habits and the approach that has proved efficient in the particular situation; (2) IMC are often confused and associated with media integration, rather than the integration of all communication tools. As IMC provide for the synergy effect, Latvian enterprises should strive for using IMC instead of MC as often as possible; (3) Smaller enterprises (either due to the lack of financial resources or lack of qualified marketing specialists cannot afford to hire competent IMC specialists or buy qualified outsourced services) often incompletely use IMC or focus just on individual IMC solutions. It is certainly more useful to apply IMC than just MC. The majority of the big Latvian enterprises use IMC. Some of the enterprises are obliged by law to do that (for ex., the enterprises quoted in the stock exchange).

The sum up the above-stated it must be concluded that IMC is capable of providing excellent possibilities for efficient achievement of marketing aims by overcoming existing market obstacles. According to accomplished survey, the authors propose to establish an innovative point of view for defining and achieving corporate aims according to changes dictated by the marketing paradigm.

Discussions

The summarizing of the above-mentioned results leads to the conclusion that marketing specialists should certainly follow the most important MC trends and guidelines, i.e., for achieving higher efficiency they should use the IMC potential by taking into account the advantages of IMC over the classic MC. However, the results of the expert survey indicate that there are several obstacles for the successful implementation of MC. These obstacles hamper the designing and implementation of IMC programmes. This issue certainly is very topical and essential in the context of corporate marketing implementation. Consequently, it is important to become aware of the nature and explanation of these obstacles as well as find solutions and possibilities for overcoming them, which thus becomes the issue for further investigation.

Conclusions and Recommendations

Based on the results of the theoretical analysis as well as the accomplished research the authors came to the following conclusions: (1) IMC are more efficient than the classic MC which use MC tools and technologies without co-ordinating them; (2) The current market situation in Latvia requires/determines the
use of IMC (design and implementation of IMC programmes) as overall these trends coincide with the most popular global trends regarding MC, scholars’ conclusions on the problems and challenges existing in the market as well as the most important factors which facilitate the IMC development and underline the need for their application; (3) Directions which determine the efficiency of MC in the Latvian market coincide with the IMC potential and should be taken into account; (4) The results of the expert survey prove the IMC efficiency and excellent potential as well as the need for their application in the Latvian market; however the market pressure introduces certain correctives under the actual market situation; (5) there are a few problems in the Latvian market for the successful introduction and application of IMC in the Latvian market.

It is significant to reveal the importance and exigency of a new point of view on MC in general and its use in the modern market – the integrated approach (point of view). In conclusion, it is important to update IMC urgency of etiological, consequent concept in the terms of the paradigm circumstances defined changes. According to the accomplished interrogation, the authors propose to establish an innovative point of view in defining and achieving corporate aims according to the changes dictated by the marketing paradigm.

References