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**Planning, executing and verifying of efficient marketing  
communication on the corporate markets**

**Thesis of Ph. D. dissertation**

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## TABLE OF CONTENTS

1.	Reasoning the topic choice.....	2
2.	Research goals and methodology .....	3
3.	The new and novel findings of the research.....	7
3.1.	Communication theory approach	7
3.2.	The appearance of integrated communication in everyday life	8
3.3.	Communication tools in the integrated communication mixture	14
3.4.	Creating IMC strategy - Integration in the process of planning and execution	17
3.5	Social responsibility: content and style	20
3.6	The interaction of IMC and the corporate structure	21
4.	Practical use and the directions to continue this work .....	24
5.	Literature referred to in the thesis booklet .....	25
6.	The author's publications related to the topic .....	26

## 1. Reasoning the topic choice

The area of marketing communication shows a very far-reaching pictures these days. The various methods and models and the "success books" show hundreds of beneficial choices to the practical experts interested.

The actuality of the topic choice is based on three pillars: on one hand, the role of communication os becoming more and more valuable in marketing. On the other hand, we can see significant changes in marketing communication, such as the strengthening of the communication competition, the complexity of the communication process, the changes in the structure of the budget, discrepancy between the internal and external communication, the lack of unity regarding the communication tools and also a change toward the contact marketing.

Thirdly, the economic crisis gives actuality to my topic choice. During such a crisis The decision-makers have several tools at hand to reduce the costs. According to a recent research report<sup>11</sup> 53% of the queried people said that the marketing costs should be reduced, which is quite astonishing since by reducing the communication expenses the market presence and eventually the decreasing tendency of sales would be rushed. However, it should be mentioned that there are sectors (e. g. FMCG) where the challenge is met by reducing the wages.

At the beginning of my research rationalizing, the chance to more efficiently organize communication also supported the idea of integrated communication. By now it is the more reasonable distribution of the costs and the realization of appearances of the same efficiency from a reduced budget that have become the main golas. The need for efficiency and effectiveness are simultaneously present in resolving communication task, it is the stresses that vary.

It has been a widespread view for a long time that communication becomes important rather in consumer marketing and besides personal communication it does not have any role in the relations between corporations. During the past years the marketing experts working on the corporate markets had to realize that omunication does have a role in their profession as well, and this role is not just ordinary at all However, this role is differentiated and thus special as well, since the long-term, image-changing communication becomes at least as relevant as the short-term, sales-inducing communication.

**If we add other peculiarities of the corporate market** - such as the relevance of personal relationships or the influence of the international markets and that of the owners – **to this, the picture gets even more subtle and there is even less space for any ad hoc decisions or decisions made without any consideration.** A well-supported communication is needed, which organically fits into the process of strategy making, The goal is to create a synergy of carefully selected tools.

The scene in Hungary shows a fairly interesting picture: some companies – and mainly the large ones – has already begun implementing the integration, while other ones question even the righteousness of communication costs. The levels of applying integrations vary as well but its righteousness can be confirmed by all means.

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<sup>1</sup> In December 2008 Szonda Ipsos asked 109 of those leaders who manage companies employing at least 50 people what they would do to reduce the effects of the crisis

## 2. Research goals and methodology

**The goal of my work, by processing the Hungarian-language and foreign-language literature, is examining the way marketing communication appears on the corporate markets, and also, what opportunities the production and service corporations have on the examined area.**

By organically fitting into this, I am introducing the assessment of the current corporate practice in the industrial area regarding the application, consciousness, motivations, chances and the expected results of marketing communication, or rather integrated communication. Am doing it by assessing the applied marketing communication tools and their weight, then, based on the previous two points, a model is created which will help the concerned corporations to set up an efficient communication concept on the corporate market. I would like to point out here what advantages the integrated communication holds and how it could be applied more efficiently.

For a research model, I attempted to illustrate the junction of the information and communication processes and also to present the interactions.

This model tries to reproduce the assumed relationships between the examined factors in a symbolic form, as Barnlund stated in his essay about models and creating models. [Barnlund in Horányi 2003.] He describes that however, models can be numerous, as the issues they intend to depict, these models can be classified.

**The analysis model introduced here is a functional one** and it is supposed to present the process of how a corporation creates the unique image of themselves during their market operation. This unique image is supposed to help the other market participants identify the corporation and it also helps the corporation find their own identity.

The communication models rather belong to the functional models, since there are not any discrete enough variables, also measuring the variables is quite complicated. A structural model can truly present the elements of the system, their effects and it can ensure satisfactory conceptualization as well. This model is capable of handling the variables, connecting the interactions. By doing so, the model saves the integrity of the events examined and it can also clarify the the correlations of the system.

I created a research model. The goal of the research was to fill it up with content.

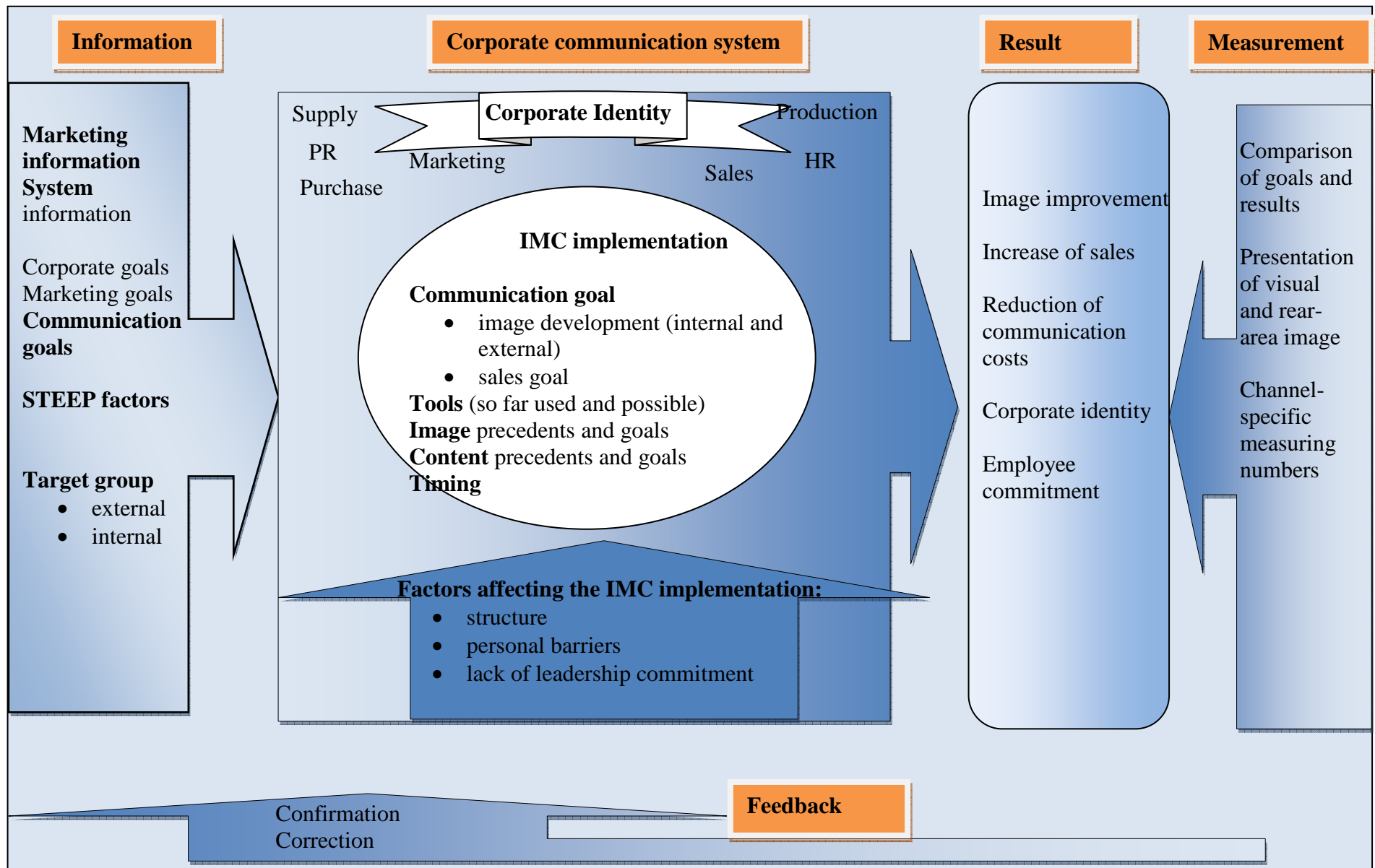
**My model seeks to depict corporate communication.** The process, as usual, begins with the introduction of the corporation and their environment. It is mainly the marketing information system which provides information from inside and outside the corporation. One of the cornerstones of my research is to find the information that can serve as input.

