

## **Applying Integrated Marketing Communication in Thai Marketing**

Nakul Lerkjarijumpon  
College of Innovation Management,  
Rajamangala University of Technology Rattanakosin,  
Nakhonpathom, Thailand

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### **ABSTRACT**

This research emphasizes on the success of the application of the marketing mix to communicate to 7-11 customers in Thailand. The integrated marketing communication of 7-11 consists of product communication by notifying customers a variety of products available in each store which appropriate to the located communities of each store. Product quality when comparing prices with competitors was used in terms of price communication. 7-11 communicate their channel distribution by locating stores in the urban area to convince customer's access. In terms of promotion communication, 7-11 use form of advertisement that can attract and creates customer recognition. The most successful of sales promotion using in 7-11 is stamps collection and product redeem. Personal selling has been used to build a good store image, whether the employee uniform, greeting and thank you speech, or friendly in-store atmosphere. 7-11 also use 7-Catalogue for direct sales. Stamp donation and community meeting place was used as public relation tools to build the store image. As employees or personnel in an organization are something that visible and touchable for customers, 7-11 make a communication to the customer by trained their employee to have such as good manner. This research has shown that successful marketing communications of the convenience stores like 7-11 for 25 years in Thailand cause using marketing mix communication that proven by the steadily increasing number of stores in Thailand.

Keywords– Integrated marketing communication, marketing mix

### **I. Introduction**

Today's business execution required multiple business processes from the production to the delivery of products to customers. Particularly in developing countries like Thailand, which some corporate both manufactures and distribute their own products while some corporate supply and distribute various products acquired from other product owners. The marketing process begins with the production, from what to produce, in which form, to whom, and who are new customer segments to expand the distribution in the future. Therefore, marketers or marketing communicators must pay attention from the composition, form, color, and the shape of the product, including the packaging. This indicates that product owner, marketer, or marketing communicators attempting to communicate their products to target customers. Thereto, addition, other functions in the marketing mix will be taken into account in order to communicate to target customers as well.

In terms of pricing, which typically can be divided into three levels of pricing as higher than a market price, equal to a market price and lower than a market price. However, in general, practice marketers or market communicators tend determine the prices inconsistent with their products and the target customers. Furthermore, marketers or market communicators also need to decide toward the distributors or distribution channels. Whether the form of distribution that makes it even convenient to target customers such as selling through online channels or offline channel. Even open full scaled retail store to create a good image for the product by providing such parking space, facilitators, in-store service, personal sellers, and hospitality. The promotion is subsequently another marketing mix that playing such a major role in the integrated marketing communication in order to create the product image. Advertising was used through a variety of media include TV, newspapers, magazines, indoor, outdoor, transportation, online, to build awareness about and decide to buy the product. Various form of sales promotion as price discount, redemption, the premium was used in the integrated marketing communication to communicate to the target customers in order to create good product images and product perception.

In the case of the service, there are several compositions toward personnel matter to be considered. It comprises of service personnel recruiting, employee knowledge providing, customer prioritizing, customer satisfaction building, and credibility establishing in order to meet the organizational objectives. Including uniform, trademark, symbol, personality, self-expression, performance duty, understand and comply with the organization's culture, and deliver them to customers. 7-11 also manage the physical environment where customers can touch and involved such as the use of color as a symbol of a business to attract new customers. This include the composition the store, atmosphere, store interiors, cleanliness, comfort, a unique fragrance, parking space, security, restroom, surrounding areas, the design of product package, recycling, and environmental concerns.

Another critical factor of providing great service is the service process. Corporation should establish the service process of employees in the organization at all levels, from management to housekeepers and security guards. Everyone should focus on service management at good attitude, accurate, and complete in order to build the good image, good impression and loyalty to products and organization. In the context of Thailand, 7-11 can be such an interesting case study. Therefore, this research will use integrated marketing communication in describing the market of Thailand by using a case study of 7-11.

