

Designing your marketing communication plan



IDEATION



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PLANNING



EXECUTION



Ajuntament de
Barcelona



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01

Introduction

The likelihood of a small business succeeding depends to a large extent on finding a **gap in the market**; i.e. a specific need that has not yet been met. It is therefore important to 'split' or 'segment' the market in order to find the group of consumers in this gap, who we will refer to as the **target market** from now on.

This will only be possible to the extent that you have carried out proper market research enabling you to identify the group's characteristics, reasons for purchase and communication codes and the media it uses. You must then establish what the positioning of your product or service will be; i.e. how you want your target market to remember you.

It is worth bearing in mind that **positioning** is key to your future marketing communication plan, as it will determine the content and form of the messages you want to convey about your product and the medium to be used for this purpose.

This report sets out the criteria for segmenting the market and some of the positioning strategies you can use. The report will end with a recommendation on how to develop a marketing communication strategy.

02

Goals

FROM MARKET RESEARCH TO SEGMENTATION

Once you have carried out some communication-related market research, you should have enough elements from both macro (sociodemographic characteristics) and micro (lifestyle, media, personality types, consumption pattern) points of view to decide which part of the initially defined market you want to focus on. This is where the word 'segmentation' comes from.

Try to think of it graphically: the market is like a big pie (the **total market**) composed of all the consumers **wishing to buy** all the products. Some of these people form the **potential market**, which is the group of people who, in addition to wanting to purchase the products, are able to do so, and this portion is further divided into a smaller group: the **target market**, which is formed by the people who both **wish to purchase 'your' product or service and are able to do so**.

And, finally, this last portion contains an even smaller one, the actual market, which is the people that are usually reached.

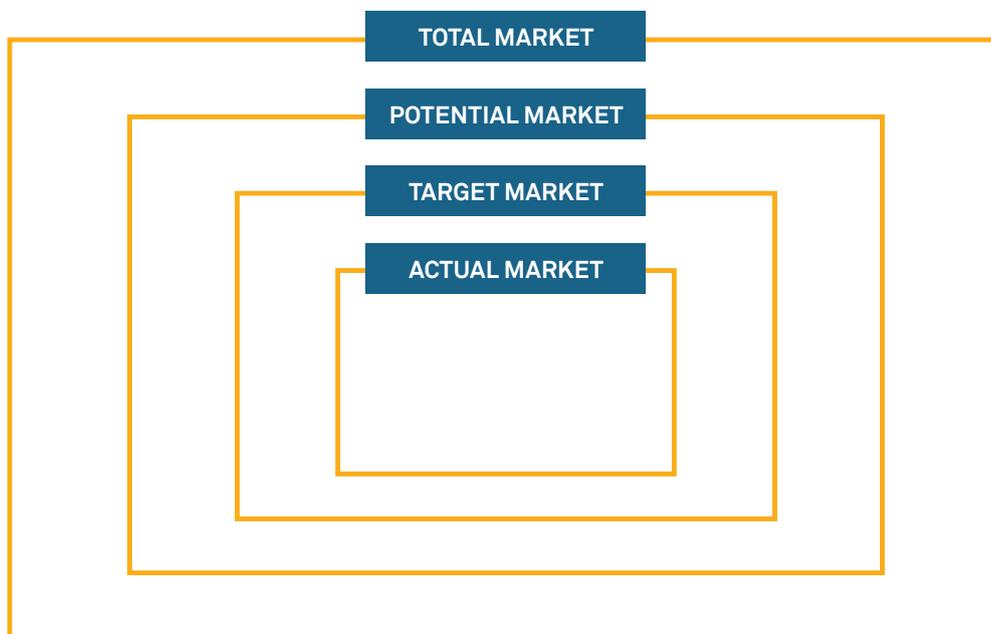


Chart 1. Global segmentation of the market (taken from Principles of Marketing, by Philip Kotler).

Sometimes, analysing the potential market can result in finding more than one interesting target market. **Your segmentation goal** in that case will be to select the one that best suits you and **define this target** market's profile or characteristics.

FROM SEGMENTATION TO POSITIONING

Once you have understood your target market's needs, aspirations, wishes, sensitivities and consumption patterns, you must decide how you define your product; i.e. what your positioning will be. The aim of this step is to **decide which aspect of your product or service you will focus** on in order to give what you are offering a competitive advantage.

