

kakao



Digital Marketing Strategy & Campaign

Chau Luu

MARK 4450

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Executive Summary

Kakao Corp. is a South Korean internet company established in 2010. Kakao provides a wide variety of services ranging from instant messaging app, shopping, and gaming to banking. Despite positioning itself as one of the most successful tech companies in Asia, Kakao falls behind its biggest competitor, Line, when it comes to promoting its products and services overseas. While Line has gone to establish 2 successful physical stores in the U.S, Kakao has yet made a name for itself in the U.S. As the two companies have a lot of similarity in terms of the type of products and services that they releases and an already well-established segment of audience, Kakao has many opportunities waiting for them to seize.

The purpose of this paper is to develop a campaign strategy that will help strengthen Kakao's presence in the U.S. both physically and online (through social media). An competitive review of Kakao and its top 3 competitor will identify opportunities that Kakao can pursue. Marketing objective, goals, strategies, and tactics will be determined as well as the target audience groups. This will help clarify the direction that the campaign will be heading towards. The plans for the campaign will be laid out along with an implementation plan to help guide along the process. An editorial calendar will be provide to show the sort of content that will be releases during the campaign. This will help Kakao improve its presence on social media. Lastly, budget and returns are included to help gauge the costs that will incur as well as the revenue and returns that the campaign may earn.

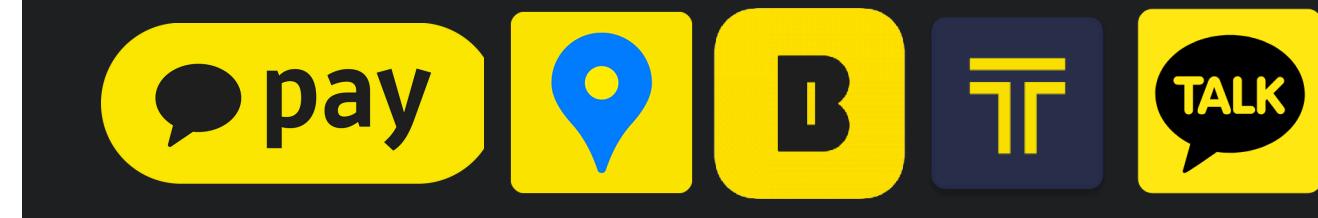
Digital Competitive Review

Company Review

Kakao is a South Korean internet company established in 2010. Kakao first began with the KakaoTalk app, which is an instant messenger app with additional features such as gaming, shopping, as well as a cloud storage system. Over time, Kakao had diversified the services that they are offering. Some of which includes KakaoMap, KakaoPay/KakaoBank, and KakaoT (also known as KakaoTaxi). In addition to the services provided through their branded house, Kakao had also merged and/or acquired a variety of well-established companies including Daum (a South Korean web portal) and Melon (a music streaming service)



Kakao have also established a group of characters, known as Kakao Friends. With the creation of these adorable characters, Kakao have created a series of stickers/emojis and products (ranging from stationery to various types of technology). While Kakao primarily sells the character emojis through the KakaoTalk app. Kakao also has a number of physical stores located throughout South Korea where they sell these merchandise.



