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The Structural Model of the Application of Integrated Marketing Communications
The Structural Model of the Application of Integrated Marketing Communications

Ph.D. dissertation

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'It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.'

Theodore Roosevelt
1. Introduction

1. The subject of the research: the application of integrated marketing communications

The transition of the traditional marketing paradigm

The commencement of modern sense of marketing practice can be estimated at the 1960’s and 1970’s, even though it is as old as civilization. In the modern world, companies have to operate in a constantly changing environment. It is no longer enough to consider the classic communication channels, when globalization, electronic commerce and interactive communication intertwine companies.

Industrial convergence and the structural alterations of the market lead to changes in marketing processes. How should the corporate side respond to the changes in communication and in consumer needs? The adequate managerial reaction to the changes in marketing communications would be the integration of marketing processes.

A possible managerial reaction to the transition of the marketing scene: the concept of the integrated marketing communications (thence: IMC). Those – mainly technological – changes that occurred in the last decade do not stand as challenges for the companies only, but for the agencies serving them. Thus the changes in marketing communications affected the whole value chain from the starting point of the supply chain of the advertising market through companies and to the advertising and media agencies serving them.

According to the most cited definition ‘IMC is the process of strategically controlling or influencing all messages and encouraging purposeful dialogue to
create and nourish profitable relationships with customers and other stakeholders.’ (Duncan and Caywood, 1996).

In the definition, the authors emphasize the importance of strategic approach and the need to create a consistent and integrated image to ensure that companies practicing IMC be profitable and above all, innovatively transform their existing mentality about marketing communication, instead of just reacting to the environmental processes around them.

About the essence of innovation Antal Százdi (1999) stated that ‘an invention becomes an innovation only if it is realized. Innovation does not equal reform; the latter is a macro-level modernization process, while innovation is interpreted as micro-level development’. By applying the same analogy, IMC in practice will be nothing more than just another marketing reform lacking micro-level support. This level is the essential point of the research.

2. The importance of the research theme

Nowadays differentiation is a remarkable measure of gaining competitive advantage, and the basis for differentiation is not the product but the brand. The importance of brand positioning set in the mind of the consumer has increased as has buzz marketing. This is not only about the fragmentation of target groups but the diversity and pluralization of the media needed to reach them. Therefore the integration of the communication processes has come to the fore.

If a company applies integrated marketing communications, firstly it would ensure that the message reaching the consumer is consistent and unified (with less waste coverage and increased brand equity), secondly it would provide better access by the use of special media, and thirdly it would allow an interactive communication between the company and the consumer with the possibility of feedback.
3. The purpose and relevance of the research

The purpose of the research is to get a more detailed picture of integrated marketing communications applied locally and internationally. The research attempts to explore the Hungarian IMC awareness and incentives by qualitative techniques. A framework for the application of IMC was constructed as the result of the qualitative research. During the quantitative research, the latent elements affecting IMC, were identified. The results were tested on the structural equations model.

Among the questions of the quantitative survey, there are not only questions raised by specialist literature but current managerial questions based on Hungarian interviews. Thus, the results may provide an answer to the questions previously published in specialist literature and also to new approaches arisen since then.

4. The scientific and practical importance of the research

The sensitivity of the research subject required sophisticated methods. Accordingly, the chosen methodology is qualitative with the aim of determining the reasons ‘why’.

The IMC interviews were analyzed by the grounded theory interview research technique. For the analysis the NVIVO software was used.

The focus of the research is not only the operative-level implementation but also having a wider perspective, a more strategic approach by raising questions like the parent company-subsidiary relationship, human resources issues or the education in the area of IMC.

The research was conducted on the online platform by the assistance of www.kerdoivem.hu. For the processing of the quantitative results the SPSS software was used, whilst the SEM (structural equations model) was tested by the use of a software, the SmartPLS, which was developed at Hamburg University (by Christian Ringle and Karl-Werner Hansmann, 2004).

5. Structure of the thesis

Section one discusses the milestones in the evolution of the integrated marketing communication definition. Besides the definitions the chapter
contains the facts leading up to the formation of integration and the doubts surrounding it as well as basic researches, models and optimization of IMC (based on secondary research).

Section two presents the research problem in details. The thorough overview provides an opportunity to examine the research questions meticulously.

Section three discusses the chosen research method, the grounded theory. First, the relevance of the qualitative research is presented then the connection between the research topic and the qualitative research. Thirdly, the evolution of interview research gets outlined as well as the application of the software used for the analysis.

In section four the quantitative research is presented. You may read about the explorative factor analysis and reliability of the scales used in the research. The second part of the chapter presents the hypotheses tested by the use of a path analysis IMC model, the SmartPLS.

Section five summarizes the research, it discusses the future prospects, further research areas, the usage possibility of quantitative measure fields and the case studies presented by the interviewees.

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I am grateful to Zsófia Kenesei for the constructive criticism and understanding, to Mihály Gálik for the ceaseless interest, to Ariel Mitev for consulting on both qualitative and quantitative methodological questions, to Borbála Cserős, Adrienn Csatalinácz, Ilka Kulesár and Zsuzsanna Halász for proofreading my thesis in Hungarian, to András Bauer for always finding an hour if I had any questions, to József Berács for guidance and for positive replies, to Gábor Nagy who consulted me on several occasions, to Irma Agárdi who introduced me to the world of modelling, to Ádám Csepeti whose motivation affected me as well, to József Kandikó who was patient and helpful,
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I also owe my family a depth of gratitude for helping me do what I really love: teaching and doing research. They have sacrificed a lot for that, I am grateful. Thank you.
2. The development phases of the IMC

Before introducing the integrated marketing communication theme, I would like to present a few trends in the marketing environment which have influenced, explained and enhanced the evolution of the integrated approach. According to Bauer and Berács (2006 p. 27.) marketing in an extended sense is the exchange of all goods having value and this exchange is affected by numerous external factors. In the followings we will unfold these external influences (economic, cultural and social).

2.1. The transformation of the marketing communication ‘scene’

The convergence of markets (telecommunications, information technology or media, Gálik & Urbán, 2008) alters the existing traditional marketing communication. ‘The transformation of the marketing communication scene’ chapter outlines the trends influencing not only the corporate communication process but in a wider sense the entire human communication.

In the second half of the 20th century, growing competition is characterized more and more by globalization and this tendency is expected to continue in the 21st century as well. The free movement of capital, goods and services means that local markets cease to exist because during the satisfaction of the local needs, the emergence of international competition must be reckoned with (Berács et al, 2004, p. 28.).

Below each of the relevant tendencies are presented that have influenced the revaluation of the communicational processes.

Technological development also accelerated the revaluation of the traditional marketing communications. Media pluralization cannot only increase the number of media vehicles but it is a new advertising tool itself. Technological
innovations create new product categories that rearrange the ratio of advertising expenses. New business models like advertisements aided by advertising content mean a new direction for advertising spendings. (For example Apple products like iPhone, iPod or iMac have created a new product category. Sharing information on Apple’s own closed chain is quite expensive for a content producer because Apple allocates content to product owners for a 30% profit. Apple.com, 2011)

Media fragmentation
More and more TV channels, niche magazines, commercial radio stations emerge on the market thus number of viewers and media usage time per one magazine, television channel, and radio channel are decreasing (Anderson, 2006). The number of journals, weeklies, free newspapers, special issues and other media formats have increased significantly for the last five years. It means that the audience of each media is divided into more and more narrow segments, thus reaching a wider audience by the same medium is getting more difficult. Peppers and Rogers (1995) pointed out that potential customers were members of the most different segments of the media audience, therefore the efficiency of advertising is diminishing (Little, Marandi, 2008, p. 28.).

Brand dumping
While in the 1960’s and 1970’s there were eight-thousand, today there are more than thirty-thousand brands on the market. The process of differentiation and positioning has an important role now because of the high number of brands, thus branding policy needs to be reconsidered. Branding policy is a strategic tool (Aaker, Myers, 1991, Nádasi, 2003, Malota 2003). While business strategy defines branding policy, branding defines everything else (Kitchen and Schultz, 2009).

Social fragmentation
Social-sociological changes, as well as individualistic values growing stronger in the United States and the exportation of these sets of values through media to other continents caused target audiences to divide into smaller groups. Firat et al in 1995 disserted in length about postmodern consumers and how much
and in what way the transformation of consumer behavior alters marketing processes (e.g. segmentation, strategy building).

Advertisement avoidance
Changes on advertiser side (vid. brand dumping) do not remain unanswered. Due to the high level of marketing buzz, more and more consumers become ad-avoiders (Sas, 2005, p. 282.) and it is getting harder to reach them.

Participation based interactive communication
Internet penetration in Hungary exceeds 55%, more than 3.62 million users connect to the World Wide Web on a monthly basis or more often (TNS-NRC, 2009). The participation-based communication involves the opportunity of a response as well. It is an advantage for a company to answer customer questions, for example through a social network. Thus the postmodern consumer becomes both a content-generator and a consumer in one.

New communication-mix components
Technological changes and the increasing number of brands enhanced marketing buzz perceived by consumers, which influences the acceptance and (positive) perception of advertisements. Therefore the proportion of the members of society rejecting advertisements has risen leaving less room for direct measures of communications and more for indirect ones like PR and point-of-sale advertising (Kátai, 2008).

The continuous increase of online marketing budget originates from the attributes of the channel itself, given that this surface is interactive and integrative at the same time. Thus the boundaries among traditional tools – PR, advertisement, sales promotion, personal selling – will disappear. (Low, 2000).

Technological changes, the fragmentation of society, buzz marketing and the increasing number of brands have created a completely new environment for companies. A new kind of approach, the integrated approach has spread from North-America and it has revolutionized the traditional marketing communication concept.
2.2. The disposition of integrated marketing communications among marketing theories

Marketing researchers have tried to divide the history of marketing into sections several times (Bauer & Berács, 2006). While in the 19th century physical goods were the ones in the center of commerce, by the 21st century services took their place (Vargo & Lusch, 2004). From a historical perspective in the last century, from 1900 to 1905 educators were engaged in marketing but they focused mainly on the distribution of products (Bartels, 1976). On the corporate side it can be estimated at the second half of the century that the production-oriented corporate philosophy was replaced by the marketing-oriented approach (Bauer and Berács, 2006).

According to Hoffmann, the evolution of the marketing concept is not interpreted the same way by every expert (Hoffmann, 2000, p. 26.). However there is a consensus about the fact that the early period of corporate philosophy is not considered marketing-oriented but antecedents of that.

They examine the marketing concept and the evolution of marketing management in five sections:
1. Production-orientation
2. Product-orientation
3. Sales-orientation
4. Marketing-orientation
5. Social marketing-orientation

Market organizations became marketing organizations and the competition rose to another level. In the competition those gained advantage who adapted themselves better to the changing consumer needs.

Webster concluded already in 1992 that the marketing concept was changing and so was the environment surrounding companies. From the 1950’s production-oriented companies concentrated on satisfying the existing demand. The success of the company brought great reputation to the CEOs as well thus companies got identified with their economic executives. Economic instability in the last 15-20 years brought change, therefore Drucker was right to state that
a company’s success is determined by two things, innovation and marketing (1985). Innovation can be described as the company’s environmental adaptability. The success of marketing-oriented companies was shaped by their efficient corporate communication and their open-mindedness about innovation. The reputation of communication directors (CCO) has increased as well as their salary (Korn/Ferry Institute, 2009) – instead of the reputation of economic executives (Shandwick, 2010). By the 1990’s the communication component of the marketing-mix got more appreciated. This was also confirmed by the most recent results of the Grayling Research Company according to which the income and influence of communication experts are increasing, communication functions gain more and more power, leading communication experts are in regular and direct contact with the top management of companies (Mfor.hu, 2011). New media tools, new channels, and new ways of communication all led companies towards a new paradigm. A new and integrated approach, which takes both technological innovations, societal changes and organizational restructuring (Argyris, 1977, Proctor and Kitchen, 2002) into consideration.

Micro-environmental changes also require the integrated application of communications (Tasnádi, 2010, p. 43.). Countries having developed market economy are characterized by the following trends: saturation of the markets, differentiation of consumer needs and demand, elevating level of information overload on consumers, common disinterest of consumers, increasing competition, and replaceability of competing brands. According to Sándor and Horváth (2008. p. 47.) the development of technology, human factor, means of production, and capital equipment affects advertising.

As a summary, the following table compares IMC to traditional marketing communication form in multiple points of view. During the selection of the subjective aspects, changes in the marketing communication environment, articles and books published in specialist literature were taken into account (2.1 sub-section).
Table 1: Comparison of traditional marketing communications and IMC

<table>
<thead>
<tr>
<th>Traditional marketing</th>
<th>Aspect</th>
<th>IMC</th>
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<tbody>
<tr>
<td>mass media mentality</td>
<td>media channel paradigm</td>
<td>one-to-one marketing approach (marketing tailored to target audience)</td>
</tr>
<tr>
<td>product-orientation</td>
<td>orientation of the company</td>
<td>consumer-orientation</td>
</tr>
<tr>
<td>customer acquisition</td>
<td>marketing-orientation</td>
<td>customer retention</td>
</tr>
<tr>
<td>one-way communication</td>
<td>communicational direction</td>
<td>two-way communication</td>
</tr>
<tr>
<td>controlled advertisement</td>
<td>status of ads</td>
<td>elevating level of marketing buzz</td>
</tr>
<tr>
<td>larger target groups (mainly demographical segmentation)</td>
<td>target audience</td>
<td>fragmentation (mainly lifestyle based segmentation)</td>
</tr>
<tr>
<td>technical innovations enter the communicational market slowly</td>
<td>technology</td>
<td>rise of technical innovations (media pluralisation)</td>
</tr>
<tr>
<td>traditional advertising tools and media</td>
<td>advertising measure</td>
<td>alternative advertising tools and media</td>
</tr>
<tr>
<td>product-orientation</td>
<td>product/brand-orientation</td>
<td>brand-orientation, greater emphasis on branding strategy</td>
</tr>
<tr>
<td>few brands</td>
<td>number of brands</td>
<td>plenty of brands</td>
</tr>
</tbody>
</table>

S: own listing

The table above summarizes the main differences between traditional marketing communications and IMC. It is essential to emphasize the importance of the now fragmented target audiences and those media tools available because of technological development.
2.3. Milestones in the evolution of the integrated marketing communication definition

This section summarizes under what circumstances IMC was developed and what the difficulties of its definition are. Creating an integrated definition was complicated since researchers and professionals had communication gap between one another (Hunt 2002, Nyilasy & Reid, 2007).

Articles about integration were first published in the late 1990’s. These mostly focused on management processes such as the integration of processes and channels. After the Millennium, articles were published in which integration was not interpreted on an operational level but on an executive level. Although the importance of strategy is mentioned in several early definitions, the focus of researches and surveys is always limited to managerial level, perhaps because of the operationalizeability of the task.

The American Association of Advertising Agencies (4As), the Association of National Advertisers and the Northwestern University have conducted their first research on IMC together (Caywood & Ewing, 1991). They were the first to attempt to define IMC in their study. They examined how many percent of North-American companies mastered and applied (even if unintentionally) IMC. After this article had been published, numerous analyses were made not only in North-America (McArthur and Griffin, 1997, Schultz and Kitchen, 1997, Gould et al 1999) but in other countries, as well, for instance (Eagle et al 1999) in Thailand (Anantachart, 2001), in the Philippines (Kliatchko, 2002), and in Australia (Reid, 2003). IMC was even the subject of international comparisons (the United Kingdom, the United States, New-Zealand, Australia, India - Kitchen & Schultz, 1999).

Kliatchko (2005) divided the development of IMC definition into sections as follows.
2.3.1. The development of IMC definition: phase I (from the late 1980’s)

‘IMC is a management concept which enhances the planning of marketing communications. The strategic role of different communication tools (advertisement, direct marketing, POS, PR) get more appreciated in favor of a clear, consistent communicational effect.’ Duncan and Caywood, (1993, p. 18).

In the 1980’s marketing buzz, the diversity of marketing tools, and the fragmentation of target groups enhanced the reinterpretation of traditional marketing communications. A new concept has been created, which back then intended to implement consistent brand design.

This definition involves the ‘one voice, one theory’ approach which comprises clear message delivery on a strategic level (Nowak & Phelps, 1994). According to Brown (1997) a higher level of synergy could be created by conjoining various communication tools or disciplines as it is stated in the definition.

2.3.2. The development of IMC definition: phase II (the early 1990’s)

‘IMC involves proper control over the information available for the company in order to acquire new customers while retaining the loyal ones.’ Duncan and Caywood (1996, p. 18)

The consumer and the relationship the consumer has with the brand are new elements in this definition given that previous definitions had not taken those into consideration. The expression ‘control over the information available for the company’ could be interpreted freely since it is not limited to traditional communication tools only, but to any situation where the consumer could get in touch with the brand (Kliatchko, 2005).

This definition emphasizes the process characteristics of IMC while it lacks the strategic point of view and measurability, as well. In this case, marketing communications defines the marketing objective – acquiring new customers – and does nothing else; that is why the definition
could be considered to be too general and it does not resemble any other IMC
definition.

‘IMC is a marketing communication concept which recognizes the
added value of an integrated communication plan, it appreciates the
strategic importance of communication mix elements (advertisement,
DM, sales promotion, PR) and it combines the communication mix
elements for the campaign to achieve a consistent and clear
communicational effect.’

Schultz (1993) highlights the integrated and consistent message. He notes that
consistency can only be decided at a strategic-level. However, consumers and
measurability do not come up in the definition.

2.3.2.1. About the concept of IMC – without definitions

In the study of Schultz and Wang (1994) traditional marketing communications
instead of reflecting the thoughts of the target group reflects the notion of the
brand manager (inside-out), as the expression ‘inside-out’ refers to the inner
thoughts and believes (inside) of the brand manager. ‘Out’ presumes a
communication practice, which is executed by the manager according to his
first impression, ignoring what products and services the consumers need or
what their media usage pattern is like (marketing myopia).

The outside-in approach is an early form of IMC since in this concept the
manager bases his actions on the needs of the target group (outside).

According to Lehmann (1994) the consistence and synergy of marketing mix
elements, the multimedia contacting of consumers, and the reengineering of
company processes recreate IMC. This recreation requires strategic engagement
as planning is the responsibility of the top management. (Balaton et al, 1991.).
Nowak and Phelps (1994) have supplemented existing definitions with three conceptual frameworks instead of creating a new one. They have initiated the following IMC prerequisites: one-voice marketing communications, integrated marketing communications and coordinated marketing communications. One-voice marketing communications mean clear and consequent positioning and advertisement message. According to the authors, integrated marketing communications constitute a relationship with the agency. While coordinated marketing communications focus on the harmony of communication (vid. 3.2.1.1 subparagraph, IMC models).

2.3.3. The development of IMC definition: phase III (1996-1998)

The turning point of the IMC development process was in 1996 when the Journal of Marketing Communication dedicated a special issue to this topic. In this issue diverse IMC related views and approaches were compiled.

Duncan reinterpreted his previous definition in 1996:

‘IMC controls and influences the messages (produced by the company) on a strategic level, it also encourages two-way dialogues in order to create and promote a profitable relationship with consumers or other stakeholders.’ Duncan (1996, p. 22)

In Duncan’s definition (1996, p. 22) the ‘other stakeholders’ is a new element, the focus is not solely on the relationship between consumers and companies. By including the necessity of ‘control and influencing’ in the definition the author embedded IMC back into the traditional marketing process. Thus he only brought the viewpoint of the companies to the fore, while he talks about a dialogue. A dialogue would presume that corporate communications are two-way. However, putting ‘influencing and control’ in the definition reflects a one-way perspective.
IMC definition of Don Schultz and Heidi Schultz

In their study Schultz and Schultz (1998) have created a new definition, which they considered to be flexible enough to be correct for a longer period of time. In order to prove this, they have asked professionals to evaluate the definition.

‘IMC is a strategic business process which designs, develops, executes and evaluates coordinated, measurable, and persuasive marketing communications. The following participants are involved in IMC: consumers, customers, potential customers, other market players, relevant external and internal audience.’

In the definition – as a new element – the strategic business process is mentioned and it involves measurability and evaluation thus avoiding the deficiencies of previous definitions. Kliatchko (2002) pointed out as the weakness of the definition that it is too general and the benefits and advantages achievable by IMC are not specified enough.

Duncan and Moriarty (1998) considered IMC to be ‘a process that sets up a purposeful dialogue with the stakeholders, creates a consistent message, and supports brand identity. Pure brand positioning is the prerequisite of a long-term, profitable relationship’.

The definition involves stakeholders, consistent message, brand identity, and even positioning. Both brand identity and positioning are new elements in defining IMC.

2.3.4. The development of IMC definition: phase IV (1999–2005)

According to Gronstedt (2000, p. 8):

‘IMC is a strategic management style, which is conducive to the goals of the company and the brand by focusing resources on every point where a contact with the key-consumer or with other stakeholders happens in order to create a profitable relationship.’

25
Gronstedt (2000) highlights continuous corporate learning, this way calling IMC companies learning organizations. He included corporate learning in the definition because in his opinion, companies should plan at corporate function level as well as at communication level.

According to Kotler et al. (1999, p. 541):

‘IMC concept is defined as the integration and coordination of corporate communication channels in order to gain a clear and consistent message of the company and of the product.’

In this definition the consistent image and coordination are present as the milestones of IMC. However, it lacks the strategic approach and measurability, as well.

According to Harris (1998), IMC concerns the whole company not just the department dealing with external communication. Thus he propounds the increasing efficiency of internal communications and the joint productiveness of horizontal internal communications. Positive corporate collaboration (both internal and external) is a significant part of IMC since a good communicational relationship is a prerequisite of synergy.

In 2002 Duncan refined his own wording:

‘IMC is a process, which embraces multiple company functions, while it controls and influences the messages (produced by the company) on a strategic level, it also encourages two-way, data-based dialogues in order to create and enhance a profitable relationship with consumers or other stakeholders.’ Duncan (2002, p. 8)

A positive aspect of Duncan’s 2002 definition is that it involves non-marketing related corporate functions (horizontal internal communications, vid. Harris, 1998), whilst it does not change the ‘control and influence’ concept, which – in this case – is not a dialogue but a one-way monologue.
The most recent definition is associated with Kliatchko’s name (2005):

‘IMC is a basic concept which controls at a strategic-level, whilst it is also a process, which puts stakeholders to centre and it is a profit-oriented, channel-centric marketing communication program.’

The pillars of the definition: IMC is a process and a concept at the same time; it necessitates both theoretical and practical knowledge of strategic thinking business management, and the new approach (interpretation) of brand communications.

IMC depends on three components:

a. The audience which is interpreted by Kliatchko more widely than Schultz (1996, 1998, 2000, 2002). Anyone and anything could be the target of communications; the definition does not approach the subject only from the profit generating side.

b. Channel-orientation: the ‘channel’ indicated in the definition involves the communication channel, as well.

c. Result-orientation: it means the measurability of the IMC processes. Company executives evaluate the consumers of potential target audiences and assess the return of the amount invested into the acquisition and retention of customers (so called: ROCI).

2.3.5. Indigenous IMC definitions


‘IMC is a coordination process which optimizes – based on research data – the joint effect of the diverse forms of advertisement in the target group and among organizations.’

---

1 Return On Customer Investments (ROCI)
This definition contains the management point of view, coordination and optimization. However, what is missing from the definition is: teamwork within the company or putting emphasis on the profit and the importance of measurement.


‘Integrated communications are coordinated (in time and space) systems of a company’s (business enterprises, non-profit organizations, institutions) both internal and external directional organization-level and product/service-level communicational activities – processes, phases, messages, tools, methods –, which aims to reach the most favorable target group and influence behavior’.

Tasnádi’s interpretation is very comprehensive, integrated, although measurement is also missing here. Strategic approach takes form in the definition by mentioning the organization-level. The author raises Integrated Communications to a higher level. In his publications he calls only the everyday marketing communications IMC.

Piskóti’s interpretation (2009, p. 6):

‘IMC is the process of analysis, planning, implementation and control with the aim of generating the substantive, stylistic and temporal unity of communication tools from the company’s both internal and external sources of communication by the coordination of communication-like activities conducted on diverse locations. The purpose of integration is that the enterprise, the organization convey a unified image of itself to its target groups, also influence the decisions about the company positively by an effective method, which seeks the synergy of communication effects, thereby supporting the achievement of market objectives.’

A comprehensive definition in which control, analysis and implementation implies marketing engineering and strategic processes, thus the strategic approach appears in IMC definition.
Considering all these, IMC could be characterized as follows:

‘IMC (integrated marketing communications) is a (brand) strategy-oriented company management concept which considers the needs and habits of the company’s target group. It implies flexible corporate culture and interactive communication. In accordance with corporate objectives, the company and its agencies plan the campaigns together, and these campaigns are based on a consistent, coordinated, creative idea confirmed by measurements.’

The definition contains the IMC pillars, which have been supported by the secondary and the primary research. This way the definition also covers company management (strategic-level), interactivity, teamwork and the assignment of the campaign to the communication goals.

In summary, when operationalizing integrated marketing communication, the following nodes could provide bases for it. Nodes could mean that a new thought resulted from a combination of other thoughts; this case the systematization and interpretation of information could be eased (Tomcsányi, 2000, p. 108).

1. First dimension of interpretation: PROFITABLE COMMUNICATION
A manager’s main duty is profit-generating, therefore the company communicates with the customers (in later definitions: stakeholders) in order to gain profit.
Stakeholders can be consumers, employees, company partners, the state, local governments, suppliers.
As the interpretation of IMC was changing (for example how it was represented at a tactical-operational-strategic level), so was the appellation of target groups in the definitions.
It is indispensable for a manager to make the ordered and applied marketing communication measurable. Thus measurement helps to determine whether the marketing investment (made by him) realizes profit.
2. Second dimension of interpretation: COORDINATION OF BRAND COMMUNICATION

In terms of content, IMC corporate communications cover all tools of communications applied by the company and the combination of these as well as the company’s brand communication policy and the consistent brand message.

As the boundaries between communication mix elements (PR, personal selling, advertising, direct marketing) diminish in the definitions, so the consistency of messages and the coordination of communication elements become more important.

