AN EXAMINATION OF INTEGRATED MARKETING COMMUNICATION IN GOVERNMENT-LINKED COMPANIES AND CULTURES INFLUENCE ON THE IMPLEMENTATION AND PRACTICE

BY

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TABLE OF CONTENTS

CHAPTER 3: METHODOLOGY

CHAPTER 4: DATA ANALYSIS AND RESULTS

CHAPTER 5: DISCUSSION, CONCLUSION AND RECOMMENDATIONS

LIST OF TABLES

Cellular Telecommunication

LIST OF FIGURES

Page

LIST OF ABBREVIATIONS AND SYMBOLS

AAA	American Association of Advertising Agencies
APQC	American Productivity Quality Centre
ASEAN	Association of South East Asia Nation
CEO	Chief Executive Officer
DV	Dependent Variable
G20	Selection of large GLCs under GLCTP
GLC	Government-Linked Companies
GLCTP	Government-Linked Companies Transformation Programme
GLIC	Government-Linked Investment Companies
IMC	Integrated Marketing Communication
IT	Information Technology
IV	Independent Variable
M	Mean
MOF	Ministry of Finance
N	Number of respondents
NEP	New Economic Policy
NGO	Non-Governmental Organization
P/p	Correlation coefficient of a population
PE	Per earning value
POP	Point-of-purchase
PR	Public Relations
R/r	correlation coefficient of a sample
ROC	Registrar of Company
ROCI	Return on Customer Investment

ROI	Return on Investment
RQ	Research Question
SBU	Strategic Business Unit
SD	Standard Deviation
SMS	Short Messages System
SPSS	Statistical Package for Social Science
TV	Television Commercial
USA	United State of America
USM	Universiti Sains Malaysia
%	Percentage
RM	Ringgit Malaysia

PEMERIKSAAN KE ATAS KOMUNIKASI PEMASARAN BERSEPADU DI SYARIKAT BERKAITAN KERAJAAN DAN PENGARUH BUDAYA TERHADAP PELAKSANAAN DAN AMALAN

ABSTRAK

Tujuan kajian ini adalah untuk menentukan tahap amalan Komunikasi Pemasaran Bersepadu (IMC) di syarikat berkaitan kerajaan Malaysia (GLCs), untuk memahami pengaruh budaya di dalam pelaksanaan dan amalan IMC, dan untuk memahami perspektif pengurusan atasan terhadap IMC di GLCs.

Kajian ini menggunakan kajian kuantitatif untuk menganalisa tahap amalan IMC dan pengaruh budaya ke atas pelaksanaan dan amalannya. Empat peringkat kerangkakerja IMC Schultz & Schultz dan rukun IMC Kliatchko digunakan sebagai asas untuk penyelidikan ini. Di samping itu, teori dimensi budaya Hofstede juga dikaji sebagai faktor-faktor yang mungkin mempengaruhi pelaksanaan dan amalan IMC. Untuk mengembangkan lagi hasil kajian, penyelidikan kualitatif secara temu bual telah dijalankan dengan pihak pengurusan tertinggi GLC.

Dapatan kajian menunjukkan bahawa GLC telah dilihat sebagai telah mengamalkan kebanyakan konsep IMC. Walau bagaimanapun, pengaruh budaya terhadap amalan IMC tidak berapa penting kerana keputusan menunjukkan bahawa hanya dimensi "Uncertainty Avoidance" mempunyai pengaruh penting ke atas amalan IMC di GLCs.

Kemungkinan wujud dalam kajian kes GLCs ini yang menyarankan bahawa pergerakan empat tingkat kerangkakerja IMC sebenarnya bermula dari Tahap 4 (financial and strategic integration) bergerak ke tahap 2 (redefining the scope of marketing communication), terus ke tingkat 3 (application of information technology) dan ke tahap 1 (tactical coordination of marketing communication). Kebanyakan GLCs yang dulunya merupakan sebuah jabatan kerajaan, masih mengamalkan sistem pengurusan seperti pemusatan kuasa dan keputusan, formalisasi tugas dan fungsi bersilang jabatan yang juga merupakan sifat utama tahap 4 ini. Oleh kerana GLCs telah pun berada ditahap 4, penyelidik berpendapat bahwa tahap satu dua dan tiga dalam kerangkakerja IMC secara langsung juga dipraktik oleh GLCs dalam sistem komunikasi pemasaran mereka yang sedia ada. Oleh itu pergerakan ini mungkin adalah kerangkakerja yang lebih ideal untuk kajian berkaitan GLCs.