The key is not to leave the definition of your product to consumers' subjective ideas; you must manage how they will remember you in order to facilitate the purchase decision, and always appealing to the purchasing reasons you have identified.

FROM POSITIONING TO THE MARKETING COMMUNICATION STRATEGY

Once you know what you are going to communicate, you are ready to define how you are **going to communicate it**. This is done by using the basic marketing tools or 4 P's: product, price, place and promotion (in this last case, more in the sense of communication). The aim at this point is to achieve consistency between positioning and the messages conveyed through the 4 P's.

03

Segmentation and selection of a target market

One of the first tasks faced by an entrepreneur is the selection and definition, during the segmentation process, of the target market at which all communication efforts will be aimed. The following four criteria are therefore very useful for anyone wishing to achieve effective segmentation:

- **Measurable:** This means that you must be able to measure the size (e.g. in thousands of people) and purchasing power (e.g. total billing amount) of the chosen target market.
- **Accessible:** This is the degree to which the chosen segment can be reached or effectively served.
- **Substantial:** This means that the segment must be sufficiently large or lucrative to justify your choice.
- **Manageable:** You must be able to manage the chosen segment using the resources available to your business. This means that, if you have a small workforce, you should not aim for very large segments.

A timely assessment of each of these criteria will give you an overview of the balance between the aims of your project and their feasibility. It should also enable you to make strategic adjustments in time.

04

How do you design a positioning strategy?

We are constantly being inundated with information about products and services. This causes everyone, including us, to categorise things in our minds in order to remember them more easily. Leaving this process in consumers' minds to chance would put your investment at risk.

You must therefore manage the process and establish the place or position you want your product or service to have in the minds of consumers. To achieve this, you can start from some aspects of the product or service, such as:

- **Attributes:** These are the product's technical or objective characteristics or performance, among others. This is often used with household appliances, computers, etc.
- **Benefits:** These are the needs met by the product or service. For example, "Crest reduces tooth decay".
- **Occasions for use:** Some businesses take advantage of the seasonal nature of consumption to promote their products. An example of this could be the promotion of soft drinks in the summer by the tourism industry.
- **Users:** This is where you match a product to its typical users. The same product can also be differentiated for different users. An example of this is the use of Johnson & Johnson shampoo both for children and for adults who wash their hair very often.
- **The competition:** You can compare yourself to the competition (by getting close to it) or try to move away from it. For example, "7 Up is not Cola".