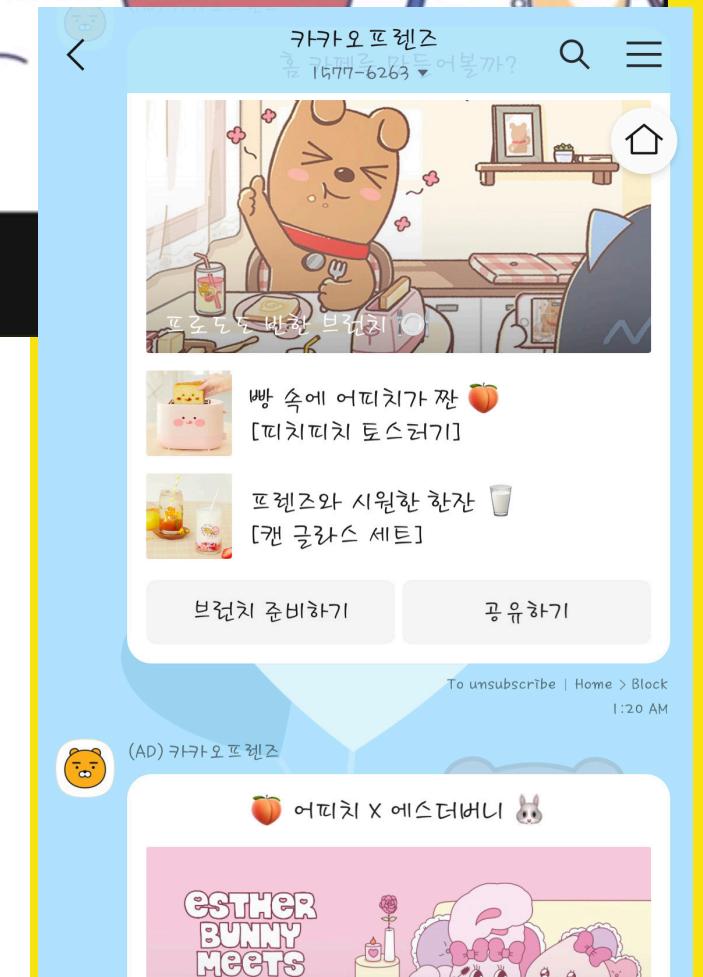
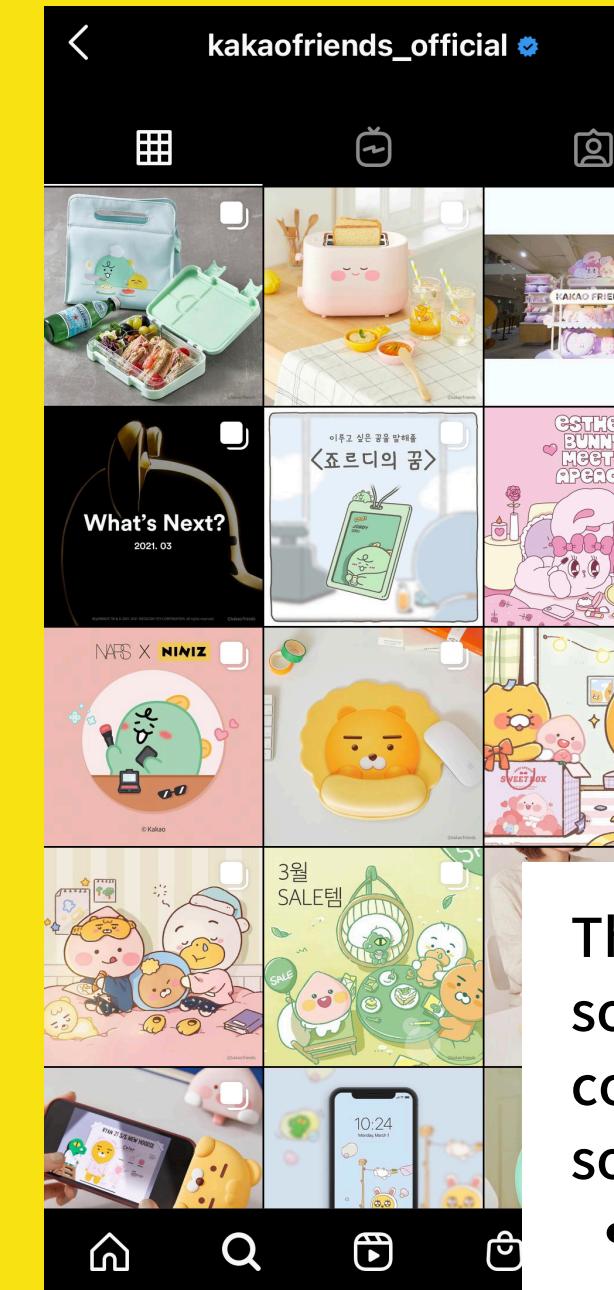
kakao₂

