

Marketing Integration Strategies in Enterprise Merger: Basis for Strategic Plan

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Abstract. This study explored the dynamics of companies involved in mergers and acquisitions, shedding light on their operational characteristics and post-merger marketing practices. It highlights the challenges faced, such as teamwork, cultural differences, and customer targeting, while emphasizing areas of success and opportunities for refinement. Respondents generally agree on marketing strategies, concepts, and collaboration principles, with recognition of the need for adaptation in the face of changing market conditions and the evolving role of social media. The challenges posed by intense competition, diverse customer preferences, ad blocking, and changing marketing effectiveness are discussed, underlining the importance of adaptability. Economic instability, the growing emphasis on social and environmental responsibility, and the need for strategic planning and consumer-centric approaches are key challenges in marketing concepts. In marketing team collaboration, overcoming obstacles related to unclear goals, interdepartmental cooperation, and cultural differences is crucial to fostering effective teamwork. The strategic plan proposed in response to these challenges emphasizes stakeholder collaboration, content quality, diversified market strategies, transparency, and cultural understanding. It aimed to enhance overall marketing effectiveness, benefiting cement companies engaged in merger initiatives. These recommendations encompass improved communication, cross-departmental cooperation, and training, forming a comprehensive approach to address and overcome the complexities of marketing integration in the context of enterprise mergers.

Keywords: *Enterprise merger; Marketing concepts; Marketing integration; Marketing strategies; Team collaboration*

1. Introduction

With the rapid development of China's economy, the demand for cement, an important raw material for economic construction, is increasing day by day. The supply of cement is also increasing significantly, resulting in a situation where the supply of cement far exceeds the demand, resulting in a serious surplus of the total amount and a serious unreasonable structure of the cement industry.

On February 13, 2009, the Ministry of Industry and Information Technology

of China issued the "Notice on Further Improving Industrial Policy Work under the Current Situation". The "Notice" emphasizes that it is necessary to focus on promoting the adjustment of the industrial structure of steel, cement and other industries, encourage and guide mergers and acquisitions of enterprises, support core enterprises, leading technology and quality enterprises, and cost-advantaged enterprises to acquire high-energy-consuming enterprises and backward loss-making enterprises, and encourage strong joint restructuring of dominant enterprises that break regional and industry boundaries.

As a core enterprise of China Building Materials Group managed by the State-owned Assets Supervision and Administration Commission of the State Council, China United Cement Group has analyzed and studied the development history and current situation of China's cement industry, formulated a strategic policy for the development of large regional cement groups, and clearly proposed a growth model for joint mergers and acquisitions in the cement industry. Since the large-scale mergers and acquisitions in 2006, China United Cement has jointly reorganized nearly 70 cement companies in Shandong, Henan, Jiangsu, Anhui, Hebei, Sichuan, Inner Mongolia and other provinces, cities and autonomous regions. The cement production capacity has grown from less than 10 million tons at the beginning to nearly 80 million tons now, with total assets of more than 30 billion yuan.

The joint reorganization of a company addresses the immediate challenge of resource allocation, but the broader objective of enterprise management is to maximize the utility of these resources and enhance overall profitability. As China United Cement undergoes joint restructuring, it becomes crucial to shift focus towards management integration, encompassing various aspects such as marketing, production, finance, human resources, assets, and corporate culture (Barney, 1991). Marketing integration, in particular, assumes a pivotal role in this transformation as it directly influences a company's profitability. Effective marketing integration is essential not only for achieving economies of scale but also for ensuring that marketing strategies align with the overall corporate goals (Keller, 1993).

