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**Keywords:** integrated, marketing, assessment, model, customers, experience, excellence, audit, UK, communication, planning, CRM, IMC

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# Papers

## Integrated marketing and its implications for personalised customer marketing strategies

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### Abstract

Part 1 of 2 introduces the concept of 'integrated marketing' and its subset, 'integrated communication', with results of a survey of 200 UK brands, outlines current UK performance in integrated marketing and provides a statistical foundation supported by qualitative research for a model of integrated marketing, including five critical customer experiences and 22 significant business performance competencies. This paper provides a foundation for a later paper on consequent opportunity areas for direct marketers and other organisations that create personalised communication in any medium.

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### Introduction

This paper is one of a series of two that provides a summary review of selected findings by the Centre for Integrated Marketing over the last five years with consideration of their implications for direct marketers and others with responsibility for marketing strategies, managing customer relations and/or generating personal communication that is intended to be responsive to the interests and behaviours of segments and individuals, such as an interactive webpage, mobile phone text or call centre service response. However, the boundaries of such personalised communication are broad and relatively fluid. For the sake of convenience, the term 'direct marketing' will be used as a broad label to cover all such forms of marketing and communication. In this paper, a model of 'Integrated Marketing' based on a range of empirical and statistical research activities will be considered and, in the next, the implications for direct marketers will be examined.

People establish common meaning, understanding and relationships through communication. Consequently, communication methodology is a basic of marketing and branding — a brand is fundamentally a mental phenomenon, a set of ideas, effects and associations that is the result of communication, with each brand interaction constituting an act of communication. Many commentators have noted that the purpose of marketing communication is to add value that benefits both the

## Scope of the communication challenge

customers and the brand.<sup>1-3</sup> Consistent, coherent and congruent messages have positive effects, while mixed, contradictory or confused messages are dysfunctional, diluting the message or creating negative ideas about the brand.<sup>4</sup> The recent concept of 'experience marketing', or 'experience economy', while essentially repackaging older concepts in brand management as well as service, relationship and database marketing, provides a useful conceptual framework for understanding the scope of communication effect.<sup>5,6</sup> Any point of interaction that gives an experience to a customer simultaneously generates both 'communication' and 'value', and these two terms are broadly synonymous.<sup>7</sup> Critical incident (or moment of truth) analysis reveals the importance of interactions in the way that they convey meaning, ideas and values as well as value (positive or negative).<sup>8,9</sup>

The optimal goal of communication planning is consequently to be able to design and execute effectively across the full range of customer interactions, giving appropriate investment significance and implementing the most appropriate messages at every point.<sup>10</sup> To put this simply, the business's goal is to optimise the size, allocation and execution of budget across all effective customer touchpoints (aka media<sup>11,12</sup>) over time as a single coherent management framework irrespective of the nature of each touchpoint.

The varieties of ways in which customers interact with the brand, both within and beyond the scope of traditional media planning, has implications for the business model, leadership and operational execution. Given factors such as the design of a retail outlet, the performance of the service personnel or the next generation of product R&D,<sup>13</sup> an even more concerted and strategic approach to integration, media planning and their scope may be required compared with the traditional 'brand manager plus agencies' model. This development in scope to an organisation-wide endeavour, involving multiple processes and business functions, is the subject of these papers, with specific technologies and practices that can be implemented progressively and straightforwardly with significant consequences. Estimates published by the Centre suggest significant performance benefits.

The next section outlines the research background and methodology supporting the paper.

The paper then continues with a discussion of the concepts of integration and integrated marketing and the need for these business practices. The findings of an empirical study of 200 senior marketers are then presented, including a model of integrated marketing. The follow-on second paper then concludes with a discussion of the implications for 'direct marketers' as well as the potential return on investment for businesses. Many professionals have been engaged with the challenge of 'integration', recognising that it implies a new way of thinking and working. Together with a separate more detailed examination of the implications for communications planning and evaluation, it is hoped that these papers may contribute to a new professional paradigm, in the sense originally intended by Thomas Kuhn, a model that forms a coherent body of knowledge accepted by

a professional community as the basis of further exploration and activity.<sup>14</sup>