3. Third dimension of interpretation: COORDINATION OF CORPORATE COMMUNICATION

The company management level here stands for the strategic, operational or tactical level. IMC practice was interpreted at all three levels. In the early definitions IMC was only mentioned at the management level, until after the millennium it was fully expanded to the communication of other functions and departments. Some researchers use the expression IC, i.e. ‘integrated communications’ instead of IMC, thus raising it to a higher communicational level.

The IMC interpretation of corporate communication involves the communication not only among marketing departments. The horizontal approach emphasizes that marketing success does not depend solely on the success or failure of the marketing department. When the integration is interpreted at a strategic level, the aim is to integrate not only the marketing department but the research and development, the production, the purchasing department etc. as well.
Initially (in the 1990’s) IMC campaigns were made to order (Kitchen et al., 2008) since clients had started to prefer the integrated approach.

Agencies accommodated themselves to the increased demand as an integrated campaign required different solution methods (Gronstedt & Thorson, 1996).

S.: own construction
By the end of the nineties, the demand for integrated campaigns has increased further, thus the number of managerial and organizational problems and conflicts has risen within companies (Duncan & Everett, 1993), given that the integrated approach required heavier workload, more efficient communications (both internal and external), teamwork, cross-functional and rotated work. Therefore over time it became obvious to researchers and professionals as well that integrated marketing communications were to be raised to a strategic-level (Kitchen & Schultz, 1999, Tasnádi, 2010).

The three nodes detailed above are present as organizing principles regarding IMC researches and models.
3. The theoretical background of integrated marketing communication

3.1. IMC related researches

In the followings IMC related researches are presented. Theoretical background researches are classified into several groups because of the wide interpretation of the expression ‘integration’ and also due to the focus of diverse researches. There are corporate and agency IMC researches. There are various types of these, for example self-reflection IMC corporate researches in which the company evaluates its own IMC performance, while the company may evaluate the IMC performance of the agencies, as well. Similarly, the agencies can evaluate their own and the company’s performance.

B2B IMC researches were not among researches processed in this thesis (Garber and Dotson, 2002; Lehtimaki et al., 2009; Nowak, Cameron and Delorme, 1996; Letenyei, 2006). As the number of definitions was growing (from 1991 to 1998), so the abstract meaning of integration changed and gained more and more interpretations. This section does not include IMC information processing, which has been brought to life by disciplines like consumer behavior and psychology (Micu, 2007), and the synergy created by diverse media tools (Hackley & Kitchen, 1998, Hatzithomas, Tsourvakas, 2006, Naik & Raman, 2003). Similarly, the integrating effect of advertising elements, like the logo on product packaging (Garretson & Burton, 2005) is not the subject of the narrowly-defined IMC researches.

It may cause a bit of distraction in the interpretation of the researches that the authors occasionally use integrated marketing communications and integrated communications as synonyms. Where the distinction between IMC and IC is necessary, it is indicated.
IMC researches will be categorized as the IMC definition interpretation nodes were (coordination of brand communication, coordination of corporate communication, and profitable communication).

3.1.1. Focusing on the coordination of brand communications

In the followings researches discussing the basic IMC concept are presented. The coordination of marketing communication elements, consistent message, unequivocal positioning are keywords having established the success of IMC. Therefore the interpretation of IMC, the search of a definition, the identification of stakeholders, and the advantages and disadvantages of IMC are common research questions.

Duncan & Everett (1993) has asked executives from several sectors about the interpretation of IMC and about the coordination of the five main communication elements (advertising, PR, packaging, sales promotion, direct marketing). The authors were also interested in the extent of the corporate representatives’ responsibility for making decisions on communication elements. According to the research findings, corporate brand managers take full responsibility for the coordination of all five communication elements, furthermore 20% of responders compulsorily report on their work to the executives.

The managers were asked to evaluate four client-agency IMC situations. These situations were supposed to simulate the implementation process of an IMC campaign. The qualitative empirical research indicated similar IMC situations (subsection 4.3.1). The situations specified by Duncan & Everett (1993): 1. The client and the agency create the campaign strategy together, while the implementation is carried out by different agencies. 2. The client and a chosen agency create the strategy together, and then each communicational task – or at least the major part of those – is executed by the same agency. 3. The client defines the campaign strategy and asks different agencies for the implementation, but these agencies regularly communicate with one another. 4.
The client creates the campaign strategy on its own and asks different agencies for each of the tasks.
As for the client-agency relationship, 35% chose the first option to this situational question, while the order of the other choices was the following: the third, then the second, and finally the fourth option.
The key for success of IMC is considered to be the reduction of media costs while IMC itself is seen as a competitive advantage. Inside the company turf battles, while outside the company the agencies’ ego stand as impediments.

The organizational structure of agencies could be the motivation of IMC since the better the information flows within the agency, the more efficient the communication is. Authors Gronstedt & Thorson (1996) were curious how agencies managed an integrated campaign. The agencies were divided into five groups by taking their organizational structure into account, which the authors considered to be crucial during the implementation of an integrated campaign. The first organizational model gathers independent agencies, while the second model takes a dominant agency and organizes every other agency beneath that one (dominants can be the PR and advertising agencies). In the third model the agencies are equal. The fourth model is a matrix, the fifth one is a project-based one and the strategic advisor-representative person or department is the central element of it. The interviews were analyzed based on the grounded theory, and thus those five models were created, which cover all organizations which may coordinate an IMC campaign. In the analysis, the predisposition to IMC (awareness, preference) and the wealth of knowledge of different professionals were taken into consideration.

Global IMC researches are associated with Gould’s name. According to Gould et al (1999) GIMC (global integrated marketing communications) is the department of global advertisement management and coordination regardless of whether the company has standardized its processes or not. The authors distinguished two different samples: the respondents of the United States and the respondents of other countries. The deviations of sample means were examined by paired-tests. The unified regulation of advertising, coordination expectations, the degree of global brand centralization, the amount of effort
made by the agency, and the frequency of use of certain communication tools (fax, phone, e-mail) were measured. In the light of the results it has been pointed out that coordination of cross-country advertising is independent of centralization intentions of a company, thus the course of an IMC campaign is independent of the parent company.

McArthur and Griffin (1997) interviewed marketing managers from FMCG, organizational, service, and commerce sectors. Thirteen marketing communication related topics were evaluated on a 7-point Likert scale by the respondents. The aim of the research was to examine how much attention and time is dedicated to each marketing communication related topic (one of them being IMC). The statement, getting the highest rating was: ‘Advertising has an impact on business volume’. Seven marketing communication functions were distinguished (creative, media, sales-promotion, exhibitions, direct marketing, advertisement, PR). The research studied how often these functions are applied. Three-quarter of respondents coordinated five or more functions, however, they did not do it alone, but via group decision making. Besides the coordination of marketing, the authors examined which activities were carried out internally and which were outsourced. It turned out that advertisement agencies were primarily asked to develop a creative advertising plan and to buy media. Sales promotion, PR and direct marketing are usually carried out indoors.

Eagle & Kitchen (1999) conducted a different, more complex research in the sense that it consisted of two phases (qualitative and quantitative) and the sample involved not only company representatives but agency executives, as well. Both the company representatives and the agency executives approved the IMC definition of Duncan & Everett. The authors examined how traditional marketing agencies were responding to the increasing demand for IMC campaigns. The respondents were asked about their presumptions and their opinion on IMC. As a result, they have mentioned several difficulties regarding the application of IMC: problems concerning coordination, controlling, centralization, and corporate culture; the competence and flexibility of the agency. Brand managers considered team work to be the essence of IMC campaigns and the IMC mindset (the mindset dilemma is discussed in the
qualitative research as well, subsection 4.3.1) to be indispensable. In the conclusion the authors unfolded that the application of IMC is situation-specific. They have described IMC as the blueprint of brand communication, which could help brand managers succeed.

Kitchen & Schultz (2008) examined PR and advertisement agencies in the United States, in Korea and in the United Kingdom. The demand for IMC campaigns has increased especially in the United States and in Korea. The success of IMC campaigns depends on the level of concentration on consumer needs and the consistent campaign strategy. IMC campaigns are required to imply efficient communication and the possibility of immediate response. The expansion of existing budgets, disputes with the agencies, and strong control were mentioned as possible obstacles.

The widespread deployment of IMC was due to online communication (Kitchen & Schultz, 1999, Eagle & Kitchen, 1999). The focus of Gurau’s research was the connection between IMC and online communication. 29 in-depth interviews were conducted in order to explore the online implementation of IMC by primary research. The purpose of the research was, inter alia, to investigate the joint effects of internet-technology and marketing communications, and to identify the possibilities of marketing communication synergy supplemented by online communications. Three conceptual frameworks of online IMC were specified by the author: surveying the possibilities of an integrated online campaign makes communication more effective during which the company receives lots of feedback, thus the campaign could be further refined. Two contradictory trends were identified: target group fragmentation makes integrated communication more difficult, thus communication should be personalized or tailored to a smaller target group, although internet attributes such as interactivity, transparency and data-saving necessitate unified, consistent and permanent messages.

Changes in media environment have started new waves of IMC research; IMC researchers have found their motivation again. Eagle, Kitchen & Bulmer (2007) tried to determine how agencies interpret IMC. In their research agency
representatives were interviewed in the United Kingdom and in New Zealand. The representatives argued unequivocally in favor of the awareness and regular use of IMC. The representatives of both countries agreed on that ‘IMC is the future’, while they specified debates with other agencies as the most relevant problem, and the control of the agencies’ work as the second most relevant.

The respondents were asked whether the client, the agency, the PR agency, the media agency or other partner should have control over IMC campaigns. The answers indicated that agencies in both countries think they should be in charge. With respect to the fact who (the client, the agency or both, perhaps other participants) should be responsible for the returns of the campaign, the answer was unambiguously the client (vid. Duncan & Everett, 1993).

3.1.2. Focusing on the coordination of corporate communications

The following researches discuss the relationship between corporate coordination, decision-making and outsourcing. Research questions include not only IMC processes but also the organizational structure of the companies examined, and whether their corporate culture is sufficient enough.

Phelps, Harris & Johnson (1996) were searching for answers regarding the decision making process (individual or consensus based) about marketing communications. By examining trends they stated that even though the number of consensus-based decisions had increased, it was still below the number of individual decisions. Whereas Duncan & Everett (1993) considered power struggles within the company to be the main impediments of integration, while these could be reduced by group decision-making.

Gronstedt (1996) examined integrated communications among leading companies (for example: AT&T, Federal Express, Xerox, Saturn) of the United States. 41 in-depth interviews were made with the companies’ PR and marketing communication specialists. Gronstedt used the grounded theory of Glaser and Strauss for coding, for categorizing, and for validating. He distinguished three levels based on the interviews: the individual, the
management and the corporate level. He identified the organizational conditions of integrated communication based on the interviews (benchmarks). At the individual level, a company applying integrated communication should put emphasis on the job interviews and hire individuals who perform well in teamwork (e.g. Saturn corporate benchmark). It should also grant communication trainings to employees (e.g. Motorola corporate benchmark) and make sure to continuously rotate and change the employees so that they could familiarize themselves with each corporate function (e.g. Federal Express corporate benchmark). Furthermore, the company should create a working environment in which teamwork is frequent. At the management level, all employees should have access to research results (e.g. Xerox corporate benchmark), the relationship with partners and the agencies should be open enough for agencies to have the largest amount of information possible (e.g. Saturn corporate benchmark). At the corporate level, communication executives should have meetings regularly (e.g. Motorola corporate benchmark). In addition, the author drew attention to a special kind of teamwork in which team members are employees working on different functions (e.g. AT&T corporate benchmark). Furthermore, companies should facilitate an infrastructure which makes corporate communications more efficient within the company (e.g. Federal Express corporate benchmark) and define a vision which employees can internalize (the document company – e.g. Xerox corporate benchmark). Consequently, these elements could even be used as benchmarks in the integration of communication processes. The three levels (individual, management, corporate) are similar to the strategic-operational-tactical classification in terms of content.

Cornelissen & Thorpe (2001) examined the effectiveness of internal communications. They have conducted 85 in-depth interviews asking respondents how companies organize communication tasks. They found that marketing departments and communication departments communicate different things, and they rarely cooperate.
3.1.3. Focusing on profitable communications

The question always remains in case of every marketing function: is it profitable? Measurability was among those doubts surrounding the IMC concept (Cornelissen & Lock, 2000). If it is claimed to be more efficient than other concepts how could it be evidenced?²

Based on Mulhern’s proposal (2009) positive results should be substantiated at the evaluation of customers and positioning. For instance, companies should only communicate to target groups that meet all financial criteria (vid. profitability). Kitchen, Kim & Schultz (2008) found that the impossibility of measurement is the biggest weakness of IMC, although in their opinion the reason for that is that a standardized measurement system does not exist.

Schultz & Jeffrey (1997) suggested the Five Step Integrated Measurement Planning Process (FSIMPP) as a starting point of a possible solution for measurement issues. This process integrates the analysis and evaluation of consumer groups, the financial analysis and planning of integrated marketing, the integrated communication plan, the measurement of the Return On Customer Investment, and the development and allocation of the budget.

Swain (2004) has interviewed members of six interest groups, inter alia, agency and corporate representatives, university professors, advisors. Research questions involved the measurement of IMC, the compensation of IMC campaigns, and the identity of decision-makers. 185 responses were received; the most came from university professors. According to the respondents, the client company’s executives and marketing managers should take responsibility for the coordination of an IMC campaign. From the

² Most important financial indices in marketing
Liquidity indices: liquidity ratio, liquidity quick ratio, average collection time, stock rotation.
Profitability indices: return on assets, return on equity capital, net return on sales, investment rotation, return on investment (ROI) (Cohen, 2009.p.159.).
measurement indices listed in the questionnaire, mostly the following were chosen: changes in behavior, turnover and attitude followed by the growth of brand equity, and the amount of feedback. There was a significant difference between agency representatives and corporate respondents as the latter considered income and rebuy to be the most suitable IMC indices. Agency representatives chose attitudinal change as the most appropriate index. As for the compensation, agency fees and the achievement of communication objectives were mostly considered to be relevant (48% and 37.9% respectively). Company executives linked the amount of compensation to the level of sales growth.

3.1.4. Summary table of IMC researches

The following table summarizes the IMC researches detailed above in chronological order. The articles were collected according to the researcher, the research subject and the methodology. The most common methods were questionnaires and in-depth interviews. Similar methods were used in the present thesis, as well.
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3.2. IMC models

In the followings, the IMC framework outlined previously is presented. The models are categorized according to the system shown before.

Researchers do not only think of definitions but models, as well. As in case of the definitions, strategic approach or managerial view was dominant, according to which models can be corporate-level or operational-level, as well.

3.2.1. Focusing on the coordination of brand communications

The coordination of brand communication was examined by several professionals as they attempted to outline conceptual or tested IMC frameworks based in certain aspects.

3.2.1.1. IMC model of advertisements

According to Nowak & Phelps (1994) the success of an integrated marketing communication campaign could be observed in the positive change of brand image and behavior. The goal is to create a holistic campaign – in addition to synergy – which ameliorates brand image and brand awareness whilst induces behavioral changes.

In their model Nowak & Phelps (1994) categorized communication tools into behavior-oriented and image-oriented categories. The latter involves PR and brand building advertisement tools, while communicational tools affecting behavior, such as sales-promotion and direct marketing, constitute the other category. The research examined how companies apply both types of communication tools (behavior altering and image building) in advertisements.
The level of integration was increased by the growing number of communication elements used in the campaign.

The authors (Carlson, Groove & Dorsch, 2002) have conducted further researches, in which the same model was used but the advertisements taken into the research were differentiated by subject (product or service). According to their assumption, the communication of services is far more complicated than the communication of products, thus they found more IMC campaigns advertising services. This hypothesis was confirmed: it was proved by empirical data that according to their criteria the advertisement of services is more complex and integrated campaigns are more common in this sector. Although the fact that only print media were examined narrows the acceptance of the mentioned IMC model.

3.2.1.2. The IMC pyramid model

Kitchen & Schultz (1999) determined four levels based on their cross-country researches. The levels are: tactical coordination, outside-in communication, IT-
based level, financial and strategic level. Most of the companies examined by them reached the first and second levels, some of them even reached the third but there were only few reaching the fourth level.

Figure 3: IMC pyramid model of companies

S: Kitchen and Schultz (1999)

On the lowest level of the pyramid, there are those companies dealing with the tactical coordination of marketing communications, doing it inside-out. Managers make decisions about applied communication mix elements based on their own logics regardless of the target group’s needs and media usage patterns (marketing myopia). In most cases communicational problems are handled internally, outside partners are rarely hired (Kerr et al., 2008).
At the second level companies gather as much information about consumers as possible, hand it over to the marketing communication department and evaluate every feedback (outside-in approach). These companies revaluate their marketing communications; they keep up with sociological and technological changes. Most of them hire partner agencies.

Companies of the third level use IT tools at a professional level, they keep an accurate database thus they are able to segment their customers in the global market. Customer information is efficiently used for the planning and implementation of communications. Consumer data are transformed into a knowledge base.

Those companies continuously examining marketing ROI indices and evaluating segments – made by global segmentation – are at the top of the model of Kitchen and Schultz. According to the authors not many companies belong to this category.

The IMC model of Kitchen and Schultz illustrates well how useful it is to utilize new media tools and how these tools can enable measurable campaigns. The advantage of the model is that it was constructed based on a cross-country research in which hundreds of companies participated, thus the model is more practical than that of Nowak & Phelps.

3.2.1.3. The IMC model of services marketing

In the last three decades the interest for services marketing increased significantly (Shostack, 1977, Bitner, 1997, Lovelock & Wright, 1999). The advertisement strategy of services deserves greater attention (Mortimer, and Mathews, 1998, Parasuraman, 1995, Mittal, 1999), even greater since services are difficult to communicate due to their characteristics (HIPI) (Cutler and Javalgi, 1993, George & Berry, 1981, Legg & Baker, 1987, Zeithaml et al.,
Tripp (1997) suggested the possibility that IMC can bridge the gap in the communication of services.

In their book (entitled Services Marketing) Zeithaml & Bitner (2003) mention IMC as Integrated Services Marketing Communications. The model presented in the book was only conceptual. The reason for changing the name was that the authors considered the communications of services to be more complex than all other IMC concepts having established before. The starting-point was an already existing services marketing framework: the gap-model. According to the authors the communication gap could be reduced by applying the communications considered by them as integrated.

The model is based on four pillars, four processes which point to the same direction: the service provider should grant as much as or more than what is promised to the customer.

The four processes are the following:

1. controlling advertisement messages
2. handling customer expectations
3. educating customers
4. handling internal marketing communications

Previous expectations of customers are crucial in the evaluation of service quality. These are influenced by past experiences, word of mouth, advertisements and sales promotion (Kenesei & Kolos, 2007, p. 136). The communications of services are complex since it is rather difficult to illustrate a phenomenon or a concept (e.g. trust, safety, convenience) by advertisement tools (through indirect channels). This was the reason why Zeithaml & Bitner (2003) have constructed this four-pronged model, which involves the bases of IMC (holistic communications, customer-orientation), on the other hand it takes into account the process nature of services and basic characteristics (HIPI) because of which services are distinguishable from products.
1. Controlling advertisement messages
   - creating efficient advertisement message
   - coordinating outside communication tools
   - realistic promises
   - offering service guarantee

2. Handling customer expectations (commercial possibility)
   - preparing customer for the service
   - linking performance to guidelines
   - clarifying post-service expectations
   - informing customers about seasonality

3. Educating customers (informing)
   - offering diverse options
   - value-based offer
   - informing customers about service level and conditions
   - bargaining about unrealistic expectations

4. Handling internal marketing communications (holistic approach)
   - constructing effective vertical indoor communication
   - constructing effective horizontal indoor communication
   - back-office personnel meeting real clients
   - creating cross-functional teams

Figure 4: The IMC model of services marketing
3.2.2. Focusing on the coordination of corporate communications

Based on the coordination of corporate communications, companies should raise communications up to strategic level. Strategic communications should be implemented to a lower strategic level by a horizontal cross-functional (communicational) solution (Sirgy, 1996). Corporate communications and corporate identity are the bases of the following models.

3.2.2.1. The model of integrated marketing communications (deduced from corporate identity)

In the followings models deriving IMC from corporate image and corporate communications are presented. Many researchers consider corporate communications to be an integrating function. Brand values are derived from corporate identity and corporate values. The model performs best if the company has a mostly corporate brand based branding policy instead of a product brand based one. In the first case, all of the company’s brands get the company brand name (e.g. Nivea), while in the other case, each and every product has its own brand name (e.g. P&G products).

The place of Integrated Communications in the Corporate Identity (CI) model

IC (Integrated Communications) has substantial responsibility for the complex construction of corporate identity.

In case of companies having conceptual marketing policy, design has a central position in creating corporate identity. Some characteristics, sometimes traditional shapes or motives – which usually refer to the main product of the company – dominate all outside corporate relations (financial or communicational) (Rekettye, 1999.p.54.).
The essence of integrated communications is that it ensures the cooperation of different organization units at the level of both planning and implementation. As figure 5 shows this model differs from the previous ones since it involves corporate strategic level (corporate mission) and tactical level (brand image, corporate image), as well. Corporate communications derives from corporate identity. Communications itself comprises the whole company, consequently it could be interpreted in case of every function; this is the reason why it is called integrated communications. Thus brand identity/communications are heavily influenced by corporate identity. The advantage of the model is that it encourages cross-functional communications.

Brand policy is also dominant in companies that emphasize corporate identity. Corporate branding involves one brand only and that is the same as the name of the enterprise. As a result of that, strong image develops which provides the
possibility of utilizing economies of scale in areas like marketing communications and distribution system.

Product line based branding means that related products get the same brand name or logo. This creates an opportunity of advertising multiple products at the same time; it is most effective in case of companies which have more than one product line (Józsa, 2000, p. 209.).

3.2.2.2. Coordination of integrated communication

The main areas of integrated communication are summarized in figure 6. The coordination areas interact with one another and each of them is an independent subsystem which requires inside coordination (Tasnádi, 2010. p.45).

Basic marketing and corporate strategy knowledge, segmenting and targeting emphases, defined positioning goals are prerequisites of a communication activity. As for the corporate strategy, the importance of corporate identity must be emphasized –as Pískóti (2009) did so, as well. The purpose of internal corporate communications is to engage employees to be spokespersons of the company, since everyone participates in building corporate image, not only the top management.
3.2.3. Focusing on profit oriented communications

As it was mentioned in relation to the criticism of IMC definitions, measurability is a cornerstone of IMC. Although earlier Rust et al (2004) have published a summary study on measuring marketing activities, in which they had questioned how long-term investments like most marketing functions could be authentically demonstrated by the usage of algorithms calculated year by year (Dekimpe & Hanssens, 1995). How could those results be separated and accounted for only by the success of the marketing function in the achieving of which other corporate functions (for example R&D, manufacturing, production) might have participated, too (Bonoma & Clark, 1988)? The authors emphasized that correct conclusions could not be drawn by the analysis of solely financial indices.
However, every innovative marketing communication concept raises the question/doubt whether it will be helpful, if it will solve problems of measurement, and marketing costs will be traceable and identified.

Measuring efficiency in case of integrated marketing campaigns poses a problem for agencies and marketing professionals and the model for IMC performance measurement is still missing.

3.3. Operationalization of IMC

After the section of basic researches and models, the researches that involve wider IMC scales are presented in more details since in the early stages of IMC research, the discourse was mainly about definitions and interpretations. In the present category of IMC analysis, those researches are involved that either examine special problems or are related to special areas perhaps were conducted on a special sample.

The three categories detailed above are used here, as well (coordination of brand and corporate communications, and profit-oriented communications).

3.3.1. Focusing on the coordination of brand communications

Kitchen and Schultz (1999) asked agency executives to evaluate their own IMC campaigns. The authors presupposed that outstanding results would only be found in the United States. The questionnaire was about two subjects: validating definitions (Schultz’s 1993 definition was adopted and the respondents were asked to rate it and write down their personal opinions about it) and evaluating IMC related statements.

The answer to the question ‘how much time do agencies spend on an IMC campaign?’ varied country by country. In the United States, the United Kingdom and New Zealand 30% of working hours are dedicated to IMC campaigns. The Australian and Indian answers indicated that they spend small amount of time with IMC campaigns. The respondents were asked how much
money clients earmarked for IMC campaigns. The rate of IMC investments is the highest in the United States (52%); in contrast, India has the lowest percentage (15%). The respondents also evaluated Schultz’s 1993 definition on a 1 to 7 Likert-scale and added their personal opinions to it, as well. 50% of the respondents from the United Kingdom found the definition satisfactory whilst the respondents from the United States found it the least sufficient. They found that the definition lacked the strategic and the tactical approach as well as creativity, cost efficiency and synergy.

Scale variables used:
For the question ‘what is the advantage of IMC’, creating consumer impulses got the highest scores in all three countries, preceding the statement ‘creative thoughts are more efficient in case of IMC campaigns’. The research involved the impediments of IMC, as well; one response excelled against the others: ‘difficulties emerging in case of full service agencies’. For the question ‘how could agencies be motivated to change’ the answer was ‘possibilities in the synergy of advertisement tools and in database marketing’. The authors have categorized the answers into a model.

The model called IMC pyramid was detailed in sub-point 3.2.1.2. As the research results show, most companies are at the first and second levels of the pyramid, which means that many companies do not apply IMC concept in their everyday marketing communications. Few companies can be found at the third and even less at the fourth level.


The four distinguished factors/dimensions:
1. consistent message and image
2. multiple target groups- multiple communication mixes
3. database-based communication
4. practice of relationship marketing
Out of 18 variables, four scales were created and validated during the research. The Cronbach alphas of the scales were higher than 0.8. The partial regression coefficient of the first factor was the highest (0.31). Thus the consistency of advertisement messages (both visual and textual) is what explains IMC the most. The regression coefficient was $R^2=0.341$ thus the explanatory strength of the model is moderate, while the Cronbach alpha of the scales was high (Churchill, 1979).

Similarly to Park and Lee (2007) the Austrian Bruhn and Martin (2010) have measured IMC by analyzing content and format consistency. The authors comprised this kind of consistency together with agency collaboration and agency performance in a structural formula model. Although the influencing effect of the two most explanatory indicators (performance-related content requirements and cooperation-related organization requirements) is little, the model has high explanatory strength.

