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 \*Questions\*

1. Having researched and read, write a two-page note each on your understanding of

a. Marketing Strategy

b. Integrated Marketing Communication.

2. Using any organization or company of your choice, explain what you think will be the adverse effect of the Corona Virus Pandemic on the elements of the marketing mix of that company

1a

A marketing strategy refers to a business's overall game plan for reaching prospective consumers and turning them into customers of the products or services the business provides. A marketing strategy contains the company’s value proposition, key brand messaging, data on target customer demographics, and other high-level elements.

Marketing strategies should ideally have longer lifespans than individual marketing plans because they contain value propositions and other key elements of a company’s brand, which generally hold consistent over the long haul. In other words, marketing strategies cover big-picture messaging, while marketing plans delineate the logistical details of specific campaigns.

The marketing mix is a crucial tool to help understand what the product or service can offer and how to plan for a successful product offering. The marketing mix is most commonly executed through the 4 P's of marketing: Price, Product, Promotion, and Place. Carefully considering the marketing mix will enable a business to understand how it can differentiate its product or service and thus build a marketing strategy to drive sales.

Marketing strategy involves mapping out the company's direction for the forthcoming planning period, whether that be three, five or ten years. It involves undertaking a 360° review of the firm and its operating environment with a view to identifying new business opportunities that the firm could potentially leverage for competitive advantage. Strategic planning may also reveal market threats that the firm may need to consider for long-term sustainability. Strategic planning makes no assumptions about the firm continuing to offer the same products to the same customers into the future. Instead, it is concerned with identifying the business opportunities that are likely to be successful and evaluates the firm's capacity to leverage such opportunities

. It seeks to identify the strategic gap; that is the difference between where a firm is currently situated (the strategic reality or inadvertent strategy) and where it should be situated for sustainable, long-term growth (the strategic intent or deliberate strategy).

Strategic planning seeks to address three deceptively simple questions, specifically:

\* Where are we now? (Situation analysis)

\* What business should we be in? (Vision and mission)

\* How should we get there? (Strategies, plans, goals and objectives)

A fourth question may be added to the list, namely 'How do we know when we got there?' Due to increasing need for accountability, many marketing organisations use a variety of marketing metrics to track strategic performance, allowing for corrective action to be taken as required. On the surface, strategic planning seeks to address three simple questions, however, the research and analysis involved in strategic planning is very sophisticated and requires a great deal of skill and judgement.

A carefully-cultivated marketing strategy should be fundamentally rooted in a company’s value proposition, which summarizes the competitive advantage a company holds over rival businesses. For example, Walmart is widely known as a discount retailer with “everyday low prices,” whose business operations and marketing efforts revolve around that idea.

Whether it's a print ad design, mass customization, or a social media campaign, a marketing asset can be judged based on how effectively it communicates a company's core value proposition. Market research can be helpful in charting the efficacy of a given campaign and can help identify untapped audiences, in order to achieve bottom-line goals and increase sales.

Strategic analysis is designed to address the first strategic question, "Where are we now?" Traditional market research is less useful for strategic marketing because the analyst is not seeking insights about customer attitudes and preferences. Instead strategic analysts are seeking insights about the firm's operating environment with a view to identifying possible future scenarios, opportunities and threats.

Strategic planning focuses on the 3C's, namely: Customer, Corporation and Competitors. A detailed analysis of each factor is key to the success of strategy formulation. The 'competitors' element refers to an analysis of the strengths of the business relative to close rivals, and a consideration of competitive threats that might impinge on the business' ability to move in certain directions.The 'customer' element refers to an analysis of any possible changes in customer preferences that potentially give rise to new business opportunities. The 'corporation' element refers to a detailed analysis of the company's internal capabilities and its readiness to leverage market-based opportunities or its vulnerability to external threats.

1b

Integrated Marketing Communications is a simple concept. It ensures that all forms of communications and messages are carefully linked together.At its most basic level, Integrated Marketing Communications, or IMC, as we’ll call it, means integrating all the promotional tools, so that they work together in harmony.Promotion is one of the Ps in the marketing mix. Promotions has its own mix of communications tools.All of these communications tools work better if they work together in harmony rather than in isolation. Their sum is greater than their parts – providing they speak consistently with one voice all the time, every time.This is enhanced when integration goes beyond just the basic communications tools.

. There are other levels of integration such as Horizontal, Vertical, Internal, External and Data integration. Here is how they help to strengthen Integrated Communications.Although Integrated Marketing Communications requires a lot of effort it delivers many benefits. It can create competitive advantage, boost sales and profits, while saving money, time and stress.IMC wraps communications around customers and helps them move through the various stages of the buying process.

 The organisation simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers.This ‘Relationship Marketing’ cements a bond of loyalty with customers which can protect them from the inevitable onslaught of competition. The ability to keep a customer for life is a powerful competitive advantage.IMC also increases profits through increased effectiveness

. At its most basic level, a unified message has more impact than a disjointed myriad of messages. In a busy world, a consistent, consolidated and crystal clear message has a better chance of cutting through the ‘noise’ of over five hundred commercial messages which bombard customers each and every day.At another level, initial research suggests that images shared in advertising and direct mail boost both advertising awareness and mail shot responses. So IMC can boost sales by stretching messages across several communications tools to create more avenues for customers to become aware, aroused, and ultimately, to make a purchase Carefully linked messages also help buyers by giving timely reminders, updated information and special offers which, when presented in a planned sequence, help them move comfortably through the stages of their buying process… and this reduces their ‘misery of choice’ in a complex and busy world.

