

## **VP Feedback**

### **Strategic Marketing**

These are pieces I use in the emails from the VP.

#### **Segment 1**

##### **Target Marketing**

Thanks for the draft of your Target Market Strategy. You had some good info and it's a nice start.

I don't think these are ready to show to Tom yet. Your segments are right directionally, but need some more definition so that you can be more surgical in your marketing communications. For example, what is "low income" and how old are "young adults"? The vagueness of your targets will make it hard to be very surgical when it comes to choosing vehicles for your marketing comm. I'd like to see more specific demographic variables. Would psychographics help?

What is your plan for geographical segmentation? Are we going to sell nationwide or do you recommend certain regions? You need to know that Tom is fixated on an urban focus. He thinks that the metros not only have the mass of potential customers but also the trendsetters who are willing to pay disproportionately for trendy products (think expensive athletic shoes). I'm not convinced that's where we should position the new line, but keep this in mind in your planning.

I didn't see a clear positioning statement. This will be needed as you create your Promo and Brand strategies.

Thanks for the draft of your Target Market Strategy. You had some good info and it's a nice start.

I think we need to be careful not to inadvertently define our market too broadly. While we loosely fit into the home automation market, our planned products really are pretty squarely in the home security market. With that in mind, do you think Growth is still the right read on the marketing environment?

I think your choice of target is OK. I would like to see more specifics, however, so that you can be more surgical in your marketing comm; some demographics would help. Also, I didn't see any specifics about where these customers are geographically. Are you thinking nationwide or any particular region of the country to start with? Also wondering if we should focus just on metro areas or if this would be a fit for rural/small towns as well.

Need more info on your planned positioning. Since we are jumping into a market with a lot of existing players, we need to be clear on where we fit and how we want the customer to think of us.

I don't think this is quite ready for Carol. One thing you need to know is that she is pretty hot on focusing on people renting apartments. She feels that they are a neglected segment since they are less likely to pay for wiring up an apartment with a traditional monitored system. They are also less likely to be able to justify a monthly monitoring fee. Seems like this target would be a broad age range, so might present challenges finding a way to reach them in our marketing communications.

No need to respond to this note with an explanation or your thoughts about modifying your strategy. You can just update it when you present your final plan to me. However, let me know if you need clarification.

## **Segment 2**

### **Value Chain**

Thanks for the call on your Value Chain ideas.

Glad to see Home Depot on your radar. Carol has mentioned wanting to establish relationships with the home fixup chains—Lowe's, Home Depot, etc.

Thanks for the info on profiles—these sound good.

Keep polishing this and I'll look forward to seeing your final report. No need to respond with answers to these items before you give me your formal plan.

A VMS is more of a hassle to set up, but if you are going to be dealing with this many retailers, you may need it.

Thanks for the call on your ideas for the Value Chain.

Very creative idea on customization for direct customers.

A combination of direct and retail is probably OK. I'm wondering if you want to limit the online to the higher end of the line. Seems like that if someone wants to buy that way we would allow them to buy any of our products via the web.

What stores (chains, I assume) specifically do you plan to use? FYI, Bill (our VP of Manufacturing) is whispering in Tom's ear about an idea for having some standalone Majestic stores. You may know that he came from Nike (although not in Marketing) and they've had some good luck with their own retail stores. I'm not sure how that would work for us, but you might be ready to either embrace it or explain why you don't see it as right for us.

Since we are trying to open up our brand to a lower end customer, I'm surprised you chose an Exclusive level of intensity. I usually think of that approach for high end products. May be right, but just make sure you make your case in your plan.

Selective approach sounds right. Guitar Center certainly seems like a prime partner for us. FYI, Bill (our VP of Manufacturing) is whispering in Tom's ear about an idea for having some standalone Majestic stores. You may know that he came from Nike (although not in Marketing) and they've had some good luck with their own retail stores. I'm not sure how that would work for us, but you might be ready to either embrace it or explain why you don't see it as right for us.

Be sure and tell us more in your Promotional plan about your plans for use of salespeople.

No need to respond with answers to these items before you give me your formal plan.

### **Segment 3** **Promotion Strategy**

Thanks for your Skype call covering your ideas for a promotional strategy. You've done some good initial thinking but there are several holes I'd like you to plug before we take to Tom.

First, objectives. Do you really think we need to focus on need recognition? I think most of our prospects will already have a sense that they need a guitar. I would think we want to show them why our guitar is best. Good that your brand building is focused on the new Majestic Lite brand. I don't disagree with your other objectives, but you are asking your promo strategy to do a lot. Will you have a different kind of promotion for each objective or do you think you can do all of these things with the same advertisement, for example?

