Unit 6:
Further and Future Issues

INTRODUCTION

In this final unit, we look at the remaining important issues in contemporary marketing communications. In particular, we look at some of the more recent trends in marketing communications which are important in planning today's integrated strategies. We also look towards likely future developments.

As we have now completed the overall planning process for integrated marketing communications, you might feel that the areas left to cover are simply a few 'loose ends' that need tying up to complete the course and are therefore probably relatively unimportant to the marketing communications planner. However, this is definitely not the case with the areas covered here; we would not be covering them if they were not vital to the understanding of contemporary marketing communications! In short, there are some key remaining issues and areas in this final unit. There is perhaps less of a unifying theme to the areas in this unit than in previous ones in as we range from issues raised by the question of ethics in marketing communications through to the growing importance of marketing communications across national borders. We therefore consider some very disparate aspects of marketing communications. If there is a unifying theme in the unit, then, it is that an understanding of these remaining areas is essential to complete our knowledge of planning contemporary marketing communications.

In this unit you will need to read the following chapters from the textbook.

Chapter 3: The marketing communications industry

Chapter 4: Ethics in marketing communications

Chapter 17: Messages, contents and creative approaches

Chapter 28: Marketing communications across borders

Chapter 29: Business-to-business marketing communications

Chapter 30: Internal marketing communications

We return to our earlier approach of organising your learning around directed reading and activities.

OBJECTIVES

After completing this unit, you should be able to:

● explain the nature and importance of internal marketing communications

● understand the key ethical issues facing the marketing communications planner

● appreciate the importance of understanding the nature and structure of the marketing communications industry in the development of marketing communications plans

● evaluate some key issues in planning marketing communications across national borders.

● appreciate the similarities and differences between marketing communications for consumers and businesses.

ETHICAL ISSUES

In many areas and aspects of business, ethical issues have become an increasingly important consideration. Marketing activities in particular have been affected. For example, we have recently seen increasing concern about the extent to which marketing encourages excess consumption in society, or about the extent to which marketers are sufficiently concerned with consumer safety and welfare. Marketing communications is affected by this growth in importance such that ethical issues have become crucial considerations in its planning and effective implementation in the contemporary organisation. Ignoring these considerations is likely to lead at least to ineffective marketing and may, at worst, lead to legal proceedings and/or the demise of the organisation itself. It is therefore essential that we consider some key ethical issues facing the marketing communications planner and the implications for their management.

Read Chapter 4.

WHAT IS ETHICAL?

You will now appreciate that there are a number of difficulties in considering ethical issues in the context of marketing communications planning. In particular, one difficulty is in determining what is meant by 'ethical issues', and another in what distinguishes between ethical and unethical practices.

Taking the first of these – the range of ethical issues – one approach is to distinguish between legal and illegal practices in marketing communications. For example, the marketing communications planner would need to take account of legislation and regulatory requirements and their implications in marketing communications. Certainly, there is a substantial amount of legislation and regulation concerning marketing communications practices in most countries, often reflecting the 'collective ethics' in each country as enshrined in legal and regulatory practices. Thus, it is important to consider the legal and regulatory framework within the overall context of ethical issues in marketing communications.

However, this is a very narrow view of the range and types of these ethical issues. The planner may need to consider the possible impact of his or her marketing communications practices from an ethical perspective even though there are no specific legal or regulatory requirements involved. For example, there are ethical issues, over and above strictly regulatory and legal ones, concerning misleading advertising claims, or invasion of privacy through a direct mail or telephone selling campaign. Ethical issues really involve any aspect of marketing communications from the perspective of what constitutes 'good practice'. Admittedly this is somewhat ill-defined, but then so is the whole area of what constitutes ethics and ethical issues in marketing communications.

Our second difficulty in this area concerns the distinction and dividing line between what constitutes 'ethical' versus 'unethical' behaviour and practices. To a large extent this difficulty stems from the inclusion of ethical issues which are not strictly encompassed by regulation and legal proscription. For example, if it is illegal to use racial discrimination in advertising most would agree that such practices are unethical. However, some might argue that all advertising, legal or not, is unethical because it encourages acquisitive and selfish behaviour in society. Similarly, some would consider the use of any type of sexual appeal in advertising to be unethical, even if it was within legal and regulatory bounds, whereas others may view the same advertising as entirely ethical and indeed enjoyable. In short, what is 'ethical' to one person, organisation, or society, may be 'unethical' when considered from the perspective of another person, organisation, or society. We can see why the issue of 'ethics' can raise such difficulties for the manager. Indeed, these difficulties are reflected in the fact that there is much debate, and often little agreement, about the nature, range, importance and management of ethical issues in business including marketing communications planning. Our concern here is not to resolve this debate, even if that was possible, but to understand at least some main schools of thought and ideas of business ethics in general. We consider some more specific ethical issues which specifically concern marketing communications.

SCHOOLS OF THOUGHT IN BUSINESS ETHICS

Review Chapter 4, pages 101–104.

As you will now appreciate after reviewing this part of the chapter it is not easy to judge what is ethical and what is unethical as this may vary between different individuals, organisations and societies. In addition, there are different schools of thought about what ethics and ethical issues are and what constitutes the basis of ethical and unethical practices. Some main schools of thought are outlined in the course textbook. Ensure that you understand the main thrust of these; through the following two activities you will appreciate the key distinguishing perspective of each school of thought and how these relate to the judgement of ethical practices in marketing communications.

