

Organising IMC Functions in the Business-to-Business Environment: The Case of the Tasmanian Light Shipbuilding Cluster.

Dr Mark Wickham & Ms Linda Hall, University of Tasmania
School of Management

Abstract

As products and distribution channels become more homogenised, and competing on the basis of price more difficult, integrated marketing communications (IMC) has been identified as the 'new frontier' for effective differentiation (Kitchen and Schultz, 2003). IMC has been advanced as a strategy for differentiation by which a firm sends consistent messages from all contact points resulting in constant message reinforcement, thus maximum impact on the target audience with minimum promotional expenditure (Kliatchko, 2005). Previous research has determined that in the face of global pressures, firms within industry clusters exhibited a natural convergence toward standardised communication practices, thus supporting the efficacy of the broader IMC perspective in the business-to-business context (see Hall and Wickham, 2004). In order to understand how multiple firms within an industry cluster managed their combined IMC functions, this paper explores the roles (and the associated function) adopted by key individuals within the cluster. In total, this research found evidence of three distinct roles (IMC Champion, Government Lobbyist, and Cluster Ambassador) that served to gather, analyse and disseminate marketing information on behalf of the clustered firms.

Keywords: Business-to-business, IMC roles and functions, industry clusters.

Literature Review.

In the face of globalisation firms are finding it increasingly difficult to determine a meaningful point of differentiation and obtain a competitive advantage (Philippidis and Hubbard, 2003). This fact has led to questioning the effectiveness of the traditional perspective of marketing, and investigation into how marketing can evolve to remain relevant in the ever more complex markets of the twenty first century (see Anderson, 2001; Gronroos, 2004). As a relatively new stream of theory, there have been few empirical studies published to assist managers and researchers' understanding of IMC, despite a growing body of conceptual work that espouses its virtues (Low, 2000). As a result, there remains little consensus on IMC's definitional boundaries, and a real lack of agreement in its operational measurement (Pickton and Hartley, 1998). A review of literature suggests that the definitional boundaries of the IMC concept range in scope. The narrow perspective considers IMC as the integration of promotional tools to receive maximum impact from minimum investment (Low, 2000). In contrast, the broader perspective suggests that integration of all business operations is required to realise IMC objectives and achieve competitive advantage (Pickton and Hartley, 1998; Stewart, 1996). Efforts to identify the conceptual boundaries of IMC are further complicated by the fact that studies have primarily focused on firms operating in consumer markets. Given that the impacts of globalisation also extend to business-to-business markets, it is necessary to consider the potential role and machinations of IMC within business-to-business dealings (Garber and Dotson, 2002; Kitchen and Schultz, 2003).

Marketing communications in the 'traditional marketing mix' was viewed primarily as a one-way information mechanism by which the marketer attempted to persuade the target consumer audience of the benefits of the firm's products (Anderson, 2001). Traditionally, decisions regarding communication messages were the responsibility of in-house or external agencies, and dissemination of these messages was the role of sales personnel (Anderson, 2001). Implementation of an IMC approach in contemporary business markets requires a redefinition of the roles and responsibilities of those involved in communications and consideration given to new structures and management systems (Anderson, 2001; Gronroos, 2004; Pickton and Hartley, 1998). It has been noted that the adoption of the IMC concept requires total organisational commitment (Gronroos, 2004), but with the growth in the prevalence and importance of industry clusters (and other network arrangements) to the competitive process, the need for IMC concepts to be adopted between firms requires the development of open and multi-directional communication between networking firms. Open and multidirectional communications channels means that marketers are no longer confined to their own marketing departments to fulfil traditional roles, rather all personnel that come in contact with customers/suppliers/competitors act as pseudo-marketers fulfilling roles in communication and relationship development (Gronroos, 2004). To successfully internalise these new responsibilities and fulfil their new role, all communicators must be educated of the benefits of an IMC approach and provided with the required information and knowledge to facilitate their efforts in developing stakeholder relations (Proctor and Kitchen, 2002; Stewart, 1996). To ensure consistency in the messages conveyed to stakeholders all communicators must have a shared understanding of the firm's mission, values, objectives and product offerings (Anderson, 2001; Stewart, 1996). The absence of this understanding may result in communication inconsistencies that dilute IMC effectiveness (Ranchhod, Gurau & Lace, 2002).

