Research on the Influence Integrated Marketing Communications at Enterprises Business in the Republic of Serbia

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Abstract: The aim at this paper is to point out to basic advantages of the strategic approach and functioning of the Integrated marketing communications (IMC) concept in companies on the territory of the Republic of Serbia. In research works, the concept of IMC is used to provide synergy effects while achieving a strong and unique product and company image that would drive consumers into action. The IMC concept was assessed on a sample databases using the survey method. Estimated results based on 42 samples indicate that the strategic approach to IMC concept lead to positive impact on companies' businesses, but on the other hand, a large number of companies in Serbia continue to rely more on traditional forms of marketing communication. Actually the identified low level of implementation of IMC concept opens space for further scientific research and empirical implementation of IMC in companies in Republic of Serbia as well as abandonment of traditional forms of communication. In addition, recommendations have been given for implementation and further improvement of IMC concept in order to overcome the current, traditional ways of communication.

Keywords: communicative strategies; consistent messaging; interactive communications; consumer

JEL Classification: M31; C13; M39

1. Introduction

From the moment when marketing became a dominating business conception, the importance of communication began to stands out as one of the most important marketing activities. (Dimitrijevic & Cogoljevic, 2016). It was clear that communication through marketing has a decisive influence on the development of relationships with customers and creating loyal customers. The contemporary authors particularly emphasize the significance of communication in marketing. Duncan T. and Morienrty S. (1998) see marketing and communication as the two parallel processes consisted basically of the same elements. The basic elements of the process of communicating are the source, the message, the channels of messages, interferences which can negatively affect the reception, the recipient of a message and the feedback loop established between the sender and the recipient.

In the marketing process, each individual element of the communication process corresponds to one of the marketing elements, in this order: enterprises, product, distribution channels, competition, consumer, and sales together with consumer services and marketing research. The marketing communications are “condition sine qua non” of a modern business and are the only sustainable competitive advantage of enterprises in the twenty-first century. However, enterprises in Serbia are generally only partially aware of that power, influence, and power to possess this phenomenon. The multi-annual consequences of the global economic crisis are affected through a slower and specific marketing development in Serbian enterprises, which has led to a slow acceptance of new trends, marketing and management concepts and techniques. In most domestic enterprises are still represented

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traditional approaches of marketing communications which are based on the use of uncoordinated forms of communication which are often inconsistent and confusing for the consumers. The process of marketing communication starts by noticing the needs for communication with consumers, but already in a second phase, the placement of inconsistent messages, deviates from the IMC. It is a common case that the messages placed to consumers are in complete contradiction with consumer finds during a meeting with employees. The cooperation between separate forms of communication is not present, so consumers are placed with ununified messages which “do not speak with the same voice”.

2. Defining the Concept of Integrated Marketing Communication

An Integrated Marketing Communications (IMC) represents the most important concept which has been developed in marketing in the last decade of the twentieth century. The literature in this area is vast, there is no one generally adopted and accepted definition or concept of the IMC. The different authors seek to develop a definition which will be as simple as possible, but also comprehensive in describing the essence of this concept. In table 1, the most commonly used definition of the concept of IMC are presented in the chronological order.

