

M18 – Strategically Integrating Communication With Sales & Marketing Efforts

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3-4:15 p.m.

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Agenda for today

- A case for PR and Employee Communication as part of the marketing planning process
 - Issue of Internal Branding
 - Case histories
- Writing integrated strategic plans
- Organizing for integrated communication

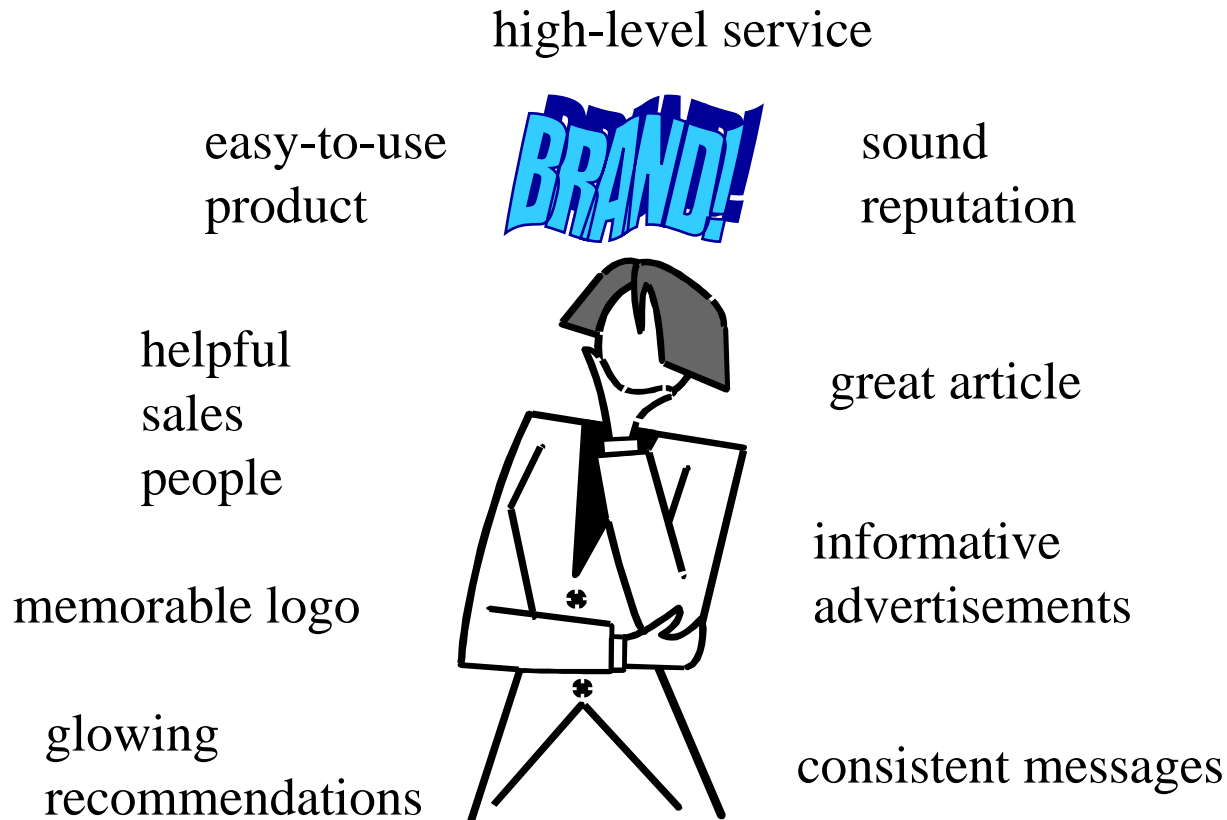


Brand: *A perception resulting from experiences with, and information about, a company or line of products.*



The Marketer Doesn't Own the Brand...

It Resides in the Mind of the Customer.



Brand Disintegration Occurs from...

- Mixed messages
- Undifferentiated targets
- Inconsistent positioning
- Lack of measurement

Some Brand Disconnects

What Happened to Those Tires?



(AP PHOTO)

Firestone Workers Cite Lax Quality Control

By DAVID BARBOZA

DECATUR, Ill., Sept. 14 — In April 1990, just months before the Bridgestone/Firestone plant here began making tires for Ford Explorers, John J. Boettner, the plant manager, gave a speech at the local Kiwanis club saying that the company had spent millions to modernize the 30-year-old plant.

The quality "is the highest in the plant's history," Mr. Boettner said. "And we're building the most complicated product."

