

## **Advances in Communications Optimisation for CRM and IMC**

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## 1. Abstract

Outlines findings from substantial research with a significant cross-section of senior marketers supported by case studies and literature review that suggests major new developments in marketing communications theory, effectively merging and optimising IMC and CRM. It suggests new potential and a new relationship between the marcoms disciplines, media and communications objectives, while outlining elements of a new integrated communications theory. Suggests that future communications planning and evaluation should be based on a common currency standard or framework that applies to any and all communications activity, illustrated by the CODAR tool, and reports consequent recommendations for senior management action.

## 2. Introduction

The objective of the paper is to propose new marketing communications theory, drawing from research with senior marketing decision makers. The structure of the paper offers a critical discussion of the need for new thinking about marketing communications based on evidence that emerges from both academic literature and practitioner practice. It offers an overview of the methodological approaches and tools used. Finally, it analyses the findings and offers significant new propositions for marketing communications.

## 3. Review of literature and practice

Human relationships, including business ones, are founded on communication. It is through communications that people establish commonness of meaning and understanding (Duncan, 2002). Marketing communications are collectively understood as those communication activities that are used in the context of marketing a product<sup>1</sup>. The purpose of marketing communication is to add value to the product that benefits both the customers and the brand (Duncan, 2002; Yeshin, 1998: 3; Fill, 2002a).

Research into marketing communications has produced a substantial body of academic and practitioner knowledge and literature in the areas of integrated marketing communications (IMC), customer relationship management (CRM) and other related fields (Kitchen and Shultz, 1999 and 2000; Jenkinson, 1995). Both, IMC and CRM have enjoyed widespread adoption and have been used for creation of competitive advantages in the form of brand differentiation and positioning (Kitchen and Shultz, 2001; Woodcock et al, 2003).

The essence of IMC is generally to create communication synergies and message amplification by combining, integrating and harmonising elements of the marketing communication mix. Many organisations have created IMC departments in strategic response to a stronger need for communication effectiveness in a world of increased fragmentation of media and the tendency for a thinner segmentation of customer base (Billet, 2002; Durkin and Lawlor, 2001; Eagle and Kitchen, 2000; Schwartz, 2001; Tedlow, 1990). The development of IMC has been boosted by increased accessibility of IT resources and consumer databases (Kitchen and Schultz, 1999; McGoon, 1999), the need for reinforced loyalty through relationship marketing (Gonring, 1994; Jenkinson, 1996; Reich, 2001), and the importance of creating and feeding brand equity through image (McLaughlin, 1997; Schultz, 1999; Wood, 1997). Simultaneously, the need for a better management of customer interfaces encouraged marketers to develop CRM practice and the theory of customer equity, based on earlier concepts of goodwill and lifetime value (Jenkinson, 1995). This led to reciprocal and in some ways equivalent concepts of brand equity (which advertising and marketing communications specialists focus on) and customer equity (which sales, service and CRM specialists focus on). Antecedents to CRM include:

- Relationship marketing, which aims to link customer service, marketing and quality (Christopher et al, 1991).
- Database marketing, which focuses on managing relationships with individual customers and the technology to manage this (Jenkinson, 1995).
- One-to-one marketing (Peppers and Rogers, 1993), clearly a blend of these two.
- Loyalty marketing, whether as loyalty management (Reichheld and Sasser, 1990; Jenkinson, 1995) or as a sales promotion development emphasising rewards (Jenkinson, 1998).

- Differential marketing, recognising the importance of the high value customer and using this analysis to fund differential investment in customers (Hallberg, 1995).

Jenkinson (1995) defines CRM as “the discipline of organising business resources to enhance and personalise each customer encounter as part of a long-term strategy of profitable retention.” While other definitions exist, all tend to emphasise customer focus, the individual customer encounter (“Touchpoint”) and one-to-one marketing communications and value. The enhanced accessibility of database technology and increasing tendency towards “message personalisation” have catalysed the development of CRM.

### **3.1. IMC and CRM need to work together**

Over the last few decades, marketing communications experts differentiated between various communication methods (e.g. advertising, sales promotion, PR). The strong drive to optimise each method led to creation of marketing communication disciplines and contributed to improve discipline effectiveness and efficiency. Since at least the early 1980’s many professionals and academics considered each marketing communications function (geared towards disciplines) to operate with various degrees of autonomy. For example, Dyer (1982) presented basic ideas and concepts behind advertising for example, identifying the links between and consistency within the diversity of business communication. Thus advertising was seen as an individual discipline, differentiated from other, also differentiated marketing communications tools. The distinct disciplines of the marketing communications mix have been identified as:

- Advertising (Fill, 1995; Ogden, 1998; Jefkins, 2000; Clow and Baack, 2002)
- Public relations (PR) (Kitchen, 1997; Ogden, 1998; Wilcox et al, 1992; Kitchen and Schultz, 2001)
- Sales promotion (Fill, 1995; Shimp, 2000; Yeshin, 1998; Ogden, 1998)
- Direct marketing (Yeshin, 1998; Ogden, 1998; Evans, 1999)
- Personal selling (Shimp, 2000; Yeshin, 1998; Ogden, 1998)
- Exhibitions (Smith, 1993; de Pelsmacker, 2001)
- Point-of-purchase communications (de Pelsmacker, 2001)
- Cybermarketing (Smith and Taylor, 2002; Swinfen-Green, 2000; Ogden, 1998)
- Sponsorship (Shimp, 2000; Jefkins, 2000; Meenaghan, 1991; Hoek, 1999)
- Word of mouth/viral marketing (Pickton and Broderick, 2001)
- Packaging (Smith and Taylor, 2002)
- Design (Pickton and Broderick, 2001)

Specialisation produced many good results and now supports approximately \$500 billion worldwide annual marketing communications spend. The dominant marketing communications ideology (Berry, 1998; Schultz and Kitchen, 2000; Smith and Taylor, 2002) has produced discipline-specific teams, departments, agencies and cultures (Billet 2002; Jenkinson and Sain, 2003a). However, the benefits that the specialists brought about are being partially wiped out by fragmented working practices, work in silos, dysfunctional organisation designs, inconsistent evaluations, inappropriate reward mechanisms, and inter-disciplinary competition (Jenkinson, Bishop and Sain, 2003; Jenkinson and Sain, 2003b). The proliferation of media and media mix options (Billet, 2002; Smith and Taylor, 2002) and the increased availability of targeting options are aggravating the fragmentation problem. Consequently there is an increasing pressure to remove the artificial barriers that were designed to promote the individual communication disciplines in competition with each other (Barton, 2002). Jenkinson and Sain (2003c) argue that some of these divisions arise out of accidents of accounting and commission, like the concept of ‘above and below the line’, while others are the consequence of marketers looking for strong points to make about their methods in contrast to others. They also argue that there are fundamental concepts of marketing communication along with non-discriminatory language that recognise what unites rather than divides the disciplines. Jenkinson (1995), Broadbent (1998) and Schultz and Kitchen (2000) claimed that communications that use sophisticated databases can show the same powerful innovation and potential contribution that was once associated with great advertising campaigns. Boots, the leading UK chemist and personal goods retailer, launched a new cosmetic product using mail at 64% of TV cost and 27% more effectiveness in generating awareness (Jenkinson and Sain, 2003d).

Marketers are consequently starting to question established wisdom, with leading players developing new tools and structures. For example there are proposals to rethink the media categories to be able to blend them in new cocktails more effectively (Jenkinson, 2002; Jenkinson and Sain, 2003d). John Grant (2002) offers an alternative view on media categories: *Knowledge media*, *Reality media*, *Dialogue media*, *Memetic media*, *Community media*, *Story media* and *Reputation media*, arguing that these are more revealing about their value and suggestive of how media can be blended. Discussion of the concept of media neutral planning (MNP) emerged in the UK during 2001. In a discussion of MNP and IMC, Fill (2002b) suggests that it is time to adopt a comprehensive marketing communications approach (CMC). A range of practitioners invited to comment on MNP argued that mental, physical and process structures across marketing departments and agencies need to be restructured (Media Week Supplement 2003). Bishop (2002) and Jenkinson and Sain (2003a) suggest on the basis of an IBM experiment that a better model for the marketing communications department is based on customer types rather than communication disciplines. These brief examples are supported by the research outlined below, which suggests radical new thinking about the approach to marketing communication planning and evaluation as well as the conceptual framework that constitutes the context for its practice.

#### 4. Methodology

As mentioned above, a significant contribution to this paper is drawn from the CIM sponsored Media Neutral Planning (MNP) Canon of Knowledge research project. The research group (“MNP group”) consisted of a judgement panel of more than 20 senior marketing decision makers operating across B2B, FMCG, consumer durables and consumer services industries and belonging to both client and agency sides, including representatives from PR, advertising, direct, media planning and other sectors. 20 senior marketing professionals had a consultative role supporting the core group. The participants dedicated typically around 30-40 hours each to the research project that ran from November 2002 to December 2003. The methods used included plenary meetings with activities ranging from discussions, expert witness statements, presentations, workshop activities, assignments, and illustrative examples. In parallel, sub-groups worked on agreed assignments and shared their findings with the group. All meetings were recorded and transcribed, since information recalled from memory is imprecise and often likely to be incorrect (Seidman, 1998). The group also used a web-based forum that represents an additional data source. Findings were reported back and agreed.

The paper is also informed by research into over 30 brands including more than 80 interviews with senior marketing decision makers from most industries and disciplines, mostly in the UK, along with senior academics and representatives from professional bodies (CIM, IDM, D&AD etc). A range of qualitative and quantitative investigative methods were deployed, including an on-going literature review of academic and practitioner publications, and databases such as the IPA Effectiveness Awards, in-depth interviews, expert witness interviews, focus groups, action research, action learning, appreciative enquiry, participative discussion techniques, questionnaires, tools development and testing. Case based research that explored actual practice and communications was an important element.