Digital Competitive Review

Company Review

Brand Identity Spectrum

- When looking into Kakao's brand identity through their online presence on platforms like YouTube, Facebook, and Instagram, Kakao positioned themselves as very personable and friendly, spontaneous and high energy, and fun.
- Kakao attempts to embrace cutting edge-high tech in their products/services to stay ahead of other competitors, most notably through creating KakaoBank (South Korea's first online-only bank) and KakaoPay in hoping to lead the commerce environment into a cashless era.
- Currently, Kakao primarily focuses on promoting their products/services on social media, posting occasional story-based video content for special occasion. They limit much of their interactions with consumers to private 1-on-1 chat with customer service within the KakaoTalk app.



The images shown here are some examples of the type of content Kakao post on their social media.

- Promotional content
- Advertisement for products in their shop
- Fun holidays/special occasion animated videos

Digital Competitive Review

Top 3 Competitors



Line Corporation

Est. 2000



- Line is a Tokyo-based subsidiary owned by Naver Corporation, South Korea biggest internet search engine.
- Line offers a wide range of services including gaming, stickers, Line Pay, Line Taxi, Line Wow (for delivery services), Line Shopping, etc... They also have their own set of characters called Line Friends.
- Similar to Kakao, they also have their own line of products sold in physical stores.



WeChat

Est. 2011

- WeChat is a Chinese messaging app. Like Line and Kakao, the app is known for its wide range of services.
- Using WeChat, users can send text messages, broadcast messages, do video conferences, play games, use digital payment (one can pay their bills, order products/services), and access mini apps (created by difference business) within the WeChat app.



FaceBook Messenger

Est. 2011

- Facebook Messenger is a messaging platform created by Facebook Inc.
- Users can send messages (videos, stickers, files), video chat, request rides (with Uber), transfer money (through Messenger Pay), and play games.
- Unlike Kakao, Line, and WeChat, users would have to access other similar services through the main Facebook platform

Digital Competitive Review

Top 3 Competitors



Line Corporation

Personable, friendly, high energy, modern, cutting edge, and fun. It is however, much more accessible to everyone than Kakao's products/services.
Offer a better language version for speakers of different languages; also have physical stores located around the world (whereas Kakao is primarily in Korea and Japan)
Engages with customers on social media more often through sharing customers' posts and holding social media events.



WeChat

More corporate, careful thinking, serious. However, the services that WeChat provides qualify it as cutting edge-modern tech. With the exception of some countries' restrictions, WeChat is accessible to all. Users activity on the app is tracked by the Chinese authorities due to their laws and regulations.
Social media posts mainly inform users of new features with occasional replies to others for assistance and expression of gratitude.



FaceBook Messenger

Personable, friendly, careful thinking. cutting edge-high tech, and in between fun and serious. Its service is accessible to all. By looking at Facebook's social media posts, similar to WeChat, they also often post about new features. They also posts about various social awareness movement. Compared to the other competitors, their replies seems much more human-personable, rather than following a strict script.

Digital Competitive Review

Opportunities



- Despite being one of the largest tech company in Asia, Kakao lacks a large presence in the U.S. market. In comparison, Line, it's top competitor, already established two successful physical stores in the New York and Los Angeles. When examining the current audience that Line is targeting, it becomes clear that Kakao's products/services would appeal well to this market in the US. This presents an opportunity for Kakao to expand to the US and possibly successfully establish their brand in the US market.
- With technologies advances over time, more and more standalone apps/services like Venmo, cloud-based services, various fast-food mobile apps are becoming more popular among consumers, specifically the younger generations. Kakao can offer their services as a way for consumers to combine all the function of their cluttering apps into one main services. Consumers may find using Kakao's services to be time saving and efficient as one Kakao account is able to linked to all parts of their services, including their partnerships and acquired products.

