INTEGRATED COMMUNICATIONS, INTEGRATED MARKETING COMMUNICATIONS AND CORPORATE REPUTATION:
EVIDENCES FROM DELL COMPUTER CORPORATIONS

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ABSTRACT

Particularly, this case study provides a qualitative assessment of facts with regards to the marketing efforts of Dell Incorporation (hereafter Dell, Inc.). More precisely the case encounters aspects with regards to the integrative marketing communication of the desired company. The report discuss about the integrated marketing communication and the impact it has on corporate reputation. Moreover a detailed analysis has been given how the Dell, Inc. is practicing integrated marketing communication at present. The potential to develop an integrative approach with regards to communication has also being given. Finally the report discusses how integrated marketing communications practices can be introduced or improved to the company operations. The implication of the integrated marketing communication with the perspective of finance has also been illustrated in the report.

Keywords: Corporate Reputation, Integrated Communications, Integrated Marketing Communications

JEL Classifications: M31, O51, M39
INTRODUCTION:

The Dell, Inc. was formed by Michael Dell in 1984 as PC's Limited. At the time of the first stock offering took place the company changed the name as the Dell Computer Corporation in June 1998. The company was able to commence their business dealings across country boundaries in 1989. The company was able to go outside of the United States to Europe, and the company was able to achieve $50 million of sales turnover. Adding to that the concept of segmentation was initiated in 1993 while integrating a consumer concentrated approach. At the core of the business the company was initiated build-to-order strategy. Through this strategy customers were able to order directly, and their orders were routed by means of a credit check and soon after directly to the manufacturing. Finally the orders were then built, tested and eventually shipped to the customer. Adding to that the consumers were able to receive the order 5-7 days after the order was taken place. These strategies were able to reap rich harvest to the company. At the very first beginning the company took steps to reduce the middle man. This strategy was basically formed in order to reduce cost. By implementing this strategy the company was able to pass the benefit to the consumer while reducing the cost of the product. By identifying the customer need the company was able to position their value proposition in a sound manner. Further Dell practiced just-in-time manufacturing as well. Finally they achieved impressive results and gained a competitive advantage.

Moreover, the company’s product portfolio is diverse. The company has implemented various categories for the each segment of the market. Those are, for home, for small home and office, for small and medium business, for education, government and healthcare and for large enterprises. Sub categories have applied for each main segment. These strategies are vital for the company’s success.

The company has developed their grassroots across the globe. In almost every country the product is available for consumers. Mainly, the company operates in countries like, US, Canada, Mexico, Brazil, France, Germany, Italy, India, China, Japan, Malaysia and Australia.

THE CONCEPT OF INTEGRATED COMMUNICATION:

Marketing organizations are increasingly paying an emphasis on integrating their messages, procedures, communications within their formal organizational boundaries, (Christensen, Firat & Torp, 2008). Adding to that, it implies a formal centralized approach within the organizational boundaries. Thus Christensen, Firat & Torp, (2008) asserted some potential disadvantages of a formal centralized approach in an organizational perspective. In fact, integrated communication is an important issue in marketing as well, (Christensen, Firat & Torp, 2008). Improper alignment among messages, procedures, and communications in an organization will potentially impact on sub-optimization of communication budgets, (Smith, 1996). In a clustered market, it is impossible to stand in a position without clarity, consistency and continuity among distinctive brands, (Duncan, 2005; Knox and Bickerton, 2003; Shimp, 2003). Moreover, organizations cannot be considered as a legitimate player without a consistency among messages, words and behaviours, procedures and deeds, (Balmer, 2001; Gioia et al., 2000; Schultz and Kitchen, 2000). Therefore, given all fact above conveys one to understand the importance of integrated communications. Under the headline of integrated communications, various scholars increasingly talk about Integrated Marketing Communication (hereafter IMC) programs with the perspective of organizations, (Schultz et al., 1994; Duncan and Caywood, 1996; Schultz and Schultz, 2003).

The notion of marketing communication has historically been measured in terms of a medium-by-medium basis, (Ewing, 2009). The concept of IMC can be defined as a process of comprehensive plan which adds value for number of strategic roles number of communication disciplines. For an instant, direct response, general advertising, public relations, and sales promotion and these combines in order to provide clarity, public communication impact and consistency, (Schultz et al. 1993, p. 6). Meanwhile, Pride & Ferrel, (2006) defines IMC as a process where the organization of promotional aspects and other marketing related efforts to satisfy the maximum persuasive and informative impact on customers. Further, it also can be defined as a combination of direct marketing, general advertising, sales promotion and public relations, (Jones & Schee, 2008). For an effective marketing strategy, IMC approach is plays a major role, (Anderson & Vincze, 2006). A broad view, (Scott, 2001) and interdisciplinary approach (Everett, Siegel, & Marchant, 1999) was also were emerged as new dimensions of the IMC.