Substantial internal marketing and dissemination of organisational wide information is necessary to stimulate and enable the required change in behaviour toward a commitment to IMC (Pickton and Hartley, 1998). Rather than forcing company-wide change through the introduction of new structures, Stewart (1996) suggests that commitment to IMC be nurtured through the development of new relationships, roles and responsibilities from which new structures will naturally evolve (Gronroos, 2004; Pickton and Hartley, 1998). The literature proposes that successful IMC requires the acceptance of all those in the firm who have a role as pseudo-marketers and the responsibility of managing its multiple-stakeholder relations. This research focuses on the identification of the emergent roles in organising the IMC function in the Tasmanian Light Shipbuilding Cluster (TLSC), a group of eleven separate firms that through collaboration and combined marketing efforts became one of Australia's most successful industry clusters (Industry Audit, 1998).

The Case Of The Tasmanian Light Shipbuilding Cluster.

The origin of the TLSC can be traced back to 1984, and the development of the world's first aluminium welding technology by the innovative firm International Catamarans (Incat). Some years before, Incat's managing director Robert Clifford, had identified an opportunity to construct high quality fast ferries for the world market, but required the assistance of a number of 'maritime friends' to help develop the lightweight technology needed to construct such a product. The integration of a number of different product lines from the other cluster members (i.e. life raft equipment, fire safety equipment, lightweight fit-outs, innovative engineering products etc) became central to the cluster's international success. Over time, the

cluster was able to forge a dominant position in the global market for fast ferries and its associated technology, with the group of firms capturing 40 percent of the \$1.6b fast ferry market (Wickham and Hanson, 2001). The interaction of the cluster was so successful that by 2000, the firms that had originally formed to supply Incat's needs alone were able to forge significant export sales independent of the original innovative firm.

Method.

This research comprised a series of semi-structured interviews with key informants within the TLSC and the state government. In particular, interviews were conducted with each of the state Premiers during the TLSC's formation (1977- 2002), the managing directors of the TLSC firms, and the heads of government departments and agencies with which the TLSC had significant interactions. In total 25 semi-structured interviews were conducted, each lasting between 60 and 90 minutes. Both the standardised and specific interview questions were formulated to facilitate the aggregation, analysis, and validation of information, and enabled the researcher to interrogate the evidence gathered from other sources. These questions were designed to cover the necessary issues, but were framed in an open-ended manner, to allow the interviewees sufficient latitude for introspection and open reporting of their own perspectives. As a result, the informants were free to pursue those matters that they considered important. The interpretation of the data, and the verification of the conclusions, were facilitated by the use of the QSR NUD*IST (version 6.0) software package. In the method literature, it has been emphasised that computer software programs such as NUD*IST, are of significant value in qualitative analysis and any subsequent theory building (Kelle, 1995; Richards and Richards, 1995; Weitzman and Miles, 1995).

Discussion.

Our research highlighted three distinct roles that supported the effective data gathering, analysis and dissemination functions of the IMC process in the industry cluster context. Specifically, these roles were: Cluster Ambassador, IMC Champion, and Government Lobbyist.

The first key role identified was that of an IMC Champion. This role was adopted by a single member of the TLSC, and undertook the responsibilities associated with 'information collection and dissemination' and the coordination of IMC activities. This individual was the first to realise the potential of an IMC campaign for the industry cluster, and actively sought to realise it through a number of key activities:

I went to Japan to sell a product ... All I saw was the mast maker arguing with the sail maker who was arguing with the designer and this is our own people. The New Zealanders came in, dressed in the jackets and ties, totally professional with what they were doing, totally supporting each other and took the market out of Australia – just took it away, overnight virtually (Managing Director B. Personal Interview, 2002).

So, when I got back to Hobart I thought it would be a good idea to set up some form of network so that I knew what the other industries did when I went away, or I sent something away to publicise their capability – especially those that have been working with fast ferries. So, I went around every managing director of the companies that I knew were involved in this sort of work and put the idea to them that we form a network so that if any of us go overseas that we can transfer information. Out of that grew the Tasmanian Maritime Network (Managing Director B. Personal Interview, 2002).

