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## **Integrated Marketing Communications & Advertising Plan**

### **Media Objectives**

Primary – Obtain DirecTV and increase overall AT&T annual revenues by 5% over the next two years, or a total of about \$8 billion in revenue.

Secondary – Ability to provide TV services to all states across the United States with product combinations in the first year targeting 3.3 million of the new users with our advertising, potentially generating \$2 billion in revenue.

Tertiary – Use customer base of DirecTV to try and obtain stronger position in the wireless telecommunication industry. That is about 13.3 million potential users to target.

### **Marketing Problem**

AT&T faced limited annual revenue growth of less than 2% over the last 5 years. We seek to increase annual revenues by 5% over the next two years by being able to market TV service to all of America. Bundling AT&T's mobile service with DirecTV's service aimed at people who are already customers of DirecTV but not yet AT&T subscribers will be key.

The potential for increased business lies within our target market, which is people who currently have DirecTV but use a competitor's mobile service, which is a potential 13 million users. Our marketing problem will be to convince our target market to switch mobile carriers. We

hope to be able to do this with attractive lower cost bundling options. We will also communicate the benefits of using both services, like how users can watch TV on their mobile device with no extra cost to their data plan if they are both AT&T and DirecTV consumers.

The target market offers the greatest opportunity for AT&T. It will allow AT&T to advertise through direct mail, specifically in the monthly bills of current DirecTV customers, giving the company a unique chance for exposure. In addition, there is a huge shift in society to start watching TV on mobile devices due to the portability, rather than watching on a stationary TV screen. Since AT&T is now into the television business, it has the ability to capitalize on this shift because it now has a captive audience from DirecTV. The services being offered by DirecTV and AT&T are used daily, although hardly any loyalty exists. This is because customers are willing to switch providers to save money, increase service quality, and for convenience of bundled services.

### **Translating the marketing requirements into attainable media objectives**

We want to reach people in a wide area all across the United States because DirecTV is a global company. There are three possible segments we could target. The first is people who subscribe to AT&T but not to DirecTV. The second market is people who subscribe to DirecTV but not to AT&T. The third market is people who subscribe to neither AT&T nor DirecTV. This last market would be more difficult to obtain because it is difficult to gain customers out of white space. We decided to make our main target market people who subscribe to DirecTV but not to AT&T because it has the greatest opportunity, with a 13 million consumer base.

The first objective of our media plan is to get as many of these 13 million DirecTV customers to switch over to AT&T for their cell phone service. We want to expose more customers to AT&T by showing the DirecTV customers that AT&T holds itself to the same high quality as DirecTV. The next objective of our media is to make the nation aware that AT&T is a telecom powerhouse so that they can hit their target, 5% increase in revenue over two years. The media needs to show that AT&T is an innovative telecom giant that is on the cutting edge of new technology. The third objective of our media is to show the nation that AT&T is number one in true nationwide coverage over all other telecom channels available. We need our media to express that AT&T has better coverage than all the other cell phone service providers. Therefore, we are going to be using various kinds of mass media including television and radio.

### **Target Audience Analysis**

We are focusing the media strategy on the 13 million DirecTV customers that AT&T is gaining through the acquisition. We hope to reach at least half of this group in order to hit the benchmarks of generating an increase of revenues by 5% annually for the next years. We want to show those who have DirecTV service, but are not subscribed to AT&T cellular service that they will benefit from the AT&T experience of subscribing to both and bundling.

The demographics that we want to focus our efforts on are those that are age 18-49, have some or more college education, and households that have income levels of \$50,000 or more. This group of customers have a better chance of signing up for the cellular service given their habits and behaviors. Customers today are slowly moving away from traditional Television and shifting to Television on demand with such services such as Netflix, Hulu Plus, and Amazon

Prime TV. This move means that they are watching multiple screens and multiple mobile devices since they are too busy to watch on their TV's alone. Since they are middle to upper-class income households, they can afford to have all these devices and enjoy their shows when they want. Since they are so busy, and not necessarily worried about the price of their services they do understand value. Showing them that AT&T is the one-stop shop for their telecom needs will communicate that convenience does not have to be confusing. It will be easier to have one bill and enjoy all of their mobile telecom needs.