This research has been adopted by the CIM for its Canon of Knowledge project and its findings have been endorsed as one of its four key Agenda items for 2004.

#### 5. Research findings

A review of both the literature (as indicated above) and practice by the members of the MNP group, supported also in a variety of case studies and interviews, led to general conclusions summarised in Table 1.

**Table 1: Challenges to achieving competitiveness in influencing the attitudes and behaviours of consumers and other stakeholders**

1. The world is changing: it’s more complex, the opportunities are more extensive, and the competition is smarter
2. Customers and other stakeholders receive more marketing communication than at any time in human history

3. There is an increasing pressure to demonstrate ROI
4. Success requires maximum efficiency and effectiveness
5. Current methods mean that efficiency is often not maximised
6. Even working with considerable efficiency and effectiveness, much marketing communications remains ineffective due to the competition's negating efforts
7. Even working at considerable creative effectiveness, excessive costs limit impact versus the competition's negating efforts and communication proliferation
8. Lack of precise, accurate and shared insight into both the brand identity and its stakeholder communities diminishes performance, and this appears surprisingly common
9. Lack of a governing idea for the communications spectrum diminishes performance, again surprisingly common
10. Failure to include all corporate functions and communication channels in planning sub-optimises performance
11. Fragmented, competitive practice, habit and payment methods in the marketing communications industry sub-optimize efficiency and effectiveness of performance
12. Narrow, discipline-specific and prejudiced communication objectives determine creative technique and goals adversely
13. Organisational structures based on excessive discipline polarisation sub-optimize performance, leading to skills, creative approach, objectives and research being channelled through silos on both client and agency side.
14. Planning and evaluation tools based on individualised communication disciplines do not reflect present planning and evaluation needs and bar inter-discipline planning and learning
15. Many communication perspectives, discourses and assumptions are inconsistent and sub-optimal

You can't solve a problem at the same level as the problem. The solution therefore requires a new theory based on an elevated perspective. The research findings suggest the need for a revised approach to both IMC and CRM, one that regards these as a single unified discipline and also accommodates all other communication avenues available to the brand, including for example the sales force and PR. This is not an issue of functional power, but rather of shared thinking and collaborative process. The term applied to the core discipline that will drive this revised approach is Media Neutral Planning (MNP), although some observers use alternative names: communication channel planning or channel neutral planning. MNP is defined as: 'a rigorous process for the selection of communication options which combines facts and imagination in order to drive continual improvement to overall ROI'. Excellence in MNP depends on some pre-requisites, such as knowledge of customers, good brand insights and appropriate value propositions. It is regarded by the MNP group as overall cost-neutral and result positive: the overall cost of MNP practice should be no more or less than pre-MNP. MNP proposes new communications theory at 4 levels:

1. How you define objectives: neutral, common currency business objectives based on core truths of the brand best enable creative solutions
2. How you see and practise communication methods: richer communication concepts enable more creative solutions; better collaboration means faster, more effective working
3. How you see and use media: unprejudiced media concepts mean that media work harder
4. How you collate data & learn: common currency results enable multi-discipline comparison and project pooling.

The paper will outline five essential aspects of MNP:

1. Clarity of concepts and terms with a revised comprehensive scope of communication planning.
2. A focus on optimised communication planning based on a best *mix* of communication media and activities conceived as a creative, harmonious and efficient whole, rather than a series of isolated or even parallel communication activities.
3. Recognition that, within the flexible constraints of the media formats, the communication disciplines are 'plastic'. Just as we can blend media in a project, we can blend method in a communication event.
4. Use of a universal or common and powerful communication planning and evaluation framework for all and any communication activities by the brand to or with any of its stakeholders.

5. Recognition of the responsibility of the CMO for success with recommendations for changes in department structure and skills, agency collaboration and business process.

These are significant changes. According to the MNP group, MNP:

1. Optimises communication potential
2. Enhances both effectiveness and efficiency in both process and communication.
3. Marries science and art, economics and imagination
4. Based on a way of thinking and tools
5. Re-launches the client-agency contract
6. Embraces the whole organisation and every Touchpoint
7. Activates new concepts of media and of the communication disciplines
8. Defines new evaluation methodology
9. Is a key enabler of the overall integrated marketing objective: aligning communication and organisation

It estimates that successful implementation is probably worth at least 10%-25% improvement in marketing communication effectiveness. These figures derive from conservatively concatenating a variety of experiences within the group as well as established research findings.

### **5.1. Clarification of concepts and terms**

A variety of concepts and terms are used across both academics and practitioners. For example, within the group, some people referred to media, some to channels as methods of distributing communication. Similarly, some referred to tools and others to channels, disciplines or methods as the techniques by which the media could be used. This led the group to the development of clarified concepts of media, discipline and channel.

