



**FACULTY OF TECHNOLOGY MANAGEMENT
AND TECHNOPRENEURSHIP**

**IMPLEMENTATION OF INTEGRATED MARKETING COMMUNICATION AND
THE EFFECT TOWARD BRAND EQUITY**

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**Bachelor of Technology Management
(High Technology Marketing)**

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IMPLEMENTATION OF INTEGRATED MARKETING COMMUNICATION AND THE
EFFECT TOWARD BRAND EQUITY:
AT KUMPULAN MEDIA KARANGKRAF

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Report submitted in fulfillment of the requirement for the degree of Bachelor of Technology
Management (Hons) in High Technology Marketing

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I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.

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DEDICATION

My dedication goes for my mother, Ramlah binti Mohamad and my father, Muhammad bin Paridin who always give me wishes, constantly motivate and spirit. I really love them. Not forgotten for my sibling, that always supports me during throughout of my study. To my nephew, Mohd Ramadhan that his antics which can influence my heart. make me smiles even though in busy situation. Not forgotten, my housemate at Taman Cempaka that always give opinion, support and cheering me up. Lastly for BTMM class, thank you for cooperation, support, opinion and understanding. This research is for all of you.

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ABSTRACT

The aim of this research or study are based on the objective of this which is the first one is to define the relationship between Integrated Marketing Communication and Brand Equity. The Second aim of this research is to examine the best promotional tool that effective to the customer. Methodology of this research design is by quantitative approach. Technique to collect data is by distributes questionnaire to 100 respondent among customer at Kumpulan Media Karangraf, Shah Alam, Selangor. The data collection has been analyzed use by SPSS. The finding of the research, there are relation between Advertising with Brand Equity and Direct Marketing with Brand Equity. Recommendation for the future research is research more deeply about brand equity and their element based on promotion way also observation through company and customer to see the equal of promotion between company and customer.

Keywords: *Integrated Marketing Communication, Advertising, Direct Marketing, Brand Equity,*

TABLE OF CONTENT

CONTENT	PAGE
APPROVAL	i
DECLAIRATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
ABSTRAK	v
ABSTRACT	vi
TABLE OF CONTENT	vii
LIST OF FIGURE	x
LIST OF TABLE	xi
CHAPTER 1: INTRODUCTION	
1.1 Background	1
1.2 Problem Statement	5
1.3 Research Question	6
1.4 Research Objective	6
1.5 Scope of Topic	7
1.6 Limitation of Study	7
1.7 Importance of This Project	8
CHAPTER 2 : LITERATURE REVIEW	
2.1 Integrated Marketing Communication	11
2.2 Brand Equity	16
2.3 Hypothesis of The Study	19
CHAPTER 3 : RESEARCH METHOD	
3.1 Research Design	21
3.2 Quantitative Research	22
3.3 Instrument Research	23
3.4 Defining Variable	25
3.5 Location of Research	25
3.6 Population and Sample	25
3.7 Validity and Reliability	26
CHAPTER 4 : RESULT AND DISCUSSION	
4.1 Respondent Profile	29
4.2 Result / Finding	33
4.3 Testing Hypothesis	42
4.4 Discussion	45

CHAPTER 5 : CONCLUSION AND RECOMMENDATION

5.1 Conclusion	47
5.2 Recommendation	49

REFERENCES	51
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APPENDIX	53
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ABSTRAK

Tujuan kajian ini dilakukan adalah berdasarkan kepada matlamat kajian iaitu yang pertama adalah untuk menentukan hubungan antara Komunikasi Pemasaran Bersepadu dan Ekuiti Jenama. Tujuan kedua kajian ini adalah untuk mengkaji alat promosi terbaik syarikat yang berkesan kepada pelanggan. Kaedah reka bentuk kajian ini adalah dengan pendekatan kuantitatif. Teknik bagi pengumpulan data ialah dengan mengedarkan soal selidik kepada 100 responden di kalangan pelanggan di Kumpulan Media Karangraf, Shah Alam, Selangor. Pengumpulan data telah dianalisis dengan menggunakan SPSS. Hasil kajian, terdapat hubungan antara pengiklanan dengan Ekuiti Jenama dan Pemasaran langsung dengan Ekuiti Jenama. Cadangan untuk penyelidikan masa depan adalah lebih banyak penyelidikan secara mendalam tentang ekuiti jenama dan elemen didalamnya berdasarkan cara promosi. Kaedah lain adalah menggunakan pemerhatian untuk melihat promosi yang dijalankan antara syarikat dan pelanggan.