## **II. Concept of Integrated Marketing Communication**

The process of marketing communications in general occurs when marketers or marketing communicators, which can be the same or different person, try to use market function that are part of the marketing mix to communicate to their targeted customers. The purpose of executing integrated marketing communication is to create awareness, recognition, perception of the customer who will follow by a purchase, repeat purchase, recommend, and being loyal customers. Therefore, marketers or market communicators have such duty to manage or choose such proper methods, tools, media, behavior survey, preferences, and change over time as to be accepted by target customers. Moreover, integrated marketing communication is also considered as a process which marketers try to integrate the flow of information through the various media as a tool or medium to reach

targeted customers with the objective to increase profit or sales. The definition of marketing communications was given by several academics, as follows.

Belch and Belch, (2001). Every marketing activity of the company. Not only using promotion to communicate to the client but also use every function of the marketing mix. However, it must be compatible with the other function in the marketing mix. If the message sends to customers in different way or meaning, then it will devalue product brand in the minds of consumers.

Jenkinson and Sain, (2004). Integrated Marketing (IM) is the step forward of Integrated Marketing Communication (IMC) as it emphasize in collecting such proper information and present to customers with a good blend of the marketing mix.

Etzel, Walker and Stanton, (2007) provide a definition of marketing communications as one element of the marketing mix. by providing information, attract, and remind customers about the product and organization as the aim is to have influence in shaping beliefs. Good feeling the behavior of the buyer.

Peter and Olson, (2008) provides a definition of marketing communications that as a presentation of information that developed by marketers. In order to convey information about their products and create customer satisfaction for consumers to tend to purchase such as product.

Schultz and Kitchen, (2008) provides a definition of marketing communications as a process of business strategy that used to plan, develop, execute, and application to the measurement and evaluation, promote the brand communication with consumers, customers, prospect and other target customers. This is also associated with external and internal perception.

Many studied stated that Integrated marketing communication impact to communication (Sererat et al., 1998; Teepapal, 1998; Jangjanekit, 2001; Lothongkam, 2001; Wongmonta, 2004; Jumponsatean, 2004; Chayatuch, 2004; Pongsathaporn, 2006; Teanput, 2007;) Integrated marketing communications (IMC) is a joint of using marketing communication tools with the same objective in order to create a powerful impact communication. A combination of several marketing tools also appropriately use in 7-11 by employing various forms of media, communication methods and choice of media channels. A process of developing a marketing communications plan that requires multiple forms of communication to motivate target market constantly and to achieve a specific objective of the communicators.

Teerasorn (2008), provides a definition of marketing communications as an element in the marketing mix of a particular brand that can generate more business activities. The marketing communicators focus on brand building, brand positioning to be different from competitors. It is also notifying the recipient of the meanings of product's brand.

Pipatsareetham (2009) provides a definition of marketing communications as a communication that coordination and uses various marketing tools to convey such unity and clarify organization or product's news, etc. As aim to motivate and change attitudes of customers to be interested in their product or service

Major components of the marketing communications mix (Kitchen, 2005) consisted of

1. Advertising is the communication of corporate to target customers through various media.
2. Sale Promotion is an activity that marketers make special offers to customers during the specified period of time.
3. Public Relation is a creation of a good image for product, service and organization.
4. Direct Marketing is an activity that directly connect to individual customers who customers can give such immediate feedback.
5. Personal Selling is a sale of products by using company's sales staff.
6. Exhibitions is a communication to customers by using all materials such as board, hanging material, etc. to show firm's product and brand.
7. The point of purchase is a communication at the place that the product is shown in any store.
8. Cyber-marketing is all communications that show by using on-line media.
9. Sponsorship is to be a part of supporting sports events, music events, or the events that our target customers attend.