The next goal of my work is to reveal the internal processes of the corporation. It is sure enough that corporate identity is the force which is supposed to arrange communication into a uniform image. However, it is questionable which forces affect or prevent it.

Finally, the increase of communication efficiency is manifested in several areas, they should only be made more particular and the methods to measure them should be found.

**There is a model which presents the integration of the communication actions of corporations and this model is capable of presenting all the forces affecting corporate communication.**

The model searched for (Figure 1) is an improved version of the research model, which was created by utilizing the results of the secondary and primary researches. This model depicts the integrated corporate communication.

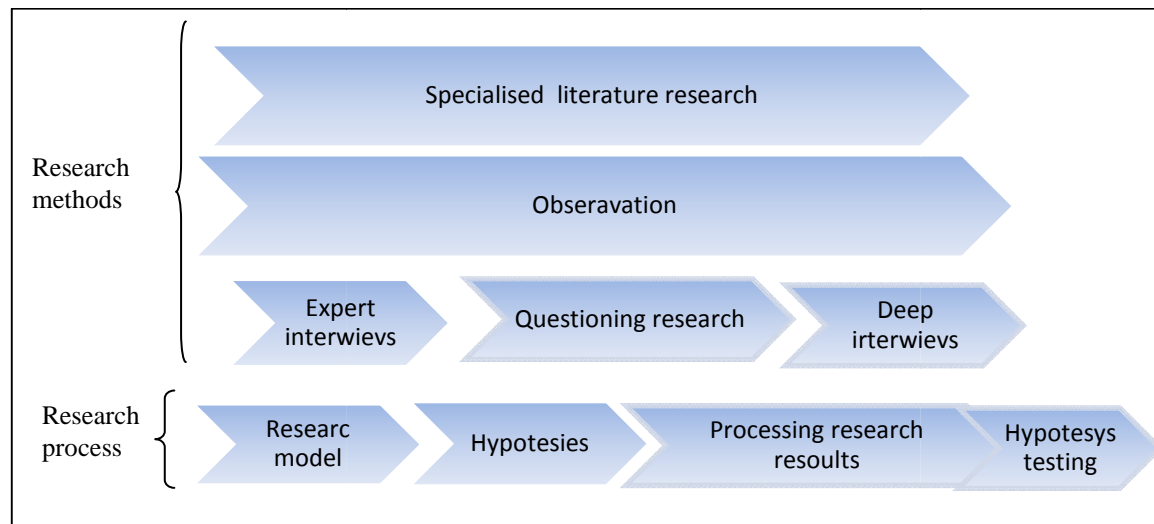


*Figure 1: The model of marketing communication characteristic of the corporate market*

*Source: Own compiation*

The present thesis discusses the analysis of the literature and the empirical research results concurrently. Since the goal of my work is to present the implementation of the integrated marketing communication with all of its advantages and pitfalls at a corporate level, I assume this way it is easier to compare what can be read in the international literature to the findings I had in the surveys and interviews carried out in Hungary.

The research tasks carried out during my work are summarized in the following figure:



**Figure 2. : The relations of the researches supporting the dissertation against time**

*Source: Own compiation*

My targeted research in its wider sense has been going on since 2000. It became complete with a survey research in 2004. After becoming familiar with the international and Hungarian literature background, I drew up some hypotheses in order to start the empirical research: I arranged my work around these hypotheses and I set up the topics of the surveys to justify these hypotheses. The hypotheses refer to integrated communication in general, its components and the inputs of my initial model. Besides the initial hypotheses some newer ones were drawn up during my work.

The starting point for the empirical research was given by a foreign research report (Bruhn-Boenigk: Integrierte Kommunikation 1999.) which provided an opportunity to make a comparison in space and time as well. I took the topics of the above mentioned primary research as a basis, however, I took the Hungarian actualities into account when drawing up my own questions. I found the use of these actualities appropriate only after some adaptation.

After the problem area was outlined, the questionnaire survey was prepared, the planned survey was finalized. I examined the situation, communication activity and plans of two corporate market participants by carrying out test survey interviews.

During the primary research, the interviewed corporations (48 ones) came from the sphere of medium and large corporations operating in Hungary. I selected them consciously from an actual corporation list including all the corporations operating in Hungary. I got to these corporation through multiple filtering: during the research I selected corporations from among the medium and large companies, based on the actual record of companies, by doing a preliminary filtering (based on balance-sheet revenues and number of staff). After all these a further selection was carried out: highlighting those corporations which definitely operate on the corporate markets. Finally, there were 230

corporations remaining on the list in several cities of Hungary (Budapest, Győr, Pécs, Miskolc, Kazincbarcika, Dunaújváros, Jászberény Kecskemét), which of these corporations got into the sample was determined by the local knowledge and success of the interrogators available.

Taking the multitude of 230 and the sample of 48 corporations as a base, beside 95% of reliability, the above mentioned selection means a 12,61% of error margin. Once more I would like to point out that this multitude consists of corporations operating on both the consumer and the corporate markets. I must also emphasize that the number of elements in the sample is not eligible to carry out a reliable analysis at a statistical level, it is good only to determine the direction of the trends, to give a directive for a later research with a higher number of elements.

Regarding the characteristics of the topic, it is acceptable to ignore the micro- and small companies, since it is primarily the big corporations which can implement the process of integration and gain profit from it. On the other hand, the corporate market participants are mostly companies with significant revenues and number of employees. I analyzed the results of the research with SPSS program by examining dispersion and correlations. However, I must point out that this number of elements in the sample is not eligible to carry out reliable, statistical analysis, it is good only to determinate the direction of trends. Due to the actualization of the results and enforcement of trends in the environment I updated the thesis with qualitative technique and interviews in 2009. Thus, the examination of the hypotheses is done according to the present scene.

The qualitative research carried out in March 2009 targeted the precision of the previously revealed facts, updating the assessment of corporate reactions to the changed environmental variables. During the research I contacted five medium and large companies with a scenario aligning with the topics of previous surveys. The reason for this was to ensure comparability and further examination of the hypothesis. My guide in selecting the corporations was to focus on the most various types of corporations (industry, ownership, location of premises) where we can find relevant communication to the corporate markets.

As a summary of the survey results, it can be said that the companies find themselves in a more and more intense competition every day. The cause can be traced back to a dual basis: first, more and more concurrent parties emerge, secondly, due to globalization we can see that in Hungary the market participants became aware of the role of marketing thus it is not enough to influence the market with instincts and without strategy anymore if they want to survive.

### **3. The new and novel findings of the research**

#### **3.1. Communication theory approach**

I sought to arrange the relevant concepts of my topic starting from communication theory and getting to the area of marketing. I analyzed the definitions of Weaver, Kotler and Mindak, Grunig and Hunt, Stewart, Phelps, Plumley, Johnson, Reitman, Lehrmann, Ducan, Schultz, Tannenbaum and Lauterborn, Piskóti, Brochand and Lendrevie, and Tasnádi.

Some of the traditional communication models are closer to the corporate market than the others. For example, Everett Rogers' model of information spreading [Rogers-Shoemaker in McQuail 1994], where we can find four stages: informing persuasion, determination or acceptance and confirmation. The role of the media is concentrated on the first level then the personal contacts the organized expertise work and the actual experience become important.

