

The Forms of Integrated Marketing Communication that Effect the Brand Equity Perception in Direct Sale System Comparing Thai and Foreign Cosmetics Brand

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Abstract. At present, cosmetic direct sale products in Thailand is highly competitive. Therefore, bringing in integrated marketing communication schemes to add value to the existing brand equity for the consumers is very important. This is because if effective communication is used to the extent that the consumers acknowledge the influence of brand equity will create an impact on business sales values in the long term. In this study, the objective is to study the formats of integrated market communication of direct sale for cosmetics under Thai brands in comparison to other foreign brands that affect the branding equity of the products. Level Analysis of the branding equity will be based on 5 levels according to Asker: 2008 theory; brand awareness, brand quality, brand association, brand loyalty and other proprietary brand assets. The scope of this study doesn't measure any other proprietary brand assets of the brand equity because this brand equity is based on producers or company owners of the products. In this study the researcher is interested only in the consumer's point of view on brand equity therefore only 4 levels of brand equity will be used as the framework for this quantitative research. Data collection will be performed on a series of literature reviews, documents, texts and relevant research papers. There will also be data collection from questionnaires targeted at direct sale consumers of both Thai and foreign cosmetic products in Thailand. From the study, it was found that the integrated market communication has less effect on the acknowledgement of the brand equity of Thai brands when compared to foreign brands. In terms of integrated market communication for Thai brand equity; the most effective method is advertising. While for foreign brands the effective methods are advertising, promotions, salesperson, and electronic markets. Therefore, cosmetic product manufacturers in direct sale system in Thailand should study and chose more effective means or methods of integrated market communication which will directly influence how the consumers perceive the brand equity of the product. This information is used in strategic marketing plans for integrated market communications of their cosmetic products in their direct sale system to increase their sales values.

Keywords: Integrated Marketing Communication, Brand Equity, Direct Sale, Thai Cosmetic Brand, International Cosmetic Brand

1. Introduction

Direct sale of cosmetic products plays increasing roles in today's economic system because it supports people to have jobs and to increase their income. Hence, many foreign cosmetic manufacturers who focus on direct sale had moved into Thai market which in turn raised the competitiveness level for the Thai cosmetic brands (Kasikorn, 2011). Therefore, marketing specialists must prepare very good strategic plans for their competitions. The popular strategy used in the market competitions to form a marketing plan for today's business is the integrated market communication. This strategy is a collection of various forms of communication and each method uses different level for its efficiency (Shimp, 2010). The marketing specialist must strategically plan on which methods are to be chosen which are the most appropriate for the product and must arrange all the various communication methods in the same direction towards a common goal. Madhavaram et al (2005) found that effective marketing communication must be able to measure the brand equity in terms of how the consumers perceive the brand equity of the product and at what level. If the cosmetic product manufacturers in direct sale system have a chance to study these integrated market communication formats that affect customer's perception and acceptance of the brand equity, they will have more advantage in their business. Therefore, the researcher is interested in exploring the different forms of integrated market communication that impact the consumer's acknowledgement and perception of Thai and foreign cosmetic brands in direct sale market because they will be useful for the business and society in the future.

2. Literature Review

2.1. Integrated Marketing Communication Theories

Integrated marketing communication is the process that communicated with the consumers about brand equity through various types of communication means. Besides the methods of communication used, the major rule is the flow of the message must be in the same directions and has the same objectives. Schultz et al (2008) defined integrated marketing communication as the process of development and used different forms of communication programs in creating interests to existing and prospective customers at a given time. Schultz and Schultz (2009) summarized integrated marketing communication as the process that bringing different types of activities together appropriately for a common purpose such as advertising and sales promotion. Therefore, marketing specialists must plan carefully about which methods of marketing communication are appropriate for the specific items to ensure efficiency.

2.2. Brand Equity Theories

Brand equity is the benefit of the brand that the consumers can feel the importance. Kotler and Armstrong (2007) stated that efficient brand equity will impact and influence sustainable and increasingly profit which is the same message as Duncan (2002) who gave in stating that branding can connect to integrated marketing communication because it makes people remember the product brand and create brand image. Similarly, Aaker (2008) defined the meaning of brand equity as the continuation of assets and expenses which are linked with the brand that can increase or decrease the value of the products and the value of the brand. The researcher adopted Aaker's idea as shown in Fig.1 below to use as the framework of this study.