3.3.2. Focusing on the coordination of corporate communications

The increasing satisfaction and decreasing number of conflicts related to the cooperation with agencies is considered to be one of the advantages of IMC. Beard (1997) examined the relationship between partner agencies and clients. Teamwork, especially that of marketing communication departments, is a part of the IMC concept (Duncan & Everett, 1993). The purpose of Beard’s research was to better understand the IMC concept. The use of IMC concept was examined by explanatory research questions. The author was interested in whether managers handle the two basic features of IMC separately (i.e. one-voice and integrated communications, where one-voice stands for consistent message and integrated means that only one agency cooperates with the client company). A logical framework based on the concept of Nowak & Phelps (1994) was used. The research extended also to the relationship between the client and the agency and was looking for the answer whether IMC enhances or deteriorates it.
Scale variables used:
In Beard’s research the following scales were used (a total of 19 variables and 7 scales were determined): the one-voice IMC scale, the ‘integrated’ communication scale, the performance-related satisfaction scale, the agency-related satisfaction scale, the agency conflict scale and the agency stress scale. The ‘integrated’ communication scale, the agency-related satisfaction scale, the performance-related satisfaction scale were the highest rated scales. Thus research results confirm the advantage of IMC, namely that IMC enhances the cooperation with agencies. Factor analysis convinced Beard that respondents handled one-voice and integrated communication separately.

3.3.3. Focusing on profitable communications

Low (2000) was searching for the answer to the question which factors influence the integration of marketing communication activities. Other advantages of IMC in advertisement planning and implementing are teamwork and synergy (Phelps, Harris and Johnson, 1996, Schultz, Tannenbaum and Lauternborn, 1993, Tannenbaum, 1991). The author asked the following questions related to IMC: How could IMC be measured? What kind of incentive and obstructive factors does IMC have? Does IMC really lead to higher performance? In the first round, 15 managers were interviewed, who mentioned the coordination of communication tools first.

The cornerstones of IMC campaigns are the followings:

- advertisement planning and implementation is part of an integrated project
- one manager is responsible for all communication activities
- all communication activities serve one strategic purpose
- creating an integrated message.

Four basic pillars were identified: corporate coordinations, the consistency of messages, strategic engagement and individual managerial decision-making.
Scale variables used:
IMC practice was measured by the following three statements: ‘The different communication mix elements are handled by one manager. Our marketing communications are strategically consistent. All communication mix elements reflect the same message’.

For the qualitative research, the author used scales previously used and tested (Duncan & Everett, 1993, Jaworski & Kohli, 1993, Schultz & Kitchen, 1997). Research results indicated that mostly manufacturing, agricultural, mining companies, small enterprises, and customer-oriented service providers (financial institutions, real estate agencies) carry out IMC.

Reid (2003) examined the correlation between corporate performance and IMC. The statements evaluated in the questionnaire were adopted from specialist literature (Duncan & Moriarty, 1997, Kliatchko 2005). Reid described the IMC concept as strategic planning, interactivity and communication mission. Strategic planning means to what extent the manager is aware of those points of contact where the target audience could be reached; interactivity means how the ‘voice’ of the target audience is reflected in the marketing communications; communication mission refers to how corporate values are represented in the marketing communication plans. The market performance concept was examined based on customer satisfaction, sales figures and the advantage provided by the brand. For the analysis, one of the SEM methods, the AMOS program was used, which showed strong correlation between IMC and market performance. The author examined how each factor correlated to IMC performance. Out of the 23 variables, 11 showed significance, which was outstanding in case of marketing-oriented companies and large corporations that achieved high annual revenue (the scales of Kohli & Jaworksi, 1993 were applied).
4. Specifying research questions with qualitative research method

In terms of qualitative research questions, a whole sub-chapter is dedicated to specifying qualitative questions and question groups before introducing the research model. Firstly, this method was chosen because of its exploratory characteristics. Secondly, special attention was paid to the Hungarian situations. Thirdly, questions discussed in specialist literature is integrated locally.

The main question groups of the qualitative research

The empirical research focuses on the interpretation of the integrated marketing communications and the questions of management. To answer the question of the research, qualitative and quantitative analyses - based on each other - have been chosen (Yin, 2006).

1) Is IMC present in Hungary?

The ontological question ‘Does IMC exist at all?’ was already put by numerous researchers in the beginning phase of IMC, and if the answer is yes, what experts mean by IMC? (Duncan & Everett, 1993, Kitchen & Schultz, 1999, Eagle, Kitchen & Bulmer, 2007)

a.) Do corporations and agencies use the expression of IMC?
b.) If yes, is the expression used by Hungarian corporations and agencies the same as the one discussed in the foreign specialist literature?
c.) How many interpretations exist? Do these definitions overlap?

2.) What are the incentives of IMC in Hungary? What are the barriers?
IMC definitions, IMC researches and IMC models have been introduced in the first chapter. During the course of the empirical quantitative research, questions were put regarding the factors motivating the application of IMC in Hungary (Low, 2000, Zinkham & Watson, 1996, Phelps, Harris, Johnson, 1996, Schultz, Tannenbaum & Lauterborn, 1993).

a) What are the trends that stimulate/stimulated IMC? Why do you think it was formed?

b) Are the incentives and the barriers the same as those abroad? To what extent do these incentives or barriers influence the decisions of managers in the course of an IMC campaign?

3) What are the characteristics of the IMC campaigns?

The researches published in the specialist literature mention the practical application of some of the IMC campaigns, as well (Duncan & Everett, 1993, Gronstedt & Thorson, 1996). Among others, the questions of control and responsibility also arose (Kitchen, Kim & Schultz, 2008).

a) How could tasks related to an IMC campaign be characterized? In what way is it more than other advertisement campaigns?

b) To what extent does the parent company influence the marketing communications of its affiliates?

4) What external environmental changes influence the IMC?

External environmental, technological, as well as social changes have an effect on the communications of a corporation. New communication channels appear (social media), but technological developments might create new spaces for advertisement.

a) Which are the external environmental effects regarding IMC that need to be considered by a corporation?

5) What organizational changes can be linked to the application of IMC?
The application of IMC can be influenced by several internal organizational factors. We have investigated which internal motivating or impeding factors Hungarian experts mentioned.

The answers to the above mentioned questions appear in the sub-chapter ‘Result of the qualitative interview analysis’. This analysis is followed by the IMC construction and the introduction of the quantitative research.

To answer the survey questions, the in-depth interview has been chosen from among the qualitative methods, as this process ensures that reliable primary information is gained during the course of the explanatory research.

The semi-structured draft of the interview was made based on the analysis of the specialist literature (Malhotra, 2001, Gummesson, 2005, Silverman, 2008), and this mainly included questions regarding the definition of IMC and the tasks related to the management of an IMC campaign (vid. Annex 3). This decision had been based on the fact that the qualitative method is a type of data collection and analysis that promotes the description, explanation and testing of a theory (Van Maanen, 1979). The qualitative research method advances complex phenomena, such as the interpretation of the changes in the marketing communication processes in Hungary (Miles & Huberman, 1994).

In this phase of the research not only the IMC interpretations of Hungarian marketing communications experts were in focus, but the activities related to each IMC campaign, as well. The outlined survey questions are rather explanatory as we were focusing on the casual relationships of the respondents. Thus, indirect and rather general questions were put in the course of the qualitative research.
4.1. Qualitative research on the conditions of application of IMC in Hungary

4.1.1. Sampling

During the research, sampling was conducted according to two criteria: snowball sampling and theoretical motivation. During the snowball sampling, interviews were given by experienced experts who had presented or published in the topics of integrated communications or integrated marketing communications.

Table 3: All criteria of qualitative sampling

<table>
<thead>
<tr>
<th>Minimum divergence</th>
<th>The different cases provide an opportunity to filter common patterns.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Homogeneity</strong></td>
<td>Can be used for focusing and simplifying.</td>
</tr>
<tr>
<td><strong>Critical case</strong></td>
<td>Can provide an opportunity for logical generalizability.</td>
</tr>
<tr>
<td><strong>Prompted by theory</strong></td>
<td>Finding and refining the examples of a theoretical model.</td>
</tr>
<tr>
<td><strong>Confirming and disproving cases</strong></td>
<td>Making an analysis more exact, finding exceptions.</td>
</tr>
<tr>
<td><strong>Snowball or chain-based</strong></td>
<td>Through personal contacts.</td>
</tr>
<tr>
<td><strong>Extreme or deviant cases</strong></td>
<td>Learning from very unusual events.</td>
</tr>
<tr>
<td><strong>Typical cases</strong></td>
<td>Emphasizing the normal, the regular.</td>
</tr>
<tr>
<td><strong>Intensity</strong></td>
<td>Information on intensive cases, which present the examined phenomenon vividly but not extremely.</td>
</tr>
<tr>
<td><strong>Important cases from a political aspect</strong></td>
<td>Raising the desired attention.</td>
</tr>
<tr>
<td><strong>Randomly grouped</strong></td>
<td>To increase the validity of the sampling.</td>
</tr>
<tr>
<td><strong>Expediently grouped</strong></td>
<td>To present sub-groups, supporting comparisons.</td>
</tr>
<tr>
<td><strong>Criterion</strong></td>
<td>Meeting certain criteria for keeping quality.</td>
</tr>
<tr>
<td><strong>Opportunist</strong></td>
<td>New information, following new opportunities.</td>
</tr>
<tr>
<td><strong>Combined, mixed</strong></td>
<td>Triangulation, flexibility, satisfying multilateral interests.</td>
</tr>
<tr>
<td><strong>Convenience</strong></td>
<td>Saving time and money, but decreasing validity.</td>
</tr>
</tbody>
</table>

S: Miles and Hubermann, 1994

3 In accordance with the content of GT.
4 The term integrated communications used by media agencies is the synonym of 360-degree communications.
4.1.1.1. Size of the Research Sample

In-depth interviews with the experts of 4 fields have been conducted. Representatives of advertisement and media agencies, large companies and consulting firms have taken part in the research, involving experienced decision makers and directors. Altogether 40 interviews have been conducted.

According to the GT method, the necessity of involving new participants to the research became apparent during the validation of the data. 5

Table 4: Categorization of the interviewees of the sample

<table>
<thead>
<tr>
<th>Category</th>
<th>Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Representatives of advertising agencies</td>
<td>12</td>
</tr>
<tr>
<td>Representatives of media agencies</td>
<td>8</td>
</tr>
<tr>
<td>Representatives of consulting firms</td>
<td>7</td>
</tr>
<tr>
<td>Representatives of large companies</td>
<td>13</td>
</tr>
<tr>
<td>Altogether</td>
<td>40</td>
</tr>
</tbody>
</table>

5: own research

The first interviews were recorded in 2007 but they were considered as a pilot-research with the main objective of determining the relevancy of the topic. The empirical research started in 2008 after the acquisition of the specialist literature and the clarification of questions related to the research.

Preparation for the in-depth interview, including finding a contact person, organizing the meetings and the supplementary work – typing the tape scripts of interviews and the analysis – took several months. The written form of interviews exceeded 400 pages.

4.1.1.2. Sampling of the Qualitative Research

In qualitative methodology the researcher works with a sample of small number but these subjects play significant roles, their opinions are unique,

5 The interviews with the trade marketing manager and the professor of the Department of Organizational Behaviour had not been initially planned.
original and trustworthy (vid. Miles & Hubermann, 1994). Appendix 2 contains the respondents’ names and workplaces.

Subjects of the research were not chosen randomly. We applied the so-called snowball method, in which we use the relationships of existing research subjects to recruit future subjects from among their acquaintances and we continue this process until the contact lines reach each other. This ensures that the most important actors are included in the examination but on the other hand, we can reach the peripheral actors of the relationship net, as well (Major, 2008)

Balázs Román was the first man of the snowball method. He organized a conference in 2007 with the title of ‘IMC’ (Nagy Kreatív Nap – Great Creative Day, 2007). Following this, we interviewed him as well as other people presenting there. In October 2007, the scientific magazine In-Store Marketing organized a conference called ‘Ütközéspont Integrált Marketing Kommunikációs és Trade Marketing Kommunikációs Konferencia’ (Coincidence Point Conference of Integrated Marketing Communications and Trade Marketing Communications). During the two days of the event, trade marketing and integrated marketing communications were in focus. We asked the presenters of this conference for interviews, as well. Therefore they constituted the basic chosen multitude, from which – with the aid of the ‘quality’ snowball method and in line with the GT method – the theoretical saturation point was reached. This meant the inclusion of actors of peripheral situation. Respondents included not only people working at agencies but also clients, therefore representing the execution as well as the side of task description.

For the sake of anonymity we distinguished four categories which can be seen during parts of the interviews. The categories are the following: representatives of advertising agencies, media agencies, company representatives and consultants.
4.2. Introduction of the qualitative research methodology

The recorded interviews have been analyzed with grounded theory techniques and examined with the NVIVO computer software. The methodology of grounded theory, the method of data procession is to be introduced hereunder.

4.2.1. Methodology of the grounded theory

Grounded theory (GT) is a widely applied qualitative methodology, which helps researchers generate theory from data. According to Glaser and Strauss (1967) the previously available methods were not appropriate for generating theory from raw data. They realized that accuracy of the theory cannot be separated from the process of creation of the theory (Gelencsér, 2003, Heath & Cowley, 2004, McCann, 2003).

As a typical characteristic of qualitative researches interviewees could express their opinions in different ways and in order to achieve trustworthy interpretation, tape scripts were not or only slightly modified (Dörnyei & Mitev, 2010). The research process of GT originates from the research methods of symbolic interactionists, since they were the first to suggest that a person relates to his environment (to others and to objects) in a way that resembles how he or she thinks about it (Blumer, 1969, Eavens, 2001, Evans & Maines, 1995). Therefore analysis of human interpretations and opinions became the focus of their analysis method and as a result, the main emphasis of the research was laid on people’s personal interpretation (Szokolszky, 2006).

GT is a widespread method in marketing research, too. It was applied in a number of market and consumption researches, including Pettigrew’s (2002) on beer consumption, Geiger and Turley’s (2003) on relationship marketing,

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6 In case of a qualitative research ‘data’ might mean the interview, the observed phenomenon and behaviour, etc.
7 In terms of marketing, symbolic interactionism can be described as follows: The researcher asks the brand managers what they think about the latest campaign of their competitor and their own opinion, the words they use and their personal reference points will be the focus of the research.
LaTour et al.’s (2003) on cigarette consumption and Woodside et al.’s (2004) on free time travel motivation. In Hungary Radácsi & Bokor (2006) examined the life path of young managers. Authors of the volume conducted in-depth interviews with fifty successful managers between 30 and 40. The basic methodology of the research was GT. Bauer, Horváth and Mitev (2007) also carried out their research titled ‘The opportunities of spreading innovation on a technology market’ based on the GT.

4.2.2. The Process of Data Analysis

The empirical research was progressed along the steps made by Strauss and Corbin (1993), so applied the Straussian method of GT (Glaser, 1978, 1991). The examination of validity on a small sample (after conducting seven interviews) included the following: we named the category after the interview and we considered it valid for the whole sample. In this way the subsequent interviews were classified according to this. Finally, after coding all of the interviews a test was conducted to avoid any duplication and any missing categories (Blythe, 2006).

4.2.2.1. Data Recording and Data Collection

During the qualitative research data collection and data analysis happened parallel. As a result of this method the researcher can make progress in understanding and explaining the local context and in preparing the general expressions and relations which are outside the boundaries of the framework (Gelei, 2002, Wolfinger, 2002). In our research the evaluation of the relations between single sentences and thoughts led to new categories (Krippendorff, 1995).

In order to ensure the accuracy of data recording a dictaphone was used during the interviews. After typing the recorded texts and interviews we reheard the recordings so that interpretation problems could be avoided.
4.2.2.2. The Process of interview analysis

To analyze interviews we used the NVIVO content analyzing software. This program had already been applied in a number of researches for analyzing content; codes are created by the researcher, which facilitates the process of analysis, and with the help of different colors the given code can be easily recognized and researched (Bringer, Johnston, Brackenridge, 2004).

We applied the coding methodology of the GT (Strauss & Corbin, 1993), therefore open, axial and selective coding phases were distinguished during the identification of main nodes. The nodes gave enough support to detect casual relationships for which questions were created since categorization itself supposes a casual relationship. By node we mean opinion conformity to such an extent, according to which we can classify several respondents’ opinions into the same category (Bringer, Johnston & Brackenridge, 2004).

4.2.2.3. The Process of Coding

The coding process of the GT interview analysis (Strauss & Corbin, 1993) consists of three stages: the open, the axial and the selective coding phases.

1. **Open coding** means the categorization of interview tape scripts. In this phase the number of subcategories reached 71. Such a high number of classes endangered the results of the research, made the analysis more difficult so by the second interpretation of the codes we managed to decrease it to 35.

2. In the phase of **axial coding**, researchers discover the relationships and correlations among each of the categories. During the analysis we also used memos – embedded in the analyzed text – which were prepared for own use. During the creation of categories the program enabled us to record what belongs to the same category and also the aspects based on which we coded the given compounds and half sentences. If the researcher
is able to describe the factors based on which a part of a text is categorized into a given class at an early phase of the research, the inner validity of each category is improved, as well.

3. In the phase of selective coding researchers integrate subcategories into each other. During the process of coding we drew up three main casual chains and identified eight main categories.

For the sake of validity and reliability we would like to emphasize that our own critical interpretation (based on Glaser & Strauss, 1967, Gelei, 2002) were only accepted when they were reinforced (in a faithful way) by another respondent.

4.2.2.4. The reliability, validity and generalizability of the interview research

Our research was constantly accompanied by the examination of the reliability, validity and generalizability of the results of the qualitative research. Reliability refers to the consistency of the informant’s interview, while validity refers to the degree of how much the interview is about the topic that the researcher has to examine (Kvale, 2005). In case of validity not only finding a response to ‘what’ and ‘why’ is important but also the exact clarification to the question ‘how’. Consequently, validity means the extent to which the applied research method helps and/or proves that the opinions of respondents come to the surface (Mason, 2005).

4.3. Introduction of the results of the qualitative research

4.3.1. Conditions and barriers to the application of IMC

The formulation of the research questions is somewhat general because of the qualitative method applied in the research. Materials of specialist literature and the interviews were analyzed with the aid of the GT method, whose application
includes the alternative that the main nodes resulting from the research often touch other fields than one would expect based on the originally drafted, half-structured questions (Strauss & Glazer, 1967).

During the talks we could identify the tasks of the integrated marketing communications as well as the casual relationships. During the interviews, respondents touched a number of fields; they drafted almost the whole process of marketing communication decision-making. Several quotations are included so that the content validity of scales used in the qualitative research phase could be supported. Questions and variables were inspired by the respondents themselves.

After analyzing the interviews we identified the following interpretation nodes based on Strauss and Corbin’s (1993) GT method, where latent variables comprise an organic part of the subsequent IMC model. Nodes are detailed as follows: target group identification, digitalization, standardization of marketing processes and the IMC construction.

4.3.1.1. Definition of the Target Group

According to the respondents, fragmentation of the society hamper the implementation of unified communications. In their opinion segmentation, targeting and positioning are the most important steps in corporate communications. It is important to know who has chosen a product and why, since – as stated below – e.g. Hohes C orange juice could be targeted to anyone.

'It does matter who our target group is. A member of the target group can be a housewife who buys the healthy orange juice rich in vitamins for her family. It requires a totally different set of communication tools and channels if I target the working man who drinks a whole bottle of juice at the workplace or at a bar late at night after work as a chaser. Another situation is when I target it to people that start the day with this juice as ‘breakfast’ right after getting up’.

A consultant
One of the strategic issues of a company is defining the appropriate process of market segmentation. A market segment is a group in which people share unique demand characteristics, while segmentation is the process of dividing the market into homogenous segments. Due to the characteristics of segmentation, it does not only mean planning and collecting information but it is a category, which helps the execution of the strategy, since it forms the basis for a targeted and differentiated, and therefore cost-efficient application of marketing tools (Józsa et al., 2005. p.124.). Questions, which might arise, include in what market the company is selling, what the structure of the target market is like, how the company segments the heterogenic market and what segmentation criteria are applied. The success of the marketing plan depends on how much a company can identify consumers’ demand so that it could be effectively satisfied (Peter & Donnelly, 1998, Stafford & Tripp, 2000).

McKenna (1988) have already expressed in one of his previous articles that ‘we live in the age of diversity’. On one hand, it is supported and on the other hand, it is reinforced by the fragmentation of society, the widening supply of media tools and the drastic increase in the number of brands. Diversity made the classic segmentation of consumers into homogenous markets complex. According to the interviews, the classical way of identifying target groups (18-49) have been losing its importance in recent years not only in terms of market segmentation but also from the point of view of communication reach. Companies today have to spend more on reaching consumers than 15 years ago to achieve the same coverage. Therefore, the complexity of target market identification causes difficulties not only during the creation of homogenous market segments but also during the application of marketing mix elements.

Recent years have seen the fragmentation of classical target groups, thus a company can only communicate with high coverage costs.

Many of the respondents considered highly important to better get to know the target group because of the fragmentation, too. In the beginning, they should not be convinced but involved in the process.
Although managers are aware of the fact that they cannot think of wide target groups any more, moreover, they have to divide them into the groups of people available through mass media (primarily televiewers) and the groups of sophisticated media consumers.

For managers, it is a challenge to discover how and in what form fragmented consumer segments can be reached in such a rapidly changing environment where consumers constantly redefine their own roles and relationships to the product (Mitev & Horváth, 2008).

One of the interviewees questioned whether we can talk about homogenous target group at all nowadays. Is it really worth thinking in terms of age groups of 18-49 or 18-59? According to him, the present method for creating target groups is not adequate to categorize society into groups.

‘In Hungary, there is not that large media supply for media plans to vary. So if we think of target groups, it should be age 25-49, and not 18-39. The rest is media planning. If something is not too extreme, youngish, elderly, rural or urban, the target group from 18 over 49 to 55 is quite the same’.

A representative of a media agency

Specialist literature basically distinguishes two methods of segmentation: *a priori* and *post hoc* segmentations (Wind, 1978, Ali & Rao, 2001). In case of a *a priori* method, the manager sets the criteria for separating the heterogeneous market into homogenous groups in advance. Such variables can be age, sex and income. The problem of this classification is that it does not provide the manager any additional information regarding the usage of the product.

During *post hoc* segmentation, market is segmented by cluster analysis along variables like brand preference, consumer benefit and product usage. For the post hoc analysis the manager has to possess much more information about the consumer in order to define the most suitable criteria for the segmentation. A number of managers apply both methods.

According to the interviewees, the root of the problem is that most of the people cannot be reached through classical advertising tools. ‘Moreover, very important target groups that have considerable purchasing power and at least some concept what to do in the world besides consuming’,
From the 1970s on, several market segmentation methods were mentioned in publications. Mainly consumers’ psychographical variables were applied as segmentation criteria, including lifestyle, brand loyalty, habits related to product usage, brand choice and shopping situation (Loudon & Della Bitta, 1993).

Lifestyle is the general way people live and spend their time and money. Lifestyle is the function of the following variables: products and services consumed, activities, interests, opinions, the value system, personal characteristics, self-image, and the attitude towards products and brands (Hofmeister-Tóth, 2008.p.51.).

According to Beckland (2011), consumers and the target group cannot be described by demographic characteristics any more. Mass advertising appeared at the same time as mass products. In the 1950s and ‘60s it was enough for companies to appear on television. The future is psychographical profiling. The first experiments that attempted to measure lifestyle were the so-called psychographical researches, which – beside demographic characteristics – enabled obtaining a more subtle picture of the consumer. (Hofmeister-Tóth, 2008.p.51.) Psychographics examines the consumer in the given life phase and evaluates consumers in their own context. As an example for this, amazon.com’s ‘Customers Who Bought This Item Also Bought’ and ‘Frequently Bought Together’ functions were mentioned.

Psychographics provide much more useful information about consumers. Community profiles and behavioral data (Internet habit measured by cookies), the so-called consumer life phase data give all the necessary useful information that is required to determine where and when the consumer should be turned to with advertising goals.

‘Much more time and effort should be devoted to segmentation’ – the interviewees say. They believe managers often apply heuristics.

‘In many cases target market formation is very simplified. Target groups should be formed reasonably and in a simple way so that consumers could get into focus again. It is not accidental that media is getting fragmented.’

An advisor
4.3.1.2. Digitalization

During the in-depth interviews, the majority of the experts mentioned the increase of digitalization as central topic in the course of today’s marketing communications. It is one of the most significant external factor, which affects the evolution of IMC, and which is not created by companies but assured by the functioning environment,

‘With the headway of Internet, the experience of listening to radio and watching television and films on the Internet will change and as a result of this there will be a serious transformation on our side, too. It is not a coincidence that in every agency the digital department is the most dynamically developing one since the clients also realised that with the increase of interpretation and the frequency of usage such a territory was freed that was not covered previously and into which everybody is investing. ‘
A representative of a media agency

Respondents reacted to digitalization in different ways. Agencies mentioned as example their newly-built digital department and drew such an optimistic picture, which can only be ended by the neutral attitude of the companies.
The interviewees only agreed in one topic, namely that something is changing, How they will react to digital TV-watching, time shifting and zapping, however, they could not take a stand on.

Levitt (1984) firmly states that the world is formed by two things: technology and globalization. Boorstin (In: Levitt, 1984) already drew the attention to convergence in 1978 in his book ‘Republic of Technology’. By Gálík and Urbán (2008) the concept of convergence is interpreted as the approach of telecommunications, media and information technology markets. The word ‘convergence’ was first applied in the EU Green Book in 1997 to describe the new media (Urbán, 2004).

Technological innovation alters the present communication possibilities of television (push communication), for example via time-shifting and video library – Video On Demand (VOD) – services because on the one hand, the chance of avoiding advertisements is increasing and on the other hand, totally
new opportunities are opened up for brand communications for example via interactive advertisements. According to empirical data the opinion about digital television is positive: people between 15 and 39 are strongly attracted by the innovations brought by the new technology, the flexible user-friendly environment and the solutions that improve the watching experience (Nyirő & Urbán, 2010).

The interviewees pointed out that the world is changing, and as more and more ‘gadgets’ linked to people are coming in, such as Internet, mobile phones, and laptops, the knowledge and skills of agencies and clients also have to change.

‘But these gadgets must be digital and need more and more time of people’s life, which can bring about a kind of freedom – as content supply is vast – and you have to decide upon what to watch and how at night. In average, you cannot take that chance. So those communicating with these consumers must be aware of this set of tools.

