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Marketing Decision Making

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Abstract

The following is a discussion concerning integrated marketing communications, or IMC.

Marketing Philosophy and Strategy

**Introduction**

Once one has determined various components of the marketing strategy, the final piece is regarding the marketing mix. This mix involves the set of decisions management makes regarding price, promotion, customer relationship management, and channels of distribution. The best kind of marketing mix provides a clear and consistent message to the consumer.

However, integrated marketing communications (or IMC) is more than the determination and coordination of the firm's message to the community amongst the different media channels - it is an aggressive plan which uses and capitalizes on consumer information. The steps in an effective IMC are as follows:

1) Consumer Database: This elements allows one to segment and subsequently analyze customer buying habits.

2) Strategies: The insight gained from the previous step is used to shape sales, communications and marketing strategies.

3) Tactics: Once one has conceived the basic strategy, one can appropriate the tactics which can be focused to the specific markets to gain the best results.

4) Evaluate Results: One must now collect new consumer evidence of buying habits to determine the previous steps' effectiveness (Winer, 2004).

**Key Factors in Consumer Analysis:**

i. Demographics

Demographics are very important to analytic processes and they are the basis from which conclusions are drawn regarding subsequent steps and effectiveness of new and existing tactics. It will include the following factors:

- age distribution

- population size and distribution

- income level

- education level

- religious affiliation

- ethnic origins

**Pros and cons observed in demographic analysis**

One will observe that within the global economy, income levels are steadily rising. Population and the growth of such factors within developed nations have remained stable, although within developing nations and economies (such as India) the population has seen large jumps. Education levels are also increasing. While these are all positives for the consumer goods sector, one must also observe economic trends such as interest rates, GDP, inflations rates, money supply, disposable income, and unemployment levels to understand how the introduction of a new product might capitalize on the trends (Ross, 2006).

**Key Factors in Consumer Analysis:**

ii. Psychographics

Psychographics observe peoples behaviors and lifestyles. This will further assist in determining the target audience as one will not only be able to understand who may buy the product, but also what factors contribute to why they may want to buy it. Consumer patterns are factors which also must be observed in order to make sure a marketing strategy will be effective, such as attitudes towards:

- individualism, role of government, role of family, collectivism

- materialism, free enterprise, capitalism

- environmentalism

- consumerism

- importance of work and pride of accomplishment

**Pros and cons observed in psychographic analysis**

In this section, one can observe whether lifestyle changes will seriously affect the industry. We have observed that youth and those who primarily operate within the home (housewives) are influenced by their peers in greater percentages in comparison to other sects of the population. Additionally, they have less free time than their predecessors. Therefore, our product is most likely to do well with these groups and convenience and reasonability of price will be influential factors (Ross, 2006).

**Key Factors in Consumer Analysis:**

iii. Behaviors

Buying behaviors exist in certain archetypes, based on the kind of product of interest. Habitual buying behavior involves the purchasing of a product due to habit (daily newspaper, or a coffee); Variety seeking buying behavior involves a person who prefers to experiment with different products every so often; and complex buying behavior involves someone who makes a purchase based on much previously acquired information and eventually makes a decision based on a high value brand.

**Pros and cons observed in behavior analysis**

Consumer behavior is influenced by factors which cannot be directly controlled. This is sometimes manifested in culture, friends, a role model, the media, or certain cultural groups which hold sway. However, one can influence the factors by, for example, using certain media campaigns or getting spokes models in order to indirectly influence the trends (Ross, 2006).

**Key Factors in Consumer Analysis:**

iv. Geographical considerations

Proximity to the consumer is an important factor into how well the product will do in the marketplace.

**Pros and cons observed in geographical considerations**

The company will ensure that the product will be available in the leading grocery stores. As the internet and social networking tools are narrowing the gap between company and consumer, so the firm would use these tools to our advantage with viral campaigns. Additionally, advertising on portable devices (such as apps) have tremendous impact on sales, so this would be another advantageous avenue (Ross, 2006).

**Industrial analysis**

The business environment which exists today is competitive, as we are in a capitalist society which functions on the sole belief that one who is valued over another will receive the most profits. The industry of breakfast foods is extremely competitive, due in large part to the fact that entry barriers to the industry are relatively low (especially if you count all of the knock-off, or "off brand" cereals).

The need for working capital is high despite the fact that the fixed coats requirement is low. The key to long term survival in the industry is to create brand awareness and a franchise with the consumers. The consumer has high bargaining power in the breakfast foods industry and, likewise, the suppliers have low bargaining power as the companies involved can switch suppliers at low-cost.

Although the model described above gives a good overview of the industry, the industry itself is not static in nature (Routeledge, 2010).

