Faculty of Economics, University of Niš, 13 October 2016

International Scientific Conference

**THE PRIORITY DIRECTIONS
OF NATIONAL ECONOMY DEVELOPMENT**

INTEGRATED MARKETING COMMUNICATIONS AT DIFFERENT STAGES OF THE PRODUCT LIFE CYCLE IN THE CONTEXT OF BRAND MANAGEMENT

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Abstract: *The need for a company to properly coordinate its marketing communications elements/tools in order to achieve a clear, consistent and competitive message about itself and its branded products has become an important issue for every result driven firm. The current paper is aimed at examining the impact of Integrated Marketing Communications (IMC) at different stages of the product life cycle(PLC). More specificly, the objectives of this paper are: * to establish the level of understanding about PLC; * to define IMC and its use; * to ascertain whether the use of IMC in the context of brand management can bring about profitable long term customer relationships with a certain brand.*

Keywords*: Integrated Marketing Communications, brand management, product life cycle, branding.*

1. Introduction

It is a test for companies to decide how to use the various elements of IntegratedMarketingCommunications, how to combine and coordinate their implementation in order to make them work in harmony with each other and, as a result, to be used as an effective brandbuilding tool.The development of each brand traditionally goes through several stages, each of which is characterised of the overwhelming application of one or another of the elements of integrated marketing communications. The implementation of IMC in different stages of the product life cycle in the context of brand management is set forth below.

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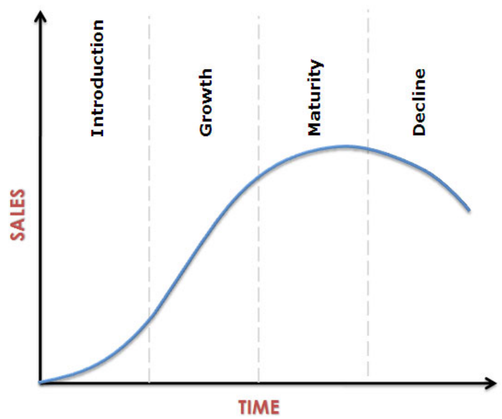
2. About Product Life Cycle

Many variations of the Product Life Cycle modelare used in order to direct the focus of the marketingactivities. When a new branded product is introduced to the market, it usually follows a series of steps inthe market. These steps, that follow each other chronologically, are as follows: introduction, growth, maturity and decline.The aim is to maximize the product's valueand profitability at each stage.

The theory of PLC was first introduced in the 1950s to explain the expected Lifecycle of a typical product from design to obsolescence. It is primarily considered a marketing theory. Similarly theevolution and the revolution brought and organizations to use limited resources in an effectiveand efficient manner. (seeTennakoon and Syed, 2008,cited by Sharma, 2013, p. 123).The following figure (see Figure 1) gives an indication of how sales will vary as a product goes through the different stages of its lifecycle.

Figure 1. Product Life Cycle model



Levitt, also among the pioneers to research the topic, introduced the concept in in 1965 inhis article in the Harvard Business Review. PLC is based on a metaphor that treats products as people and assumes they are born (introduced), develop (grow), age (mature), and die (decline) (see Wells et al., 1995).Hofer (1975, p.798) states that “the most fundamental variable in determining an appropriate business strategy is the stage of product life cycle“. Normally the product life cycle is associated with the change of the company's sales over time. The intensive exchange of information contributes to faster shortening of product life cycle. Competitors can quickly enter the market and build on the mistakes of other companies. The dynamics of the release of new brands is accelerating as new products survive for a shorter time to market (see Анастасова, 2014, p. 10).

According to Morden (1991), however, the product life cycle represents recognition of the factthat most products will only have a finite market life-be it short as in the case of fashion goods or long as inthe case of certain type of industrial equipment. Other reserchers, however, consider that PLC usually consists of five major steps or phases: development, introduction, growth, maturity and decline. These phases exist and are applicable to all (branded) products or services.It should also be noted that the phases can besplit up into smaller ones, depending on the (branded) product and have to be considered when a new productis introduced in the market, since they define product‘s sales performance.