AN EXAMINATION OF INTEGRATED MARKETING COMMUNICATION IN GOVERNMENT-LINKED COMPANIES AND CULTURES INFLUENCE ON THE IMPLEMENTATION AND PRACTICE

ABSTRACT

The purposes of this study are to determine the level of Integrated Marketing Communication (IMC) practice in Malaysia Government-Linked Companies (GLCs), to understand cultural influence towards IMC implementation and practice, and to understand top management perspectives on IMC in GLCs.

This research used quantitative survey to analyze the level of IMC practice and the cultural influence towards its implementation and practice. The Schultz & Schultz's four stages of IMC framework and Kliatchko's IMC pillars served as the foundation for the research. In addition, Hofstede's cultural dimension theory was examined as possible factors that influence the implementation and practice of IMC. To further expand upon the findings of the survey, qualitative interview research was conducted with the top management of GLCs.

Findings indicate that GLCs were perceived as already practicing most of the IMC concepts. However, the cultural influence on IMC practice is not significant as the results show that only "uncertainty avoidance" dimension has significant influences towards IMC practice in GLCs.

Possibility exists that in GLCs' case study, the four stages of IMC framework may actually follow a progression of Stage 4 (financial and strategic integration) to stage 2 (redefining the scope of marketing communication), to stage 3 (application of information technology) and Stage 1 (tactical coordination of marketing communication). Most of the studied GLCs that used to be a government department still practicing government management systems such as centralization of power and decision making, formalization of job responsibilities and departmental cross functionality that constitutes the main attributes of stage 4 of the IMC framework. Since the studied GLCs are already at stage 4, other stages are also indirectly being practiced by GLCs in their marketing communication system. Hence, researcher is of the opinion that this progression may be more ideal framework for studies on GLCs.

CHAPTER 1: INTRODUCTION

1.1   Introduction

The creation and establishment of Government-Linked Companies' (GLCs) in the 1980s has brought many controversial issues to the government of Malaysia. In the earlier studies, there were many arguments that GLCs, as a large size companies, suffer from the problem in internal control and lack in strategic direction resulting in a poorer return on capital and shareholders' value (Azman, 2004). GLCs are also said to have higher gearing ratio, lower productivity, inefficient procurement handling, and ineffective performance management systems. Consequently, these GLCs' business performance became major concerns to the government of Malaysia. Hence, in 2004, a programme called the GLC transformation programme (GLCTP) was initiated by the Government. This programme is specifically written up to intensify the commercial orientation culture among the GLCs with the focus on bringing the GLCs to be at far with the successful locals companies and other regional competitors.

GLCs in Malaysia are defined as companies in which the government has the controlling stake (Malaysia, 2007). The controlling stake refers to, among others, the Malaysia government having rights to appoint members of the board of directors, nominate senior management staff, award of tenders and contracts and provide policy direction for GLCs either directly or through government-linked investment companies (GLICs). While GLCs undertake business activities, GLICs on the other hand, act as an investment arm for the

government, investing in selected and strategic companies, including investment in GLCs (quoted in Nordin & Fatimah, 2011).

The establishment of GLCs is noted to have rooted from the privatisation and corporatizations of many government departments such as "Jabatan Telekom", "Lembaga Letrik Negara", and "Jabatan Pos". Those effected companies were then transformed into private limited companies registered under "Registrar of Company" (ROC), and some of them are wholly-owned by the government (Malaysia, 2007).

Retrospectively, the creation of GLC is based on the "Privatisation Policy" introduced in 1980s that focuses on two pronged objectives. The first objective is to expedite the achievement of the "New Economic Policy" (NEP) in which GLCs play their roles in encouraging participation of "Bumiputra" or the Malay or indigenous ethnics, in business and commercial activities in order to achieve 30 percent of the economy and business equity to be owned by Bumiputra's within 20 years of its implementation.