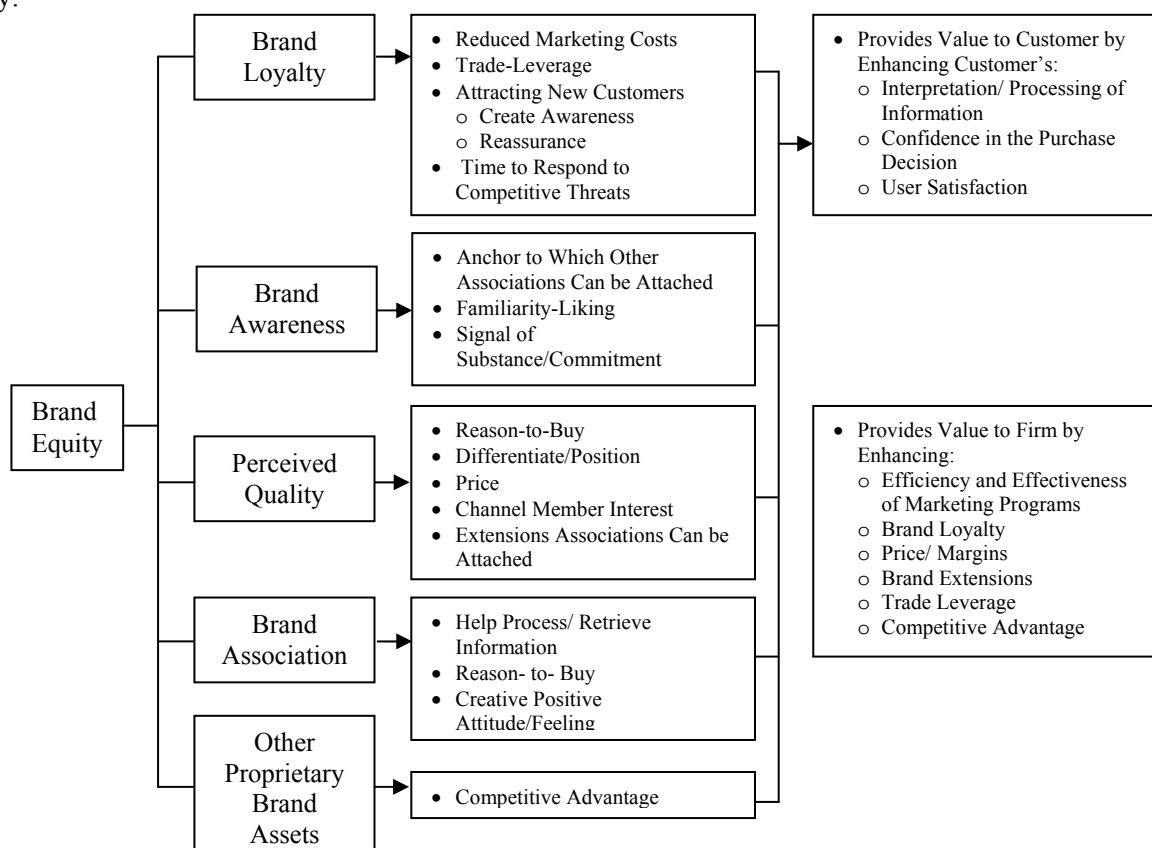


Fig. 1: Aaker (2008)

From Aaker (2008) brand equity is categorized in 5 levels: 1. brand awareness, 2. brand quality, 3. brand association, 4. brand loyalty, and 5. other proprietary brand assets. These 5 levels stated are the frame of thought used in this research. However, in this research, the researcher chose not to consider the fifth level on other proprietary brand assets because it deals more with the perspective of the brand owner. The researcher is interested only in the consumer's perspective and will only measure brand equity on 4 levels. Marketing specialists must create a plan to increase the value of their brand equity as much as possible for

their organization especially brand equity at the brand loyalty level which is the highest focus level of this research.

3. Hypotheses

The forms of integrated marketing communication between the cosmetic products, Thai brand and foreign brand, in the direct sale system effect the perception of brand’s equity.

4. Methodology

Population and sample: This research is a quantitative research. The random samples consist of 440 respondents in Bangkok and vicinity who perceived Thai and foreign cosmetic direct sale. The questionnaires were developed by using relevant theories and researches and have been validated by 3 academic professionals. The validity and reliability of the questionnaires were tested using 30 pilot-tests. The validity value is 0.9033 (Cooper and Schindler, 2003). The Cronbach’s alpha for reliability of the questionnaires is 0.954.

Data Analysis: The received data was analysed by using the statistic application program. General statistic value such as percentage, average, standard deviation etc. can be found by using descriptive statistics. The inferential statistics were used to test the hypothesis: t-test for the difference between two groups, f-test (One-way Anova) for the difference of more than two groups and Multiple Regression Analysis for the relationship between two or more variables (Bluman, 2006).

5. Results

The result of this study about the forms of integrated marketing communication that influence the perception of the brand equity of Thai cosmetic brands and foreign cosmetic brands in the direct sale market can be summarized as shown in the following table.

Table 1: Forms of integrated marketing communications that influence the perception of brand equity of Thai cosmetic brands and foreign cosmetic brands in the direct sales market.

| Forms of integrated marketing communications | Thai brand | | | | Foreign brand | | | |
|--|-----------------|-------------------|-------------------|---------------|-----------------|-------------------|-------------------|---------------|
| | Brand awareness | Perceived quality | Brand association | Brand loyalty | Brand awareness | Perceived quality | Brand association | Brand loyalty |
| 1. Advertising | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. Promotion campaigns | - | ✓ | - | ✓ | - | - | - | - |
| 3. Sales promotion | ✓ | - | - | - | ✓ | ✓ | ✓ | ✓ |
| 4. Sales by sales person | - | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. Marketing activities | ✓ | ✓ | ✓ | - | - | ✓ | ✓ | ✓ |
| 6. E-commerce | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | ✓ |

The forms of integrated marketing communications that influence the perception of the brand equity of Thai cosmetic brands and foreign cosmetic brands in the direct sales market as shown in Table 1 can be concluded that;

- **Advertising** is the most effective form of integrated marketing communication because its influence creates impact on all four levels of brand equity (brand awareness, brand quality, brand associations, brand loyalty) for both Thai and foreign cosmetic brands in the direct sale market.
- **Promotion campaigns** of Thai cosmetic brands are done through well-known actors or actresses, singers or mind-leaders. These people will arouse the consumers’ perception on brand equity to the

level of brand quality and brand loyalty because the credibility of the presenters make the consumers believe in the accountability of the product.

