

PLANT TOURS AS A CUSTOMER CONTACT TOOL: AN INTEGRATED MARKETING COMMUNICATIONS FRAMEWORK

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This paper proposes plant tours for inclusion in an integrated marketing communications framework. As a customer contact tool, the plant tour provides several important types of information, as well as an integrated promotional effort shared by different functional areas within the firm. Results are reported from an exploratory study gathering information about the communication potential of plant tours from the executive perspective.

INTRODUCTION

Each year thousands of people take tours of U.S. manufacturing facilities (Modic 1987; Darnow 1988a; Darnow, 1988b). Recently, the concept of programmatic customer visits has evolved in response to a customer orientation that supports and encourages direct customer contact as a valuable communication tool in the product development process (Mcquarrie 1993). Despite the prevalence of this communications tool, its appropriate place within the current marketing communications framework has not been addressed. In the following paragraphs, we consider current thinking on Integrated Marketing Communications (IMC) and examine the potential value of including plant tours in the IMC framework.

At the present time, IMC is a topic of considerable debate within the areas of marketing thought and practice. Virtually all of the articles included in a recent special issue of the *Journal of Business Research* (Bearden and Madden, eds. 1996)

substantiated the notion that IMC is a "hot topic" (e.g., Hutton 1996, Schultz 1996, Stewart 1996). Specifically, Stewart (1996) notes that "IMC has received considerable and increasing attention from marketing and advertising professionals and scholars" (p. 147). Phelps, Harris and Johnson (1996) identify a variety of constituencies that have embraced IMC as a dominant topic of discussion including companies using the approach, universities and trade publications.

Despite the prevalence of discussion of the notion of IMC, considerable controversy exists over a precise definition explaining what IMC is and what communications concepts it includes. A current definition of IMC is tentative at best. Perhaps best conceptualized by Schultz (1993, 1994, 1996) IMC is defined as "a radically different way of considering, planning, and implementing various forms of persuasive communication programs" (1996, p.139). Englis and Solomon (1996) explain that "an integrated marketing communications (IMC) perspective recognizes that consumers absorb information about a good, service, or organization from many sources, not all of which are formal promotional messages" (p. 183).

Other authors have made efforts to establish boundaries for the IMC construct. Wood (1997)

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identifies five goals for integrated marketing communications strategies: (1) building on brand equity; (2) providing information; (3) managing demand and sales; (4) communicating differentiation; and (5) influencing attitudes and behaviors. In their attempt to draw a consistent framework for the area, Nowak and Phelps (1994) identify three distinct variants of IMC, "one voice marketing communications," "integrated communications" and "coordinated marketing communication campaigns." Of the three IMC approaches, "coordinated marketing communication campaigns" is our focus here. This notion is concerned with efforts to present a unified set of communications drawn from a variety of disciplines throughout the organization (Nowak and Phelps 1994).

Schultz (1996) points to several schools of thought regarding IMC. Shocker, Srivastava and Ruekert (1994) and Schultz, Tannenbaum and Lauterborn (1992) both argue that IMC is driven by technology and cannot be stopped given the rapid expansion of technological applications in the current marketplace. Others support IMC further suggesting that IMC is not a future reality but rather a current one. This school of thought holds that practitioners believe in and are actively adopting IMC approaches (Duncan and Everett 1993).

On the other hand, several serious questions have been raised as to the true "contribution" of IMC to current thought and practice (e.g., Miller and Rose 1994; Sloan 1994). These authors suggest that IMC may be nothing more than a new buzzword for some old promotions principles. Cleland (1995) and Rotzoll (1991) similarly challenge the IMC notion by questioning any evidence of real change in the practice of marketing communications based on IMC concepts.

As Englis and Solomon (1996) note "marketers have begun to realize that *all* marketing activities involving contact with the public are forms of communication" (p. 183). They continue by describing the wide variety of contacts between the firm and its customers that may be categorized

under the heading of communication. Among these contacts are employee uniforms, letterhead designs, and of course, the product itself (Englis and Solomon 1996). Logically, this framework of marketing communication contacts may easily be expanded to include the plant tour under the marketing communication umbrella.

