

Influence of Integrated Marketing Communications Tools on Adoption of Telecommunications Innovations

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Abstract: *The importance of integrated marketing communications (IMC) in organizations and institutions is paramount as it facilitates coordination and control of activities, builds teamwork and creates a supportive attitude in organizations. The problem that generated this research project is that there is underutilization of the mobile money services in Bujumbura. And this may be a consequence of an ineffective communication which is being done to promote that innovation. The main purpose of this research project was to determine the influence of IMC tools on adoption of telecommunication innovations with the special focus on the influence of interactive communication on the adoption of mobile money services among women. Stratified sampling technique was used to draw a sample size of 133 respondents from a target population of 800 business women in Bujumbura City Market, and 13 communication practitioners from Econet Wireless, in Burundi. Data were collected using a closed ended questionnaire and an interview guide and analyzed using a computer based software named Statistical Package for social Sciences (SPSS) for both descriptive and inferential statistics. The results were presented in form of frequency tables, graphs and correlation matrix. The findings of the current research will have far reaching implications in terms of informing the communication practitioners on the misses affecting the adoption of telecommunication innovations.*

Keywords: Communication, Integrated marketing communications, innovation, adoption, interactive

1. Introduction

Integrated marketing communications (IMC) is a communication practice that emerged during the late twentieth century and its importance has been growing ever since (Grove, Carlson, & Dorsh, 2012); (Cornelissen, 2011). IMC can help in creating coordinated and consistent messages across various channel of communication. Furthermore, the concept is especially valuable in that it places great emphasis on the importance of all stakeholder groups and, in particular, on customer loyalty, which can only be created through strategic relationship building (Jin, 2013/2014); (Eagle & Kitchen, 2008)

Diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. Diffusion is a special type of communication concerned with the spread of messages that are perceived as new ideas. Moreover, integration, the attempt to present a consistent message across the available promotional mix elements, has always been important to successful organizations even during the mid-twentieth century. With the multiplication of media channels in the late twentieth and early twenty-first century, the integration and coordination of different messages aiming to portray a single and unique image to all stakeholder groups has become both more important and more difficult to achieve (Kitchen & Burgmann, Wiley International Encyclopedia of Marketing., 2010). Today, integration is needed owing to globalization and the resulting interdependence between countries and marketplaces (Kitchen, Brignall, Tao, & Graham, 2014); (Schultz, 2008). Thus, corporate and brand managers need to coordinate the actions of their global and even

national brand (s) with the aim of integrating elements of promotional mix. Furthermore, in the context of contemporary market changes if enterprises seek to stay in the competitive environment, to ensure constant growth, and to achieve economic success, prediction of consumer needs is not enough. It is important to create new offers and to find new ways of satisfying them (Banyto & Salickaito, 2008)

1.1. Research problem

Integrated Marketing Communications (IMC) is very critical in the communication sector in Burundi as means through the general populace can enhance adoption of telecom communication innovations ((Deloitte, 2016). However, only about 20% of the entire population has embraced the use of mobile money services (Deloitte, 2016). This raises pertinent questions of the IMC influence on adoption of telecom based innovations. The problem this research compounded by the fact that mobile phone transactions are moving to higher gear by offering the possibility of paying bills and making purchases in most commercial spaces using a mobile phone. However, Burundians are not keen on embracing the recent innovations in the mobile banking (Elliott & FU, 2008). There exists a gap of information in the area of IMC related to innovation adoption since only few studies have been conducted within the African context (Tsikirayi, Muchenje, & Katsidzira, 2010) in Zimbabwe and (Elliott & FU, 2008) in Burundi. The two studies concurred that management of the majority of Small and Medium Enterprises (SMEs) did not emphasize the need for innovative marketing communications methods. However, no study has been conducted to determine the influence of IMC on adoption of telecommunication innovations. This

provides an opportunity for the current study to fill in the information gap.

The adoption of an innovation is a complex phenomenon involving a large number of parameters and which are very difficult to identify. The concept of business success which is its corollary then becomes a subject of a certain complexity, particularly in the area of information technology and in which the consumer's behavior is often determined by his or her Perception of the attributes of the new product and the way he .she is approached (communication methods used). (Schultz, 2008) Talks about "the inevitability of integrated communications." According to him, the concept and practice of integrated marketing and communications has been challenged by functional specialists and practitioners. Evidence presented shows integration being driven by technology, and, thus, an irresistible force. Advertising, as currently practiced, is based on a mass production model.

Now that Burundi has been integrated within the East African Community, the need for innovative communication approaches are more critical than before. An understanding of how IMC influences the adoption of telecommunication innovations would go a long way in developing strategies of enhancing the adoption rates and particularly among the business community within the East African Region.

1.2. Research objective and hypothesis

Based on above analysis, the main objective of this paper is to analyze the influence of personal selling on adoption of telecommunication innovations in Burundi. We want to see if really personal selling can help to overcome the psychological and functional barriers to the adoption of new things. We departed from the hypothesis which states that interactive communication can influence the adoption rate of telecommunication innovations.