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<th>Table 1. Table captions should always be positioned above the tables</th>
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<td>“IMC is the concept of marketing communications planning which recognizes the added value in a variety of communication disciplines-for example, economic propaganda, sales promotion, public relations, etc. - and combines these disciplines to provide clarity, consistency and maximum communication impact.” (American Association of Advertising Agencies – AAAD, 1989).</td>
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<td>“The concept of IMC is a strategic combination of all messages and media used by the organization in order to influence the perception of brand value with consumers.” (Duncan &amp; Everett, 1993).</td>
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<td>“Integrated Marketing Communications represent a new way of looking at the whole of marketing communication, and not as previously only one part of the marketing communication such as advertising, sales promotion, public relations.” (Schultz, Tannenbaum &amp; Lauterborn, 1993).</td>
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<td>“An integrated marketing communication represents strategic coordination of marketing mix elements (advertising, public relations, direct marketing and product design) in order to optimize the effects of persuasive communications within targeted audiences.” (Thorson, 1996).</td>
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<td>“Integrated marketing communications are defined as a concept in which the enterprise carefully integrates and coordinates many communications channels to deliver clear, consistent and encouraging message about the organization and its products.” (Kotler, Armstrong, Sanders &amp; Wong, 1999).</td>
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<td>“Integrate marketing communications make the process which includes the management and organization of all individuals and organizations involved in communication process in marketing in the activities of analysis, planning, implementation and control of all communication contacts, media, messaging and promotional instruments directed to selected target groups in a manner that provides largest economy, efficiency, attractiveness and coherence of communication efforts in achieving preset goals.” (Pickton &amp; Broderick, 2001).</td>
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From the overviews of different definitions of IMC, one might conclude that two basic characteristics of this concept stand out (Ognjanov, 2009):

- The necessity of coordinating messages sent in different ways, through different media and different target audiences and;

- The necessity of a unique a planning approach from creating communication strategies as the basic objectives that are achieved by coordinating the message in consistent communication process, avoiding of creating confusion among recipients. It also provides that a clear message about the activities do offer enterprises arrival on all the interested individuals. Creating a unique communication strategy, on the other hand, is a fundamental difference between classical functional approach to marketing communications and integrated marketing communications;

![Figure 1. Functional and integrated approach to the development of a communication strategy](image)

In previous image it could be seen that a functional approach to marketing communication for each individual form of promotion should be created special strategy, which is derived from marketing strategy. This further means that there is a unique promotion in each strategy. On the other side, a model of integrated marketing communication involves creating a coordinated strategy in all forms of communications which leads to tactical implementation of mutually agreed promotional programs.

### 3. The Basic Characteristics of Integrated Marketing Communications

In all the above definitions we can emphasize five basic elements which characterize the concept of integrated marketing communications (Shimp, 2007):

1. IMC that affect behavior;
2. IMC that starts with customers or potential buyers;

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3. IMC that use one or all forms of communication;
4. IMC that achieve synergy;
5. IMC that build long-term relationships with customers.

The IMC is the essence of influencing the behavior of the communication with the audience, and encouraging new forms of this behavior, strengthens existing or past behavior changes. A successful IMC creates the need for the product/service, familiar with the product/service, enhancing and encouraging consumer’s attitude to love the product/service. The final aims of IMC are initiating customer on the action or the purchase of a concrete product. A second key featured on the IMC is that the whole process begins with consumers, or a potential customer, opting instead for the most suitable combination of communication methods that will achieve the desired aims. Knowledge of needs and desires of consumers is an essential input for decision-making in the process of IMC. The consumer as a result of all marketing activities is the beginning of a strategy of IMC because without knowing the consumer communications it will not achieve the desired aims.

The IMC uses one or all of the forms of communication and contacts for reaching the target audiences and the presentation of desired messages. The key features of these guidelines are the need to combine the message and the media in a manner to achieve the desired effects of communication. Contact is each channel intended to deliver the message to consumers which represent the product in the best light. Contacts should include TV spots, advertisements in newspapers, billboards, online contact on the Internet, practically an infinite list of possibilities. The IMC is not related to individual communication form but may use any contact and medium, single handedly or simultaneously.

An important element of the IMC is the achievement of the synergies. Regardless of which communication forms are used, they must supplement each other ensuring the synergy. Together, they should achieve the strong and unique image of product which will lead the consumers to action. It means that all forms of communication must be identical. Basically, the consumer must receive the same or complementary messages increasing the impacts of the previous. Failure to closely coordinating all communication elements can result in duplication of effort or even worse, contradictory messages about the product addressed to consumers.

