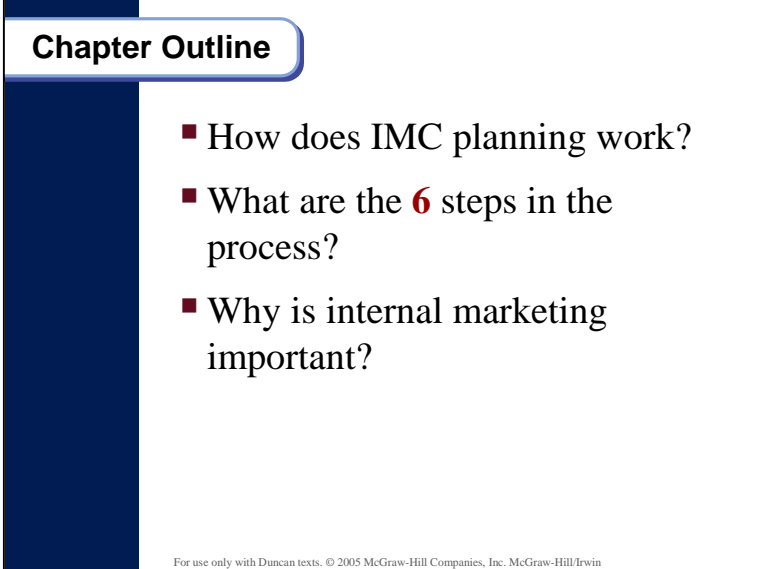


## CHAPTER 6: IMC PLANNING

### Chapter Objective

To explain the importance and nature of the IMC planning process within organizations and to illustrate how it works.

### Chapter Key Points

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**Chapter Outline**

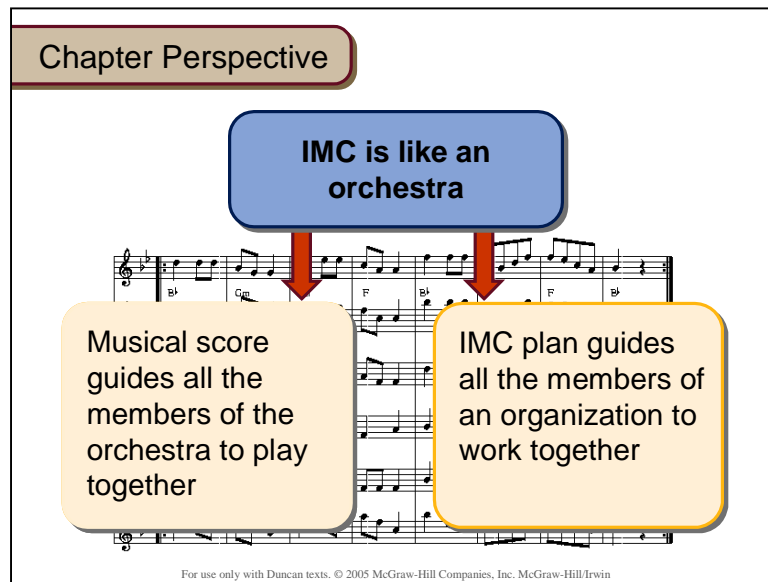
- How does IMC planning work?
- What are the **6** steps in the process?
- Why is internal marketing important?

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This chapter addresses three fundamental issues:

- 1) How does IMC planning work?
  - The chapter describes the importance of the IMC planning process and how it works within organizations that use it.
- 2) What are the six steps in the process?
  - The chapter identifies and explains each step of the process.
- 3) Why is internal marketing important?
  - The chapter explains the importance of employees to the success of IMC planning and identifies ways to engage them.

## Chapter Perspective



Integrated marketing communication is often compared to an orchestra. Just as an orchestra's performance is guided by a musical score, an IMC program must have a written score, or plan. This plan details which marketing communication functions and which media are to be used at which times and to what extent.

An IMC plan is a written document. It can be as minimal as a set of organized notes by a person running a small retail business or as complex as a 100-page document for a multimillion-dollar brand campaign. But all good plans, regardless of size, have five basic elements: targeting (designated customers and prospects), SWOT analysis, objectives, strategies and tactics, and evaluation. The planning process begins by selecting the desired audience for the brand message. Research then determines the strengths and weaknesses of a company or brand from the perspective of customers and prospects. Planning also takes into consideration marketplace opportunities and threats—those things which a company cannot control, but which they can leverage or address their advantage.