ACTIVITY 6.1

Which, if any, of the following statements do you broadly agree with?

- 'The job of a salesperson should be to sell products, not to tell the truth.'

- 'Cigarette advertising has now been banned in many countries, but if it could be proved that more people benefit from smoking due to, for example, reduced stress, than are potentially harmed through this habit then this ban should be lifted.'

- 'Whilst marketing communications should help to sell products, it is wrong for such communication to encourage over-consumption in a society.'

- 'Whilst marketing communications should contribute to the long-term success and value of the organisation, it should never go beyond the bounds of accepted decency.'

- 'Anything is acceptable in marketing communications so long as it increases profits and is legal.'

- 'Marketing communications planning needs to reflect not just customer needs but also the needs of other interested parties.'

Commentary

Almost certainly you will not have found this activity easy. You will probably have found yourself thinking something like 'it all depends' about which statements, if any, you agree with. Certainly, the extent to which you have agreed with any of them will be highly individual. There is no right answer about which you 'should' agree with, if your perspective on marketing communications was to be essentially

'ethical'. However, you will probably have realised that each statement captures the essence of the different ideas and schools of thought about ethics and ethical practices in business which are outlined in the course textbook.

ACTIVITY 6.2

Identify each of the different schools of thought with respect to ethical issues reflected in the statements in Activity 6.1.

Commentary

You should have been able to identify the following schools of thought associated with each statement in Activity 6.1.

a.   The 'duties' school

b.   The 'consequences' school

c.   The 'moral virtues' school

d.   The 'teleological' school

e.   The 'agency' (free market) school

f.   The 'stakeholder' school.

Note that none of these different approaches to ethical issues is universally accepted as being the most appropriate way to distinguish between ethical and unethical activities in business. Each gives a partial insight into some of the key issues surrounding this difficult area.

It is more important and certainly less problematical to identify some of the ethical issues associated with specific practices in marketing communications and particularly those which give rise to the most frequent criticisms of the ethics (or lack of them). We now look at these.

CRITICISMS OF MARKETING COMMUNICATIONS ETHICS

The following activities explore some key ethical issues in marketing communications discussed in the course textbook.

Review Chapter 4, pages 104–110.

ACTIVITY 6.3

To what extent do you feel that there is at least some truth in the ideas expressed from the extract from De George (1995) (page 111) and 'Advertising as mass manipulation?' (Packard, page 106). Make your own list of any benefits which you feel advertising provides to consumers and society.

Commentary

It is true that Vance Packard's book has been very influential about the uses and abuses of the behavioural sciences in advertising and marketing. Certainly, as we have seen in some earlier units, we now have substantial knowledge about purchasing decisions and the behavioural forces and factors which underpin these. In fact, our knowledge in this area is much greater than when Vance Packard published his book. However, many disagree with the arguments he puts forward. There are certainly many ways in which we can justify advertising and the use of other marketing communications tools from the point of view of benefiting rather than manipulating customers. Similarly, we can find lots of advantages and benefits to society as a whole which stem from the use of advertising.

Review Chapter 4, pages 106–110.

ACTIVITY 6.4

Try to find some examples of advertising which you feel exaggerate the benefits, value or merits of a brand. To what extent does the fact that you can 'spot' this exaggeration mean that the advertising isn't working?

Commentary

It would be surprising if you couldn't find some examples of advertising which appear to exaggerate the benefits, value or merits of a brand. Indeed, some would argue that such exaggeration is necessary and therefore acceptable in advertising. However, as you will appreciate, there is a fine dividing line between 'exaggeration' and misleading and/or untruthful advertising. The problem is where to draw this dividing line. Even more problematical is the extent to which exaggeration is likely to give rise to negative consumer attitudes. Again, there is a fine dividing line. When the exaggeration crosses this line and begins to be perceived as being misleading and/or untruthful, then consumers are likely to be put off buying the product or brand. Having said this, we are back to the ethical issue of how truthful a company should be in promoting its products and services. The easiest argument to support, from an ethical perspective, is one based on the notion that a company should always tell the complete truth in advertising and promotion including for example, stressing the disadvantages of a product or service. However, again, it is not as simple as this. Understandably, most companies prefer to stress the positive aspects of their products and services rather than the negative ones. You must decide for yourself where the most acceptable dividing line is between complete truthfulness, with no exaggeration or embellishment, and deceit, in order to gain the sale.

ACTIVITY 6.5

Which of the following would you expect to be the most truthful in promoting their products and services:

a. a used car dealer

b. a financial services adviser – pensions, insurance, etc.

c. a solicitor?

Commentary

Your response will be influenced by any personal experiences you have had in dealing with these three types of suppliers or products. However, at first glance, many would rank the used car dealer as being probably the least honest and the solicitor as being the most in promoting their respective products and services. This may be based on personal experience, but it may also be based on our preconceptions about each supplier of goods and services, and particularly, our expectations regarding how truthful we feel they will be.

