

# Integrated marketing communication plan



The main aim of the Integrated Marketing Communication plan is to acquire one-third (33%) of DiGi Telecommunications market share over the next 3 years in Malaysia. We are being appointed as the marketing consultant by DiGi Telecommunications in Malaysia and we have analyze the firm's marketing strategy in the field of their prospective segments, the chosen target market, SWOT analysis, brand awareness, product design, product positioning, advertising and sales promotion.

As a marketing consultant, we have notice that the DiGi Telecommunications utilized generic marketing strategy such as low cost leader in DiGi Prepaid brand services, resulted in a number of first industry benchmarks for simplicity and innovation, differentiated goods and services satisfy the needs of customers through a sustainable competitive advantage. In fact, in 31st March 2010, DiGi Telecommunications had 7.9 million mobile subscriptions, also the third largest mobile operator in Malaysia.

In Integrated Marketing plan, we will contribute in the area such as group or segment those types of potential and existing customers that are most likely to benefit from our DiGi product line. Continuing with that, we will set up our IMC objectives to achieve our aim, which also covers the promotional mix for each of the tools as well. Further, we shall be looking at the budget that we need for the whole IMC plan. Lastly, we will evaluate the media tools that we select to see whether are effective or not.

## **2.0 Situation Analysis**

DiGi. Com Berhad is listed on Bursa Malaysia Securities Berhad and is part of the global telecommunications provider, Telenor Group. Its mobile service

operations are undertaken by its wholly-owned subsidiary, DiGi Telecommunications Sdn. Bhd. DiGi started operations in May 1995 when it launched its fully digital GSM1800 services, the first digital mobile communications service in Malaysia.

Over the last five years, DiGi's revenue has more than doubled to approximately RM4.9 billion with a subscriber base of 7.7 million. DiGi focuses on making it easy, affordable, convenient and providing the best deals to ensure its customer experience in mobile and internet services.

DiGi's presence as leader in prepaid services resulted in a number of firsts that have set industry benchmarks for creativity and innovation. These services are offered under the DiGi Prepaid brand name. DiGi's postpaid services under the DiGi Postpaid brand name and DiGi Business deliver quality voice as well as value-added mobile content and data services to both individual and corporate customers.

In late 2008, DiGi launched its 14.4 Mbps 3G/HSPA network, the Group's mobile broadband and mobile internet have been well received by the market. Now DiGi's mobile internet services have a proposition synonymous called 'Quality internet for less'.

(Source: DiGi – Annual Report 2009) Appendix 6

## **2.1 Corporate Objectives and Marketing Objectives**

### **Vision:**

To be seen as stars in excellent customer experience

### **Mission:**

To exceed the customers' expectations, by delivering mobile and internet services easier and offer the best deal

### **Corporate Objectives:**

To lead in sustainable and ethical business into every aspects of the organization

To treat every people fairly and responsibly to empower them to reach full potential

To minimize the environmental impact and offering climate-friendly solutions to the customers

To go beyond financial contributions and look for ways to serve the community

(Source: DiGi – Annual Report 2009)f Appendix 6

### **Marketing Objectives:**

Delivering excellent customer experience that are simple, innovative and of best value DiGi business

Customers are free to choose a new mobile service provider without having to change to a new number

To facilitate the exchange of information between mobile service providers for porting transactions and update routing information to all mobile service providers.

(Source: DiGi Telecommunication, CPA – MNP General FAQ)f Appendix 7

## **2. 2 SWOT Analysis**

We have done the SWOT analysis for DiGi Telecommunications.

### Strengths

- Effective branding and marketing
- Great innovation
- Lowest prepaid charge rate

### Opportunities

- Newest 3G broadband provider
- New approach to attract corporate customers
- Celcom and DiGi collaboration

### Weaknesses

- Large international shareholders
- Low revenue market share
- High implement of new services

### Threats

- Competition in terms of coverage
- Product imitation

-Spam Issue

## **Strengths**

The DiGi's Yellow Coverage Fellow (YCF) idea has won confidence from customers where it gives better coverage to all users around nation.

Additionally, DiGi often set up booths in locations with many teenagers to win a lot of customers. DiGi is the first telco in Malaysia that launches fully digital cellular network, GSM1800 services. In DiGi Campus package, the charge rate for sms is 0 cent to family and friends, and with the lowest call charge that further charge will be waived after usage of RM2.

