

Transcription

Promotional Strategy



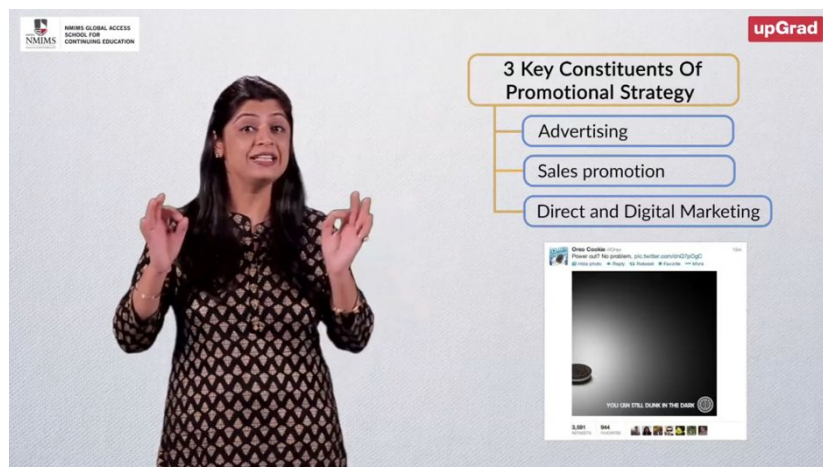
In the year 2014 a brilliant promotional campaign was executed by a brand in one of the biggest cultural fest of asia Mood Indigo. This promotional campaign won a bronze award for the best brand activation and promotion campaigns and broke the Guinness World Record. Can you get the brand? Well, let me give you another clue – twist, lick and dunk are the three key words associated with a brand. So can you now guess the brand? Well yes, it's right. I am talking about Oreo. Let us now hear from Professor Chavvi about the importance of correctly promoting your brand and the key elements that constitute a promotion strategy.



Let's look at cookie brand - Oreo. It's a brand marketed by Mondelez globally. Now, let's look at the marketing mix of Oreo. It's a sandwich cookie with an iconic blue packaging. The white cream between two chocolate biscuits and the large blue logo are equally memorable. It has multiple variants as well - orange, milk etc. In terms of product, the positioning is 'Oreo is a crisp and tasty sandwich cookie'.

Oreo is priced reasonably. It's more expensive than cream biscuits from Britannia, Parle and ITC and priced lower than some of the premium cookie brands. The positioning in the consumer's head - 'Oreo is a crisp and tasty sandwich cookie that's reasonably priced.' Oreo is also widely available - on online retailers and in modern and general trade. What's the positioning now? 'Oreo is a crisp and tasty sandwich cookie that's reasonably priced and is available easily.'

But look at ITC's Sunfeast Dark Fantasy Cream biscuit. It has the strong Sunfeast branding, similar product, the same price point and is available on the same channels. How can Oreo ensure that its brand positioning isn't confused by the presence of Sunfeast Dark Fantasy, Britannia's Pure Magic and Parle's Hide and Seek? The answer lies in a strong promotional strategy.



There are 5 key elements that constitute a promotional strategy:

1. The first is advertising. Oreo launched a large scale advertising campaign with the 'Twist Lick Dunk' punchline. The ads featured kids teaching their parents the correct way of eating an Oreo cookie. They also advertised the same inside retail stores and on billboards. Oreo effectively built a ritual around the brand - that's how powerful advertising is. We will discuss about some of the advertising channels in the next module.
2. The second element of a promotional strategy is sales promotion. This financially incentivizes consumers and sales partners for carrying and buying your brand. Oreo launched with heavy promotional schemes. There were incentives to purchase in larger quantities. There were bundle offers. The larger unit sizes were running discounts. Sales promotions help you to stand out from your competitors in terms of the value you are delivering to your trade partners and consumers.
3. The third element is direct and digital marketing. Oreo had an excellent engagement strategy on social media where, much like Amul, current affair stories were conveyed through the Oreo cookie. Oreo even tied up with Game of Thrones to create excitement in the community. The brand is a master of social media.

