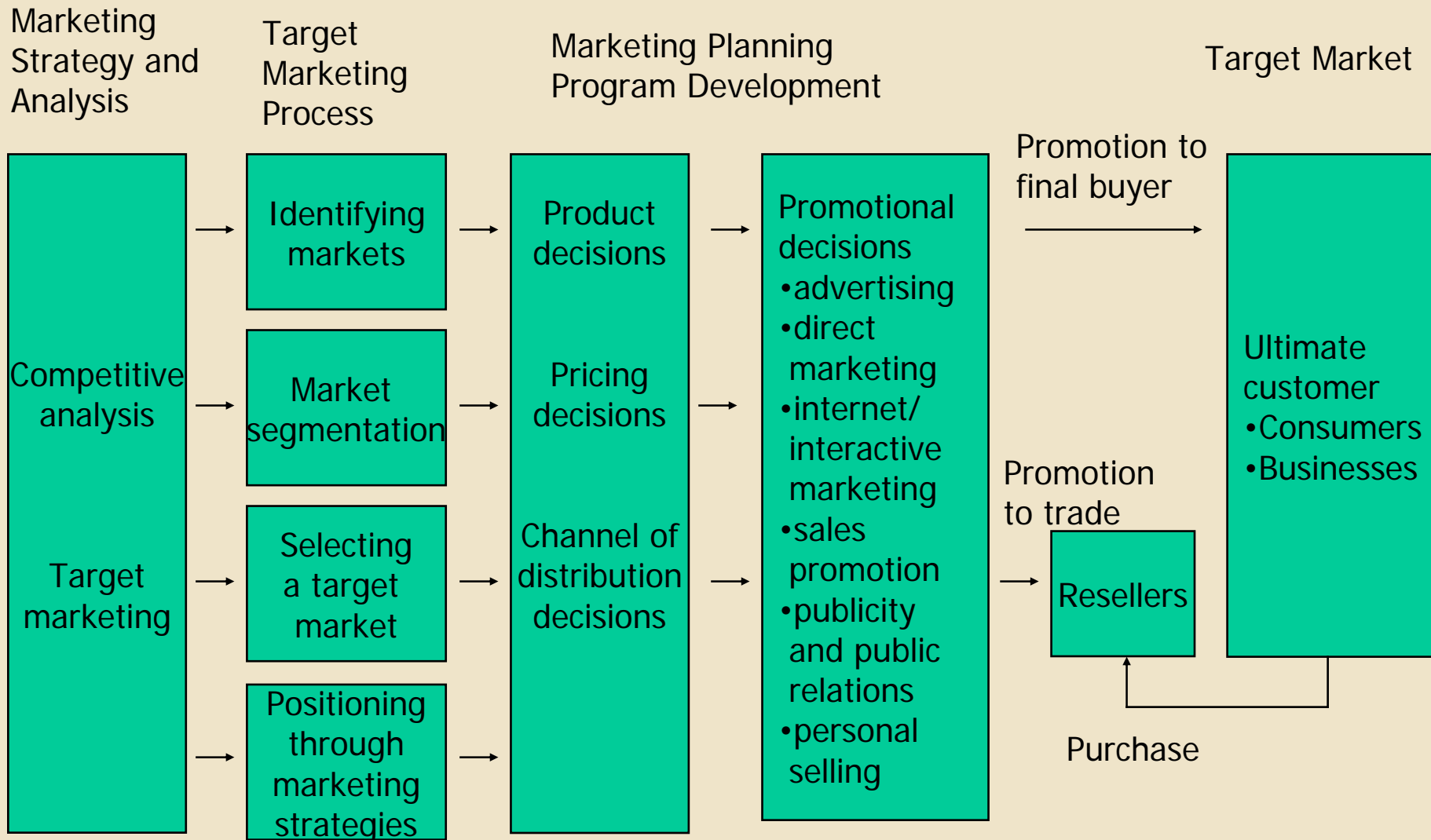


# 2



## The Role of IMC in the Marketing Process

# Marketing and Promotions Process Model



# The Target Marketing Process

**Identify markets with unfulfilled needs**

**Determining market segmentation**

**Selecting market to target**

**Positioning through marketing strategies**



# Five-Step Segmentation Process

1. Finding ways to group consumers according to their needs.
2. Finding ways to group marketing actions, usually the products offered, available to the organization.
3. Developing a market/product grid to relate the market segments to the firm's products and actions.
4. Selecting the product segments toward which the firm directs its marketing actions.
5. Taking marketing actions to reach target segments.