**Legal and ethical issues**

A part of the overall societal responsibility of an organization involves consumer responsibility. Marketers have now begun to notice cultural shifts in consumer responsibility beliefs which is auguring new marketing opportunities. With our product, "Chomp", we can exploit the consumer's lack of time, increase in income, and the "on the go" family - the "new" kind of family is too busy and would relish in the new convenience products.

Likewise, marketers have a responsibility as well. The social responsibility can be "positive" as in a responsibility to act, or "negative" as in a responsibility to refrain from acting - but regardless of the nature of the act, every entity has a responsibility to society. Here, this means ensuring that the marketers don't take advantage of the vulnerable consumer groups. When one is utilizing socially responsible marketing, one is ensuring that not only are the interests of the company being met, but also the interests of the targeted markets (Routeledge, 2010).

**Product overview**

It has proven important for one to always begin the day with a well-balanced breakfast, but many forego this nowadays, due to today's fast-paced lifestyle. As a result, I see the necessity for an on-the-go breakfast meal which contains both the cereal contents and the milk in two separate, but conjoined, compartments within the same packaging ready to use while in the car, on the bus, or on the train or subway. It’s refrigerated until it’s ready for use, and one can simply crack and peel back the plastic corner topped with waxy lining to keep the contents fresh. The milk and spoon could be separated from the cereal portion to make ready for pouring and use (in the case of the spoon).

This would be ideal for adults with kids on a tight schedule, for adults, themselves, who don’t have time for a full breakfast, or anyone who during the day requires a snack. It can be marketed as a healthy alternative to pastries that one often purchases as a breakfast meal, or other sugar snacks that one obtains throughout the day (Nicklas, 2004).

**IMC Approach**

Based on the data collection the marketing team has collected, the communication strategy will have the following components:

- communication objectives: to create a high-value image among the targeted audience highlighting unique benefits provided by the product

- communication message: we will stress the convenience of the product as the most valuable factor, maximizing on the mental image of providing flexibility and time-saving attributes. This will be targeted in accordance with the segments determined from the marketing customer database.

- communication media: A good mix of the media outlets would be appropriate such as television, internet, outdoor advertising, and newspaper. The first months of the campaign will heavily focus on TV and Radio ads in order to capture attention, using 20 and 30 seconds advertising spots, four times daily, on all of the major channels. The following five months will feature two-times per weekday spots, and three-times per weekend spots. The seven months to year end timeframe will feature once during the weekday spots and two times per weekend spots. This strategy will allow for gaining of interest while avoiding over-saturation of the market.

- public relations/ publicity: The PRO will originate from the segmented markets conceived from the communications database. The PRO will create communications designed to relate to particular market segments. The interests of the stakeholders in the organization must be balanced with the self-interest of the firm. The public relations department can help the company to be more successful by creating campaigns that reconcile the public interest and relationship with that of the firm and the stakeholders.

**Cooperative advertising:**

Cooperative advertising will play an integral part in this marketing strategy, as this is heavily channel-driven. This strategy involves the retailer receiving an advertising program from the manufacturer which is intended to stimulate short-term sales, as well as reinforce the brand over the long-term in order to maintain leverage.

**Reminder, point of purchase, and specialty advertising:**

When one is utilizing this strategy, one is attempting to use advertisements as a reminder of the brand, usually once the brand has been well established with a solid image. One way we can use this is through the package, key selling idea, and the price. This enhances awareness, increasing the amount of impulse buys (Wirth, 2005).

**Internet and E-strategy:**

An effective e-commerce strategy is an important piece of the puzzle in today' s market place, as it uses technology to obtain business goals. And with the modernization of today's marketplace, one cannot succeed without it. It facilities transactions, reinforces business process engineering, as well as supporting change initiatives.

We will focus more on advertising on various internet channels, including social networking sites, static ads, and application advertisement which will be visible to consumers more on-the-go. We will also use these channels to expand the consumer experience which will show the customer the added value of the product through value proposition.

**Personal selling:**

Personal selling will be limited to grocery stores and events with free samples of the product. We will allow for internet sales, as well as email queries and phone orders however as this is a breakfast meal it is best understood when actually used by the consumer. Giving away free samples of the product will ensure that enough individuals will have personally used it to properly enjoy the service provided. We will also allow for discounts in the form of coupons in the newspaper to encourage individuals who may not see the value on the product, to try it based on the savings gained.

**Strategy to Measure the Effectiveness of the Campaign**

The most effective way to determine whether our model was effective, would be to measure success based on other models of advertising in the breakfast meal industry. As the internet is a newer foray for this market, that would be harder to measure, but it may give an edge over the competition because of this fact. We may also propose "test market groups" to measure effectiveness of the advertising, or the product itself before releasing to the general public (Ross, 2006).

**Conclusion**

The integrated marketing strategy is a very complex process, which must take into consideration every possible attribute which contributes to the success of a marketing campaign, as well as whether or not it serves all of those with an interest in the success of the product. The right IMC strategy, however, will be the cornerstone to the success of the product launch.

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