

Apex Managerial Approach Towards Various Proportions of Holistic Marketing Interactions

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INTRODUCTION

Several researchers in the area of integrated marketing communications (further: IMC) have highlighted that existing models do not adequately capture the relationship between managerial aspects and a degree of IMC. According to Swain (2004), the important issue in implementing IMC is the control of IMC. McArthur and Griffin (1997) found that directing marketing communication activities was clearly an internal, upper management affair. In line with Gould (2000), there is a need to develop an instrument which would connect/combine managerial aspects with measuring degree of integrated marketing communications. The aim of this paper is to investigate whether we could confirm that the involvement of top management influences the degree of IMC. Further more, we were interested to see if there are differences in top management involvement between manufacturing and service companies as well as between middle-sized and large companies. In this paper, we present possible answers to this suggestion and we investigate the relationship between top management involvement in marketing communications and degree of IMC in the company.

CONCEPTS OF TOP MANAGEMENT INVOLVEMENT AND DEGREE OF IMC

Management involvement in marketing communications has been investigated from different aspects. Duncan and Everett (1993), McArthur and Griffin (1997) and Low (2000) searched for evidence of IMC through the role of a manager in coordinating marketing communications. Kliatchko (2005) argues that involvement of top management is a necessity for integrated marketing communication. There have been several attempts to capture a degree of IMC. Phelps and Johnson (1996), Smith et al. (1997), Duncan and Moriarty (1997), Pickton and Hartley (1998), and Low (2000) presented instruments for measuring degree of IMC. Firstly, *Phelps and Johnson (1996)* presented three dimensions of IMC, namely one-voice, integrated communication and coordination of marketing communication actions. *Smith et al. (1997)* presented an instrument with seven dimensions, namely vertical objectives integration, horizontal/functional integration, marketing mix integration, communication mix integration, creative design integration, internal/external integration and lastly financial integration. A year later, *Duncan and Moriarty (1997)* presented their five-dimensional model for measuring degree of IMC namely interactivity, strategic consistency, organizational infrastructure, mission marketing and planning and evaluation. After that, *Pickton and Hartley (1998)* presented the instrument with nine dimensions of integration, namely promotional mix integration, promotional mix with marketing mix integration, creative integration, intraorganisation integration, interorganisational integration, information and database systems, integration of communications targeted towards internal and external audiences, integration of corporate and 'unitised' communications and lastly, geographical integration. And last but not the least, Low (2000) presented his view on measuring a degree of IMC through three dimensions: centralization of planning, strategic consistency and message consistency.

We tested the following hypothesis:

H1: Top management involvement in marketing communication decisions is positively related to a degree of IMC in a company.

For that reason we had to:

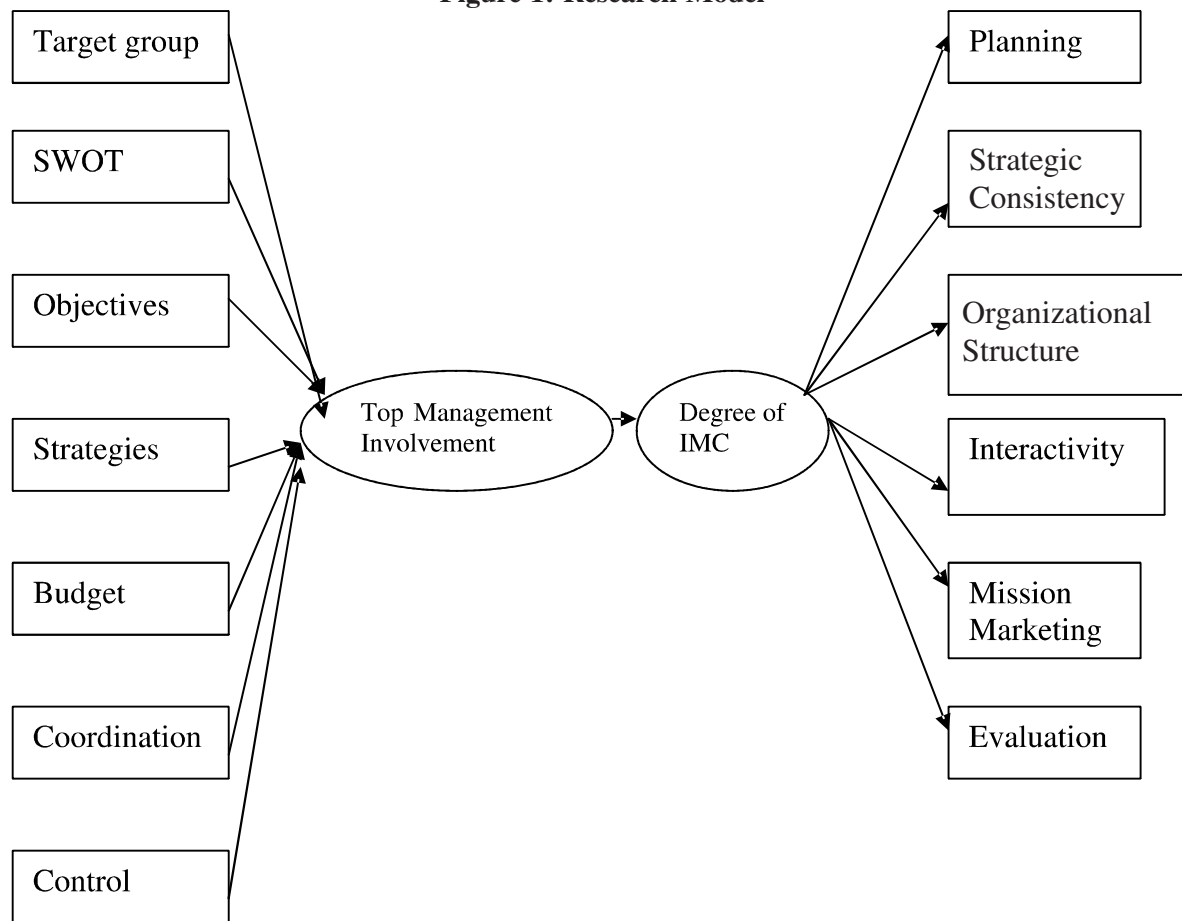
- Define the operationalizations of the variables,
- Measure and collect data needed for the research,
- Conduct the analysis.

The research model is presented in Figure 1.

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Figure 1: Research Model



RESEARCH METHODOLOGY

For operationalisation of variables, we followed the steps of IMC planning process as defined by Duncan (2005):

1. Identify target audiences.
2. Analyze SWOTs.
3. Determine marketing communication objectives.
4. Develop strategies and tactics.
5. Determine the budget.
6. Evaluate effectiveness (control of marketing communications).

In an operationalization of a top management involvement, we were asking respondents to define to what extent (1 – not at all; 7 – to a great extent) their top management is involved in decisions regarding a specific step. Furthermore, we added statements regarding involvement of top managers in coordination of marketing communication activities. The instrument for measuring a degree of IMC was developed based on Duncan&Moriarty (1997); they presented 5 dimensions of IMC: interactivity, strategic consistency, organizational infrastructure, mission marketing and planning and evaluation. Based on Kliatchko (2005) model, we divided these dimensions into two groups: planning and evaluation. The dimensions were upgraded with some statements from instruments for measuring degree of IMC from different authors (Phelps & Johnson, 1996; Smith et al., 1997; Pickton & Hartley, 1998; Low, 2000). In the final questionnaire, 35 items were used to capture IMC, measured on a seven point Likert scale (1 = strongly disagree, 7 = strongly agree). The questionnaire was preliminary tested on a smaller representative sample and the phrasing of the items was modified to improve the managers' understanding of concepts. Special attention was given to a validity of the questionnaire. For testing the hypothesis, we used structural equation modelling (SEM) with LISREL 8.72.

RESEARCH RESULTS

Data were obtained through self administered questionnaire which was addressed to marketing managers in middle size and large companies in Slovenia in March 2007. Questionnaires were sent to 1700 companies, with 175 responses obtained in due time. Results of a descriptive analysis of top management involvement (Table 1) showed that in general, top managers were involved in decisions about marketing communication budget, followed by involvement in marketing communication strategies and decisions about target groups. Results showed that they are least involved in coordination of marketing communication activities. Table 1 also shows that among specific marketing communication tools, top managers are most involved in decisions about public relations and least involved in decisions about direct marketing. Furthermore, we investigated if there were differences, on one hand, between middle sized and large companies and on the other hand, between service and manufacturing companies.