The group recognised a variety of perspectives and practice amongst practitioners in the scope of media planning for marketing communications. This is echoed in both academic literature and textbooks. For example, Fill (2002) recognises the ability of Product, People, Place and Price as elements within the marketing mix that are capable of communicating, and should be incorporated within a communications audit, but broadly uses 'media' to mean commercially available media supplemented by media created by guerrilla tactics, such as fly posting. By contrast, Pickton and Broderick (2001) define marketing communications media as: "a marketing communications medium (singular of media) is anything that is capable of carrying or transmitting a marketing communications message to one or more people". The MNP group proposes that marketers should think of media through customer and other stakeholder experience rather than in terms of production or media industry. On this basis, all customer and other stakeholder experiences of the brand communicate and define the brand – therefore communication planning should extend beyond traditional paid-for media. Consequently: (P1) Anything that conveys a message is a medium and is brand defining.

MNP thus recognises a broader concept of media than was historically included in media planning and formal marketing training. MNP begins with this wide scope and seeks to make decisions about relative priority for investment as well as objectives and use within an IMC and/or CRM context. A communication programme might even innovate in the development of new media opportunities, for example:

- Levi Strauss created 'pop-up' stores: portable structures open for just two hours, location disseminated by viral SMS.
- Snapple used mangoes as the vehicle to carry its message about new product availability. Californian growers put mini-posters on mangoes announcing: "Now available in Snapple", a brilliant brand-true media concept.
- A South American advertising agency recommended a property developer to build a bridge across a river in Buenos Aires to promote a new development, bringing in a famous architect and a high quality design in order to maximise PR coverage.
- IBM opened a new sales office focused on its City of London market.

MNP explicitly encourages the use of innovations, such as these, but it also extends to making better use of the scope of existing or conventional media. Examples noted included:

- TV is being used for sponsorship, PR, sales activation and direct response, product launches, 'buzz', emotional and image resonance, advice, and more.
- Mail is being used to launch products, create beliefs and attitudes, generate sales and responses, strengthen relationships and emotional ties, increase satisfaction, and more.
- PR is being used to manage reputation, generate sales and responses, stimulate product awareness, create brand personality, generate 'buzz', and more.

Furthermore, MNP explicitly includes within the planning process the full range of touchpoints with customers. The scope of marketing communication planning for media and communication planners therefore expands from conventional commercial media to all actual (and possible) consumer touchpoints. This idea is also called 360 degree planning and is a core feature of Integrated Marketing (Jenkinson and Sain, 2003e).

In addition to the concept of media, the MNP group recognises the concept of marketing communication 'disciplines', such as advertising, direct marketing, sponsorship and others. A marketing communication discipline is: a body of craft technique biased towards a facet of marketing communication. Unlike the traditional and commonly held linkage of discipline to medium, for example advertising to paid-for media, (P2) disciplines are independent of media. Jenkinson and Sain (2003c) suggest that the identification of disciplines with media is not universal and derives from history rather than theory. Different disciplines provide different competencies in therefore different capacities to meet objectives. Therefore depending on the business objectives and situation, (P3) a better mix of disciplines is more likely to optimise results.

Logically, this means that (P4) different disciplines can be used with different media. The combination of a discipline with the medium can then be termed a 'channel'. Examples of channels therefore include DRTV, television advertising and direct mail, and also mail media advertising, TV sponsorship, and Product placement. Innovation therefore creates the potential for new mixes of discipline and media. For example, IBM:

- Created a Tomorrow's World TV programme mailed to a decision-making group in the NHS.
- Sponsored a special interest European conference in order to ensure access to a key decision maker.
- Created the Deep Blue chess computer, arguably one of its most effective communication successes of the 1990's.

Other brand examples include:

- The AA uses a journey planning tool on its website to promote brand experience .
- British Telecom mailed an innovative research questionnaire that generated substantial business and satisfaction improvements.
- Tesco pioneered the development of the Clubcard concept in the supermarket category, moving customers from anonymous baskets to known customers and thereby positioned itself successfully and fortuitously for the Internet opportunity, in which it is now a global leader.

Advantages of this medium-discipline-channel framework include:

- There is an opportunity to research and innovate in consideration of the essential characteristics and competencies media, free from historic bias.
- There is an opportunity to research the essential characteristics and competencies of the disciplines, independent of their historic connection to particular media. This could lead to enhance skills in the techniques and their application. Benetton, Marmite and Budweiser have all used television as a more effective publicity-generating (or PR) tool than press releases. Salespeople were included in the direct marketing mix by the American DMA since at least the 1980s. Given that IBM include their salespeople and Land Rover the dealer's salespeople in their planning mix, then it is reasonable to ask in what way a salesperson might 'advertise' the brand.
- It provides a creative planning tool for the invention of new channel solutions, as in the examples cited above.