A representative of an advertising agency

New technologies open up the way to new, completely different users’ practices and it is hardly predictable which one will win over the others (Barbier and Lavenir, 2004.p.352.).

Digitalization strongly correlates to segmentation and targeting, which is underpinned in this short quotation.

‘I as a consumer sitting in front of the television can determine what and when to watch, I can select what I would like to consume when, where, in what situation and I can completely exclude TV. From this time on – how to say – we are given the difficult task of finding new opportunities, newly developed tools – and I intentionally did not say media – that can reach the stimulus-threshold of our target group and consumers in the future from an advertising admission point of view. Consequently, if the biggest medium, the television is taken out, then it will be funny. ’

A representative of an advertising agency

Compared to other communication channels, Internet brought totally new functions, such as (Gurau, 2008) interactivity, transparency – if it is not protected, comments and entries are visible –, storage – that is archiving information, articles and comments. These characteristics can be well applied by marketing communications, since interactivity increases the individual communications with the target group, transparency might mean measurability so not only the efficiency of communications can be followed visually/verbally but also interest can be measured (willingness for shopping, getting information), while the function of storage gives a chance to win over passive consumers (through looking for information and searching for them).
Digital tools brought about such freedom into the world of people as individual content uploading and creation (User Generated Content, UGC), which becomes a competitor of present professional contents. As an example, managers mentioned the video sharing channel of YouTube since altogether more videos were uploaded to community sites (Facebook, etc.) than to the site of Youtube.com in 2009 (Index.hu, 2010).

‘For agencies, the way leads to the revaluation of the traditional, GRP-based advertising place selling and to the offer of integrated service-supply’ – says one of the interviewees, who works for an agency and was first to use an integrated campaign, which won him a prize and made him a name. Companies search for new opportunities, which are not necessary realized in advertising media, but rather in other solutions (Santomier, 2008).

The tendency of spending on Internet advertisements shows a constant increase. The more the revenue of other advertising tools falls, the more the reliability on Internet increases. Within online marketing the amounts spent on Search Engine Marketing (SEM or search marketing) is dynamically growing.

SEM has no uniform definition in the specialist literature. Agencies and SEM specialists are applying and defining this type of marketing in their own practical world (Klabá, 2009).

We can think of the following categories related to SEM: Search Engine Optimization (SEO), paid placement, contextual advertising, paid inclusion and digital asset optimization (DAO; in the professional life it is often called SEO2).

Among new media appearance we can mention the corporate appearance of community sites. Nowadays companies introduce some of their products on community sites or they apply them as channel of corporate communications. As they previously appeared on the Internet with company sites, nowadays they do it on community platforms via company or brand sites.

As technological innovations (new media tools) get to the market, the related business models appear, as well. Media deals with two markets: either of them
is the market of consumers: how much do readers and viewers appreciate the given medium? The other is the market of advertisers who build on the segments reached by the medium so they consider the value that is created for them by appearing in the given medium (Picard, 2002). In this sense, consumers who can be reached by new media tools are the owners of these new tools (smart phones, tablets, netbooks and laptops) as a new target group.

‘Nowadays, we do not only think in terms of TV, radio and billboards, we put much more energy into online, sometimes guerrilla marketing, and BTL. From the homepage of the Hungarian Advertising Association you can download the total advertising expenditure and the percentage share of BTL marketing accounts for an incredibly high number.’
A representative of an advertising agency

On the website of the eMarketer (2011) two market research firms (Digiday and PubMatic) published the results of the research examining the level of satisfaction with online marketing campaigns. The research was carried out among agencies and companies. In case of audience targeting, geotargeting is already possible and on certain sites (mailing programs, MSN, Facebook) the advertiser can not only segment based on demographic and geographic but also on behavioral information.

According to the Digiday research, online marketing generated an increase in turnover both at companies and agencies (52.8% and 48.2% respectively). More than half of them stated that online channel is much more efficient than other ones. On average 22% considered Internet to be a tool through which they can better reach their target group. 23% of the agencies said that it ensures better measurability, while companies evaluated this only to 10%.

One of the respondents said that he was skeptical of the Internet. Another interviewee considered the online advertisements index CT (Click Through)\(^8\) to be an efficient index, but there were some skeptics, who said ‘clicking through does not account for everything’. In Hungary the Gemius market research company conducted an online campaign (2010), where users were indicated by

\(^8\) The procedure when the visitor has a look at the advertisement and gets to the end page set to the advertisement by ’clicking through’ it
cookies so it was possible to measure people visiting the brand site in a number of categories. For example visitors could be classified according to counties; it was possible to measure the frequency of visits, time spent on the website and the visited subpages. Based on the agency’s own database socio-demographic profiles could be allocated to the data, as well.

Community sites do not only mean a ‘free’ channel for the advertisers, though their *cheapness* might be questioned since maintaining a fan site, for example on Facebook, costs a lot of working hours (a company representative).

‘With the headway of the Internet, the experience of listening to the radio and watching television and films on the Internet will change and as a result of this there will be a serious transformation on our side, too. It is not a coincidence that in every agency the digital department is the most dynamically developing one since the clients also realized that with the increase of the Internet penetration and the frequency of usage, a territory was set free that had not been covered before and in which everybody is investing’.

A representative of a media agency

Dreze and Zuyfryden (1999) considered the following index numbers to be important from the point of view of evaluating the application of an online surface:

- the number of visitors,
- the time of visits,
- conversion rate (how many people registered and purchased on the site),
- the number of downloaded kbytes,
- the size of online sales,
- the number of downloaded pages (log-in keywords),
- the name of the exit site,
- the rate of turn-backs.

These are the index numbers based on which a manager can get informed – related to online marketing – about web shops and the sales numbers for example with the help of Google Analytics service (Molnár, 2011).
The Changing Structure of the Hungarian Advertising Expenditure

The Hungarian Advertising Association, which formed the Hungarian national advertising expenditure methodology, also supports domestic changes. They have altered the foregoing categories and created a separate index for measuring the ambient media, thus they prove digitalization and the widespread usage of alternative tools.

The appearance of the ambient tool was a pioneering step in the formation of the advertising expenditure. According to the website of the American Word of Mouth Marketing Association (WOM101, 2009), ambient is everything above the traditional marketing tools, which is not virus, buzz, or community marketing, client evangelism and astroturfing. According to the definition of the Hungarian Advertising Association: Any advertising tools surrounding us that can be found in our environment and are not classical are called ambient media (MRSZ.hu, 2010).

By the way, the Hungarian advertising expenditure – based on the data of the Hungarian Advertising Association – decreased by 20% from 2008 to 2009 at net prices. The biggest losers are the radio and the public places. Taking net prices, television is still in the first position; it is followed by the press, while Internet takes the third place. In Hungary television is still the primary channel of sending messages. From 2010, after 10 years, the Hungarian Advertising Association adjusted the circle of media examined in the research according to the changes of the market so in this way we can get a more complete picture of the Hungarian net advertising expenditure (MRSZ.hu, 2010).

9 The professional communicational meaning is based on this comparison and indicates such an organization (or campaign), which was formed seemingly by a (civilian) bottom-up initiative but actually it transmits some kind of political-corporate message in a way that it pretends to be independent and unbiased. http://mediapedia.hu/astroturf 2011.06.14.
Table 5: Advertising expenditure in 2010

<table>
<thead>
<tr>
<th>Medium</th>
<th>Advertising expenditures M Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>68,60</td>
</tr>
<tr>
<td>Press***</td>
<td>2,90**</td>
</tr>
<tr>
<td>Radio</td>
<td>7,14</td>
</tr>
<tr>
<td>Public places***</td>
<td>4,46**</td>
</tr>
<tr>
<td>Internet*</td>
<td>27,27</td>
</tr>
<tr>
<td>Cinema</td>
<td>0,70</td>
</tr>
<tr>
<td>Ambient***</td>
<td>2,55**</td>
</tr>
<tr>
<td>Altogether</td>
<td>171,62**</td>
</tr>
</tbody>
</table>

S: MRSZ, 2010

* IAB Hungary data, **- data of new advertising tools and media.
***change in methodology + Hungarian Marketing Association for Health Tourism + Netting

4.3.1.3. Standardization of marketing processes – the know-how of marketing communications

International transportation created the conditions for international trade so did it unify consumers’ needs (Ohmae, 1989, Levitt, 1983, Backhaus & van Doorn, 2007). The primary focus of researches examining standardization was the unification of marketing communications (Elinder, 1961, Killough, 1978). Marketing standardization strategy includes marketing philosophy and the applicable marketing concept, the know-how apart from the marketing mix (Özsomer & Simonin, 2004, Chung, 2008).

The interviewees mentioned several times – in most of the cases related to multinational companies – how immense effect code of conduct or know-how had on their work. One of them underlined the positive effect of the existence of multinational companies in the Hungarian market, since those companies adapted their own marketing communication know-how to the Hungarian market.
It was a positive phenomenon itself how multinational companies affected the industry, how they spread these standards and how even smaller companies have become of high quality'.
Representative of an advertising agency

Kirpalani, Laroche and Darmon (1988) found a positive relationship between the centralization of decisions and the standardization of advertisement, although Solberg (2002) identified several factors that might modify this relationship, such as the level of management control and degree of knowledge about the target market.
The determination of the degree of standardization is influenced by questions like economies of scale and scope, coordination of marketing activities, the transfer of marketing know-how and the unified brand image (Levitt, 1983, Backhaus & van Doorn, 2007, Vrontis et al., 2009, Hamel & Prahalad, 1985).


Based on the interviews, Hungarian subsidiaries reported that marketing communication standards are applied in the country with the support of a well-tried media usage and communication know-how.
Through standardization the company is able to cut costs, while through adaptation it can adapt itself to the local needs (Szabó, 2008). Adaptation is a characteristic of the Eastern Central European region, so of Hungary, as well, an interviewee states.

Multinational companies ensure – with the aid of trainings, lectures, brochures – the transfer of marketing communication know-how. Consequently, companies can not only develop their own marketing communication know-how but they can also set their own standards.

Compliance with and the exportation of the central marketing communication strategy accelerates the spread of the IMC approach since if the mother company is committed to IMC (or to the integrated approach), then there is a
bigger chance that it will be required on a subsidiary level, too (Aydin, Terpstra, 1981).

4.3.1.4. Standardization of marketing processes – unified brand image

Agencies often mentioned the role of standards. The respondents were of different opinions: while agencies think of a unified brand approach and concept, companies want a unified image.

Standardization of the processes of marketing communications is the company’s effort, which is aimed at adapting the marketing communication strategy, thus the brand image – throughout countries and continents –, to local market relations. The advertisements (the message and creative conception) and the standardization of product design appeared most times in the scientific analysis (Lechmann, 1994, Dimitrova, Rosenbloom, 2010).

According to the interviews we can conclude that Hungary would rather belong to the executive countries: to countries, where marketing communication processes are carried out by employees under the control of the central parent company. Among the reasons of centralization it was mentioned that the number of inhabitants hardly exceeds 10 million, the standard of living and the results of the consumer trust index are low. The statements of the interviewees are confirmed by the following research result.

The global international advertisement wants to reach the same target groups of different countries. At the harmonization of objectives at an international level, different behavioral patterns, infrastructural and technological advancement gaps of different local cultures are taken into consideration by international companies (Tasnádi, 2010. p.43).

Global marketing communication strategy can be an exploitable opportunity primarily for multinational companies having global brands, due to the followings: (Rekettye & Fojtik, 2009, page 276):
• It offers potential for the international enterprise to appear in a unified and consistent way worldwide, and to build brand and image on a global scale.
• The same campaign can be accomplished in several markets by the company.
• Significant savings can be achieved on media expenditures and on producing advertisements.
• Subsidiaries of a number of multinational enterprises are not suitable and capable of accomplishing an effective, market influential campaign, either from financial, or from any other aspects.

However, we should not think that standardization can only be global. The approach and the satisfaction of global, regional and national segments are equally important for marketing (Tóth, 2008).

In an international research, made by the IPSOS (2011) market research company, it was examined how many percent of advertisements of a country appear in other countries. Countries of the CEMMEA\(^{10}\) (41%) and the WE\(^{11}\) (37%) performed quite low, which means that these countries make advertisements mainly for themselves in contrast with the countries of NA\(^ {12}\) (29%) and LA\(^ {13}\) (28%).

4.3.2. Interpretation of IMC in Hungary

The positive attitude towards the campaigns was named \textit{IMC mindset} by one of the interviewees. Advertisers should be open for new solutions, they should ‘take the new campaign’. Managerial openness is essential in IMC campaigns, even though it is complicated to conduct (integrated) marketing communications nowadays unless both the manager and the agency employee understand what method or solution the other party aims at.

\(^{10}\) CEE = Central & Eastern Europe, Middle East; Czech Republic, Hungary, Poland, Romania, Russia, Ukraine, Turkey, Saudi Arabia, Egypt

\(^{11}\) Western Europe = France, Germany, United Kingdom, Italy, Spain

\(^{12}\) North America = U.S. & Canada

\(^{13}\) Latin America = Argentina, Chile, Colombia, Venezuela, Mexico, Brazil, Peru
Not only do advertisers and agencies interpret IMC differently, but ATL and BTL agencies, as well; moreover there are surprisingly significant differences in the interpretations of advertising and media agencies, too. Media agencies consider integration on the media channel level, while advertising agencies consider integration based on a creative concept (Table 7.).

Interestingly enough, communication activities were attached to index numbers in foreign specialist literature (e.g. ROI, Kliatchko, 2005), while in Hungary interviewees did not mention that at all.

During the interviews, the following common approaches were highlighted, which are confirmed by the specialist literature, as well.

The basic elements of IMC in Hungary:


B. valid and consistent message (Low, 2000, Gurau, 2008, Kitchen, Kim, Schultz, 2008),


D. the receptive situation (Hackley & Kitchen, 1998).

4.3.2.1. Teamwork

According to the interviewees, teamwork is considered to require a great deal of organizational work, but it is much better to develop an IMC campaign or concept together, thus all participants can promptly contribute to the ideas of others.

"In my opinion, advertisers are eagerly blamed by the profession – under the term profession I mean the agencies –, that they don’t get certain briefs and are not provided with specific information and are not allowed to get close to the fire. On the other hand, advertisers blame agencies for not being able to co-operate and invent new ideas. Sure there is laziness, because nevertheless, products are sold as if IMC were applied, and agencies will get their payment anyway. Probably cooperation is in the beginning phase, and there is hardly any experience on how it should be done."

Representative of an advertising agency
The following table contains all that was said by the interviewees about teamwork and traditional ways of working in communications.

Table 6: Comparison of the traditional ways of working and teamwork with the agency

<table>
<thead>
<tr>
<th>Traditional ways of working</th>
<th>Aspect</th>
<th>Teamwork (corporation, representatives of the media-advertising agencies TOGETHER)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a lot – but it is difficult to wait for the others</td>
<td>time</td>
<td>a lot – they know who does what, can see barriers and development</td>
</tr>
<tr>
<td>guild-like – retires to its own agency and solves its own problems</td>
<td>ways of working</td>
<td>project-like</td>
</tr>
<tr>
<td>nervous, precipitate</td>
<td>general feeling</td>
<td>good</td>
</tr>
<tr>
<td>they work a lot and the result is not always positive</td>
<td>result</td>
<td>they work a lot, but according to participants, it is worth it</td>
</tr>
<tr>
<td>only the agency appointed for its function</td>
<td>type of the idea</td>
<td>everyone has the right to contribute</td>
</tr>
<tr>
<td>marketing activity, presence</td>
<td>problem</td>
<td>expects business solutions</td>
</tr>
</tbody>
</table>

S: own research

According to traditional practices, most of the companies summon the agencies and inform them on the state of the company (changes – personal, organizational –, planned activities) and supplies agencies with the brief containing the information and the tasks of the agencies. Generally these briefs are aimed for short campaigns with short deadline.

On the other hand, briefs based on teamwork are applied for more complex solutions, according to the interviewees – since more complex marketing problems require more complex solutions. In this case, all participants concerned with communications are involved to increase the efficiency of work, and they share their ideas and plan the integrated concept together [in the case of the Coke Club IMC campaign: creative, event organizer, media agency and advertiser were in the communications team (2008)].

4.3.2.2. The Valid, the unified and the consistent message

Organizations derive their operational and tactical goals, including among others marketing and communications goals as well, from corporate strategies
(Marosán, 2001). Inside a corporation, the realization of marketing communications is also greatly influenced by strategy. What does the company expect from the product, does it know where to place it, is it aware of the usefulness and the competitive advantages of its product? If the brand or product manager is aware of these – agency representatives say –, they must also know to whom, what and how to sell and communicate. The marketing communication plan can be deduced from the mission of the company given in the strategy.

The plan would clarify and emphasize some elements of the brand that would lead the communication or marketing manager in his work. Strategy involves cohesion: the unified image. Several respondents from agencies mentioned the lack of a central, corporate strategy and that it makes the organization of an integrated campaign more difficult.

‘…the formation of an annual plan is important because of *validity and consistence* – it changes a lot, but at least we know where we are going and which tools and how we are going to integrate’.

Corporate representative

4.3.2.3. Synergy-effect

Based on the interviews, synergy refers to that of the chosen advertising tools and the brand message. As creative messages are not supposed to be unified in an IMC campaign (Móricz és Téglássy, 1997), so is the monotony of advertisement tools to be avoided. After the identification of the creative messages, advertising tools are chosen, thus ensuring the synergy of the IMC campaign. In the research chapter, other synergy-related, but not discussed researches were mentioned as well, such as the synergy of packaging and advertisement and applied media tools.

‘The combined and integrated use of different media tools has a greater impact than their individual applications.’

Corporate representative
4.3.2.4. The Receptive Situation

Instead of thinking in the box\textsuperscript{14}, more and more daring advertising solutions are seen for advertising copy and realization, as well. These phenomena indicate that by creative thinking agencies emphasize the receptive situation, abandoning clichés and rules-of-thumbs.

The Disruption method was developed by the TBWA\textsuperscript{15} advertising agency at the beginning of the 1990’s. Initially it only helped creatives in the development of successful campaigns, later it was applied on corporate level and in every field of business and by now it has evolved into a philosophy of life. The essence of the ideology can be expressed in one sentence: Think different! The success of Disruption lies in daring to question conventionalities and create new, stepping out of the frames. Nowadays the services of the TBWA agencies are based on the principles of Disruption all over the world. The outstanding success of several worldwide known brands, such as ABSOLUT, Nissan and Sony PlayStation, can be attributed to that.

4.3.3. IMC definitions by the interviewees

The differences of the interpretation of IMC are summarized both by text and in Table 7. The three participants of the marketing communication profession give different definitions on what IMC means to them.

According to the interpretation of the media agency, IMC is the way of most efficient spending of the budget at disposal, taking media aspects and values into consideration. Media designers choose the communication channel to be used, thus strongly influencing the freedom of the creative message. If only advertisement at public places and TV spots are chosen, the creative agency is

\textsuperscript{14} Thinking in the box – Dick Fosbury broke his previous records in high-jump by applying a different jumping technique. It is applied in business as well, especially in advertising, and called Fosbury Flop. It is also referred to as thinking out of the box.

\textsuperscript{15} TBWA – one of the best advertising agencies, network agency. It has a representative office on every continent, and they apply the same know-how.
limited to use these advertisement tools, thus the media agency determines the solution. Based on the interviews, it can be concluded that media designers’ thinking of integration is limited to the idea of grabbing an image from the advertisement sport and applying it to all the other advertising media.

In the interpretation of the advertisement agencies, the attitude of the receiving consumer is in focus; integration is the achievement of the effect of maximum human cognition. Keywords such as activity, emotional attachment were mentioned. They consider the detailed elaboration and presentation of the creative material to be the most important.

According to the corporate interpretation, the most important is the tangible result, the profit. They seemed to only care about brand value and expect agencies to deal with all the rest.

The following table summarizes the IMC interpretations of the three main groups:
<table>
<thead>
<tr>
<th>ASPECT</th>
<th>REPRESENTATIVE OF MEDIA AGENCY</th>
<th>REPRESENTATIVE OF ADVERTISING AGENCY</th>
<th>CORPORATE REPRESENTATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>communications direction</td>
<td>The essence of integrated communications is that the customer communicates with only one group, the Agency (with capital letter), including ATL, BTL and all special forms.</td>
<td></td>
<td>IMC takes an average consumer when planning how to target people and what to say to be relevant, though in each country it is adapted to local needs, but the message is still consistent and big enough, along with a big insight, that the brand can present it in all countries.</td>
</tr>
<tr>
<td>shared thinking, teamwork</td>
<td>There is a shared thinking and a shared work, the steps are built up on each other during planning and no-one is limited to one specific role in which he can make a contribution.</td>
<td>Integrated communications are not surface-level things, but cooperations assuming interactivity as well, when the people, experts, companies who are dealing with some subparts are duly involved.</td>
<td>The brief written based on a given brand strategy is translated into the communication message by the agency. By integration I mean that a message (slogan, image) that complies with the strategy (including the target group) is used consequently in the whole media mix. It involves, of course, the choice of mix elements that are efficient and relevant to the target group.</td>
</tr>
<tr>
<td>message content (valid, unified, consistent)</td>
<td>To say in which environment the message the client aims to send to the consumer will be the most valid, receivable and convincing.</td>
<td>I believe that integrated communications should mean that all consumer layers get a relevant message that they can decode, understand and interpret according to their own life standards.</td>
<td>To me it means validity, the consistency of the message and it takes the strengths and weaknesses of communication channels into consideration.</td>
</tr>
<tr>
<td></td>
<td>The communications in the media harmonize with the communications in the shops and these harmonize with the communications on the product, and all these with the introduction of the product</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>There is a message to be sent to the consumer, and to me, integrated communications are where, in an ideal case, more tools reach the consumer, and the same message is carried by each – though the creative material is not necessarily the same, but adapted, limited to the most suitable tool.</td>
<td>Obviously there are common elements, or it is good to have common elements in a campaign.</td>
<td>The most important is the unified positioning of the brand.</td>
</tr>
<tr>
<td></td>
<td>All the tools are in harmony in their own place and have the same message, but maybe in a slightly different way. All in all, this is not boring but interesting, thus we always catch the attention and by doing this using several tools, it has been reached many times and we could send the same message repeatedly.</td>
<td></td>
<td>If the consumer is reached by the same message from several sides, he will undoubtedly be internalized more effectively.</td>
</tr>
</tbody>
</table>

| synergy - effect | The basic media, I mean ATL and BTL as well, and these tools are mixed in a way that we aim to choose that part of each that will strengthen the effect of the whole. | Integration does not only mean the usage of a variety of tools, but it must also be considered, why that tool is used, what are the characteristics of that tool, or what message that tool has for the target group. | To find a general definition is to use different media platforms and tools collectively in a way that its integrated usage can be more efficient than using them separately. |
| receptive situation | We call it based on interactive theory if it is integrated on an effect basis, i.e. examining what we want from the consumer at every touch-point. | The receptive situation in contrast to the medium, what is the way of thinking of the receiver in that situation. |
| the same message in all media | Integrated means that everywhere the same is communicated. It means that a campaign is built, and what is being communicated, is not different at one place or the other. There is a main message and the same is communicated, naturally adjusted to the given channel. |

Table 7: Definitions of the integrated marketing communications by representatives of advertising- and media agencies and corporate representatives
As a result of the in-depth interviews, there was a possibility to define the levels of IMC based on the Hungarian practice. The tasks of IMC campaigns were summarized, as previously Duncan and Everett (1993) had done so similarly\(^\text{16}\).

4.3.4. Definition of IMC levels

During the course of the research interviews, the question of the tasks of IMC was frequently raised, besides the interpretation, operative activities were also concentrated on.

Based on the interviews, a 5-level IMC model has been drawn up.

The communication activities of a company change level by level, depending on how it interprets brand communications and the intensity of work with the joint companies.

4.3.4.1. Level one: no integration

Its main characteristic is that there is not any integration; attention is neither paid to the harmonizing of advertising tools, advertising media and target groups, nor to brand strategy.

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\(^\text{16}\) In the specialist literature, Duncan and Everett dealt with the evaluation of IMC situations by respondents. The following situations were tested: 1. The client and the agency form the strategy of the campaign together, and different agencies take part in the execution. 2. The client and the appointed agency plan the strategy together, and all communications tasks, or most of them, are carried out by a certain agency. 3. The client determines the strategy of the campaign himself and asks more agencies to provide a solution, but these agencies regularly communicate with each other. 4. The client plans the strategy of the campaign alone and appoints an agency for each of the communications tasks.
4.3.4.2. Level two: mechanical integration

In this case the visual elements of the finished or adapted television advertisement (a **hook**\textsuperscript{17} can be a color, articles for personal use, symbols, etc.) are taken over and adapted to other media, for example music to the radio, images to the printed and electronic press. According to the interviewed agency employees, this method is the most frequently used. Thus the campaign is finished easily and rapidly.

4.3.4.3. Level three: media-driven strategy

Besides corporate strategy, brand strategy is important, as well – the manager should understand the opportunities, internal and global insights\textsuperscript{18} of the brand or product.

In this case the advertiser considers the available budget and what media can be used for advertising from that budget. The manager/ advertiser first asks the media agency to send a media plan offer according to a previously determined media mix. The manager begins to deal with the creative concept and the formation of the message only after that. The final communications will be free from the clear integration of the creative concept, because it can only be planned for the media mix accepted by the media agency.

4.3.4.4. Level four: message-driven strategy

During strategic integration, messages should appear consequently in each media, i.e. the message or the creative concept is given, and the advertiser seeks the suitable media for the message.

\textsuperscript{17} **Hook**: the term ‘hook’ in the foreign specialist literature is used for all advertising elements that catch the attention of the viewer, let it be a color, a symbol, perhaps a scent.

\textsuperscript{18} **Insight**: in brand communications, the characteristics that brand managers attribute to a brand are called ‘insight’
In this case the creative agency gets a brief based on which it should develop the creative concept, and only after that is the request made for the offer of the media agency. The company tries to comply with the central brand message. On this integration level advertisements are placed not only on the classical communication channels, but on all touch-points with the consumer.

4.3.4.5. Level five: total integration – product/brand-driven communications

Total integration means that there is one brand or idea in the center of the company, and all the activities of the company are based on that.