The second objective of privatisation is to reduce government's expenses in running those affected companies that basically provide services such as telecommunication, electrical power, constructions of roads or highways, medical services, and many more. Bumiputras that were capable and having the right expertise in those related areas were appointed to lead these GLCs (Malaysia, 2007). Initially, many of the existing GLCs such as Telekom Malaysia Berhad and Tenaga Nasional Berhad were previously one of the government's departments that were already generating income or the "cash cow" for the government. These companies and other GLCs are given special

preferences in government projects and contracts to ensure their survival and success as Bumiputra entity.

Subsequently, according to Khazanah (2013), the GLCs' successful strategies and improved business performance have transformed them into important institutions that drive Malaysian economy. As a result, high performing GLCs such as Telekom Malaysia, Tenaga Nasional, Maybank, Sime Darby, became partially listed as private companies in the Malaysian Stock Exchange.

In another literature, the study conducted by Ab Razak, et al, (2011) on GLCs' business performance, has revealed that most of the GLCs have tendencies to exhibit higher valuation as compared to non-GLCs. These are due to the GLCs' ability to earn higher returns on their investments. They also reveal that GLCs have also been reported to have run and efficiently managed with lower operation expenses as compared to non-GLCs. The results of the previous studies also depicted that GLCs have outperformed non-GLCs in market based valuation measures.

Currently, many Malaysia GLCs have also been reported as having strengthened their financial capacities and they are on clear track to be at par with local and international competitors. Some of them have even become regional champions. It was also reported that the market capitalisation of the 20 large GLCs also known as the G20, have grown three point two times to RM431.1 billion as of April 7, 2015 from RM133.8 billion a decade ago. At the same period the total shareholders' returns have grown by 12.6 per cent per year. The report also mentioned that the GLCs have paid RM93 billion in dividends and RM57 billion in taxes for the past ten years from financial year

2004 to financial year 2014. In view of these achievements, beyond 2014, the GLCs are expected to enhance further their value creation through stronger performance and business execution (Khazanah, 2015).

GLCs are contributing very significant impact to Malaysia's economy as main producers, service providers, employers and capital market constituents. GLCs have also been the major contributors and main players in the local economy, spending RM153.9 billion in domestic investments from financial year 2004 to financial year 2014. Besides that, GLCs also an excellent and popular employers providing employment to more than 400,000 Malaysian.

Understanding of the development and changes that these GLCs are going through is undeniably important and, therefore, warrants intensive research. Thus, this study is focused on exploring whether IMC concept is being used as a tool for transforming GLCs into successful organization, and top management's perspectives in adapting integrated marketing communication or "IMC" in their marketing communication activities. At the same time the study is also exploring whether local culture has any influence on the implementation and practice of IMC in GLCs.

1.2   Background of the study

Many organizations in this new millennium are experiencing and encountering the reality of competition in an open and borderless world economy. They are facing the ever increased of global business challenges, technological advances, as well as the influx of well informed and knowledge customers in the marketplace. Organizations are therefore needed to be more efficient in their marketing communication functions and at the same time to engage a

very strong effect on various target audiences in order to achieve their business objectives. Hence, integration of marketing communication is seen as the best approach to address those abovementioned and other business issues.

Effective marketing communications demand more centralized approaches in which all marketing communications activities should be coordinated, planned, and executed as one entity, and at the same time similar marketing communications materials are applied throughout the marketing campaign. 'Integrated Marketing Communications' or "IMC" is noted as having direct influence on some decision makings process and approaches with regards to marketing communications functions of the organizations. According to Gould (2000), IMC could be considered by organizations as one of the steps towards an integrated approach for organizations' marketing communication activities. Gould (2000) further stresses that organizations can achieve greater efficiency through centralized coordination and effective marketing communication synergy. Meanwhile, according to Kitchen & Burgmann (2010), the current IMC concept has been widely accepted as one of the most effective business strategies, and is also seen as becoming increasingly important in the twenty-first century business environment.

One of the ultimate aims of IMC is to achieve synergy in marketing communication activities. This can be done through cooperation and collaborations of different marketing elements (Madhavaram et al., 2005; Naik & Raman, 2003) in order to meet the short-terms and long-terms business objectives (Stewart, 1996). Many organizations see the potential of IMC and recognized the importance of this concept and some of them have already

started implementing the IMC concept in their organizations. It has also been widely reported that many international companies such as FedEx and Dell have already adopted and practicing IMC programmes at respective organizations. This proves that IMC is one of the main factors that contribute to business success.

