

Lecture 28

IMC Planning- Part II

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Budgeting Methods

- Percentage of sales
 - ✓ Does not relate spending to objectives
- Share of market/voice
 - ✓ Likely to only maintain “status quo” market share
- Response models
 - ✓ Associate dollars spent on IMC to sales generated
 - ✓ Assume simple causality
- Objective and Task
- Other strategic approaches

It's a Matter of

- Time, i.e. till when
- To whom i.e. $1+1+\dots+N$ or Only 1 or
- $1+1+\dots+N+2$ adding Customers
- Where----
- With what perspective-----Message Context, Positioning which is related to Comparison/Competition

For Example, Let's look at the Implementation of objective and task budgeting

Determine Cost Based on Build-up Analysis

- Production costs
- Ancillary costs
- Other promotion/IBP
- Reach
- Frequency
- Time frame
- Media

Compare Costs Against Industry and Corporate Benchmarks

Reconcile and Modify Budget

Determine Time Frame for Payout

Situation Analysis Lets take Patanjali, Automotive, A Coaching Institute and A University

- Organizational analysis
 - ✓ What are the company's sales and profits?
 - ✓ What is the company's mission and objectives in general and for its various products and services?
 - ✓ What financial, technological and managerial resources are available?
 - ✓ What have been the results of previous campaigns? How effective have they been and why?

Situation Analysis

- Competitor analysis
 - ✓ Who are direct and indirect competitors of the brand?
 - ✓ What resources do they have?
 - ✓ What are the real and perceived distinctions between brands?
 - ✓ What have been the competitors' marketing communications in the past? What impact have they had?
 - ✓ What do we expect our competitors to do in the future?

Situation Analysis

- Consumer analysis
 - ✓ Who are the customers and consumers? What are our customer profiles?
 - ✓ What motivates them to buy and consume? What are their buying and using habits? How do they respond to our/our competitors' offerings? What are their buying and consumption patterns?
 - ✓ What do they look for in the brand? What are their brand perceptions (brand maps)??

Situation Analysis

- Market analysis
 - ✓ What is the sales distribution pattern?
 - ✓ What geographic areas warrant specific attention?
 - ✓ What population segment(s) are most likely to respond to the company?
 - ✓ What are the market opportunities?
 - ✓ What significant changes are taking place with regard to political, regulatory, economic, social and technological forces?

Situation Analysis

- Product analysis

- ✓ Does the product have the ability to give consumers what they want?
- ✓ Does the product's total offering promise to deliver or address what consumers want?
- ✓ Does the delivery of the product match consumers' expectations?
- ✓ Are there production and distribution issues affecting the availability of the product?

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