A decade later, the huge plant, on the northeast side of this working-class city, has become

THE NEW YORK TIMES MAGAZINE



Tim Boyle/ Newsmakers

The Bridgestone/Firestone plant in Decatur, Ill., produced thousands of defective tires.

– **“Mitsubishi Motors admitted that it had systematically concealed customer complaints about tens of thousands of defective automobiles since 1977.”**

NY TIMES 8/23/00

Sweepstakes firm reaches settlement

NEW YORK — Publishers Clearing House, which mails out "You are a winner!" notices containing what look like checks for large amounts, has agreed to pay \$18 million to 24 states and the District of Columbia to settle allegations it uses deceptive promotions.

USATODAY 8/23/00

Credit Card Company Settles Over Ads

WILMINGTON, Del., Sept. 25 — The MBNA Corporation agreed today to pay as much as \$7.8 million to settle a class-action lawsuit accusing the company, the world's No. 3 credit card issuer, of luring consumers with misleading advertisements about low-rate cards.

NY TIMES 9/26/00

NBC axes Nike's Olympic horror movie ad

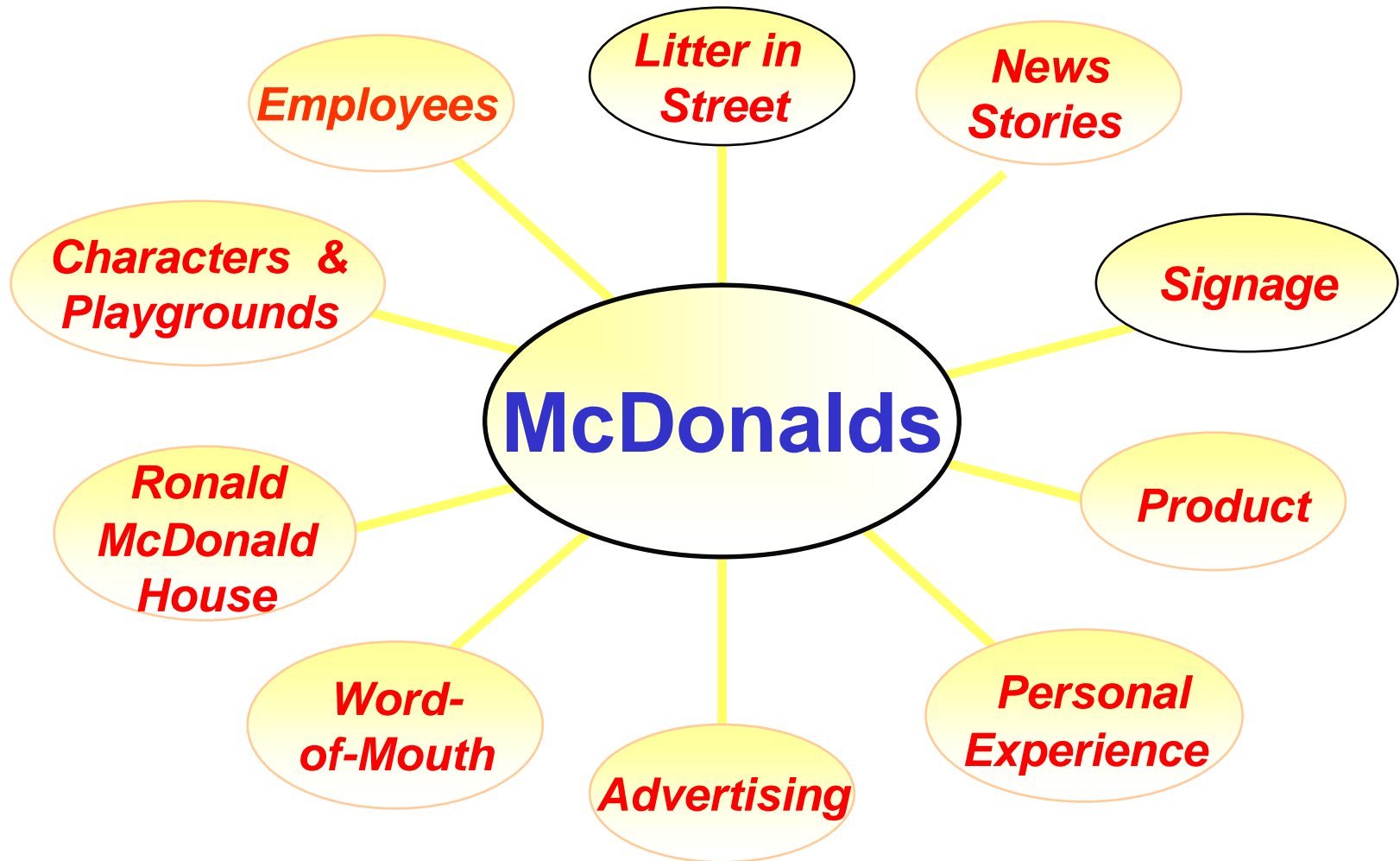
- PORTLAND, Ore. (AP) -- NBC pulled one of Nike's commercials from the network's Olympic advertising lineup -- a parody of a slasher movie in which a woman is pursued by a masked man with a chain saw.