The concept of *brand life*cycle is described as the distinguishing of several stages in which a brandis introduced to the market. Reseachers (see Robins, 2005; Grantham, 1997) analyse the identification of specificstages of the brand life. The first three stages, however, are usually not discussed in detail, but the fourth stage (decline) is extremely valuable in the context of brand management as a brand may be renewed or extended.Inthe last stage, the certain brand may be related to other products.In this situation the concept ofbrand life cycleis explained by addressing the PLC stages.

When Groucutt (2006) argues about the issues of brand management, the autor emphasises the links between the two cycles – the product life cycleand the brand life cycle– and states that one cycle is the base for the other one.

3. Brands and brand management

The “brand“is one of the mostbroadly defined terms in the contemporary marketing. Brands are used as symbols thatallow customers make a difference between the companies that produce a certain branded product and trace the quality of the product back to the manufacturer. If business companies want to compete successfully on the market, theymust stick to a brand that has various characteristics.

According to Rust et al.(2005, p.24),the brand plays three significant roles. They are as follows: 1) it aims to attract new customers to the firm; 2) it can be a reminderto customers about the firm’s product and services; 3) a brand can become the customer’s emotional tie to the firm.

The brand is one of the things with which customers are accustomed to, and at the same time it is difficult to give a precise definition. Most consumers associate the brand with a logo or a beautiful package, sometimes even with a specific color. For others the brand is a collection of all the physical and emotional characteristics of a company, product, or service. Brand management is an important process as it represents the business proposal of this certain brand and is the reason why the consumer will choose the branded product (see Василева, 2014).Brand management occurs in a company when it is ready to strategically differentiate its product on a basis, which is tangible or intangible, functional or symbolic(see Capon et al., 2001).

According to Kitchin (2003, p. 71),“Brands drive relationships,relationships liberate knowledge, knowledge generates insight, insight drives innovation, innovationdrives transactions, transactions create value, which reframesthe brand and so on and so on.”This definition emphasis on the notion of “relationship“. In this regard, Fan (2005, p. 342) defines the branding process (at corporate level) as “… developing and managing the relationship between the organisation and its various stakeholders as well as the general public”. In order to be successful in managing a brand, companies have to stick to systematic planning and coordinated actions and count not only on advertising, but other IMC elements/tools as well.

4. The issue of IMC definition

Different definitions of the IMC concept are presented chronologicallyin the table bellow (see Table 1).

Table 1. IMC definitions

Author	Concept, introduced by different researchers
Don Schultz (1991)	* Inclusion of consumers, prospects * Behavioural responses * Nurture relationship and consumer loyalty *IMC as a process
Tom Duncan (1994)	*Profitable relationships *Expanded audience scope from customers to other stakeholders
Nowak and Phelps (1994)	*Reinforced notions of consistency, coordination and behavioural responses
Duncan & Caywood (1996)	*Focuses on customers/prospects *Attention given to sources of information on brands *Talks on behaviour of individual
Schultz & Schultz (1998)	* Strategic business process * Expanded notion of brand communication * Measurability * Specified more explicitly the multiple markets – inclusive of external and internal audiences
American Association of Advertising Agencies (4As) (1998)	*Coordination and consistency of messages andcommunication channels (‘one sight, one sound’) * Use of a variety of communication disciplines to work insynergy based on a comprehensive planIMC as a concept
Belch and Belch(2004)	* Coordination of all seller's initiated efforts * Setting up of channels of information and persuasion * For sale of goods and service or promote an idea
Kliatcho (2005)	* Concept and process * Managing audience focused * Channel centred * Result driven brand communication overtime

Source: Kliatcho, J. (2005)Towards a New Definition of Integrated Marketing Communications. Philipianes.International Journal of Advertising, pp. 7-24.

Based on the IMC literature (see Table 1), Kliatchko (2005) proposes a new definition that employs the essence and intrinsic elements of the IMC concept. The definition expresses the nature and essential qualities of the IMC with greater accuracy and states that:“IMC is the concept and process of strategically managing audience-focused, channel-centred, and results-driven brand communication programmes over time”.

By a more recent recearch of Kanibira, Saydanb and Nartc (2014), the aims of IMC are generally to support sales, to create product and brand awareness, to develop corporate image and to shape the attitudes of the target customers. This notion is maintained further by Kotler and Keller (2012), who point out that through marketing communications firms attempt to, directly or indirectly, inform, persuade and remind consumers about the products and/or brands that they sell.

