THE IMC PLANNING PROCESS

From Chapter 4 of *Integrated Advertising, Promotion, and Marketing Communications*, Sixth Edition. Kenneth E. Clow and Donald Baack.
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THE IMC PLANNING PROCESS

CHAPTER OBJECTIVES

After reading this chapter, you should be able to answer the following questions:

1. How can the three Cs of the IMC planning context form the basis for an effective advertising program?
2. What categories are used to identify consumer target markets or market segments?
3. What categories are used to identify business-to-business market segments?
4. How do the various approaches to positioning influence the selection of target markets?
5. How do the marketing communications objectives interact with the other elements of an IMC planning process?
6. What are the relationships between communications expenditures and company sales?
7. What types of marketing communications budgets may be used when developing the IMC planning program?
8. In addition to advertising, what other IMC components are selected as part of the IMC planning process?

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PETSMART

It's a Dog's Life (Which Ain't Half Bad)

Not so many years ago, pets kept in homes and on farms were there to serve a purpose, which typically was either to provide companionship or to serve as protective watchdogs. It wasn't unusual for a dog to sleep outdoors (no matter what the weather), to dine on the scraps that fell from the table at night, and to endure the aches and pains that accompany the aging process in silence, or with the occasional moan.

Today, the world of pet ownership consists of an entirely new form of "parent." No longer is a dog, cat, fish, potbellied pig, or snake just a diversion—the critter is considered part of the family. The pet industry has grown from simple dog and cat food, plus a few toys

along the way, to a $51 billion per year industry. Companies vending products to pet owners have shifted with the times.[1]

PetSmart serves as an example of a company prospering in this environment of animal indulgence. In 1986, founders Jim and Janice Dougherty created Pacific Coast Distributing, Inc. The primary company business, a pet owner superstore, was vending food and other basic pet supplies. As time passed, the scope of company operations grew dramatically.

By 1988, PetSmart sold pet sweaters and emphasized cutting down on pet overpopulation. Soon after, fish and birds were added to the original line of pets for sale and the company launched a new doggie salon. It wasn't long until the company's original tagline, "Where high prices have been housebroken," was outdated. The most dramatic change introduced, a new corporate vision statement, appeared in 2000. PetSmart now operates, "To provide Total Lifetime Care for every pet, every parent, every time—which means that we offer solutions, superior products, unmatched services and superb customer service."



Courtesy Kenneth Udow

Why the change? The market continues to evolve along with the types of pet owners in the marketplace. Many pets now have different types of owners, including empty nesters, single professionals, and couples who have decided to delay starting a family. These new, more passionate pet lovers have a great deal of income to spend on their "babies." American families spend more annually on buying, feeding, and caring for pets than they do on movies, video games, and recorded music in any form.

The range of pet-related goods and services continues to expand. The list of items available in store and online includes indoor potties, pet perfumes, trench coats for dogs, and even a patented testicular implant for dogs that have been neutered, so as to not hurt the animal's self-esteem following the surgery.

Pet psychology opens up an entirely new realm. Many find relief from the troubles and woes of a dog's life through psychotherapy and animal antidepressants. More shallow pets can rely on cosmetic procedures to keep up their self-image. Harley-Davidson branded products are available for bikers wanting their pets to live on the edge.

PetSmart's competitors take animal pampering to the extreme. Doggie spas offer pedicures, professional dog walkers provide exercise, and massage therapy for those aching doggie muscles. The market is also filled with specialty pet foods with vegetables and other healthy nutrients in the products. At the other end of the spectrum, entire companies have formed to take care of end-products, including service agencies named Doody Duty, Scoopy-Poo, and Pooper Trooper.

PetSmart offers vet clinics for ailing animals and adoption centers to find homes for pets (over 200,000 are placed each year). The company also sponsors charities associated with animal well-being. Today's owner wants an animal to have an excellent quality of life, from beginning to end. The net result is services oriented to ailing and dying pets along with their grieving parents.

PetSmart continues to adjust to changing conditions. The company features a strong emphasis on brand recognition and has adjusted selling techniques to meet the needs of various product lines. The company also opened distribution centers to make product delivery to each store more efficient. In 2005, PetSmart opened a series of pet hotels. Fifty have been built, with an eventual goal of 435 hotels across the United States. A traveling pet owner has new options available, which means less guilt about leaving a pet behind.

In general, a major shift in the marketplace took place. Pets are treated not in pet terms, but rather in human terms. This means that the number of marketing opportunities continues to increase and the nature of the competition continues to grow as the animal kingdom becomes more human-like each year. PetSmart vows to identify each new trend and respond accordingly, keeping pace in the dog-eat-dog world of animal comfort.[2]

OVERVIEW

The integrated marketing communications planning process requires careful oversight by the company's marketing personnel and any agencies the firm employs. Decisions are made with regard to matching products to marketing messages and communications tactics. Successful marketing efforts occur when the company's marketing team identifies every opportunity to make quality contacts with customers or potential customers.

As illustrated in Figure 1, it begins with an analysis of the company's context, including a review of customers, competitors, and communications. This allows the marketing team to identify potential target markets and positioning strategies that match those markets. Next, communications objectives are specified. Finally, a budget designed to achieve the communication objectives is matched with the IMC components to be employed. In addition, any international considerations are taken into account.

The IMC Planning Context

OBJECTIVE

How can the three Cs of the IMC planning process form the basis for an effective advertising program?

Developing an integrated marketing communications plan requires the analysis of the three Cs: customers, competitors, and communications. Understanding the firm's current situation and context within the industry makes it possible to specify target markets and positioning strategies. The other steps of the planning process can then be completed.

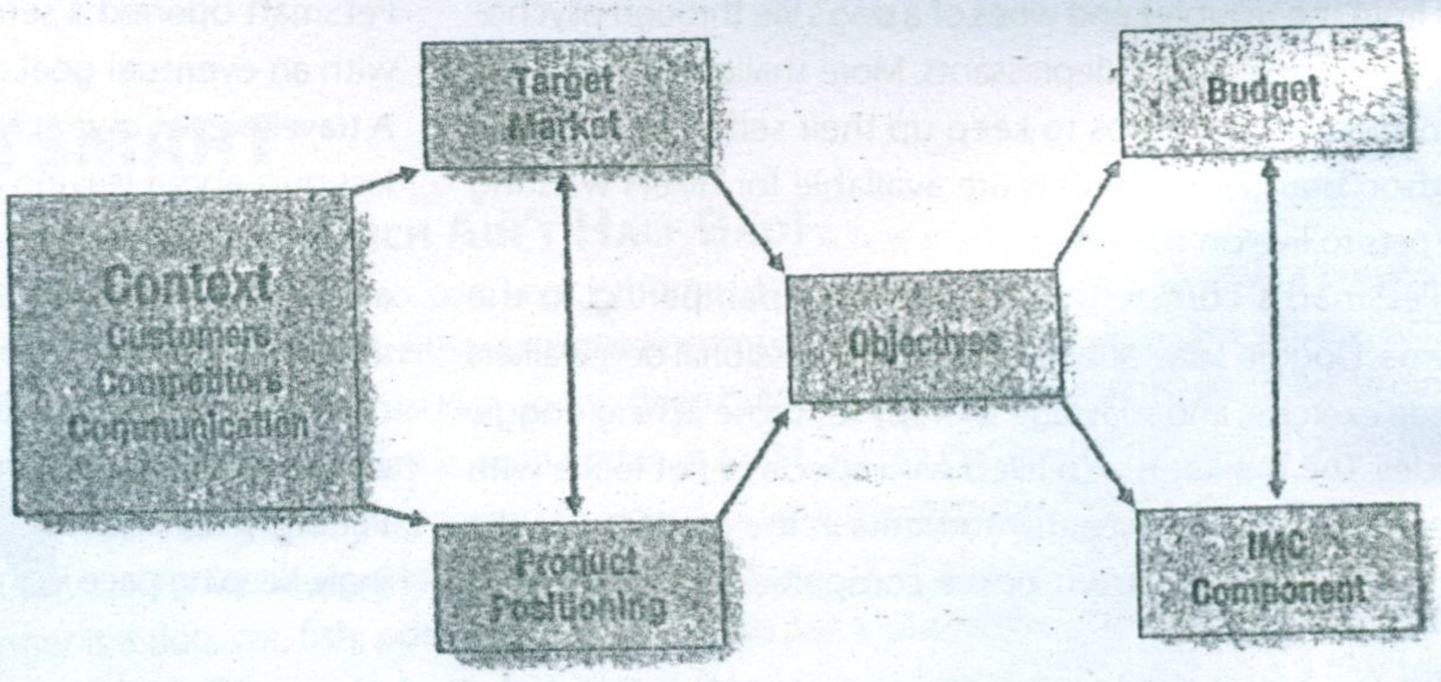
CUSTOMERS

Every product or service meets the needs of a set of customers. When conducting an analysis of customers for the purposes of IMC planning, the marketing department examines current customers, former customers, potential new customers, and competitor's customers.

Current Customers The easiest group to study will be current customers; however, the other three groups are of equal if not greater importance. Members of the other groups may think in other ways or make decisions differently from a firm's current customers. They might also apply other standards to evaluate products and advertisements.

An analysis of current customers helps identify the type of message that will effectively reach this group. Discovering how current customers think constitutes the first step. This includes an assessment of what they buy, why, when, where, and how they

FIGURE 1
The IMC Planning Process

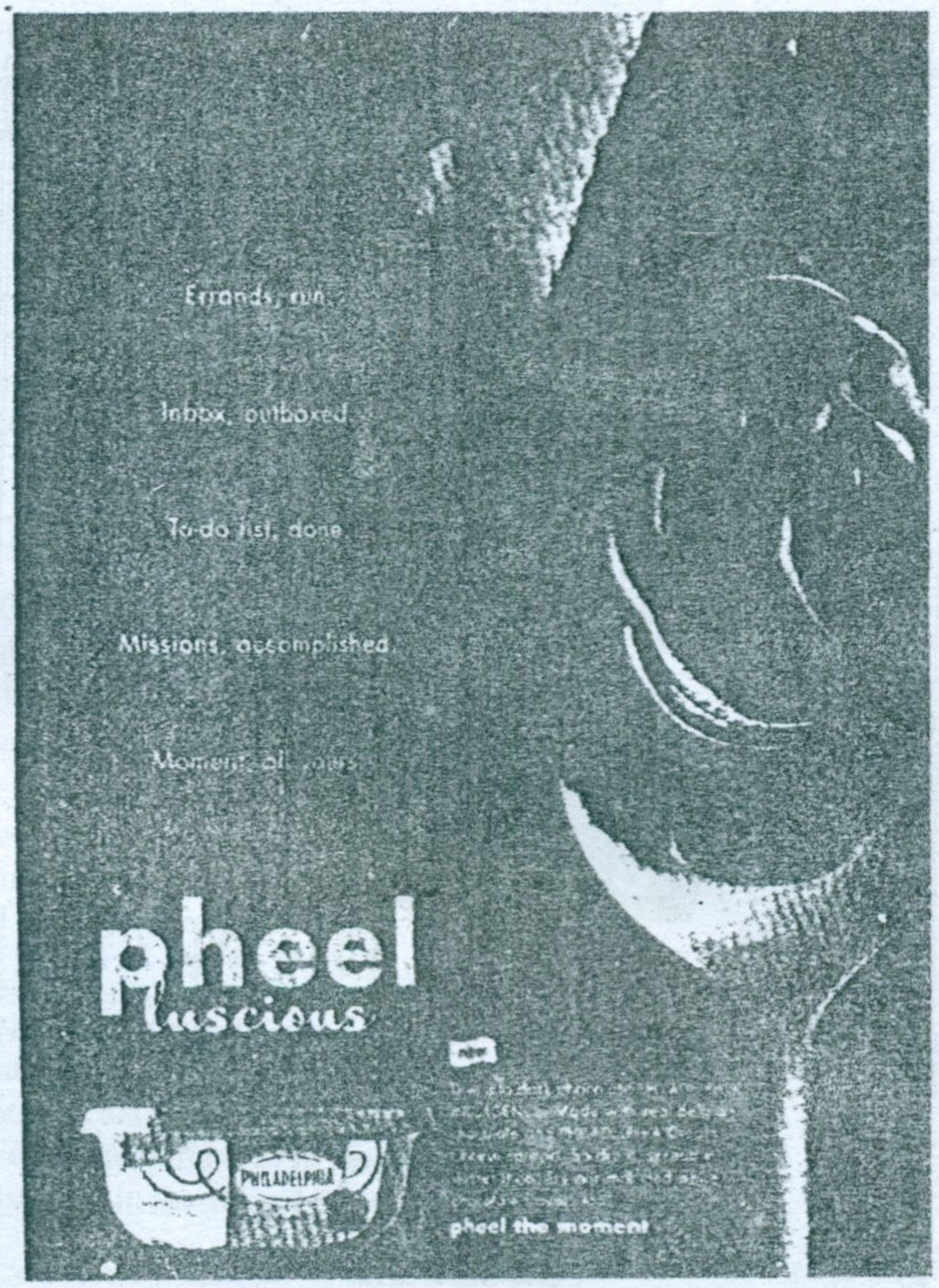


evaluate products, both while making purchases and upon completion of those purchases. In essence, the marketing team finds out what works for this group.

Former Customers Marketers seek out customers who no longer purchase the company's products. Understanding why they defected may reveal valuable information, including whether a competitor's product enticed them away or if it was marketing tactics such as advertising, consumer promotions, or personal selling that made the difference. Then, the marketing team can identify methods to reconnect with former customers.

Potential New Customers When seeking out potential new customers, the marketing team determines which customers the firm should seek to win. They may form a new target market or target markets. The advertisement for Philadelphia Dark Chocolate Cream Cheese shown in this section was based on the observation that chocolate lovers could be persuaded to enjoy cream cheese. The advertising department creates messages and utilizes media that matches this group's interests and preferences.

Competitor's Customers An analysis of the processes that lead the competitor's customers to choose the competition's offering assists the marketing team in modifying the company's approach and/or its products to better meet their needs. Alternatively, company marketers may conclude that members of this group cannot be persuaded to switch or are not attractive because of purchase patterns or other factors. Convincing them to switch may be too costly, especially when they are brand loyal.



Used with the permission of Kraft Foods Inc.

▲ One goal of this advertisement is to encourage people who love chocolate to try a special version of Philadelphia Cream Cheese.

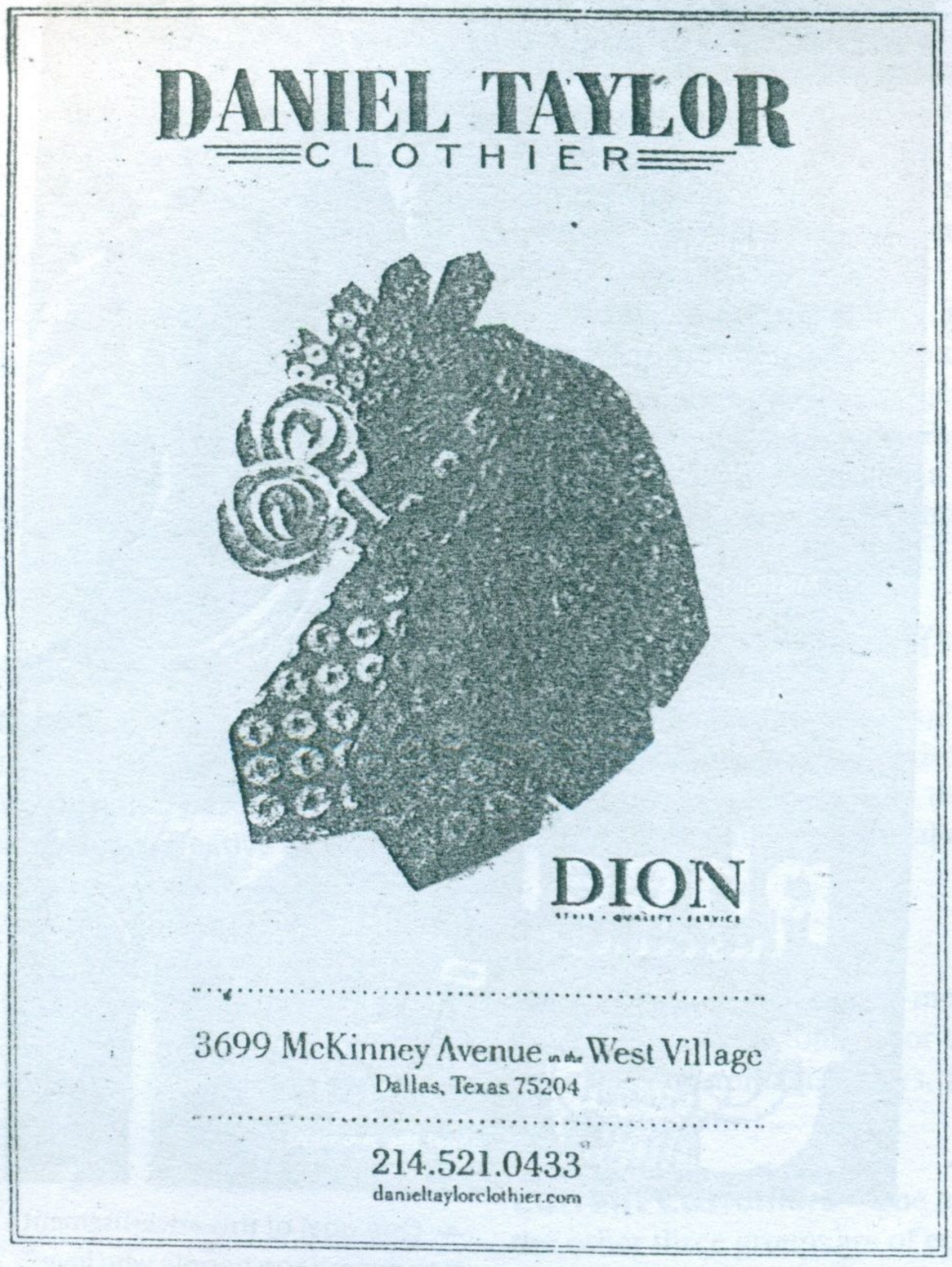
COMPETITORS

The second phase of an analysis of the company's context involves examining competitors. The company's marketing professionals study the methods and strategies competitors employ to interact with consumers. Consumers integrate information from many sources. It helps to know what potential customers see, hear, and read about the competition.