(Source: Sun Zi, Scribd)f Appendix 8

## **Weaknesses**

The revised dividend policy sought to distribute minimum 80% of Group's annual profit to shareholders. This policy put pressure on DiGi on dividend payment. Furthermore, the CFO of DiGi stated that they have a very low revenue market share which is only 16%. In addition, DiGi is always implementing new products or services. The chairman says company would meet some stress on margins due to the higher level of handset subsidy offered for iPhone sales.

## **Opportunities**

On 22th September 2009, DiGi officially launched the 14.4 Mbps network "Turbo 3G" in Malaysia. DiGi is the first 3G broadband provider in Malaysia that invests in the latest High Speed Packet Access (HSPA) technology in Malaysia. DiGi has tried to attract corporate customers through a 'sexy'

approach, by giving winner the chance to be one day pilot. The campaign gains positive feedbacks and expect to attract corporate customers.

Additionally, Celcom, DiGi and their respective major shareholders Axiata Group and Telenor Asia signed the Memorandum of Understanding (MoU) for advanced network collaboration. This sharing model is geared to generate significant operational and cost efficiency for both operators.

(Source: Penang and Sabah first to enjoy DiGi's Turbo 3GTM for mobile phone)f Appendix 9

(Source: DiGi business takes ' sexy' approach to attract corporate customers)f Appendix 10

(Source: Celcom and DiGi sign MoU for advanced network collaboration)f Appendix 11

## **Threats**

Maxis has make an announcement that they will spend RM 1. 4 billion to improve their 2G and 3G network coverage from 60% to 80% nationwide by year-end. This make the situation worse for DiGi, as increasing coverage can make customers to switch from DiGi in seeking of higher quality network coverage.

DiGi always face the threats of competitors' imitation. Very soon after a new services or products launch, its competitors will launch the similar package. On 24th September 2010, Maxis launch iPhone 4 simultaneously with DiGi. Maxis has come out with a ' Maxis' Do Not Disturb Campaign' to solve Spam sms. This campaign's purpose is to protect consumers' privacy.

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(Source: Maxis service to improve with spending of RM1. 4 bil) Appendix 12

## **2. 3 Product Line**

Digi Telecommunications is a mobile communications services provider which provides services such as voice/data Prepaid and Postpaid services, DiGi Internet, and DiGi Business. Besides that, it also provides a few special offers for DiGizens, such as Mobile Lifestyle, International Services, and Personal Insurance Coverage. (Please refer to appendix 13)

## **Product Life Cycle**

Product Life Cycle consist of five stages, which are development, introduction, growth, maturity, and decline. The current situation of DiGi Telecommunications Sdn Bhd is on the maturity stage as the sales revenue of DiGi has begin to slowdown and the net profit, even the market share has also decreased. Besides that, instead of introducing a new product into the market, DiGi is now focusing more on modifying and changing the characteristics of existing products, such as introducing new packages for prepaid and postpaid by offering different rates and features compared to the previous products.

## **3. 0 Objectives**

Aim: DiGi brand to acquire 1/3 (33%) of Telecommunication market share over the next 3 years in Malaysia. (From 2010)

The primary purpose of setting objectives is to state what is to be accomplished in order to direct an organization's efforts and allow the organization to evaluate effectiveness.



To prove that IMC objectives were effective, we should follow SMART – Specific, Measurable, Achievable, Reasonable and Timeline.

### **Three IMC plan main objectives:**

1. To strengthen the competitive advantage preferring DiGi as the most innovative Telecommunication in Malaysia. (From start of January 2011, until end of December 2011)
2. To increase the market share to 28% start from January 2011, finishing at the end of December 2011.
3. To build positive brand equity among all mobile users towards DiGi Telecommunications within one year.

### **First Objective**

The competitive advantage of DiGi is the innovation it offers on its services. One of the latest innovations that DiGi provides is the DiGi's Turbo 3G broadband service. DiGi is the first telecommunication service provider in Malaysia that provides 14.4Mbps High Speed Packet Access (HSPA) technology. The purpose of this objective is to attract mobile users from competitors to become DiGi users.

### **Second Objective**

Our second objective is to increase market share to 28% from existing market share of 25%. This means that we have to increase 3% within year 2011 and it represents 903,000 new subscribers. The reason for setting increase of 3% market share is to achieve our company's aim, which is to acquire 33% market over next 3 years. To achieve 33% market share from

25% market within 3 years means each year we have to increase an average of 2.6% market share.