Kata kunci: *komunikasi pemasaran bersepadu, pengiklanan, pemasaran langsung, ekuiti jenama*

LIST OF FIGURES

Figure	Title	Page
1.1	5 tools of promotional mix	4
2.1	Brand Equity in aaker model	17
2.2	Theoretical framework integrated marketing	19

LIST OF TABLES

Table	Title	Page
1.1	Marketing mix of 4P and 4C	5
3.1	Question classification follow by section B and C	24
3.2	The point of likert scale questionnaire	24
4.1	Frequency analysis of respondent by gender	29
4.2	Frequency of respondent by age	30
4.3	Frequency of respondent by income	30
4.4	Frequency of respondent by occupation	31
4.5	Analysis respondent about by seen promotion product	32
4.6	Analysis respondent by effectiveness promotion that influence the brand	32
4.7	Distribution score of advertising	34
4.8	Distribution score of sales promotion	35
4.9	Distribution score of public relation	36
4.10	Distribution score of direct marketing	38
4.11	Distribution score for brand equity	40
4.12	Reliability research	41
4.13	coefficient	42

CHAPTER 1

INTRODUCTION OF THE RESEARCH

1.1 BACKGROUND

1.1.1 Background of Integrated Marketing

Marketing are fields that is complex and fast developing, parallel to the time change. The marketing concept emerged in the mid-1950s when business shift to a customer centered, “sense-and-response” philosophy. (John B. McKitterick, 1957). The job not only finds the right customer for the product, but also to find the right product for the customer. Philip Kotler in his book, Kotler on marketing (2009,pp-xiv-xv) say marketing now also requires us to do not make the assumption on marketing task that aims to upgrade demand for service. Because marketing main purpose actually is managed demand or demand management,

Namely skills manage level, time and demand composition. In marketing communication way, most companies still do not know how to integrate marketing communications company. They prefer outdoor advertising agency for carrying out advertising, public relations agency for the work of public relations and promotions firm too solely product and undertake sales promotion work. This causes them to use-like a marketing tool at the wrong ratio and resulted in the company not succeeded in delivering the message to the customer. Campaign usually by most companies is by use advertising alone while the best marketing method is by using some common marketing tool. Example, to convey the message to the user, a company not only requires only advertising but also for making consumer sales promotion familiar with the company's product produce. It can be easier in choosing the right combination of marketing tools if companies know what motivates customers to buy a product.

Purpose of this study is to define the relationship among brand equity. For every point of contact, there's a message that will reach the consumer whether it is good or not and the way that company can do to make it positive. These studies also underway connect with consumer to identify whether promotions companies deliver the right message to customers.

Marketing communication is one actually a part of the marketing mix. The marketing mix will define the 4P's of marketing and promotion is what marketing communication is all about. One of the objective marketing communications is to enhance brand equity as a mean of moving a customer to favorable action toward the brand. These marketing programs are related to product, pricing and distribution channels. These programs are necessary to create a brand image and also to build brand awareness. This subject will do by making the observation through medium of marketing communication that is advertising, personal selling, direct marketing, sales promotion and public relation. Nowadays, attendance in the world market needs high quality and

proper price. Also, continuous attendance needs brand (Huber, 2010). Means, the company without brands has to enhance their quality or reduces its prices.

From the other side, brand also can consider as intangible asset of the firm. In economic development, there is a direct relationship between stock price and brand equity. The brand is one of the complex processes that different ideas and characteristic that offered. By using its elements and every effective factor as identified identity, brand communicates with customers (Hollenbeck et al,

2008). Brand equity is enhanced when the consumer becomes familiar with the brand and hold favorable, strong, and perhaps unique association in memory about the brand. If the brand has no equity, usually consumer becomes unfamiliar with the product. Once, the consumer has become aware of a brand, the amount of equity will depends on how favorable they perceive the brand features and benefits as compared to competitive brand and how strongly these views are held in memory.

