New Media: Embedding IMC within Broader Marketing Strategy

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Abstract

New media has resulted in communications strategy evolving to a more integral component of marketing strategy, such that the two are converging. This paper discusses the implications of this shift in terms of IMC, drawing on the existing academic and practitioner literature. Effective use of new media means communication activities will direct marketing tactics and strategy, rather than being driven by them.

Introduction

The media landscape has changed substantially over the past decade. Digital content has moved beyond the Internet alone and can be found in radio, TV, cellular phones and interactive screens in public places, allowing more dynamic advertising over a wider array of platforms. A challenge for marketers is the effective use of these new dynamic, interactive media; however the combination of media proliferation, media fragmentation and audience fragmentation has given rise to major challenges and opportunities.

New emerging media provide uncertain challenges (Barwise, Elberse, and Hammond, 2002; Louvieris and Driver, 2001). The Internet is more than another media channel. It has evolved to exploit a range of high capacity networks and convergent devices such as interactive digital television, online games and next generation cell-phones (Barwise, Elberse and Hammond, 2002). The Internet has facilitated a host of other electronic communications which provide opportunities for real time communication, access to differentiated contents, virtual experiences, as well as have the capacity to collect rich data about prospects.

New media has changed the interface between consumers and organisations. Most importantly there has been a shift in power between the media and the consumer, with consumer generated media turning consumers into content creators. Consumers now expect greater control over what, when, where and how they are exposed to corporate communications, blurring traditional boundaries between public and private, producers and consumers. Shifting power relations have not only changed consumer expectations, but also have changed purchasing decision making and the way that business is transacted.

Signs that consumers are changing their media habits are well established and there is extensive evidence of a decline in traditional media usage (Danaher and Rossiter, 2006; Levine 2006). In response, marketers are shifting expenditure away from traditional media and investing in newer, untested media options (Barwise and Styler, 2003; PQ-Media, 2006). New media is more than just a new way of reaching consumers, but has transformed many aspects of brand marketing – from segmentation and targeting through to positioning, distribution, customer relationship management (CRM) and the customer value chain.

The shift from static information channels to dynamic, interactive communications gives rise to a range of new marketing opportunities. New media requires marketers to adopt a far more...
strategic approach to communications planning, which moves into broader strategy development, although this has not been expressly explored in the literature. This paper draws on the academic and practitioner literature to identify emergent themes in regards to what new media means for integrated marketing communications (IMC). We suggest that while marketing decisions that were once treated as discrete, — segmentation, positioning, promotional strategy, distribution and communications — are converging and that IMC is evolving into a new type of strategic communications. Table 1 summarises how these changes in media affect the components of IMC planning and strategy. A richer understanding of IMC’s evolutionary path may suggest a future direction for communications strategy.

| Table 1: Evolution of the Role of IMC in Strategic Marketing Communications |
|-----------------|-----------------|-----------------|-----------------|
| **Marketing Decisions** | **Traditional IMC Approach** | **Strategic Communications** |
| **Phase 1** | **Phase 2** | **Phase 3** | **Phase 4** |
| **Marketing Strategy** | Transaction Based Marketing | Market Orientation | Customer Relationship Marketing (CRM) | Mass customisation |
| **Segmentation Strategy** | Mass Markets | Differentiated Markets | Finer Segmentation | Hyper-segmentation |
| **Targeting & Profiling** | Broad (Geographic & Demographic Profiles) | Target Markets (Attitudinal & psychographic profiles) | Tightly defined markets (Needs & usage based profiles) | Customer-Managed Relationship Marketing (Progressive profiling) |
| **Positioning** | Undifferentiated | Brand Positioning | Relationship Positioning | Co-Relationship Management |
| **Creative Strategy** | Persuasive | Single minded proposition | Multi-dimensional messages | Customised messages |
| **Media Philosophy** | Media Buying | Integrated Media Planning | Media Neutral Planning | Communications Channel Planning |
| **IMC Objectives (Metrics)** | Reach (Gross Impressions) | Reach & Frequency (Effective Reach) | Consumer Touch Points (Involvement/Engagement) | Experiential Media (Time/quality of engagement) |
| **Media Experience** | Information | Interruption | Attention | Experience |

**Segmentation, Targeting and Profiling**

The segmentation-targeting-positioning (STP) sequence is fundamental to IMC. Conventional planning employs a linear model, in which segmentation is the essential first step. Positioning and marketing programs are dependent on careful segmentation, typically based on purchasing combined with demographic or attitudinal variables (Sausen, Torsten, and Herrmann, 2005). Profiling is used to reveal rich insights about the target market necessary to inform effective brand positioning, marketing and communication strategy. Thus STP is essentially a brand-driven approach.

