

# MARKETING COMMUNICATION PLANNING IN A CONVERGING MARKETPLACE

BY DON E. SCHULTZ

**Many companies separate the planning and organizational functions of e-commerce and bricks and mortar business components. Consumers, however, do not differentiate between the channel and medium from which communication originates. Messages from both the electronic and traditional sides of a business converge in the customers' mind, and if businesses do not recognize the need to marry messages before they reach the consumer, they will lose their effectiveness.**

## Introduction

Traditional marketing communication planning, meaning the type produced regularly by marketing and communication managers, is being challenged by the major changes brought about by the widespread acceptance of electronic communication – primarily the World Wide Web and the Internet. The development of these interactive systems that allow marketers and customers to communicate directly is changing the way planning must be done. To cope with the change, many firms have adopted a two-pronged planning approach. This approach consists of developing traditional marketing communication programs – those that will be delivered through traditional marketing and communication channels including retailers, distributors, mass media systems, etcetera. Simultaneously, these marketers are developing separate programs for messages to be delivered through the new systems including the Internet, World Wide Web, and e-mail. In many cases, not only

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have the planning methods been separated by nature of the delivery system, but often the planners and developers also have been physically separated. Firms may locate the e-commerce planners

in different departments of the organization and sometimes even in different buildings or perhaps even different cities. While this separation between traditional and electronic communication planning and implementation appears to be the current vogue, it raises some questions and concerns on the part of communication managers. In this article, I review the current process and suggest that rather than separate planning, convergence is needed and that this will likely require new planning methods that are unique, not just detached.

## Convergence Is the Problem

There are many reasons for separating traditional marketing communication planning and implementation from electronic marketing communication planning and implementation, ranging from organizational structure and legal divisions to a belief that somehow electronic communication is "different," and it is increasingly clear that a schism is emerging. Traditional planning is going one way and often electronic seems to be going another. Unfortunately, it seems that both plans and programs are being directed toward the same basic audience. In other words, the marketing organization believes that this separation is necessary, because the two types of messages and incentives, or at least the form in which they are delivered, are so different that separate people using separate tools and approaches must develop them. One often hears managers talking about "our e-commerce or e-communication strategy" versus what "we have always done" or "what the bricks and mortar" or "dirt businesses" does or is doing. Indeed, it often sounds as if the new electronic systems are, or should be something that might not even be related to the traditional organization.

It is true that most traditional marketing communication relies primarily on various forms of outbound mass communication and

therefore on mass media systems and approaches. This, despite the growing interest in one-to-one and other forms of limited communication interaction between buyer and seller, is what is often called "old economy" marketing and communication. Certainly, one could argue that many of the new electronic approaches are interpersonal in nature and not mass at all. While they may have been delivered or accessed through an electronic system that makes the same message available to millions or perhaps billions of people almost instantaneously, the big difference is that recipients can respond in some fashion immediately or at some later time. The key point is they can also respond easily, quickly and in many cases effortlessly simply by pushing a button. In short, the marketer has a direct feedback link with the intended audience, assuming the recipient chooses to use it. Thus, this separation of planning and implementation activities into traditional marketing communications and new electronic approaches from the view of the marketer makes eminently good sense. Different approaches. Different techniques. Different expectations. Different expertise is developed and applied in traditional marketing communication than is developed and applied in electronic or interactive communication. It makes sense, but only until we begin to realize that both communication programs are often being developed and delivered against the same customers, consumers, and prospects. The person who sees a television commercial is also the same person who goes "on-line" or "surfs the Web." Exhibit One illustrates this so-called "convergence" from the perspective of the customer, consumer or prospect, which is where, of course, it really matters.