This chapter explains the differences between objectives, strategies, and tactics and then describes each of the six steps in the planning process. The chapter ends with a discussion of internal marketing since companies cannot properly execute an IMC plan without the full knowledge and cooperation of all their members.

## Opening Case: GMC Envoy

### Opening Case: GMC Envoy



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### Opening Case: GMC Envoy

#### Challenge:

→ Create an appealing identity for new vehicle

#### Answer:

→ IMC program featuring:

- Direct mail campaign with unique “2 brothers” theme with no GMC branding
- Sweepstakes with free 2 year lease
- Follow-up letters from local dealers

#### Results:

→

- 10.5 percent response rate
- 4,162 Envoy sales attributed to campaign
- 40 marriage proposals for the fictitious “2 brothers”

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Challenge: Create an appealing identity for new vehicle

Answer: An IMC program featuring:

- Direct mail campaign with unique “2 brothers” theme with no GMC branding
- Sweepstakes with free 2 year lease
- Follow-up letters from local dealers

Results:

- 10.5 percent response rate
- 4,162 Envoy sales attributed to campaign
- 40 marriage proposals for the fictitious “2 brothers”

Discussion Starters:

- 1) How many students in this class are aware of the GMC Envoy?
- 2) Ask students to discuss their perception of the Envoy versus other SUVs.
- 3) Poll students on how many would prefer the GMC Envoy versus the Chevrolet TrailBlazer (the vehicles are virtually identical—except in image)



## Lecture Outline

### I. Starting At Zero With IMC Campaign Planning

**IMC Planning Starts at Zero**

**Zero-based planning:**

- *A process that determines objectives and strategies based on current brand and marketplace conditions*



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#### A. Zero-based planning

- i. *A process that determines objectives and strategies based on current brand and marketplace conditions*



## TALES FROM THE REAL WORLD

### Tales From the Real World

In the real world, many organizations pay lip service to “zero-based” planning or ignore it completely.

Why? It’s human nature. It is simply much easier and less time consuming to find last year’s plan, dust it off, make a few minor changes, and present it as a new plan.

There’s only one problem: last year’s SWOTs may no longer apply. As a result, the new plan may be addressing old issues—and wasting marketing dollars.

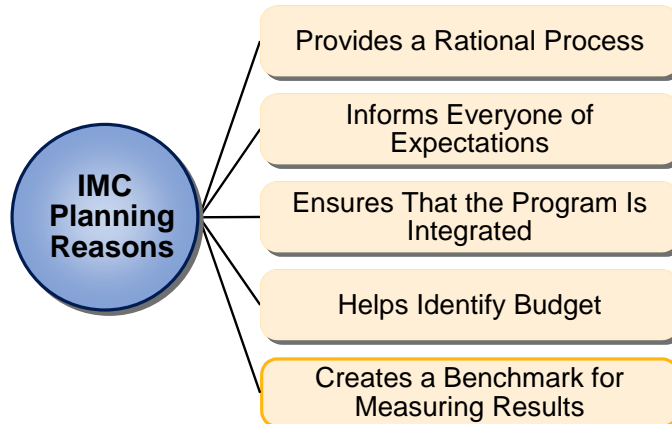
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There’s only one problem: last year’s SWOTs may no longer apply. As a result, the new plan may be addressing old issues—and wasting marketing dollars.

## B. Reasons for IMC planning


### Reasons for IMC Planning



- i. Provides a rational process
- ii. Informs everyone of expectations
- iii. Ensures that the program is integrated
- iv. Helps identify budget
- v. Creates a benchmark for measuring results