Goals & Strategies

Company Mission

**Making a better world with
people and technology.**

”

Objectives

**Increase user base in the U.S. by driving traffic to
KakaoTalk and Kakao merchandises.**

Goals

- Increase downloads by US audience by 5%**
- Grow social media following across platforms
(Instagram & Twitter) by 1,000,000**

Goals & Strategies

Goals

- Increase downloads by US audience by 5%
- Grow social media following across platforms (Instagram & Twitter) by 1,000,000

*within the span of one month

Strategies

Attract new prospect users in the U.S. market

Create special events in collaboration with services customers are already familiar with

Offer discounts and loyalty points for products purchases, account creation, app downloads.

Improve engagement on social media (Instagram and Twitter)

Actively engage with customers through replies and co-creation.

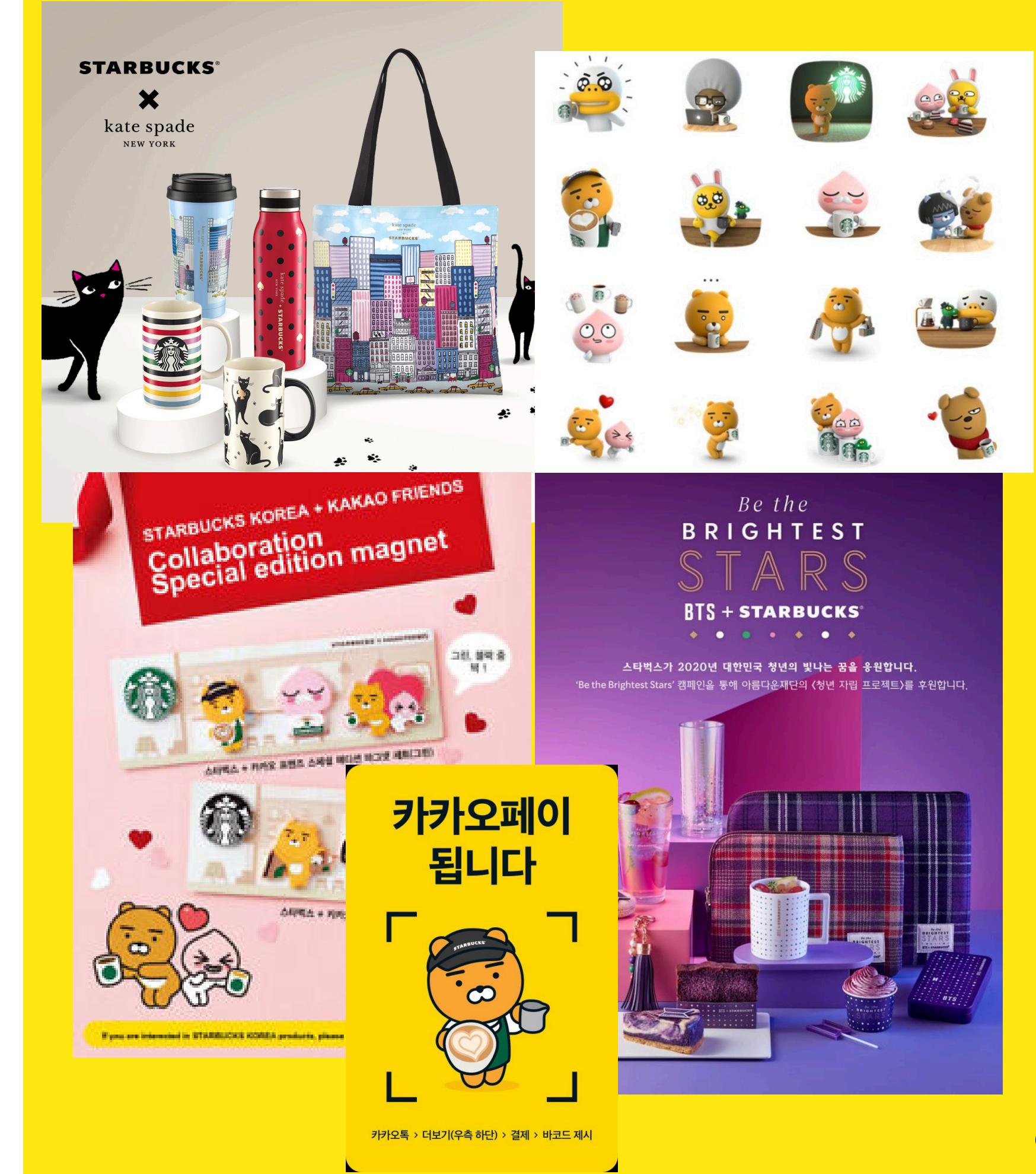
Initiate hashtag marketing and encourage customers to share their experience.