Every domestic and foreign competitor should be identified. After listing the competing firms, an analysis can be conducted using primary research. In retailing, this includes visiting competing stores to study merchandise displays and observing the store's employees as they interact with customers. Members of the marketing department talk to vendors and suppliers that have relationships with the competition, as well as wholesalers, distributors, and agents. For businesses other than retail, marketers can contact salespeople in the field to obtain additional information about the competition.

Next, the competitive analysis includes gathering secondary data about those companies. The first items to look at are statements competitors make about themselves. These can be found in:

- Advertisements
- Promotional materials
- Annual reports
- Web sites



Daniel Taylor Clothier

▲ Intense competition in the fashion industry makes a competitive analysis important for Daniel Taylor Clothier.

By collecting as much information as possible about competitors, including messages to customers, the marketing team can respond more effectively.

The third task involves studying what *other people* say about the competition. Marketers often read trade journals. The library might yield additional news articles and press releases about competitor activities. The marketing team also tries to discern how competing companies view the organizations. This provides a sense of how others view a company in comparison with its competition.

An analysis of the competition assists the marketing manager in understanding the company and product's situation relative to the competition. When the situation appears to be viable, the company can build on this strength. When the company is incorrectly perceived or encounters a disadvantage, marketing efforts are made to reposition the product or brand.

COMMUNICATIONS

An analysis of the company's context by examining communications constitutes the third step. It includes the firm's current communications at all levels and in all channels. Marketers study messages to current and potential customers, employees, and channel members to find out what works and what does not. A further examination focuses on the communications used in the industry and by competing firms. This provides an important backdrop when making decisions about the IMC components.

A communications analysis provides information that assists marketing personnel and advertising creatives in developing marketing messages and selecting the best IMC components. Marketing communications materials, including advertisements, blogs, sponsorships, and others are designed to integrate what is known about the firm's customers, target markets, competitors, and the product's position with a consistent message.

OBJECTIVE 2

What categories are used to identify consumer target markets or market segments?

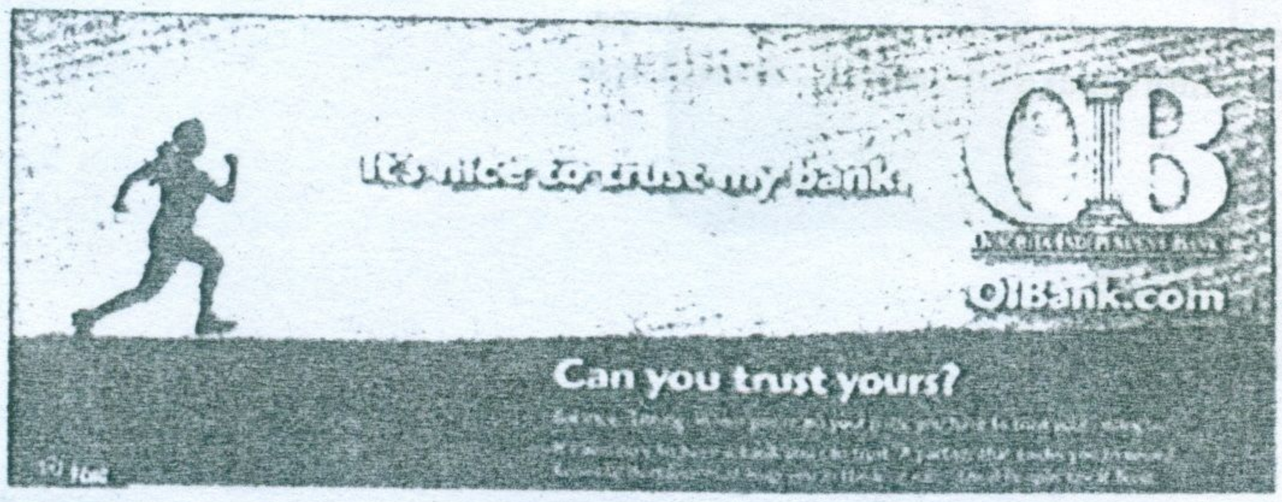
Target Markets

When the analysis of the company's context has been completed, the marketing group moves on to delineate the target markets to be served as well as the company's approach to product positioning. As shown in Figure 1, these two activities take place concurrently.

Target markets exist in two areas: consumer markets and business-to-business markets, which may be termed market segments. A **market segment** consists of a set of businesses or group of individual consumers with distinct characteristics. For a market segment to be considered viable, it should pass the following tests:

- The individuals or businesses within the market segment should be similar in nature, having the same needs, attitudes, interests, and opinions. This means that persons or businesses within the segment are *homogenous*.

▼ This ad for Ouachita Independent Bank was developed after an analysis of customers, competition, and communications revealed the importance of trust in choosing a financial institution.



Advertisement provided by Newcomer, Morris, and Young

- The market segment differs from the population as a whole. Segments are distinct from other segments and from the general population.
- The market segment must be large enough to be financially viable to target with a separate marketing campaign.
- The market segment must be reachable through some type of media or marketing communications method.

Market researchers spend considerable resources and time working to discover viable market segments. This process, known as **market segmentation**, consists of identifying specific consumer and business groups based on their needs, attitudes, and interests.

Market Segmentation by Consumer Groups

Consumers, or end users, are often the primary target market for a firm's offerings. Effective IMC programs identify sets of consumers who are potential buyers. The most common consumer market segmentation approaches are listed in Figure 2.

SEGMENTS BASED ON DEMOGRAPHICS

One primary method of segmentation employs **demographics**, or population characteristics. Typical demographic variables include gender, age, education, income, and ethnicity. Companies create goods and services to meet the needs of individual demographic segments.

Gender Men and women purchase different products, buy similar products with different features (e.g., deodorants), desire products for dissimilar reasons (stereos, televisions), and buy the same products after being influenced by different kinds of appeals through different media. A recent study suggested that women control 66 percent, or $12 trillion, of the world's annual consumer spending. Women now influence or make purchases in product categories that were traditionally controlled by men.[3] For instance, in the United States:

- 96 percent of women are involved in purchasing high-priced electronics.
- 90 percent of women deal with financial advisors.
- 80 percent of women buy and sell stocks to make money.
- 70 percent of women are their household's primary "accountant."

Figure 3 offers suggestions for marketing to women. Some companies that have done well include Olay, Paige Premium, and OfficeMax. Olay advertises skin care products

- Demographics
- Psychographics
- Generations
- Geographic
- Geodemographics
- Benefits
- Usage

FIGURE 2
Methods of Segmenting Consumer Markets

- Be helpful. Focus messages on how the brand can improve a woman's life.
- Engage them. Women are excellent brand ambassadors, so involve them with the brand.
- Focus on practical, not trivial.
- Tell a story that will resonate with females.
- Provide details.
- Be positive. Don't focus on female insecurities, focus on how the brand will help women.

FIGURE 3
Tips for Marketing to Women

Source: Adapted from Nancy Pekala, "Marketing to Today's Women: Focus on Life Stages, Not Ages," *Marketing Matters Newsletter*, American Marketing Association, November 11, 2009.

for all women and tells women that the company wants to help them enjoy beautiful skin. Paige Premium encourages women to love their bodies and places a card in each pair of denim jeans that reads "I want you to love your body. Feel comfortable in your skin. Feel comfortable in your jeans. Thanks for believing in our product." OfficeMax has created a fashion brand of office products targeted specifically at women.[4]

Mothers represent a group of women that have become increasingly attractive to marketers. This target segment is the fastest growing buyers of iPhones. They tune in more often and for longer periods of time to media Web sites such as Pandora. They are more likely to share photos and news on Facebook via a smartphone as well as a computer. Moms represent 20 percent of online users and an even higher percentage of mobile device users. They are the biggest Web spenders either directly through a mobile app or researching a product online then purchasing it later at a retail store. Many moms now use smartphones to access product and brand information rather than calling a relative or friend.[5]

Other marketing programs target men. Researchers have discovered that men are shopping more, whether for their own clothes or for groceries. To reach males shoppers, marketers seek to understand how males differ from females. Males tend to focus on product performance. Dyson has done well reaching males with this approach by focusing on the powerful suction and the design that creates it.

Men like doing things that they can do well and dislike things they cannot. They do not enjoy browsing and instead prefer looking for specific information. Amazon.com meets both of these needs by helping men purchase books and music online. Consumer lists, reviews, and suggestions provide concise information that males desire in order to feel confident about their purchases. Men prefer products that reflect their status in the world that demonstrate "I have good taste." As a result, they tend to purchase well-known brand names and look for other indicators of quality.[6]

▼ Ad advertisement for Bijan targeted to females.



Courtesy of Bijan Fragrance, Inc.

Gender presents the opportunity to match a product with a large category of individuals. Careful thought should be given as to whether it should be aimed at only one sex, because gender roles have shifted over the past half-century.

Age Marketing programs often concentrate on persons of a certain age, such as children, young adults, middle-age adults, and senior citizens. Age can be combined with another demographic, such as gender. Consequently, older women may be primary targets for specific types of vitamins and medical products, such as those that combat osteoporosis. Young working women with children are more likely to notice advertisements for conveniences, including ready-made foods and snacks and even quick oil and lube facilities. Sexual dysfunction products and other medicines target middle-aged and older men.

In the past the focus of orthodontists was on adolescents. Today, a large number of adults are getting braces or other teeth straightening treatments. Since 2010, the number of adults seeking these types of procedures increased by 58 percent. The increase can partially be attributed to a national advertising campaign utilizing print, radio, and online ads focused on adults. One advertisement features a woman saying that straightening her teeth gave her confidence. Another says her pearly white teeth has allowed

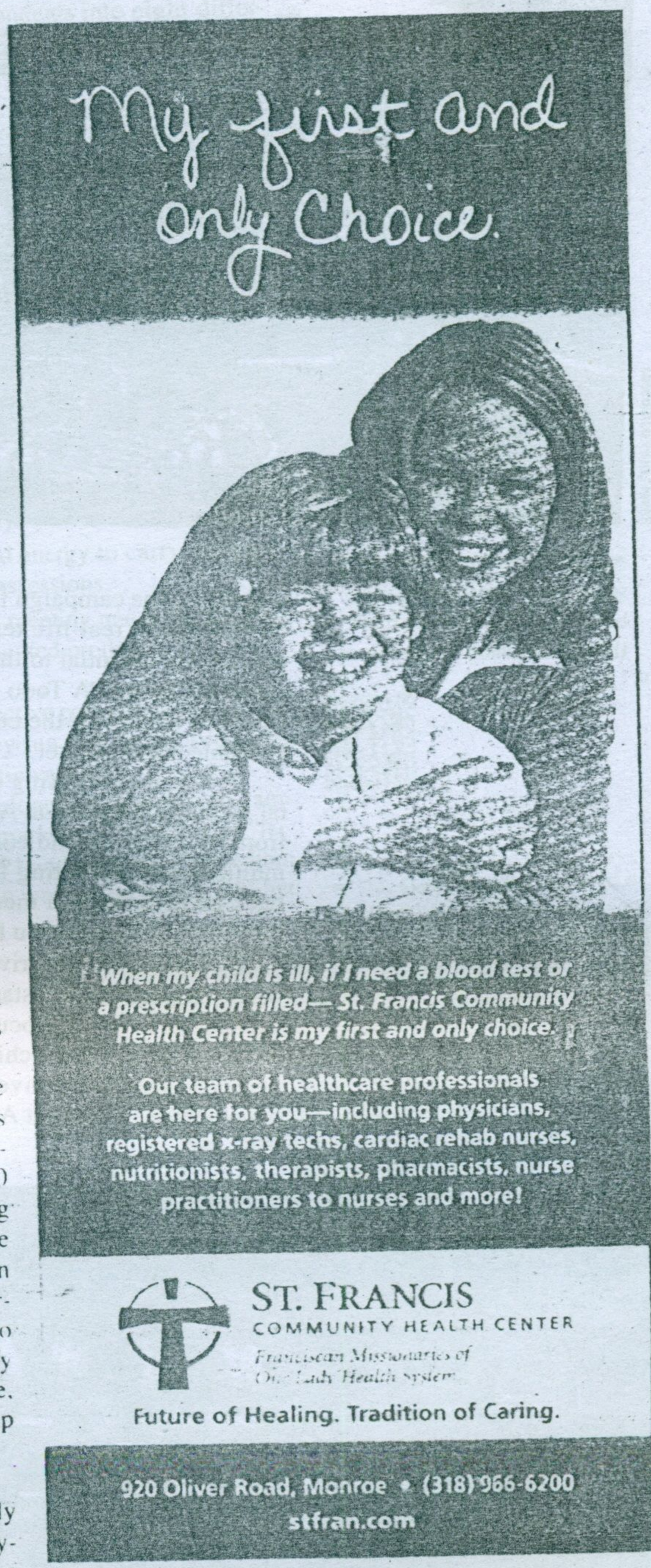
her to date again and a man in his 30s states "It is never too late." According to Dr. Michael B. Rogers, President of the American Association of Orthodontists, "We're trying to emphasize the adult market and show how good they're going to look and how much self-confidence it's going to create."[7]

At the other end of the age spectrum are infants to 3-year-olds. A study by the Campaign for Commercial-Free Childhood revealed that by 6 months of age babies are forming mental images of brand logos and mascots. Other studies indicate by the time children reach 3 years of age, they recognize as many as 100 brand images. Reaching babies is easier now than ever before, primarily because of technology and parent use of technology. A Joan Ganz Cooney Center study indicates that 80 percent of children age 5 and under use the Internet weekly and 60 percent of children 3 and younger now watch online videos. In 2010, the average age children could have their own cell phone was 13 years old. Today, 1 in 4 parents allow children to interact with a mobile phone or iPad by the age of 2. Infants now have their own TV show, called BabyFirstTV.com. Some content is free, other content charges a fee. Despite criticisms from parental and other watchdog groups, advertising to children (even babies) generates big business. If brand loyalty can be obtained at a young age, a company might have a customer for an entire lifetime.[8]

Income Closely related to educational attainment is an individual's or family's income. Lower-income homes focus primarily on *necessities* such as food, clothing, and housing needs; however, members of these households also purchase cell phones, automobiles, and other, more costly products. As income increases, household members can purchase from a greater selection of expensive items. The products, or *sundry* items, include vacations, more expensive automobiles, more fashionable clothes, and meals at higher-end restaurants. They are purchased occasionally by those who can afford them, but not on a routine basis. At the extreme, *luxury* items such as yachts and private planes target the wealthy.

The furniture industry uses income segmentation to create products and advertisements. One demographic group that has received attention recently is the "exhausted affluent." Individuals in this group generate household incomes from $100,000 to $150,000. They are affluent but identify with the working class. They bridge the gap between, "the haves and the have nots." In furniture, they desire style and quality rather than something overly fancy. Members of this segment want furniture to be right for them; that lets them stand out, but not so much that it says "I've been too extravagant and spent money foolishly."[9] In contrast, many furniture sellers focus on price, appealing to lower-income consumers, while another group offers high-end furniture to the wealthy.

Ethnic Groups The United States is becoming increasingly diverse. Ethnic minorities now represent $2.5 trillion in buying power. This increase represents both an opportunity and a threat: an opportunity for companies able to adapt their messages to other cultures and heritages. It threatens those that do not. Seventy percent of ethnic minorities state that ethnicity constitutes a significant part of their personal identities. Ethnic marketing succeeds



▲ A St. Francis advertisement targeted to women making health care provider choices.



Pavel Losevski/Fotolia

▲ Children are an attractive segment of consumers because they influence more than $500 billion in purchases.