From the means of marketing communication above, marketing communications can be defined as an attempt of marketers to integrate all elements and marketing tools that can serve as a medium to communicate and convey such suitable information about their products to their customers and prospect. All marketing communication activities should be executed in the same way or support each other to build brand image and recognition in the same direction as the customer's eyes.

### **III. Facts Concerning 7-11**

CP Thailand interest in the business success of 7- Eleven and went to study retail business for a period of one year. The agreement signed in to do business with the parent company in the United States on May 7th November in 1988. The first branch of 7-11 in Thailand opened on June 1, 1989, at the corner of Patpong Street. It managed by CP-7-11 Co., LTD or CP all Co., Ltd. As the company continuously expanding their branches, there have more than 6,500 stores (as of 2012) and over 6,500,000 customers. The estimated store's expansion in the next five years is expected to be 10,000 branches with an average sale of 82,000 Baht per day of existing branches, and 7,500 Baht per day of new branches. Although 7-11 were originated from the United States, but presently Japan is the country that has a number of branches. With the ability to adapt 7-11 in the way of living of the East coach customers, Thailand has been the most successful 7-11 in the East zone country.

Gorillas' strategy was used as a place communication strategy to facilitate customers to buy products nearby their place. In terms of product communicating strategy, 7-11 offers a very wide range of products and generate maximum revenue from food category. Since 7-11 emphasize a variety of products, including the development of the brand itself and supply from other manufacturers, the product of CP has been the most favorite branch in the store such as sausage, bread, fresh coffee, and frozen food. As these products for the self, it can more attract customers when compared to competitors, therefore, price communication strategy was used by discount the price while gains more profits. Moreover, the increasing revenue was coming from bakery department and coffee shop in each store. In terms of promotion communication strategy, 7- Eleven using the advertisement through various on-line and off-line media by using the famous presenter to attract customers. Including the use

of the slogan "Anytime you are hungry, come to 7-11," and the most successful sales promotion is the royalty program of stamp collection. Another tool that 7-11 were successful in inviting customers to make more purchase called "Plus Sales" and "Predetermined Price" that give customers more discount which encourage customers to make more purchase.

#### **IV. Analysis IMC**

##### **7-11 Analysis Case study**

7-11 use various marketing tools to communicate with customers such as green white red color, a very bright light during the night, slogan "Any time you are hungry, come to 7-11" as it always be a kitchen for everyone, greeting speech "Sawasdee Krub (ka) or Welcome' from every part of the store, a forever favorable drink for the kids 'Slurpee', and stamp collection, which always getting well responds (latest collection is AEC stamps). 7-11 used communication tools mentioned above to create such a recognition symbol in Thailand for 25 years. The composition of the product contains ingredients, name, symbol, pattern, color, packaging, and all elements that make up and combined into that product. Therefore, product owners must pay attention to every component used in production. On the other hand, service providers focus on offering best service quality, building service identity, and providing such unique and outstanding form of service to create recognition from target customers. Every phase in the service process must be able to satisfy customers need since the customer come in the store until payment process and also attract customer to make a re-purchase and recommend others to come.

In this case, 7-11 try to communicate with customers about the variety of products by using the multi-method in order to satisfy the need of each level of target customers. As well as assorted the product to fit with locating customers. Furthermore, 7-11 also offered a unique service as a convenience, quick service, especially serving a variety of food and dessert for every meal of the day.

Price is also another marketing mix that can communicate the product and identify of 7-11. Pricing communication can be used together with other marketing mixes in order to inform the quality of product to target customers. Properly and appropriately price communicated is another part of the integrated marketing communication to the customers, whether higher price, same price or lower price than any competitor. 7-11 communicate to target customers that they are selling a quality product that can satisfy the need of target customers at appropriated price and worth comparing with the convenience. Which make customers happy and willing to make a purchase and come again in the future.