Table 1: Descriptive statistics for involvement of top manager variables

Variables	N	Average	St. Deviation
To what extent is top management involved in decisions about the budget for marketing communications?	175	6.42	1.00
To what extent is top management involved in decisions about strategies of marketing communications?	175	5.81	1.29
To what extent is top management involved in decisions about target groups?	175	5.71	1.46
To what extent is top management involved in decisions about marketing communication objectives?	175	5.66	1.39
To what extent is top management acquainted with SWOT analysis?	173	5.45	1.73
To what extent is top management involved in a control of marketing communications?	175	5.02	1.75
To what extent is top management involved in coordination of marketing communication activities?	175	4.70	1.85

Source: *Marketing communication research, 2007; n=175*

Measure: 1 – not at all; 7 – to great extent

For analyzing the differences between groups of companies, the independent sample T-test was employed. The analysis shows that there are differences between middle sized and large companies as well as between service and manufacturing companies. First, we present results of the analysis between service and manufacturing companies. Independent sample T-test (Table 2) showed significant differences in top management acquaintance with SWOT analysis and in top management involvement in decisions about marketing communication objectives. In both cases it was evident that top management of manufacturing companies was more involved in these activities than top management in service companies.

Table 2: Independent sample T-test for service and manufacturing companies

Variables	Company type	N	Average	St. deviation
To what extent is top management acquainted with SWOT analysis? **	Service	96	5.16	1.80
	Manufacturing	77	5.76	1.60
To what extent is top management involved in decisions about marketing communication objectives? **	Service	96	5.44	1.51
	Manufacturing	79	5.91	1.21

Legend: ** *t*-test for equality of means is significant below 0.05 (2-tailed);

Source: *Marketing communication research, 2007; n=175*

Analyzing differences between middle sized and large companies (Table 3), we discovered that they differ in 7 out of 11 variables. In all 7 cases, the average in middle sized companies is bigger than in large companies. The results showed that top management in middle sized companies is more involved than top management in large companies in almost all steps of zero-based marketing communication planning. Middle sized companies employ top management more in decisions about target groups, objectives, strategies and budget for marketing communications.

Table 3: Independent sample T-test for service and manufacturing companies

Variable	Company Size	N	Average	St. deviation
To what extent is top management involved in decisions about target groups ? ***	Middle	81	6.20	1.14
	Large	94	5.29	1.58
To what extent is top management involved in decisions about marketing communication objectives ? ***	Middle	81	5.99	1.32
	Large	94	5.37	1.40
To what extent is top management involved in decisions about strategies of marketing communications? ***	Middle	81	6.09	1.20
	Large	94	5.55	1.32
To what extent is top management involved in decisions about the budget for marketing communications? ***	Middle	81	5.09	1.84
	Large	94	4.35	1.80

Legend: *** t-test for equality of means is significant below 0.01 (2-tailed);

Source: Marketing communication research, 2007; n=175

DEGREE OF IMC

Exploratory factor analysis was obtained. Five dimensions with 22 variables of IMC were extracted. The organizational infrastructure and strategic consistency were united into a new variable called strategic organization. Similarly, Reid (2005) came out with a conclusion that these two variables present one dimension. Variables with factor loadings above 0.5 were kept in the final factor analysis. The results are presented in Table 4.

Table 4: Exploratory factor analysis for measured variables of degree of IMC with VARIMAX rotation

	Component				
	1	2	3	4	5
When planning marketing communication action, we set a measurable objective.	0.86				
When planning advertising, we set a measurable objective.	0.80				
When planning public relations, we set a measurable objective.	0.74				
When planning sales promotion, we set a measurable objective.	0.73				
When planning direct marketing, we set a measurable objective.	0.68				
The people managing our communication programmes demonstrate a good understanding of the strengths and weaknesses of all major marketing communication tools.		0.75			
At the beginning of a promotional campaign, the company chooses a common strategy which utilizes all of our marketing communication activities.		0.73			
Employees and all your major communication agencies (e.g. advertising agency) taking part in planning and realization of marketing communication strategies have regular contacts with each other regarding your brand.		0.72			

