

**SRC ASSOCIATES  
POSITION PAPER  
WHAT IS INTEGRATED MARKETING?**

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A term that has been brought to prominence in recent years is integrated marketing (IM). As with all management concepts, there is much confusion as to what this is and whether or not it is a fad, such as re-engineering, that will not last the test of time.

We believe that IM is certainly no management fad, in large part because it does not claim to be a panacea and also because IM is an approach to business and marketing rather than a tool or technique that can be applied to a problem situation, and make it magically disappear.

IM is not to be confused with integrated marketing communications (which is concerned with the blending and consistency of multiple communication/promotional tools). Rather IM is a business approach that is about understanding customer delivered value and creating customer satisfaction, one that requires a total company effort and commitment.

The famed Kellogg School of Management at Northwestern University in the US states that integrated marketing begins with corporate strategy and infiltrates and permeates the entire organization. Customers do not care whether you have a marketing department, manager or even a customer service department, names mean nothing. Customers care about receiving their product (read service) when and where they want it at a price they find acceptable and in a way that meets, *no exceeds*, their expectations. Based on this simple yet powerful description, it should become clear that in order to deliver that kind of value (bear in mind that this is not a static scenario as customer expectations continually migrate), an organization must coordinate all its activities and processes around a common goal-customer satisfaction.

Integrated marketing is about the fusion of these elements, strategy, structure, systems, culture, processes, etc, into a coordinated whole that views the value delivery process from the perspective of the customer whilst simultaneously understanding that an organization cannot serve all potential customers but must carefully choose those segments that it can serve more effectively than its competitors (from a customer perspective) and those customers that it should not serve. Additionally, many organizations need to develop strategic partnerships with both vendors and other external organizations to become truly competitive. Hence, one should not only consider its own organization when viewing IM.

One useful, albeit, incomplete conceptualization of IM is the value chain posited by Harvard academic Michael Porter, this shows that the concept of value delivery and IM takes into account all functions in the organization and many external to it. Extensions of this model put the customer at the beginning of the process advocating the marketing

function as the voice of the customer. IM requires all people and functions in the organization to be customer oriented and realize that a customer is the life blood of any organization. Functions such as finance, HRM, R&D, product development, customer service etc play a crucial role in the marketing process both in their direct contact with customers (if any) and the part they play in the value delivery process. Hear the words of legendary CEO of General Electric, Jack Welch;

*'In a boundaryless organization, internal functions begin to blur. Engineering doesn't design a product and then hand it off to manufacturing. They form a team along with marketing, sales, finance, and the rest. Customer service? Its not somebody's job. Its everybody's job'*

Make no mistake, adhering to the marketing concept and embracing IM is no easy task, but the organizations that do so most vigorously will be the viable organizations of today and tomorrow.