C. Typical result: an annual campaign

**Typical Results: An Annual Campaign**

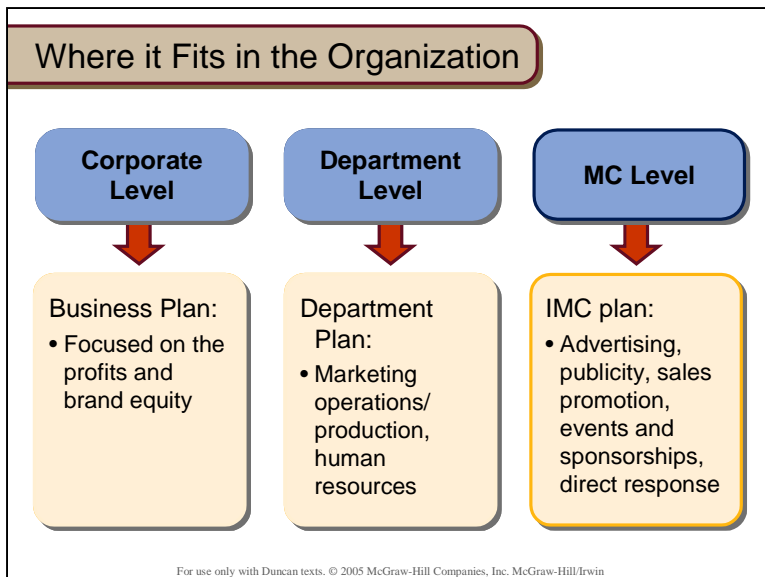


**Annual campaign:** *A set of MC messages with a common theme that runs for a specified period of time to achieve certain MC objectives.*

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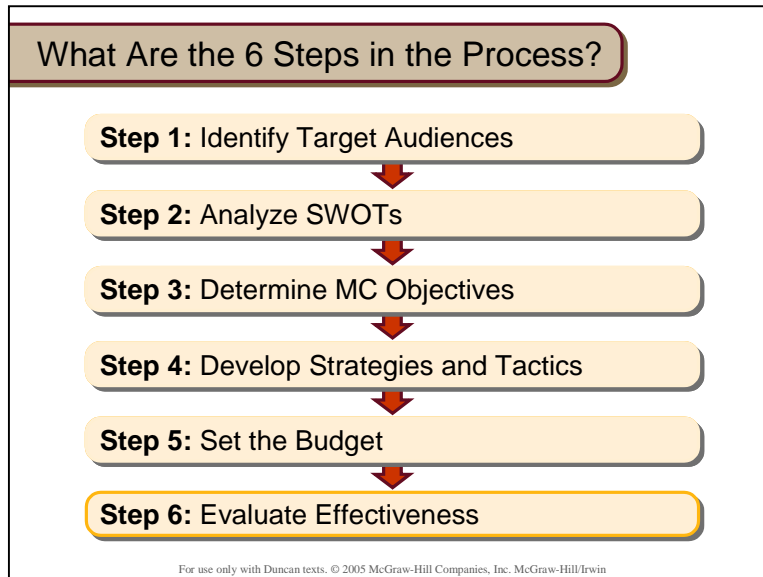
- i. *A set of MC messages with a common theme that runs for a specified period of time to achieve certain MC objectives*

D. Where it fits in the organization



- i. Corporate level—business plan
  - 1. Focused on the profits and brand equity
- ii. Department level—department plan
  - 1. Marketing operations/production, human resources
- iii. MC level—IMC plan
  - 1. Advertising, publicity, sales promotion, events and sponsorships, direct response

## II. The IMC Planning Process



### A. Step 1: Identify Target Audiences

#### i. Targeting

- 1. *Analyzing, evaluating, and prioritizing those market segments deemed most profitable to pursue*

## ▷ INSTRUCTOR IN-DEPTH INSIGHT: THE 4 Cs

### Insight: The 4 Cs



#### Some marketers think of the 4Cs in addition to the 4Ps:

- 1) Consumers: Ask consumers how your brand compares to competitors
- 2) Cost: Ask consumers how they perceive the cost of your brand vs. competitors
- 3) Convenience: Ask consumers how convenient it is to locate and buy your brand vs. competitors
- 4) Communication: Ask consumers if they are getting what they need to make the best buying decision

One way to ensure that a SWOT analysis has a customer focus is to think in terms of the four Cs—customers, cost, convenience, and communication. Rather than focusing on the product (where production and cost savings are most important), ask customers how the brand compares to competing brands rather than doing just internal competitive-product lab tests. Rather than comparing prices to competitors, ask customers how they perceive the cost of buying and using the brand in relation to competing brands. Rather than doing store checks to determine the extent of brand distribution, ask customers how convenient it is for them to find and buy the brand. Rather than just looking at promotional redemption figures, ask customers if they are receiving the kinds of communication from the company that they need to make their buying decisions.