# Bases for Segmentation

- Geographic Segmentation
  - State - region - country - climate
- Demographic Segmentation
  - Age, sex, income, education, occupation, social class
- Psychographic Segmentation
  - AIOs, (Activities, Interests, Opinions)
  - VALS (Values and Lifestyles)
  - Personality traits
- Behavioristic Segmentation
  - Usage, loyalties, occasions.
- Benefit Segmentation
  - Types of specific needs or wants to be satisfied.



# Selecting a Target Market

## Determining How Many Segments To Enter

- Undifferentiated Marketing – offering one product or service to the entire market
- Differentiated marketing – competing in a number of segments with separate marketing strategies for each
- Concentrated Marketing – focusing on one market segment



# Determining Which Market Segments Offer the Most Potential

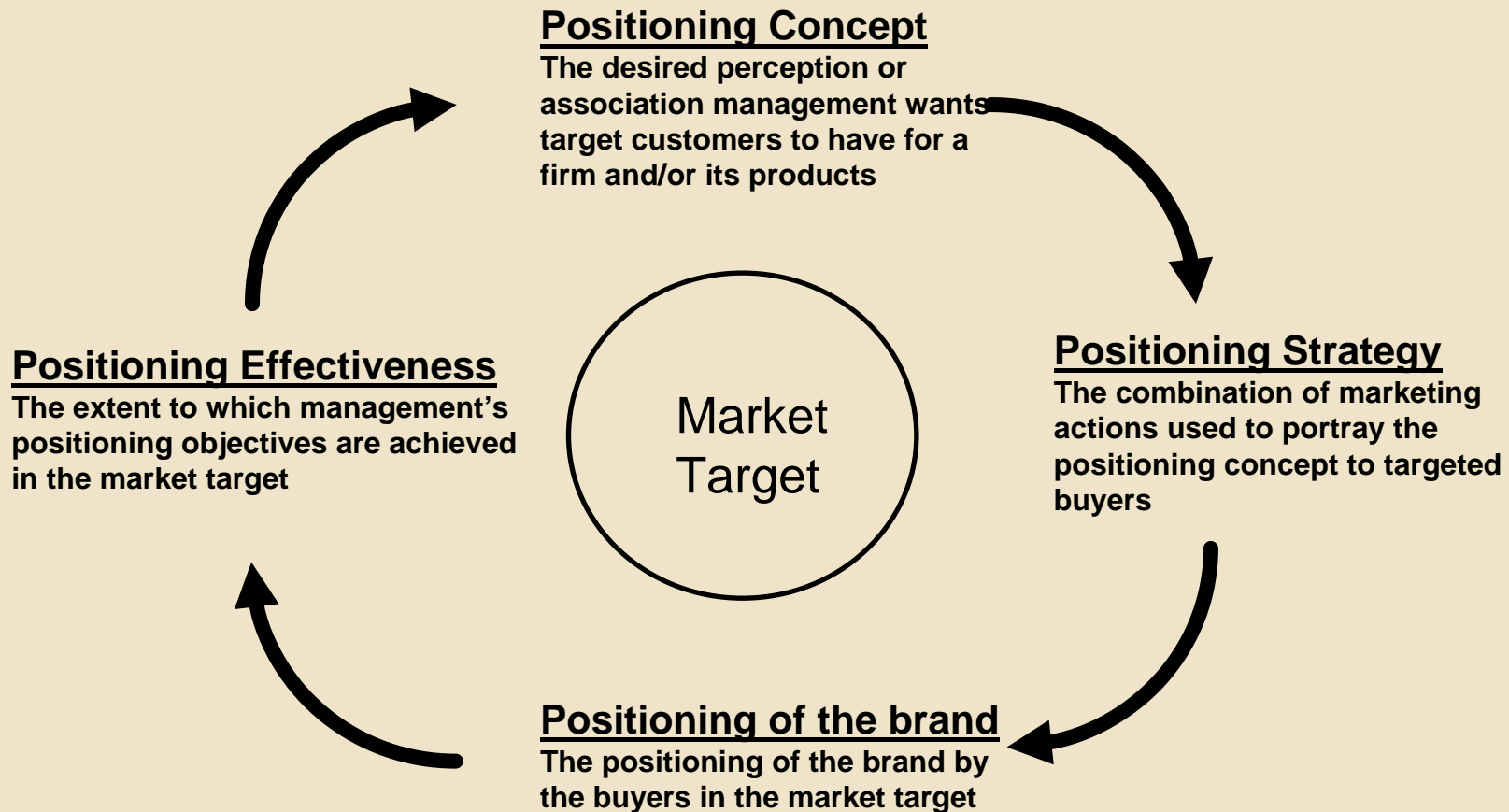
- Determine sales potential of the segment
- Determine opportunities for growth of the market segment
- Analyze the competition in the segment
- Analyze the company's ability to compete in the market segment
- Decide how to compete in the market segment

# Segmentation Decision Check List

- Can the size of the market segment be measured?
- Is the market segment large and profitable enough to serve?
- Is the segment identified accessible? Can it be reached effectively and efficiently?
- Can effective marketing programs be developed to attract and serve the segment identified?