When planning marketing mix for your brand, specialist for marketing communications is involved.		0.71			
We follow long term strategy for marketing communication.		0.61			
We evaluate achievements of objectives set for advertising.			0.79		
We evaluate achievements of objectives set for public relations.			0.76		
We evaluate achievements of objectives set for marketing communication action.			0.72		
We regularly check message consistency with other elements of marketing mix.			0.66		
We evaluate achievements of objectives set for direct marketing.			0.58		
Marketing communication messages are consistent with mission of the company.				0.85	
We communicate mission of the company to our customers.				0.84	
Marketing communication messages are consistent with values of the company.				0.78	
We keep record of the information gained through dialog with our customers.					0.90
When planning marketing communications we take into account information gained through dialog with our customers.					0.84
We are aware of all intrinsic brand-contact points for our product.					0.58

Source: Marketing communication research, 2007; n=175

For capturing a degree of IMC, we used a rather large number of variables. For further analyses, we calculated the average of all variables that were extracted with factor analysis for each dimension of IMC. In evaluating the measurement of the model, we determined the validity and reliability of the model. Firstly, we focused on validity of the indicators. All indicator loadings were significant (at $p < 0.01$ or better). Secondly, we examined the reliability of the indicators by looking at the squared multiple correlations (R^2), composite (construct) reliability and average variance extracted of the indicators. Multiple squared correlations (Table 5) for indicators of top management involvement showed that the indicator for top management involvement in decisions about objectives was highly reliable, indicators showing top management involvement in decisions about target groups, SWOT analysis and

**Table 5: Estimates in measurement model for independent and dependent variables
(LISREL estimates, method of maximum likelihood)**

$X1 = 1.000 * \hat{\eta}1$	$R^2 = 0.576$
$X2 = 0.840 * \hat{\eta}1$	$R^2 = 0.406$
$X3 = 1.222 * \hat{\eta}1$	$R^2 = 0.861$
$X4 = 1.138 * \hat{\eta}1$	$R^2 = 0.253$
$X5 = 0.916 * \hat{\eta}1$	$R^2 = 0.484$
$X6 = 0.553 * \hat{\eta}1$	$R^2 = 0.176$
$X7 = 0.933 * \hat{\eta}1$	$R^2 = 0.501$
$Y1 = 1.000 * \zeta1$	$R^2 = 0.697$
$Y2 = 0.914 * \zeta1$	$R^2 = 0.582$
$Y3 = 0.972 * \zeta1$	$R^2 = 0.659$
$Y4 = 0.789 * \zeta1$	$R^2 = 0.434$
$Y5 = 0.366 * \zeta1$	$R^2 = 0.0921$

control of marketing communications were semi- reliable with the least reliable indicators for top management involvement in strategies and coordination of marketing communication. Indicators for degree of IMC were all acceptable except the indicator for evaluation of IMC; the most reliable was the indicator for planning and the least reliable was the indicator for evaluation of IMC.

In addition to assessing the reliability of the individual indicators, we calculated a construct reliability and average variance was extracted for both latent variables. Top management involvement demonstrated acceptable reliability in both cases. When testing reliability for degree of IMC we found out the average variance extracted a bit lower than desirable (Table 6). In the next step, we eliminated the evaluation as an indicator of degree of IMC and the construct reliability and average variance extracted indicated good reliability of the latent variable degree of IMC (Table 7).