In 2013, for example, during a football game, the game was stopped for half an hour because of a power outage. Within a few minutes of the blackout, Oreo's social media team posted "You can still dunk in the dark". The post quickly went viral, getting 15,000 retweets and 20,000 likes on Facebook. That's the power of building a community and engaging with it.

Oreo has followed this strategy across countries - tweaking the product according to local tastes, leveraging the strong brand name, following a mid-premium pricing, making the brand readily available and deploying effective promotional strategies. The result? It's probably the only truly global brand in the cream cookie category and a market leader in multiple geographies! That's the power of building a brand on the back of a strong positioning using a credible marketing mix.



The fourth element of a promotional strategy is a tool called public relations. Let us try and understand what is public relations. It is a tool that helps an organization communicate with all the people in its marketing network. Be it the customers itself or the suppliers, the stockholders, maybe the government officials, the employees themselves, or simply the community at large. It helps in giving news and information about the organization or its offerings and building the overall corporate image.

The various tools that you would have available as a marketing manager for managing the PR for your company or your brand are something like this. Corporate communications, which helps you in handling events, rumours, clarifications that might grip your brand.

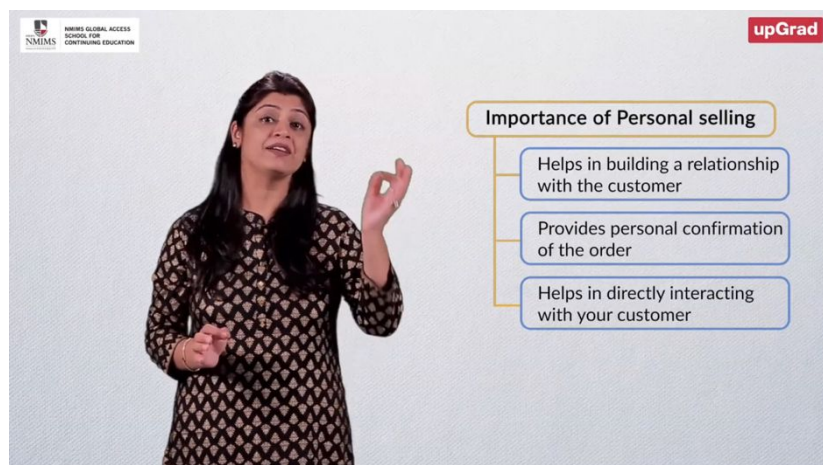
Remember the case of Cadbury or the Maggie controversy, that's when Public Relation really comes to the rescue. Along with that, a marketer has some other PR tools as well, such as maybe organizing a seminar or an exhibition to simply create awareness, give a product demo, introduce a product in the marketplace or with the objective of enhancing the company's overall image or simply to reaching out a huge target audience.



The various PR tools that are available to you as a marketer for your organization or your brand are something like the corporate advertising, lobbying for a common cause, any charitable donations that you would want to do, sponsorships, your company's magazines, annual reports, or any other publications; all of these are very important tools because they have a much more credibility as compared to any of the other tools available to you as a marketer.

Next, let's take a look at another very important promotional tool, something called personal selling. Now, personal selling is simply put a planned presentation to one or more of your prospective buyers for the purpose of making a sale.

The distinction is that this is that tool that gives you a face to face interaction with your purchases for making a sales pitch, handling queries, any clarifications or objections, and finally securing the order. It is also a superior relationship building tool with the prospective customer.



It also serves as a very important relationship building tool with the customer or with the prospect. And it provides personal confirmation of the order. Like I said, it's that one tool that gives you the opportunity to interact directly with your customer. It includes activities such as a sales pitch, a meeting, distributing free samples, or maybe setting up a demonstration or a trial or participating in trade shows, seminars, etc.

Subject Matter Expert: Anuri Mehta

Promotions: Tea Category

Let us now look at the last P of the marketing mix which is promotion. Brookebond runs both ATL as well as BTL promotions. It chooses to run TV and essentially media, pan India for three of its biggest brands, Red Label, Taj, and Lipton and it chooses to run geographical centric communication for some of the other brands. BTL communication which really are tactical promotions carry on through the year across all brands.

