

# Integrated marketing communication (imc) plan for skoda



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The purpose of this report is to implement power integrated marketing communication plan for Skoda; automotive company. The outcome of this plan is to establish an impressive and desire challenger brand in order to compete with category “ big fish” automotive brands in Australia.

Skoda is encountering a big challenge from its marketing communication although company is gradually establishing itself known to automotive consumers, but it seemed difficult to reach their goal, since company’s history and reputation were not accepted by Australian consumers. As a consequence of company necessary to break with the immediate past and reposition itself. By changing consumer perception of Skoda from the brand that lack of history and weak reputation to become the brand that everybody wants. As a result, single key thought which is “ VALUE” will be used as platform of all marketing communication strategies and tactics in order to become a big fish in the automotive category in Australia

This integrated communication plan will outline many aspects pertaining to firstly; the communication plan will focus on the overall of Australia automotive and identify company’s position and problem. Second part will provide the solution of Skoda’s marketing communication plan based on Morgan’s eight credos by utilizing it through all power communication channels such as Public Relation, Advertising, Internet marketing and Sponsorship. Lastly, this plan also presents a communication brief of each party such as PR agency and Advertising agency.

## **Part 1: Background Information Company Background**

Skoda is the one of car manufactures in the world with its strong engineer and production for more than century. The company first was established in 1895 in Czech Republic. Later on, the Czech brand was searching for well-known partner. As a result of in 1991, Volkswagen was chosen since VW is the largest automotive manufacturer in. However, 30% of Skoda's equity was owned by Volkswagen group in Germany. Ten years later, Skoda was completely taken over by Volkswagen. Company was introduced in Australia in 2007 and keep growing up to develop new ideas for simply clever driving with proudly of innovation and design.

### **Overview of the Australian motor vehicle market**

The Australian automotive market is extremely competitive, with more than 60 models of many car brands available for purchase. The new record for this industry was reported that in 2007 the number of new vehicle sales were 1, 049, 982 units which have been increase about 9. 1% from 2006. Furthermore, there was an increasing of all types of vehicle; however the increasing trend of small/city car took the highest in the market growth as detailed in the figure 1 below.

Source: Federal Chamber of Automotive Industries, 2008.

As a result of company aims to introduce the newly product, with full performance of diesel engines into city type which called SKODA MANIA

Source: Australian automotive intelligence, 2010

From figure 2 above, the market leader in selling is Toyota, the brand has been in the first rank for 7 years followed by Ford and Holden. In addition, there was a significant strong position of Japanese brand in the Australian market whereas the strongest European brand was Volkswagen which has been strengthened its sales in Australian market for 10 years.

As previous information, it provides opportunity to Skoda to introduce a new product and leverage its competitors as the newly European brand in the market. Consequently, Skoda needs to create strong brand reputation; moreover, the communication needs to concentrate on the most powerful key though "VALUE" into prospect's mind.

### **Key issues**

From figure 3 below, illustrate the latest research reported total market shares of competitive vehicle brands in Australia, the majority percentage of share market contributed to Toyota with 21% of proportion same as other brand name which combined various non-dominant brands.

So in order to compete the market share of the big fish in this category, the new European brand like Skoda has to introduce new image of itself settle in a position as European brand that provide value and performance could comparable with Japanese brands.

In order to launch a new brand product "SKODA MANIA" and generate the influential communication plan, it is required to identify communication challenges as following points:

Brand has weak reputation in Australian's mind since it was taken by Volkswagen, Skoda need to build brand preference and persuade a target audience to consider its product attributes by building its reputation as a long-established and trusted name in the market.

Automotive product category need high involvement in purchasing decision, the communication concepts need to focus on visual and emotional appeals to create value for money in consumer's decision.

There is a shift in consumer preferences due to the demand of consumers on type of car has been significant changed from large passenger cars to smaller with lower fuel consumption cars, thus the effective communication will provide value proposition for the Skoda brand to launch city full performance car .

