

**Human Resources**

## **Impact of Integrated Marketing Communications Programs in Enhancing Manager and Employee Performance**

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The global marketplace consists of an increasingly complex arena of competitors within a rapidly changing international environment. New companies are formed on a daily basis, from small businesses to Internet-based operations, to expanding global conglomerates originating from major takeovers and mergers.

In the face of these sophisticated and cluttered market conditions, firms try to be heard. They attempt to speak with clear voices about the natures of their operations and the benefits associated with the firm's goods and services.

With so many choices available, and so many media bombarding potential customers with messages, it is vital that what should be communicated is reaching buyers in a clear and consistent manner.

External customers are influenced by the internal promise deliverers: the employees, channel partners, customer service personnel, packing and delivery people. Marketing can help by working with human resources departments to identify the key elements in employee motivation, including the effect of incentives and the development of training and improvement programs.

This paper explores the impact of integrated marketing communications (IMC) programs in enhancing manager and employee performance and so productivity. From a managerial context, response to this apparently cluttered and amorphous marketing environment has led many organizations to desirable integration of their communications efforts under the umbrella of one strategic marketing communications function - namely integrated marketing communications. The logic of this strategic move would seem to rest partly on assumptions concerning the desire for organizational influence of consumer perceptions.

Manager performance and development is possibly an overlooked part of an IMC program. Effective marketing departments and advertising agencies must develop pipelines of new, talented creatives, media buyers, promotions managers, database Web masters, and others in order to succeed in the long term. Also, new people must be trained and prepared for promotions for more important roles over time. Employee performance attitudes reflect morale within the marketing department and also relations with other departments and groups. An effective IMC plan consists of building bridges with other internal departments so that everyone is aware of the thrust and theme of the program. Satisfied and positive employees are more likely to help the firm promote its image.

## **Introduction**

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## **IMC in the Literature**

Although the concept of IMC – managing customer relationships – is not new, the processes used in managing IMC are new. In the early 1990s, some academics as well as some professionals thought IMC was just a fad. But it has proved successful and is being increasingly used in a variety of forms. One of the best ways marketing can take advantage of the new communication and database technologies is by using IMC (Zinkham and Watson, 1996: 165).

Kitchen and Schultz (2000) had indicated that IMC needed to move well beyond such a simple juxtaposition of promotional mix elements, i.e. every element speaks with one voice; to become an integrated philosophy that reaches out and touches every facet of the business that claims to be customer-oriented.

Schultz (1996) stressed that the integration of production, operations, marketing, distribution, finance, communications and all other forms of business activity was inevitable because of the technological revolution occurring throughout the world.

As a basic level, IMC means that all the company's key product and corporate messages, positioning, image, and identity are coordinated (Lindel, 1997). Furthermore, the basic premise of integrated marketing communications is that there are a number of communication objectives for a brand and a number of different means of communication to achieve each of these objectives (Keller, 2001).

Any definition needs to include or refer to concepts such as added value, relationship marketing, corporate branding and the blending of internal and external communications because IMC is seen to include all consistent interactions a stakeholder has with an organization (Fill, 2001).

## **Internal Marketing**

Integrated marketing communication is often compared to an orchestra. Like IMC's various marketing communication functions and all the different media, an orchestra has many different instruments, each of which produces a different sound. If the sounds of these instruments are not coordinated according to a plan, the orchestra produces noise rather than music (Duncan, 2002: 193).

A new trend emerging as the twenty-first century begins is the growing importance of internal integrated marketing communications. Internal marketing communications efforts include creating, packaging, and delivering the organization's IMC marketing message to all employees of the organization. Employees must understand and believe in the firm's image and its marketing position. Employees need to comprehend what each company brand stands for and the benefits it offers consumers. Most importantly, each employee must believe in the company and its mission. Spending more time marketing internally produces more knowledgeable and dedicated employees, who will, in turn, seek the goal of providing excellent service to customers (Clow and Baack, 2004: 116).

Internal marketing has been advocated as a distinctive requirement for service industries in general and for educational marketing in particular. Before selling the services to outsiders, you have to sell what you have on offer inside your organization.

Human Resources Development (HRD) specialists, when marketing their services inside their organization, should apply the same strategies which marketing specialists use to promote products and services outside the organization. Because there are at least two internal "customers", i.e. the short- and long-term, strategic business targets and the people who work in the organization. It is suggested that there should be:

(1) A business-oriented marketing plan, which should include a training marketing mission statement, reflecting the strategic, business-related goals of the HRM/HRD department and shaping its plan of action; cost-benefit and cost-effectiveness analysis techniques, which demonstrate the contribution of selected programmes to business results; and competitive pricing strategies, which take into account the balance between purchasing external training and designing internal programmes.

