

Relationship between Integrated Marketing Communication Strategy and Cosmetics Business Performance in Thailand

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Abstract

This research investigated the relationship between an integrated marketing communication strategy and the performance of cosmetic businesses in Thailand. The researchers collected data from 104 voluntary marketing executives using a mailed questionnaire. Correlation analysis and multiple regression analysis were used as statistical techniques to analyze the obtained data. The results indicated that the integrated marketing communication strategy in terms of message consistency orientation and media channel aspects positively relates to and affects performance. However, the identified integrated marketing communication strategy from an inter-functional coordination aspect does not significantly affect performance. According to the obtained findings, businesses should pay attention to the *procedures* of strategic marketing communication *planning* to enhance business competency for competition and sustain environmental transformation. Such planning procedures can increase customer acceptance as the key success factor for business efficiency and effectiveness.

Keywords: *Integrated marketing communication strategy, performance, cosmetics business in Thailand*

1. Introduction

At present, the global economy is changing, and competition is steadily increasing. It is needed to improve and develop the work management system to create advantages and competitiveness so that one's business can be above the competitors in marketing. Businesses need to adapt their business environment. To respond to ever-changing customer needs as well as manage and operate a business successfully, including to create an operational advantage, there must be a good practice in managing the marketing communication strategy.

Among several marketing strategies, integrated marketing communication is widely adopted by businesses. The integrated marketing communication strategy is a planning process that aims to use a variety of communication tools, helping to maximize the efficiency of communication to send clear and consistent information about businesses as well as products in the same direction in a unified mode of marketing communication (Rodprasert, 2019). It is used for marketing activities including public relations that focus on image creation and the

presentation of information and news. Advertising is a drive for sales promotions to make purchase decisions faster; and direct marketing targeted at customers is subject to consumer behavior learning. It is a process to measure the efficiency and effectiveness of business operations in the short and long term. For businesses, *message consistency orientation* and *media channels* (Tafesse & Kitchen, 2017), therefore, have the most useful application of integrated marketing communication strategies with a positive impact on performance in terms of market share, sales growth rate, changes in profit margin growth, market value, and consumer satisfaction. As long as consumers are loyal to the organization, it can continue to survive and succeed in the future.

Performance is the result of operations and can indicate how the business is performing at that time, which may be in the form of sales, profit margin of the performance and indication of the success or failure of the business. It leads to confidence in growth. The performance of a business organization also contains four components: brand trust, customer loyalty, market acceptance, and marketing survival (Oana, 2018). In this regard, effective and successful performance in the short and long term can be achieved from having a good operational strategy, especially in the field of integrated marketing communication.

In the cosmetics business, manufactures or distributors of products emphasize exterior of the body for cleanliness and beauty, enhanced appearance, deodorant provision, and groomed body condition. According to the Center for Economic and Business Forecasting, University of the Thai Chamber of Commerce in 2019, many women and men pay great attention to daily use of beauty products, for which corporate executives need to build product credibility with consumers. Therefore, cosmetic businesses with the potential and ability to do well and effective integrated marketing communication strategies can reach their good performance both in a short and long term for business success and sustainability. Based on these considerations of integrated marketing communication, the researchers were interested in exploring the relationship between integrated marketing communication strategies and the performance of cosmetics businesses in Thailand. The results of the research can be used as information to improve and develop a sustainable marketing strategy for cosmetics business organizations, as well as secure a guide for their planning for quality marketing strategies.

2. Research Objectives

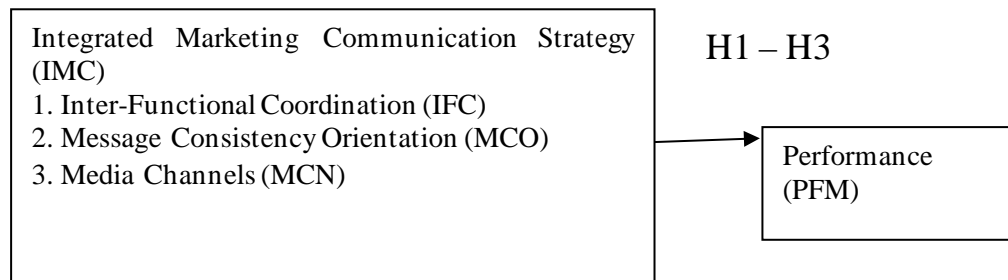
There were two research objectives:

1. To investigate the relationship between an integrated marketing communication strategy and the performance of cosmetic businesses in Thailand.
2. To identify the impact of integrated marketing communication strategy on the performance of cosmetics businesses in Thailand.