Marketing Mix: Detergents

Let us now look at the marketing mix for detergents

Looking at the first P of marketing mix which is product. So in detergent category, not only does formulation matter but formats also do matter. Let us first look at formulations. Formulations are different for different users, a different one for hand wash, a different one for machine wash and finally a different one for post-wash. Detergent formats are available essentially in powder and liquid formats. Let us now look at the second P of the marketing mix which is price.

Just like the tea category, the detergent category also has a fully loaded portfolio panning across the pyramid. At the bottom of the pyramid, we have brands like Wheel which is really at the mass segment. At the popular end, we have brands like Rin and Surf Excel, and at the premium end, we have brands like Surf Excel Matic, Surf Excel Liquid, and Comfort.

Let us look at the third P of the marketing mix which is place. Just like the tea category, detergent category also follows a sort. Distribution mainly takes place in general trade stores mainly for mass and popular brands, however for the premium brands, modern trade becomes a critical channel.

Let us now talk about the fourth element of the marketing mix which is promotion. So in the detergents category, big brands or established brands like wheel are promoted more through trade-led activities as they don't need a major recall. It is only brands which are sitting in the popular and the premium segment which are advertised and once they're advertised, there is a halo effect on the balanced brands.

Promotional Strategy: The 2x2 Matrix

The starting point of any marketing activity is identification of the target consumer. Now this is an exercise that you will do post market segmentation. Once the TG is identified, we need to understand what the TG is currently doing and finally what do we want to make them do. So let us understand this better by way of a two-by-two consumer matrix. So what we should do is we take all our research findings and put them into a -- into the 2x2 consumer matrix. So let me explain the 2 x 2 consumer matrix to you. On the left-hand side is plotted the consumers, okay.

If you look at the 2 x 2 consumer matrix, we need to plot down what we know about consumers, so what our consumers currently thinking and feeling. Basis what they are thinking and feeling, what is it that they are currently

doing and finally so this is where they are and next is where we want to take these consumers. So what do you want consumers to think and feel in respect to your brand and finally how do you want these consumers to be using your brand.

So let us understand the 2x2 consumer matrix by way of an example. So let us take the example of the Lipton green tea. So if I understood the Lipton green tea consumer, currently I know that my consumers are drinking tea through the day in order to keep them going and what are they doing, they are drinking three to four cups of tea of their chosen brand. Now in terms of Lipton green tea as the brand in question, what do I want the consumers to think and feel, well I want consumers to believe that there is a healthier alternative to tea especially for their second or third cup and what do I want them to do, I want them to replace their normal cup of tea with Lipton Green tea. Consumers who are currently drinking tea in large quantities are now considering healthier options. Hence enter Lipton green tea.

After looking at the 2x2 consumer matrix, what we should be focusing on is to be communicating Lipton green tea as a healthier alternative to tea. The focus of communication really should be around health and the fact that Lipton green tea is a zero calorie beverage which is way more healthier than tea. The focus of the communication should be around health and the fact that Lipton green tea is a zero calorie beverage and something that is healthier than tea. The main objective of the communication should also be to bring alive the proposition or the main essence of the brand.

It is essential at this point in time to decide all channels of communication. So do we want to look at TV, print, radio, out of home, or digital. Say for example taking again a brand like Lipton green tea, since it is an absolutely new category and it is essential that benefits of green tea be reinforced from time to time, it would be great that Lipton green tea advertised across different mediums, so that its messaging can be effective to all consumers.

The next step is to write out the communication brief which then - the next step is to write out the communication brief which you will be sending to your advertising agency. So let us see what are the different elements of the communication brief. The first one being the brand name, the second one being the objective of the communication, the third one being the main message strategy, the fourth one being any special areas of focus that you would like the advertiser or the -- fourth one being any special focus areas that you would like the advertising agency to be taking care of in your communication and finally the mediums for which the communication needs to be developed for. Once the communication brief is ready, you send this across to the advertising agency who then starts working on the communication.