The methodological base for the quantitative research was given by the analysis of the interviews and specialist literature, thus the applied quantitative survey and the structural equation modeling are closely connected to the research interviews. The latent variables repeatedly mentioned by the interviewees have been included in the analytical framework of the quantitative research. Thus the variables relevant to integrated marketing communications have been involved in the quantitative survey.
5. Formation of the theoretical model and the method of the quantitative research

The primary goal of the research is the exploration of the integrated marketing communications of Hungarian corporations. The scientific background summarized in the previous chapters and the experience gained during the interviews with companies and agencies help to evolve scales and define hypotheses.

It is to be emphasized that the dimensions of the qualitative research (namely definition of the target group, standardization of marketing processes (know-how, unified brand image), IMC approach, digitalization) are applied in the model of qualitative research.

In the first part of the chapter, the hypotheses of the research and the initial theoretical model are introduced and the research method applied to test of the theoretical model is presented along with the research results, as well as the introduction of the method of scale formation (Dunn, Seaker, Waller, 1994, DeVellis, 2003, Crocker, 2006).

Based on this, the factors affecting IMC can be described with the following theoretical model and the introduction of the hypotheses enable their detailed analysis.
5.1. Operationalization of the integrated marketing communications construct

As a part of the preliminary qualitative research, several influential factors were identified, which affect the way the marketing communications division interprets IMC.

When examining the factors that influence integrated marketing communications, relations proven by specialist literature were relied on – the novelty of the research is that it operationalizes and tests integrated marketing communications (Peter, 1981).
Figure 7: Preliminary Theoretical Model

Standardization of Marketing Processes – Unified brand image

H1/a

Standardization of Marketing Processes – Know-how of marketing communications

H1/b

Definition of Target Groups

H2/a

Digitalization

H2/b

IMC Approach

H3

IMC
5.2. The Hypotheses of the Research

In his book Chikán (2006) defined the marketing mix as ‘the system of principles and activities that serves the validation of the marketing approach’, and proposed two important issues in this system: standardization or adaptation. Applying standardization, a corporation can decrease costs, while with adaptation it can adjust itself to local demands (Szabó, 2008).

Several researches (Lewitt, 1983, Vrontis et al. 2009, Hamel & Prahalad, 1985, Zou, Cavusgil, 2002, Okazaki, Taylor, Zou, 2006) investigated what standardization depends on, which functions the parent company controls and which are the decisions that an affiliate can independently make. The problem of standardization versus adaptation appeared in the qualitative research, as well.

Regarding the processes of marketing communications, North-American multinational companies draft a centrally developed marketing communication material, which also their affiliates comply with. These materials contain the IMC concept, as well.

Terpstra and Aydin (1985) examined the relations of the Turkish affiliates of international companies to analyze the fields of marketing know-how\(^\text{19}\) and the knowledge the parent company passes to its affiliates. This study involved marketing planning, research and marketing communication standards, as well.

The management/parent company is not only entitled to standardize internal processes, but can define the number of joint companies, the quality of their relationships and the depth of the information distributed. In marketing communications, the management can influence the extent of the contract with advertising or media agencies.

\(^{19}\) Know-how can refer to communication standards, code of conduct, and knowledge, as well. The term is varied company by company.
In our interpretation, marketing communication know-how is a kind of code of conduct, which not only includes standards related to communications but can also address the issue of cooperation among other departments like R&D, logistics, or production. Numerous researches dealing with standardization lay an emphasis on the problem of the unity of advertisements (Dimitrov, Rosenbloom, 2010). The most researched topic was the communication standards (image, slogan, logo, packaging) of the cross-country advertisement of brands. The unified international appearance, the formation of a strong brand image requires a unified code, or know-how from the consumers. The SMP unified brand image construct only covers the unity, and consistence of the messages, which standard is only part of the marketing know-how. Thus the latent variable of SMP unified brand image does not exert influence directly, but only through the latent variable of SMP marketing communication know-how. The reason for this is that companies striving to reach an internationally unified brand image require strong standardization in the field of communications. The following hypothesis is made regarding the relation between standardization and IMC:

H1/a: The more a company strives to reach a unified brand image, the more likely it possesses the know-how of marketing communications.
H1/b: The more likely a company possesses the know-how of marketing communications, the more probably it uses IMC.

From a managerial point of view, the digital strategy of IMC has numerous advantages. Interaction, traceability and storability characterize new media tools (Rowley 2001, 2004, Gurua, 2008). According to Low (2000), the online channel means the true accomplishment of IMC. Thus corporations can exploit the advantages of new media tools, such as synergy, extension of the target group, and reaching new target groups, to arrange an efficient IMC campaign. New media tools enable the corporation to target more groups at a time.
The revision of the specialist literature revealed that it was mentioned in numerous researches (Schultz, 1996, Kliatchko 2002, Anderson, 2006, Rumbo 2002, Firat és Vanketash, 1993, 1995), that the target group is not unified any more, but the classical target group disintegrated into several small groups, the consumer habits of which are not homogenous. This made the definition of the target group complicated for the corporation. This has been confirmed by the qualitative research, too.

Doubts regarding segmentation arose already in the 70’s, Wind (1978) relates the advantages and disadvantages of a priori and post hoc segmentation processes. Post hoc segmentation provides more information to a researcher; however it is more complicated to carry out.

The fragmentation of the target group and the pluralization of the media resulted in the revaluation of the previous, traditional segmentation criteria.

The corporation can react to the complex communication environment in different ways: either treats market segments as one target group, thus concentrating on one part of the market, or focuses on several smaller target groups (Park & Lee, 2007).

*The consistency of message* does not necessarily mean that the same image and slogan appear at every brand communication point (i.e. in each case when the consumer meets the product), but it requires the unity of brand communications, thus enabling to target several smaller groups (Gurau, 2008).

Digital media is also an advertisement tool. Technical development has accelerated dramatically for the past 10 years. These new tools mean new, measurable advertising space and enable more accurate and effective communications (Dreze & Zuyfryden, 1999).
Utilizing the segmentation guidelines applied in new media communications – considering the new technological platform -, corporations can break with the previous, traditional targeting methods. Advertisers can apply new ways of segmentation on the new media technological platform, thus enabling a more effective positioning of their advertisement. Digital tools represent an alternative way of advertising where advertisers can deviate from the previously used segmentation criteria, thus the construct of Definition of the target group has an indirect effect on the IMC construct through the Digitalization latent variable. Based on all these, our hypotheses are the following:

H2/a: The fewer traditional target grouping criteria a company applies, the more probably it uses digital tools in its communications.

H2/b: The more digital tools a company uses, the more probably it applies IMC.

By the second half of the 20th century, interest increased in the measurement of business performance, especially regarding market share, product quality and competitive advantage (Buzzel & Gale, 1987, Porter, 1985). Several researchers dealt with the relationship of marketing orientation and business performance (Jaworski & Kohli, 1993, Narver & Slater, 1991). The main question is whether consumer-oriented corporate conception implies measurable profit.

Jaworski and Kohli (1993) investigated the relationship of market orientation and business performance. They were the first to define and lay down the bases of market orientation. They had prepared the applied scales for long so that they could present not only a conception in their study in 1993, but a model, as well. Market orientation, examined by them, is a latent variable, which can be measured by the variables called information distribution, -formation and organizational sensitivity.

Deshpandé and Webster (1989) attempted to define organizational culture after having studied more than a hundred organizational-
managerial, sociological and anthropological articles. According to their definition, organizational culture is a pattern to be followed, involving common values and beliefs, thus helping employees understand organizational processes.

Quinn and Rohrbaugh (1983) have proved during the course of an empirical research that personal values and interpretation contribute to the success of the organization.

The work of managers is determined by the values of the organization and corporate standards, as well (Lam et al., 2010). According to Krepl, Lingenfelder (2004), this process is eased by corporate culture, which plays a decisive role in corporate success. According to Burton and Obel (1998), corporate culture is the main resource of a company. Posner, Kouzes & Schmidt (1985) have empirically tested that employees accept better organizational values (logical framework) that are closer to their values and their logical framework. Based on this, our hypothesis is the following:

H3: The better a manager accepts the idea of IMC, the more probably he will apply it.

5.3. Methods of quantitative research

According to Tourangeau (2004), three main environmental changes have formed the methods of quantitative research since the early ’90s. Firstly, the sub-sample that can be achieved from a huge sample of telephone surveys is due to a new mathematical method (Mitofsky-Waksberg). The second innovation was some social-psychological research, as the way of questioning was changed after understanding of the non-respondents’ motivational factors (Groves et al., 2000). Thirdly, the internet has showed new ways of data collection, hence it reformed paper-based linear surveys (Jackson and Wang, 1994).

In the mid-1990’s the internet served as a research channel for sending questionnaires via email and expecting answers on them via email or post
(Zhang, 2000, Seale, 2005). At this time the online surface was not considered as a means of questionnaire storage. In Shaw’s and Davis’ survey in 1996 both postal submission and email solution were used. By the spread of the World Wide Web, not only the number of email lists but that of the online surveys has also increased, and hyperlinks made it easier to understand even the most difficult offline questionnaires (Zhang, 2000, Maronick, 2009). Using a mouse and keyboard, HTML web pages and surveys were easy to fill in as the user was not required to have any special computer usage knowledge (Hoffmann et al. 2000, p.251).

Advantages of online surveys: cost reduction, since no paper or postal, nor coding costs are applicable for the online channel; besides, internet-based questionnaires are filled in faster compared to paper-based ones (Berge and Collins, 1996). In case of a sensitive topic, online survey is an appropriate method (Konstan et al., 2005). Filling in a dynamic questionnaire provides greater motivation (Kieley, 1996) as compared to paper-based ones. In addition, the number of coding mistakes is lower since the results are automatically transformed into a csv or dat file.

Disadvantages of online surveys: internet connection is not available to every individual, hence a nation-wide representation cannot be achieved using online data collection. In several cases, participants have not familiarized with the online surface and answering may cause inconveniences to them. Validity of the participants is a key problem, because anyone can be sitting in front of the computer, and passwords and codes can be subject to hacking (Schmidt, 1997). Moreover, one participant may fill out multiple surveys, as well (Schmidt, 1997, Konstan 2005).

Using online survey methods for our research can be explained by a number of reasons. First of all, we assumed that managers were available via email and this way the problem of validity was solved as they only had access to their emails. Secondly, our own costs were decreased by not having to print the questionnaires. And thirdly, we believed online surveys were more comfortable to managers who executed their everyday tasks on their computer (Kieley, 1996). A relatively high rate of responses had as well proven this assumption.
And lastly, we protected our environment by saving a significant amount of paper (Zhang, 2000).

The online survey editing program that was used (www.kerdoivem.hu) made it possible for the managers to save their questionnaires and to finish them later. Contacting them via email was felicitous since this way a more direct relationship could be built with the managers. Invitation letters could be better personalized, and using an indirect form addressed to them coupled with optimal timing could increase our response rate, too. A maximum of three invitation letters were sent to one email address within two months. Not only the person addressed but also the sending person became a living, approachable person. This way, managers had the chance to reply, modify, or just indicate that they worked at a different division but would forward our invitation. They were also given the possibility to be sent a summary on the findings of our analysis. This encouraged several managers to participate.

Two professional databases (Dunn&Bradstreet and the GfK Institute of Market Research) were used and we reached a response rate of 10% and 30%, respectively. In order to increase the sample, we reached out to additional participants (using the snowball method)\(^\text{20}\).

The total number of participants was 117, out of which 81 were reached through the databases and 36 were contacted through personal networking. The costs incurred were negligible, because both professional databases (Dunn&Bradstreet and the GfK Institute of Market Research) were available for free, given they were used for scientific purposes.

For the pilot survey a traditional method was used. A self-administered questionnaire was filled out by three brand managers. We researched the clarity of the wording, the questions’ relevance as well as the clarity of the answers they could choose from (Campbell and Fiske, 1959). Beside this we also

\(^{20}\) 400 and 120 emails were sent out using the respective databases. The only difference in the two cases were that only Dunn&Bradstreet sent the invitations itself, whilst we had to send the invitations to the addresses we received from GFK.
encouraged them to tell us what they thought was missing. This way some changes were applied before the actual online survey was launched.

Most questions of the survey were measurable on a discrete evaluation scale (Malhotra, 2001, Babbie and Mouton, 2001). Since the path analysis method called Smart PLS was used (vid. explanation model and methodology later), which is a type of Structural Equation Modeling based on cause-and-effects, created by the professors of the University of Hamburg, the achievement of metric answer options was sought. In addition, confirmative factor analysis is easier to be conducted on metric data (avoiding standardization).

5.3.1. The Composition of the Sample

We primarily expected product and brand managers’ responses in our sample. Having revised our literature, we decided to ask managers regarding IMC since it was they who were asked in several other theoretical researches, as well (Kitchen, Kim and Schultz, 2008, Eagle and Kitchen, 1999, Low, 2000, Reid, 2003, Park and Lee, 2007), and they are the ones who understand marketing communication processes as a whole.

The total number of participants is 117. Out of this, 3 participants were excluded from the survey since their responses could not be interpreted in case of the open-ended questions. We concluded that they had probably not provided correct answers when evaluating our statements either, so we eventually excluded these questionnaires.
Distribution of Participants by Company Sector

Figure 8: Distribution of participating companies by sector (by value)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>28</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>8</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>12</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>9</td>
</tr>
<tr>
<td>Beauty</td>
<td>7</td>
</tr>
<tr>
<td>Culture, Leisure time and entertainment</td>
<td>3</td>
</tr>
<tr>
<td>Transport</td>
<td>9</td>
</tr>
<tr>
<td>Beverages</td>
<td>4</td>
</tr>
<tr>
<td>Press and mass informations</td>
<td>5</td>
</tr>
<tr>
<td>Services</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
</tr>
</tbody>
</table>

n=114

Multinational Companies in the Sample

There are 10 domestic and about 90 multinational companies in the sample. Some of them were overlapping, for example P&G was represented by more participants and had several brand managers in the sample, but since they represented different brands, we treated their answers as equally valid. In case of domestic companies we asked our participants to change the word ‘parent company’ to management.
Participants in our sample were mostly product and brand managers, and the percentage of research, regional, integrated communication and trade leaders was high, as well. While coding, some unknown positions or foreign expression had to be translated and recoded (for example, strategic marketing manager or solution manager fell under other manager category).
5.3.2. Marketing functions in the organization

During our qualitative research the fact that different departments operate not only under different marketing titles (brand, sales, marketing, trade) but also on different levels of hierarchy (front-line, middle and executive levels) has been come across.

The following tables show how the different marketing departments fit into the organizational structure. The presence of brand and/or product marketing at an executive level was conspicuous. It is also to be pointed out that corporate communication departments can only be found in few cases, usually at executive levels. That is why interviewees mentioned that their company’s communication department is not aware of the current brand communications. Corporate positioning might as well become incoherent if brand values and brand sponsorship is not communicated within the company. According to the interviews in Hungary and the international research, the company’s communication and marketing department do not co-operate effectively (Patti and Shadur, 2004, Gronstedt, 1996).

Figure 10: Marketing functions in the organization (product marketing) (by value)
The first question is whether there is a separate trade marketing position in the company structure. In case it is not separated, trade marketing tasks are executed on a case-by-case basis by either sales or marketing functions (Csiby, Havasiné, Hermann, 2005.p.20).

This empirical finding is not surprising, because only few companies deal with category management and retail marketing at a department level. Though if we look at the above sample results, trade department, if exists, usually appears at middle-level.
Sales as a department appeared at upper decision making levels more often than in case of marketing as a department. In order to examine which one of these were marketing-driven companies, and which level sales department is found at each of them, further research should be conducted. Although past data show that marketing mix elements appeared in the mid-eighties (Bauer és Berács, 2006), it can be stated that – supported by research data from 1992 – two-third of the companies regarded itself as marketing-oriented, which finding was also confirmed by a research in 2000 (Berács et al., 1997, Berács et al., 2001).
n=114

5.4. Results

The results are presented in two parts. The first part deals with the scales involved in the research and the second part describes the testing of the hypotheses.

5.4.1. Validity, scale testing

Validation is the process in the course of which the model of verification is chosen and proof is collected to justify the conclusion (Cronbach, 1971). In the early phases of attempting to define this expression, measurement experts stated that validation shows if a test measures what it should measure (American Psychological Association, 1954, Rossiter, 2002). Validation has three types: (a) content validity, (b) criterion validity and (c) competence validity. These are the Holy Trinity of validation. Messick (1995) has laid down several more criteria in his studies.

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21 During the evaluation of the results, the survey has been tested according to the 5 validation criteria by Messick (1995).
Messick (1995) discussed the five complementary elements of competence validation, which might be replaced by the Holy Trinity of validity.

1. The aspect of content validity is based on the relevance, representative characteristics and technical quality of the variable.
2. The substantive aspect focuses on the theoretical interpretation of any process models in the background of task completion.
3. The structural aspect seeks theoretical explanation for the survey development and the complementing answer opportunities, the inner structure of the variables.
4. Generalizability focuses on the fact that different interpretation of the results and different score characteristics are applied in the case of different phenomena.
5. The external aspect involves the evidence of test results and relations among different criteria, all convergent and discriminant validation which can be achieved through multi-parameter, multimodal examination.

5.4.2. Definition of the constructs and development of the variables

During the course of the validation of the survey, the recommendations of Churchill (1979) were followed. According to Churchill (1979), even the construct itself is an important and appreciable result in the research. In this research, the development of a measurement tool beyond multiple iteration was needed because previous IMC-related studies had not paid enough attention to this scale.

According to Dunn, Seaker and Waller (1994) the source of the scale development can be the questions raised in the specialist literature, the opinion of experts interviewed with the qualitative method and the scales applied in earlier researches.

The development of the measurement tool used in the research was based on the scales in the specialist literature of the topic and the statements made in the explanatory research, and based on these aspects self-developed scales were also used in the research.
The measurement tool was tested thoroughly. In his article Churchill (1979) mentions pre-testing, advises the sending of the survey to the companies involved in the sampling (in this case, to brand managers). Three brand managers took part in the pre-testing of the research. Their task was to leave the items that comply with IMC in the survey and to suggest new items, if need be.

5.4.3. Construct and content validity

According to Anderson and Gerbing (1990), construct validity can be measured by two indices: PSA and CSV. PSA is used in the research. Both of them test the attachment of the items to latent variables. Even though experts gave importance to the mentioning of certain variables regarding IMC, it is possible that those are not adequate. Anderson and Gerbing (1990) advise to have the latent variables and the variables attached to them tested by experts in a way that they should mark or write next to the listed indicators the latent variables that can be measured by them (item-sort task). The content variable of the scales can be deduced from the proportion of the correctly marked variables. PSA (Proportion of Substantive Agreement) is a proportion, which is computed by dividing the correctly categorized variables by the total number of variables (the bigger it is, the better the validity will be).

An online platform was created for the measurement of the content validity of the research, where, after defining the latent variable, two experts were asked to attach those variables which they think measure the given construct.

The result based on the two indices is: PSA=63,2%
5.4.4. Factor analysis, reliability

The reliability\textsuperscript{22} of the scales applied in the research has been tested by methods known in the international literature. According to Gerbing and Anderson (1988) the one-dimensionality of the scales should be tested, as well as whether all the statements in the scales are related to the given latent construct. This requires the measurement of the correlation coefficient of the single elements in the scale and the other elements (item-to: total, r*: indicator). The variables of the scale, which have an r* value not larger than 0.3, must be deleted. Following this, applying factor analysis it can be tested if the variables theoretically belonging to the construct indeed constitute one factor or not.

The stricter measurement method of the one-dimensionality of the scales is the Confirmatory Factor Analysis, i.e. factor analysis is conducted by the simultaneous involvement of all statements. What is investigated here is whether the given variable is indeed attached to the given latent construct. If not, then the latent variable is not attached to the assumed latent construct, so it must be deleted and the reliability of the scale must be recalculated.

The scale development of each construct is discussed in the following, among others the questions related to the evaluation of the variables in the sample, which variables have remained in the model, and how variables constitute a factor are investigated.

5.4.5. Definition of Target Group scale (DTG)

It has been stated during the interviews that ‘It is not only the age group of 18-49 to be considered’. The companies that recognized the importance of target

\textsuperscript{22} Reliability shows the extent to which a scale gives consistent results in the case of repeated measurements (Malhotra, 2001.p.347.).
group fragmentation aim to reach their well-defined target groups with different marketing communication strategies on the one hand, on the other hand they can reduce the breadth of the target groups (they can apply concentrated strategies).

The target group definition used by a brand manager belongs to this question group.

Further questions were raised related to the difficulties of segmentation. In focus was whether corporations broke with the age group of 18-49 or other demographic segmentation or not.

Table 8: Definition of Target Group definition construct

<table>
<thead>
<tr>
<th></th>
<th>Definition</th>
<th>Average</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>DTG_01</td>
<td>The fragmentation of the society influences group targeting.</td>
<td>3.21</td>
<td>1.171</td>
</tr>
<tr>
<td>DTG_02</td>
<td>Segmentation cannot be carried out according to the old demographic data.</td>
<td>3.21</td>
<td>1.223</td>
</tr>
<tr>
<td>DTG_03</td>
<td>We have been dealing with segmentation opportunities other than demographic segmentation for a long time.</td>
<td>3.32</td>
<td>1.325</td>
</tr>
</tbody>
</table>

Consumer individualism and the social effects of fragmentation have been included in the scale because an increasing number of articles, studies and researches deal with the processes going on in society, which will sooner or later appear as segmentation problems. Such new trend is the appearance of the postmodern consumers and the research of their consuming habits (Firat and Venkatesh, 1995). Due to technological development and the widespread consumer application of digital tools (‘gadgets’), the upcoming years can bring about breakthrough solutions.

The variables that remained in the DTG scale are those related to target group segmentation, and breaking with the classical segmentation method.
Table 9: Reliability analysis of the final DTG scale:

<table>
<thead>
<tr>
<th></th>
<th>r* index</th>
<th>Cronbach alpha excluding the element</th>
</tr>
</thead>
<tbody>
<tr>
<td>DTG_01</td>
<td>.452</td>
<td>.668</td>
</tr>
<tr>
<td>DTG_02</td>
<td>.605</td>
<td>.464</td>
</tr>
<tr>
<td>DTG_03</td>
<td>.476</td>
<td>.639</td>
</tr>
</tbody>
</table>

Alpha=0.692

Table 10: Factor analysis of the Complexity of the Definition of the Target Group scale

<table>
<thead>
<tr>
<th>Variable</th>
<th>Communality</th>
<th>Eigenvalue</th>
<th>Explained variance</th>
<th>Cumulated variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>DTG_01</td>
<td>.738</td>
<td>1.858</td>
<td>61.946</td>
<td>61.946</td>
</tr>
<tr>
<td>DTG_02</td>
<td>.855</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DTG_03</td>
<td>.763</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KMO$^{24} = 0.624$

The result of the DTG factor analysis is a factor, which has an explained variance of more than 60% and its KMO index is acceptable. The variables that disapprove the application of the old segmentation criteria and emphasize the effects of fragmentation belong to one factor.

5.4.6. Introduction of the digitalization scale

Questions regarding new media advertising were raised, as well because of the positive reception of technological developments by consumers and the cost-cutting plans caused by the crisis.

The real world and the virtual environment connect on numerous points, but the mediation environment, the digital platform itself is immaterial (Rab, 2007). Negroponte (1995) came to the same conclusion – according to him, only bites travel in the world of digital culture. This immateriality attacks the essence of the consistent message of a brand, since while controlled, paid

---

23 It is the correlation of each element with the other elements and the ones lower than 0.3 must be excluded. It is referred to as r* index.

24 KMO criterion: The KMO value is one of the most important measuring numbers to test the extent to which the variables are suitable for factor analysis (Sajtos and Mitev, 2007, p.252.).
messages were difficult or did not need to be applied on other platforms, digital appearances overlap and can easily be part of an uncontrolled message. Uncontrolled messages can be controlled by the company with the employment of a person proficient in SEO\textsuperscript{25} or SMO\textsuperscript{26}, who can create uncontrolled news, thus building a digital appearance around the brand, a digital brand community. Thus the brand manager needs a well-considered communications strategy.

The answer was sought to the question whether corporations make use of this multiplied brand communication platform (social sites, product page, other tools of search engine optimization). Not only did the number of the surfaces increase where the corporation can communicate with consumers, but that of the target groups to be reached and micro cultures can rise, as well.

Table 11: The Digitalization construct

| D_01 | We have hired a new employee to deal with online advertisements. | 1.80 | 1.311 |
| D_02 | We have an employee who deals with social media. | 2.67 | 1.583 |
| D_03 | The opportunities provided by the new media tools extended our consumer group. | 3.00 | 1.330 |
| D_04 | With the aid of the new media tools, our target group is reached more accurately. | 3.28 | 1.237 |
| D_05 | We often appeared in new or unusual advertising spaces in the last year. | 2.82 | 1.327 |

The average 3.28 achieved for D_04 justified our expectations. According to the companies, these new media tools enhanced the efficiency of segmentation.

\textsuperscript{25} SEO-Search Engine Optimization
\textsuperscript{26} SMO- Social Media Optimization – Search Engine Optimization for social sites
Table 12: Reliability analysis of the Digitalization scale

<table>
<thead>
<tr>
<th>Construct</th>
<th>r* index</th>
<th>Cronbach alpha excluding the element</th>
</tr>
</thead>
<tbody>
<tr>
<td>D_01</td>
<td>.227</td>
<td>.808</td>
</tr>
<tr>
<td>D_02</td>
<td>.234</td>
<td>.785</td>
</tr>
<tr>
<td>D_03</td>
<td>.679</td>
<td>.733</td>
</tr>
<tr>
<td>D_04</td>
<td>.632</td>
<td>.750</td>
</tr>
<tr>
<td>D_05</td>
<td>.681</td>
<td>.732</td>
</tr>
</tbody>
</table>

Alpha=0.801

The value of Cronbach alpha is fairly good, but considering that the value of index r barely reaches 0.3 in the case of some variables (D_01, 02), alpha can still be increased.

The answers given regarding the employment of a new person dealing with the online platform or specialized in social media, did not fit into the judgment of the new media appearances. The reason for it can be that employees are trained inside the corporation, thus it is not natural to employ a new person specialized in this field in the years following the crisis.

