

Planning an integrated marketing communication marketing essay



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Executive Summary

Planning an integrated marketing communication for a company is important (Schultz, Tannenbaum & Lauterborn, 1993) because by using IMC a products and service can be helpful to understand target market segmentation and positioning (Yeshin, 1998). However, Integrated Marketing Communication is a framework that involves planning, executing, evaluating and controlling different tools of communication to effectively communicate with target audience (Kitchen, Kitchen & Pelsmacker, 2004). In addition, it involves the exploration of models of IMC planning. It intends to ensure flow of message and the use of media.

Sports Energy Drink is one of the most popular amongst the youngsters as a result of increasing interest in sports activities. Sport Energy Drink is becoming a growing industry and beverage industry tends to invest more. Manufacturing companies are also striving to use effective marketing mix for their energy drinks. This paper aims to develop an IMC plan of Lucozade Energy Drink, a well known name in the market, for specific target market.

Since IMC refers to the integration of all marketing communication tools, functions and sources available in a company, it maximizes the effect on consumers.

Introduction

Lucozade Energy is the name of the brand produced by

GlaxoSmithKline[1]and there are different many other energy and sports drinks under the umbrella of Lucozade brand name (Dibb & Simkin, 2001).

The Lucozade is an energy drink. It sells its brand in UK, (Gilligan & Wilson, <https://assignbuster.com/planning-an-integrated-marketing-communication-marketing-essay/>

2003). Besides UK and USA, it is also available in other countries. In 2007, Lucozade Sport introduced a new sub-brand, Lucozade Sport with Caffeine Boost. Lucozade Sport with Caffeine Boost has 16mg of Caffeine per 100ml[2]. Caffeine is a stimulant mostly used in a variety of sport drink and used by many sportsmen to improve both mental and physical performance. The other energy drink of Lucozade being isotonic is quickly absorbed in the bloodstream and hydrates faster than water. It contains carbohydrates that provide fuel to active muscles, preventing exhaustion and prolonging performance.

The sports drink frequently target the youngsters irrespective of gender who are involved in sports activities (Dibb & Simkin, 1994).

Step 2: SWOT Analysis for Lucozade Energy and Sport Drink

Lucozade sport energy drink brand is a UK base brand and also provide the products in other countries (Lagae, 2005). Analyzing strengths, weaknesses, opportunities and threats helps in the marketing planning, execution, and ultimate successful result (Fill, 1999).

Strengths

Selling Relationship: Lucozade has ability to attract the customers, gives immediate result and its product is based on customers' needs, thus Lucozade has great potential to have good selling relationship in terms of attracting more and more customers, satisfying their needs and immediate provision of their required products (Kotler, Keller & Brady, 2009).

History: Lucozade is a brand and it has history even in USA (Wenner & Jackson, 2009). It has already sponsored many sports events and look forward to sponsoring the sports events in USA as well.

Basic Consumer Need: Australia is one of those countries where sports activities are most participated and there are numbers of customers who seek to boosting energy, gaining strength and recovery by sports drinks (Shilbury, Quick & Westerbeek, 1998), therefore, Lucozade has great advantage to utilize its strength as it offers numbers of sport energy drink.

Different Flavors and Packages: Lucozade offers number of flavors to its users such as orange, cherry, apple, and lemon, tropical and original. The choice in flavors enables the customers to enjoy their favorite flavor even in energy drink (Beech & Chadwick, 2007).

Low Costs: Lucozade charge lower price for its energy products than other products exist in Australia Gatorade and Powerade (Shank, 2004).

Weakness

Lack of Awareness and Knowledge: Comparatively to Powerade and Gatorade, Lucozade has little popularity and there is lack of awareness and knowledge about the Lucozade products in the USA (Jarvie, 2006).

Traditional Preservation: Lucozade process its products using traditional preservation technique; only ice cooling can preserve the drink taste, and good taste of drink can be enjoyed when drink is icy.[3]

Narrow Range of Material: Lucozade offers sport energy drink and this gives it vulnerability in spite of the fact that there is range of flavor but there is no range of material (Schlossberg, 1996).

Opportunities:

New Packaging Materials: There is lack of focus on the packaging material in sport energy drink industry, Lucozade can make the most of this opportunity by giving eye-catching and striking packaging that can eventually help to increase the sales by attracting more customers (Graham, Goldblatt & Neirotti, 2001).