### B. Step 2: Analyze SWOTs

- i. A structured evaluation of internal strengths and weaknesses and external opportunities and threats that can help or hurt a brand*
  1. Internal factors: Strengths and weaknesses
  2. External factors: Opportunities and threats



C. Step 3: Determine MC Objectives

- i. Taken directly from SWOT priorities
- ii. 4 characteristics:
  1. Specific
  2. Measurable
  3. Achievable
  4. Challenging
- iii. 2 types:
  1. Communication: deal with attitudes
  2. Marketing: deal with behaviors

D. Step 4: Develop Strategies and Tactics

- i. Strategies
  1. *Ideas for how to accomplish objectives*
    - a. Example: Envoy campaign's virtual European trip idea
  2. 2 phases:
    - a. Select the MC and Media Mixes
      - A selection of media channels used to deliver brand messages

IMC In Action: Snapple

IMC In Action: Snapple



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## IMC In Action: Snapple

### Challenge:

Rebuild Snapple's brand appeal

### Answer:

An IMC campaign featuring:

- Advertising using a wacky campaign about maturing fruit aimed at young people
- A virtual community called "Snappleton"

### Results:

Too early to tell

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Challenge: Rebuild Snapple's brand appeal

Answer: An IMC campaign featuring:

- Advertising using a wacky campaign about maturing fruit aimed at young people
- A virtual community called "Snappleton"

Results:

- Too early to tell

Discussion Starters:

- 1) Poll students to determine how many prefer Snapple over other similar drinks like Fruitopia
- 2) Ask students to indicate when they last purchased a Snapple. If it has been a long time for many, ask why it has been so long (this may indicate either a perceptual problem or a distribution problem)
- 3) Can anyone identify where Snapple can be purchased on campus?

▷ **INSTRUCTOR IN-DEPTH INSIGHT: MEDIA MIX**

A problem can occur when the strategy is to use one dominate MC tool simply out of tradition, regardless of the objectives. This domination happens most often with the use of magazine and TV advertising, especially for consumer brands. There are several reasons for this. First, mass media advertising has been extremely successful in creating brand awareness and in positioning brands. Consequently, many consumer brands start out by allocating the majority of their MC budgets to advertising and then find it hard to change the allocation because departments and agencies become involved and continue to perpetuate their own preeminence. Second, many brands still place too much emphasis on acquiring customers. Finally, advertising may seem to be the most “glamorous” of the various MC tools. Most marketers prefer to identify themselves with a TV or magazine advertising campaign rather than with a direct-marketing campaign (involving telemarketing or “junk mail”) or a sales promotion campaign (involving cents-off coupons or free coffee mugs).

b. Select the Creative Idea

- The big idea that becomes the theme of all campaign messages

▷ **INSTRUCTOR IN-DEPTH INSIGHT: THE BIG IDEA**

Once the company selects an MC mix, the creative people develop a “big idea” that will help solve the key problems (and/or leverage key opportunities). The big idea provides a single focus to all the MC efforts, gives direction to both message design and message delivery, and is present in the message executions. (Message strategy and execution will be discussed in greater detail in Chapters 9 and 10.) Recall that in the GMC Envoy case, the big idea was to taking the target audience on a virtual test drive of the Envoy via a series of direct mailings from two brothers touring Europe.

Idea development must be carefully managed, otherwise, a variety of unrelated ideas may be produced. Offering a six-pack of beer or a pair of panty hose to motivate people to try on a Rolex watch at a jewelry store is not a good strategic idea because these promotional items are not consistent with the upscale image of a Rolex watch. Offering a chance to win a Montblanc pen or a Hermes scarf, however, would be consistent. For strategic consistency in brand messages, there needs to be a fit between brands and offers. Keep in mind that promotional offers will serve two purposes: to motivate behavior and to reinforce a brand’s image.

ii. Tactics

1. *The specific actions that must be taken in order to execute a strategy*

- a. Example: Execution details from Envoy campaign like the letters mailed from Europe and details of the sweepstakes

E. Step 5: Set the Budget

i. *A fixed amount of money for a fixed period of time allocated for marketing communication*

ii. 4 methods

1. Percent-of-sales
2. Return-on-investment
3. Objective-and-task
4. Share-of-voice spending


F. Step 6: Evaluate Effectiveness

- i. Some ways to measure
- ii. Sales
- iii. Market share
- iv. Awareness
- v. Relationship strengths
- vi. a predictor of future sales

III. Internal Marketing

Why is Internal Marketing Important?

