

Relationship Between Integrated Marketing Communication and Brand Equity

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ABSTRACT

Integrated Marketing Communication (IMC) system became a warm and tangible topic in the field of marketing activities. Whereas in previous years, most marketing activities only utilize traditional advertising media, but now the situation has been different, the marketing funds owned by the company are allocated to various communication activities such as sales promotion, direct sales to consumers, branding activities, public relations, and advertising. This study will try to explain the relationship between the application of integrated marketing communication (IMC) and its influence to the establishment and development of brand equity and also will look at the role of each element of integrated marketing communication to brand equity. This article uses the literature review method by summarizing the result of various credible studies that highlight the relationship between IMC and brand equity. The result shows that there is a direct relationship between the simultaneous application of all elements of IMC to the formation of brand equity. But partially each element of IMC has its own impact on the formation of brand equity, depending on the context of the company, region, time, and target consumers. The conclusion of this research is that along with the seven elements in integrated marketing communication have an influence on the formation and development of brand equity, but partially each of these elements has their own implications for the formation of brand equity depending on the context of the company, region, time, and target consumer.

1. INTRODUCTION

Starting from the late 1990s, the Integrated Marketing Communication (IMC) system became a warm and tangible topic in the field of marketing activities (Kitchen & Schultz, 2009; Madhavaram et al., 2005). Whereas in previous years, most marketing activities only utilize traditional advertising media, but now the situation has been different, the marketing funds owned by the company are allocated to various communication activities such as sales promotion, direct sales to consumers, branding activities, public relations, and advertising (Prasetyo et al., 2018; Vollero et al., 2019). Integrated Marketing Communication itself is a concept in which a company integrates and coordinates various communication channels to send a clear, consistent and convincing message with regard to the company and its products. In 1989, the American Advertising Agencies Association defined Integrated Marketing Communication (IMC) as a marketing communication planning concept that recognizes a value of using various communication disciplines (e.g., advertising, direct marketing, sales promotion, and public relations) and combines these disciplines together to provide message clarity and consistency, as well as maximum communication impact at minimal cost (Percy, 2018; Ulfa & Marta, 2017).

This is in line with the current condition of global economic activity characterized by a high dynamic, highly competitive market environment to get the customer interest, making it impossible for companies to limit their marketing communications activities by using only one communication channel. Advertising on mass media was initially considered to be the only proper and useful marketing communication channel, but today marketing experts consider it less effective due to high costs and unpredictable target audiences. So today almost all companies use integrated marketing communication, which cuts through all marketing tools and approaches, to maximize the delivery of good image and brand association to the minds of consumers, convince customers about the quality of their products and the benefits and services consumers get from the use of their products. The implementation of integrated

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marketing communication is proven by the better marketing performance result such as increased market share, sales, and corporate profits. In addition, the effective implementation of IMC encourages companies to build relationships with sustainable consumers in the long term (Tleuberdinova & Sabdenbekova, 2018). In the future, integrated marketing communication is said to be a requirement and not an option to be done by either the company or the world's communications agency. Furthermore, with the development of information and communication technology, marketing communication is changing towards an interactive consumer approach. Integrated marketing communication divided into several elements in it consisting of seven kinds, namely: Advertising, Sales Promotion, Events and Experiences, Public Relations, Direct and Interactive Marketing, Personal Selling, Word of Mouth Marketing (Julia et al., 2020; Kotler & Keller, 2012),

