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The Future of International Marketing

This issue is the result of a colloquium run by Professor K C Chan, Professor of Wholistic Learning, IMC (UK) for IJPM. There are six papers by third year International Business Studies students, plus an introduction and summary by K C Chan.

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The Future of International Marketing: Preface to colloquium, 2012

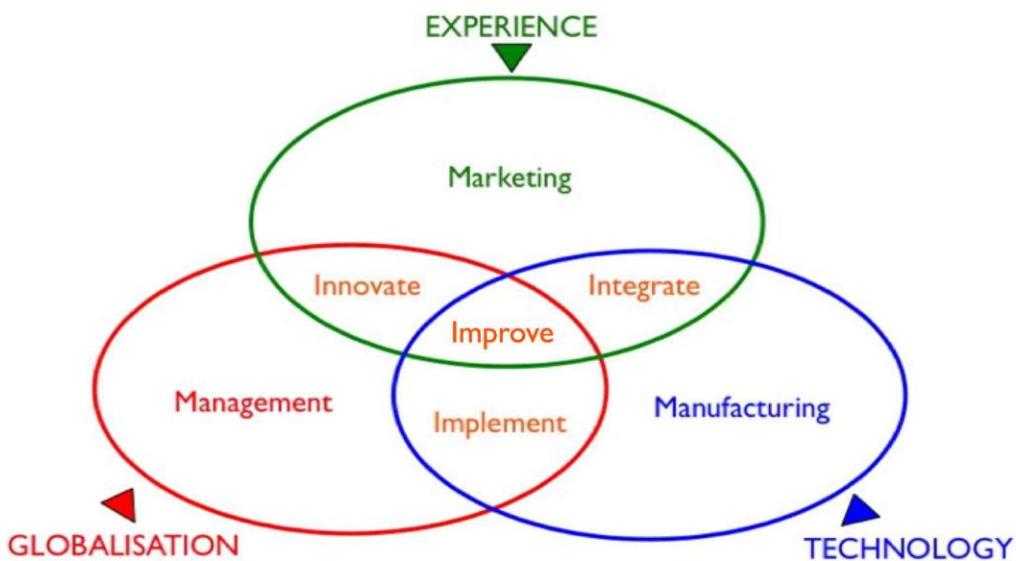
Professor K C Chan

Marketing, management, and manufacturing/operation are interconnected. (See Figure 1)

1. International marketing research through virtual worlds: a case study on second life.
2. Content marketing: how to build an audience that builds your business.
3. Wholistic marketing communications: a more effective way to manage international customer experience.
4. Cross-cultural issues in international marketing communications: a wholistic analysis of global companies entering China market.
5. Holistic approach of social media: from concept to result.
6. Wholistic international marketing: a new paradigm of integrated marketing management.

This is an overview, revealing what has evolved, and its impact propelled by three chief driving forces, i.e. globalisation, technology, and experience

Figure 1:
Trilogy of international marketing-management-manufacturing mix
SYNOPSIS OF THE INTERNATIONAL MARKETING COLLOQUIUM



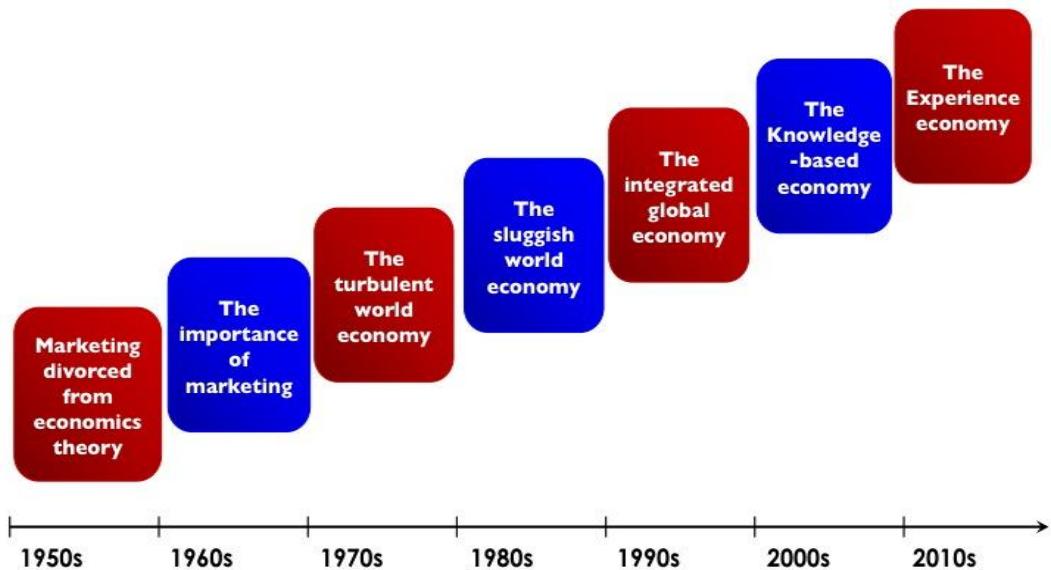
K C Chan (2013)

Figure 2 reveals the evolution of marketing from the 1950s to 2010s. Apparently, we are in the “Experience Economy” where customers consisting a mix of baby boomers (born between 1940s – 1960s), generation X (born between 1960s – 1980s), generation Y (born between 1980s - 2000), and generation E (born after 2000, the new millennium).

Marketing strategy has simultaneously evolved as follows:

Product-driven	4 Ps	<ul style="list-style-type: none"> • Promotion • Product • Price • Place
Customer-driven	4 Cs	<ul style="list-style-type: none"> • Communication • Customised solution • Customer cost • Convenience
Process-driven	4 As	<ul style="list-style-type: none"> • Awareness • Acceptability • Affordability • Accessibility
Expectation-driven	4 ls	<ul style="list-style-type: none"> • Improve for experience advantage • Innovate for solution advantage • Integrate for value-add advantage • Implement for agility advantage

Figure 2:
Evolution of marketing from international to global
(1950s to 2010s)



K C Chan (2013)

Thus:

- The product-driven outcome of attaining improved product with better quality is passé.
- The customer-driven outcome of attaining improved customer loyalty with cheaper quality product is inadequate.
- The process-driven outcome of attaining improved process efficiency with faster service delivery speed is the norm.
- However, expectation-driven outcome of achieving individualised “Customer Happiness Management” with sensory marketing 3.0, i.e., the mind, heart, and spirit of the customer, is the future of international marketing for managing stakeholder expectation.

The customer is one of the most important stakeholders; the other stakeholder is the internal customer of the organisation serving the external customer/stakeholder by enhancing stakeholder value. The stakeholder is considered to be anyone who can have an influence on the success or failure of executing an international/global marketing strategy/initiative.

What has changed?

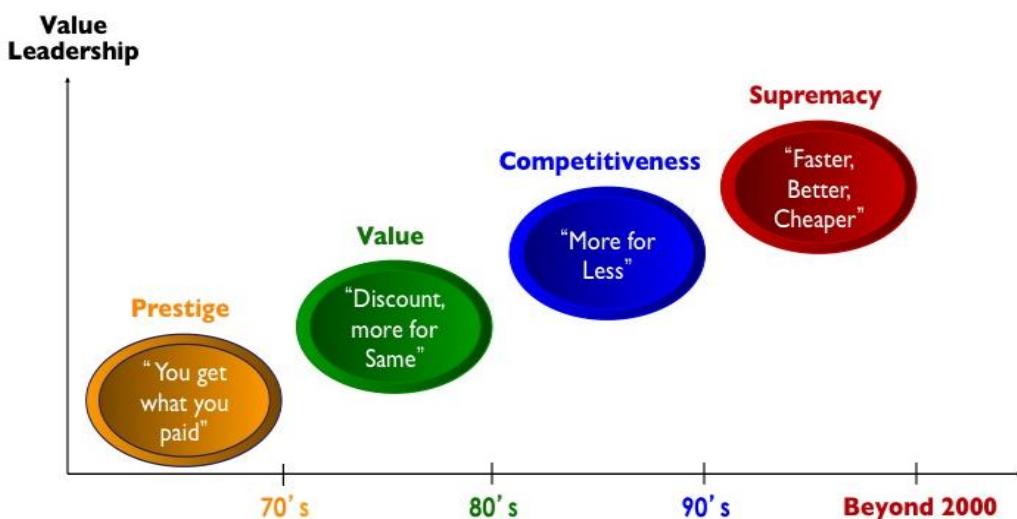
The scope of international/global marketing management has changed over the past 50 years. See Figure 3.

Till the 1970s, customers believed in paying for prestige, “*You get what you paid*.”

Till the 1980s, customers believed in enjoying the best value for money, “*Discount more for the same*”.

Till the 1990s, customers emphasised in achieving competitiveness, “*Get more for less*.”

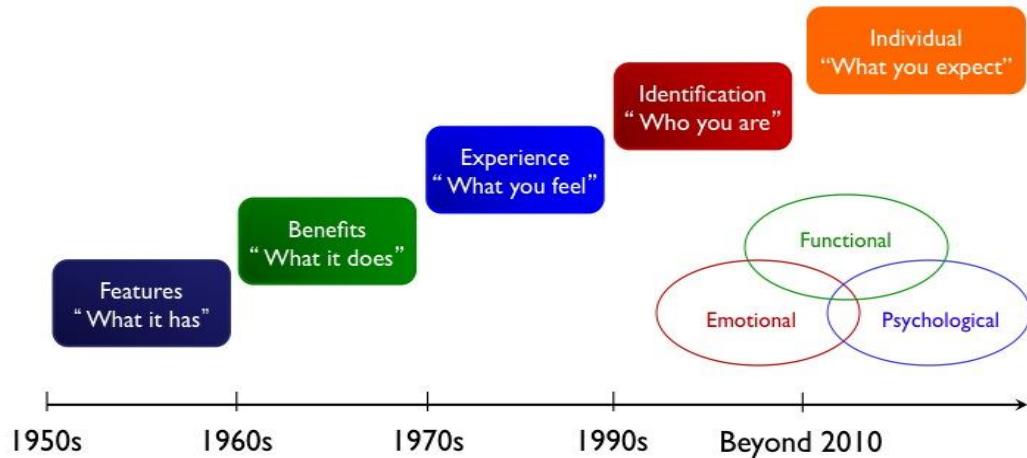
Figure 3:
The changing landscape of global customers from the 1970s to 2000s



K C Chan (2013)

Beyond the 2000s, customers espouse to sustainable supremacy, “Faster, better, and wiser”. In a similar vein, organisations offer their critical marketing mission in tandem with customers changing expectations from 1900s to beyond 2010s to attain customer happiness management through stakeholder/partnership experience strategy to achieve “individual brand leadership”. See Figure 4.

Figure 4:
Stakeholder/partnership experience strategy for customer happiness
Management leveraging on social media



K C Chan (2013)

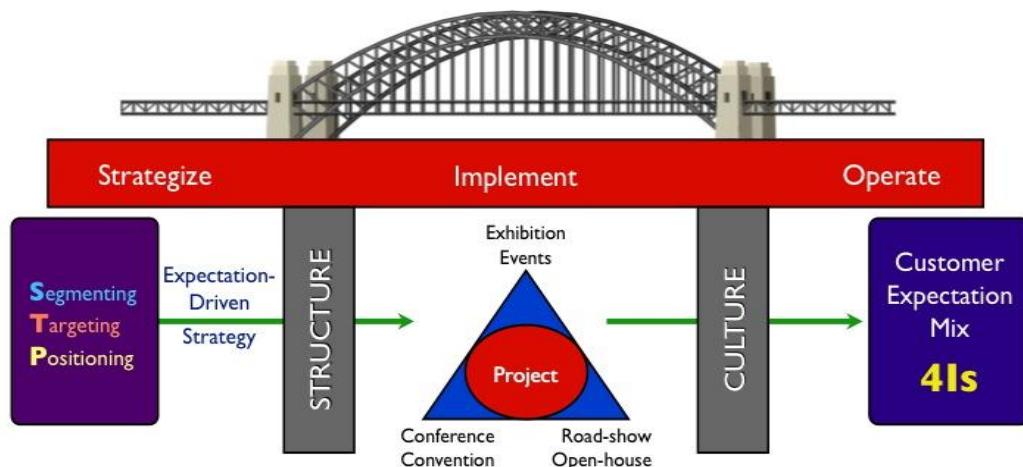
How to implement the changes

Figure 5 depicts the S-I-O model from strategise-to-implement-to-operate the expectation-driven strategy to achieve the 4Is (improve, integrate, implement, innovate).

The KPIs (key performance indicators) of the expectation-driven strategy leveraging on social media to optimise the global marketing mix are:

- Brand leadership
- Market share
- Profitability
- Customer happiness experience index

Figure 5:
S-I-O model for implementation



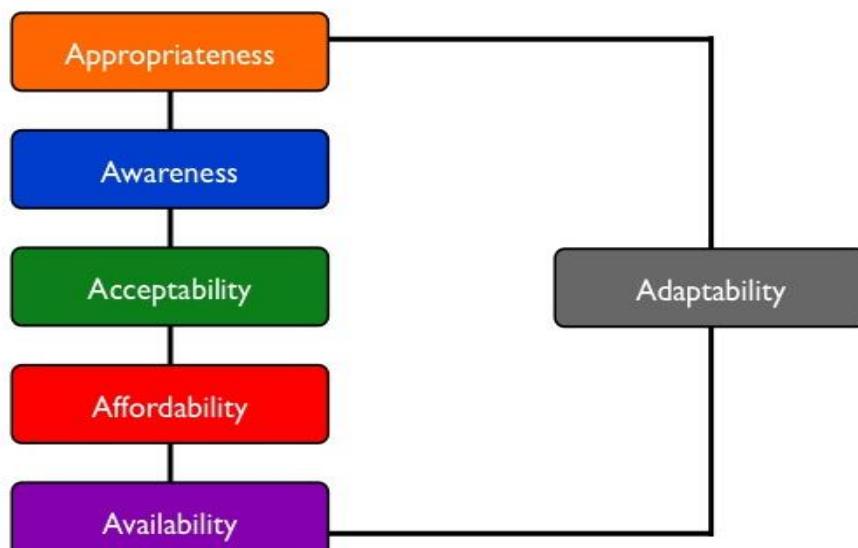
K C Chan (2013)

The balanced scorecard for the expectation-driven strategy to achieve the 4Is is built on the imperative of performing the right positioning tagline, differentiating with the right solution and value-add, brand experience to reflect on the right character, i.e. brand integrity, brand identity, brand image.

The process for successful transition management to cope with the trilogy of international/global marketing-management-manufacturing/operation is given in Figure 6.

The six articles emphasise the changing mindshift. The imperative of adapting to the challenges of the future of international/global marketing has already begun. Globalisation, technology, and experience arising from customer dynamic expectation have accelerated the death of marketing if its strategy is designed as stand-alone. "Stay united" marketing will win, i.e. gel together with management and manufacturing/operation. Inevitably, the ability to improve, innovate, implement, and integrate makes the KPIs of a world-class organisation, with superior execution capability for sustainable market share, mind share, and spirit share.

Figure 6:
Social media for the transition management process
EPILOGUE OF THE INTERNATIONAL MARKETING COLLOQUIUM



K C Chan (2013)

Professor K C Chan

1. Paradigm Shift in International Marketing Research: Integrating Virtual World and International Marketing Management (IMM) Practices

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Introduction

The standards of international marketing management (IMM) practices of today have evolved from traditional approaches to using the latest technology developments in this globalisation era. Recognising the importance in keeping up with this changing trend, this paper will present an analysis on the paradigm shift in IMM. It will emphasise the integration of virtual world programming technology with IMM practices using a case study on Adidas Group's partnership with SecondLife.

SecondLife is an online 3D virtual world developed by Linden Labs. This virtual world is targeted for people aged 16 and over. The main business of SecondLife lies in the online interactions, virtual micro transactions, and community-driven content creation. Online interactions between users are mediated by through SecondLife virtual avatars (or Residents). Virtual micro transactions include creating and trading virtual goods and services. Community-driven content creation provides users to create their own content with the protection of copyrights and digital rights management. With virtually unlimited virtual space and content, SecondLife is a potentially great media for marketing goods that are appealing for young adults.

Adidas is a sports clothing and accessories brand owned by Adidas AG (German Multinational Corporation). The main business of Adidas is in sportswear design and manufacturing. The products of Adidas brand are mainly footwear, sportswear, sports equipment, and toiletries. Other products by Adidas include bags, shirts, watches, eyewear, and other sports and clothing-related goods. Adidas markets their products through unified image branding and labelling, and sponsorships. Unified image branding and labelling is created through the integration of sports, fashion, street, music, and pop culture into Adidas products. Adidas sponsors in a wide range of sports, which includes American football, archery, artistic gymnastics, Australian football, baseball, basketball, boxing, canoe racing, cricket, cycling, fencing, field hockey, soccer, golf, handball, lacrosse, martial arts, skateboarding, swimming, tennis, track and field, and volleyball. Sponsorship activities include sponsoring athletes, championships, associations, and movies and TV series.

With the huge number of SecondLife users, Adidas decided to expand its marketing through this platform, by opening its own virtual stores in SecondLife. Adidas is aiming at the 64.7% of more than 34 million SecondLife Residents aged 18 to 34, which is in range of Adidas' main target market of young adults. This partnership has the potential to benefit both sides. For Adidas, this provides a new opportunity to expand its business and increase its exposure to the customers as it has access to the numerous SecondLife users. Meanwhile, SecondLife benefits in terms of enhancing the customer experience by having a well-known brand participating in its virtual world.

The first part will discuss a general assessment of IMM based on Edward De Bono's six thinking hats. The second part will discuss the case study using the delta matrix. The third part will discuss the conclusion based on the paper's concept diagram.

Figure 1

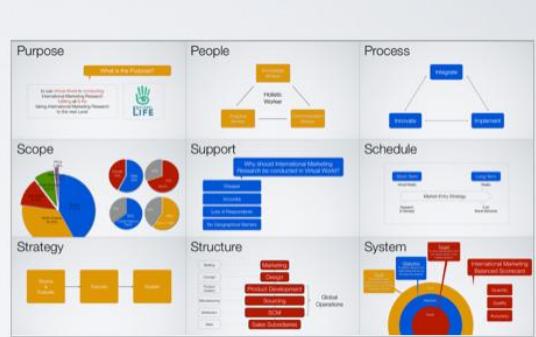
Six thinking hats



Six Thinking Hats

Developed from De Bono

Figure 2
Delta matrix



Delta Matrix

Developed from Chan

1. General assessment on international marketing research

The general assessment on international marketing research is based on Edward de Bono's concept of the six thinking hats. This concept consists of the white hat, black hat, yellow hat, red hat, green hat and blue hat.

White hat

The first hat is the white hat, which is related to facts and figures. Marketing research is a very important stage before deciding the type of market entry strategy that will be crucial in determining the success of the company.

Figure 3
White hat

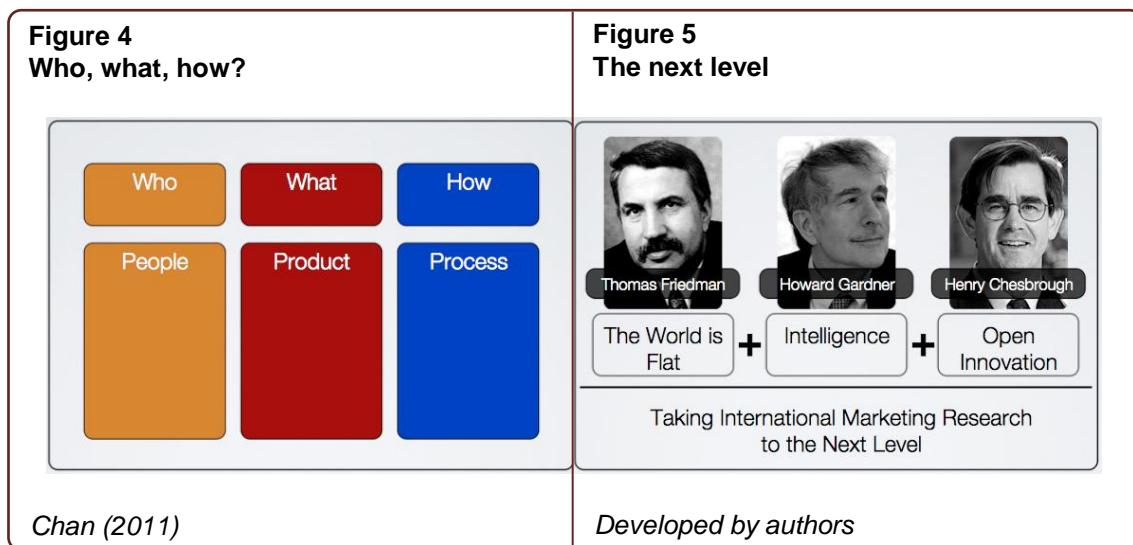


Chan (2011)

The role of marketing research is to answer three key questions which will lead to the right STP (segmentation, targeting, and positioning), which are:

- Who are satisfied?
- What needs are satisfied?
- How are the needs satisfied?

However, according to Thomas Friedman, the current trend that is that “the world is flat.” This means that geographical divisions are becoming increasingly irrelevant. Marketing research is affected by this trend and companies need to adjust to marketing research being done globally, not locally or from region to region. Moreover, according to Howard Gardner, intelligence is the ability to solve problems or to create products that are valued within many cultural settings. Marketing research acts as the brain of marketing in deciding the type of market entry strategy, and should have this type of intelligence. When integrated with Henry Chesbrough’s theory of open innovation, this means that to keep up with the trend, companies need to use external as well as internal ideas to take international marketing research to the next level.

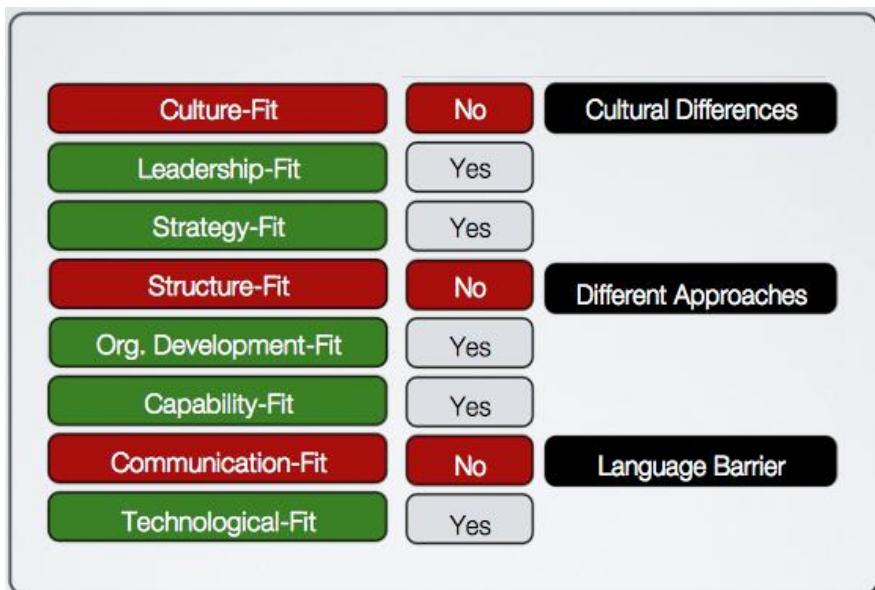


So, before we go to what companies should improve in the way they do international marketing research, we analyse first what aspects of current research need to be improved.

Black hat

Using the black hat, which represents critical thinking, which focuses more on what problems, difficulties and other negative aspects are holding something back from its true potential, the current marketing research is assessed using the 8-fits model.

Figure 6
8-fit model



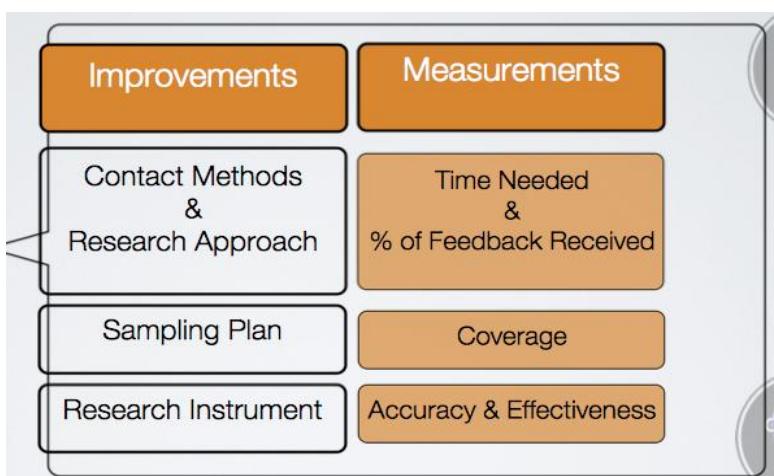
Developed by authors

Based on the 8-fit model, the current methods in marketing research is still not good enough to serve as the basis for decision-making processes in IMM practices today. Today's marketing research methods are not culture-fit, structure-fit and communication-fit, because traditional methods, such as distributing surveys and conducting experiments, cannot be conducted in the same way in different countries. Different languages, social structures, habits, economy conditions and many more makes communicating across national boundaries harder, and therefore requires the use of different methods to address the cultural differences.

Yellow hat

Contact methods and research approaches are measured based on the time needed and percentage of feedback received. Sampling plans are measured based on coverage. Meanwhile, research instruments are measured based on the accuracy and effectiveness.

Figure 7
Yellow hat

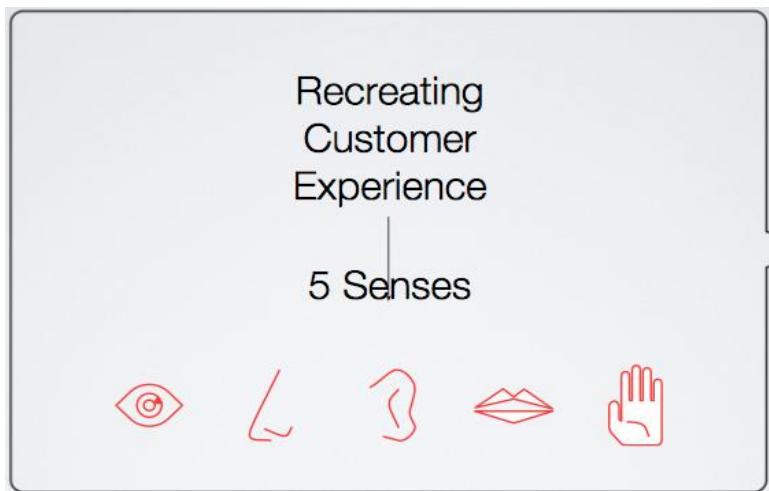


Developed by authors

Red hat

In improving the marketing research, it is still essential to keep in mind that international marketing research must lead towards recreating customer experience. This is represented by the red hat that focuses on emotions and feelings. Recreating customer experience is in the sense that through research companies can gain data about the kind of experience that customers want. Through international marketing research they will be able to understand the level, form and extend of experience they must give to their customers. To achieve this result, companies must put the core elements of customer experience management into practice, which are the five senses. Addressing the five senses in research will lead to the kinds of experience that customers want.

Figure 8
Red hat



C Chan (2011)

Green hat

Next, in the green hat, the alternative is addressed. The best alternative in bringing international marketing research to a new level would be to conduct international marketing research through virtual worlds. Virtual world is a computer-generated, animated three-dimensional world, where in this world lies an online community, consist of people from all over the world that interacts with one another. This virtual world is accessible across national borders therefore the market of that platform itself is already international. Furthermore, virtual world presents the latest advancement in 3D graphics technology that has the ability to create a virtual world that closely resembles the real world.

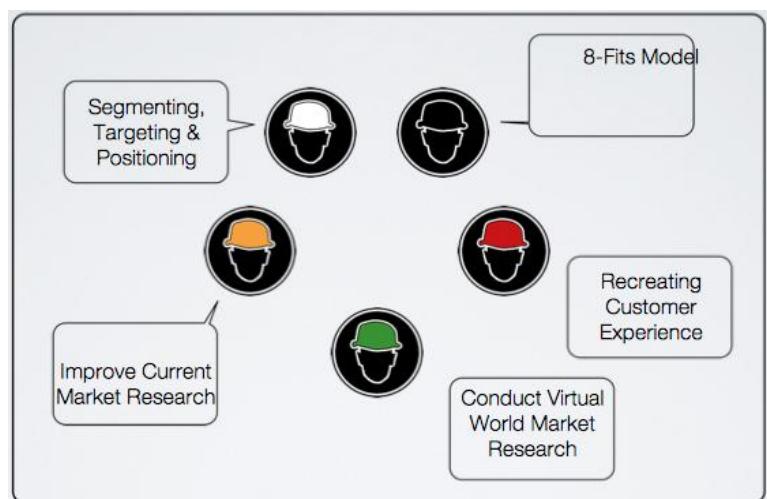
Blue hat

The blue hat is used to put together the perspectives of the different hats into one big picture.