Tactics

Tactics

Campaign Tactics

- A pop-up/cafe event in collaboration with Starbucks for the span of 1 month. The event will be conducted in three major cities (New York, Los Angeles, and Atlanta). The event will feature limited edition KakaoxStarbucks merchandises, special themed pastries and beverages.
- Using KakaoTalk, customers will receive discounts on the collab merchandise, drinks, and pastries.
- Starbucks often work together with different brand name like Kate Spade and BTS to create an exclusive, limited line of products to be sold in their store, along with themed pastries (based off the artists & brand identity). Working with Starbucks will expose Kakao to the new target market, specifically millennials and gen z who typically enjoys the aesthetics and trends that Starbucks bring.



Campaign Tactics

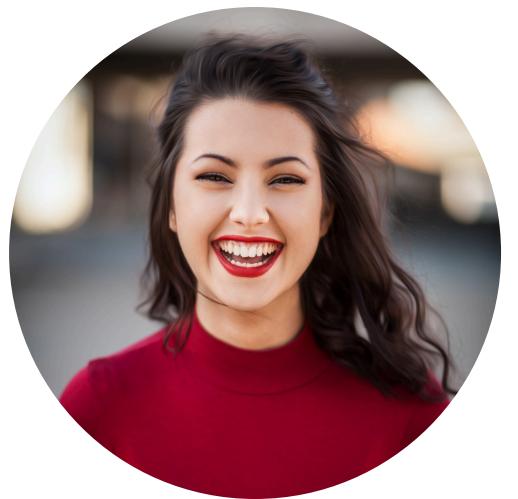


#StarbucksxKakao
#MeetMyKakaoFriend
#TeamRyan
#TeamAPeach

- There will also be social media campaigns held through Instagram and Twitter that encourages customers to create their drinks inspired the Kakao characters. People can share their drinks using **#MeetMyKakaoFriend** on both platforms.
- **#StarbucksxKakao** will help generate brand awareness as more people will exposed to the brand name.
- Customers enter a giveaway by using the **#TeamRyan** and **#TeamAPeach** to vote for their favorite characters and/or drinks from the event.
 - If a user's post/tweet gain the most like a giftbox of the featured content (2 per platform)
 - The winning drink will be released nationwide after the campaign.

Audience

The campaign targets the Millennial and Gen Z audience as they are more prevalent on social media and are more likely to participate in social media campaigns. This demographic has been shown to more tech savvy, curious and more open to new applications. We want to advertise to them because 1) brand awareness in this demographic make up the largest percentage of the tech users, and 2) they have shown immense interest in Asian products/ foreign products comparable to other generations.