Researching and exploring marketing integration strategies during corporate mergers and reorganizations is an imperative step in the strategic planning process. Combining marketing efforts can unlock significant synergies, leveraging shared resources, customer bases, and brand assets to boost market share and competitiveness (Weil, 1985). Additionally, it simplifies operations by

identifying and eliminating redundancies, leading to cost savings and improved coordination (Hegazy, et al., 2022). Moreover, maintaining brand consistency during the merger or reorganization process is vital to prevent confusion and protect brand assets (Keller, 1993). Implementing a well-executed marketing integration strategy not only addresses customer needs and preferences but also enhances customer satisfaction, loyalty, and market penetration (Dawar & Pillutla, 2000). Furthermore, research on marketing integration strategies aids in anticipating and mitigating the potential risks and challenges associated with mergers and restructurings, ensuring a smoother transition for all stakeholders (Rosenzweig, 1993).

In this context, the research undertaken by China United Cement to analyze marketing integration challenges within their mergers and acquisitions holds significant value. By delving into these challenges and exploring strategies, measures, and case studies within the cement industry, the company can develop effective marketing integration practices tailored to their specific needs. This research serves as a roadmap for cement companies to achieve sustainable growth through coherent marketing integration strategies and measures, ultimately enhancing overall company performance. The strategic plan formulated through this research not only aligns marketing goals but also optimizes resource allocation and positions the company to seize long-term market success opportunities (Parente & Prescott, 1993). It is a critical step towards ensuring the future prosperity of China United Cement in a competitive business environment.

2. Methodology

The study employed a descriptive quantitative research design. The objectives involved quantifying the extent of integration within China United Cement and its subsidiaries, understanding the current integration status, identifying challenges, and assessing impacts on various marketing facets. Data collection used structured methods like surveys and questionnaires involving employees, managers, and customers.

Data analysis was rigorous, using descriptive statistics like weighted mean. This research design systematically and objectively evaluated marketing integration after mergers and acquisitions, facilitating informed decisions and strategic planning for China United Cement and its subsidiaries.

2.1. Sampling Procedure

When selecting employees and stakeholders from dozens of subsidiaries in Shandong Province as samples, the use of purposeful sampling is obvious. This sampling strategy allowed researchers to intentionally target those who have first-hand experience and knowledge of the M&A process and the current marketing environment.

The selection of company managers, sales staff, other professionals, and customers as samples reflects the purposeful choices of respondents, who can provide valuable insights into different aspects of research goals.

Managers are selected for their key positions in the company, which gives them a comprehensive understanding of the M&A and marketing environment. They are a valuable source of information to evaluate the effectiveness of marketing strategies and provide insights into the challenges, successes, and areas of improvement in marketing integration.

On the other hand, salespeople are selected because of their direct interaction with customers and their role in promoting and selling the company's products or services. Their views help to understand the operation status of the marketing team in the post-merger stage. They provide valuable insights into the challenges and opportunities facing the marketing team, and help evaluate the performance of the marketing team. Their input helps to formulate effective integration strategies.

In addition to managers and sales staff, it also includes other professionals with expertise in fields such as product development, service delivery, or marketing research. Although they are not specifically mentioned in the context, their expertise allows them to indirectly reflect on the optimization strategies of products and services. Their unique insights provide a valuable perspective on how mergers and acquisitions affect their respective areas of expertise. This group of respondents also made suggestions for improvement based on their professional knowledge.

Finally, company customers or customers are selected as respondents because they are directly involved in the company's products or services. Their experience and feedback play a vital role in evaluating the effectiveness of marketing integration strategies. By incorporating their insights, the research has a deeper understanding of customer satisfaction, preferences and expectations. Customer feedback guides decision-making and determines the direction of

optimization work in the M&A process.

By adopting purposeful sampling, researchers can ensure that the selected participants have the necessary knowledge, experience, and perspectives to make meaningful contributions to research goals (Domingo, 2023a; Domingo, 2023b; Domingo, 2023c). This sampling procedure allows for targeted and focused data collection methods to provide rich and relevant insights from key stakeholders involved in the M&A process.