3. Related Research Papers and Research Hypotheses

In this research, integrated marketing communication strategies were defined as independent variables. And the business performance is a dependent variable as shown in Figure 1.

Figure 1: Model of Integrated Marketing Communication Strategy and Performance



3.1 Integrated Marketing Communication Strategy

The term *integrated marketing communication strategy* refers to the process of planning a comprehensive marketing communication using a variety of communication methods to achieve the objectives of the business operation--be it advertising or direct responses. Promotion, sales, and public relations in various forms are used in a mix by people in the organization and communication network partners in the same industry. For clarity and consistency that convey unity, the most effective performance is achieved. Therefore, an integrated marketing communication strategy is a method to identify customers strategy and connect organizations with consumers. Tafesse & Kitchen (2017) explained in detail:

(1) *Inter-functional coordination* refers to the process among the internal departments within organizations. There is a cooperative effort to solve the identified problem for mutual agreement on solutions, such as by holding special meetings to plan operations with specific objectives to meet the needs of various organizational goals and reduce redundancy in operations. The trend toward Inter-Functional Coordination signifies operational planning. With a good marketing strategy, more people in the organization need to cooperate for practical and effective solutions (Narver & Slater, 1990).

(2) *Message consistency orientation* refers to the determination of the direction of the message as an organization goal to convince and communicate by text or information in harmony and consistency. Most marketing communications are based on persuasion and encouraging customers to participate in purchases and change their attitudes and behaviors accordingly. As for the level of persuasion of the message or the source of the message, it is essential to determine the strategic consistency that comes from the meetings and planning of the staff in the organization, as well as the channels of marketing communication. An integrated marketing communication strategy can achieve its objectives according to its plan. The organization needs to focus on the consistency of the message thoroughly, both in terms of content and information, in order to impose a positive attitude on consumers, which in turn will affect sales, profit, and customer satisfaction. This is the creation of a competitive advantage in the company's business operations and its recognition in terms of marketing (Saengaran, 2022).

(3) *Media channels* refer to various marketing media channels, including how to apply them correctly and appropriately for customers or target groups via the most effective communication method for good performance of the organization (Karam, 2020).

3.2. Performance

Conceptual performance refers to the results of the organization's operations, which are measured and evaluated with the identified objectives or goals set for operations of the organization, both in terms of customers and processes leading to financial results, such as sales revenue, profit, and market share, as well as non-monetary results. Conceptual performance covers brand trust, customer loyalty, market acceptance, and marketing survival:

(1) *Brand trust* refers to the relationship between the seller or manufacturer and the buyer or consumer. If consumers have confidence and trust in the organization and its products, the organization can generate profits and increase market share. Consumers' confidence is therefore essential for marketers to continuously build up the brand's image at all times. The principle of trust also involves building a relationship between consumers and brands. Consumers require confidence in the brands of their choice, and brands also rely on consumer confidence. To maintain brand confidence, especially in today's fiercely competitive market situation, brand confidence stems from consumers' belief that the brand does not cause damage or harm them. A successful brand with consumers' confidence can only survive in the long term.

(2) *Customer loyalty* refers to the positive attitude of a customer toward a brand or service provider resulting from the customer's being satisfied with the goods or services received. This makes customers more likely to come back and repurchase products or services in the near future. Customer loyalty builds long-term relationships with those who serve a business entity or company. By retaining customers for long without changing their minds to buy products or use the services of competitors, the customer's long-lasting relationships are really important to maintain and increase the market share of the business. Therefore, an important marketing strategy is to build customer loyalty, which is essential to success in the company's operations (Schiffman & Kanuk, 2007).

(3) *Market acceptance* refers to whether it is measurable for the goods or services of the organization in terms of customer satisfaction. In marketing operations, market acceptance is of utmost importance for an organization to consider at the time of the launch of its products or services in determining whether they will succeed or fail. A process measuring how customers in the market accept products or services, includes stakeholders of the organization concerned. Investors' and customers' acceptance of the organization can be divided into phases, which occur when the organization has a project before releasing a new product or service. The organization requires a market acceptance test to see if the goods or services will succeed. (MBA School Team, 2016).

(4) *Marketing survival* means the ability of a business to stand out from its competitors. When the organization faces a situation of uncontrollable risk, there will be changes and challenges in the operation. In order for an organization to survive in marketing, it requires the value added in products and services by planning for both the short and long term of business operations to gain market acceptance both within and outside the organization, as well as support from the stakeholders to be able to generate profits and market share. Growing sales and gaining recognition while maintaining a stable reputation, will allow the organization to survive in the market (Hamidizadeh, Sanati, &

Avili, 2016). Based on such previous research findings, it can be seen that the integrated marketing communication strategy can lead to three hypotheses as follows:

H1: Integrated marketing communication strategy on inter-functional coordination correlates with and impacts a cosmetics company's performance.