As international marketing research is crucial in determining the success of international marketing management, companies should find a way and use new tools to improve the marketing research that will fulfil all the 8 fits. The way that companies can do this is to do international marketing research through virtual worlds.

Figure 9

Blue hat

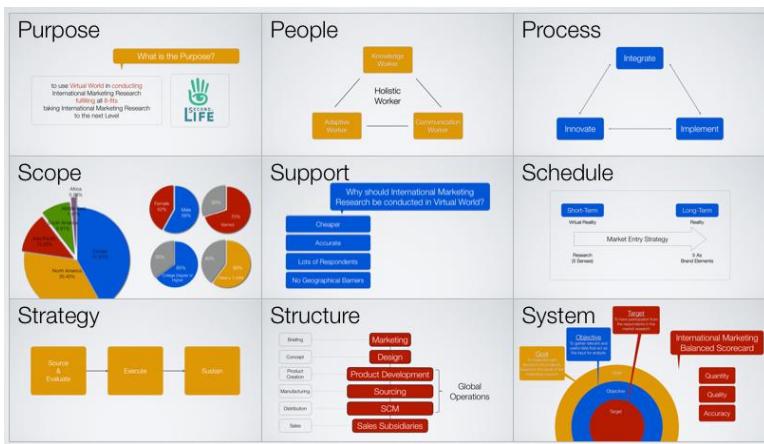


Developed by authors

2. Case Study: Adidas Group's Partnership with SecondLife

To elaborate the analysis on Adidas Group's Partnership with SecondLife, the framework of Delta Matrix will be used. Delta Matrix consists of purpose, support, scope, strategy, process, structure, people, schedule, and system.

Figure 10
Delta matrix



Developed by authors

Purpose

The purpose here is to propose the use of virtual world, using SecondLife as the example, to conduct international marketing research that will fulfil all eight fits that will take the international marketing research to the next level.

Figure 11
Purpose



Developed by authors

Support

Next, going to support, we will answer the question why should international marketing research be conducted in virtual worlds? There are several reasons why virtual worlds are a better platform than real world for marketing research:

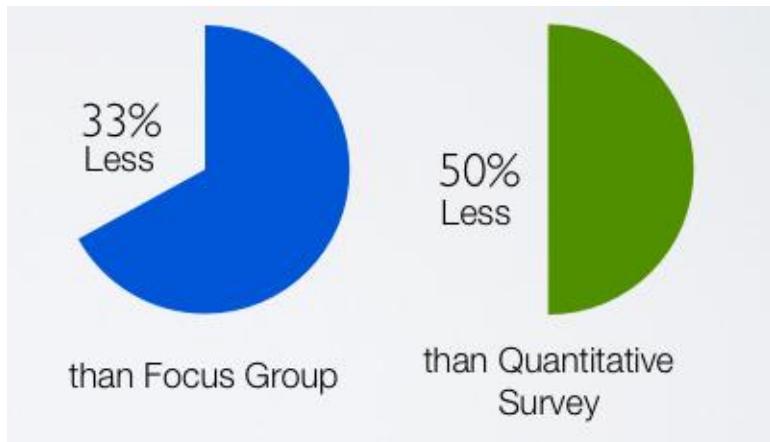
Figure 11
Support



Developed by authors

First, it is easy, quick and inexpensive prototype research. Science Direct stated, based on research by the French marketing research firm Repères, that the costs of virtual qualitative research are considerably lower than those carried out in reality. Virtual qualitative focus groups costs can be as much as 33%, and virtual quantitative surveys as much as 50% lower.

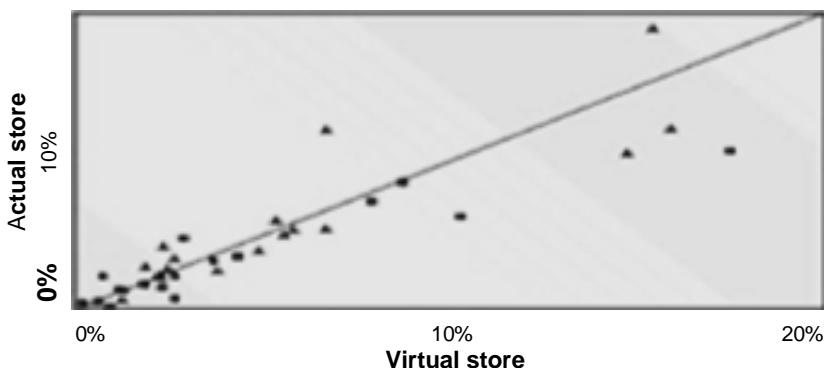
Figure 13
Cost of marketing research in virtual



Developed by authors, from Repères

Second, the accuracy is also high when using virtual world as the platform. Raymond Burke, a professor from Indiana University stated in the paper "Virtual Shopping - Breakthrough in Marketing Research" that sales in virtual stores correlate with sales in actual stores. The deviations of the actual sales completed in the real world from the trend line produced from the sales completed in virtual stores were not big at all.

Figure 14
Sales in virtual stores correlated with sales in actual stores



Burke (1996)

Third, the virtual world has a large number of respondents. SecondLife has a minimum of 33,000 logging in every day, which means almost a million active users a month. With the average number of 300 to 500 samples required in collecting relevant and useful marketing research data, SecondLife clearly has much more than enough number of respondents. Moreover, this is sustainable. In the year 2011 to 2012 the number of active users consistently increased by 15% per month according to KZero worldwide statistics. Furthermore, KZero forecasted that in 2013 the overall increase will reach 70%.

Fourth, using virtual world will remove the geographical constraints, especially in diverse focus groups and easier access to diverse groups of people. To see more clearly how virtual world can eliminate the geographical constraints, we move on to the scope.

Scope

The scope of conducting International marketing research through SecondLife covers two categories, which are based on demographics and geographical locations.

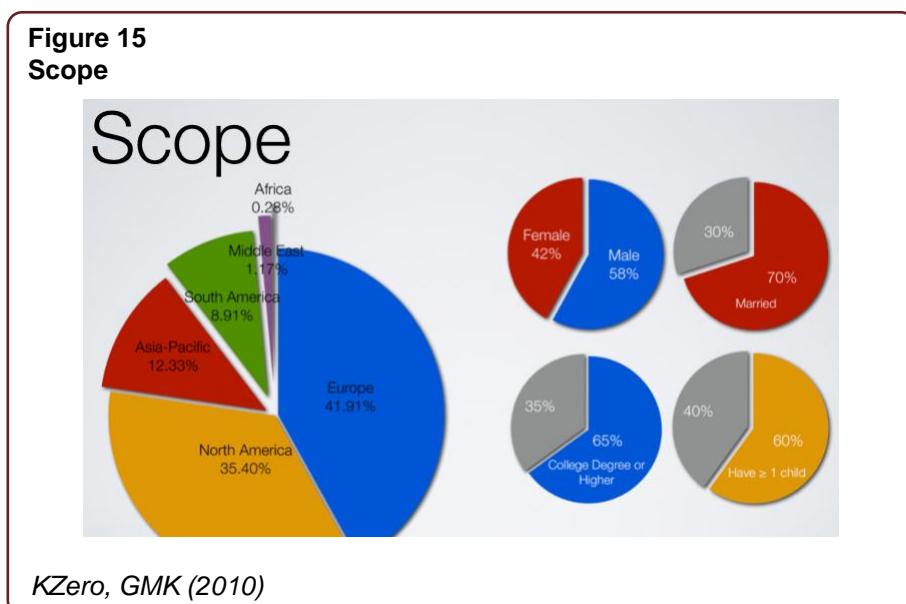
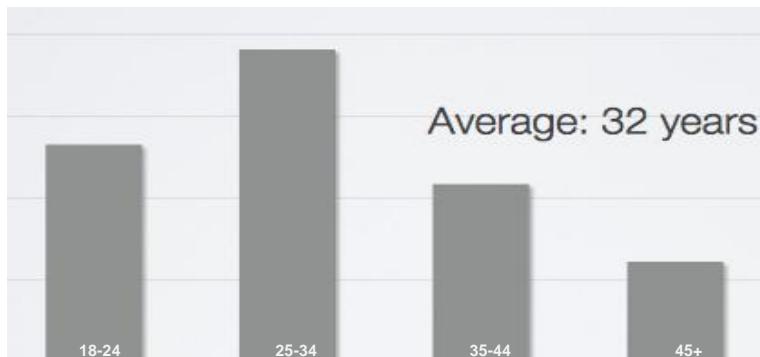


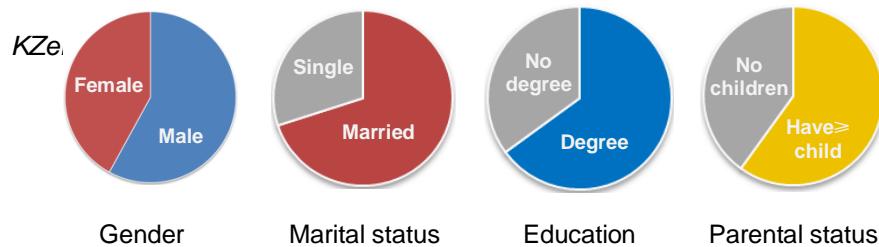
Figure 16
Age of active users in SecondLife



Demographically, the gender, age, education, marital status and parental status of the active users in SecondLife are covered.

There are enough people from both genders amongst the respondents. 58% of the active users are male and 42% female. The age of the users ranges from 18 to over 45, with an average of 32 years old. The majority of the respondents also turn out to be well educated, with 65% having a college or higher degree. In addition, 70% are married and, and of that 70%, 60% have children.

Figure 17
Demographics



KZero, GMI (2010)

Geographical location

In terms of geographical coverage, SecondLife users originate from over 150 countries. The active users come from six major regions in the world, namely Europe, North America, Asia-Pacific, South America, Middle East and Africa.

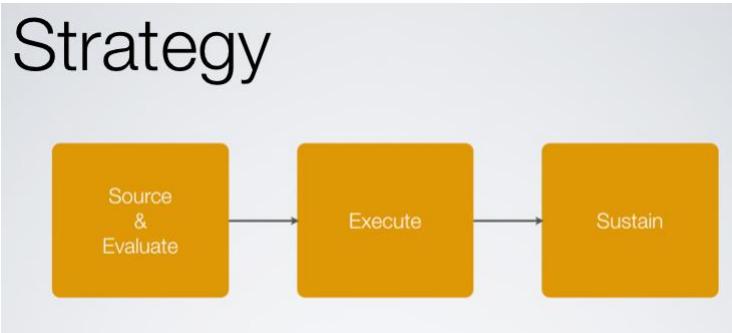
Currently SecondLife is dominated by two regions, are Europe and North America. Europe users have the highest percentage with 41.91%, and North America comes next with 35.40%. There are also significant numbers of Asians (12.33%) and South Americans (8.91%). There are only a small number of active users from the Middle East and Africa, but this is likely to change with the increase of internet use in these regions. Based on internetworkstats.com, the growth rate from 2000 to 2012 in Africa and Middle East are 3,600% and 2,600%, which are the two regions with biggest growth. This implies that there will be a lot more internet users in the future, which will also affect in the number of users in SecondLife.

From the demographic and geographic scope of SecondLife, it is clear that virtual world has the potential reach large diverse groups of international respondents from all regions. It is also clear that companies that can make the most out of virtual world are those with products or services that target customers with suitable demographics for their products. For example, as the users are mostly young people or parents with young children, it is a good platform for sports products. However, it is less suitable as a platform for companies with products that target elderly people.

Strategy

In strategy, the Big Think Strategy is applied and three major steps are derived from it – Evaluate, Execute, and Sustain.

Figure 18
Big think strategy



Schmitt (2007)

Companies need to source new and unique ideas of how to engage the respondents in the marketing research and evaluate the ideas to choose the best one that suits the companies' purpose. Then, in the execution, the companies must deploy the necessary resources and follow the POLC (planning, organising, leading, and controlling) steps to ensure the idea is well executed and successful. Good execution will allow the companies to gather the necessary responses and data from the respondents to provide insight about the companies' product. The final step is sustaining, which in this case means that the companies will have to make adjustments to ensure that their marketing research techniques remain good in times of change.

For example, Adidas do marketing research in SecondLife by first setting up a virtual store that sells Adidas shoes like in the real world. The virtual store is intended as a first step to attract users as potential respondents. Adidas has 1,122 minutes per week of traffic compared to the average traffic of 650 minutes per week. This means that Adidas has almost 100% more traffic than the average of other companies. High traffic indicates high customers' touch points and high customer interaction. After getting high traffic, Adidas then conducts marketing research by giving the users the ability to design their own models of shoes, and purchase it virtually. The design that the users create, gives data to Adidas in terms of what kind of colours the customers like, what models, what materials to make the shoes, etc. These data will eventually be used by Adidas to create a new model in the real world.

Process

Moving on to process, the process complements the implementation of the strategy. The framework of the process follows the concept of integrate, implement and innovate.

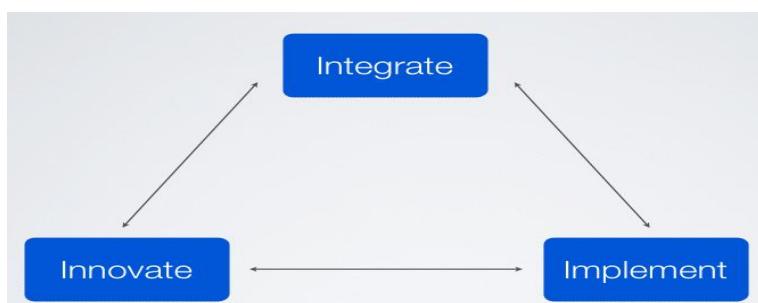
There is an integration between Adidas Group as the company that plans the concept of the marketing research as a whole and SecondLife as the company that brings the concept to reality.

Adidas Group should derive the conceptual plan of what the company wants to achieve from the research, for example in researching about the things customers favour when it comes to choosing shoes, Adidas Group must decide on the range of colours, the type of shoes used for the research etc. The role of SecondLife is to realise the concepts created by the Adidas Group. They are responsible for recreating the concept as effectively as possible in order to get the most accurate and relevant research result. The level of visualisation and user-interaction are some of the things that SecondLife's programmers must take into account in integrating the marketing concepts from Adidas Group with the technologies in virtual world.

The next phase is to implement. Here, research is conducted through the virtual world. In the case of figuring out customers' favourite colour for their shoes, in implementation, the job of Adidas Group is to observe the actions of the respondents. The colours that users choose become a part of the results collected from the series of observations for marketing research. SecondLife team's job is to monitor the process and make sure there are no technical problems that will make the research less efficient than it could be.

The last stage is to innovate, where research has generated results. At this stage, Adidas Group can use the result as the basis for decision making, to develop or innovate their products, and this should lead to efficient and effective IMM practices, and also successful market entry strategy.

Figure 19
Three Is



Chan (2011)

Structure

Adidas has its emphasis on global operation, and operates in six major regions, Western Europe, European Emerging Markets, North America, Latin America, Greater China and Other Asian Markets. Traditionally, Adidas will have to conduct marketing research in each region with specific approaches, specific methods and specific tools, as the consumers in these regions are also very specific. The results from all the regions need to be compiled together before they can be used as an input in its global operation.

Figure 20
Organisational structure of Adidas



Developed by authors

However, using virtual world the structure will be simplified from six regions into one, as the virtual world such as SecondLife is a platform that adequately represents almost all people in the world. So, the structure of marketing research will consist of only one, the virtual world.

Figure 21
Virtual world structure



Developed by authors

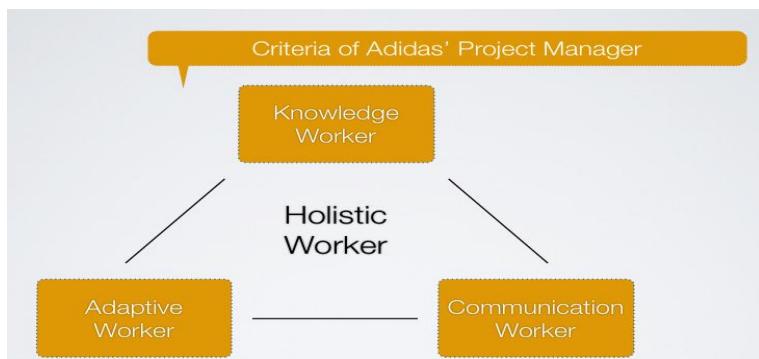
With SecondLife as the new platform, Adidas Group's resources can now be focused on one platform, greatly increasing efficiency and effectiveness as well as reducing the resources

that are needed. SecondLife here plays the role in simplifying the process of reaching these groups of consumers. It is more efficient because it's faster to reach these groups of consumers all at once, and more effective because research is more integrated (more holistic, more together) compared to the previous ways where it is split to different regions.

People

To successfully implement the strategy and process, and create the structure, companies need a competent workforce. 'People' here means project managers of companies which must fit the framework of holistic workers to successfully execute the international marketing research through a virtual world. A holistic worker is a combination of three types of workers, communication worker, knowledge worker and adaptive worker.

Figure 22
Holistic worker



Chan (2011)

Knowledge workers need knowledge in two areas: IMM and virtual world programming. IMM is crucial because the context of the research will be based on the limitations, the big picture of which customers are targeted for the research etc. Virtual world programming requires workers who understand technicalities, like graphics, resolutions, visualisation levels, and how much the company can achieve in research through the virtual world. They need this knowledge so they can develop the most effective and efficient research.

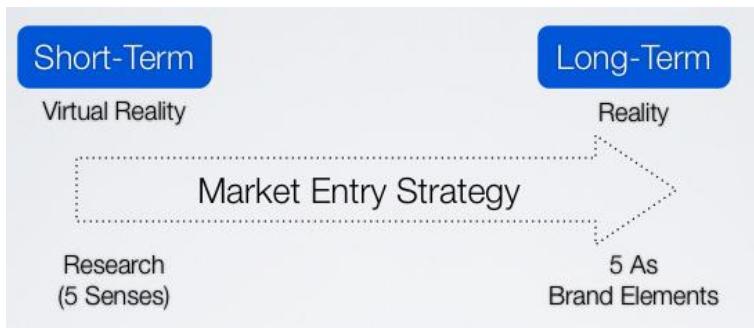
Communication workers deal with a more diverse team: not just different nationalities and cultures, but also people from different companies. For example, the marketers in Adidas need to communicate with SecondLife's programmers, who may have different corporate values and cultures. If project managers do not have good communication skills, they will not be able to resolve conflicts arising from diversity in the most efficient and effective, and this will be a disadvantage to the research process.

Adaptive workers respond effectively and efficiently to changes and breakthroughs in IMM. In the case of international marketing research through SecondLife, adaptive workers can understand and use SecondLife quickly and this leaves more room for innovation, and helps companies to grow their IMM to higher levels, because adaptive workers will be able to keep up with the advancement in marketing research technologies.

Schedule

The schedule in using the virtual world as the platform of marketing research is divided into short term and long term.

Figure 23
Virtual world schedule



Developed by authors

In the short term, marketing research will help the company to enter the market in the virtual world. The company should keep their focus on the virtual world until they have gathered sufficient data for their research regarding the five senses of the customers. This is the red hat of the six thinking hats concept described earlier. The idea behind international marketing research is to understand the kind of experience to give to their customers. The company should focus on observing market entry in the virtual world until they have obtained sufficient information.

Afterwards, in the long term, the company can start focusing on entering the market in the real world. Based on the information gathered through their market entry in the virtual world, they now can execute the market entry strategy in the real world and apply the appropriate customer experience management to achieve the 5As, (awareness, association, accessibility, affordability, acceptability) and brand leadership (brand awareness, brand association, brand experience, brand loyalty).

System

To measure the performance of the system as a whole, we will use the international marketing balanced scorecard. But first it's important to look at the goal, objective and target of conducting international marketing research using SecondLife.

Figure 24
International marketing balanced scorecard



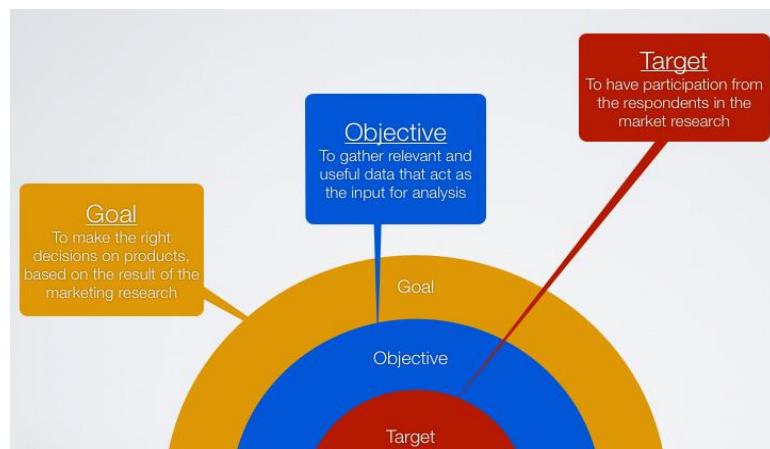
Developed by authors

The **goal** is to make the right decisions on the products based on the result of the marketing research.

The **objective** is to gather relevant and useful data that will act as the input for analysis.

The **target** is to have participation from the respondents in the marketing research.

Figure 25
Goal, objective, target



Developed by authors

Three areas will be measured: number of responses, quality of the data and the accuracy of the marketing research.

- Quantity** The number of responses will reflect on how effective and efficient the design of the marketing research is in engaging the respondents to participate in the research process, and this shows how well the target is achieved.
- Quality** The quality of the data will reflect how useful and relevant the data that has been gathered from the respondents is and this shows how well the company is in achieving the objective.
- Accuracy** The accuracy of the marketing research will reflect on how correct the decision is that is based on the result of the marketing research and this shows how well the goal of the companies is achieved.

Figure 26
Quantity, quality, accuracy

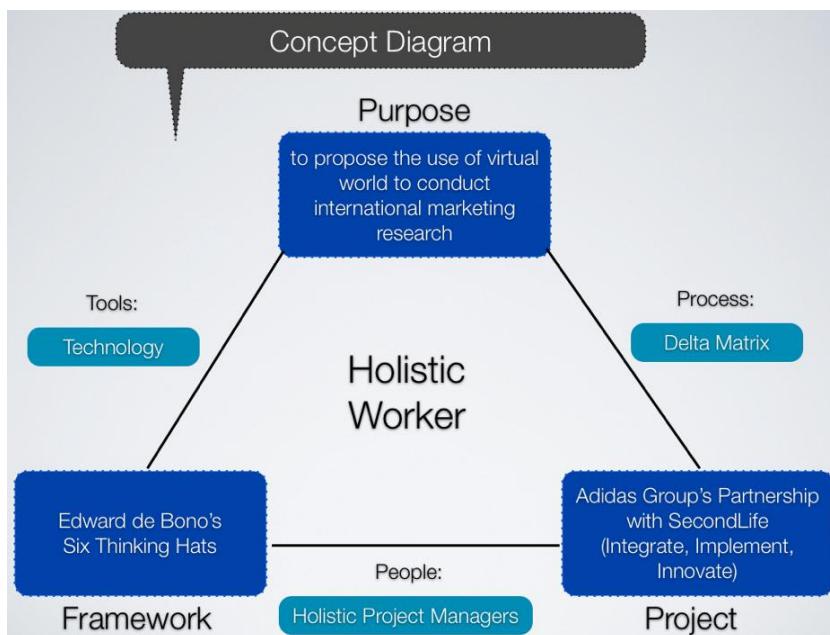


Developed by authors

3. Conclusion

All in all, the content of this paper can be summarised into a concept diagram.

Figure 27
Concept diagram



Developed by authors

The purpose of this study is to propose the use of virtual world to conduct international marketing research that will fulfil all the 8-fits that will take international marketing research to the next level. The framework for this concept is De Bono's six thinking hats.

The project here is a case study on Adidas Group's partnership with SecondLife, which uses the three Is (integrate, implement, innovate) diagram. To successfully implement the integration between IMM practices and the virtual world, project managers must have the characteristics of a holistic worker and execute the integration in the process based on the delta matrix using technology as the tools.

The strategy as a whole is to use virtual world for a more efficient, effective and holistic international marketing research.

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2. Content marketing

Building Audiences That Will Build Your Brand: Case Study of Coca – Cola Company

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Abstract

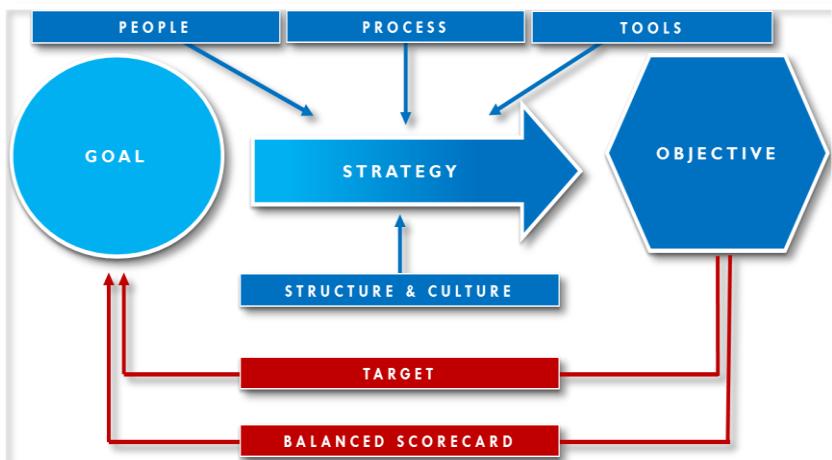
The new wave of marketing era is approaching. In today's challenging marketing era, companies must adapt to the changes by implementing new marketing strategies in order to survive. Successful companies will need to rethink, redefine and transform their basic marketing strategy to be sustainable. They need to change from conventional marketing strategy into something a brand new strategy suitable for the company. This paper suggests a new strategy called 'content marketing.'

Keywords: Marketing, International, Content, Coca-Cola

Introduction

This paper covers nine basic elements of content marketing. Like any other strategy, a clear goal, objective, and target in doing business needs to be formulated, which provides a framework for a good strategy. This will always be supported with a good people, process, tools, structure and culture. Finally, all of these elements need to be controlled with a balanced scorecard, in order to know the effectiveness and efficiency of the strategy.

Figure 1
General framework



Developed by authors

1. Goal	What is company's vision about the future?
2. Objective	What kind of things that they want to achieve?
3. Target	What is the measurable achievement that the company wants?
4. Strategy	How can the goals, objectives, and targets be attained?
5. People	Who are the people truly needed to implement content marketing?
6. Process	How can the change be made from conventional marketing to content marketing?
7. Tools	What resources are needed to help the company to fully use the content marketing strategy?
8. Structure and culture	How should resources and organisational structure be organised to maximise productivity?
9. Balanced scorecard	How can the right key performance indicators be measured?

Content marketing in marketing 3.0

Goal

In order to determine the goal, company should look at the trend in the marketing era. This has been divided into Marketing 1.0, Marketing 2.0, and Marketing 3.0.

Marketing 1.0	People only demand the product. To fulfil demand and win the customers' <i>minds</i> , the focus need only be on an excellent product. This is called <i>product-centric</i> marketing, or the <i>product-driven</i> era.
Marketing 2.0	Customers demand the product, service, and personalisation. To fulfil demand and win the customers' <i>hearts</i> , the company has to provide an excellent personalised product with excellent service. This is called <i>customer-oriented</i> marketing, or the <i>market-driven</i> era.
Marketing 3.0	Customers demand excellent goods and services, plus something that can fulfil their <i>spiritual</i> side. To fulfil this need, the company needs to create a product that can make the world a better place (without hunger, poverty, and showing concern for the environment). Nowadays, customers don't simply look for the right product, but also for the company that can deliver and share the best value for all stakeholders. This is called <i>value-driven</i> , or <i>process-driven</i> , marketing.

In summary, if a company wants to be successful and sustainable in this new era of marketing, they should have a clear goal, which is to win the heart, mind, and spirit of customers.

Figure 2
Summary of marketing era

	Marketing 1.0	Marketing 2.0	Marketing 3.0
GOAL	Mind	Heart	Spirit
OBJECTIVE	Sell products	Satisfy and retain customers	Make the world a better place
FOCUS	Product-centric marketing	Customer-oriented marketing	Value-driven marketing
KEY MARKETING CONCEPT	Product development	Differentiation	Values
SUMMARY	Product-driven	Market-driven	Process-driven

Developed from Hermawan Kertajaya and Philip Kotler, (2010)

Objective

After setting the goal, company needs a clear mission about what they want to achieve in the future. When companies want to go global and enter some strategic new places, they have something in common, which is to activate their brands in their target market. Brand activation is the process to get acknowledgement from the market. Therefore, the objective of company 3.0 is successful brand activation across countries.