(2) People oriented marketing of HRD, because no training/HRD effort can succeed without the active support of the people whom it is designed to serve. Those responsible for HRD should develop ongoing market research to gather critical information about employee attitudes, perceived development needs and views and attitudes about past HRD efforts; internal promotion materials; external materials such as newsletters, brochures, news releases, etc (Frank, 1994: 5).

Marketing can help by working with HR to identify the key elements in employee motivation, including the effect of incentives and the development of training and improvement programs. But marketing can help most of all with research, working with HR to determine, internally, what can be done to improve the delivery of "customer-facing" people and help understand what motivates employees, channel partners and customer service people. If we are good at understanding customers, consumers and end-users of our products and services, we should be able to lend those talents to HR to help understand what has often been called internal marketing conducted by internal marketers (Schultz, 2002: 8).

## **Manager and Employee Performance**

As strange as it might seem, many employees do not have a basic understanding of what their company makes, how their company operates, or what their role is in building customer relationships. They simply have not been integrated into the company, and many, especially, have not been educated about the need for being customer focused. One way to integrate employees into the spirit of serving customers is through internal marketing. This is an ongoing program that promotes the customer-focus philosophy and keeps employees informed of important marketing

activities that affect both them and the company's customers. In a world of increasing interactivity due to the Internet and other two-way communication opportunities, internal marketing is important because more and more employees have the opportunity to touch the customer. In case of service brands, where there is personal interaction with customers, employees are the brand. How they perform is how customers perceive the brand's performance. Finally, the more that employees feel like part of the company and the better informed they are about its business strategies, the higher their morale. Research has shown that companies with high employee morale have higher levels of customer satisfaction (Duncan, 2002: 22-23).

One of the primary responsibilities for marketing departments is to interpret the needs of the customer and the marketplace and bring that information to all departments. In addition, MC planners must involve other departments in the planning process, and then inform these other departments of the final plan and why it is worth supporting. Marketing needs buy-in and support from all departments whose work affects customers. That's everyone: Even employees who do not deal directly with customers support other employees who do.

This communication to internal stakeholders is called internal marketing. It is defined as "the application of marketing inside the organization to instill customer-focused values". Employees especially those touching the customer, should be thought of as customer also. The more they are satisfied, the more they will satisfy customers. Companies can increase morale and productivity keeping employees informed so they aren't embarrassed when asked about certain programs, letting them have a sneak preview of promotional materials before they begin running, and letting them know the results of their efforts to build strong brand relationships.

It is important to note that in some industries (e.g., office machines, automobiles), service personnel rather than sales and marketing people are the ones most likely to have ongoing contact with customers. For suppliers to grocery and discount stores, the truck's driver may be an important contact point and may even have the responsibility of shelving the products or setting up merchandising materials. Thus, the truck drivers do not represent the company but also are the first to be aware of product and marketing communication problems and other customer concerns. Customer-contact employees can be a primary resource about the state of the marketplace, product performance, and provide opportunities for continuing sales and relationship marketing communication.

Internal marketing puts a process in place for employees to report back to marketing. Front-line employees, in particular, need to be linked to a company's information-gathering system in order to give feedback about what customers are thinking and how they are acting. Formal programs enable customers to participate in roundtables, where customers are brought together to discuss a brand's and company's operations and product performance (Duncan, 2002: 225).

Like external marketing, internal marketing is communication-dependent. This communication takes many forms including intranets, company newsletters, e-mail, voice mail, and bulletin boards. There are three basic aspects of internal communication: informing employees, empowering them, and listening to them (Duncan, 2002: 225).

### **Informing**

Communicating a customer-first business policy, as well as other marketing programs to employees, is a responsibility of internal marketing. Such a philosophy is an outgrowth of the recent upsurge in emphasis on customer service and customer relationship management (CRM). Another objective is to continually impress on employees the importance of being responsive to customers.

## **Empowering**

Internal marketing, because it provides employees with more information, is also a natural program to support employee empowerment programs, which mean giving front-line employees the power to make decisions about problems that affect customer relationships. As companies downsize and place more responsibility at lower levels, more decisions that affect customer relations are being made by service employees have, generally the better decisions they will make. Empowerment programs must therefore be supported by training and information about company policies. The necessary elements of a support program that creates empowered and responsive employees are presented in Table 1.