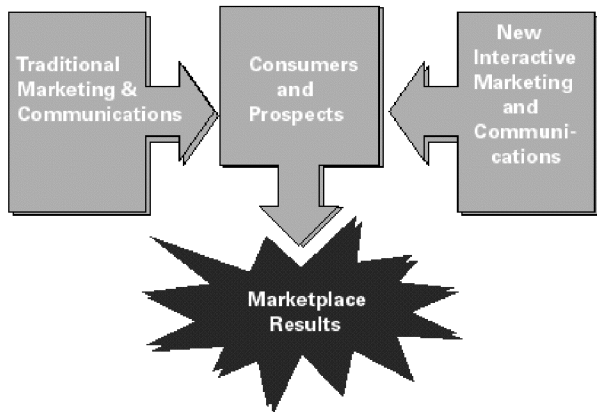


Exhibit 1. Convergence

## Convergence of Traditional and Electronic

Unless the two forms of communication are relative and related from the customer's view, all the marketer has done is make the messages and incentives more difficult for the customer to understand or follow. In a rapidly changing communication arena where communication clarity is critical, this planning approach may be creating more problems than solutions.

A review of the basic structure used in each type of planning - traditional marketing communication and the new interactive and electronic approach - will help to provide a communication planning methodology to be used in this converging communication marketplace.

## How Traditional Marketers Plan Communication

Traditional marketing communication planning has generally been based on a product view of the marketplace. Exhibit Two illustrates the assumptions of that marketplace.

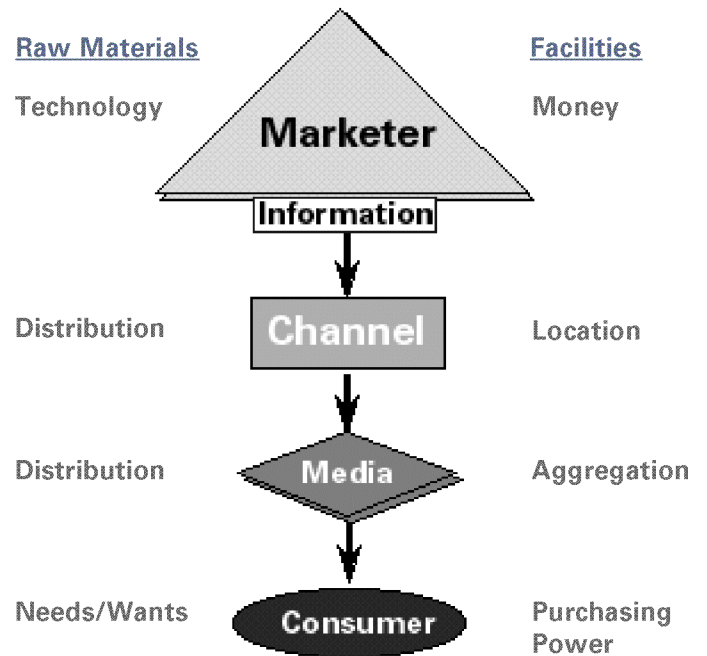


Exhibit 2. Product-Driven Marketplace

As shown, marketing communication planning focused on a 4Ps-driven marketing system where the marketer controlled the product, the price, the place or distribution and the promotion, or

the communication about the product or service. Thus, the marketing communication planner's job was to reach and hopefully persuade the consumer or customer of the value of the product or service. The communication would therefore drive those prospects who receive the communication to the channel or delivery system where they could obtain the promoted good or service. That is generally what has been called "mass marketing and mass communication" as it has been practiced for the past 50 years in developed economies. Examples of product-driven firms might include pharmaceuticals, software development and other high technology companies, utilities and many business-to-business firms in the Original Equipment Manufacturing area.

### How Electronic Marketers Plan Communication

In the interactive or customer-driven marketplace that is emerging, the customer is in control rather than the marketing organization. This is illustrated in Exhibit Three below.

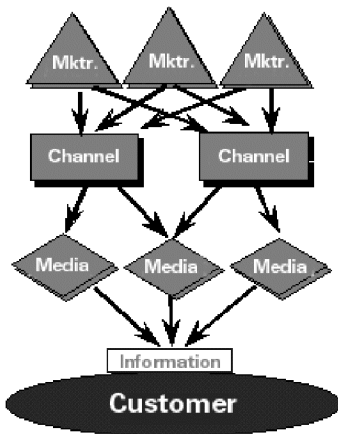


Exhibit 3. Customer-Driven Marketplace

In this marketplace, the consumer has most of the power. The marketing communication planner must relate to the customer through various interactive systems where the customer must actively access the messages, as opposed to being interrupted by them. Where in the traditional system, marketers commonly selected the customer or prospects with which they wanted to communicate, the so-called "target market," in the interactive marketplace shown above, the customer does the choosing. The customer selects suppliers to fit his or her needs as much or more than the marketer selects their "target markets." Examples of these types of companies include Dell, Amazon.com, Priceline, eBay and Charles Schwab. Thus, there is dramatically different planning

going on, but the way the plan is executed is often in the hands of the customer or prospect rather than that of the marketing communication manager. In this type of situation, I propose that instead of using the 4Ps as a format for planning, the marketing communication manager should use what I call the 5Rs.