Danielle Smith
Event Coordinator
Age: 30
Needs: simplified form of communication

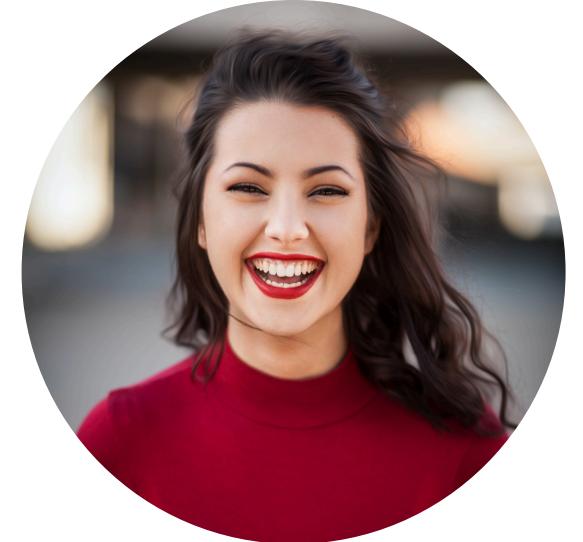
Danielle often travels overseas for work and enjoys visiting cafes in her free time. She recently has been traveling around Asia, and finds it difficult to manage multiple foreign credit card fees and accounts. She is looking for a more organized system to manage her needs.



Amy Brown
Senior in High School
Age: 17
Needs: ways to connect with people internationally

Recently, Amy's best friend moved back to South Korea. Amy has a hard time finding messaging apps that both her and her friend can use across international platforms, while being functional, aesthetic, and user friendly.

Audience



Danielle Smith
Event Coordinator
Age: 30
Needs: simplified form of communication



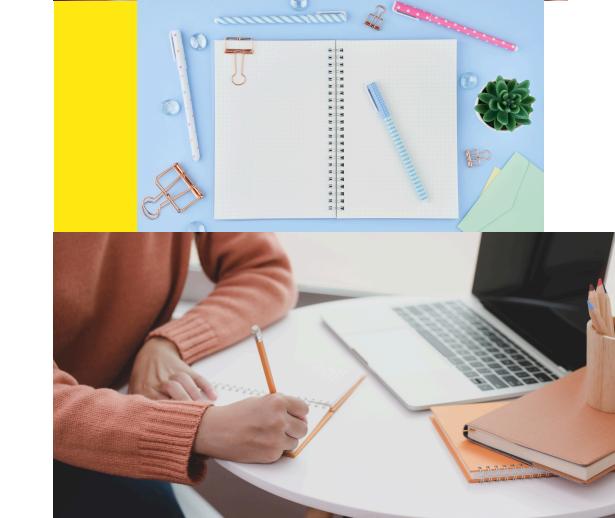
○ Awareness: Danielle's coworker recommended the KakaoTalk to her.

○ Consideration: Danielle felt overwhelm by the clutter of all the apps she uses for work.

○ Conversion: After seeing positive reviews and word-of-mouth of the app, Danielle decided to download the app.



Amy Brown
Senior in High School
Age: 17
Needs: ways to connect with people internationally



○ Awareness: Amy's friend suggested the app to her.

○ Consideration: Amy wants to find a functional but fun multi-purpose app to use.

○ Conversion: After using the app, Amy's fell in love with the Kakao Friends and began collecting their sticker collections.

Campaign Message



For the generations that desires connectivity, the campaign message "Meet My Kakao Friends" hopes to bring people together as they come up with drink ideas and share their experience on social media.

