

Advertising, Promotion and Marketing Communications

Chapter 4

The IMC Planning Process

The IMC Planning Context

- Developing an integrated marketing communications plan requires the analysis of the three Cs:
 - o Customers
 - Every product or service meets the needs of a set of customers
 - When conducting an analysis of customers for the purpose of IMC planning, the marketing department examines:
 - Current customers → Easiest to study
 - Former customers → Why did they leave?
 - Potential new customers → Which ones does the company want?
 - Competitor's customers
 - o Competitors
 - Methods and strategies competitors use to interact with consumers
 - Look at statements competitors make about themselves
 - Advertisements
 - Promotional materials
 - Annual reports
 - Web sites
 - Study what other people say about the competition
 - o Communications
 - Look at all levels
 - Current customers
 - Potential customers
 - Employees
 - Channel members
 - What works/doesn't?

Target Markets

- Analysis of target markets happens after the analysis of the company's context is completed
- Target markets exist in two areas:
 - o Consumer markets
 - o Business-to-business markets
- **Market Segments** – Consists of a set of businesses or a group of individual consumers with distinct characteristics
- For a market segment to be considered viable, it should pass the following tests:
 - o Businesses/individuals within the segment should be similar in nature

- o Market segment differs from the population as a whole
- o Market segment must be large enough to be financially viable to target with a separate marketing campaign
- o Market segment must be reachable through some type of media or marketing/communications method
- **Market Segmentation** – Consists of identifying specific consumer and business groups based on their needs, attitudes and interests

Market Segmentations by Consumer Groups

- Segments based on demographics
 - o **Demographics** – Population characteristics
 - Gender
 - Age
 - Education
 - Income
 - Ethnicity
 - o Companies create goods and services to meet the needs of individual graphic segments
- **Psychographics** – Emerge from patterns of responses that reveal a person's activities, interests and opinions
 - o Supplement demographics and explore a deeper meaning
 - o VALS Typology
 - Innovators – Successful, sophisticated and receptive to new technologies. Their purchases reflect cultivated tastes for upscale products
 - Thinkers – Educated, conservative, practical consumers who value knowledge and responsibility. They look for durability, functionality and value
 - Achievers – Goal-oriented, conservative consumers committed to career and family. They favor established prestige products that demonstrate success to peers
 - Experiencers- Young, enthusiastic and impulsive consumers who seek variety and excitement and spend substantially on fashion, entertainment and socializing
 - Believers – Conservative, conventional consumers who focus on tradition, family, religion and community. They prefer established brands and favor American-made products
 - Strivers – Trendy, fun-loving consumers who are concerned about others' opinions and approval. They demonstrate to peers their ability to buy
 - Makers – Self-sufficient consumers who have the skill and energy to carry out projects, respect authority and are unimpressed by material possessions

- Survivors – Concerned with safety and security, focus on meeting needs rather than fulfilling desires. They are brand loyal and purchase discounted products
- Segment based on generations
 - Generational segmentation proponents suggest that people experience significant events during late adolescence or early adulthood
- Segmentation based on geographical area
 - **Geo-Targeting** – Marketing appeals made to people in a geographic area
- Geodemographic Segmentation
 - Allows companies to enrich geographic approaches to segmentation
 - Identifies potential customers using demographic information, geographic information and psychographic information
- Benefit Segmentation
 - Focuses on the advantages consumers receive from a product rather than the characteristics of the consumers themselves
- Usage Segmentation
 - Examines groups based on usage or purchases

Business-to-Business Market Segmentation

- The primary goals of business segmentation efforts are to group similar organizations into meaningful clusters in order to provide better service
- Segment by Industry
 - North American Industry Classification System (NAICS)- Allows the marketing team to examine specific industries
- Segmentation by Size
 - Some market segments may be based on a company's sales volume or number of employees
- Segmentation by Geographic Location
- Segmentation by Product Usage
 - Business markets can be segmented based on the manner in which the good or service is used
- Segmentation by Customer Value
 - Looks at sales records and other sources of data and information that places them into low, medium or high-value groups

Product Positioning

- Each target market or market segment will be selected because the company, product or brand position matches the segment
- **Product Positioning** – Summarizes the perception in the consumer's mind of the nature of a company and its products relative to competitors
 - Quality