2.2. Respondents

The respondents were represented, mainly the management and business personnel of China United Cement Company. 100 respondents will be interviewed by 10 companies, including Heze Zhonglian Cement Company., Co., Ltd. Jining Zhonglian Cement Co., Ltd., Zaozhuang Zhonglian Cement Co., Ltd., Co., Ltd., Taian Zhonglian Cement Co., Ltd., Co., Ltd., Dezhou Zhonglian Dam Cement Co., Ltd., Co., Ltd., Qingzhou Zhonglian Cement Co., Ltd., Linyi Zhonglian Cement Co., Ltd., Linyi Zhonglian Cement Co., Ltd., Jimo Zhonglian Cement Co., Ltd., Yantai Qixia Zhonglian Cement Co., Ltd., Co., Ltd.

2.2.1 Research Site

Table 1 Distribution of respondents

Subsidiary company	Manager	Sales staff	Other professionals	Company customers
Heze Zhonglian Cement Co., Ltd., Co., Ltd.,	1	2	2	5
Jining Zhonglian Cement Co., Ltd., Co., Ltd.,	1	2	2	5
Zaozhuang Zhonglian Cement Co., Ltd., Co., Ltd.,	1	2	2	5
Tai'an Zhonglian Cement Co., Ltd., Co., Ltd.,	1	2	2	5
Dezhou Zhonglian Dam Cement Co., Ltd., Co., Ltd.,	1	2	2	5
Qingzhou Zhonglian Cement Co., Ltd., Co., Ltd.,	1	2	2	5
Linyi Zhonglian Cement Co., Ltd., Co., Ltd.,	1	2	2	5
Linyi Zhonglian Cement Co., Ltd., Co., Ltd.,	1	2	2	5

Jimo Zhonglian Cement Co., Ltd., Co., Ltd.,	1	2	2	5
Yantai Qixia Zhonglian Cement Co., Ltd., Co., Ltd.,	1	2	2	5
Total	10	20	20	50
Grand Total	100			

3. Results and Discussion

3.1 Overview of the company

Half the surveyed companies have been operating for 10–15 years, often linked to company size; some established since 2010 show significant growth, forming a strong foundation for potential mergers. In the survey, 50% of companies have over 200 employees, 30% have 100–200 employees, and 20% have 50–100 employees, emphasizing the priority of larger companies in merger considerations. Most surveyed companies, especially state-owned enterprises, have a history of mergers dating back over a decade, with only a small percentage undergoing such processes in the last 5 years, indicating gradual expansion over time. The surveyed companies, primarily state-owned enterprises, have engaged in various types of mergers: 10% in horizontal mergers, 20% in vertical mergers, 20% in market expansion mergers, and the majority (50%) in enterprise group mergers, often involving subsidiary mergers to optimize channels, reduce costs, and enhance competitiveness.

Respondents generally support various collaboration practices within the surveyed company, such as cross-departmental seminars, information sharing, cross-departmental groups, and performance indicators for collective achievements. They recognize the value of these practices, although some challenges exist due to time constraints and differences in work nature.

The respondents generally approve of the strategies for cultural integration and brand unification post-mergers and acquisitions, including creating a unified brand identity, fostering cultural understanding through seminars, and emphasizing leaders' roles in embodying integrated culture. While most aspects are viewed positively, there's room for improvement in communication channels, especially for customer-facing communications.

Respondents generally express agreement with the strategies used to integrate products and services following mergers and acquisitions, including evaluation and integration of products and services, cross-training for

employees, a unified customer support system, joint product development, and collaboration among R&D teams. However, they also acknowledge some challenges, such as the need for higher innovation standards.

The respondents generally agree with strategies and practices related to channel management and optimization post–mergers and acquisitions, including evaluating and mapping distribution channels, partner participation in coordinating channel strategies, adopting a single ordering platform, establishing comprehensive performance indicators, and implementing a unified training and certification plan for partners.

Respondents generally support the company's strategies and practices related to pricing and communication in the context of mergers and acquisitions, including reviewing pricing structures and adjustments, communicating a consistent value proposition, exploring customer participation in pricing integration, establishing a unified discount and incentive method, and implementing a phased launch of pricing strategies. While there's strong agreement with adapting pricing to market dynamics and customer expectations, some aspects, like customer involvement, have mixed perceptions.