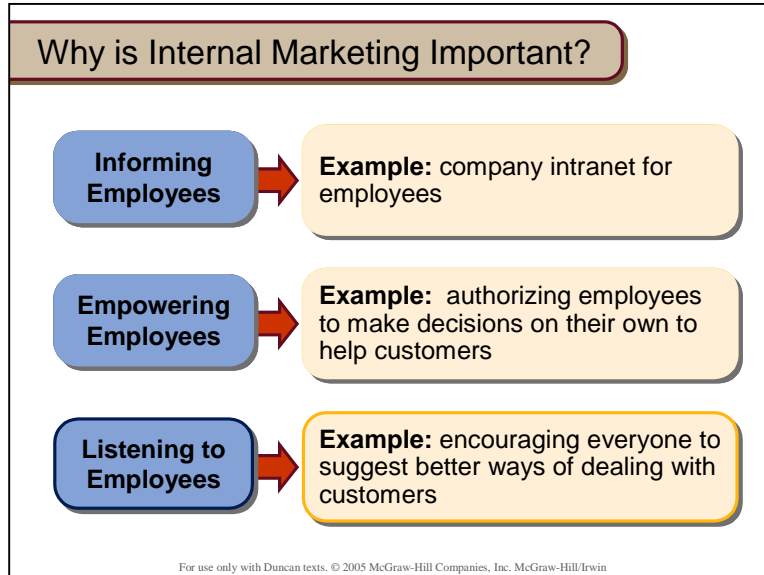
**A critical responsibility of marketing:** Interpreting the needs of the customer and the marketplace and bringing that information to all departments



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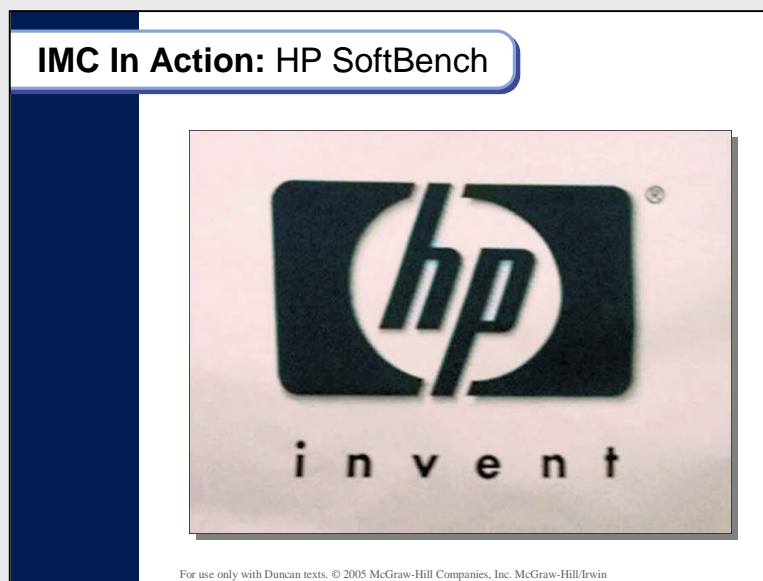
- A. A critical responsibility of marketing
  - i. Interpreting the needs of the customer and the marketplace and bringing that information to all departments

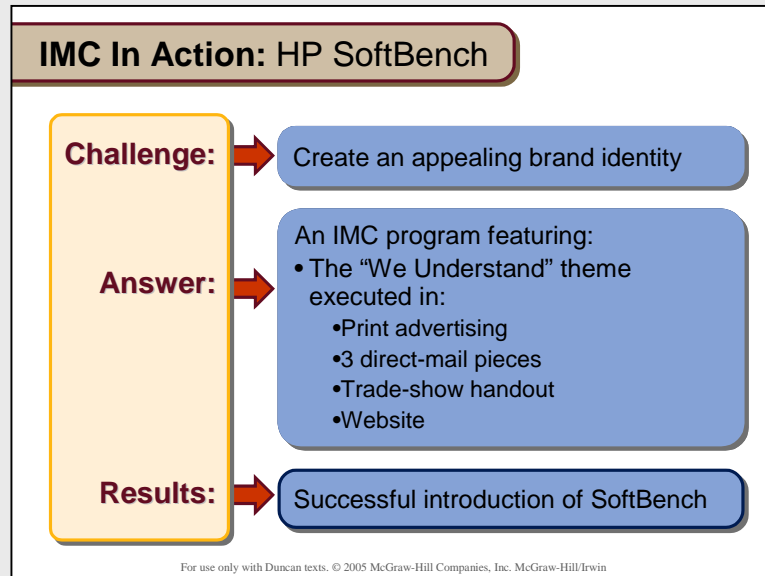
B. 3 aspects:



- i. Informing employees
  - 1. Example: company intranet for employees
- ii. Empowering employees
  - 1. Example: authorizing employees to make decisions on their own to help customers
- iii. Listening to employees
  - 1. Example: encouraging everyone to suggest better ways of dealing with customers