In situation B2B we can meet hierarchical relations much more often where the expertise is decisive. The status has such a power not only in buying decisions but also making decisions in all areas that it is very difficult to overrule. (It can be a pitfall as well.) The time length of decisions – communication decision - is longer which gives more predominance to controlling. It can be said that this model is really closer to the communication of corporate markets. In the convergence model of communication [Rogers-Kinkaid in McQuail 1994] the emphasis is on the continuous interpretation process, by which greater mutual understanding develops between the sender and the receiver of the message. This fact is much more characteristic of the area of our study than in the case of consumer marketing communication techniques.

I focused on several procedures in the first few chapters of my thesis but the detailed analysis revealed that integrated communication can be the most efficient in relations of corporate market. The verification consists of several elements and their necessary consequences are:

- On these markets inside the communication tools and compared to the B2C sector, the emphasis moves toward more personalized channels (personal communication, sales, appearance at exhibitions, applying event marketing, personalizing online marketing), which targets well-defined and definable target groups.
- In the case of these most production and service corporations we can find strictly determined image rules, thus the conditions of integration are given.
- The corporations operating on the corporate markets, most probably have communication experts, departments, who or which hold the communication work of several persons or groups together.

During my empirical research, it was proven that even if these corporations do not have integrated communication strategy, in their everyday work they go close to it, either they name it or not.

It shows a kind of historical process or development too, since decades ago we were speaking about only communication, by now the picture has become clearer due to the expectations of the world and the environment. Communicating individuals and organizations had to draw multichannel communication into a uniform picture. With the emergence of modern marketing, communication, as one element of marketing – one of the four P's – gained an integrating function. As such, it holds together and arranges corporate operation into one uniform picture. In lucky cases this unification is the product of conscious activities.



In the quickly changing world of today a change is necessary in the attitude toward the market and in the corporate communication as well. The concept of integrated marketing communication gives an evident opportunity to this change. The personal influence receives a major role in the mass media and communication. I must discuss this concept in my research too, since the buying centers of corporate purchases consist of individuals and their decisions as it is shown in the Webster -Wind model, in depicting the process of decision-making. The decisions in the buying centers are made individually first, then internal debates, agreements finalize the corporate decision.

It is justified to examine personal effects especially in the case of campaigns or communication actions which seek to achieve longer-term effects. Personal relationships as affecting sources gain a major role in the case of opinion leaders.

### 3.2.The appearance of integrated communication in everyday life

In my research carried out in 2004 the companies had to define the role of communication. Since integrated marketing communication is not so widespread in Hungary, and the number of those who call their communication strategy this way is even fewer, it seemed suitable to speak about communication only in general first, then I provided my own definition to those who answered the survey, which is the following: I

*Integrated marketing communication is an analysis planning execution and verifying process, which is aimed at creating a unity from the sources of the corporation's internal and external communication for the corporation's target groups:*

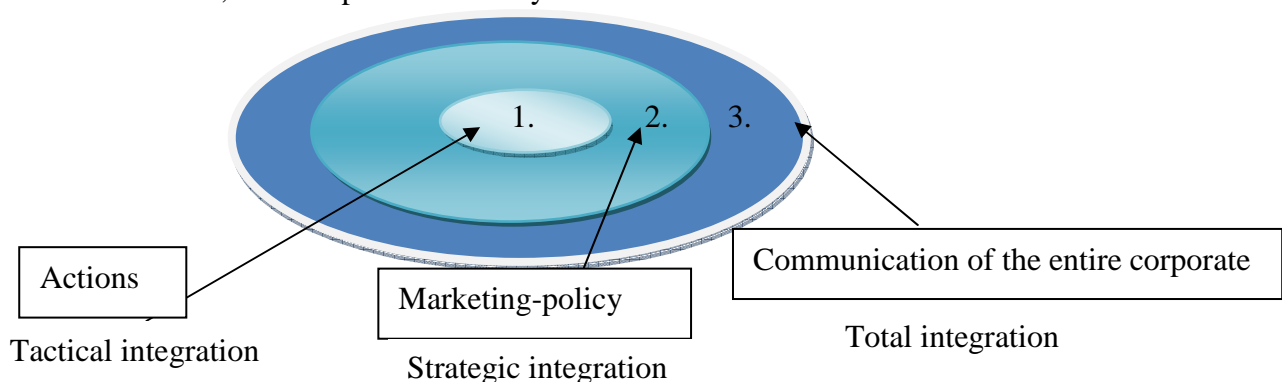
- *in relation of its target groups*
- *in its contents*
- *in its form and style*
- *and timing*

*by coordinating the different actions of communicative effect and feature at different places.*

All but one entirely or mostly agreed on the correctness of the above definition. They also shared the view according to which integrity is the condition of lasting communication success (90 % of the surveyed entirely or mostly agreed).

The picture gets more subtle when it comes to answering the question whether they manage their communication according to the above mentioned definition, since 55% of the corporations do not integrate the communication tools when using them either consciously or without strategy.

Integrity greatly depends on the size of the corporation, the characteristics of their market, and also the size of costs afforded to communication. Integration can be implemented at various levels, which I presented in my work.



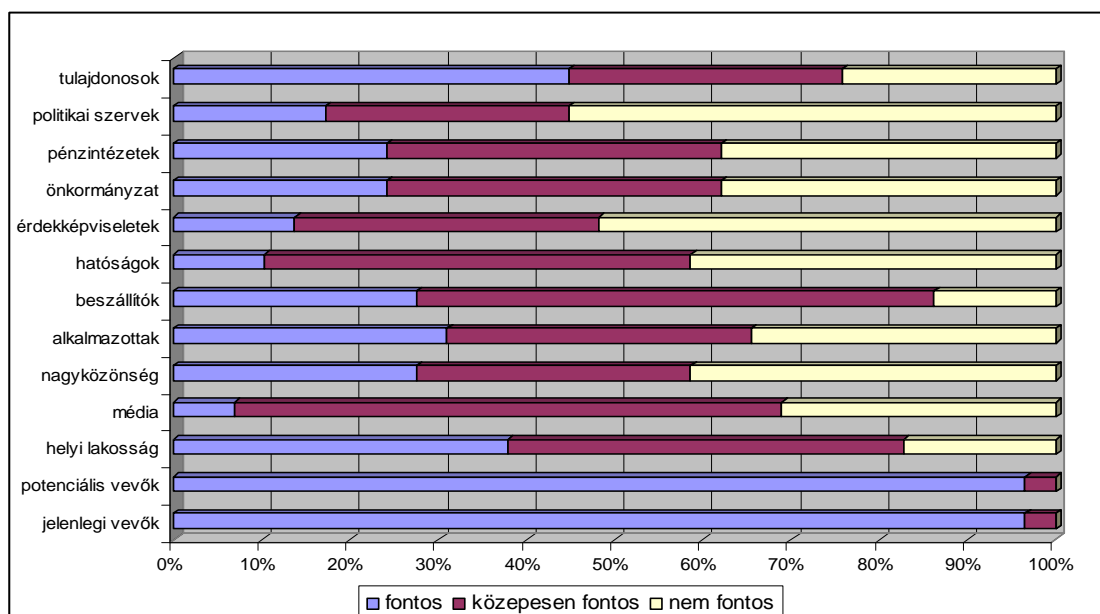
**Figure 3. : The integration field and the three integration levels**

Source: Brochand-Lendrevie 2003. p.: 170.

After all these I examined the components of integrated marketing communication. The definition of integrated marketing communication can be expressed by the same direction of four major parameters: target group, style, contents, and time.

During the research it must be examined how persuasion affects our target group and its individual members if the source, the message, the channel or the situation change. It is necessary to analyze how individuals react to the same source, message, channel and situation, and also how the communicating persons, groups can be integrated.

During my own research in 2004 the surveyed had to tell their opinions of 13 different target groups, whether these target groups are important, less important or unimportant to the corporations. The classification into groups was somewhat determined since they could classify the same number of elements into all classes. Thus we can include the case when the answerers would classify the majority of the target groups into one or other extreme.