As you are now aware, these preconceptions and expectations about truthfulness in marketing communications situations affect how we perceive and interpret messages from suppliers and also how we are likely to respond to them. For example, because we expect, rightly or wrongly, some sources to be more truthful than others, we are doubly upset if we find or even suspect that they are not being so – remember 'source credibility' which we explored earlier. Many of the preconceptions surrounding our perceptions of the relative veracity of different sources are often based on ill-founded stereotyping. There are probably just as many 'honest' used car dealers as there are 'honest' solicitors.

Review Chapter 4, page 111.

ACTIVITY 6.6

What, if any, regulatory or voluntary restrictions surrounding marketing communications can you find in your own country which are designed to protect vulnerable groups? In your view, is there sufficient protection for these groups?

Commentary

In many countries there are both legal/regulatory and voluntary code-of-practice, restrictions surrounding marketing communications and vulnerable groups. Vulnerable groups include children, ethnic and racial minorities, the uneducated, the physically and mentally handicapped, and even the insecure. Generally, marketing communicators prefer to enforce self-regulation in this area rather than attract the eye of the legislator. However, there are statutory regulations in many countries to protect vulnerable groups. Of course, it is a moot point about what constitutes 'vulnerability' and the extent to which it is ethical to exploit this. In the long term, the exploitation of vulnerable groups is probably unwise for any company. Companies that have been viewed as exploiting more vulnerable groups in society, even when not actually breaking the law, tend to find themselves cast as social and economic pariahs.

You will have your own views about the extent to which vulnerable groups in your own society are adequately protected from any excesses on the part of the marketing communications industry.

Review Chapter 4, pages 111–116.

ACTIVITY 6.7

What sorts of marketing communications activities might, at least in some people's view, intrude on personal privacy?

Commentary

Potentially, at least, much marketing communications activity can be felt to infringe personal privacy. Many consumers feel that unsolicited marketing communications which directly enters a person's personal space or home, such as direct mail, telephone selling, and door-to-door selling are unwarranted invasions of privacy. Interestingly and perhaps worryingly, some of the newer developments in marketing communications tools and in particular electronic mail and the Internet have attracted criticisms for this reason. On the other hand, some consumers even feel that media advertising and particularly television advertising represents an intrusion of privacy.

Again, the problem is that what one individual feels is an intrusion of privacy, is not felt to be so by another, and may be welcomed. Understandably some activities and practices, for example those which involve the use of computer-based information on customers, such as databases, are encompassed by legislation and regulatory requirements. Similarly, in some countries the use of telephone selling to people's homes is restricted. Again, it is obviously important to understand those regulations which pertain to marketing communications activities and the invasion of privacy when planning campaigns. As well as this regulatory aspect, the sensible marketing communications planner will take care not to alienate potential and actual customers by making them feel that their privacy is being invaded.

Review Chapter 4, pages 113–116.

ACTIVITY 6.8

You may be aware of the controversies surrounding some of the advertising and other marketing communications campaigns of the Benetton clothing company in recent years. In particular, many have argued that some of these campaigns have offended 'normal taste and decency'. Try to find examples of some of these campaigns. Why have some people found them offensive? Why might Benetton have decided to apparently ignore this criticism of their marketing communications?

Commentary

You probably found little difficulty in finding examples of Benetton's campaigns which some people have found offensive. One campaign featured a newborn baby in the advertising, another one featured a nun kissing a priest, and perhaps one of the most controversial of all, one campaign featured a dying Aids patient surrounded by his family. Although the intention to shock as a primary objective has always been denied by Benetton, there is no doubt that the company has not been restrained at all in some campaigns. Individuals have found some Benetton campaigns offensive because they step outside what they consider to be 'normal' rules of decency. Sometimes the Benetton campaigns have offended because they have appeared to undermine certain sectors of society and their beliefs. Once again, the problem here is that what one individual considers distasteful or indecent is acceptable to another.

Despite the sometimes severe criticisms levelled at some of the Benetton advertising, there is no doubt that the campaigns have been very effective in generating awareness and interest – we are still discussing some of these long finished campaigns here! It isn't so much then that Benetton has chosen to ignore the criticisms, but perhaps rather they have seen these criticisms as evidence that the campaigns were working.

Review Chapter 4, pages 116–118.

ACTIVITY 6.9

Which of the following, if any, do you personally consider to be unethical as a business practice?

- A sales person taking a potential client out to lunch and paying for the meal and drinks.

- Members of senior management entertaining clients and potential clients in a private box at the European Football Cup Final with all expenses, including travel and hotels paid for by the company.

- A hint to a company buyer that if the order is placed there will be a 'suitable reward' in the form of an expensive Christmas gift to the buyer's home.

- An direct offer of cash to a company buyer if they help secure the contract.

- A threat to make public the photographs that were illicitly taken when the drunken company buyer was being entertained in his hotel room with hostesses provided for the evening.

Commentary

All of these relate to the ethical issues surrounding the use of hospitality, inducements and extortion. Many people will find acceptable some of the first ones on the list, for example, most would accept the use of hospitality and other incentives and inducements to buy 'within limits'. At the other extreme, however, most would consider bribery and certainly blackmail to be unacceptable – indeed, such activities are usually illegal! However, again note that some individuals consider all inducements to buy, such as hospitality, gifts at Christmas or Chinese New Year, etc, to be unacceptable. Certainly, for the marketing communications planner, the dividing line between acceptable and unacceptable activities can be very fine. It is also important to note that as for all ethical issues discussed in this unit, often there will be differences about what is considered ethical and unethical between different cultures and countries. We return to this and some other issues raised when considering marketing communications across international boundaries later.