Table 13: Final reliability analysis of the Digitalization Construct

<table>
<thead>
<tr>
<th>Construct</th>
<th>r* index</th>
<th>Cronbach alpha excluding the element</th>
</tr>
</thead>
<tbody>
<tr>
<td>D_03</td>
<td>.705</td>
<td>.738</td>
</tr>
<tr>
<td>D_04</td>
<td>.690</td>
<td>.755</td>
</tr>
<tr>
<td>D_05</td>
<td>.657</td>
<td>.787</td>
</tr>
</tbody>
</table>

Alpha=0.826

Table 14: Factor analysis of the Digitalization scale

<table>
<thead>
<tr>
<th>Variable</th>
<th>Communality</th>
<th>Eigenvalue</th>
<th>Explained variance</th>
<th>Cumulated variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>D_03</td>
<td>.766</td>
<td>2.229</td>
<td>74.312</td>
<td>74.312</td>
</tr>
<tr>
<td>D_04</td>
<td>.750</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D_05</td>
<td>.714</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KMO= 0.719
As a result of the factor analysis, a very strong one-dimensional factor was achieved, which explains 74% of the total variance.

5.4.7. Marketing processes: introduction of the standardization construct

The term standardization of marketing communication processes indicate that corporate effort that aims to keep the marketing communication strategy unchanged throughout different markets, countries and continents. It is interesting to investigate which marketing functions and processes are controlled and what are the questions that affiliates themselves decide. The applied scale extends to all four marketing mix elements (Zou, Cavusgil, 2002).


Compliance with the central marketing communication strategy and its export to other countries accelerate the extension of the IMC approach, since if the parent company is committed to IMC, it will more probably demand the same on the affiliate level, as well (education, the significance of know-how inside a company)

The scale measuring standardization deals with the following:

- standardization of advertising (use of the same advertising media and slogans worldwide, Zou & Cavusgil, 2002),
- the level of corporate control (to what extent divisions dealing with marketing communications are controlled, Evans, Mavondo, Bridson, 2008, Bruner & Hensel, 1993).
It can clearly be seen from the sample that 20 of the respondents are not employed by multinational corporations. In the case of the SMP_UNI scale, the missing answers were substituted with the average. In the case of the SMP_KH scale, if their company does not have foreign interests (centre), they were asked to substitute with the management.

Table 15: Variables of the Standardization of Marketing Processes

<table>
<thead>
<tr>
<th>SMP_UNI _01</th>
<th>Average</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The same media tools are used in communications (media mix).</td>
<td>3.099</td>
<td>0.964</td>
</tr>
<tr>
<td>SMP_UNI _02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In communications the same slogans and information are used in other countries.</td>
<td>2.78</td>
<td>1.183</td>
</tr>
<tr>
<td>SMP_UNI _03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The same images are used in other countries.</td>
<td>2.57</td>
<td>1.171</td>
</tr>
<tr>
<td>SMP_UNI _04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The same creative concepts are applied in other countries as well.</td>
<td>2.74</td>
<td>1.144</td>
</tr>
<tr>
<td>SMP_KH _05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our affiliates decide on the advertising campaigns.</td>
<td>2.37</td>
<td>1.244</td>
</tr>
<tr>
<td>SMP_KH _06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decisions regarding advertisement are made in the center.</td>
<td>2.98</td>
<td>1.296</td>
</tr>
<tr>
<td>SMP_KH _07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The corporation possesses its own marketing communications know-how (e.g. material of knowledge on marketing communications).</td>
<td>3.76</td>
<td>1.200</td>
</tr>
<tr>
<td>SMP_KH _08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keeping to the standards is demanded in the case of all campaigns.</td>
<td>4.18</td>
<td>.878</td>
</tr>
</tbody>
</table>

Standardization of Marketing Processes – Unified brand image

The statements of Zou & Cavusgil, 2002 and Evans, Mavondo, Bridson, 2008 have been included. The result will be adequate if the solution derived from the common factor analysis is two-factor.

The Cronbach tests of the two scales have been conducted separately and will be introduced that way. In the following, the scale of the striving for international unity will be dealt with.
Table 16: Reliability analysis of the Standardization of Marketing Processes – Unified brand image

<table>
<thead>
<tr>
<th>r* index</th>
<th>Cronbach alfa excluding the element</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP_UNI_01</td>
<td>-.480</td>
</tr>
<tr>
<td>SMP_UNI_02</td>
<td>.554</td>
</tr>
<tr>
<td>SMP_UNI_03</td>
<td>.455</td>
</tr>
<tr>
<td>SMP_UNI_04</td>
<td>.287</td>
</tr>
</tbody>
</table>

Alpha=0.439

The value of Cronbach alpha is not sufficient, concerning that the value of index $r$ barely reaches 0.3 in the case of some variables (SMP_UNI_01). Excluding this variable from the scale, a significantly higher alpha value is achieved, thus those variables constituted a strong scale where a unified slogan, image, and creative appear.

Table 17: The final SMP_UNI scale:

<table>
<thead>
<tr>
<th>r* index</th>
<th>Cronbach alfa excluding the element</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP_UNI_02</td>
<td>.668</td>
</tr>
<tr>
<td>SMP_UNI_03</td>
<td>.813</td>
</tr>
<tr>
<td>SMP_UNI_04</td>
<td>.833</td>
</tr>
</tbody>
</table>

Alpha=0.881

These three variables in one factor belong to one dimension with a high, 80% explained variance.

Table 18: Factor analysis of SMP_UNI

<table>
<thead>
<tr>
<th>Variable</th>
<th>Communality</th>
<th>Eigenvalue</th>
<th>Explained variance</th>
<th>Cumulated variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP_UNI_02</td>
<td>.857</td>
<td>2.429</td>
<td>80.979</td>
<td>80.979</td>
</tr>
<tr>
<td>SMP_UNI_03</td>
<td>.873</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMP_UNI_04</td>
<td>.700</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KMO=0.697
Table 19: Reliability analysis of the Standardization of Marketing Processes Know-how of Marketing Communication scale

<table>
<thead>
<tr>
<th>Variable</th>
<th>r* index</th>
<th>Cronbach alpha excluding the element</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP_KH_05</td>
<td>-0.01</td>
<td>.530</td>
</tr>
<tr>
<td>SMP_KH_06</td>
<td>0.17</td>
<td>.523</td>
</tr>
<tr>
<td>SMP_KH_07</td>
<td>0.483</td>
<td>-0.060</td>
</tr>
<tr>
<td>SMP_KH_08</td>
<td>.480</td>
<td>0.076</td>
</tr>
</tbody>
</table>

Alpha= 0.374

The value of Cronbach alpha is not sufficient, concerning that the value of index r barely reaches 0.3 in the case of some variables (SMP_KH_05, _06). Excluding these variables from the scale, a significantly higher alpha value is achieved.

Table 20: Final reliability analysis of SMP_KH

<table>
<thead>
<tr>
<th>Variable</th>
<th>r* index</th>
<th>Cronbach alpha excluding the element</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP_KH_07</td>
<td>.563</td>
<td>.428</td>
</tr>
<tr>
<td>SMP_KH_08</td>
<td>.477</td>
<td>.590</td>
</tr>
</tbody>
</table>

Alpha=0.663

The variables remaining in the scale – such as own standards or the possession of know-how -, have been considered very affiliate/corporate-specific by the respondents, while the controlling role of the parent companies slightly slip out of this dimension.

Table 21: Factor analysis of the of Marketing Processes Know-how of Marketing communications component

<table>
<thead>
<tr>
<th>Variable</th>
<th>Communality</th>
<th>Eigenvalue</th>
<th>Explained variance</th>
<th>Cumulated variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP_KH_07</td>
<td>.717</td>
<td>1.839</td>
<td>61.287</td>
<td>61.287</td>
</tr>
<tr>
<td>SMP_KH_08</td>
<td>.614</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KMO=0.626

The factor analyses resulted in one factor. The KMO value is low; however the total explained variance is higher than 60%. The own know-how of corporate
marketing communications and the application of an own corporate standard along with the opportunity of training appear in one collective factor.

Table 22: Collective factor analysis: Standardization of Marketing Processes

<table>
<thead>
<tr>
<th>SMP_UNI</th>
<th>SMP_KH_ST</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP_UNI_02</td>
<td>.813</td>
</tr>
<tr>
<td>SMP_UNI_03</td>
<td>.862</td>
</tr>
<tr>
<td>SMP_UNI_04</td>
<td>.869</td>
</tr>
<tr>
<td>SMP_KH_07</td>
<td>-.076</td>
</tr>
<tr>
<td>SMP_KH_08</td>
<td>.034</td>
</tr>
</tbody>
</table>

KMO= 0.657

Table 23: Factor analysis of SMP_UNI and SMP_KH

<table>
<thead>
<tr>
<th>Variable</th>
<th>Communality</th>
<th>Eigenvalue</th>
<th>Explained variance</th>
<th>Cumulated variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP_UNI_02</td>
<td>.860</td>
<td>2.504</td>
<td>41.730</td>
<td>41.730</td>
</tr>
<tr>
<td>SMP_UNI_03</td>
<td>.872</td>
<td>1.24</td>
<td>18.30</td>
<td>27.90</td>
</tr>
<tr>
<td>SMP_UNI_04</td>
<td>.702</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMP_KH_07</td>
<td>.714</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMP_KH_08</td>
<td>.615</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KMO= 0.657

The KMO value has not changed significantly, the value of the explained variance deteriorated (41%). Two factors have been achieved, the SMP construct can be grasped in two dimensions, as previously assumed.

5.4.8. Construct of the Integrated Marketing Communications

The scales concerning each element of Integrated Marketing Communications

A possible result of the explanatory research can be the development of a construct describing integrated marketing communications, which adequately measures integrated marketing communications introduced in the previous hypothetical chapter. The initial hypothetical model has been drawn up by presenting all the relevant elements.
The scales involved in the research contain previously tested scales, but several new scales were needed to be developed. The content of these scales have been defined by the results of the qualitative research.

Factor Structure of IMC - Integrated Marketing Communications

The explanatory research discussed in the previous chapter interpreted the integration of a campaign in a wide spectrum, moreover the focus of researches found in specialist literature is fairly varied, thus the scale to be used for measurement, assuming this integration, is multi-dimensional.

1st Dimension: testing IMC definitions

The definition of IMC often appearing in international literature, and the IMC elements defined as a result of the empirical research in Hungary have been included in the scale.

The respondents were asked to evaluate an IMC definition. This definition had been tested in a North-American research as well. (Eagle, Kitchen & Bulmer, 2007, Schultz & Schultz, 1998, 2003) (IMC_14).

‘Elements’ of the IMC Approach

Table 7 contains the IMC definitions of the qualitative interviews. The following aspects have been highlighted and given an opinion:

- shared thinking, teamwork: shared thinking appears and gains importance in the definition (IMC_01 and IMC_12),
- valid, unified and consistent message: (IMC_08),
- the same message: simple assumption, presence should be everywhere and the basis of identification is a creative advertising element (IMC_07).

Beyond the definitions, the following variable was considered to belong here: ‘Integrated Marketing Communications is not new for me’ – with this perceived variable, the respondent’s experience in the topic can be measured (its average is also considered high: 3.85).
The significance of the IMC levels drawn up as a result of the qualitative research has been tested as well. IMC levels were already discussed in chapter 4.3.1. According to this, 5 levels can be distinguished. Hungarian managers declared that corporations in Hungary get as far as the third level at most. The strategic managerial point of view and total integration do not bear an interpretation.

The multilevel IMC model and the attached variables:

1. Level one: no integration (IMC_02),
2. Level two: mechanic integration (IMC_03, IMC_06, IMC_10),
3. Level three: central strategy (IMC_04, IMC_05, IMC_06, IMC_09),
4. Level four: strategic integration (IMC_05, IMC_09),
5. Level five: total integration (rare phenomenon, so no statement has been phrased for it)

Table 24: Variables of the Integrated Marketing Communications construct

<table>
<thead>
<tr>
<th>Integrated Marketing Communications (IMC)</th>
<th>Average</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMC_01 As far as I’m concerned, marketing communications mean that a campaign is carried out jointly with</td>
<td>3.77</td>
<td>1.16</td>
</tr>
<tr>
<td>the agency and the divisions of the company in a long-term.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMC_02 I do not deal with advertisements; I accept the offer of the agency.</td>
<td>1.63</td>
<td>.93</td>
</tr>
<tr>
<td>IMC_03 When planning a campaign, I first appoint the media agency.</td>
<td>2.57</td>
<td>1.26</td>
</tr>
<tr>
<td>IMC_04 The creative concept is the basis of all campaigns.</td>
<td>3.63</td>
<td>1.17</td>
</tr>
<tr>
<td>IMC_05 Marketing communications is determined by corporate strategy.</td>
<td>4.19</td>
<td>.91</td>
</tr>
<tr>
<td>IMC_06 I highly value agency consulting.</td>
<td>3.55</td>
<td>1.17</td>
</tr>
<tr>
<td>IMC_07 We strive to present the same, unified slogan in a campaign, being the only compulsory element.</td>
<td>4.30</td>
<td>.98</td>
</tr>
<tr>
<td>IMC_08 In course of a campaign, we strive to apply logos consistently at each brand touch point.</td>
<td>4.61</td>
<td>.81</td>
</tr>
<tr>
<td>IMC_09 Sub-groups are differentiated in the main target groups, which sub-groups are targeted creatively.</td>
<td>3.13</td>
<td>1.29</td>
</tr>
<tr>
<td>IMC_10 To my mind, if I myself were choosing marketing mix elements, I would build it up more efficiently.</td>
<td>3.04</td>
<td>1.07</td>
</tr>
<tr>
<td>IMC_11 Integrated marketing communications are not new for me.</td>
<td>3.85</td>
<td>1.12</td>
</tr>
<tr>
<td>IMC_12 To my mind, integrated marketing communications mean shared thinking and teamwork.</td>
<td>3.34</td>
<td>1.25</td>
</tr>
<tr>
<td>IMC_13 Most of our campaigns are integrated.</td>
<td>3.49</td>
<td>1.12</td>
</tr>
<tr>
<td>IMC_14 IMC: strategic business process, which plans, develops, executes and evaluates the harmonized,</td>
<td>3.77</td>
<td>.98</td>
</tr>
<tr>
<td>measurable, convincing brand communications. Shareholders of IMC are the consumer, the customer,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>prospective buyers and other participants of the target market, relevant internal or external audience.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Testing of the Integrated Marketing Communications Construct

When interpreting and evaluating the scales, barriers and fears that appeared in the previous explanatory research should be considered. IMC assume cooperation, long-term relationship inside and outside the corporation and require the lack of friction in the case of all these communications relationships. Thus IMC can be interpreted as a process, which focuses on a marketing communications problem, and IMC is the corporate optimization of this decision making.

Table 25: Reliability analysis of the Integrated Marketing Communications scale

<table>
<thead>
<tr>
<th></th>
<th>r* index</th>
<th>Cronbach alpha excluding the element</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMC_01</td>
<td>.483</td>
<td>.702</td>
</tr>
<tr>
<td>IMC_02</td>
<td>.184</td>
<td>.734</td>
</tr>
<tr>
<td>IMC_03</td>
<td>.255</td>
<td>.730</td>
</tr>
<tr>
<td>IMC_04</td>
<td>.340</td>
<td>.719</td>
</tr>
<tr>
<td>IMC_05</td>
<td>.298</td>
<td>.724</td>
</tr>
<tr>
<td>IMC_06</td>
<td>.312</td>
<td>.723</td>
</tr>
<tr>
<td>IMC_07</td>
<td>.333</td>
<td>.720</td>
</tr>
<tr>
<td>IMC_08</td>
<td>.414</td>
<td>.714</td>
</tr>
<tr>
<td>IMC_09</td>
<td>.319</td>
<td>.723</td>
</tr>
<tr>
<td>IMC_10</td>
<td>.085</td>
<td>.746</td>
</tr>
<tr>
<td>IMC_11</td>
<td>.444</td>
<td>.707</td>
</tr>
<tr>
<td>IMC_12</td>
<td>.442</td>
<td>.706</td>
</tr>
<tr>
<td>IMC_13</td>
<td>.550</td>
<td>.694</td>
</tr>
<tr>
<td>IMC_14</td>
<td>.407</td>
<td>.713</td>
</tr>
</tbody>
</table>

Alpha= 0.733

27 It is the correlation of each element with the other elements and the ones lower than 0.3 must be excluded. It is referred to as r* index.
28 This column shows to which extent the Cronbach alpha value of the scale will be better if the given element is excluded.
The value of Cronbach alpha is sufficient enough, however the value of index \( r \) barely reaches 0.3 in the case of some variables (IMC_02, 03, 10). Excluding it from the scale, a significantly higher alpha value is achieved.

Continuously checked and excluding only one variable at a time, the final scale is the following.

IMC_10 had the worst ‘performance’ of the excluded variables. This can be attributed to the fact that it assumed managerial aspect and independence. Integrated practice, which is based on mutual co-operation, might contradict this independence.

Among the excluded variables, 2 level-defining IMC variables are to be found: ‘I accept the offer of the agency’ and ‘when planning a campaign, I first appoint the media agency’. Both of them reflected the second, mechanic IMC level, their average was not outstanding.

The reliability analysis of IMC with final scale variables: \( \text{Alpha}=0.750 \)

Factor analysis of the Integrated Marketing Communications construct

It was mentioned during the formation of the scale that the direction and number of the statements indicate that the construct would be multi-dimensional. Thus the factor analysis has not presented surprising results.

The number of applicable factors was checked with Scree plot. According to this, a two or three-factorial solution is adequate. The eigenvalues in the case of both the two- and three-factorial solutions are higher than 1.
Table 26: Factor analysis of the IMC construct

<table>
<thead>
<tr>
<th>Variable</th>
<th>Communal it</th>
<th>Eigenvalue</th>
<th>Explained variance</th>
<th>Cumulated variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMC_01</td>
<td>.397</td>
<td>3.256</td>
<td>29.596</td>
<td>29.596</td>
</tr>
<tr>
<td>IMC_04</td>
<td>.335</td>
<td>1.420</td>
<td>12.913</td>
<td>42.509</td>
</tr>
<tr>
<td>IMC_05</td>
<td>.475</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMC_06</td>
<td>.654</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMC_07</td>
<td>.744</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMC_08</td>
<td>.528</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMC_09</td>
<td>.362</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMC_11</td>
<td>.701</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMC_12</td>
<td>.365</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMC_13</td>
<td>.667</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMC_14</td>
<td>.534</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KMO = 0.690

Finally the two-factorial solution has been chosen as we had assumed previously that the IMC approach and the levels would constitute separate factors. The value of KMO is not high, but in the case of an explanatory research, this value is acceptable.

Table 27: Two-factor IMC solution

<table>
<thead>
<tr>
<th></th>
<th>IMK_APP</th>
<th>IMC_</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMC_01</td>
<td>.541</td>
<td>.270</td>
</tr>
<tr>
<td>IMC_04</td>
<td>.118</td>
<td>.566</td>
</tr>
<tr>
<td>IMC_05</td>
<td>.089</td>
<td>.518</td>
</tr>
<tr>
<td>IMC_06</td>
<td>.019</td>
<td>.613</td>
</tr>
<tr>
<td>IMC_07</td>
<td>.041</td>
<td>.755</td>
</tr>
<tr>
<td>IMC_08</td>
<td>.328</td>
<td>.596</td>
</tr>
<tr>
<td>IMC_09</td>
<td>.214</td>
<td>.524</td>
</tr>
<tr>
<td>IMC_11</td>
<td>.708</td>
<td>-.247</td>
</tr>
<tr>
<td>IMC_12</td>
<td>.573</td>
<td>.180</td>
</tr>
<tr>
<td>IMC_13</td>
<td>-.060</td>
<td>.730</td>
</tr>
<tr>
<td>IMC_14</td>
<td>.694</td>
<td>.172</td>
</tr>
</tbody>
</table>

The factor IMC_APP includes the statements that referred to the definition and were included in the empirical qualitative research conducted in Hungary. The variables of IMC measure the remained IMC levels, as the influencing role of corporate strategy, the creative concept and the importance of agency consultation are included in this factor.
5.5. Structure of the explanatory model, testing of the hypotheses

5.5.1. Confirmatory factor analysis

Structural Equation Modeling\(^\text{29}\) (SEM) is a universal multivariable analysis technique. According to the basic idea, it represents the relationships among variables with the formation of primary linear interdependences. It measures the relationship of variables with variance and covariance and the alleged connections are shown on a path diagram. It combines multivariate regression analysis and factor analysis. This analysis technique is mainly applied in social- and behavioral sciences.

Typical areas of application:

- analysis of consumer satisfaction and brand loyalty, analysis of consumer behavior (Martensen et al., 2007);
- analysis of countrywide surveys, e.g. unemployment analysis;
- analysis of racial differentiation of employees, sociological analyses (Bagozzi, 2000, Karim, 2009, Sabatini, 2011),
- development of business or economic plans, drawing up economic or financial models (Hoeck & Ringle, 2010, Low, 2000, Rönkkö & Ylitalo, 2010, Sattler et al., 2010).

Structural equation modeling analyzes the casual relationship of the observed variables (indicators) and the latent variables (which are not observed, but are attached to the observed variables).

Nodes, which were introduced in the previous chapters, have been drawn up in the model. The statistical analysis of the explanatory model has been conducted with SmartPLS (Ringle et al., 2005) and SPSS statistics software packages.\(^\text{30}\)

\(^{29}\) The phrase Structural Equation Modeling has been adapted from the official Hungarian website of SPSS: www. SPSS.hu

\(^{30}\) The missing data had to be substituted in order to conduct the analysis, so the average of the sample was used there.
In most social and behavioral sciences the main concepts are defined hypothetically, i.e. they cannot be analyzed or measured directly. Thus, definitions are attempted to be measured with observable indicators, e.g. answers given to statements of surveys. As the hypothetical concept is not observable, the hypothesis cannot be tested directly. Instead, hypothetical validity of the presumed relations is considered. This requires the definition of a statistical model, the clarification of the type of the relationship, which can be linear and non-linear (Szabó, 2010).

Continuous and discrete dependent as well as independent and continuous variables can be built into the model, along with manifest and latent indicators, and the casual relationships of these can be analyzed inside the model.

5.5.2. Measurement models

The model consists of two parts: the measurement model (formative and reflective) and the structural equation model. The structural equation model identifies the non-foreseeable relationship and effects between the latent variables, and defines the explained and non-explained variance. The structural equation model is referred to as path model in the specialist literature.

Strictly interpreted, the measurement model is a confirmative model of factor analysis (Garson, 2011), during the course of which the relationship among the latent variables and the indicators (observed variables) is considered, and the goodness of fit is measured.

The two basic areas of application of the general factor model are the explorative and confirmative factor analyses. During the course of the confirmative factor analysis, a priori hypothesis is applied to the factor structure and it is measured whether the data (the samples) contradict the hypothesis or not, and the confirmative factor analysis and fitting of the model is solved by SEM (Bentler, 1983).

During factor analysis, the focus is not on the total variance of the measuring variables, but a complex, directly non-measurable latent variable – namely a
factor – was sought for these variables. These factors cannot be observed directly, but they are assumed to influence the development of the measuring variables (indicators), thus connecting them.

During the path model analysis, the relationships among the latent variables involved in the measurement model are analyzed, i.e. in what way they influence the other latent variables (Szöcs, 2011).

The following comparison shows the main components of the structural equation models. The first figure highlights the measurement models, which estimate the relationship among two formative latent variables (ζ₁, ζ₂), two reflective latent variables (ζ₃, ζ₄) and their respective measured variables (indicators). The second figure highlights the path model, which estimates the structural relationships among the latent variables (ζ₁, ζ₂, ζ₃, ζ₄) (Szöcs, 2011).

Figure 14: Presentation of the measurement and path models

Measurement models

Path model

S: own construction, based on (Henseler, Ringle, Sinkovics (2009))
Structural equation modeling provides the possibility of analyzing the goodness of fit of the two components, the measurement model and the path model, separately.

Several programs (software) have been developed to conduct this statistical analysis, e.g.: SEPATH (Structural Equation Modeling/Path Analysis), LISREL (Linear Structural Equation), AMOS (Analysis of Moment Structures), Smart PLS.

5.3.3. The Formative and Reflective Measurement Models

In case of reflective measurement models the direction of casual relationships is assumed to derive from the latent variable towards the indicators. Changes in the latent variables cause changes in the indicators, as well (Lavidge & Steiner, 1961, Jarvis et al., 2003).

On the contrary, in the formative measurement models changes in the formative indicators lead to the change of the values of the latent variable (Edwards & Bagozzi 2000, Diamantopoulos & Winklhofer 2001, Jarvis et al., 2003, Bagozzi et al., 1991). In the figure, arrows point from the indicators towards the direction of the ellipses that indicate the latent variables. The formative latent variable is assumed to be constructed and shaped by the common variance of the indicators, thus the name formative.
In this case, the theoretical concept was operationalized in reflective form assuming that a change in latent variable IMC would bring about a change in the indicators. By measuring IMC, activities and associations in the mindset of the managers are measured. Thus, by asking managers about IMC, they gave measurable answers on the basis of the concepts set in their mind.

5.5.4. Evaluation of the results of the model and the testing of the hypotheses

Figure 16 summarizes the model and the measurement results. The choice of PLS (variance based structural equation model) was based on three reasons: because of the external measurability of the main factor of the model, the assumed distribution and the sample size. PLS path modeling is especially advised when the explanatory models are to be tested and validated in the early phase of the hypothetical development (Simay, 2011. p.83.). When measuring the latent variable, it is important to distinguish the formative (cause) from the reflective (effect) parts (Edwards és Bagozzi, 2000). The main latent variable of the model has indicator variables (Diamantopoulos & Winklhofer, 2001). The PLS program contains the testing of the formative model (Jarvis et al., 2003). Several conditions need to be met to run CBSEM, e.g. normal distribution (Ringle et al., 2005, Hoeck & Ringle, 2010, Satler et.al, 2010).
parametral PLS considers neither the distribution nor the size of the sample (Das, Teng, 1998). While CBSEM produces accurate results from several hundreds of sample elements, PLS can estimate from a smaller sample (Chin et al., 2003).