✓ Integrated Marketing
Communication encompasses
every message the customer
receives, not just those we plan or
want to send.

And those messages may be about
the **Corporate Brand** or the **Product
Brand**.

Sources of Brand Information



Employees are a key part of the brand equation.

- “We put our people first, even before our customers. When employees know they are valued and taken care of, then they can take care of customers.”

Ginger Hardage, VP of Public Affairs
Southwest Airlines

“Companies are convinced that if they want their people to deliver on brand promises, particularly such things as service and quality, they must demonstrate those attributes in the workplace, too.”

Katherine Woodall, “Can Branding Save Your Organization?”

COMMUNICATION WORLD, Dec/Jan, 2002-2003

The inherent conflict between Employee Communication & Marketing Communication:

- Marketing tends to be “promise makers.”
- Employees are the “promise keepers.”

Common shortcomings of Internal Branding

1. The Brand seen as a marketing issue, not an operational issue.
2. Internally the brand is seen as a name or logo, not as a promise of value.
3. Employees don't see their connection with the promise or their obligation to deliver.
4. Even customer contact people often see their efforts narrowly as customer care – not in the broader context of providing value.

(source: Joseph Durzo, Archstone Smith)

5. Internal communication about the brand proposition is often superficial and a “one time” thing.
6. Systematic feedback of customer feedback is not usually provided internally.
7. Reward and recognition systems are not aligned to support delivery of the brand promise.

Some interesting statistics:

- 40% of all marketing effort is wasted once your customers encounter your organization
- 68% of customers who *do buy* from you, will not come back because of how they were treated by your employees.

» Source: Juliet Williams, Communications Consultant
United Kingdom (2003)

- Only 4% of problems with customers are known to senior management.
- 75% of all marketing plans DO NOT address internal audiences.

» Source: Juliet Williams, Communications Consultant
United Kingdom (2003)

A working definition of Internal Branding:

- The principle that before an organization can convey its brand values to its customers,
 - it must *first* communicate the brand values to its employees and
 - *then* motivate them to deliver the brand values to its customers.

» Ahmed & Rafiq, 2002

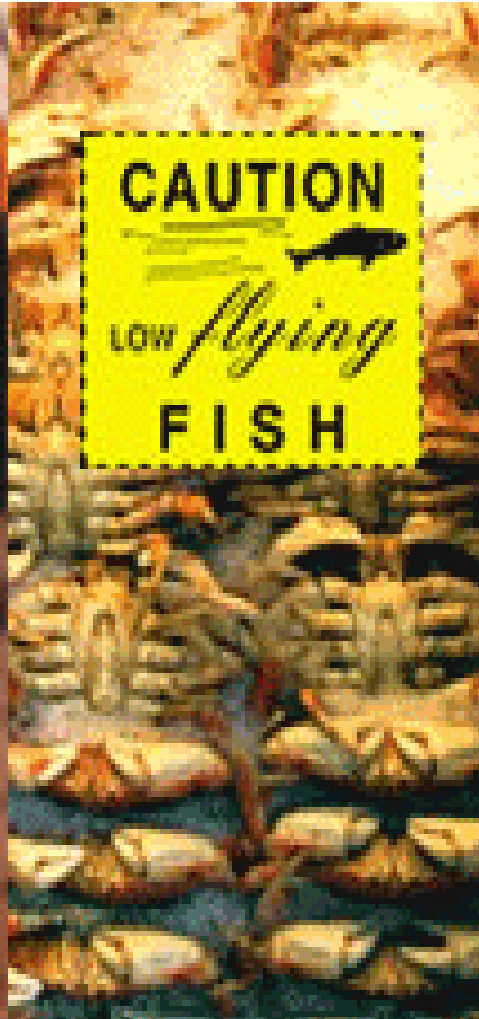
Some Cases of Strong Internal Branding/Employee Involvement in the Brand

- Campbell's Soup
- Southwest Airlines
- CDW
- Chipotle
- Container Store
- Nationwide Insurance
- Staples



<http://www.performanceforum.org>

The Fish Story – Involvement to the Nth degree



4 Fish Principles

For Involving Employees with customers:

1. Play – Create your own fun
2. Make Their Day – Engage your customers
3. Be There – Don't get distracted
4. Choose Your Attitude!