**Figure 4. The importance of the different target groups for Hungarian corporations (owners, political organizations, financial institutions, local governments, trade unions, authorities, suppliers, employees, public, local residents, potential customers, current customers; important, less important, unimportant)**

Source: Own research, 2004

When doing my research in March 2009, I asked the answerers to define their target groups but this time I did not give them any help. In all cases the target groups of sales were mentioned, other groups of interest were not. When discussing the particular tools the residents of the immediate neighborhood, universities, scientific workshops and the central government were mentioned.

#### **Thesis 1:**

**The more target groups play roles in the life of the corporation, the more difficult to integrate communication, at the same time the more necessary to take the few points of uniform appearance into count, since it is the only way a uniform image of the corporation can be developed in all target groups.**

The following case can be mentioned as an explanation of the above thesis, when a subject can contact the corporation as a member of several target groups at the same time and

through several channels, thus creating the intended image. The increase in the number of target groups necessarily brings about the multitude of relayed contents thus the unification becomes much more difficult.

When creating the messages, we should distinguish core and partial messages in respect of their contents. The core messages concretize the main ideas of the communication which form a system for each target group. The partial messages make the core (key messages) proven, concrete, their system form the central argument contents of the corporation and the brand for each target group differently. These categories are in a hierarchical relationship with one another.

The surveyed corporations chose from different messages the surveyed considered the most important contents to be communicated for their corporations. They could pick only three messages altogether out of the provided ones. I also examined the frequency they were mentioned. The results are the following:

	message1 (%)	message2 (%)	message3 (%)
<b>Quality, reliability of product</b>	71,4	19,2	,0
<b>Novelty of product</b>	3,6	42,3	10,5
<b>Reputation of corporation</b>	10,7	34,6	52,6
<b>Environment protection</b>	7,1	,0	21,1
<b>EU conformity</b>	,0	3,8	5,3
<b>Other</b>	7,1	,0	5,3

*Table 1: The dispersion of the most important communication messages intended to be communicated by the examined corporations and the order in which they were mentioned*

*Source: own research, 2004.*

Beside the target group and the communication content I also examined the consciousness of the visual appearance. The interviews and the questionnaires revealed that in today's Hungarian practice the most evident tool for those in charge within the corporation to unify image elements and to establish it in an accessible way is the image handbook. This handbook exactly states the slogan, the logo, the uniforms and the appearance of the employees. Another very important point in this handbook is the prohibition of major alterations or using different colors, since the consequent application of these rules can be expected only in this way.

The image handbook or some kind of fixture of the image is widespread among the surveyed corporations and these can be used at the communication nodes anytime. Is some kind of an image description in case of 83% of the surveyed but this description contains largely visual elements as I have mentioned before. There are only a few Hungarian corporations which would have described the corporate culture, the behavior or structures.

The image handbook was generally compiled 2 to 4 years ago at the surveyed corporations. We hardly found any corporations with a 5-year or older image descriptions. It can be said here that the size of the corporation determines the application of a uniform image. There are exceptions, though.

**Corporate Identity does not only cover a visually displayed image** but it is also a fixed summary of the corporate culture and the organizational structure. If only the visual elements are fixed, it can cause disturbances in the uniform image created of the organization.

By timing the application of each communication tool we can achieve a continuous maintenance of the attention on one hand. On the other hand, it can have an outstanding feature at some major events (conscious tracking of preparation). Timing can apply to the

intensity of use in case of some tools or it can also apply to conforming to customer readiness as well.

The purchasing models provide help to determine how the communication flows and all the communication channels leading to the partners should be filled in. If we determine all the thought steps the customer goes along, and also the correspondent channels, we can achieve success. The significance of information sources for the customer varies at each decision stage of the purchasing process, so the communicating corporation must track down these differences in emphasis.

In connection with the appearance of integrated communication it can be said as a summary that the goal – tool – message hierarchies, pyramids presented in this thesis interlock and their cooperation can be interpreted both vertically and horizontally.

#### **Thesis 2:**

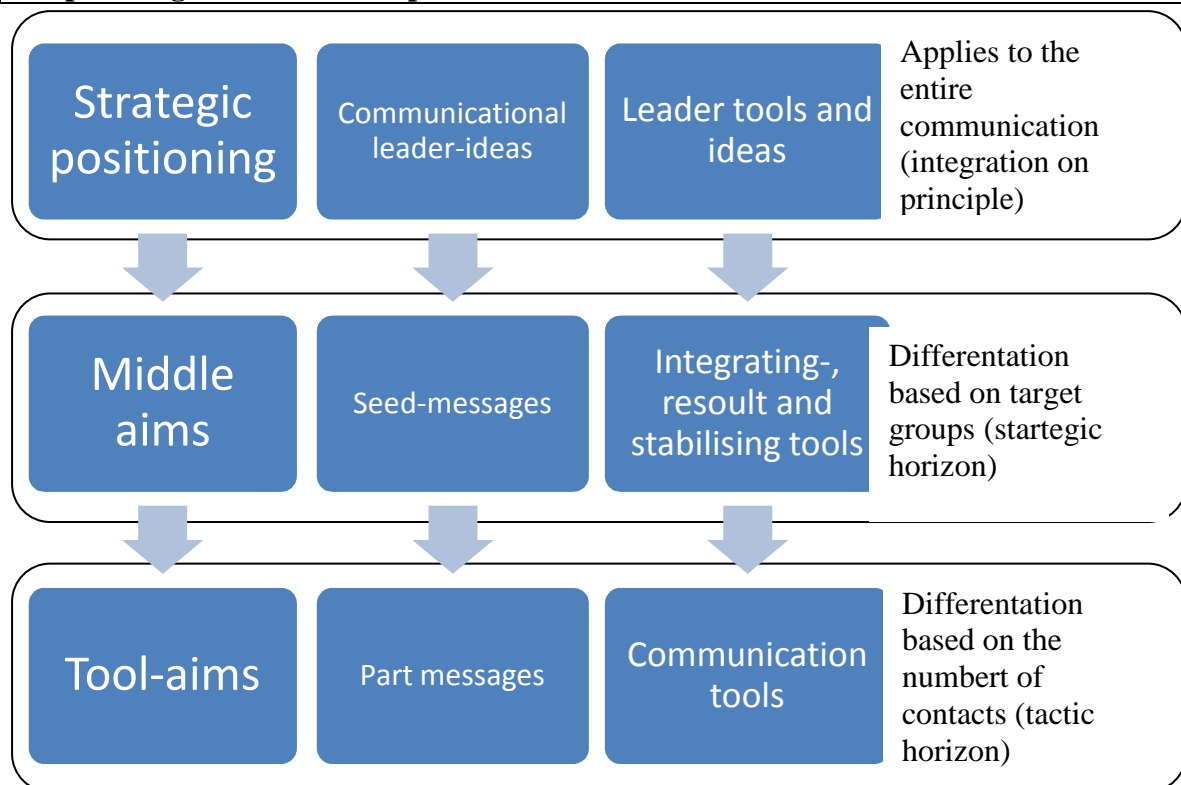
**Integrated marketing communication is an analysis planning execution and verifying process, which is aimed at creating a unity from the sources of the corporation's internal and external communication for the corporation's target groups:**

- in relation of its target groups
- in its contents
- in its form and style
- and timing

**by coordinating the different actions of communicative effect and feature at different places.**

**With its creation the trio of goal – contents – tool in communication interlock and they become a uniform system vertically and horizontally.**

**The goals, messages and tools of such an integration make the system clearer and make the planning and realization process easier.**