INTERNAL MARKETING COMMUNICATIONS

Virtually all marketing communications planning issues and the techniques of marketing communications considered in the course have been primarily concerned with **external** marketing communications. However, we have recognised that such external communication is not just concerned with customers, but also with, for example, intermediaries, suppliers and shareholders. We call this broadening in perspective of legitimate targets for marketing communications as a 'stakeholder' perspective. It is increasingly recognised that one of the key stakeholder groups for any organisation is its own employees. This recognition has led to the growth of **internal marketing** and the need, for example, to market to internal groups at the same time, and indeed, as part of marketing to external groups. We now look at internal marketing communications as the key part of this internal marketing.

Read Chapter 30.

GROWTH OF INTERNAL MARKETING

Much attention has focused in recent years on the importance of internal marketing. There are a number of reasons for this, but two are of particular importance. First is the recognition that employees are as much 'customers' of an organisation as those outside the organisation who pay for products and services. As with these outside customers, there are still exchange processes taking place between the employees and the

organisation. For example, employees give their time and effort in return for payment, security, feelings of belonging and so on. It is important to understand these exchange processes and to be 'customer' oriented to the organisation's workforce.

The second and related reason for the growth of internal marketing is the recognition that there is a link between satisfying external customers and satisfying internal ones. In particular, companies have found that unless they have good relationships with their own internal customers – their staff – it is very difficult and sometimes impossible to achieve required levels of customer orientation and service with external customers.

The recognition of the importance and value of internal marketing has led to the growing use of marketing techniques within the organisation with the 'target market' being the employees. Once we accept this importance and value, we move towards the notion of applying marketing concepts such as segmentation and targeting, and the application of all elements of the marketing mix to the satisfaction of internal customers. Effective internal marketing, as with effective external marketing, is concerned with much more than simply the effective management of the marketing communications element. Important though these broader aspects of internal marketing are, perhaps for obvious reasons we are primarily concerned here with the marketing communications aspects of internal marketing. In particular we look at the issues arising from the uses and benefits of internal marketing communications, and the steps in planning and implementing these activities. These issues are explored using a case illustration from Chapter 7.

Review ViewPoint 30.2: *B&Q Shares Values*, Chapter 30, page 901

USES OF INTERNAL MARKETING COMMUNICATIONS

Although, overall, internal marketing communications is part of the process of increasing employee satisfaction and increasing an organisation's competitiveness, these objectives are achieved in a number of ways, and in particular from the advantages which effective internal marketing communications bestows.

ACTIVITY 6.10

The B&Q case illustration suggests that this organisation and its employees have benefited substantially from a programme of planned and integrated internal marketing communications. How is B&Q apparently using internal marketing communications? Specifically, what advantages is the company achieving through them?

Commentary

As with external marketing communications, internal communications can have several uses. Most of the uses and specific advantages associated with effective internal marketing communications can be found in this B&Q case. The principle uses and advantages are:

- developing and instilling a corporate identity

- informing employees of corporate objectives, strategies and plans

- informing employees about company performance

- building employee morale

- increasing integration and co-ordination between different functional areas

- building employee trust in the company

- increasing staff commitment and feelings of worth.

PLANNING AND IMPLEMENTING INTERNAL MARKETING COMMUNICATIONS

The potential advantages of internal marketing communications only accrue where the process is well planned and implemented. In particular, the following aspects of planning and implementing internal marketing communications need to be addressed.

- Firstly, effective internal marketing communications requires the establishment of clear objectives about the purpose and focus of the communications.

- Secondly, as in all marketing communications, we should be clear about the target audience for the internal communications. Although broadly this is, of course, employees, we may need to decide which particular groups are to be targeted, and perhaps, where several different groups in the organisation are targeted the differences in approach required.

- An important facet of effective internal marketing communications is the need for sufficient commitment in the organisation to these activities. Not only must management be prepared to provide sufficient funds for internal marketing communications, but perhaps more importantly, they must be prepared to commit to the more open, honest, and trusting organisational environment which internal marketing communications implies.

- Internal marketing communications must, where appropriate, be consistent and integrated with external marketing communications activities. This is particularly important with respect to the development and presentation of the corporate image.

- The internal marketing communications programme itself must be integrated and make use of the full range of available tools. These include:

  – company annual reports

  – memos and letters

  – notice boards

  – e-mail and intranet systems

  – staff briefings

  – in-house magazines

  – in-house videos.

- To achieve consistency in internal marketing communications it is preferable to allocate clear responsibility for these activities to a group or individual within the organisation. In many organisations, internal marketing has become the responsibility of, for example, the PR department.

- Finally, internal marketing communications – again mirroring external marketing communications planning – must be measured, evaluated and controlled. Mechanisms must be introduced for achieving feedback from internal target audiences.

ACTIVITY 6.11

Which elements of effective internal marketing communications planning care are shown in the B&Q case illustration?