### IMC In Action: SoftBench





Challenge: Create an appealing SoftBench brand identity

Answer: An IMC program with the “We Understand” theme featuring :

- Print advertising
- 3 direct-mail pieces
- Trade-show handout
- Integrated into website

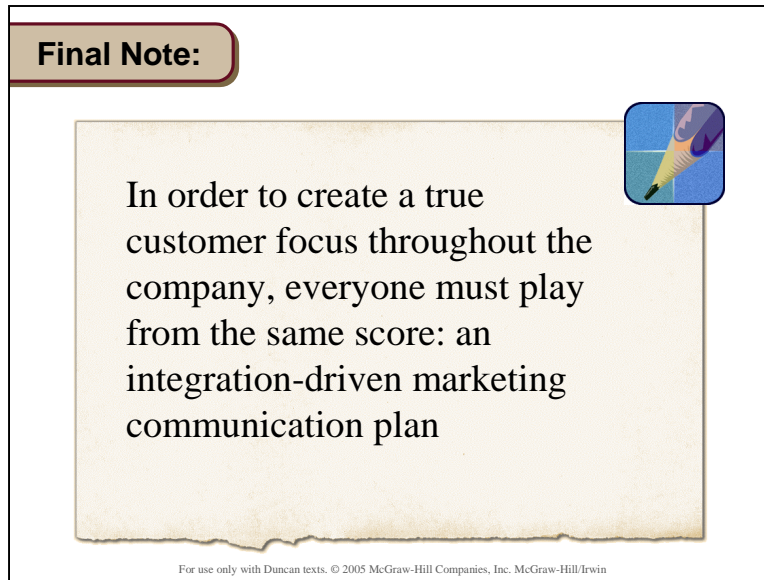
Results:

- Successful introduction of SoftBench

Discussion Starters:

- 1) How many students in the class have heard of the SoftBench brand?
- 2) To make this case more relevant to students, ask them to write down and then recite in class the first software brand that comes to mind
- 3) As a follow-up, ask students which software brand they prefer from those cited in question 2.

#### IV. Final Note



- A. In order to create a true customer focus throughout the company, everyone must play from the same score: an integration-driven marketing communication plan

## Answers to Review Questions

### 1) IMC Zero-Based Planning

- a. What is zero-based planning? What assumption does it challenge?  
*Answer: Zero-based planning is a process that determines objectives and strategies based on current brand and marketplace conditions. It challenges the assumption that last year's plan or those of competitors are the best way to accomplish your objectives. It essentially starts with "a clean sheet of paper."*
- b. How do strategies, objectives, and tactics differ?  
*Answer: Objectives are the broad outlines of what you want to accomplish; strategies are more specific ideas for how to accomplish objectives; and tactics are the very specific actions that must be taken in order to execute each strategy. They are the executional details that bring a strategic idea to life.*
- c. How did Hewlett-Packard use strategic planning in its SoftBench Suite campaign? What are the objectives and strategies? What does it mean to make integration an attitude?

Answer: *HP used the type of planning process described in this chapter. For example, their first step was to identify their target audience of software developers and software development managers within businesses. Then they conducted a SWOT assessment that identified several key issues, for example, the fact that various HP departments—sales, product marketing, engineering, customer support—each understood a different aspect of customers’ needs. This could be construed as a weakness, but also as a strength, because all these individuals could be brought together to help solve customer problems. The SWOT assessment also identified an external threat: the pressures, and constraints that software developers and software development managers faced, such as unrealistic deadlines, hidden code errors, simultaneous development of multiple application versions, and transition problems in moving to object-oriented programming. Again, this could be construed as a threat to HP, but also as an opportunity for HP. Next, HP set a primary objective based on the SWOT: “To position HP as the software provider that best integrates marketing, engineering and customer support to solve customer problems.” Based on this objective, the creative strategy “We Understand” was developed, as well as tactics including the use of print advertising reinforced by direct-mail, trade-show materials and a website.*

*Integration truly became an attitude for this campaign, because all of the critical departments involved in touching the customer were involved in the planning process right from the beginning, and all had an ownership of the “we understand” theme. This ownership made it much more likely that everyone would adopt the attitude.*

- d. What are objectives and strategies? What does it mean to make integration an attitude?

Answer: *As noted in 1 (b) above, objectives are the broad outlines of where a brand wants to be and strategies are the more specific ways of getting there. If integration is to succeed in an organization, then it needs to be considered and incorporated at every level of the strategic planning process—from objectives on downward. This top-to-bottom approach is something that becomes a standard way of thinking (an attitude) in well-run IMC organizations.*



## 2) The IMC Planning Process

- a. Using the six-step planning process, reconstruct the key planning decisions behind the GMC Envoy campaign.