The IMC Champion sought to integrate the marketing functions performed by individual cluster firms such that duplications were minimised, and that the TLSC firms presented a consistent message to their respective markets. In order to achieve this, the IMC Champion voluntarily undertook the responsibility to gather information from the individual firms and present findings at TLSC meetings. The IMC Champion also undertook measures to facilitate the process of implementing the IMC activities voted upon at these meetings, essentially coordinating the design and production of information packs, press releases, and uniforms for cluster representatives when visiting overseas. As one Managing director noted:

[name deleted] exercised a co-ordinating function and he performed the role of ensuring that there was a reasonable similarity in looks and feels of reports and all that sort of thing, because otherwise, if you get trendy professional each doing a report everyone has their own ideas. So ...they have put a stamp on it of uniformity contextually. They have co-ordinated the production of the documents and all that sort of thing (Managing Director A, Personal Interview, 2002).

The second key role identified was that of the Cluster Ambassador. This role was adopted by numerous cluster members, and sought to promote the benefits of the cluster's entire product range whenever possible. This meant that each of the cluster firms were aware of their fellow firm's products and competencies, and were able to act as a referral service when dealing with their customers. This IMC role was implemented through the production and dissemination of firm-specific literature that each cluster member had in their possession. As a number of cluster members commented:

The networking of our firms has been a real benefit to my business. If Mark or Michael go to a trade show on marine fire protection, I can be sure that they have information about my business also. If Mark or Michael introduce extra information in their talks with customers about my business, then we all become winners (Managing Director C, Personal Interview, 2002).

I always make sure that I tell the group if I'm going to a trade show, or going overseas to meet with customers....It's really important to know what's going on in the network, it can be a real double-edged sword – I mean, if I give out old information that is no good, we all look very ordinary and unprofessional. So I make sure that I have current material, or I don't tend to talk about the network at all (Managing Director A, Personal Interview, 2002).

As such, a communications process that focused on current firm activity underpinned the cluster's ongoing IMC strategy. Cluster firm managers were willing to disseminate facts about other firm's capabilities, and were acutely aware of the need for it to be consistently applied, accurate, and given in a form that was directly related to their customer's enquiry. The Cluster Ambassador role was also expanded to include government representatives when they were on overseas trade missions. The government representatives (including the State Premier on occasion) were kept abreast of the latest information by the cluster firms:

Probably the main one is [the Tasmanian Government's] representation at a few trade shows in Asia where they went across and represented our products, to get us started and to show that we had real support from people in power. These things are very important to our Asian customers (Managing Director D, Personal Interview, 2002).

Given the themes that emerged from respondent transcripts, it appears that the cluster's IMC campaign was based on the careful management of current information and channel selection. The information disseminated throughout the cluster, and to the government representatives, sought to highlight the complementary services available in the cluster, and perhaps more importantly, from a number of sources perceived as experts by the intended audience.

The third key role identified was that of the Government Lobbyist. Unlike the role of the IMC Champion, the role of Government Lobbyist was adopted by a number of key individuals within the TLSC. The main themes associated with the role concerned the outsourcing of IMC functions that were beyond the competency of the cluster firms. As a number of managing directors noted:

The main thing that we are lacking in is marketing skill. There is no one here with that much experience, we have got a lot of capacity if we're talking about building boats, but we have little ability at marketing our boats, especially as a group... we are really not that good at knowing how to market the stuff and how to target it (Managing Director C. Personal Interview, 2002).

So the government, through the Department of State Development, helped us to the Pacific 2000 tradeshow. They helped us with uniforms, backdrops...that kind of thing. We had the ideas ourselves, but we didn't have the contacts, or the time really, to organise everything ourselves. [name deleted] was a real help, he basically summarised what we wanted - contacted the government and before we knew it, they had consultant out to helps us all with the tradeshow. The results were excellent (Managing Director C. Personal Interview, 2002).

The analysis of the data indicated that the role of the Government Lobbyist focused mainly on marketing issues such as the coordination of tradeshow presentations, the organisation of accurate literature, and the provision of marketing consultancy reports (albeit by government staff) for the cluster firms. It also appears that the Government Lobbyist dealt with issues that required substantial time (rather than just monetary cost) to achieve:

When the network really got going, the government would show up in the form of the Department of State Development. They are good at supporting us in certain ways, but sometimes can't get stuff done as quickly as we'd need. So [name deleted] would use their direct contact with the Premier's office to get the stuff we needed fast. Without his influence as the big employer I reckon we'd struggle more than we do at the moment (Managing Director C. Personal Interview, 2002).