Commentary

Perhaps as you would expect from a case written to illustrate an apparently very successful internal marketing communications campaign, most of the elements of an effective campaign can be found in the B&Q case illustration. B&Q obviously had clear ideas about the objectives and target audiences. Similarly, there is an obvious commitment in the organisation to openness and honesty. Clear responsibility for internal marketing activities has been assigned in the organisation and it is making full use of a wide range of internal marketing communications tools which are being co-ordinated. Finally, the results of the internal marketing communications efforts are being assessed through appropriate feedback mechanisms.

COMMUNICATIONS INDUSTRY

Here we look at the structure and workings of the marketing communications industry itself. We examine some key types of organisation in the industry, the nature of the industry structure and processes, and some changes which are taking place. All of these aspects are examined primarily from the perspective of their implications for planning integrated marketing communications. As we see, the structure and participants in the industry, together with the relationships between them, serve to determine, shape and constrain the nature of marketing communications. The marketing communications planner, therefore, needs to understand the communications industry and the forces within it in developing effective marketing communications plans.

Although there are many similarities, as you will appreciate, the industry structure and processes differ between different parts of the world. The perspective on the industry in this unit, is primarily European and sometimes UK. Fortunately the issues associated with the industry structure and processes are similar irrespective of geographical location. However, you do need to consider some of this in the context of your own part of the world.

Read Chapter 3.

You should now appreciate the relevance, and importance of understanding the marketing communications industry. You will appreciate that in order to make marketing communications happen, a number of different types of organisations in the industry will need to work together. The fact is that very rarely does even the largest and most sophisticated marketing organisation plan, implement, and evaluate its own marketing communications. Effective marketing communications will usually involve several organisations, bringing together a variety of skills and resources. For example, the creative skills necessary in marketing communications are provided by the advertising agency. Media planning and purchase for delivering messages are done again through the advertising agency or, increasingly, these days, through a specialist media shop. Sales promotion campaigns, the evaluation of communications effectiveness through marketing research, the design of internet sites, the provision of mailing lists for a direct mail campaign are all examples of where the planner may draw upon the skills and experience of other organisations in the industry.

You will appreciate that the marketing communications planner must be familiar with the range of skills and expertise available in the industry and the range and types of organisations which provide them. By far the most important of these, however, are the agencies which provide a variety of services and skills and which we have already seen are used extensively

in planning, implementing and evaluating marketing communications. We therefore explore these in more detail.

AGENCIES IN THE INDUSTRY

Most marketing communications planners in organisations make use of the services and skills of a variety of outside agencies in the development and conduct of their marketing communications campaigns. This use of external agencies in the industry is long established and widespread and encompasses all the various activities and tools of marketing communications ranging from sales promotion through advertising to direct mail, interactive communication, PR, and so on. In part, this widespread use of external agencies is traditional, particularly for advertising, but essentially companies use agencies because they are specialists and hence, potentially at least, more efficient and effective.

You will appreciate that this potential heightened efficiency and effectiveness is very much dependent on making the right decisions about the use and selection of agencies by the marketer. In addition, the effectiveness of much marketing communications depends on the management of the relationship between the organisation and its agencies. Some of the most crucial aspects of decision making and the management of relationships in this area include:

- When and why should the marketing communications planner use an outside agency?

- What types of agency are available and what services can they provide?

- Which particular agencies will be selected?

- How will we work with the agency? Who will be responsible for liaison, etc?

- On what basis will payment be made?

- What are the key components of an effective client/agency relationship? How should these be managed?

- What are the key trends and changes with regard to agency structures and skills?

You should now remind yourself of these key decisions and considerations, together with the factors that affect them. We then explore these areas further through a series of activities. Remember again that the structure and nature of the marketing communications industry will vary from country to country.

Review Chapter 3, pages 71–90.

ACTIVITY 6.12

In Unit 5 we suggested that integrated marketing communications would be much easier to achieve if more agencies were structured to provide all the skills required for all the marketing communications activities. Why, then, have such 'full service' agencies not been as successful as we might expect? To what extent does your own organisation use several agencies for its marketing communications?

Commentary

Several marketing communications agencies have sought to develop and offer full service facilities for their marketing clients. However, many have been unsuccessful and, if anything, the industry has become even more fragmented and specialised with the growth of media shops and others.

There are several reasons why the full service agency has not taken off to the extent predicted. For example, few marketing service agencies can actually provide all the skills required. However, the key reason is probably more due to a lack of demand for full service agencies by marketers and planners than the lack of ability to supply the range of skills required. This is because the need for, and advantages of, fully integrated marketing communications planning is still not widely appreciated and practised in the industry.

ACTIVITY 6.13

You are now familiar with the steps in selecting a particular agency, but what do are some of the most important factors when choosing between alternative agencies? What factors would you look for in the selection process?

Commentary

Some of the most important factors in selecting between alternative agencies are:

- experience and reputation

- quality of staff

- compatibility with regard to staff, structure, culture, processes and policies

- abilities and demonstrable skills as represented by, for example, the agency's presentation.

Although these factors are important, overall, like so many relationships, it is the 'chemistry' between client and agency which has to be right.

ACTIVITY 6.14

Why is the 'account executive' so important to effective client/agency relationships? Why is the job of the account executive particularly difficult?

Commentary

The role of the account executive in client/agency relationships is crucial. This is because he or she performs a boundary-spanning role between the client organisation and the agency. The account executive interprets the requirements and needs of the client and represents these to the agency, at the same time organising and facilitating the provision of agency services and skills to the client. Often, the account executive and his or her skills represents the difference between effective and ineffective marketing communications. The job is difficult, and often stressful, simply because the account executive has to marry the interests of two parties which can and do conflict.