Place communication or channel communication aims to exhibit channel of product distributions which facilitate intermediaries and customers in the distribution channel. Including to impress customers while come into the store. Impress in store layout, toilet, decor, hospitality, parking, security, etc. 7-11 has the process of selecting an appropriate location with quickly and properly product management, instant and on-time shipping cycle, just-in-time storage of stock in the store and catch up on all the customer needs. A number of branches and scattered in a place that is the center of the community with products available all the time at each store have been well accepted by customers. 7-11 can recognize and communicate very well that 7-11 has all products that customers want.

Promotion communication is the providing of tools, methods, and various mechanisms of communication to target customer. Promotion communication can integrate with other marketing mixes in order to make an effective communication to the target market



through various media such as advertising, sales promotion, personal selling, direct marketing, and public relation. Moreover, promotion communication can also communicate via electronic channels and online system. 7-11 make an integrated marketing communication through every aspect of the marketing mix to reach target customers in order to gain customers' recognition, identification, and recommendation. Lately, 7-11 launch full set of Thai breakfast selling under 7-11 price with a slogan of "Anytime you are hungry, come to 7-11." Moreover, one of the successful promotion communications that has been the talk of the town is a royalty program as a stamp collection to redeem souvenir, which lately launching AEC stamps in order to support AEC in the year of 2015.

Employees and all stakeholders in the organization are also another aspects of the communication tool. An organization must communicate to employees and stakeholders to focus on customers, create customer satisfaction, and establish credibility while on duty. Employees must be able to communicate to customers in every service process, whether greeting speech, good-bye speech, uniform, trademark, symbol, personality, expression, duty performance, and understanding and comply with organizational culture, and convey these things to customers. Green strip shirts with the 7-11 logo on the pocket and black pants were used as Employees uniform in 7-11. All employees working in the same format for the customer entered the store, greeting, making a payment, top-up sales, thank you, and invite to make the next visit.

Physical evidence management is the arrangement of everything that customer glance and experience. Color, light, and entire surroundings can be used to express the identity of the business and attract customers. There were also a number of physical managements that has been used in today's business include store arrangement, overall atmosphere, store interiors, cleanliness, convenience, unique scent, parking space, toilet, surrounding area, product packaging design, recycling, reuse, and environmental concerns. 7-11 generate awareness and familiarity in store atmosphere to customers using these various elements such as color (green and red), light (clearly visible store), standard visual merchandising (every store has same product arrangement), employee uniform (green stripe shirt with 7-11 logo on the pocket), store cleanliness (frequency cleaning), same atmosphere both inside-outside store, employees service patterns, customers greeting since a customer enter the store until making payment, and parking facilitation for some store.

Service management process is a process that can impress and build loyalty in the product. Service management process focuses on employees at all levels of the organization from management to the housekeeper and the security guard. Service management process mainly focuses on the aspects of management favorable, the correctly and perfectly service processes in order to build the good image and impress customers to recommend and make a re-purchase in the future. Service process of 7-11 start from the customer greeting at the first step he/she walks into the store by saying, "Sawasdee (Hello)" until customer making payment. The sales person will collect customer information by customer's gender and age into the cash register machine before making a payment. Moreover, the sales person will persuade customers to buy other products before saying, thank you and invite for future coming.

A case study of 7-11 in Thailand that apply marketing communication into business operation can lead to a successful business, well-known and highly except as a popular and a top of mind retail store. 7-11 offering a relatively wide range of products like a large refrigerator with a wide choice of a menu in every meal, snacks, sweets and basic household appliances, frozen food which ready to eat at every meal of the day. In addition, 7-11 also offer a variety of locations that can satisfy the needs of customers in each area. In terms of pricing, 7-11 setting prices to make customers perceive that the price may be higher than the

general store but the convenience that provides to customers is suitable for the relatively higher price.