### **Defining a media solution by formulating media strategies**

In order to get the most from our strategy in attracting our target market, here is a list of media channels we will utilize in order to maximize our revenues:

#### **Television**

We will create some new DirecTV ads that highlight the benefits of bundling with AT&T mobile service. We will use cable T.V. to craft messages for mass communication and brand awareness. We will also use spot T.V. to communicate more specific advertisements about features and benefits of using both DirecTV and AT&T. Television is a great media to show the new feature being offered which is mobile TV.

#### **Digital Radio**

While we will use some traditional radio during the evening on the most popular stations to catch people driving home from work, we will mainly focus on digital radio. This is because people are starting to using their mobile phones for nearly everything. We will use digital radio services such as Sirius XM, Pandora, and Spotify to reach consumers who have phased out of

traditional radio and have switched to mobile or other digital radio platforms. We will create banner ads and voice-over ads on these digital radio platforms.

### **Digital Media and Search**

We will create banner ads that will show on pages after the user has searched for telecommunications, mobile service providers, and television providers. Moreover, it will show for people who are AT&T users or DirecTV users, or both. We will also do paid ads through Google Adwords as well as organic searches through SEO. In addition, we will do a few email blasts to DirecTV consumers, stating the benefits of using both AT&T and DirecTV.

### **Newspaper and Magazine**

We will not be focusing heavily on newspaper and magazine, but we still plan on utilizing these two mediums. We will focus on consumer magazines that are more technology-orientated to reach our target market.

### **Direct mail**

We will also use direct mail. We will create a print ad that will explain the features and benefits of using both AT&T and DirecTV. It will go into current AT&T and DirecTV users' bills for three months so consumers will notice it by the third time.

### **Mobile**

People are beginning to watch television on the mobile phones more than their T.V. screens. So it only makes sense to advertise in this space. Since AT&T has merged with DirecTV, we have a unique opportunity to advertise on video apps on mobile phones.

These types of advertising will help target the masses, as well as let us target specific potential customers as needed. The advertising will be focused on frequency and exposure. We will run our ads frequently to ensure that they are getting attention from our target market. DirecTV will advertise the benefits like exclusive DirecTV content on mobile phones and ease of switching mobile carriers from competitors to AT&T. Moreover, these ads will explain how AT&T is on the cutting edge of new technology. These advertisements will be run in the above mentioned channels to give as much exposure as possible to the new features of combining AT&T with DirecTV.

Our ads will focus on showing how DirecTV and AT&T's services will allow customers to gain exclusive content on their mobile phones. This message will be impactful because consumers will start to think about how they are currently missing out on exclusive access to mobile DirecTV.

### **Competitive Analysis**

#### **Budget**

AT&T has four major competitors: Comcast, Verizon, T-Mobile, and Sprint. We looked on AdSpender to see how much each competitor spent on advertising from January 1, 2013 to January 31, 2014. This is explained in Figure 1-1. Verizon had the most advertising dollars spent with about \$1.3 billion. Sprint spent about \$750 million, T-Mobile spent roughly \$639 million, and Comcast spent a total of about \$172 million. AT&T has spent the most with about \$1.8 billion. DirecTV spent around \$346 million. Based on what AT&T has used in the past and what its competition is spending, we propose a spending level of \$4.5 billion for advertising in 2015. AT&T will spend more than its largest competitor, Verizon in order to gain more market share.

AT&T can afford this because it just merged with DirecTV, which adds a whole new line of revenue for the company. Moreover, we need to increase our advertising dollars to make both AT&T's as well as DirecTV's consumer bases aware of the new features and benefits AT&T offers with its merger of DirecTV. Internet display ads and TV ads will help spread our message to the masses. In addition, we will be adding new areas of advertising like mobile, digital radio, and direct mail, which will increase our media spending in 2015.