Given the short review of some of the existing definitions about the IMC concept, at this point we can define Integrated Marketing Communications as a strategic coordination of the IMC elements in order to providethe company a clear, consistent, and result driven communications aboutthe brand to its target audience.

5. IMC at different stages of the Product life cycle

PLC presents the amendments of the competitive conditions in a given category. The first step of theproduct life cycle is the *introduction*. At this step, the company must submit to target customers the benefits of the new brand (the product that is sold under a certain brand) compared to existing ones. This corresponds to the first stage of brand management. At this stage, it is essential for the new brand to gain consumers‘ trust.This is a process that takes time, and while it lasts companies should be prepared that the sales growth of the certain brand will be minimal. Winning the consumers‘ trust, however, is an essential factor for the future development of the brand.Therefore at this first stage the organizations should show patience and invest enough time and effort. Regardless of the specific form of marketing communications that the company will use – whether it will bea pressconference, a speech, an article or a face to face discussion – the ultimate goal of IMC at this stage is to win the trust of the target audience.

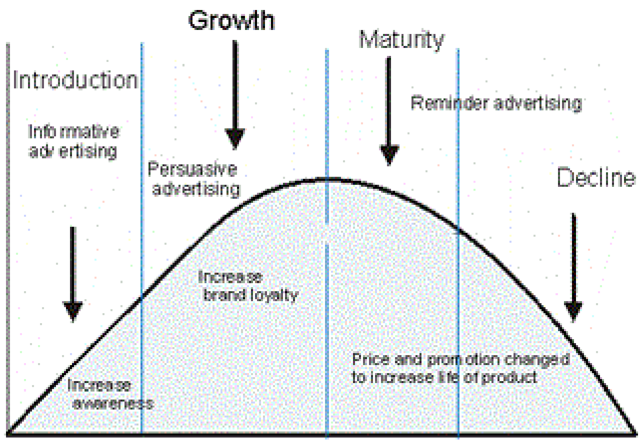
Almost all major crises in the history of branding have been caused by a lack of dialogue with customers about their needs and their lack of awareness of how the new brand can satisfy consumers‘ needs better than the existing alternatives. If the customers do not trust the branded product they buy, the success of the brand, if there is any, in the best case will be for ashort-term.While trying to build a positive brand image and to win consumers‘ trust, it will be most profitable for the company to invest mainly in public relations. The advantages of this element of the integrated marketing communications make it particularly suitable for the implementation of the task – namely to build a good image of the brand that evokes positive associations by customers.

The second stage refers to strengthening the brand position in the market. It corresponds to the *growth stage of PLC*. Typical for this stage is that the company already has direct competitors. These are competitors companies that have entered the market shortly after the organisation, owner of the brand. It should be noted that at this stage consumers have become more aware and more demanding about their expectations about the certain brand.Ifthe company is the one that has introduced the branded product in the market for the first time, its obligation, at this second stage, is to continue improving the product and/or service, that is sold under the certain brand, in order to maintain the differentiation of the brand. In addition, the company must find information about competing companies in order to understand what key benefits they will emphasise on.

In the second stage, the company should be able to maintain communication with the double focus, i.e. a certain part of the messages, sent by the company, should be aimed at informing and educating consumers and for market development, and the other part – atbrand building byemphasising on its position. This is actually the stage at which the company must find a substantial functional and/or emotional benefit by which to distinguish the brand from the competitors. The main task at the second stage is to provoke interest in consumers to own products, that are sold under the respective brand.

Once customers‘ trust is won (mainly through public relations), consumers‘ minds have to be “readjusted“. Customers already trust the brand, and at this second phase, they want to own the certain branded products. At the second stage, advertising plays a crucial role (see Figure 2). The company should invest a greater part of its promotional budget in preparation and presentation of ads about the brand, using as many communication channels as possible.