**Figure 5: Integrated communication in vertical and horizontal arrangement**

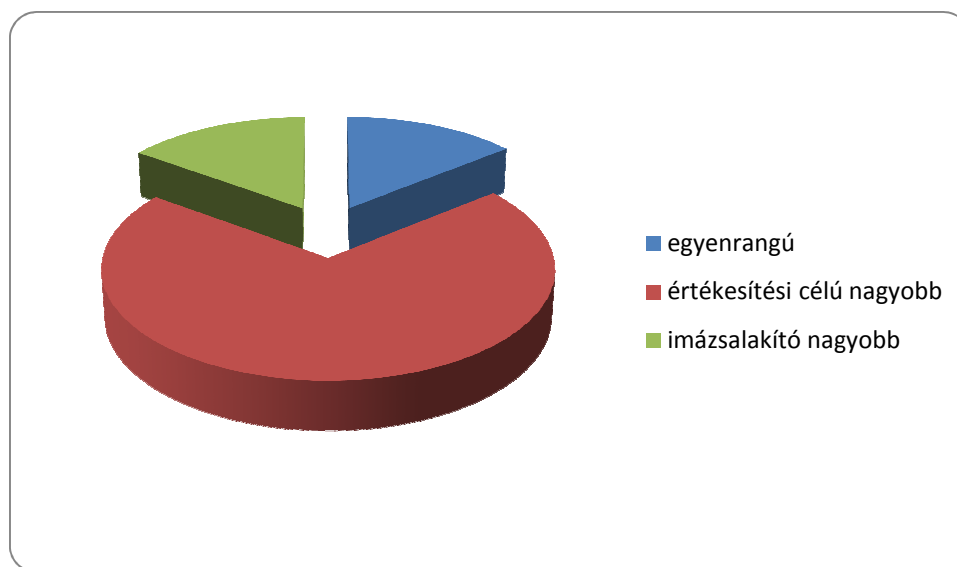
*Source: Bruhn 2005*

The goal of communication on the examined market can be divided into two well-divisible groups:

1. Sales-purpose communication
2. Image enhancing communication.

	Sales-purpose communication	Image enhancing communication.
Target audience	The buying corporation or some members of the Buying Center	All partners of the corporations: customers, owners, residents, political decision-makers, financial institutions, trade unions etc.
Time horizon	Short-term	Long-term
Tools	The classical elements of the communication mixture with different emphasis in each stage of buying.	Tools supporting social responsibility: support, sponsorship, tools of internal PR, publishing PR articles etc.
Contents	Corporate name, product/service name, brand name	Corporation name

**Table 2: Communication types of corporate markets according to their goals**  
own compilation



**Figure 6: The ratio of sales-purpose and image enhancing communication in corporate practice (the same, sales communication is bigger, image-forming communication is bigger)**  
Source: own research,, 2004.

The predominance of short-term thinking is characteristic of the Hungarian corporation in this area as well: the momentary sales are much more important for them than good reputation.

Beside the above mentioned two communication types I find it necessary to separate two type, which include certain elements of the above two , however, they can be well distinguished. These are the communication of personals sales and internal communication.

The features of sales and image enhancing communication can be found together in the communication of the corporation's agents or representatives. While they form the image of the corporation with their appearance, style of speech and behavior, most sales are done through them. The communication of the front personnel has a significant influence on the relations of the corporation and the partners.

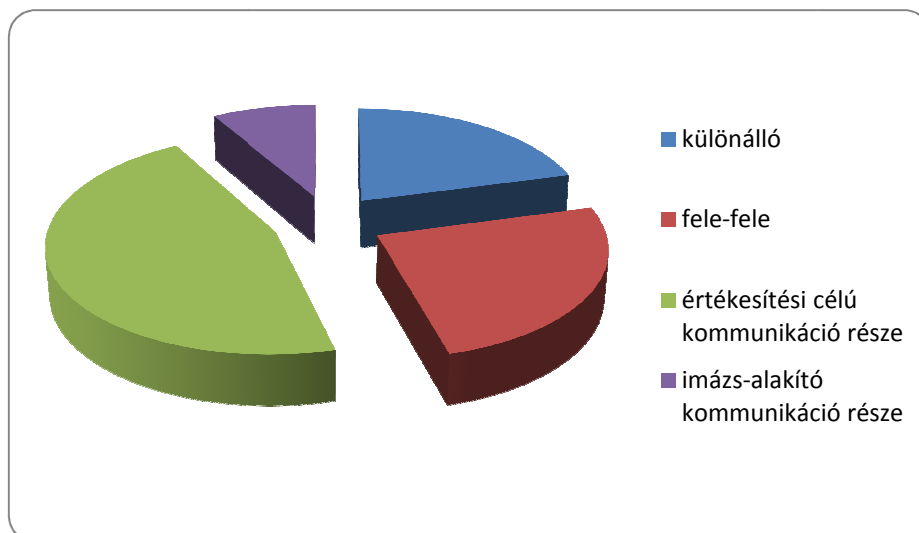
Personal sales is becoming acceptable nowadays after the faulty view of “wild capitalism” in the early 1990s featuring short-term gains. The changes has altered the major characteristics of the industry by now:

- It has become crucial to establish long-term relations with the customers opposite to the earlier “take the money and run” attitude;
- The sales are based on personal contacts;
- The goal is not to persuade the customers to buy. The customers are helped to recognize and express their own needs and the offers are put together according to those needs;
- They deal with personalized offers and not with ready-made products;
- The process does not end by concluding contracts, they remain available for the customers during the use of the products or services;
- They respect the customers' decision made by their free will but they help determine them;
- They seek to play “win-win”-type games wih the customers, regarding them partners. [Okilcsny-Rozványi 2001]

Beside the customers we must definitely include the employees into the communication mixture, since the communication going through their channels can be an efficient tool but they can spoil the image as much. Smith points out that their salaries are not part of the communication budget, however the results belong there. [Smith, 1994.]

Starting from the secondary sources I drew up my hypothesis which states that personal communication appears in the corporate communication strategy as an equal tool beside the sales and image enhancing communication. It includes both the employees' communication and the leaders' manifestations but these are handled separately om sales and image enhancing communication.

My research carried out among Hungarian corporations did not prove my hypothesis, since personal communication is considered to be primarily a partof sales-purpose communication, re are very few corporations where this type of communication is handled separately.

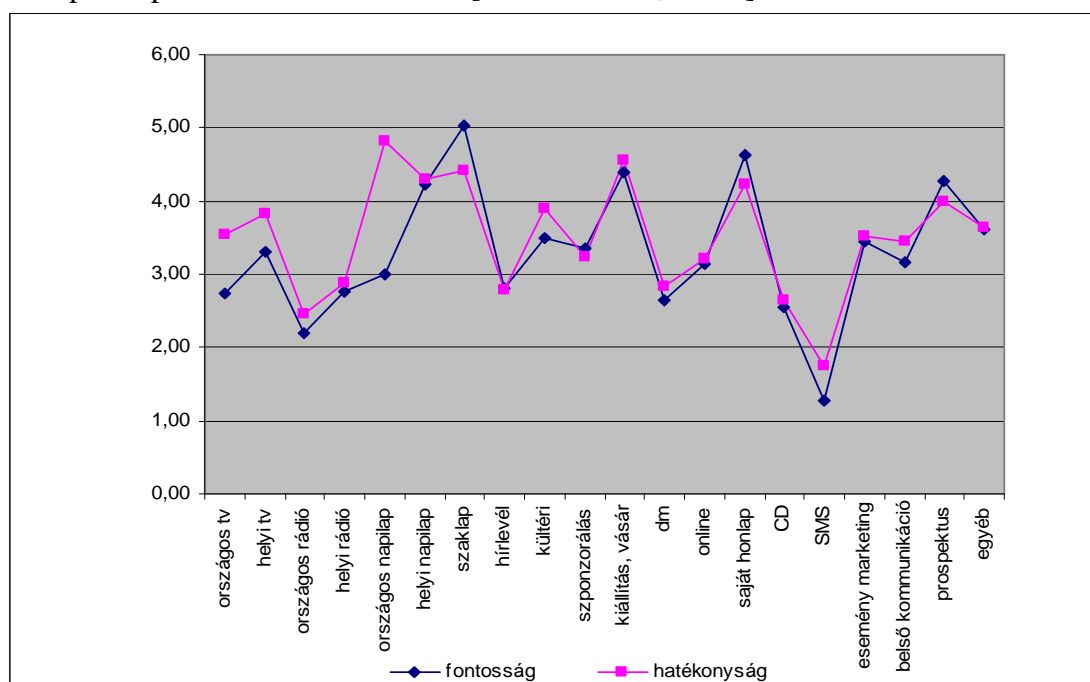


**Figure 7: The separation of personal communication in case of Hungarian corporations** (different, 50-50, part of the sales communication, part of the image forming communication)  
Source: own research,, 2004.