The purpose of any integrated marketing communication process is to create brand awareness, convey brand information, improve the positive image of brands and associations of brand and product. IMC also plays a role in building brand loyalty and plays a major role in persuading customers to purchase products or services from specific companies. In the long term, IMC has significant value that contributes to the development of a company's brand equity or product brand. Brand equity is the entire proceeds established by any action made under the corporation and its brand, this includes communications activities conducted by the corporation as well as by the brand's products (Katole, 2020; Wicaksana et al., 2018). One of the important benefits of IMC is helping companies to build brand equity for their products through communication synergies (Naik & Raman, 2003; Ri et al., 2020). Integrated marketing communications can improve and build the brand equity through contact between consumers and brands, which exposes knowledge of brands (Marhaeni & Trimanah, 2021). It can be concluded that companies can use IMC to achieve high corporate brand equity through controlled brand contact marketing (Kitchen & Schultz, 2009). Researching the relationship between integrated marketing communications and corporate brand equity, can help determine what aspects of communication attract consumers' attention and the effect on brand equity development that these aspects have on consumers' minds. In many cases, the application of different communication options tends to create different effects on brand equity inherently (Keller, 2016). In line with the explanation above, some studies suggests that there is a positive relationship between the implementation of integrated marketing communications conducted by a company or brand product with the development of brand equity (Amiri et al., 2017; Diryana et al., 2017; Naik & Raman, 2003; Ri et al., 2020).

Brand equity is defined as a set of brand assets and liabilities associated with the brand, including its name and symbol, which add to or decrease the value provided by the product or service to that company and/or customer company (Aaker, 1991; Idris et al., 2020). Strong and preferred Brand Equity is seen as having a number of different benefits. First, it is seen as distinguishing the most important product from other products, in an increasingly competitive commercial environment. Second, it shows an indication of the level of familiarity of the product with consumers. Consumer knowledge of a brand influences their attitude toward the product (Brown & Dacin, 1997; Sagala, 2019). Moreover, when a product category enters the decline stage of the life cycle, the company's strong brand equity can help the brand last longer than its competitors. Brand equity in turn helps the company to achieve their superior financial. The concept of brand equity can be reviewed financially as well as consumer. The advantage of conceptualizing brand equity from a consumer perspective is that it allows companies to consider how their marketing programs can increase the value of their brands (Keller, 2001). Five elements of brand equity, namely a) brand awareness; b) perceived quality; c) brand associations; d) brand loyalty; and e) other proprietary brand assets, such as patents, trademarks, and channel relationships (Idris et al., 2020). The first four dimensions to be the primary basis for brand equity measurement, which is also used in research on brand equity (Idris et al., 2020). This study aims to explain the relationship between the application of integrated marketing communication together to the formation and development of brand equity and knowing the role of each element of integrated marketing communication to brand equity.

2. METHODS

Research design uses literature review method, which critically examines or reviews the knowledge, ideas, or findings contained in academic-oriented literature sources, and formulates theoretical contributions to a particular topic focus (Cooper, 2015). The technique used is narrative review, which critically assesses and summarizes literature relevant to the identified topic (Khan et al., 2003). The type of research is descriptive analysis, namely regular decomposition of data that has been obtained, then given understanding and explanation in order to be well understood by readers (Neuman, 2014). This research is divided into several steps which can be seen in Figure 1.

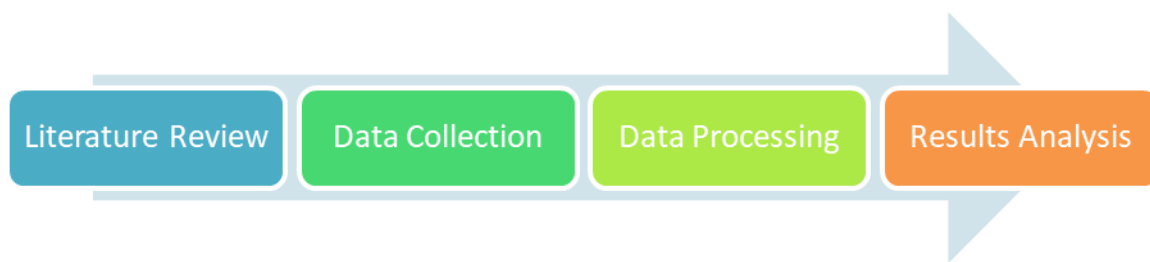


Figure 1. Research Flow

This research seeks to present a picture of the relationship between the application of integrated marketing communication with brand equity that is reviewed from several academic literatures (books, journals, scientific articles) that are credible so as to produce valid conclusions and summaries and can be used as reference material for further research with the same study focus. The research framework in this study is presented in Figure 2.