Porcu et al., (2012) on the other hand concurred that the management of organizations' resources such as human capital and financial wealth will be better off if the IMC drivers are clearly identified. This can be materialized by encouraging the practice of IMC in organizations, especially in decision making, structures of the organizations and interdepartmental communications activities. Porcu et al., (2012) further explained that, senior management will be able to rectify organization's weaknesses and develop or set goals to be achieved once they have knowledge of the positive elements of IMC, and also the negative elements that discourage implementation of IMC in the organizations they are managing.

The need for IMC according to Kitchen, (2005) has been increasingly driven by the diversion of budgets from mass media advertising, continued media fragmentation, increased segmentation of consumer tastes and preferences, improved access to consumer databases and information technology resources, reinforced consumer loyalty via relationship marketing, and intensified focus on a brand's image based equity. Such trends are giving impacts across a multitude of businesses organizations including Malaysia government-linked companies (GLCs). Percy et al., (2001) noted that, although prevailing trends

would suggest a timely need for IMC, there are ample evidences to suggest that practicing true IMC is the exception rather than the rule.

The importance of culture and the role played in effecting management behaviour has attracted interest among researchers especially when more and more organizations are developing alliances and cross national borders. Culture and subculture are important aspects in changes to management behaviours since culture is a process that influences management by affecting the quality of coordination, responsibilities, functions, and roles for attaining goals. In today's business environment, manager requires ability to understand people from different cultural backgrounds at all levels throughout the organization. Organization's success or failure sometimes depends on manager's understanding on the cultural context and value systems of those they lead. Understanding of the other's cultures is often the essence of successful management of an organization.

According to Schultz (1993b), corporate cultures and traditions, experiences, and company's background are some of the factors that are also contribute to the challenges in implementing IMC programmes in an organization. Schultz (1993b) explains that depending on the company's culture, openness to reorganization or welcoming new organizational structures will contribute to the business efficiency and subsequently will open the path to the success of IMC implementation in the organization.

Hence, researcher concurs that empirical studies related to IMC and cultural influence is very relevant nowadays, considering the rapid development, improvement and changes in marketing communications discipline (Porcu et

al., 2012). The effects of cultures towards integrated marketing communication practice are also become interesting research topics. It is therefore anticipated that in the near future, IMC concept will be highly recognized and accepted as a dynamic and very strong discipline.

1.3   Statement of Problems

According to Garfield (2005), an abundance of media opportunities has dramatically altered the existing marketing communication environment. Business organizations are forced to redefine their marketing communication strategies in order to counter the fierce competitions in the market place. It is inevitable that such trends are starting to cause a fundamental shift in how GLCs promote their organizations and business operations.

The contemporary business trends have directly showed that the importance of IMC approach in the commercial sector is inevitable. In business operations, IMC is used to influence the use of brands, products and services among consumers. Kitchen & De Pelsmacker (2004), for example, consider IMC as major marketing communications development of the last century and also as a key competitive advantage of marketing. The authors also concurred that based on the studies on advertising agency in the 1990's, IMC has been proven as a factor in increasing communication effects, makes creative ideas more effective, provides consistent marketing communication and most importantly increases customer return on investment.

As the marketing communication landscape continues to experience changes, especially with the advance of information technology, IMC has emerged as one of the strategies to gain business competitive advantage. In comparison,

rather than relying on a single device promotion, such as advertising to achieve the desired results, IMC could offer more coordinated and strategic approach in relation to the overall marketing communication functions and future direction of the organization. This is in line with Dewhirst & Davis's (2005) findings that the IMC process achieves greater brand equity and shareholders' value.

On the other hand culture also influence IMC implementation and practice in organization. A study by Rashid et al., (2004) on the influence of organizational culture on attitudes toward organizational change in Malaysia has revealed that there is an association between organizational culture and the affective, cognitive, and behavioural tendency of attitudes toward organizational change. Meanwhile, Zain et al., (2009) examines the influence of corporate culture on organizational commitment. Results of the study show that corporate cultures in those studies are important determinants in motivating the employees to be committed to their organization. Meanwhile, Gharibvand's (2012) study on the relationship between two independent variables, namely Malaysian organizational culture and participative leadership, and employee job satisfaction as the dependent variable, demonstrated that there is a significant relationship between organizational culture and employee job satisfaction.