## Media Selection

The table in figure 1-1 explains the competitive environment in the telecommunications industry. It breaks it down by the types of media used. This includes internet display, outdoor, TV, magazine, newspaper, and radio. It shows that internet display and TV were the media that the competition chose to spend the most of their advertising budget. Verizon wireless is our biggest competitor with 34% of the market. They spent the most advertising dollars in 2013, with almost \$1.3 billion. The graph in figure 1-2 reaffirms that TV and internet display are the most important media to advertise in because AT&T's biggest competition, Verizon, spent most of its advertising dollars there. It is important that we can compete with Verizon's advertising. We will focus most of our advertising budget on TV and internet displays, as well as tap into radio and outdoor advertising. These types of mass media will help us reach our target audience.

Figure 1-1 Competitive Environment

Advertiser	Internet	Outdoor	TV	Magazine	Newspaper	Radio	Total
AT&T	\$256,151,300	\$37,142,600	\$1,237,599,800	\$95,660,700	\$138,043,600	\$35,883,600	\$1,800,481,700
Comcast	\$46,515,200	\$20,069,700	\$13,127,800	\$2,161,800	\$5,957,400	\$84,909,200	\$172,741,000
DirecTV	\$18,685,100	\$83,600	\$293,974,500	\$16,961,800	\$15,900,800	\$462,900	\$346,068,800
Sprint	\$133,295,500	\$11,605,700	\$430,315,600	\$33,183,200	\$105,938,400	\$36,184,600	\$750,523,000

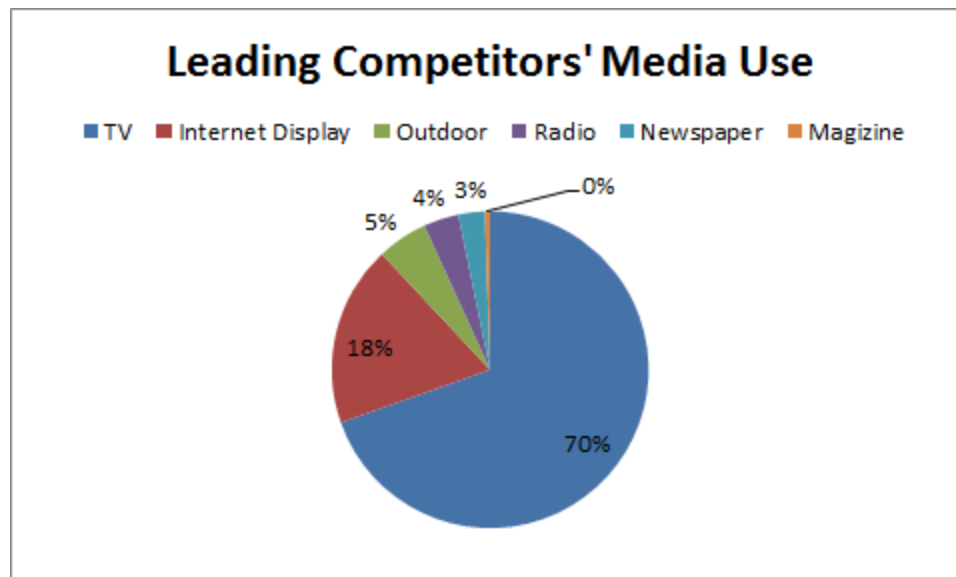
T-Mobile	\$73,485,300	\$16,826,400	\$400,541,600	\$9,051,200	\$76,196,900	\$62,962,000	\$639,063,300
Verizon	\$214,931,600	\$45,317,800	\$866,261,300	\$26,024,300	\$78,497,400	\$50,718,200	\$1,281,750,600
GRAND TOTAL	\$743,066,300	\$131,054,300	\$3,241,820,600	\$185,558,900	\$420,741,900	\$271,121,100	\$4,993,363,000

Reported Time Period: 1/1/2013-1/31/2014

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Figure 1-2 Leading Competitor's Media Use



### Timing of Media Delivery

We plan to focus our media around the evening when our target market is off work. We will run T.V. ads during the primetime shows and traditional radio ads during the 3:00-7:00 p.m. timeslot when people are driving home. We will take a different approach for digital radio because people are usually on this medium during work or school. So we will run ads on this



medium during the daytime and evening. For digital search and mobile advertisements, we will run our ads during the entire day as people use computers and cell phones throughout the day. In addition, we will run more ads around the holiday season for both T.V. and digital, both search and radio, because people spend more around this time of year. For direct mail, newspaper, and magazine ads, we will run ads throughout the year on a continuous cycle.