As debate over the correct definition and boundaries of IMC continues, the time is certainly appropriate to examine all manner of communications tools in terms of their potential contribution to IMC strategy. The purpose of this paper is to provide such an examination, focusing on companies' plant tours, a seldom discussed customer contact tool. In the following paragraphs, we provide an overview of the current state of IMC thought. Next, we suggest plant tours as a relevant and potentially valuable instrument for inclusion within the current set of IMC tools. Finally, we provide results and discussion drawn from a study of the communication potential of plant tours.

Plant Tours As an IMC tool

Plant tours are conducted as a part of the communications programs of firms in several industries ranging from automobile manufacturers to manufacturers of heavy machinery to consumer service providers. Tours provide various types of information and insights into the way the firm operates. Whatever the purpose of the visit, tours represent a "moment of truth" between the organization and the visitor. A "moment of truth" stresses the importance of focusing on organizational contacts with customers (Zemke 1989). Any contact with an organization is an opportunity for customers and others to judge the marketer's offering, and, therefore, represents a potentially valuable marketing communications tool. Kosman (1997) describes this notion as "360-Degree Marketing, the practice of using all available means to promote a person, product or service in a way that is mutually reinforcing to increase revenues and earnings" (p.4).

Under many popular perspectives, traditional forms of promotions (advertising, public relations, sales promotion, etc.) should not be the only communications tools considered within an IMC framework. Schultz (1990) emphasizes the diverse array of sources through which consumers acquire marketing information. These sources range from formal marketing communications tasks such as advertising and sales promotion to the very informal such as observation of marketplace behaviors of celebrities or other consumers. He argues that "the consumer integrates the marketer's and advertiser's communication whether the marketing or advertising organization does or not" (1996, p. 139). Englis and Solomon (1996) expand this notion by suggesting that marketers' clear distinctions between various communications activities, such as the boundaries between public relations and advertising, are not interpreted so specifically by consumers. Rather, these authors suggest, "consumers may be more sensitive to commonalities and discrepancies among messages than to the specific communications vehicles used to transmit them" (1996, p. 183).

Manufacturing operations traditionally have been sealed off from the customer, and thus were behind the line of visibility. As such, operations and marketing have remained as far more distinct entities than they should be. Conventionally, engineering and production personnel concentrate on the design and control of the product and process, while marketing personnel concentrate on customers. However, when a visitor enters the plant, the formerly invisible product delivery system now becomes very visible. This means that the functional areas of both sales and operations management must come together to deal with customers, fitting perfectly with current thinking on implementation of IMC. That is, "...communications are not coordinated if there is no collaboration with designers, engineers, operations and service personnel, and partners in the value chain such as distributors and retailers" (Stewart 1996, p.150).

The study described in the following paragraphs represents a preliminary investigation of plant tours

and their potential contribution to an IMC framework from the CEO perspective. Specifically, this research examines the value of plant tours as a corporate communications tool, the factors perceived to be important in designing plant tours, the relative roles of operations and marketing in the implementation of plant tours, and the type of customer visits. A comprehensive literature review indicated that no previous works have argued for the inclusion of plant tours within an IMC framework and also that no empirical studies have been undertaken regarding plant tours as a marketing communications tool.

METHODOLOGY

As a preliminary step, interviews with local companies concerning aspects of their plant tours were conducted. As a result of these interviews, the following elements were identified as important for a successful plant tour: satisfying visitor expectations, explaining quality procedures, showing evidence of a customer orientation, appearance of the manufacturing areas, worker attitude, appearance of office areas, pointing out the use of new trends in operations management, demonstration of high tech equipment, pointing out safety procedures at the facility, appearance of the grounds, preparing workers whose areas will be toured, and worker appearance. Other issues addressed included the type of visitors, the departments involved in conducting tours, the amount of training given tour guides, the use of canned tours and the use of literature employed in the course of the tour.

A systematic random sample of 100 companies and their CEOs was selected from the 1993 Illinois Manufacturer's Association Directory. To solicit their cooperation, a mailing informed the participants of the purpose and timing of the telephone survey which was to follow. Within a week of mailing the letter, a telephone survey was attempted. Follow-up phone calls were then made where appropriate. Additionally, follow-up mail questionnaires were sent to those who requested a mail survey, and to non-contacts and non-

respondents. A total of 59 companies agreed to participate in the study.