## **5.2. From singles to cocktails: the rise of integration and mix**

The second key element of the findings of the MNP group confirm the established CRM/IMC principle of integrated, mixed and harmonised communications. The key to CRM integration is to create seamless connections between telephone, mail, web, sales force, retail centres and other touchpoints and the technologies, policies and process that serve them. The aim is to ensure a consistent customer experience as well as to pool knowledge in order to enhance the customer's perception of the brand. While integration has been underpinning one-to-one and CRM initiatives, it has equally been harnessed to mass communication planning and execution to achieve IMC programmes. Leading media consultants such as Ninah Consulting, MindShare and Billett, clients like Unilever, Masterfoods and Coca Cola and agencies like EURO RSCG, Young & Rubicam, Ogilvy and Banner support this need for change and are developing tools for optimising communications planning and evaluation from a media-neutral standpoint. IBM designs international multi-media marketing communication projects, such as its 'Play to Win' campaign in conjunction with a team of agencies, under the umbrella of *e-business*, and involving IBM internal channels internationally.

(P5) The future of communication planning therefore needs to resolve CRM and IMC into a unified communication planning process, planned on the basis of a mix of communication with the aim to maximise the efficiency and optimise the creative effect of this communication; a design objective that in the view of the MNP group reflects the needs of brands, senior marketers and their agencies. Furthermore, (P6) given that the scope of media planning includes all touch points, this unified process needs to include within the planning process other internal functions within the organisation such as HR, Service Operations and R&D, thus developing into Integrated Marketing to ensure company-wide communication harmonisation.

While it is agreed that, occasionally, the mix might be one brilliant and innovative channel solution, thinking widely about the mix of discipline and media options is considered more likely to discover such strokes of genius. However, such a process immediately generates complexity. How do you decide whether to spend your money on PR or direct mail, or PR and direct mail versus print and radio, or guerrilla tactics and PR versus an enhanced store environment versus a TV campaign? And how do you evaluate the results from multiple activities in order to assess the contribution of each as well as the optimum mix? Such complexity reflected exactly the issues already facing the MNP group.

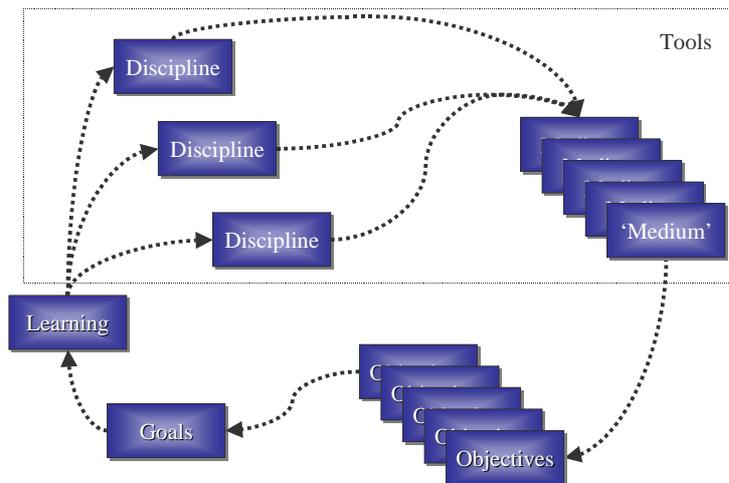
## **5.3. By eradicating bias, MNP offers an enhanced vision of communication potential**

An important step in solving this problem, according to the MNP group, is to upgrade communication skills based on a new perspective of marketing communications. For example, observation of a range of actual marketing communication in conjunction with the concepts and definitions above led the MNP group to elements of the new communication theory, summarised in Table 2, which extends from concepts of communication itself to the essential context for its planning, execution and evaluation process. The essence of the new thinking can be summed up in 4 propositions:

- P7 All communication in any medium are brand defining and sales influencing (this includes bad or weak communication alongside 'good' communication); however, these do not exhaust potential. Terms such as above and below the line are unhelpful and frequently pejorative.
- P8 Any discipline can be used with any medium or media to achieve any objective. The right combination takes improved rigour and creative insight.
- P9 Any communication activity (sales call, TV ad, mail pack, PR event, etc.) in any medium can mix insights and methods from the communication disciplines to create new channels.
- P10 The best mix of communication disciplines using the best mix of media will optimise a communication project

Figure 1 indicates how these propositions are applied in a learning cycle.