3.2 The current status of the marketing integration strategies

Respondents generally supported various marketing practices. They found brand promotion effective, but there were concerns about advertising costs, content duplication, and innovation. Market research was seen as foundational, and social media marketing, along with word–of–mouth marketing, were accepted.

Respondents generally agreed on marketing strategy concepts. Customer orientation was recognized as important but faced challenges in implementation. Continuous innovation and market–oriented strategies were endorsed, with occasional concessions to government policies. Differentiation through unique product characteristics and brand image was seen as compelling. Relationship maintenance and high–quality after–sales service were essential. Social responsibilities were viewed optimistically, and quantitative decision–making based on market data was important, with some concerns about data overload.

The survey showed a consensus on marketing team collaboration. Common marketing goals aligned with overall business objectives were deemed important, but concerns about uneven goal distribution remained. Information sharing and problem–solving through team meetings and communication

platforms were effective, despite expansion challenges. Task allocation based on team members' abilities and interests had room for improvement. Regular training and data-driven evaluation were widely practiced. Cross-departmental collaboration was challenging in some areas, particularly regarding regulatory compliance.

3.3. The challenges of merger and reorganization

Companies face fierce market competition and the challenge of reaching diverse customers. Ad blocking affects advertising, and traditional marketing struggles due to digitization. Information overload complicates customer decisions, and social media has a significant influence on brands. Respondents are determined to tackle these challenges in the ever-changing marketing landscape.

Economic instability, partly due to the recent COVID-19 pandemic, affects marketing strategies. Companies must focus on social and environmental responsibility and navigate rapidly changing markets with clear planning. Adapting to evolving customer needs is crucial. Respondents are committed to addressing these challenges in the evolving marketing landscape.

Marketing teams face key challenges. Unclear goals and overlapping roles cause confusion, and collaboration obstacles exist between different teams due to unclear responsibilities. Multitasking issues require better prioritization. Cultural differences across regions and backgrounds impact teamwork, and fostering creativity is essential. Issues related to work distribution, unclear tasks, and personal biases affect team dynamics and satisfaction. Respondents acknowledge these challenges and prioritize addressing them to foster effective teamwork.

3.4. Propose a strategic plan based on the results of the study.

The strategic plan is comprehensive, targeting challenges and improvement opportunities in marketing communication, marketing concept, and marketing team collaboration. In marketing communication, it emphasizes collaboration with key stakeholders, content quality, and brand reputation management. For marketing concept, it addresses economic instability by diversifying market strategies and underlines customer service, transparency, and consumer engagement through social media. In marketing team collaboration, it tackles unclear goals and cultural differences with continuous evaluation and innovative tools, aiming to create a more cohesive and creative

team. These plans are intended to enhance overall marketing effectiveness for various cement companies involved in the initiative.

4. Conclusions

The study provided a nuanced understanding of the dynamics within companies undergoing mergers and acquisitions, revealing a landscape shaped by longstanding operations, prioritization of larger entities, and a diverse array of strategies focused on optimizing channels and competitiveness. While respondents express overall support for collaborative efforts, integration, and marketing strategies, they recognize and grapple with challenges related to teamwork, cultural differences, multitasking, creativity, and targeting. The marketing domain, in particular, faces a multitude of challenges, including intense competition, evolving customer targeting methods, ad blocking, and the impact of social media. Respondents converge on supporting marketing concepts such as customer orientation, innovation, differentiation, and data-driven decisions, but concerns about rising costs and duplication persist. The proposed comprehensive strategic plan, centered on stakeholder collaboration, content quality, diversified market strategies, transparency, and cultural understanding, seeks to address these challenges and enhance marketing effectiveness across communication, concept, and team collaboration, ultimately aiming to benefit the participating cement companies in the initiative.

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