An important aspect of the account executive's task in managing agency/client relationships, particularly for advertising campaigns, is the use of the **creative brief.** Pages 83–94 describe the work of an agency and Chapter 17 deals with advertising messages and creative approaches.

Read Chapter 3, pages 83–94.

ACTIVITY 6.15

What is the role of the creative brief in the client/agency relationship?

Commentary

The establishment and agreement of the creative brief represent the most important elements in effective client/agency relationships. Essentially, the creative brief encapsulates the client's requirements for a marketing communications campaign including company objectives, target market, the proposition, competition and envisaged budget and available resources. This is then used by the agency to guide the development of creative, media and production elements of the marketing communications campaign and to determine the most appropriate ways of evaluating its effectiveness.

ACTIVITY 6.16

Why are the elements of mutual confidence and trust so important in the agency/client relationship?

Commentary

Of course, mutual confidence and trust are important whenever two parties are required to work effectively together. However, these elements are particularly important between agency and client in marketing communications. For example, any shortcomings on the part of the agency may result in a failed campaign and at worst perhaps a failed company. However, the agency too can be damaged with its reputation being connected with a badly managed company or a poorly executed marketing programme. Trust is particularly important in the relationship because of the sharing of often commercially sensitive information. Needless to say the professional agency will never breach commercial confidentialities.

ACTIVITY 6.17

Despite the apparently obvious advantages, remunerating agencies in the marketing communications industry on the basis of payment by results is very rarely used. Why?

Commentary

Most agencies are remunerated on the basis of flat fees and/or commission paid on media spends. Whilst payment by results, for example, based on increased sales and profits from a marketing

communications campaign, would appear to be ideal, at least from the client's perspective, in practice payment on this basis is often impossible. As we saw earlier, measurement of the sales and profit effect of marketing communications is problematical. Often these effects are long-term. Also, sometimes the effectiveness of the marketing communications campaign is not best measured through sales and profits, but rather is concerned more with qualitative aspects.

INDUSTRY REGULATIONS: ISSUES AND CONCERNS

Like any other industry, the marketing communications industry and therefore marketing communications plans are affected by many regulatory considerations, both statutory and voluntary. Perhaps as you would expect in an area which can be so controversial and potentially far-reaching in its effects on customers, markets, and even whole societies, the industry has attracted much regulatory attention.

Obviously, the marketing communications planner needs to be aware of both statutory and voluntary regulations which pertain to any planned marketing communications activities and their implications. Because this is a somewhat specialised area of marketing communications planning we do not propose to go into detail about specific regulations and control mechanisms in the industry. This does not suggest that these aspects are unimportant, indeed they are vital. However, the marketing communications planner is well advised to consult legal advice if in any doubt about the legitimacy or otherwise of particular marketing communications activities. Again, we would highlight the fact that control and regulation in the marketing communications industry on the nature, purpose, extent, and specific regulations, differ in different parts of the world. It is therefore incumbent upon the marketing communications planner to be familiar with and take account of those controls and regulations which pertain to a particular part of the world. As an indication of the types and range of controls affecting the marketing communications industry, and some of the issues which such controls are associated with, at least in the UK, you should now review Chapter 3.

Review Chapter 28.

INTERNATIONAL MARKETING COMMUNICATIONS

In this final part of the unit we introduce some issues that arise when marketing communications is planned and implemented across national borders. Why is this introduction important?

- First, when marketing communications crosses national boundaries it gives rise to **additional problems, considerations and complexities**

over those encountered when considering purely domestic marketing communications. Earlier we have referred to the importance of geographical context when planning and implementing marketing communications suggesting, for example, that there may be differences between countries on legal and regulatory factors, consumer needs and tastes, media vehicles, industry structure, etc. Admittedly many aspects of the overall process of planning marketing communications are the same whether planning for domestic or global markets. However, you will not be surprised if we suggest that planning and implementing an advertising campaign for Bangkok is very different to planning a campaign for Birmingham! Simply, the marketing communications planner in a transnational organisation faces some very different issues to those faced by the planner whose organisation has never even exported and does not intend to.

- Secondly, **the risks**, and particularly the risks associated with getting it wrong, are that much greater in marketing communications across national boundaries.

- Finally, international trade, which encompasses marketing and marketing communications across national boundaries has been and is likely to remain, **one of the fastest growing areas of economic activity**. More and more companies are exporting, going international, multinational or global, and in some cases becoming transnational organisations. Marketing communications across national boundaries is increasingly prevalent and is likely to become more so in the future.

All these factors mean we should consider some of the issues when planning and implementing marketing communications across national boundaries. However, and this is important to note, this is a specialist area within marketing communications itself and indeed within marketing. Because of this it is not possible to consider every aspect and issue associated with this area of marketing communications. Rather the intention is to give you an insight into just some of the key issues when planning and implementing marketing communications across national boundaries. In particular, we introduce you to the following key areas encompassed by your course textbook:

- **The problems** associated with planning and implementing marketing communications in a **different environment** to that encountered in the domestic market, and particularly differences between countries with respect to **culture** and **media vehicles**.