Target

The target is measurable achievement in the future. There are three basic targets that company 3.0 should pursue which are high brand equity, market share, and sustainable profitability. With these three targets, company 3.0 can give back the profit that they get to customers, shareholders, society, and environment.

Strategy

In the new era of globalisation, information flows fast and sometimes uncontrollable. The high accessibility of internet speeds up information, which can be a double-edged sword for companies. Thus, choosing the appropriate marketing strategy is crucial for every company. Content marketing can be used as the strategy to activate their brands and attain brand equity, market, and profitability. However, content marketing strategy needs to be aligned with the goal of international marketing management (IMM), which is winning the heart, mind and spirit of customers globally. This paper will bring up a new concept of marketing by combining content marketing with marketing 3.0.

What is content marketing?

Content marketing is a marketing technique of creating and distributing relevant and valuable content to attract, acquire, and engage a clearly defined and understood target audience. The objective is to drive profitable customer action. The content itself could be stories, facts, or tips. If customers find the content helpful, they are likely spread this content using the other media accessible to them. When the content is known, others are expected to use the product and give feedback to the company. This feedback can be processed further to become new content for the customers. This process is one of the differences between content marketing and viral marketing which do not require feedback.

The idea of delivering content itself is not new. Possibly it started around 4200 BC when one with cave paintings. The message may have been “six ways a spear to save you from wild boar”. It was certainly used in 1895 when John Deere launched “Furrow” to give information to customers about farming products. Content marketing keeps growing with different characteristics of content and strategies to deliver. Big companies, such as Nike, P&G and Microsoft also use this idea in their marketing strategy.

In 2010 Joe Pulizzi founded the Content Marketing Institute (CMI), and was awarded Custom Media Innovator by American Business Media. He created Content Marketing World in September 2011, a seminar inviting companies that use content marketing strategy. From the establishment of CMI, content marketing started to shape its strategies and answer the company's need of qualified marketing strategy.

Characteristics of content marketing

There are several characteristics that must be achieved for successful content marketing:

1. Relevant to customers and company

The content that company delivers has to be related to what customers want and need at them time, and it must be a relevant to the product. In addition, the business goals should be in mind when creating the content.

2. Close gap and give evidence

The content should give information that is new to customers, because there is a hunger for new and valuable information. The company needs to provide evidence for what they say.

Bernie Borges in iSummit September 17, 2012 explained the importance of data driven mindset in marketing strategy. He said that customers are in control and they know it. They stay if they trust the company. Backing statements with evidence will help maintain trust, and this trust will lead to brand loyalty, and finally brand activation.

3. Not promotional

The content should not contain any promotional issues. Based on Harris Interactive 2012, customers nowadays tend to hate native advertisement in many promotional tools because they think it is misleading. With the customers who already dislike the idea of native advertisement, which means the usual advertisement, it is better for a company to avoid this path. Therefore, instead of using usual commercial, company better use stories, facts, or tips to gain their attention.

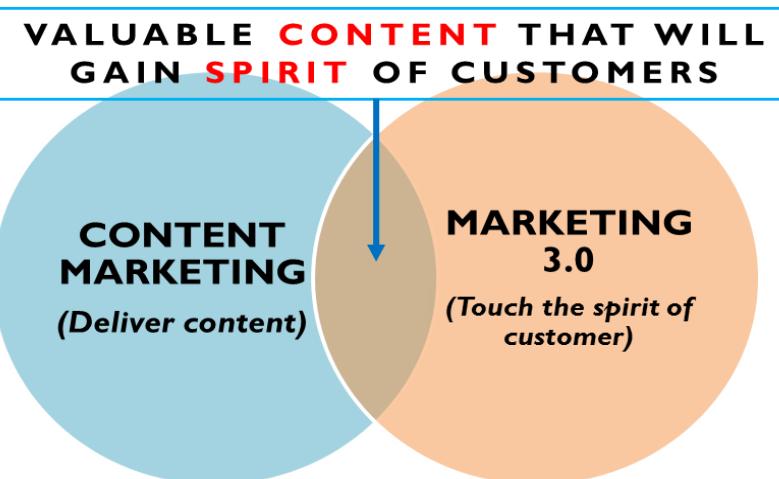
4. Follow the trend

People nowadays tend to appreciate co-creation, communisation, and the internet. They often want to participate in improving brands they like by working along with the company, and make communities to support that brand. These activities are mostly done by using the internet.

This is in line with Marketing 3.0, which is the era where the customers want to participate in improving the brand. The appropriate response to these customers is to touch their spirit. They do this by providing information on the social, economic, and environmental aspects of the content.

In conclusion, content marketing tells how to deliver content while the marketing 3.0 tells how to touch the spirit of the customers. Therefore, the company should deliver valuable content that will gain spirit of customers.

Figure 3
Combination of content marketing and Marketing 3.0



Developed by authors

Why is content marketing important?

Content marketing has the potential to increase sales, retain customers and build the brand, by giving meaningful content according to brand characteristics. It also makes it possible to integrate information from stakeholders through feedback. The company can engage long-term with customers and create a platform for regular communication.

Figure 4
Customer building phase



Developed by authors

When content marketing is combined with marketing 3.0 is to enable the company to build the customers from satisfied, to loyal, and to evangelist customers.

Satisfied customers have a product that meets their expectations. Only the mind side of customer is fulfilled.

Loyal customers stick to a certain brand because it touches their emotional side, and so their heart side is fulfilled.

Evangelist customers are not only loyal to the brand but are also spreading the word passing on the content given by the company. This type of customers can only be built by touching three parts, the mind, heart and the spirit, all together.

Content marketing has been said to be third most effective marketing strategy, after social media and video advertising. This strategy is also being used by large corporations such as General Electric (GE), Procter and Gamble (P&G), General Mills. Cisco and John Deere began to adopt content marketing strategy since 2011 or 2012. In order to ride this new wave of marketing, companies need to deliver touch the spiritual side of the customers through content marketing.

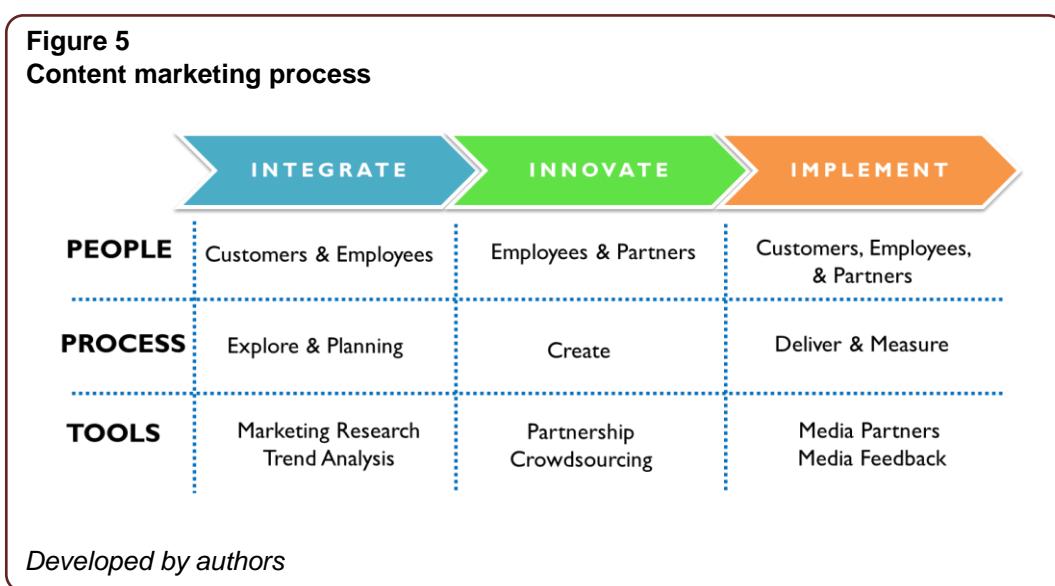
How to apply content marketing?

Phases of applying content marketing

Strategise	Explore	The company needs to discover the goals of the marketing strategy. They should aim to win heart, mind, and spirit of customers. They need to determine who the audience is, and develop a content in accordance with that audience
	Plan	This is the time to determine who, what, where, when and how the plan shall be executed.
Innovate	Create	The content that has been decided needs to be processed further. It needs to be written, edited, designed and produced in order to get the highest attention of customers.
Implement	Deliver	Delivery is crucial in every marketing plan. The content needs to be delivered to appropriate customers so they have easy access.
	Measure	The company needs to measure the impact and effectiveness of the content marketing, and whether it has attained the goal of winning heart, mind, and spirit of customers.

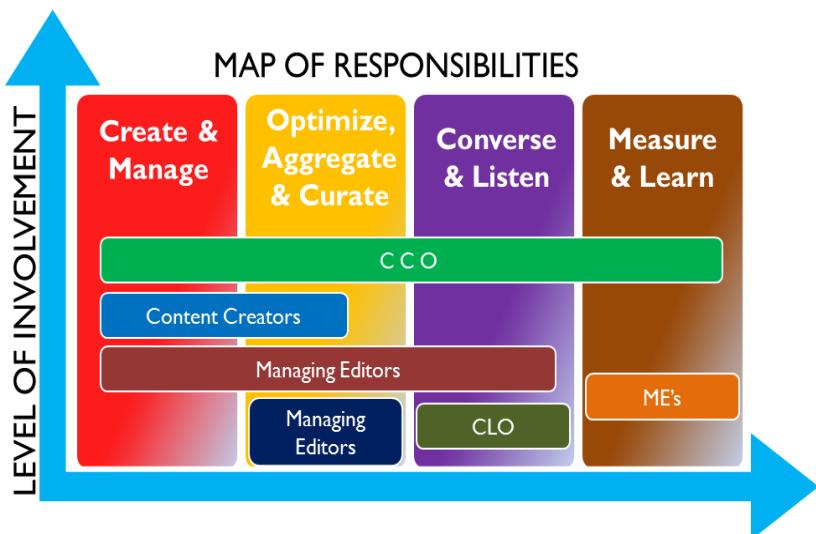
Organisational Structure and Culture

Figure 5
Content marketing process



As well the process, there also needs to be good organisational structure and culture to support the implementation of content marketing. There needs to be a division working alongside the marketing division. This should include a chief content officer (CCO), managing editors (ME), chief listening officer (CLO) to listen to the content, a content producer and a content creator.

Figure 6
Map of responsibilities under content division



Pullizi (2011)

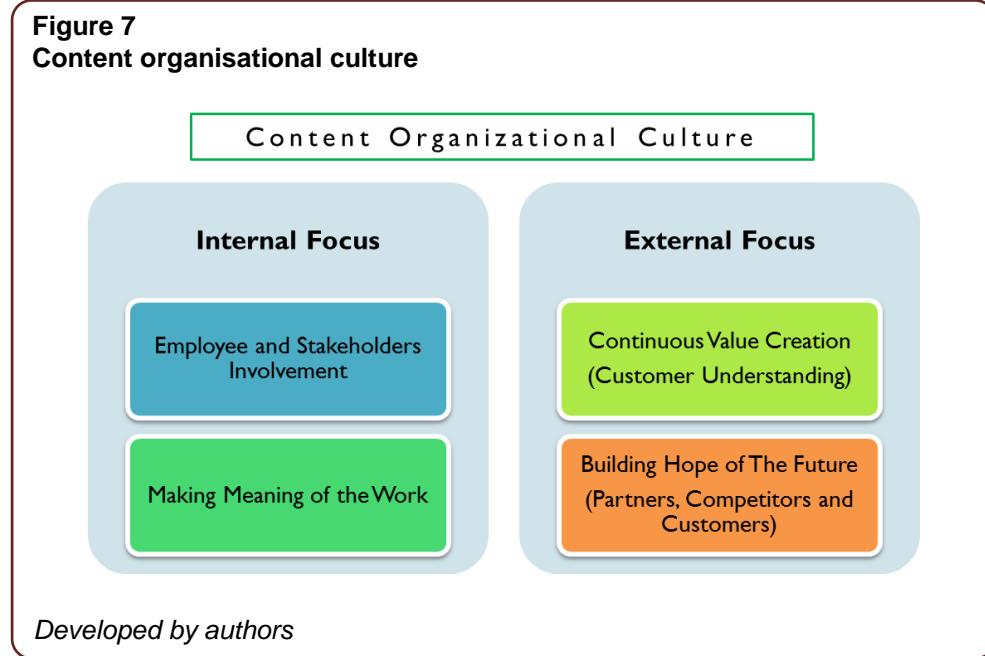
There may also need to be a new organisational culture. This paper uses two theories of organisational culture - from Dr. Daniel Dennison and David Ulrich.

Denison model	
Internal focus	<ul style="list-style-type: none"> • Involvement of the employee in the company • Consistency of employee's work towards goals, objectives, and targets
External focus	<ul style="list-style-type: none"> • Adaptability of the company towards change in the world • How far the company culture pursues the vision

Ulrich model	
Make meaning	<ul style="list-style-type: none"> • Create meaning for employees so they can be proud to work for that company
Create value	<ul style="list-style-type: none"> • Make the employees feel their work is creating value for the company
Build hope	<ul style="list-style-type: none"> • Create certainty about the future for the employee in that company

By combining these two concepts, a new organisational culture can be created which is called Content Organisational Culture. Like the Denison model, this is divided into internal and external focus. The internal focus is the involvement of employees and other stakeholders, as well as how the company can create meaning so the stakeholders feel proud to be with the company. The external focus is about how far the company can create new values and content to understand customers, and whether the company can create a certain future for all of the stakeholders.

Figure 7
Content organisational culture



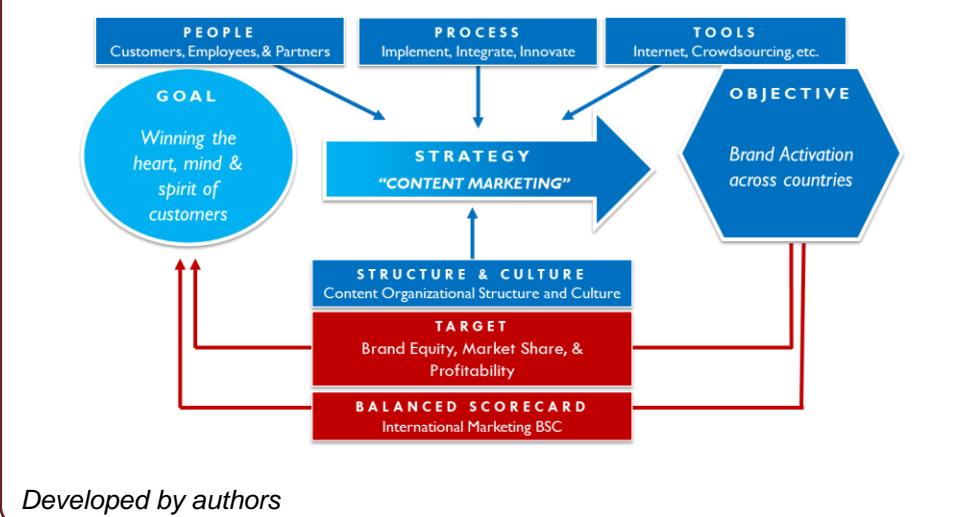
Balanced Scorecard

To control the content marketing strategy, a company should also create a balanced scorecard. There are four elements that need to be measured:

1. Learning and growth
2. Financial performance
3. Business process
4. Customer perspective

When measuring these elements company should create indicators of each element according to the goals, objectives and targets. Therefore, this balanced scorecard may look different in different companies.

Figure 8
Completed framework



Developed by authors

In conclusion, content marketing is a way to ride the new wave of marketing strategy. This needs to be developed in accordance to the goals, objectives and targets by using the right people, process and tools and applying the right organisational structure and culture. Companies also need to control and measure the effectiveness of this content marketing strategy by using the IMM balanced scorecard.

Moreover, by completing the framework of this paper, a new definition of IMM can be derived which is the process of achieving brand activation by creating and distributing the content to win the heart, mind, and spirit of customers all over the world, controlled by integrated marketing balanced scorecard.

Case study – The Coca-Cola Company – Content 2020

The Coca-Cola Company (TCCC) was established in 1886 and is the world's largest beverage company, producing many kinds of drink as well as Coca-Cola. They are on New York Stock Exchange and get funding from investors across countries. They also build an investors' community through their website which can help prospective investors to learn about TCCC before they invest. In recent years, TCCC has been ranked in top ten world's private employers with over 700,000 system employees around the world. In 2012, Interbrands stated that TCCC was ranked number one worldwide as the best brand.

The Coca-Cola Company has published its newest international marketing strategy, Coca-Cola Content 2020, which uses content marketing. The delta matrix will be used to explain the marketing strategy and planning for implementation. This has nine parts - purpose, people, process, scope, support, schedule, strategy, structure, and system.

Figure 9
Purpose of the delta matrix

***Learning from Coca-Cola Company in
order to activate brand internationally
by implementing content marketing***

Developed by authors

The purpose is about learning in order to activate brand internationally by implementing content marketing. The next aspect is *people*. It can be seen that Coca-Cola must have three parties - creative employees, active customers, and cooperative partners. These are important for Coca-Cola because they need to get involved in the best way within its company (creative employee), target market (active customers), and business-to-business relationship (cooperative partners). Creative employees can help to develop ideas and innovation. These employees must integrate technology with their soft and hard skills. While active customers can help Coca-Cola company to improve its performance by giving evaluation and help them promoting its products when they are satisfied with Coca-Cola. The performance evaluation can be derived from dynamic story telling system which allows conversation between customers and employees. Last but not least are the cooperative business partners which will help Coca-Cola to perform better in running its business system. Next is building direct relationships with technology companies, as Coca-Cola is setting up now with Facebook, Spotify, and Google. These kinds of people are aligned with the company's preferences.

Figure 10
People for Coca-Cola's delta matrix

Creative employees

Active customers

Cooperative partners

Developed by authors

Figure 11
Process for Coca-Cola's delta matrix

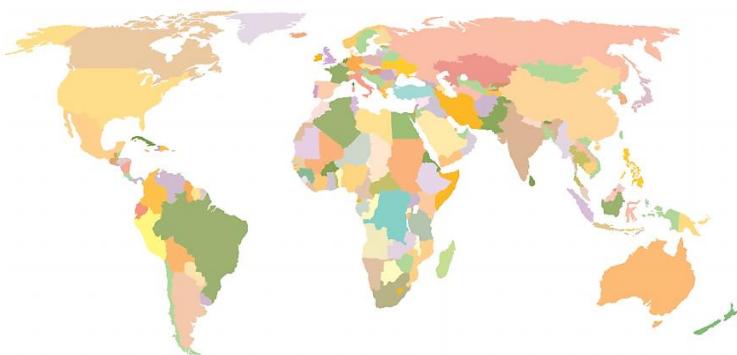


Developed by authors

The strategy, the people and tools will be processed using the three Is. So, the *process* will be integrating, innovating, and implementing. The first stage is integrate the strategy of content marketing and marketing 3.0, where TCCC has come up with 'liquid' and 'linked' strategy. Liquid here means that Coca-Cola creates an idea so contagious that it cannot be controlled, but the idea itself is according to Coca-Cola's business objective, which are brand and consumer interest. The second stage is innovate the strategy using 70/20/10 rules, whereby 70% of marketing investment goes to low risk investment (routine investment), 20% budget goes to medium risk investment (innovate the current strategy), and 10% budget goes to high risk investment (build up brand new idea). The very last stage is implementing the strategy by using dynamic story telling which has been planned by the leader of the global marketing strategy of TCCC. This dynamic story telling consists of five types of stories, which are serial storytelling, multi-faceted storytelling, spreadable storytelling, immersion and discovery storytelling, and engagement through story telling.

The next aspect is scope. TCCC must have international scope because the objective is brand activation across countries.

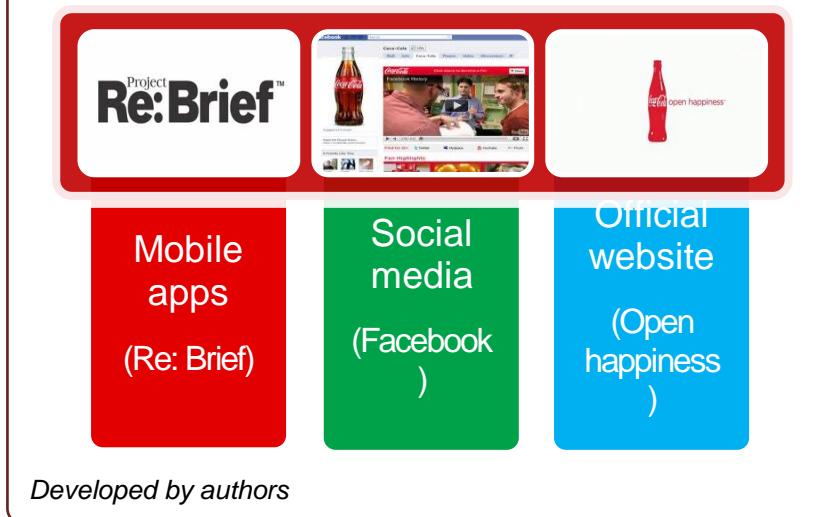
Figure 12
Global scope of Coca-Cola's delta matrix



Developed by authors

This strategic planning is supported by three types of media which are mobile application, social media, and the official website. TCCC is in partnership with Google to make a mobile application called 'Re:Brief.' This allows the user to send Coca-Cola as a gift to other people across countries by clicking 'send gift.' The second media is social media which are Facebook and Spotify to engage more teenagers' customer. The last one is the official website which aims to spread 'open happiness.'

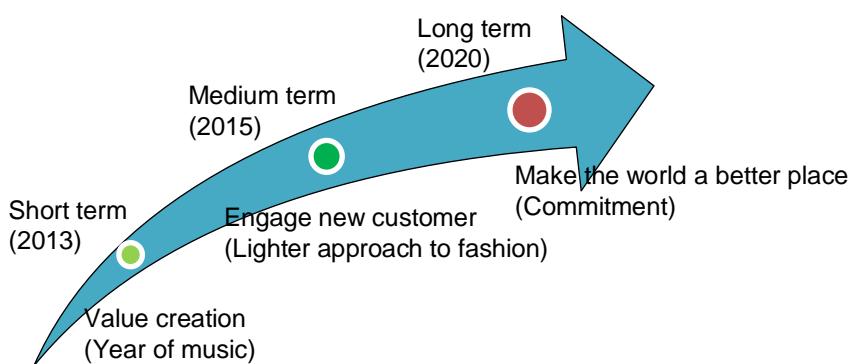
Figure 13
Support of Coca-Cola's delta matrix



Next is the *schedule* of the delta matrix. Basically the schedule will be the check list of what TCCC will do in the future in each span of time, short, medium, and long term. In the short term, TCCC have to create new value that will attract and maintain the interest of the main customer. They have co-operated with Spotify, an online music provider, and also with the Facebook. They also mark the year 2013 as the year of music and this shows the seriousness of TCCC in their short term plan.

The medium term plan is to engage new kinds of customer who they not been able to engage before. They want to attract young women who love fashion. Using the theme of Lighter Approach to Fashion, Coca-Cola tries to turn Diet Coke into an icon of fashion by redesigning the packaging.

Figure 14
Schedule of Coca-Cola's delta matrix



In the long term, TCCC say they aim to make the world a better place for everyone, through a better system for energy conservation, and a concept of water stewardship, and making packaging 100% recyclable.

Figure 15
Coca-Cola's content excellence strategy



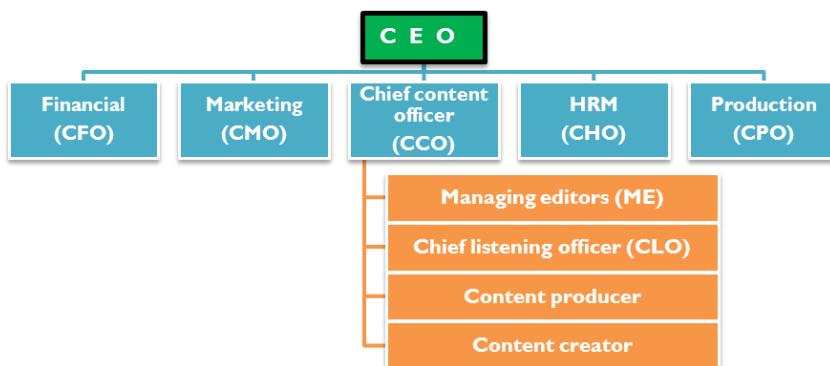
Developed by authors

As TCCC has announced before, their *strategy* will be using content excellence, as in their delta matrix. There will be three essential phases before this can happen. All the phases require two types of people – customers, and employees.

Integration	The process at this phase is liquid and linked. The tools are marketing analysis tools such as liquid research, link testing, and static testing. Those tools are important to measure how “liquid” a story is that attracts the customer.
Innovation	The process here will use 70/20/10 strategy. The tools are stories that have been generated from customers and employees.
Implementation	This needs partners as well as customers and employees. The process will include dynamic storytelling as their strategy. The tool is a platform that will enable the people to spread the story from TCCC.

Overall, the *structure* in TCCC’s delta matrix will be the same as in other companies, but with an additional officer (Jonathan Mildenhall) under the CEO, being the Chief Content Officer. From the culture perspective, TCCC will have no problem in implementing this delta matrix, since their 7 working cultures, which consist of leadership, passion, integrity, collaboration, diversity, quality, and accountability, are already in congruence with content organisation culture. These cultures of TCCC will enable the people to spread the story from TCCC not only inside the company but also outside the company.

Figure 16
New structure of the delta matrix



Developed by authors

Figure 17
Coca-Cola's balanced scorecard formats for the delta matrix

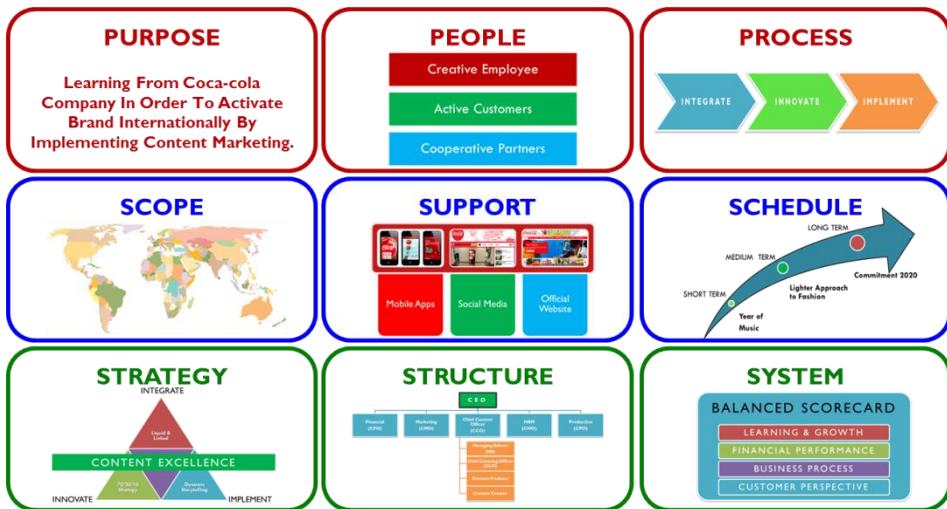


Developed by authors

Moving on to the systems that will measure the success of implementing the delta matrix – this will use the balanced score card. It will measure four areas of TCCC performance:

Learning and growth	The main concern is the development of the company, and the indicators will be amount of training of the employee and the increasing concern about environmental and economic problems.
Financial performance	Income growth and retention of earning will act as the main indicator for this area.
Business process	This will be measured by two indicators: <ul style="list-style-type: none"> • Number of defective products • Number of complaints from customers
Customer perspective	The indicators will be customer satisfaction and customer empowerment.

Figure 18
Delta matrix



Framework from Chan (2011) – developed by authors

Using content 2020 as the strategy, TCCC believes it can build an audience to grow their business more and more. This also could act as a signal for other companies to prepare their marketing strategy if they wish to ride the new wave of marketing using content marketing. But these companies need to pay attention to the content since customers want a content which can touch all their minds, hearts and spiritual sides.

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3. Wholistic Marketing Communications: A More Effective Way to Manage International Customer Experience

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Abstract

One of the most profound emphasise of international marketing today is a focus on customer experience management. Instead of only marketing through diverse sets of online and offline marketing, businesses are trying to enhance the brand experience to have a more meaningful relationship with the customers. Integrated Marketing Communication (IMC) is a management concept designed to make all elements of marketing tools such as advertising, sales promotion, public relations, interactive marketing, etc. work together as a unified force to deliver the brand message of the company. This paper explains how IMC elements are integrated with customer experience to create a Wholistic Marketing Communication (WMC) to manage customer relationships that drive brand experience.