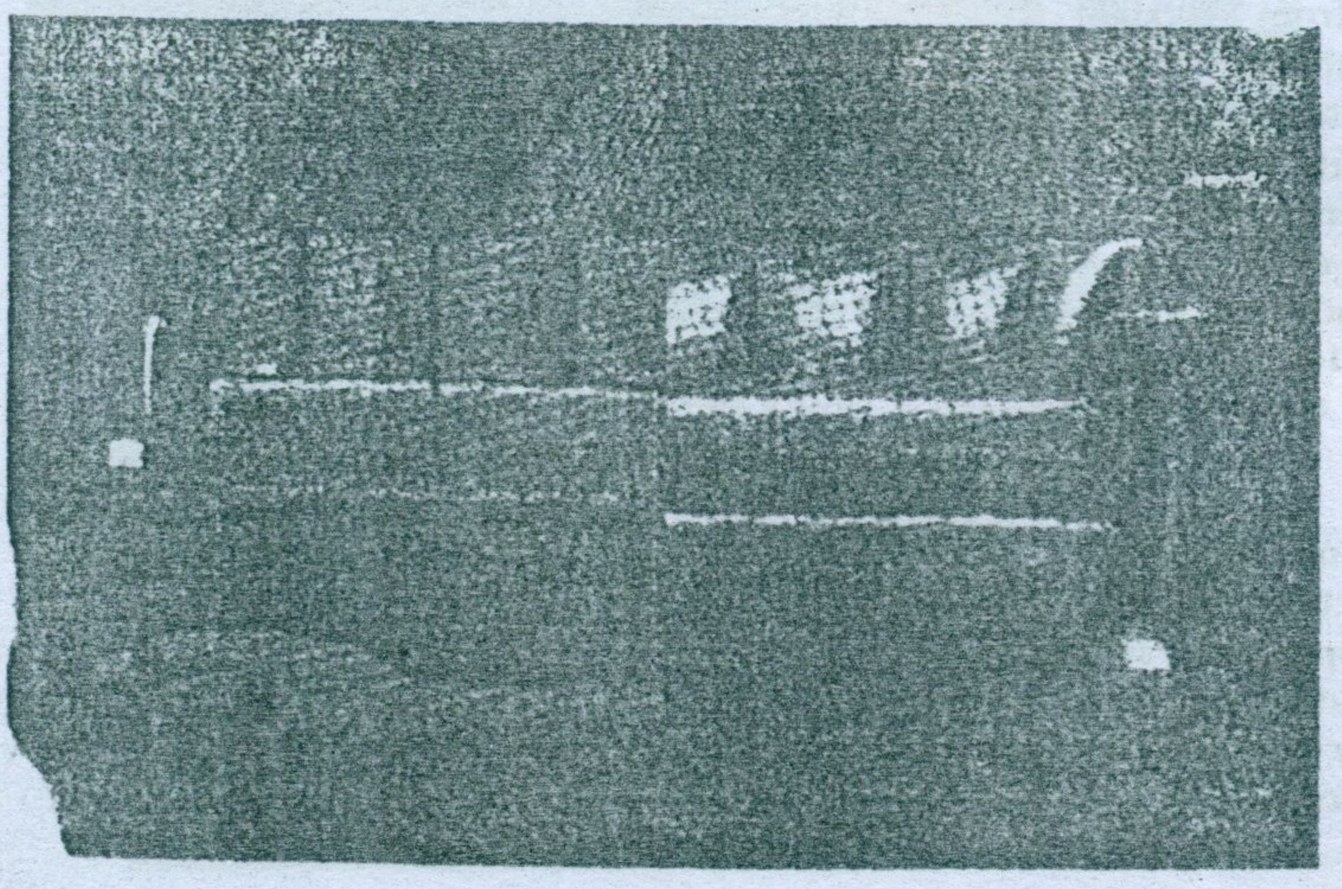
in some, but not all, product categories. 62 percent of African Americans want health and beauty products marketed specifically to them, 53 percent of Hispanics said ethnicity is important for consumer packaged goods, entertainment, and clothing, and 50 percent of Asians said ethnicity was important for entertainment services.[10]

Chrysler Group LLC created a campaign targeted towards Hispanic involving television, radio, print, newspaper, and digital media in the top 15 Hispanic markets. The campaign spots were not trans-created or translated from English spots. They were produced for the Hispanic audience, although the ads were in Spanish and English. Large pickups are historically one of the best-selling trucks among Latinos, so the campaign focused on the Ram 1500 and Ram 2500. The creative focused on unscripted, real-life testimonies from Hispanic truck owners talking about the values that are essential to them and how the Ram truck is an extension of their lives. The campaign theme "A Todo Con Todo" is translated "To everything, with everything" was designed to capture the consumer mindset and "true essence" of the Ram truck for the Hispanic target market.[11]

A recent advertising campaign for the Ford Focus included print, radio, and digital messages targeted at African-American consumers. The idea for the campaign came from focus groups and consumer reactions to driving the car. Shawn Lollie, manager of multicultural marketing for Ford, reported "Some of what we heard is that it brought back good childhood memories and sparked a lot of emotions. We wanted to tap into those feelings – how you felt when you were a kid riding a bike. At the end of the day our goal was to show the driving experience in a way that sparked an emotional connection to the vehicle." The ad starts with a young girl learning how to ride a bicycle then quickly transforms to a new Focus with a friend in the passenger seat. The person still has the enthusiastic voice of a child as she talks about the car's features.

To market effectively to ethnic groups, marketing experts look for creative approaches that respect America's ethnic differences while also highlighting its similarities. Achieving this requires advertising and marketing agencies that understand the subtleties of multiculturalism.

▼ This Thomasville furniture advertisement appeals to the "exhausted affluent" and the desire for style and quality.



PSYCHOGRAPHICS

Demographics are relatively easy to identify. They do not, however, fully explain why people buy particular products or specific brands or the type of appeal that works to reach them. To assist in the marketing effort while building on demographic information, psychographic profiles have been developed. **Psychographics** emerge from patterns of responses that reveal a person's activities, interests, and opinions (AIO). The measures can be combined with demographic information to supply marketers with a more complete understanding of the target market.[12]

Strategic Business Insights provides a popular classification of lifestyles using psychographic segmentation. The VALS typology categorizes respondents into eight different groups based on resources and on the extent to which they are action-oriented.[13] The VALS typology includes the following segments:

- **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.

This type of information helps marketers design more effective communications. For instance, reaching Strivers requires advertisements that convey fun and trendy products. Ads for Believers should focus more on traditional and patriotic values.

Revel, the $2.4 billion resort casino in Atlantic City, developed an advertising campaign targeted to the VALS "experiencer" group. The target market was defined as "leisure and lifestyle consumers among the 47 million people age 21 and over who live within a 5-hour drive of Atlantic City." The emphasis of the campaign was not on gambling, but on "elevationism," which according to Revel meant "when you go to Revel, you experience something you've never experienced before—you feel elevated as a result of it. The TV, radio, print, and digital ads focused on presenting an elevated experience and featured the resorts concerts, cabanas, beaches, and bonfire—all of the amenities except gambling. The campaign and resort was built "on the belief that the more fun we have, the more fun we have!"[14]

▼ This Skechers ad is directed to the VALS group "strivers."



Courtesy of Skechers USA Inc

SEGMENTS BASED ON GENERATIONS

Many marketing efforts target generational cohorts, because the approach does not require the use of psychographic information, but does possess some of the richness of psychographics. Marketing to generational cohorts relies on the common experiences and events that create bonds between people who are about the same age.

Generational segmentation proponents suggest that people experience significant events during late adolescence or early adulthood. These events create an impact on social values, attitudes, and preferences, based on shared experiences. This may lead to common preferences for music, foods, and other products. A cohort group may respond favorably to the same type of marketing appeal. Figure 4 identifies six generational cohorts along with basic characteristics.

▶ FIGURE 4
Characteristics of Generation Segments

Source: Based on dana-nicoleta Lascu and Kenneth E. Clow, *Marketing Principles* (Cincinnati, OH: Textbook Media Press, 2012).

Adapted from Zenith Optimedia, March 14, 2012, http://printinthemix.com/fasfacts/show/543

Name of Segment	Year of Birth	Characteristics
Millennials	1978–2002	Spend money on clothes, automobiles, college, televisions, and stereos. Ninety percent live at home or in a dorm or rent an apartment.
Generation X	1965–1977	Focus on family and children. Spend on food, housing, transportation, and personal services.
Younger Boomers	1954–1964	Focus on home and family. Spend on home mortgage, pets, toys, playground equipment, and large recreational items.
Older Boomers	1952–1953	Spend on upgrading homes, ensuring education and independence of their children, and luxury items, such as boats.
Seniors	Up to 1951	Most have fixed incomes. Spend heavily on health care and related medical items.

SEGMENTATION BY GEOGRAPHIC AREA

Marketing appeals made to people in a geographic area or region is **geo-targeting**. Retailers often seek to limit marketing communications programs to specific areas where primary customers live in order to maximize the impact of advertising dollars. The increased ownership of smartphones with built-in GPS devices allows marketers to expand geo-targeting programs. For instance, during a snow storm along the East Coast, consumers in that area can receive Home Depot ads related to snow removal while other areas of the country getting ads related to fall lawn care or other topics of relevance. With geo-targeting, advertisements can be aimed to specific regions with messages that fit consumers, the region, and specific events.

▼ Med Camps of Louisiana could use geo-targeting to increase support for its work with disabled children.

Courtesy of Med Camps of Louisiana and French Creative

GEODEMOGRAPHIC SEGMENTATION

A hybrid form of geographic segmentation allows companies to enrich geographic approaches to segmentation. Geodemographic segmentation identifies potential customers using demographic information, geographic information, and psychographic information.

Geodemographic segmentation may be beneficial for national firms conducting direct-mail campaigns or using sampling promotions. Mailing a sample to every household in a geographic area can be expensive and unproductive. Through geodemographics, samples are only sent to households matching the profile of the target market. For instance, colleges and universities use geodemographics to locate ZIP codes of communitiēs that match particular student profiles.

One firm, PRIZM (Potential Rating Index by Zip Marketing) specializes in geodemographics. PRIZM has identified 62 different market segments in the United States. The company has categorized every U.S. ZIP code. The PRIZM concept is that ZIP codes contain neighborhoods of people with relatively uniform characteristics. Consumers tend to be attracted to neighborhoods consisting of people who are similar to them. Recognizing that more than one

market segment might live within a ZIP code; however, PRIZM identifies the top market segments within each ZIP code.[15]

A PRIZM-coded map of downtown Jackson, Mississippi, identifies two primary clusters. The more predominant is the "Southside City" residents. This cluster contains mainly young and elderly African Americans employed in low-paying blue-collar jobs. They tend to have lower levels of formal education, rent apartments, and read sports and fashion magazines. The second cluster within downtown Jackson holds the "Towns and Gowns" neighborhoods. Towns and Gowns inhabitants also rent apartments, but members tend to be college graduates with better-paying white-collar jobs. This group likes to ski, reads beauty and fitness magazines, and frequently uses ATM cards.[16]



Monkey Business / Fotolia

▲ The fitness industry is often segmented based on the benefit each segment seeks from exercise.

Geodemographic marketing has expanded to the Internet. The Adfinity program designed by Intelligent Interactions allows an advertiser to direct specific ads to Web users based on user-defined demographics. When users visit Web sites, they often provide their names and addresses along with other demographic information. While the user is surfing a site, Adfinity's software can access the user's file in order to place a targeted ad on the page. To extend its power and effectiveness, Adfinity formed a strategic alliance with PRIZM. When a user accesses a Web site, the user is matched with data from the 62 PRIZM clusters. Based on the lifestyle and interests of that cluster, messages are sent that match the user. A person from the cluster "Executive Suites" will see advertisements about jazz or business books, because people in this cluster tend to enjoy those items.

BENEFIT SEGMENTATION

Benefit segmentation focuses on the advantages consumers receive from a product rather than the characteristics of consumers themselves. Demographic and psychographic information can be combined with benefit information to identify segments. Then the marketing team will then further analyze each segment's consumers.

Benefit segmentation appears in the fitness market. Regular exercisers belong in one of three benefit segments. The first group, "Winners," do whatever it takes to stay physically fit. This segment tends to be younger, upwardly mobile, and career-oriented. The second group, "Dieters," exercise to maintain their weight and enhance physical appearance. This group tends to be females over the age of 35. They are primarily interested in reliable wellness programs offered by hospitals and weight-control nutritionists. The third group, "Self-Improvers," exercise to feel better and to control medical costs.[17] The understanding that individuals exercise for different reasons provides excellent material for designing marketing programs.

USAGE SEGMENTATION

The final type of consumer segmentation examines groups based on usage or purchases, including the company's best customers or heavy users, average users, casual or light customers, and non-users. The objective becomes to provide the highest level of service

to the best customers while promoting the company to the other two usage groups in the attempt to move them up to the next usage group.

Marketing teams identify heavy users with internal databases. Bar-code scanners, point-of-sale systems, and data from credit, debit, and in-house transaction cards provide marketers a wealth of information about customers. Many companies experience a situation in which 10 to 30 percent of a company's customers generate 70 to 90 percent of total sales. Instead of using firms such as PRIZM to create customer clusters, firms develop customer clusters from in-house databases. Customers are then placed in clusters based on common attitudes, lifestyles, and past purchase behaviors. This technique offers a business the following advantages:[18]

1. A meaningful classification scheme to cluster customers based on a firm's actual customers.
2. The ability to reduce large volumes of customer data down to a few concise, usable clusters.
3. The ability to assign a cluster code number to each customer in the database. Each number is based on the customer's actual purchases and other characteristics (e.g., address, amount spent, spending potential, demographics, etc.).
4. The capacity to measure the growth and migration of customers over time and from one cluster to another, which allows for the evaluation of marketing programs.
5. The ability to develop different marketing programs for each cluster that matches the characteristic of the clusters.

Occasionally, a company will try to develop a communications program for non-users. Such was the case of Carnival Cruise Lines and its campaign aimed at the 76 percent of Americans that had never taken a cruise. A dozen humorous ads were prepared with the theme of "land versus sea." Scenes compared disastrous land vacations to peaceful and calm moments on the cruise ship. Along with the humorous scenes, the ads pointed out the prices were competitive with the costs of land vacations dispelling the myth that cruises are expensive. Passengers were shown in roomy cabins and relaxing on deck to dispel beliefs that cruise rooms are small and cramped and that schedules were too structured to just relax and enjoy some private time.[19]

Business-to-Business Market Segmentation

OBJECTIVE 3
What categories are used to identify business-to-business market segments?

Another set of target markets may be found by identifying business-to-business market segments (see Figure 5). The primary goals of business segmentation efforts are to group similar organizations into meaningful clusters in order to provide better service.

SEGMENTATION BY INDUSTRY

When segmenting by industry, many marketers use the NAICS (North American Industry Classification System) coding system. NAICS allows the marketing team to examine specific industries, such as construction (23) or wholesale trade (42). There are also segments within specific categories. For example, NAICS codes health care and social assistance services as 62. A manufacturer of health-related products may find four segments, based on these subsections:

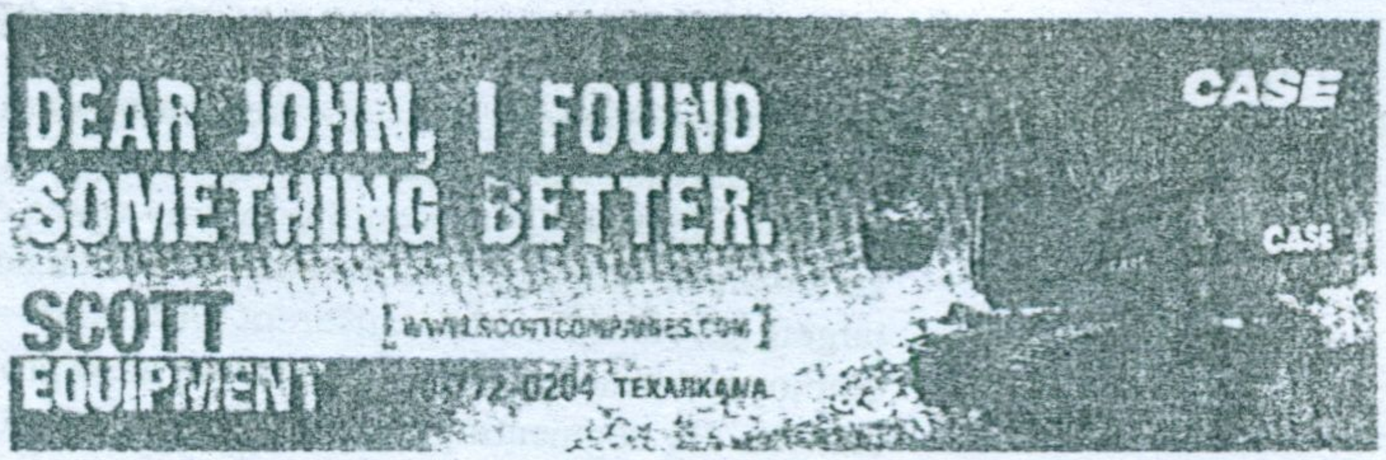
621	Ambulatory Health Care Services
622	Hospitals
623	Nursing and Residential Care Facilities
624	Social Assistance

The segments can be broken down into smaller subcomponents. For example, Ambulatory Health Care Services includes physicians, dentists, chiropractors, and optometrists.