The eventual role of the IMC is to convey a consistent message to customers, (Pride & Ferrel, 2006). Given the fact, it can be stated that, though some organizations implement promotional efforts to educate consumers, customers have not always conveyed a consistent message. Thus properly planned IMC aspects are required. Effective IMC approaches foster companies to effective utilization of promotional resource and to build longer term sustainable consumer relationships.

1 Customization of products
The concept of IMC is increasingly accepted by many firms due to number of advantages. The mass media advertising was considered as viable at past. But the techniques considers as ineffective since the high cost involved and the unpredictable target audience. Today, firms use precisely targeted promotional techniques such as direct mail, cable TV, the internet, etc. today almost all companies seek for effective implementation of information technology in promotional aspects. These new initiatives of information technology have foster buyers and sellers to share and to promote an effective customer relationship management.

**THE ROLE OF PROMOTION IN INTEGRATED MARKETING COMMUNICATIONS:**

Promotion is the process where building and maintaining relationships by persuading and informing one or more audiences, (Pride & Ferrel, 2006). The firm could implement various promotional efforts to achieve promotional objectives and to stimulate demand of the product. To achieve this end, companies tend to utilize a considerable level of resources on promotional efforts. This is to enhance relationships among existing and potential consumers.

**THE CONCEPT OF CORPORATE REPUTATION:**

Among the corporate, reputation is a topical in context, (Fombrun, 1996). Though the corporate reputation has been accepted by many companies, a precise definition of the concept is lacking, (Barnett, Jermier & Lafferty, 2006). Nevertheless, Fombrun and van Riel (1997), defined the idea of reputational landscape as chaotic and barren. Adding to that, the idea of corporate reputation is considered as a valuable source which is generating the stakeholder support, (Fombrun & Pan, 2006). Further, it is considered as an intangible asset which is creating goodwill for the company, (Fombrun and van Riel, 2004). Based on a research done by the Reputation Institute in 1997, they were able to postulate that the notion of corporate reputation can be represented by a standardized measure depends on a limited questions asked from respondents how are reasonably familiar with the company, (Fombrun and van Riel, 2004).

The idea of corporate reputation is comprises with three elements. This is also known as reputational radar. Three elements are, brand, stakeholder and organizational reputation. The brand recognition is indeed, how people may perceive a particular brand. Organization reputation is all about what the entire public think about the company as be in opposition to a particular brand. Finally, the stakeholder reputation talks about the reputation for a particular brand among stakeholders. Integrated communication and its impact on corporate reputation.

Given all the illustrations pertaining to IMC and corporate reputation, one could simply identify that there is a link among two concepts. This is because, IMC approaches are definite aspects to be effective, and once the company being come to an effective scenario, it may lead to enhance the corporate reputation. This illustration provides a review of relevant literature with regards to the corporate reputation and how integrated communications helps to develop corporate reputation. Kennedy (1997) postulated that the idea of corporate image could be formed and disseminated within the organization. The basic premise in this regard is to make focus on attention to the task that they are engaged with. And to build a corporate reputation all the employees are required to consider it as an obligation to be achieved. A seminal paper on building the corporate reputation, suggested that a sound mission, mortality and modes are vital to prosper, (Dowling, 2006). Christensen and Torp, (2008) asserted that organization wide is a necessary fact to build a corporate reputation. A founding article for the concept of corporate reputation is proposed by Abratt (1989). He distinguished among the developments of corporate image, identity and philosophy. Eventually he formed a model for development of the corporate image from the perspective of stakeholders. Besides, Welch and Jackson (2007) postulated a concept name as internal communications matrix which can be utilized as an integral part of strategic planning to achieve corporate objectives. Moreover, the concept of strategic credibility was postulated by Higgins and Bannister (1992) in order to enhance the organization's strategic image. Adding to that, the theory of image restoration was affirmed by Benoit (1997) to understand about the crisis of the organization. He identified five approaches to repair, which are namely, denial, evade responsibility, reduce offensiveness, and use corrective action and mortification. Finally, Bruning and Ledingham (2000) asserted the perceptions the public have of the professional, personal, and community relationships they have with companies. The authors stated that the ability to encourage effective dialogues could possibly enables true relationships.

Above illustrations with regards to various topics in corporate image provides an insight relates to how an organization could achieve corporate reputation. Though above evidences are not directly relate to achieve corporate reputation, it can be stated that above findings are an integral part of attaining corporate reputation.