### Planning with the 5Rs

The 5Rs of marketing communication planning recognize the change in the market-place power of the consumer and the interactive nature of the marketing communication systems. The 5Rs the planner must consider are:

- **Responsiveness** - How quickly and effectively the marketer can respond to the needs and wishes of the customer or consumer. Most marketing organizations are not constructed for speed of response. Indeed, they are organized to talk, not to listen. Thus, in a marketplace where the marketer was in control, responsiveness was not terribly important. In the new interactive marketplace, responsiveness is critical.
- **Relevance** - Relevance has to do with how relevant the marketing communication program is to the persons to whom it is being addressed. This becomes a major issue when customers are expected or encouraged to access the marketing communication, not simply be interrupted by it. The more relevant the communication is to the intended audience, the more likely they are to access or accept it.
- **Receptivity** - The challenge for marketing communicators in the new interactive marketplace is being available or accessible when customers or prospects want to receive information, not necessarily when the marketer wants to provide information. The challenge of the new marketplace, therefore, is communicating when the "buyer wants to buy," not "when the seller wants to sell." This changes many of the communication rules, such as choosing effectiveness over efficiency and pin pointing where customers touch the marketing firm, not where marketers send out messages or incentives.
- **Recognition** - Brands become absolutely critical in the interactive marketplace. Brands provide instantaneous trust and knowledge. Brands work quickly and

efficiently, allowing customers to make decisions based on past experience or recommendations from friends. Where so many voices are clamoring for attention or where so many alternatives are available, the brand often becomes the most important asset of the marketing organization.

- **Relationships** - There is little question that the new marketplace will be based on relationships - shared values between buyers and sellers. On-going give and take between the buyer and the seller where each side "wins" in every exchange will become a marketing goal, rather than a one-time sale. No longer can the marketing organization "market a customer into submission." It will be the customer who determines the length, strength and depth of the relationship the marketer is trying to create.

These 5Rs radically change how the marketing communication planner thinks about and develops communication programs in a rapidly converging marketplace.

### Some New Models

Inherent in the use of the 5Rs for communication planning is the need for new tools and models. Today, the planner primarily relies on a Plan-Develop-Implement methodology. That is illustrated in Exhibit Four



Exhibit 4. Plan-Develop-Implement

As can be seen, the planner gathers data, assembles a plan, develops it, and then executes it in the marketplace. Such actions result in the well-known and often ponderous tomes called "marketing plans" or "advertising campaign" books. Today, working through that process may take anywhere from a month to a year for the output to reach the marketplace.

The interactive nature of the new customer-driven marketplace demands a new model. Using the 5Rs methodology requires a customer-responsive model, not a marketer-driven model. I suggest the Sense-Adapt-Respond model shown in Exhibit Five.