2. Literature Review

2.1. Interactive communication and adoption of innovations

As the new millennium begins, we are experiencing perhaps the most dynamic and revolutionary changes of any era in the history of marketing, as well as advertising and promotion. These changes are being driven by advances in technology and developments that have led to dramatic growth of communication through interactive media, particularly the Internet (Belch & Belch, 2013). Interactive media allow for a back-and-forth flow of information whereby users can participate in and modify the form and content of the information they receive in real time. Unlike traditional forms of marketing communications such as advertising, which are one-way in nature, the new media allow users to perform a variety of functions such as receive and alter information and images, make inquiries, respond to questions, and, of course, make purchases. In addition to the Internet, other forms of interactive media include CD-ROMs, kiosks, and interactive television. However, the interactive medium

that is having the greatest impact on marketing is the Internet, especially through the component known as the World Wide Web (Belch & Belch, 2013). While the Internet is changing the ways companies design and implements their entire business and marketing strategies, it is also affecting their marketing communications programs. Thousands of companies, ranging from large multinational corporations to small local firms, have developed websites to promote their products and services, by providing current and potential customers with information, as well as to entertain and interact with consumers (Belch & Belch, 2013).

Consumer adoption of technology products continues to be a challenge for marketers. New products fail at a rate of between 33 percent and 90 percent, depending on the industry (Peter and Donnelly 2006 in (Elliott & FU, 2008). U.S. packaged goods companies introduce 30,000 products each year, but 70 percent to 90 percent do not stay on the store shelves for more than 12 months (Gourville 2006 in (Elliott & FU, 2008)). Faced with a rapid proliferation of technological advancements and the bombardment of new technology categories, many consumers are overwhelmed. These innovations often require consumers to change their behavior and/or incur transaction costs. More importantly, consumers are not always able to recognize the full advantages of technology innovations (Elliott & FU, 2008).

3. Theoretical Framework

3.1. Diffusion of Innovations Theory

Diffusion theory proposes that there is a relationship between the rate of diffusion of innovations and interpersonal communications which involves change agents, opinion leaders amongst others. The author further proposed that diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system (Rogers, 2003). Later users of the theory suggest that diffusion is a special type of communication concerned with the spread of messages that are perceived as new ideas. An innovation, simply put, is "an idea perceived as new by the individual". An innovation is an idea, practice, or object that is perceived as new by an individual or other unit of adoption (Sahin, 2011). Rogers reported that 49-87% of the variance in the rate of adoption of innovations is explained by the attributes of the innovation (relative advantage, compatibility, complexity, trialability, and observability), as perceived by the members of a social system, determine its rate of adoption. In addition to those attributes, the innovation-decision type (optional, collective, or authority), communication channels (mass media or interpersonal channels), social system (norms or network interconnectedness), and change agents may increase the predictability of the rate of adoption of innovations (Rogers, 2003).

The theory assumes that media as well as interpersonal contacts provide information and influence opinion and judgment (MacVaugh & Schiavone, 2010). In addition, the theory assumes that the social system constitutes a

boundary within which an innovation diffuses. How the system's social structure affects diffusion has been studied (Rogers, 2003). Pursuant to the foregoing assumptions (MacVaugh & Schiavone, 2010) observes that an individual will first seek information at various stages in the innovation-decision process in order to decrease uncertainty about an innovation's expected consequences. He processes through five steps. The first one is knowledge: here a person becomes aware of an innovation and has some idea of how it functions. Secondly, we have persuasion: at this level a person forms a favorable or unfavorable attitude toward the innovation. Thirdly, decision is the next step: here a person engages in activities that lead to a choice to adopt or reject the innovation. The fourth step is implementation: The person now puts an innovation into use. And lastly, we reach confirmation: by now, the person evaluates the results of an innovation-decision already made (MacVaugh & Schiavone, 2010). Drawing from this assumption the current study will measure the dependent variable in terms of rate of adoption (subscribers, frequency of use).

4. Methodology

The methodological approach in this study is descriptive, because the study attempted to identify and explain variables that exist in a given situation and to describe the relationship that exists between these variables in order to provide a picture of a particular phenomenon, but not to ferret out cause-effect relationships (Churchill & Iacobucci 2002). Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. The main characteristic of this method is that the researcher has no control over the variables; he can only report what has happened or what is happening; the researcher seeks to measure such items as, for example, frequency of shopping, preferences of people, or similar data. (Kothari & Gaurav, 2014). The population for this study comprised of all Mobile Money department staff in Econet-Wireless Burundi, as well as the women who sell different products in the Bujumbura City Market. Stratified sampling technique was used to draw a sample size of 133 respondents from a target population of 800 business women in Bujumbura City Market, and 13 communication practitioners from Econet Wireless, in Burundi. Data were collected using a closed ended questionnaire and an interview guide and analyzed using a computer based software named Statistical Package for social Sciences (SPSS) for both descriptive and inferential statistics.