Despite tremendous interest in brand equity, little conceptual development or empirical research has addressed which marketing activities build the brand equity (Barwise, 1993). The effectiveness of marketing communication will effect on brand equity in different ways. Marketing communication plays an important role in the development of brand equity by providing the information about the brand, positive associations in memory of the consumers, empowerment of judgment and positive relative to brand and finally facilitation of shaping the powerful relationship between consumers and conformity with brands (Keller, 2008).

In this study the researcher will focus on all the tools that are applied by the company and will define the best company promotional tool for customers. The factor of choosing a promotional mix as a representative marketing program

even these variations do not cover the full of marketing, they present typical marketing actions. Even though the selected factor does not embrace all types of marketing effort but are representative enough to demonstrate the relationship between marketing effort and the formation of brand equity. As stated by Kotler and Armstrong (2011), there are five tools to the promotional mix. Below are the theoretical promotional tools.

1.	Advertising
2.	Public Relation
3.	Personal Selling
4.	Sales Promotion
5.	Direct Marketing

Figure 1.1: 5 Tools of Promotional Mix, Kotler & Armstrong (2011)

Furthermore, the researcher will elaborate in detail, each tool of the promotional tools and will devise several challenges faced by the marketing department on company in general while conducting their promotion activities through the promotional tools.

In general, promotion is the basic proponent in making sure each local firm penetrate the market and sustain its growth in the existing market. Nowadays, phenomena of promotion toward product are happening for the company which are they wanted to promote their product to build strong brands. These phenomena happen to a publishing company. The factor that can influence the marketing is based on technology. The concept of promotion mix that use 4p's for product and also 4c's for customer can be described based on the figure below:

4P'S	4C'S
PRODUCT	CUSTOMER
PRICE	COST
PLACE	CONVENIENCE
PROMOTION	COMMUNICATION

Table 1.1: Concept of 4P and 4C

Based on table 1.1, that shown concept of 4p and 4c. The term of 4P will describe about the promotion for the product that the contrast is communication for service. The integrated marketing communication is subscribing from communication which is the contrast is promotion of the marketing mix. The variables that can be used in marketing communication is advertising, sales promotion, direct marketing, event and experience, personal selling.

4P concept is will be seen from a company perspective. Different with a customer, they will this aspect from 4C concept. If a marketer sees their self as a seller, the customer will think as a valuable buyer or problem solver. For customer, they didn't want only buy a product but also value added that they will get when they buy the product like services.

1.2 STATEMENT OF PROBLEM

Today, the products are similar in design, price, and performance in terms of core benefits to users and performance. The product usually will be differentiated through benefit augmentation to attract a buyer and consumer attention when prompted. The main problem for most of companies is they willing to try the promotion tool that they believe can success but they aren't finding which the effect one of the promotional tool that they can give more attention.

This case study is want to find the relative importance among advertising, sales promotion, event and experience, direct market and personal selling that have effect with the brand equity. It will help the company to find which the best of the promotional tool part that make the customer want to buy the product.

1.3 RESEARCH QUESTION

The research question for this study is:

1. What are relationship between Integrated Marketing Communication and Brand Equity?
2. Which the best company promotional tool that effective for customer?

1.4 OBJECTIVE

This research main objective wants to find the relative importance of integrated marketing communication regarding brand equity. The objective that they want is to accomplish:

1. To define the relationship between integrated marketing communication and brand equity.
2. To examine the best company promotional tool that effective to the customer.

1.5 SCOPE OF TOPIC

This study will be finding the implementation of IMC and the effect toward brand equity. This study will find the respondent among customer at Kumpulan Media Karangraf. The area of research will be covered at Shah Alam, Selangor which is they use marketing communication as one of promotion tools to build stronger brands. The scope of this topic is wanted to see the promotional mix build by a company through customer.