Replace Alcoholic Drinks: The consumption of Alcohol in Australia is larger than any other drink[4]. By using good marketing strategy, target audience can be persuaded to use energy drink rather than alcoholic which is harmful for health (Slack, 2004).

Replacement of Tea and Coffee: The intake of tea and coffee is rapidly growing and they are becoming a mean of addiction in USA (Milne & McDonald, 1999). The excess use of caffeine through tea and coffee can harm the stomach and intestine, on the other hand, Lucozade energy drink can be drunk excessively without having any harm.

Threats

Existing Products: In the existence of already established sport energy products such as Gatorade and Powerade, Lucozade will threaten to maintain its sale (Plunkett, 2008).

Ineffective Marketing Strategy: Gatorade and Powerade possess more than 94%^[5] of the sport energy drink industry in the Australia and there is threat that marketing strategy to enter or re-enter into such market can be ineffective (Plunkett, 2007)

Marketing Planning for Lucozade

Situation Analysis

Internal Factors:

Promotional Capabilities: Promotional capabilities of Lucozade are stronger as it has already used promotional techniques in UK. Amongst many promotional techniques TV advertising, offline marketing such as schools, gyms, cinemas and restaurants or store, and the most successful and effective marketing is sports and physical activity place.

Prior Promotional Programs: As a result of tough competition in the market, Lucozade needs to adopt Australian cultural trends, incorporating it in the products like in packaging, bottling and labeling.

Brand Image: Lucozade has built a brand image in UK after the efforts of decades. However, Lucozade is not very popular in US market yet it has created a brand image by its marketing strategy of sponsoring sport events in UK. Marketing planning greatly involves creation of brand image because it affects the future sale of product.

Strengths and Weaknesses of Product or Service: Lucozade has been functional in successful marketing in UK and has ability to attract the target customers by brand strategy. Lucozade can apply strong marketing strategy

and planning. On the other hand, to enter into market with no difference can be vulnerability of Lucozade products, because customers prefer the product that is effective as well as different in terms of enhanced quality and usefulness.

External Factors:

Customer Analysis: In 2002, manufacturers and developers of sport energy drink are targeting woman and kids also because only male customers do not make enough of the sale. Moreover, they intend to change the target audience in terms of age group and include older adults in their marketing segmentation. The USA market is largely successful in attracting athletic young males to regularly usage patterns.

Competitive Analysis: According to market competitive environment Gatorade is the market dominator and shares this position with Powerade's and has higher marketing budget and price cut.

Environmental Analysis: Sports energy drinks have become an important and dynamic part of the Australian lifestyle with the increasing participation in sports activities. Moreover, beverage industry has now grown to \$2 billion to \$3 billion in 2002 in USA.

GlaxoSmithKline now plans to expand its distribution and launch its Lucozade energy drink in the US as the healthcare giant looks to expand it beyond the UK market.

Marketing Objectives

The main objectives of the marketing are to develop a consistent and stable brand position along with other brand giants like Gatorade and Powerade. Moreover, it will largely focus on increasing the awareness about the product. In the first step of awareness program, strategy will be drawn to make recognition of product by massive and latter knowledge of brand product and message.

Marketing Strategy and Program

In order to achieve above objectives, different means of promotion will be used such as media advertising, sport event sponsoring and integrated sponsorship with marketing mix.

Step 1 Target Segment

Customer Characteristics profile and Buying Situation are important to determine the marketing strategy of Lucozade. Customer characteristics explain the customers' geographic, demographic, Socioeconomic, Psychographic characteristics. Buying situation refers to purchasing point, benefits sought, usage and awareness of products.

Characteristics of Lucozade Customers

Geographic:

State: At first, Product will be launched into states of Australia viz., Queensland, South Australia, Victoria and West Australia.

Urbanization: the product will be introduced in Metropolitan and urban areas of the states.

Demographic:

Age: The marketing strategy will target to consumers age between 10 and 20, 20 and 35.

Gender: Both male and female will be targeted for the product marketing.

Socioeconomic:

Income: The consumers with regular income between \$5, 00 and \$10, 00.