*Answer: First, GMC identified the target audience of current GMC Jimmy owners, current competitive SUV owners, and current luxury-car owners with a high likelihood of purchasing an SUV. Second, it conducted a SWOT assessment that found, among other things, that consumers were not aware of the Envoy (because it was a new brand) there was no budget for a regular introductory campaign, and many SUV brands were already well established. On the positive side, the SWOT also indicated that GMC had a good reputation, that GMC had a good dealer network, and that the demand for SUVs was strong and growing. Next, GMC set objectives for the campaign, specifically to:*

- 1. Create awareness of the Envoy launch among 50 percent of the target audience.*
- 2. Keep the target audience from buying another brand of SUV before the Envoy was available.*
- 3. Motivate 10 percent of the target audience to visit a showroom and ask for the Envoy by name.*
- 4. Create a brand identity and position for the Envoy as an SUV that combines both luxury and technology.*
- 5. Generate sales of 3,500 units within the first three months of the Envoy's launch.*

*Based on these objectives, GMC then set the following strategies: Creative: the big creative idea was to invite prospects on a vicarious test drive, described by a fictitious American diplomatic envoy and his brother who worked for GMC. A critical creative element was to have the test-drive story take place in Europe.*

*Media: use direct mail as the primary medium*

*Based on these strategies, specific creative tactics were developed and executed, including the creation of the two fictitious brothers and the creation of materials that looked European and were actually mailed from Europe. The media tactics including the mailing of six different pieces to customers, each 10-14 days apart.*

*Next, based on the cost of executing the objectives and tasks, a budget was established. Finally, the campaign was evaluated, using several measures. For example, the direct-mail campaign had a response rate of 10.5 percent, which is considerably higher than the usual direct-mail response rate of 1 to 2 percent. Of those who responded, there was a conversion rate (i.e., a commitment to buy) of 19 percent. The cost per response was \$19.21, and the cost per conversion (actual sale made) was \$184. This \$184 investment was only one-fifth of the automotive industry's normal MC allocation per car, which meant that this campaign was highly cost-effective. GMC tracked 4,162 unit sales to this campaign--including sales made to people who came to dealerships in response to the Envoy campaign but ended up buying other GMC models instead.*

- b. Why is SWOT analysis the first step in zero-based planning?

*Answer: It is helpful to conduct a SWOT analysis early in the planning process because adjustments frequently need to be made in plans based on budgetary limits. In the case of marketing communications planning, this adjustment can be made fairly easily if the plan is based on prioritized SWOTs. Managers simply go back to the plan and take out the lowest priority objective or two—whatever it takes to stay in budget. The remaining objectives and supporting strategies then determine how much money will be allocated to each MC function and to major types of media.*

- c. What are the internal and external factors involved in a SWOT analysis? Give an example of each from the Snapple case and explain how they were addressed or leveraged.

*Answer: Strengths and weaknesses include such things as how customers and prospects perceive a brand's innovativeness, the convenience of finding and buying the brand (distribution), its pricing compared to competition, the expertise and helpfulness of its sales force, the condition of its physical facilities, and its overall financial strength. Brand image, brand positioning, corporate culture, and core values can also be either strengths or weaknesses. Threats are marketplace conditions that reduce the perceived value or attractiveness of a product or that result in its being more costly to make or provide. By definition, threats can't be controlled, but sometimes a company can lessen their impact. Opportunities are social and economic conditions and situations in the marketplace that can positively alter customers' attitudes about and behavior toward the company's products. Smart companies identify and leverage opportunities.*

*Some examples from the Snapple case could include the following: A strength is Snapple's existing level of brand awareness; despite its problems, it remains a very recognizable brand. A weakness could be weakened perceptions about the brand given its marketing missteps. Threats from the marketplace could be the growth in the bottled water segment of the soft drink industry, driven partially by consumers' concerns about calories. An opportunity in this same area could be the possibility of Snapple entering the water segment with a brand of its own.*

- d. Convert the six "tasks" McCann-Erickson faced in the GMC Envoy case into measurable objectives.