**Fig. 1: The new scope provides a need and opportunity for more rigour and creativity**



**Table 2: MNP communications theory propositions**

1. The more a company has a real, clear, differentiated core value the more benefit they will get from marketing communication
2. Communication choices should be driven by brand-customer-business-situation insights and governing ideas
3. The brand's strategic value promise is the core governing idea for the MNP process
4. Understanding of the identity of the brand is crucial
5. Consumer and other stakeholders' understanding and experience of media and disciplines are different from professional marketers' language, habits and assumptions. Therefore there is little value in perpetuating these when they conflict with 'audience' perception and psychology
6. All customer and other stakeholder experiences of the brand communicate and define the brand – therefore communication planning should extend beyond traditional paid-for media
7. Any discipline can use any medium to achieve any objective
8. Any communication channel can mix multiple indeed possibly any disciplines
9. Any medium can be used by most and possibly all disciplines, in almost any mix to create new channels
10. A brand will be enhanced in proportion to the efficiency of the media-mix, the harmony in their use and the potency of the message
11. A brand will be damaged in proportion to the inefficiency of the media-mix, any lack of harmony in their use and the feebleness of the message
12. 'Harmony' is likely to require more than merely copying copy and images to different media
13. The efficiency of further investment in any single medium progressively declines
14. There is a media-multiplier effect: an efficient combination of media used in harmony outperforms media in competition or silos and generates a free additional effectiveness result
15. There is a discipline-multiplier effect: disciplines working together outperform disciplines in competition or silos
16. The best solutions are effective and efficient *blends* of disciplines-media (channels) to achieve the required business objectives/priorities
17. People working collaboratively together outperform people in conflictual competition
18. Planning and evaluation should be briefed and evaluated on a universal, fractal and method-neutral basis that respects customer/human psychology

It is natural for human beings to be born into a particular milieu and to assume that that is the normal way of being until something different is experienced. In a similar way the MNP group conclude that marketers have become used to a body of planning assumptions and practice, which now seem natural. In fact the current framework or paradigm is really only the current, not the best way of doing things.

#### **5.4. MNP aims for universal or common currency planning and evaluation**

One of the key areas for MNP development is planning and evaluation methodology that enables common practice and perspectives across all disciplines. The absence of universal standards has held back development of numerous industries including the information technology and electrical industries. The current dysfunctions and fragmentation in approach to the different marketing communication disciplines are perceived by the MNP Group as equivalent to that in the electrical industry before the development of IEEE standards or the information technology industry pre-Internet protocols. Similarly, the marketing communications industry has a wide variety of different methods and criteria that vary by discipline, media and audience type. For example, the MNP group noted that each discipline tends to apply different metrics, which are often only loosely connected with sustainable brand success but are relatively easy to capture within the discipline, for example:

- Advertising is frequently measured by awareness
- PR is frequently measured by column inches of copy or similar media related metrics
- Direct marketing is typically measured by response rates
- Personal selling is typically measured by call volumes and sales
- Events are measured by number of participants and follow on leads
- Sales promotion is measured by short-term market share and sales volume gains

The absence of universal or common standards and methods means that marketers and other change agents can neither specify communication objectives nor evaluate results to a common or universal standard. This makes comparison and discussion between the methods difficult and makes it hard or impossible to collate, compare and analyse results across either parallel communication projects or multiple communication projects over time.

Media agencies and leading client groups such as ATG Mindshare, Unilever and Masterfoods are developing media planning tools that enable specification of 'effectiveness parameters' for different media that, when combined with media cost and availability databases, provide a more scientific media schedule. The range of included media is increasingly being widened, for example by including mail, telephone and other contact points. These represent a powerful contribution to communication planning technique. However, while this can be helpful in comparing media, it will not be effective in comparing communication activities across communication channels unless the method of planning communication is based on a common framework for all communication. The danger, as the MNP group agreed, is that the method of defining the communication objectives can bias the selection of media. For example, if the communication objective is defined as awareness, this is then likely to lead to a bias in favour of TV as the medium of choice.

These difficulties also affect preliminary and post-hoc evaluation research in support of communication projects, particularly when they involve multiple communications types and varied audiences, stakeholders or publics. Econometric modelling relating discipline and activity expense to sales revenue generated is helpful. However, this classically ignores the entire field of communication purpose or objective – what aspect(s) of what was done created the benefit? Any universal standard has to be based on how people, both consumers and other audiences, process communication (including product and service elements) not on industry structures. Thus (P11) communication managers need a common or standard framework for planning and evaluation that maps onto customer experience and enables effective research, planning, design, execution and analysis of any communication project in any mix of communication channels and to any mix of stakeholders or publics. The development of practical universal standards would therefore mean that (P12) a marketer could and should initially develop a single master brief effective for any kind of communications agency or internal group. Land Rover, NSPCC, Vauxhall and others are taking these steps. Furthermore, (P13) a single framework with a common currency should be used to evaluate every element within a complex, multi-channel project.