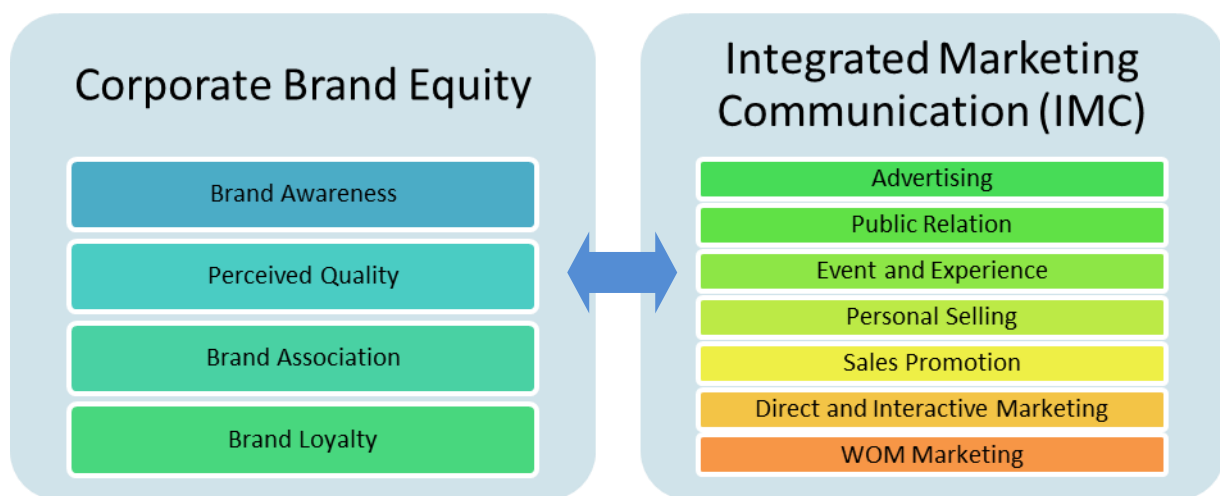


Figure 2. Research Framework.

3. RESULTS AND DISCUSSIONS

Results

The effect of integrated marketing communications in contact terms, i.e. any communication to actual or potential customers regarding brand information. All this contact with consumers could potentially affect brand equity. This is in line with the theory stated that customers can have contact with brands through market-controlled marketing communications, such as: advertising media, direct marketing, active marketing, sales promotions, events and sponsorships, publicity and public relations, and personal sales, all of which can lead to the establishment of brand equity in the consumer's view (Kitchen & Schultz, 2009; Kotler & Keller, 2012; Madhavaram et al., 2005). Brand equity cannot be built only through independent lines of communication, but the resulting through IMC, with synergies among various communication channels as its fundamental concept, potentially creating the greatest persuasion effect in consumer encounters with brand contacts (Farid & Faridha, 2018). This is also in line with that delivered by previous studies where consistent message exposure through different communication channels makes users get exposure to repeated brand messages, so that brand knowledge can be established and create a strong brand image as a result of brand associations (Madhavaram et al., 2005; Ratriyana, 2019). Brand marketing activities such as through sponsorships, advertisements, advertising slogans, promotions, and so on can also help build brand associations. Repeated messages in marketing communications can expose customers to product quality indicators and can significantly create and maintain customer loyalty, as well as create positive brand feelings (Fitriah, 2018). Theoretically, IMC remains influential in developing brand equity even if consumers have not tried the brand, but companies should maintain the consistency of its message by integrating all their marketing communication channels to keep it going and strengthening its brand image.