The result of the SmartPLS path modeling cannot be compared to the global $R^2$ index of the regression analysis. The program does not have a unified fit index. The measurement model, the structural model and the complete model need to be validated separately (vid. Annex 6.). For this reason, PLS offers three indices for further analysis, so that the fitting of the model can be judged by the researcher. These indicators are the communality, redundancy and Goodness of Fit (GoF) indices (Espozito Vinzi et al., 2010).

The Conditions for Running the SmartPLS Program:

According to Barclay et al. (1995), the preferred sample size should be ten times the maximal sum of the arrows leading to the latent variables. 114 answers were given in the empirical sample, and three arrows lead to the IMC construct (secondary latent variable) in the model, thus the sample size is adequate for running the PLS program.

The traditional criterion for inner consistency is the Cronbach alpha, which estimates reliability based on the correlation of the indicators. The Cronbach alphas of each latent variable in the sample are acceptable, as well.

5.5.5. Evaluation of the structural model

The goodness of fit $R^2$ of the latent endogenous variable – the IMC – constitutes the central criterion for the evaluation of the structural model. The five factors combined ($R^2=0.401$) have a medium explanatory value (Henseler,

---

31 During the formation of the model, the variables significantly deteriorating the fitting of the model have been excluded. Thus there are less variables in the model than shown on the scale created during factor analysis.
Ringle, Sinkovics, 2009). IMC was measured by the following factors: SMP (Standardization of Marketing Processes, that is Marketing Communication Know-How and Unified Brand Image), Digitalization and the IMC Approach. The factor IMC Approach, with a weight of 0.423, expresses the largest explanatory share, while the SMP Marketing Communication Know-How and the Digitalization made a contribution with a weight of 0.278 and 0.267 respectively.

Table 28: Explanatory value of the model

<table>
<thead>
<tr>
<th>Definition of the Target Group</th>
<th>( R^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digitalization</td>
<td>0.180657</td>
</tr>
<tr>
<td>IMC</td>
<td>0.401575</td>
</tr>
<tr>
<td>IMC_Approach</td>
<td></td>
</tr>
<tr>
<td>SMP_UNI(fied brand image)</td>
<td></td>
</tr>
<tr>
<td>SMP_K(now-)H(ow)</td>
<td>0.014718</td>
</tr>
</tbody>
</table>

The model explains the casual relationships among the latent variables (Figure 1.) The figure shows the number and direction assigned to each variable as well. The manifest indicators for all latent variables are also present in the figure. Our structural equation model consists of two parts: a structural and a measurement model. In this case: the IMC Approach, Digitalization, Standardization of Marketing Processes (Marketing Communication Know-How and Unified Brand Image), Definition of Target Group and IMC Construction are included in the measurement model. The framework of measurement of the reflective model is the relationship of the latent variables and their manifest indicators (reflective first-order). Between the IMC construction and the latent variables the relationship is formative (formative second-order) (Jarvis et al., 2003).
Figure 16: Model with weight loads
The interrelation between the indicator factors and the IMC factor is evaluated using resampling techniques (bootstrapping). The bootstrapping procedure (Tenenhaus et al., 2005) takes random samples out of the existing data and makes calculations on these, thus creating t-test statistics (vid. Table 29.), which reveal that all factors have a statistically significant positive effect on IMC, except for the construct SMP_UNI.

Table 29: Structural relations - Result of the Bootstrapping Technique

<table>
<thead>
<tr>
<th>Latent variable</th>
<th>Original value</th>
<th>Mean (bootstraps)</th>
<th>Standard deviation</th>
<th>T-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP_KH → IMC</td>
<td>0.278</td>
<td>0.276668</td>
<td>0.083652</td>
<td>2.126487*</td>
</tr>
<tr>
<td>Digitalization</td>
<td>0.267</td>
<td>0.263489</td>
<td>0.092713</td>
<td>1.973817*</td>
</tr>
<tr>
<td>IMK_Approach</td>
<td>0.469</td>
<td>0.466430</td>
<td>0.130846</td>
<td>3.236335*</td>
</tr>
<tr>
<td>SMP_UNI → SMP_KH</td>
<td>0.174</td>
<td>0.172699</td>
<td>0.127800</td>
<td>0.978023</td>
</tr>
<tr>
<td>Definition of Target Group → Digitalization</td>
<td>0.406</td>
<td>0.405662</td>
<td>0.094499</td>
<td>2.564111*</td>
</tr>
</tbody>
</table>

S: own construction, *p<0.05, **<0.01

For a more detailed analysis, the effect-size f² should be added to the research results. This index approximates the predictive power of the constructions on IMC. According to the article published by Chin et al. in 2003, the indicator 0.02 has a low, 0.15 has a medium and 0.35 has a high influence on the internal endogenous latent variable. Among the factors in our sample, the Digitalization construction has the lowest influence, while IMC Approach has the highest.

Table 30: Predictive effect

<table>
<thead>
<tr>
<th>Latent variable</th>
<th>R²</th>
<th>Without R²</th>
<th>Effect size</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMP_KH</td>
<td>0.401</td>
<td>0.322</td>
<td>0.125</td>
</tr>
<tr>
<td>Digitalization</td>
<td>0.401</td>
<td>0.258</td>
<td>0.044</td>
</tr>
<tr>
<td>IMK_Approach</td>
<td>0.401</td>
<td>0.422</td>
<td>0.180</td>
</tr>
</tbody>
</table>

S.: own construction
Table 31: Communalities

<table>
<thead>
<tr>
<th>Definition of the Target Group</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digitalization</td>
<td>0.742475</td>
</tr>
<tr>
<td>IMC</td>
<td>0.746314</td>
</tr>
<tr>
<td>IMC_Approach</td>
<td>0.506586</td>
</tr>
<tr>
<td>SMP_UNI</td>
<td>0.798529</td>
</tr>
<tr>
<td>SMP_KH</td>
<td>0.759715</td>
</tr>
</tbody>
</table>

S: own construction

The third, very important index of the model is the Goodness of Fit (GoF) index, which can be calculated by extracting a square-root of the product of the average $R^2$ and the average communality (Tenenhaus et. al, 2005). In case of the IMC model, GoF is 0.142, which shows that the fitting of the model is not adequate, or at a low level.

The redundancy index measures the quality of the complete structural model for each endogenous latent variable.

Table 32: Redundancy

<table>
<thead>
<tr>
<th>Definition of the Target Group</th>
<th>Redundancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digitalization</td>
<td>0.101142</td>
</tr>
<tr>
<td>IMC</td>
<td>0.014624</td>
</tr>
<tr>
<td>IMC_Approach</td>
<td></td>
</tr>
<tr>
<td>SMP_UNI</td>
<td>0.010526</td>
</tr>
<tr>
<td>SMP_KH</td>
<td></td>
</tr>
</tbody>
</table>

S: own construction

Convergent validation in the Smart PLS software is expressed by the indicator AVE. AVE is calculated for latent variables, and its value is the same as that of the variance described by factors in factor analysis. Its value can range from 0 to 1, and according to the guidelines of Fornell & Larcker (1981) it should be bigger than 0.5. According to the value computed from the empirical sample, the model is convergent as the AVE values are above 0.5 (Chin et al., 2003).
<table>
<thead>
<tr>
<th>Table 33: AVE of the latent variables</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition of the Target Group</strong></td>
<td>0.749402</td>
</tr>
<tr>
<td>Digitalization</td>
<td>0.742475</td>
</tr>
<tr>
<td>IMC</td>
<td>0.746314</td>
</tr>
<tr>
<td>IMC_Approach</td>
<td>0.506586</td>
</tr>
<tr>
<td>SMP_UNI</td>
<td>0.798529</td>
</tr>
<tr>
<td>SMP_KH</td>
<td>0.759715</td>
</tr>
</tbody>
</table>

S: own construction

5.5.6. Evaluation of the Reflective Measurement Model

In the structural equations model, the construct IMC can be described by five indicators: ‘The creative concept is the basis of all campaigns’ (0.443), ‘Marketing communications is determined by corporate strategy’ (0.526), ‘In the course of one campaign, we strive to apply logos consistently at each brand touch points’ (0.604), ‘Sub-groups are differentiated in the main target groups, which sub-groups are targeted creatively’ (0.680), ‘Most of our campaigns are integrated’ (0.773). The factor loadings reflect the power of the interrelations between the IMC and its indicators. Among the five factors, the first factor loading weight is below the minimum value of 0.5 demanded in specialist literature for reliability (Churchill, 1979). IMC explains the variance of each indicator to a large extent.
Table 34: Result of the bootstrapping technique

<table>
<thead>
<tr>
<th>Latent variable</th>
<th>Original value</th>
<th>Mean (bootstraps)</th>
<th>Standard deviation</th>
<th>T-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>The creative concept is the basis of all campaigns.</td>
<td>0.442627</td>
<td>0.432422</td>
<td>0.150913</td>
<td>2.932997*</td>
</tr>
<tr>
<td>Marketing communications is determined by corporate strategy.</td>
<td>0.525821</td>
<td>0.502360</td>
<td>0.132896</td>
<td>3.956631*</td>
</tr>
<tr>
<td>In the course of one campaign, we strive to apply logos consistently at each brand touch points</td>
<td>0.603617</td>
<td>0.589567</td>
<td>0.130229</td>
<td>4.635046*</td>
</tr>
<tr>
<td>Sub-groups are differentiated in the main target groups, which sub-groups are targeted creatively</td>
<td>0.680151</td>
<td>0.669545</td>
<td>0.090549</td>
<td>7.511438*</td>
</tr>
<tr>
<td>Most of our campaigns are integrated.</td>
<td>0.773094</td>
<td>0.768032</td>
<td>0.066244</td>
<td>11.670365*</td>
</tr>
</tbody>
</table>

S: own construction, *p<0.05, **<0.01

The Composite Reliability and the AVE (Average Variance Extracted) represent two additional indicators that are used to measure reflective measurement models. Composite reliability indicates the internal consistency in the latent construct and the quality of the latent variable (Tenenhaus et al., 2004).

One way of discriminant validation is the analysis of the cross-loadings of indicators, as it is assumed that each indicator measuring a latent variable belongs to its latent variable only. The table shows the correlation of the cross-loadings of the latent variables measuring the reflective model. As a result, we achieved that all indicators belong to the IMC construction.
Table 35: Cross-loadings

<table>
<thead>
<tr>
<th></th>
<th>DTG</th>
<th>D</th>
<th>IMC</th>
<th>IMC_APP</th>
<th>SMP_UNI</th>
<th>SMP_KH</th>
</tr>
</thead>
<tbody>
<tr>
<td>DTG_03</td>
<td>0.824793</td>
<td>0.271141</td>
<td>0.294000</td>
<td>-0.117625</td>
<td>0.290411</td>
<td></td>
</tr>
<tr>
<td>DTG_04</td>
<td>0.904721</td>
<td>0.359885</td>
<td>0.217095</td>
<td>-0.067521</td>
<td>0.245570</td>
<td></td>
</tr>
<tr>
<td>D_03</td>
<td>0.328201</td>
<td>0.864330</td>
<td>0.158994</td>
<td>0.257302</td>
<td>-0.205447</td>
<td></td>
</tr>
<tr>
<td>D_04</td>
<td>0.341516</td>
<td>0.881248</td>
<td>0.260712</td>
<td>0.204690</td>
<td>-0.099488</td>
<td></td>
</tr>
<tr>
<td>D_05</td>
<td>0.283077</td>
<td>0.838904</td>
<td>0.234442</td>
<td>0.105973</td>
<td>-0.049932</td>
<td></td>
</tr>
<tr>
<td>IMC_01</td>
<td>0.139483</td>
<td>0.152081</td>
<td>0.433568</td>
<td>0.685834</td>
<td>-0.119892</td>
<td></td>
</tr>
<tr>
<td>IMC_04</td>
<td>0.109238</td>
<td>0.030402</td>
<td>0.460632</td>
<td>0.221159</td>
<td>0.158007</td>
<td></td>
</tr>
<tr>
<td>IMC_05</td>
<td>0.259808</td>
<td>0.114370</td>
<td>0.513603</td>
<td>0.181420</td>
<td>0.116527</td>
<td></td>
</tr>
<tr>
<td>IMC_08</td>
<td>0.215900</td>
<td>0.103673</td>
<td>0.622015</td>
<td>0.344872</td>
<td>0.181802</td>
<td></td>
</tr>
<tr>
<td>IMC_09</td>
<td>0.237359</td>
<td>0.260835</td>
<td>0.647769</td>
<td>0.304132</td>
<td>-0.048665</td>
<td></td>
</tr>
<tr>
<td>IMC_11</td>
<td>0.229709</td>
<td>0.114239</td>
<td>0.459613</td>
<td>0.758085</td>
<td>0.016197</td>
<td></td>
</tr>
<tr>
<td>IMC_12</td>
<td>0.139902</td>
<td>0.212355</td>
<td>0.329804</td>
<td>0.654939</td>
<td>0.095361</td>
<td></td>
</tr>
<tr>
<td>IMC_13</td>
<td>0.261379</td>
<td>0.225011</td>
<td>0.780443</td>
<td>0.577924</td>
<td>-0.033205</td>
<td></td>
</tr>
<tr>
<td>IMC_14</td>
<td>0.177309</td>
<td>0.154506</td>
<td>0.374369</td>
<td>0.687268</td>
<td>-0.002141</td>
<td></td>
</tr>
<tr>
<td>SMP_KH_12</td>
<td>0.355365</td>
<td>0.229167</td>
<td>0.406795</td>
<td>0.313535</td>
<td>0.092617</td>
<td></td>
</tr>
<tr>
<td>SMP_KH_13</td>
<td>0.163868</td>
<td>0.217724</td>
<td>0.351528</td>
<td>0.363505</td>
<td>0.113005</td>
<td></td>
</tr>
<tr>
<td>SMP_UNI_05</td>
<td>-0.083743</td>
<td>-0.160877</td>
<td>0.140703</td>
<td>0.055667</td>
<td>0.896592</td>
<td></td>
</tr>
<tr>
<td>SMP_UNI_06</td>
<td>-0.074153</td>
<td>-0.082612</td>
<td>0.044678</td>
<td>-0.049658</td>
<td>0.897200</td>
<td></td>
</tr>
<tr>
<td>SMP_UNI_07</td>
<td>-0.136591</td>
<td>-0.098711</td>
<td>0.008808</td>
<td>-0.092033</td>
<td>0.886985</td>
<td></td>
</tr>
</tbody>
</table>

S: own research

To complete the testing of the model, a test of the variables for multicollinearity should be conducted, which can be deduced from the VIF formula (the calculation itself cannot be done with Smart PLS, so we used SPSS for this purpose) (Diamantopoulos & Winklhofer, 2001).

Table 36: Cross table analysis of market share and the indicators of IMC

<table>
<thead>
<tr>
<th>IMC_TEL</th>
<th>Market share</th>
<th>Altogether</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Binned)</td>
<td>1 2 3</td>
<td>1 2 3</td>
</tr>
<tr>
<td></td>
<td>1 3 0 3 6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 14 3 34 51</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 16 12 29 57</td>
<td></td>
</tr>
<tr>
<td>Altogether</td>
<td>33 15 66 114</td>
<td></td>
</tr>
</tbody>
</table>

S: own construction

Validation of the modal based on the criteria of Messick (1995)

1. The **content aspect**: PSA index = 63.5 % Fairly high ratio, accepted.
2. The **substantive aspect**: The qualitative GT-processed interviews and the specialist literature served as the source of the statements. Accepted.
3. The **structural aspect**: The quality of the inner structure has been modified according to test questionnaires. Accepted.
4. Generalizability: The indicators that are suitable for the measurement of IMC and test the compliance of the model are barely sufficient. Partly accepted.

5. Convergent and discriminant validation: convergent validation has been measured by the indicator AVE, discriminant validation by the loadings of the indicators. Both indicators comply with the minimum values published in the specialist literature, thus accepted.

5.6. Testing the hypotheses

The first hypothesis consisted of two sub-hypotheses. Both of them touched upon the standardization of marketing processes. In the specialist literature IMC processes were defined in different ways; the global IMC concept dealt with the international and cross-country advertisements. In the first period of IMC it was dealt with forming definitions and how the company could react effectively to the changing marketing communication environment. The IMC spread quickly not only among researchers, but also among practicing marketing managers and employees of agencies. The international growth of companies and the changing structures related to this (potential conflicts) inspired the companies to create a number of standards, therefore several central multinational companies and also affiliates started to use integrated codes of marketing communication (progressive advertising, 360 degrees communication). Considering the empirical data we can say that the application of the domestic IMC is affected positively by the communication know-how. The unified brand image and the harmonized application of communication standards and know-how have not been realized. This confirms the result of Gould and Grein’s research (1996) that was conducted about Global Integrated Marketing Communication.

The second hypothesis also contains two sub-hypotheses. The early IMC concept was modified by technological environmental changes (convergence, pluralization of media) (Low, 2000, Zinkham and
Watson, 1996). The focus moved from traditional mass communication tools to new ones of media (online advertising forms: display, e-mail, listing, search, Ihász, 2010). The advertising space for online channel is far-reaching and it continuously improves, broadens (Rowley, 2001, 2004). Moreover, the accuracy of measurability of the online channel reaches that of the classic mass media (TV, radio, press). In case of advertisement placement, the online channel offers better targeting opportunities; therefore it could happen that in North-America less money is spent on advertising in the press, than in online channels (eMarketer, 2011). This trend arrives to Hungary with a time-lag since the online advertising represents 15%, while the press makes up only 24% of the cake of advertisements according to the table of Hungarian Advertising Association (2010). Their dynamic is different: online expenditures have been increasing since years, while the press shows a decreasing tendency.

The social-sociological changes give evidence of the consumer society and a fragmented target group (Firat and Venkatesh, 1995, Christensen et al., 2009). The empirical data (qualitative and quantitative) confirm that there is a positive significant relationship between the Definition of the Target Groups and the Digital (new media) tools; besides this, the Digitalization construct (appearance of new tools of media) has a positive and significant effect on the IMC construct. However, this effect is not as strong as that of the IMC Approach or that of the Standardization of Marketing Processes – Marketing Communications Know-How latent variable on the IMC.

The third hypothesis deals with the connection of the employees (in this case the brand managers participating in the research) and the IMC Approach. The assumption is based on how much the organizational interest and value influence the efficiency and behavior of the employees. The empirical/experimental data confirm this hypothesis saying that the knowledge of IMC and its own definition is crucial in a company’s application of IMC.

Table 37: Testing the Hypotheses
<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Accepted/Declined</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1/a: The more a company strives to reach a unified brand image, the more likely it possesses the know-how of marketing communications.</td>
<td>Declined</td>
</tr>
<tr>
<td>H1/b: The more likely a company possesses the know-how of marketing communications, the more probably it uses IMC.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2/a: The fewer traditional target grouping criteria a company applies, the more probably it uses digital tools in its communications.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2/b: The more digital tools a company uses, the more probably it applies IMC.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3: The better a manager accepts the idea of IMC, the more probably he will apply it.</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
6. Summary – The Results of the Research

6.1. Theoretical interest in the topic of IMC

IMC got in focus of specialist literature researches in the early 1990’s (Belch & Belch, 1998). Since then the definition has been changed many times, for even researchers themselves could not determine if it is a process or a conception (Cornelissen, 2003, Kliatchko, 2005). The research topic is fairly complex – even the word ‘integration’ is very general. It can mean the integration of all corporate communication processes (Tasnádi, 2010, Gronstedt, 1996), but it can be interpreted as ‘only’ the integration of the elements of the marketing communication mix (PR, personal selling, advertisement, sales promotion), as well (Kitchen & Schultz, 1999, Low, 2000).

From 1990, writings dealing with the borderline of marketing were included in the topic of IMC, such as consumer’s IMC perception, information processing and IMC on the B2B market.

The study summarizes and systematizes models in the field of IMC. The summary and comparing tables help the reader place IMC among the other organizational management guidelines of marketing communications.

6.2. The Summary of the results of the qualitative research

In the 1990s, the foreign definition of IMC did not differ sharply from the Hungarian interpretation. The problem is that while overseas application and definitions overcame the barriers successfully (like the changing marketing stage), domestic IMC definition has not changed much; it has rather become more colorful by applying the new tools of advertisement.

The different domestic IMC interpretations were classified according to several aspects. These aspects include the collective teamwork, the
consistence of the message, the synergy-effect, and the importance of the receptive situation. As a point of interest, we explained that these definitions cannot be always integrated into each other. Mainly the interpretation of advertising agencies and that of the companies are different. In our IMC definition the focus was rather on the flexibility of the company (paragraph 4.3.1.).

Several agency respondents explained and even deduced their own IMC models. These models changed just like the definitions did. In network agencies there are documents and procedures formed at an international level, while smaller agencies can achieve competitive edge with their special know-how. The number of ways of measuring and observing processes and the diverse IMC models cause an obvious differentiation.

According to the respondents, the application of IMC was already accepted in our country in the early ‘90s, just like in the USA. However, it is clear that we are lagging behind; the clean IMC campaign became a difficult and rare phenomenon, especially if we expect a company-level change in the background (vid. fourth and fifth level IMC practice model, paragraph 4.3.1.).

Among the interviewees, there were some people who did not find a clean IMC campaign a novelty, there were some, who had never seen a clean IMC campaign in Hungary, and there were some others, who questioned the fact, that such a campaign is possible at all in Hungary. These question marks were not answered by the critical interpretations; no decision could be made about the opinions of practicing experts. The managers interviewed were experienced to attempt to draft an ideal, theoretically relevant interpretation and also practical tasks for us.

The target group was mentioned by the respondents among the causes of integration. It is important for all the companies to communicate a unified message to the target group; although they disagreed with the traditional methods of defining target groups (e.g. almost all brands are made for people between 18 and 49). Besides this, some respondents
drew our attention to the independence of the brand by saying that ‘IMC is just a process’ which can be applied in case of all brands, of course with an adequate budget support.

Most of the respondents referred to the importance of measured data and to its emphasized role in making marketing decisions. On the one hand, corporate employees have to confirm their annual budget expenditures by target group penetration data; therefore they tend to use measurable forms of media. On the other hand – to continue the thought –, managers do not like taking the responsibility for using such advertisement tools that do not have an accepted measuring system.

6.3. Summary of the results of the quantitative research

During the analysis of the specialist literature and the results of the qualitative research, the main nodes of our quantitative research were identified. The initial positivity of the research is the identification of those nodes along which we interpreted IMC (paragraph 5.1.) The process of scaling, the formulation of questionnaire statements and scales based on the interviews and specialist literature is also a novelty in case of IMC researches. We paid attention to the validation of scales, as well (Messick, 1995).

The adaptation of foreign scales to Hungarian environment, the development and testing of our own scales are significant contribution to subsequent researches.

The resulting online questionnaire was filled in by brand managers with the support of two market research firms (Dunn&Bradstreet and GfK Hungária).

During the quantitative research we were looking for the answer to the question which external environmental variables (Standardization of Marketing Processes and Target Group Identification) and individual
decisional environmental constructions (Digitalization and IMC Approach) influence the corporate IMC. Besides, an important result of the research is that it gives the indicators by which the IMC application can be described.

6.4. Practical applicability of the results of the research

The new, significant, and local feature of the research – besides providing an overview of the defining attempts and the theoretical background of IMC – is that its focus of the qualitative and quantitative researches has been put on the practical application of IMC in Hungary.

Questions such as ‘Is IMC present in Hungary, and if yes, what are its incentives and what affects it?’ have been investigated. The model drawn up aims to provide a possible way of interpretation for these questions.

6.5. Barriers of the research

Choosing the interviewees of the sample is a significant factor of qualitative researches but after reaching a certain number of interviewees (vid. theoretical saturation) it was not worth creating a new one. However, the barrier of the research is the researcher since in case of qualitative researches everything depends on the subjective decision of the researcher.

The topic of the IMC aroused the interest of a number of researchers (vid. paragraph 2.3.) Sometimes its ontological place, other times its definition was searched for and its practical elements were also analyzed. The finite characteristic of the research is shown by this; on one hand, the composition of our small-size sample (brand managers),
on the other hand, the focus of scales narrowed the scope of the IMC research, as well.

We examined IMC not from a strategic point of view rather from a managerial one. This is mostly explained by the composition of the sample. During the qualitative research we conducted professional interviews with corporate and agency leaders but respondents of the quantitative questionnaire were managers. Consequently, questions mainly strengthened the managerial point of view as it can be read among the statements of the IMC approach and the IMC construction.

In the model such latent, manifest variables were embedded, which put an emphasis on the effects influencing the economic environment (such as the Standardization of Marketing Processes and the Definition of the Target Market). The remaining latent variables, like Digitalization and the IMC Approach construct, reflect individual approaches (managerial aspects).

The relatively low explanatory power of the IMC model ($R^2=0.401$) and Cronbach alphas’ satisfactory levels all refer to the fact that further research is necessary in this field since there are still other influential factors that might improve the adaptation of the IMC model.

6.6. The Possible future directions of the research

Additional qualitative researches are necessary to map the operationalization of IMC, in order to identify more accurate indicators. During his research, Swain (2004) asked six interest groups, this is the way how the marketing communication profession could be most completely covered, and they would be involved in further qualitative exploratory researches. With the help of the Delphi method, opinions of experts can be contrasted, which could be read by people participating in the research, and as a result we could educate and inform respondents about the different IMC definitions. By using this method, it could also
be revealed who considers their own definition to be integrated and why, so the main interests that are introduced and summarized here (Table 7) from a describing aspect would be connected to a name and a sector. The long process of scaling has just been started recently, but we still need research to make accurate IMC scales. Further exploratory researches related to IMC might unfold scale statements and scaling aspects that could help us set up a better-fitting model.

We can also benefit from research in education since many famous experts were asked who broadened our marketing communication knowledge with their own successful story (experience and profitability) and case study; so they could support marketing education by constructed studies.