The research therefore suggests that marketers require a way to define all communication activities from top to bottom using a single intelligent framework derived from the way communication affects people and related to all and any business objectives. A typical application might therefore include planning for an overall set of objectives for a new product launch:

- The brand manager assigns overall priorities and objectives based on planned changes in and by the communication recipient across a set of meaningful dimensions defining what should be achieved in qualitative and quantitative terms to achieve these objectives and by when.
- Planning for different communication channels for each audience type using the same framework of priorities and objectives– for example use of TV, website, in-store promotion and trial, and product packaging – is then done with and by various agencies working with the brand manager.
- Actual results are later fed into the system and agreed or automatic conversion takes place to give the result scores.
- At each stage scores may be displayed numerically and/or graphically and will be associated with textual elucidation.

The common method would then enable the brand manager and his or her team:

- To compare the potency of different mixes of communication planning priorities/objectives
- To score the effectiveness of any communication activity in its contribution to the overall communication mission, or example to compare the potency of a direct mail pack in France with a television ad in the UK in achieving brand equity.
- To compare media, discipline and channel effectiveness in achieving communication goals
- To gain additional insights and experience over time into the effectiveness of a mix of planning dimensions with different business requirements and audience types, thereby enhancing theoretical and practical craft skills
- To develop media, discipline and channel planning instruments, possibly in conjunction with specialist agencies or consultancies

The effect and objective of such a method and common standard is that planning opens up dialogue, mixing and learning between the disciplines and their practitioners and enables complex integrated projects to be designed seamlessly. Client and service companies can compile workflow and database systems capable of comparing a multiplicity of national or international communication projects over time based on a meaningful, sound and effective common structure for linking and comparing plans and results. This plus econometric modelling provides the basis for a superior learning process about the quality of the brief and the relative contributions of the different communication channels to the customer experience and therefore to purchase or other behaviour.

Research by Jenkinson and Sain (2003d) and the MNP group suggests (P14) that an effective framework would have the following components:

- An overall business-related goal, such as market share, brand or customer equity.
- A hierarchical communication planning structure: master communication objectives with multilevel subsidiary communication objectives and activities
- Communication priorities and objectives for each communication activity, from the master plan to the lowest level communication activity, based on an effective and universal or common framework of planning dimensions.
- A set of measurable objectives for each planning dimension defining what constitutes successful accomplishment.
- A defined relationship between lower and higher-level communication activities, such that the contribution of each communication activity to the overall plan is clear.

The MNP group considered one proprietary technique developed by Stepping Stones Consultancy Ltd, CODAR, and found this helpful. CODAR leans on cognitive theory, while also drawing from behavioural theory. It also draws on classical psychological theory relating to cognition, affection and conation as well as other studies in consumer and human behaviour and the psychology of purchase and commitment. CODAR uses five dynamic and inter-dependent planning dimensions, which can be loosely related to advertising and PR, relationship marketing and personal selling, direct marketing and sales promotion, service marketing, and product management, to plan and evaluate any communication. These are:

1. Idea forming, referring to the communicator's objective of influencing the ideas, associations and thinking of the communication recipient, for example about the brand or a particular project or product. This is therefore primarily a cognitive planning dimension.

2. Relationship building, referring to the objective of causing the communication recipient to feel him or herself connected through some form of relationship with the brand or its representatives. Examples might be the feeling of affinity with the values of the brand or culture, trust or appreciation, the sense of being personally recognised and appreciated, gaining accessibility to the communicator or brand, feeling a sense of belonging to some privileged or special group, involving the brand and its products more in everyday life, and others. This is therefore primarily an affective planning dimension.
3. Behaviour activation, referring to the objective of causing an intentional or actual behaviour change by the communication recipient, for example sales activation, sales enquiry or commitment to behaviour change. This is therefore a conative planning dimension.
4. Help or service support, referring to the objective of providing required help or support to the communication recipient, for example in the form of information about a product or policy or help in a process. Here the objective is to reduce anxiety and generate the feeling of being cared for.
5. Product, service or environment experience, referring to the objective of giving the communication recipient an experience, whether actual, such as in a product trial, or imaginal, such as through a virtual, visual or verbal representation of the subject or product. Here the proposition is that it is difficult to agree to a proposition unless it and its consequences can be imagined.

Each of these objectives or dimensions is said to be desirable and normally present to some extent in every act of business-oriented communication. However, the relative priority and specific objectives of each element will vary from communication to communication. It is the process of selecting the relative priorities (represented on a radar chart) and specific content of these objectives and subsequent evaluation of performance against them that constitutes the core of the process and tool. The scores assigned to each communication at the planning and evaluation stage represent the communication's CODAR signature and each communication can then be compared with any other as to the balance of objectives. Along with these scores, communicators provide precise descriptions of the objectives, define successful performance in relevant units, and specify the planned contribution related to budget of the activity. It is therefore possible to define a planned score or performance level ('plan score') and subsequently calculate the actual score or performance level ('actual score') for each and any communication of any type.