H2: Integrated marketing communication strategy on message consistency orientation correlates with and impacts a cosmetics company's performance.

H3: Integrated marketing communication strategy on media channels correlates with and impacts a cosmetics company's performance.

4. Research Methodology

4.1 The Respondents

The respondents in this research were 400 voluntary cosmetic marketing executives in Thailand. They were sampled by Krejcie and Morgan tables and stratified random sampling methods. From April-June 2022, the researchers collected data using a constructed questionnaire (validated by five marketing specialists) via e-mail and received a total of 104 responses (26.00%; a response rate of at least 20% as acceptable in this study).

4.2 The Research Tool

The tool used in this research was a questionnaire constructed according to the objectives and conceptual framework. The questionnaire contained four parts as follows:

Part 1: General information on the respondents' gender, age, status, educational background, work experiences, average monthly income and current job title.

Part 2: A checklist of eight items on the respondents' (1) business model, (2) type of business, (3) type of cosmetics produced, (4) location of business, (5) operating capital, (6) duration of business operation, (7) current number of employees, and (8) average annual income of the business. (These items were kept confidential and not reported in the study.)

Part 3: The respondents' opinions on integrated marketing communication strategies and the performance of cosmetics businesses in Thailand. There were 15 items on a scale of 1 low to 5 high covering three aspects of an integrated marketing communication strategy with five items for each aspect: (1) inter-functional coordination, (2) message consistency orientation, and (3) media channels.

Part 4: The respondents' opinions on the performance of the cosmetics business in Thailand. The questionnaire contained 16 items on a scale of 1 low to 5 high covering four aspects of business performance with four items for each aspect: (1) brand trustworthiness, (2) customer loyalty, (3) market acceptance, and (4) marketing survival

5. Data Collection and Analysis

In this study, the researchers used statistics to test variable characteristics, including the multicollinearity test using variance inflation factors (VIFS), and statistics used to verify hypotheses including multiple correlation analysis and multiple regression. The equations were as follows:

Equation $PFM = \beta_0 + \beta_1 IFC + \beta_2 MCO + \beta_3 MCN + \varepsilon$

where

PFM represents an average score of opinions on overall performance.

IFC represents an average opinion score on integrated marketing communication strategies: Inter-Functional Coordination

MCO represents an average opinion score on integrated marketing communication strategy: Message Consistency Orientation

MCN represents an average opinion score on integrated marketing communication strategy: Media Channels

ε represents Predictability

6. Research Results and Discussion

Table 1: Correlation Analysis of Integrated Marketing Communication Strategies with Performance of Overall Cosmetics Business in Thailand

Variable	PFM	IFC	MCO	MCN	VIFs
\bar{x}	4.06	4.45	4.53	4.60	
S.D.	0.54	0.56	0.54	0.39	
PFM	-	0.251*	0.504*	0.168	
IFC		-	0.686*	0.649*	2.205
MCO			-	0.637*	2.148
MCN				-	1.965

Table 1 shows a correlation analysis of integrated marketing communication strategies and overall performance of the cosmetics business in Thailand. It was found that each independent variable is correlated, which may form multicollinearity. The researchers then tested multicollinearity using VIFs. A value from 1.965 to 2.205, which is less than 10, indicates that the independent variables are correlated but not significant (Hair, Black & Alderson, 2006).

Table 2: Analysis of Regression Coefficients of Integrated Marketing Communication Strategy Variables and Overall Performance of Cosmetics Business in Thailand

Marketing Communication Strategy	Performance		t	p-value
	Coefficient decay	Standard tolerances		
Constant (a)	2.648	0.533	4.963	0.000*
Inter-Functional Coordination (IFC)	0.085	0.120	0.704	0.483
Message Consistency Orientation (MCO)	0.713	0.123	5.772	0.000*
Media Channels (MCN)	0.311	0.161	1.935	0.056

F = 14.101 p = 0.000 AdjR² = 0.276

* Statistically significant at 0.05

Table 2 reports the regression coefficient analysis of marketing communication strategy in terms of its integrated variables and the overall performance of the cosmetics business in Thailand. It was found that of all integrated marketing communication strategies, Message Consistency Orientation is the focus. There is a correlation and a positive impact on overall performance. The company's performance in terms of brand confidence, customer loyalty, market acceptance, and market survival, the organization has both existing and new customers constantly rotating to buy products and services; and when the organization organizes various activities, customers participate. As a result, there is an increase in sales of products or services for customers. It is measured in the cycle over the past five years, with the increased profit margins generated from operations and marketing processes compared to competitors in the market, allowing the organization to survive and achieve long-term sustainability in management.