### 3.3. Communication tools in the integrated communication mixture

The mixture of applied communication tools is determined by several factors. I examined the effect of the product/service characteristics and also the effect of market share.

As I experienced, the corporate market participants prefer the trade press. There was a corporation which spent 90% of their communication expenses on it, the remaining 10% was spent on participation at various events. [Own research, 2009.]



**Figure 8: The average importance and efficiency of communication tools on a scale ranging from 1 to 6 according to the opinion of the surveyed corporations** (1 – least efficient/important, 6 – most efficient/important) national TV, local TV, national radio, local radio, national daily paper, local daily paper, trade journal, newsletter, outdoor, sponsorship, exhibition, trade fair, DM, on-line, own homepage, CD, text message, event marketing, internal communication, brochures, other importance, efficiency  
Source: own research, 2004

**Thesis 4: In most cases the communication decision-makers can clearly see the composition of the communication mixture suitable for them. This kind of knowledge developed rather during practice or it is a result of corporate experience than a conclusion drawn from researches. The communication actions supported by researches are much more characteristic on B2C markets.**

**Looking at the particular media mixture, we can see that with the exception of a few cases the communication efficiency is more appreciated than the importance it has in the communication of the particular corporation (that is, its weight in the communication mixture). When forming the media mixture, in most cases the decision-makers usually follow efficiency.**

What they consider more efficient, they consider it more important too, except for the national daily newspapers. They consider the national dailies efficient media (because of the wide target audience), however these papers do not receive a major role in their mixture. The reason can be found in the expenses.

The judgment of the decision-makers regarding importance and efficiency is not always consistent in every case. For example, in case of trade journals, the decision-makers are led by viewpoints of prestige when they advertise in a respected journal or they have a PR article published. The situation is opposite in case of national dailies. Here efficiency is higher because of the wide public these papers can reach but when it comes to industrial marketing, the national papers are not so important for the decision-makers.

A rationally thinking communication expert applies the tools they consider efficient in their communication mixture, it will be important for them, of course it is adapted to characteristics of the particular industry

I handled some of the communication tools with privilege, which can be reasoned with the investigation carried out on the corporate markets. Thus, sponsorship and event marketing have an outstanding position in the communication mixture of several corporations, as my personal experience and research showed it. However, for some reason these areas of communication are still considered the stepchildren of marketing communication in Hungary. There only a few corporations which would handle these areas as integrated ones. I also examined the position of event marketing, how the business events fit into the integrated mixture.

**Theiss 5: The stresses of the communication tools significantly differ in the communication mixtures of corporate market corporations and in that of consumer market corporations. The toolkit of on-line communication (the application of which has not fitted into integrated communication yet) has appeared and is emerging beside the traditionally more emphasized event marketing.**

My researches in the literature have sufficiently established the origination of the hypothesis. To justify whether or not it is true in everyday life was the task of the empirical researches.

The survey research carried out in 2004 did not justify the hypothesis definitely. Neither on-line marketing nor event marketing was not among the most favored communication tools. However, if we add the expenses spent on the corporate homepage to the on-line communication tools as we add the exhibitions, fairs and sponsorship (to which the events discussed with event marketing are so often connected in practice), it comes very close to the winning national TVs.



An important area of my research is to examine the effects of the Internet on the business, marketing and communication.

The managers of micro-corporations browse for taxation information mostly (60%). 56% of the small and medium businesses and also 57% of the decision-makers of large corporations read corporate news. The list of utilized services also contains such services as macro-economic data service, tender monitoring, currency exchange service and professional English dictionaries among others. Among the calculators available on the websites the wage calculator, the currency exchange calculator and the personal income tax calculator are the most popular ones. [NRC market Research, 2008]

**Thesis 6: Due to the purchase experts' increased need for information the new communication channels (on-line and off-line) play a more and more important role in the marketing of production and service corporations. Although the decision-makers do not utilize all the opportunities given by this form, the tendency is improving. The decision-makers in the B2B sector are much more open to the on-line solutions, that is why this is today's breakout point among the communication tools for the participants of corporate markets.**

In my work I discussed the matters of sales, product features and pricing in the virtual space and also the corporate communication on the web, I introduced the effect model and the interactive model of on-line communication.

When examining the tools of on-line communication I highlighted the differences between the traditional and the on-line advertisement, I also discussed PR on the Internet, the issues concerning corporate websites, the importance of on-line customer service. The latter one can be divided into the following elements:

- Developing on-line customer service
- Ensuring related services
- On-line contact
- Developing on-line customer communities
- Utilizing customer opinions and recommendations
- Monitoring reactions [Eszes-Bányai 2002]

By creating the on-line customer support system we get such an interactive system of communication where we can achieve a kind of image enhancing by quickly answering the inquiries. Thus the brand loyalty becomes stronger, there are fewer returned goods, there is less negative word-of mouth, questions can be answered faster, the customer service costs are lower, the customers help answer other customers' questions, it can be used for market research and can operate as profit center if it generates significant turnover and an agreement is made with the service provider of the network. [Janal 1998]

The opportunity of creating a database when setting up a system can be utilized as an advantage. When examining the secondary and primary sources I arrived at the following findings:

**Thesis 7:**

**Contact marketing and the Internet are apparently contradict each other, however hypermedia could solve the synthesis of the impersonal mass media and the personalized marketing (e. g. e-CRM)**

**The customer support has become an important part of the communication mixture by now, especially in on-line environment.**

It may seem to be a contradiction to glorify hypermedia so much, especially when we read that relationships play a more and more important role on the corporate markets. The development of positive relationships requires continuous dialogue and exchange of information.

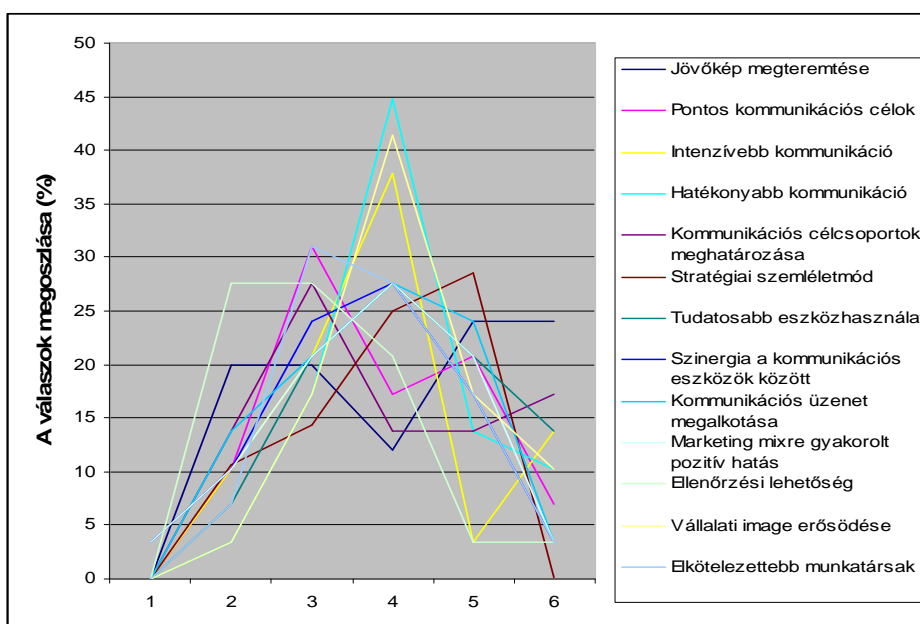
### 3.4. Creating IMC strategy - Integration in the process of planning and execution

The conscious planning of the communication strategy can be the first step on the way to integrated communication. There are more and more corporations which plan their marketing activities at a certain level, they do it mostly as a mandatory part of the corporate strategy plans, without any careful consideration. There are even fewer corporations which down their communication in such plans.