IMC also makes messages more consistent and therefore more credible. This reduces risk in the mind of the buyer which, in turn, shortens the search process and helps to dictate the outcome of brand comparisons.Un-integrated communications send disjointed messages which dilute the impact of the message. This may also confuse, frustrate and arouse anxiety in customers. On the other hand, integrated communications present a reassuring sense of order.Consistent images and relevant, useful, messages help nurture long term relationships with customers. Here, customer databases can identify precisely which customers need what information when…

 and throughout their whole buying life.Finally, IMC saves money as it eliminates duplication in areas such as graphics and photography since they can be shared and used in say, advertising, exhibitions and sales literature. Agency fees are reduced by using a single agency for all communications and even if there are several agencies, time is saved when meetings bring all the agencies together – for briefings, creative sessions, tactical or strategic planning. This reduces workload and subsequent stress levels – one of the many benefits of IMC.

Below are the major steps to keep in mind when developing your IMC strategy.

Step 1: Know your target audience

As a general rule, there is no “general audience”. You always want to communicate with a specific audience to make the most effective use of your resources.

Segmenting specific audiences into groups based on characteristics will help you identify who are most likely to purchase or utilize your products and services.

Step 2: Develop a situation analysis

Commonly referred to as a SWOT Analysis, this is basically a structured method of evaluating the internal strengths and weaknesses, and external opportunities and threats that can impact your brand.

A situation analysis can provide much insight into both internal and external conditions that can lead to a more effective marketing communications strategy.

Step 3: Determining marketing communication objectives

In this step, you basically want to document what you want to accomplish with your IMC strategy. Objectives should be measurable if you truly want to map your campaign’s effectiveness at the end of your plan’s term.

Step 4: Determining your budget

Having a realistic idea on what you have to work with is important as it will shape the tactics you develop in the next step. Once you determine your overall budget, you will want to come back to this after completing step five to further refine your budget allocations.

Step 5: Strategies and tactics

Looking back at the objectives you created in step three, you will want to develop strategies which are ideas on how you will accomplish those objectives. Tactics are specific actions on how you plan to execute a strategy.

Step 6: Evaluation and measurement

Almost as important as the plan as a whole, you want to outline a method of how you will evaluate the effectiveness of your IMC strategy. Sometimes elements of your plan will not work. It’s important to know what did or didn’t, try to understand why, and make note for future planning.

The more focused on how you will utilize your resources for promoting your business, the more you will understand where you money is going and how it’s performing. An IMC strategy is important for any business or organization.

2

The Coca-Cola Co. is prioritizing key brands and adjusting its e-commerce business in response to the COVID-19 pandemic.

The Atlanta-based beverage company is working to ensure adequate inventory levels in key channels and prioritizing core brands and key packages, it said in its first-quarter financial update. It is also increasing investments in e-commerce to support retailers and meal delivery services by shifting toward package sizes that are ideal for online sales and redeploying consumer and trade promotions toward digital.

While the company entered 2020 with solid momentum, its net revenues declined 1% to $8.6 billion, the company said of its first-quarter performance.

In March, as the coronavirus spread, Coca-Cola saw significant changes in consumer purchase patterns, including substantial declines in away-from-home channels.

In at-home channels, the company witnessed early pantry loading in certain markets, followed by more normalized demand levels and a sharp increase in e-commerce. Since the start of April, Coca-Cola has experienced a volume decline globally of about 25%, with nearly all of that coming from away-from-home channels.

In North America, however, unit case volume grew 3% in the first quarter, driven by strong growth in the water, enhanced water and sports drinks category, including premium brands BodyArmor and smartwater. The first quarter also saw growth in juice, dairy, plant-based beverages and Coca-Cola Zero Sugar.

The ultimate effect on the second quarter and full year is unknown at this time, according to the company.

“The company believes the pressure on the business is temporary and remains optimistic on seeing sequential improvement in the back half of 2020. The company, along with its bottling partners, is continuing to adapt quickly to the current environment, with a focus on mitigating the near-term impact while positioning for success coming out of the crisis,” Coca-Cola said in the update.

Coca-Cola continues to implement additional cleaning and sanitation routines in its facilities and is requiring most office-based employees to work remotely. It is also supporting COVID-19 relief efforts around the world and has committed to contributing more than $100 million to these programs, medical supplies and to help markets hit hardest by the pandemic to recover.

However, disruption due to Covid-19 in global markets from March significantly impacted sales, as social distancing measures and quarantine orders were put in place by governments around the world. Away-from-home channels typically account for half of Coca-Cola’s total revenues, so the impact of temporary closures in the away-from-home sector far surpassed an initial rise in at-home purchasing due to stockpiling.

The company anticipates that the continued reduction in away-from-home activity will have a “significant impact on second-quarter results”.

A statement in the company’s quarterly earnings release said: “The ultimate impact on the second quarter and full year 2020 is unknown at this time, as it will depend heavily on the duration of social distancing and shelter-in-place mandates, as well as the substance and pace of macroeconomic recovery. However, the impact to the second quarter will be material.”

James Quincey, chairman and CEO of The Coca-Cola Company, added: “We sincerely thank those who have been working to keep all of us safe through the crisis, particularly those on the front lines in the healthcare community. I also want to recognise our system associates, who are ensuring we can continue to supply beverages around the world.

“Our approach to navigating the pandemic is grounded in our company’s purpose, which ensures that we continuously strive to make a difference for people in the communities we serve around the world.

“We’ve been through challenging times before as a company, and we believe we’re well positioned to manage through and emerge stronger. The power of the Coca-Cola system is our greatest strength in times of crisis. The resilience of our people, the equity of our brands and the strength of our bottling partners continue to be competitive advantages in the market.”