1.6 LIMITATION OF STUDY

1.6.1 Time Constraints

The time constraint is a major limitation in conducting this research. In process to get the accurate data, period of was required to gather all of the information needed for the research purpose. In addition, the time also limited because of the work schedule where the need to do assignment for another subject, attend the program and also try to finish the research.

1.6.2 Cost Incurred

The researcher has limited by financial resources because of the status as a student and does not any fund while doing the research. In addition, high cost incurred while completing this research. The internet was one of the sources that have been used to get sufficient data. Moreover, cost transportation from Selangor to Malacca also one of the costs incurred.

1.6.3 Lack of Respondent's Co-operation

Some of the respondents not easy to give full co-operation during asks them to fill the questionnaire and some of them refuse to fill the questionnaire because of time factor and so on.

1.7 THE IMPORTANCE OF THIS PROJECT

Integrated marketing communication can communicate the brand personality and provide the continuity for a partnership between the brand and the consumer. Communication tools also can be used to reinforce brand equity. A good marketing communication like advertising can build and sustain strong brands and also can build brand equity in several ways. The importance of this project is to find the best promotion way with the integrated marketing communication through customer. This project will research why the company should find this way method of promotion and look the benefits of each promotion either its success to make a strong brand or still need a lot of improvement.

1.7.1 Company

This study can be used in marketing and promotion department of the company to develop better understanding about promotion. A company can centralize back the promotional tool that they choose to find the best combination that can attract customer. This result may help the company to do the effectiveness promotion activity that also builds strong brand equity.

1.7.2 Industry

This study also can be used as a reference and useful for the future business people who have the intention to use promotional tools as their marketing and promotion strategy in a way to create brand equity.

1.7.3 Researcher

This study can be used in future research as a guideline for the next step or more in deep when a researcher wants to continue the research about this topic.

1.7.4 Universiti Teknikal Malaysia Melaka (UTeM)

This study will give more exposure to all staff and student to understand more about the promotional tools that applied by the company although they don't come from this course. This study also can be a next step for another batch to make this topic as one of reference journals.

CHAPTER 2

LITERATURE REVIEW

2.1 Integrated Marketing Communication

Today product is similar in design, price, and performance that the core benefits to users and consumers. It is shown for today, the marketing communication is much more than notification of availability. Integrated marketing is the first step to create the understanding of value and preposition among customers. Integrated marketing communication program must be continuous and strategic oriented. Some early attempts appeared in the academic literature (Dyer, 1982; Coulson-Thomas; Schultz, 1996).

Kim, J.-H., & Hyun, Y.J (2011), develop a model to examine the relationships among marketing mix efforts, corporate image, and three dimensions of brand equity and market performance.

Marketing communication can be defined as the firms attempt to inform, persuade, and remind customer either directly or indirectly about the products and brands they sell. In another word, marketing communication represents the ‘voice’ of the

Company also its brand and build relationship with customers. (Kotler, and Lane Keller, Marketing management. 2009)

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, and services to create and exchange value, and satisfy individual and organizational objectives. (Brassington, F. And Pettitt, S.2006)

Integrated marketing communication is a step towards an integrated approach in achieving efficiency synergy. Also can define as involvements the merging of distinct communication functions in a way that allows an organization to speak with “one voice, one look” (Fitzerpatrik, K.R. 2005).

The American Association describes the integrated marketing communication (IMC) as “a concept of marketing communication planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication discipline.

Integrated marketing Communication has evolved over a period of time from awareness level of integration to image level integration to functional integration to coordinate integration of consumer based integration of stakeholder based integration to relationship management integration (Panda, T.K. 2009).

Communication tool can be used to reinforce brand equity. Take a long-term perspective of brand management, management efforts can be classified in two types of activities: brand building and brand-harming activities (Yoo, B., Donthu, N. And Lee, S. 2000). High advertising is an example of a brand-building activity. Frequent use or price promotions, on the other side, dilute the brand in the long run and can therefore be classified as a brand-harming activity.

According to Kotler & Amstrong (2011), promotional tool is a specific blend of promotional tools that the company uses to persuasively communicate customer value and build customer relationships. Promotional tools consist of 5 elements which are advertising, sales promotion, personal selling, public relation and direct