- Industry (NAICS code)
- Size of business
- Geographic location
- Product usage
- Customer value

▲ **FIGURE 5**
Methods of Segmenting Business-to-Business Markets

The NAICS system divides the economy into 20 broad sectors using a six-digit code. The six-digit code allows for stratification of industries and provides flexibility in creating classifications. The federal government records corporate information and data using the NAICS, making it a useful system for identifying market segments.



Courtesy of Scott Equipment and French Creative

▲ Scott Equipment can use the NAICS codes to target this advertisement to specific industries.

SEGMENTATION BY SIZE

Some market segments may be based on a company's sales volume or number of employees. Large firms with 100,000 employees experience needs that are different from mid-size firms and smaller companies with 100 or fewer employees. Marketing approaches will vary based on the size of a target prospect. For instance, for a large prospect firm a selling company may utilize outside sales staff to make sales calls. For mid-size corporate prospects, contacts are made by outside sales people after a company has shown initial interest through digital and telephone inquiries. For smaller firms, e-mail and surface mail may be used with inbound telemarketing. A salesperson would not make a sales call on the customer, because the revenue generated would be too small to warrant the expense.

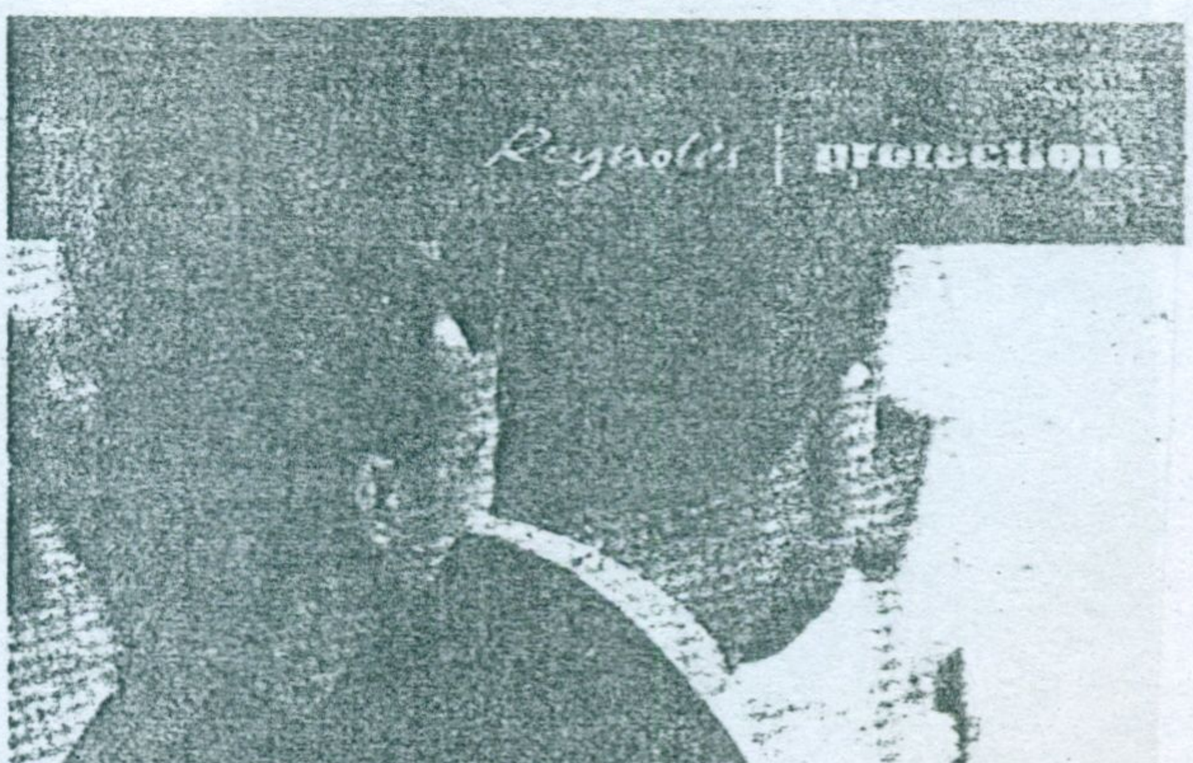
SEGMENTATION BY GEOGRAPHIC LOCATION

Identifying market segments by geographic location can be a successful tactic. The approach benefits businesses with customers concentrated in geographic pockets, such as the Silicon Valley area of California. It works for other firms as well.

When the Applied Microbiology firm developed a new antimicrobial agent, the goal was to market the product to dairy farmers. The traditional agricultural marketing and distribution channel required for a national launch was estimated to be $3 million. Such a traditional marketing plan involved national advertising in agriculture magazines plus recruiting sales agents and brokers to introduce the product. Instead, Applied Microbiology used geodemographics. The marketing team identified areas with dairy herds consisting of 1,000 or more cows per ranch. These farmers were contacted for two reasons. First, large dairy farmers who adopted the product would purchase greater quantities. Second, the company's leaders believed that the larger farmers were the opinion leaders who could influence smaller farmers, thereby causing them to adopt the product as well.

Several separate direct-response pieces offering discounts for and samples of Applied Microbiology's new product were sent to larger farms. After sales started rising, farmers were asked for testimonials. The most powerful testimonials were incorporated into new direct-marketing pieces. One brochure contained three testimonials and validation of the product by Cornell University. After a dairy farmer adopted the product, direct-marketing pieces were sent to farmers in the surrounding area. The method yielded excellent sales figures and reduced marketing costs to one-third of the traditional approach. Using geodemographics, marketing costs were $1 million rather than the proposed $3 million.[20]

▼ An advertisement for Reynolds Protection targeted to businesses requiring protection services.



SEGMENTATION BY PRODUCT USAGE

Business markets can be segmented based on the manner in which the good or service is used. Many services (financial, transportation, shipping, etc.) have a variety of uses for distinct customers. For example, many times companies require protection services for various individuals. The Reynolds Protection advertisement featured on the previous page targets services for three different situations – hostile meetings, workplace threats, and employee terminations. The company also provides protection services in other circumstances. By segmenting the market based on the specific service needed, Reynolds can prepare marketing materials for the various client types.

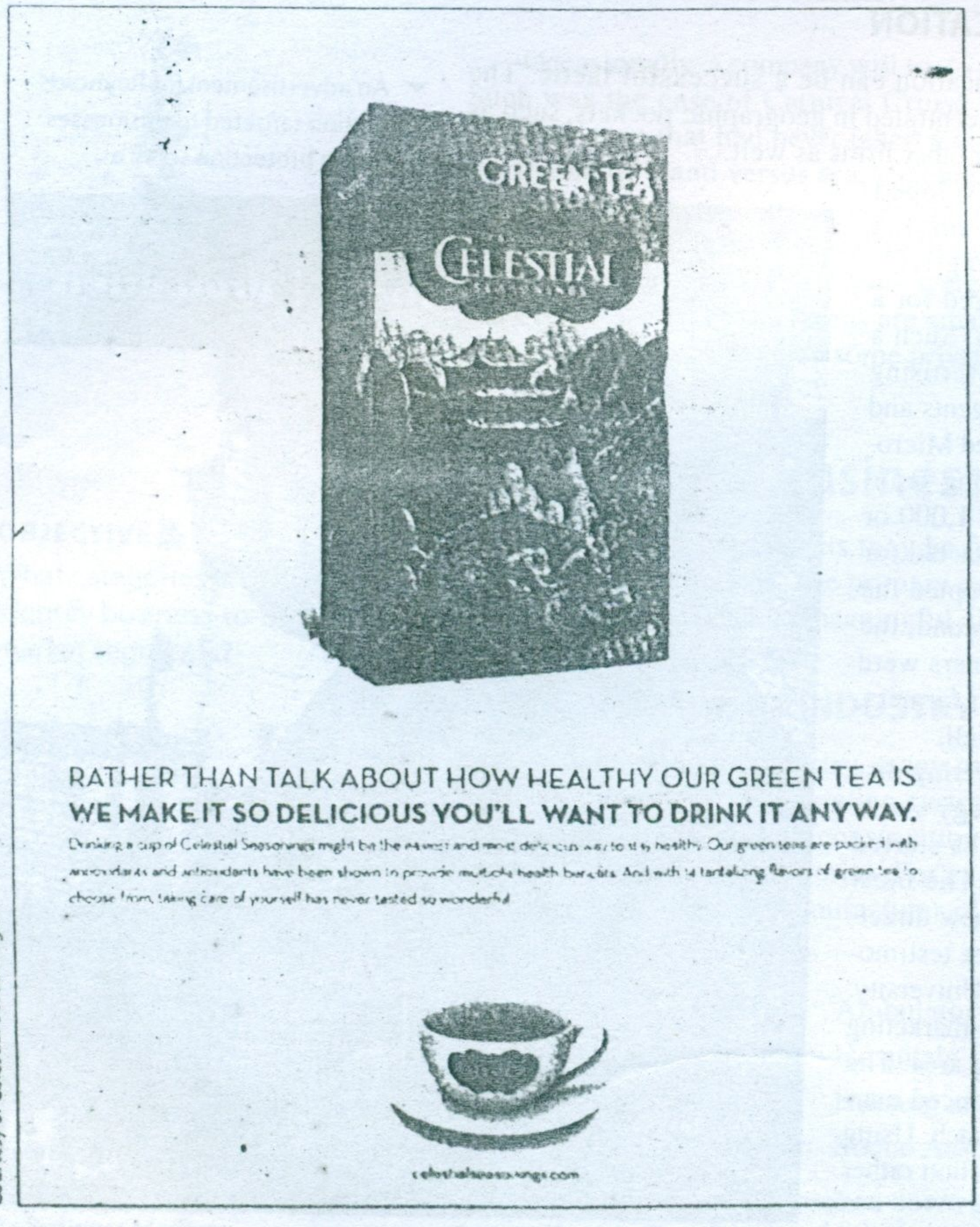
SEGMENTATION BY CUSTOMER VALUE

OBJECTIVE 4

How do the various approaches to positioning influence the selection of target markets?

Customer value offers one final method of business segmentation. Business-to-business firms are more likely to use this approach than consumer-oriented businesses, due to the availability of in-depth data about each business customer. A more precise value can be assigned to each individual business through sales records and other sources of data and information, placing them into low-, medium-, and high-value groups.

In summary, consumer and business-to-business market segments are identified many ways. In choosing market segments to approach, a marketer looks for groups that best match the company's goods and services, as well as the overall marketing message. Then the message can be structured to meet the needs of the various market segments and will be aligned with the company's positioning strategy.



▼ To prevent cannibalization of its other teas, Celestial Seasonings positions each version for a different target market.

Courtesy of Celestial Seasonings.

Product Positioning

Each target market or market segment will be selected, in part, 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. Positioning features variables such as the quality of products, the price, methods of distribution, packaging, image, and other factors. Typically, however, two elements stand out: customer perceptions of the product along with the product's standing relative to the competition.

Consumers ultimately determine the position a product holds. Marketing programs attempt to help position the product or brand effectively. Marketing communications either reinforce what consumers already believe about a product and the brand or try to shift consumer views. The first outcome will be easier to accomplish. It also facilitates selection of target markets. When attempting to reposition a product, consideration will be given as to whether the new position continues to match existing market segments.

Positioning enables companies such as Procter & Gamble, VF Corporation, Sara Lee Corporation, and Campbell's Soups to prevent cannibalism among various brands within a product category. Campbell's produces five different types of V8 juice. Each one targets a different market segment.

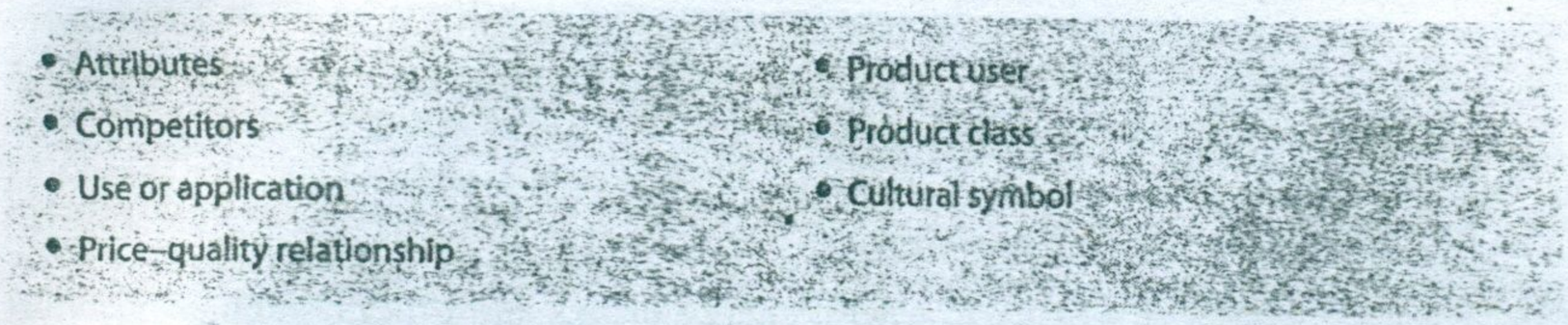


FIGURE 6
Product Positioning Approaches

Celestial Seasonings offers several types of tea. The company's advertisement shown on the previous page is for health-conscious consumers.

APPROACHES TO POSITIONING

Effective positioning can be achieved in seven different ways (see Figure 6). Although companies might try two or three approaches, such efforts generally only manage to confuse customers. Using one approach consistently represents the best approach.

Product Attributes Any product trait or characteristic that sets a brand apart from other brands may be considered an attribute. The Sony ad in this section targets business customers. The advertisement promotes the attribute of quality, because the projector provides stronger light. The message also suggests that the featured attribute outperforms the competition.

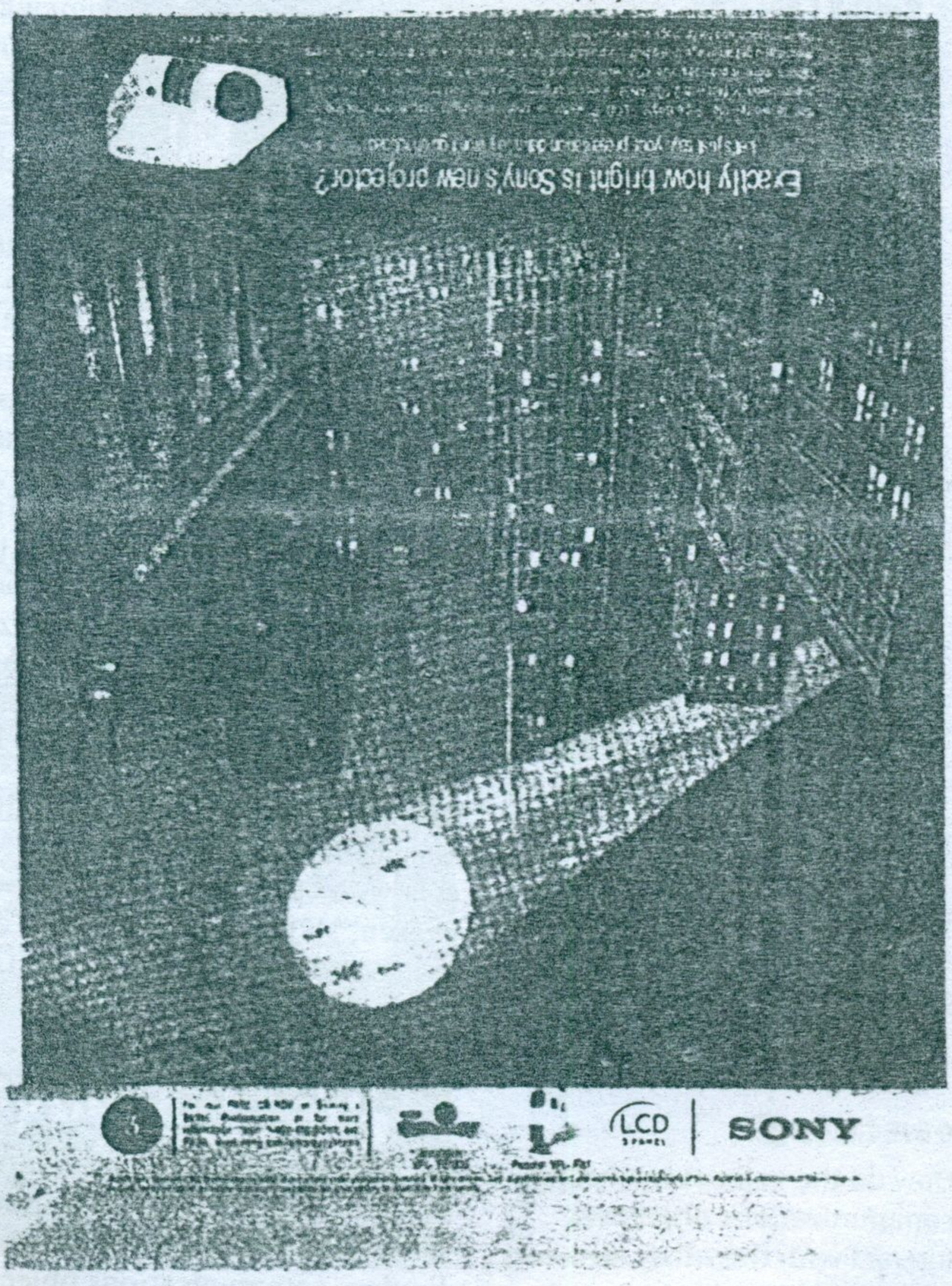
Competitors Using competitors to establish position can be accomplished by contrasting the company's product against others. For years, Avis ran advertisements comparing itself to Hertz. Avis admitted it was not number one, but turned that position into an advantage, because Avis was willing to "try harder" for business.