As a result of Skoda needs to position itself as a challenger brand and break with its immediate past from the brand no one knows to become the desire brand. Furthermore, our Czech brand has to drive itself to become a leader in automotive category in Australia market which requires an effective and pioneer the comprehensive integrated marketing communication plan. So it could be done by follow the process of The Eight Marketing Credo's by Adam Morgan.

### **The big fish main competitor**

The big fish in the automotive of Australian market is Toyota, as a major competitor of challenger brand like Skoda. With a dominant position in Australian car market since company's market share achieved around 21

percent in 2009 and retained the number one status in selling products than <https://assignbuster.com/integrated-marketing-communication-imc-plan-for-skoda/>

any other single brand in the country. More than 50 years in Australia, Toyota has grown to be one of Australia's leading automotive companies with the total sales revenue \$7.982 billion in the end of 2009 Toyota.com, 2010. Toyota has a strong key element to support its brand positioning such as being an innovative brand that implement the most advanced environmental technologies and enrich society through car making. Forrester Research, 2006. The Japanese brand sale several of product types which are passenger car, 4WD&SUV, commercial and hybrid with offering more than 15 marques.

In 2009, the company spent more than \$65 million on advertising; the report was covered advertisements in all areas of media such as television, radio, newspapers and online search and classifieds Stafford, 2010.

## **Part 2: Communication Plan**

### **Why marketing communication plan is important to Skoda?**

The marketing communication has a significant function for Skoda plan since we need to manage the concept and make all aspects of marketing communication such as advertising, sales promotion, public relations, and direct marketing work together as an integrated force Lake, 2009.

Furthermore, it is general argue that the branding is related to get companies' target audience to select their brand over the highly competition, but it is about capture the prospects to recognize their brand as the only one in their mind and perception that could deliver them the best solution to their problem. However, to succeed in doing that, we must to realized and understand the needs and wants of our customers and

prospects. As a consequence of integrate marketing communication is very important to our branding, advertising and marketing strategies in all attribute areas of public contact. Brand like Skoda has not instituted a strong historical brand in the market, consequently; company has to invest in communications due to the fact that Skoda needs to formulate prospects to aware its product and emphasis on its key though "VALUE" by communicating through functional and emotional of its product attribute to ensure that its advantage could leverage the big fish in automotive industry Millier, 2010.

In addition, developing communications strategies could provide company's knowledge and help Skoda understand its markets effectively. So Skoda needs a large investment in communication plan. There are various benefit that company will derive from invest in communications and develop marketing strategy as following figure 4 below

The communication plan will enhance company in four major areas; sale growth, price premium, brand loyalty and fast penetrate into the market which increasing in the marketing communication budget will maximize shareholder value as well as the long-run profitability.

## **Budget Allocation**

According to increase of marketing communication spending, Skoda needs to maximize profit and shareholder value for brand. Since, the company will be positioned itself for the city car segment with expecting that these advertising spending will enhance shareholder value and the company profile margin sustainably. Therefore, to allocate the budgets on media that

communicate to all areas of the community, Skoda total marketing communication budget will spend up to \$AUD 8 million within period 5 months. Skoda will process the plan with various agencies and other media house to response for this campaign communication to facilitate company from the inception stage; build an unknown brand and overcome the risk factors from enter to mid car segment.

## **The challenger strategic approach: a four stage process**

### **Stage 1 Attitude and Preparation**

Credo1: Breaking with Immediate Past

The core problem of challenger brands is not provide new and unique idea into the consumers, it depend on how they can remove the conventional idea from the past. Consumer's perception is same as a room with full of old furniture. Therefore, before we move a new one into that space, we need to delete the old furniture from the room first.

Skoda has to realise about the concept of breaking with the immediate past in order to see real challengers and possibilities in the new market. Formerly, company has weak reputation on the market as a consequence of the challenger brand as Skoda need to consciously break with its own immediately past by reinventing brand history as key issue from an unknown brand to become desire brand in Australian market.

Furthermore, it's a bright opportunity for the brand to introduce new product " SKODA MANIA", the city car with powerful diesel engine into the market by providing the new concept of " The true VALUE of powerful diesel car" and



bringing other inspiration from another category into its product. This brand new opportunity enables company to step back and make upstream question and refine a new product.