### **Target Audience Analysis**

AT&T's target audience is people who use DirecTV but have another cell phone service provider. The age group is 18-45. These customers are always on the go and are working, educated individuals. They are very busy people who are out at all hours of the day and night, thirsting for information thanks to the internet. We must focus our attention on where their attention is. If they are on the go, AT&T must switch to be on the go as well and show these customers and potential customers that AT&T will deliver on that nationwide coverage for all aspects of telecommunications.

AT&T acquiring DirecTV has freed up lots of bandwidth from its TV service. This allows its network to be able to handle more stress for acquiring more DirecTV customers. However, we need to determine the best way to target our audience. Our major competitors are spending the most funds on TV, Internet, and Outdoor advertising. Currently AT&T is spending more than its competitors in the areas of magazine, newspaper, and radio advertising. Based on our research, we believe that AT&T would benefit from reallocating those dollars in other channels of advertising like T.V, digital search, digital radio, and mobile ads in order to hit their goal for increasing revenues and adding more customers.

### **Media Habits of Target Market Analysis**

Table 1-1 How Many Americans Currently Use Cell Phones (from Pew Research)

<b>Cell owners in 2014</b>	
<i>Among adults, the % who have a cell phone</i>	
All adults	Have a cell phone 90%
<b>Sex</b>	
a Men	93 <sup>b</sup>
b Women	88
<b>Race/ethnicity*</b>	
a White	90
b African-American	90
c Hispanic	92
<b>Age group</b>	
a 18-29	98 <sup>cd</sup>
b 30-49	97 <sup>cd</sup>
c 50-64	88 <sup>d</sup>
d 65+	74
<b>Education level</b>	
a High school grad or less	87
b Some college	93 <sup>a</sup>
c College+	93 <sup>a</sup>
<b>Household income</b>	
a Less than \$30,000/yr	84
b \$30,000-\$49,999	90
c \$50,000-\$74,999	99 <sup>ab</sup>
d \$75,000+	98 <sup>ab</sup>
<b>Community type</b>	
a Urban	88
b Suburban	92
c Rural	88
Source, Pew Research Center Internet Project Survey, January 9-12, 2014. N=1,006 adults. Note: Percentages marked with a superscript letter (e.g., <sup>a</sup> ) indicate a statistically significant difference between that row and the row designated by that superscript letter, among categories of each demographic characteristic (e.g., age). * The results for race/ethnicity are based off a combined sample from two weekly omnibus surveys, January 9-12 and January 23-26, 2014. The combined total n for these surveys was 2,008; n=1,421 for whites, n=197 for African-Americans, and n=236 for Hispanics.	
<b>PEW RESEARCH CENTER</b>	

Table 1-2 How Many Cell Phone Users Have Smartphones (from Pew Research)

## Smartphone owners in 2014

*Among adults, the % who have a smartphone*

All adults	Have a smartphone phone
	58%
<b>Sex</b>	
a Men	61
b Women	57
<b>Race/ethnicity*</b>	
a White	53
b African-American	59
c Hispanic	61 <sup>a</sup>
<b>Age group</b>	
a 18-29	83 <sup>bcd</sup>
b 30-49	74 <sup>cd</sup>
c 50-64	49 <sup>d</sup>
d 65+	19
<b>Education level</b>	
a High school grad or less	44
b Some college	67 <sup>a</sup>
c College+	71 <sup>a</sup>
<b>Household income</b>	
a Less than \$30,000/yr	47
b \$30,000-\$49,999	53
c \$50,000-\$74,999	61 <sup>a</sup>
d \$75,000+	81 <sup>abc</sup>
<b>Community type</b>	
a Urban	64 <sup>c</sup>
b Suburban	60 <sup>c</sup>
c Rural	43

Source, Pew Research Center Internet Project Survey, January 9-12, 2014. N=1,006 adults.  
Note: Percentages marked with a superscript letter (e.g., <sup>a</sup>) indicate a statistically significant difference between that row and the row designated by that superscript letter, among categories of each demographic characteristic (e.g., age).