The successful planning and implementation of integrated marketing communications, in a large extent can increase the building of a positive long-lasting relationship to customers, without whom it would become, an end to itself, and would not have a positive impact on business results. It can be said that building long-term relationships as main aim in modern marketing and the IMC is a mean to build these long-term relationships. (Schultz, Tannenbaum & Lauterborn, 1993).

In the long term, it is not worthwhile to cheat consumers. The real marketing success depends on consumers who are buying again, and the phrase “the people who are coming back” contain the idea of permanent usefulness of consumers. Companies realized that it is much simpler and cheaper to retain an existing customer than to quest permanently and winning over new ones. Relationship precisely enables that. Creation of lasting relationships between the product and the customer or the enterprise and the customer also implies repurchase, even long-term loyalty and the liberates up enterprise from the disposable syndrome sale.

4. Review of the Literature

In countries with developed markets, integrated marketing communications are the subject of interest to many experts and foreign literature abounds with publications on this topic. Foreign authors have created a very strong theoretical structure that represents absolutely comprehensive approach to the
study of integrated marketing communications, which enables their successful implementation and enforcement. Authors Schultz DE, SI Tannenbaum i Lauterborn R.F. (2003) in the book “Integrated Marketing Communications” have defined the concept of effective IMC, placed of basic principles, described by its specific characteristics, and determined with appropriate terminology. The first applied research in this area was conducted in 1991 at the Medill School of Journalism, Northwestern University. The study entitled “Integrated Marketing Communications: Overview of national advertisers products” conducted Caywood, Wang and Schultz aiming to examine and analyze the development of the concept of integrated marketing communications in the US market. The conclusion of this study was that in practice the US Agency reports of new approach to development of promotional campaigns, fueled by clients’ needs for greater efficiency of invested funds in promotion activities. This research practically initiated theoretical development of the concept, because it strongly influenced the scientific community.

The experts have devoted significant attention to the concept of IMC that has fueled large number of written papers, books and articles on the topic of integrated marketing communications. A significant segment consists of theoretical considerations and empirical research. After the initial researches were published series of other researches emerged which tested various hypotheses. The researchers sought to establish what kind of degree of acceptance of IMC has in practice, and what are the factors that positively or negatively affect the level of integration of communications companies.

Positive correlation between the IMC relations were studied and identified at one side and enterprise performances and years of experience managers who lead him on the other side. It has been proven that if the experience of managers that lead the process IMC was more profound, implementation of the concept of IMC was successful, that lead to strengthening of a positive image of enterprise increasing sales of products/services and the achievement of positive business results.

5. Research Methodology

In order to determine the knowledge of domestic enterprises with the concept of IMC and the level of its acceptance and implementation of domestic market for the purposes of this study, the specific empirical research was conducted.

The starting point of the research process relates to the definition of research problem. The precisely defined problem is necessary condition for the proper setting goals and tasks for research. The basic problems of the concrete empirical research are the following:

- Are domestic enterprises familiar with the concept on integrated marketing communications? The subject of research is apostrophized in the title of the paper, “the impact of integrated marketing communications with enterprise operations in the Republic of Serbia” and is in direct correlation with the objectives of the research.

- Based on a defined problem and the subject of research, emanates the following basic aim of this research effort:

- Identify the degree of implementation of integrated marketing communications within the Serbian market and their implications on the business results of the enterprises.

Proceeding from the basic goal of the research, the following partial list of research objectives is performed:

- Execute the measurement of attent towards enterprise system IMC;
- Determine the degree of application IMC;

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To determine the structure of promotional and media mix in enterprises;  
To identify the way of establishing contact with consumers.

Proceeding from set goals, the basic hypothesis is defined that states:  

H0: The application of a strategic approach IMC leads to improved interactive communication between the seller - the buyer, the effects of increasing investment in marketing communication, and thus to increased product sales and enterprise services.

To collect the data necessary for resolving a defined problem were used the primary and secondary data sources. Realization of the research process began in collecting data from secondary sources, such as: the publication of statistical institute, chambers of commerce reports, reports, advertising agencies, market research reports that have implemented some enterprises, web presentation of enterprises in Serbia.