Education: The education of customers is high school graduates.

Occupation: The occupation will be as student, athlete, gymnastic and so on.

Psychographic:

Personality: The personality characteristics of customers selected is aggressive and ambitious

Values: The values are as achievers and strivers.

Lifestyle: The lifestyle of consumers is athletic activities.

Buying Situation of Lucozade

Purchasing Point:

Outlet: Departmental stores, Supermarkets and other outlets will be used as purchasing point for indirect marketing.

Direct: For direct marketing customers will be approached through mail, telemarketing and catalogues.

Benefits Sought:

Products Feature: Product offers sport energy drink as a source of instant energy especially for sportspersons.

Needs: The product will be offered in as low cost as 1 dollar, and will instant effects with best quality services

Usages:

Usage Rate: The rate of the product is medium and heavy.

User Status: The status of the consumers is athlete, gymnastic, sportsmen

Awareness and Intention:

Product Knowledge: The consumers need to be aware of the advantage and use of the product.

Behavior:

Involvement: There is need of special effort to change the behavior of the consumers towards the product.

Current Status of Lucozade

At present Lucozade is a successful sport energy drink manufacturers and distributors in UK moreover, it is going to launch its energy drink products in the United States.

Identifying Positioning Strategy: Segmentation Process

Determine Approach: Lucozade aims to launch its brands into USA sport energy drink market through strong marketing approach to attract maximum number of customers and for this purpose Lucozade determined to change its target audience and rather than only focusing on athlete and young gymnastic, Lucozade will target woman and teenagers together with male athlete.

Select and Apply Base: Initially promotion and advertising strategies can be applied on the young students at school and colleges, woman at shopping mall or stores and men at gym and other exercise activities places.

Reveal a Segment: the product will be launched for both male and female and for different age groups such as 10-20, 20-30 and 30-45.

Target Marketing Selection

Selecting a target market is one of the most basic decisions that a marketing department has to make and the future success of the products largely depend on the suitable and correct attainable target marketing.

Determine Numbers of Market to enter: the marketing strategy for Lucozade energy products two different type of population will be targeted such as

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men, women and sportsmen and no sportsmen. The population targeted will be from middle and upper classes who can easily afford to buy sport energy drink on regularly basis. In addition, sportsperson within organizations and out of organizations either in school, college or gym will be the most potential customer.

Target

Price

Product Place

Promotion

Organization

(Loudon et al, 2004)

Determine Which Segment offered is Potential: Segments mentioned in above section are all important in terms of target audience but amongst them sportsman and sportswoman are more competent and have more potential.

Develop a Positioning Strategy

Positioning by Product Attribute and Benefit

The attributes of Lucozade sport energy product is that it contains carbohydrate in the form of glucose[6]and as benefits carbohydrate present in Lucozade sport energy product in the form of glucose keep the body hydrated by giving instant energy in body. Besides, there are number of

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choices of flavors in drinks such as tropical, apple, orange, lemon and wild berry; these flavors gives choices to users to opt as per their favorite flavors. Other sport energy drinks such as Cytomax, Accelerade, Endurox and Gatorade also contain carbohydrate to give instant energy to body but Lucozade possesses a different position among them as it offers long lasting energy by its drink.

Positioning by Price

Lucozade share same pricing position with other sport energy drinks such as Powerade and Gatorade (500ml) cost is \$ 1. 00[7], that is equal to Lucozade sport energy drink product price.

Positioning by Use and Application

Lucozade sports drink energy is particularly produced for sportspersons, because sportspersons are usually involved in physical activities and need instant hydration to boost the energy in them. Lucozade sport drink is produced as an easy to use drink; it needs to be shaken before drinking so that drink can work perfectly to fueling throughout. The other sport energy drinks also offer liquid drinks like Lucozade.

Positioning by Product Class

Lucozade offers the product of sport energy not only in liquid form but also tablets. Lucozade has been offering different sport energy and beverage products that extends its level of class of products. Lucozade is the product of GlaxoSmithKline, a pharmaceutical manufacturer company[8]thus the

family of Lucozade products is designed to give an edge of healthcare through a beverage drink.

Positioning by Product User

The numbers of sportspersons are increasing creating more opportunities for sport energy drink industry while Lucozade has already attracted sportspersons by creating awareness in mass about the importance of instant energy during the training and practice[9].