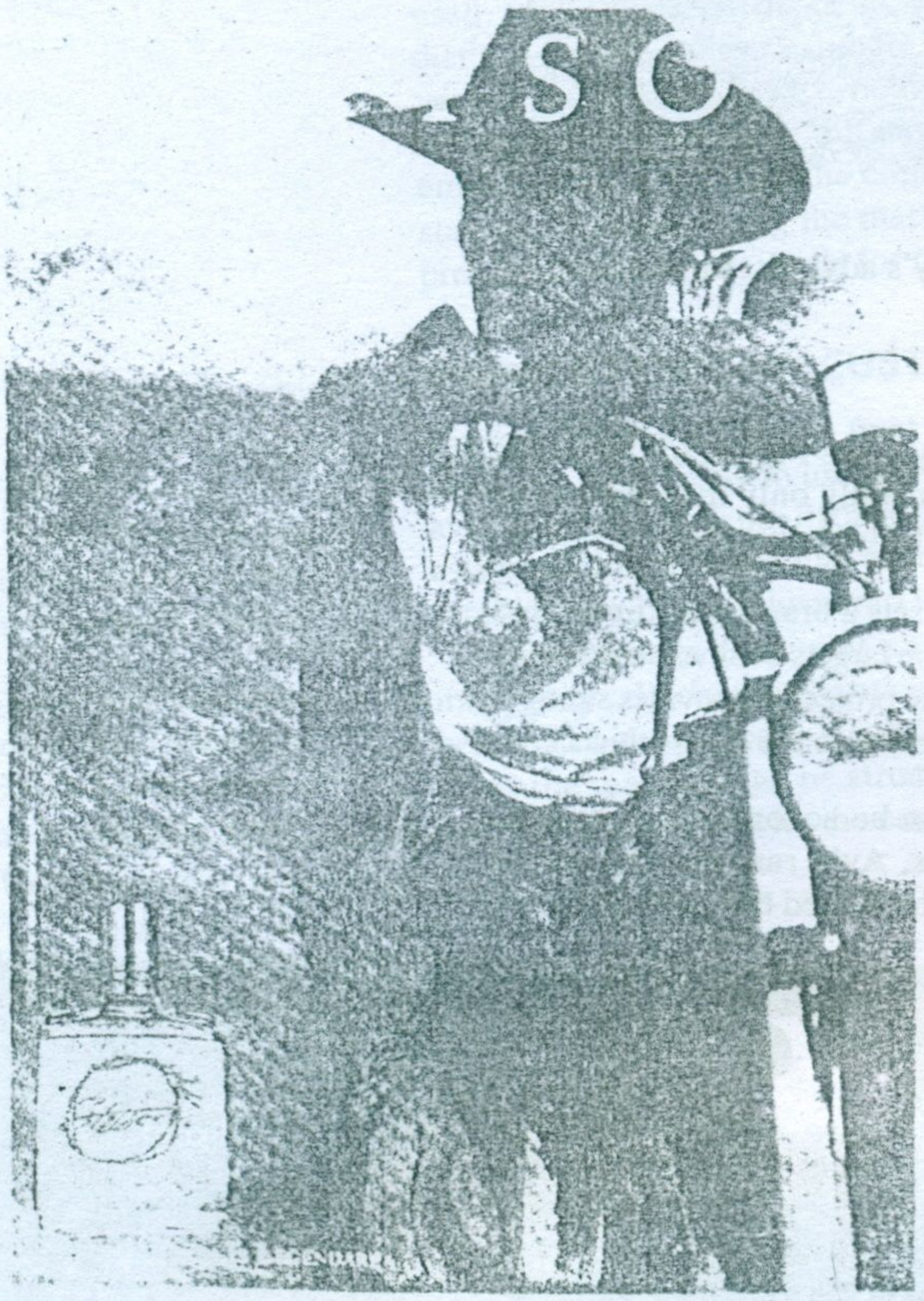
Use or Application Positioning that involves creating a memorable set of uses for a product emphasizes the use or application approach. Arm & Hammer has long taken this approach by convincing consumers to use baking soda in other ways, such as a deodorizer in the refrigerator. Arm & Hammer is a co-brand in toothpaste, creating another use for the product and enhancing its position.

Price–Quality Relationship Businesses that offer products at the extremes of the price range may position by price–quality relationships. At the high end, the emphasis will be on quality. At the low end, price is emphasized. Hallmark cards cost more but are for those who "only want to send the very best." Other firms seek to be a "low-price leader," with no corresponding statement about quality. Instead of focusing solely on low prices, Wal-Mart's tagline "Save Money, Live Better" highlights the importance of price and how it can improve the customer's quality of life.

Product User Another positioning strategy distinguishes a brand or product by specifying who might use it. Kraft has reintroduced the SnackWells line of nonfat and low-fat snacks and positioning it for weight-conscious women. Ads in magazines such as *People*, *Cosmopolitan*, and *Glamour* featured the headline "Deliciously indulgent, perfectly portioned" copy that reads "at 130 calories, they let you be bad, and still be good." In addition to the 130 calorie snacks,

▼ A business-to-business advertisement positioned based on the projector's attributes.





Courtesy of J.B. Stetson Company.

▲ An advertisement for Stetson using the cultural symbolism of cowboys as the positioning strategy.

SnackWell also has 100 calorie and 150 calorie packages – all positioned for the weight-conscious female.[21]

Product Class Position can be based on product class. In the beverage category, soft drinks compete with energy drinks and others, such as breakfast drinks. Recently, Denny's repositioned its restaurant as a diner. Focus groups were not calling Denny's a family restaurant. According to Frances Allen, chief marketing officer for Denny's, "People think of the brand as a diner, with great comfort food at a great price, and they feel that incredible warmth and connection to the servers. There's a soul to a diner that is very authentic, very warm, and very accepting."[22]

Cultural Symbol Positioning a product as a cultural symbol will be difficult. When the position is successfully achieved, the company holds a strong competitive advantage. For many years, Chevrolet enjoyed such a position. Chevrolet was advertised as being as American as baseball and apple pie. In its advertisement shown in this section, Stetson cologne is tied to the American cowboy and the spirit of the West. The ad copy reads that "The attraction is legendary." The purpose of placing this ad in *Glamour* magazine was to entice women to purchase the product for the men in their lives.

OTHER ELEMENTS OF POSITIONING

A brand's position is never completely fixed. It can be altered if market conditions change over time or a brand's target market shrinks. Competitors can enter a market and usurp a brand's position. Company leaders must then decide whether to fight for the position through strong advertising or seek an alternate position.

International Positioning In the international arena, effective positioning remains vitally important. Plans are made to establish an effective position when a firm expands into new countries. Often the positioning strategy present in one country will not work as well in another. Marketing experts analyze the competition as well as the consumers or businesses that are potential customers. After this analysis, the marketing team chooses a positioning approach. Although the positioning strategy might need to be modified for each country, the company's overall theme and the brand image should remain as consistent as possible.

Image and Brand Positioning constitutes a critical part of image and brand-name management. Consumers have an extensive set of purchasing options and can try products with specific advantages or attributes. Effective positioning, by whatever method chosen, should increase sales and strengthen the long-term position of an individual brand and the total organization.

Marketing Communications Objectives

OBJECTIVE

How do the various marketing communications objectives interact with the other elements of the IMC planning process?

An effective IMC planning process requires quality communication objectives. These objectives tie the organization's context, target markets, and positioning approaches to the ultimate selection of budget figures and IMC components, as depicted in Figure 1. Further, communications objectives guide account executives and advertising creatives

• Develop brand awareness	• Build customer traffic
• Increase category demand	• Enhance firm image
• Change customer beliefs or attitudes	• Increase market share
• Enhance purchase actions	• Increase sales
• Encourage repeat purchases	• Reinforce purchase decisions

FIGURE 7
Communication Objectives

in designing the actual advertising messages. Communication objectives are derived from overall marketing objectives. Marketing objectives tend to be general because they are for the entire company. Some examples of marketing objectives include:

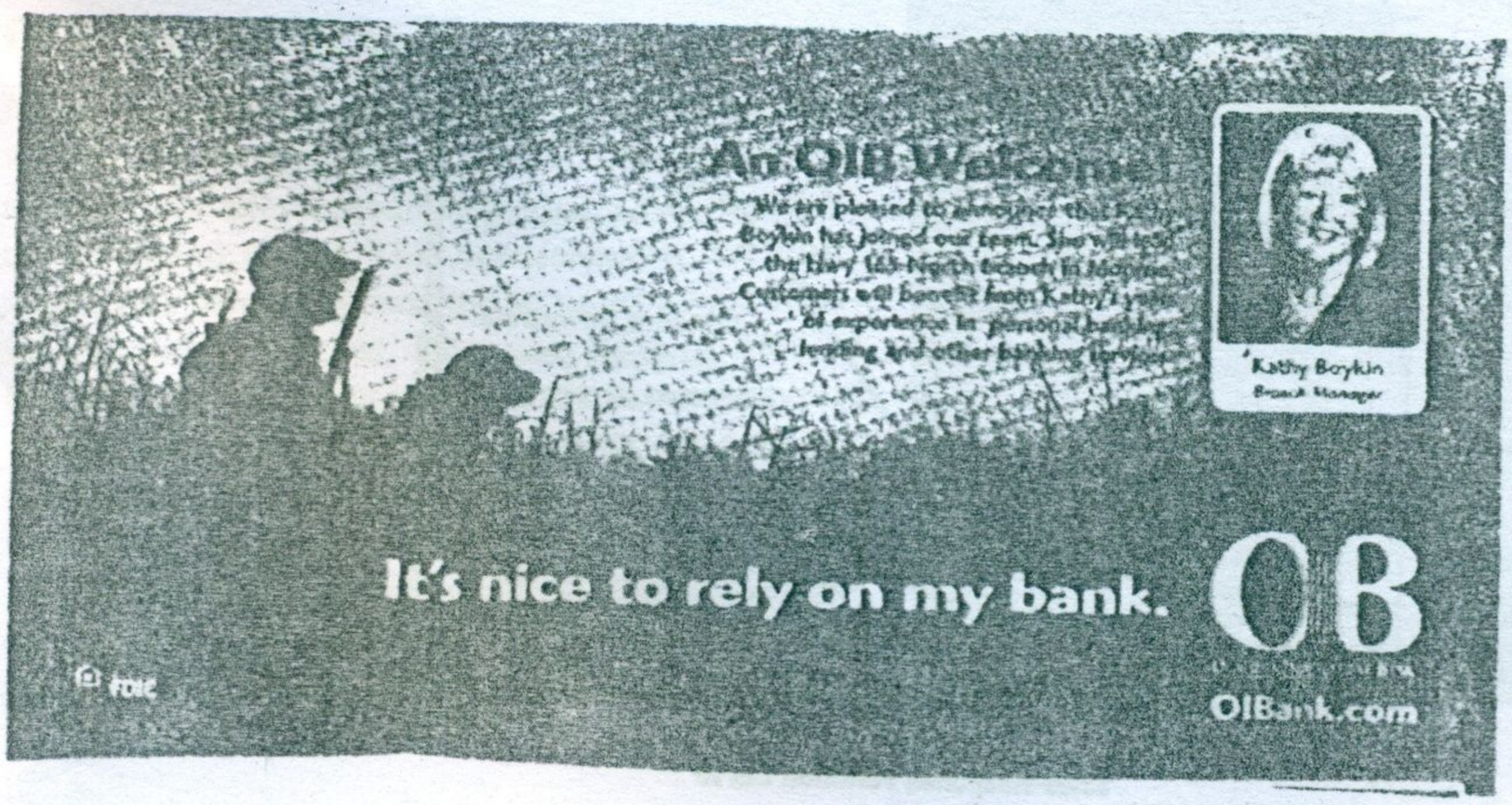
- Sales volume
- Market share
- Profits
- Return on investment

In contrast, a communications plan may emphasize a specific communications objective. Figure 7 lists some of the more common objectives. A large firm may establish different objectives for each brand within a product portfolio. Oftentimes, a communications plan for an individual brand emphasizes a single objective.

Some programs can accomplish more than one communication objective at a time. This occurs when logical combinations of communication objectives are identified. For example, the same advertisement can develop brand awareness and enhance a brand's image. Increasing sales can be accomplished through price changes, contests, or coupons. Matching the objective to the medium and the message remains the key.

Many marketing professionals believe that benchmarks are helpful tools. A **benchmark measure** represents the starting point that has been established in relation to the degree of change following a promotional campaign. In other words, the benchmark constitutes the baseline from which future outcomes can be assessed.

When market research revealed that a dry cleaning company's name was only known by 20 percent of the community's population and that the company held a 3 percent share of the city's total market, a benchmark was present. In response, the primary communications objective for the next advertising cycle became to increase awareness and market share to 30 percent awareness and a 5 percent share. Then a campaign featuring advertisements. coupons, and discounts for certain days of the week (Tuesday specials) and to senior citizens was designed by establishing a budget that matched these IMC components. If the company achieved the desired target, this would indicate a level of success based on the previously specified benchmarks.



Benchmark measures can provide Ouachita Independent Bank with an indication of the success of the advertising campaign.

Advertising and Young

Establishing A Communications Budget

OBJECTIVE 6
What are the relationships between communications expenditures and company sales?

The final two steps in the IMC planning process include preparing a communications budget and selecting the IMC components to be utilized (Figure 1). Once again, these two activities occur concurrently. In this section, budgets are described first, followed by the IMC components.

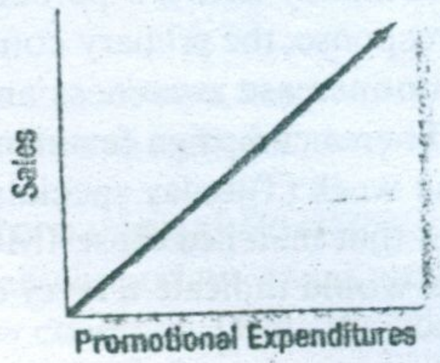
Budgets are based on communication objectives as well as marketing objectives. Communications budgets and IMC components will be different in consumer markets as compared to business-to-business markets. Normally, a much larger percentage of the budget for business-to-business markets will be allocated to trade journals and telemarketing. Consumer markets are more likely to feature use of media such as television, magazines, and the Internet.