In terms of distribution channels or place, 7-11 use the same-store layout and the same distribution communication which brings the convenience to customers while shopping in the store. The selection of outstanding location as a street corner or specific building, and bright color (green-red) was all used to create brand awareness. 7-11 make an excellent combine of variety promotion, which conforms to the product offering, pricing and channel distribution. Whether the advertising on offline media like television, newspapers, radio, magazines, etc. and online media to reach out individually like Facebook, Twitter, Line, etc. The brand ambassador also used to gain attention from target customers in each period of time.

Sales promotion of 7-11 can make such great communication and recognition and also can link to another marketing mix such as "Stamp Collection," which generated such high revenue in 7-11. Other sales promotions were also used to communicate and drive the sales such as price discounts, redemption, give away premium and tie-in product. Direct marketing of 7-11 was also had been very popular as selling through the 7-11 catalog which customer can make the order and receive products at convenience stores. The use of sales staff to cheer customers to buy more products after their payments (Redeem). Moreover, public relation, color, store interior, and staff's uniform were also used to communicate with customers as well. Including the presentation of a social awareness that many 7-11 stores act like a place to meet people in the community who live in that area because it is open 24 hours.

## V. Conclusion

The study shows that integrated marketing communication contribute the success of the business operation of 7-11 in Thailand. Such success of 7-11 integrated marketing communicate achieved by using several communication tools through every component of marketing mixes whether product, price, place, distribution channel, or promotion that includes advertising, sales promotion, personal selling, directed marketing, and public relation. The company has been executed the integrated marketing communication since starting operations in Thailand until the present day. 7-11 have been developed on altering multi-marketing communications tool and instruments in accordance with the changing patterns and exposure to communicate with Thai people. The continuum of modification in integrated marketing communications of 7-11 can stimulate the demand of target customers and result in a successful in business. The evident shown in relatively high of sales revenue and gradually increasing of store numbers as well.

The research shows that 7-11 can apply marketing communication tools and uses them at the right place and right time. That can attract numerous customers into the stores. Evident of the success of 7-11 is the relatively high daily sales of each store and the steadily increased with the number of branches. 7-11 use product communication to tell the customer that "Anytime you are hungry, come to 7-11." The store always provides hot food, dessert and snacks for every Thai meal of all time. Moreover, 7-11 also communicate that customers can find what they need from every branch located in a residential community. Although the price is more expensive than elsewhere, but 7-11 can use price communication together with other communication mechanisms to make customers feel that the product is reasonably

priced compared to other places by always providing lighting, air-condition (Thailand's hot all year), beautiful merchandising, ready-to-eat food at every meal, and convenient to carry back home.

7-11 also use channel communication by locating every store in the center of the community area to provide customers convenient access to both urban and suburban. Some stores outside the city provide parking area in front of the shop. 7-11 also serve as a meeting place for the community by allowing the merchant in use sales area of the store as well. 7-11 are very prominent in the element of the marketing promotion communication. 7-11 selected famous presenter in advertising which generates positive feedback and recognition. Sales promotion is also used in 7-11 like product's redemption, a plus-sale, and stamp collection for gift redeem. This approach makes the most successful in 7-11 from both sales and profitability until becoming the talk of the town in Thailand. Due to Thailand is working with nine other countries to join together as Asian Community in 2015. Recently, 7-11 issued stamps for the One Community to support the learning a way of life in ASEAN integration.

Personal selling is also creating such great recognition among customers by greeting. They encourage to make more purchase and thank you every customer. Direct marketing is used by 7-11 catalog, which can attract numerous customers as they can order and pick up the order at the nearest branch. They use public relation to creating a good image for the organization by providing a store as a meeting place for people in the community because of the light throughout the day and night. In addition, customers can endow stamps in exchange for a donation to charity as well. Operation employees provide a very good service since customers came into the store and finally go out of the store, make customers perceive that 7-11 have well-trained employees in the provision of service. Other factors such as standard of store model, process of service, freedom in product choosing, convince in product reaching, parking space (only some branches) makes 7-11 retail business as an interesting case study in the process of applying successful marketing communications in Thailand.

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