Finer segmentation has been hypothesised since the early 1990s (Hamel and Prahalad, 1994;
Kara and Kaynak, 1997; Tedlow, 1990) and database marketing, in the early 1990s, provided marketers with additional information required to group customers into narrow clusters (Kara and Kaynak, 1997). While, finer segmentation is useful, it remains brand-centric and thus is only an extension of conventional segmentation.

Harnessing the full potential of technology, marketers have begun to transform finer segmentation into hyper-segmentation (Christian, 2005; Louvieris and Driver, 2001). Marketers can use interactive communications to query prospects across information interactions, thereby continuously refining the customer profile (Market-First, 2005; Spethmann, 1999). Each successive interaction is capable of yielding rich data enabling continuous micro-segmentation or hyper-segmentation. The process is also referred to as progressive profiling in the CRM literature and addressable advertising in the interactive media industry (Christian, 2005; Dureau, 2004; Gal-Or et al., 2006). Progressive profiling uses interactive media to address targeted questions across transactions and interaction points. Insights from consumer responses facilitate further segmentation on the basis of brand preferences, desired level of customisation or purchase readiness (Christian, 2005; Dureau, 2004; Gal-Or et al., 2006). Addressable advertising exploits the potential of personal video recorders to gather information on viewing patterns and advertising preferences. A major advantage of hyper-segmentation is that it can be used to make inferences about latent needs, which in conventional marketing, have been elusive.

As consumers provide additional information, it is possible for marketers to tailor message and offer strategies that target individual customers. Through continuous adjustments to message delivery, hyper-segmentation not only enhances message relevancy within real time campaign timelines, it also reduces potential message wear-out and assists with scheduling message frequency based on customer-defined expectations. Hyper-segmentation transforms marketing communications from an “interruption” model to an “attention” model.

It has been argued that mass customisation, marketing to “an audience of one,” is a theoretical reality (Kara and Kaynak, 1997; Sheth, Sisodia, and Sharma, 2000), even though strategy and implementation are not prepared for such finely tuned segments. The implications of hyper-segmentation extend beyond marketing communications because of the ability to develop truly unique positioning strategies at the level of an individual customer.

### Positioning

Positioning provides a central link between the brand, its core benefits and the market (Rossiter and Percy, 1997). Brands must not only be differentiated, but also identify ways to communicate unique brand values effectively. In the traditional view, consumers develop relationships with brands or companies. Advertising’s role was largely confined to the consumer’s pre-purchase cognitive and affective states. Media’s role was to generate brand awareness, contribute to brand attitude, strengthen purchase intent, encourage trial and frame consumer expectations (Rossiter and Percy, 1997; Vakratsas and Ambler, 1999). Product experiences, via ongoing transactions, were required to confirm or disconfirm expectations, reinforce the positioning theme and develop enduring relationships.

Interactive media offer consumers new ways to gain brand experiences. Virtual experiences can be delivered via 3-D advertising, limited scale trial, simulation, online auctions and virtual shopping tours to name just a few. The term, marketspace, has been coined to describe
this rich array of virtual experiences (McCullough-Johnston, 2001). The limited research undertaken in the area suggests that virtual experience may provide improved product knowledge and more positive attitudes towards the brand while there is little effect on purchase intent (Li, Daugherty, and Biocca, 2002; 2003). It is suggested that a mixed reality, the combination of virtual and physical environments, might offer even greater rewards to both the consumer and the marketer (Gilmore and Pine, 2002; Koontz and Gibson, 2002).

Technology is central to the use of new media and improved relationship management (Hoekstra and Huizingh, 1999; Kapoulos, Murphy, and Ellis, 2002; McCullough-Johnston, 2001; Park and Kim, 2003). Terms such as e-relationship marketing and technologicalship marketing have been coined to reflect the growing importance of computer-mediated relationships (Zineldin, 2000). It has been suggested that relationship marketing represents a paradigm shift (Brodie et al., 2000; Gronroos, 1994). Yet, it has also been suggested that CRM remains product-centric rather than customer focussed (Law, Lau, and Wong 2003).

It is unclear whether relationships formed in computer mediated environment are different than those based on personal encounters. Zineldin (2000) has argued that computer-mediated relationships are fundamentally different, which is supported in the empirical research. For example, Colgate, Buchanan-Oliver, and Elmsly (2005) found that computer-based relationships were generally weaker and that customers placed different weights on expected benefits; social benefits were less significant while personal advice and quick response to problems were more important. As such e-relationships may be sufficiently different that they required specialized management, which moves beyond traditional marketers’ expertise.