Table 6: Construct reliability and average variance extracted

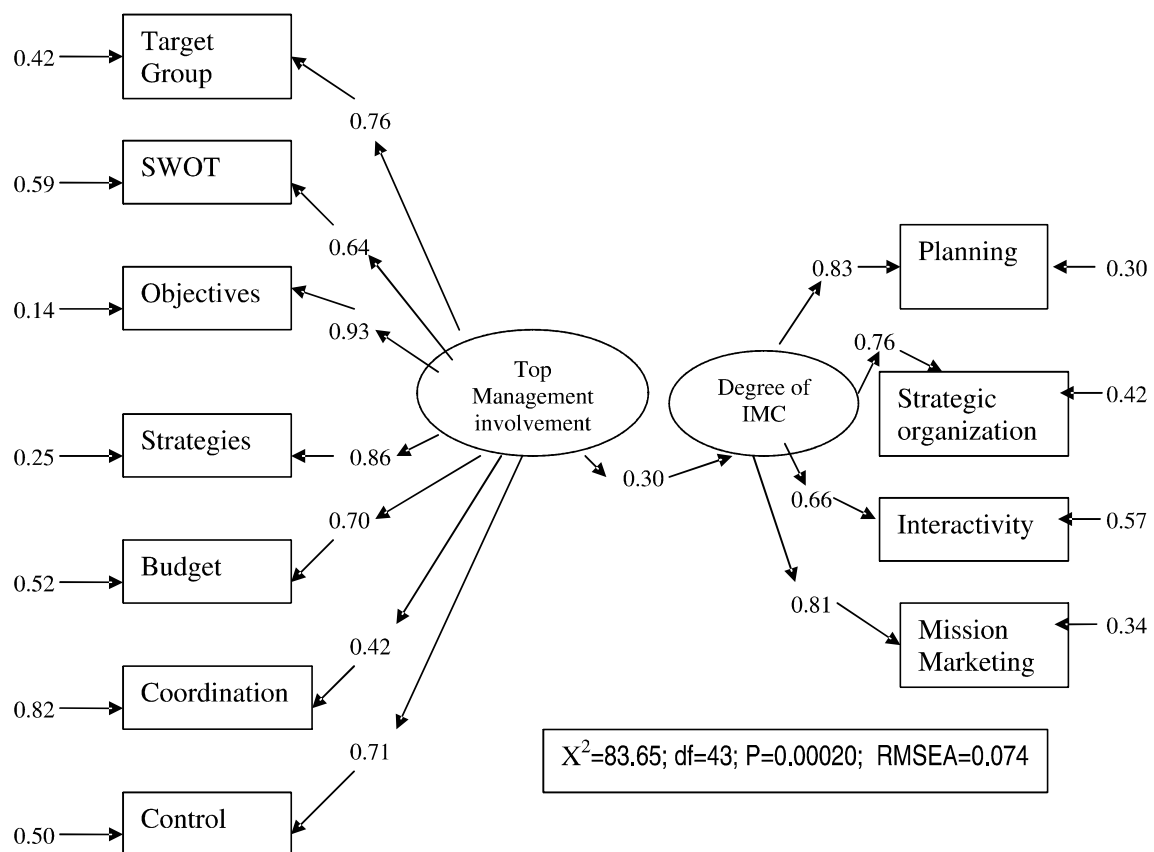
Construct	Construct reliability	Average variance extracted
Top management involvement	0.851	0.537
Degree of IMC	0.816	0.491

Table 7: Construct reliability and average variance extracted for degree of IMC

Construct	Construct reliability	Average variance extracted
Degree of IMC	0.886	0.591

Further, we present a final model for testing the hypothesis (Figure 2). Based on results of the model ($\chi^2=83.65$; $df=43$; $P=0.00020$; $RMSEA=0.074$; $GFI=0.920$; $CFI=0.950$; $NNFI=0.936$), we could conclude that the model is acceptable. Results of the model showed that we can confirm the hypothesis that top management involvement in marketing communication of a company is positively correlated to its degree of IMC.

Figure 2: Structural model “top management involvement and IMC” with standardized solution



CONCLUSION

The aim of this paper was to determine to what extent the involvement of top management influences a degree of IMC in companies. At the conceptualization phase, we were building our research model on the five dimensions of IMC defined by Duncan and Moriarty (1997): interactivity, organizational infrastructure, strategic consistency, mission marketing, planning and evaluation. Based on the Kliatchko (2005) model, we furthermore divide planning and evaluation into two separate dimensions: planning of IMC and evaluation of IMC. Based on the results, we had to, firstly, combine strategic consistency and organizational infrastructure into one variable: strategic organization. Secondly, we found out through validity and reliability tests that the evaluation is a poor indicator and weakens a degree of IMC construct. Following from this, there are four dimensions of IMC concept: planning, interactivity, mission marketing and strategic organization. In our research, we found that greater involvement of top management in marketing communications could be associated with a higher degree of IMC. The correlation is low ($r = 0.3$), however statistically significant. By all means, this gives us some proof that top management involvement in marketing communication has positive effect on degree of IMC in companies. Top management should be especially attentive to decisions about objectives and strategies of marketing communications, since it has been proven to have a significant weight in the overall top management involvement. Investigating the relationship between management and IMC is indeed at a very beginning. We suggest that this study has provided the basis for future research on the relationship between top management involvement in marketing communications and a degree of IMC. These would be potentially powerful tools to assist in better understanding of the field.

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