Many times, unrealistic assumptions guide the communications budgeting process. This occurs, for example, when a manager assumes a direct relationship exists between expenditures on advertising communications and subsequent sales revenues. For years, it was generally believed that a 10 percent increase in advertising would lead to a 2 percent increase in sales. Recent studies, however, show that increase will be closer to 1 percent; however, the actual amount varies widely.[23] Figure 8 displays a more realistic relationship between marketing expenditures and advertising. The factors present in the relationship include:

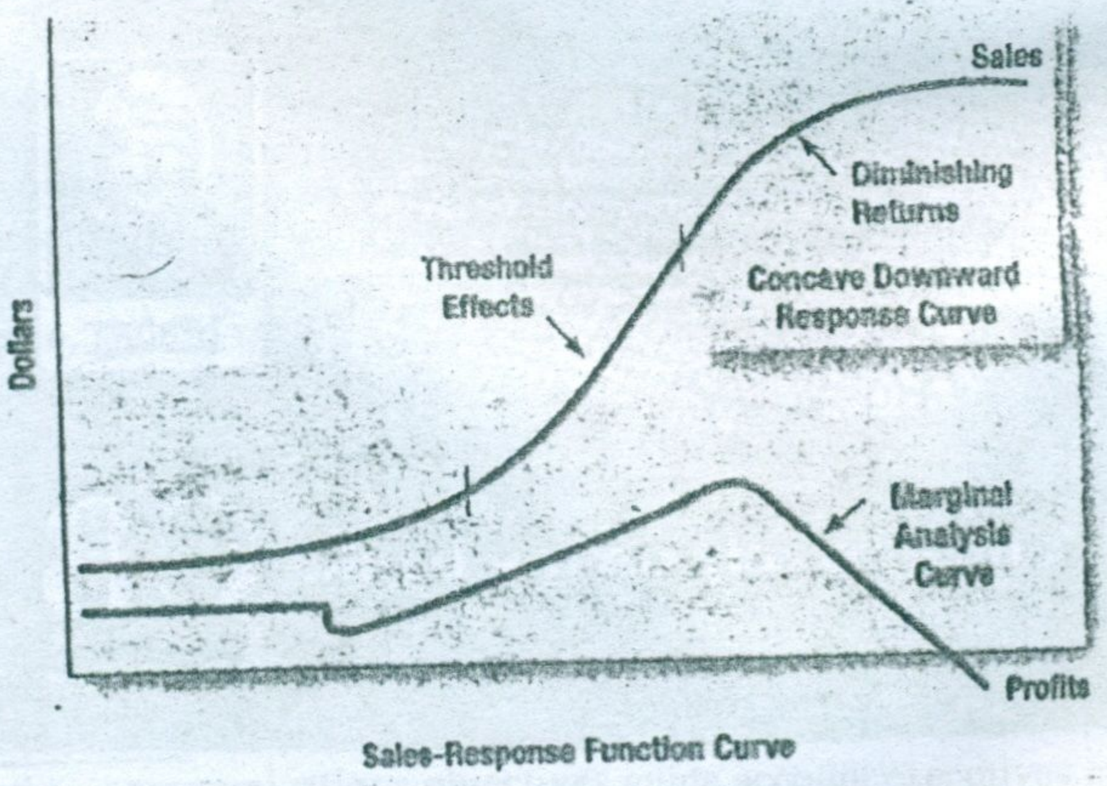
- The goal of the promotion
- Threshold effects
- Diminishing Returns
- Carryover effects
- Wear-out effects
- Decay effects
- Random events

Communication goals differ depending on the stage in the buying process. The hierarchy of effects model suggests that prior to making a purchase a consumer goes through

▶ FIGURE 8
Relationships Between Advertising and Marketing Expenditures and Sales and Profit Margins



An unrealistic assumption about the relationship between promotional expenditures and sales



Sales-Response Function Curve

the stages of awareness, knowledge, liking, preference, and conviction. The objective and stage in the hierarchy of effects model influences the objectives, budget, IMC components, and advertising message that will be sent. For example, an early advertising campaign for the Sun Life Financial company highlighted the fact that people had not heard of the company, but would. Several humorous commercials developed awareness of the brand. Over time, other aspects of the company's services and comparative advantages were featured. The entire campaign began at one place (awareness) and ended at another (encouraging action). It would not be logical to expect that early marketing expenditures would create a dollar-for-dollar relationship with sales as the campaign moved to new communication goals.

THRESHOLD EFFECTS

As shown in Figure 8, the early effects of advertising are minimal. The same holds true for all communication expenditures. At first, few behavioral responses occur, especially when only advertising is used. Over time, a consumer who is exposed repeatedly to a company's marketing message recalls the company or brand and eventually becomes willing to make an inquiry or purchase.[24] Coupons, free samples, and other marketing tactics can help a good or service reach the threshold point sooner. **Threshold effects** are present at the point where the advertising program begins to affect consumer responses.

Threshold effects may be relatively easy to achieve in some circumstances. For instance, a new good or service may be so innovative that consumers become quickly aware of its advantages and are willing to buy the item immediately. Such was the case with the first iPhone. Also, when new products are introduced carrying an established, strong brand name, the threshold point will be reached more quickly.

DIMINISHING RETURNS

A point exists at which a promotional campaign has saturated the market. At that point, further expenditures have a minimal impact. The S-shaped curve displayed in Figure 8 represents a **sales-response function curve** and the diminishing returns from additional advertising expenditures. Diminishing returns are part of the **concave downward function**, in which incremental increases in expenditures in advertising result in smaller and smaller increases in sales. A **marginal analysis** reveals that further advertising and promotional expenditures adversely affect profits, because sales increases are less than what is spent on marketing or advertising.

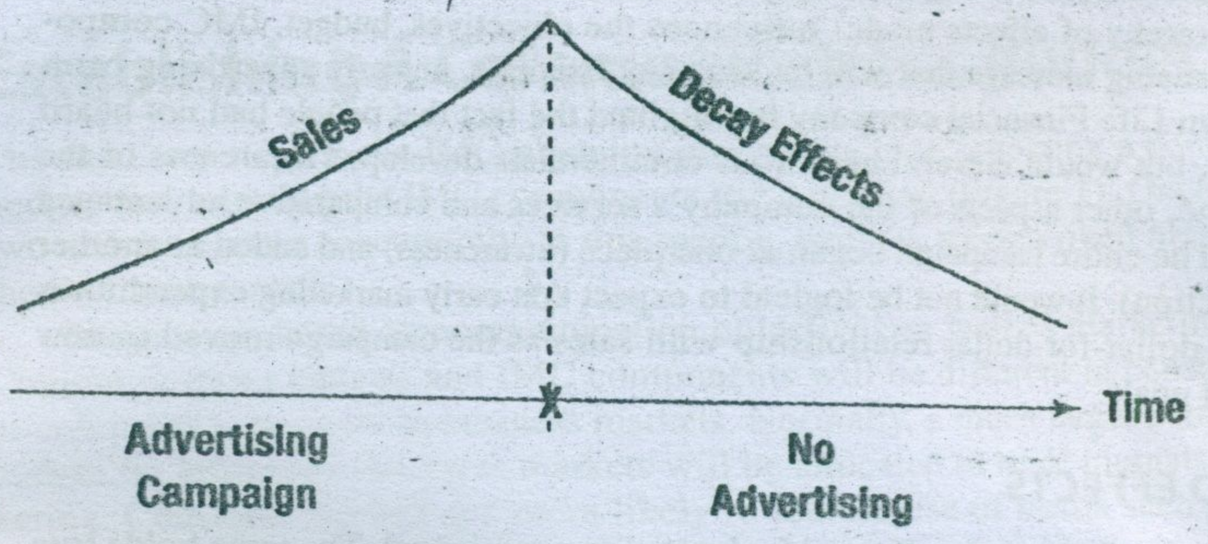
CARRYOVER EFFECTS

Many products are only purchased when needed, such as washing machines and refrigerators. Promotions for these products must be designed to create brand recall. This occurs when the consumer has been exposed to the company's message for so long that, when the time comes to buy, the individual remembers the key company, which indicates that **carryover effects** are present. In other words, when a washing machine breaks down and requires a replacement, remembering Maytag brand will be the company's goal. Consequently, Maytag's products will be considered and the advertisements have effectively carried over.



▼ For products such as boats, it is important for advertising to create carryover effects.

Advertisement provided by Newcomer, Morris, and Young



▶ **FIGURE 9**
A Decay Effects Model

WEAR-OUT EFFECTS

An additional complication to the advertising budgeting process may emerge. At a certain point, an advertisement or particular promotional campaign simply becomes "old" or "boring." Consumers tend to ignore the advertisement or tune it out.[25] Some consumers may even develop negative attitudes toward the brand if they become annoyed at the marketing communication and believe the advertisement should be discontinued. This indicates **wear-out effects**.

Research regarding advertising campaigns over the last 50 years indicates about half of all campaigns last too long and experience wear-out effects. On the other hand, the same research indicates that the long-term effect of advertising remains twice as high as the short-term effect. As a result, marketers try to continue a campaign long enough to capture that long-term effect, but not so long that wear-out sets in.[26] Finding the balance between wear-out and long-term impact remains challenging.

DECAY EFFECTS

When a company stops advertising, consumers begin to forget the message, indicating **decay effects** (see Figure 9). In some instances, the degree of decay is dramatic. In others, the carryover effects are strong enough that some time can lapse before the brand drops out of the consumer's consciousness. The presence of decay effects means that companies should continue to engage in some form of marketing communications to keep the brand in people's minds.

OBJECTIVE
What types of marketing communications budgets may be used when developing the IMC planning program?

Types of Budgets

A communications budget can be prepared in a number of different ways. Figure 10 provides a list of the various methods that are used.[27]

PERCENTAGE OF SALES

- Percentage of sales
- Meet the competition
- "What we can afford"
- Objective and task
- Payout planning
- Quantitative models

▲ **FIGURE 10**
Methods of Determining a Marketing Communications Budget

With the **percentage-of-sales budget**, allocations are derived from either sales from the previous year or anticipated sales for the next year. Simplicity provides the major reason for using this method. A percentage-of-sales budget is relatively easy to prepare.

The approach also encounters problems. First, it tends to change in the opposite direction of what is typically needed; that is, when sales go up, so does the communications budget. When sales decline, the communications budget also declines. In most cases, when sales are declining the communications budget should be increased to help reverse the trend. Further, during growth periods the communications budget may not need to be increased. The method also experiences the disadvantage of failing to allocate money for special needs or to combat competitive pressures. Therefore, many marketing experts believe the disadvantages of the percentage of sales method tend to outweigh its advantages.

Auto Insurer	Ad Spending (millions)	Brand Recognition	Market Share
Geico	$600	98%	8.2%
Progressive	$506	92%	7.5%
State Farm	$455	76%	18.6%
Allstate	$369	63%	10.5%
Farmers	$203	59%	6.4%

◀ FIGURE 11
Ad Spending, Brand Recognition, and Market Share of Top Auto Insurance Companies

Source: Adapted from Gregory Bresiger "It's Ad Infinitum". *New York Post*, May 1, 2011, www.nypost.com/f/print/news/business/it_ad_infinitum_3ThF9xodhiknskcljdTPK.

MEET THE COMPETITION

The **meet-the-competition budget** seeks to prevent loss of market share. Expenditures are raised or lowered to match those of the competition. This method may be found in highly competitive markets where intense rivalries exist between competitors.

The potential drawback to meet-the-competition budgeting is that marketing dollars might not be spent efficiently. Matching the competition's spending does not guarantee success. Market share can still be lost. Rather than *how much* is spent, *how well* money has been allocated and how effectively the marketing campaign works at retaining customers and market share is the key.

The overall spending in the auto insurance industry has grown dramatically in the last decade. It is now over $5 billion. Each company encounters pressures to increase its advertising budget to match the competition, because the level of brand recognition often corresponds with the level of spending. Market share; however may not be affected quite as much since exposure and recognition of an insurance brand do not always equate to purchases. It takes time. Figure 11 displays the level of spending of the top five insurance companies, the level of brand recognition, and the market share.[28]

"WHAT WE CAN AFFORD"

The **"what we can afford" budget** sets the marketing allotment after all of the company's other budgets have been determined or while determining the other budgets. Money will be allocated based on what company leaders feel they can spend. Use of this method suggests that management may not fully recognize the benefits of marketing. Instead, company leaders view marketing expenditures as non-revenue-generating activities. Newer and smaller companies with limited finances often use the "what we can afford" approach.

OBJECTIVE AND TASK

To prepare an **objective-and-task budget**, management lists the communication objectives to pursue during the year and then calculates the cost of accomplishing each objective. The communications budget represents the cumulative sum of the estimated costs for all objectives.

Many marketing experts believe that the objective-and-task method represents the best budgeting approach because it relates dollar costs to achieving specific objectives. Unfortunately, a large company, such as Procter & Gamble, may find it difficult to apply. With hundreds of products on the market, producing a budget based on objectives for each brand and product category is time consuming. Despite the challenge, some form of the objective-and-task method of setting marketing budgets is used by about 50 percent of the firms.[29]

PAYOUT PLANNING

With a **payout-planning budget,** management establishes a ratio of advertising to sales or market share. This method normally allocates greater amounts in early years to yield payouts in later years.[30] Allocating larger amounts at the beginning of a new product introduction helps build brand awareness and brand equity. As the brand becomes accepted and sales build, a lower percentage of advertising dollars will be needed to maintain a target growth.



Source: Courtesy of Bozell Worldwide, Inc.

▲ The objective-and-task method of budgeting is effective because it matches specific advertising dollars to specific advertising objectives.

The payout-planning approach is based on threshold effects and diminishing returns concepts. A company that has reached the maximum threshold point should not continue pouring money into advertising that only results in diminishing returns. Instead, a company can maintain awareness and brand equity by more effective expenditures of marketing dollars. Future promotions and advertisement target specific market segments and consumer groups rather than simply increasing the volume of marketing dollars spent.

QUANTITATIVE MODELS

In some instances, computer simulations can be developed to model the relationship between advertising or promotional expenditures with sales and profits. These models are far from perfect. They do offer the advantage of accounting for the type of industry and product in the model. In most cases, quantitative models are limited to larger organizations with strong computer and statistics departments.

Therefore, as the marketing team constructs a budget, the assumptions that drive the process should be considered. The newness of the product, the economy, and other complicating factors must be considered during the process of tying budgeting expenditures to marketing and communication objectives. A budget is finalized when the company marketing team specifies how funds will be spent on each of the major communications tools.

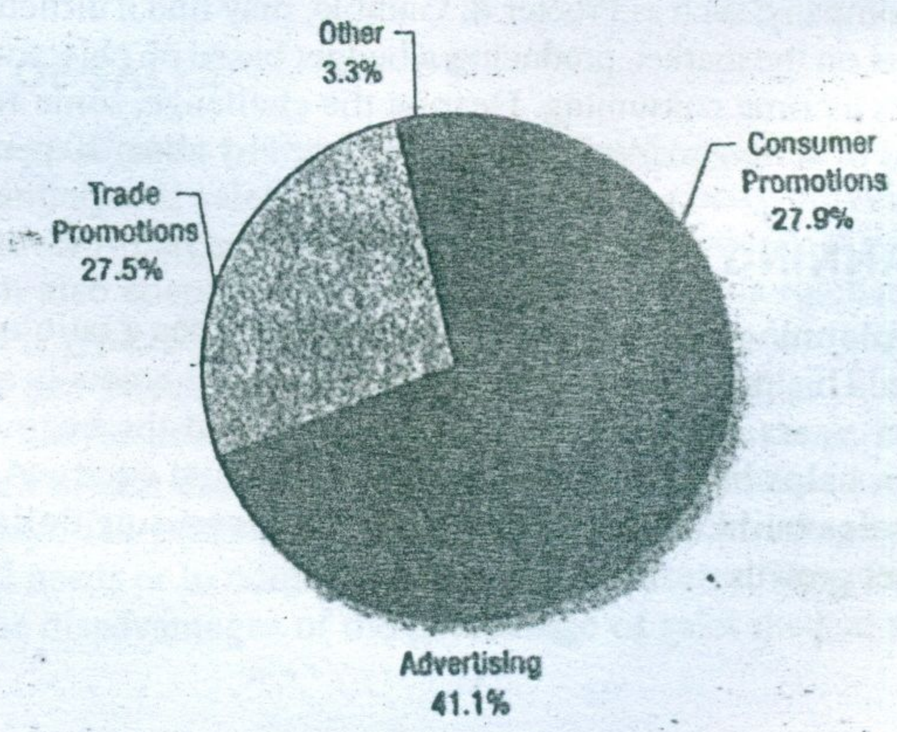
IMC Components

OBJECTIVE 5

In addition to advertising, what other IMC components are selected as part of the IMC planning process?

As has been noted, marketing communications consists of much more than traditional advertising. In fact, advertising expenditures may not make up the major portion of a marketing communications budget. In terms of dollars spent, media advertising normally accounts for about 41 percent of a marketing communications budget. Trade promotions receive about 28 percent and consumer promotions average about 28 percent of overall marketing expenditures (see Figure 12).[31] These percentages vary considerably from

▶ **FIGURE 12**
Breakdown of Marketing Communication Expenditures



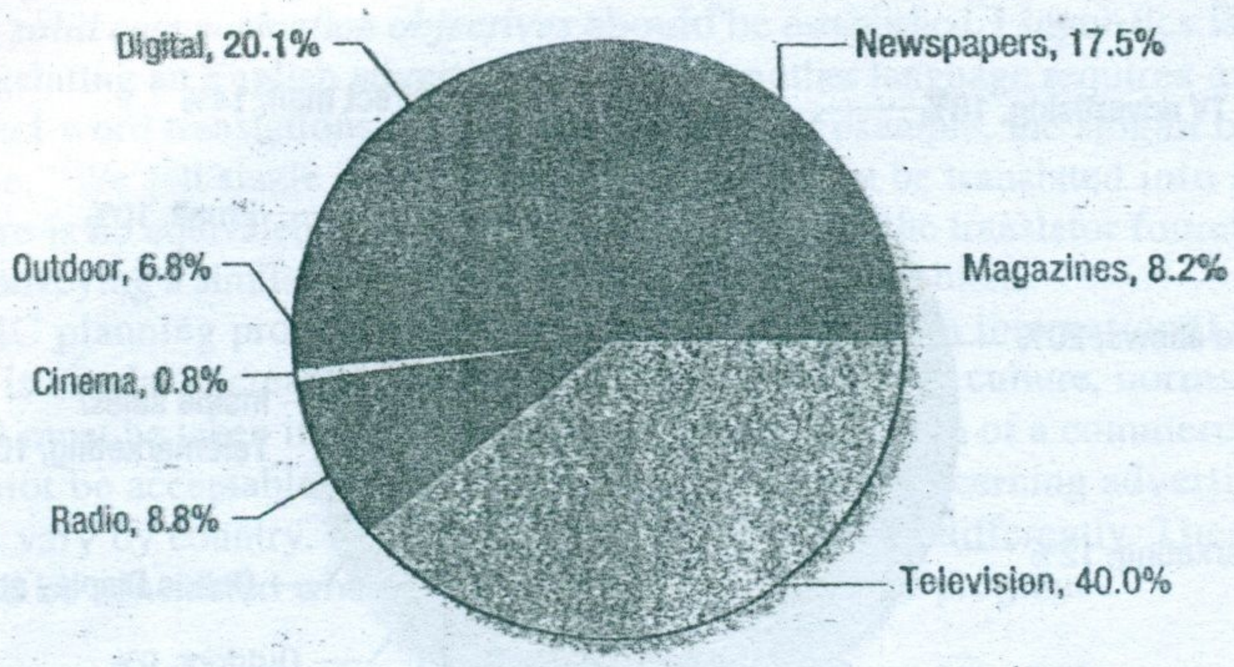


FIGURE 13
Global Ad Spending by Media

Source: Adapted from Zenith Optimedia March 14, 2012. http://printinthemix.com/fasfacts/show/543.

industry to industry. Consumer product manufacturers spend more on trade promotions directed toward retailers. Service companies tend to spend more on media advertising.

