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The Evolution of IMC  
in China, Korea, and India

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# End Act:



Developed in the U.S. at Northwestern University in the 1980s, the theory of integrated marketing communications has since traversed global markets and transformed national economies, disseminating its consumer-centered philosophies from the Occident to the Orient. The latest wave of IMC research, spearheaded by our very own Professor Don Schultz, finds that the U.S. model of IMC is implemented very differently in each of the unique foreign markets it inhabits. The Asian economies of China, Korea, and India face such a dizzying array of special socioeconomic and cultural factors (government-owned enterprises, sophisticated mobile populations, rural-urban divides, etc.) that, while the essence of IMC stays the same, its form must adjust to function, and the Western model is scrambling to stay relevant in the East.

What forces are shaping the development of IMC in China, Korea, and India? How will IMC look different from what we've ever seen? What lessons, as U.S. marketers, can we learn? Three academic luminaries chime in on the state of IMC in their respective countries and provide a roadmap of what's to come.

## China

### **IMC's Introduction**

IMC was first introduced to China in the 1990s when the country's rapidly expanding digital and interactive marketplace caused marketers to search for new, holistic marketing strategies.

### **IMC's Potential**

With the largest number of digital users in the world (564 million Internet users and 1.1 billion cellphones), China is the world's second most powerful economy and the world's fastest-growing advertising market. Its wide urban-rural divide, uneven business development, and still-untapped markets make the country an ideal candidate for the spread of IMC.

### **The Study**

Professors Don E. Schultz, Guangzhi Chu and associate editor Beryl Zhao co-author the article "IMC in an Emerging Economy: The Chinese Perspective" in this year's International Journal of Advertising (Vol. 33 No. 3) that seeks to uncover the current development of IMC in China and to identify relevant factors that may be hurting or helping its progress. The study analyzes the results of a 21-question survey given to 135 Chinese marketing executives from a cross-section of industries, asking them to describe the extent to which IMC has spread to China and to report encountered barriers.



## The Findings

IMC has gained a strong foothold among Chinese marketers, with the majority viewing IMC as an effective strategy and having taken steps toward implementation. Chinese marketers, however, face barriers in the forms of lack of technical training and uneven industry training, inadequate business structure and management, and lack of consumer-centric targeting and philosophy. Interestingly, China's politicized business landscape plays a factor in IMC's development: respondents from state-owned Chinese enterprises (SOEs) showed key differences from local, privately owned enterprises. SOE respondents displayed a limited and sometimes inaccurate understanding of IMC and approached its implementation and measurement in a distant, bureaucratic manner. Their counterparts from privately owned companies, on the other hand, showed an alert drive for constant IMC program measurement and improvement and an extensive knowledge of its tenets. We see the political divide of the business landscape does indeed play a role in diffusion of IMC (or any innovation).

## What it Means To IMC in China

The existence of state-owned enterprises in China is just one manifestation of the larger political forces at play in its socioeconomic landscape. As remnants of the country's Communist days, contemporary Chinese marketing channels still retain elements of political control through complicated relationships of trust and mutual exchange. Chinese survey respondents also reported in the free-response questions that the industry ecosystem, ethical issues, and political/economic regulations were also barriers in IMC implementation. So how will IMC look in China? While Chinese marketing practitioners will continue to implement and perfect IMC campaigns, Professor Don Schultz predicts that IMC will evolve past its current outbound, persuasion-based form and begin to revolve around the consumer's individual consumption experience. In this marketing model, which Schultz names SIVA, marketers step into the consumer's shoes entirely, providing them with *solutions, information, value, and access* for their desires and needs. In 2013, Schultz partnered with Chinese search giant Baidu to bring such a model to fruition, with a plan to harness the power of digital to bring consumers to the companies. They accomplished this by navigating not only an increasingly fragmented online world, but also a convoluted, politically-charged landscape.

**Solutions**

**What solution does the firm offer to the customer's problem/need?**

**Information**

**What information does the firm provide for the customer to make a decision?**

**Value**

**What value does the product/service bring to the customer?**

**Access**

**Where can the customer access the product/service?**

## **Korea**

### **IMC's Introduction**

In the early 2000s, faced with economic stagnation and an increasingly crowded marketplace, Korean marketers realized that they must focus on brand and consumer-oriented strategies to thrive.

### **IMC's Potential**

One of the world's most tech-savvy marketplaces, Korea is facing a defining period of demographic changes, which will require a more dynamic and sophisticated understanding of consumers.

### **The Study**

In the 2014 study "Rethinking IMC: Republic of Korea," the authors conducted a survey among 111 marketing professionals from top Korean firms in order to ascertain the state of IMC's development in Korea. The survey consisted of 29 questions and was written in accordance with IMC's American Productivity & Quality Center (APQC) guidelines, a time-honored rubric to measure the progression of IMC through four key stages: coordination of tactical communication efforts, redefinition of the scope of marketing communications, application of IT, and financial strategic integration.