Having received the communication brief from the brand, one of the first things that the advertising agency sets up to do is to create a key visual of the brand. The key visual of a brand is nothing but something that represents the brand promise clearly. Of course it is in a graphical form. The reason why brands insist on a key visual is so that they can maintain uniformity across all their communication and it also helps consumers because they actually see the same communication across different mediums and helps to keep the brand top of mind in the heads of the consumer.

Rural Promotions

If your brand has rural appeal, then it is important to include rural as part of your strategy. There really is no --there really is no one solution fit all approach. You may need to look at smaller tactical promotions which may have some rural appeal.

One such interesting rural campaign was the Wheel's missed call campaign with Salman Khan. The brand actually had a toll-free number and encourage consumers to call on that number and give a missed call. This toll-free number would then call the consumers back and in a pre-recorded voice of Salman Khan would --and in a pre-recorded voice of the superstar Salman Khan would have jokes for their entertainment and also a message reinforcing the brand's value proposition. For the brand Wheel, this was very encouraging because it prompted consumers to call again and again because they could hear up to 30 different messages in a language of their choice. Addition --in addition to this, it also became viral because consumers would share the number with their families and friends, so it just had a multiplier effect. This was a great campaign to reckon with and it was also promoted in print and radio.

(Kan khajura tesan)

There is a lot of demand for entertainment like music, movies, serials in media dark villages. Unfortunately this is a place where not even radio stations are present, but the only way to really reach out to consumers here is through their mobile phones. So HUL embarked upon an interesting journey called kan khajura tesan where users could --users residing in media dark areas essentially villages could give a missed call and then they would get a call back from a particular number and would be served 15 minutes of content. This would include songs, entertainment, some interesting news, etc. So this was one of the great initiatives taken by HUL.

Any mobile user in these media dark villages had an opportunity to give a missed call in a particular number. This number would then call back that consumer and serve them with 15 minutes of content. This content comprised of entertainment in the form of songs, music, some masala gupshup and along with that they were also served ads of HUL. So this was a great initiative taken by HUL in the rural segment.

A mobile user in media dark villages was able to give a missed call on a particular number. This number would then call the consumer back and would serve him 15 minutes of content. This content comprised of entertainment which could be in the form of songs etc. Along with this entertainment -- the content which comprised of entertainment, they were also served ads of HUL. So this was one of the great initiatives taken by HUL in the rural segment.

Subject Matter Expert: Sabia Gulati

Marketing Mix: Madame Tussauds and M&S

So, the marketing mix is the essential toolkit, I would say for a brand to establish themselves or market themselves.

This includes the four basic factors that are very important for any brand to consider when they're entering a country or even when they're looking at a sustenance plan, that is product, price, place and promotion.

This really determines, I mean, once you know your target group, your product strategy can completely change. And like I will again go back to my examples from Marks and Spencer and Madame Tussauds. Like in India when we were looking at the kind of product that needs to be introduced for Marks and Spencer, like we said, we were moving at a shift from traditional clothing to Western wear. So, the product mix had to be relatively conservative. You know, it has to be conservative, it has to be comfortable, it has to be nothing, which is extremely fancy.

There needs to be elements that people relate to. Something like bright colors, you know, I mean in UK people would wear a lot of like blacks and grays and whites, but in India we need to have a lot of brighter colors. So, all these kind of things you need to consider considering what country you are entering into, what is your target group.

Like for Madame Tussauds, globally if we look at any of the Madame Tussauds, there are a lot of international stars that we see. But we understood that for our market here in India,

1. we need to have larger focus on Bollywood. So, we knew that our mix is going to be something like 80% of local Bollywood stars and just 20% of say global stars, which are also very popular that anybody would know
2. like a Tom cruise or an Angelina Jolie, which is very different from something that you will probably see in a London or see in a New York. They would have like global stars or international stars in larger numbers compared to their smaller TV stars or the local film industry.