This paper elaborates more how WMC works and how it is implemented, and is based on the work by Professor K C Chan on wholistic thinking. The following questions are explored.

WHAT is wholistic marketing communication? How are the elements of IMC integrated to create a customer experience and increase brand experience?

HOW is wholistic marketing communication implemented? An example from Dove's Real Beauty Campaign is used to explain the integration of IMC, and how the brand message is affecting customer experience. This section also explains the tools, process, and the strategy that supports WMC.

WHY is it important to implement wholistic marketing communication? In this section the results from Dove's Real Beauty Campaign performance is presented to show the evidences of the success of WMC.

Finally the paper's conclusions are explained through the delta matrix.

Keywords: Customer experience, Wholistic, Marketing communication, Holistic thinking, System thinking

Wholistic thinking: What is the new strategy to manage customer experience?

Globalisation has shaped the world. Goods and services are easily accessible around the world, which is being captured by many companies to expand their business. To enter the foreign market, companies must have the right international marketing strategy to gain competitiveness. According to marketing forum original research, 85% of business leaders agree that differentiating solely on the traditional physical elements such as price, delivery and lead times is no longer sustainable business strategy. It is believed that customer experience is the next competitive battleground and it will provide sustainable differentiation (Colin Shaw and John Ivens, 2004).

Products, services, technology and pricing are all too similar in the marketplace. The differences are in the brand, the perception and the feel of the company, in which companies have to deliver them through the customer experience. A great customer experience is not only about delivering the features and benefits to the customers. It is a blend of a company's physical performance and the emotion evoked, intuitively measured against customer expectations across all moments of contact.

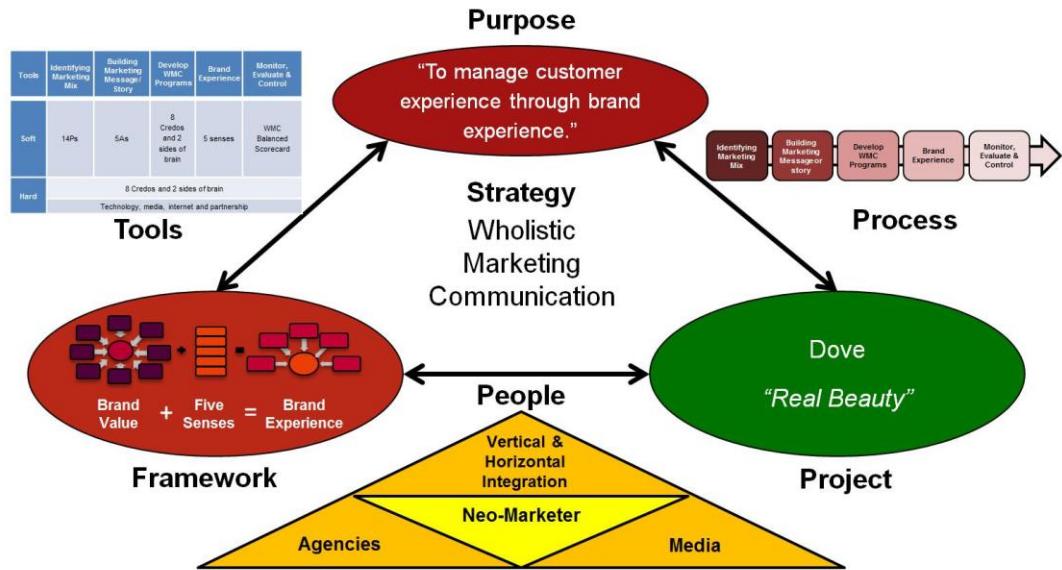
This is the new stage of economy, which is called experience economy (Pine & Gilmore, 1999). Furthermore, most products or services build customer experience at the purchase of products or services stage during the decision making process (Hawkins, 1986). Today, marketers are challenged to bring customers experience during information search, so their brand is considered as an alternative and purchased eventually. However, when it comes to global customers, companies should also manage the experience for customers across nations in response to cultural, preferential and buying differences in buying behaviours.

This has shown that managing global customer experience is crucial for business differentiation in a global market. One of the approaches that can be used is Integrated Marketing Communications (IMC). IMC is defined as the planning and execution of all types of advertising-like and promotion-like messages selected for a brand, service, or company, in order to meet a common set of communication objectives, or more particularly, to support a single 'positioning' (Percy, 1997). A new way to manage customer experience is to use wholistic marketing communications that utilise IMC elements to enhance the holistic customer experiences (Bernd Schmidt, 2003). This will unite the entire customer touch points that create brand experience and deliver the message that is being conveyed.

System thinking: How is the new strategy applied to manage customer experience?

To explain the application of wholistic marketing communications strategy to manage customer experience, concept diagram will be used (Prof. KC Chan). The purpose of this diagram is to manage customer experience through brand experience, the framework is the model of the strategy and the project is used to support the framework.

Figure 1
Overview of wholistic marketing communications strategy



Adapted from K C Chan

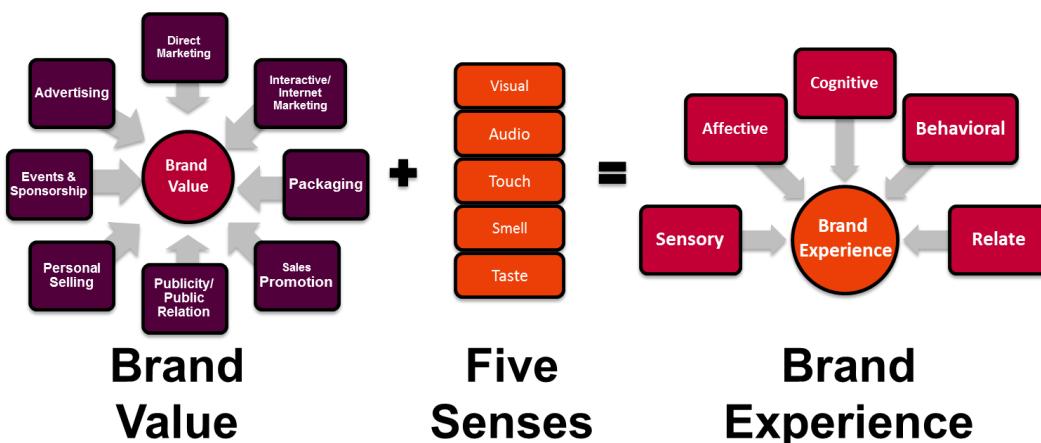
Purpose: What is the purpose?

The purpose of this concept diagram is to develop strategy to manage customer experience through brand experience. As customer experience will be the next competitive battleground in international business, this research paper proposes a new idea to manage international customer experience using wholistic marketing communications during the problem recognition and information search stage of the decision-making process, and also adapting to the culture of each nation.

Framework: What is the framework of the strategy?

The idea of wholistic marketing communications is to use the IMC elements that touch the five senses of customers to create holistic customer experiences. The five senses of customers are visual, audio, touch, smell and taste, while the holistic customer experiences are sensory, affective, cognitive, behavioural, and relate experience (Bernd Schmidt, 2003). To put it simply, IMC used to be able to create the brand value only, while wholistic marketing communications that combine the IMC elements and the five senses are able to create brand experience that will sustain the business in the future

Figure 2
Framework of wholistic marketing communications strategy



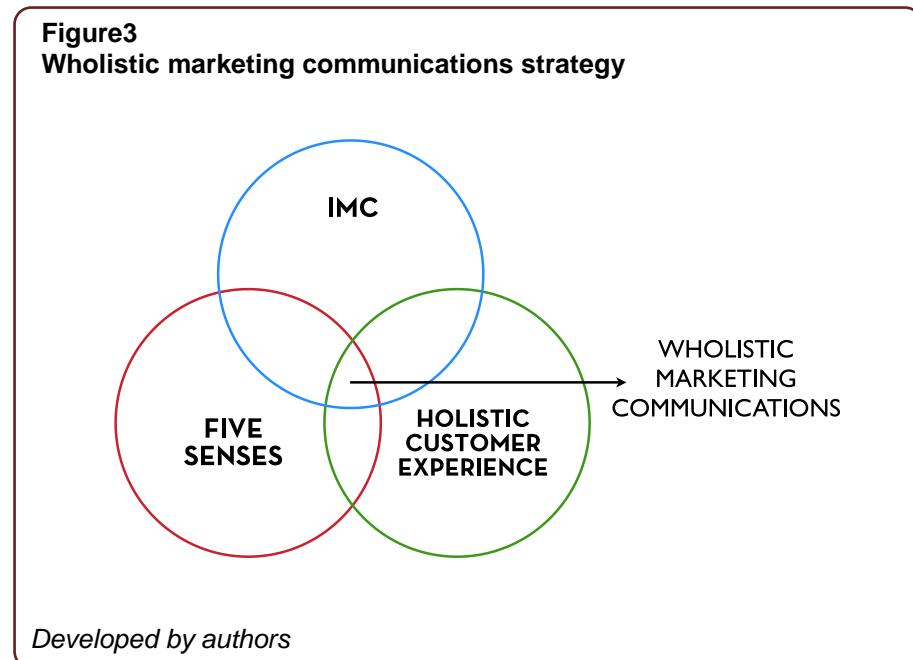
Developed by authors

Project: How do you support the framework?

To understand how wholistic marketing communication is attained, the project is the company itself. Real Beauty Campaign is a good example of how wholistic marketing communication works, as it integrates the message of the brand to all of the marketing elements to create brand experience. The Real Beauty Campaign's message is to enhance the real beauty of women and to help them believe that they don't have to look like a perfect supermodel stereotype with blonde hair, a thin body, big eyes, and long legs to be beautiful, because what matters is the quality of the skin itself. Thus, the message is included in every campaign to touch the senses of the consumers so the customers can experience real beauty itself. This campaign is able to support the framework through the IMC elements they have implemented.

Strategy: What is the strategy?

The strategy of this paper is wholistic marketing strategy that is based on several previous studies.



Integrated marketing communication theory (IMC)

Many organisations use integrated marketing communication to present a unified message to the target market. IMC is a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communication programmes with consumers, customers, prospects employees and other relevant external and internal audiences. The goal of IMC is to generate short-term financial returns and build long-term brand value by integrating and coordinating its many communication channels to deliver a clear, consistent, and compelling message about the organisation and its products.

The elements of IMC mix include advertising, public relations, promotion, direct marketing, and other low- and high-technology tools are integrated to effectively listen to and communicate with the target audience. Successful IMC plans are built on a holistic view of the target consumer, with an understanding of how they think, make decisions, and act.

Five senses of marketing theory

Any successful marketing campaigns are making use of the senses of marketing to deliver consistent messages that the customers will remember. Using the five senses in your marketing is what makes the difference between a customer going away to make a decision and being drawn in and stopping them in the tracks to make a purchase. The five senses are:

- Visual** Quality design, layout, and picture of the advertising are essential. Companies must use a distinct colour and design that reflects the brand. E.g. Coca-Cola has a unique bottle with the colour of red and white. Whenever those colour appear in advertisements, people directly realise the advertisement comes from Coca-Cola. This demonstrates that shape and colour can build brand identity.
- Audio** Using jingles is useful to gain customer experience. Through playing a sound that represents the brand, customer can engage with the message.
- Taste** Taste can be about connecting and making the brand message relatable to the customer.
- Smell** Scent is capable of creating images, sensations, memories, and associations. Giving certain scents to an environment can create a connection with the people. For example, Singapore Airlines specially designed aroma is included in the flight attendants' perfume, on the hot towels offered, etc.
- Touch** The quality of the paper of leaflets, brochures, and business cards affect the touch senses. The target market is more engaged with a glossy brochure or sample product coming through the post.

Wholistic customer experience theory

The goal of experiential marketing is to create a connection with the consumer so their response to a product offering is based on both emotional and rational responses. Here are a few of the basics of experiential marketing, and how this process can often succeed when other marketing strategies fail:

- Sensory** Appealing to a variety of senses, experiential marketing seeks to tap into every sense that the consumer has to create a brand experience
- Cognitive** The essence of Think marketing is to appeal to customer's creative thinking about a brand.
- Affective** Advertising campaigns that have an emotional focus that evokes the relationship between the brand and the customer. The emotions or feelings are driven by a brand's ability to connect with the feelings of the customers.
- Behavioural** By conducting experiential marketing, behavioural intentions can be affected through repurchase intentions, word of mouth, loyalty, and price sensitivity.
- Relate** By understanding what the consumer is likely to think and feel, it is possible to get an idea of how to steer the customer in a direction that will relate with the product, and encourage individuals to act on that impulse to purchase

Wholistic marketing communications strategy (WMC)

The holistic, system and critical thinking in marketing communication can be combined. Holistic thinking will be the integration of marketing communications. Critical thinking will be using the five senses to give a detailed customer experience. Holistic customer experience comes from system thinking. Wholistic marketing communication strategy means the process of managing international customer experience by delivering an integrated message through its promotion tools and the customers' five senses to build brand experience.

Table 1
Differences between IMC and WMC strategy

Points of difference	IMC	WMC
People	Strategic marketer international customers	Neo-marketer international customers
Process	Delivering integrated message	Managing customer experience through the message
Tools	Promotion tools	Promotion tools and five senses
Strategy	Building brand value	Building brand experience

Developed by authors

People: Who are the people to support the strategy?

There are four groups of people that support this strategy:

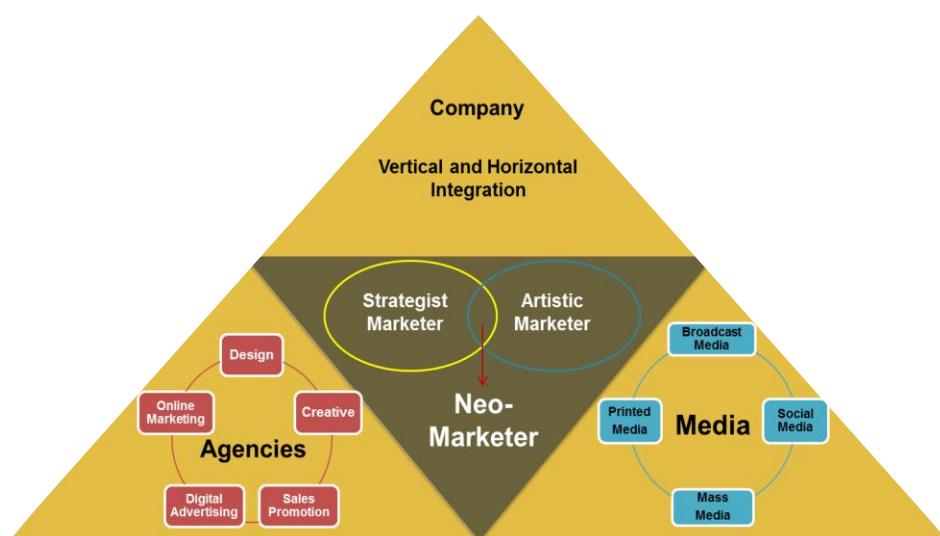
Company The company needs to process all relevant data, and integrate with people inside and outside the company. It needs to integrate with its own people, vertically (between top and lower level management) and horizontally (between managers at lower levels). The company should also integrate the message to external people who support the strategy as the company has knowledge of its own brands. These people must have a single understanding of the strategy. For example, Dove has integrated all the functions inside and outside the company through their global campaign.

Agencies Agencies mean agencies hired by the company, consisting of everyone in design, creative, online marketing, sales promotion and digital advertising agencies. All these people are responsible for innovating marketing elements in conveying the message ordered by the company. Dove has hired several agencies, such as Harbinger marketing agency, Ogilvy creative agency and Edelman public relations agency.

Media Media means the media supporting the company; this can be all the people in broadcast, printed, mass and social media. All of these people work to implement or communicate the marketing elements that have been prepared to the customers. For example, Dove has cooperated with broadcast media, such as talk shows and news channel.

Neo-marketer Neo-marketer means the marketer of the company. The marketer should combine the artistic and strategic side of marketing, meaning that marketer should not only come up with plans, but also bring new ideas to engage and bring experience to the customers, and to inspire others to implement the strategy. Dove has tried to bring the idea of the real beauty through its advertising that uses real women who are beautiful in their natural way.

Figure 4
People of wholistic marketing communications strategy



Developed from K C Chan

Process: What are the processes to support the strategy?

There are five processes in this strategy.

Figure 5
Process of wholistic marketing communications strategy



Developed by authors

1. **Identify** the marketing mix of products and services.
2. **Build the marketing message/story.** Marketers should know how to make a message/story that has value or impact to the customers. Dove understands the background behind the message that most women are not happy with themselves.
3. **Develop WMC programmes** through different elements of marketing. Here, marketers should pay attention to environmental analysis for each culture, such as cultural and social, political and legal, economic and resources analysis. In this step, Dove shows a lack of environmental sensitivity, as most of the promotion tools do not adjust to different cultures
4. **Deliver the brand experience**
5. **Monitor, evaluate and control** the strategy implementation if the strategy is effective and efficient.

This process is crucial as implementation must be in time with the decision-making process of customers. The brand experience needs to be delivered during the information search stage, so company should develop WMC programs during the need and problem recognition stage of decision-making process.

Figure 6
WMC programmes

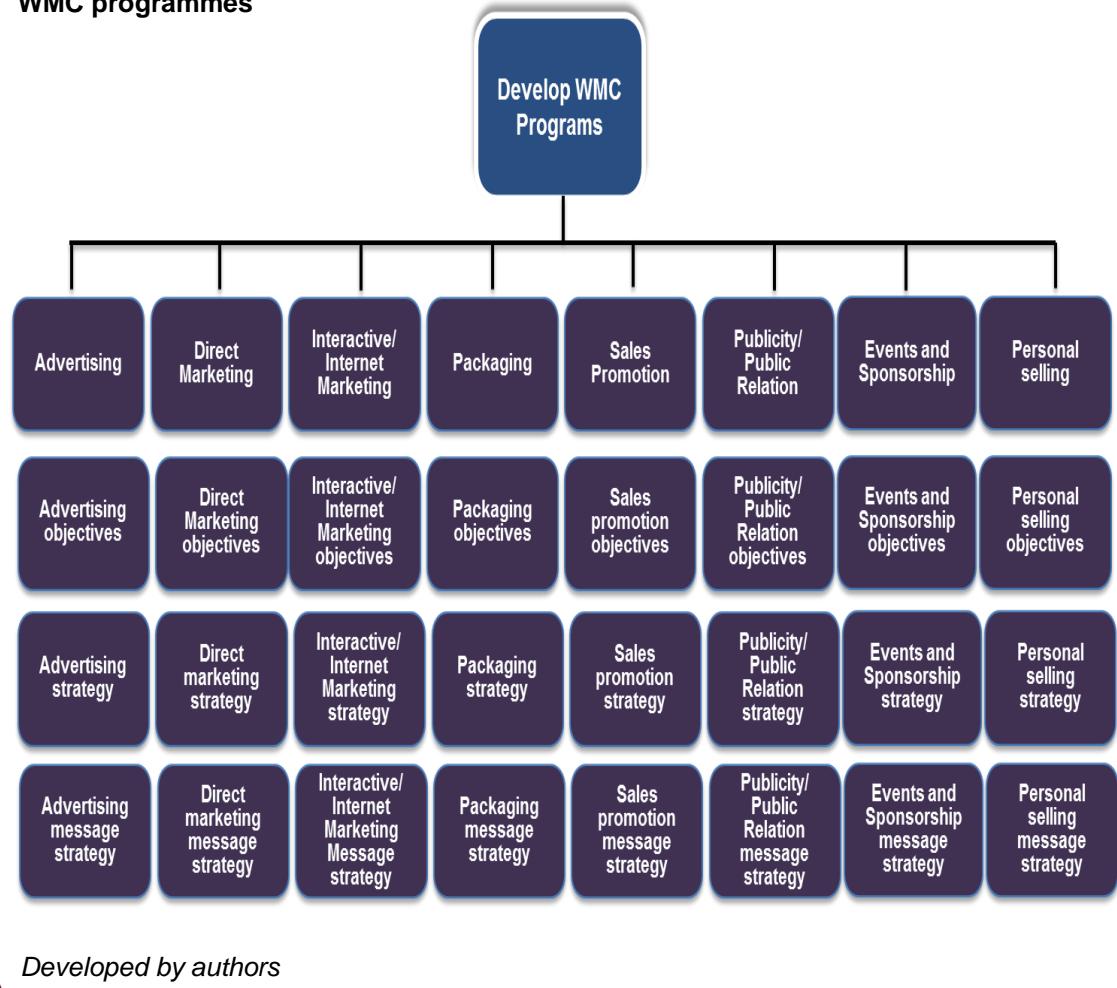
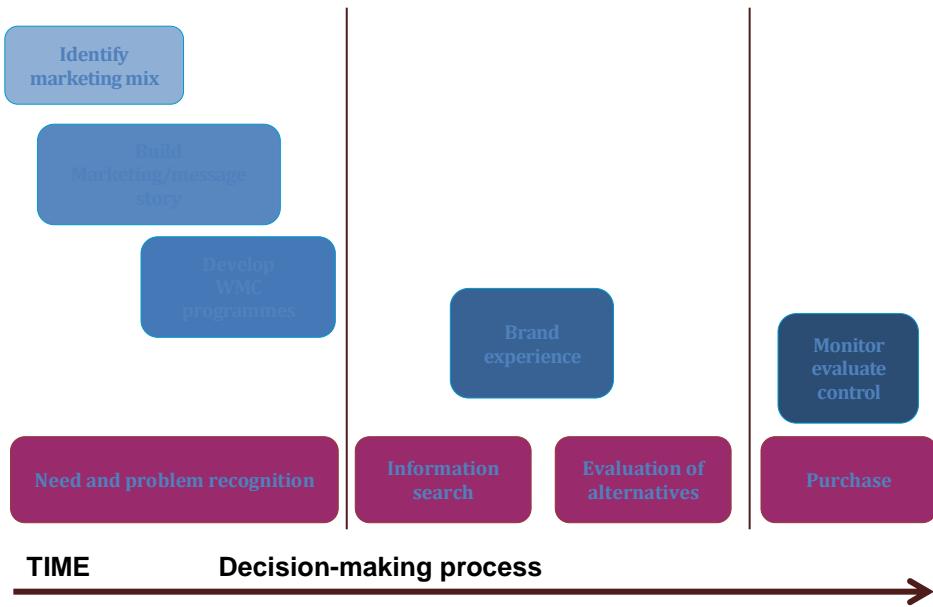


Figure 7
Schedule of wholistic marketing communications strategy



Developed by authors

Tools: What tools are needed to support the strategy?

Table 2
Tools of wholistic marketing communication strategy

Tools	Identify marketing mix	Build marketing message/story	Develop WMC programmes	Brand experience	Monitor, evaluate, and control
Soft	4Ps	5As	8 credos and 2 sides of brain	5 senses	WMC balanced scorecard
Hard	8 credos and 2 sides of brain				
	Technology, media, internet, and partnership				

Developed by authors

Table 3
Tools of wholistic marketing communications strategy

SOFT TOOLS Each process has different soft tools to implement the strategy	4 Ps Product Price Place Promotion	The first process requires 4 Ps as the tools to identify the marketing mix of the products or services that are emphasised in the marketing elements							
	5 As Awareness Affordability Acceptability Accessibility Association	The second process requires 5As to build marketing message/story as good message is not only aware in customers' mind but it should be also associated within customers' minds.							
	8 credos and both sides of brain	The third process requires 8 Credos and 2 sides of brain to develop WMC programs that considers on how to deliver the customers experiences through each marketing element. The 8 Credos are: 1. Break with Your Immediate Past. 2. Build a Lighthouse Identity. 3. Assume Thought Leadership of the Category. 4. Create Symbols of Reevaluation. 5. Sacrifice. 6. Overcommit. 7. Use Advertising and Publicity as a High-Leverage Asset. 8. Become Ideas-Centered, Rather Than Consumer-Centered.							
	5 senses	The fourth process requires five senses to deliver brand experience through visual, audio, smell, touch and taste.							
	Balanced scorecard	The last process requires WMC balanced scorecard to monitor, evaluate, and control the performance of the strategy implementation.							
	HARD TOOLS The 8 credos and neo-marketer are still used as hard tools, with the addition of technology, media, the internet, and partnership	<table border="1"> <tbody> <tr> <td>Technology</td> <td>Technology can be used to integrate the message within companies and other parties. For instance, Dove uses technology software to integrate the message within companies, and other technologies to advertise the real beauty campaign on website that enables women to upload and modify their pictures.</td> </tr> <tr> <td>Media</td> <td>The media may be in terms of social media, printed media or mass media. Dove has used the media in promoting their campaign through Facebook, Twitter, TV shows, billboards and much more.</td> </tr> <tr> <td>Internet</td> <td>The Internet is useful to increase the effectiveness and efficiency of the spread of the marketing communications.</td> </tr> <tr> <td>Partnership</td> <td>Partnership is essential to make the customer experience wider than its own promotional tools. For example, Dove partnered with an e-card company to send an encouragement message on a special occasion.</td> </tr> </tbody> </table>	Technology	Technology can be used to integrate the message within companies and other parties. For instance, Dove uses technology software to integrate the message within companies, and other technologies to advertise the real beauty campaign on website that enables women to upload and modify their pictures.	Media	The media may be in terms of social media, printed media or mass media. Dove has used the media in promoting their campaign through Facebook, Twitter, TV shows, billboards and much more.	Internet	The Internet is useful to increase the effectiveness and efficiency of the spread of the marketing communications.	Partnership
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Critical thinking

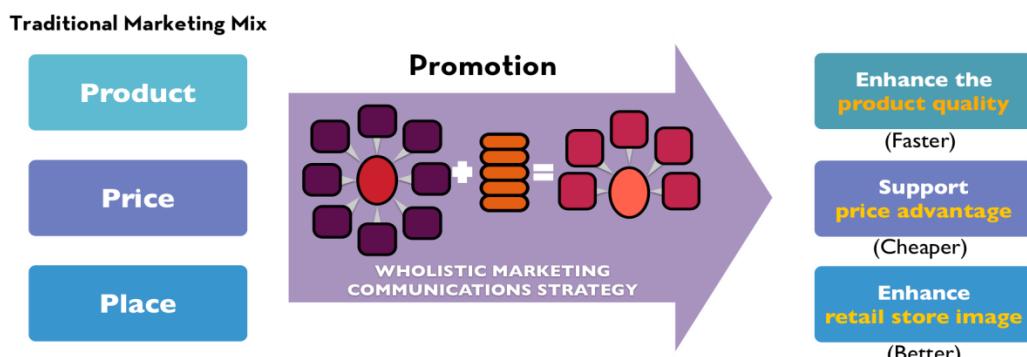
Why is the new strategy effective and efficient to manage customer experience?

The traditional marketing mix consists of 4Ps, which are:

- **Product** communicates the benefit or image through product quality.
- **Price** communicates the value of the product through price level.
- **Place** communicates convenience or image by virtue of store location.
- **Promotion** sends the message through the elements of marketing communications.

Through wholistic marketing communications the company can enhance the product quality, support price advantage, and enhance retail store image, which later on will lead them to a faster, better, and cheaper company.