### Methodology

The paper draws on a quantitative survey of senior marketers, one per company or, where an organisation has more than one brand, as in, for example, the FMCG marketplace, one per brand, with a total of 201 valid interviews from leading UK brands and agencies including IBM, Apple, British Gas, Pfizer, Kit Kat, Harley Davidson, Lloyds TSB, Dixons and Ogilvy designed to identify or confirm key factors in customer experience and brand performance<sup>15</sup> (see respondent analysis in Table 1). The survey instrument drew on both literature research and extensive qualitative studies, including more than 30 case studies, 80 interviews and a 15-month judgement panel review of marketing communication planning with senior marketers (the ‘Open Planning’ study<sup>16</sup>), in order to identify business competencies that were considered likely to increase integration and improve business performance, or in their absence, likely to increase fragmentation and reduce business performance. The full toolkit consists of over 150 diagnostics<sup>17</sup> drawn from business domains that include:

### Topics relevant to integrated marketing

- Business Strategy and the Business Model
- Brand Management, Positioning and Experience Marketing
- IMC, Media Neutral Planning, Open Planning
- CRM and Customer Management
- Knowledge Management, Systems Thinking and Learning Company strategies<sup>18</sup>
- Salutogenesis and Health Economics,<sup>19</sup> which is concerned with the conditions for human coherence, motivation, morale and energy
- Internal Marketing, Culture Management and Organisation Development
- Value Selling, which is concerned with how to design and present a proposition so that it has more value to a customer, and Service Marketing
- Innovation and New Product Development

**Table 1:** Analysis of survey respondents

<i>Brand Breakdown by Category</i>	
FMCG	15.0%
High-value consumer	19.9%
Consumer services	28.2%
Financial services	9.2%
B2B	23.8%
Other/undefined	3.9%
	100%
<i>Survey breakdown by type</i>	
Significant brand	73.2%
Charity	10.1%
Agency	11.1%
SME	5.6%

- Lean,<sup>20</sup> which is an advanced approach to process and organisation quality improvement pioneered by Toyota, and Value Engineering
- Balanced Scorecard<sup>21</sup>
- Leadership.

Space does not permit either a literature review or discussion of these elements, but they are all recognised components of management thinking with their own literature and studies. Where managers may be unfamiliar with the concepts, brief references are given above.

Each interviewee answered some 30 questions in a 20–25 min interview. The significant questions are shown in Table 2. The other questions were designed to identify key contextual factors, such as the brand name, marketing budget and industry. As far as possible, each question was intended to represent a single clear concept expressed in parsimonious language but with ready acceptability and understanding without explanation by senior managers. Each is seen as a significant competency of the business expressed in the form of a measurable outcome and regarded as the head of a hierarchy of practices, competencies and outcomes. For example, questions 4 and 18 relate to the management of data, information and knowledge, firstly in its application to customer experience and secondly to its appropriate provision to employees. A number of detailed competencies, processes and practices would be required to achieve these outcomes. During design, questions were framed in three contexts: customer experience, organisation-wide outcomes and marketing-specific outcomes. The resulting toolkit can be deployed in the form of an audit and benchmark and complements other specialised tools, such as the CMAT Customer Management Assessment Tool developed by Qci.<sup>22</sup>

## Research design

Most interviews were by telephone, with an appointment, a few face to face, carried out by an experienced researcher. The incentive for participants was a copy of the results. Research was carried out in two phases. The first phase of some 50 interviews was designed to validate the tool and research method. Development of the survey design and modelling was a collaborative endeavour by colleagues associated with the Centre for Integrated Marketing.

The study aimed to develop an operational model of Integrated Marketing, based on a causal model of factors that drive profits and are therefore of importance to leaders, see Figure 1. Based on earlier work in this field,<sup>23</sup> the model has three stages:

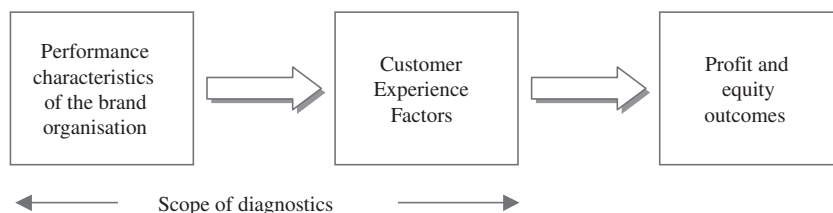
1. profit and equity outcomes as a dependent factor
2. customer experience factors that help determine this
3. performance characteristics or competencies of the firm or brand organisation that help to determine customer experience.