Budgets also vary by product type. For example, for dolls and stuffed toys the average expenditure on media advertising as a percentage of sales is 11.2 percent, whereas for men's clothing expenditures on media advertising represent only 3.3 percent of sales.[32]

Selecting IMC components and media takes place in conjunction with preparation of the budget. Figure 13 highlights the ways global advertising dollars are allocated among the various media. Television ranks first, primarily because of the high cost of advertising time. Digital expenditures now rank second and are the fastest growing component.[33]

The clutter among the major advertising media has caused many marketing professionals to shift communication dollars to alternative methods. Figure 14 displays the breakdown of alternative media spending in the United States. Online and mobile advertising make up the largest category. This category includes lead generation, online display and video ads, online yellow pages, and mobile phone advertising. Branded entertainment includes paid product placement along with event sponsorships. The entertainment/digital category consists of local pay TV, video-on-demand, DVR advertising, and video games. Almost $12 billion was spent in interactive marketing, which involves direct marketing by e-mail and word-of-mouth marketing. The smallest category, but one of the fastest growing, is social media advertising.[34] It includes social media pages such as Facebook, Twitter, and numerous smaller, targeted social sites.

Decisions regarding business-to-business IMC components are different than for consumer products. Figure 15 on the next page indicates the ways companies allocate business-to-business marketing funds. The top categories of spending are for trade shows, TV advertising, inside sales/telemarketing, and direct mail. Trade journals used to be the mainstay of business marketing but now make up only 13 percent of marketing budgets., which includes b-to-b ads in consumer magazines and trade journals. The IMC components used in business-to-business markets vary from those chosen for consumer markets.

Choosing the best IMC components remains the challenge. IMC components are selected to reach the target audience and achieve the objectives that are set while

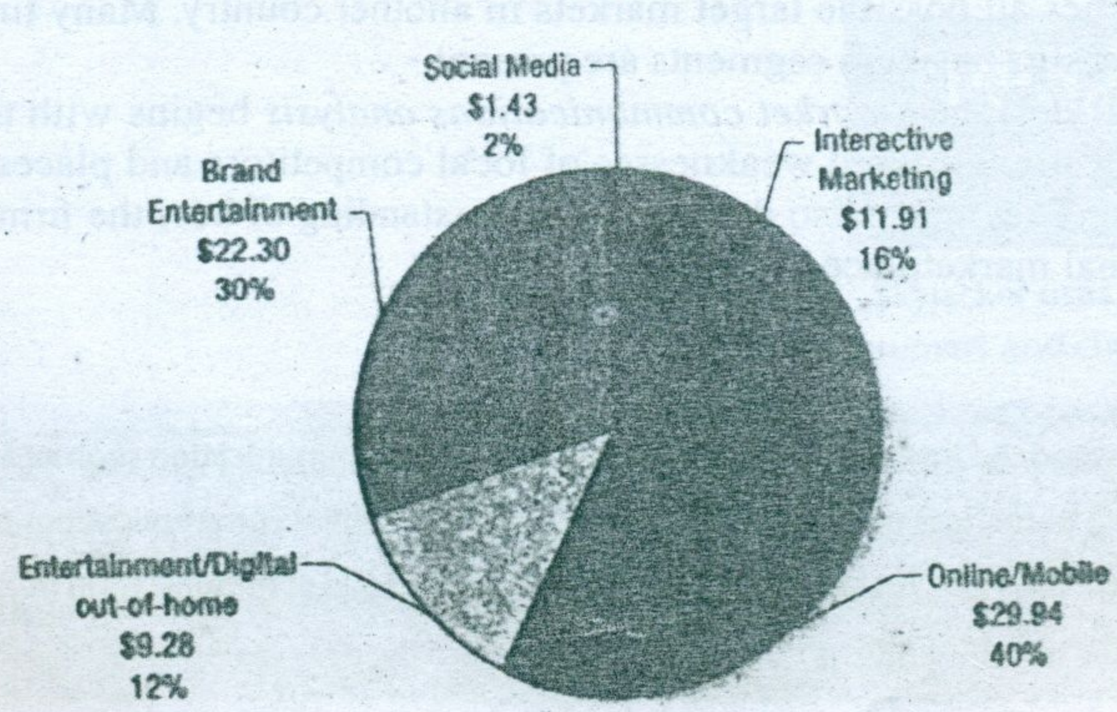


FIGURE 14
U.S. Alternative Media Spending

Source: Adapted from "U.S. Alternative Media spending," 2008 *Marketing Fact Book, Marketing News* July 15, 2008, p. 18, 22.

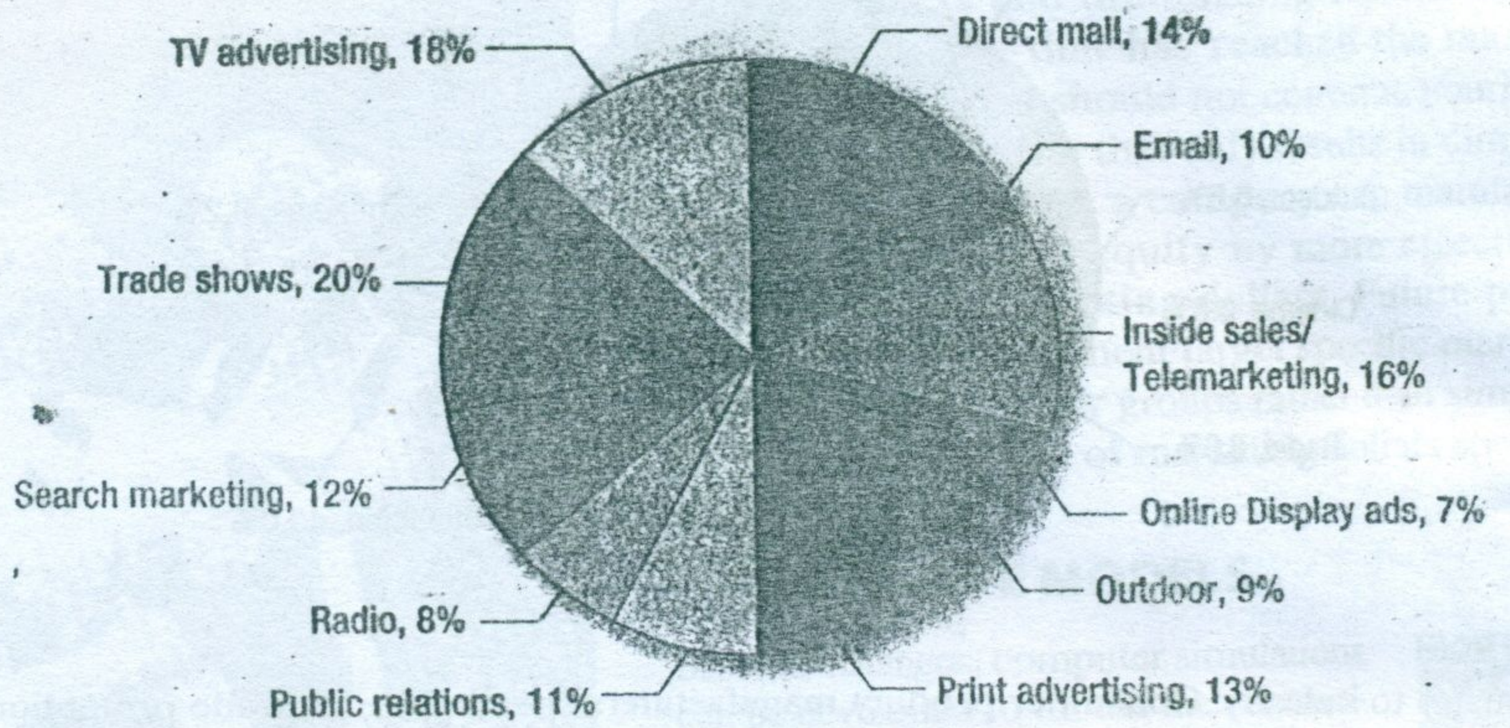


FIGURE 15
Business-to-Business Marketing Spending

Source: Adapted from B-to-B marketing in 2009; Trends in Strategies and Spending *Marketing Profs Research, Inc.*, p. 18.

operating within the constraints imposed by budgetary concerns. Marketing personnel with a company and its external agencies analyze the firm's context, including customers, competition, and communication within the industry (the 3Cs) to provide the background for choosing IMC components.

International Implications

Globally integrated marketing communications (GIMC) programs are vital for international firms. Each message should fit a country's language and culture. Brand names, marketing ideas, and advertising campaigns designed for one country do not always translate correctly to another. Consequently, understanding the international market is essential. Figure 16 highlights the ingredients of successful GIMC plans.

Marketing campaigns do not necessarily require a unique program for each country and each cultural group within a country. It is important to make sure the company's products and marketing messages will be *understood in the region*. When needed, the message is tailored to an individual area. The goal is to *create a borderless marketing plan* that uses the same basic marketing approach for all of a company's markets. This allows each subsidiary the freedom to determine how to implement that marketing plan, in essence, to *think globally but act locally*. It also presents the opportunity to maintain a theme while targeting the message to a given region.

Another key to a successful GIMC is developing *local partnerships*. Local partners can be marketing research firms or advertising firms that are familiar with the local language and culture. These partnerships sometimes are formed by hiring a **cultural assimilator**. This individual will have an understanding of the market and speak both the language of the parent company and the local region.

Communication segmentation means creating a communications package that effectively reaches all possible target markets in another country. Many times both consumer and business-to-business segments are present.

A well-designed *market communications analysis* begins with the marketing team identifying strengths and weaknesses of local competitors and places in which opportunities exist. They must also develop an understanding of how the firm is perceived in the international marketplace.

FIGURE 16
Successful Globally Integrated Marketing Tactics

- Understand the international market
- Create a borderless marketing plan
- Think globally but act locally
- Local partnerships
- Communication segmentation strategies
- Market communications analysis
- Solid communication objectives

Finally, *solid communication objectives* should be established. Linguistics is a major hurdle. Translating an English advertisement into another language requires expertise, because exact word translations often do not exist. For example, the slogan of Ruth's Steak House, "We sell sizzle as well as steaks," could not be translated into Spanish, because there is no equivalent word for "sizzle." Therefore, the translator found a Spanish idiom conveying a similar meaning in order to solve the problem.

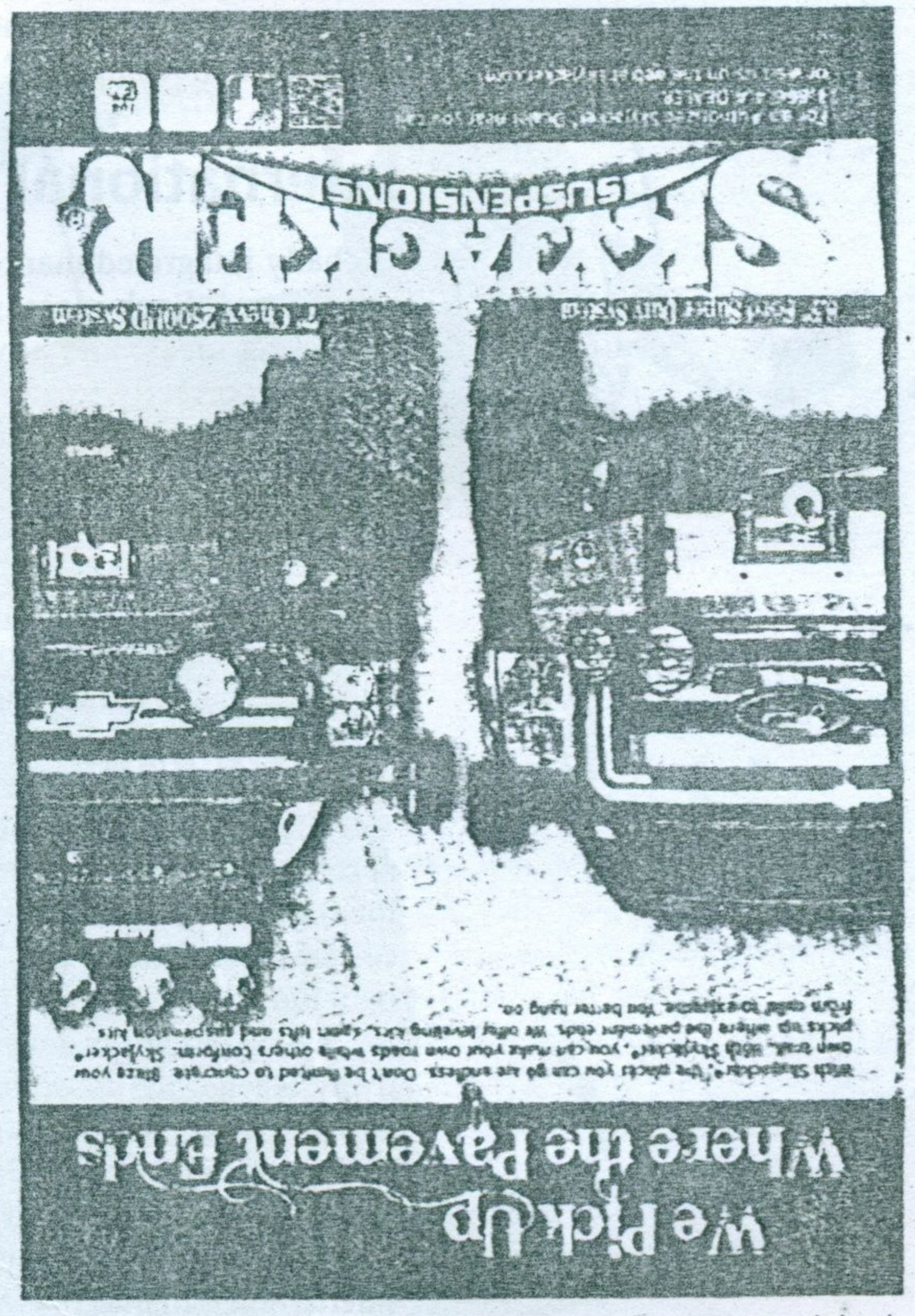
The IMC planning process becomes more complicated in international settings; however, it is crucial in creating an effective GIMC. Language, culture, norms, beliefs, and laws all must be taken into consideration. Literal translation of a commercial's tagline might not be acceptable within a given culture. Laws concerning advertising and promotions vary by country. Cultures view ideas and objects differently. These differences should be considered when designing a communications program.

INTEGRATED CAMPAIGNS IN ACTION

Skyjacker

Skyjacker was established in 1974 in West Monroe, Louisiana. The company manufactures suspension lift kits and shocks for four-wheel-drive trucks, SUVs, and Jeeps. The kits and shocks are sold to warehouse distributors and distributed internationally. Skyjacker provides retailers and jobbers with point-of-purchase displays and a strong integrated marketing campaign to pull the products through the various channels.

Skyjacker engages in both consumer and trade advertising. Skyjacker uses television and print advertising to sell the products to consumers. The company sponsors drivers and various off-road events. To support the retailers who sell the products, Skyjacker budgets money for trade advertising and trade support. The consumer and trade marketing materials can be found at the Pearson Instructor's Resource Center (www.pearsonhighered.com). The campaign includes a PowerPoint presentation outlining the details of the campaigns and examples of the collaterals developed by Skyjacker.



Furnished by Skyjacker Suspensions

▲ Skyjacker uses an integrated marketing approach to reach both consumers and channel members.

MyMarketingLab

Go to **mymktlab.com** to complete the problems marked with this icon .



SUMMARY

A marketing communication planning program begins with the analysis of the organization's context, including customers, competitors, and communications. When the analysis is complete, target markets may be selected in conjunction with product-positioning tactics.

Market segmentation identifies sets of business or consumer groups with distinct characteristics. Segments must be clearly different, large enough to support a marketing campaign, and reachable through some type of media. Consumer groups that can be segmented include those identified by demographics, including gender, age, income, and ethnicity. Markets can also be identified using psychographic, generational, and geographic delineations. Geodemographic segmentation combines demographic, psychographic, and geographic information together. Other ways to categorize consumers are by the benefits they receive from goods or services and by the ways they use products.