Measuring the Impact:

- U.S. business units that scored in the top half on employee involvement compared with units in the bottom half, have seen the following rewards:
 - 86% higher success rate on customer satisfaction
 - 78% higher success in safety ratings
 - 70% higher success in lowering employee turnover
 - 70% higher in productivity
 - 44% higher in profitability
- Firms with “high commitment” levels from employees had 112% 3-year returns to shareholders compared to firms with “low commitment,” which had 76% 3-year returns.

Arthur W. Page:

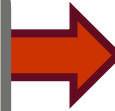
- “PR is what everybody in the business, from the top and bottom, says and does when in contact with the public.”
- “When done right, it is the art of telling a good story well.”

IMC: Changing Landscape

Old World

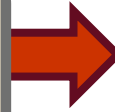
New World

“Talking At” Consumers



Two-way Dialogue With Consumers

Focus on Winning New Customers



Focus on Building Long Term Relationships With Consumers

Marketers Relied Primarily on Advertising and Promotions

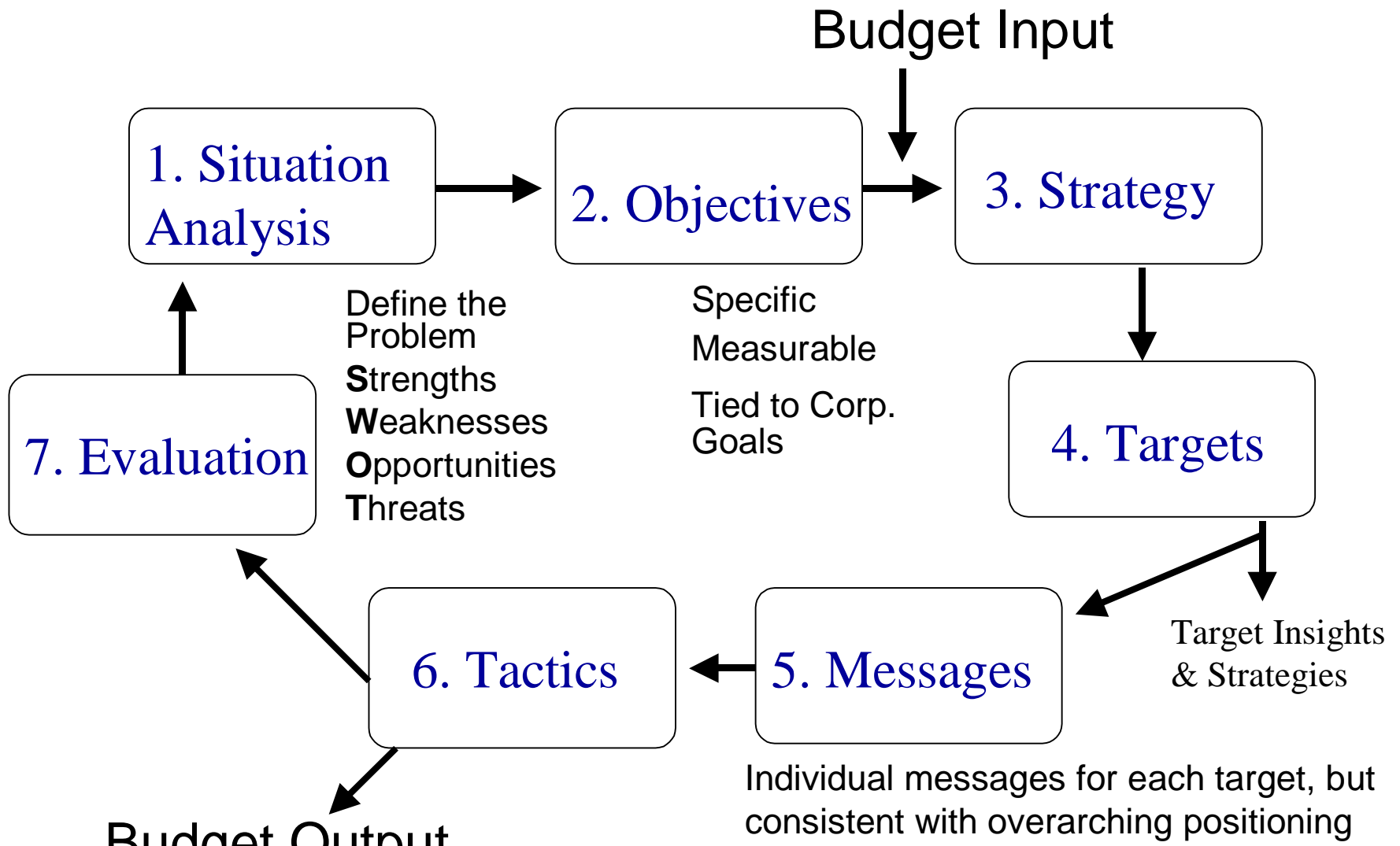


Marketers Use and Coordinate Many Different Forms of Communication With Consumers

IMC is ...

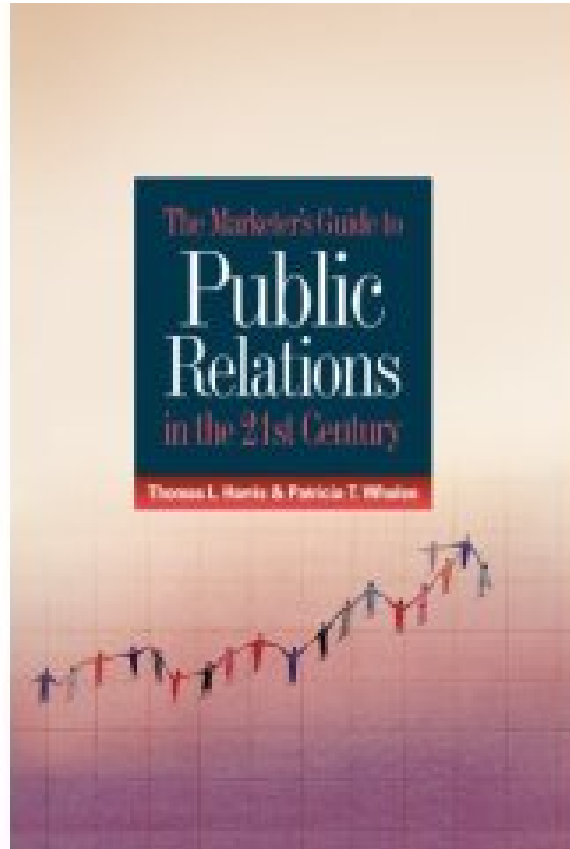
- Strategic
- Driven by Business Objectives
 - Specific and measurable
 - Tied to corporate goals
- Customer Focused & Targeted
- Data Driven - targets defined by *behaviors*