To define the challenge, we want to compete with the market leader and we want to make the different. It is vital role for the company to make its brand stand out in the competition by opposition its product attribute and create a new category on “ powerful diesel car” against the Big fish like Toyota hybrid. However, Skoda clearly identify itself to be different from the category, Skoda has to battle within the same areas of brand leader by trying to win the number one market share of automotive market.

## **Stage 2 Challenger Strategy**

### **Credo 2 : Building a Lighthouse Identity**

The critical role in marketing strategy is we have to state that who we are. Skoda has to develop clear stage in what its brand stand for which is “ the desire brand of powerful diesel car” by creating its own values through key thought “ The true value of powerful diesel car”. In order to become desire brand, company does not only position itself as the brand that everybody wants but it’s also want to position itself as a impressive value perspective as a good sign of how Skoda is going to play.

Another aspect of brand challenger as Skoda has to consider is tried to build emotional attachment based on point of view with consumer. Not only the brand has to determine what are the key features that want to

communicate, but Skoda also has to build its prominent identity the desire

brand of powerful diesel car to let consumer engage and affiliate with brand.  
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### Credo 3 : Assume Thought Leadership Of The Category

Now Skoda brand does not be the leader in the Australian automotive market but there is another opportunity for Skoda thought as the leadership in the brand category. To create a long term goals that makes everyone talk about its brand, Skoda had clarified itself different from competitors as the desire brand of powerful diesel car and make great reason which is impressive value perspectives why consumer must select its brand.

In accordance to communicate the massive impact of brand identity and positioning, Skoda could achieve by breaking of key conventions in the category. In this kind of situation, Skoda chooses to break the conventions of neighborhood and network. By selecting BP gas station as a brand partner since Skoda quite new comer in the Australian market, company needs to enhance brand positioning by being partner with worldwide fuel brand that provide reliability and trustworthiness products to the market like BP.

Moreover, to encompass a wide range of its communication marketing activities such as provide special promotion when consumers purchase SKODA MANIA they will get petrol coupon to use at BP for free. Combining the strength of BP brand helps company gains more trust, build consumer acceptance and brand preference that create impactful reason why they have to choose you.

Additionally, Skoda will break the convention of media in promoting of its brand new product. Company use website as a platform to integrate of all communication channel. Although Skoda has invested a high budget into advertising and PR, the company will benefit from the low cost of operating

from using the digital media to communicate with its target. All communication channels will provide Skoda website [www.skoda.com.au](http://www.skoda.com.au) in order to convince prospect to find more information at there. Furthermore, valuable thing from utilize internet channel is time, since consumers could find and get precise all products details from online store that opening 24/7. Using of free social media such as Facebook or Twitter will help company reach the right target easily since this kind of free media become a part of everybody's life and most of working people also associate with them.

#### Credo 4 : Create Symbol of Reevaluation

To create our symbol of re-evaluation, the key concern is not budgeting but it is about Skoda needs to recognize what the dominant customer complacency is and show how they can see its brand. In order to achieve this key complacency, the brand has to stimulate actions that make consumers rethink about Skoda and recognize the symbol to what the brand want to communicate.

Skoda seemed to be unbranded as first introduce to the market this chance will help company to change consumer' perception towards the brand from little or no image to be the brand preference / desire brand that make consumer perceive to its brand values. PR agency will create viral as unbranded first by placing its car with full of money fake in the high traffic areas, let people curious what is about and why this car has a lot of money. The company will reveal the reason why its car must filled with money which is value of saving from diesel engine that make the owner of SKODA MANIA

has a lot of money. Also use the other media to emphasize its key thought and brand concept which is “ The true value of powerful diesel car”.