- Promotion campaigns seem to have no effect on all 4 levels of foreign cosmetic brand equity in the direct sales market in Thailand. This is because the duration of the promotion campaign is not long enough to be effected on customers' perception on brand equity, while foreign brands require quicker customers' perception.
- **Sales promotion** has direct impact on Thai cosmetic brand equity only at the brand awareness level because the sales promotion is a short term communication method that cannot influence the consumers' decision to buy. Furthermore, in the cosmetic sector, consumers are focused more on the quality of the products than the promotions.
- On the other hand, sales promotion for foreign brands creates brand equity at all levels. This is because the consumers believe that the foreign brands are expensive and they already have high expectations of the quality. Therefore, once foreign brands have sales promotion, the consumers are quick to accept and participate because they feel it is beneficial. This means that the quality of the product and sales promotion is directly linked to one another.
- **Salesperson** has direct impact on brand quality and brand loyalty of the consumers for Thai cosmetic brands because this kind of communication uses real person who has knowledge and expertise in the product. Moreover, it is a two-way communication that makes the customers perceive and understand brand quality up to brand loyalty level.
- For foreign cosmetic brands, the salesperson influences all four levels of brand equity. It is clear that using salesperson as a part of an integrated marketing communication scheme, is more effective for foreign cosmetic brand and achieves more targets than for Thai cosmetic brands. This is because foreign cosmetic brands have better strategy in planning the system and the efficiency of their salesperson. Foreign cosmetic brands create a bond between the organization and their employees by using incentive in form of money or promotion acceptable position. This promotes awareness and determination among the salespersons. Therefore it has direct and positive impact on all four levels of brand equity.
- **Marketing activities** for Thai cosmetic brands affect the brand equity at brand awareness, brand quality, and brand association levels but do not affect on brand loyalty levels because marketing activities for Thai cosmetic brands is a set up event or special occasion for communication which lasts for a short period of time. Once the events are over, the perception of the consumers is also over. The information communicated through the events doesn't last long in the consumers' memory therefore it has no impact on brand loyalty.
- For foreign cosmetic brands, marketing activities affect brand equity at brand quality, brand associate, and brand loyalty levels but they do not affect the brand awareness level because marketing activities of foreign cosmetic brands focus on press conferences on social responsibility activities and use the products as parts of competition activities. The information received during the short intervals in the activity allows the consumer to get information what they may not have known before, this allows them to understand and associate with the brand which at the end may create brand loyalty in the future. Therefore, marketing activities should allow certain amount of time for activities which enable the consumers to digest the given information at the same time. Moreover, pre-event promotions should be emphasized as well so the turn-up during the event will be high.
- **E-commerce** for Thai cosmetic products affects the brand equity at brand awareness, brand quality, and brand association levels but do not effect on brand loyalty level because by this method, the consumers must search for the product by themselves. During searching, they may find alternative channels and change their minds immediately if the design of the communication cannot compatible with the competitors. This makes it hard to create brand loyalty through e-commerce.
- Foreign cosmetic brands work well on e-commerce. It creates impacts on all 4 levels of brand equity. This shows that the foreign brands have good communication plans which can persuade and arouse the consumer interests in getting the information. Foreign cosmetic brands can create brand loyalty through this form of communication. E-commerce is a good and efficient way to communicate

because it is a two-way communication that can make the customers perceive at all levels. Therefore e-commerce marketing must have good tactics in creating interests and ease communication. Furthermore, e-commerce is a fast, convenient and interesting way for the consumers to search for more information. This method of communication is available for consumers at all times and has no limits on location which comply with the needs of today's consumers.

6. Conclusion

This study on the integrated marketing communication method that influences the acknowledgement of brand equity between Thai cosmetic brand and foreign cosmetic brand has significant importance to the direct sale cosmetic market. This is because it allows us to know which type of communication means or methods are the most useful and effective way for the integrated marketing communication in direct sales. This is essential because each type of communication has different affects and efficiency so the marketing specialists must know which combination will be appropriate to support each other's impact. The choice must be made carefully to fit the products, timing, location, and target groups because a good integrated marketing communication must be measureable in terms of brand equity. It is also important to know if the message transferred reaches the consumers to the point of creating brand loyalty or not because this is the highest brand equity for effectiveness in integrated market communication. Once these methods are identified then the marketing specialists can study and plan their integrated marketing communication schemes for the most benefit of their cosmetic products in direct sales.

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