Experience with CODAR suggests that it is helpful in the following ways:

- It is much more effective in terms of both precision and creative opportunity to brief requirements common or universal criteria than in terms of specific methods. Every agency including PR, research companies and internal can also offer solutions on an equal basis.
- It provides a considerably more effective and rigorous basis for discussion and debate about what the communication objectives should be and how they will contribute to brand and customer equity.
- It provides an effective 'common currency' evaluation tool when assessing agency propositions or pitches.
- It is easy to translate into a research instrument for evaluation and therefore into econometric planning tools.

### ***5.5. MNP requires an organised, committed client that teams up with its agencies to operate integrated processes***

The conclusion of the MNP group is that (P15) successful media neutral planning and evaluation is most likely to be implemented when a committed and competent client drives it. Key recommendations are outlined in Table 3: Recommendations for action by CMOs/senior marketers. As further detailed in Jenkinson, Bishop and Sain (2003), the CMO is responsible, and successful implementation may require changing the team paradigm, updating budgets, contracts, structures, skills and processes, aiming for a fusion of creativity and scientific rigour; with an effective customer community-focused, not discipline-focused organisation and an integrated process involving all 'agencies' as a non-hierarchical collaborative, partnership team – including research and internal – backed by solid information and learning. An effective, integrated planning and evaluation process based on enhanced skills and a common process template should be led by a steering team with skills in the brand, customers, communication and media, social competence and project management..

**Table 3: Recommendations for action by CMOs/senior marketers**

1. Recognise that you are responsible for integration, and the context for agencies to collaborate
2. Radically redefine your marketing communication concepts and language and develop 'multi-lingual' communication skills in your people and teams
3. Organise and focus marketing and communications teams by customer and other stakeholder communities rather than discipline
4. Expect to significantly redefine or redistribute your budgets
5. Work with and pay your agencies (including PR) as a differentiated but non-hierarchical collaborative, partnership team. Pay them independently for ideas and execution, not media spend; expect to reallocate costs and reward team results
6. Brief all agencies (including Media/PR/HR-Internal) equally about major projects, defining communications objectives in neutral, common currency, customer-oriented business dimensions that work for every agency and discipline. Plan and allocate across all potential channels/media/touchpoints before allocating to one. Develop channel solutions in inter-connected, imaginative and rigorous, parallel processes, allocating budget to the most efficient and effective mix.
7. Use a single process-template and toolkit to support effective and efficient quality (creativity/productivity) and keep improving it.
8. Adopt a true 'action research/action learning' approach over 'accountability' to maximise insights and improvement
9. Benchmark your 'media performance' across all touchpoints (both conventional media and other drivers of customer and other stakeholder experience, collating and comparing results from every communication project in any medium or discipline using common currency measures (develop econometric model)
10. Make social skills/resources (partnering, learning etc) almost as important as marketing communication skills within the teams

## 6. Conclusion

Marketing communications has developed into a number of specialised tools, each of which has considerable internal expertise but with lack of transparency and common planning and evaluation technique across the mix. Tradition, habit and bias has led to formulations of structure, budget allocation and communication method that sub-optimize marketing communications. These problems are perpetuated even within the two primary techniques for integration: IMC and CRM. Indeed the existence of IMC *and* CRM implies polarity and distinction. There is consequently an emerging consensus on the need for a new paradigm or communications theory based on further development of IMC (or CRM), demonstrated by the importance allocated to the findings and recommendations of the senior practitioner research group by the Chartered Institute of Marketing as well as by parallel inquiries and practices by academics and also by client and agency practitioners from across the marketing communication disciplines.

The paper has used these findings supported by interviews with other senior marketers and case studies to suggest some foundation principles or hypotheses for this new paradigm, summarising elements from a developing new communications theory. MNP and its tools will not solve all problems, but it is suggested that it will advance the art and science of marketing indications. By applying these techniques, it is suggested that marketers would be capable of planning and evaluating successfully across the entire range of media and disciplines with an increased and increasing ability to achieve effective and efficient mixes of communication channels based on both scientific rigour and creative imagination. The MNP group research suggests that where these recommendations are successfully implemented, there is likely to be a redistribution of marcoms budget, but overall cost-effectiveness is likely to improve by a suggested 10-25%. Although some traditional advertising media may in the short-term get a smaller share and other media more, the overall category should improve and be better protected from accusations of advertising pollution. In addition to these benefits, the marketing community should gain from better collaboration, learning, respect and influence.

Considerable scope for further qualitative, quantitative research exists: for example, to evaluate the findings and use econometric techniques to a further test the level of potential benefit; to test and refine the individual hypotheses; to evaluate practitioner and academic responses; to evaluate CODAR and to develop and test alternative planning and evaluation/learning techniques; to develop optimum information technology structures for the management of communication project information; to refine implementation of the new practices; to develop the theory and evaluate the best methods of teaching it; to refine the structures and business processes; and develop instruments and techniques for partnering, including new payment methods. This represents an exciting opportunity for all stakeholders in the marketing communication disciplines.

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<sup>1</sup> Product is understood in a wider sense of the term, including service and ideas/ideals