As such, it appears that the Government Lobbyist must have some considerable bargaining power in their relationship with government for the role to function effectively. In this case the 'Government Lobbyist' role was adopted by the Managing Director of the cluster's largest employer, and the coordinator of the cluster's main training facility the TAFE Aluminium Welding School. These individuals were able to use their individual positions of power to advance the claims of the relatively less powerful firms within the cluster. As a result, the TLSC was able to consistently use its most powerful members as its representative to the government, a situation that arguably increases the power of the individual firms themselves.

Conclusion.

This research supports the contention that for IMC to provide a useful platform for differentiation, it must be supported by a number of key roles that undertake information gathering, analysis and dissemination functions. The emergent roles support the extant literature in that it identifies pseudo-marketers (i.e. 'Cluster Ambassadors' and 'Government Lobbyists') within the industry cluster, and the need for a generalist 'IMC Champion' to effectively coordinate the efforts of otherwise discretely managed firms. Analysis also highlights the imperative for all communicators to be cognisant of current cluster firm activities to further stakeholder relations. This supports Stewart's (1996) suggestion that an IMC focus within the firm can be generated through encouraging a change in behaviour from which appropriate structures for IMC functions will naturally evolve. It is important to note that the functions and roles highlighted here relate specifically to the TLSC thereby restricting their generalisation. However, we feel that this research contributes to our understanding of

IMC in the business-to-business context by highlighting the existence of IMC functions and roles within industry networks, and that further research into how different industries configure their particular IMC functions and roles is required.

Reference List.

- Anderson, P.H. 2001. Relationship development and marketing communication: An integrative model. *The Journal of Business & Industrial Marketing*, 16 (3): 167-182.
- Garber, L. L., Dotson, M. J., 2002. A method for the selection of appropriate business-to-business integrated marketing communications mixes. *Journal of Marketing Communications*. 8, 1-17.
- Gronroos, C. 2004. The relationship marketing process: communication, interaction, dialogue, value. *The Journal of Business & Industrial Marketing*, 19 (2): 99-113.
- Hall, L., Wickham, MD. 2004. The Role of IMC in the Business-to-Business Environment: The Case of the Tasmanian Maritime Cluster. ANZMAC Conference Proceedings Wellington New Zealand.
- Industry Audit. 1998. Marine manufacturing. Tasmanian State Government Report.
- Kelle, U. 1995 Computer-aided qualitative data analysis: Theory, methods, and practice. London: Sage Publications.
- Kitchen, P.J., Schultz, D.E. 2003. Integrated corporate and product brand communication (1). *Advances in Competitiveness research*, 11 (1): 66-86.
- Kliatchko, J. 2005. Towards a new definition of Integrated Marketing Communications (IMC). *International Journal of Advertising*. 24 (1): 7-15.
- Low, G. S., 2000. Correlates of integrated marketing communications. *Journal of Advertising Research*. 40(3), 27-42.
- Philippidis, G., Hubbard, L.J. 2003. Modelling hierarchical consumer preferences: an application to global food markets. *Applied Economics*. 35 (15): 1679-1691.
- Pickton, D., Hartley, B., 1998. Measuring integration: an assessment of the quality of integrated marketing communications. *International Journal of Advertising*. 17, 447-465.
- Proctor, T., Kitchen, P. 2002. Communication in post-modern integrated marketing. *Corporate Communications*, 7 (3): 144-154.
- Richards, T., Richards, L. 1995. Using computers in qualitative research. In Denzin, N. & Lincoln, Y. (editors) *Handbook of qualitative research*. California: Sage Publishers.
- Ranchhod, A., Gurau, C., Lace, J. 2002. On-line messages: Developing and integrated communications model for biotechnology companies. *Qualitative Market Research*, 5 (1): 6-27.
- Stewart, D. W., 1996. Market-back approach to the design of integrated communication programs: A change in paradigm and a focus on determinants of success. *Journal of Business Research*. 37, 147-153

Weitzman E., Miles, M. 1995. *Computer Programs for Qualitative Data Analysis*. California: Sage.

Wickham, M.D., Hanson, D.J. 2001. Incat Tasmania's race for international success: Blue-Riband strategies. In *Strategic management – Competitiveness and globalisation*. Australia: Nelson Thomson Learning.