The research project did attempt to collect data about the percentage of customers making the brand their first choice in the category, aiming to use it as a supporting measure of business outcome. A number of respondents considered this to be confidential information, while many

**Table 2:** Integrated Marketing survey questionnaire © Centre for Integrated Marketing

1.	Customers feel that all their brand experiences come from one identity
2.	Customers trust the brand's promises (and pass them on through word of mouth)
3.	The brand treats different kinds of customers in ways appropriate to them
4.	Whenever appropriate, the brand recognises individual customers wherever they interact or do business
5.	Customers are happy with the brand experience
6.	There is a service-oriented ideal that encourages aligned commitment across the organisation
7.	Everyone nurtures what the brand means to committed customers
8.	Future vision is consistent with core truths of the brand
9.	The values we experience in our company culture support the values we express in the brand
10.	The brand organisation is excellent at realising high-value propositions from idea to implementation
11.	Quality is understood as that which is good for the customer, employee(s) and company
12.	(All business) Objectives are coherent with our [brand/company's] competence
13.	There are no silos (across the organisation)
14.	Practices ensure shared learning across the organisation
15.	The organisation works in effective partnership with the members of its value stream
16.	The culture encourages people to release their creative potential
17.	(All) Business processes are actively aligned to the brand value position
18.	Quality customer information is available in a timely way at every point of need
19.	Leaders promote what they practice
20.	The Marketing function is organised primarily around customer groups with their different needs and opportunities, not marketing disciplines
21.	Senior marketing people are skilled in multiple communication disciplines
22.	Customer management focuses on the value of customers over their lifetime
23.	All communication to all constituencies at all touchpoints uses the same planning and evaluation framework
24.	The company and agencies all work together in partnership
25.	Communication is creatively aligned through 'ig media neutral ideas'
26.	Evaluation is managed as a learning discipline across the participants
27.	The key evaluation processes are primarily designed to increase knowledge about what most efficiently creates value for customers
28.	Local and international marketing management collaborate effectively

**Questions included in the research**



**Figure 1:** Integrated Marketing Causal model

others did not know the answer. The research aimed to validate the experience factors as a construct and determine performance factors, which were assumed to relate to the effectiveness of the broader organisation, marketing, communication and knowledge management.

### Developing the model

Each of the individual questions provides an assessment of business performance in a critical area. The list of performance areas had been compiled from an extensive review of probable criteria, as noted above. The research aimed to identify not only the raw scores but also whether each of the factors proved statistically relevant. Furthermore, the goal of the research was to provide a robust yet simplified model for business strategy and implementation. As a normal part of such a development process, some statistical analysis of the collected data is needed to provide confidence that the underlying assumptions and ideas within the original model have credibility.

A ‘reasonable’ stance has to be taken here. In many ‘academic’ works, a slavish pursuit of academic excellence leads to outputs that may have little interest or importance to the practitioner. On the other hand, many reports from the practitioner side appear little more than war stories and anecdotes to the academic community and lack rigour. A balance needs to be struck and in this exercise some of the academic techniques are applied but tempered with experience, and most importantly feedback from qualitative research and judgement.

### Research goals

The collection and modelling of the data therefore aimed to confirm or deny that

1. the five customer experience factors can be treated as a single business construct for management purposes
2. the 23 performance competencies are significant influences of customer experience
3. these performance competencies may be factored into a small number of initiative areas to aid strategy and management
4. the Pareto principle applies: some of these performance competencies will be more important than others, and if so which?

### The need for integration

The need for integrated marketing derives from the fragmented world of the modern large organisation. It is a characteristic of the development of human knowledge to generate specialisation, which

may lead to fragmentation of understanding, divisive relationships and disconnected operations, and this is reinforced when large numbers of people increase network complexity and reduce interpersonal relationships; indeed, such fragmentation is a recognised phase in organisation development with the need to assert management control leading to a hierarchical model that creates organisational fault lines.<sup>24</sup>

Political and economic factors also contribute to rivalry. Most integrated marketing and integrated communication planning typically involves a collaboration by a number of teams that, however committed to a successful overall goal, may also perceive themselves to be in competition, at least to some extent, for budgets, recognition and status, possibly even for job preservation.