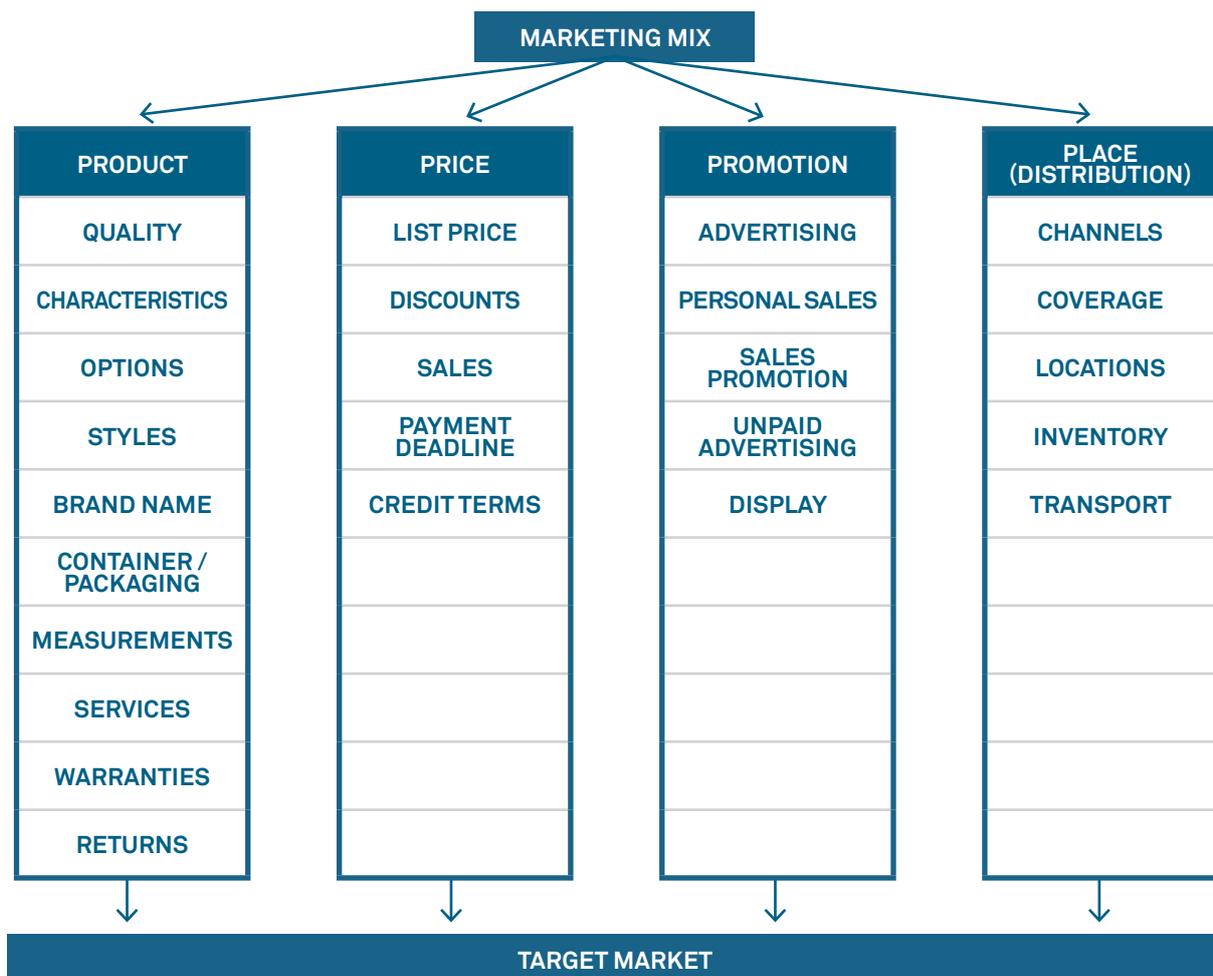
05

Benefits of the marketing mix

Marketing provides a methodological tool, the marketing mix, which establishes the strategy for your project based on four variables: price, product, place and promotion (the 4 P's).

From a communication point of view, the marketing mix can be used to set communication goals in each of the four variables. The combination of the 4 P's should trigger the expected response in the target market in the field of communication.

Each of the 4 P's can in turn be broken down into sub-elements. You can therefore gradually and carefully build them up provided that they remain consistent with your positioning goals.



06

Strategy by price, product, place and promotion

You must therefore manage the process and establish the place or position you want your product or service to have in the minds of consumers. To achieve this, you can start from some aspects of the product or service, such as:

PRICE

At this point, the goal of the communication is to establish a close link in consumers' minds between price and value, where 'value' is the consumers' perception of the benefit obtained. This means, for example, that, if consumers perceive in relation to value that the product or service gives them social status, the price must be linked to this and be high in order to avoid distorting its positioning.

- **Filtering:** Setting high prices to convey quality to the most lucrative market segments. And then reducing prices to attract more people when sales drop.
- **Market penetration:** Setting low prices from the time of launch to obtain large market shares. This achieves communication with very price-sensitive target audiences.
- **Prices finishing in odd numbers:** Setting prices ending in 9, 5, or 3, which give the impression of a price reduction.
- **Rounded prices:** Setting rounded prices to suggest that the product is of higher quality.

Practical tips:

- Have a clear understanding of your goals and consistent positioning.
- Analyse costs.
- Analyse external factors, such as your competitors' and resellers' prices, economic measures put in place by the government, and so on.
- Understand consumers' reasons for purchasing in order to establish what your price will convey to them.
- Setting the price.

PRODUCT OR SERVICE

You should think of the product or service as a complex combination of (tangible and intangible) attributes. The key idea is that consumers are buying something more than just the product from a technical point of view. It is therefore useful to have a clear understanding of the levels of development that can be achieved by a product or service so you can establish what you want to communicate based on your positioning goals:

- **Basic product:** This is the basic benefit or service. It is the answer to the question 'What is my customer really buying?'. It must not be mistaken for the characteristics of the product.
- **Actual product:** This includes its packaging, brand name, quality, style and characteristics.
- **Augmented product:** This includes the after-sales service, warranty, installation, delivery method and credit facility.

How do you create the brand name?