The result on market survival and management sustainability appeared in line with the research finding by Satya Indra (2018) in that organizations integrating marketing communications can increase the number of customers and corporate revenue. By combining marketing communication tools of different formats to be consistent and aligned in sending messages to the target customers, business organizations can attract the attention of different leads, thereby creating relationships between them and potential customers. Such a result on consumers' behavior in responding to goods or services, particularly their need for information about the goods or services, would lead to increased marketing performance and revenue, as earlier reported by Englund et al. (2020). In their viewpoint, the choice of an integrated marketing communication strategy carries an effective planning process. The use of social media suitable for the target audience can be easily accessed. This could engage consumers to feel connected to the organization in the long run. Such planning in the marketing communication process would also increase revenue for the organization. Therefore, the H2 hypothesis is accepted.

With the integrated marketing communication strategy, Media Channels have a positive impact on overall performance. Brand confidence and market survival are what the company is interested in managing marketing communication strategies by introducing various technologies and marketing media channels into its marketing communications. The result on increased efficiency and effectiveness of the organization using of good media channels to match customer groups can urge customers to buy a product or service for a good experience provided by the organization. Acceptance of and trust in the organization can give the organization a competitive advantage over its competitor because of marketing messages can reach its target customers. This will increase the revenue generated by increased efficiency and operational effectiveness of the organization to survive and achieve sustainable management in the long run (Hamidizadeh, Sanati & Avili, 2016). Particularly, Hyvonen (2007) also emphasized a business model with performance based on non-monetary metrics. equilibrium measurements, customer satisfaction, qualitative measurements, and financial-related metrics on profit sharing, profit control, budget change analysis, and working capital rates.

Such emphasis on a performance-based business model was in line with Hamidizadeh, Sanati & Avili (2016), showing integrated marketing communications to affect sales and brand efficiency. Englund et al. (2020) signified the choice of an integrated marketing communication strategy in effective planning. The use of social media engages consumers to feel connected to the organization in the long run. Such planning will also help increase revenue for the organization. Therefore, the H3 hypothesis is accepted.

The integrated marketing communication strategy of Inter-Functional Coordination has no relationship but with a positive impact on overall performance due to limitations in the transmission of data among the agencies. It should be noted that in some Thai organizations, technology is not much helpful for data collection and processing because collaboration between departments may not be sufficiently supportive in work planning to achieve the objectives due to the culture and working context of the organization (Pruthijirawong et al., 2020). And Chaninthorn et al. (2020) explained that it was possible for internal cooperation not to show correlation with performance. This point was also pointed out by Pruthijirawong et al. (2020) that Inter-Functional Coordination does not influence the performance in terms of loyalty in the services of members of the Northeast Chamber of Commerce. Therefore, the obtained finding rejects the hypothesis H1: Integrated marketing communication strategy on inter-functional coordination correlates with and impacts a cosmetics company's operating results.

7. Suggestions

Based on the obtained findings, the researchers would like to recommend the following.

(1) The marketing executives of the cosmetics business should focus on integrated marketing communication strategies. This is to reduce redundancy in business operations, bridge operational gaps, minimize conflicts, and provide opportunities for all members of the organization to express their opinions or needs in planning together.

(2) The marketing executives of the business should focus on integrated marketing communication strategies on Media Channels to reach customers via quick access in digital technology.

(3) The marketing executive of a cosmetics business should focus on promoting and supporting the analysis of the resource needs of people within the organization, the budget, and the objectives of the integrated marketing communication strategy as a whole. These are to make the operations more efficient and create sustainability for the organization in the long run.

(4) As for future research, the researchers of this study would like to see further investigation into success factors in the cosmetic business as well as obstacles of integrated marketing communication strategies in particular contexts. In addition, other variables, such as tracking marketing communication strategies in the digital age could give a new dimension in creating competitive advantages for enterprises in the cosmetics and beauty industry.

8. The Authors

Vuttigon Praphatsarang and Sorawit Ngamsutti are in the Master of Business Administration Program in the Faculty of Management, Sciences and Information Technology, Nakhonphanom University, Thailand. They share research interest in the areas of creative entrepreneurship, digital marketing, marketing communication strategies, and performance-based business models.

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