- Related to the issue of environmental forces and factors, we consider the issue of **standardisation versus adaptation** when planning and implementing marketing communications for different parts of the world.

- Finally, we consider the trend towards an increasingly global marketing communications industry and in particular the **growth of the global agency**.

Again, remember that these are only some of the issues which arise when considering marketing communications across national boundaries. If you find your appetite whetted by these and/or if it is particularly important to you or your organisation to develop your knowledge and skills in this area, you will find plenty of further reading at the end of this unit.

Read Chapter 30.

COPING WITH A DIFFERENT ENVIRONMENT

We know that marketing across national boundaries gives rise to additional issues and complexities over and above those found in purely domestic situations. But what are some of these issues and complexities? What is different about international marketing communications? There are several differences, but the key one which underpins many of the others is the rather obvious fact that the planner of international marketing communications encounters different environment(s) to the domestic one. This unfamiliarity can be problematical. But more often it means differences in areas such as the competitive structure, political forces and factors, regulatory aspects, the economic situation and of course customers' needs and tastes, etc compared to the domestic market.

We considered the range and importance of environmental forces for the marketing communications planner earlier in Unit 5. You know that marketing communications plans must take account of and reflect the environmental context. This is no different when planning marketing communications across national boundaries. What is different, very often is the nature of these environmental forces and factors which are likely to be very dissimilar to those encountered in the domestic market. For example, there are likely to be at least minor and sometimes major differences in the legislation surrounding marketing communications, the strength of competitors compared to domestic ones, levels of disposable income, and so on. Again, we cannot consider all of the likely differences and their implications but two areas of potential differences in the marketing environment which are crucial when planning marketing communications across national boundaries are **culture** and **media vehicles**. We consider culture first.

Review Chapter 28, pages 840–845.

ACTIVITY 6.18

Many western consumers, when exposed to Japanese advertising, often find the approach used including the creative platforms, and the messages used, etc. very strange. The same applies when many Japanese consumers view western advertising. What cultural factors covered in the course textbook might account for this?

Commentary

Although many societies are now much more cosmopolitan in their exposure to and knowledge of foreign cultures, and although increased foreign travel and global communications have reduced some cultural differences between different parts of the world, there are still substantial cultural differences between nations. It is certainly the case that eastern and western cultures have major differences. These differences in the context of marketing communications mean that often communication campaigns developed for the eastern markets do not sit well with the western consumer and vice versa. If we take Japanese advertising, for example, understandably, and quite rightly, it tends to reflect the cultural values and practices of eastern and specifically Japanese society. When we compare Japanese culture with western cultures we find, for example, differences in the use of symbols, different cultural attitudes towards groups versus individuality and also differences in cultural attitudes towards authority.

ACTIVITY 6.19

Although, quite rightly, the course textbook stresses the globalisation of media vehicles for marketing communications there are major differences between media types and availability in different parts of the world. Select two countries with which you are familiar and try to identify any major differences with respect to media types and availability.

Commentary

Obviously the differences you have identified will depend on which countries you have selected. If, for example, we compare the UK with Poland, perhaps as you would expect we find major differences in media types and availability for marketing communications campaigns. There is very little television advertising in Poland compared with the UK. Similarly, there is not the range of newspapers and magazines. Cable and digital television is virtually non-existent in Poland. In short, the growth of the multinational media industry still has a long way to go and the differences between countries remain greater still than the similarities.

STANDARDISATION VERSUS ADAPTATION

Immediately the marketer begins communicating across national boundaries the extent to which marketing communications might need to be adapted for different countries becomes an issue. At one extreme, the marketer can adopt a standardised approach with no adaptation of marketing communications campaigns for non-domestic markets. At the other extreme, the marketer can choose to adapt marketing communications according to the circumstances and requirements of each international market that the company operates in.

This standardisation or adaptation dichotomy has proved to be perhaps the major issue in developing strategic international marketing communications and indeed encompasses the other elements of the marketing mix too. On the one hand, there are those who believe that standardising as much as possible is the best approach with single advertising messages and platforms being used throughout the world. Whereas others believe that the marketing communications should be adapted to each market. There are advantages and disadvantages with each approach and no doubt the controversy about which is best will continue. You do need to be familiar with the key issues with the arguments for and against each approach.

Review Chapter 28, pages 846–852.

ACTIVITY 6.20

To what extent is the policy of 'glocalisation' ('think global, act local') a solution to the issue of standardisation versus adaptation?

Commentary

ViewPoint 28.4 on iPods, page 847, illustrates the notion of 'glocalisation'. This approach attempts to reap the advantages of standardisation in international marketing communications whilst at the same time retaining those associated with adaptation for individual markets. Essentially, this approach is based on standardising certain aspects of the marketing communications such as the advertising platform, and the corporate image whilst leaving scope for local marketing managers in each country to make adaptations according to the local prevailing circumstances.

GROWTH OF A GLOBAL INDUSTRY

Review Chapter 30, pages 853–860.

Accompanying, and indeed a necessary prerequisite for effective global and transnational marketing operations by companies has been the growth of a global marketing communications industry. Without the infrastructure associated with this global industry, it would be very difficult for marketers to achieve more global marketing communications. We have already referred to the trend towards global media ownership and vehicles but in addition in recent years we have seen the growth of the global advertising agency. This in turn has helped facilitate the growth of the global and transnational company and the increasingly global marketing communications which such companies require.