- Outside - In
- Media neutral - Uses Best Tactics for Target
- Is an Investment, rather than an Expense
 - Requires an ROI measure

Whalen's 7-Step Strategic Planning Process



Integrated Marketing Campaigns that Enhanced the Brand

Strategic Use of MPR



MPR Can:

- Jump-Start New Product Launches
 - VW Beetle, Infiniti J-30, & PT Cruiser, Windows 95
- Sustain Brand Awareness
 - Rubbermaid
 - Parker Pen
 - Midas Mufflers*
- Create Relationships
 - with employees: Comsat “Adopt a school,” Saturn Homecoming
 - with customers: Ball Park “Great American Clean-Up”*
 - with communities: McDonald’s during LA Riots*

- Turbo-Charge Sales
 - Harry Potter books, Star Wars Phantom Menace
 - Comsat shore-to-ship cruise phone service
- Obtain Better & Faster Market Knowledge
 - Oracle vs. Microsoft
- Enhance Company Credibility
 - HRC “Heart’s Desire”*

1998 PRSA Silver Anvil Winner



Health Care & Retirement Corporation





Contact: Margaret Riley
Ball Park
(248) 208-1904

SOUTHFIELD, Mich., Oct. 31, 1997 — Alisha Robinson, 9, of Pinehill, New Jersey, was one of several kids, including neighborhood children, who spent their Saturday helping with the Oct. 25 restoration of a ball field in Philadelphia's Fairmount Park. The event was just a preview of Ball Park Great American Clean-Up efforts which will take place next spring in five U.S. cities.

MONICA LASHAY ROLAND.