# The Positioning Process



# JetBlue Airways positions itself as a low price airline with great service

THIRTY YEARS AFTER LANDING ON THE MOON.  
SOMEONE FINALLY PUTS SATELLITE TV  
ON AN AIRPLANE.

HELLLLLLLLL000000000?



Only JetBlue Airways delivers up to 24 channels of DIRECTV<sup>®</sup> at every big leather seat – absolutely free. See what over 4 million passengers nationwide have already discovered – we’re a better kind of airline committed to treating you right at super low prices. JetBlue. It’s not the only way to fly. But it should be.

1.800.jetblue

jetblue.com

jetBlue  
AIRWAYS<sup>™</sup>

new york city florida california washington, d.c. new orleans seattle salt lake city denver upstate new york burlington

# Positioning Strategy Development Process

**1. Identify the competitors**

**2. Assess perceptions of them**

**3. Determine their positions**

**4. Analyze consumer preferences**

**5. Make the positioning decision**

**6. Monitor the position**



# Product/Service and Brand Positioning

## BASIC QUESTIONS TO ASK

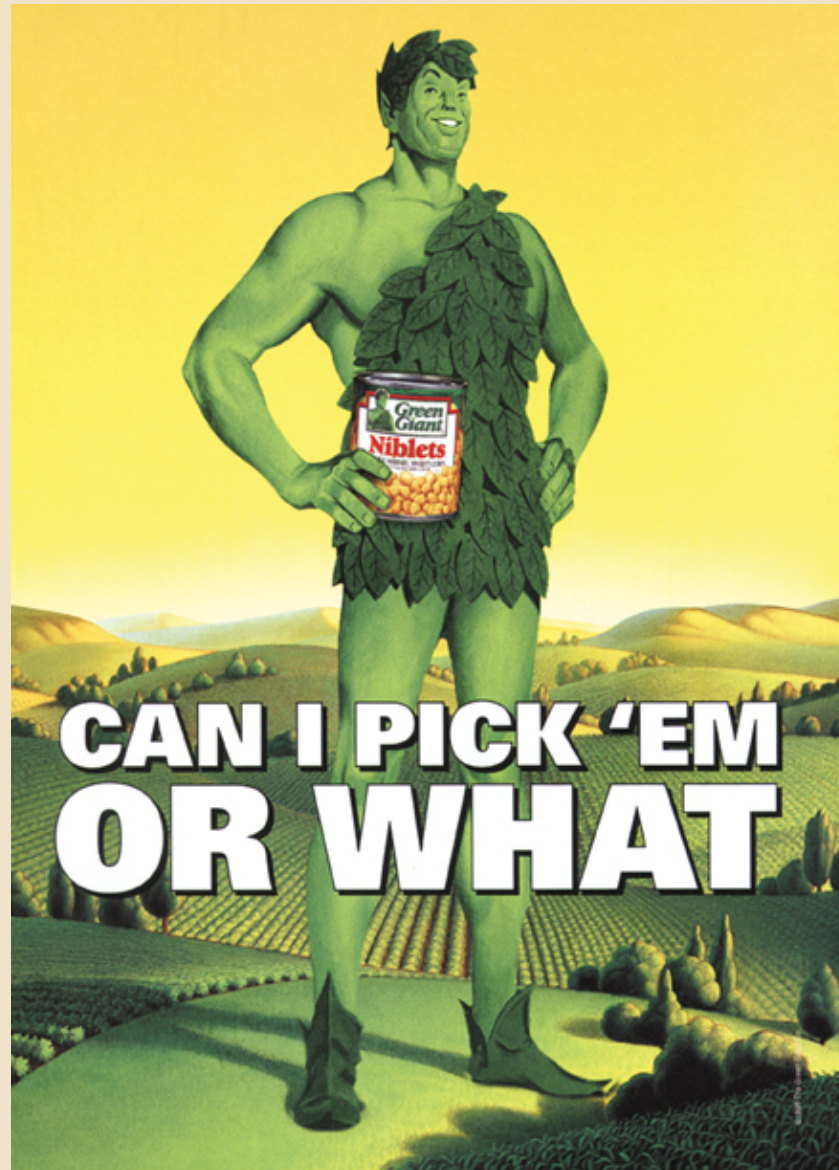
1. What position, if any do we currently hold in the mind of customers?
2. What position do we want to hold?
3. Whom do we have to compete against to establish this position?
4. Do we have the resources to occupy and hold the position?
5. Can we stay with one consistent positioning strategy?
6. Does our marketing and advertising match our positioning strategy?