So, it's really depending on who you're targeting, what is the product. We cannot enter a country, or we cannot have an offering that we think is right because this is our brand that is offering something globally. But probably the local audience that you're reaching out to is not even understanding it. While you maintain your global strategy, while you maintain your global brand essence, there needs to be a little bit of localization in your product.

And this is very important to kind of formulate your catalog, your offering, also your sustenance plan because it's not a onetime perceived, you know, hype about a brand. You need to maintain that relationship. You need to have a continuity in the business. You want people to kind of keep coming back.

So, how does your catalog goes on from time to time? And this may also change as the customer matures, as the customer understands that, Oh, you know what, this is what I have been buying from this brand. Now I need something new. So, what is that new is also something that needs to be determined based on your target audience and your consumer behavior.

1. And another very important factor, like we mentioned, was price.

- a. Now what is the price that a customer is willing to pay for your product or your services? What is also important is that you need to consider
- b. what is the perceived value of that offering that you have. It could be a cheaper product, but the perceived value is very high. Or it could really be a product that maybe not expensive to construct, but the perceived value is very high. So, an ideal example would be how luxury brands work versus how the high street brands work.
- c. So, perceived value of a luxury brand is much higher compared to what a high street brand would be.
- d. So, this is where the pricing kind of comes into play that what extent or how much of a sacrifice will a consumer make on their wallet.

So, what is an affordability issue here? Who are we looking to target? Are we really looking at that niche 2%, 5% or we're looking at masses? If you're looking at masses, what is the price we can offer? Or are we really looking at both? So, how do we bridge the gap? How do we have a pricing which is probably comfortable to both. Pricing is also a very important factor that kind of plays an important role in how your brand is perceived and what is your brand positioning? Are you positioning to be high street? Are you positioning to be an absolutely discounted store or are you a luxury store? So, pricing plays a very important role in how the consumer is going to perceive the value of your product.

What is also important is the convenience, the place.

- a. How do we, and where do we operate our business from?

- b. How far do we think the customer is ready to travel to buy your product? So, is it about convenience?
- c. Is it about a onetime experience? Is it about a recurring purchase?
- d. Is it a grocery store where someone needs to go every other day? Is it a retail outlet with a paddle, which is probably once a month or once in two months buy?
- e. Or is it an experience which is probably once a year or just one time? So, we need to determine where are we launching the product? You know, and certain factors come into play. You probably cannot really have a value, a super value product in a super luxury mall. That is absolutely contradicting.

So, even though you have the best prices, there is already a barrier and you are barring a lot of people to entering a luxury mall because there is, there is a perceived value, there is a value, there is a brand attached to a particular mall. So, if I go and start selling a 300- or 400-rupee t-shirt, it doesn't work because the place is not right for me. So, all these factors have to be considered when we are looking how and where are we launching the brand.

How easy it is for my customer to come and shop with me? How convenient it is for them? Are they traveling a lot? Is it a weekend mall where we know that people will come from even like 15 kilometers, 20 kilometers away? Or is it something that I think is a weekend gateway where people think that, okay, you know what, I have to go once a month.

I can even take a train; I can fly down or I can even drive to for say four hours. So, it's important. It's important. We could have the best brand; we're going to have the best pricing. But if we do not know that to what length our customer can go for this, it really doesn't work. We need to know; it has to be accessible. That is what is most important.

And all of these factors will then also determine how do you promote your brand? What is your media mix for the brand? Who are you talking to? Are you talking to a mature audience that is very, very active or engaging on social media? Are you still looking at a consumer that must read the newspaper every morning? Are you looking at people that want more interactive advertising? Is it radio, is it radio that is what is important for them, or do you think that no, this is really, I really need to interact with my consumer myself? It has to be direct marketing. It has to be something that I only have to do probably on the shop floor or is it multi-level marketing? So, all of these factors, these four factors together kind of determine how, where and when do you speak to your customer about your brand?

This is somewhere back in 2011-2012 when MNS had done its major expansion in tier one cities.