MARKETING TO BUSINESSES

Many organisations deal with other companies, rather than directly with consumers: this is known as the business-to-business (B2B) sector. As with all buyer groups, it is important that marketing communications match the characteristics of the buyer behaviour. Because long-term relationships and close collaboration and cooperation are important in B2B markets, effective communications are vital to success in these markets.

Read Chapter 29.

The main influence on the B2B market is the nature of decision-making processes that organisational buyers use. Typically, these are very different from those used by consumers, so marketing communications needs to be addressed accordingly.

For example, the importance of relationships in B2B markets means that marketing communications are often centred around personal selling, since sales managers are able to develop relationships with business representatives and help them reduce the risks associated with the purchase decision. Furthermore, the typical order size is generally larger than that in consumer markets, so the higher cost of personal selling is justified.

CHARACTERISTICS OF THE B2B MARKET

Review Chapter 29, pages 862–867.

As you will now appreciate, having reviewed this part of the chapter, the characteristics of B2B markets are very different from consumer markets. Key differences include:

- Larger market size

- Lower number of customers

- Higher average cost of purchase

- Wider geographic spread

- More complex buyer behaviours

The textbook identifies that the B2B market consists of four main types of inter-organisational relationships, reflecting the role that the product/service plays in the business activity of the client organisation, so any marketing communication needs to reflect these relationships in order to be effective.

B2B COMMUNICATIONS

Review Chapter 29, pages 867–881.

You will have by now established that marketing to organisations rather than consumers is a complex, dynamic and interactive process. Hakansson (1983) developed a model which views this process as one in which both organisations play active roles against the context of their environment, suggesting four factors that influence this interaction as follows:

- The interaction process

- The people taking part in the process

- The environment in which the interaction takes place

- The atmosphere created by the interaction

This highlights the notion that B2B transactions are more to do with the development and management of relationships and effective communication within those relationships than anything else.

As such, the promotional mix used needs to reflect this importance. As mentioned before the primary means of marketing to organisations is characteristically personal selling, supported by other tools. Although the Internet and other emerging technologies have changed significantly how and at what speed business is conducted, the interactive nature of B2B markets still requires customised messages and speedy personal responses.

MANAGING CLIENT RELATIONSHIPS

Review Chapter 29, pages 881–888.

We have already established the importance of relationships in B2B markets, so we need to now understand how to manage those relationships. Typically this is done through strategic account management in order that long term relationships might flourish.

The principles of relationship marketing you encountered in your Foundations of Marketing module (Jobber (2004), pages 117–125) are a vital part of this strategic approach to managing B2B customers and marketing communications, primarily through personal selling, is an important means of building, nurturing and maintaining these strategically significant accounts.

REVIEW ACTIVITY 6.1: EDUCATING THE EDUCATORS ABOUT ASBESTOS

Read Mini-case: Educating the educators about asbestos, pages 889–891

The case highlights the issues related to asbestos and how they are managed. It describes a marketing campaign used by an asbestos removal company (Silverdell) targeting the education sector. After reading the case answer the following questions:

1. What would you consider to be the major influences on organisational buying behaviour that Silverdell's campaign will need to take into account?

2. What problems could Silverdell face if external agencies or partners are used to deliver the campaign?

3. Explain further the elements of perceived risk that an organisation will need to consider, and explain how risk differs from involvement.

4. What are the key components of high-involvement decision-making processes?

SUMMARY

In this unit, we have looked at the key remaining areas of planning contemporary integrated marketing communications. In doing so we have encountered the difficult issues associated with ethics in marketing communications. The marketing communications planner must increasingly consider and integrate internal marketing communications activities in the overall marketing communications programme. We have considered the relevance and impact of the structure of the marketing communications industry and particularly the nature of agency/client relationships and the management of these including aspects such as the creative brief. Finally, we have considered the additional complexities and differences encountered when developing international marketing communications strategies.

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ANSWER TO REVIEW ACTIVITY 6.1

1. There exist a number of direct influences on the organisational buying behaviour that Silverdell need to consider. For example networks and interorganisational relationships, the time taken to implement changes, different stakeholders, responsible individuals and so on. Of particular interest to the Silverdell are the seven types of risk associated with organisational decision making and how marketing communications used to reach different types of organisations will need to be adapted to reduce these risks.

2. Communication problems might be encountered due to a lack of partnership success. Furthermore there might be elements of information deviance or vagueness and disinterest, particularly if no norms and standards exist in relation to what information is to be communicated. Political factors might also exist that change the messages that are communicated.

3. Performance, financial, physical, social, ego and time are risks that might need to be considered by the organisation. However, involvement can be described as being about the ego, perceived risk and purchase importance – i.e. a cognitive perspective.

4. The key components of high involvement decision making processes are high:

    I.   personal relevance

    II. situational relevance

    III. number of opportunities to process

    IV. knowledge of the issue, leading to a high ability to process information

Consequently, in its promotional strategies, an asbestos removal contractor needs to:

- firstly create messages that make the issue of asbestos and the new legislation of personal relevance to the decision maker and the organisation;

- develop this key message and push it out with maximum exposure; and finally

- provide decision makers with as much information about the issue and law as possible.