# Approaches to Positioning A Product/Service or Brand

1. By Product or Service Attributes and Benefits
2. By Price/Quality
3. By Use or Application
4. By Product Class
5. By Product or Service User
6. By competition
7. By cultural symbols

# Positioning by cultural symbol



Source: Courtesy The Pillsbury Company

# Product Decisions

A *product* is a bundle of benefits or values that satisfies the needs of consumers

- *Product symbolism* refers to what a product or brand means to customers
- Product quality, branding, packaging, and company name contribute to product image
- Branding:
  - Brand name communicates attributes and meaning
  - Advertising creates and maintains *brand equity* which results from the image and/or impression of a brand


## Strong corporate/brand equity:

- Creates more options for competing against lower-priced competitors
- Builds customer loyalty
- Makes it easier to withstand economic fluctuations and marketing crises
- Allows companies to sell products/services at a premium price and maintain larger profit margins
- Can facilitate brand and line extensions
- Makes customer response more inelastic to price increases and elastic to price decreases





# Crest uses its strong brand equity to launch a line extension


©2001 P&G QJAN0116P





Teeth whitening like you've never seen before.

 **Start** Crest® Whitestrips.™ Thin, flexible strips coated with the same enamel-safe whitening ingredient dentists use. They get at stains below the enamel surface

 **Peel** to whiten teeth 10 times better than the leading whitening toothpaste in just 2 weeks. Guaranteed.

 **Apply**

 **Reveal\***

 **Reveal Your Whiter Smile.**

For more information, ask your dentist or go to [www.whitestrips.com](http://www.whitestrips.com).  
\*Dramatization of typical 14 day results

[www.Whitestrips.com](http://www.Whitestrips.com)

Source: © The Procter & Gamble Company. Used by permission.



# Packaging

- Traditional functions of packaging:
  - economy, protection, storage
- Packaging has become increasingly important because:
  - self service emphasis of many stores
  - buying decisions made at point-of-purchase
  - often customers first exposure to product
- Packaging is a way to communicate to consumers

# Arm & Hammer Promotes New Packaging



## FRIDGE-N-FREEZER FLO-THRU FRESHENER™ NEW! FROM ARM & HAMMER® BAKING SODA



- ❖ The new Blue Box has perforated front and back panels that expose twice the baking soda for maximum deodorization.
- ❖ The unique patented design with Flo-thru vents absorbs and locks in odors to keep foods tasting fresh longer.

- ❖ The cloth filter keeps baking soda from spilling.



FEATURE AND DISPLAY THE NEW "BLUE" BOX IN TIME FOR  
"CHANGE THE BOX WITH THE CLOCKS" CAMPAIGN.



0155062-3Q9811



# Pricing Decisions

- Price must be consistent with perceptions of the product
- Higher prices communicate higher product quality
- Lower prices often reflect bargain or “value” perceptions
- A product positioned as high quality while carrying a lower price than competitors may confuse customers
- Price, advertising and distribution must be unified to create the position for the product or service.



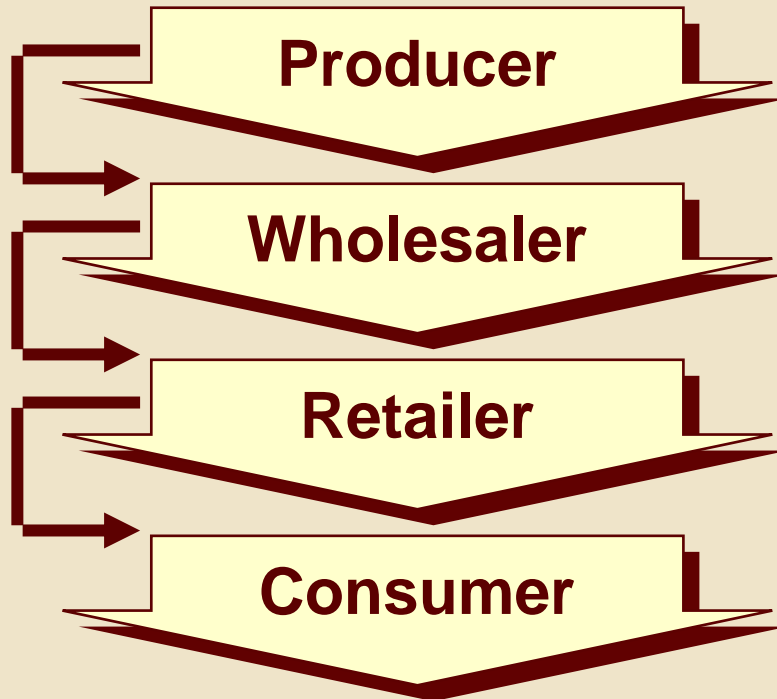
# Distribution Channel Decisions

Channel decisions involve:

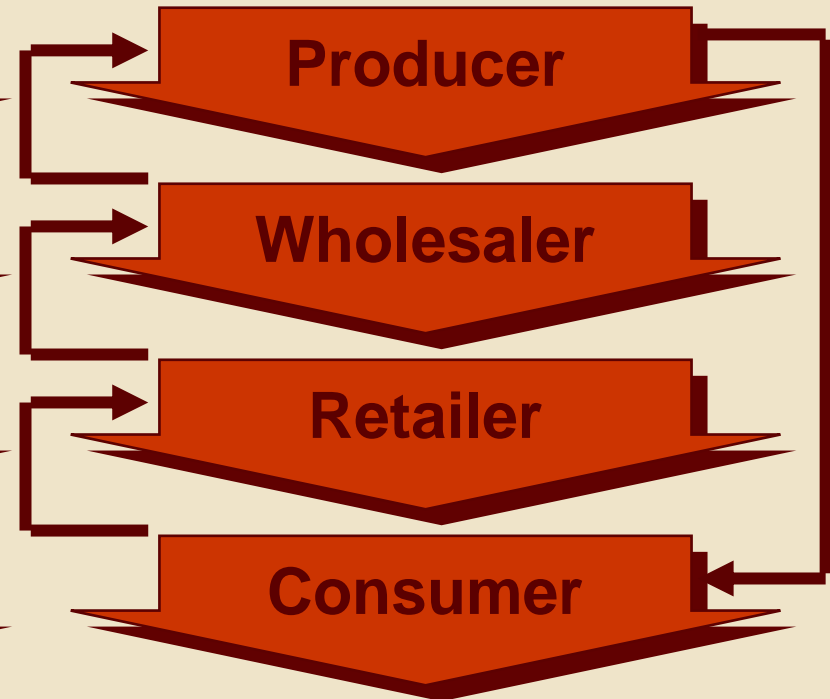
- Determining the type of channel system:
  - Direct channels
  - Indirect channels
  
- Selecting, managing and motivating marketing intermediaries such as
  - Wholesalers
  - Distributors
  - Brokers
  - Retailers

# Push Versus Pull

## Push Policy



## Pull Policy





# "Push" Techniques

- Point of sale displays, racks, stands
- Trade deals, special displays
- Dealer premiums, prizes, gifts
- Cooperative advertising deals
- Advertising materials, mats, inserts
- Push money or "spiffs"
- Collaterals, catalogs, manuals
- Trade shows, conventions, meetings



# "Pull" Techniques

- Sampling, free trial
- Coupons
- Premiums or gifts
- Contests, sweepstakes
- Price-off deals
- Refunds/rebates
- Frequency/loyalty programs
- Point-of-purchase advertising



# Premium offers are part of a pull strategy

**Kellogg's Time Capsule**

**\$2.99** Plus two dated box tops.

**Hey Kids!** Get in the millennium mood with a "Kellogg's™ Time Capsule." It's a great way to celebrate and save your special memories for the future! Check out the side of this box to learn how you can get your own "Kellogg's™ Time Capsule." Then, start collecting special things to store inside it. Order your "Kellogg's™ Time Capsule" now and celebrate your memories.

**Time Capsule List**

- ✓ Family tree
- ✓ Report cards
- ✓ Comic book
- ✓ Newspaper articles
- ✓ Trading cards
- ✓ A poem
- ✓ Predictions for the future
- ✓ A coin from the year you were born.

**See Side Panel**  
for offer details

The advertisement features a vibrant illustration of a treehouse scene. At the top left, a blue bird-like character sits on a branch. In the center, a large orange tiger with a red bandana labeled 'TONY' is the central figure. To the right, a boy in a blue shirt and cap is hanging from a branch. Below the tiger, three children are sitting on a branch. To the right of the children, a green chicken and a green frog are also present. A large yellow arrow points from the bottom right towards the side panel. The background shows a bright sun and a lush green landscape.

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