Your comm objectives seem right—particularly evaluation of alternative. We need to focus on differentiation with our already established competitors at this price point.

All of your comm objectives are good ones, but this is a lot to bite off with your initial promo strategy. Will all your advertising (or other promo) allow you to meet all of these objectives?

You have a broad set of tools which is good for breadth; we'll just have to watch the budget. Objective and Task is the right way to determine that.

Glad to see you have an internet/social media component to your plan.

BTW, good choice on Objective and Task as a method for setting your budget.

I think your media choices look pretty good. FYI, given the lower price point and margins on the new line, I don't see Tom agreeing to prime time TV commercials. While he doesn't want to make TV commercials, he did mention that YouTube videos of

our celebrities using and talking about our new line would be “pretty cool”. As usual, I don’t want to take creative control away from you. Just know he’ll probably be looking for something like this.

I like using salespeople for the personal touch, but it’s the most expensive kind of promotion. I wonder if we can afford to pay salespeople out of the profits from a lower end guitar.

Your creative theme looks pretty good and there will be many who will be glad to see that you are keeping the Guitar Man. The missing piece is a focus on affordability. The general ideas you shared don’t communicate our value proposition directly enough. I’d like to see something that plays upon our strong brand and lets prospective customers know that they’ll now be able to afford a Majestic guitar. I’m sure you can come up with something good.

I wasn’t quite clear on your overall creative theme. The general ideas you shared don’t communicate our value proposition directly enough. I’d like to see something that plays upon our strong brand and lets prospective customers know that they’ll now be able to afford a Majestic guitar. I’m sure you can come up with something good but it needs to be a clear statement that we can share with our ad agency for ad development. Your slogan is nice, but it doesn’t address the affordability angle.

Your ad idea was very creative.

Keep the ideas coming. I’ll look forward to the refinement of your strategy in your final plan.

Thanks for the Skype call outlining your ideas for a promotional strategy. You shared some good ideas.

Need recognition is definitely the right primary comm goal. We need a new set of people (our target market) to think about security systems who have not previously had home security on their radar. You had a lot of other objectives; I’d like to think we could hit all of these, but this might be too much to bite off, as they might each need their own specific ad or other kind off promo tactic. Perhaps customer retention could wait until we have some customers to retain.

I’d like to think we could hit all of these objectives, but this might be too much to bite off, as they might each need their own specific ad or other kind off promo tactic. Need recognition is high on my list, since a lot of our prospects are probably not even thinking about a security system.

Your creative theme is OK, but I think there is a big missing element—affordability/value. If we don’t address value/low price as an overarching theme, I’m concerned people will respond with “Right, sounds great—but I can’t afford an expensive system with a high monthly fee.” – and just reject our messaging out of hand.

I'd also like to see your creative theme translated into a pithy slogan that we could use in all of our advertising.

What will these ads consist of? Carol will want to get an idea of an example of at least one.

You are on target with your attitude about personal selling

Regarding media, you should be aware that Carol is a little sour on TV. She made an interesting comment the other day. Something to the effect of:

I hope you are not coming to me with an expensive prime time TV campaign. We tried that with our traditional products and we hardly got a blip of a change in product awareness in our market research following the campaign and there was no positive move in sales revenues.

I don't want to take away creative control from you, but realize you'll have an uphill battle convincing Carol to invest in TV.

Regarding web/search engine: We definitely need to have a strong web presence. I do wonder if our market is going to be searching for a security system since they don't even recognize the need for one. I guess it will be important to use your advertising to direct them to the web.

Keep the ideas coming. I'll look forward to the refinement of your strategy in your final plan.

## **Segment 4 Brand Strategy**

Got your memo on your brand strategy. I think it makes sense, but I have a few questions and I need you to work on one more important item.

### **BRAND ID**

I'm fine with a symbolic approach to our brand identity. However, I wonder what kinds of visual imagery, metaphors or references to our brand heritage that you plan to use to support that approach.

I'm fine with either a symbolic or personality approach to our brand identity. What you have now looks more like personality. If you want to do symbolic, what kinds of visual imagery do you plan to use to support that approach?

### **BRAND FOCUS**

Combo is a good focus- allows you to build equity for the new brand while taking advantage of the strong brand equity of the Majestic brand.

A corporate focus is good as we definitely want to take advantage of our strong Majestic reputation. Should we not also try to build some unique equity for the new product line? If so, perhaps a combo focus would be good.

#### POSITION

I didn't see a review of your positioning. When you include that in your final plan, make sure that it's clear that the new product is allowing customers who previously could not afford our existing product to experience Majestic quality.

I didn't see your positioning strategy—be sure and include this in your final plan for Tom.

This positioning strategy will work.