\* The results for race/ethnicity are based off a combined sample from two weekly omnibus surveys, January 9-12 and January 23-26, 2014. The combined total n for these surveys was 2,008; n=1,421 for whites, n=197 for African-Americans, and n=236 for Hispanics.

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Table 1-3 What People are Doing with Cell Phones in 2014 (from Pew Research)

### Cell phone activities

*The % of cell phone owners who use their cell phone to...*

81	send or receive text messages
60	access the internet
52	send or receive email
50	download apps
49	get directions, recommendations, or other location-based information
48	listen to music
21	participate in a video call or video chat
8	"check in" or share your location

Source: Pew Research Center's Internet & American Life Project Spring Tracking Survey, April 17 – May 19, 2013. N=2,076 cell phone owners. Interviews were conducted in English and Spanish and on landline and cell phones. The margin of error for results based on all cell phone owners is +/- 2.4 percentage points.

Looking at Figures 1-3, 1-4, and 1-5 we can see the way Americans get their TV viewing is changing rapidly thanks to internet access on mobile devices. They are sending messages and using the internet more than any other functions on their devices. This means they are on social media and watching TV. This is perfect for AT&T because acquiring DirecTV will allow their customers to view their favorite shows and channels from their mobile devices. The Adobe Digital Index just released a report on October 20, 2014 showing that consumers are quickly moving to viewing TV on mobile devices. Moreover, watching TV on Smartphones is more popular than viewing TV on Tablets. With DirecTV's channels available for mobile viewing, families are no longer tied to their TVs at home and can enjoy their service anywhere they go on the nation's most reliable network.

In order to be effective we need to use different advertising media that will spread the word to the masses, but at the same time we must focus on specific channels within those media to be effective. When it comes to T.V., we should focus on channels that are getting the most

viewings. Nielsen allows us to see which shows are getting the most viewing and what channels they air on. Furthermore, we must be mindful that the channels we chose must support the same demographics we are targeting. According to Nielsen, of the top 10 shows being shown last week for Primetime, 6 of them aired on the CBS Network, and the other top networks were NBC followed by FOX and ABC. Of the Top 10 for Cable network shows, the top networks were ESPN, USA, FX, and AMC. The types of shows being watched tend to be mostly Sports, then goes to Weekly Series shows, and then syndicate reruns. These particular types of programming that are drawing the attention of the masses we want to attract. The viewers fit perfectly with those that want to watch TV, but also want to be able to access these shows from their mobile devices. These customers will truly appreciate the way AT&T will provide that #1 nationwide coverage experience.

When it comes to Internet advertising, the best way to attract new customers will have to be making AT&T's and DirecTV's websites easy to navigate. They have to be able to show that they are going to provide customers with the overall best combined experience. We have an understanding of what the popular shows are, and since internet display advertising is very flexible, we can change our advertising focuses when needed. For example we can change our ads when new trends develop with sports seasons and when seasons end of popular shows. Using social media to keep an eye on what kind of talk is trending and what is popular will let us keep up with where we want to position our ads on Facebook and Twitter. Moreover, we will utilized Google AdWords services to advertise. At some point most of these viewers will return to DirecTV's site either on their computers or mobile smartphones to view TV while on the go, and cookie tracking will allow us to see what sites they visit regularly. This will allow us to figure

out where other people that also fit into similar psychographics are going online so we can also gain their attention (for example: other sports news sites, newspaper sites, and social media).