5. Findings

Results have shown that a 47% of Ecocash staff communicates with their customers through "SMS" while 39% of the staff communicates with their customer via kiosks. However, 14% is through workplace visits. No wonder results as shown in the Fig 2 below reveal that a majority, 85% of business women is not Mobile money subscribers whereas a minority, 15% of them is using the Mobile money services.

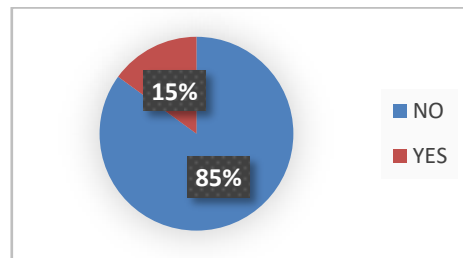


Figure 2: Mobile Money subscribers among the business women

Results on mobile money underutilization as revealed in Fig 4. Show that 42% is due to lack of information, while a cumulative 58% is as a result other factors for instance cost, fear, no interest amongst others).

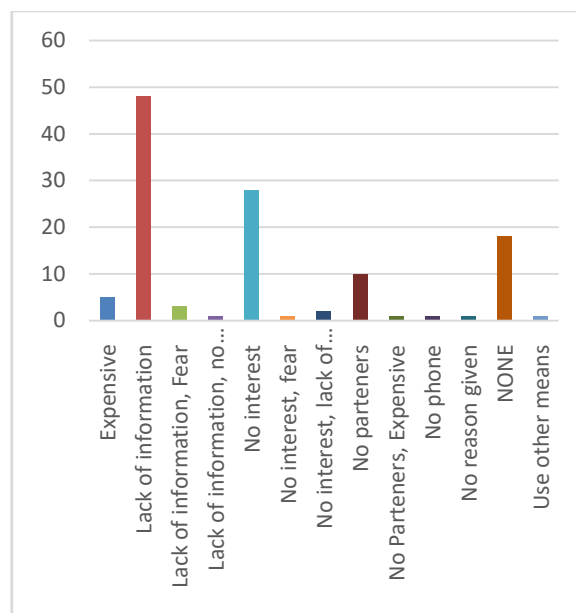


Figure 3: Causes of Mobile Money underutilization

In summary, Econet Wireless staff has shared on their manners of interacting with their customers, on how they receive their suggestions and feedback. The research found that radio programs include the channels that are mostly used. And a minority, 39% of the staff has confirmed they use kiosks to interact with their customers. When respondents who are aware of MMS existence were asked through which channel (s) they get to know it, radio comes at a considerable proportion of 36%, the majority being word of mouth. Also, a majority, 76.92% of the staff were not sure to tell if interactive communication is given adequate importance. However, 100% of the same respondents agreed that interactive communication can increase the awareness level of using mobile money services. This is to confirm that interactive communication also positively influences adoption of MMS.

6. Conclusion

Working on innovation therefore requires moving through many communication activities, connected to marketing, which transform information into knowledge through a complex process of communication. From a communicational perspective, this means that the updating of this lamination requires that the different definitions in

co-presence be perceived for a given situation. And finally we see that IMC has a big influence on the adoption of innovation. From the point of view of the business world, the placing on the market of a technology is a work of identification and mobilization of accessible knowledge. Reasoning in terms of intermediary knowledge or action enables us to clarify this creation of uses by positioning it as the extension of knowledge mobilized by a user in a new context. IMC has a great importance on the life and success of any organization especially when that organization has something new to present to its publics/customers. This is why a well-integrated marketing communications is necessary to ensure the success of diffusion and adoption of innovations. The ability to communicate effectively has a great impact on an organization's success. This is because it affects teamwork and collaboration. Effective communication enables positive interaction between two or more individuals working together to solve problems; create novel products and master required skills. To be implemented, IMC requires the involvement of the whole organization and its agents from the chief executive downward. It needs consideration from the highest corporate strategic level down to the day-to-day implementation of individual tactical activity." It used to be that traditional mass media (radio, print, TV) was the way to go when it comes to advertising a product, service or brand. While they still have their uses, your customers now interact with your brand in so many ways beyond this. More than ever, customers are kings. The power has shifted from the manufacturers (those who make a product) to the retailers (those who actually sell the product). We all know it: it's easier to keep an existing customer happy than it is to win back a customer you lost.

7. Recommendations

Based on the findings of this study, the following recommendations are suggested to make Mobile money services (the sample innovation of this study) more appreciated and consequently utilized by, not only business women, but by all the target population of MMS suppliers. In order to increase MMS subscribers, communicators should learn to integrate their promotion tools and adapt them to segmented target populations. One tool cannot be used for the whole population and expect to have best results. Field visits like approaching the target should be multiplied. From these, feedback and suggestions from the customers would help the organizations to improve their offers and create much profit. Most of business women have complained to the researcher (see Fig 3) that they have not enough information about MMS and which led some of them to a kind of being not interested in using them.

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