During my 2009 interviews I found that all of the large corporations have communication strategy. However, this is very often only one of the tasks during the budget planning period. The communication experts determine the actions planned for the next year, which will justify the financial means claimed from the budget.

The small sample of 2004 showed only a poor correlation between the existence of marketing or communication strategy and the type of ownership. The correlation was also poor between the application of IMC and the type of ownership, and the acquired significance levels are too low to draw a conclusion, so the correlation does not prove that the integration is determined by foreign ownership.

In the practice of Hungarian corporations there are very few firms which apply integrated communication consciously. Starting from this experience of expert interviews, during the personal interviews the surveyed had to answer what effects they perceived when they strategically planned and executed their communication. They expressed their opinion of 13 factors on a 6-degree semantic differential scale. The two endpoints were Not characteristic at all and Completely characteristic. The reason for the paired scale degree was that the surveyed were supposed to commit themselves to either of the two sides and they should not choose the medium value.



**Figure 9: The dispersion of the strength of perceived effects in strategic communication planning**

Source: own research, 2004.

**Thesis 8:**

The appearance of integrated communication is manifested in the more conscious use of tools, in more efficient and more intense communication and also strengthening of the corporate image.

The verifiability is the least expected factor the corporate communicators expect from integration. It appears in everyday work, since more than half of the corporations do not the efficiency of the communication.

Perceived effects	Dispersion of received values (%)						Average
	1	2	3	4	5	6	
Creating a vision	,0	20,0	20,0	12,0	24,0	24,0	<b>4,1</b>
Exact communication goals	,0	10,3	31,0	17,2	20,7	6,9	<b>3,8</b>
More intense communication	,0	10,3	20,7	37,9	3,4	13,8	<b>3,9</b>
More efficient communication	,0	3,4	17,2	44,8	13,8	10,3	<b>4,1</b>
Determining communication target groups	,0	13,8	27,6	13,8	13,8	17,2	<b>3,9</b>
Strategical viewpoint	,0	10,7	14,3	25,0	28,6	7,1%	<b>4,1</b>
More conscious use of tools	,0	6,9	20,7	27,6	20,7	13,8	<b>4,2</b>
Synergy among communication tools	3,4	10,3	24,1	27,6	17,2	3,4	<b>3,6</b>
Creating the message of communication	,0	13,8	20,7	27,6	24,1	3,4	<b>3,8</b>
Positive effect on the marketing mixture	3,4	10,3	20,7	27,6	20,7	3,4	<b>3,7</b>
Opportunity to verify	,0	27,6	27,6	20,7	3,4	3,4	<b>3,1</b>
Strengthening of corporate image	,0	3,4	17,2	41,4	17,2	<b>10,3</b>	<b>4,2</b>
More committed staff	,0	6,9	31,0	27,6	17,2	<b>3,4</b>	<b>3,8</b>

**Table 3: The dispersion of the strength of perceived effects in strategical communication planning** Source: own research, 2004.

According to the weighted average of the values at each factor the strongest factors were the more conscious use of tools and the strengthening of the corporate image, however the vision creating, the more efficient communication the strategical approach received an average value above 4.

Here we can see the justification of the view according to which the integration of communication tools has positive effects on the life of the corporation. The positive thing is the most obvious from the viewpoint of the management and the owners and its most expected realization is manifested in the increase of income and profits. What is more important for us – and it brings the longer-term results – are the uniform image created of the corporation, the development of internal and external identity. It is not so important to call it integrated marketing communication, the contents behind are important.

The finishing step – or rather the starting one from a different point of view – of the strategical process is the analysis of the communication efficiency.

	Percentage
No	55,2
Yes, casually	24,1
Yes, regularly	17,2
Yes, with an external consultant	3,4
Total	100,0

**Table 4: The dispersion of measuring the efficiency of marketing communication actions in case of the examined Hungarian corporations** Source: own research, 2004.

The process of strategical planning is mentioned by almost every author in the field of marketing communication. With the enforcement of the management principles the process of planning has greatly changed. While the elements in the model are more or less the same, we cannot see a linearly developing process but a model in which each element affects the others. It much better corresponds to the modern communication practice.

The process does not have a beginning nor an end, since in everyday life we do not meet a communication strategy which starts over and over again and then ends. The planning can be valid for a certain period of time, a calendar year or a few years but the communication steps are closely built on one another and they are in continuous rotation.

The connection of the management processes to the integrated communication planning can be demonstrated most clearly based on Bruhn's works. First he introduced the management process of integrated communication, then he recommended a similar method to develop the strategy for each marketing tool. We can see an interaction of similar elements here too but it is tailor-made to each element, thus this process can be translated to the development process of all communication tools. Finally, by synthesizing the corporate communication tasks, Bruhn arrives at the model of The connection of management processes in planning

This model represents the management process of one marketing tool only (shown in the inner figure), but of course all of them can be found there, in the planning ring of management processes. The ring and the processes inside of it effect each other in both direction: the overall corporate communication effects the design of each tools, while each tool influence the communication strategy.

This way the designing tasks of the tools and the management processes are connected, such as the elements in a particular process. Thus the model leaves the two-dimension space.

In this approach the steps of design, like situation analysis, the determination of purposes (containing the hierarchical relations of each purpose), selection of the target group, creation of the message and the design of campaigns are also appear. I mention here the problems of campaign design and the appearance of multiple communication strategies in the communication message.

The communication tools are also in a hierarchical relation, so we must make difference between leadership, integration (consequence and stabilization) tools, as well as those tools which are taking place in the communication contacts.

During the investigation of the integration appearing in the communication budget the answerers highlighted an interesting correlation, the matter of overlays.

	<b>Percent</b>	<b>Cumulative percent</b>
<b>No budget</b>	37,9	37,9
<b>From item outside marketing</b>	20,7	58,6
<b>From item outside communication</b>	17,2	75,9
<b>Only from communication budget</b>	24,1	100,0
<b>Total</b>	100,0	

*Table 5: Overlays between the items of corporate budget, for the benefit of marketing communication*

*Source: Own research, 2004.*

The existence of this phenomenon was revealed during the expertise interviews, and the questionnaire survey confirmed it. What is this all about? It is not a rare case, that a pen which was given as a promotional gift, becomes an office material in the statements, or takes place in the cost of accessories related to the personal sales.

There were such company in my 2009 interviews, which spends as much for producing or buying promotional gifts as the amount of the ATL expenses. This company has few partners, and they believe that the gifts have a huge role in the personal contacts.

### **3.5 Social responsibility: content and style**

The literature, especially the most recent publications drew my attention to the links between the CSR and the integrated communication.

The communication of corporate and consumer markets diverge in many aspects. This has been proved by processing the literature references and my own research. The social responsibility, which has more and more importance today, gains focus especially in the B2B sector, as the communicators working there use less tools. The Corporate Social Responsibility (CSR) is a management philosophy, which admits that the corporate operation affects a greater range of the concerned people, so the corporation is responsible for them. [Galambos 2006.]

The social responsibility connects two partitions of the integration in corporate communication: the matter of content and style. These two partitions have connections in case of other tools as well. However by examining the CSR we can see that the topic is highly sensitive to the harmony of the chosen communication content and style, as one mistake can make an irreparable notch on the image of the corporation.

Although the international and Hungarian regulation showed significant differences, but corporate initiation triggered the development of such organizations, that encourage the following of positive examples.

The CSR communication receives a real content when the social responsibility is realized if it suits organically into the operation, according to the goals drawn up in the communication strategy and towards the target groups. It is a question, that the CSR in practice is an approach or an arranging principle. The post integration covers that situation, when the shield of CSR is „pulled on” a consciously or not consciously executed communication work. I oppose the proactive approach with the reactive thinking.