Figure 8
Implications of wholistic marketing communications strategy



Developed by authors

All the results are can be shown and measured through the WMC balanced scorecard. This consists of four measurements, which will be shown through the Dove case study that has implemented IMC strategy. The measurements are:

Figure 9
Wholistic marketing communications balanced scorecard

Increase in sales number	Increase in profit	Increase in brand values	Financial Performance
Decrease in customers complaints	Increase in Word of Mouth	Increase in customer engagement	Customer Satisfaction
Higher turnover per employee	Low cost	High productivity	Internal Business Process
Marketing campaign innovation	Product and service innovation	Technology advancement	Learning and Growth

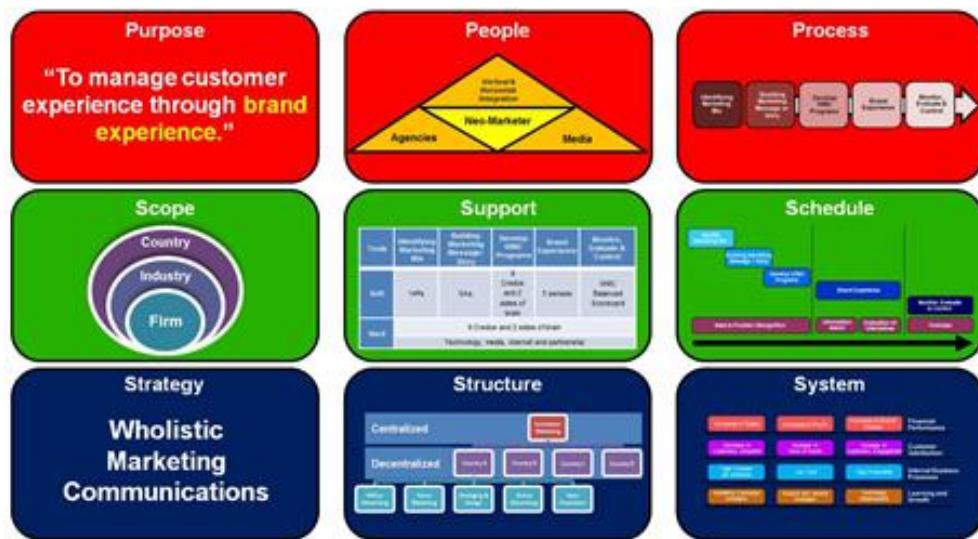
Developed by authors

Financial performance	Increase in sales and profit	Dove's successful WMC application can be seen through its increasing sales. As shown in the graph below, before the Real Beauty Campaign in 2004, sales kept on decreasing. After the campaign launch in 2005, sales have shown a significant increase. Dove also experienced a significant increase in profit as the amount doubled from €3,500 million in 2004 to €6,500 million in 2011.
	Increase in brand value	Improving brand value will result in a more sustainable company. Dove experienced an increase in brand value after conducting the Real Beauty Campaign. Based on Forbes "Top Global Beauty Brands 2012", UK's dove rank has moved up to seventh with a 12% increase in its brand value.
Customer satisfaction	Decrease in complaints	According to Customer Reviews for Dove White Beauty (http://ugc.dove.com), almost all respondents rated 5 out of 5 for satisfaction on using Dove's product.
	Increase in word of mouth and customer engagement	Dove's Facebook page shown its success when the amount of people talking about Dove (awareness) increased from 200,000 to 300,000 in less than 6 months.
Internal business process	Turnover per employee	Improvements can be seen from the increasing turnover per employee, from €160,000 in 2004 million to €270,000 in 2011. This shows how employees are getting more efficient in each division.
	Lower cost and higher productivity	Dove was also able to induce a lower cost by using an integrated message for advertising. Thus, they don't need to hire as much labour force because the message is all integrated so each country doesn't need to hire their own executives to develop their own marketing strategy. Dove also managed to increase their productivity since its sales kept on growing after the Real Beauty Campaign.
Learning and growth	Marketing campaign innovation	Those that took part in the Real Beauty campaign have received several awards. Their creative agency, Ogilvy, received IPA effectiveness award in 2008. PR received the platinum PR award in 2011, and Film Grand Prix at Cannes Advertising Awards in 2007.
	Product, service and technology advances	Dove was finally able to launch its line for men in 2010. This shows how Dove has continuously improved and innovated throughout the years. Dove also adapted integrated data software to deliver the message with the purpose of making the company more effective and efficient.

Summary and conclusions

Finally, we have arrived to the intersection of holistic, system, and critical thinking that is wholistic thinking, which is the conclusion of this paper. The delta matrix is the summary of how wholistic marketing communication is conducted. The six thinking hats will be used to evaluate each point from different perspectives.

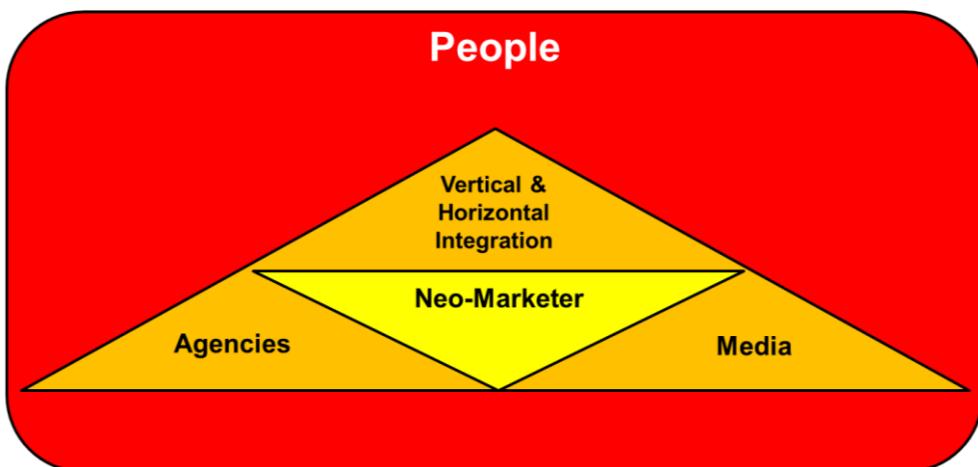
Figure 10
Delta matrix



Developed from K C Chan

- Purpose** To manage customer experience through brand experience and to create a brand new way to manage customer experience
- People** To achieve this purpose, people with the characteristic of neo-marketers are needed. These neo-marketers are supported by companies equipped with horizontal and vertical integration, by agencies that develop creative messages, sophisticated designs, and attractive sales promotions, and by media that encompasses printed, broadcast, social and mass communication.

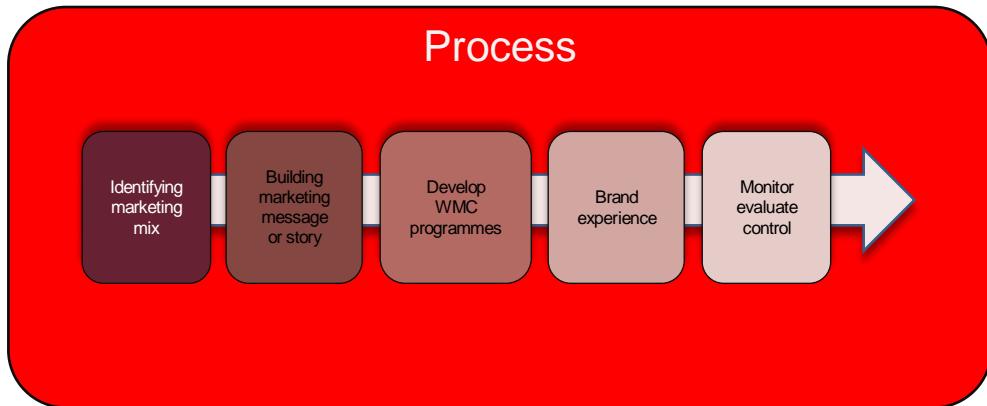
Figure 10.1



Developed from K C Chan

Process Identifying marketing mix, building marketing message / story, developing WMC programmes, giving brand experience, and to monitor, evaluate, n control the result

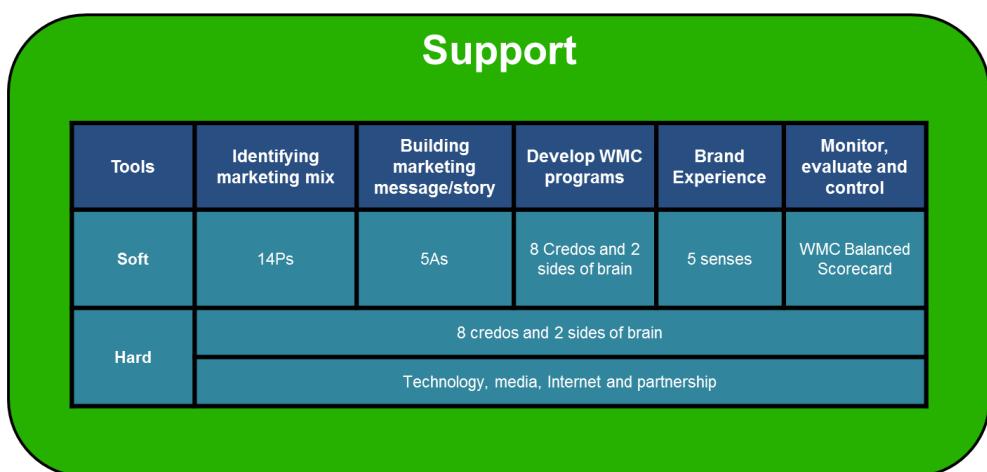
Figure 10.2



Developed from K C Chan

Support Tools used to apply and implement wholistic marketing communication processes

Figure 10.3

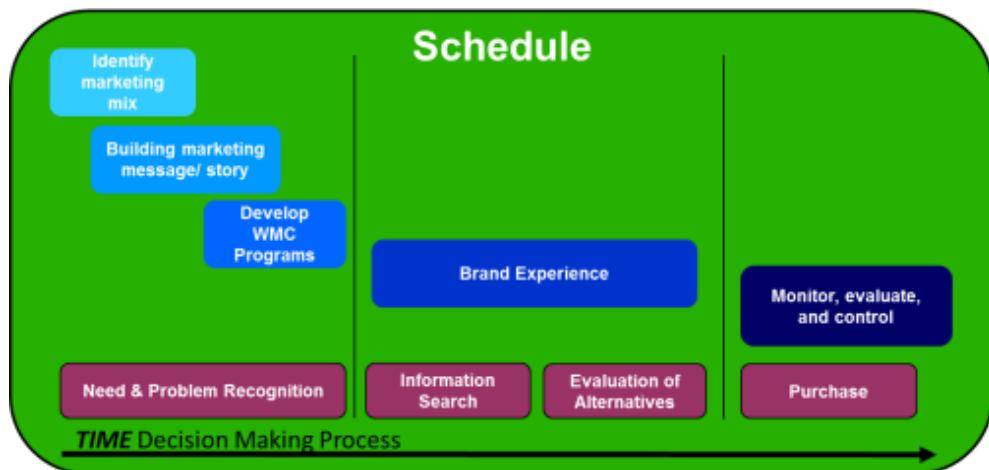


Developed from K C Chan

Schedule The schedule is the execution of the WMC process based on the decision-making stages of the customer. It starts with the need and problem-recognition. The ongoing processes of WMC are then:

- Identifying marketing mix
- Building the marketing message/story
- Developing WMC programmes
- Information search and evaluation of alternatives - this should enhance brand experience to win over competitors
- Purchase stage – the company must continuously improve through monitor, evaluate, and control.

Figure 10.4



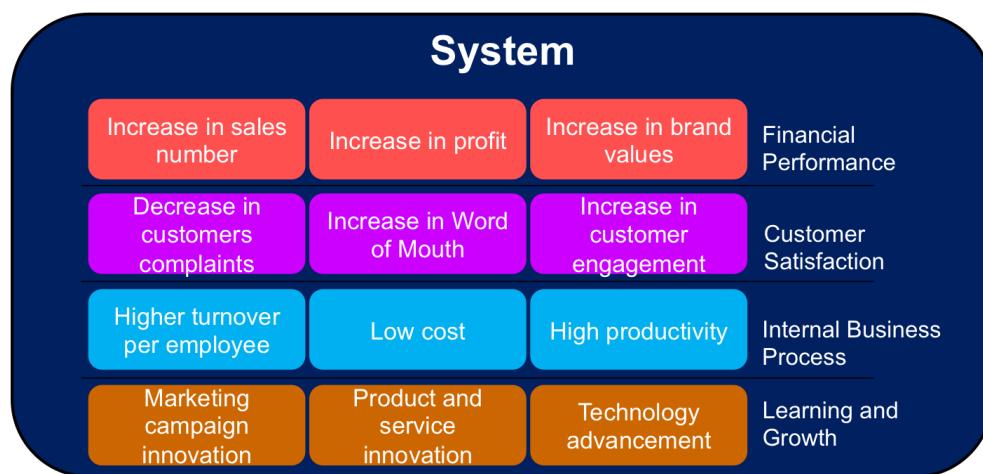
Developed from K C Chan

Strategy The new strategy proposed in this paper is the wholistic marketing communication strategy, which means integrating the IMC elements with the five senses of customer experience while adapting to local markets using the left and right brains of marketers in order to manage and increase brand experience.

System The system that will measure the performance is the WMC balanced scorecard, which has four sections:

- Financial performance
- Customer satisfaction
- Internal business process
- Learning and growth.

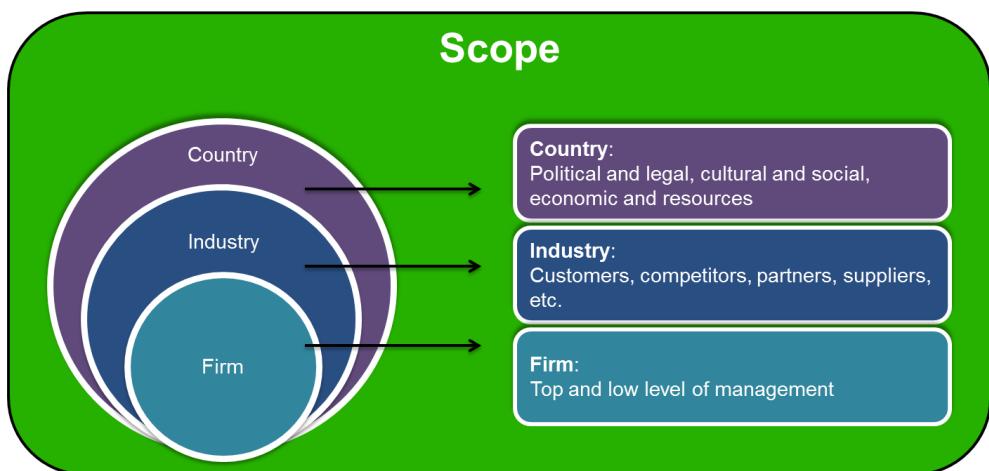
Figure 10.5



Developed from K C Chan

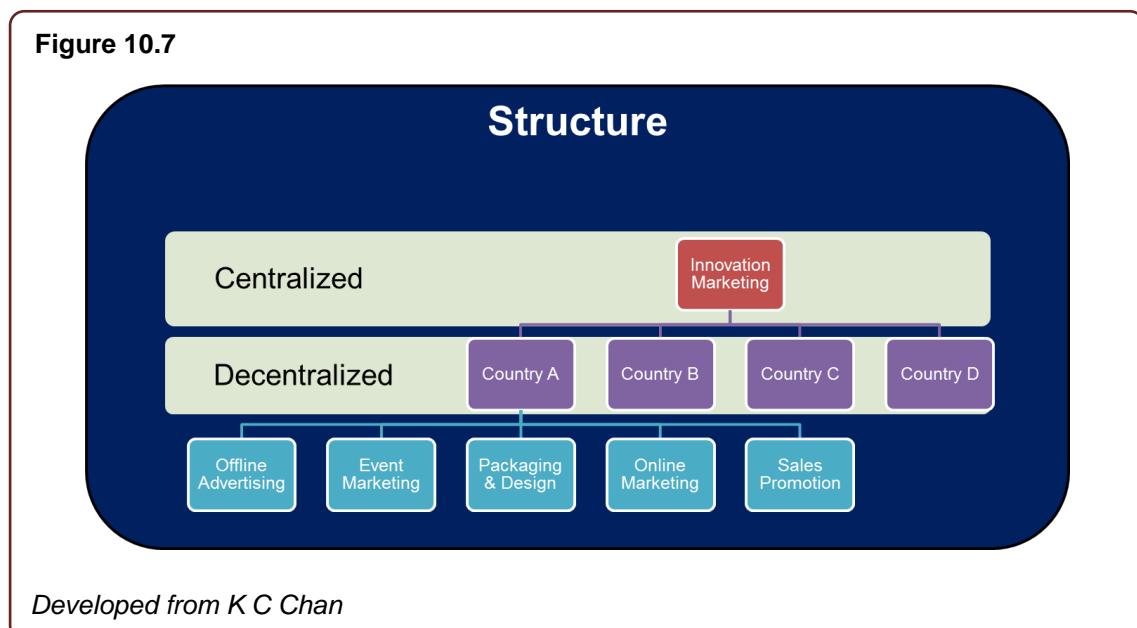
- Scope** We need to consider the differences in the political and legal aspect, especially cultural variation and social norms in different countries. In the industry, we need to consider competitors and the customer preferences in order to successfully implement WMC. In the firm itself, the top and lower management levels have to integrate the same values and goals in order to maintain integrated processes.

Figure 10.6



Developed from K C Chan

Structure To have an integrated message, the marketing department needs to be centralised to ensure they are delivering the same core message in every country, despite differences in culture. The message must be adapted for each country's culture and preferences, meaning that marketers must develop integrated brand experience elements, such as advertising, event marketing, packaging, design, etc. but still delivering the values and experience of the brand.



All the diagrams in this delta matrix are analysed from the emotional, intuitive, creative, and negative point of view, based on the six thinking hats concept (Edward de Bono, 1999). By seeing the implications of WMC from different approaches, the process will be more prepared to face unexpected problems and obstacles.

Red hat – the people, because it has the feeling and emotion to execute WMC.

Black hat – critical judgment so we are cautious during the process implementation

White hat – facts and information that make the tools to support the process

Green hat – the WMC strategy itself that aims to be innovative and creative

Yellow hat – values and benefits that are reflected from the WMC balanced scorecard

Blue hat – the big picture of managing the customer experience through brand experience

All in all, this new strategy is believed to enhance the customer experience as this strategy touch the five senses of customers and brings customer experiences to build brand experience. The customers come to associate the experience with the brand, and they want to be loyal and to share it with others. This helps the brand to win in the next competitive battleground in experience economy and gain sustainable brand differentiation.

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4. Cross Cultural Issues in Marketing Communication: A Wholistic Case Study of Global Companies Entering the Market of China

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Abstract

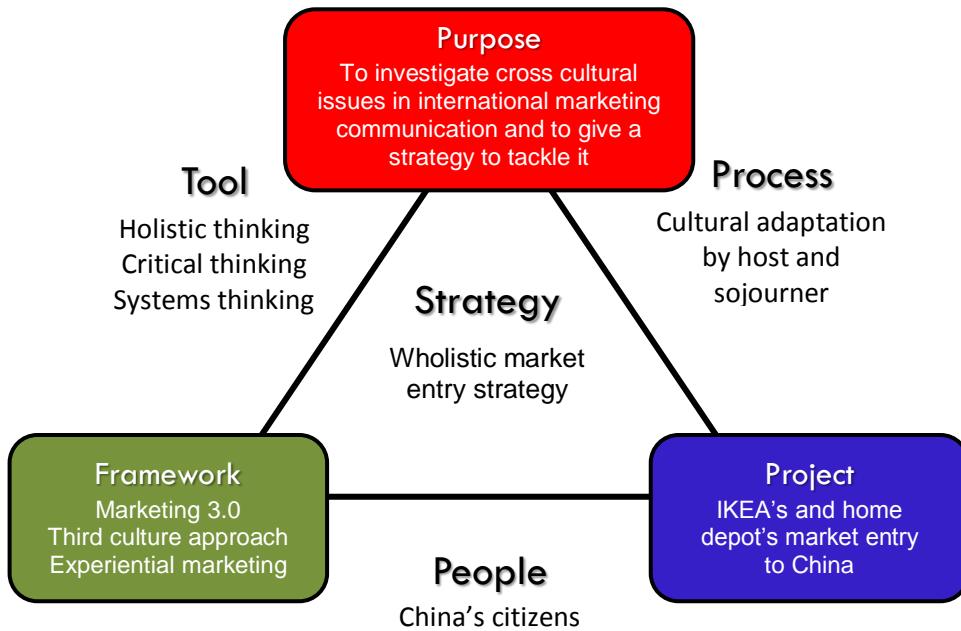
“As China Goes, so goes the world” – Karl Gerth

China, with more than 1.3 billion citizens, is the world's most populous country. Not only populous, China is also the world's second largest economy with a rapid growth in their GDP. World Bank announced China's GDP in 2011 at the level of \$7.3 trillion and in October 2012, CNN reported that China's GDP is growing by 7.4%. This makes China very attractive for companies competing in the global market. Simply said, China is too big to ignore.

Introduction

The concept diagram, as developed by Professor K.C. Chan will be used to give a brief overview of the discussion in this paper.

Figure 1
Concept diagram



Adapted from KC Chan – Content developed by authors

Purpose	To investigate cross cultural issues in international marketing communication, and to a strategy to tackle it so that cultural differences will not be a hindrance in market entry strategy as the main strategy in international marketing management (IMM)
Framework	To achieve the purpose, three theories will be combined and integrated to formulate a wholistic market entry strategy, which are: <ul style="list-style-type: none"> • Marketing 3.0 • Third culture approach • Experiential marketing
Project	The framework will be tested with a case study. The case study here is about Home Depot's and IKEA's attempt to penetrate the market of China.
People	Since the market being discussed here is the market of China, the people will be China's citizens with their distinct culture.
Process	With a foreign market as the target of the market entry strategy, of course culture should be a part of consideration in formulating the market entry strategy. Thus, the process here should be the adaptation process by both the host (China) and the sojourners (companies).
Tools	Three different thinking in the Wholistic Learning (introduced by KC Chan) will be used in order to conduct this study wholistically: <ul style="list-style-type: none"> • Holistic thinking • System thinking • Critical thinking
Strategy	The strategy that is proposed shall be called as Wholistic Market Entry Strategy

Analysis

Three different thinking of Wholistic Learning are used in this discussion. Using each of the thinking, three aspects will be discussed here:

Holistic thinking	What are the key issues and challenges in entering the market of China?
Critical thinking	Why should differences in culture being considered in entering the market of China?
System thinking	How to reconcile the cultural differences while entering the market of China

Holistic Thinking: What are the key issues and challenges in entering the market of China?

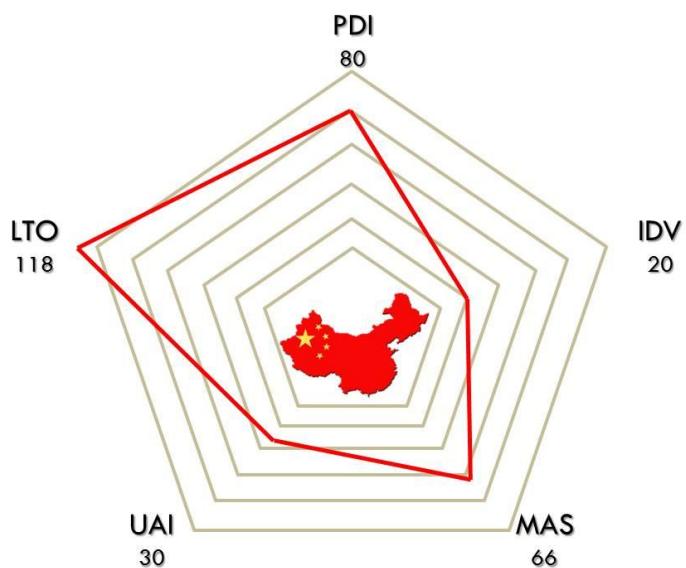
Issues and challenges in entering China can be explained through two things:

- Culture
- PEST (Political, Economy, Social, Technology)

Culture

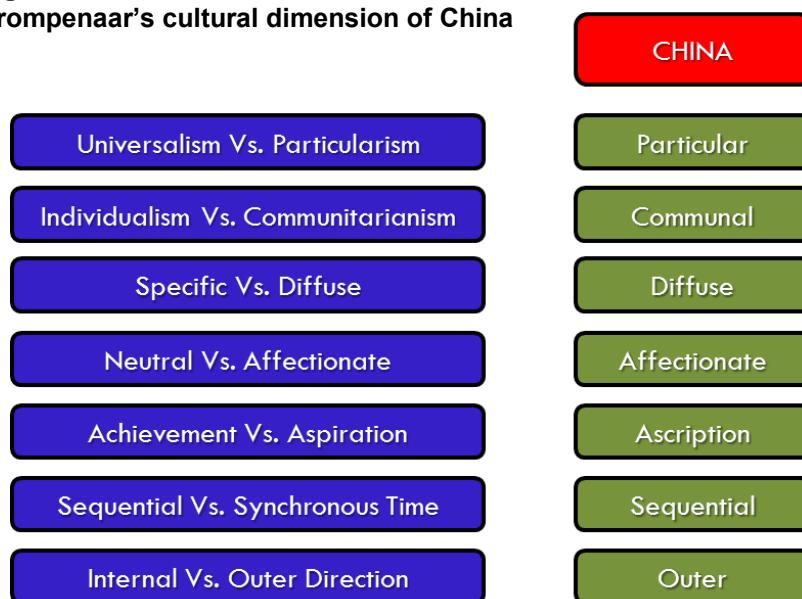
Three theories on national culture in China will be used, from Geert Hofstede, Fons Trompenaars, and Edward Hall.

Figure 2
Hofstede's cultural dimension of China



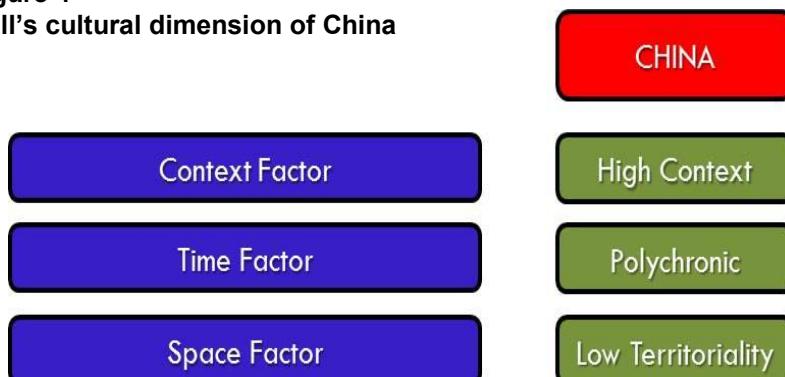
Adapted from Hofstede

Figure 3
Trompenaar's cultural dimension of China



Adapted from Trompenaars – Content developed by authors

Figure 4
Hall's cultural dimension of China



Adapted from Hall – Content developed by authors

From the three national cultural dimensions, the following can be concluded:

- China has a strong aspect of their culture called *group-mindedness*, as they are highly collectivistic and a communal society.
- China has a cultural aspect called *proximity*, as Chinese culture has low territoriality and also a highly collectivistic society.
- China has a cultural aspect called *aspect*, as Chinese culture is a high context culture and low uncertainty avoidance, which is partly indicated by their ambiguous and contextual language.
- Chinese cultures emphasises relationship.

PEST

Based on the IMD Index, China's political situation is still unpredictable. Also, China has a high regulatory burden and an uncompetitive tax regime. It is also highly corrupted with a ranking of 75th out of 183 countries based on Corruption Perception Index.

China is the second largest economy in the world with a GDP in 2011 of USD 15,076 Billion according to IMF. With a rapid growth in GDP (just recently dropped to 7.3%). The middle income class is growing and has high consumption power. However, the social gap is still huge and cause labour cost in China to be very low. Therefore, people who have money tend to hire people at low cost to do the work for them.

The use of technology is increasing. Based on China Internet Watch, internet use is increasing every year. In 2011, it is estimated there were more than 500 million users.

China, with their different culture, is clearly a challenging market to enter. Moreover, with unstable politics and high degree of corruption, China can be a nightmare or paradise for firms entering the market. The real challenge is whether firms can be adaptive and nimble in reacting to the culture and changes in difficult political or economic situations.

Critical thinking:

Why should differences in culture being considered in entering the market of China?

Different cultures will bring out different patterns of trust and different consumption patterns. A firm's success or failure in foreign market will be determined by how well they can address and adapt to differences. Success and failure can be illustrated through a case study of IKEA's and Home Depot's attempt to enter China.

IKEA and Home Depot – entering market of China

In 2006, Home Depot, an American retailer of home improvement and construction products opened twelve Chinese stores. Between 2009 and 2011, they closed five of these stores, and remaining seven in 2012, leaving two small retail spaces in malls. . Due to the closure of its big-box home-improvement stores in China, Home Depot took \$160 Million after-tax charge.

IKEA meanwhile, in Shanghai, plans to increase its stores from eight to fifteen. In a country where millions of new home owners are added each year, companies cannot afford to lose this potentially huge market.