### **Stage 3 Challenger Behavior**

#### **Credo 5 : Sacrifice**

To be successful challenger brand does not necessary to have a perfect marketing strategy. In order to get number one of brand leader sometimes the sacrifice has to be taken. First is Skoda has to sacrifice in the target market by focusing on male and working people on the other hand, Skoda has to give up female as a main target in order to establish relationship with the core target. Due to its product performance match with working men who choose the quality and performance of product as first criteria, this beneficial enable company to sale the product and build closely relationship to its target easily.

Sacrifice on pricing strategy would be another thing which company has taken into account. To facilitate new product launch in this country, Skoda has to realize on its key though “ VALUE” by giving consumer value for money in purchasing its product. Consumers’ perception towards diesel car is save thus company need to sacrifice the premium price in order to capture consumer attention and create the brand considerable.

#### **Credo 6: Overcommitment**

To be the brand challenger does not mean to do just enough for achieving the key success. Alternatively, if all members in Skoda whether top managements or employees work together and dedicate themselves to

make consumers perceive brand differentiate, Skoda will be accomplished and become desire brand. Since Skoda has determine its goal to be the brand leader in the market and compete share of mind in consumers, as a result of motivation of its staff to reach overcommitment is the critical concept that Skoda should state in its mind.

All Skoda members do not only overcommitment to provide the impressive value product to the market and but also attempt to focus on implementing the key thought and brand concept to be consistent in order to achieve the company goals.

#### Credo 7: Use Advertising and Publicity as a High-Leverage Asset

For the challenger brand, only clear communication is not enough, capturing the target's imagination and mind must be objective Morgan, 2009. To introduce brand into new market, roles of advertising and PR must be noticed. Both of effective tools characterize an enormous opportunity to Skoda to accomplish position in the new market since Skoda needs to attend the consumer's mind and get them to spread its word. As a consequence, Skoda has been identified what the brand want to say and create the precise message to be communicated with specify the period of time, location and required task.

Skoda debut its brand via PR tools is such a dominant strategy because once consumers did not know anything about its brand and new product. In order to gain the brand credibility, company needs to leverage competitors by using PR as credible source to make the brand more acceptances in the new market. Skoda has to build its position through various PR campaign such as <https://assignbuster.com/integrated-marketing-communication-imc-plan-for-skoda/>

word of mouth, special event and the group of influencers such as mavens and connectors and salesman.

Advertising will be another channel that Skoda uses to convince consumers to make the decision in purchasing our product. The persuasive ads will be utilized to persuade consumer' mind to use Skoda MANIA with emotional appeals of advertising techniques that company try to engage upon emotions of its audience. Moreover, key though of the brand must be highlighted through all communication messages to encourage audience' perception towards its brand values.

## **Stage 4 Sustaining challenger Momentum**

### **Become Idea-Centered, Not Consumer-Centered**

The brand challengers have to realize that the new ideas need to be employed in order to maintain in their momentum. Instead of changing core identity, Skoda has to refresh and make the core idea to be differentiated. As a consequence of the failure in its momentum in the market, the brand needs to sustain consumer' perception and keep building relationship with consumers.

To achieved this kind of challengers, Skoda has to deploy ideas-centered not consumer-centered by continuing generate product beyond customer's satisfaction and product improvement. On the top of that, Skoda do not change its communication strategy, the challenge brand like Skoda tend to find more opportunity to deliver its brand value through the creative ideas and communication tools such as ambient and concept of car customization.

## **Part 3: Marketing Communication Roles**

In order to generate the marketing communication program and make it strong and true, we need to employ the concept of six honest serving men of Rudyard Kipling which help we formulate the successful brief and avoid weak briefing that can stimulate and deliver the weak messages.

### **What :**

#### **The aim of this communication plan**

- To build awareness of Skoda brand and capture consumer's attention by shifting from no one know to desire brand
- To launch new Skoda car into Australian market with full performance of diesel engines into city type which called SKODA MANIA
- To stimulate the sale in order to compete market share of automotive car in Australian market
- Establishing of key thought " VALUE" to this plan , paveing the way to engage all communication tools within single focus that helps promote the effective campaign to consumers
- To create a new category in the consumers' mind that is " powerful diesel car"

### **Product**

Since the historical of both brand and the new product does not exist in market, we have to provide the clear benefits, features and advantages of the product to all agencies. To make them clear what our desires and needs to promote of this plan.

