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B2B AND B2C MARKETING:
ORGANIZING TO MAXIMIZE BRAND VALUE

by Wendy C. Wong

ABSTRACT
When a brand operates in both a B2B and B2C market, companies often create marketing departments under different leadership to address each market separately. These marketing silos often miss out on opportunities for synergies that would drive value for the organization. IMC could be the solution by providing a new organizational model for synergistic brand management, media relations and campaign messaging – thus optimizing all market opportunities across business models.

When a brand operates in both a B2B and B2C market, should different marketing communication chiefs manage each? Do B2B and B2C brand management really require different skill sets? Or can they operate more harmoniously within an IMC organization?

Under the current framework:
• Traditional companies structure brand managers around product or market silos.
• Most corporations consider B2B and B2C marketers to be two different breeds. In doing so, corporate leaders organize structures and incentives in a way that impedes collaboration.

Silos of brand management
Within companies that operate in both a B2B and a B2C space, brand executives operate under separate divisions with surprisingly little interaction or information sharing.

In companies that staff a “corporate communications” officer, this role, which tends to focus on public relations, is the only opportunity for B2B and B2C brand management to work together. Very rarely do corporate communications officers have the authority or brand management experience, to effectively integrate the marketing communications process.

Problems arise when companies need to increase the strategic value of their brand(s).

To whom does responsibility for driving the IMC process that supports shared brand perception and brand value belong?

Those seeking to bridge the gap between B2B and B2C brand managers frequently encounter the assumption that expertise in one arena does not transfer across the two business models. Does this logic optimize a company’s long-term brand strategy? When brand equity is shared by B2B and B2C constituencies, shared decision making and message strategy become critical to campaign success.

When separation of B2B and B2C makes sense
Separation is logical for businesses where product lines operate as separate profit centers with no market overlap. Holding companies, such as Proctor & Gamble, have separately branded businesses operating independently.
with no common naming or shared symbolism. While products may compete in the same market category, each product manager drives a separate product identity. Their shared connection is administrative. Each brand manager reports to the same corporate decision makers and may also share resources such as accounting, finance, distribution and fulfillment.

Holding companies with B2B and B2C business lines often choose to organize branding responsibility by market segment. As a result, the product identity and representation manifests itself differently for each segment.

The pharmaceutical industry, for example, assigns separate teams and budgets for each constituency in the same product line: direct-to-consumer (DTC) marketing, physicians and hospitals, and managed markets (insurance companies).

### When separation hurts the brand

Organizational structure is an important component of brand management because it creates an accepted reality in which people operate. The needs of decision making officers define brand managers’ reporting roles. Often, organizational structure dictates the level of information sharing within and across an organization.

Brand extension strategies tend to stimulate the most friction between segment managers. There are limits to how far afield brands can be extended, depending on the familiarity and recognition of the brand and the symbolism it possesses in each market segment.

If there is common symbolism in the naming strategy, but different messaging platforms and different brand personas being projected, how believable is the brand? How authentic is the brand? What does it really stand for? Consider the case of John McCain running for president on the Republican ticket, having to leverage his party identity yet distance himself from George W. Bush. If there is common symbolism in the brand identity, but different messaging platforms, the brand manager will

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The following are some key questions for CEOs and executive management to consider, especially if the business entity operates in both B2B and B2C:

- Is there shared brand equity among the product brands that are separately managed?
- When a brand name is shared by two or more products serving different buyer segments, is the brand persona consistent?
- Does the brand remain authentic across target audiences? You cannot be all things to all people, even when it seems appealing and lucrative. Staying authentic to the brand’s core values is an essential component of brand management.
- Are incentives aligned among brand managers? A structure in which segment managers pursue individual objectives is one that gains category share at the expense of the shared brands’ equity.
- Does the organization have an accepted process for arbitrating conflicting values among segment managers? Power struggles with segment managers of equal authority are likely to arise unless someone with greater authority is ready and willing to arbitrate without slowing decision making. This situation is especially harmful when the brand operates with different pricing models with different customer experience expectations, as one would see when a brand operates in both a B2B and B2C context.
## Separate brand management structures are harmful when:

- Brand equity is shared among product brands.
- A brand name is shared among products serving different segments.
- Incentives are not aligned among segment managers.
- There is no process to arbitrate conflicting values among managers.
- There is overlap among target buyers.
- The brand's authenticity is undermined by messaging platforms of different segment managers.

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need to take great care in leveraging what is respected and valued about the brand, yet allow the brand to differentiate itself without its being undermined or called into question.

In summary, brands suffer under separate brand management structures under the following circumstances:

- There is shared brand equity among the product brands, such as in the case of a highly visible corporate brand that gives credibility to every product under its umbrella.
- A brand name is shared among two or more products serving different buyer segments.
- There is misalignment of incentives among segment managers.
- There are common or overlapping messaging targets. Products that target the same buyers may as well collaborate rather than compete for the same market share.
- The messaging platforms of different segment managers may undermine the authenticity of the brand.

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**Organizing for collaboration**

In addition to product management departments, complex organizations also staff product marketing to interface between product management and corporate marketing.

The definition of roles and authority structures between these groups takes place informally. Often these roles are peer roles, as in a matrix organization. In a matrix organization, peers must collaborate to execute well.

Product managers that know their product, its technical specifications and customer base, have the expertise to drive product differentiation and quality. What they lack is the time or the expertise to conduct market research and solicit customer feedback for pricing and positioning decisions. Nor are they best suited to write effective copy, convey messaging succinctly, or place the message into the marketplace.