Even though the research was focused on best practice, with efforts to counter fragmentation, the following phenomena were observed in case studies and were confirmed by practitioners across diverse industries and service sectors:

**Examples of organisational fragmentation that stimulate the need for integration**

- customers of one part of the business are not recognised by another
- there is a difference between the service customers experience during the sales process and after purchase
- several different sales people from the same company are needed to cover the range of products and services
- learning from one part of the business or service point may not be transferred to another
- employees who have experienced or witnessed a number of business reorganisations and downsizing become cynical about leadership vision and concerned to protect their status
- there are conflicting objectives for service people, eg in call centres. Hard measures of performance, including volume of calls, are closely tracked while soft measures may not even be measured
- in the marketing department, professionals work in product and/or marketing communication disciplines silos, with mirrored agencies. The groups may not talk to each other, or only in the most limited way, because time is short and objectives do not require it. In a large organisation, this will be replicated for different product divisions
- senior management changes relatively quickly, with the average tenure of the chief executive and chief of marketing (CMO) being less than 18 months in most industries
- reports suggest that, on average, shares in public limited companies are held between 40 and 60 days

Most businesses and marketers know these are problems and are making efforts to counter these inefficiencies, for example to try to ensure that customers are appropriately recognised (but see study results below). However, they are difficult to overcome, and an optimum approach is required to do so.

### Integration and integrated marketing

Integrated marketing represents a developmental fusion of two important marketing developments,<sup>25</sup> customer relationship marketing or customer management (CRM) and integrated marketing communications (IMC), as well as other organisation development initiatives. In some cases, the term integrated marketing is used to denote the fusion of CRM and IMC at a communication level.<sup>7,26</sup> This represents an important step forward for marketers, but here it is considered as an independent subset of integrated marketing, that is integrated communications.

Integrated marketing involves organisation-wide synergies developing congruent, sustainable and high-value, differentiated brand experience for all stakeholders, as in the Jenkinson and Sain definition,<sup>27</sup> or the description below, given to us by Nick Smith, former Strategy and Marketing Director, British Gas, and former President of the Marketing Society.

‘Integrated Marketing is about an entire organisation presenting itself through whatever channel to whatever customer in a way that is entirely relevant to that customer.’

Integrated marketing has a role in the optimal recruitment and retention of not only customers but also of employees and shareholders.<sup>28</sup> This may more briefly be described as *Integrated Marketing is the organisation-wide optimisation of unique value for stakeholders*. According to Jenkinson *et al.*,<sup>29</sup> successful integrated marketing requires management of three business drivers:

1. identity, which is seen as the core strategic element of differentiated value
2. mobilisation of all employees behind identity and value, with lean, value-focused processes and good resources
3. integrated contact management (integrated communications, creating valuable experiences for customers).

The essential identity of the firm needs to be melded and harmoniously operationalised in a coherent brand/company-wide strategy, through quality of ideas, technology, processes, human resources and leadership. This identity expresses itself in different forms, including

- vision, cultural values, uniqueness, competence, purpose
- positioning, brand essence, brand personality
- product/service design values, business model, integrated scorecard
- governing idea and customer satisfiers/values
- marketing communications and media mix.

### Integrated marketing: Key findings

#### Integrated marketing

As noted above, the Integrated Marketing study asked senior marketers to assess the performance of their companies on a series of factors

#### Definition and basis of integrated marketing

**UK firms score their customer experience levels below par**

related to customer experience and to the drivers of customer experience, proposing that this combination represents the best internal predictor of business performance (a full prediction would need to include external socio-economic, technology and competitive drivers). Scores were analysed and also subject to statistical analysis.

Basic results of the study are shown in Figures 2 and 3. Figure 2 provides mean scores for five customer experience factors, while Figure 3 shows the mean scores for the drivers of customer satisfaction (topics are abbreviated: for the full question please see Table 2). A score of 7 represents excellence, while a score of 1 represents a very poor performance. A score of 6 or more may be considered a strong performance. The rationale for this is that 4, a neutral performance, neither good nor bad, is unlikely to be a basis for business success in a competitive world. Similarly, a score between four and six represents a gradual progress from weak to mediocre to fair. Only scores of 6 or 7 may be considered strong and therefore acceptable; leading brands will be pushing for excellence, that is 7. On this basis, the mean scores for these prominent UK companies falls considerably short of 6 on every customer experience factor. Given the correlation between organisation performance and customer experience, it is not surprising to note that the same is true of the business performance drivers. No significant difference was found between industry sectors on either point. It is telling that the three highest business performance scores were

- seniors are skilled across the communication disciplines
- company and agencies work in partnership
- leaders promote what they practice.