Helen H. Wang, an author and consultant on China's middle class wrote in a column at Forbes last year: "*In the last fifteen years, home ownership has gone from practically zero to about 70%. But because homes and condominiums are usually small and have little space to store tools and ladders, consumers typically don't want to buy those items – which are a staple at Home Depot. And with labour cost low, people with money to improve their home prefer to hire others to do the work, so they don't need these items anyway. On the flip side, many new homeowners are young people who grew up in exceptionally small homes where decorating was not emphasised, so they are hungry for IKEA's hands-on detailed showrooms that include everything down to salt shakers and coat hangers. They are also drawn to the "Western" style they say IKEA brings.*"

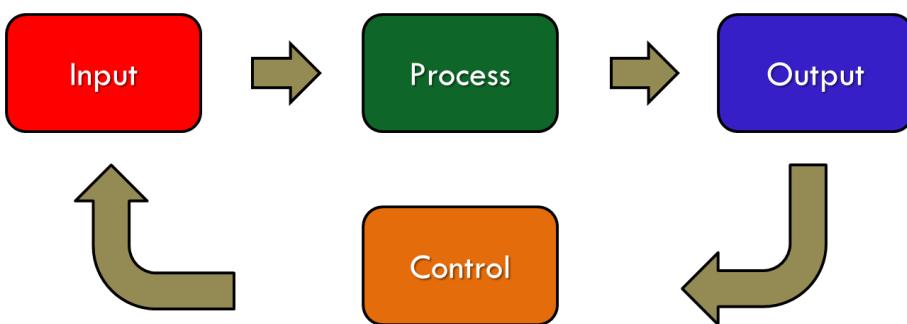
Home Depot, with its "do-it-yourself" offering, does not match the culture in China because Chinese people prefer "do-it-for-me" kind service. Also, due to low labour cost, many homeowners would rather hire others to do the work. Other companies made the same mistake, trying to enter China without understanding the local market. IKEA, although it originally had a similar offering to Home Depot, in China it offers assembly service for customers at a low price.

System thinking:

How to reconcile the cultural differences while entering the market of China?

To explain how companies can reconcile the cultural differences while entering the market of China, the system diagram will be used.

Figure 5
System diagram

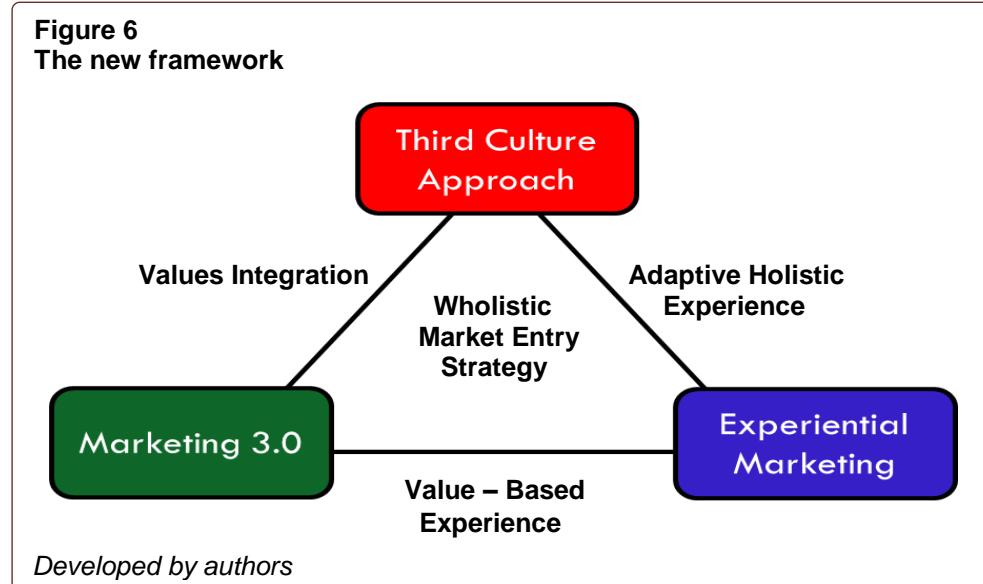


Adapted from K C Chan

Input	The input in this system diagram is none other than China, with their distinct culture and challenging political, economic, social, and technological situation.
Output	The end game or the goal is a successful market entry strategy to China.

Process

Figure 6
The new framework



Companies need to go through the correct process to successfully capture the market, and at the same time reconcile cultural differences. If not, even if the strategy works, it will be vulnerable to cultural differences

A framework has been developed to enable firms to enter the market while focusing on cultural adaptation. This will be used to analyse the case of IKEA in entering the market in China.

This framework consists of three concepts:

- Third culture approach (Gudykunst)
- Marketing 3.0 (Kotler)
- Experiential marketing (Schmitt)

The combination of the three theories will result in a values integration, adaptive holistic experience, and value – based experience. The use of the framework for a market entry

Third culture approach

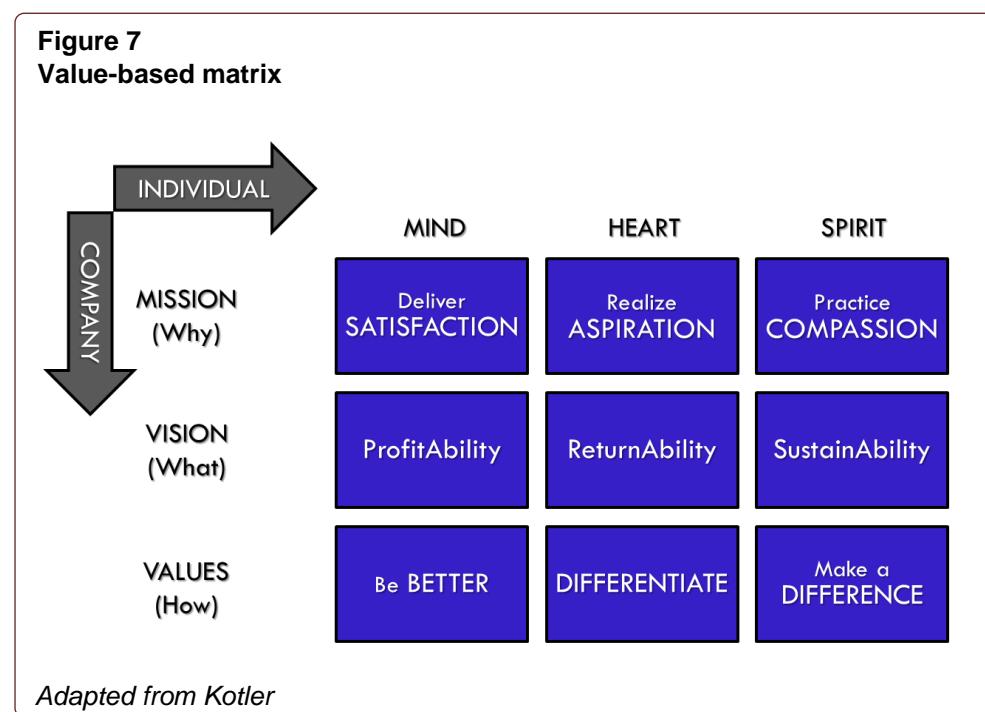
In the third culture approach there has to be an adaptation process not only by the sojourners, but also by the host. In the old mindset it was usually perceived that the sojourners were the one who should adapt. By understanding third culture approach will help companies to understand the market's expectation.

- Sojourner (IKEA)**
- Provides a Chinese name to adapt with the idea of collectivism in China. Its Chinese name is 宜家 (yíjiā) that roughly means “affordable home”. This name promotes the idea that IKEA provides furniture that can make customers feel comfortable when living in their home with their family.
 - Permits in-store visitors to try and experience the furniture. People can even sleep on the bed or sit on the couch inside IKEA in China.
- Host (China)**
- “The Chinese are also drawn to the Western style that IKEA brings,” said Helen H. Wang, author and consultant on China’s middle class. By understanding that the Chinese are also adapting to the style presented in IKEA’s store, IKEA can be more accurate and precise in communicating its value.
 - Originally IKEA provided do-it-yourself furniture, but after discovering what the Chinese market expected, they offered a “let-someone-do-it-for you” service for a slightly higher fee.

Both cultures can learn about the other side’s culture at the same time, and can find a third culture that can be agreed by both.

Marketing 3.0

Marketing 3.0 is about values-driven marketing. As mentioned by Stephen Covey, a whole human has four basic components: physical body, mind, heart, and spirit. Marketing 3.0 tries to win the customers by communicating its mission, vision, and values to the consumer’s mind, heart, and spirit.



Philip Kotler said,

"In summary, a new matrix should also be introduced where, on one axis, company strives to occupy the minds, hearts and then spirit of current and future customers. The other axis takes into account the company's mission, vision and values. While delivering satisfaction to the customers at the product level is essential, at the highest level, a brand ought to be seen as realising aspirations and practising compassion in some form. It must not only promise ProfitAbility and ReturnAbility to current and future shareholders, but also SustainAbility. It must also become a brand that is better, different, and that makes a difference to current and future employees."

Figure 8
IKEA's value-based matrix



Adapted from Kotler – Content developed by authors

By putting the vision, mission, and values into the value-based matrix, it can be understood how IKEA connected those three aspects into the customer's mind, heart, and spirit.

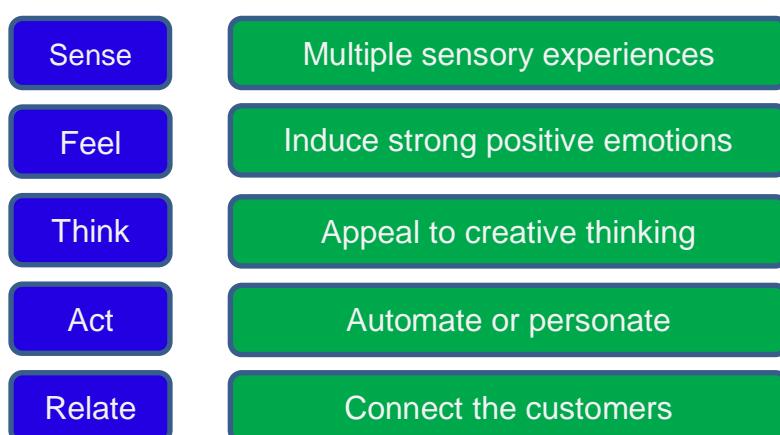
Mission – Mind	Wide range of products with good design and quality at affordable price
Mission – Heart	Promoting ease in home furnishing to the Chinese market
Mission – Spirit	Use the slogan “Our Home is Your Home”

Vision – Mind	Achievement of vision is marked by the growth in IKEA's sales revenue
Vision – Heart	Growth is not only financial, but also marked by some of IKEA's conduct to improve quality of life, e.g.: IKEA Foundation
Vision – Spirit	IKEA also releases a public report to measure its achievement in the area of sustainability
Values – Mind	Promoting diversity so people work together regardless of nationality
Values – Heart	IKEA in China performs activities based on family values, because Chinese people put the family above all
Values - Spirit	By offering the opportunity to grow together with IKEA, the company can target the spirit.

Experiential marketing

Experiential marketing conceptualises on giving outstanding experiences to the customers through five ways, so that customers will experience what is called a “holistic experience”.

Figure 9
Strategy experiential modules



Adapted from Bernd H. Schmitt

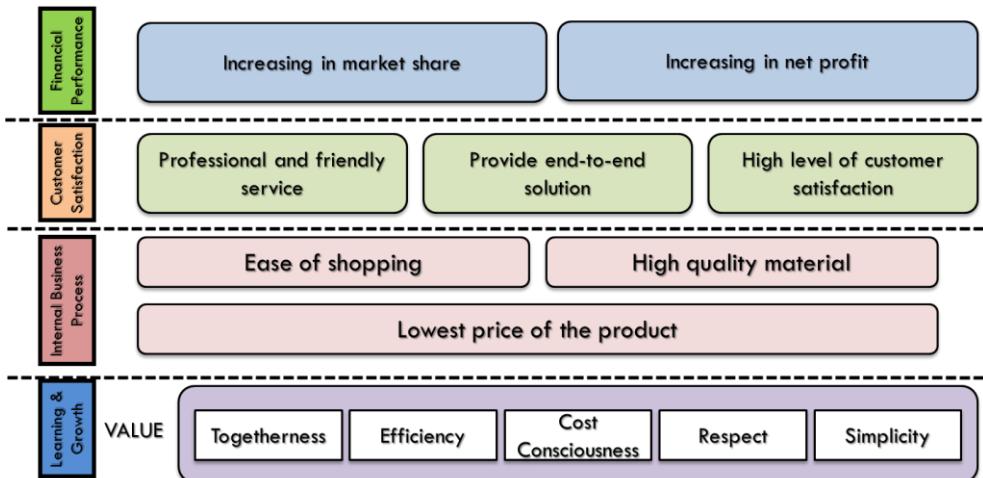
Sense	Sight	Aesthetic value of the furniture and how it is placed
	Smell	Distinctive smell of furniture material, and the atmospheric smell of showroom
	Touch	Surface of the furniture, whether it is made of wood or other substance and the distinctive concept that IKEA allows the customers to touch and feel the furniture by themselves
	Sound	Solid or hollow sound when customers knock on the furniture
	Taste	Style of furniture, whether western or eastern, is highly influenced by customer taste and individual preferences

Feel	IKEA uses emotional aspects of viewers in advertising to create a memorable impression. Advertisements of IKEA in China emphasise family values.
Think	IKEA presents its various products by giving the customers a look at what model homes could look like with their products throughout the "labyrinth" of IKEA.
Act	Customers can walk around and see how to fit ideas into their own home. Also, there are fewer salesmen to pressurise customers.
Relate	IKEA is related to thrifty, simple, yet elegant lifestyle in China. People can relate IKEA as a homey place that symbolises western homes and way of living.

Control

The results need to be measured with the right tool to guarantee that the strategy is really converted into business results. The tool used is the balanced scorecard.

Figure 10
IKEA's balanced scorecard



Adapted from Kaplan – Content developed by authors

Conclusion

In conclusion, by integrating the three concepts mentioned before firms will be able to implement a wholistic market entry strategy. This is defined as an adaptive market entry strategy that enables firms to win the mind, heart, and spirit of customer across national borders by creating a holistic experience and adapting to their culture at the same time.

Figure 11
Wholistic market entry strategy defined (goals)



Developed by authors

Cultural differences between customers across national borders, in this case the people of China, can be reconciled using the third culture approach. The process to win customers' mind, heart, and spirit can be achieved through Marketing 3.0. The experiential marketing can be used to create a holistic experience. Then, all of these will contribute to a market entry strategy that can adapt well.

Figure 12
Wholistic market entry strategy defined (techniques)



Developed by authors

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5. Wholistic Approach of Social Media: From Concept to Result

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Abbreviations:

CEM – customer experience management
IMM – international marketing management
IPM – integrated project management
SCM – supply chain management

Abstract

In the value-driven world, social media is needed to help companies to pursue faster, better and cheaper conditions by conducting integrated project management (IPM), customer experience management (CEM) and supply chain management (SCM).

Introduction

In this globalisation era, the world is connected through technology, which started in 1982 and has been growing fast. The internet nowadays is associated with social media which is becoming important for companies for communication and socialisation. It is very easy to access now through electronic devices such as mobile phones, tablet PCs, laptops, etc. Currently 5.1 billion people own mobile phones while only 4.2 billion own toothbrushes (Mobile Marketing Association, Asia). In addition, 82% of those users use their mobile phones for social networking purpose. Market leaders are Facebook, Twitter, LinkedIn, MySpace, etc. Facebook itself has been acknowledged as the third largest “country” in the world with population of 1 billion people. Thus, it can be said that social media is on its tidal wave.

The goal, objective and target of this paper are:

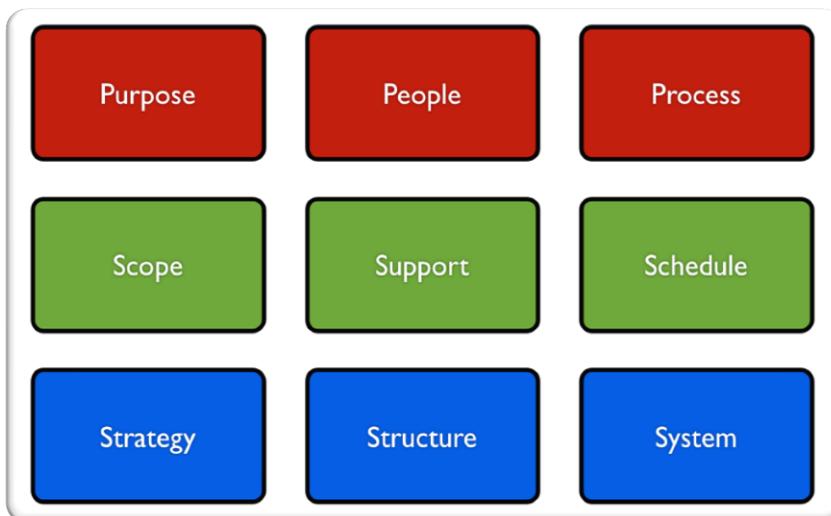
- Goal** To analyse, to understand, and to implement the Wholistic approach of social media as the tools in the new wave of marketing
- Objective** To present the new social media model that supports international marketing management (IMM)
- Target** To understand and implement the new concept of social media marketing

Wholistic approach

Wholistic approach is a solving problem tool, which stimulates whole brain, both right and left brain. There are nine components of wholistic approach, which are organised in a Delta Matrix (Figure 1). Those components are:

- Purpose** Why do this?
- People** Who are the players?
- Process** What are the steps? Which way?
- Scope** What is included, and what is not included?
- Support** What are the resources?
- Schedule** When to do?
- Strategy** How to achieve the purpose?
- Structure** How to organise?
- System** How to measure?

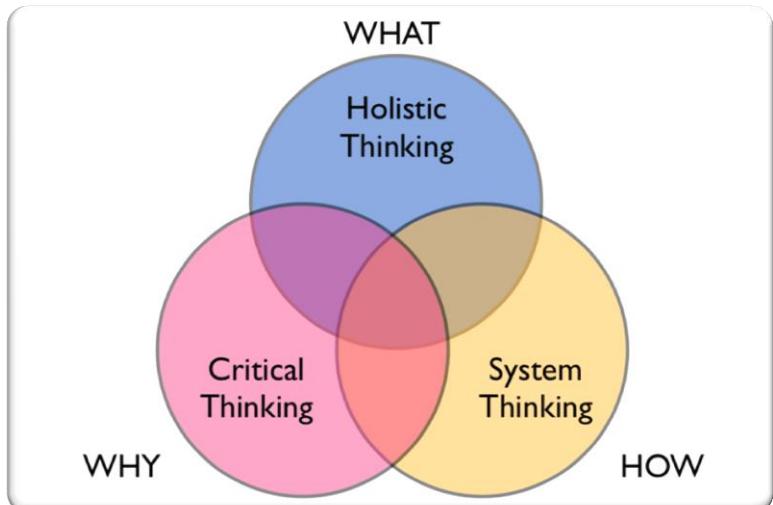
Figure 1
Delta matrix



Developed from K C Chan (2013)

A good delta matrix will match horizontally, vertically and diagonally. Thus, a wholistic way of thinking is needed to fill in the delta matrix, which consists of holistic thinking (what), critical thinking (why) and system thinking (how) (Figure 2).

Figure 2
Wholistic thinking

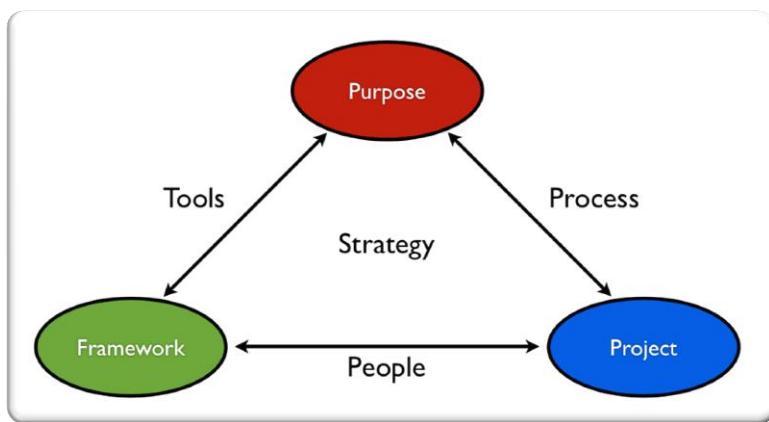


Developed from K C Chan (2013)

Holistic, critical and system thinking combine to make wholistic thinking. This is the same as action learning.

In addition, another performance tool called the concept diagram was used to create a structured wholistic idea. It consists of purpose, framework, project, people, process, tools and strategy (Figure 3).

Figure 3
Concept diagram



Developed from K C Chan (2013)

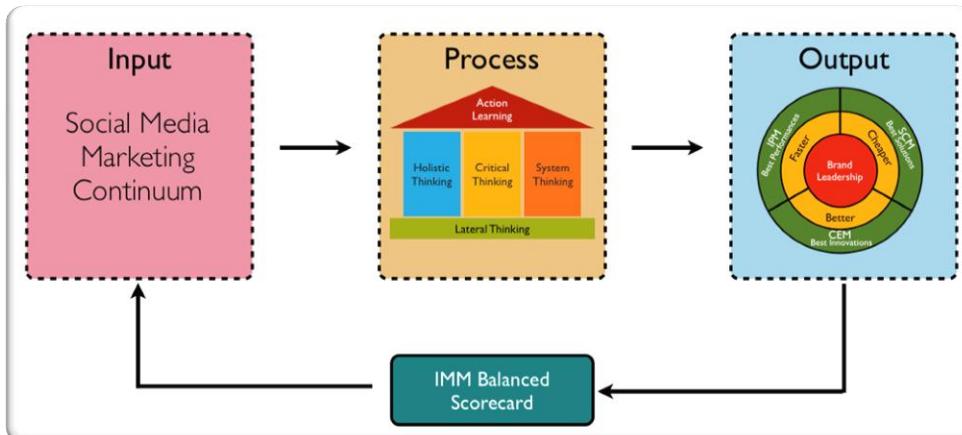
Purpose

The purpose is to pursue faster, better and cheaper processes, by integrating, innovating and implementing integrated programme management (IPM), customer experience management (CEM), and supply chain management (SCM), through social media marketing.

Framework

Figure 4 shows the framework for system thinking.

Figure 4
System thinking of social media



Developed by authors (2013)

The input is the social media marketing continuum, processed by the house of learning, which later gives an output or the strategy, modified by feedback. .

Input

The social media marketing continuum is needed as the input of the framework, showing the importance of history to make a further step into the future.

Table 1
Media marketing continuum

	1970-2000	2000-2010	2010-2020	2020-future
Technology	Web 1.0	Web 2.0	Web 3.0	Web 4.0
Scope	User and content	Online collaboration and sharing	Semantic web (sharing between human and machine)	Reasoning web (integration between human and machine)
Flexibility	Static (read-only web)	Tailor made	Tailor made	Automation tailor made
Way of marketing	Advertising	Word of mouth	Word of mouth	World of mouth and sharevertising

Developed by authors (2013)

The use of social media has been growing since 2000, when people started to share and collaborate through the internet. Ever since, social media has been developing rapidly. In the future, it should be more integrated and innovative. The prediction is that word of mouth will become the 'world of mouth,' where marketers will share the content/quality/function of their products instead of advertising them through social media.

One way to summarise the continuum is:

1970-2000 Product-driven

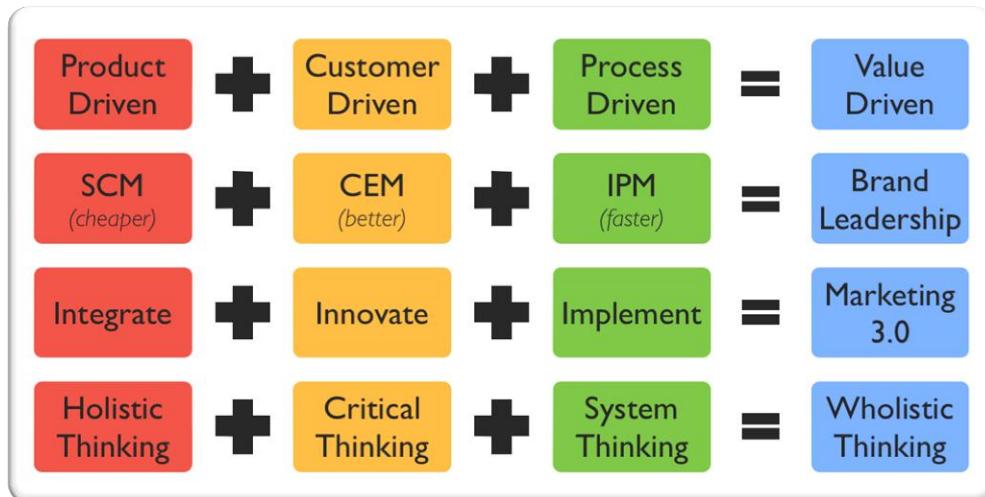
2000-2010 Customer-driven

2010-2020 Process-driven

2020-future Value-driven

Value-driven is the goal to be achieved in the future.

Figure 5
Value driven



Developed by authors (2013)

Product-driven	Focusing on pursuing cheapest cost possible by conducting Supply Chain Management (SCM) with the idea of integration. But being the cheapest is not enough without high quality products and service excellence.
Customer-driven	Focusing on pursuing better product and services for the customers by conducting CEM (with the five senses, and the idea of innovation. But the dilemma of making something cheap yet high quality is to sacrifice speed, and be slower in production as well as in research and development.
Process-driven	Focusing on pursuing faster project completion in any aspects (product development, production process, delivery, customer service, customer feedback, etc.) by conducting IPM with the idea of implementation.
Value-driven	When a company can achieve those aims, which are cheaper, better and faster, it will be the brand leadership in its market and create a priceless value, which could not be found in other brands (value-driven). That is why a brand needs to watch over its brand image, brand identity and brand integrity, which is theory of Marketing 3.0 by Hermawan Kartajaya (Figure 6).

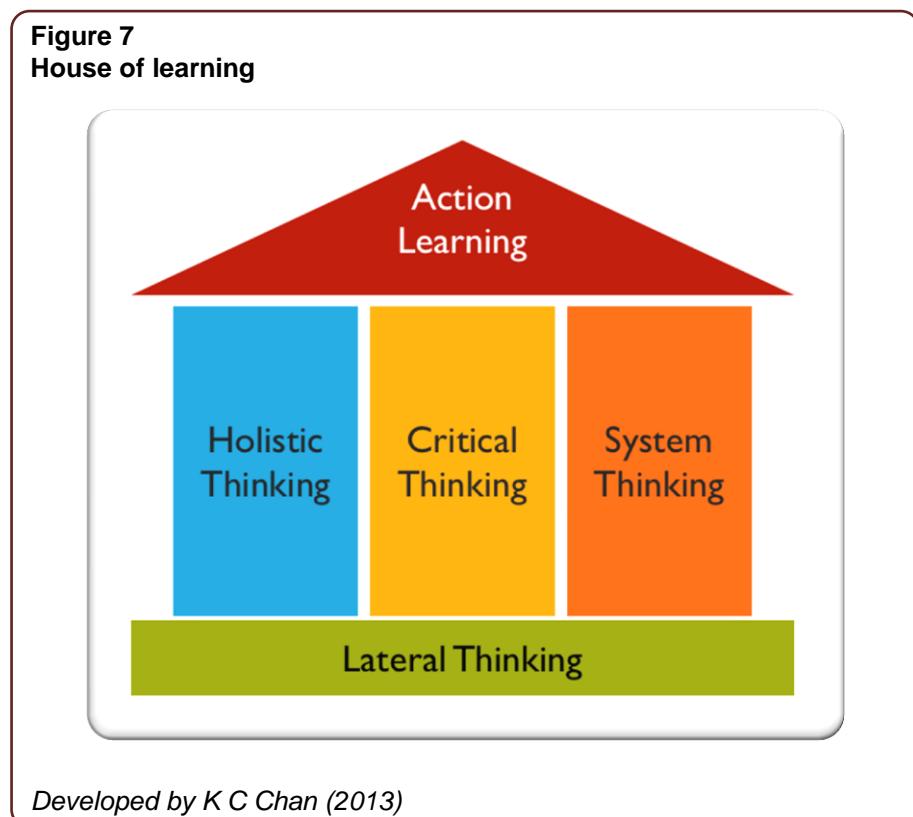
Figure 6
Marketing 3.0



Developed by Hermawan Kartajaya (2010)

Process

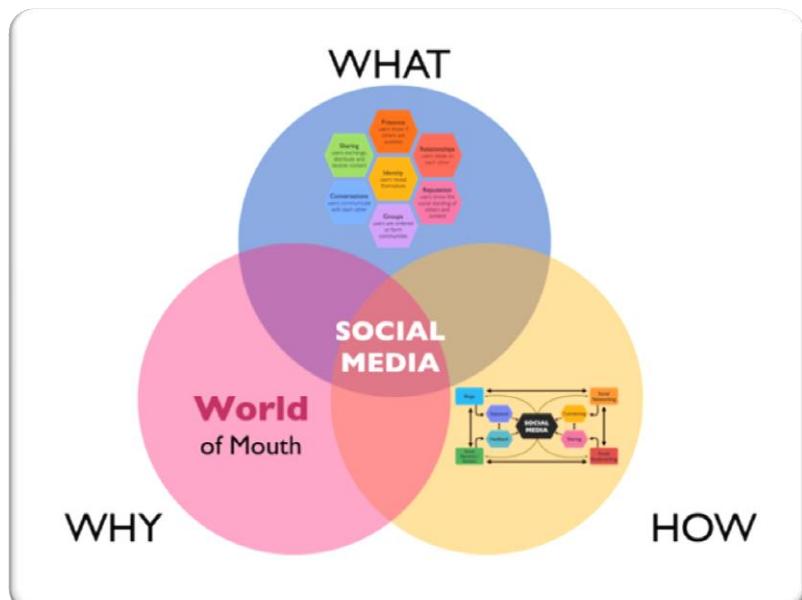
The process of system thinking is the House of Learning, of which the “foundation of the house” is lateral thinking, a concept introduced by Edward de Bono. The “pillars of the house” are holistic, critical and system thinking to support the “roof of the house”, which is Action Learning.