### Media Selection Rationale

#### **Television**

We will be spending the most of our advertising budget on television, both in spot T.V. and cable T.V. We will use spot T.V. so we can hone in on local markets and entice a response. We will also advertise on national T.V. Cable, while expensive, allows our advertisements to be seen by a large number of people at once, which is a very efficient way to reach our target audience. Our biggest competitor, Verizon, uses 70% of its advertising budget on television. Moreover, the rest of our competition focuses on television as their number one medium. In the past AT&T has also used television more than other mediums, and it has worked very well. Spot and cable T.V. advertisements will accomplish our goals of communicating to the nation that AT&T is a telecom powerhouse and that it is the number one in true nationwide coverage to our target market, the 13 million DirecTV customers who do not have AT&T phone service. This is because Television advertising is a form of mass media, so it reaches a wide audience. By using spot television in conjunction with cable television, we are able to articulate to local markets the specific advantages for switching to AT&T, while also informing the masses of overall advantages.

#### **Direct mail**

While very few of our competitors use direct mail, we believe it is a great way to stand out. Our target market is consumers who use DirecTV, but do not use AT&T for their phone service. DirecTV is in contact with these people every month in the form of their bill. We plan on

having an insert in the envelope of the bill. After reading the bill, the consumer will pull out the direct mail piece that will describe all of the benefits of using both AT&T and DirecTV. This will help us accomplish our media objectives because direct mail will allow us to inform our customers of specific benefits and advantages of using both DirecTV and AT&T. Direct mail will help us reach our target market directly, and inform them how AT&T is a telecom powerhouse and how it is the only telecom company that offers true nationwide coverage.

### **Digital Media and Search**

We will be creating banner ads and running them on pages relevant to telecommunications, mobile service providers, and television providers. We will also be running paid search ads on Google AdWords, targeting people who are searching specific keywords relevant to telecommunications, mobile service providers, and television providers. The focus will be on informing people of the benefits of having both AT&T and DirecTV. We will also be working on creating backlinks to increase the organic search ranks of AT&T domains. AT&T has historically spent more than any of its competitors on digital ads, with Verizon as its biggest competitor. We think it's important to continue to outbid Verizon on specific keywords because this gives us an edge. Digital will allow us to obtain our media objectives because it will help us reach our target market in a different way, while informing them of how AT&T is a powerhouse and offers nationwide coverage.

### **Newspaper and Magazine**

We will not be focusing heavily on newspaper and magazine, but we still plan on utilizing these two mediums. We will focus on consumer magazines that are more technology-orientated to reach our target market. Verizon, along with AT&T's other competition

has spent advertising dollars in both newspapers and magazines. So if the competition is doing it, AT&T must also advertise in these spaces in order to stay competitive. Moreover, newspaper and magazine will help us reach our media objectives because they will communicate our message in a very high-quality visual way to our target market and communicate how AT&T is a powerhouse and offers nationwide coverage.

### **Digital Radio**

We will be running radio ads during the afternoon/evening drive time from 3:00-7:00pm. We will advertise on network, spot, and local radio stations. This way we will be able to reach our target market and send them either a mass communication message or a more niche message if it is on a spot or local station. Radio will help us obtain our media objectives because we can catch our target market on the drive home each day where they will be focused on our message.

Digital radio is also an area we want to focus on. Digital radio services are continually growing in popularity, with most popular platforms such as Sirius XM, Pandora, and Spotify. Because Pandora and Spotify offer personalized stations, we can use gathered data to specifically target our market based on geographic region and listening preferences. And since many digital radio apps are used on mobile devices, and our new offering is the bundle of AT&T and DirecTV mobile services, this will be a good avenue to invest in for our strategy.

### **Mobile**

People are now using their phones for everything. They are moving away from traditional technology and shifting towards applications on their phones. Moreover, people are watching T.V. not on their television screens, but on their mobile phone screens. With AT&T merging with DirecTV, we have a unique opportunity to advertise on video apps on mobile phones. So we will



be running banner ads and pre roll ads on video apps like YouTube. Mobile is a great platform to advertise because of its simplicity, low cost, and high reach. And mobile use is always rising every year. Another advantage of using mobile advertising is that people are generally more free with giving out information on their mobile devices. We can take advantage of this readily available information to reach our customers easier.