Positioning by Competitor

In the energy drinks market share all energy product of Lucozade brands has 75%, Red Bull has 15% and Powerade 3%, Energize 2%. Moreover, Lucozade is the number one Sports drinks in UK[10].

Positioning by Cultural Symbols

Number of Sports and games has been using for creating cultural symbol of sport energy drinks products. Lucozade has sponsored many sports events, teams and athletes in Ireland and UK and established sports as its cultural symbol for marketing sport energy drink product. Moreover, it also organizes sport awareness program across UK about the needs of energy for sportspersons.

Step 3: Consumer Decision Making Process

Problem Recognition: Perceiving a Need

The first and utmost objective of Lucozade is to enter into Australian sport energy drink market with strong and effective marketing strategies that can induce the audience to use the all energy products under the brand name of Lucozade. Since there is clear difference in desired state of needs and actual conditions, an effective marketing and advertising can trigger the needs of a person for the product. For this purpose Lucozade will use different medium of media such as TV and internet to convince the audience that they should intake the energy drink for this purpose Lucozade will promote sports in the country. In order to promote the sports, the advertising through TV and internet will be used because it is efficient, effective and is used by massive of the people especially in urban areas.

Information Search: Seeking Value

The internal and external sources of product search both are essential in seeking value of Lucozade, therefore, to give the users a marvelous and pleasant experience that is easily recalled and remembered by user, Lucozade will enhance the quality and product affectivity of the sport energy drink product comparatively to its competitors in the sport energy drink market. This objective can be achieved through giving long lasting energy level to the customer.

Alternative Evaluation: Assessing Value

In the presence of other sport energy drink producer and companies Lucozade needs to be different to gain market space. In order to create an association, Sports activities will be used as marketing strategy of the product. Moreover, the product will be upgraded in terms of energy level and <https://assignbuster.com/planning-an-integrated-marketing-communication-marketing-essay/>

wide range of flavors so that consumers can remember the product as reliable and making the product a customer's satisfaction product. To attain value assessing position in the market Lucozade will be presented to customers as true and reliable source of getting energy.

Purchase Decision

The past experience of customers will be pleasant if customers are satisfied with the usage of the product. Lucozade energy products are designed to satisfy the energy needs of sportspersons, wide range of flavors and quality of energy level is incorporated into the product to give a marvelous experience to customers. Other factors that also affect the buying experience of customers Lucozade products will be provided in particular outlets, stores and supermarkets; by providing the products through some specific outlets, the customers' purchasing behavior can be observed and related with a particular issue.

Post-Purchase Behavior: Value in Consumption or Use

To making the post purchasing experience as pleasant experience for customers, the quality level of offered product will be ensured to be delivered equally. During forming marketing strategies for the product, it will be ensured that no such message is delivered that is not related to the product and customers receive the similar level of product that they are offered.

Step 4: Integrated Marketing Communication Strategy

What to Say-Message: Lucozade is the only sport energy drink incorporated all natural ingredients and natural flavors that has vitalizing effects, restorative and boost the energy level instantly. It is isotonic drink also available sugar free (Johnson, 2003)[11]drinks with disposable and potable bottle.

Copy Platform: The advertising campaign will address the importance of sports activities in daily life and relatively importance of maintaining energy level through natural means.

Creative Strategy: The aim of advertising message is to bring the awareness in general people about the energy consumption and energy intake as per body needs. The message will be delivered through a slogan “ Lucozade replaces lost energy”[12], the target audience for the marketing strategy is the youngsters and especially those who are involved in sports activities. In order to convey this message cultural value of sports will be used; different sports activities will be sponsored for promoting the sports activities and games.

How to Say Message-Execution: Prior to execute the message, it is important to understand the needs and types of message. Types of messages can be evaluated by source of message, what message tells and kind of message. Through this marketing strategy, there is aim to introduce the Lucozade as a sport energy drink in the market. The creative strategy for Lucozade is that it gives you lost energy during any physical activity and specifically sports activity that requires more energy.

The Creative Process: The message strategy of the product is the slogan of the product which tells about the product as a sport energy drink; this slogan is the major selling argument. The 'big idea' is to promote the sports activities offering sport energy to boost the energy level during sport activities.