It is possible that if juniors and agencies had been asked the same questions, these scores might have been reduced. Furthermore, the



Figure 2: Mean scores for 'Customer Excellence'

**UK Mean Scores: IM performance**

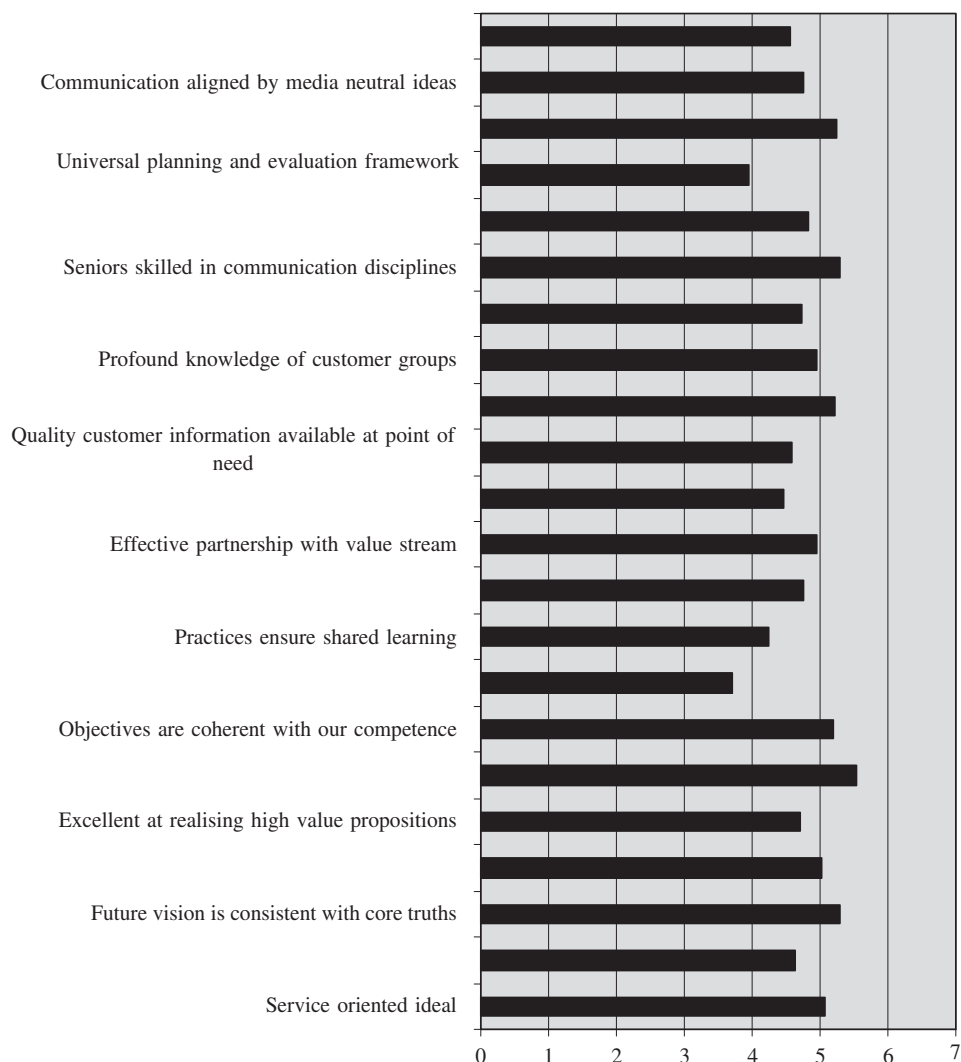


Figure 3: Mean scores for IM Performance Drivers

parallel Open Planning research project showed that many marketing leaders suffer from historic attitudes to best practice and require reskilling, which means they may be optimistic. On a positive note, most senior leaders recognise the need for improvement.

**Customer excellence**

Each of the five factors shown below has a significant weight of proven relevance to customer propensity to buy:

1. brand recognises individual customers wherever they interact, when appropriate
2. customers treated in ways appropriate to them

3. all brand experiences come from one identity
4. customers trust the brand's promises
5. customers are happy with the brand experience.