Within the new media landscape, the consumer’s role as a content creator is an issue that has not been extensively researched. The rise in popularity of consumer generated media, points to shifting power relations between consumers, companies and media. To reflect a more customer centric approach, it has been argued that CRM should be envisioned as co-relationship (Sheth, Sisodia and Sharma, 2000), while others have applied the term customer-managed relationships (Peters, 1998). Prahalad and Ramaswamy (2004) have challenged traditional concepts of value creation, arguing that value will have to be jointly created by consumers and organisations in a process of co-creation.

**Media Strategy**

In early practice mass media was used to reach undifferentiated markets. Limited media choices engendered a buying philosophy. Some have argued that remnants of the buying mindset have persisted within advertising agencies to the present day (Kitchen et al., 2004), which might inhibit their ability to embrace new media. The mid-twentieth century saw media proliferation and audience fragmentation. The basic requirement of media selected is its capacity or the ability to convey the campaign’s creative content in a way that achieves the campaign’s communications objectives (Rossiter and Percy, 1997). Media decisions centred on the optimal media mix and schedule. Media objectives were expressed in terms of impressions rather than creative fit. This may explain why much of the literature has explored issues associated with effective frequency, reach and continuity and the impact on sales or brand preferences (Vakratsas and Ambler, 1999).

By the late 1990s, with the cost of advertising media rising and audiences falling, a more strategic approach to media planning emerged. Advertisers, eager to leverage new media
opportunities sought novel solutions to communications problems. However, new media was slow to be integrated, possibly because of a lack of suitable media metrics. In spite of new media’s obvious cost efficiency, many marketers treated it as just another channel, and continued to measure its performance in traditional terms, ignoring the real benefits of its interactive format, which extend beyond reach and frequency.

More recently, theorists and practitioners have urged advertisers to embrace the framework of media neutrality (Grounds, 2003; Kaye, 2000; O'Regan, 2003), where each medium is treated as potentially appropriate depending on the specific marketing objectives (Tapp, 2005). Media neutrality attempts to provide an unbiased approach to media selection that emphasises planning around consumer touch-points. Media are viewed from the consumer’s perspective, and selected media connect with consumers whenever and wherever they are most receptive (Benady, 2004). It has been pointed out this customer-driven approach places media strategy at the forefront of the creative process (Mcmains, Sempley, and Gregory, 2006) and moves away from a brand focused perspective.

Communications channel planning is the logical extension of media neutrality, driven by advertisers wanting far more sophisticated combinations of media and communications. In this planning framework, measures of effectiveness focus on qualitative measures such as consumer “engagement” and “involvement.” Emerging concepts such as “media richness” may become the way of conceptualising the relationship between consumers, brands and the media (Kaye, 2000; Zambardino and Goodfellow, 2003), where there is a focus on the channel’s ability to convey varying levels of desired content (Simon and Peppas, 2004). New media tend to be richer due to interactivity, with inflexible traditional media tending to be considered ‘leaner’. Empirical research on media richness is only just emerging; there is some evidence that modern consumers prefer rich media. For example, Simon and Peppas (2004) found that consumers’ general preference for richness increased with complexity of products and Scherf (2005) found that younger consumers prefer richer media.

In the new paradigm, it is no longer a choice of traditional versus new media, rather media complementarity is important. Effective promotion strategies using new-emerging media require support from traditional media. Traditional media’s role becomes focused on driving consumers onto interactive platforms, where marketers can deliver optimized messages, targeted at tightly defined audiences, provide virtual brand experiences and build relationships with consumers.

Conclusions

The concepts discussed in this paper need significant additional development. Extant academic and practitioner literature clearly shows that the frameworks used to plan and implement communications strategies are no longer applicable. New media means that strategy evolves as consumers interact with organisations, which results in redefining strategy for specific micro-segments, i.e. mass customisation.

Effective use of new media requires a more integrative framework where firms start with a program that is sufficiently flexible to deal with multiple segments, all seeking divergent and overlapping interactions simultaneously. This requires that IMC is embedded in broader marketing strategy. Indeed, the delineation between the two may ultimately disappear. This area has not been researched and extensive investigation needs to consider the design and
assessment of different new media approaches. Research also needs to consider the broader design and management issues, to identify how organisations can effectively leverage new media to achieve broader organisational objectives.
References