Holistic thinking: What are the tools (supporting data, theories, facts, etc.)?

There are wholistic supporting theories of social media, which explains the functions of social media (what), the core competence social media (why) and the systems of social media (how) (Figure 8).

Figure 8
Wholistic social media



Developed by authors (2013)

Seven functions of social media

Figure 9 shows the seven functions of social media (Kietzman et al, YEAR)

Figure 9
Social media functionality



Developed by Kietzman, Hermkens, MacCarthy & Silvestre (2012)

Identity – the extent to which users reveal their identities in social media setting. This can include disclosing or withholding information (name, age, location, gender, profession, etc.).

Presence – the extent to which users can know where other users are and whether they are available.

Relationship – between users to other users – ‘relate’ means that two or more users have some form of association that leads them to converse, share objects of sociality, meet up, or just simply list each other as friends.

Reputation – users can identify images of others in a social media setting. This may be a good or bad reputation, and is usually caused by sharing and conversations in the media.

Groups – people with the same interests can form communities and sub-communities in the social media

Conversations – social media enables social media users to communicate with other users.

Sharing – the extent to which users exchange, distribute, and receive content. The term ‘social’ often implies exchanges between people that are facilitated by a shared object.

Social media can be a boomerang which will destroy companies. It is helpful to have Marketing 3.0 – brand identity, brand integrity, and brand image. If a company has a poor quality product/service, customers/netizens share their bad experiences, which will create a bad reputation for the company. This pictures the core competence of Social Media, which is *word-of-mouth*, as distinct from *word-of-mouth*.

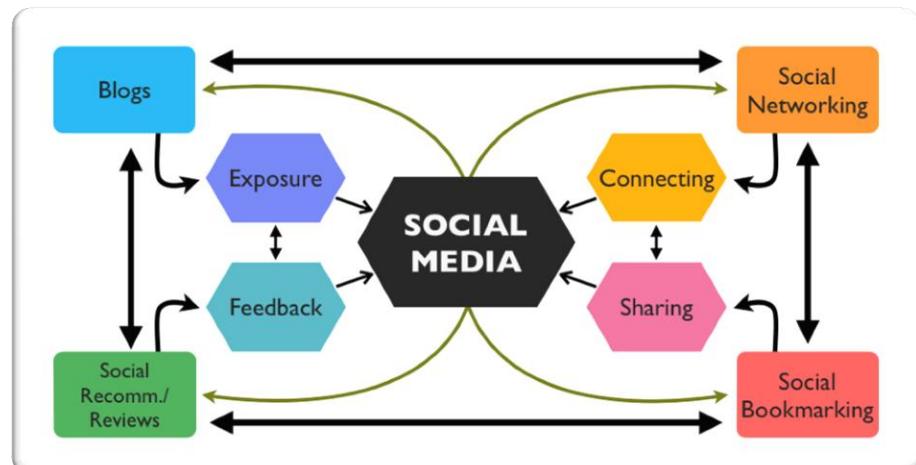
The main difference between word-of-mouth and word-of-mouth are the speed and the scope. With word-of-mouth, it is like a chain of sharing. The scope is medium and the speed is quite slow. However, with word-of-mouth, people share with everyone at once through social media, which results in larger scope in a shorter time. The best illustration is the social network, Facebook. When someone updates their status on Facebook, everybody listed as a friend from all over the world gets this information through their news feeds, and may share it with their friends. This has the potential to tell the whole world.

Social media and social networking

Is social media same as social networking? No. Social networking is a part of social media. Social media consists of four main types, which have different main functions and would be integrated to one another.

Blogs have the power to expose the brands, **Social recommendation/reviews** have the power to give feedback to the companies, **Social networking** has the power to connect people and **social bookmarking** has the power to share the experience of the customers as well as the brand value by the companies (Figure 10).

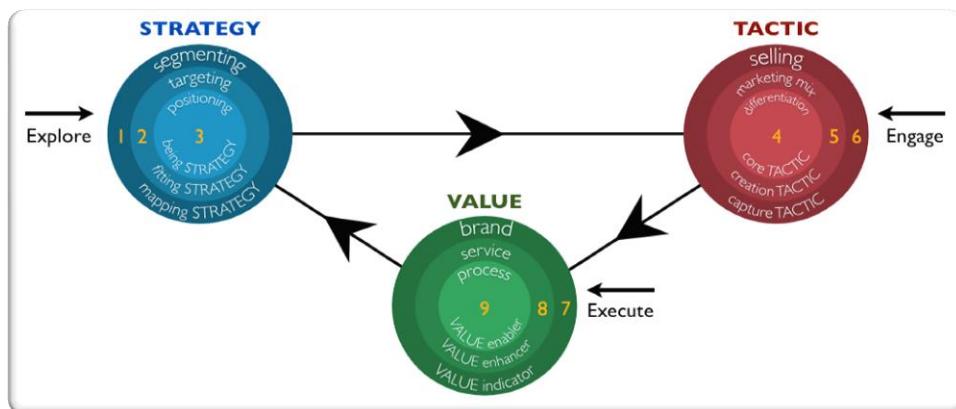
Figure 10
Integration theory of social media



Developed by Isra Garcia (2012)

The main idea of the framework above is the exposure, feedback, engagement (connecting) and exchange (sharing) that social media platform provides has created a major change for the traditional communication understanding. Essentially, information flow is no longer considered a “one-way street” in which the audience receive messages through the “I communicate – you receive” mantra. Rather, social media integration is an interactive process that enables same-level information exchange between the audience and the brand.

Figure 11
Nine core elements of marketing



Developed by Hermawan Kartajaya (2010)

This creates a long-lasting feedback communication process and gives the brand a total engagement approach. In short, with the help of social media as the new platform of marketing, companies can communicate the value of their brands to the world. However, there are steps, which need to be taken, which are summarised in a theory by Hermawan Kartajaya (Figure 11).

Companies need to explore their strategy by segmenting, targeting and positioning the market. Then, they should derive a more practical strategy, which is the tactic. Companies need to engage their tactic by setting a differentiation, marketing mix and selling. By doing that, companies can execute their value, which consists of the brand, service excellence and the whole process (before sales, point of sales and after sales).

Nine core elements of marketing		
Strategy	Segmenting	Conduct effective market segmentation so that the company can focus more on resources utilisation efficiency.
	Targeting	Relevant targeting in accordance with the segmenting.
	Positioning	Create strong positioning in customer's heart and mind to enhance its credibility.
Tactic	Differentiation	Create strong differentiation so as to offer something unique to the customers
	Marketing mix	Decide exact marketing mix to integrate offer, logistics, and communication so the company can have strong marketing.
	Selling	How to integrate the relationship between company and customers to achieve the expected result.
Value	Brand	Build strong brand to represent the product and the company.
	Service	Qualified service needed to win present and future competition in the market.
	Process	Create process that can enhance value added activity for the customers.

The use of social media is not only about the knowledge chain between companies to customers, but about the whole knowledge chain, starting from suppliers through the companies and distribution centres, to the end customers. Social media can be the right tool for companies to conduct:

- Integrated project management (planning knowledge chain)
- Customer experience management (people knowledge chain)
- Supply chain management (process knowledge chain)

(See Table 2 and Figure 12)

Table 2 Holistic knowledge management				
Knowledge chain	Driver	Competitive advantage	Capability	Business goal
Planning	IPM	Risk minimisation	Performance	Faster
Process	SCM	Cost reduction	Solution	Cheaper
People	CEM	Value creation	Innovation	Better

Developed by K C Chan (2013)

Critical thinking:

Why do companies need social media?

Companies need social media to apply its three main areas of management, which are IPM, SCM and CEM. However the current social media have not provided any features, which can help companies to IPM, SCM and CEM in a single integrated network. Therefore, a new social media is proposed to focus on helping the companies, as the members/users to apply IPM, SCM and CEM wholistically. The three features of the new Social Media are:

- Cloud project management
- Integrated supply chain system
- Five senses social media experience

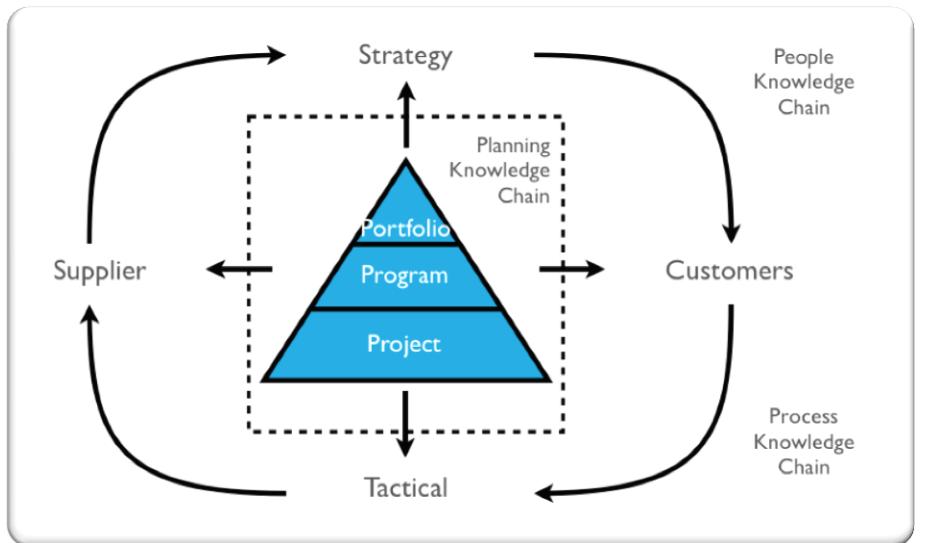
Through five senses social media experience, a company can deliver better value.

Sight (Visual)	Companies can tinker with their profile, which represents the brand images and let the customers know about new products launching through viral videos, online posters and any other online marketing tools.
Sound (Auditory)	Companies can have podcast push or live streaming with the end customers, which engage the customers in terms of hearing. Another possibility is a customer service machine with the capability of translating conversations into many languages in attractive way.
Smell (Atmospheric) (Privacy)	Companies can provide security of information and customer privacy. This gives a better atmosphere and better images/impressions in customers' hearts, minds and spirits.
Taste (Aesthetic)	Companies can show their new products and services through many interactive applications, which are available in the new Social Media proposed such as 360-degree products overview, mini games, etc.
Touch (Tactile)	Companies can make customer feel at ease and that the companies are close to them, by providing online shopping systems, customer service, the means for customer feedback and suggestions, video conferences and interactive messaging.

Proposed social media

Applying the five senses social media experience can lead to a better product, as customers are encouraged to give feedback and reviews. This is a basic source for information about innovation needed. It can also win their heart, mind and spirit as they have been treated not just as buyers, but as partners and stakeholders.

Figure 12
Holistic knowledge management

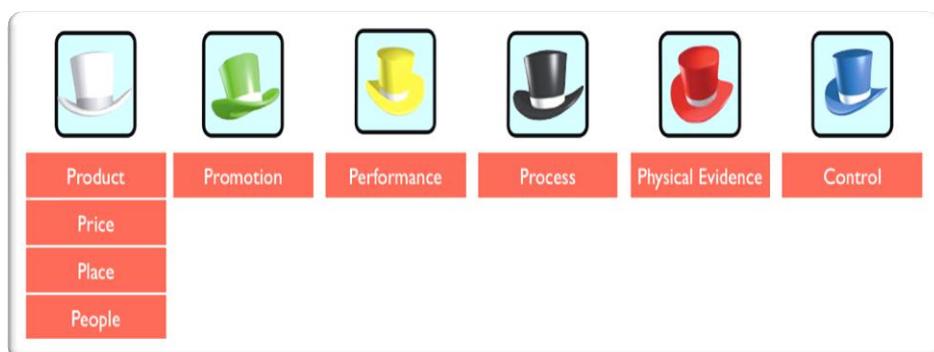


K C Chan (2013)

System thinking: How to apply social media?

This section emphasises the lateral thinking as described by Edward de Bono. His theory consists of six 'thinking hats', which are six different perspectives for solving problems and making decisions. This will be combined with the 8Ps marketing mix in order to have an engaged tactic as a derivation from the strategy (Figure 13).

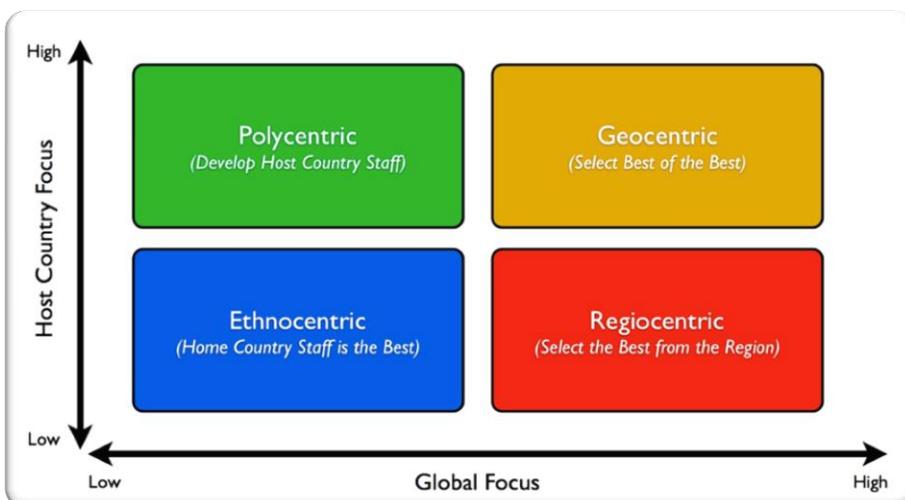
Figure 13
Six thinking hats and 9Ps marketing mix



Adapted from Kotler and Armstrong (2013)

White hat	<ul style="list-style-type: none"> Product 	The focus is on facts and theories. The company should decide the decisions and solve the problems objectively based on the facts and researches available. Thus, product, price, place and people are part of the 7Ps marketing mix, which are decided under the white hat.
	<ul style="list-style-type: none"> Price 	Companies should give customers all facts and information so they can judge objectively whether to purchase. This relates to the content marketing, which emphasises the content of the products and services instead of the advertising. The proposed social media will give companies information about customer expectation and competitor prices. This will help them to set a price that is neither too high nor too low.
	<ul style="list-style-type: none"> Place 	By putting all the information and facts needed, companies are no longer in certain places, regions, countries, etc. With the new proposed social media, companies are everywhere. So customers can easily access and purchase, having complete information that they wish to know.
	<ul style="list-style-type: none"> People 	With the new Social Media proposed, companies can hire best of the best key persons from all over the world, who can contribute and help improve the company. This relates to the geocentric idea from EPRG model (Figure 14), which focuses on finding the best of the best resources no matter where in the place they are.

Figure 14
EPRG model



Developed by Perlmutter & Heenan (2000)

Green hat • Promotion

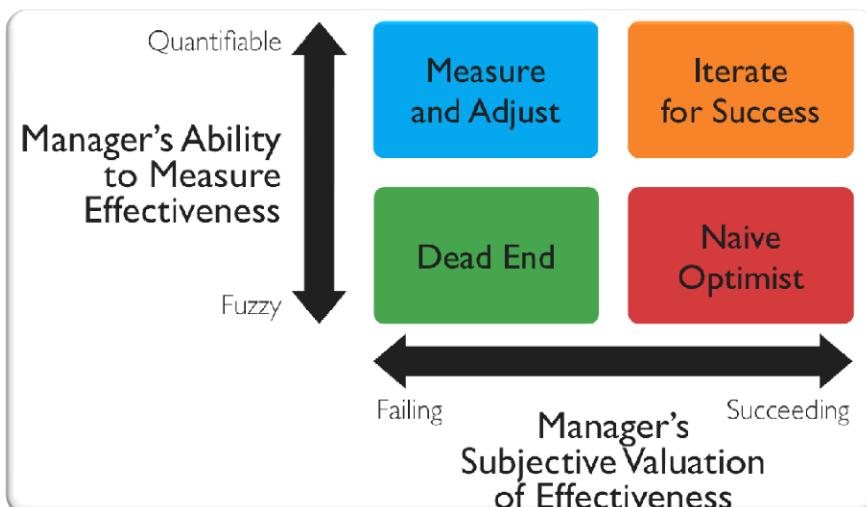
The green hat focuses on innovation and creativity in solving problems and making decisions. The most suitable marketing mix under this hat is promotion, as it needs innovative and creative ways to attract customers.

Customers should make an interactive promotion through the proposed social media, which is user friendly and can attract customers. Promotion will differ from company to company according to the industries and customer taste.

Yellow hat • Performance

The yellow hat has an optimistic perspective, which judges new breakthroughs positively. The marketing mix under this hat is performance.

Companies might argue that they cannot measure the effectiveness of the new social media as everything is happening on the internet. However, Donna L. Hoffman and Marek Fodor from MIT Sloan Management Review stated that Social Media can be measured its Return on Investment (ROI) with their new tool, Social ROI (Figure 15).



Developed by Hoffman & Fodor (2010)

Black hat	• Process	The black hat focuses on thinking and planning, on finding and averting error. Companies should pay attention on every process in the company, especially when dealing with customers. The whole process of delivering value to customers, from before sale, point of sale, to after sale, should be critically judged on its execution and implementation.
Red hat	Physical evidence	The red hat uses emotional aspects in making and judging decisions and solving problems. This relates to the five senses of CEM which focuses on the emotional aspects. The marketing mix is put under this hat, is physical evidence. Companies should assess the emotional impact on physical evidence shown to the customers. Through the proposed social media, customers will be pampered more through the ease of finding the product information and ordering, and through the responses given by the companies.
Blue hat	• Control	Finally, the blue hat will act as the control. It will evaluate the performance of the other hats as blue hat has the discipline and focus attitude.

Figure 16
Brand leadership wheel



Developed by authors (2013)

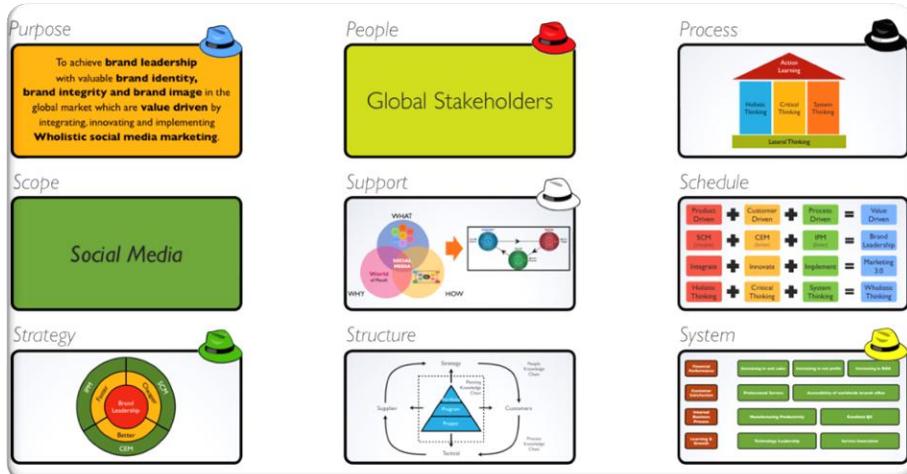
This system thinking of social media framework is not finished without feedback, which is needed to measure and evaluate how far the output is in line with the input. Feedback would be the IMM balanced scorecard, which consists of learning and growth, internal business process, customer satisfaction, and financial performance.

Learning and growth	Learning and growth consists of technology leadership and service innovation. The technology leadership measures the performances of IPM as it defines how fast and how the companies can sustain its position as the technology leader in its market. Meanwhile, service innovation measures the performances of CEM as this defines how well the companies can innovate their services based on the feedback from customers.
Internal business process	Internal business process consists of manufacturing productivity and excellence quality control. Manufacturing productivity measures the performances of IPM and defines how high productivity is. Meanwhile, excellence quality control measures the performance of SCM as it defines how well companies have performed in reducing defective products.
Customer satisfaction	Customer satisfaction consists of professional service and accessibility of the accounts in the global market. From the customers' point of view, professional service measures the performance of CEM as it defines how professional the companies have been in giving the customers service excellence. Meanwhile, accessibility of the accounts in the global market measures how far the companies have been successful in making them accessible to the global stakeholders.
Financial performance	Financial performance consists of growth in unit sales, net profit as well as the global market share. When the companies have successfully conducted IPM, SCM and CEM, the measurements that are indicative of brand leadership are the growth in unit sales, net profit, and global market share.

Finally, after analysing using the concept diagram, it should be checked that it fits with the delta matrix.

Purpose	To pursue faster, better and cheaper by integrating, innovating and implementing SCM, CEM and IPM through social media marketing
People	Global stakeholders
Process	House of learning, which results in action learning (Figure 7)
Scope	Social media
Support	Wholistic social media theories (Figure 8)
Schedule	Value-driven (Figure 5)
Strategy	Brand leadership wheel, supported by IPM, SCM and CEM (Figure 16)
Structure	Holistic knowledge management (Figure 12)
System	IMM balanced scorecard as feedback

Figure 17
Delta matrix of social media



Developed by authors (2013)

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6. Wholistic Marketing: The New Paradigm of Integrated Marketing

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Abstract

In today's globalised business world, the three main drivers of international business, namely market, customer, and process demand business activities (including the marketing function) need to become faster (market driven), better (customer driven), and cheaper (process driven). This paper proposes wholistic marketing as a concept integrating project management, customer value, and supply chain inside marketing function to deliver superior results.

Introduction

The purpose of this paper is to propose a new approach of wholistic paradigm based on recent research in the field of international marketing.

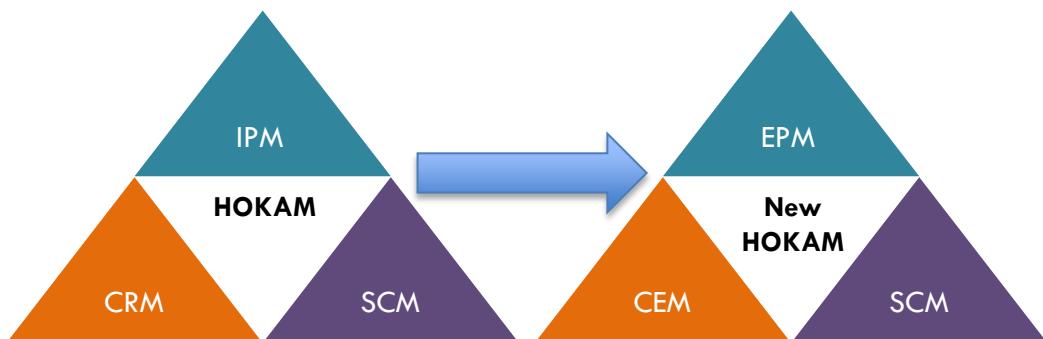
Before revealing the new paradigm, firstly we need to understand the definition of wholistic marketing. Wholistic marketing is a way of seeing marketing from 360° view, which is redefining marketing using holistic, systems, and critical thinking. With these three ways of thinking, we formulated that a good marketing approach should have the three types of drivers: market driven, customer driven, and process driven. The goals of these three drivers are essential for the success of marketing, that is being faster in entering the market (market driven), better in engaging the customers (customer driven), and cheaper in business operation (process driven).

Having defined wholistic marketing, we ask the next question: how can we possibly achieve the three goals at the same time? This is exactly where wholistic marketing management comes in. The term ‘management’ refers to the processes, systems, and tools used to achieve the goals of wholistic marketing. Wholistic marketing management, thus, does not come alone. It is a concept uniting what were three separate management approaches, viz:

- Integrated project management (IPM)
- Customer relationship management (CRM)
- Supply chain management (SCM).

This concept was first introduced by Professor KC Chan and Professor Teddy Pawitra in their paper, “Holistic Knowledge Marketing Management” also known as HOKAM.

Figure 1
Holistic knowledge marketing management paradigm



Adapted from Pawitra & Chan (2003)

The HOKAM paradigm was also updated by Professor KC Chan to acknowledge the updates in the project management era, changing IPM to Enterprise Project Management (EPM), and CRM to customer experience management (CEM). This reflects the latest trend of delivering values for customers. Thus, we have the new HOKAM.

As stated before, the three management approaches used to be separate as each of them focused on different things.

- Enterprise project management (EPM) focuses on planning with the goal of minimising risk.
- Supply Chain Management (SCM) focuses on process to find ways to reduce cost.
- Customer Experience Management (CEM) emphasises the people aspect in order to create value for customers.

All three goals, as Professor Chan argued, must be integrated together in order to support the marketing function in the globalised era.

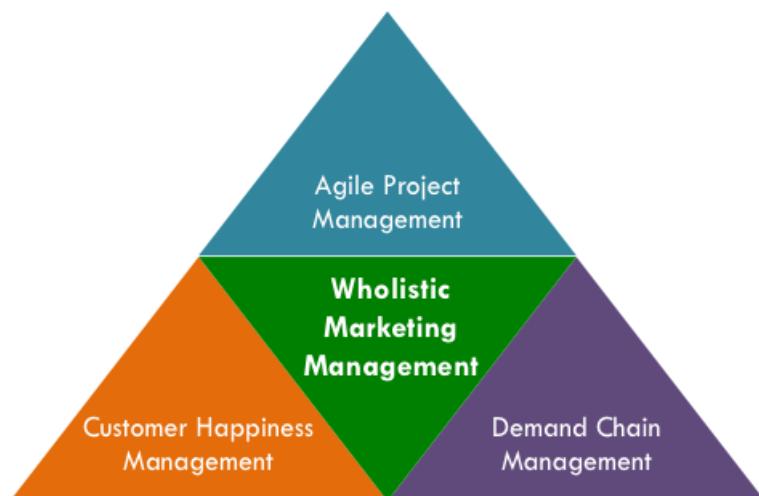
Figure 2
Components of HOKAM defined

Success Factors	Driver	Competitive Advantage	Capability	Value Leadership
PLANNING	Enterprise Project Management (EPM)	Risk Minimization	Performance	Faster
PROCESS	Supply Chain Management (SCM)	Cost Reduction	Solution	Cheaper
PEOPLE	Customer Experience Management (CEM)	Value Creation	Innovation	Better

Adapted from Pawitra & Chan (2003)

As the business world advances, many concepts are renewed and adjusted to fit the latest trend in the globalised world. This also happens to each component of the HOKAM. Figure 3 shows the latest wholistic marketing paradigm.

Figure 3
New wholistic marketing management paradigm



Developed by authors

Agile project management (APM)

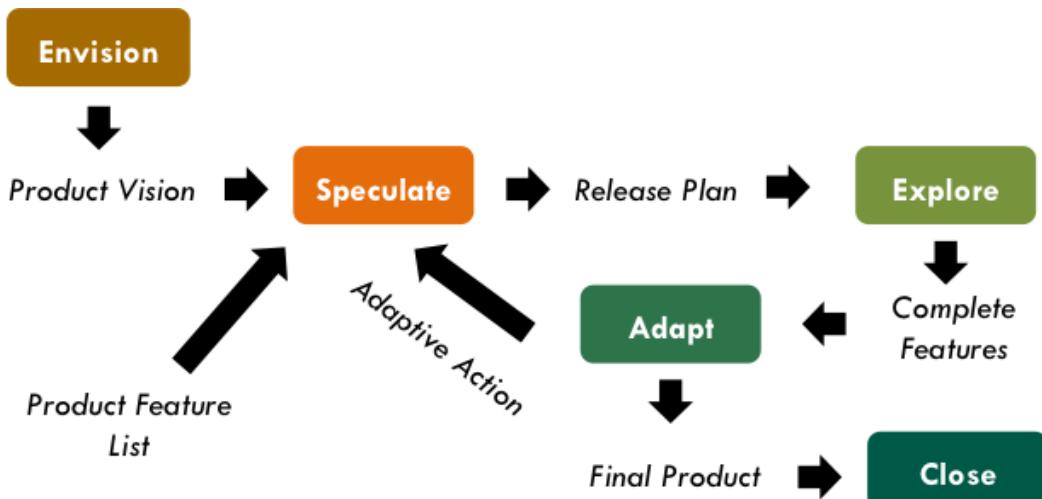
The Project Management Institute defines project management as an application of knowledge, skills, instruments, and techniques on different activities for the achievement of the project's requirements. Project management aims at a better usage of the existing resources, by ensuring that the workflow is running both horizontally and vertically within the company.