Culture is an important element that effect IMC's practice, and it also shows the critical role that culture plays for organizations in order to communicate their offerings to their audiences. Regardless of whether the relationship of culture to IMC is strong or weak, there is nonetheless an acknowledged impact

of an organization's culture on the way it conducts business and on its orientation to IMC.

According to Han, Kim & Srivasta, (1998) and Sin & Tse, (2000) culture is the glue that holds employees together for an effective organization. There is also evidence that culture influences an organization's marketing decisions (Armstrong, 1996). Organizations that have a strong market-oriented culture focus more on value creation strategies. Conversely, organizations with a lower market orientation are more internally focused on costs and standard processes, and less aggressive with regards to value creation and market/customer responsiveness (Dobni & Luffman, 2000).

A culture can be considered strong when the norms and values are widely shared and intensely held; strong culture increases consistency in how individuals act and view their participation (Sorensen, 2002). Strong cultures also have a high level of commitment to the way in which they understand the marketplace and the world (Sorensen, 2002). Employee behavior and attitudes may act as obstacles to IMC's practice and implementation. In particular, IMC can be resisted when the initiatives or demands were believed by employees to be unreasonable, subjugating or emasculating (Harris, 2002).

GLCs have experienced increasing pressure to develop their brand equity as a result of various environmental forces, to include the advent of ranking systems such as those of Bursa Malaysia Report. These and other competitive factors in the business environment create a need for implementation of IMC. Thus, with all these understandings, researcher is of the view that it would seem to be the right time to examine IMCs practice in Malaysia GLCs and

how cultures influence its implementation. This study is conducted with the aims to address and fill up some of the gaps in the previous empirical studies on IMC and at the same time determining the level of IMC practices and also to explore whether cultures have significant influence towards implementation of IMC in Malaysia GLCs.

1.4   Purpose of the Study

The main purpose of this mixed method approach study is to explore the level of IMC practice in GLCs, and also to determine whether the cultural characteristics of GLCs have any influence on the implementation and practice of IMC in GLCs. This is for the specific purpose of providing data which could be used in the training of managers of GLCs and other organizations so that they would be more effective in implementing IMC programs for their organizations. The data would enable managers of different cultural background to establish personal practices in keeping with the values of the Malaysian employees and an effective relationship which results in greater cooperation. Also, the study's contribution to the understanding of IMC and the values of Malaysian culture in management will definitely benefit several relevant current and planned operational works of the businesses. An understanding of IMC and cultural influences towards its practice will also helps people adjust their communication style and behavior appropriately in any business practices.

1.5   Significance of the Study

Based on several literatures, a number of business organizations in many countries in many parts of the world have already implemented IMC strategies

in their efforts to maintain and enhance their competitiveness. Despite IMC immense popularity, there is lacks of empirical study carried out on the IMC practice in Malaysia GLCs especially with regards to the four stages of IMC framework's variables. The objectives of the study mentioned earlier are specifically designed to identify and determine IMC practices in GLCs and also to provide insights into the four stages of IMC framework, cultural dimension theory, and the IMC pillars. This study contributes to positive social change by heightening awareness of the impact of culture values on IMC practice. This study will not only contribute to understanding and appreciation of cultural differences, broaden and deepen worldviews that stimulate our thinking and creativity in management functions, roles and skills but also contribute to the broader literature on IMC, organizational culture, and IMC theory creation. Subsequently, findings from the study and new perspectives of IMC practices will be a small contribution to the existing body of knowledge.

Research design and methodology applied in this study is based on the four stages of IMC framework, the IMC pillars and, the Cultural Dimension Theory. However, some modifications have been made by researcher in order to suit the local customs and requirements. Future researchers may apply and treat the research design and methodology used in this study as guidelines in conducting study in a similar or related field in the future.

Finally, the findings in this study will be a great help especially for the management of GLCs and practitioners to better utilize marketing communications tools in any of their marketing programmes. Empirical

results of the present study will also allow researchers and management to understand the overall concept and functions of IMC and utilise them more effectively. Thus, this study responds, in part, to the need for more research on IMC's implementation and practice at domestic level.