Three of these measures describe behavioural characteristics of the brand as experienced by customers (1, 2, 3) and two specifically describe the customer's attitudes and effects: they trust and are happy. Happiness and trust are widely recognised as key drivers of customer loyalty and brand equity and extensively used in market research<sup>30</sup> and brand tracking. The level of business impact will vary from category to category and more work is required to develop general indices. Hofmeyr and Rice,<sup>31</sup> for example, commend happiness as a critical measure of customer commitment, based on very extensive empirical data, while Fukuyama makes a compelling case for the importance of trust and trust models in business and the economy.<sup>32</sup>

The other three measures are also widely regarded as important. Treating customers in ways appropriate to them, which involves satisfying their needs, is a paradigmatic tenet of service and marketing.<sup>33,34</sup> Consider the opening paragraph of a major textbook:<sup>15</sup>

‘Today’s successful companies at all levels have one thing in common — their success is founded upon a strong customer focus... these companies share an absolute dedication to sensing, serving and satisfying the needs of customers in well-defined target markets.’

Similarly, recognising individual customers, when appropriate, is not only required in order to ensure appropriate treatment, it is also recognised by relationship marketers as important to customers, providing an emotional bonus and a social bond.<sup>35–37</sup> (Clearly, it is not always important, nor even wanted, which means that when it is appropriate it has more significance.)

Finally, that ‘all brand experiences come from one identity’ is the fundamental test of integration. If this is not important, then there is little value in most of our communication efforts, or indeed this paper. The study of cognitive dissonance is extremely varied, from the effect on rats of variable rewards and punishments to studies of the difference between sales promise and subsequent delivery, as well as studies of communication synergy.<sup>38</sup> Similarly, the positive effects in the form of media multiplier synergy have also been noted above.

While there is an opportunity to take the research further to quantify the effect of this factor and potentially refine the construct, the individual Customer Excellence factors have a weight of empirical evidence that suggest they can be used reliably as a reasonable predictor of business performance and incorporated into brand tracking and customer satisfaction research.

In order to test the extent to which these variables as a group measure a single uni-dimensional latent construct, that is a single measure of excellence in customer experience, the reliability test known as Cronbach's Alpha was calculated. This has a number

**The Customer Excellence factors form a single measure of performance**

of thresholds commonly accepted in research terms — 0.6 accepted for exploratory studies, 0.7 usually accepted as the norm for most ‘robust’ research and 0.8 looked upon as a ‘gold’ standard. In this research, the reliability rating was 0.6760, very much better than that needed for exploratory studies but a little less than would be desirable normally. Importantly, dropping any variables does not improve the alpha coefficient so all of the variables need to be included. The data consisted of a limited set, however, and were gathered from a number of sectors with potentially differing opinions, which may contribute to a lower reliability score. Taking coherent sub-groups (eg major brands, agencies or charities) may result in stronger values. But at this stage there are not enough responses from the individual sub-groups to undertake an individual analysis.

However, we consider that this represents currently the most effective measure of customer experience in the context of integrated marketing and denote the construct: ‘Customer Excellence’.

The research shows that only 13 per cent of UK companies, or one in eight, achieve an overall ‘strong’ rating on Customer Excellence. Almost four in five companies (78 per cent) scored between 4 and 6. The conclusion is that most companies could significantly improve — and should.

All of the performance assessment diagnostics will be relevant to those who wish to improve. Each of them was correlated with customer excellence at a statistically significant level.

### **There are four integrated marketing competency factors**

Factor analysis was used to reveal which competency elements were related. Here, the ‘standard’ approach of principal components analysis and varimax rotation was adopted. Again, if more cases were available, a separate analysis by specific sectors or categories would have been undertaken. The results show that four factors convey 56 per cent of the information contained in the original 22 variables. As some of the questionnaires had missing values, the total number of cases drops to 95 for this analysis. Furthermore, the question about international collaboration was excluded because this proved irrelevant to so many companies that reliable data were not available. Each of the four factors is individually correlated at the 99 per cent level with Customer Excellence and tested well under Cronbach’s Alpha. The four factors (Table 3) are:

1. *Living the Brand*, which includes employee mobilisation, an aligned value stream and culture-brand congruence
2. *Customer knowledge management*, which involves capturing distribution of information about customers. This factor is directly relevant to CRM and direct marketing and tested lowest of all the factors
3. *Marketing organisation*, which concerns skills, structures and processes within the marketing function