Business-to-business segmentation can be accomplished by targeting business customers by industry, business type, the size of the company, geographic location, usage, and customer-value calculations. Marketing managers specify the company's consumer and business market segments. All other promotions opportunity analysis processes are tied to the identification of key customers.

Product positioning represents the perceptions in consumer minds of the nature of a company and its products relative to the competition. Positioning may be based on product attributes, competitors, product uses or applications, the price--quality relationship, product class, or through the association with a cultural symbol.

Marketing objectives lead to the development of communications objectives that are matched to the product, target market, and product positioning. These objectives form the basis for developing communications budgets and selecting IMC components for actual marketing campaigns.

Globally integrated marketing communications efforts are guided by the IMC planning process. National differences, cultural concerns, language issues, and other challenges must be viewed in light of the target markets an individual company intends to serve.

Key Terms

market segment A set of businesses or group of individual customers with distinct characteristics.

market segmentation Identifying specific groups (target markets) based on their needs, attitudes, and interests.

demographics Population characteristics such as gender, age, educational levels, income, and ethnicity.

psychographics Patterns of responses that reveal a person's activities, interests, and opinions (AIO).

geo-targeting Marketing appeals made to people in a geographic area or region

product positioning The perception in the consumer's mind of the nature of a company and its products relative to the competition.

benchmark measures Starting points that are studied in relation to the degree of change following a promotional campaign.

threshold effects The point at which an advertising or promotional program has begun to affect customer responses.

sales-response function curve An S-shaped curve that indicates when threshold effects are present and when diminishing returns are present.

concave downward functio. A model of the diminishing returns of advertising expenditures on sales.

marginal analysis A model that shows when additional expenditures on advertising and promotions have an adverse affect on profits.

carryover effects The point at which a consumer has been exposed to the company's message for so long that, when the time comes to buy, the individual remembers the company.

wear-out effects Declines in advertising effectiveness that occur when an ad or marketing communication becomes "old" or "boring."

decay effects Declines in advertising effectiveness that occur when advertising stops and consumers begin to forget about the company.

percentage-of-sales budget A form of communications budgeting in which budgeting is based on sales from the previous year or anticipated sales for the next year.

meet-the-competition budget A communications budget in which expenditures are raised or lowered to match the competition.

"what we can afford" budget A communications budget that is set after all of the company's other budgets have been determined or while the other budges are being se and communications money is allocated based on wha company leaders feels they can afford to spend.

objective-and-task budget A communications budget in which management first lists all of the communications objectives to pursue during the year and then calculates the cost of accomplishing those objectives.

payout-planning budget A budgeting method that establishes a ratio of advertising to sales or market share.

cultural assimilator A person who is familiar with the local language and culture of a given country who is employed to help marketing efforts in that particular region.

Review Questions

1. What are the three components of analysis of the IMC planning context?
2. What four categories of customers are examined when analyzing the IMC planning context?
3. What three types of research are used when analyzing the competition?
4. Define market segment and market segmentation.
5. Define demographics. How are they used to segment consumer markets?
6. How can firms take advantage of target markets by gender?
7. What generational cohorts have marketing experts identified?
8. What problems are associated with markets segmented according to geographic areas?
9. What are geodemographics? How can they be successfully used to define market segments?
10. Describe usage segmentation and benefit segmentation.
11. What are the common business-to-business market segments?
12. Describe the NAICS approach to business market segmentation.
13. Describe a usage segmentation approach in a business-to-business setting.
14. Describe a segmentation approach based on company size.
15. Define product positioning and identify the types of positioning approaches that can be used in the IMC planning process.
16. What is a benchmark measure?
17. What common marketing communications objectives do firms establish?
18. Describe the natures of threshold effects, carryover effects, wear-out effects, decay effects, and random event with regard to communications budgets.
19. Describe the methods that can be used to establish a communications budget.
20. Which IMC components are more likely to be used in business-to-business marketing communications programs, as compared to consumer markets?
21. What is a cultural assimilator?

Critical Thinking Exercises

DISCUSSION QUESTIONS

1. Pick a product that you have recently purchased and that you have considerable knowledge about. Conduct a context analysis. Examine the customers, competition, and communications of the product and brand.
2. An analysis of movie theaters revealed the primary moviegoers tend to be between 18 and 24 years of age. Twenty years ago, 44 percent of the individuals in this age bracket went to movies frequently. Today, less than 34 percent are frequent moviegoers.[35] Conduct a customer analysis by interviewing five individuals between the ages of 18 and 24. Based on their responses, what suggestions would you make to movie theaters to reverse this declining trend?
3. Pick one of the following industries. Discuss the types of marketing communications used in the industry by various firms or brands. What are the similarities and differences in the communication approaches being used?
   a. Tanning salons
   b. Local night clubs
   c. Local dine-in restaurants around your university or in a specific area of town
   d. Soft drinks
   e. Bottled water
4. Make a list of five consumer goods or services segmented on the basis of gender but sold to both genders. Are there any differences in the product or service attributes? Are there differences in how they are marketed? What are those differences? Do you think using a different marketing approach has worked?
5. Examine the list of demographic segmentation variables. For each demographic variable listed in the text, identify two products that are marketed to a specific demographic segment. Identify the specific demographic segment and explain why the product is aimed at that particular market segment. Identify one brand that has been especially successful at reaching a specific demographic segment.
6. For each of the following goods or services, identify the various benefits that consumers may derive from the good or service. Can you think of an advertisement or marketing communication that has featured the benefit as the central part of the appeal?
   a. Seafood restaurants
   b. Auto insurance
   c. Optometrist or eye-care clinics
   d. Soft drinks
   e. Aspirin or other pain relievers
7. For each of the product-positioning strategies discussed, identify two brands that feature the strategy and explain how the strategy is used to successfully market the brand.
8. Locate five ads in a magazine. Either tear out the ads or scan them. For each ad, identify the target market of the ad, the communications objective, and the product-positioning strategy that you think is being used.

Integrated Learning Exercises

1. Use a search engine to locate five companies on the Internet that sell swimwear. For each company, discuss the types of products sold, the types of promotional appeals that are used, and the types of special offers used to entice buyers. From looking at each Web site, describe the type of customer you think the company is trying to reach. Of the five companies, which one do you think does the best job of marketing itself? Why?
2. A brand's product positioning strategy should be an integral part of the company's advertising and marketing strategy, including its Web site. Examine the following Web sites and identify the product-positioning strategy that you think is being used. Explain your choice.
   a. Polaris (www.polarisindustries.com)
   b. Edgewater Beach & Golf Resort (www.edgewaterbeachresort.com)
   c. Celestial Seasonings (www.celestialseasonings.com)
   d. Sony (www.sony.com)
   e. Stetson cologne (www.stetsoncologne.com)
3. VALS psychographic segmentation can be a valuable tool for marketers as they prepare their marketing materials. Access VALS through the Strategic Business Insights (SBI) Web site at www.strategicbusinessinsights.com/vals and examine the characteristics of each of the groups. Then take the test to determine which group you belong to. How can VALS help marketers develop advertising messages?
4. A current trend for many companies is the development of marketing messages for specific demographic, ethnic, or lifestyle groups. This allows for a more targeted message than is possible for the mass audience. Go to the following Web sites. What types of marketing messages are on each site? How could the information on these Web sites be used to develop integrated marketing communication plans?
   a. Women (www.ivillage.com)
   b. Hispanics (www.hispaniconline.com)
   c. African Americans (www.targetmarketnews.com)
   d. Gays and lesbians (www.planetout.com)
5. Choose two of the following companies. Examine the company's Web site to determine what segmentation strategy the firm uses. Describe the intended target market for the Web site. What communication objective(s) do you think the company is trying to accomplish? What product-positioning strategy is being used? Explain your responses.
   a. Sports Spectrum Greeting Cards (www.sportsgreetingcards.com)
   b. Ty Beanie Babies (www.ty.com)
   c. Sara Lee (www.saralee.com)
   d. Skeeter boats (www.skeeterboats.com)
   e. Gold Bond (www.goldbond.com)

Student Project

CREATIVE CORNER

The VALS typology has been used by a number of companies and advertising agencies to create marketing materials. Your task is to design two advertisements for Yamaha boat. Pick one of the following pairs of VALS segments and design an advertisement promoting Yamaha for each segment. When you are finished, write a paragraph explaining how the ads you created will appeal to their respective VALS segment and how the two ads are different. Before you begin work on the ads, go to the Strategic Business Insights (SBI) Web site at www.strategicbusinessinsights.com/vals to obtain more information about the two segments you will be targeting with your ads.

Pair 1: Innovators and Survivors
Pair 2: Thinkers and Makers
Pair 3: Believers and Achievers
Pair 4: Strivers and Experiencers

CASE 1

PLATINUM MOTORCARS: MARKET SEGMENTATION AND REPEAT PURCHASES

Benny Black drove up to his Platinum Motorcars location to begin another day's work in his 1997 Mercury Sable with 198,000 miles on the odometer. He calls the car, which he purchased on craigslist, "Goldie." Benny doesn't believe in using his own money to buy and drive fancy cars.

At the same time, he wore a high-end black suit. As he explained, "I'm always going to be dressed to the nines. I always have the matching pocket square with the same color tie. I'm letting you know where my brand is. I'm not going to be cheap. You know that right from the get-go. You know it's going to be expensive, but you're going to get the value in what it is that you're trying to do."

Platinum Motorcars grew out of a unique entrepreneurial experience. Benny said, "I had 2 years experience in the limo business. I told the wife one day that I wanted to start a limo company. I always had the affinity for wanting to serve people of wealth, with means, because I thought, 'If you can serve the masses, great, but if you can find a niche, and just reach a certain type of clientele, I always thought the easy one would be people with money.' My motto has always been 'a rich man will always be rich.' That's the ones you want to try to get to."

He continued, "I had that (limo service) for 2 years. I had already built a clientele base, but I thought there was too much competition, because I wasn't using my own limousine. What I was doing was borrowing a limo from my friends, pay them for the limo, get paid for my time, and then just try to give that great service to the client.

"I had to figure out a different way. I could utilize the same clientele but in something that nobody else is doing. So that's where I had the idea that I needed to figure out how I can drive nice cars and not have to pay for them.

"My biggest catalyst for that was that I got a call from one of the larger hotels, and they had a ballplayer in town that wanted to be driven around in a limousine. I picked him, and while I was driving I actually said to him, 'If you ever need a nice car while you're in Dallas, let me see what I can do for you.'

"And he said, 'Can you get me a Bentley tomorrow after the game?' This was in 2000.

"So I said, 'Yeah, I think I can make that happen.' I just got on the phone with some of the clients I'd been servicing, I called one client in particular and I said, 'I need to borrow one of your Bentleys.'

"They said, 'What have you got going on?'

"I said, 'I've got an athlete that wants to rent one to drive tomorrow after the game.'

"He said, 'What will you give me?'

"I said, 'I'll give you a thousand.'

"He said, 'Give me a thousand and an autographed jersey, and it's yours.'"

Benny completed the deal, making a handsome profit.

From there, Black developed the business model that has expanded to include rental services for high-end luxury vehicles, chauffeur services, and sales/leasing arrangements. His exotic rental cars include Aston Martin, Bentley, Rolls Royce, Ferrari, and Lamborghini. Sports cars are also available, with Mercedes, BMW, Porsche, and Maserati vehicles for rent.

Renters must meet high standards, including a $1,000 hold on a credit card, a $250 nonrefundable reservation fee, proof of insurance, and a significant charge for cancellation. Drivers must be 25 years old for some cars and over 30 for others. Platinum Motorcars serves an impressive client list, including major sports stars, celebrities, local business leaders, and even foreign dignitaries and tourists. As Black puts it, "I became 'The Exotic Car Guy.' I'm the guy you call when you come into Dallas. My tagline is 'We provide the lifestyle you deserve.'"

Bennie noted that several similar auto rental businesses had come and gone in the Dallas area. His explanation was that



Courtesy of Platinum Motorcars

▲ Benny Black turned his vision into a lucrative exotic car rental business

the businesses catered to people who would drive a luxury car as a "once in a lifetime experience," such as for a prom, wedding, or some other major event. Instead, his company focuses on individuals who might desire a luxury driving experience on an ongoing (even if sporadic) basis. These customers, rather than buying a single car, are able rent from a wide selection for various events during the course of the year, including simply taking a weekend to drive a luxury vehicle.

Through connections with a variety of people of wealth, including the "new" and the "old" rich, and effective combinations of the Internet, social media, word-of-mouth, and exciting events and offers, the future looks bright for Benny Black and Platinum Motorcars. Most recently, the company expanded to a second location using the same marketing and business model.[36]

1. Provide an analysis of the following groups as they relate to Platinum Motorcars: current customers, former customers, potential new customers, and competitor's customers.
2. Define the consumer market segments served by Platinum Motorcars. Define the potential business-to-business market segments Platinum Motorcars could serve.
3. Explain the product positioning of the Platinum Motorcars rental service.
4. Using the Internet, locate Platinum Motorcars. What new businesses has the company entered? Do these make sense given the company's target markets and product positioning? Defend your answer.
5. Consider Benny's target market of individuals who could afford to purchase one of his exotic cars, but realizes the investment is not wise for the few times they would drive it. Design a print ad for the Dallas magazine aimed at individuals with incomes of $300,000 plus.

CASE 2

BOSE: HIGH-END SOUND REPRODUCTION

A case can be made that sound reproduction has become one of the areas in which technological innovations have made the most profound leaps forward. Leading the way are major competitors such as Sony, Philips, Tivoli Audio, and Bose. Many forms of sound delivery exist, some featuring earphones and headphones, and others through stand-alone speakers.

The Bose Corporation began operations in 1964. Amar G. Bose, a professor of electrical engineering at the Massachusetts Institute of Technology, became frustrated during his attempt to purchase a high-quality stereo system. He believed that the speakers that were available had impressive technical specifications but failed to reproduce the realism of a live performance.

Four years later, the first Bose product reached the market. In a very short time, Bose has delivered a series of innovations in sound.

Currently, the Bose Wave products are at the forefront of quality sound, including the Wave radio, Wave music system, and Acoustic Wave music system. Each is designed to deliver the most realistic sound through a compact, attractive device that will fit in any room in the home or office. The product can be linked with a dock that both plays and recharges an iPod. Another product allows the user to wirelessly play and store music from an Internet radio station. Other Bose products include headphones, home theater systems, speakers, and sound systems for various locations, including boats and businesses.

Bose systems are on the high end in terms of price. For example, the most widely purchased Wave music system had a list price of $499.95 in November 2009. To entice buyers, product discounts are routinely offered, including a $100.00 price reduction when the Wave is purchased with the accompanying multi-CD changer. Also, Bose offers 1-year, interest-free financing.

The Bose marketing program includes use of traditional media, most notably television, newspaper, and magazine advertising. The company's Web site allows buyers to find and purchase all items online. The company employs a limited number of retail stores that feature the Bose line. The primary marketing emphasis remains focused on quality. For example, Fortune rated the Bose QuietComfort headset, which cancels outside noise, as the best-quality option for headphones.

Although a company's reputation for quality may help to drive sales, outside factors can interfere. The recession which began in 2008 and continued into 2009 led many shoppers to cut back purchases, especially for more expensive luxury items. Bose was not immune to this trend. The company was forced to lay off nearly 1,000 workers, or 10 percent of its labor force, during the decline.

At the same time, Bose forged ahead, seeking to develop new technologies in areas other than sound. As the economy continues to recover, business analysts expect Bose to build on its core products while moving into new areas, furthering the growth of this innovative, energetic organization.

1. Explain how the IMC planning process would apply to future marketing efforts for Bose Wave products.
2. Identify the market segments that the Bose Wave products should continue to maintain.
3. Should Bose continue to compete based on high-price/high-quality positioning, or should it develop programs to reduce prices and entice a wider variety of shoppers?
4. What should be the primary marketing communications objectives for Bose?
5. What type of budget should be used for the Bose promotional program?
6. Which IMC components best match the target market, position, objectives, and budget for Bose products?

Sources: "Bose_Confirms Layoffs," Boston.com (www.boston.com/business/ticker/2009/01/bose_confirms_l.html, accessed November 10, 2009), January 20, 2009; Peter Lewis, "Sounds of Silence Noise-Canceling Headphones Make Air Travel Quiet," Fortune (http://money.cnn.com/magazines/fortune/fortune_archive/2002/05/13/322899/index.htm, accessed November 10, 2009), May 13, 2002.

MyMarketingLab

Go to **mymktlab.com** for Auto-graded writing questions as well as the following Assisted-graded writing questions:.

1. Pick a product that you have recently purchased and that you have considerable knowledge about. Conduct a context analysis. Examine the customers, competition, and communications of the product and brand.
2. Use a search engine to locate five companies on the Internet that sell swimwear. For each company, discuss the types of products sold, the types of promotional appeals that are used, and the types of special offers used to entice buyers. From looking at each Web site, describe the type of customer you think the company is trying to reach. Of the five companies, which one do you think does the best job of marketing itself? Why?
3. Mymktlab Only—comprehensive writing assignment for this chapter.

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