In fact, all three of these functions comprise the inherent responsibilities of marketing, but are inappropriately apportioned to disparate parts of the organization.

Alignment among these functions is crucial, especially when each individual owns some facet of the brand’s behavior. Oversight at the brand level becomes especially important as products proliferate, sometimes across B2B and B2C.
Fostering camaraderie and shared interests

Especially in complex organizations where marketing responsibility is shared across many departments, a brand culture is helpful in guiding the behavior and decisions of these managers. A brand culture means that the brand promise, brand values and brand differentiation are understood by all who represent the brand to customers. The best way to foster camaraderie and shared interests is by connecting all stakeholders through a palpable relationship to their shared brand. When done well, the brand personifies the product’s spirit and the soul of the organization.

Role of the IMC officer

Few companies have appointed a single officer to make decisions at an integrated marketing communications level. By default, this function falls to the Chief Marketing Officer or the Chief Communications Officer. But some organizations have a VP of Marketing, a VP of Product Marketing, a VP of Product Management and even a VP of Corporate PR. Who, in that case, is the IMC Officer? The IMC officer is the one who rallies the others to recognize that IMC is important. The responsibility of IMC does not need an official induction. The role of the IMC officer is to act as the marketing leader who takes ownership of the brand’s stewardship. But in a leadership vacuum or when peers are locked in a power struggle, the formal appointment of an IMC Officer can provide the needed power to break a deadlock and to de-politicize brand decisions.

Building the brand into the corporate culture

Many strong brands grew from the success of a single product or personality and over time extend into new categories and market segments. Examples include Disney and celebrity brands like Oprah. New products developed within the business leverage core brand assets in order to succeed. In the case of Oprah’s brand, this extension manifested itself in O, The Oprah Magazine and television shows like “Oprah’s Big Give.” Oprah’s celebrity is at the core of these new business ventures. Each venture must express Oprah’s personality, voice and authenticity whenever it is leveraged.

In these businesses, even when products follow completely different naming schema and chase different buyer segments, as did Oprah’s Angel Network, they still represent Oprah’s core brand identity. It is the experience of the extended brand that must live on beyond the life of the person in order for the brand to survive.

Frequently brand owners rely on advertising campaigns in which brand messaging and personality are artfully captured in the mix of words, images, music and voice to define their product positioning. Many corporations are too outwardly focused when it comes to brand stewardship. Internal brand communications is just as important as external brand communications. Brand managers are pressured to meet external messaging and marketing program needs in a short amount of time. This leaves little energy and few resources to address the internal brand communications challenge.

Building a brand into the corporate culture takes time, creativity and steady reinforcement.
Is this the job of the VP of marketing, the VP of human resources or the VP of internal communications? The truth is that the internal stewardship belongs to each of them.

IMC is the connection point that can bring all three leaders together. When these three functional leaders work together to integrate the brand into corporate culture, the executive suite becomes the best spokespersons of IMC.

**Employee empowerment through brand connection**

Companies that have integrated their brand into the corporate culture also tend to have proud, loyal employees. People enjoy working for a cause or mission that is relatable and provides meaning to their role.

Branding is part of expressing an organization’s mission and values, which also define the parameters for behavior within an organization.

Disney, for example, tells its employees that it is in “the happiness business.” At Disney, safety comes before friendliness. The Disney brand can be seen in the movie theatre, on television and in the merchandising lines of Mickey Mouse, the Little Mermaid and Hannah Montana. This brand transcends its product lines to inspire its workforce. This brand connection is not just the pride of seeing the brand in the marketplace; it encompasses the organization’s culture. Disney empowers each employee to bring creativity and judgment to the workplace. This brand connection makes the organization what it is.

**Customer loyalty through brand connection**

Employees who understand their brand, who can represent and live out the brand, attract customers who find the brand appealing. Customers choose their favorite brands for the attributes of the product; the value it delivers; and the emotional payoff for the buyer, on a personal level. Whether it is a status symbol to be associated with a given brand (e.g., Rolex, Lexus), the brand’s quality, or the customer experience that bonds someone to the brand, a loyal, repeat customer feels the kind of brand connection that results from an organization’s having deployed a successful brand culture.

**Best practices for optimizing your brand culture**

Branding should not be seen solely as a marketing function, even though brand stewardship usually begins with marketing. To optimize a brand culture, the entire value chain of the organization needs to support the brand. Specifically, brand cultures:

- Educate the entire workforce about the brand
- Regard internal stakeholders as a key communications target
- Create an emotional reason for stakeholders to participate
- Focus on the quality of the entire customer experience, not just the delivery of the product or service
- Define a focused mission for the group that feels bigger than the individual alone.
- Connect the product and service to the organization’s mission
- Reinforce the brand values inside its organizational culture and keep these values alive over time

For businesses that have a successful B2B brand culture, embracing the culture of B2C marketers may pose a challenge. IMC can play a key role in defining not only the brand that the marketplace encounters and experiences, but also in defining the brand that is understood by every employee and the organization’s mission and values as a whole.
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Her experience in publishing, financial services, leadership training, and information services gives her an understanding of how integrated marketing communications is a critical competency of brand management. She has led marketing communications and branding at HNC Software/Fair Isaac; and strategic marketing and e-commerce initiatives at the D&B Corporation, where she held a dual leadership role in strategic planning and marketing communications.

Wendy holds an undergraduate degree from Cornell University and an MBA from UC-Berkeley’s Haas School of Business.