We were present in

- Delhi,
- Bombay,
- Hyderabad,
- Kolkata,
- Bangalore,

all of these places. And it was about time to kind of, you know, increase your footprint in tier two because that was a great opportunity we saw. And after being established into your one, it kind of gave us confidence that this is about the right time we enter tier two

. So, it was about the Amritsar store that we launched. So, we completely, we did research and we did some dipsticks and you know, all of that. And we understood that, what is it that the consumer really wants in terms of the product

pricing? Where do we need to be? How do we need to talk to the consumer which was way different from what we would probably do for a Delhi store launch or a Bangalore store launch?

So, we understood that we need to get into a mall that is a center of the city, which must have a cinema hall and must have a food court. Because we knew that Amritsar is still a city where families shop together. Their weekend plans are usually going to a mall shopping for the family collectively and you know, watching a movie or probably eating together at the food court. There were very few individual shoppers that we saw in Amritsar. So, we knew we need to be at a convenient location where the family is going anywhere. And here we are. We also knew what is the size of the store we want and the size of business units that we need. So, our women's wear section was relatively very big, and you know, kids and men's wear were a decent size. But we also knew that we need to have a smaller lingerie section because that is something people are still conservative about.

There are not a lot of people in a smaller town that will be very open about buying intimates in, you know, in family time or in a mall. So, we knew that what is the kind of square footage we need to give to each business unit. And then we knew that what is the product. So, we knew we need to focus on brighter colors, simpler silhouettes, long line shirts for women. We knew that we're not looking at any skinny fit for men and we're looking at much brighter colors and some embellishment because this is what people will wear. This is not a huge paradigm shift from what they've been wearing to what we are offering. We also knew that the perceived value needs to be very high. So, what do we need to do? We need to bundle the offers. We need to bundle the product.

So, multi-packs of shirts, multi-packs of t-shirts, multi-packs of pajamas, multi-packs of say socks. This is all something that was really, really important to do that because if someone is spending say 1000 bucks or 1500 rupees, they're getting three products in it versus individually buying a 500-rupee T-shirt. So, it just like the whole perceived value of the product was much higher. We also knew that the product needs to be core, there needs to be no complication in the product. We were not looking at trying to create coordinates for a customer in a city like Amritsar. We don't want to sell them a shirt, which they don't know what to wear. They probably then have to coordinate with the trouser from us and then they don't know how to pair it with what shoe. So, then they need to buy shoes from us and we're increasing the bill value of the customer.

This probably is not something that we thought we need to do begin with. We were looking at acquiring the customer, you know, trying to create an outfit for them or trying to create a dependency on the brand was a long-term strategy. What we were looking at is acquiring the customer. How do we get into the city? How do we tell people we are affordable? How do we break the perception of MNS being expensive and only being in a tier one cities and now coming to tier two? How do we tell them that it's affordable? It is not an international brand with the similar kind of pricing that is coming to a tier two city. And having said all of this where we knew the customer is relatively not mature is like looking at basics. What needs to be our communication strategy. So, we did not focus too much on social media.

We did not focus on any kind of complicated engagement that we were trying to do. We did not focus on events like styling and all of that to begin with. What we really did was very simple, hardcore, traditional advertising, newspapers and outdoor. That is what worked for us in Amritsar. And not just in English, it needs to be vernacular. We had to do it in the local language, you know, people feel the connect. So, we knew that we are entering a city where people are very, very, you know, they are like very religious to their core. They speak a certain language, they come from a cultural, religious background. We do not want to enter and kind of look like a snobbish brand that has come in and is doing something that the consumer's not understanding. So, vernaculars were very important for us.

And that increasingly became more and more important in all the other tier two cities that we were going to. So, I think it's completely different from how you treat a tier one city to a tier two city. And the product changes, the pricing changes, how the customer perceives changes. How are you talking to your consumer changes? So, this essentially is your toolkit to tell you to work out for you, how do we need to enter a certain city? How do we need to acquire a customer? How do we need to build loyalty of the customer?

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