Keeping in mind that the research problems cannot be fully resolved on the basis of secondary data, it was necessary to formulate a strategy for primary data collection. The primary data are original data, i.e. data that has been collected for the first time in need for a specific research project. Basically, these data require more complex procedures than the collection of secondary data. On the other hand, compared with secondary data, primary data have an important advantage in terms of providing the notification and are also appropriate for precise analysis and conclusions. The main sources of primary data empirical researches were enterprises operating in the territory of the Republic of Serbia.

The basic method that was used to obtain primary data and informations from the enterprise’s testing methods. Test method led to information about the elements related to:  

- Facts – for example, questionnaire raises the question about previous experience in the use of instruments of IMC in enterprises;  
- Opinions and intentions, for example, questionnaire raises the question about the intentions over the next year related to the way of communication with customers;  
- Motive - even though motives for examination were using more complex methods and questions it could be concluded, for example that question about the expectations of enterprises from the application of IMC, actually is the question of what motivates them to accept it.

In the basic set of enterprises are represented all forms of ownership, which by the criterion of size are classified as large enterprises. Because of the massiveness of the basic set, it was necessary to apply an appropriate sampling strategy. To ensure the reliability and relevance to the data, it was necessary to provide a proper selection of units in making the sample, its size and the manner of election units. The questionnaire was forwarded to 100 addresses. A review of the existing internet business address in the Republic of Serbia came to the respondents. The sample was random, and the questionnaire was sent to enterprises that were more easily available, in order that the sample would not largely crumble. The enterprise's questionnaire was sent by an e-mail. Out of all forwarded questionnaires, the sample of this research makes 42 valid questionnaires, of 42 enterprises which responded.

In conducting the survey the limits has been encountered reflecting on the unwillingness of enterprises to cooperate fully. Unfortunately, in Serbia a degree of research culture is still at a low level. The employees in enterprises are reluctant to provide data and answers about the business. The most common answer which is given when explaining their refusal to interview is that the data is a business secret. In this research, because of the cited restrictions, were interviewed enterprises in Serbia, who were ready for cooperation. It was therefore clearly stated that any given date is protected and

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anonymity was guaranteed, and that the responses are used exclusively for research purposes and the fact that there are not accurate and wrong answers to any of these questions.

6. Analysis of Results

After research transacting, data processing were presented in the graphics that follow. The survey questionnaire included issues related to familiarity of domestic enterprises with a strategic approach and the degree of its implementation in the normal course of business cycles. When asked if the promotional activities of the enterprises were particulary planned and implemented to support the overall marketing strategy, 73% of surveyed companies answered affirmatively, while 27% of enterprises declared that they not apply a strategic approach and that activities related to marketing communications are planed independently on other activities in the enterprises.

The additional questions about the enterprises that were requested were to explain how their enterprises implemented a strategic approach, given what they mean by concept. The analysis of received responses has been determined that 55% of respondents in domestic companies declared themselves to use the strategic approach, knowing for real what it was about and to understand the essence of this approach, while the remaining 45% did not answer the question which suggests that this enterprises does not understand the essence of this approach. In this way, the total number of companies that apply strategic approach has dropped from 73% to 54% in the total number of respondents.

![Pie chart showing the percentage of companies that apply and do not apply a strategic approach.](image)

**Figure 1. Implementation of a strategic approach to marketing communications**

These companies are planning their communication activities on a quarterly basis thereby harmonizing them with the policy of the enterprises, the image and product development strategy of the enterprises, considering the market situation. The marketing sector, sales and development are mutually consulted and agreed on the creation of new products, their distribution and marketing activities. For these companies it can be said to apply a strategic approach and that they are aware of the fact that application leads to improved two-way communication between the seller-buyer, the effects of increasing investment in marketing communication, and thus to increasing sales of products/services companies.