## The Findings

The survey score results were startlingly low – and non-linear, meaning scores didn't decrease down the scale as expected. Considering Korea's powerhouse technical and business know-how, its marketers showed less than stellar IMC progression results. Scores for database usage and aligned financial incentives were particularly low, a counterintuitive finding given the country's sophisticated digital commercial space and consumer satisfaction policies. The study authors puzzled over numerous possible explanations and finally arrived at the theory that IMC in Korea was evolving past the linear, outbound, persuasion-based form of traditional IMC that the APQC scale measured into something new and exciting altogether. In a recent paper on the disintegration of brand communication in a fragmented and digital environment, Prof Schultz argued that traditional, outbound, marketer-created communication of branding is no longer effective in an interactive marketplace. Thus, the traditional customer database and the campaign as a unit of result measurement would be outmoded. In a highly digital environment with extremely savvy consumers, marketing models must shift to reflect the customer's long-term individualized curation experience.



## What it Means To IMC in Korea

Korean IMC is likely evolving into a new, influence-based form of interactive marketing: the SIVA model. SIVA, as mentioned before, centers on the perspective of the consumer, and marketers organize content and product information with the primary intention of providing value to the customer first. Korea's current, sophisticated, consumer-centered business philosophy (e.g. extensive product customer service, shift toward local mini marts to cater to changing preferences within certain demographics, innovations such as QR code grocery shopping in subway stations, etc.) is strongly inclined to take this natural progression. With modern-day data capabilities, such interactive models can be efficiently automated and Korea will likely be on the vanguard of this next step in IMC. Korean brands will find increasingly dynamic ways to provide value for the customer and to master branding in a digitally fragmented and heavily consumer-controlled environment. Korean marketing will surely provide many interesting case studies in the years to come as the U.S. also moves toward such an interactive model.

# India

## **IMC's Introduction**

IMC was introduced in India in the early 2000s as the nation's increasingly fragmented and competitive market landscape called for an integrated marketing approach.

## **IMC's Potential**

With a population of 1.28 billion people, a rapidly growing middle class, and a shifting consumer consciousness from one of thrift to consumption, the Indian markets present an enormous opportunity for marketers.

## **The Study**

As a market, India's sprawling heterogeneity presents a large problem: not only are there extreme socioeconomic disparities between the country's urban and rural districts, but India is also home to more than 780 major spoken languages, 22 official languages, and a myriad of provincial religious sects. Such diversity in economic development and communication makes it extremely difficult for marketers to target, segment, and reach potential consumers effectively – greatly hindering the ability of the IMC model to develop and disseminate. The boom of digital and mobile – along with its uneven penetration in the Indian countryside – also presents a challenge to Indian marketers.





### The Findings

It turns out that while the proliferation of digital and mobile in India appears to be an additional headache, it may be the country's greatest favor to the development of IMC. The numbers of Indian digital users are massive: one out of six people in its 1.28 billion population have Internet connectivity. Further, India was third in the number of Facebook users in 2013, with 61.7 million registered users, and Indian users boast 3 million Twitter accounts. At the end of December 2013, there were 945 million active mobile users in India, and smartphone usage is displaying 150 percent year-on-year growth. Young Indian consumers, the largest youth population in the world, in particular, are leading this digital revolution with their tech-savvy and social lifestyles—digital promises to only become more prominent as literacy rates keep growing. Their consumption is spurring the rapid growth of digital ad spend – the online advertising market is forecasted to grow 29 percent, reaching \$490.48 million by 2013. With the massive onset of digital and mobile usage comes the popular adoption of social media brands (e.g. Facebook, Twitter), which offer India, for the first time, large, standardized platforms with the ability to aggregate millions of audience members for marketers to reach.

### What it Means To IMC in India

With the mass penetration of digital and mobile into India and the standardized platforms that mobile and social offer, old barriers of economic and linguistic diversity can be surmounted, and Indian marketers can now focus on developing and spreading IMC. With such platforms in place – and growing – additional digital infrastructure that is scheduled to be built will further increase mobile and online penetration in the rural countryside. Marketers now have large, receptive, and accessible audiences for their messages. The popularization of digital and mobile, thus, heralds an exciting era for Indian IMC as it provides Indian marketers the opportunity to develop and hone a unique form of communications that suits their dynamic marketplace.

### Bringing it All Together

While IMC is progressing in its traditional, textbook form in the West—as IMC was originally developed for U.S. firms—it is interesting to note the deviances it takes as foreign marketers attempt to adapt IMC to their native economies. It is important, as future IMC practitioners, to understand that it is socioeconomic structures that drive and shape evolutions of marketing philosophies, and if societal trends shift, marketing must follow suit. From the three outlooks, it is apparent that IMC has taken root and flourished, each nation with its unique barriers and opportunities for marketers to overcome and harness. Understanding the landscapes of other markets along with the management of divergent forms of IMC will be increasingly crucial for those marketers who desire to be competitive in the global economy. ■