#### POA/POD

I think you've pegged our points of advantage.

#### VERTICAL BRAND STRETCH

Your leveraging ideas are great. Do we launch these now or later?

You made a passing reference to additional products, but I need you to be clear on what brand extensions you recommend. Regardless of what you choose, you need to decide the timing of any extensions—at launch or later?

I'm confused by your brand leveraging idea. I was expecting to see an extension, not a vertical stretch. The whole idea behind Majestic Lite was to be a downward vertical stretch. Your final plan should include at least one idea for an extension—a new product that is related to, but different from our main product. Perhaps guitar amplifiers. Regardless of what you choose, you need to decide the timing of any extensions—at launch or later.

an interesting leveraging idea. I wonder if this is too far from our core product? Regardless of what you choose, you need to decide the timing of any extensions—at launch or later.

#### CLOSE

Finally, I realized we need to make a decision on a major brand element: our product name. Majestic Lite has always been a working name-- no one expects us to go to market with this. Your final plan needs to have one or more options for a good name. We should test it with focus groups or some other kind of research before finalizing it, but Tom is going to want to see a plan for this.

Thanks for all your work getting this strategy together. I look forward to reading your final plan.

Got your memo on your brand strategy. I think it makes sense, but I have a few questions and need to let you know about some big news.

#### BRAND ID

I'm fine with a symbolic approach to our brand identity. However, I wonder what kinds of visual imagery you plan to use to support that approach.

I like your symbolic approach to our brand identity. The visual imagery and the way you described it is strong.

A personality approach will work for our identity.

I'm fine with a personality approach to our brand identity. However, I think Carol would appreciate a couple of other adjectives to describe the brand that sounds more like you are describing a person.

#### BRAND FOCUS

A product line focus is fine, but I think you have described more of a corporate focus since Guardian is our corporation. If you are suggesting a focus on the Ucontrollit brand, I think that's a good idea. I don't understand why you would want to do a private brand, however. A private brand is one that is controlled by a retailer, like the Equate drug brand at WalMart. If we went private, we would need to negotiate a private brand for each store chain. This would also create a problem when we want to advertise.

Re your product line focus: I think this is right since our target market knows nothing about the Guardian brand. Do you think that we might be able to get some value from Guardian's reputation in our current markets? If so, a combo focus might work better.

I'm not sure your corporate focus will do us much good, since our target market knows nothing about the Guardian brand. Consider a combo approach if you think you can get value from the Guardian name.

#### POSITION

I didn't see how you plan to position the product in the mind of our prospective customers. Whatever you do here, make sure that affordability is part of the positioning.

I can't argue with the positioning items you included, but I don't understand why affordability is not a major part of your story. This was pretty fundamental to our original idea for this product: a low price option in the rather crowded security system market.

Your positioning is directionally OK, but make sure you describe this in more detail in your final report for Carol.

All of your positioning items look right. Glad to see a value angle.

## COMM OBJ

When you say your comm objective is to get recognition, do you mean need recognition? If so, I agree, but I just want to make sure we are on the same page. We want the customer to recognize that they have a need for a security system.

These are good objectives for promoting our new product. Just make sure some of your promotion is focused specifically on building brand equity.

I think you are on track with the objectives for building brand equity.

Need recognition is definitely the right comm objective for introducing our product. I'm just not sure how this will build our brand equity.

## POA/POD

### VERTICAL STRETCH

I am fine with the idea of packages, but this is not really a vertical stretch. You are simply offering the same product with a greater square footage coverage. A stretch would be a product with either higher or lower quality and/or features. Carol will expect to see at least one idea in your final plan for a stretch. Be sure and also make a recommendation as to whether we offer that at launch or later.

Glad to see you thinking about ideas for leveraging the brand you are trying to develop. However, I think Carol will be skeptical about a downward stretch since we are already at the low end of the market. Whatever you decide, you need to include a recommendation for when we offer something new—at launch or sometime in the future?

I didn't see an idea for a vertical brand stretch; be sure and include that in your final plan. That said, you'll need to decide if it is better to implement that at the same time as the launch of the primary Ucontrolit offering or later.

## CLOSE

Finally, I need to give you some news. I just found out that our senior management just inked a deal to buy this company: <http://www.skybell.com/>

Apparently they were in some financial trouble and reached out to us for a potential partnership deal. Our executives liked their technology and were able to quickly strike a deal to buy the rights to their product, patent, name, etc. I know this is short notice, but Carol wants this to be included in your final plan. It's your call whether to make this a feature/accessory or a separate product. We can keep their product name and treat them as a totally separate product line or you can bring it under the UControlit umbrella.

Thanks for all your work getting this strategy together. I look forward to reading your final plan.