On the question about whether they have heard of the concept of integrated marketing communications, 80% of domestic companies responded affirmatively, 13% of domestic companies
responded that they had heard of the term but do not know what exactly means, while 7% of domestic companies responded that they have never heard of integrated marketing communications.

**Figure 2. Awareness of domestic companies with the concept of integrated marketing communications**

It is important to mention that, satisfactory results of IMD concept awareness in our enterprises are falling in the next questing when asked to define specified term. Total number of respondents that said they knew about integrated marketing communications, 75% gave the correct definition of the concept, while the remaining 25% still did not know what it was about.

Nevertheless, it can be concluded that our marketing managers have a solid knowledge of the theory of integrated marketing communications. An adequate theoretical basis had made a positive impact on the implementation of the concept in practice of domestic companies. This is confirmed by the results obtained on the question whether they use the concept of IMC in their enterprises. In fact, 56% of marketing managers said yes, while 44% responded that they do not apply the concept of IMC, but that it should be implemented.

**Figure 3. Applying the concept of IMC in the domestic market**

The graph shows that the structure of promotional mix in companies makes the following forms of marketing communication: advertising (40%), sales promotion (25%), public relations (18%), personal sales (11%) and direct marketing (6%). This structure of promotional mix actually represents the average representation of these forms of promotion which are calculated on the basis of assessment in
their participation in the promotional mix in each enterprise given by their managers. Although the data for each individual enterprise differs considerably, it could be concluded that economic propaganda is a dominant form of communication.

![Figure 4. Structure of the promotional activities of the enterprises](image)

Having in mind the fact that the best results are achieved by the simultaneous use of numbers of communication channels of advertising messages, managers were asked to rate the importance of some of the communication channels (Figure 5). After carrying out analysis of the collected data, it could be concluded, that the dominant channels of communication are television, newspapers, Internet and external funding, ranked with scores of 4.8; 4.5; 4.3; 4.1, respectively.

![Figure 5. Ranking devices for transmitting propaganda messages](image)

Considering the aim of efficient functioning, companies should continuously monitor and control marketing activities. The essence of marketing control is to estimate whether the actual results are in line with the plans. If there are certain disparities, it is necessary to identify the causes and propose corrective actions to eliminate those causes and improve marketing activities of the enterprises.
Based on analysis of survey responses, it can be concluded that the 65% managers stated that they regularly perform control of achieved results in their companies, whereas the remaining of 35% enterprises use periodical control. Other offered alternatives shows that the control of annual sales plan is implemented in most companies, which can be explained by the fact that the surveyed managers have the authorities related to the implementation of strategies and customer retention, not creating the new ones.

Presented results based on the empirical research could indicate that companies based in the territory on the Republic of Serbia are consumer oriented. The managers of domestic companies have realized the influence of consumers on the product performances and companies in general, and this is a necessary condition for effective implementation of the concept of integrated marketing communications. Also, in order to ensure adequate implementation of IMC, it is necessary to exert systematic planning and organizing communication activities in the enterprises, which continues to be coordinated with the strategies and tactics related to other elements of the marketing mix.

7. Recommendations for the Improvement of Marketing Communications in Serbia

Based on the analysis of the results of the research we can give some recommendations that companies should follow to improve the state of marketing communications in the Serbian market. Those are:

- Strengthening the theoretical and practical knowledge of IMC and application of the concept of relationship marketing by the top management in companies, would lead to future synergy effects in improving business;

- The acceptance of the concept of IMC by all the employees in the enterprises. Every quality IMC program must be implemented systematically and simultaneously on every level and functions in the enterprises, from the top level management and descend to the lower in the organizational structure of the enterprises. Top management that understands the benefits and advantages of the concept of IMC, must educate and implement their knowledge to other employees explaining the essence and possibilities that are opening through its implementation;