Execution- How to Say it: Advertising Appeal will be determined to approach the audience; and rational way of advertising will be used through which customers will be informed of the practical need of the product emphasizing the characteristics of product and its benefits and telling the reason of using the product.

Execution Techniques: For using rational advertising appeal Print as well as Electronic media will be chosen as they are well suited for the rational appeals.

Where to Say the Message-Channels-Planned IMC Tools

Advertising: There are two major means of advertising used for this product in Australia Print media advertising and electronic media advertising. In Australia, print media is conceived into two different medium, magazine and newspaper. With 4500 magazine and newspaper print media as initial entry into market can be successful for the product. Electronic media in Australia is TV networks, radio, cinemas and Internet. Electronic advertising media is conceived very powerful in terms of its effectiveness, while print media is considered as cheap and easy-to-access source of advertising. Therefore, electronic as well as print media will be used for the advertising the product.

PR: To create public awareness, product recognition and product sales will depend on the PR (public relation) of the product in the market. Lucozade will be advertised through unique selling positions such as endorsing a celebrity.

Sales Promotion: For sales promotion consumers will be offered to get the product in lower price than in market in other words Loss leader[13](selling a product in lower cost to stimulate the customers) will be used to market the product. The reason of choosing this sale promotion is to offer temporary reduction in prices to attract the customers and after completing the marketing campaign product can be purchased in same price. Customers will first attract towards the product due to lower price and will come to know the features and quality of the product. Later on they will be ready to pay the actual price of the product and will purchase the product.

Direct Marketing: For direct marketing customers will be approached through mailing and telesales representatives. Customers will be mailed the product information on brochures and telesales representatives will call to persuade the customers to purchase the product by providing them product information.

Other Channels:

Services and Product: Besides above mentioned channels of marketing, the company will use other channels such as offering good services to its employees and quality product to consumers.

Execution Strategy:

Advertising/ Media Plan and Schedule: The marketing campaign through advertising will be scheduled using two major dimensions such as continuity and pulsing.

Reach and Frequency Planning

The continuity and frequency of advertisement is designed to run over a six-month period. In the first month 40% of the advertising budget would be allocated for time and space placing, then 30% for the second month and 10% in each of the next three months. Moreover, advertisement will done using pulsing the flighting and continuous scheduling with low level of advertising throughout the year while doing heavy advertising during peak of selling time.

Step 6: Evaluation of Choice

Concept Testing: The concept of advertisement is regarded as the backbone of the marketing campaign, if concept of advertisement is understood and recalled by audience it shows effectiveness of the advertising.

Objective: To test the effectiveness and evaluate the choices of selected advertisements channels, advertisement concept is tested by observing the audience behavior and taking their views about the advertisement concept.

Methods: To achieve the objective of evaluation of choices, customers are asked about the alternative concepts for advertisements such as “ Drink for athletes” and “ Energy drink for sportspersons” rather than replaces lost energy.

Output: The alternative concepts are good but very specific in terms of targeting the audience. Alternative concepts are intended to target only sportsman and athlete on the hand Lucozade is offering energy drink that replace the lost energy. The alternative concepts are also effective as they are specific and target its customers directly.

Conclusion

The domestic market of Australia is well established and competitive with two giant brands Gatorade and Powerade. Lucozade needs to gain market place in the presence of these brands. The creative strategy of Lucozade has potential to achieve the marketing segment by following the marketing planning. Moreover, it has team of creative artist and accesses all media source to accomplish the goals. Creative strategy is appropriate and meets the requirements of USA sport energy drink industry market. With the growing image and sale in UK, Lucozade has earning of 40 % share in the UK market of sport energy drink. The company plans to expand it and plan to invest into other market. Lucozade energy brand needs to enter into Australian market and establishing its place by adopting effective marketing tools and following marketing strategies planned. Lucozade seeks a consistent and stable position in Australian market and for this purpose it will have to survive in the domestic market of Australia along with other market players and competitors. Lucozade has been applying a successful marketing tactics in UK, it has experience of decades to make place in a market. However, Australian market is new but not unknown for Lucozade. At present, Lucozade has marketing experience only in UK but has researched

about the essentials of Australia market in terms of their market and products trends.