The role of IMC in increasing brand equity in consumers can be characterized into two parts (Madhavaram et al., 2005; Vollero et al., 2019). The first is to build brand awareness and image in consumer memory and connect strong, profitable, and unique brand associations. This can happen if the communication coding process can motivate consumers to decipher and fully process messages, ensuring marketers deliver communication in an environment conducive to message processing. Second, marketers create consumer motivation to process persuasive messages about brand quality, so consumers can retrieve positive brand information from memory when making brand choices at the time of purchase. Implementing the IMC program to build brand equity also requires marketers to mix and match existing communication options with the same content but offer different advantages and complement each other with other communication options (Kitchen & Schultz, 2009; Madhavaram et al., 2005). Marketers should essentially be "media neutral" and evaluate all communication options based on their effectiveness on brand equity formation.

As for some previous studies that stated the influence or positive relationship between integrated marketing communication activities to the formation of brand equity (Amiri et al., 2017; Damarjati et al., 2016; Diryana et al., 2017; Krussell & Paramita, 2016). In some of these studies, not all elements in IMC significantly affect brand equity or in other words, the effect of an IMC element varies from brand equity formation, depending on the product context, brand message, target and marketing area, but collectively all elements of IMC affect brand equity. This is in line with many cases, different communication options tend to create different effects on brand equity inherently. So in order to develop an integrated marketing communication program that has an efficient contribution to building and maintaining brand equity, a careful evaluation of the various communication options available is required, in order to decide on the best alternative to utilize it.

Advertising is creating a brand awareness, moreover it can create strong brand association, perceived quality, and brand loyalty. That's why using advertisers is believed to be good in helping brands build equity (Clow & Baack, 2014; Ri et al., 2020). As for some supporting research that states that good advertising is good for brand equity (Chine et al., 2018; McKechnie et al., 2012). Public Relations can introduce products or create brand awareness, protect and create a positive company image through positive associations (Kotler & Keller., 2009). Positive associations can be from product placement CSR activities. In contrast to Events & Experiences where at the product / brand level, experts found that sponsorship helps consumers memorize brand awareness (Abdurrahman, 2015; Krussell & Paramita, 2016). In addition, event & experiences can contribute to brand equity by embedding brands in memory and creating brand image through the creation of brand associations with supported events (Kotler & Keller., 2009). Personal selling has an impact on the formation of brand loyalty, which is initially formed through the introduction of brand knowledge, then the formation of positive quality perceptions from customers (Krussell & Paramita, 2016). There are several supporting studies which suggest that personal selling has an important relationship with brand equity (Krussell & Paramita, 2016). Direct marketing and interactive marketing in general can affect the equity of the company's brand through the formation of a positive image in the minds of consumers and also perception of good quality. Some previous studies that say that direct marketing or interactive marketing can be significantly related to the formation of brand equity (Lou & Yuan, 2019; Smilansky, 2017). Sales promotion can be a brand image of after-sales consumer through good promotion by the company (Kotler & Keller., 2009). There are some supporting research that suggests that sales promotion is important on top of brand equity (Krussell & Paramita, 2016). Mouth to mouth marketing can influence the formation of brand equity through the creation of brand awareness and brand associations (Wacono et al., 2021; Wojnicki & Godes, 2008). The research that shows a significant influence of mouth to mouth marketing on the establishment of brand equity (Amiri et al., 2017).

4. CONCLUSION

The conclusion of this research is that along with the seven elements in integrated marketing communication have an influence on the formation and development of brand equity, but partially each of these elements has their own implications for the formation of brand equity depending on the context of the company, region, time, and target consumer. The researchers' advice for further research can be seen apart from integrated marketing communication factors, whether there are other things that affect the formation of brand equity, or whether there are other variables that mediate the relationship between integrated marketing communication and brand equity. Future research also can detail the relationship between each element of IMC to each element of brand equity.

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