Implementation Plan

- **Stage 1: Pre-Launch (6/1/2021)**
 - Research demographics & decide location for cafe event (6/1/2021)**
 - Decide with Starbucks on ideal locations in New York, Los Angeles, & Atlanta (6/15/2021)**
 - Design store layout**
 - Prepare promotional content (10/1/2021)**
 - Create special recipes for the event (11/1/2021)**
 - Prepare merchandise for event (production) (12/1/2021)**
 - Create training videos for employees (introduce Kakao's brand identity and products/services, show how to make new recipes) (2/1/2022)**
 - Post Pre-Launch promotional content (5/25/2022)**
- **Stage 2: Launch (6/1/2022)**
 - Send out promotional emails, notifications, messages on KakaoTalk (6/1/2022)**
 - Set up Twitter & Instagram-esque photo areas (6/1/2022)**
 - Continue updating and posting on social media (Twitter and Instagram)**
 - **Like and retweet customers' tweets**
 - **Like and comment on Instagram's posts**
 - **Share customers' stories**
 - **Post highlights from the event**
 - **(6/1/2022-6/30/2022)**
 - Announce 4 winners for giveaway (6/30/2022)**
- **Stage 2: Sunset (7/1/2022)**
 - Gather reports on social media engagement and impressions from analytics tools, Twitter analytics, and Instagram insights**
 - Gather financial reports from the three Starbucks locations**
 - Evaluate and analyze the results**
 - Look for room to improve campaign**
 - Use results to steer future promotional campaigns**

Editorial Calendar

DATE	THEME	FORMAT & PLACEMENT	VISUAL	CAPTION/TITLE
5/25/2022	Promotion	Photo on Instagram & Twitter	Blurred promotion poster of featured products, drinks, and pastries with a countdown date	1 week until the #StarbucksxKakao event! Mark your calendar!
5/28/2022	Information	Photo on Instagram & Twitter	A photo of a statement announcing the locations, rules for the giveaway event and event procedure	Check out the rules before the event begin!
5/31/2022	Promotion	Video on Instagram & Twitter	Brief video showing part of a prepared special drink	Here's a sneak peak for #StarbucksxKakao!
6/1/2022	Promotion	Photo on Instagram & Twitter	Promotional photo/poster showing the time period of the event (6/1/2022-6/30/2022) and the featuring products/drinks.	Come on over to our #StarbucksxKakao event!
6/5/2022	Promotion	Photo on Instagram & Twitter	Photo showing a plushy of the characters enjoying the special drinks.	Share your unique drink for a chance to win!
6/9/2022	Promotion	Photo on Instagram & Twitter	Photo of the special Ryan drink	Have you tried the Ryan LoCo yet?
6/13/2022	Entertainment	Video on Instagram & Twitter	Video showing walkthrough of one of the location - showing the decorations, products, and drinks	Invite your friends and family to the #StarbucksxKakao event!
6/17/2022	Promotion	Photo on Instagram & Twitter	Photo of the special Apeach drink	Try the Double Peach Up drink if you haven't yet!
6/21/2022	Promotion	Photo on Instagram & Twitter	Promotional photo/poster showing the featured drinks and the text "#TeamRyan or #TeamApeach"	Send us your ideal recipe inspired by Kakao Friends!
6/25/2022	Promotion	Photo on Instagram & Twitter	Photo of an artwork showing Kakao Friends character in a Starbucks café	5 more days to meet the Kakao Friends!
6/29/2022	Information	Photo on Instagram & Twitter	Photo announcing the last day of the event and winner announcement procedures.	Last day tomorrow!
7/1/2022	Entertainment	Photo on Instagram & Twitter	Photo showing the prizes of the giveaway	It's finally time to announce the giveaway winners!

Editorial Calendar

Example Posts



Twitter

Goal: To promote the special event drink
Title: ~Ryan Loco~
Caption: Have you tried the Ryan Loco yet?
#StarbucksxKakao #TeamRyan



Twitter

Goal: To promote the special event drink
Title: ~Double Peach Up~
Caption: Come try the Double Peach Up if you haven't yet?
#StarbucksxKakao #TeamAPeach



Instagram

Goal: To generate buzz before the event
Title: Coming Soon~
Caption: Can't wait for this adorable collection to drop !!
#StarbucksxKakao #TeamAPeach

Monitoring & Optimization

- Throughout the campaign, we will be able to monitor our follower count across both the Twitter and Instagram platforms. We will also use data tools to track app downloads.
- Using revenue reports obtain from the event time span, we can use this data to evaluate the effectiveness of the campaign and analyze the degree of success that the campaign have contributed to the app downloads as well as social media follower count.
- To measure effectiveness of marketing campaign:
 - Monitor the daily conversion rate
 - Look at the analytics/insights that Twitter and Instagram provides to analyze impressions, likes, shares, reactions, and reach.
 - Observe the audience growth rate
- Over the course of the campaign, we will continue to monitor and analyze the data obtained from measurement tools and social media platforms, in which we can use to alter the content being release (increasing or decreasing the amount of posts) and potentially add additional advertising (posters, billboards, or video ads) if needed.