- 01. By identifying the brand name's goals:** This involves reviewing the product together with its benefits, target market and proposed marketing strategies.
- 02. You must draw up a list of possible names.**
- 03. Select at least 10 to 20 names:** This must be done by the project partners together with the advertising agency, if you have one.
- 04. Seek reactions from potential consumers:** This can be done through group meetings, surveys or interviews, until you find which names best convey your desired concept of the product and are easiest to understand, remember and associate.
- 05. Research the trademark:** The aim is to ensure that potential brand names can be registered and be legally protected.
- 06. Select one of the names left over at the end of this process.**

HOW DO YOU DESIGN THE PACKAGING OR THE VISIBLE INFRASTRUCTURE FOR THE SERVICE?

- 01. Establish the packaging concept. For example:** what functions should the packaging fulfil? Providing high-quality protection for the product, introducing an original automatic distribution method, or highlighting certain qualities of the product or business?
- 02. Define the brand name, size, colour, shape, materials, text and logo,** taking into account the concept and positioning goal.
- 03. Consider alternative designs.**
- 04. Test and research consumers' and distributors' reactions.**

PLACE

If you think of distribution as the task of taking goods and services to consumers, you will see that the communication benefit lies in the fact that the supply and the distribution of information can take place simultaneously. The benefit of this variable can therefore be summarised in relation to each of the following tasks:

- 01. Research:** It helps obtain the necessary information to plan and facilitate the exchange.
- 02. Promotion:** It enables you to create and spread persuasive messages about the product or service. The physical place conveys messages that reinforce the positioning goal.
- 03. Contact:** It makes it easier to find potential buyers and communicate with them.
- 04. Adapt,** model and adjust the product or service to consumers' requirements.
- 05. Negotiate:** Trying to find a mutually satisfactory price so that the physical delivery and transfer of ownership can take place.

PROMOTION

Promotion, in the sense of advertising communication, is probably the most important dissemination action, as it enables you to convey information to the market quickly and widely. It creates images of the product or service that will set you apart from your competitors.

The target market will determine who your **target audience** is. The target audience will affect the communicator's decisions about what, how, when and where to communicate and who is to carry out the communication.

The design of the message must take into account:

- 01.** What you want to say (content).
- 02.** How it can be said in a logical way (message structure).
- 03.** How it can be said symbolically (message format).
- 04.** Which communication channel can be used to say it, taking the following into account:
 - **04.1.** List the appropriate channels (e.g. graphic, digital or alternative channels).
 - **04.2.** Choose them based on a set of criteria: e.g. geographical coverage, economic accessibility, communication with selective audiences.
 - **04.3.** Plan the means to be used: when and where to say it and for how long.

FINAL TIPS

Remember that messages must comply with the following criteria:

- Why: Why will this benefit have the stated effect?
- Unique selling point (USP): Consumers will remember only one selling point.
- The evidence on which the benefit is based: If the benefit can be proven by means of physical evidence, it must be mentioned.

07

Glossary

- **Target audience:** The total number of people that are likely to see an advertisement, promotional message or any other advertising medium.
- **Quality of a product or service:** One or more of the properties inherent in the product or service on whose basis its value can be judged.
- **Characteristics of the product or service:** This is what gives the product or service its character and makes it different from the competition.
- **Media coverage:** The geographical area covered by a media outlet.
- **Style of a product or service:** The type, design, form or appearance of a product or service.
- **Logo:** The part of a brand that can be recognised but not pronounced. It can be a distinctive symbol, design, colour or set of letters.
- **Marketing:** A set of tactics and strategies whose aim is to get a pre-selected target audience to acquire and accept products, services and ideas.
- **Marketing mix:** The set of controllable marketing variables combined together by a business to cause a desired response in the target market.
- **Total market:** The set of all the consumers of all the products or needs to be met.
- **Potential market:** The set of all the people who not only want a product but are able to buy it.
- **Target market:** A segment that has been specifically selected (from the potential market) as the market at which your product is aimed.
- **Actual market:** The part of the specific market that has been successfully reached.
- **Gap in the market:** A portion of a market segment characterised by individuals with similar needs and characteristics where the former are not fully covered by the general supply available in the market.

- **The 4 P's of marketing:** A mnemonic device used to remember four marketing variables based on the words 'price', 'product', 'place' and 'promotion'.
- **Packaging:** The packaging or container of the product.
- **Positioning:** The place occupied by the product or service in consumers' minds (with respect to the competition).
- **Segmentation:** A marketing practice under which each of the groups of consumers into which the market is divided is recognised and interpreted.
- **Testing the market:** Assessing the public's reactions by showing some parts of the project to small representative groups of your target audience in advance.

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