Results

Of the 59 responding firms, 36 actually give plant tours. Three questions addressed the importance given by these firms to plant tours. In response to the statement "Please rate the importance of plant tours to the overall success of your company," measured on a 5-point Likert type scale (where one equals not important and five equals very important), a mean score of 2.69 resulted. A similar statement addressing the importance of plant tours in terms of public relations activities resulted in a mean score of 3.00. Finally, a mean response of 3.47 was obtained on a similar statement regarding the importance of plant tours to the firm's selling function.

For purposes of analysis, companies were divided into two groups according to their mean scores on the importance of plant tours. This produced a high importance of plant tour group of 16 companies, and a low importance group of 20 companies. To confirm that these groups were statistically different in terms of their views of the importance of plant tours, a T-test was conducted on each of the questions relating to the importance of plant tours to overall success of the firm, public relations and the selling function. In all cases, the T-test indicated a statistically significant difference at the $\alpha = 0.01$ level.

An analysis of the differences between these two groups indicates the relative importance of the various factors. Three factors were significantly different among the two groups at the $\alpha = 0.05$ level: explaining quality procedures, demonstration of high tech equipment, and pointing out new trends in operations management. Additionally, significant at the $\alpha = 0.10$ level were these factors: satisfying visitor expectations and appearance of the grounds. Several factors might have proved significant had a larger sample been utilized as their resulting means were in the hypothesized directions. These factors include evidence of customer orientation, appearance of manufacturing

areas, worker attitude, and appearance of office areas. Factors that showed little indication of being significant were safety procedures, worker appearance, and preparing workers for plant tours. The differences among the importance ratings provide a measure of the importance of the various factors.

Departmental Responsibilities

Next, an examination of the departments responsible for conducting the plant tours was undertaken. The potential for joint promotional relationships across functional areas makes plant tours particularly appropriate for inclusion in an IMC framework. Table 2 illustrates the breakdown of the various departments responsible for giving plant tours, as well as the difference between the high importance industry group and the low importance industry group. As indicated in Table 2, industries in which plant tours were rated highly were more likely to have joint responsibility among several departments. On the other hand, industries that placed low importance on plant tours exhibited a tendency to rely on only one department. Specifically, it appeared to be the responsibility of the manufacturing department to conduct the plant tours.

Importance Ratings

Table 3 shows the type of visitors for each of the two industry groups (high importance and low importance of plant tours). Companies placing a higher importance rating on their plant tours were more likely to make plant tours for specific customer groups a consistent promotional offering. An examination of the percentages indicates that for the high importance group, the percentage of companies responding that they always gave a tour to this type of visitor was generally higher. However, two categories of visitors were ranked higher for the low group, specifically creditors and professional associates.

TABLE 1
Importance of Various Factors to the Design
of a Plant Tour by High and Low Industry Importance Grouping

Factor	Mean Response High ¹	Mean Response Low ²	p-Value Two-Tailed
Satisfying visitor expectations	4.625	4.000	0.078
Explaining quality procedures	4.625	3.850	0.037
Showing evidence of a customer orientation at the company	4.437	3.850	0.117
Appearance of manufacturing areas	4.437	3.800	0.165
Worker attitude	4.437	3.700	0.130
Appearance of office areas	4.312	3.700	0.170
Pointing out the use of new trends in operations management	4.250	3.550	0.049
Demonstration of high tech equipment	4.375	3.300	0.012
Pointing out safety procedures at the facility	3.562	3.850	0.487
Appearance of the grounds	4.125	3.300	0.086
Preparing workers whose areas will be toured	3.625	3.600	0.958
Worker appearance	3.562	3.100	0.368

Note: On each question, 1 = not important and 5 = very important.

¹ high importance industry group

² low importance industry group

TABLE 2
Departments Conducting Plant Tours

Departments	Number High ¹	Number Low ²	Total
Sales	4	3	7
Manufacturing	2	8	10
Host Department	1	1	2
Sales and Manufacturing	4	4	8
Sales, Manufacturing and Host Department	2	1	3
Top Management	-	2	2
Sales, Manufacturing, Host Department and Public Relations	2	-	2
Vice President of Technical Services	1	-	1
Total	16	19	35