### **Media Strategy**

The media plan explained here will accomplish the media objectives stated at the beginning of this media plan because it reaches our target audience in many forms. We have chosen a wide array of mediums that speak to the masses as well as more targeted marketings, which allows us to reach our target market with different, but collaborative, messages. Our target market is people who use DirecTV but have another cell phone service provider. The age group is 18-45, and these people are always on the go, and are highly educated. Television and newspaper/magazine ads allows us to reach broad target audiences and create brand awareness. Direct mail, digital media and search, digital radio, and mobile allow us to craft more targeted messages, explaining the specific advantages of using both DirecTV and AT&T.

### **Flowchart and Budget**

When looking at the competition's budget, Verizon spent the most from January 1, 2012 through January 31, 2014 with almost \$1.3 billion. However, AT&T spent even more during this timeframe the company spent \$1.8 billion. Moreover, DirecTV spent \$346 million. Since AT&T is merging with DirecTV and offering new incentives to use both AT&T and DirecTV, we have proposed a slightly bigger budget for 2015 to advertise these new opportunities. We recommend a budget of \$9 billion over 2 years, so we can accurately communicate the new offerings and

image of AT&T. We need this increased budget in order to use mobile advertising, which has never been used before and is a fairly new medium for advertising. So mobile will take more money to do some research and development. In addition, we will be using direct mail and digital radio; two mediums that were not used last year which will increase our spending for 2015. If \$9 billion is too high, we can go as low as \$4.5 billion over two years. However, this will only include the advertising mediums used in previous years. We can also do more if we had a \$10 billion budget. We could create longer-running campaigns, so in each medium the ad would run more frequently. We could also look into sponsorships of sporting events and concerts.

## **Flow Chart**

The below flow chart shows in billions how much AT&T will spend per year with our plan per media channel on a monthly basis, for \$4.5 billion per year:

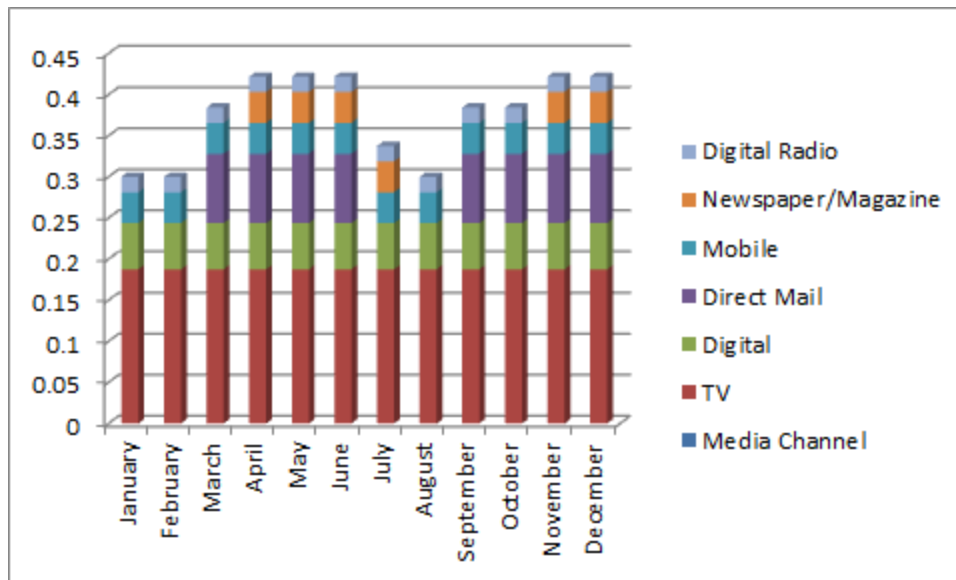


Figure 1-6

### Expected reach and frequency of the target audience

The target audience is people who subscribe to DirecTV but do not have AT&T, which is roughly 13 million people. So the reach would be the 13 million user base. The frequency will be 3 times for each medium. So a DirecTV user would get direct mail advertisements 3 times in their monthly bills. The user would see the television advertisement, a digital advertisement, a newspaper advertisement, and a magazine advertisement 3 times. This way the user will see the advertisement enough times in different mediums to notice it.

### Recommended media selection rationale- reasons for selecting the various media elements visible

We have decided to spend our advertising dollars on television, direct mail, and digital, with most on the budget focused on television. This is because our leading competitor, Verizon

spends most of its budget in these areas, especially in television. We will also create newspaper and magazine advertisements, because that is what AT&T and DirecTV have been using in the past and it has been working.