**AN ASSESSMENT OF INTEGRATED COMMUNICATIONS OF DELL COMPUTER INC:**

Numbers of tools are available to identify the extent the implementation of IMC approaches for a company.
Followings are some of them. Personality audit Identity audit (acid test), SH analysis, Identity Mix Audit (with a detail com- audit), CSR audit, Sevequal (service gap audit for gives image/communication/behavioral gaps), Brand audit and Image research. The notion of personality audit defines the extent of a person may interact with other people, (kdvi.com, 2012). The identity audit is used to detect segregation of duties violations, (oracle.com). When determining strengths and weaknesses of a desired brand, brand audit is vital. It requires mind mapping which is an organic technique in deciding the correct position of the organization, (Brand, 2004).

INTEGRATED COMMUNICATIONS OF DELL COMPUTER INC:

Communication is the process where different meanings are exchanged among people through a common set of symbols. Further, if a company develops a new product, or implements an alteration to the product, or simply tries to increase sales, should be communicated to the target group of buyers by means of a proper channel. So therefore markers could possibly adapt different promotional aspects to convey the product to consumers. Basically, communication can be divided into two categories, namely, interpersonal communications and interpersonal communications and mass communications. The company Dell is a successful company, and the company was came to know that the company is moving away from mass media advertising technique to implementation of direct marketing efforts. Adding to that, the marketing audit of the company is illustrated the move to direct marketing technique has led the company to implement a successful integrated marketing communication plan.

When it comes to Dell’s IMC approaches, general advertising efforts are general. The company highlights advertisings on television which is having minimal direct responses. The company’s direct marketing efforts are also vital in IMC perspective. The company is frequently engaging in catalogs and proving sponsoring into various business dealings. When it comes to sales promotion efforts the company’s limited time and special packages play an important role. Finally, when it comes to public relations approach the company intensively utilizes outdated computers to help through the foundation of Christina.

The effort of coordination seems to be extensive at Dell. The top management team consists with 16 executives who meet regularly. They discuss about everything relates to the strategy of the company, and new product initiatives. By doing this, they expect the notion of optimization and empowerment. The integrated communications provide a definite backup for the effective smoothing among the operations and coordination of the organization. A greater emphasis has been given on efforts on helping people to find information and not just for communication of information. The effort of coordination is done via extensive communications over the intranet. John Cone, the vice president of Dell Learning postulated that the intranet facility is one of the basic communication tools for the senior executives of the organization. Michael Dell stated that communications assisted to the organization in a variety of forms. They have achieved a huge success of these new initiatives in integrated communications. Besides, he stated that, by means of strong communications, the company has able to transform their employees into a championship team. Moreover the chairman at Dell affirmed that the communication can be describes as, transaction consumers do not purchase frequently, and often need a high volume with a relatively low-value assistance. But when it comes to public relations approach the company intensively utilizes outdated computers to help through the foundation of Christina.

The notion of zero-time organization has been able to build a culture which empower and align employee at Dell. Dell was able to achieve this by means of extensive integrated communications. Besides, employees are empowered since they are selectively hired via Dell University training programs and systems which directly link to incentive systems to motivate employees. For an instant, the people in production have linked objectives which are graded through incentives and metrics based on individual and team performances.

THE POTENTIAL TO DEVELOP AND ESTABLISH INTEGRATED COMMUNICATION WITHIN THE ENVIRONMENT OF DELL:

The potential to initiate a more flourished ingrate communications approach is affirmed by the concept of “common starting points” (hereafter CSP) in an organization. The idea of CSP defines the framework to implement as a solution for the challenge of balancing the flexibility and integration in the organization, (Christensen, Firat & Torp, 2008). Establishing CSP functions are more important to implement and to establish an effective communication within the organization, (Van Riel, 1995, pp. 19f). in addition to CSP organizations require two more approaches to establish an integrated approach of communications, these are namely, Common End Points (CEP) and Common Process Rules (CPR), (Christensen, Firat & Torp, 2008). To initiate an integrated communication a balance between centralization and decentralization of organizational integration is required, (Christensen, Firat & Torp, 2008). This can be graphically depicted as follows.
Figure 01: Centralization and Decentralization of Organizational Integration:


Adding to above illustrations, the notion of corporate level marketing is also another important aspect to enhance the potential of developing integrated communications, (John & Stephen, 2006). One of the key attributes of developing the corporate level marketing is to concern with the multiple exchange relationships among networks and stakeholder groups. Further another important dimension in this regard is temporal dimension with regards to relationships, (John & Stephen, 2006).

Ability to integrate communication is powerful competency and it will be fundamental in building /altering the reputation of an organization. The absence of ‘integration; could result in obvious confusion on the reputation. The potential to IC will depend on areas factors such as, Availability of a corporate brand, Drivers supporting a corporate brand, Stakeholder expectation diversity, Current context of image (clarity vs. Confusion), Communication expertise and Structural context (marketing structure/Degree of centralization etc.). Following illustration provides an analysis of the potential of implementing integrated communication with reference to the above factors mentioned.