1.6   Nature of the Study

This study was conducted on GLCs' population in the Klang Valley, Malaysia as the informants for an estimated period of three months. Respondents of the study comprised of the GLCs' senior managements, executives, and staffs representing a purposive sampling from the population. Researcher employs both qualitative and quantitative methods in this study. This method is chosen due to its capability in yielding valid data descriptively and scientifically in the context of IMC. Creswell (2003) suggested that, this method requires purpose statement to be conveyed both in quantitative and qualitative format. Furthermore, Creswell (2003) also stresses that by using both quantitative and qualitative methods in the study, researcher will be able to understand the complexity of a research problems more thoroughly as compared to the single method.

Meanwhile, Brewer & Hunter, (1989) and Tashakkori & Teddlie, (1998) explain that researcher may enrich their findings when the study includes both quantitative and qualitative data, while in most cases a one form of data does not allow. They also believed, researchers will be able to simultaneously generalize results and gain a deeper understanding of the phenomenon when both forms of data are used.

Respondents' perceptions level is based on the four stages of IMC framework and the cultural dimensions attributes are assessed by quantitative methods in the form of questionnaires. Quantitative methods yield data in numerical forms, which were then analyzed by using the Statistical Package for the Social Sciences (SPSS) software. In contrast, the qualitative methods applied in this study are in the form of interviews in which semi-structured open-ended questionnaires were used for gathering information on senior management's views and perspectives on implementation of IMCs practices in GLCs.

1.7 Rationale of the Study

The main aim of the study is to determine the level of IMC practices as perceived by managements, executives, and staffs of GLCs. The study also seeks to determine relationships between cultural dimensions and IMC practice in GLCs. Human participants are used due to the needs to identify and determine respondents' perception of IMC practices and also to assess the influence of cultural dimensions in those practices. Researcher believes that the study on IMC practices and culture dimensions' influence will broaden our understanding and worldviews on IMC's functions, roles and practitioners skills apart from contributing to broader literatures on IMC.

Besides, it is also anticipated that findings from the study will add to another valuable knowledge on the dynamic of IMC practices that consequently could also yield a better understanding of how IMC practice might be influenced by cultural values. Finally, findings from the study will also be able to provide an in-depth understanding on the IMC's development and evolution apart from

management's practices of IMC in GLCs. On another point, this research may also be an important foundation for future research related to the interrelationships between IMC implementation and cultural dimensions.

1.8   Research Questions (RQ)

This study is an attempt to answer the following research questions;

RQ 1: What is the level of IMC practices in GLCs in relations to the four stages of IMC framework?

RQ 2: Does Hofstede's cultural dimensions has any influence toward IMC practices in GLCs?

RQ 3: What are top managements' perspectives and initiatives on the implementation and practice of IMC in GLCs?

1.9   Researcher's Assumptions

The aims of this study are firstly, to determine the level of IMC practices in GLCs. Secondly, to determine relationships between cultural dimensions and IMC practice in GLCs, and thirdly to examine top managements' perspectives and initiatives on implementation and practices of IMC in GLCs. While there are many highly complex questions and issues that are related to more philosophical discussions of IMC practice and cultural influences, it is not the goal of this research to solve all those questions and issues. Hence, the following assumptions were made in this study:

1. The respondents are able to accurately and honestly assess and provided their subjective level of communications, culture values, and managerial styles.

2. The respondents understand the questions and the scales that are used in the survey.

3. The respondents express different perceptions of IMC attributes and practices due to the different management and educational background.

4. Cultural backgrounds are very much influence the perception of the respondents toward IMC concept.

1.10 Limitations of the Study

It should be noted that this study is specifically limited in scope to participating GLCs in the Klang Valley, Malaysia. It is a case study bounded by the time of the surveys and interviews, the location in Kuala Lumpur, and the particular GLCs and their managers. Hence, this study cannot be thought to represent the experience of other GLCs in Malaysia.

The assessments are generalizable to the theoretical constructs of the 'Four Stages of IMC Framework', the 'Cultural Dimensions Theory,' and the 'IMC Pillars'. Therefore, the findings may not be generalizable to broader populations or other cultures. The reliability of the study is, therefore, limited to the population at the time of the surveys and interviews.

Given the fact that this is a very large subject and there is a great amount of literatures and theories about IMC and cultural characterization, there have to be restrictions on information being used. In addition, in this study only self-reported responses will be measured. Therefore, the possibility remains that the research methods of this study fail to fully capture all the IMC practices

and the cultural influences shaping GLCs managements' characteristics and initiatives toward IMC.

1.11 Organization of the Dissertation

The dissertation is divided into five chapters. Chapter 1 presents an introduction to the study and explain why understanding the level of IMC practice in GLCs and relationship between culture and IMC practice is important. Chapter 2 presents the pertinent literatures and provides the theoretical context and framework for the study. Chapter 3 presents the mixed method research design used in the study and describes the methods of data collection and analysis. Chapter 4 presents the qualitative and quantitative results and the analysis of the findings. Finally, Chapter 5 summarizes the findings as well as states conclusions stemming from the results and makes suggestions and recommendations for future research.

1.12 Chapter Summary

GLCs have been reported as contributing very important roles in improving the country's economy and increasing equity of "Bumiputra". Since GLCs are parts of "government's agencies," obviously the chairmen and chief executive officers of GLCs were selected and appointed by the government, therefore, all business activities and decisions making are executed upon ministry's approval and directives. Government will ensures those GLCs are profitable, and any losses will be absorbed or bail out by the government. As such, this study attempts to reveal how much marketing communications activities are being carried out in those GLCs and does cultures have any influence on the practice and implementation of IMC in GLCs. The four stages of IMC

framework, Cultural Dimensions theory, and IMC Pillars are used as guidelines in measuring the level of IMC practices among GLCs and cultural impacts on IMC practice in GLCs. Many studies have been conducted especially on GLCs business performance; however, there is lacks of empirical research on IMC and their relationship with local cultures. Hence, this study is very important to fill up some of the mentioned gaps in relation to IMC practices in Malaysia. Researcher believes that findings of this study will broaden and enhance understanding on IMC's functions and roles in current business practices.

CHAPTER 2: REVIEW OF LITERATURES

2.1 Introduction

The beginning of integrated marketing communication (IMC) emerged as early as 1980s when the concept of marketing communication was first introduced in collegiate textbooks. It is also noted that the emergence of marketing communication channels magnitude was outlined by Coulson-Thomas in 1983. He was one of the earlier researchers to do so. His works had successfully revealed that there are interdependent among different communication elements. However, at that particular time the concept of integration has not been widely accepted as one of the factors for effective marketing communications campaigns.

Subsequently, it was recorded that in 1991 the faculty of the Medill School of Journalism at North Western University organized a successful seminal research in IMC, and the IMC concept had attracted greater attention from the public (Schultz & Kitchen, 1997). According to Wightman (1999), when the concept of IMC was firstly introduced, public relations and advertising agencies were quick in adopting the idea since IMC practices have the ability to serve them in validating their values to corporate America. Coincidently, due to the already established marketing communication practice, in which each specific target audience requires different strategy, the theory of IMC became grounded. Duncan & Everett (1993) explain that this strategy was then used by different communication channels as the basis for each of the communications functions such as public relations, promotions, and advertising.

According to Dyer (1982) and Coulson-Thomas (1983), the theory and practice of business communication have been widely discussed by academicians and practitioners for the past few decades. However they have failed to consider the idea of integration of marketing communication as a realistic approach for company towards achieving competitive advantage. In the early 1980s however, it was recorded the beginning of academic interest in integration concept. This can be seen when a number of articles on related subject were written in academic literatures. IMC concept was later incepted in 1990 and subsequently it became very popular issue in the field of marketing communications (Miller & Rose, 1994;   Kitchen & Schultz, 1997, 1998, 1999; Caywood & Ewing, 1991).

At present many companies recognize the importance of effective marketing for the organizations. The reason could be due to the effect of budget allocation for mass media and traditional marketing that has clearly encouraged the practice of IMC. According to Eagle & Kitchen, (2000); Kitchen (2003), three quarter of the total marketing budgets were previously went to advertising, however at present scenario most companies are said to have allocated half of their budget for trade promotions, twenty-five percent (25%) or a quarter of the expenses for consumer promotions and less than twenty-five percent (25%) for advertising purposes. On the other hand, the media landscape has also dramatically changed with the advent of information technology. Advanced technologies have also directly contributed to the broader market deregulation and increased segmentation of consumer tastes and preferences that consequently altered individual patterns of consumption.