Budget

BUDGET		Per Ad*	All Ad (12)
Advertising		45%	\$51,750
	Twitter (Average CPM=\$4.2)	\$420	\$5,040
	Instagram (Average CPM=\$11.2)	\$1,120	\$13,440
Advertising Total		\$1,540	\$18,480
Events		55%	63250
Location Rental Fee	10 Hours Rental Fee	\$2.89/hour	\$28.90
	3 stores (NY, LA, & ATL)	\$202.3/week	<u>\$2,601/month</u>
Merchandise Production		Quantity	Cost
	Custom Design Cup Sleeves	104,000	\$18,096
	Custom Design Disposable Coffee Cup	93,000	\$14,460
	Custom Design Plastic Cup	79,000	\$12,690
	Giveaway Prizes (\$100 per box)		\$400
Billboard Rental	Average cost for NY, LA, & ATL		\$15,000
Events Total			\$63,247
Total			\$81,727

ADDITIONAL BUDGET		\$90,000
Social Media Posts		\$2,000
Video Content (short clip, drink making)		\$4,000
Video Content (longer, high quality)		\$10,000
Management Fee (\$150/hour)		\$45,000
Total		\$61,000

***Assume that each post get 100,000 impressions over the time span of the campaign - 1 month**
****The event will be operated under limited hours (10AM-8PM)**

Expected Returns

ROAS (Return on Ad Spend)

- *Assumes that each post get 100,000 impressions over the time span of the campaign - 1 month
- **The event will be operated under limited hours (10AM-8PM)
- 100,000 impressions per post for 12 posts (1,200,000)
- number of impressions times the average rate of engagement: 1,200,000x3.5% (for likes, comments, shares)

PROJECTED REVENUE				
ADVERTISING	RATES (\$)	REVENUE	EVENT	
Instagram			In-store Event	
	Impressions*	0.0452	\$54,240	Starbucks Average Daily Customers per Store 600
	Likes**	0.33	\$13,810	Customers per Store per Month (30 days/June) 18,000
	Comments**	3.77	\$158,340	Average Price of a Drink in NY \$3.75
Instagram Total		\$226,390		Average Price of a Drink in LA and ATL \$3.25
Twitter				Revenue from NY location \$67,500
	Impressions*	0.00173	\$2,076	Revenue from LA location \$58,500
	Likes**	0.39	\$16,380	Revenue from ATL location \$58,500
	Shares**	1.93	\$81,060	Event Total Revenue \$184,500
Twitter Total		\$99,516		
Advertising Total Revenue		\$325,906	AD SPEND	
TOTAL PROJECTED REVENUE		\$510,406	Advertising	\$18,480
RETURN ON AD SPEND (ROAS)***		358%	Event	\$63,247
***Calculation: (\$510,406/\$142,727) x 100			Content Creation	\$61,000
			Total Ad Spend	\$142,727

- The calculations assumes that the campaign will reach approximately 100,000 people per post in terms of impressions.
- The average rate of a post engagement is found to be around 3.5%, which was used to calculate the number to multiple with the rates for likes, comments, and shares.
- The conversion rate is estimated to be around 1.85% for Instagram (64 per post out of 100,000) and 0.77% for Twitter (26 per post).
- Based on the calculation, the campaign should be able to increase user base as it drives engagement to Starbucks and Kakao promotional content and events.