AVAILABILITY OF THE CORPORATE BRAND AT DELL:

For a company the brand asset is considered as hard to build, maintain and to adapt, (Aaker, 2004). Because of the proliferation of brands and products the offering environment is confused and cluttered. In this regard the notion of corporate brand is considered as vital in the brand portfolio. The corporate brand can be described the company that will bring and stand at the back the offering that the customer will buy and make use of it, (Aaker, 2004). In the case of the company Dell, where the item for consumption brand consists largely of the corporate brand plus a descriptor. Given that fact, one could identify, that the use of corporate brand leverages synergy and clarity of the company’s operations. Theoretically, the notion of corporate brand potentially encompass a wealthy heritage, capabilities and assets, values people and priorities, global and a local frame of reference, programs of citizenships, and performances records of the company, (Aaker, 2004).

Company Dell encompasses a heritage which starting since 1984. The Dell, Inc. was formed by Michael Dell in 1984 as PC’s Limited. At the time of the first stock offering took place the company changed the name as the Dell Computer Corporation in June 1998. The company was able to commence their business dealings across country boundaries in 1989. Therefore one could identify that the company is consists with a heritage to create a massive corporate brand. Firm assets and capabilities bring an organization to deliver innovative products to the market. Having diverse human and physical capabilities the company Dell has gained a competitive advantage over competitors. To deliver a corporate brand people aspect is considered as vital. People of Dell all have a distinct personality which assists to define the more effective corporate brand for the company. The company Dell has prioritized their services to customers. They have implemented a very effective supply chain management system to serve to the customers more effectively. The on time delivery is accomplished through the supply chain. Consumers have the ability of accessing and ordering the products online. The company’s innovative capabilities are also another vital aspect in this regard. To position the company’s value proposition they constantly engaging in innovative initiatives. Perceived quality of the company is also another dominant
factor to survival and for corporate brand. Dell has ensured the reliability of the products offered. The products are trustworthy for consumers of Dell.

SIGNIFICANCE OF LEVERAGING THE CORPORATE BRAND:
The concept of corporate brand unambiguously and explicitly reflects from its products and the company itself (Aaker, 2004). Adding to that, corporate brand assist the consumers to differentiate, to create brand credibility and facilitates brand managements. Eventually it supports communications and provide ultimate brand house. The significance of leveraging the notion of corporate brand is useful since, it help differentiation among the organizational associations, (Aaker, 2004). Secondly corporate brand assist companies to energize each product brands. Providing sponsorships could possibly assist companies to leverage corporate brand as well. Thirdly corporate brand provide credibility. Finally, the corporate brand assists companies to develop meaningful relationships among communities and among corporate. However the product brand is also same as the concept of corporate brand in another context. Adding that, though there is significance in leveraging corporate brand, there are some challenges can also be identified. Firstly, the sustaining relevance, creating and positioning the value proposition, challenges in managing negative associations, and finally the challenge of making the corporate brand happen, (Aaker, 2004). Summerring all the facts elaborated above one could graphically illustrate the potential and challenge of corporate brand as follows.

NEW REALITIES IN INTRODUCING, IMPROVING INTEGRATED COMMUNICATIONS FOR DELL COMPUTER INC:
Particularly this section clearly defines some recommendations to enhance integrated communications efforts and to eventually achieve a successful long term business potential. Some of the main recommendations addressed in this section are to enhance public relations, to introduce story telling approach, restructuring the marketing function to enhance the integration communications efforts, to introduce a core message for communication purposes, and finally, realigning symbols of the company.

In the perspective of management, public relations can be defined as a function which is establishing and maintaining mutual beneficial and meaningful relationships among an organization and the public, adding to that, the success or the failure of meaningful relationships depends on the public’s perception and relationships, (Cutlip, Center and Broom 2006). Importantly, most of the time company’s used to engage with community building web sites like Face Book and Twitter. But when it comes to Dell, the company’s PR activities via community building web sites are less. It can be recommended to implement such an approach to enhance effectiveness and those suggestions have recommended by Jones (2011) as well. Moreover, the company’s
relevant business processes can be restructured effectively. Some of the research and development initiatives are vital for this task. The marketing function of the company can be restructured via effective research and development initiatives. This will lead to further increase the company’s effectiveness and eventually to operating and gross profit margins. Moreover to protect profitability challenges of the company acquisition and continually supply chain adjustments are vital. These initiatives have also been suggested by (Macomber, 2012). Though the company’s customer satisfaction rates are improving, Cass, (2007), it should be stated that above relevant business processes can be restructured effectively. Some of the research and development initiatives are -Journal of Arts, Science & Commerce

REFERENCES:


