

Strategic integrated marketing communications: domination or equality of elements?

Стратешки интегрисане маркетинг комуникације: доминација или једнакост елемената?

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Сажетак: У условима сталног напретка технологије, утицаја интернета и добро информисаних потрошача, пословне стратегије морају да буду резултат координираних акција стратешког маркетинга са свим пословним функцијама предузећа. Приликом антиципирања и креирања потрошачког понашања, интегрисани комуникациони процеси имају најзначајнију улогу. Интегрисане маркетинг комуникације представљају комбиновану употребу традиционалних и савремених елемената промотивног микса у циљу стварања јасноће, конзистентности и максималног утицаја на циљне групе потрошача. Експанзија савремених комуникационих алата и технологија, међутим, намеће питање једнакости употребе и очувања посебности елемената маркетинг комуникација, без обзира на степен достигнуте интеграције. Да ли су традиционално оглашавање, лична продаја, унапређење продаје и односи с јавношћу нестали или су доживели нови степен развоја; да ли су виртуелни свет и онлајн заједнице потрошача надоградиле или преузеле све сегменте маркетинг комуникација и да ли су интернет генерације, умрежавање и друштвени медији заузели примат у односу на класичне форме маркетиншких комуникација?.

Кључне речи: стратешки маркетинг, интегрисане маркетинг комуникације, друштвени медији, директни маркетинг.

Abstract: In terms of continuous technology development, internetization and well-informed customers, business strategies should be the result of coordinated actions of strategic marketing with all other business functions in company. Integrated communication processes have the most important role in anticipating and creating consumer behaviour. Integrated marketing communication represents combined use of traditional and contemporary elements of promotional mix in order to achieve clarity, consistency and maximum impact on target customer segments. However, the expansion of modern communication tools and technologies raises the question of equal use and preservation of marketing communications elements specifics, regardless of achieved level of integration. Whether traditional advertising, personal selling, sales promotion and PR have disappeared

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or undergone a new level of development; whether the virtual world and consumers' online communities have upgraded or took over all segments of marketing communications and whether internet generation, networking and social media took precedence over conventional forms of marketing communications?

Keywords: strategic marketing, integrated marketing communication, social media, direct marketing.

Introduction

Some of the crucial trends prevailing in the market are certainly globalization of business, wider and more frequent use of the Internet and technology, growing importance of business information, stronger intensity of competitive struggle in the market, but also massively needs for adaptation to individual needs and desires of consumers, a trend known as mass customization. That kind of environment creates many opportunities and opens up many possibilities for marketing experts to create a difference in all areas of their activities, but also complicates the implementation of the defined strategy. Market information overload, creates disorders and noise in the communication process, one of the most important business processes, because “in business as in life, you do not get what you deserve, you get what you negotiate” (Karrass, 1996).

In today's economy, where a predominance in the market is imperative, and a profit just a consequence of excellent performance, timely and reliable information is the most valuable resource that market subjects may own, but also resource that can be managed and monitored. In terms of power bidding and competitive struggle in the field of process efficiency, the value of information is clearly confirmed in relations with all stakeholders (Bovee & Thill, 2012).

All these changes at marketplace necessitate that marketing communications strategies need to be more effective and efficient if a company's message is intended to influence purchasing decisions (Wickham & Hall, 2006). Through the coordination and integration of marketing communicational efforts, companies reach diverse audiences with a consistent message. This is the basic premise of integrated marketing communications (IMC), because this kind of approach results in “optimal market coverage and greater impact on the target market for the least amount of investment” (Wickham & Hall, 2006, p.95).

Customers do not know, or simply do not care about the elements of marketing promotion. In one research on the question what are marketing communication activities consisted of, more than 90% of customers answered with “advertising” (Percy, 2008). Therefore, it is necessary to coordinate and plan in detail communicational efforts through implementation of IMC approach. At the same time an integrated approach to communication planning does not necessarily reduce the influence of traditional mass-media (Percy, 2008) and other forms of communication. Hence marketers should consider where the boundaries among individual elements of marketing communication are. Also what would provide essential advantage is knowledge of which element of marketing communication has the greatest effect on consumers in new market circumstances. This paper deals with present views about integrated marketing communications, and also with an issue whether individual

elements of IMC have preserved their characteristics from the previous time period, or have they undergone some major changes themselves. In addition, successful market cases of adequate use of IMC approach, under the influence of emergence of new technologies, are presented.

1. Integrated marketing communication and role of new technologies

Marketing communications often presents the only differentiating feature that can be offered to potential consumers (Schultz, Tannenbaum, & Lauterborn, 1992). Every business action is, in some form, a part of the communication between company and its customers and in that manner, marketing communications have increasingly important role as strategic tool. In today's hyper-competition marketing environment where each competitor has similar technology, "sustainable competitive advantage has been eroded away" (Schultz, Tannenbaum, & Lauterborn, 1995). New products and services are imitated in short-term, and there is always someone who can produce it (or do it) cheaper. On the other hand, consumers are seeking to buy products or services with relevant experiences. Therefore, companies will be successful only if they have *total consumer orientation* which means two-way communication with individuals and creating long-term relationships.

The overall aim of integrated marketing activities is to ensure that all the activities reinforce each other. Unfortunately, many companies continue to rely at one or two means of communication when informing its target group. This practice is still present despite the fragmentation of the mass market in many small markets, each of which requires a specific approach, despite the proliferation of new types of media, and the increasing sophistication of consumers (Kotler & Keller, 2006). A wide range of communication tools, messages and audience, due to these market conditions, impose new imperative for companies - moving towards integrated marketing communications.

Integration process is very complex and sensitive and it's characterized by the merging of its elements into a coherent whole, in which each element retains its uniqueness, regardless of the degree of integration (Vasiljev, 2013). Marketing becomes integrated only when the synergy of all activities of the company, in relation to the power of the environment, create a new unified whole, or market approach. In this way, all elements should be restructured, and most importantly driven by consumer satisfaction. Such integration processes in marketing sphere has their advantages and disadvantages (Table 1).

Integrated marketing communication represent a second phase in the evolution process of marketing communication. First, there was a promotion mix, and then it outgrew from mass-market media advertising towards targeted direct marketing (Schultz D. E., 1999). Nowadays, this process continues to grow and develop. In that

way contemporary communication technologies, Internet and other new or improved communication tools and channels greatly contribute to changes of form and content of information, but also to their (dis)integration. As Schultz saw IMC as a logical and natural progression within the field of marketing communication (Yeshin, 2008), it can be assumed that the present IMC is experiencing a new level of development where certain elements take the lead in terms of efficiency and effectiveness of the achievement of results. Schultz described IMC as a 'natural evolution of traditional mass-media advertising, which has been changed, adjusted and refined as a result of new technology' and likewise that IMC is 'significantly more than merely a management fashion' (Cornelissen, 2000). Analogous to this, given the rapidly growing technological development and high interdependence of modern technology and communication processes, it can be assumed that IMC 1.0 is experiencing a new stage of development and growing into IMC 2.0.

Table 1: Advantages and disadvantages of integrated marketing

Advantages of integrated marketing	Disadvantages of integrated marketing
<p>Assists the professional and personal coordination, because businesses are run by one manager</p> <p>Homogeneous action team and its orientation to the common goal</p> <p>Better coordination and faster execution of marketing activities necessary for finding the optimal combination of marketing mix, which is focused on consumers</p> <p>The existence of opportunities for real, effective and rational competition leaders of different tasks, without a risk of special preference over common interests</p>	<p>The restriction of individual abilities, intuition and initiative, because the precedence given to general, higher goals.</p> <p>Less able to freely cooperate with the same or similar professions other companies, institutions etc.</p> <p>The possibility of overlapping, because they all work for one goal.</p>

Modified to (Vasiljev, 2013).

Companies increasingly start to realize the importance of integrating their marketing communications in strategic rather than tactical way in order to achieve consistency of message, reduced costs and better return of investment (ROI). In that way, all channels convey the same overall message and reinforce one another, which spend less time and money, and stakeholders understand companies' offers more quickly which results with increased sales. IMC have the task to strategically coordinate and synchronize various elements of the promotional mix in order to achieve synergetic effects and to ensure that message reaches and registers with all companies' stakeholders (Figure 1).

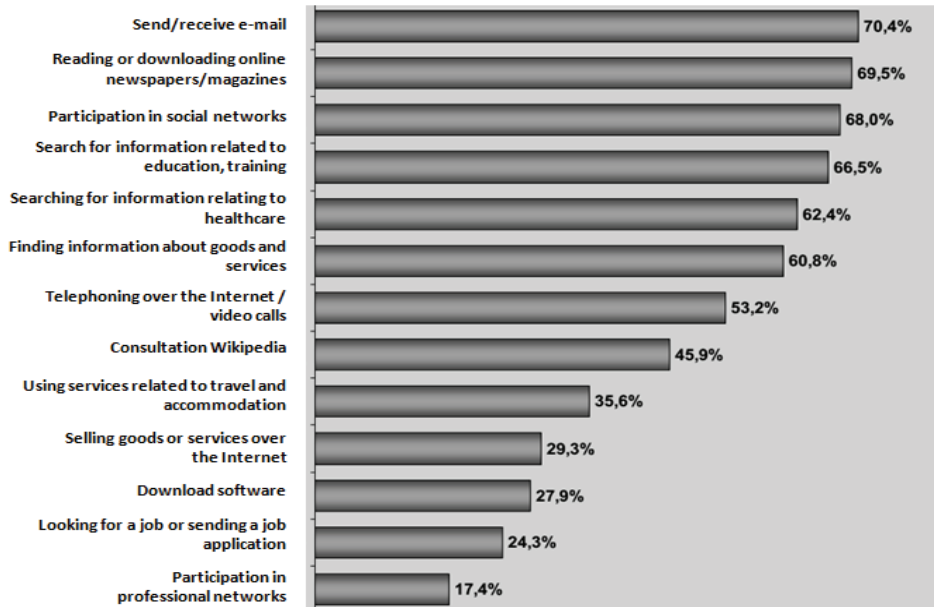


Source: (Yeshin, 2008).

Nowadays, necessity is actually an approach to IMC thinking from a strategic perspective, which could help engender dramatically changing expectations and demands across companies. Subsequently, taking an alternative re-orientated strategic perspective, more often companies focus their business on ‘strategic integrated marketing communication’ (SIMC). It represents strategic business intent to enhance strategic, integrated communication and knowledge management of information through creative media strategies and environmental scanning (Barker, 2013).

So-called new economy, with all mentioned specifics, was created by the widespread use of the *Internet*, and other technological advances. Technology has become an indispensable part of their lives (Kotler, Vong, Sonders and Armstrong, 2007). Web 1.0 has connected people with information and Web 2.0 has connected people with people, using a set of fast-growing new Web technologies such as blogs, social-networking sites, and video-sharing sites. The new generation Web 3.0 has the ability to put all these information and people connections together through *social media* in ways that will make the Internet experience more relevant, useful, and enjoyable (Eurolib, 2008).

Figure 2: Types of Internet use (for private use) in Serbia in 2013.



Source: (Statistical Office of the Republic of Serbia, 2013).

In Serbia, there is a growing trend of Internet usage for different purposes (Figure 2); 6.9% increase in the number of Internet users in 2013 in relation to the 2012 year, by 11.5% compared to the 2011, and by 12.6 % compared to 2010. Over 2.900.000 people in Serbia, which represents about 42% of Serbian population, used the internet according to the latest research results from Republic Statistical Office for 2013. Over 2.4 million people use the Internet every day or almost every day. In relation to the 2012 year, the number of these people increased by slightly more than 300.000. 93.4% of the Internet population aged 16 to 24 years have an account on social networks (Facebook, Twitter) (Statistical Office of the Republic of Serbia, 2013). Due to the statistical data, the Internet and social media are being used by a growing number of people in the world, same is for the Serbia, and this segment of the digital, web and social media marketing cannot be neglected.

Social media is a set of applications that allows the creation and exchange of user-generated content in collaborative, community setting (Kenly & Poston, 2010). Social media encompasses a “wide range of online, word-of-mouth forums including blogs, company-sponsored discussion boards and chat rooms, consumer-to-consumer e-mail, consumer product or service rating websites and forums, Internet discussion boards and forums, moblogs (sites containing digital audio, images, movies, or photographs), and social networking websites” (Mangold & Faulds, 2009). Some examples of social media are illustrated in Table 2.

Table 2: Examples of social media

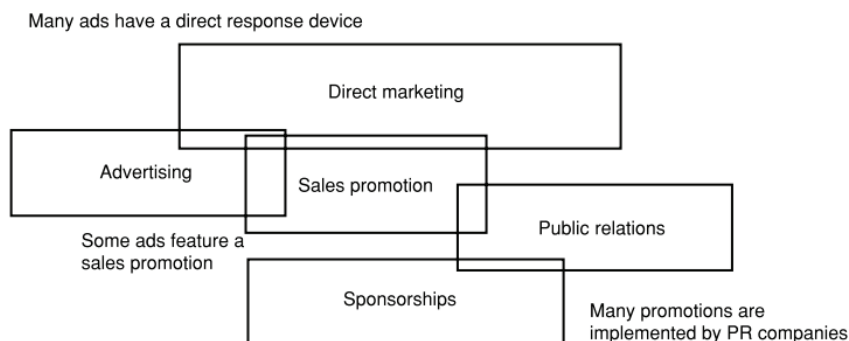
<ul style="list-style-type: none"> • Social networking sites (MySpace, Facebook, Faceparty) • Creativity works sharing sites: <ul style="list-style-type: none"> ◦ Video sharing sites (YouTube) ◦ Photo sharing sites (Flickr) ◦ Music sharing sites (Jamendo.com) ◦ Content sharing combined with assistance (Piczo.com) ◦ General intellectual property sharing sites (Creative Commons) • User-sponsored blogs (The Unofficial Apple Weblog, Cnet.com) • Company-sponsored websites/blogs (Apple.com, P&G's Vocalpoint) • Company-sponsored cause/help sites (Dove's Campaign dor Real Beauty, click2quit.com) • Invitation-only social networks (ASmallWorld.net) • Business networking sites (LinkedIn) • Collaborative websites (Wikipedia) • Virtual worlds (Second Life) • Commerce communities (eBay, Amazon.com, Craig's List, iStockphoto, Threadless.com) • Podcasts („For Immediate Release: The Hobson and Holtz Report") • News delivery sites (Current TV) • Educational materials sharing (MIT OpenCourseWare, MERLOT) • Open Source Software communities (Mozilla's spreadfirefox.com, Linux.org) • Social bookmarking sites allowing users to recommend online news stories, music, videos, etc. (Digg, del.icio.us, Newsvine, Mixx it, Reddit)
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Source: (Mangold & Faulds, 2009).

They also impact the relationship between customers and firms, as well as the relationships among the customers themselves (Piller, Vossen & Ihl, 2012). Companies became conscious that there is a whole universe of conversations going on without them, about their products and services. Social media are very useful for reaching the consumers, connecting them and building communities around product, service or a brand (Kanter and Fine, 2010). Firstly, awareness has been transformed in the sense that there is a broader platform for customers to share their experiences about products and services. Secondly, interest has been transformed by the collective crowd-source environment. Finally, consideration has been transformed because it is easier nowadays for companies to provide customers with real stories about products (Agregta, 2011).

Today, there is a lot of companies which deal with e-marketing, product placement, the organization of trade and consumer events, sponsorship activities and so on, and they are confused with so many array of instruments, tools and channels of marketing communication, which is even more complicated by digital era of Web 3.0. There are some "blurring lines" between IMC elements (Figure 3). "It's becoming increasingly difficult to categorise work as sales promotion or direct marketing. Most direct marketing offers contain some form of sales promotion or vice versa. And with the growth of direct response press and TV advertising, direct marketing is moving closer to conventional advertising" (Cook, 1994). Due to the continuous development of information and communication technology and modern digital communication tools, overlays displayed in Figure 3 are growing and the boundaries between the elements, as well as strictly defined their roles, are increasingly subordinated to direct marketing.

Figure 3: Blurring lines between IMC elements.



Source: (Yeshin, 1998).

2. IMC: is there first among equals?

Modern communication technologies enables and encourages a new approach to marketing communication. In contrast to the traditional forms, the new social communication model is interactive and conversational. Consumers and other groups got greater powers with the help of social media, electronic media, which transform a passive audience into active participants in the communication process, giving them the ability to share content, changing content, appropriate to the content or contributing new content. Just as Web 2.0 indicates a second-generation World Wide Web technology (social networks, blogs and other tools), it can be discussed about *Integrated Marketing Communication 2.0* as an appropriate name for a new approach to marketing communications. At first glance, this approach may seem like it's added a few new media tools. However, the changes are much larger and more significant. Users and other interest groups have also often influence and take control of the conversations in the market. They rely on each other when it comes to information about products, offer technical support or even participate in group purchase with the help of social tools. New forms and channels of communication can accelerate communication, reduce costs, improve access to new knowledge and improve employee satisfaction. Therefore, social media can be considered as a hybrid component of the promotional mix (Mangold & Faulds, 2009) and therefore, perhaps a leading element on today's form of IMC.

Cases of adequate use of IMC from markets show that in this approach the increasing role have strategies based on direct marketing. Thereby, direct marketing have shifted its focus to interactive electronic media. This creates a new form and basis for IMC in contemporary conditions of domination of communicational effects on the internet.

2.1. Case study: Old Spice

(Old Spice Responses Case Study, 2010)

Brand *Old Spice*, owned by company P&G, that represents line of products for personal hygiene was confronted with strong market competition and with decrease of sales. After market research, it was obvious that women mainly perform purchase of this kind of products. As *Old Spice* represents products for men, the thing that had to be done was to direct conversation between couples to talk about this product. For that purpose, marketing campaign was launched with the slogan “The man your man could smell like”. An attractive man was used in the commercial video, in which he was addressing the real buyers of the product, the ladies. The message was created to say that husbands are not attractive as he is, but if they are going to use the *Old Spice* products, instead of the ladies scented body wash, at least they could smell like him, and after that anything is possible. The campaign was released through TV ads, and shortly after that it was launched on the internet. Couples could watch together the video commercials, and make their comments on it. In first three months of the campaign in 2010, 75% of all reactions to products in the named category was related to *Old Spice* brand. Even more important, more than 50% of every internet discussions about this product was generated by women. Generally speaking, the whole market was talking about one product, the *Old Spice* body wash.

After such preliminary success, in the company was made decision to start more interactive campaign under the name Response campaign. The goal was to achieve more personal contact with potential customers and fans of previous campaign. For that purpose creative artists, digital strategists, developers and producers were engaged. They have filmed 186 video answers to questions from fans and celebrities, which have previously been asked on different social media on the internet. Real time messages were posted on YouTube, and campaign soon became sensation and most popular campaign in the history. After only one day on the internet it had more than 5.9 million views on YouTube. After two days, video was number 8 out of 11 most popular videos on the internet. In just three days video was seen more than 20 million times, and after a week it had 40 million views. Number of followings on the Twitter social media was raised by 2700%. Number of fans and comments on the Facebook page was increased for 800%, and in short period of time number of visits on *Old Spice* web site was increased for 300%. On the YouTube *Old Spices* branded channel became number 1 of all-time most viewed.

Market results of the campaign were astonishing. In only 6 months 1.4 billion impressions about the *Old Spice* brand were made. For the same time period sales increased for 27%, and in the last month of the campaign that increase have reached 107%. After that result brand *Old Spice* stabilized its position as number one in the product category. This integrated approach, with carefully planned integrated elements of marketing communication activities, have brought not only to the increase of

customer interest for the product, but also to strengthening the brand position in customers' minds. It is obvious, from this case study, that dominant place have direct marketing contact with customers, in combination with all other marketing tools as support for the integrated consistent message.

2.2. Case study: Nike

(Nike 'She Runs' Case Study - MFA Awards 2012 (Best Integrated Media Campaign), 2013)

Another example of successful implementation of well-planned integrated marketing communication efforts is *Nike* company, with its department for female runners. In this company people have seen some challenging phenomena in the market. First of all, they have acknowledged that *Nike* was not seen as a credible choice for serious runners. Concurrently results of conducted survey showed that females that actively run, wear Nike sportswear but not their running footwear. One final characteristic that survey has revealed was that female runners run alone, by themselves. *Nike* company came to a simple idea, as female runners, you are much powerful as a group than individually, because of the fact that "power lies in numbers". Therefore *Nike* organized and supported community of female runners, encouraging them to redefine their way of doing sports and their exercises. Initial communication with customers was generated through discussions on social media, encouraging talk about boundaries that female runners are faced with.

Through such communicational efforts, marketers in the *Nike* company realized that the biggest boundary for female runners is night running. New campaign was started by recruiting women that have already took courage to run in dark. Stories that were collected from these women inspired short movie, with the message for customers "in the more of us that run, the brighter we can burn". After that marketers challenged the formed female community to organize first night race of female runners. Video that had announced the race was at the same time used as registration means for the race, and was easily transferred and shared among members of community and friends. The way of registering for the race was customized for every user which gave additional strength to the event. Promotional messages were placed at gyms, stores, on the internet, in printed media and outdoor, which inspired other women that were not in the community to join the movement. Every part of communication involved invitation to the membership in mini women-only run club. The goal for *Nike* was to unite female runners in every possible touch point. That created the possibility for customers to share their stories, goals and achievements in pleasant community environment.

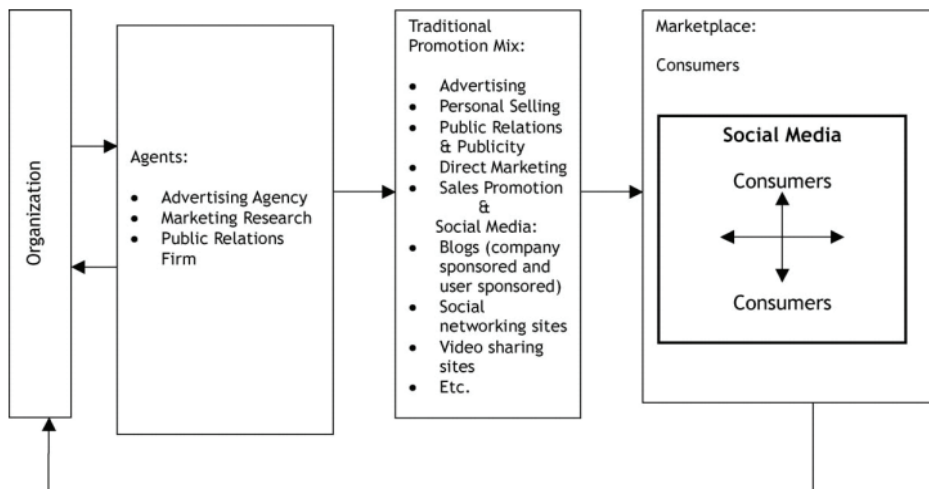
The night of the race was imagined as a party, where women surpassed their boundaries for one night, leaving all expectations of attendance far behind, surpassing all KPI-s. Thus the community have demonstrated power of cultural connected ideas, which help society to closely connect, shift perceptions and ultimately change the way of how people interact with the brand. The formed community had 50,000 members in

four months, from which 44% of the participants buy *Nike* footwear with registration. On the beginning of the race 3200 women were participating. One survey on the Facebook web site showed that 90% of the members stated that they intend to participate the night race in the next year.

This example of *Nike* company integrated communications approach, shows some key points. First of all, *Nike* has achieved direct contact with its customers. Media that were used such as internet, social media, and unconventional communication tools, combined and conveyed one strong message to the audience. The value for the customers was created in the sense of solving the important problem for them. Whole communicational activity was carefully planned and conducted with support of all available elements of marketing communication tools.

In the era of social media and new ICT, marketing managers don't have absolutely control over the information about products and services – moreover, those information originate in the marketplaces, because they are based on the experience of individual consumers. Online aspects of IMC allow consumers an easier and faster communication with each other. Marketing managers should recognize 'the power and critical nature of the discussions being carried on by consumers using social media' (Mangold & Faulds, 2009), and therefore the importance of social media in formulation and execution of strategies of integrated marketing communication (Figure 4).

Figure 4: The role of social media in IMC.



Source: (Mangold & Faulds, 2009).

Conclusion

Contemporary integrated marketing communication 2.0 can be described as a managerial and research-based decision process, which is behaviourally determined, stakeholder driven, financially determined both in a short-term and long-term framework and which depends on calculations that illustrate the “lifetime customer value” of specific customers and even stakeholders (Caroll, 2013). Therefore, IMC requires strategic approach - analysis, planning, implementation and control.

Modern communication technologies enable more efficient performance of business processes. However, huge transparency of information on the internet and a small degree of control over them, as well as the company's constant efforts to adapt to these conditions even more complicates the achievement of competitive advantage. Even the best technology cannot really replace a wealth of experience of personal contact.

Because of all the advantages offered by the online environment, it can be concluded that direct marketing, as one of the tools of IMC, takes the leading position. Individual experience, information sharing among consumers, the so-called C2C and C2B marketing, represent a new stage of development of direct marketing which was enabled by digitalization of the market. All elements of the IMC are still in use, but some of the elements took over the functions of others. On the other hand, the superiority of online media provides companies with an additional space for more intense competitive battle in the field of efficiency of their processes.

New communication media should not be neglected by marketing managers when developing and executing strategies for IMC. Because of their interactive nature, direct contacts between companies and consumers, and consumers themselves, and because of the speed of diffusion and sharing of information, social media represent an upgraded version of traditional form of direct marketing. Thus enabling advertising and personal selling, sales promotion and PR. In this sense, the strict boundaries between the individual elements are lost, and direct marketing takes precedence over traditional forms of promotional mix. Even though direct marketing is currently the most effective tool in integrated communicational approach, all other elements of marketing communications are necessary for supporting and conveying consistent message through every possible marketing communication channel. Only in that manner IMC approach is likely to be successful.

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Resume

Integration process of marketing communication is very complex and sensitive and it implies merging of its elements (advertising, personal selling, sales promotion and PR) into a coherent whole, in which each element (should) retain its uniqueness, regardless of the degree of integration. Companies increasingly start to realize the importance of integrating their marketing communications in strategic rather than tactical way in order to achieve consistency of message, reduced costs and better return on investments (ROI).

IMC have the task to strategically coordinate and synchronize various elements of the promotional mix in order to achieve synergetic effects and to ensure that message reaches and registers with all companies' stakeholders. However, new technologies, communication media (such as social media) and modern lifestyle creates new challenges for marketing managers and lead to a new stage of IMC development. Through a review of relevant literature and case studies, this paper shows that these factors should not be neglected by marketing managers when developing and executing strategies for IMC. It can be concluded that, in digital market conditions all elements of the IMC are still in use, but some of the elements took over the functions of others. Intensive development of internet and widespread use of social media are the main causes why the strict boundaries between the individual elements of IMC are lost. Direct marketing, as one of the tools of IMC, takes the leading position over traditional forms of promotional mix, which was enabled by digitalization of the market. Even though direct marketing is currently the most effective tool in IMC, all other elements of IMC need to be used for supporting and conveying consistent message through every possible marketing communication channel. Only in that case integrated communication approach can be successful.