**Table 3:** The IM competency factors

Living the brand (0.68 correlation) 12% of brands are strong	Customer knowledge management (0.5 correlation) 7% of brands are strong	Marketing organisation (0.49 correlation) 17% of brands are strong	Optimising communication (0.51 correlation) 13% of brands are strong
<ul style="list-style-type: none"> <li>• Service-oriented ideal encourages aligned commitment</li> <li>• Everyone nurtures brand</li> <li>• Future vision is consistent with core truths</li> <li>• Values in company culture support brand values</li> <li>• Excellent at realising high value propositions</li> <li>• Quality is what is good for the customer, employee(s) and company</li> <li>• Objectives are coherent with our competence</li> <li>• There are no silos</li> <li>• Culture encourages people to release creative potential</li> <li>• Effective partnership with value stream</li> <li>• Business processes aligned to brand</li> <li>• Leaders promote what they practise</li> </ul>	<ul style="list-style-type: none"> <li>• Quality customer information timely at point of need</li> <li>• There are no silos</li> <li>• Practices ensure shared learning across the organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Communication is aligned by a media-neutral idea</li> <li>• Marketers are organised around customers and not disciplines</li> <li>• Partnership with agencies, and evaluation is managed as a learning discipline</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding customer groups</li> <li>• Managing customers on a lifetime value basis</li> <li>• Deploying a universal planning and evaluation framework</li> <li>• Leaders promote what they practise</li> </ul>

**Four clusters of capability drive customer experience**

4. *Communications optimisation*, which involves deeper understanding of customer groups, managing customers on a lifetime basis and a universal communication and planning framework.

Each of these makes sense from a management perspective. They are relatively imbalanced in the sense that the factor ‘living the brand’ contains considerably more variables than the others. This, however, reflects business reality. More things have to be ‘done right’ for the whole organisation to be ‘living the brand’ than for the organisation to be managing customer knowledge effectively. It may prove possible with time to refine this further, but, for the moment, this appears to be a useful transdisciplinary perspective for viewing the organisation and its development opportunities.

**Regression analysis — variables that best predict customer excellence**

While analysis at a variable by variable level shows that each of the predictor competencies is correlated with Customer Excellence (with the exception of international collaboration, which was excluded)

and also belongs to one of the four factors, and is therefore relevant or management consideration, the next stage of research aimed to identify a small group of independent variables that together explain as much as possible of the Customer Excellence result, that is which combination of individual variables best predicts Customer Excellence.

The technique chosen was multiple regression analysis. A stepwise approach was used in which the (SPSS) package identifies the best predictors one at a time and builds the model sequentially until no improvement is gained from adding variables. It also checks at each stage whether a better model can be found by removing variables entered early on.

Six variables proved to explain 50 per cent of Customer Excellence. Using the first letter of each item generates the acronym BECAUSE, which seems fitting as a name for the set of variables most influential in creating Integrated Marketing best practice. Items 3, 4 and 6 have particular relevance to the direct marketing community and are therefore italicised:

**Six variables explain  
50 per cent of  
Customer Excellence**

- business processes aligned to brand
- effective partnership with value stream
- *company and agencies work in partnership*
- *universal planning and evaluation framework*
- service-oriented ideal
- *excellent at realising high value propositions.*

The standardised coefficients (otherwise known as beta values) that indicate the relative importance of each of the variables in the overall regression equation had a maximum of 0.243 and a minimum of 0.127, a relatively balanced set of results not dominated by one particular variable. This reinforces the need for balance and integration in marketing activity.

This is a very pleasing result and while it means that half cannot be explained we feel that further work in particular industry sectors (on an expanded sample base) will yield an even more robust model.

The six factors together draw on a cross-section of the leading business development areas:

1. process improvement conjoined to brand value management
2. supply chain capability
3. partnering
4. new integrated communication methods
5. organisational motivation and coherence
6. innovation and value design.

A preliminary conclusion is that the two most important contributory learning areas outside the communications specialisation may be lean<sup>39</sup> and human psychology/learning, including motivation, gestalt and group dynamics theories, although whether there is a single coherent framework equivalent to lean that will give significant assistance is uncertain.

The entire model is shown in Figure 4.