¹ high importance industry group

² low importance industry group

TABLE 3
Plant Tours Given to Type of Visitor

Type of visitor	% "Always" for High ¹	% "Always" for Low ²	% "Always" for both groups
New employee	87.5	85.0	86.1
Customers	87.5	70.0	77.8
Stockholders	43.8	25.0	33.3
Professional associates	43.8	57.9	51.4
Suppliers	43.8	35.0	38.9
Employees from other company facilities	43.8	30.0	36.1
Creditors	43.8	47.4	45.7
General public	6.3	5.3	5.7

¹ high importance industry group

² low importance industry group

TABLE 4
Percentage Responding "Yes" to Various Questions
Concerning Designing and Conducting Plant Tours

Question	Percentage "Yes" for High ¹	Percentage "Yes" for Low ²	Percentage "Yes" for both groups
Do you have training for tour guides?	24.2	20.0	22.2
Do you use canned tours?	6.1	20.0	12.1
Do you use literature to accompany your tours?	30.3	30.0	30.1

¹ high importance industry group

² low importance industry group

Tour Implementation

Finally, Table 4 shows the responses to three questions concerning implementation of the tours themselves, including training of tour guides, the use of canned tours, and whether or not literature is given to plant tour participants. As can be seen, companies that place a greater importance on plant tours are more likely to give tour guides training and less likely to use "canned" tours. These companies are responding to customer expectations by providing a customized tour rather than a standardized tour. However, both groups appear to be similar in their provision of literature to persons taking tours.

DISCUSSION

This investigation represents a first effort to determine the place and importance of plant tours in an integrated marketing communications framework. The results support the suggestion that companies do recognize the value of plant tours as communications tools providing both operations information and promotional opportunities consistent with an IMC framework. Companies that place a high value on tours are more likely to exploit the promotional communications role of the tour by "putting their best foot forward". These companies report that the following topics are typically included in their plant tours: explanations of quality procedures, demonstrations of high tech

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equipment, and new trends in operations management. All three of these factors show that companies that place a higher value on plant tours are sensitive to this line of visibility. It appears that CEOs believe visitors will use this type of evidence as one measure of quality.

It was also interesting to note that industries placing low importance on plant tours exhibited a tendency to rely on only one department. Specifically, it appeared to be the responsibility of the manufacturing department to conduct the plant tours. Conversely, industries placing a high importance on plant tours generally exhibited shared responsibilities among departments for designing plant tours. Again, this depicts the need for the functional areas of sales, public relations and operations management to cooperate in order to effectively deal with customers, making plant tours an excellent fit within the IMC framework.

Additionally, companies placing importance on plant tours exhibit a tendency to offer tours to a greater variety of visitors. Of particular interest is the increased incidence of tours given to customers. Again, this illustrates this concept of the line of visibility being considered by CEOs. Finally, companies with high importance ratings of plant tours appear to be responding to customer expectations by providing more customized tours rather than utilizing standardized or "canned" tours.

It appears that many organizations are missing the opportunity to effectively use plant tours as a component of their IMC programs. CEOs who place a high value on plant tours acknowledge the importance of communicating about strengths of the firm's offering by pointing out quality procedures and demonstrating high tech equipment in the course of plant tours. They also tend to understand their customers better and, therefore, tailor their plant tours to meet the needs of their customers. Additionally, these CEOs involve various functional areas in the development of plant tours.

Given its potential for communication and cooperative promotional efforts across functional areas, the plant tour represents an opportunity to extend the IMC program throughout the organization. Developing plant tours under the firm's IMC theme will provide an additional outlet to reach customer groups with information about the firm and its processes. Although the plant tour is unlikely to become the focal tool within the firm's IMC mix, it can be a valuable addition to an integrated marketing communications program.

Limitations and Future Research

Several interesting findings emerged, as summarized in the preceding paragraphs, from this first step toward understanding the potential communications value of plant tours in an integrated marketing communications framework. Some limitations exist. To generalize these results, a larger and more geographically dispersed sample is required. Moreover, a larger sample size would allow the utilization of more statistical testing.

Issues of particular interest for future research include types of industries and the corporate characteristics which yielded the differences indicated earlier. Another factor would be the type of customer that the company serves. For example, does the company sell directly to the final consumer, to a distributor, to another manufacturing facility, or to a combination of these? It would be important to know if this has an impact on the potential communications contribution of the plant tour. It is apparent that the phenomenon of customer contacts will continue to increase. Therefore, researchers in both operations and marketing need to examine these types of questions, just as practitioners in both areas will be required to develop integrated communications frameworks.

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