Total Budget AT&T with DirecTV combined:

- \$9 Billion over two years:
  - 50% - TV
  - 15% - Digital
  - 15% - Direct Mail
  - 10% - Mobile
  - 5% - Newspaper/Magazine
  - 5% - Digital Radio

### **Creative Media Options**

#### **The current setting**

AT&T has 100 million wireless users and 20 million wire line users. With the competitive market in the cell phone service industry, AT&T is doing pretty well with 31% of the market share, the highest overall. However, with new data plans and increasing standards of service from the competition AT&T has to find a way to differentiate itself in the telecom market. DirecTV has over 20 million subscribers. AT&T is currently number two of the top three networks in the country. Not only does AT&T's GSM provide great coverage across the nation for cellular devices, but add DirecTV's satellite services for TV, and you now have a great combination of services that provide great coverage in all 50 states. Moreover, people are shifting from watching videos on T.V. screens to watching videos on their mobile devices.

AT&T merging with DirecTV will allow users to watch T.V. on their mobile devices without interruptions of poor service.

### **The mission**

Our primary focus is to get DirecTV consumers who have a different cell phone service provider to switch to AT&T. Our marketing objectives include to first obtain DirecTV and increase overall AT&T annual revenues by 5% over the next two years, or a total of about \$8 billion in revenue. Then gain the ability to provide TV services to all states across the United States with product combinations in the first year targeting 3.3 million of the new users with our advertising, potentially generating \$2 billion in revenue. Lastly, to use the customer base of DirecTV to try and obtain a stronger position in the wireless telecommunication industry. That is about 13.3 million potential users to target.

### **Who we are talking with**

We are talking with DirecTV's subscribers who do not use AT&T as a cell phone service provider which is a 13 million customer base. These people are very price sensitive. Mobile subscribers do not possess much brand loyalty. They are more interested in getting the best price possible with the highest amount of service. They also emphasize data plans over call quality.

### **Tension**

Since these people are very price sensitive, they need to be convinced that the benefits they will receive by becoming both a DirecTV and AT&T customer will be worth the money. We have to explain to them the exclusive content they gain on their mobile devices by becoming an AT&T and DirecTV consumer. We will emphasize the high quality cell phone service AT&T provides all over the nation and how innovative the company is.

## **Creative driver**

Combined with DirecTV's nationwide coverage, AT&T will be able to provide high-quality mobile and telecom services in all 50 states. Truly nationwide coverage. DirecTV will also provide exclusive content on mobile phones to users of both DirecTV and AT&T.

## **Brand chatter**

The substance that will support the creative director will be the idea of truly being able to reach all customers across the United States. The creative director should also incorporate the exclusive mobile TV that will be offered to customers of both AT&T and DirecTV. This is one of the main attractions to switching over to AT&T. Customers of both services will get exclusive content from DirecTV to their mobile phones, which is something the competition is not offering.

AT&T is known for high quality service, and is the second largest telecommunications company in the United States. AT&T has a long history of advancing communications technology. We are going to claim the technological high-ground. Our advertising will show that AT&T is the number one telecom company in the nation with the best coverage and combination of services. Our creative advertising strategies will communicate that AT&T is more advanced. We are going to position AT&T as the "Apple" of telecommunications by providing the best full coverage experience with our product combinations. We are going to advertise that AT&T is the leader and the best in telecommunications.

The tone of the conversation will be forthright, matter-of-fact, revolutionary, and trend-setting. We want to avoid trying to fight for the best price since someone can always offer a better price. When people see that we are the best, and the first to offer this kind of

telecommunications experience thanks to the addition of DirecTV services, we will be able to win majority of the market share and make our goals.

### Example Creative



Figure 1-5

Figure 1-5 is a banner ad that will be used in GoogleAdWords, YouTube preroll, Pandora, and Spotify. We tested this ad with a few DirecTV subscribers, and we got very positive results.

Consumers thought the ad summarized the communication very well, and the idea came across very clearly.