- The centralization of communication function with the establishing of a central authority. Since the function of communication is one of the major activities, it must be under the control of management and marketing services i.e. their jurisdiction. Therefore, the establishment of a central authority of
marketing communications is the best solution, but it is completely acceptable alternative to assemble the team that has the same number of responsible members for marketing and communications;

The establishment of consumer orientation, putting consumers in the main focus of interest. In order to integrate marketing communications to be successful and sustainable enterprises must be dedicated to consumers. This means that the enterprises needs to identify key customers, learn all about them and then direct the entire effort and energy to meet their needs and habits. It is very important that every individual, existing and potential customer can establish a strong and concise long-term relationship;

Development of “Outside-In” planning and strategic approach. Marketing communications must be planned and channeled in systematic and strategic manner in order to ensure the effective and integrated implementation. Therefore, an integrated marketing communications correspond to “Outside-In” model of planning that is not internally oriented, although it is the starting point for needs and desires of consumers;

Providing marketing database of customers. Possession of consumers’ database is necessary in order to implement IMC programs. It does not matter whether the enterprises created its own or will buy a ready-made database, it is important that they have all the necessary information about consumers: name, address, how seldom or often they buy, reaction or response to the offer and the value of the purchase history, personal characteristics, lifestyle and others;

Establishing the employee reward systems in the enterprises. Integrated marketing communications require the ensuring the employee recognition programs for rewarding employees. Top management must continually encourage employees to create new ideas and reward them for it;

Dedicating significant attention to organizational culture. Top management should give and devote considerable attention to organizational culture because every IMC program must be uniquely tailored by the character of each organizational culture. As IMC process must be based and built on the knowledge of consumer behavior so their execution must reflects the enterprise culture in which the concept is implemented.

8. Conclusion

Although integrated marketing communications represent a major trend in advertising market in developed countries, the results of the research indicate that in the Republic of Serbia, situation is somewhat different. In fact, based on information obtained from the managers of surveyed companies we can conclude that there is a real basis for the application of the concept of IMC in practice of domestic companies. This is confirmed by the results obtained from the survey whether they use the concept of IMC in their enterprises, 56% of marketing managers responded affirmatively. Seemingly satisfactory percentage of application of the concept of IMC declines when you take into account that the survey includes only the large companies that have all the prerequisites for the implementation of the concept. If survey included in the entire domestic market, i.e. all small, medium and large companies it would likely came information on the application of a lower percentage of integrated marketing communication and the greater the difference compared with the practice of countries with developed markets.

For absolute application of integrated marketing communications in Serbia it is necessary, that environment and in the enterprises fulfill preconditions that are necessary for their successful implementation.
On the other hand, given the fact that companies that fully apply a unique promotional strategy, are exactly those companies which have in the past registered positive operating results, and that suggests that the general hypothesis (H0) was confirmed.

Thus, the use of a strategic approach of integrated marketing communications actually leads to improved two-way communication between the seller - the buyer, which effects in increasing investments in marketing communication, and thus increased sales of products / services and positive business results of the enterprises.

Global trends that characterize the markets of developed countries must be adopted in domestic market, which have contributed IMC to become an imperative of modern business. Global trends that are present in the international market are the culmination of Internet or online media usage ever, strong cross-border business and understanding of non tangible assets and guerilla headhunting for talented people. Internet technologies are present, but the companies still do not have full knowledge of their capabilities.

After many years of sanctions openness towards the world could not automatic include Serbian companies in the modern trends of business. They are not yet fully proven themselves abroad, and relatively small number of foreign companies decide to expand their business in our area. The imperatives – “Explore the needs and desires of consumers!”, “Customize offer customer requirements!”, “The consumer is in the first place!” are yet to reach the awareness of our enterprises. The global trend of struggle for talented and innovative employee’s staff did not achieve its impact in our region. Due to the high percentage of unemployment, employers are not trying to retain quality personnel, because they believe there is a great supply and that everyone is replaceable and not understanding that employees are the engine of progress.

9. Bibliography