The future improvement and testing of IMC concept is necessary. The research of Reid (2003) showed relationship between the IMC and the corporate performance. This could be an evidence for the top management to pay more attention to IMC processes. However, further formulae and indices are still missing. Moreover, the main global index-numbers describing the efficiency of marketing activity are missing, too (Verdung, 2010). The formation of IMC indices helps us refine other indices, for example customer value, brand value, Return of Customer Touch Points (Schultz, Cole and Bailey, 2004). Researchers should take into consideration the IMC productivity value chain (Porter, 1985, Chikán et al., 1996, Rust et al., 2004, Kotler, 1986): in what corporate processes (primary, secondary) the conception of integrated communications can appear, so that the whole company will reflect a consistent image for everyone concerned, either external or internal.
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Hungarian Journal Articles

- Barriers of the Application of Integrated Marketing Communications in Hungary Marketing & Menedzsment 4., p. 70-77. (2010)

Book Chapters, Book Experts

- Chapter titled ‘Application of Integrated Marketing Communications in Hungary’ in the BCE notes of Sándor & Horváth (2008): Foundations of Marketing Communications

Hungarian Conference Material and Abstract

- The Role of Integrated Marketing Communications in Service Communications. Conference for Marketing Tutors. 2006. Győr

English Conference Material and Abstract

Education

On Facebook page:

Marketing Theme for Marketing and Media students (in Hungarian, 260 fans)
http://www.facebook.com/marketingesmedia

On Blog.hu:

Professional blog:
Interpretation of IMC campaigns: szlogen.blog.hu

Talent management

I created a group of 62 called MarketIntelligence. Thirty-two students and thirty managers have joined this group. We hold lectures, seminars, and operate a blog page publishing only students’ writings. We would like not only the members of this group but all volunteers to publish their thoughts online since knowledge cannot have an end in itself.
Blog page:
marketintelligence.blog.hu
Appendix number 1

The meaning of the word integration

The word *integrated*, as well as its substantive *integration* form comes from the Latin *integratus* (in the past tense: *integrare*) expression, which means incorporation. The Latin word’s root is *integer*, which means whole.

The phase integration is used in a number of sciences and research areas, from mathematics and economy, to psychology. According to the Dictionary of Foreign Words and Expressions, *integration* means on one hand ‘adaptation, different parts uniting to become a whole’, or ‘summing-up’, while on the other hand, it means ‘incorporation, annexation’ (Bakos, 1978:376). Besides these meanings, mathematics also uses it when calculating the integral calculus’s value (Bakos, 1978; for the mathematical interpretation of the word integration, vid. Sydnor 1950; Delaubenfels 1989).

Economics in a wide term, defines integration as an approach, a fusion. *Economic integration* ‘is an objective process based upon the development of productive forces and the deepening of division of labor, which leads to the intertwining of economic units (corporations), branches, and national economics, to their concentration into bigger units, and finally, to their integration.’ (Brüll, 1987:187) According to a narrower view, *economic integration* ‘is a world economic process – given that it is between national economies) – and is the product of productive forces becoming internationalized’(Brüll, 1987:187). The Economic Encyclopedia distinct two different kinds of economic integration: vertical and horizontal. *Horizontal integration* ‘signals the situation when there are products or services within a corporation competing with each other. Horizontal integration* can happen, when let’s say an auto factory embodies another auto factory, or when a warehouse network broadens with new units (here the warehouses will compete with each other for the products).
In this sense, the advantage of producing in an economical quantity is found in the savings of large volumes of acquisitions and merchandizing. 2. Figuratively, horizontal integration can also mean that producers of a given branch fall - to some degree - under the same unified control. With oligopolies it’s partial, while naturally, in the cases of monopolies, it’s overall. This doesn’t necessarily mean, that unified command is in the hands of one owner, its forms can be: cartel, or a secret agreement created by the producers. 3. Horizontal integration can also be an industry structure, where the producers do not take upon the whole manufacturing process, but merely specialize in carrying out partial processes’ (Brüll, 1987:220-221).

Vertical integration on the other hand is ‘the organizing of different, but tightly connected, succeeding, and built-upon each other economic activities, under one unified command. In its most total form, it contains all phases of the production process, from raw material processing, to the manufacturing and the sale of the end-product. […] Within the frameworks of a vertically organized corporation, the manufacturing procedure is often more efficient, than when a number of corporations organize the different phases of the production separately. It’s more rewarding to do certain additional technological operations together. Better coordination, decreasing transport costs, and cutting out go-betweens all mean savings in the end’ (Brüll, 1987:532; for further details on economic interpretations vid. Selden 1902; Colangelo 1995; Dean & Snell 1991; Itakagi 1980; Harrigan 1984).

While psychology uses the definition in regard to a personality, sociology – specifically education sociology – uses it is as an opposite to segregation, as in: integrated education, integrated schools (Walker & Hazel 1960; Crain 1970; Crain 1971).

Like economic interpretations, the world of media regulations too differentiates horizontal and vertical integration. Vertical integration is the ‘connection of different technological phases belonging to a supply chain, the connection of ‘chain-links’ within a corporation’, which decreases the industry competition (Gálík-Polyák, 2005:335).
**Horizontal integration**, on the other hand, means a proprietary-based concentration, which increases the characters’ opinion-influencing possibilities on the media scene (Gálik-Polyák, 2005).

**Integrated marketing** is nothing more, than the optimalization of marketing strategy tasks, as well as their integration into the corporate strategy, guaranteeing corporate goals and consumer orientation to make their way systonically through marketing activities (Prim Online 2005).

According to Kinga Incze, the point of **integrated communications** is to turn the concept called the 360 marketing into realization in our everyday practice. Starting out from the fact that each media device bears a different role in the consumer’s life, influences him differently, and helps him in his decision making using different arguments; during the communication activities, the widest range of media devices should be used (which is relevant to the consumer). Communication integration should be realized on two levels: in the assemblage of tools, and in the contents offered by media devices. The appearing forms of contents should also be set in accordance to these devices. This kind of consequently executed message, where every element, communicating the same way in every moment (but in a form fit for the media device), being multi-colored, either on an interactive or personal surface, can break through the media noise and become distinguished for the consumer. The creative usage of alternative media devices can be this latter momentum’s spectacular and rewarding support (Incze & Pénzes 2002).
Appendix number 2:

In-depth interview sample of the research:

<table>
<thead>
<tr>
<th>NAME</th>
<th>CORPORATION</th>
<th>AT THE TIME OF THE INTERVIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>GYULA BAKACSI</td>
<td>UNIVERSITY PROFESSOR (BCE, MANAGEMENT AND ORGANIZATION INSTITUTION)</td>
<td>CONSULTANT</td>
</tr>
<tr>
<td>2. LASZLO BARTHA</td>
<td>OMD MEDIA PLANNER</td>
<td>MÉDIA</td>
</tr>
<tr>
<td>3. ROBERT BRAUN</td>
<td>BRAUN &amp; PARTNERS EXECUTIVE MANAGER</td>
<td>CONSULTANT</td>
</tr>
<tr>
<td>4. AGI CSIBY</td>
<td>PROMO POWER EXECUTIVE MANAGER</td>
<td>ADVERTISING</td>
</tr>
<tr>
<td>5. NOEMI FELKER</td>
<td>NOE’S ARK EXECUTIVE MANAGER</td>
<td>ADVERTISING</td>
</tr>
<tr>
<td>6. GABOR GONCZI</td>
<td>JOHNSON AND JOHNSON BRAND MANAGER</td>
<td>CORPORATION</td>
</tr>
<tr>
<td>7. JUDIT GRÓSZ</td>
<td>UPC MARKETING EXECUTIVE</td>
<td>CORPORATION</td>
</tr>
<tr>
<td>8. JANOS GULYÁS</td>
<td>ADVERTISING EXPERT</td>
<td>ADVERTISING</td>
</tr>
<tr>
<td>9. KATALIN HALÁSZ</td>
<td>COCA COLA BEVERAGES COMP. MARKETING EXECUTIVE</td>
<td>CORPORATION</td>
</tr>
<tr>
<td>10. ZOLTÁN HÍDVÉGI</td>
<td>STARCOM MEDIA PLANNER</td>
<td>MEDIA</td>
</tr>
<tr>
<td>11. DORA HORVÁTH</td>
<td>UNIVERSITY DOCENT (BCE, MARKETING AND MEDIA INSTITUTION)</td>
<td>CONSULTANT</td>
</tr>
<tr>
<td>12. PETER JUHÁSZ</td>
<td>SANOMA BUSINESS AND SUCCESS DIVISION</td>
<td>CORPORATION</td>
</tr>
<tr>
<td>13. TAMAS KÁDÁR</td>
<td>BERG MEDIA</td>
<td>MEDIA</td>
</tr>
<tr>
<td>14. GABOR KAIZER</td>
<td>REVISION</td>
<td>ADVERTISING</td>
</tr>
<tr>
<td>15. GYÖRGY KASZÁS</td>
<td>CONSULTANT ADVERTISING EXPERT</td>
<td>CONSULTANT</td>
</tr>
<tr>
<td>16. DORA KOVÁCS</td>
<td>MC MEDIA COMPANY</td>
<td>MÉDIA</td>
</tr>
<tr>
<td>17. GABRIELLA LIPTAY</td>
<td>T MOBILE PR AND MARKETING EXECUTIVE</td>
<td>CORPORATION</td>
</tr>
<tr>
<td>18. PETER NOVÁK</td>
<td>KIROWSKI EXECUTIVE MANAGER</td>
<td>ADVERTISING</td>
</tr>
<tr>
<td>19. ZSUSZA ÖHIDI</td>
<td>MARQUARD MEDIA ADVERTISING EXECUTIVE</td>
<td>CORPORATION</td>
</tr>
<tr>
<td>20. ZOLTÁN PAKSY</td>
<td>SAATCHI &amp; SAATCHI EXECUTIVE MANAGER</td>
<td>ADVERTISING</td>
</tr>
<tr>
<td>21. ANNA PÉNZES</td>
<td>MEDIASPIRIT AUDITING MEDIA AGENCY SIDE</td>
<td>MEDIA</td>
</tr>
<tr>
<td></td>
<td>Name</td>
<td>Company</td>
</tr>
<tr>
<td>---</td>
<td>--------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>22</td>
<td>TAMAS PERJÉS</td>
<td>SZONDA IPSOS MEDIA RESEARCH DEPARTMENT</td>
</tr>
<tr>
<td>23</td>
<td>ANDREA PRINCZ</td>
<td>NESCAFE 3IN1 BRAND MANAGER</td>
</tr>
<tr>
<td>24</td>
<td>R. ANDRAS NAGY</td>
<td>PROBAKO EXECUTIVE MANAGER</td>
</tr>
<tr>
<td>25</td>
<td>BALAZS ROMÁN</td>
<td>CREATIVE GENERAL EDITOR ASSISTANT</td>
</tr>
<tr>
<td>26</td>
<td>ZSOLT SIMON</td>
<td>MEDIAEGDE: CIA EXECUTIVE MANAGER</td>
</tr>
<tr>
<td>27</td>
<td>EDINA SZABÓ</td>
<td>OMD EXECUTIVE MEDIA PLANNER</td>
</tr>
<tr>
<td>28</td>
<td>ARIASZÁBÓM</td>
<td>BBDO/PROXIMITY ADVERTISING</td>
</tr>
<tr>
<td>29</td>
<td>AMALIA SZENTESI</td>
<td>SONYERICSSON BRAND MANAGER</td>
</tr>
<tr>
<td>30</td>
<td>GERGELY TÓTH</td>
<td>SOPRONI BEER CORPORATION BRAND MANAGER</td>
</tr>
<tr>
<td>31</td>
<td>DIÁNA TÖRÖK</td>
<td>MÉDIAINFO EXPERT CONSULTANT</td>
</tr>
<tr>
<td>32</td>
<td>ZSOLT URBÁN</td>
<td>HD GROUP EXECUTIVE MANAGER</td>
</tr>
<tr>
<td>33</td>
<td>ZOLTÁN VÁRDY</td>
<td>TV2 PROGRAMME EXECUTIVE</td>
</tr>
<tr>
<td>34</td>
<td>IMRE VÉGVÁRI</td>
<td>ARCUS INTERACTIVE EXECUTIVE MANAGER</td>
</tr>
<tr>
<td>35</td>
<td>LÁSZLO VEKKEL</td>
<td>HPS GROUP ADVERTISING</td>
</tr>
<tr>
<td>36</td>
<td>BÁLINT NAGY</td>
<td>VODAFONE CORPORATION</td>
</tr>
<tr>
<td>37</td>
<td>VIKTÓRIA VANKÓ</td>
<td>BBDO ADVERTISING</td>
</tr>
<tr>
<td>38</td>
<td>SZABOLCS TIHANYI</td>
<td>PANNON CORPORATION</td>
</tr>
<tr>
<td>39</td>
<td>MATYÁS MAJTÉNY</td>
<td>UNILEVER CORPORATION</td>
</tr>
<tr>
<td>40</td>
<td>ESZTER KISS</td>
<td>STARCOM MÉDIA</td>
</tr>
</tbody>
</table>
Appendix number 3:

Interview frame (half-structured)

1. What do you think were the reasons that led to the changes in marketing communication processes?

2. How would you interpret integration?
   a. How would you define it? What does integration apply to in communications (on an advertisement tool, media device, concept, and target group level)?
   b. What new assignments does integration bring (with itself)?

3. In your opinion, what kinds of projects have run on an integrated level so far? What is your experience?

4. Has integrated marketing communications become a reality in Hungary?
   a. If yes, why so?
   b. If no, why?

5. How would you define a corporation’s integrated marketing communication?

6. What is an advertisement agency’s role in integrated marketing communications?

7. What do you think of messages created on a strategic level?

8. What kind of results did you reach?
   a. Do you think the integrated project was a success?
   b. How would you measure the results? What is success?
   c. What conclusions can be made from the results?
Appendix number 4

Introducing the NVIVO programme

A) Listing of categories (contracted in the left column, with added concepts in the right column – quotations, sentences, and number of memos)
B) By opening the individual categories we reach further interview details, while the right column shows further subcategory connecting points.
C) Memo Introduction
Appendix number 5

Questionnaire about marketing communication

Dear brand or product manager,

I am Mária Bernschütz, PhD student at Corvinus University of Budapest. Filling in my questionnaire would be a valuable help in my PhD thesis research. The topic is brand communication. The results will, of course, only appear aggregated.

If the topic got your attention and you are interested in the results, please contact me via maria.bernschutz@uni-corvinus.hu after having filled in the questionnaire. I will send the report of this corporate research for you willingly.

Filling in the questionnaire does not take much time. However, if you happen to pause the filling process, the actual status will be saved automatically. If you would like to go on filling in, please open the link of the questionnaire again. During the filling in, having not evaluated each and every statement in a statement group, pressing the ‘Next’ button will lead the system to ask for answering all statements in the statement group again.

Thank you. I am very grateful for enhancing the standard of my research with your useful sentiment.

Best wishes,

Mária Bernschütz
+36-30-258-3421

1. Please, write your first name here:

2. What is the name of the company you are working at?

3. Which brand group are you working on? (if none, please write: ‘-‘)

4. How would you categorize the main brand you are working on?

186
<table>
<thead>
<tr>
<th></th>
<th>Service sector brand</th>
<th>Product sector brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>How long have you been working at this company? (please specify it in years)</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Please, name your current position at the company.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>How long have you been holding down this position?</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Which sector is your company operating in? Please mark one of the following categories.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Food</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial institution, insurance company</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medical products, therapy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Telecommunication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Beauty</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Culture, recreation, entertainment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Transportation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Beverage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Book and information provider</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other, please specify here:</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Is your company listed on the stock exchange? Please mark one of the following answers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>
10. Please, evaluate your company according to the following statements on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>In our sector, consumer preferences are rapidly changing.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our consumers are looking for new products.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our target audience is homogenous.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our consumers are price sensitive.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our new consumers have needs related to new products.</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Consumer care is important for us.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our target audience’s needs are diversified.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. Please, evaluate your company according to the following statements on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>The competition is tight in our sector.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisement war is usual in our sector.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anything offered by a competitor is easily copied by other actors.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price competition is typical in our sector.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Each day, we hear about a new competitor’s special offer.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our competitors are relatively weak.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
12. Please, evaluate your company according to the following statements on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical).

<table>
<thead>
<tr>
<th>Rating</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Due to the crisis, the company primarily cut the marketing budget.</td>
</tr>
<tr>
<td>2</td>
<td>The company preferred the high reach media vehicles because of the crisis.</td>
</tr>
</tbody>
</table>

13. Please, evaluate your company according to the following statements on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical).

<table>
<thead>
<tr>
<th>Rating</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The brand’s target audience definition is complicated.</td>
</tr>
<tr>
<td>2</td>
<td>Now segmentation cannot be based on traditional demographic data.</td>
</tr>
<tr>
<td>3</td>
<td>We have been dealing with segmentation technics differing from demographic segmentation.</td>
</tr>
<tr>
<td>4</td>
<td>Fragmentation in the society has effect on the targeting process.</td>
</tr>
<tr>
<td>5</td>
<td>Consumers are individualistic.</td>
</tr>
</tbody>
</table>

14. If you use target audience criteria differing from the traditional ones, please, specify them here:

15. How many brand names or variations are there on the Hungarian market (regarding the main brand)? (e.g. Bambusz is the main brand and Bambusz plusz is a variation, so that is two.) Please write the appropriate NUMBER here:
16. Please, evaluate your company according to the following statements on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical, NN = non-international company).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>NN</th>
</tr>
</thead>
<tbody>
<tr>
<td>At our company, according to the brand policy, all sub-brands use the name of the corporate brand.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At our company, according to the brand policy, each brand is a product brand with a different brand.</td>
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<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

17. Please, evaluate your company according to the following statements on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical, NN = non-international company).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>NN</th>
</tr>
</thead>
<tbody>
<tr>
<td>We distribute the same products on each market.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The advertisement campaign (creative) varies by country.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>We apply different communication technics on different markets.</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>We use the same media vehicles in different countries (media mix).</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>We use the same slogan and information in the communication in different countries.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We use the same visual elements in different countries.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We use the same</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
creative concepts in different countries. Our return index level (e.g. ROI) is higher than our competitors’.

18. Please, evaluate your company according to the following statements on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical). In case of your company having no international interest (HQ), please, evaluate the top management instead.

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our subsidiary makes its own decisions about the details of its communication campaigns.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The advertising strategy is strongly controlled by the parent company.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decisions about the advertisement is made by the headquarter.</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Our company has its own communication know-how (e.g. comprehensive knowledge about marketing communication).</td>
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<tr>
<td>We insist on our standards in case of each campaign.</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company provides trainings in marketing communication.</td>
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</tr>
</tbody>
</table>

19. Please, specify on which organizational level are the following functional departments. You may mark a level option more than once to claim that two or more departments are equal on the same level in the organizational system. Rows represent departments and columns stand for levels.
20. Please, evaluate your company according to the following statements on a 1-5 scale (1 = totally disagree, 2 = disagree, 3 = so-so, 4 = agree, 5 = totally agree).

For me, marketing communication is a long term team work among corporate departments and agencies to develop communication campaigns.  
I do not deal with advertisements. I accept what the agency recommends.  
In case of planning a campaign, we call upon the media agency first.  
The creative concept is the base of every campaign.  
The marketing communication is set according to the corporate strategy.  
I appraise the consultancy with the agency.  
In a campaign, we try to indicate the same slogan (as the only obligatory element) everywhere.

<table>
<thead>
<tr>
<th></th>
<th>High management</th>
<th>Middle management</th>
<th>Low management / operational level</th>
<th>No such department.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand / Product marketing</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Trade / Category management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate communication</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
In a campaign we try to visualize our logo consistently on every brand meeting point / opportunity.

In the target audience several smaller sub-groups can be identified that are targeted by different creative concepts. If I chose the elements of the communication mix, I would be more effective in my opinion.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
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<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>21.</strong> Please, evaluate the following statements regarding last year’s communication mix (concerning the main brand) on a 1-5 scale (1 = totally disagree, 2 = disagree, 3 = so-so, 4 = agree, 5 = totally agree).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our campaigns are based on advertisements.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>In the communication mix, we use PR vehicles decisively.</td>
<td></td>
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</tr>
<tr>
<td>In our campaigns we use direct marketing tools.</td>
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</tr>
<tr>
<td>In our communication, personal selling is the most important.</td>
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</tr>
<tr>
<td>Our campaigns are mainly based on sales promotion tools.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>22.</strong> Please, evaluate the following statements regarding the media mix (concerning the main brand) on a 1-5 scale (1 = totally disagree, 2 = disagree, 3 = so-so, 4 = agree, 5 = totally agree).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The only media vehicle we use is the television. Our campaigns are based on the radio. Our campaigns are built upon print media advertisements. Alternative vehicles represent the crucial part in our campaigns. Rather traditional media vehicles (television, radio, outdoor) are used in our campaigns.

23. Please, evaluate the following statements regarding marketing communication on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical).

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>We keep tabs on the launch of new media vehicles.</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>We use media vehicles that have the measures accepted in Hungary.</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>I only believe in a media vehicle if its results are supported by measurement.</td>
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</tr>
<tr>
<td>I prefer mass media vehicles because they reach consumers at a very high rate with a single impression.</td>
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</tr>
<tr>
<td>We choose media vehicles in the media mix according to the creative concept.</td>
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</tbody>
</table>
24. Please, evaluate the following statements about IMC (integrated marketing communication) on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical).

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMC is a strategic business process that plans, develops, carries out, evaluates the coordinated, measurable and convincing brand communication. The consumer, the buyer, the potential customer and other target market actor concerned by the IMC is a relevant internal and external audience. The integrated marketing communication is not new for me. (IMC is also called as 360 degree marketing or progressive advertising.) In my opinion, the joint thinking and the group work flow (among corporation, agencies and advisors) mean the integrated marketing communication. The crucial part of our campaigns is integrated.</td>
<td></td>
<td></td>
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</tbody>
</table>

25. Please, evaluate the following statements regarding marketing communication on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical).

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>We employ a new person for managing</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
the online advertisements.
Among our employees, there are ones managing social media.
Our consumer base has been extended by the opportunities provided by new media tools.
With the help of new media tools, our target audience is reached more properly.
We have often appeared on unusual media vehicles in these last years.

26. Is your company in a contractual relationship with any advertisement agency?

☐ Yes, it is.
☐ Usually it is, but not now.
☐ No, it is not.

27. Please, evaluate the following statements regarding the advertisement agency on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical, NN = non-international company).

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>NN</th>
</tr>
</thead>
<tbody>
<tr>
<td>We change the advertisement agency on a yearly basis.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We charge the advertisement agency on a campaign basis.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We believe in long term relationships regarding cooperation with advertisement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Our parent company makes the decision about the advertisement agency.

28. Is your company in a contractual relationship with any media agency?

- Yes, it is.
- Usually it is, but not now.
- No, it is not.

29. Please, evaluate the following statements regarding the media agency on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical, NN = non-international company).

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>NN</th>
</tr>
</thead>
<tbody>
<tr>
<td>We change the media agency on a yearly basis.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We charge the media agency on a campaign basis.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We believe in long term relationships regarding cooperation with media agencies.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our parent company makes the decision about the media agency.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

30. To what extent do you agree with the following statements? Please, evaluate the statements on a 1-5 scale (1 = totally untypical, 2 = untypical, 3 = so-so, 4 = typical, 5 = totally typical).

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>I take advantages of my opportunities.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Considering opportunities, I rather choose the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
I like those people who are astounding.

31. How long has your corporation been operating in Hungary?

☐ We have no parent company.
☐ International market entrance date: [space for date]

32. When did the parent company enter the international market?

33. What is the market share of the brand you are in charge of in Hungary like?

34. What is the average value of the communication budget per revenue regarding Hungary (concerning your own brand)?

35. At the end of the questionnaire, I would like to ask you to write your e-mail address in the box below for me to be able to send you the report if you are interested. Thank you.
### Appendix number 6.

The evaluation criteria of the PLS model

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation of the structural model</td>
<td><strong>R²</strong> of latent endogenous variables</td>
</tr>
<tr>
<td>Estimates for path coefficients</td>
<td>The estimated values for path relationships in the structural model should be at significant levels. This significance can be evaluated using the bootstrapping procedure.</td>
</tr>
<tr>
<td>$f^2$ for the effect size</td>
<td>$f^2 = \frac{R^2_{\text{included}} - R^2_{\text{excluded}}}{1 - R^2_{\text{excluded}}}$</td>
</tr>
</tbody>
</table>

### Evaluation of reflective measurement models

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor loadings</td>
<td>Factor loadings should be higher than 0.7</td>
</tr>
<tr>
<td>Composite reliability</td>
<td>$\rho_c = \frac{(\sum \lambda_i)^2}{(\sum \lambda_i)^2 + \sum \text{var}(e_i)}$, where $\lambda_i$ is the component loading to indicator and $\text{var}(e_i) = 1 - \lambda_i$. The composite reliability a measure of internal consistency should be higher than 0.6.</td>
</tr>
<tr>
<td>Average variance extracted (AVE)</td>
<td>$\text{AVE} = \frac{\sum \lambda_i^2}{\sum \lambda_i^2 + \sum \text{var}(e_i)}$, where $\lambda_i$ is the component loading to indicator and $\text{var}(e_i) = 1 - \lambda_i$. The average variance extracted should be higher than 0.5.</td>
</tr>
<tr>
<td>Discriminate validity</td>
<td>The extracted average variances of the latent variables should be greater than the square of the correlations among the latent variables. This indicates that more variance is shared between the latent variable component and its block of indicators than with another block representing a different block of indicators. Cross-loadings are another test of discriminate validity. It is expected that each block of indicators load higher for its respective latent variable than indicators for other latent variables. If an indicator has a higher correlation with another</td>
</tr>
</tbody>
</table>
latent variable, then the appropriateness of the model may be reconsidered.

<table>
<thead>
<tr>
<th>Evaluation of formative measurement models</th>
<th>Evaluation of formative measurement models</th>
<th>Evaluation of formative measurement models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significance of weights</td>
<td>Estimates for formative measurement models should be at significant levels. This significance can be evaluated using the bootstrapping procedure.</td>
<td>Estimates for formative measurement models should be at significant levels. This significance can be evaluated using the bootstrapping procedure.</td>
</tr>
<tr>
<td>Multicollinearity</td>
<td>Manifest variables in a formative block must be tested for multicollinearity. The variance inflation factor (VIF) may be used for such tests. Values that are higher than ten reveal a critical level of multicollinearity and the measurement model must be reconsidered.</td>
<td>Manifest variables in a formative block must be tested for multicollinearity. The variance inflation factor (VIF) may be used for such tests. Values that are higher than ten reveal a critical level of multicollinearity and the measurement model must be reconsidered.</td>
</tr>
</tbody>
</table>

F: Chin, 1998