Figure 2. Advertising at different stages of the PLC in the context of branding



Source: Kotler, Keller (2012)

The third stage of the brand management process coincides with the stage of *maturity* of the PLC. It should be noted that customers are already well informed about the product or service, sold under a certain brand, and relate to purchase decisions as a routine. The key tasks for the company are to retain current customers and for this purpose – emphasise on brand equity, and attract new consumers by revealing what distinguishes the company and its brands from the competition.

All of the abovementioned requires the company to focus its efforts on generating customers‘ desire to purchase the brand. This can be obtained by sales promotions. This third stage of the brand management process coincides, at least in most cases, with the stage of maturity of the product life cycle where sales promotions are adequate action from a marketing standpoint. Moreover, the consumers‘desire to buy the brand can be inspired also by well-planned special events.

The main objective the company should reach at the fourth stage of brand management is building a relationship with customers. This phase corresponds to a *decline* of the PLC. Often the cause for the decline is a the emergence of a new product or service, respectively a brand, under which they are sold, that are significantly more efficient than the current ones and therefore much better satisfy customers‘ needs. At the stage of decline, the brand must be very flexible adapt quickly to the changes in the market. In addition, the company must very strictly monitor all new brands that directly or indirectly may affect current brand‘s sales.

At this stage the company should spend its promotional budget on sales promotions, personal sales and relationship marketing. Creating a connection with the brand is a major challenge for the company, but once it is built, this relationship provides permanent sales for the brand. Therefore, the purpose of the strong brands is to maintain a healthy relationship with the consumers that cannot be broken easily. “This is a process that adds value to the brand and is based on establishing and maintaining productive relationships with customers and other stakeholders through strategic controlling and directing messages to these groups and promoting the exchange of information and the targeted dialogue with these groups“(Горанова, 2014, p. 137).

The following table (see Table 2) may serve as a summary of all of the abovementioned.

Table 2. Relation between the stages of the product life cycle, the appropriate strategy for the brand and the IMC elements that are used to achieve it

Stage of PLC	**Introduction**	**Growth**	**Maturity**	**Decline**
Key feature	Competitive companies use outdated technology.	Direct incursion of competitors in the market and the emergence of new segments.	For consumers the purchase has already become a routine.	Competitive companies are using new technologies.
Brand strategy	The company should inform its consumers about the brand equity.	The company must differentiate its brands from those of the competitors and choose a target market segment on which to focus its efforts.	The company should bet on strengthening and differentiating the brand position.	The brand should be associated with a specific need in consumer‘s mind. The main goal – maintaining the level of loyal customers and finding new applications of the branded product(s).
IMC objectives	To inform about the new brand	To build brand preference	To build brand loyalty	To maintain brand trust
IMC element(s)	Primarily public relations(PR). Suitable combination – PRand sales promotions, publicity, advertising.	A suitable IMC element in this case is advertising. A good combination – advertising and sales promotions.	IMC elements – sales promotions, special events, advertising.	Suitable IMC elements – personal sales and sales promotions.

Source: Author‘s.

6. Conclusion

Nowadays companies focus primarily on building and management of their brands. In the future the strategic marketing communications of the brand will become the most important means for any company.There is a room for extensive research in this regard in future. Another area of research can be the impact and efficacy of media on its viewers with respect to branded products.

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INTEGRISANE MARKETING KOMUNIKACIJE U RAZLIČITIM FAZAMA ŽIVOTNOG CIKLUSA PROIZVODA U KONTEKSTU UPRABLJANJA BRENDOM

Apstrakt: Potreba kompanije da na pravi način koordinira svoje elemente marketing komunikacija u cilju postizanja jasne, dosledne i konkurentne poruke o sebi i svojim brendiranim proizvodima je postalo važno pitanje za svaki rezultat firme.Ovaj rad ima za cilj da ispita uticaj integrisanih marketing komunikacija u različitim fazama životnog ciklusa proizvoda Preciznije, ciljevi ovog rada su: da uspostavi nivo razumevanja životnog ciklusa proizvoda; da definiše integrisane marketing komunikacije i njihovo korišćenje; da utvrdi da li upotreba IMK u kontekstu upravljanja brendom može dovesti do profitabilnog dugoročnog odnosa kupaca sa određenim brendom.

Ključne reči: Integrisane marketing komunikacije, upravljanje brendom, životni ciklus proizvoda, brendiranje.