Description: Newly powerful diesel engines has introduced into Skoda model. The superior with diesel engines which completely installed in the body. All product features designed to capture consumers' attention with offered the VALUE for money.

## **Features**

## **Advantages**

## **Benefits**

A large of passenger room

Increase the space inside passenger room

Comfort and spacious with 5 adults able to sit.

Extensive equipments

Import leather seats, full options of CD player and climate controlled air conditioning.

Adjustable leather seat 6 step, both MP3 and USB adaptable in CD player.

Reasonable price

As the cheaper model in the Skoda product category.

All pricing provide with negotiable agreement.

Guarantee from Euro NCAP crash rating.

Safety features such as six airbags, stability control and ABS brakes.



This model also gets a four-star Euro NCAP crash rating.

Low fuel consumption

Reasonable level for diesel consumption for both standard testing and highway testing.

The diesel engine is supremely improved with appropriate average figure for a mid-sized sedan.

## **Brand personality**

Due to the good characteristic of brand personality should expression the core values of the brand, thus Skoda's personality is centred on Elegance and European. If we compared its personality with famous person it might be Jude Law who could best represent elegance character to the brand.

## **Key message**

Emotional appeals will be delivered as key tone “ The true value of powerful diesel car” will serve as the platform for all communications and keep our campaign strategy consistency.

## **Mandatory executional requirement & legal qualification**

Company logo has to be shown in all communication tools.

Tag line “ Simply clever” should align with brand logo.

All communication tools should end up with key message of the product which is “ The true value of powerful diesel car”

## **Activities**

Following are activities must be done;

### **Why :**

The reasons that we need to perform this integrated communication plan are building positive brand awareness and associating the brand in the mind of consumers. Moreover, as a brand challenger competing the brand leader and gaining number one share in the market would be the optimum outcome for the brand.

### **Who**

The primary target that we want to communicate with would be male 25-40 years old those working men who looking for the car that provide them better performance with elegance style. Secondary target are smart business people both male and female who age raging from 25-35 years old.

### **Demographic characteristics**

Working people age is 25 or above

Income level \$AUS 9, 000 per month.

Most who lived in city or suburbs.

### **Psychographic characteristics**

Lifestyle: Sociable, friendly, concern for others and pleasantness.

Attitude: Self-confidence and belief in their decision.

**Where :**

The main campaign will be carried out in Sydney as centre in order to build giant impact in Australia. We need to implement in the big city because our target market mostly work and live in Sydney. Moreover, to create the powerful communication tools, we need to gain the massive reach and visibility from our prospects by placing our media in the centre, department store and office building of city such as CBD, QVB and martin place.

**When :**

This campaign will be carried out for 7 months starting from September 2010 until end of January 2011. For the details will be shown as following timeline;

**How :**

Measuring the effectiveness of marketing campaigns is to determine how successful it is. So, we need to set judgment criteria for each marketing communication tasks by tracking the main measurement such as

Key performance index

Total number of sales

Leads generation.

For each marketing task we can assess the effectiveness as following;

Requests for information/brochure

Request test drive

Retail dealer traffic

Website traffic or click-through rates

Number of coupon redemption

Phone lines to track phone orders

## **Communication Brief**

### **Market research brief**

#### **Objective**

To measure consumers value perception towards Skoda before and after the new communication campaign.

To assess whether creative development create impact to the audience or not

To conducted creative development to analysis whether IMC campaign achieves its objectives and marketing goals or not.

To anticipate the future outcome of the social trend towards product category market Social's insight & Customer's Insight

#### **Target market / Audience**

Middle / city car segmentation.

Respondents; businessmen and women 20 – 45 year of age.

#### **The research method**

Focus group

Open-ended questionnaire

Online survey

### **Required task :**

Conducting brand positioning and image testing

Conducting creative assessment

Conducting Outcome-based research to study consumers insight and experience about city car

### **Geographical boundaries**

All market research activities should be done in Sydney, Australia.