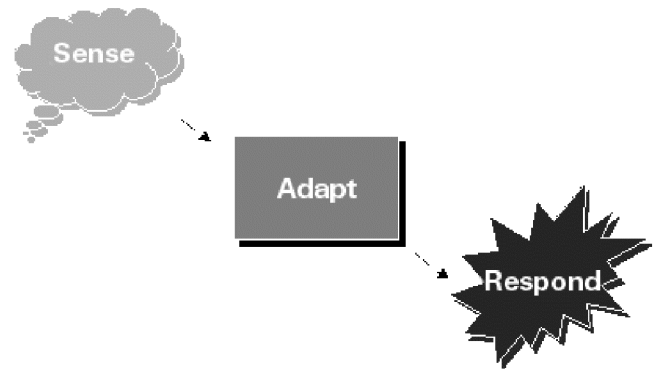


Exhibit 5. Sense-Adapt-Respond Model

As shown, the new planning model is driven by the marketer's ability to sense and respond to customer needs and requirements. This means a focus on listening to customers, not just talking to them. It means a heavy emphasis on research and attempting to gain customer insight through a variety of "listening posts" or feedback systems. For many electronic marketers, this comes as second nature. They communicate, customers respond, they adapt their communication and talk again. Thus, their emphasis is focused on understanding customers' wants and needs, particularly as they change over time. Finally, the firm must be able to align its resources to meet those needs. The key ingredient, of course, is the ability of the marketer to respond to customers. This often means changing the way the organization operates, the products or service offerings it provides, or changing how the company serves customers to conform to the manner in which the customer wants to do business, not the way the firm wants to do business. In short, this approach flips the present marketing com-

### In short, this approach flips the present marketing communication planning process upside-down.

munication planning process upside-down. For example, when a customer re-enters the Amazon.com site, his or her profile is retrieved from electronic cookies on the consumer's computer, or from the bookseller's customer database. The system automatically suggests books the customer might be interested in based on previous purchases. As the customer's buying habits change, the system automatically changes the selection of recommendations being made. Thus, Amazon.com senses the change in the cus-

tomers, adapts its approaches and responds with new and more relevant offers.

Finally, a new approach to the development of marketing communication messages and incentives is also needed. Historically, marketing communication planning has started with the development of the message, creative strategy or brand proposition. It has traditionally been assumed that the message or incentive was the most important area of a marketing communication program. But, that concept was developed for the traditional, mass communication, "interrupt the customer" media system. In the converging marketplace, a different planning model is needed as well. The new approach starts with how or through what system the message or incentive is or can be delivered. In other words, it starts first with what medium or delivery system should be used and then progresses to what creative or message needs to be developed. Media first, creative second. Exhibit 6 below illustrates the concept.

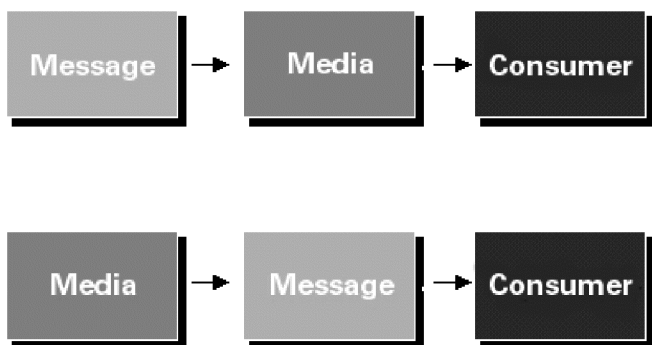


Exhibit 6. Message-Media-Consumer

The premise is simple - it makes no difference what you say if you can't get the message to the customer or prospect. So, marketing communication planning in a converging marketplace requires starting with message delivery and then tailoring the message or the incentive to fit the medium and the delivery system. Where you make the message available becomes the critical variable. That is, in what form, through what system. Format

becomes all-important. In fact, delivery and format tend to drive the creative content of the message rather than the other way around.

## Conclusion

In summary, the converging marketplace made up of both traditional and electronic commerce demands that we re-think our marketing communication planning approaches. I propose the 5Rs methodology and the use of a new Sense-Adapt-Respond model with a focus on delivery first and message second. True, these approaches will require major changes in organizational structure, perhaps the type of people employed and most of all, changes in how success is measured. All of these will require the support of senior management, preferably at the CEO, COO and CFO level. This support will not likely develop unless and until marketing communication managers begin to see themselves as strategic managers of critical organizational resources, not tacticians responsible for following directions and providing "support" tools and activities. Yet, this seems the right approach for the new interactive marketplace and it seems particularly appropriate where the customer is the intersection of the traditional and electronic interactive marketing communication programs.

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Schultz lectures, conducts seminars and conferences, and consults on five continents. His work focuses on communication integration, branding, and the financial measures of marketing communication. He was named one of the 80 Most Influential People in sales and marketing in the world by *Sales & Marketing Management* in 1998.