The rapid pace of change in the 21st century may induce uncertainty within organisations, and the discipline of project management may reduce the risks involved. Project management is present at all levels in all divisions, since companies realise that well-defined and effectively implemented project management is beneficial to the growth and stability. Project management affects all parts of business and all levels of management. It now needs to be transformed in order to catch up with modern product development. Project management should transform companies so that they move faster, are more flexible and more customer responsive.

The classic approach to project management needs to be changed into agile project management (APM), which has five main phases, shown in Figure 4.

- Envision
- Speculate
- Explore
- Adapt
- Close

Figure 4
Agile project management phases



Adapted from Highsmith (2004)

Agile project management phases

Envision	<p>Begin the project by creating the product vision, or the product the company wants to market. The product vision needs to be clear and also elevating the goal that the company wants to achieve. The purpose of the envisioning phase is to determine what is to be done, who will do it and how it will be done. In order to answer the questions, the manager determines customer preferences and needs, and tries to fulfil these in every detail.</p> <p>Four things that need to be considered:</p> <ul style="list-style-type: none"> a) Product vision – needs to answer questions about what product the company wants to be in the market b) Project scope – covers the objectives and things needed in order to achieve the project vision. It includes such things as product specification and the materials needed. c) Project community – covers who will participate in the project, what kind of people, and who should lead it. d) Delivery approach – will determine the way to execute the project. <p>The envision phase also includes periodic reviews to ensure the management team continuously understands the vision.</p>
Speculate	<p>This phase offers the opportunity to speculate beyond the original plan. This does not mean not following the plan at all, but not insisting on every last detail. It recognises that reality will intrude, and the plan will not be 100% realised. In this phase, the main purpose (and also one of the benefits) is the speed of entering the market.</p> <p>There are two categories of necessary tasks:</p> <ul style="list-style-type: none"> a) Feature breakdown structure – covers technical aspects that need to be analysed. Examples are feature cards and performance level required for ready acceptance by customers. b) Iterative plan – deals with the release date, milestones, and the iteration plan, covering project risk analysis. It also covers future iteration plans obtained from the previous product line that has been modified in the previous product phase.
Explore	<p>This phase is a substitute for the ‘execute’ phase in the previous project management model. In agile project management, speculation is followed by exploration of real execution in the market, especially regarding product delivery. In this phase, the product needs to be checked according to the product vision, while a collaborative environment is built between the customers and the company.</p> <p>Three important things in the exploring phase are:</p> <ul style="list-style-type: none"> a) Deliver on objective – the company makes sure the product follows the objectives, and division of labour has been clarified. b) Technical practices – covers technical aspects to ensure it is being produced for as low cost as possible c) Project community – covers coaching for the team, and most importantly communication with customers to get their reviews

Agile project management phases

Adapt	<p>After launching the product and obtaining customer reviews, the company can make adjustments to the product.</p> <p>There are four areas where improvements can be made:</p> <ul style="list-style-type: none">a) Product functionality – how the product functions in the market and what can be improved, based on customer viewsb) Product quality – how the product performs and what can be improved, based on technical aspectsc) Team performance – how the team delivers the product, and company values, and what can be improved in order to engage the market mored) Project status – how far the project succeeds or fails, and how to improve the overall status of the product. <p>This phase has a very different perspective towards the result compared with the 'control' phase in the old paradigm. In the old paradigm, if the result is not the same as the plan, the project is considered to have failed and to need corrective action. While in APM, the theory proposes adaptive rather than corrective action. This is not to measure whether the execution has been as planned but about how the execution can be improved.</p>
Close	<p>The close phase begins when the company has no more suggestions for modification of the product or when the company wants to close a product line and start a new product line project. Closing will be some kind of celebration for what they have done so far. The celebration has two main purposes: to show appreciation for those who have worked hard on the project, and to clean up open items, finalise documentation and production or manufacturing support material. Since there is no such thing as a failure in APM, what the team does during this phase is learning from what they have done, and what can be improved for the next project.</p>

Agile project management in Apple

As APM is suitable for increasing companies' performance both in operational and financial aspects, global companies around the world, including Apple, have used APM for their daily operations.

Agile project management in Apple	
Envision	At the D8 Conference 2010, Steve Jobs, former CEO of Apple, revealed that the original vision for iPad was a glass multi-touch display that users could type on with their fingers. This vision has been created since early 2000s. He then asked Apple staff about it and six months later they came back with that amazing display. It is also said that the reason that Apple is able to create products like iPad is because they always try to be at the intersection of technology and liberal arts, to be able to get the best of both. iPad gains the competitive advantage, not only from its specification and technology, but also because it provides elegant design for its users.
Speculate	When Steve Jobs was first hammering out the concept for the iPad, Jonathan Ive, Apple's senior vice president of industrial design, created a large number of mock-up designs in order to figure out the right size and aspect ratio. An early prototype design similar to the final product Apple released in 2010 appears in a blog. It features many of the signature elements of the iPad, including rounded corners, a dock connector port at the bottom, a front panel dominated by a glass touchscreen, and a plain back with just the Apple logo. The early concept lacks the home button that is found on all iOS devices, and it also features a smaller black border on the outside of the screen. The concept device is also noticeably thicker than the first-generation iPad ended up being in 2010. Apple ultimately decided to go with a 9.7" screen at a 4:3 aspect ratio, but not without trying many other variations. The process began with Jobs and Ive figuring out the right screen size. They had twenty models – all rounded rectangles – in slightly varying sizes and aspect ratios. Ive laid them out on a table in the design studio, and in the afternoon they would lift the velvet cloth hiding them and play with them to see the fittest design for users. The final concept and design of iPad eventually went into production and was launched in October 2010, boasts a colour screen measuring almost ten inches (25cm), and promises to change the landscape of the computing world. It is just half an inch thick and weighs 1.5 lb. (680 grams).

Agile project management in Apple	
Explore	Much of the initial press reaction to the iPad was negative, which both annoyed and depressed Steve Jobs on the evening after the launch. He said he received 800 emails that day and most of them were complaints. The new iPad indeed had essential limitations, which critics were quick to point out. It does not have a camera and a phone and users cannot run multiple applications on it at the same time. Now every month Apple surveys iPad buyers and the executive team explains what Apple was able to glean from these surveys. The survey reveals, country-by-country, what is driving customers to buy Apple's iPad products versus other products such as the Android products that Samsung sells, what features they use the most, and also the customers' demographics and their level of satisfaction with different aspects of iPad.
Adapt	As the result of Apple's exploration, in March 2011, five months after the first iPad was released to public, iPad 2 was introduced to their loyal customers with some additional features and adjustments. The third-generation, also known as iPad 3, was launched in March 2012. It is quite a long time for Apple to produce this new iPad since it wanted to add more sophisticated features. The result is the Retina Display on iPad 3 which gives higher resolution to its display, so it is nicer for the customers to use this new iPad. Besides the retina display, Apple also added assistive touch feature on it, to give an alternative to the physical button for the customers.
Close	This far, Apple has succeeded in launching its three models of the iPad. The project of iPad will be closed when the designer and the production team stop producing iPad and think about another innovative product that will create a better future.

Customer happiness management (CHM)

The classic concept of customer experience was firstly introduced by Bernd Schmitt in Experiential Marketing (1999) and by Colin Shaw in Building Great Customer Experiences (2002). In 2003, Schmitt wrote Customer Experience Management, which conveyed the system through which companies can manage customer experience.

Seven years after that, Colin Shaw (2010) proposed the importance of using experience psychology to build the right customer experience. This concept was then completed by Bernd Schmitt by using lessons from positive psychology to update the whole concept of customer experience. Based on Schmitt's latest book, Happy Customers Everywhere (2012), he proposes a new way to look at customer experience by introducing the concept of customer happiness. This is based on the idea that happy customers are the best customers. They return again and again, bring their friends and family, and deliver free advertising via word of mouth and social media.

The concept of customer happiness stems from the two globally acclaimed marketing concepts: customer satisfaction and customer delight (see figure 5).



Customers are satisfied when products or services meet or exceed expectations. When customer expectations are not met, disappointment and dissatisfaction can lead to complaints or even to the negative word of mouth about the company, product or service. When expectations are met, it creates contentment, and even gratitude. Customer satisfaction leads to a quiet sort of happiness. By nature customer satisfaction is cognitive and left-brain heavy.

Customer delight, on the other hand, focuses on the right brain – the emotions. Three marketing professors, Richard Oliver, Roland Rust and Sajeev Varki noticed that something was missing in the concept of customer satisfaction, and added surprise and emotion to the equation. They proposed that customers can also experience delight – an emotional state that goes far beyond mere customer satisfaction. Delight leads to happiness as well, through joy and novelty rather than through comfort and certainty. It is a strong and positive reaction arising from the unexpected, when companies create a “wow” moment for the customers. When customers are delighted, not only will they be loyal, they will also be motivated to share the joyful experience with others.

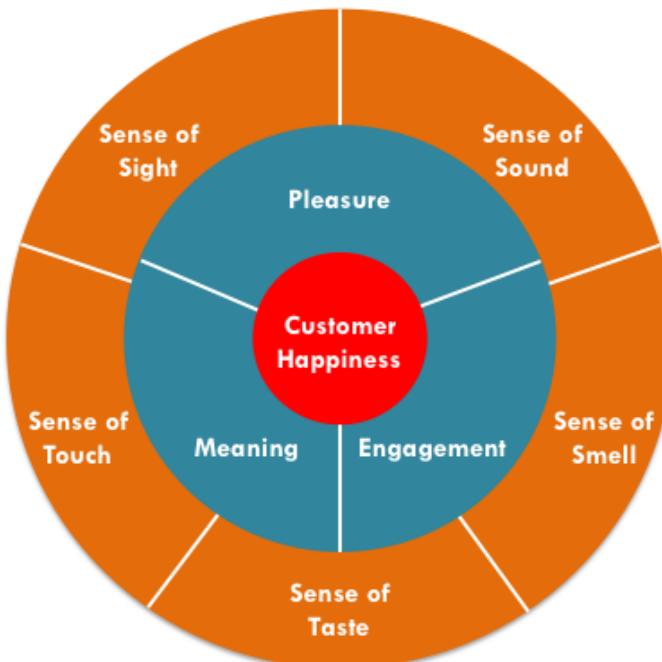
Using lessons from positive psychology, Schmitt offers three approaches that any business can use to create customer happiness. These are based on three types of happiness – pleasure happiness, meaning happiness, and engagement happiness.

Feel-good method	Pleasure happiness	Use the experience of pleasure and positive emotion to hook new customers, and watch those feel-good moments transform an impulsive buyer into a committed loyalist
Values and meaning method	Meaning happiness	Attract passionate customers by appealing to their core values, like being socially responsible, protecting the environment, or living a simple life
Engagement method	Engagement happiness	Get customers to notice a unique or limited offer, immerse them in the experience, and have them share it with friends and family

Management is still taken into account. How can you make your customers feel good, show them your values and meaning, and at the same time engage them with your offer? You must connect to them through their five senses – smell, sound, sight, taste, and touch – the true channels that work.

The final model of the Customer Happiness Management is pictured in figure 6.

Figure 6
Customer happiness management model



Developed by authors

Creating customer happiness the Apple way

Apple is a real life example of doing this for its customers. Apple calls it an “enriching lives” culture, and has been practising it for some years. The idea is planted in each of their employees’ mind even before they are employed. Apple wants to emphasise that it is not just a business where people buy products and use its services, but a fun place to unleash people’s inner genius and creativity. Apple wants customers to leave the store with a smile and an unforgettable experience regardless of the purchase. To achieve this goal, it implements the three methods above to create the three types of customer happiness.

Pleasure happiness

It uses the acronym APPLE.

Approach customer with a personalised warm welcome.

Customers have to be greeted by a friendly face that makes an eye contact within ten feet or ten seconds of entering the store, and showed the commitment to create a customised, unique, caring, and memorable experience each and every time.

Probe politely to understand all of the customer’s needs.

Employees have to know what their customers really need. This simply involves asking a series of closed and open-ended question so they can match the customer with the right product, not the most expensive product. They have to avoid using negative words when speaking to customers. Instead of "crash" they are told to say that the product "stops responding" and the terms "bug" and "problem" must be replaced with "issue," "condition" or "situation". They are also told to avoid disagreeing with a customer and instead pressed to use the phrase "turns out" to avoid confrontation.

Present a solution for the customer to take home today.

Apple’s employees are told to tell their customers about Apple products’ benefits rather than their features. Apple likes to remind its store employees that they are not in the business of selling computers, but of “enriching lives.” For them a sale is not the only way to enrich the life of a customer and build loyalty.

Listen for and resolve any issues or concerns

Customers have what are called “unexpressed” wishes or concerns. Specialists are trained to pick up on these concerns during the ‘probing’ step, which is why it is important to ask good questions.

End with a fond farewell and invitation to return

How people feel when they end a transaction significantly impacts how they perceive the brand and whether they are likely to recommend the brand to others or not. Thus, Apple’s employees always give customers a fond farewell and invite them to return when customers are about to leave the shop.

With “APPLE”, the company succeeds in satisfying customers’ needs up to individual level. Almost all share their happy experiences and tell good stories about how they are treated in the store. The idea is to create excitement so they come back in the near future as well. Through “APPLE”, four out of the five senses are involved. Sight is when the customers and employees make an eye contact, and when they see Apple products. Sound is when the customers hear the employees talk to them and answer their questions. Smell is when the customers enter the store, the ambience and the atmosphere will be chill and fresh. Last but not least is touch, when they touch Apple products and try them out.

Meaning happiness

Apple also gives something to society with its environmental footprint and Product RED. Apple reports its environmental impact comprehensively, because it is important to look at the impact that its products have on the planet. They focus on the product at all stages, in design, in production, and in use by the customer. Over the past decade, Apple’s designers and engineers have pioneered the development of smaller, thinner, and lighter products. As their products become more powerful, they require less material to produce and generate fewer carbon emissions. Apple also tries to eliminate toxins and design products with highly recyclable aluminium enclosures. Apple is also environmentally conscious with materials, including recycled plastics, recycled paper, biopolymers, and vegetable-based inks.

Product Red was created by RED, which works with companies like Apple to fight for an AIDS-free generation by 2015. A percentage of gross profits from the sale of those products help to fund AIDS programmes in Africa. Product Red has generated more than \$190 million and more than \$50 million from Apple alone. Product Red consists of iPod Shuffle, iPod Nano, iPod Touch, iPad Smart Cover, iPad Smart Case, and iPhone Bumper.

All those activities are meant to appeal to Apple customers and potential customers, to strongly support all of those concerns and buy Apple products rather than other products. In this process, two out of five human senses are playing the role. Sight is when the customers see what Apple actually does for the society. Touch is when they use Apple products, especially Product Red.

Engagement happiness

Engagement here enables customers to immerse with others as a part of a community. Apple does this by “setting the stage” for customers and providing learning programmes which take place in the Apple Stores. “Setting the stage” comes after the product, the vision, the communication have been prepared. It is then time to pay attention to the details of the design of places where customer will experience those products and services. Steve Jobs reminded people that spaces could be more than four walls used to store and distribute products, that they could be architectural landmarks that took people’s breath away. Apple’s NYC Fifth Avenue Store is placed underground decently, while Apple’s Grand Central Station Store is placed unknowing where the station ends and the store begins.

With the place and programmes provided, Apple gives several types of learning process such as workshops, youth, and one-to-one programmes. Workshops are free for people of all experience levels. Youth programmes like Apple Camp provide a way to get children thinking, learning, and creating all, while having fun with or without their family. In addition, customers buying a new Mac can sign up for one-to-one training and take their skills to the next level.

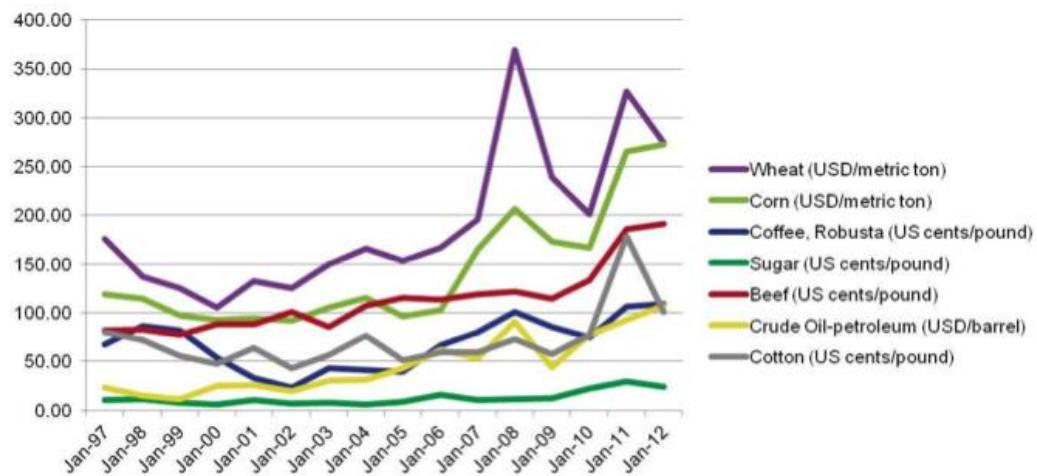
Customers can have an engaging experience with others while learning. Engagement here engages all five senses. Sight is when the customers see the store and the products used.

Sound is when they hear the employees talking and the sound coming out from Apple products. Smell is when the customers feel the ambience and the atmosphere of the stores. Taste is when the customers eat the snacks provided during the learning programme. Last but not least is touch, when the customers touch Apple products and explore what they can do.

Demand chain management (DCM)

Companies across all industries are facing unprecedented business challenges. They now have to react to volatile demand and unpredictable events. Many stated that their operating plans are impacted even before they reach their steady state, that capacities are either over or under-utilised, that product inventories are either excessive or out of stock. Raw materials and commodities increase in both cost and volatility at the same time. The need for flexibility is inevitable.

Figure 7
Commodity price



Index Mundi

Two Rs of supply chain management

Traditional supply chain management (SCM), which worked well in the past, is not built to deal with the level of volatility, uncertainty, and complexity of today's world. The SCM has long focused only on 2Rs: resource reduction and resource reliability. Resource reduction meant removing inefficiency and reducing cost, while resource reliability meant shipping the right product at the right place, at the right time, and at the right cost. But efficiency and reliability is not enough. Companies need a new process to accommodate the need for flexibility in order to survive in uncertain conditions.

Four Rs of demand chain management

Demand chain management (DCM) is a new concept initially proposed by Uta Jüttner, Susan Baker, and Martin Christopher, from Cranfield School of Management. It means adapting and collaborating in business networks, collecting data from customers to find out demand, in order both to improve value and maximise profit. It helps to create a more customer-focused mindset, without sacrificing operational efficiency.

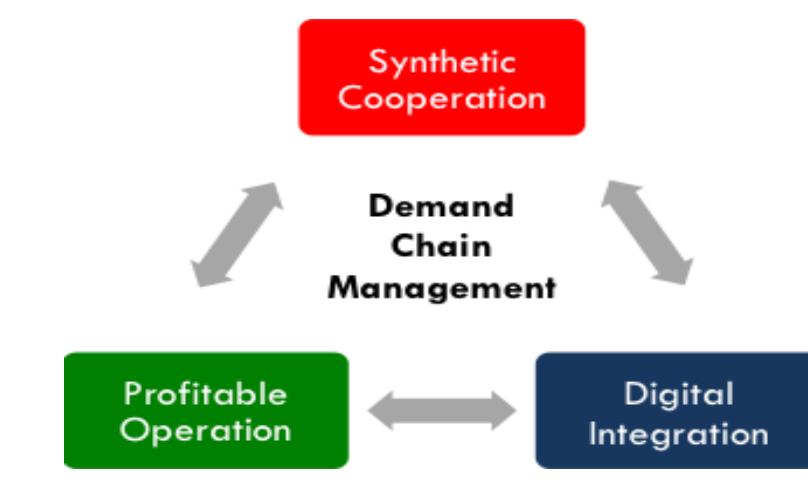
While traditional SCM works from inside-out, DCM is designed to build processes outside-in. This means that companies need to incorporate the demand side to evaluate not only who the customers are and what they buy, but also why they buy.

DCM encompasses four Rs. It includes the resource reduction and reliability of SCM, and adds resilience and responsiveness. Resilience is the ability to withstand demand volatility and disruption of supplies. Responsiveness is sensing and adapting to changes in customer demand.

There are three key aspects necessary for DCM to work:

- Synthetic collaboration
- Digital integration
- Profitable operation

Figure 8
Key aspects in demand chain management

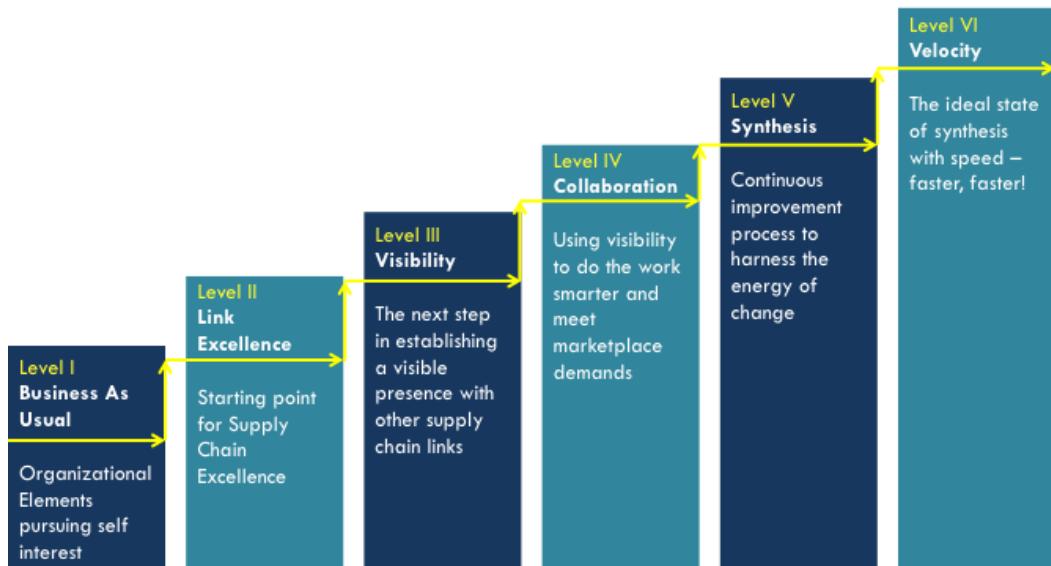


Developed by authors

According to Tompkins, there are six levels of progression to supply chain excellence.

Level 1 Business as usual	At this level, a company works hard to maximise its individual functions. Organisational effectiveness is not the focus. Instead, each organisational element attempts to function well on its own. Each division or department applies its own strategy for applications used.
Level 2 Link excellence	Now, the link eliminates and blurs any boundaries between departments and facilities. Its individual link evolves to make it the most efficient, effective, responsive and holistic that it can possibly be.
Level 3 Visibility	Links work better when they share information. Visibility establishes the groundwork for information sharing. It minimises supply chain surprises because it provides the information links need to understand the ongoing supply chain processes.
Level 4 Collaboration	Collaboration is achieved through the proper application of technology and true partnerships. Through collaboration, the supply chain can determine how best to meet the demands of the marketplace. The supply chain works as a whole to maximise customer satisfaction while minimising inventory.
Level 5 Synthesis	Synthesis is a continuous improvement process that integrates and unifies a supply chain. Synthesis harnesses the energy of change to address a turbulent marketplace and ensure customer satisfaction. It is from synthesis that true supply chain excellence is achieved because it enables a supply chain to reach unparalleled levels of performance.
Level 6 Velocity	The goal becomes accelerating the organisation or supply chain to a higher velocity and the ideal form of synthesis.

Figure 9
Six levels of supply chain excellence



Adapted from Tompkin's Supply Chain Excellence

Demand chain management requires the synthesis level of cooperation in an end-to-end supply chain that involves every party along the supply chain. It goes beyond linking the information system to fully integrating business processes and organisation structures across companies. This synthetic cooperation is also based on a single sales forecast that drives the entire supply chain – from suppliers' suppliers to customers' customers. This means that all trading partners in the supply chain (suppliers, producers, distributors, retailers, and service providers) are operating with one single consensus sales forecast for the particular product group. This will allow companies to enhance the effectiveness of their sales and operation planning (S&OP), which improves demand planning, minimises inventory, reduces costs, achieves superior customer service and fulfils customer expectations.

Digital integration

The effectiveness of DCM depends on digital integration across trading partners along the supply chain. Aligning demand and supply requires the use of real time consumption data to ascertain what is really happening in the marketplace. This digital integration helps synthetic cooperation by creating an effective and accurate forecast based on the near-real time data and planning to accurately manage demand and supply. It allows companies to translate the market demands to supply operations with minimal latency. In addition, by incorporating near-real-time demand data from the Demand Signal Repository (DSR) module into business planning, companies can take into account the impact of a promotion and predict the demand for new products. Factors such as trends and seasonality can also be incorporated into the forecast. As digital integration is possible due to advances in technology, the process of DCM is built on the channel data, not on the company history data.

Profitable operation

The purpose of DCM is not only to cut the cost to the lowest level possible, but more importantly the entire operation in DCM needs to maximise profitability by sensing and shaping customer demand. The entire chain network in DCM considers the products which are proposed to the customers. The products should satisfy the customers but at the same time gives a profitable return for the companies. The failure of SCM is often caused by too much focus on achieving the least cost possible out of the chain network.

Dell for example, has been regarded as one of the most innovative companies in terms of supply chain. Yet Dell has slipped from its position as the world's leading PC maker, and suffered several years of volatile earnings and lower margins, mostly because of its famous build-to-order supply chain model. Dell's supply chain had been aiming primarily at keeping its inventory levels low, and lean manufacturing, rather than maximising profit by building and promoting its highest margin products. By allowing buyers to customise products when ordering, Dell was building a system that supports a wide range of components, which squeezes profit margins at the low end of its product lines. In 2008, Dell changed its supply chain dramatically and closed its legendary Texas-based manufacturing plant and largely abandoned its build-to-order model.

Apple

Apple has an excellent track record in controlling its chain network. Apple has built a closed ecosystem where it exerts control over almost every piece of the chain network. According research by Gartner, Apple has been ranked as the company with the best supply chain in the world for the four years in a row since 2008.

Table 1 Best supply chain, 2012		
Rank	Company	Composite score
1	Apple	8.50
2	Dell	5.14
3	P & G	5.13
4	RIM	5.10
5	Amazon	5.07

Gartner research

The reason behind this success is Apple's understanding in applying demand chain management. It controls an end-to-end chain network and fosters a synthetic cooperation with its partners. For instance, in constructing the MacBook unibody, which is found in every MacBook in the market, the designers need to work together with the suppliers of raw materials as well as the manufacturers for approximately one year. The result – Apple's unibody is not only accepted and praised by consumers around the world, but by cooperating with its partners Apple is able to ship MacBook with nearly 50% fewer parts than the previous generation which did not use unibody. Having its own retail stores also gives a big operational advantage for Apple. Apple stores are digitally integrated with the company itself. Once a product goes on sale, Apple can track demand by the store and by the hour, which enables it to adjust production forecast daily.

Apple recognises that the most profitable operation is not necessarily the one with the lowest cost. If it becomes clear that a given part will run out, teams are deployed and given approval to spend millions of dollars on extra equipment to get around the bottleneck. A small dot of green light above the MacBook screen to indicate that the web camera is turned on is an example of this. This green light is in every MacBook product nowadays, even though it seemed impossible, as light will not shine through metal. The team of experts however discovered that they could use a customised laser to poke holes in the aluminium small enough to be almost invisible to the human eye but big enough to let light through.

This green light is estimated to increase the chain network of Apple by billions of dollars. Did Apple consider this as a waste of effort as it increased its chain network cost? No, because now every new Apple MacBook will flash this green light every time the web camera is turned on. Pursuing perfection is a way to gain truly satisfied customers. Profitable operation is not only about minimising cost but also about maximising long-term profitability by targeting their most profitable customers and promoting their most profitable products.

Conclusion

In conclusion, the wholistic marketing management paradigm consists of three different management approaches that can be incorporated to enable companies to become faster, better, and cheaper. The importance of this concept is of increasing awareness, as marketing function nowadays needs to be integrated with project management (planning), customer value (people), and supply chain (process) to convert international marketing strategy to achieve brand leadership. Agile project management helps companies to become faster in entering the market. Customer happiness management helps to provide customer satisfaction. Finally, demand chain management will help companies to have profitable processes, which in the long-term is cheaper in terms of overall profit, even if extra needs to be spent in the process. Together, this all shapes the new wholistic marketing management paradigm.

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