### **Timeline**

Market research should be conducted start from week 1 – week 2 of September 2010

### **Budget**

\$ 320, 000 for overall market research budget

### **Advertising agency brief**

The role of advertising agency: Advertising agency has a responsibility to communicate our brand to the public via mass media. Each media will perform with particular purpose in order to capture a different area of prospect mind.

### **Objective**

To build the brand awareness of Skoda

To motivate consumers demand through the effective media

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To promote new product SKODA MANIA diesel engines

## **Target audience**

Male 25 – 45 year of age.

## **Key thought : “ VALUE”**

Mood and Tone : Elegance / Prestige / Powerful / Smart & Clean

## **Key message : “ The true value of powerful diesel car”**

### **Mandatory:**

All advertisements have function to influence our target audience to purchase the product

Key message must out the end of ads scene

Brand logo must be shown in all advertisement as well as tagline “ Simple clever”

TVC concept must engage a compelling story to unite the idea of with emotional. Story should build audience’s emotion and energy with the detailed information of brand image and history.

## **Advertising Campaign Tools**

Agency must develop 2 TVC , 2 print ads and 1 out of home medias

TV Commercial: must be promoted during prime time.

Print ads: must be placed in impact areas, could capture mass target audience such as train stations, bus stops, and office building areas and shopping centre.

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Timeline: Ads will be launched first 3 weeks of October 2010 then week 2 and 4 of both November and December 2010. Then only week 2 on January 2011

## **Budget**

\$ 1, 840, 000 for overall advertising budget

## **PR agency brief**

The role of PR agency: due to we want to establish brand reputation in the market and provide product into new category, PR such a powerful tool to help company accomplish lots of goal such as create Skoda name in consumer's mind and capture consumer's attention.

## **Objective**

To build the brand awareness of Skoda

To amplify talk of the town as well as buzz of Skoda test drive campaign

To create brand value and equity into consumer's perception

To promote new product SKODA MANIA diesel engines

## **Target audience**

Consumers, government , dealers , suppliers , corporate , NGO's and employees

**Key thought : “ VALUE”**

**Key message : “ The true value of powerful diesel car”**

**Required task:**

Providing press kit / press release to mass media about our brand new product

The article published about the brand must be written in the magazine, advertorial and newspaper. The content must be captured attention of consumers, compete share of mind, and highlight on our product attribute “ VALUE”

Selecting Skoda brand ambassador who can be represented to brand concept and brand personality

It is PR roles to create an attractive test drive event to amplify brand’s virus and motivate those three groups; Connectors, Marven and Salemen.

To launch road show test drive event , let consumers experience with the new Skoda product and create word of mouth

**Word of mouth**

PR also responsible for generate the big impact of the buzz, thus we will engage people to word of mouth marketing as a key component to spread our test drive event. To let consumers experience with our SKODA MANIA and it is also opportunity of them to receive our product details and benefit of Skoda concept. Then the consumers will share experience among their friends and family. Moreover, word of mouth is more likely to reach and touch the mind of consumers which could drive the message to reach mass

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target without or low assistance from the company. So in this test drive event, it is necessary to invite all journalists from car magazine, men magazine and newspapers to attend and experience with test drive as well. The Buzz must encourage all journalists and maven to experience and spread about our product by providing advantage and highlighting on how consumer will perceive the value of the new brand product

### **Timeline :**

Press release will be launched on week 1 October 2010

Brand ambassador will be selected on week 1 October 2010

Special event will be launched on first week 2 of November 2010 and run on for the 3 weeks

Articles and advertorials in magazine and newspaper will start written after first week of test drive event

### **Budget**

\$ 1, 440, 000 for overall PR budget campaign

### **Media planner brief**

#### **Objective**

To select the effective media for all campaign tools

#### **Target audience**

Male 25 - 45 year of age.

**Key thought : “ VALUE”**

**Key message : “ The true value of powerful diesel car”**

**Required task**

Agency needs to select the powerful media