March 11--98

I think our park has to much trash and people just come and put trash all over the ground and do not think about what they are doing. If they thought about what they were doing they would not have put the trash on the ground and would tell people to pick up there trash if they dropped some on the ground.I would like to see no more trash on the ground and have some baseball fields or some football fields. And I hope that the basketball court has no more glass or anything on the court.I think I would like to pick up trash and cut grass and maybe rake leaves.I would like the ballpark franks to help us clean up and have some things to do like play baseball or football or basketball.Thanks ballpark franks custom.

Love: Monica Lashay Roland



Dove Campaign for Real Women





THEY ARE THE MOST DIVERSE GROUP OF WOMEN WE'VE EVER SEEN IN A SINGLE PHOTOGRAPH. AND THAT'S THE POINT. WE WANT TO SHOW YOU THAT BEAUTY ISN'T JUST ONE COLOR OR ONE TYPE OF HAIR OR ONE TYPE OF BODY. IT'S EVERYONE. IT'S EVERYONE.

WE'VE
WOMEN,
TELL
BEAUTY

WOMAN AGED 96 IS FACE OF SOAP GIANTS' ADS




grey?
 gorgeous?



flawed?
 flawless?



half-empty?
 half-full?

WOMEN AGED 96 IS FACE OF SOAP GIANTS' ADS. THE ADVERTISING COMPANY HAS SAID IT IS THE MOST DIVERSE CAST OF ACTRESSES EVER. THE ADVERTISING COMPANY HAS SAID IT IS THE MOST DIVERSE CAST OF ACTRESSES EVER.



BEAUTY'S IN EYE OF THE BE-OLDER

A WOMAN AGED 96 IS STARING IN A NEW ADVERTISING CAMPAIGN FOR SOAP GIANTS.

WOMEN AGED 96 IS FACE OF SOAP GIANTS' ADS. THE ADVERTISING COMPANY HAS SAID IT IS THE MOST DIVERSE CAST OF ACTRESSES EVER. THE ADVERTISING COMPANY HAS SAID IT IS THE MOST DIVERSE CAST OF ACTRESSES EVER.

By [Name]

WOMEN AGED 96 IS FACE OF SOAP GIANTS' ADS. THE ADVERTISING COMPANY HAS SAID IT IS THE MOST DIVERSE CAST OF ACTRESSES EVER. THE ADVERTISING COMPANY HAS SAID IT IS THE MOST DIVERSE CAST OF ACTRESSES EVER.

Organizational Issues for Integrated Communication

“Integration is central to PR’s place in the corporate world”

Tom Galvin

PR Week, Nov. 25, 2002

- “Intel, SBC, and several other top companies had one thing in common: an ultimate group that made the key decisions that dictated the company’s communications strategies.”
- “Imagine a war being fought where the leaders for the Army, Navy, and Air Force run their own ground, sea, and air campaigns, oblivious to each other.”

There is Controversy About Mixing PR into Marketing Communications:

Fears:

- PR subservient to Marketing - academics fear
 - Marketing Imperialism
 - Focus on customers only
- Marketing subservient to PR - advertisers fear
 - PR's lack of research & consumer insight
 - PR's lack of measurement & ROI
 - Books like: THE FALL OF ADVERTISING & THE RISE OF PR (Al & Laura Ries)

Marketing Functions Increasingly part of the Corporate PR function

- 83%** Marketing PR
- 27%** Consumer Affairs
- 23%** Advertising
- 22%** Marketing
- 18%** Visitor Centers

Source: Arthur W. Page Society survey - 2000

How do we treat Corporate Communication and Marketing Communication at Medill IMC ?

As two potentially separate functions –
Can be centralized or decentralized
But branding must be integrated ...

Two separate PR functions, but closely linked:

1. Corporate Communications

- **Corporate Management Function**
 - **Issues & Crisis Management**
- **Primary Targets**
 - **All Stakeholders, but less so on customers**
- **Goals**
 - **Corporate Reputation & Long-Term Corporate Health**

2. Marketing PR

- **Marketing Function**
 - **Product Launch & Product Branding**
- **Primary Targets**
 - **Consumers & Media Used by Them**
- **Goals**
 - **Brand Awareness & Sales**

Structures that work and those that don't

- **Good Structures**

- Sales & Marketing Centered around targets
- Matrix with project team leaders
- Organic – informal and fluid

- **Weak Structures**

- Silo'd functional departments
- Sales Centered around geography
- Marketing Centered around the product

Grazie

EBVΦ4E≅!!

Merci

Thank you!

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Thanks

Danke schön

gracias

Obrigado