Table 1. Empowering Employees

The more employees are empowered to make their own decisions when responding to customers, the more they need to be:

- informed of their role in satisfying customers
- informed of their role in the company' s success
- rewarded based on a balance of their individual performance and the company's overall performance
- listened to when they have ideas how to better serve customers even when those ideas involve other areas of operations
- given easy access to customer information files and other databases that enable them to make quick and knowledgeable responses

## **Listening**

Just as external marketing should include two-way communication, so should internal marketing. If an internal marketing program only sends messages, employees will see the program as propaganda. In order for its messages to have integrity, internal marketing must encourage and facilitate employee feedback, which then enables managers to know if employees understand the internal marketing messages, agree with these messages, and are willing to support the various marketing programs. Even more important, because employees usually are closer to customers than are managers, internal marketing feedback can provide valuable real-time customer research to help in planning and budgeting.

Moreover, listening to employees can provide valuable real-time customer research that helps in budgeting, planning and adjusting MC plans. A justified criticism of some MC plans is that they're made in corporate office ivory towers. Such plans don't address the real problems and opportunities in the marketplace. Customer-contact employees can be a valuable source of competitive and product performance information (Duncan, 2005: 200).

The internal promise deliverers influence external consumers: the employees, channel partners, customer service personnel, and packing and delivery people. All those people who are supposed to deliver the "fast, friendly service" and well-made, error-free products and services that every organization promises but has such difficulty delivering on a consistent basis influence them (Schultz, 2002: 8).

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Employee performance and attitudes reflect not only morale within the marketing department but also relations with other departments and groups. An effective IMC plan consists of building bridges with other internal departments so that everyone is aware of the thrust and theme

of the program. Satisfied and positive employees are more likely to help the firm promote its IMC image (Donald and Baack, 2004: 514).

The primary internal stakeholders are the employees of the organization, unions, and corporate shareholders. Employees should receive a constant stream of information from the company. Many employees are quite distant from the marketing department, yet they should still be aware of what the company is trying to achieve with its IMC program, even if this means only basic knowledge. Those closest to the marketing department are going to be more acutely aware of the nature of the IMC plan, including how the company's message theme is being sent to all other constituents (Donald and Baack, 2004: 404).

To work effectively in communicating with employees, the public relations department must keep in close contact with the human resource (HR) department. Publications and communications aimed at employees must be consistent with the image and message that the firm is espousing to customers and other groups. For example, any firm that uses advertising to suggest that employees are always ready to assist customers should make sure those employees are aware of the message. Employee behaviors should then be consistent with the advertising theme that is being conveyed to customers. The HR department should try to hire the kind of worker who is attracted to such an approach and structure performance appraisals and rewards to favor those who buy into the company's overall IMC approach. The emphasis on providing information about company activities must logically extend to every public relations event and sponsorship program (Donald and Baack, 2004: 405).

### **Guidelines On Internal Marketing**

Internal marketing requires the same discipline as external marketing, but it needs a different focus. Here's how to get it right:

- Insiders want to be on the 'inside track', so trying to communicate with them using external campaigns merely distances them. Equally, running employee surveys - a typical human resources practice - won't engage employees either.
- Employees need to be targeted as a distinct audience, and most organisations would benefit from some kind of internal communications specialist to distil the best of marketing and HR into a tailored employee-focused campaign.
- Internal communications should sit within corporate communications or marketing. If it sits within HR, it often becomes a vehicle to communicate HR issues and misses out on broader areas.
- Don't forget that, unlike customers, staff are part of your brand, not just recipients. You have to educate them, motivate them and measure them as well as simply communicate with them. But engaging and involving them in the brand is crucial.
- Ensure that staff know everything about your brand before the customers do. There is nothing worse for an employee than being in a shop with a customer who knows more than you do. It's such an obvious point, but often overlooked.
- Try to achieve interaction between marketing and HR. Sharing each others' viewpoints will bring better results (Simms, 2003: 27).

Developing a customer-focused organization is not a marketing task, it's a management task. Top managers are the only ones who can provide the resources, facilities, information and, yes, even the tools to create customer-centric organizations. The real key to building a customer-oriented organization starts with knowledge—customer knowledge and lots of it. This includes knowledge of customers' relation- customers. To many managers, this means lots of high-tech, whiz-bang technology, such as on-line systems, interactive re-sources, pull-down windows and the like.