### **Third Objective**

The third objective is to build positive brand equity among all mobile users towards DiGi Telecommunications. Brand equity is referring to the power of a brand, affiliation with the goodwill and brand recognition of consumers. Moreover, when a company successfully built the positive brand equity, consumers will stick to the brand even the price is higher than competitors. It allows the DiGi Telecommunications to reduce the cost on promotion, and set a premium price for the products and services in the future, which will also enables a brand to generate higher sales volume and higher profits among the competitors.

## **4.0 Tools**

The effectiveness of our Integrated Marketing Communication plan is mainly depends on the successfully integration between different marketing tools. It is an important part of communication process. (Please refer to appendix 14) There are wide selections of marketing tools that can be used to bring significant impact on customers' perception on DiGi telecommunication. In order to achieve our IMC plan objectives, we have chosen two tools which are advertising and sales promotion.

### **4.1 Advertising**

Our advertising tool is further divided into TV commercial advertising, radio broadcasting, and printed media-newspaper. All these three advertising tools

carry different purposes and importance for achieving our IMC main objectives.

The three objectives that we have created for our advertising tools are:

To refresh mobile users that DiGi is always approachable by implementing continuity advertising over one year.

To maintain DiGi telecommunications as the most affordable prepaid service in Malaysia.

To sustain the benchmark of best commercial advertisement among telecommunications industry in Malaysia.

#### **4. 1. 1 Television Commercial Advertising**

Television is a media channel that will be able to deliver our advertising message to a wide diverse audience. The advertisement showed on television commercials is creative and demonstrative. Besides that, it has the ability to convey our message with sight, sound and motion. Television commercial also allows immediacy of messages to be easily interpreted by audience.

The channels that we have selected to advertise are TV3 and ntv7 which is under media prima. Media prima's channels are TV3 (30% viewers), tv9 (9% viewers), NTV7 (6% viewers) and 8TV (5% viewers). The reason why we chose TV3 is because it has the highest viewership of 30% among all the channels under media prima. The 30% of viewers are majority made up of 95% Malays.

Even though NTV 7 is the third rated among the four media prima's channels, we chose to advertise in this channel because it has the highest percentage of Chinese viewership which is 70%.

#### **4. 1. 2 Radio Broadcasting**

Radio broadcasting is one of the mediums with the broadest exposure.

Advertising on radio is more cost-effective compared to ads on television.

Besides that, radio broadcasting has selectivity and audience segmentation according to different radio channels. In Malaysia, there are a total of 30 radio channels.

The radio station that we have chose to advertise our advertisement is hitz. fm. The reason of us choosing this particular channel is because hitz. fm has the highest listenership of English channels in Malaysia, reaching 1. 58 million (9. 2%). On the other hand, Fly fm is rated second position with 728, 000 (4. 3%) listeners followed by MIX fm with 451, 000 (2. 6%) listeners.

#### **4. 1. 3 Printed Media Newspaper**

Printed media newspaper is one of the most famous printed medium in advertising. This is so because newspaper is able to reach geographically dispersed audience all over Malaysia. Besides that, newspapers have immediacy. In other words, it is tangible and audiences are able to re-view the advertisements at anytime and anywhere according to individuals' convenience.

The newspaper company that we have chosen to publish our advertisement is ' The Star'. The reason of us choosing this company because it is the top rated newspaper company in Malaysia, followed by Utusan Malaysia at

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second place and Berita Harian at third. 'The Star' has a total of 981, 000 readers daily. As for Sundays, 'Sunday Star' has a total of 935, 000 readers.

## **4. 2 Sales Promotion**

Sales promotion offers a tangible added value to encourage and accelerate a response. There are two basic types of sales promotions: the consumer promotions and trade promotions. For our sales promotions, we chose to implement consumer promotions. Consumer promotions are pull strategy in which it uses incentives to encourage end-users to buy a brand.

The campaign that we planned to organize for our sales promotion is 'DiGi's Fan-Tastic Bonanza!' The purpose of this sweepstakes is to attract new subscribers to DiGi telecommunications and further increase our current market share from 25% to 28%. In addition, we plan to increase 900, 000 new mobile subscribers to DiGi via this campaign.

The three objectives for our sales promotion are:

To retain brand loyalty of DiGizens within the period of one year (from start of January 2011 to end of December 2011)

To capture end-users to choose DiGi as the primary telecommunications choice

To build a strong and friendly customer relationship among mobile users in Malaysia

## 5.0 Budgeting

Budgeting for IMC plan requires a good estimate of the cost of each element of the plan. In this IMC plan, we choose “ Objective and Task Budgeting” method. Objective and Task Budgeting method is an estimate of the cost of each IMC task identified by zero-based planning.