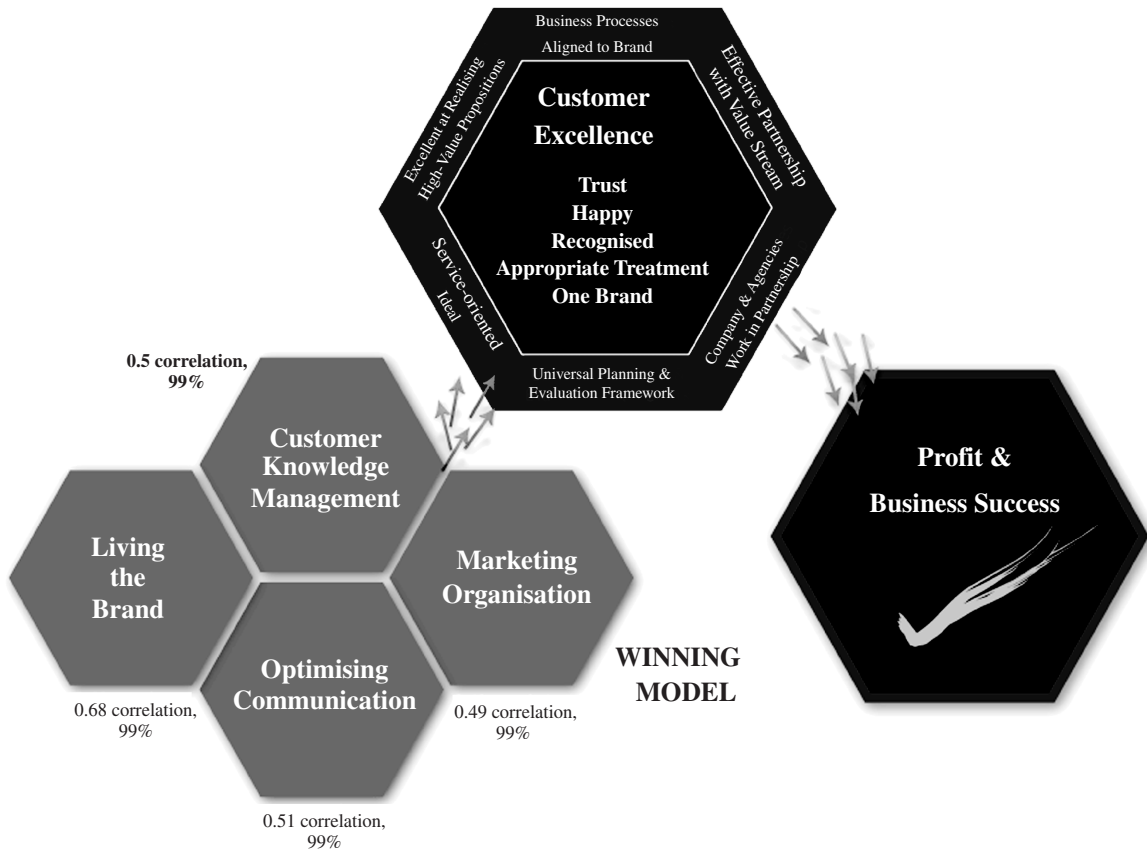


Figure 4: Integrated Marketing model

## Conclusion

The research shows that most brands have a significant opportunity to improve their performance, with 85 per cent or more rating their brand's performance and scores equivalent to mediocre or worse in each category. The Centre for Integrated Marketing has published suggestions that marketers adopting Integrated Marketing will typically gain a 10–25 per cent enhancement in business performance.<sup>40</sup>

There is a considerable opportunity to develop this research further. Tracking studies to understand trends in business practice would be useful. Projects are currently underway in the United States and Central America to replicate the study and these will be helpful for both cross-cultural comparison and amplification of findings. More work is required to quantify the relationship between Customer Excellence and hard measures of business profitability and market share, with several options possible. Further data would also allow greater analysis of differences between categories with potential refinement of the customer experience factors.

Even more importantly, more tools need to be developed and communicated to support business implementation. For example, the Centre for Integrated Marketing has collaborated in the development of

an identity tool, a process change model and a universal planning tool, each of which is currently being researched and applied in a number of organisations.

There are further revolutionary yet practical methods for planning and evaluating integrated marketing communications<sup>41</sup> and for the organisation of the marketing function,<sup>42</sup> which should also be explored for the direct professional community.

In addition, there are implications for direct marketing organisation and practice, which fall into two groups: what direct professionals might learn; and what others might learn from direct professionals and their experience. The direct world has gained much experience over the last three or more decades, and in particular over the last 20 years with loyalty and relationship marketing, customer management and interactive techniques that have relevance to the more fragmented media space and integration ambitions characteristic of the advertising community, as well as to the broader executive management team of the firm. These will be considered as far as space permits as the subject of part 2.

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