But customer knowledge need not depend on the latest technology. It depends on making what the people who touch, interact with and relate to them every day already know about customers and prospects inside the organization available. In other words, customer knowledge can

be passed around by sharing what the organization already knows, or making what is inherent in customer relationships available to the people who need to know.

The academic community is beginning to recognize the need to relate internal customer orientation to organizational market orientation. Using variables such as internal marketing processes, training, management support, internal communication, personnel management and involvement in external communication, it is demonstrated that internal customers (employees) are very important to the external market orientation of the firm.

It is becoming increasingly clear that employees enhance or destroy the value of marketing and marketing communication programs delivered to external customers.

Employees are customers of the marketing organization. Management's responsibility is to empower, if not emancipate, employees to become customer-focused and customer service providers. And to do that, management must provide the tools and resources that allow employees to become customer intimate (Schultz, 1998: 6).

Like external efforts, internal marketing identifies the audience, finds out what media best reach that audience and the message is disseminated promptly and accurately. Unlike external marketing, a company's own managers can control most of the variables of the project. Either way, the channels of communication must be established long before news breaks, so that messages can be transmitted clearly (Cleaver, 1998: 1).

Internal marketing has been defined as selling the firm to its employees or the process of attracting, developing, motivating, and retaining qualified employees through job products that satisfy the needs. Internal market of employees is best motivated for service mindedness and customer-oriented behavior by an active, marketing-like activities are used. As the building of customer orientation among employees by training and motivating both customer-contact and support staff to work as a team. As an expanded explanation, internal marketing is the application of marketing, human resources management and allied theories, techniques, and principles to motivate, mobilize, co-opt, and manage employees at all levels of the organization to continuously improve the way they serve external customers and each other. Effective internal marketing responds to employee needs as it advances the organization's mission and goals. This revised definition reminds us that internal marketing is both customer-focused and employee-focused. Marketing has no exclusive claims to this important marketing function; it demands an integrative approach, drawing not just from marketing but also from organizational behavior, human resources management, and other fields. This definition also alerts that the term customer orientation should be broadened to include external as well as internal customers, the latter being any department or unit that is served by another unit within the same organization. Internal marketing is then not just for front-line employees, important as they may be to the delivery of quality service to ultimate consumers (Benoy, 1996: 54-55).

The three components of internal marketing are rewards (rewarding and motivating employees), development and providing a vision. In order to implement internal marketing, external marketing techniques, including market research, segmentation, developing a marketing mix, and controlling marketing activity may be used within the organization. These activities are also likely to be structured in a formal internal marketing plan, even though some uncertainty may remain as to who should be involved in the implementation stage of the process. The ultimate responsibility for initiating internal marketing rests with senior management and the internal marketing programme requires continuous management support to be effective. To implement internal marketing, cross-functional co-ordination is often needed, particularly between the human resources and marketing departments. The internal marketing plan can then be integrated with the external marketing plan.

Research, both within marketing and human resources management (HRM), has explored the impact of employee friendly supervision and management on the behavior of frontline staff. Within the marketing domain, internal marketing has been proposed as a set of employee friendly managerial behaviors that have several internal and external consequences for the firm. This is also reflected within the HRM literature, where it is generally accepted that aligning HR policies with marketing can have beneficial impacts on both employee behaviors and attitudes, and on

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organizational outcomes. Internal marketing uses a marketing perspective for managing an organization's human resources. It is based on the philosophy of viewing organizations' jobs as internal products and employees as internal customers of these. This allows organizations to manage the employee-employer exchange by modifying existing marketing tools and techniques to the internal environment of the firm. This has led to operationalizations of internal marketing that directly reflect those of external marketing. Two researchers developed an internal marketing mix that directly parallels the external marketing mix. In operationalizing internal marketing this way, researchers suggest that jobs or projects constitute internal products, the price is what the employee has to give up to complete the job, promotions are presented by internal communications, and distribution by meetings in which ideas are presented to employees (Lings and Greenley, 2005: 290-291).

## Conclusion

IMC programs must communicate internally to employees and departments so that the firm can reach outward with a consistent, strong voice projecting the qualities and benefits of the firm's goods and services. Those companies that incorporate effective business-to-business components into their overall IMC plans stand better chance of remaining successful in future years of operation.

Internal marketing communications efforts include creating, packaging, and delivering the organization's IMC marketing message to all employees of the organization. The firm's image, its marketing position and its mission should be understood and believed by the employees. Employees need to comprehend what each company brand stands for and the benefits it offers consumers. Spending more time marketing internally produces more knowledgeable and dedicated employees, who will, in turn, seek the goal of providing excellent service to customers.



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