The reason that we chose this method is because this method can help us to determine for our marketing communication objectives and the tasks that needed to be done to accomplish each objective. In order to run our IMC plan, we request for an estimated amount of RM10million for all tools.

First and foremost, there are three main objectives in our IMC plan. These three objectives bring different impact in our whole IMC campaign. In order to achieve these three objectives, we must carry out some promotional tools.

Advertising was the primary medium needed in the DiGi Telecommunications to achieve the two objectives which are:

1. To strengthen the competitive advantages preferring DiGi as the most innovative Telecommunications in Malaysia
2. To build positive brand equity brand equity among all mobile users towards DiGi Telecommunications.

All the three advertising tools chosen are needed to maximize the effects of our objectives and also to build up consumer mindset as DiGi is always the smarter choice in a long-run period, so we estimated around RM8 million in our advertising tools which allocated into three areas, which are TVC advertising, radio broadcasting, and printed-media (newspapers).

For TV commercial advertising, we advertise in channel TV3 and NTV7 that costs RM3 million for both channels, while for radio, we will broadcast into Hitz. fm station that costs RM1 million. Whereas for newspapers, we will published into The Star newspapers, that costs RM3 million. The budget is huge as these three advertising tools will be implemented frequently for the duration of one year.

Sales promotion will be the second promotional tools for DiGi Telecommunications, ongoing through DiGi sweepstakes. From DiGi sweepstakes, we will receive more than just the products and its image, it may also gives a favorable impression among our target audience. One of the biggest prize that give out is the luxury HONDA ACCORD, followed by SONY VAIO, iPad and also free DiGi reloads. All these prizes total up will be RM2 million for the duration of 1 year.

One of the objectives is to increase the market share to 28%, this need to be achieved through attracting more new subscribers to DiGi with the support of sales promotion. It further enables DiGi Telecommunications to achieve our IMC aim, which is to acquire 1/3 (33%) of Malaysia telecommunications market share.

## **6. 0 Implementation of Tools**

The implementation process is specific actions to be taken to execute the strategy set for our marketing communication tools. It is an important aspect of MC strategy which is the timing and scheduling.

## 6. 1 Advertising

The schedule of advertising will be shown in appendix 15. (Please refer to appendix 15)

## 6. 2 Sales Promotion

The “ DiGi’s Fan-Tastic Bonanza!” that we have planned to organize will last for entire year, starts from 1st January 2011 until 30th November 2011.

Evaluation and selection of winners will be done in December 2011 and prizes will be completely distributed before 1st January 2012. The

qualification of enter this contest is top up with at least RM10 for prepaid users or sign up for new postpaid, broadband, and business plan.

The order of the prizes will be set as:

Prizes

Product Items

Units

Grand Prize

Honda Accord 2. 4 VTi-L

1

Second Prize

Sony Vaio X series

50



Third Prize

Apple iPad

100

Consolation Prize

Free top up of RM100

10, 000

## **7. 0 Evaluation**

The evaluation process is essential in IMC plan as it measures how well the effort meets our objectives. Successful marketing communication can makes customers remember our brand and bring them into our store. For our IMC plan, we do two evaluations on our advertising tools and sales promotion tools.

### **7. 1 Advertising**

For advertising tools, what we want to evaluate is the effectiveness of our message reach our target audience. On how we evaluate the effectiveness, we will calculate on the data recorded by media service provider. The reason why we need to evaluate this is to check whether our advertising has successfully build positive brand equity and image in customer mindset. The criteria are 3 million viewership.

### **7. 2 Sales Promotion**

In sales promotion, what we want to evaluate is the effectiveness of attracting new subscribers. On how we evaluate the effectiveness, we will

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calculate on the increase in new subscribers for all categories: prepaid, postpaid, broadband, and business plans. For the reason why we want to evaluate this is because the increase in new subscribers will increase DiGi's market share, from 25% to 28%. Thus, the criteria are the increase of 903000 new subscribers.

### **7.3 Contingency Plan**

The evaluation process for both marketing tools will be done each half year, first in June and second in December. For advertising, if we cannot achieve half of the total amount within six month, we will increase the frequency of advertising for each advertising tools. Hence, we allocated 1 million budgets from advertising to prepare for this uncertainty.

The sales promotion, sweepstakes is important in attracting new subscribers. If we cannot attract 450, 000 new subscribers in the first six month, more prizes will be added in to increase the attractiveness of our sweepstakes. For this, we allocated around RM300000 and the additionally prize will be added as “ special prize”.