*Answer: In order to convert tasks into objectives, it is important to keep in mind the four characteristics of a good objective. The objective should be specific, measurable, achievable, and challenging. So the tasks in the Envoy case could be restated as follows:*

<u>Tasks</u>	<u>Objectives</u>
1. Introduce the brand	Create awareness of the Envoy launch among 50 percent of the target audience in 7 months
2. Keep consumers from buying another brand of SUV before the Envoy was available.	Encourage 20% of the target to defer their SUV purchase by seven months until the Envoy enters dealer showrooms
3. Get consumers into the showroom	Motivate 10% of the target audience to visit a showroom and ask for the Envoy by name in the next 7 months
4. Position the Envoy	Create a brand identity and position for the Envoy as an SUV that combines both luxury and technology among the target audience within 7 months.
5. Promote sales	Generate sales of 3,500 units within the first three months of the Envoy's launch.

e. How do you know if an IMC campaign is effective?

*Answer: There are a number of good measures which can be used to measure the effectiveness of an IMC campaign. In order to determine the campaign's success, it is important to capture the measures before the campaign begins—and then at intervals after it has been implemented. Some of the measures that can be used include:*

- top-of-mind awareness
- overall brand awareness
- percent who have tried the brand
- percent who have repeated
- share of customer's category spending on the brand
- percent of customers who have repeated and then quit buying (churn rate)

### **3) Internal Marketing**

a. Define internal marketing.

*Answer: The text defines internal marketing is “the application of marketing inside the organization to instill customer-focused values.” It is critical in making the planning process run smoothly and keeping employees and departments informed of MC plans.*

b. What is the role played by communication in internal marketing?

*Answer: Internal marketing is communication-dependent. Exhibit 6.16 highlights the problems that arise when employees are not kept informed of promotions aimed at customers. There are three basic aspects of internal communication: informing employees, empowering them, and listening to them.*

- c. Analyze the HP SoftBench Suite campaign in terms of its internal marketing dimensions. What was done? What other activities and programs would you recommend?

*Answer: Internal marketing was integral to the planning for the campaign as illustrated by the fact that the entire process started with a product positioning workshop that defined customers' dilemmas with Unix and identified HP's resources that could be used to address these dilemmas. Information in the case also suggests that employees were integrally involved at other steps of the planning process, and that they not only "bought in" the "We Understand" theme, but also lived it out in their relationships with customers.*

*One idea that HP could have added to the program would be the use of an intranet to keep employees at all levels and in all departments aware of news that might help them to respond to customer issues.*

## Chapter Challenge

### Writing Assignment

Using the six planning steps, create a model that visualizes these steps showing what other things influence each step. Now apply your model to your favorite apparel brand. Based on information you find out about the brand from research and from your own personal experience and knowledge of the brand, explain how the brand's marketing communication program works. Write up your analysis and use your model to explain your analysis.

### Presentation Assignment

Research Snapple. What has happened most recently to turn around this troubled brand? Did it work? What objectives and strategies would you recommend to Snapple's current manager to build on the brand's history? Using the six-step IMC planning process, develop a marketing communication plan for Snapple for next year. Present your plan to the class.

### Internet Assignment

Consult the website for the John W. Hartman Center for Sales, Advertising, and Marketing History at Duke University (<http://scriptorium.lib.duke.edu/adaccess>). The site contains more than 7,000 print advertisements that were produced between 1911 and 1955. To demonstrate that the basics remain the same, find an ad in the collection that demonstrates one of the following:

1. Leveraging an opportunity.
2. Addressing a threat.
3. Leveraging a strength.
4. Addressing a weakness.

### Research Assignment

Find a write-up about a successful advertising campaign. Using your understanding of the IMC planning process plus ideas you gather from the books listed above, develop a marketing communication plan for that product that moves its focus from advertising to IMC.

### IMC Plan Team Assignment

At this stage in their semester-long project, students must begin to analyze the strengths, weaknesses, threats and opportunities facing their client's brand. This assignment will ask them to identify at least three of each of these factors—and to prioritize them.

# IMC Final Project Checklist #6

Due Date: \_\_\_\_\_

Your Agency Name:

**SWOT assessment**

*(Strengths and weaknesses are internal factors—those that are under your client’s control. These factors can be determined by asking your client’s customers and prospects. Opportunities and threats are external elements—those over which your client has little or no control (but on occasion can influence).*

**Strengths** *(list at least three, in order of the most pressing to the least)*

1)

2)

3)

**Weaknesses** *(list at least three, in order of the most pressing to the least)*

1)

2)

3)

**Threats** *(list at least three, in order of the most pressing to the least)*

1)

2)

3)

**Opportunities** *(list at least three, in order of the most pressing to the least)*

1)

2)

3)