The CSR can start from multiple sources, as shown in the social responsibility section:

- From the companies: when the self-organizing organizations, starting from the side of companies, try to show positive examples to achieve market value to the responseful corporate attitude, as we can experience it in Hungary today.
- From the government: the multitude of shown international examples proves that how the power can move forward the CSR as a recommendation, ethical requirement or compulsory rule. This indicates appearance CSR in many times, reports are made, but the background content is missing or at least doubtful.
- From the direction of consumers: primary researches prove that this motivation prevails above a certain level of prosperity. In Hungary the buying decisions were not made based on the social responsibility, rather we can read consumer opposition against a decision of a big company in the press.

The CSR can turn into an approach (and this is desirable), if the three indicators mentioned above can appear at the same time and strengthen each other.

#### **Thesis 9:**

##### **9.1 The social responsibility takes greater role**

- **as the company means more and serious, negative externals to its**

#### environment

- as the traditional communication contents exhaust more and become unconcerned
- as the perceptibly appeared need of the public for the corporate responsibility grows

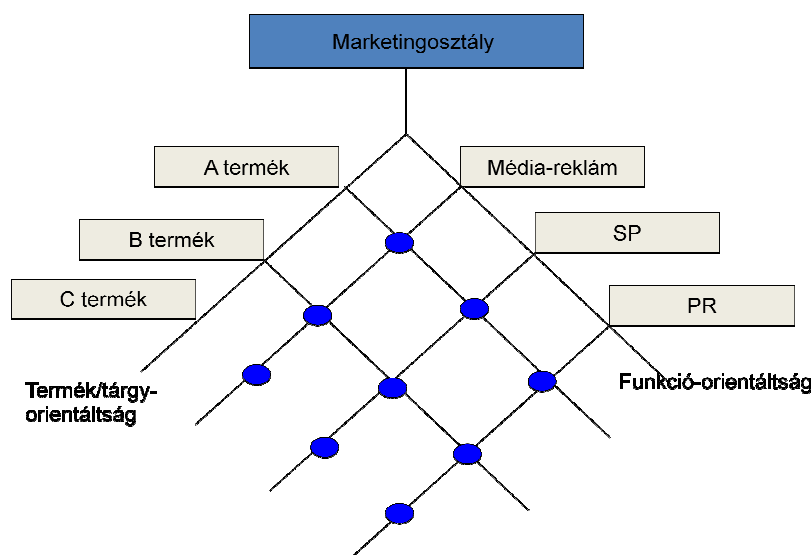
**9.2** The CSR, which gains ground increasingly in the corporate markets, incorporates into the integrated communication mixture as a part of the image shaping communication, like such content element (protection of the environment, caring about the local residents) that defines the nature of the used tools (mass media and BTL tools).

**9.3** The conscious social responsibility is an arranging principle and not a point of view. The first one is reactive thinking, which „integrates” subsequently, the second one is a proactive act, which assumes thoughtfulness and coordinated work.

**9.4** In Hungary currently most of the companies solve the communication tasks connected to the social responsibility by internal implementation. Those companies which take external help (agencies), accomplish more efficient communication. In this case the efficiency is a better relationship to the immediate environment, and it can be detected mostly at the more loyal employees.

### 3.6 The interaction of IMC and the corporate structure

I analyzed the efficiency of different corporate structures from the aspect of the integrated communication, such as the organization of communication in single-line, multi-line, staff-line and matrix system. According to my experience, the last one moved forward the integration the most, as the most efficient alliance of purposes, messages and tools can be realized there that the interests of each field should not be impaired.



**Figure 10: The organization of communication in matrix system**

Source: [Piskóti 2009.]

In my empirical research I examined the organizational position of marketing, communication and integrated communication.

	<b>Marketing organization</b>	<b>Communication organization</b>	<b>IMC organization</b>
<b>Separate organization unit</b>	28,6	7,1	7,1
<b>One unit but shared with another activity</b>	14,3	21,4	10,7
<b>One person</b>	14,3	10,7	7,1
<b>One person shared with another activity</b>	28,6	14,3	10,7
<b>No class, nor person</b>	14,3	46,4	64,3

***Table 6: The wight of marketing and communication in the practice of the examined corporations***

*Source: own research, 2004.*

During the interviews carried out in 2009 I encountered that in many cases the existence of a person or a department in charge of communication depends on rather the size than the activity of the corporation. The larger a corporation is, the more probable there is an expert who deals with this area. In some cases the character of the activity would have required the employment of at least one such person who were in charge of communication activities or coordinating these activities (the integration itself) but this is not the case due to economic reasons.

The state owner or the inheritance of the state ownership ensures the presence of a communication organization (or that of a marketing organization with a communication department inside it). The integration, however, is not perfect in this case either. There is a unit opoerating, it deals with corporate brand management or PR actions, while another part of it is connected to the business activities. The coordination between these two units is at a low level.

Since I made interviews with both state-run and private corporations as well, and what is more, with a transitional one too, and I carried out research in the sector of medium and large corporations, the following factors affect the corporate solutions based on experience:

- Corporation size,
- The significance of marketing and communication,
- The way of cooperation between marketing and sales,
- The current corporate structure of communication,
- The specialized manner of labor-sharing inside communication.
- The number and location of the current communication organizations,
- The versatility of the communication activity,
- The openness of the corporate culture toward integration,
- The breadth of the product and performance program,
- Heterogeneity of customer groups,
- The diversification of the corporation,
- The international feature of the corporation.

#### **Thesis 10:**

**10.1. The establishment of integrated communication is more difficult, since it is more and more difficult to create it when the number of those who are interested is increasing. The state of integrity applies not only to the contents of the communication**

**but also to the corporate structure in case of these corporations.**

**10.2. The more differentiated the organization is, the harder but at the same time, the more necessary the integration is.**

**10.3. The corporation of the competition sector seek to achieve integration much better in their communication because of their own best business interests (cost reduction) than the state-run corporations.**

**10.4. Integrated marketing communication can enhance not only the external judgment of the corporation but it can also solve such internal problems that derive from the deficiencies of information flow or internal coordination.**

Regarding the organizational matters it is necessary to examine the issue of using the help of agencies. Only the largest corporation are in contact with agencies and while the requirements of integration would support the use of total agencies, in practice, the corporations contract with agencies to solve only parts of various tasks

When examining the organizational barriers to integration, all of the experts I surveyed in 2009 could see the difficulties inside their corporations and they sought to achieve a higher degree of integration in their everyday work. They found the most various methods to succeed. Those who are the most advanced in practice start the process by coordinating the communication strategy of the departments inside the corporation, others motivated the process by assuming the costs of the divisions, while in case of the smallest corporations, integration is envisioned as a dream which comes true in better economic conditions.

To sum up, the most important barriers to the implementation of integration are:

- Content-conceptual barriers (missing concept, unclear goals, lack of differentiated approach, arrangement)
- Organizing-structural barriers: missing organizing, negotiating, decision-making rules, no responsibility arrangement, parallelisms, lack of data-information,
- Personal-cultural barriers: Area or department mentality, lack of cooperation culture, fear of competence loss, fear of stronger control, low level of cooperation, information and coordination skills, omission, lack of knowledge and competence. [Piskóti 2009]



#### **4. Practical use and the directions to continue this work**

As mentioned in the prologue, the environmental effects which confirm the actuality of the topic, confirmed during the research that there is a need for a method which can make the corporate communication activity more rational. It is sad, that today the necessity of marketing communication must be justified to the management, or fend off the effects of decreasing the communication budget.

The strategical, corporate and tool integration shown in the work needs to be well-considered, a kind of intellectual work, which can be fruitful in a very short time in the daily operation.

The purpose of my model is to be a guide to that process, in which the communicator identifies the environment of its company, the inputs needed for determining the communication, the corporate processes and actors, the obstructive factors.

In my research, during the analysis of the secondary and primary sources, I managed to identify those most important factors which affect the communication activities of the corporations operating on the corporate markets. To define the exact stresses and correlations, a survey with a bigger number of samples would be necessary which would represent the medium and large corporation on a national level.

I hope it can be carried out in the near future and the results will be useful for the corporations interested. I encountered a corporation, even in 2009, in the middle of the crisis, which follows the strategy of escaping forward and they use this period to build up a new structure they can fill up with contents when the period of boom comes.

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